

Bladex LatAm Insight

October 2026

Oil & Gas Sector Report:

Latin America's Energy Advantage Returns to the Global Spotlight.

BLADEX

Contents

1. Global Oil & Gas Outlook.

2. Latin America: Uneven Dependence on Oil & Gas; Upstream Strength and Downstream Challenges.

3. Argentina: Momentum Builds Across the Energy Sector.

4. Brazil: Energy Landscape Reshaped by Increased Investment.

5. Colombia: A Moderate Oil Outlook with Room for Improvement.

6. Ecuador: Oil Potential Constrained by Structural Limitations.

7. Peer Analysis: Scale, Reserves, and Costs. Latin America's Competitive Advantages.

Highlights

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The recent shock stemming from the conflict with Iran has created significant opportunities for fossil fuel producers, despite a decline in underlying demand for these energy sources.

Latin America is entering a new phase of oil sector expansion, with production levels approaching those seen before the commodity crisis and an increasing share of global crude supply.



The region's main competitive advantage lies in the upstream segment, particularly in South America, where Brazil, Argentina, Colombia, and Ecuador maintain relatively favorable energy balances and significant room for production growth.



Argentina is emerging as the region's leading natural gas growth story, supported by the potential of its unconventional resources, new licensing rounds, and intense drilling activity in Vaca Muerta and other producing basins



Brazil remains the primary engine of regional growth, driven by offshore and pre-salt development, regulatory liberalization, and greater foreign investment participation. These factors are expected to continue supporting reserve growth and production expansion over the next decade.



Colombia faces a more challenging outlook, characterized by shrinking reserves, lower exploration activity, and a less supportive regulatory environment. However, offshore projects such as Sirius could become a turning point for the country's natural gas sector.



Ecuador's growth prospects remain constrained by mature oil fields, limited reserve replacement, a long history of underinvestment, and persistent regulatory and social-environmental risks.

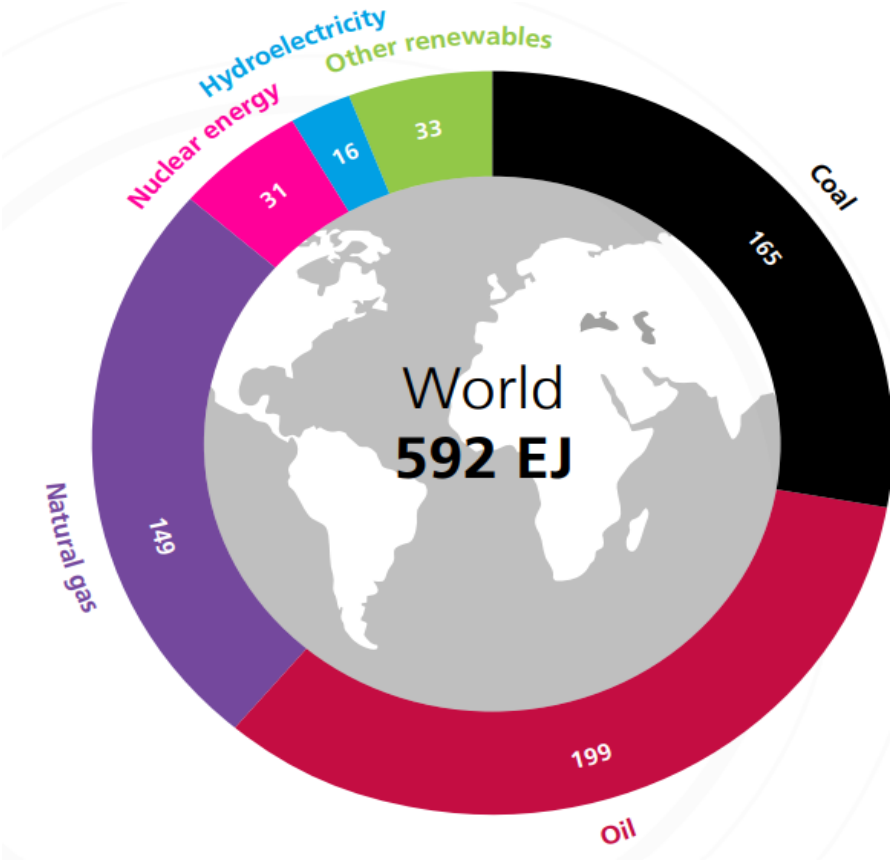
Global Oil & Gas Outlook: Short-Term Supply Shocks Amid a Market with Comfortable Medium-Term Supply Fundamentals

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Non-renewable energy production continues to play a dominant role in the global energy mix.

- Oil and natural gas account for nearly **60%** of global energy supply, underscoring their structural importance. According to The EIU, this distribution is expected to persist at least through 2035, as the energy transition progresses gradually while energy demand continues to grow at a pace exceeding population growth.
- While the expansion of renewable energy has attracted increasing investment flows, the fossil fuel mix continues to dominate in terms of both supply and **energy security.**
- Recent supply shocks stemming from geopolitical conflicts have temporarily supported higher energy commodity prices. Nevertheless, alternative energy sources continue to gain relevance.
- Major oil consumers, such as China, have experienced a temporary decline in demand. At the same time, growing energy consumption driven by emerging technologies is expected to continue supporting relatively elevated oil and natural gas prices.

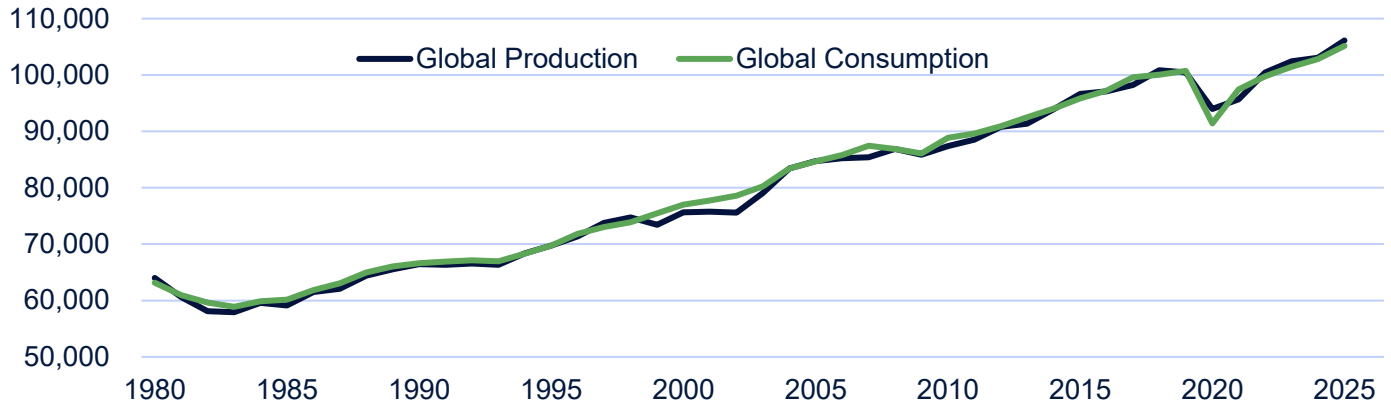
Global Energy Matrix
(Exajoules – EJ)



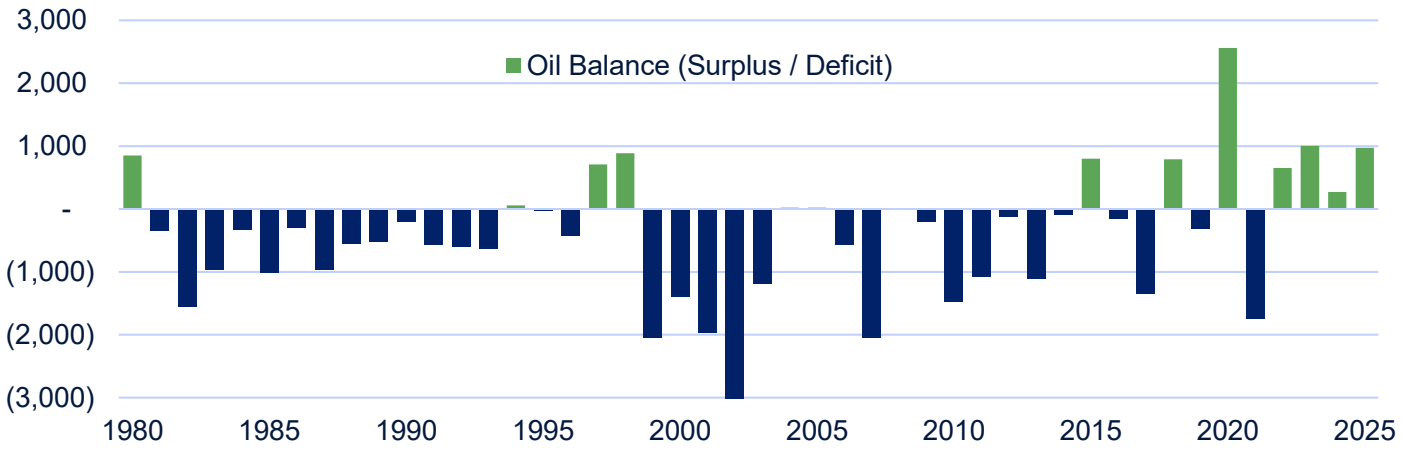
Source: Statistical Review of World Energy – Economic Research Bladex

Middle East tensions are expected to drive an oil supply deficit in 2026, though market balances should recover in 2027.

Global Oil: Demand vs. Supply
(million barrels per day)



Global Oil Market Balance
(Million barrels per day)

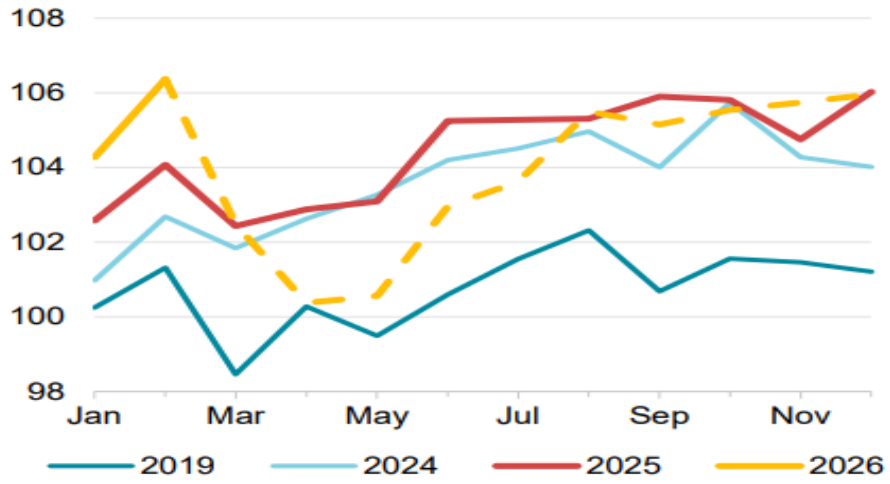


- Geopolitical tensions in the Middle East have triggered temporary disruptions to global energy production and supply chains, resulting in a significant deterioration in the balance between supply and demand. As a result, the oil market has posted a supply deficit reaching levels not seen in more than five years.
- Nevertheless, supply fundamentals are expected to improve gradually as geopolitical tensions ease and traffic through the Strait of Hormuz normalizes, allowing trade flows to recover and supporting a gradual rebuilding of global hydrocarbon supply.

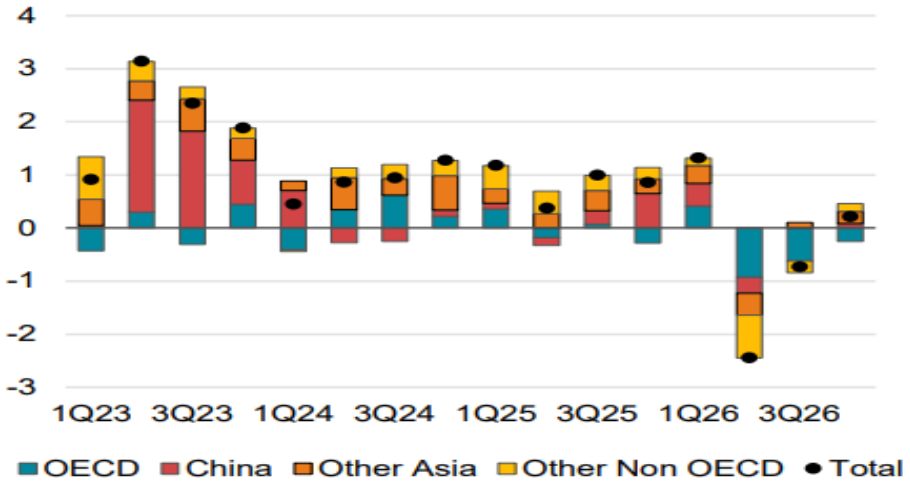
Source: OPEC – EIA – Economic Research Bladex

Demand-side adjustments in fuel consumption have helped ease upward pressure on oil and natural gas prices.

Global oil demand
(million barrels per day)



Global oil demand by quarter
(Quarterly change)

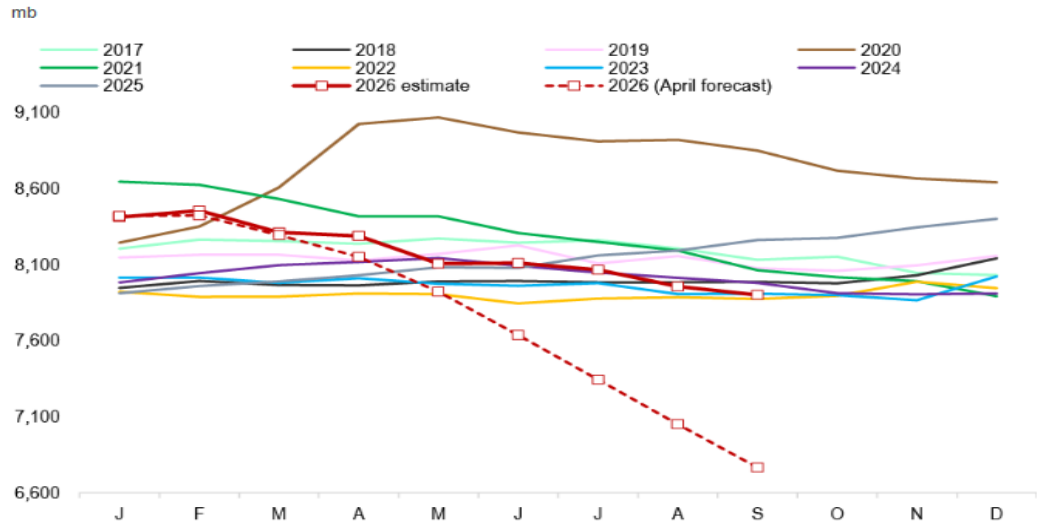


- Unlike previous supply disruption episodes, demand adjustment has played a more significant role in stabilizing the market, helping to alleviate upward pressure on international oil and natural gas prices.
- This moderation in demand has been supported by shifts in energy consumption patterns, the use of strategic reserves, and greater substitution toward alternative energy sources. As a result, growth in crude oil consumption has slowed markedly, reaching levels not seen in more than five years and absorbing part of the impact generated by temporary supply constraints.

