

Cuban oil explorer lifted by easing U.S. sanctions

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One of the few foreign energy companies working in Cuba said the momentum is moving in its favor as the U.S. government eases restrictions on its Cold War foe.

The Cuban government in 2014 enacted legislation offering corporate tax credits to encourage foreign investments. The U.S. government the same year started easing a 54-year trade embargo on Cuba and later reopened its embassy in Havana.

Last week, the U.S. President [Barack Obama](#) issued [an executive directive](#) that could open Cuba to a role in institutions like the International Monetary Fund and the World Bank, which Washington said could provide an advantage to the Cuban economy.

MEO Australia Ltd. is one of the few foreign companies operating in the Cuban oil and gas sector. CEO Peter Stickland said the policy directive could also give his company access to U.S. counterparts with [expertise in energy](#).

"The ongoing easing of U.S. government restrictions on business dealings with Cuba is clearly a positive step for MEO," he said in a statement.

According to MEO, Cuba produces about 80,000 barrels of oil per day. Cuba is the company's [highest priority asset](#), drilling a number of wells already in so-called Block 9.

Estimates from the U.S. Geological Survey last year found there were about 4.6 billion barrels of crude oil and 9.8 trillion cubic feet of natural gas in the form of undiscovered, technically recoverable, reserves in Cuba.

MEO said it estimated that Block 9, located along the northern coast of Cuba, holds around 8 billion barrels of oil in place and has the potential to produce nearly 400 million barrels.

Cuba-focused and London-based investor Leni Gas Cuba took a 15.8 percent stake in MEO Australia in exchange for \$1.4 million to support [an exploration program](#) covering 900 square miles of an oil exploration block near the coast of Cuba in February.
