



Fact Sheet

VENEZUELAN OIL: RESERVES, PRODUCTION AND POLICY

The Bolivarian Republic of Venezuela is one of the world's most significant producers of oil, with the highest proven reserves, and an important supplier to the Western Hemisphere. In recent years, Venezuela has adopted new regional energy cooperation agreements and diversified its export markets. Additionally, it has directed oil revenues towards vital social development programs and infrastructure projects –over U.S.\$83 million- while expanding investments in exploration and production. 1

south-central Venezuela that consists of large deposits of extra heavy crude oil. Currently, there are four exploration and production areas ranging from 387 to 3,096 square-miles – Carabobo, Ayacucho, Junín and Boyacá – representing almost 50 percent of the oil belt's total area. A study by the U.S. Geological Survey put Venezuelan oil reservoirs, to date, at 513 billion barrels of recoverable oil at a 45 percent recovery rate. According to the study, Venezuela has the largest accumulation of crude ever estimated by the U.S. Geological Survey. 3

OIL RESERVES, PRODUCTION & EXPORT

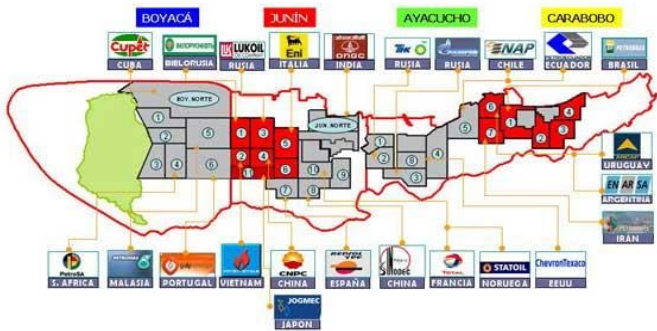
Venezuela has 296.5 billion barrels in proven oil reserves –certified until December 3, 2010-, the highest in the world. Venezuela exceeds Saudi Arabia, which ranked first in the world regarding oil reserves with 265 billion barrels.1 According to the 2009 report of the Venezuelan state-owned oil company Petróleos de Venezuela (PDVSA), during that year “the levels of production of crude and liquids of natural gas stood at 3.2 million barrels per day nationwide, which allowed PDVSA and its subsidiaries to receive world operational incomes by U.S.\$74.9 billion. Out of the average of oil barrels produced, exports by 2.7 million barrels per day were carried out over the year.” Venezuela serves as a vital energy partner to the countries of the region. Additionally, in recent years Venezuela has diversified its exports, and now ships 470,000 barrels a day to China – a 21 percent increase from last year. 2

The oil belt, described by many as one of its kind, included the participation of teams from 21 different countries represented by 26 oil companies approximately. 4

During the most recent bidding round in January 2010, two consortiums – one led by U.S.-based Chevron, the other by Spain's Repsol – won bids for over 800 million barrels per day of new production in the Orinoco Oil Belt. Four more joint ventures in development in the Junín area are led by Chinese, Indian and Russian consortiums.

In November 22, 2010, the governments of Venezuela and Italy, through their state-owned oil companies PDVSA and ENI respectively, signed two strategic agreements to carry out a development plan in the Orinoco Oil Belt. The total investment between both companies exceeds U.S. \$17 billion. Over the next seven years, there are investment opportunities worth U.S. \$240 billion in the Orinoco Oil Belt.

ORINOCO OIL BELT



The Orinoco Oil Belt is a 55,314-square mile area in

VENEZUELA'S VISION FOR OIL

The government of President Hugo Chávez has adopted a vision of oil that includes working with global partners to assure a fair value for a nonrenewable natural resource, expanding regional agreements to help correct energy asymmetries, increasingly using oil revenues to fund vital social development and infrastructure programs, and diversifying Venezuela's oil exports. A vital aspect of this vision has been the development of Venezuela's oil reserves in an effective and rational manner and in full accordance with Venezuelan legislation.



A prime example of Venezuela's commitment to increasing access to energy is **PetroCaribe**, a 14-country energy agreement launched in 2005. Through the agreement, member-states, **which have now increased to 18**, receive oil directly from Venezuela at preferential financing rates. The agreement thus allows developing country's that need energy the proper access to it, and the financing arrangement allows them to direct money to social development projects in their countries.⁵



Through PetroCaribe Venezuela provides U.S. \$9.7 billion worth of oil to member-states, of which U.S. \$3.7 billion is financed over 25 years at 1 percent interest.

PetroCaribe and other such regional agreements represent Venezuela's new vision for oil, which is founded on the principles of fair commerce, solidarity, social justice, complementarity and equal access to energy.

According to information by PDVSA, since PetroCaribe's energy cooperation agreement was signed in May 2009, the accumulated supply of oil and related-products reached 90.5 million barrels. For those countries that received the oil supply, the financed portion (U.S. \$3 billion) represents savings by U.S. \$1.4 billion, which must be used to finance development projects.

PetroCaribe and other related regional agreements represent a new oil vision of Venezuela, based on the principles of fair trade, solidarity, social justice, complementarity and equal access to energy.

ENERGY RELATIONSHIP WITH THE U.S.

Venezuela is a **consistent, reliable and longtime energy supplier** to the U.S., supplying the country with crude oil and hydrocarbon products. Venezuela is among the four most important oil suppliers of the U.S.

Additionally, through **CITGO**, subsidiary of Pdvsa in the U.S., since 2005 Venezuela has provided poor households and communities in 25 states and the District of Columbia with 170 million gallons of **discounted heating oil**, the only U.S.-based company to do so.⁶

The visit of the Minister of People's Power for Energy and Oil, Rafael Ramírez, to Washington, D.C. on April 15-16 for the Energy and Climate Ministerial of the Americas came at the invitation of the U.S. Secretary of Energy. It was his first visit to the city since 2004, when the Bush Administration, due to political reasons, began limiting communications between the energy institutions of the two countries and eventually put on hold the energy agreement that had been active between the two countries since 1980.

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¹ "Venezuela ha destinado más de 83 mil millones de dólares a la inversión social." February 17, 2011.

<http://www.antv.gob.ve/m8/noticiam8.asp?id=36709>

² "Reservas certificadas de la faja del Orinoco superarán 300 mil millones de barriles en 2011." February 15, 2011. <http://venezuela-us.org/es/2011/02/15/reserva-petrolera-venezolana-aumenta-a-296000-millones-de-barriles-la-mayor-del-mundo/>

³ "Servicio geológico de EEUU asegura que Venezuela supera a Arabia Saudita en reservas petroleras", January 24, 2010.

<http://primicias24.com/economia/servicio-geologico-de-eeuu-asegura-que-venezuela-supera-a-arabia-saudita-en-reservas-petroleras/>

⁴ "La Faja del Orinoco, Desafío Extrapasado." March, 2010.

http://www.poder360.com/article_detail.php?id_article=3694

⁵ <http://www.petrocaribe.org/>

⁶ "Sixth Annual CITGO-Venezuela Heating Oil Program Launched in Boston." January 27, 2011. <http://venezuela-us.org/2011/01/27/sixth-annual-citgo-venezuela-heating-oil-program-launched/#more-15270>