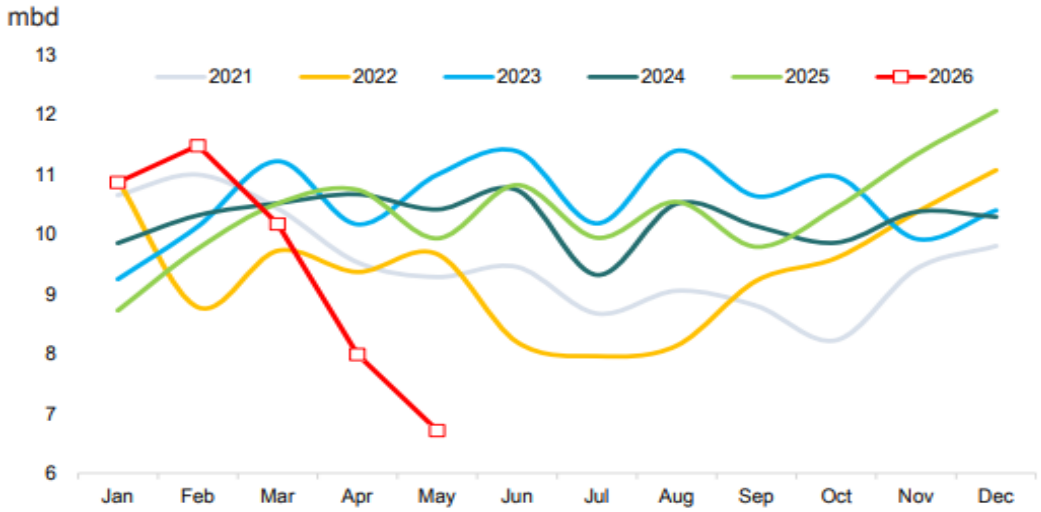
Source: Oil market report IEA – Economic Research Bladex

The use of strategic petroleum reserves and shifts in consumption patterns were key factors in preventing greater upward pressure on oil prices.

Global Oil Inventories (million barrels)



China's crude oil imports (million barrels per day)



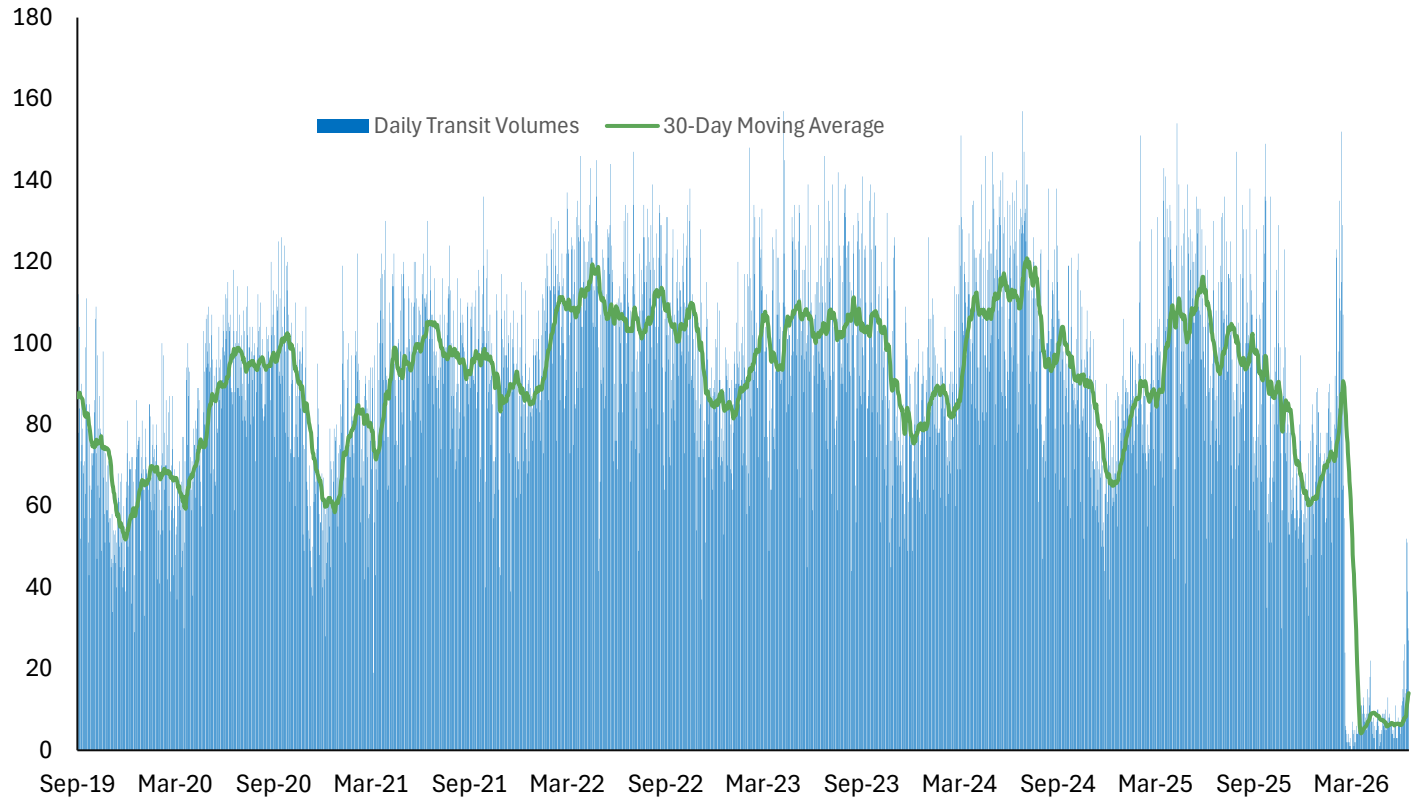
- The release of strategic and commercial crude oil inventories was one of the primary adjustment mechanisms that helped ease upward pressure on prices and partially offset the global supply deficit. As a result, global inventories fell to their lowest level in nearly a decade.
- At the same time, China adopted a more cautious energy policy stance, moderating the growth of its crude oil imports and rationalizing fossil fuel consumption in an effort to mitigate the impact of higher international energy prices on its economy.

Source: J.P. Morgan Commodities Research – Economic Research Bladex

Daily traffic through the critical Strait of Hormuz chokepoint has been gradually normalizing. However, it remains well below its average level of the past decade.

- Geopolitical tensions in the Middle East have eased considerably, pointing to an eventual conclusion of the conflict episode that intensified during the first quarter.
- Nevertheless, cargo vessel traffic through the Strait of Hormuz, a strategic corridor for global energy trade, remains below pre-conflict levels, highlighting that logistical disruptions in the region have yet to be fully resolved.
- Against this backdrop, fuel prices are not expected to fully return to pre-conflict levels in the near term. Remaining disruptions across transportation and supply routes continue to embed a risk premium in energy markets.

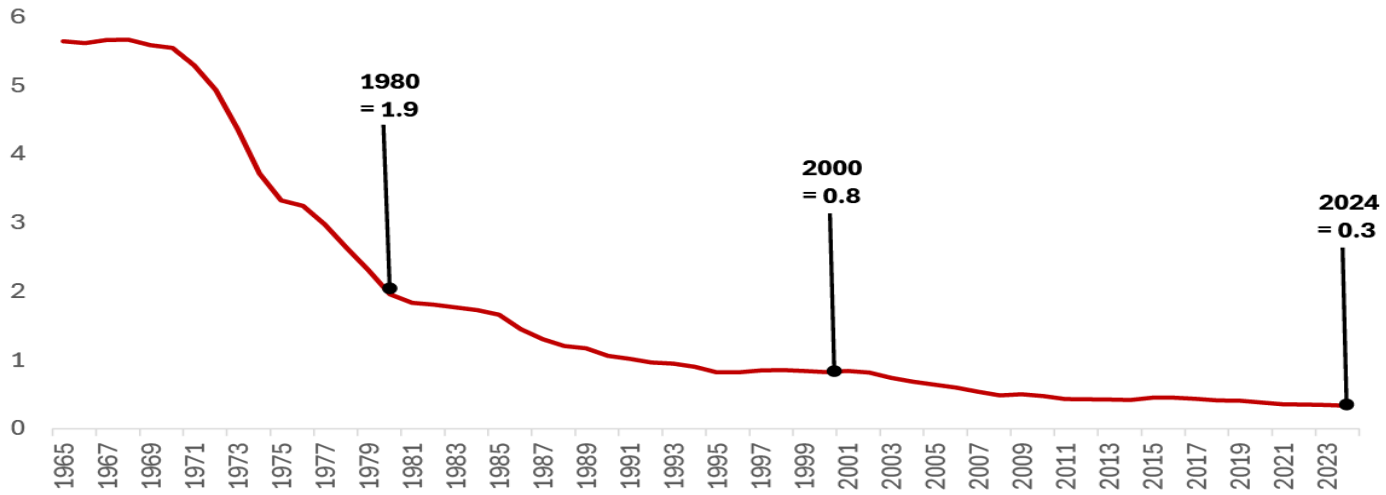
Transits in the Strait of Hormuz
(Number of Vessels Transiting the Strategic Chokepoint)



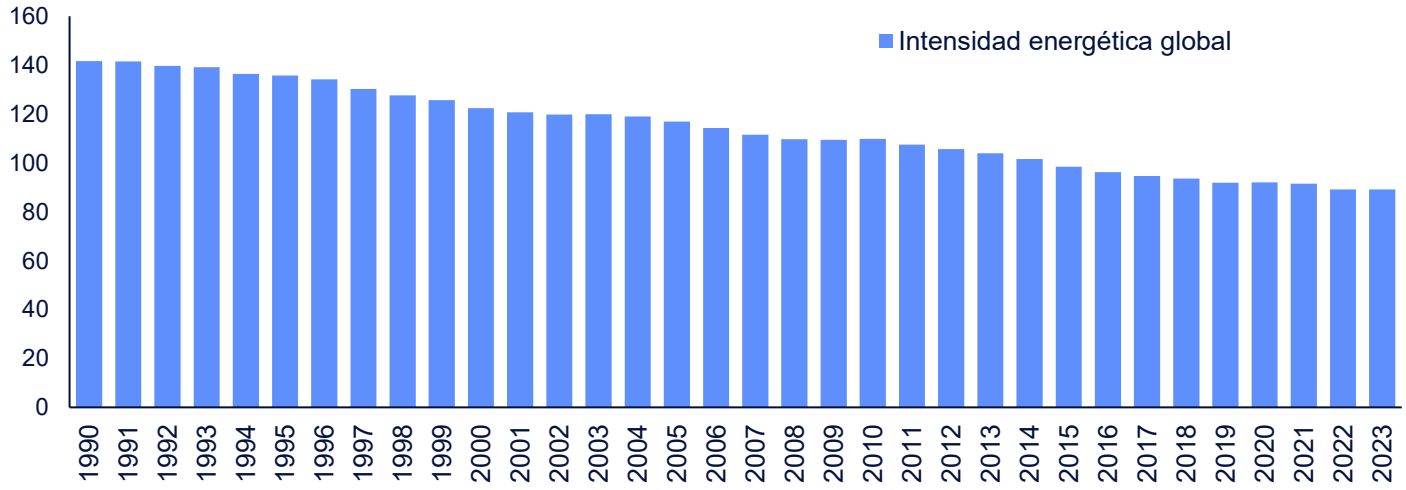
Source: PortWatch – Economic Research Bladex

Oil remains a foundational component of the global energy mix. However, its relative importance to economic growth has gradually declined.

Global energy intensity
(Barrels of oil equivalent per $1,000 GDP)



Global energy intensity
(kg of oil equivalent per $1,000 GDP)

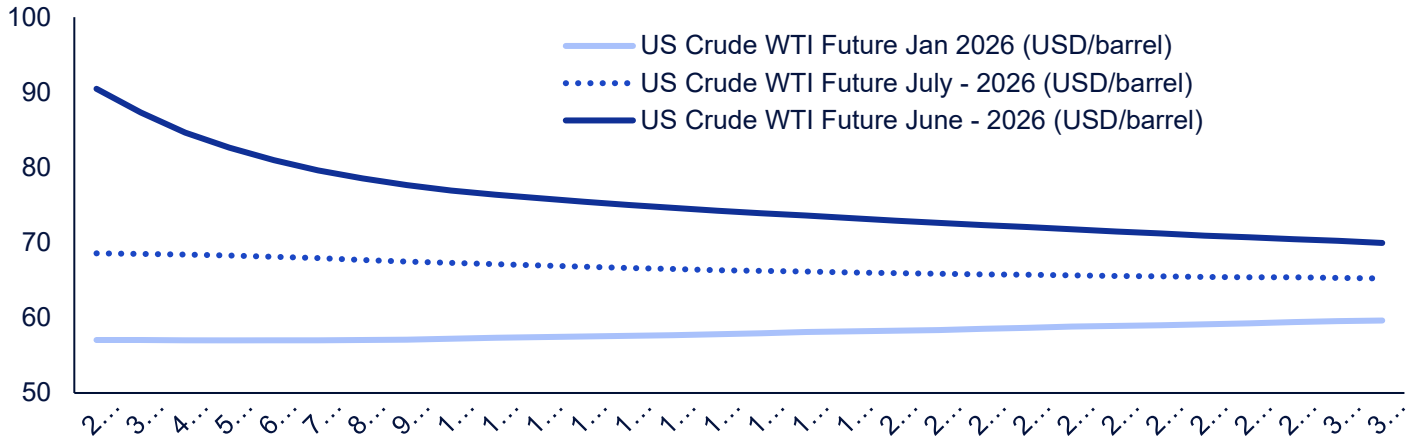


- Oil continues to play a critical role in global economic activity, accounting for more than one-third of the world's energy mix. Nevertheless, its relative share has gradually decreased over the past several decades, reflecting greater diversification of energy sources and an enhanced ability of the global economy to adapt to and absorb energy-related shocks.

