



First Deals Under the New Investment Regime in Venezuela

By Holland & Knight

With the entry into force of the reform to the Organic Law of Hydrocarbons, the enactment of the new Organic Law of Mines and the issuance of general licenses by the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC), international operators with strategic assets in Venezuelan territory have entered into contractual agreements.

In the hydrocarbons sector, on April 30, 2026, subsidiaries of U.S. companies signed non-binding preliminary agreements with the Venezuelan government involving investments of up to US\$2 billion. These projects will focus on the Monagas, Anzoátegui and Barinas regions within the Orinoco Belt and involve the exploitation of both heavy crude and associated gas.

These agreements are part of a series of significant developments that took place in April, as meetings were held between energy sector representatives and Venezuelan authorities that, ultimately, led to the execution of agreements for the joint development of oil fields within the Orinoco Belt, which has *in situ* reserves.

Additionally, plans have been announced to increase current crude production in the short term and to significantly expand it in the coming years. In the natural gas segment, licenses are being processed for priority projects, notably the development of an offshore field with substantial estimated gas reserves.

Regarding trade flows, Venezuelan oil exports reached 1.23 million barrels per day in April 2026, the highest monthly level since the end of 2018. This represents a 14 percent increase compared to March, with a total of 66 vessels departing from Venezuelan waters during the month.

Indian refineries have emerged as the largest buyers of Venezuelan crude, filling the gap left by China following the United States' decision to oversee the country's oil sales. Furthermore, flights between Miami and Caracas have resumed after a seven-year suspension, and the International Monetary Fund has reengaged institutionally with Venezuela for the first time since 2019, which could ultimately enable access to financial support mechanisms for the country.

In conclusion, the convergence of Venezuela's new regulatory framework, OFAC licenses and political will has led to the execution of agreements with international operators involving billions of dollars in hydrocarbons and parallel developments in the mining and energy sectors. To date, most of the agreements executed consist of memoranda of understanding and non-binding preliminary agreements that require detailed structuring, regulatory due diligence and sophisticated contractual design.

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