

Investments in the Hydrocarbon and Mining-Energy Sectors in Venezuela

By Holland & Knight

From October to November 2026, Venezuela's mining and energy sectors are experiencing a period of stabilization rather than expansion. Oil exports are holding at levels similar to the previous month, international companies are making new overtures and the U.S. regulatory framework continues to be adjusted. This shows that the recovery of activity now depends less on creating opportunities for negotiation and more on the ability to convert signed agreements into actual investments.

In October 2026, Venezuelan oil exports stood at approximately 1.08 million barrels per day (bpd), practically the same as in September (0.5 percent lower) and the lowest level since February, although 21 percent higher than in 2025. Behind this apparent stability lies a change in the composition of destinations: shipments to the U.S., the main buyer of Venezuelan crude, fell by around 29 percent to roughly 449,000 bpd, while shipments to Europe rose from 86,000 to 235,000 bpd.

The stagnation has been attributed to high freight costs, seasonal refinery maintenance and Petróleos de Venezuela S.A.'s (PDVSA) reluctance to offer larger discounts to offset those costs. This has contributed to diluted crude inventories approaching 4 million barrels.

Official figures indicate that production averaged 1,244,000 bpd in October and reached 1,251,000 bpd in the first week of November, representing an 8.5 percent increase over 12 months, although independent estimates differ by around 150,000 bpd. The acting government has stated that 1) approximately 80 agreements have been signed in the sector since the January reform of the Hydrocarbons Law, 2) the greatest boost to production will come starting in December, and 3) the industry could receive approximately US$76 billion in investments over the next five years.

On November 9, 2026, PDVSA signed a memorandum of understanding with one of the largest U.S. oil companies, which had left the country almost 20 years ago, paving the way for its return to exploration and production activities in both mature fields and new areas with estimated reserves in the billions of barrels.

The document is preliminary in nature and does not contain a formal investment commitment, as the company itself described it as a first step, though the government expects it will soon translate into concrete commitments. For investors, this type of instrument may be a relevant signal of interest, but its legal value will depend on its conversion into contracts with defined obligations and on those contracts obtaining the necessary authorizations from the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury for their performance.

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At the regional level, the Colombian government has included the rehabilitation of the binational gas pipeline connecting western Venezuela with La Guajira among its projects of national and strategic interest. Colombian energy companies expect to begin work in the last quarter of 2026, with the pipeline expected to become operational by mid-2027, with an initial supply of 50 million cubic feet per day, equivalent to about 5 percent of Colombia's demand.

On the regulatory front, OFAC updated, at the end of September, the general licenses relating to trade in oil and petrochemical products, the supply of goods and services to the sector (including electricity) and the negotiation of contingent contracts.

In the mining sector, the licensing framework allows the supply of goods and services and the negotiation of contingent contracts, but it excludes the formation of new joint ventures for the exploitation of minerals, including gold, and makes the execution of new investments subject to subsequent authorization.

In addition, the *Jones Act* waiver remains in effect until November 15, 2026, and, on the domestic front, the round of dialogue scheduled for November 11 to 15 includes on its agenda the appointment of justices to the Supreme Court of Justice, which is expected on December 11. These are factors that may affect the stability of contracts entered into with the Venezuelan state.

Accordingly, Venezuela's hydrocarbon and mining-energy sectors show stable exports, a growing number of agreements and new overtures from international companies. However, a large share of those instruments is preliminary or contingent in nature, which suggests that the next step for investors is not the signing of new memoranda, but the formalization of contracts with defined obligations, specific authorizations and logistical conditions that allow for their performance.

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