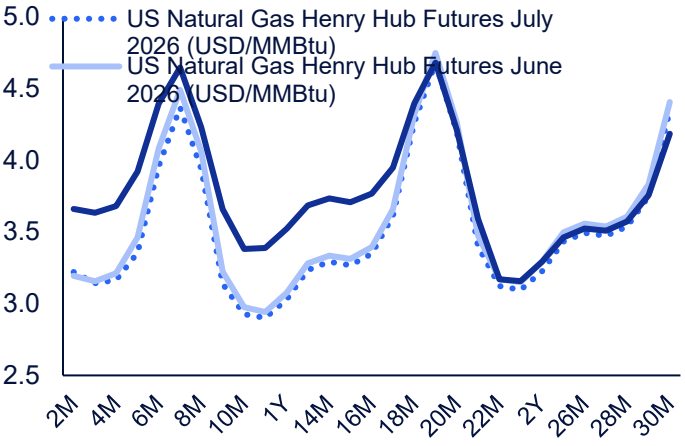
Source: J.P. Morgan Commodities Research - World Bank– Economic Research Bladex

… While energy commodity price expectations have gradually moderated, they remain above pre-conflict levels.

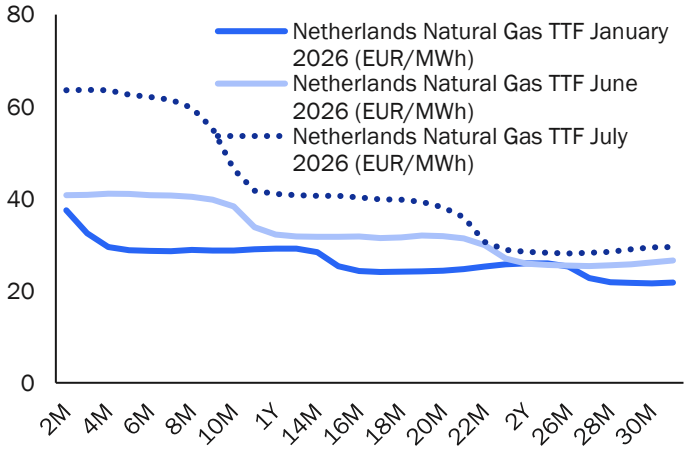
WTI Oil Futures
(USD/barrel)



Gas Natural - Henry Hub Futures
(USD/MMBtu)



Gas Natural European reference*
(EUR/MWh)



- The energy shock is already reflected in market expectations. In the oil market, the WTI futures curve remains above $70 per barrel over the next 24 months, a level that was not priced in at the beginning of the year.
- Natural gas presents a more mixed picture. While the U.S. benchmark (Henry Hub) has experienced relatively limited price movements, European gas prices continue to exhibit an upward bias that is expected to persist for at least the next two years.

Source: Bloomberg – Economic Research Bladex. *The Netherlands Natural Gas (EUR/MWh) reference was used.

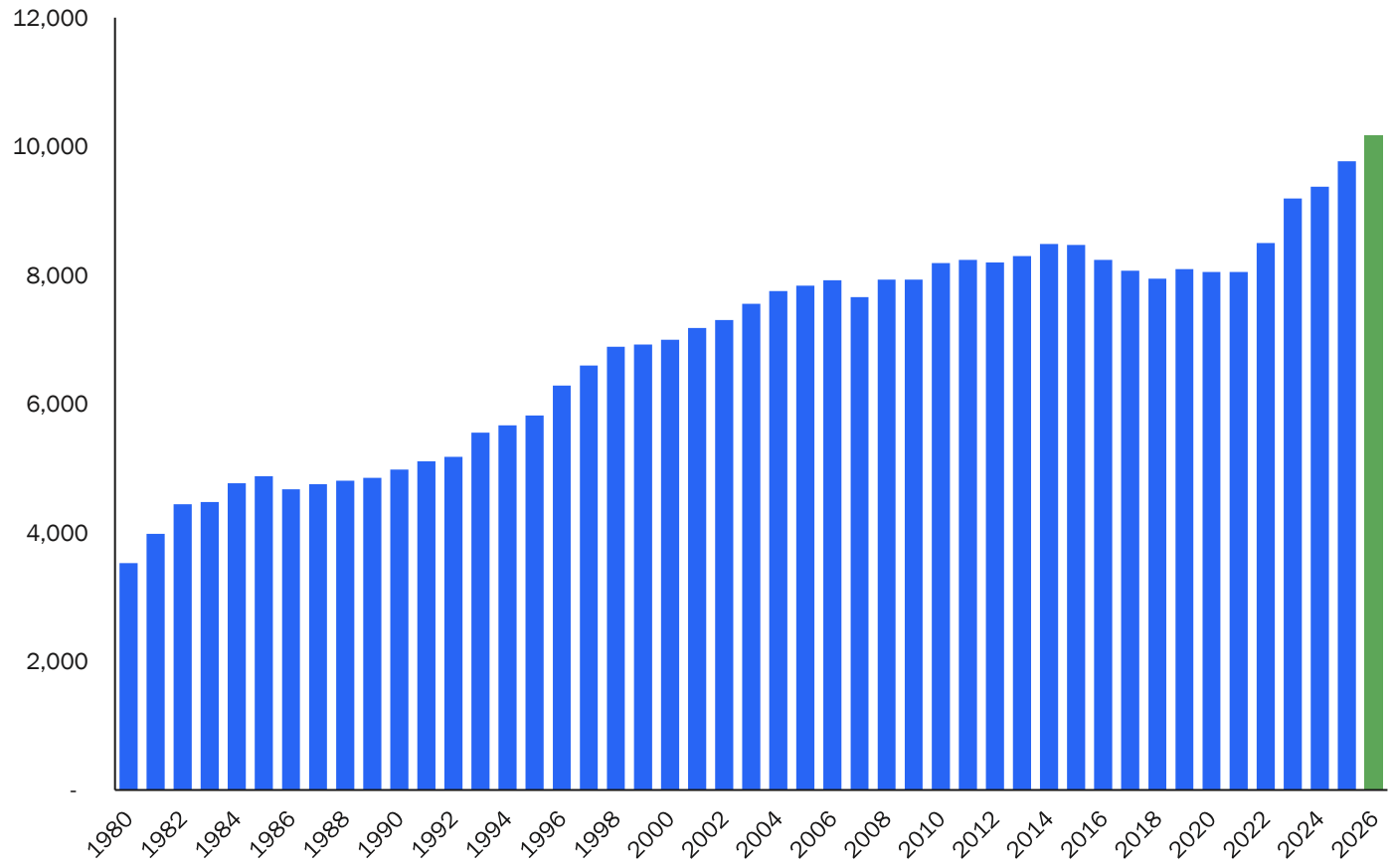
Latin America: Heterogeneous Exposure to Oil & Gas, Strong Upstream Fundamentals, and Ongoing Downstream Constraints.

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In this environment, Latin America stands out as the region most likely to contribute incremental oil and gas supply to global markets in the near term.

- Latin America is emerging as a key contributor to global energy supply, particularly in a higher commodity price environment. This dynamic significantly benefits the terms of trade of net hydrocarbon-exporting countries, as export prices gain relative to import prices.
- Nevertheless, the region's growth potential remains concentrated primarily in the upstream segment, implying substantial investment opportunities across exploration and production activities.
- In South America, Brazil, Argentina, Colombia, and Ecuador maintain energy trade surpluses and a robust exploration and development pipeline, particularly in Brazil and Argentina, that is expected to play a critical role in shaping global energy supply over the medium term.

Oil Production in Latin America
(Mbd)

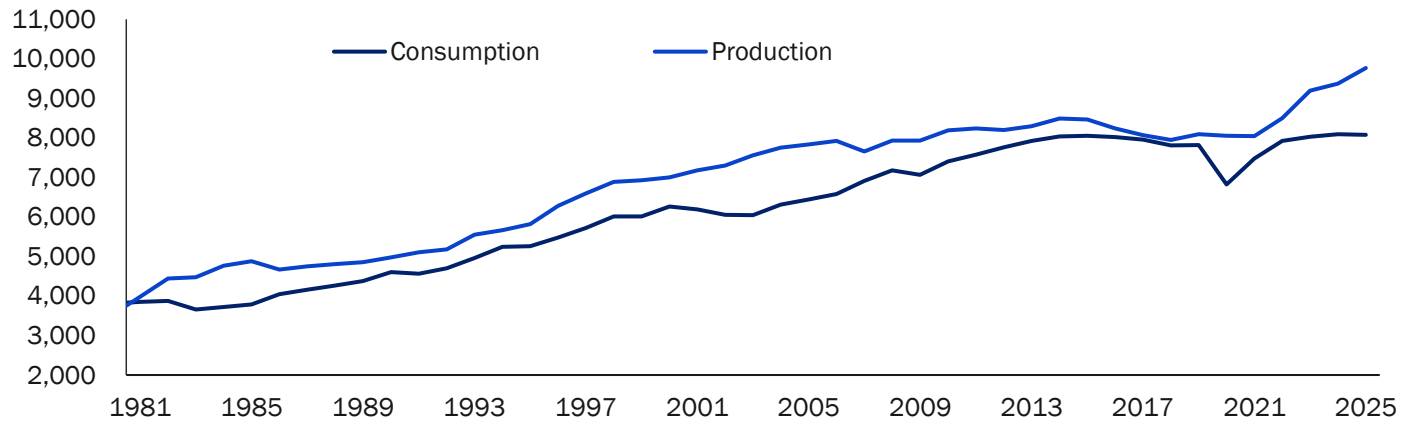


Source:EIA – Economic Research Bladex

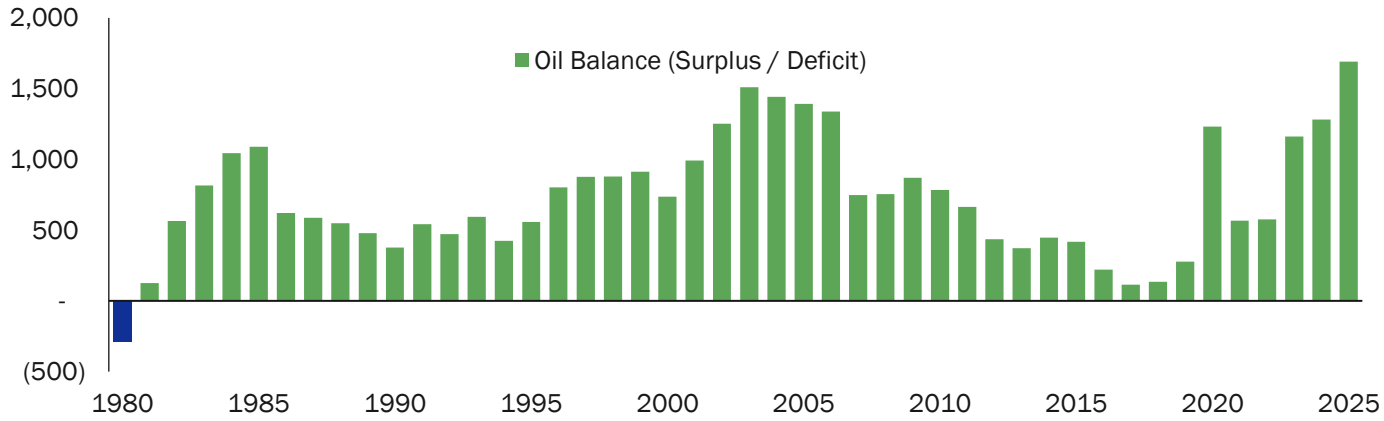
Expanding oil supply has driven the largest regional crude surplus on record.

- The start-up of new projects and capacity expansions in Brazil, Argentina, and Guyana has lifted regional crude production to record highs, bringing output close to the 10 million barrels per day (mbd) threshold.
- Over the past 45 years, the region's oil production has grown at an average annual rate of 2.3%, outpacing consumption growth of 1.7% per year.
- As a result, Latin America now posts a crude oil surplus of more than 1.5 mbd, the highest on record.
- This surplus has strengthened the macroeconomic fundamentals of net oil-exporting economies, supporting economic growth, improving external accounts and terms of trade, and generating higher fiscal revenues.

