



NORTH AMERICA U.S. ONSHORE PERMIAN BASIN

Ecopetrol opts out of \$3.6 billion Permian oil deal with Occidental

Andrea Jaramillo, Bloomberg August 04, 2024

(Bloomberg) – Colombia's state oil company, Ecopetrol SA, has decided against buying a \$3.6 billion stake in Permian Basin assets from Occidental Petroleum Corp.

The company told Occidental Wednesday that it had opted not to acquire the 30% stake in the assets it has agreed to buy from CrownRock LP, according to a filing Thursday.

The stock of Occidental fell 2% while Ecopetrol's American depository receipts slipped 1.5% in New York Thursday.

The move would have allowed Ecopetrol to add around 50,000 bpd, "providing much-needed growth visibility outside of Colombia," Bloomberg Intelligence analyst Will Hares wrote in a note. BTG Pactual estimated it would expand Ecopetrol's reserves by 11%.

Colombian President Gustavo Petro has made fighting climate change a priority and is refusing to grant new contracts to explore for new drilling sites even as the Andean nation's reserves drop.

