Recent Developments in the Opening of Venezuela's Investment Regime

By Holland & Knight

Venezuela has made progress in implementing the new regulatory framework for the hydrocarbons and mining sectors, following the enactment of the Law Amending the Organic Hydrocarbons Law and the new Mining Law. The most recent developments have focused on defining the contractual model applicable to oil operations, the regulation of the new legislation and the operational preparation of the mining sector for the entry of international investors.

In contractual matters, in early June 2026, specialized media reported that the Venezuelan government and Petróleos de Venezuela, S.A. (PDVSA) reviewed the proposed contract template for energy companies. In the new draft, the clause that allowed the state to terminate contracts for reasons of "public interest" with compensation below market value was eliminated. This change appears intended to align contractual terms with the scope of the general licenses issued by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), including provisions related to international arbitration.

Additionally, a draft regulation of the new hydrocarbons law circulated in mid-May 2026 provides that companies investing in oil and gas projects must ensure their own electrical self-sufficiency, either through own generation facilities or agreements with private suppliers, operating independently from the national power grid. If adopted, this new regulation would require new projects to incorporate power generation infrastructure into their investment plans, departing from the historical model in which oil operations relied on the national grid. This shift reflects the structural deficiencies of Venezuela's power system and aims to ensure operational continuity for energy projects.

In the mining sector, as part of the rollout of the new law approved in April, the Executive Branch deployed military operations in Bolívar state at the beginning of June, particularly in the city of Las Claritas, Sifontes municipality. This was aimed at reestablishing state control over gold deposits and occurred alongside technical inspection visits by delegations of international investors in the city of El Callao.

In this way, the opening process relies on the architecture of general licenses issued by OFAC during 2026. General Licenses 56 and 57, issued on April 14, 2026, authorize the negotiation of contingent contracts with the Government of Venezuela across all sectors and the provision of financial services with certain Venezuelan state-owned banks. Therefore, consistency between contractual terms and these authorizations is a central element in structuring transactions.

On the transactional front, two international oil and gas companies entered into strategic agreements on March 12, 2026, for the Cardón IV field aimed at securing natural gas production during 2026 and strengthening long-term operational stability, with plans to increase production from 580 million to 645

million cubic feet per day. Subsequently, on April 16, one of these companies signed an additional agreement to increase oil production at a joint venture operating in the country's western region by 50 percent over the next 12 months.

Meanwhile, PDVSA and a global energy company formalized an asset swap on April 13, 2026, under which the global company receives an additional 13.21 percent operating interest in a joint venture focused on oil and gas exploration and production (increasing its total stake to 49 percent) and rights to develop the Ayacucho 8 block in the Orinoco Oil Belt. In exchange, the company would give up its interest in the offshore gas licenses of Plataforma Deltana Blocks 2 and 3, as well as its participation in another joint venture in the western part of the country.

Taken together, these developments show that the opening of Venezuela's investment regime is advancing simultaneously across regulatory, contractual, operational and transactional fronts, through measures aimed at enabling the participation of international investors in the hydrocarbons and mining sectors under a framework that remains in the process of implementation.

Learn more about our Venezuela Strategic Advisory Team.