Oil in Latin America: Production vs. Consumption(Mbd)



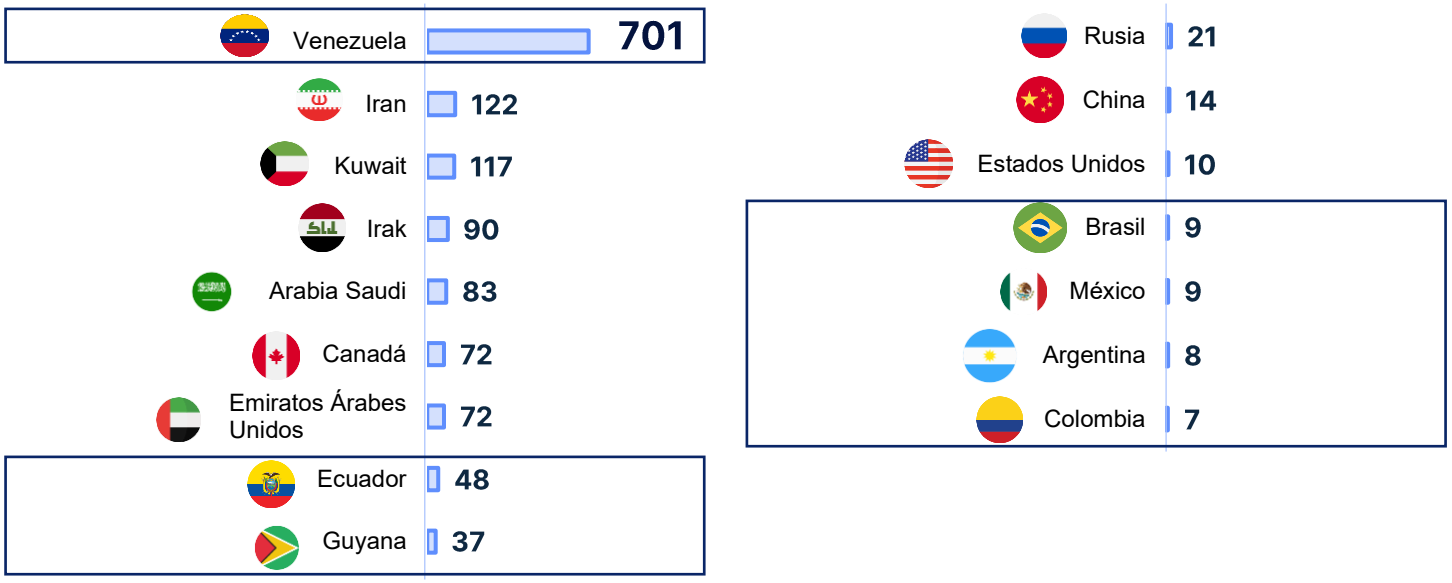
Latin America oil balance sheet(Mbd)

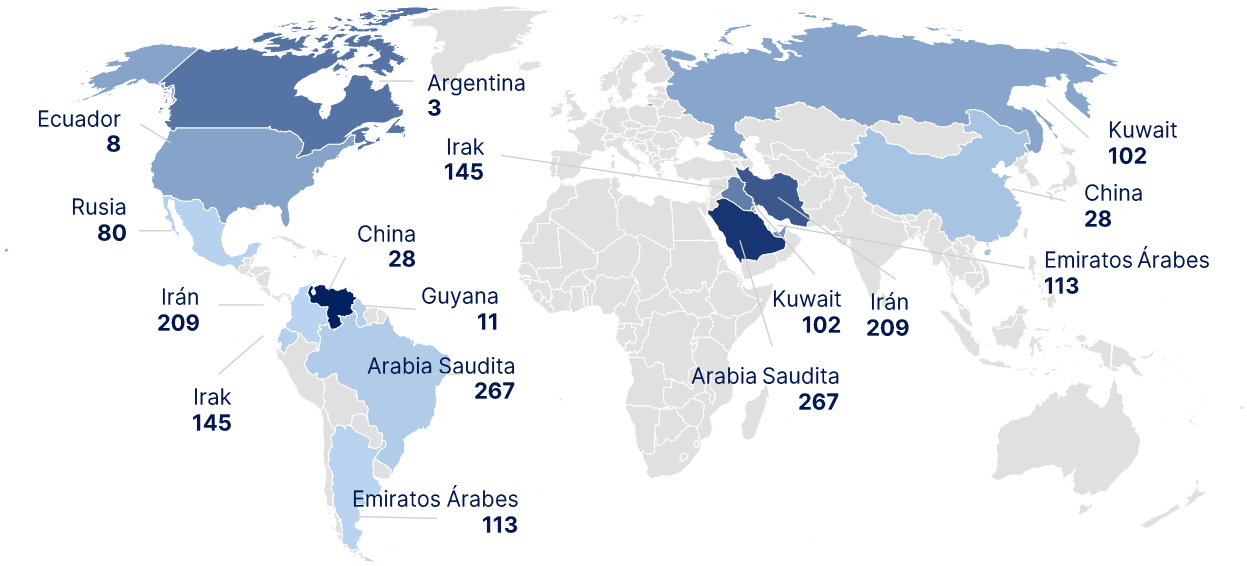


Source: EIA – Economic Research Bladex

Latin America combines a growing share of global oil production with abundant reserve availability, reinforcing its strategic position in the global oil market. While Venezuela holds the largest reserve life, the development of new resources in Guyana and Brazil is reshaping the region's energy profile and expanding its export potential.

Oil Reserves - Main Producers in the World and Latam
(Billion of Barrels)





Source: OPEC - Economic Research Bladex

Meanwhile, the region's energy exposure remains highly heterogeneous, with a clear divide between Central America and South America.

Global Oil Exposure Index
(Results between 0 and 1. High score = High risk)

Region	Vulnerability	Energy System Risk	Commercial Risk	Infrastructure Risk
CAC	**0.51**	**0.55**	**0.37**	**0.64**
EM Asia	0.5	0.36	0.42	0.64
SSA	0.48	0.3	0.43	0.59
South America	**0.41**	**0.56**	**0.18**	**0.59**
DM Asia	0.38	0.47	0.46	0.28
MENA	0.35	0.48	0.28	0.38
CEE	0.27	0.35	0.25	0.27
Western Europe	0.24	0.48	0.28	0.13
North America	0.18	0.39	0.06	0.23

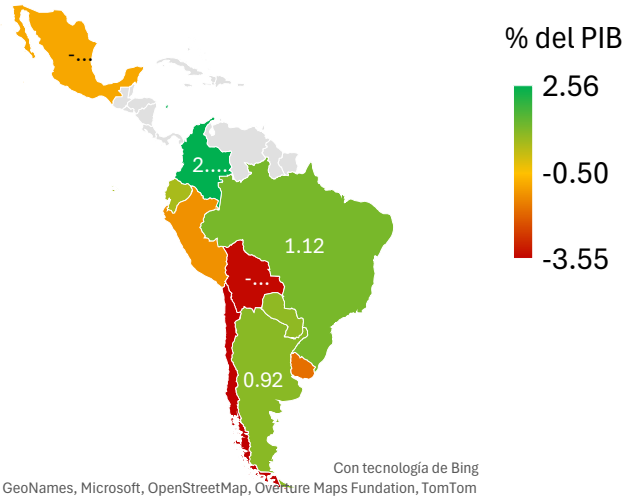
- **Central America and the Caribbean exhibit higher aggregate vulnerability, both regionally and globally, primarily due to:**
  - Elevated energy system risk, reflecting a strong dependence on imported hydrocarbons.
  - Structural infrastructure constraints that limit storage capacity and access to strategic reserves.
- In contrast, **South America** faces vulnerabilities related to energy systems and infrastructure; however:
  - These vulnerabilities are partially offset by lower trade exposure, given the region's position as a net fuel exporter.

Source: BMI: Americas Oil and Gas Insight – Economic Research Bladex

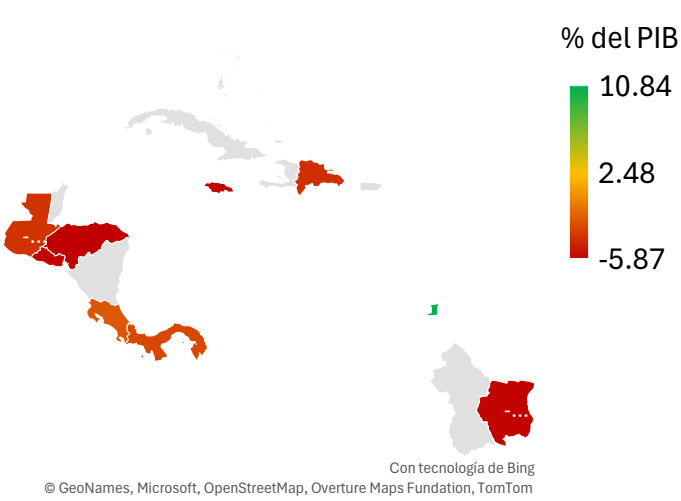
High energy prices have divergent effects across the region: while net hydrocarbon exporters in South America strengthen their external and fiscal positions, energy-importing economies in Central America and the Caribbean face a deterioration in their terms of trade, mounting inflationary pressures, and increased external vulnerabilities.

Energy Trade Balance
(% of GDP)

South America + Mexico



Central America and the Caribbean

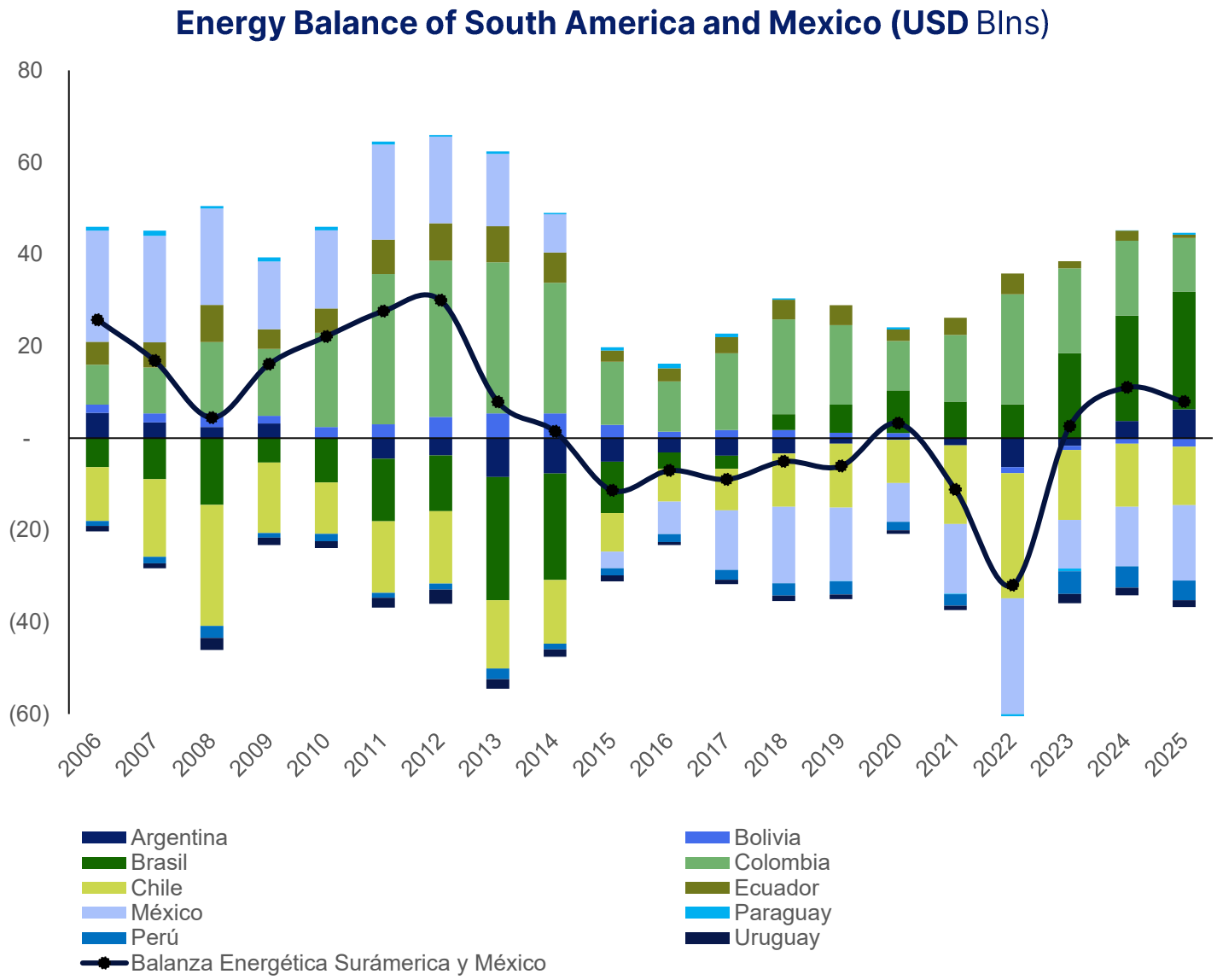


Energy surplus

Energy deficit

Source: Trademap – The EIU – IMF – Bladex Economic Studies

South America and Mexico have reestablished sizable energy surpluses, and the combination of rising production capacity and favorable energy prices could lift the regional balance to its strongest level in almost 15 years.

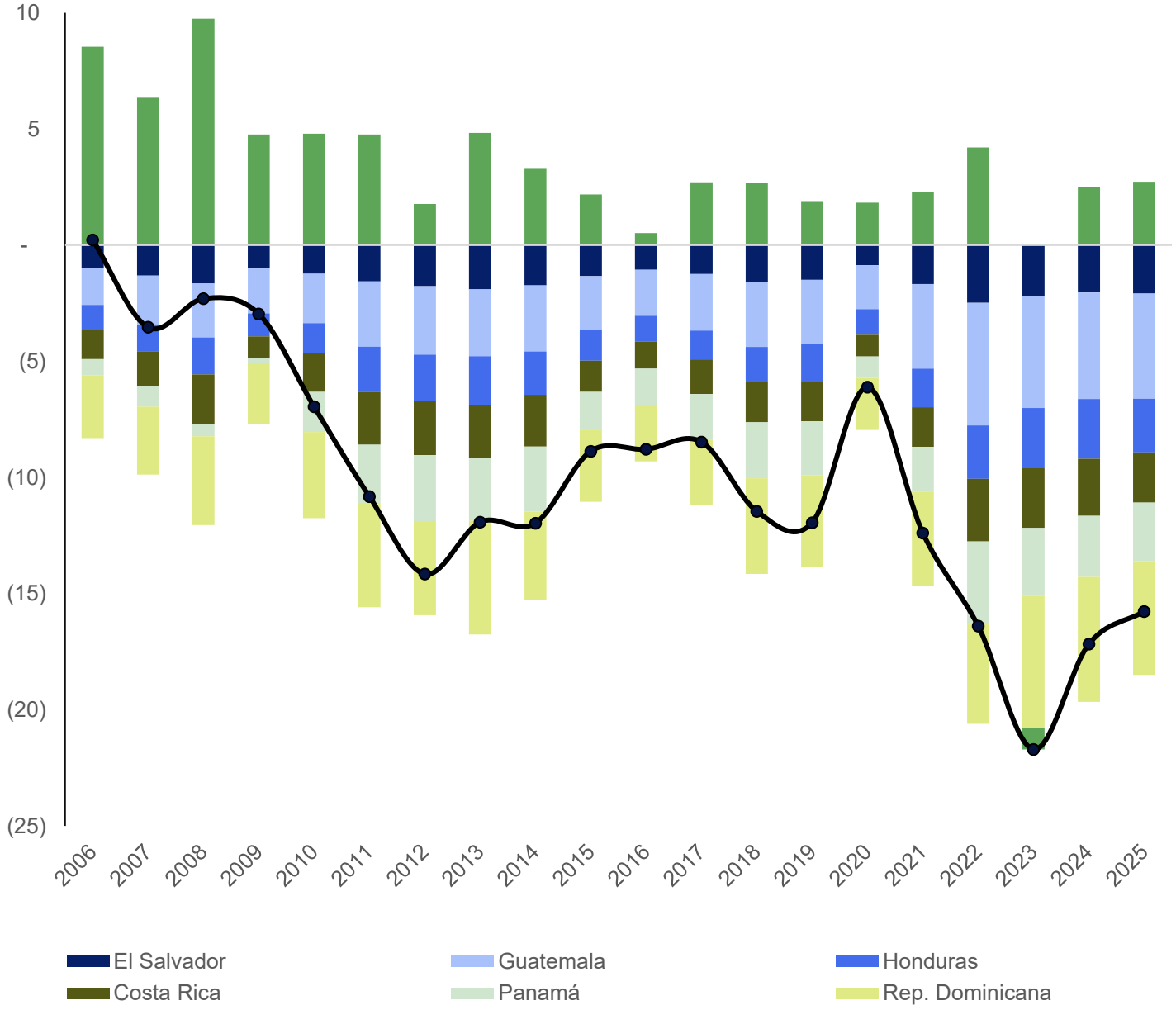


- The energy trade balance of South America and Mexico has posted recurring surpluses in recent years.
- However, this improvement is not evenly distributed across the region: net exporter status is concentrated in just four countries: Argentina, Brazil, Colombia, and Ecuador.

