

25th August 2020

Mark Stephens CBE
Chair of the Board of Trustees
Global Witness
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Confidential

Dear Mr Stephens,

Global Witness: US\$168billion and US\$55 billion

In 2016 the Government of Guyana signed an agreement with three small offshore companies to allow them to extract oil from Guyana's exclusive economic zone. One of these companies is Esso Exploration and Production Guyana Ltd. a subsidiary of ExxonMobil. The oil reserve is estimated to be 8 billion barrels. The extraction of this oil is a highly controversial issue. The deal has been widely and publicly criticised by people in Guyana since 2017 when the documents were made public. Guyanese citizens believe that the deal is riddled with illegalities and have challenged the signing bonus, the petroleum licence and environmental permits in court. They have sought to uphold the rule of law and protect Guyana from exploitation.

In its report 'Signed Away' which was released on 31st January 2020, Global Witness took a different position to people in Guyana. Global Witness ignored the illegalities and risks to Guyana. Under the section on recommendations Global Witness stated, "Guyana could allow Exxon to extract oil from the 16 wells it has already drilled, but allow no additional drilling in the Stabroek Licence". Global Witness claimed that Guyana should renegotiate for another US\$55bn which it said Guyana was losing under the deal. Elsewhere in 'Signed Away' Global Witness claimed that Guyana would obtain US\$168bn from the petroleum deal. Global Witness has not shown how it arrived at these numbers beyond citing a model and some calculations by Open Oil, an NGO in Berlin.

Before Global Witness published its report, Melinda Janki, a signatory to this letter informed Global Witness that their figures of US\$168bn and US\$58bn were unreliable because they were not based on the petroleum contract. She also warned Global Witness that their figures were so huge that resistance to oil extraction was likely to become futile and dangerous. Nevertheless Global Witness aggressively pushed its report and the figures of US\$168bn and US\$55bn in the national and international media.

On 17th August 2020, Global Witness issued a press release again urging Guyana to renegotiate with ExxonMobil in order to obtain billions more dollars. The press release cited 'Signed Away'. Tucked away at the end of the press release is a little note stating that calculations are impacted by oil prices. The press release does not provide updated figures but merely refers back to the original Open Oil work. As Global Witness commissioned Open Oil to do the calculations and then used the calculations in 'Signed Away' this seems somewhat disingenuous. The pie charts on page 9 of 'Signed Away' make it clear that US\$168bn and US\$55bn are Global Witness' figures, however arrived at.

Global Witness' press release of 17th August 2020 has been carried in the national press in Guyana. Unsurprisingly, as Global Witness has not withdrawn or replaced its figure of US\$55bn, the press continue to use US\$55bn as the benchmark for a renegotiation. Once again the Global Witness press release is being seen by hundreds of thousands of people. In a country with fewer than 800,000 people, Global Witness' intervention significantly affects the on-going national discussion on oil extraction. A petition has just been launched calling on the government to renegotiate to get the additional US\$55bn put forward by Global Witness.

Global Witness owes it to the people of Guyana to act transparently and disclose fully how they reached their figures of US\$168bn and US\$55bn or withdraw those figures.

In light of this we would appreciate it if Global Witness would show how it arrived at its figures of US\$168bn and US\$55bn. Please do not refer us to Open Oil's figures and expect us to work out how Global Witness arrived at its numbers. We would appreciate answers to the following:

1. US\$55bn: In 'Signed Away' Global Witness claimed that the Government of Guyana could negotiate with ExxonMobil to get US\$55bn. But the press release of 17th August 2020 merely says 'billions' without saying how many billions.

(i) Does Global Witness stand by the figure of US\$55bn as at 17th August 2020?

- a. If yes: would Global Witness please show clearly how Global Witness arrived at US\$55bn?

Please provide a step by step calculation that is easily accessible to members of the Guyanese public.

b. If no, would Global Witness please

- i. withdraw the figure of US\$55bn. In fairness to the Guyanese people, Global Witness should withdraw the US\$55bn with as much publicity as it first promoted it; and
- ii. confirm how many 'billions' it meant in its press release of 17th August. Again we would expect a step by step calculation that is easily accessible to members of the Guyanese public. We would also expect Global Witness to promote this new figure as aggressively as Global Witness promoted the original figure of US\$55bn.

2. US\$168bn: Global Witness claimed in 'Signed Away' that Guyana would receive US\$168bn from the current deal.

(i) Does Global Witness stand by the figure of US\$168bn as at 17th August 2020?

- a. If yes would Global Witness please show clearly how Global Witness arrived at US\$168bn?

Since Global Witness has aggressively promoted a revenue figure of \$168bn, we would expect a robust step by step calculation that is accessible to the Guyanese public.

b. If no, would Global Witness please

- i. withdraw the figure of US\$168bn. In fairness to the Guyanese people, Global Witness should withdraw the US\$168bn with as much publicity as it first promoted it; and
- ii. provide a replacement figure based on the changes in oil prices that Global Witness referred to at the bottom of the press release in the notes to

editors. Again we would expect a robust step by step calculation that is easily accessible to members of the Guyanese public.

3. Production lifetime and price: the footnote 'a' on page 8 of 'Signed Away' states that Global Witness assumes that the Stabroek Block will produce oil from 2020 to 2056 and that the oil price will be US\$65. It is our understanding that any projection beyond 5 years in the global energy market is speculative. Please either (i) explain why Global Witness promoted purely speculative figures as if they were reliable assessments of revenue or (ii) provide market based evidence that the figures of US\$168bn and US\$55bn are solid enough for the people of Guyana to rely on.

We note that it is the people of Guyana, not Global Witness, who have to live with the financial, economic, social and political consequences of oil extraction. Obviously the environmental impacts go beyond Guyana to our sisters and brothers in the Caribbean region, and indeed to the rest of the world.

Global Witness holds itself out as campaigning for transparency. We therefore ask you, as the Chairman of the Board, along with your fellow board members to hold Global Witness to the same standards of transparency and accountability that Global Witness applies to extractive industries and governments.

We assume that Global Witness did not just pick numbers at random but actually did the calculations to arrive at US\$168bn and US\$55bn in order to put them into 'Signed Away'. Therefore these calculations should be readily available. We will give Global Witness 7 days until Tuesday 1st September 2020 to provide the calculations.

Otherwise we will conclude that Global Witness is either unable to justify its figures of US\$168bn and US\$55bn or unwilling to be transparent.

As we do not have the email addresses of most of the board members we would appreciate it if you would ensure that they receive this letter.

Some of the people signing this letter do not wish to have their names in the public domain. Therefore we ask that you keep this letter confidential and in particular that you ensure that the press do not obtain a copy of the letter.

Yours sincerely

Anand Goolsarran FCCA, MBA, DBA, LL.M (IBL)

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A Fair Deal for Guyana – A Fair Deal for the Planet

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