Source: Trademap – The EIU – IMF – Economic Research Bladex

Energy dependence leaves Central America and the Caribbean particularly vulnerable to oil and natural gas price shocks.

Energy Balance of Central America and the Caribbean (USD Blns)



In Central America and the Caribbean (CAC), the energy trade balance has been structurally in deficit, reflecting a high degree of dependence and, therefore, vulnerability to international energy commodity prices.

Source: Trademap – The EIU – IMF – Economic Research Bladex

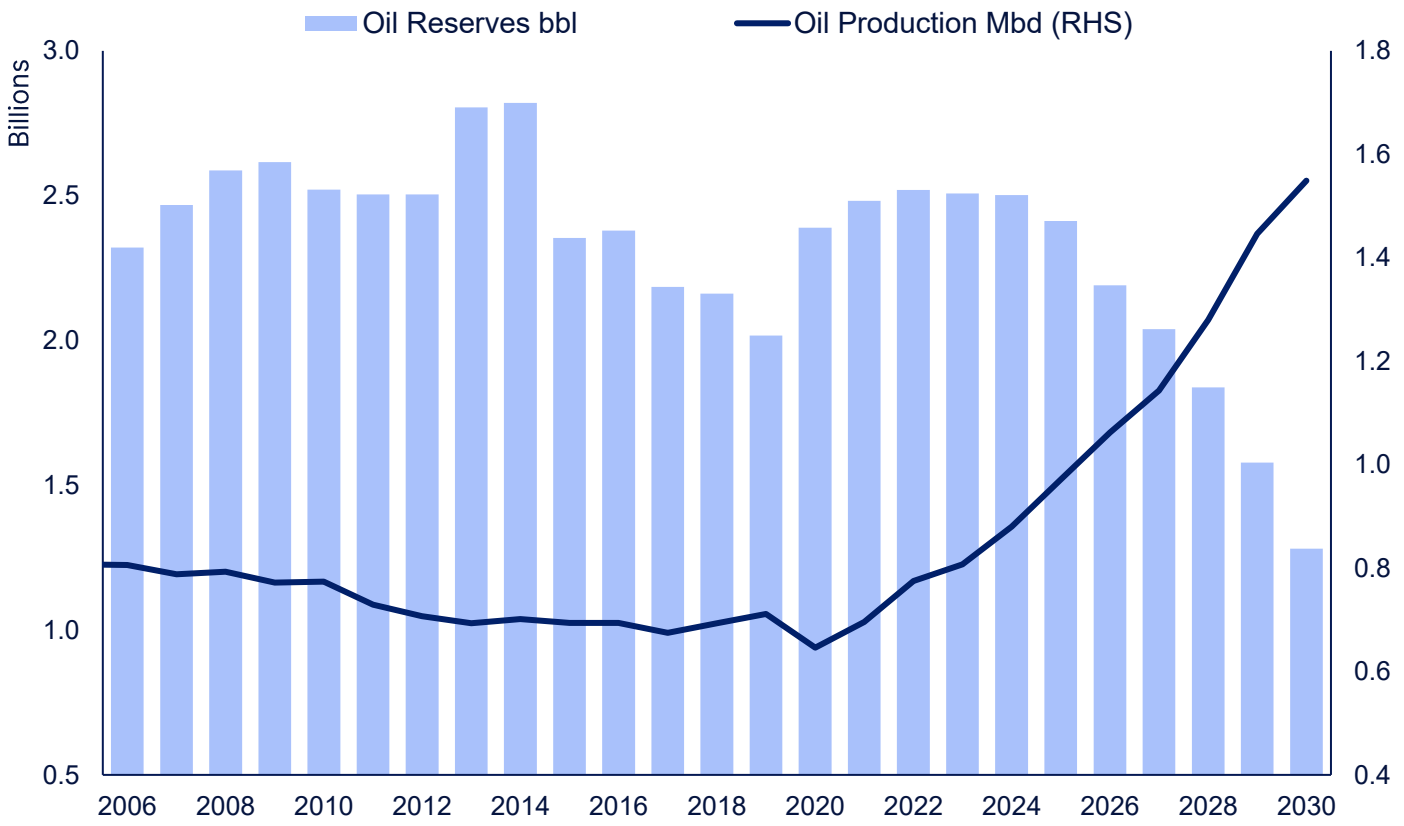
Argentina: Natural Gas Production Outlook Remains Skewed to the Upside, While Oil Growth Is Driven by Unconventional Fields.

BLADEX

Argentina enjoys a head start in the region, supported by the gains expected from shale development in Vaca Muerta.

- **Argentina enjoys a regional advantage,** driven by the expected benefits of shale development in Vaca Muerta, as well as its potential in both conventional and offshore segments.
- The country has made progress in strengthening its regulatory framework and improving investment conditions, while the sector operates on a quasi-dollarized basis, helping mitigate risks for private capital.
- These developments have positioned Argentina as a net energy exporter, with oil production expected to rise to 1.6 million barrels per day over the next five years.
- The industry nevertheless faces risks related to transportation and export infrastructure. In addition, macroeconomic weakness, the risk of Dutch disease, and the electoral calendar represent key near-term vulnerabilities.

Oil: production vs. proven reserves(bbl, mbd)



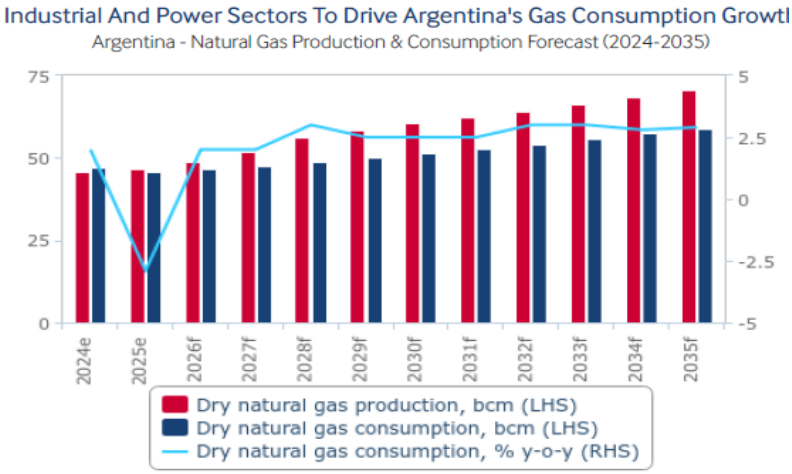
Source:BMI Oil & Gas Report – Economic Research Bladex

Natural gas production is expected to expand at a faster pace than domestic demand over the forecast horizon, generating structural surpluses with export potential.

Oil production by type:(barrels per day)



Gas: Consumption vs. Production
(bcm, YoY %)



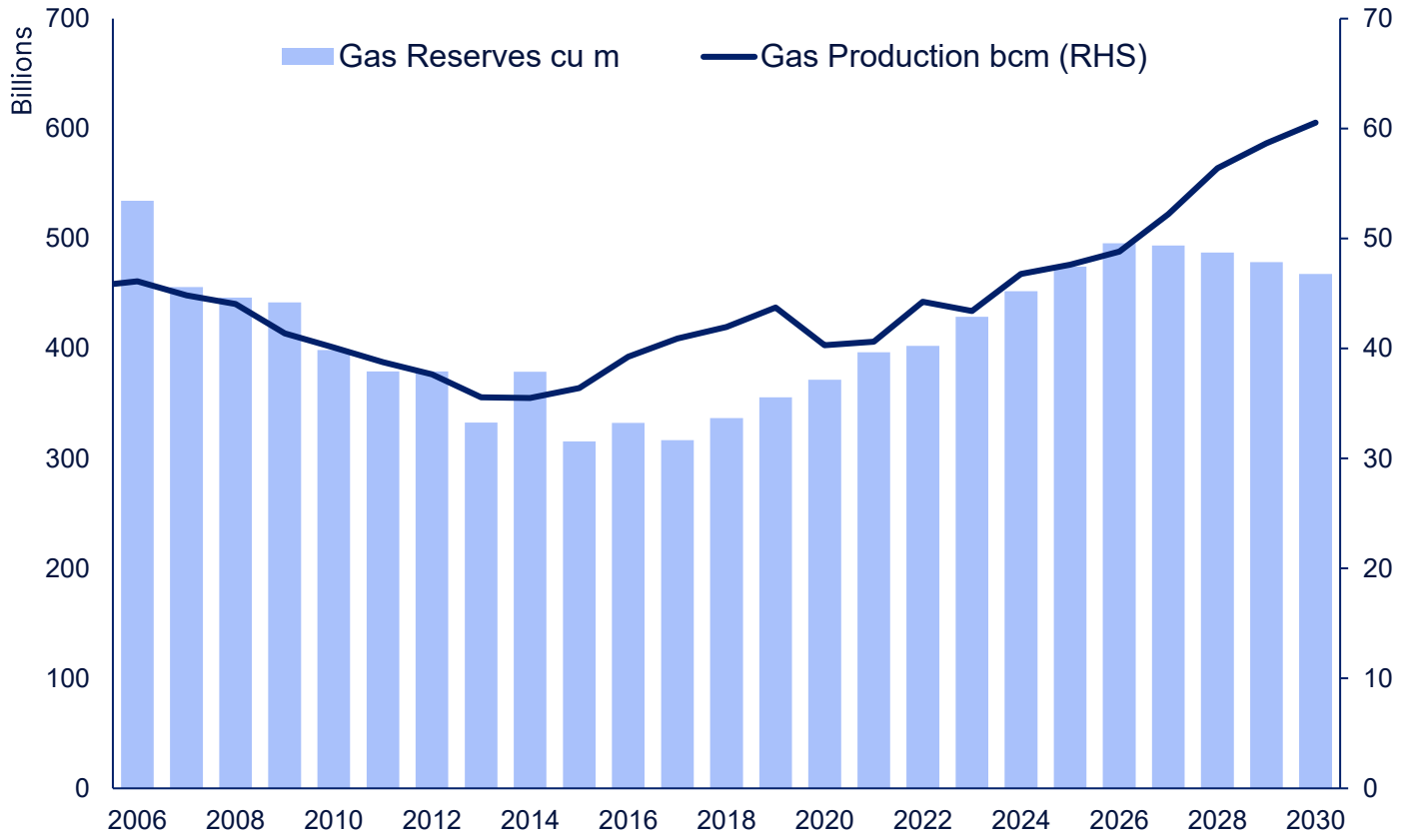
- Argentina's oil production has continued to increase, with growth increasingly concentrated in unconventional fields, which now account for nearly two-thirds of total output.
- Projections suggest that natural gas production will outpace domestic consumption growth, leading to a larger surplus beginning in 2027. Meanwhile, demand growth is expected to stabilize at around 2.0% to 2.5% per year.

Source:BMI Oil & Gas Report – Economic Research Bladex

Natural gas production and reserves in Argentina carry significant upside potential. Regulation will be critical to translating higher volumes into sustained value creation.

- Most industry studies point to upside potential in the country's natural gas reserves, supported by upcoming licensing rounds and continued resource development.
- Neuquén plays a pivotal role, as it hosts Argentina's most significant unconventional gas reserves. The province recently launched a licensing round offering 15 new blocks for development.
- Mendoza is another province actively pursuing licensing opportunities, with most available blocks still undeveloped and offering meaningful potential for future exploration rounds.
- Drilling activity remains robust, with the rig count expected to reach 44 in 2026, above the 2025 average of 41. Of these, more than 30 rigs are allocated to oil-related activity, with the remainder focused on natural gas development.

Gas: production vs. proven reserves(cu m, bcm*)



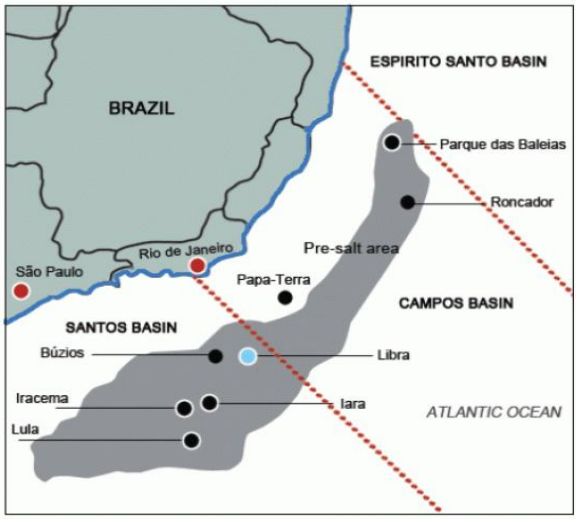
Source:BMI Oil & Gas Report – Economic Research Bladex* cu m: cubic meter; bcm: One billion cubic meters.

Brazil: Improvements in the Regulatory Framework, Rising Foreign Investment, and the Development of Offshore Fields Have Structurally Reshaped the Dynamics of Energy Production.

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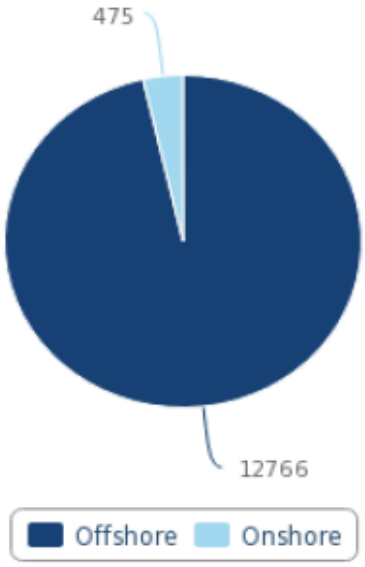
Brazil has substantial untapped oil reserve potential that could propel the country into the top four global oil producers

Brazil Offshore Oil Field Map



Proven Oil Reserves by Location in Brazil(1P)

(Million barrels)



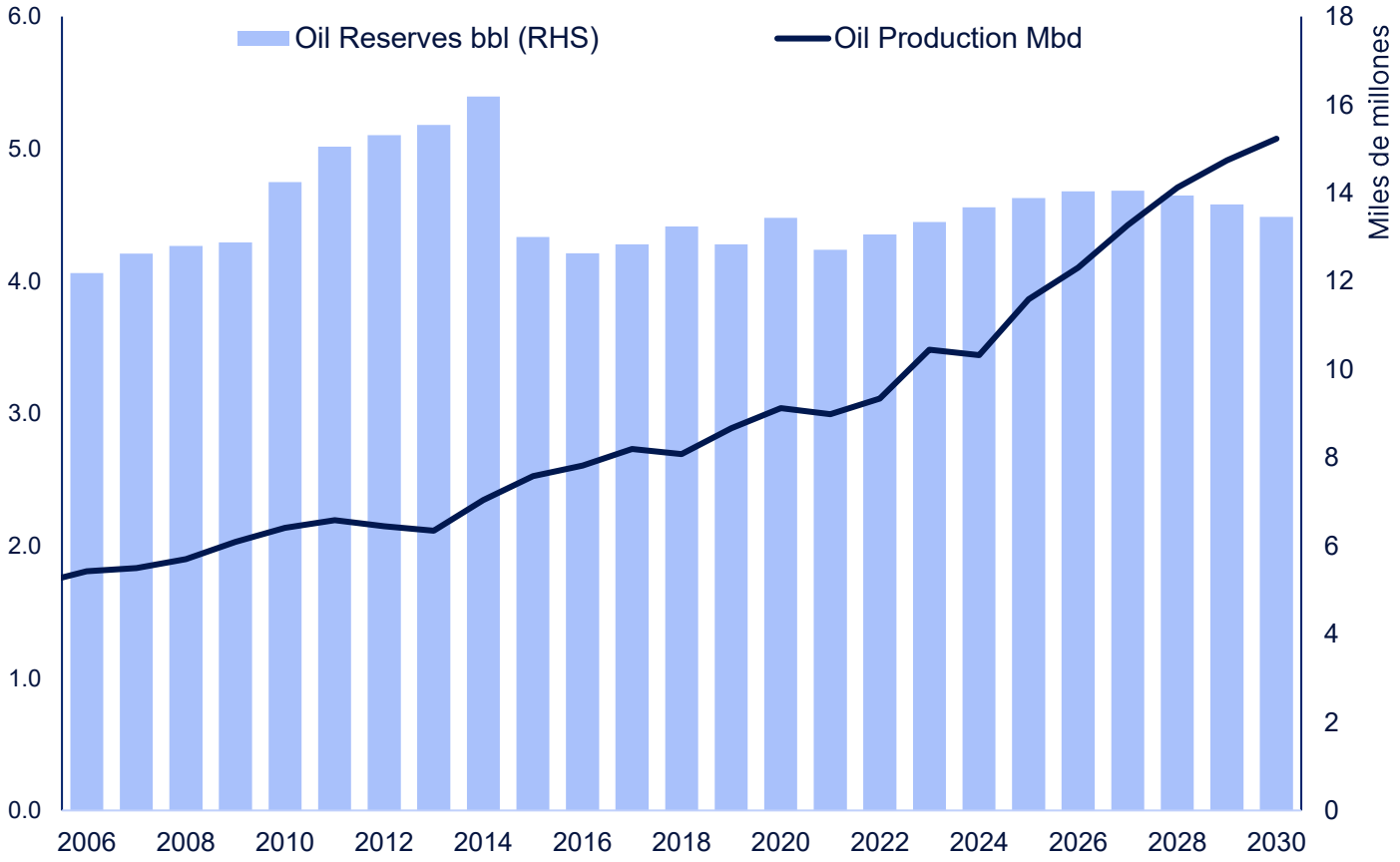
- In Brazil's case, the greatest opportunity lies in offshore oil production, with offshore reserves accounting for more than 95% of the country's total reserves.
- In addition, the country possesses significant undeveloped resource potential, particularly in the pre-salt fields. These resources represent the primary driver of future reserve growth. However, operational constraints, mainly related to costs, as well as regulatory limitations, continue to restrict the full development potential of these assets

Fuente: BMI Brazil Oil & Gas Report – Estudios Económicos Bladex

Brazil: Oil production has undergone a 180-degree transformation over the past 15 years, driven by the development of offshore projects.

- Regulatory reforms to exploration and production contracts, combined with the growing participation of foreign companies, have been key drivers of Brazil's oil sector expansion over the past decade.
- Over the last 15 years, the country's oil production has increased from an average of 2 million barrels per day (mbd) to a projected more than 5 mbd by 2030.
- This growth has been underpinned by pre-salt developments, which have significantly boosted offshore production and established Brazil as one of the world's most promising oil and gas upstream hubs.
- Brazil also possesses significant potential in unconventional resources that could further expand its oil and gas reserves. However, operational costs and environmental concerns continue to constrain the development of these projects..

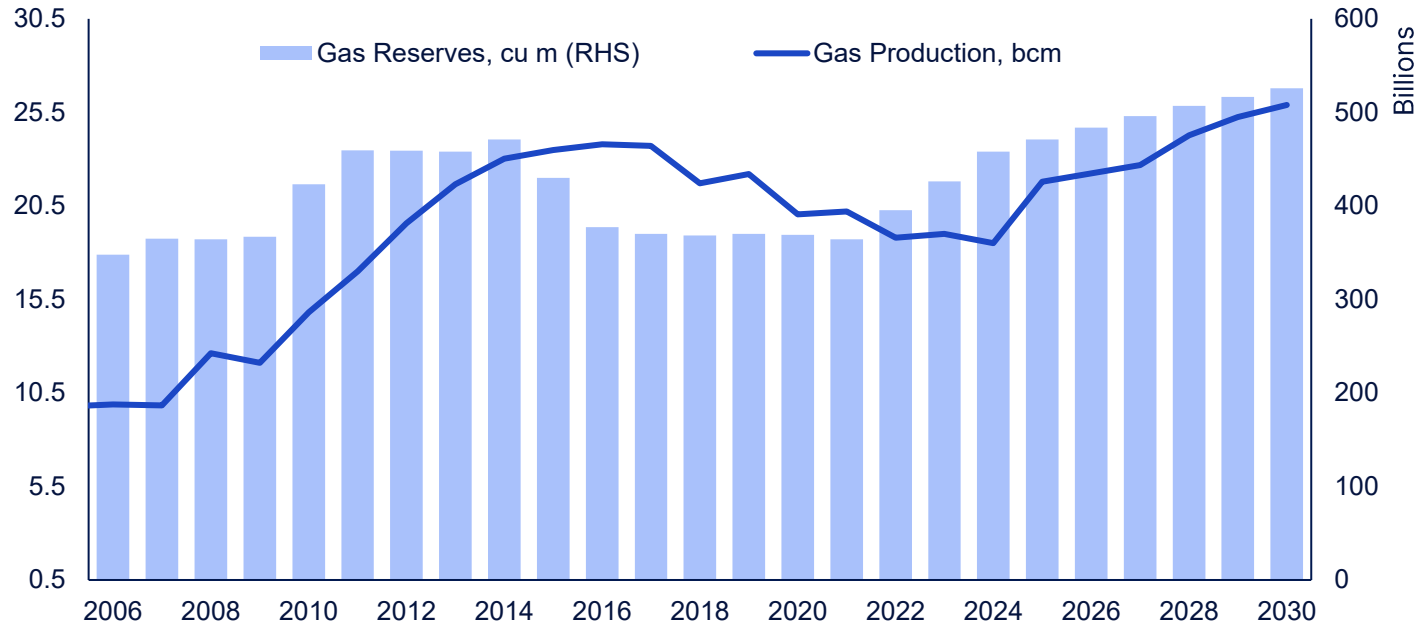
Oil: Production vs. proven reserves (bbl, mbd)



Source: BMI Brazil Oil & Gas Report – Economic Research Bladex

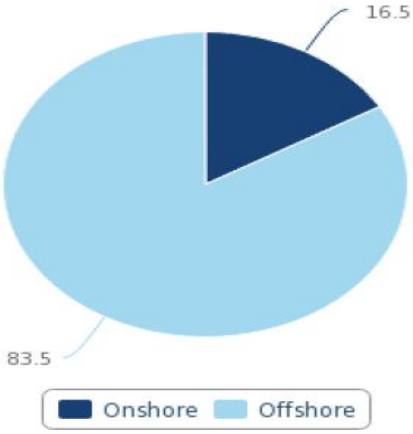
Brazil: Regulatory reforms and greater openness to foreign investment have boosted the country's energy production. The upward trend is expected to continue.

Gas: production vs. proven reserves(cu m, bcm)



- The liberalization of the regulatory framework and increased access for foreign companies over the past decade have been key drivers of the country's energy sector expansion.
- Industry and power generation account for nearly 85% of the country's natural gas consumption.

Proved Natural Gas Reserves in Brazil by Location (%)

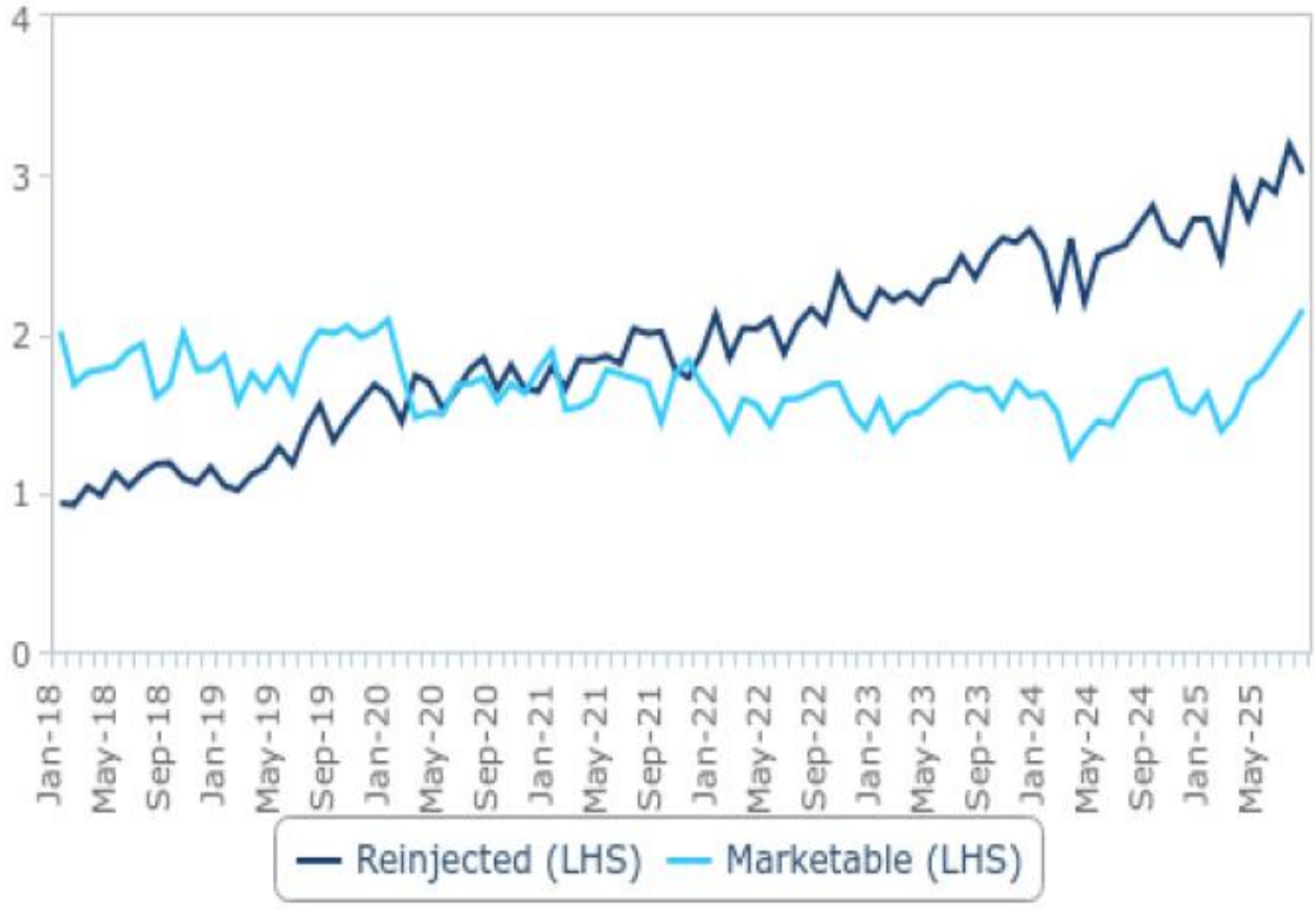


Source:BMI Brazil Oil & Gas Report – Economic Research Bladex

Brazil: Gas reinjection is limiting the ability to commercialize rising production volumes.

- Natural gas production has been increasing, and the share available for commercialization is expected to rise as bottlenecks in offshore infrastructure and operations are gradually addressed.
- However, growth in total gas production is unlikely to be fully reflected in marketable supply, given the need to reinject gas into oil wells to enhance extraction efficiency, particularly in the pre-salt fields.
- As a result, Brazil has advanced negotiations to increase natural gas imports from Vaca Muerta, helping meet the country's growing domestic gas demand.

New Midstream Capacity Drives Growth in Brazil's Marketable Natural Gas Supply (bcm)



Source:BMI Brazil Oil & Gas Report – Economic Research Bladex

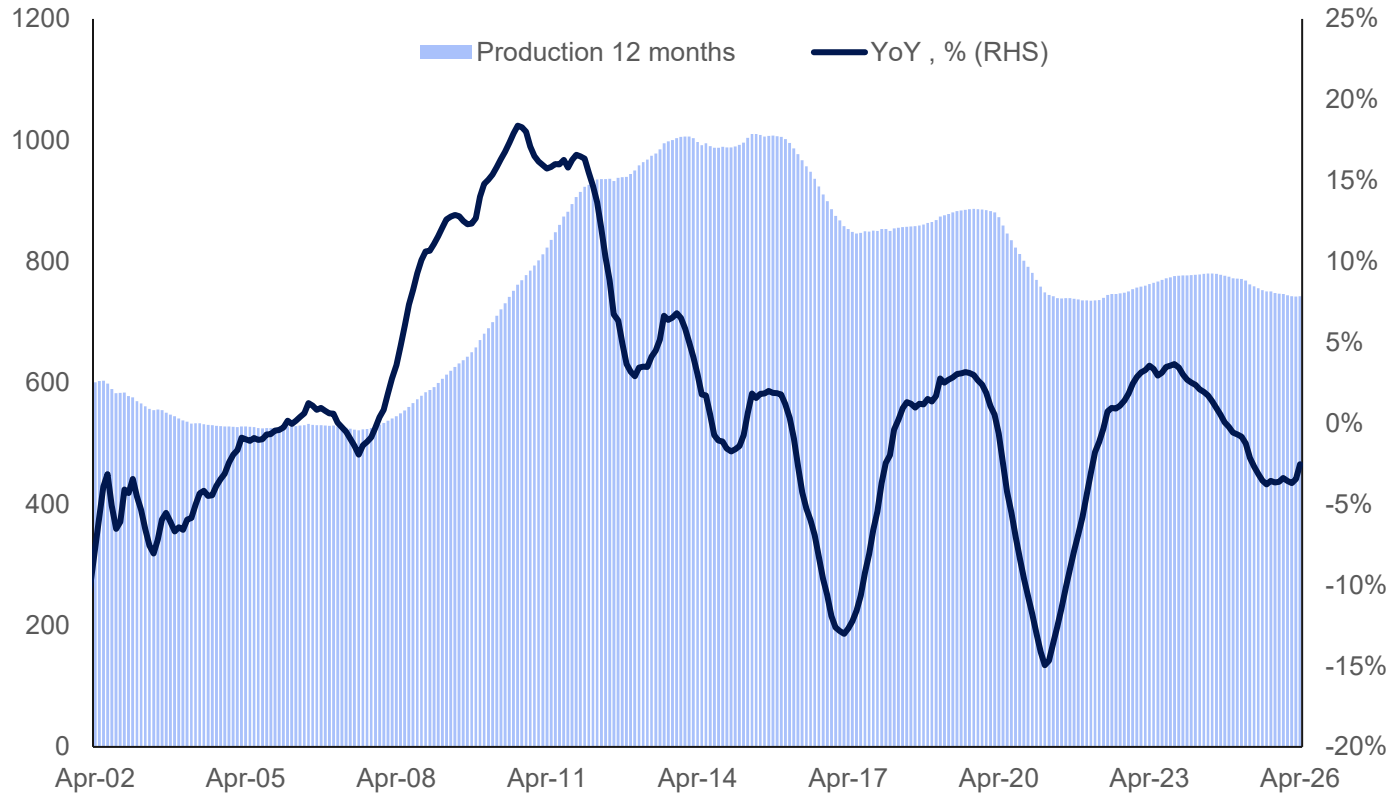
Colombia: A Moderate Outlook for the Oil Sector, with Upside Potential Under a More Supportive Energy Policy Framework and a Favorable External Environment.

BLADEX

Colombia: The oil sector has lost relative importance within the region; the next political cycle will be critical in shaping the outlook for investment and growth.

- Oil production in Colombia has remained largely stagnant in recent years at around 750 thousand barrels per day. Mature producing fields, lower investment in exploration and production, and a less supportive regulatory environment for new projects have constrained sector expansion.
- Under current conditions, the reserves-to-production ratio is expected to continue deteriorating and fall below six years.
- While Colombia remains a relevant oil producer within Latin America, its relative position has weakened in recent years.
- The country has moved from being the third-largest crude oil producer in the region in 2022, behind Brazil and Mexico, to sixth place, having been surpassed by Argentina, Guyana, and Venezuela. This shift reflects weaker sector momentum relative to other regional producers.

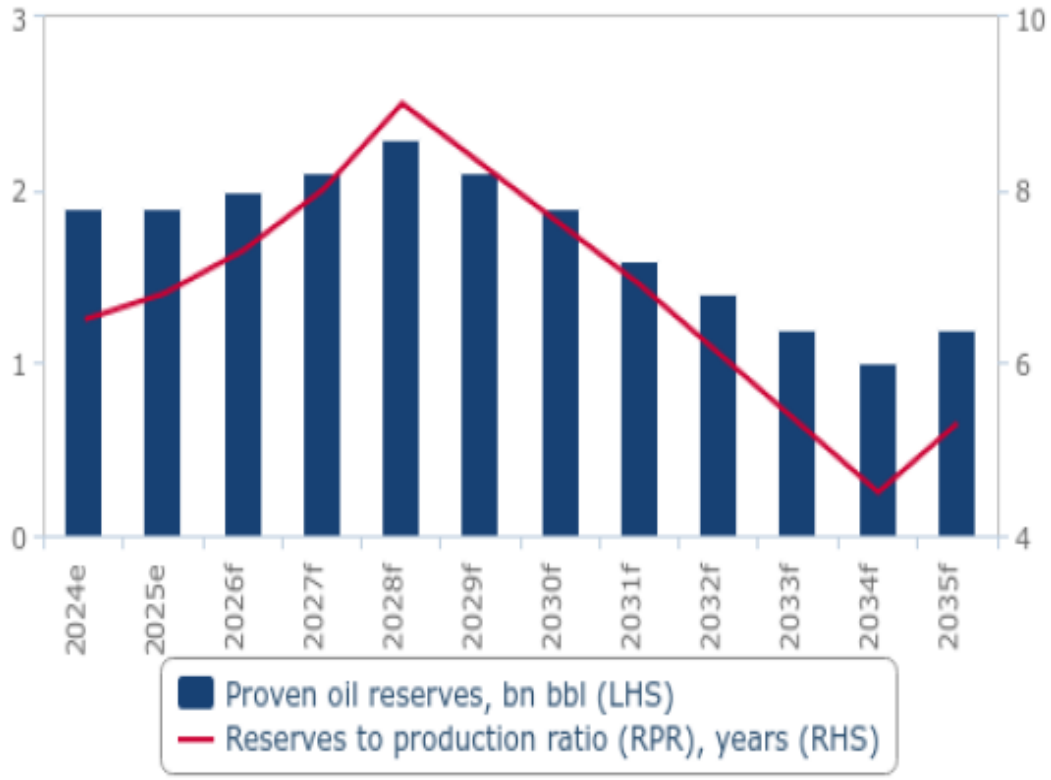
Oil production(mbd, YoY %)



Source: BMI Colombia Oil & Gas Report – Economic Research Bladex

Colombia: The outlook for the oil sector remains challenging, constrained by domestic regulatory factors and the evolution of international energy prices.

Oil reserves vs. Reserves/production ratio
(mbd, years)

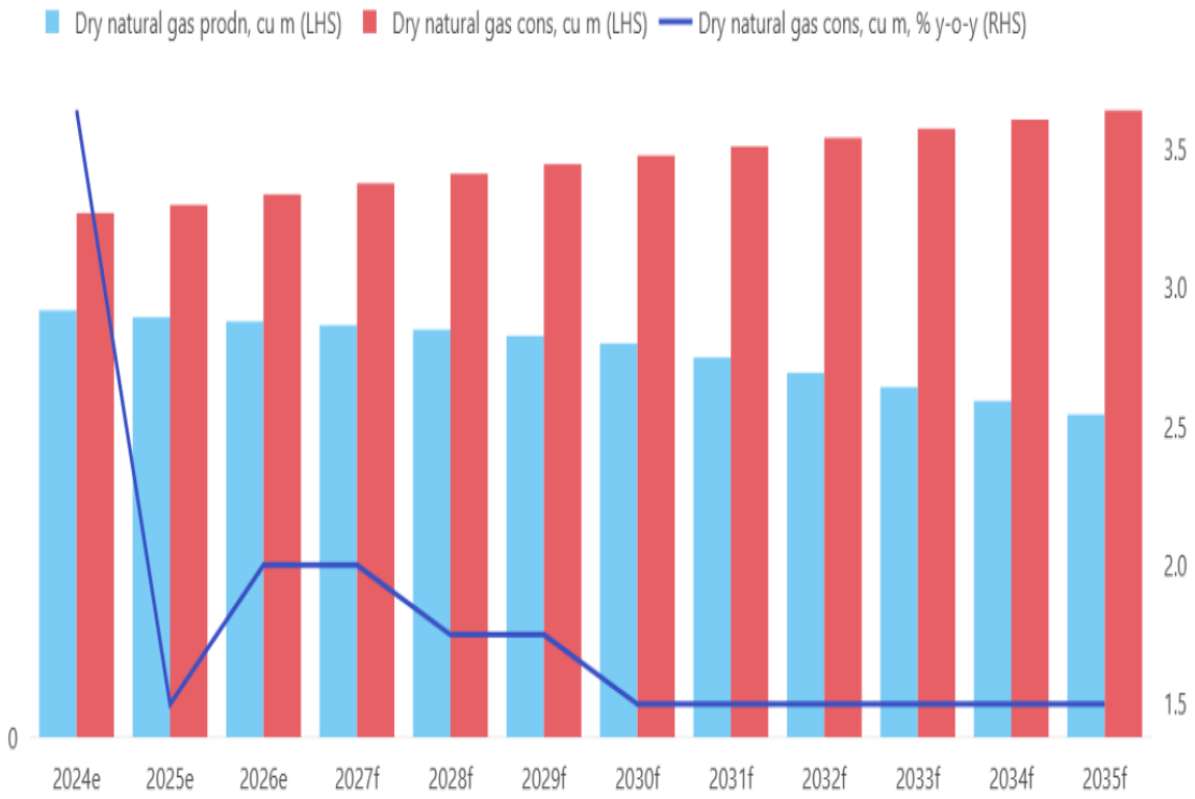


- The medium-term outlook for the oil sector remains skewed to the downside, reflecting a combination of structural and regulatory challenges that continue to weigh on investment and growth prospects.
- The deterioration of the reserve base represents one of the sector's key risks. Proven oil reserves currently amount to roughly seven years of production and, if current exploration and investment conditions persist, could decline to below six years.
- Exploration activity remains insufficient to reverse this trend. The absence of new licensing rounds in recent years, combined with an oil price environment that has improved cyclically but lacks signs of structural strength, persistent security and social conflict risks, and limited visibility on new projects, has reduced Colombia's relative attractiveness compared with regional peers.
- The fiscal and regulatory framework also remains a source of pressure for the industry. Historically, the hydrocarbon sector has been a recurring target for revenue-raising measures, including higher fiscal burdens, corporate surtaxes, the removal of tax incentives, and restrictions on exploration activity.

Source:BMI Colombia Oil & Gas Report – Economic Research Bladex

Colombia: In natural gas, Sirius could transform the sector's outlook, although the base-case scenario still points to a structural supply deficit.

Gas: Production vs. Consumption
(cu m, YoY %)



- Projections for the natural gas market point to a widening supply-demand imbalance over the next decade. While consumption continues to expand, driven by industrial activity, residential demand, petrochemicals, and transportation, domestic production remains on a declining trajectory, widening the structural deficit and increasing reliance on liquefied natural gas (LNG) imports. Under a no-investment scenario, the gas deficit could approach half of total domestic demand.
- In this context, the offshore Sirius project stands out as the sector's most important long-term catalyst. Since it has not yet been incorporated into baseline production scenarios, it represents a significant upside opportunity for the country's energy outlook.
- If developed according to the current schedule, Sirius production would begin to come online between 2029 and 2030. As a result, the need to expand LNG import infrastructure will remain in place over the coming years to ensure adequate supply for the domestic market. The project's potential is substantial, with estimates suggesting it could increase the country's proven natural gas reserves by as much as 200%.

Source:BMI Colombia Oil & Gas Report – Economic Research Bladex

Colombia: Outlook and Key Takeaways for the Country's Energy Sector.

Positive Catalysts	Key Challenges
Sirius-2 • Main structural upside for the gas sector. • Potential increase in bookings up to 200%. **Potencial Offshore** • Large areas of the Caribbean remain underexplored. • Relevant opportunities for new discoveries. **Political Change** • A more favorable regulatory environment could revive exploration and investment. **Developed Infrastructure** • Consolidated pipeline network. • Transportation and refining system.	**Impairment of Reserves** • Reduced replenishment of reserves. • Reduced visibility into future production. **Regulatory and Fiscal Framework** • Higher tax burdens over time. • Fewer incentives for new investments. **Loss of Regional Competitiveness** • Colombia loses attractiveness against Guyana, Argentina and Brazil. **Operational Risks** • Security, social conflict and community blockades continue to affect projects.

Source: BMI Colombia Oil & Gas Report – Economic Research Bladex

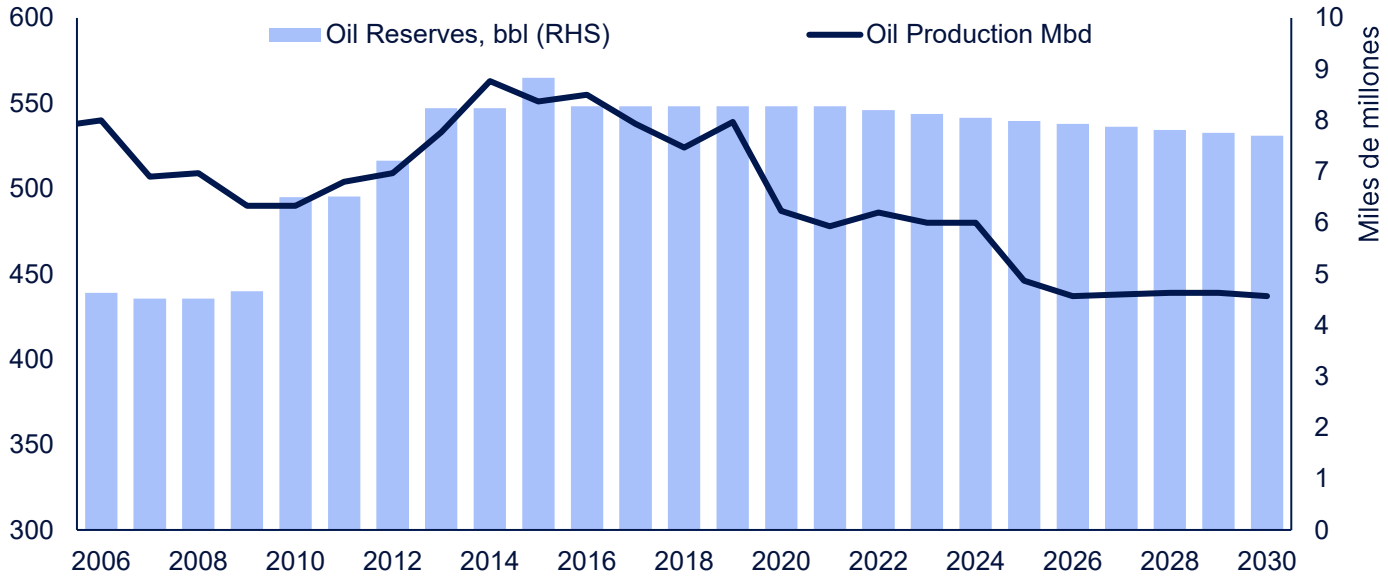
Ecuador:
The country’s oil potential remains constrained by limited reserve replacement, structural bottlenecks, and a challenging investment environment.

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Ecuador: Upstream operations retain exploration potential, but structural constraints continue to hinder efforts to reverse the decline in reserves and production.

- Upstream activity faces structural challenges stemming from the maturity of existing fields, many of which have been producing for more than 40 years, limited reserve replacement, and a complex institutional environment.
- Despite holding a meaningful reserve base of approximately 8 billion barrels, production remains on a depletion trajectory, with reserve exhaustion continuing to outpace new discoveries and reserve additions.• Decades of underinvestment and the dominant role of the state have constrained the sector's ability to expand exploration activity and accelerate the development of new projects.
- Regulatory uncertainty, social and environmental conflicts, and increasingly stringent environmental requirements have reduced the country's attractiveness to private sector exploration investment.
- Recent strategies have focused on selective lower-risk exploration and optimization of existing fields, rather than large-scale exploration expansion.
- While public policy has become more supportive of hydrocarbon development, the outlook points to incremental growth in reserves and production rather than a structural transformation of the sector.

Oil: production vs. proven reserves (bbl, mbd)

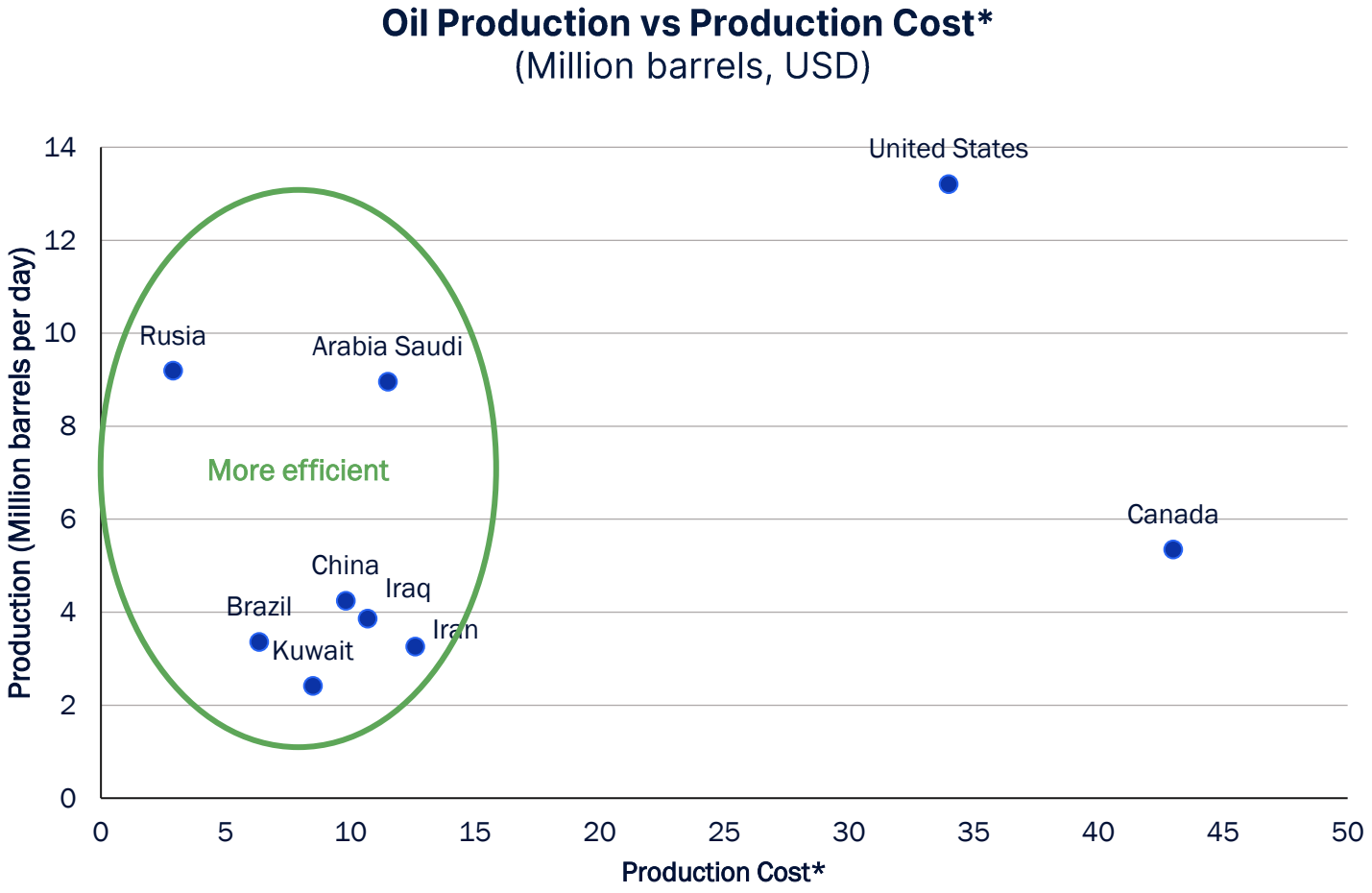


Source:BMI Ecuador Oil & Gas Report – Economic Research Bladex

Peer Analysis: Scale, Reserves, and Costs: The Competitive Advantages Driving Latin America’s Leading Oil Producers.

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The global cost curve shows that competitiveness in the oil sector is not determined solely by production scale.



- Producers that combine low operating costs with a substantial reserve base are best positioned to capitalize on the current high-price environment, a characteristic shared by several Latin American producers.
- Middle Eastern producers benefit from both low extraction costs and abundant reserves. However, their high fiscal dependence on oil revenues requires higher crude prices to maintain budgetary balance, partially offsetting their competitive advantage.

Source:OCDE – Economic Research Bladex *Production Cost: EE.UU: Dallas Fed Energy Survey March2026 (Permian) / Canada : Breakeven 2025- Suncor / Brasil: Lifting Cost Petrobras 2025 / China: Lifting Cost Petrochina 1Q-26 (Includes Oil & Gas) / Rusia: Lifting Cost 2024 – Rosneft / Arabia Saudi : Proximación full cycle 2025/ Iraq, Irán, Kuwait lifting cost.

Latin America: The region's evolving energy landscape increasingly favors the most efficient producers.

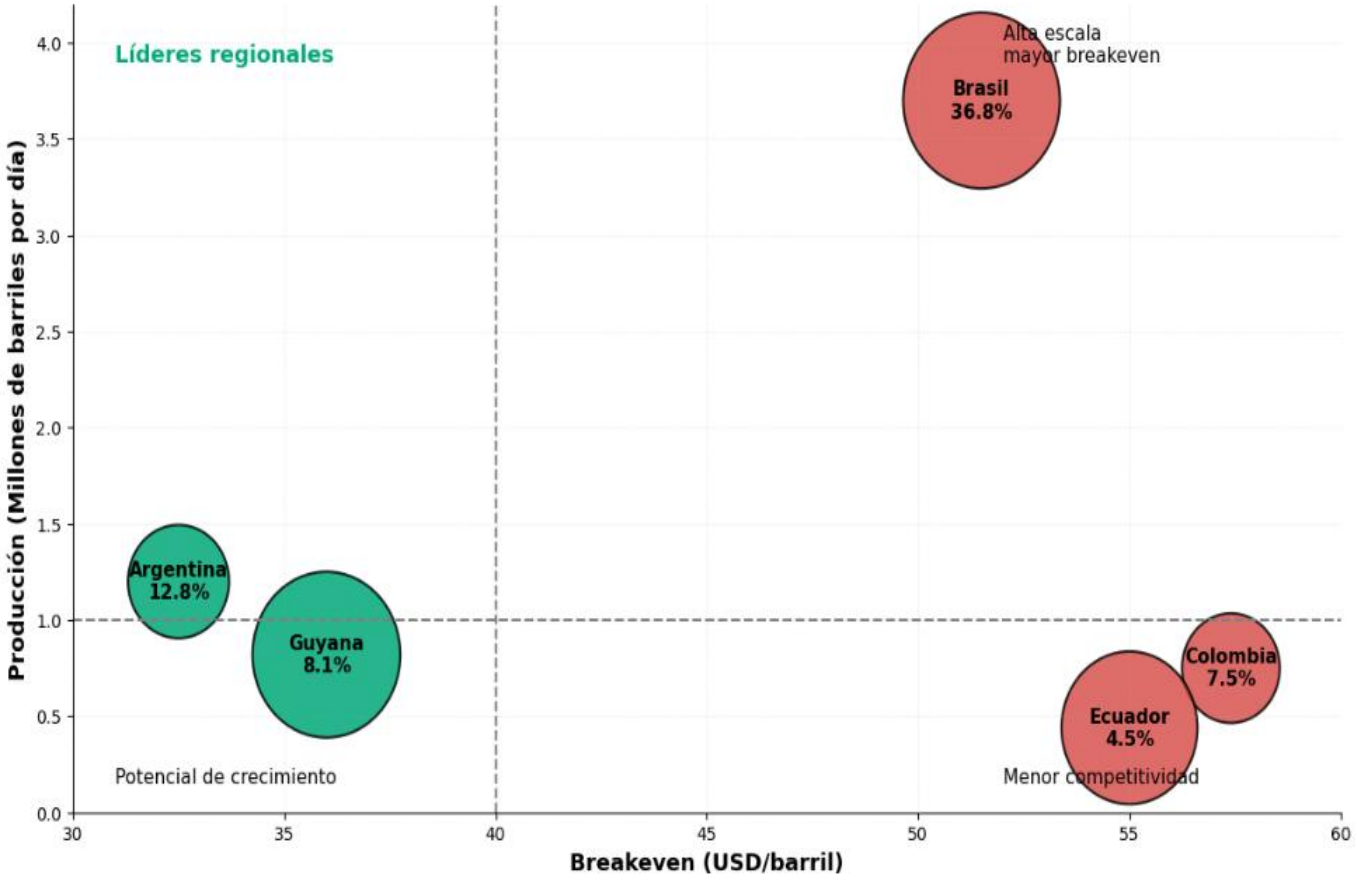
Country	Production (mbd)	Proven reserves (Bn barrels)	Lifting Cost (USD/Barrel)	Breakeven* (USD/Barrel)	Participation in regional production**
Argentina	1.5 million barrels	2.9	11.6 YPF 5.2 Vista Energy	30 – 35 Vaca Muerta - YPF	12.8%
Brazil	3.3 million barrels	15.8	6.1 Petrobras	51.5 Petrobras	36.8%
Colombia	0.77 million barrels	2.0	12.5 Ecopetrol 18.0 Gran Tierra	59.9 Ecopetrol 54.9 Gran Tierra	7.5%
Ecuador	0.47 million barrels	8.2	15 – 26.1 Petroecuador		4.5%
Guyana	0.82 million barrels	11.0	6.73 Hess Corporation (Bloque Stabroek)	36 (Bloque Stabroek)	8.1%

- Guyana, Brazil, and Argentina stand out as the region's most competitive producers, combining lifting costs below USD 12 per barrel, relatively low breakeven prices, and substantial reserve bases that support future production growth.
- Brazil leads the region in both scale and reserves, accounting for roughly 37% of Latin America's oil production. Meanwhile, Guyana has emerged as the producer with the strongest growth potential, supported by its low operating costs and the rapid development of the Stabroek Block.

Source:BMI Oil & Gas Report – OPEP – YPF – IEF – Hess Corporation – Economic Research Bladex.
*Calculated after taxes. **Takes into consideration the region's recorded production for 2025.

Latin America: The region's evolving energy landscape increasingly favors the most efficient producers.

Efficiency vs. Production Capacity vs. Volume of reserves*



- The regional oil cycle is shifting toward lower-cost producers with greater expansion potential, with Guyana and Argentina standing out due to their low breakeven prices, abundant resource bases, and strong projected production growth.
- Brazil remains the anchor of Latin America's oil industry, accounting for the region's largest production base and reserve portfolio.
- Meanwhile, Colombia and Ecuador face greater competitive challenges, reflecting higher breakeven levels, more limited growth capacity, stagnant reserve bases, and institutional and legal constraints.

Source:BMI Oil & Gas Report – OPEP – YPF – IEF – Hess Corporation – Economic Research Bladex. *The size of the bubble represents the volume of total reserves that each country has.

Economic Research Team

Sergio Olarte
Chief Economist
solarte@bladex.com

Gustavo Acero
Senior Economist
gacero@bladex.com

Daniela Silva
Economist
dsilva@bladex.com

Mailbox Economic Research Team
EstudiosEconomicos@bladex.com

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