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Exxon Signs an MOU. Nothing Binds Yet.

A non-binding first step with PDVSA, and the four gates between it and a barrel.



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INSIDE THIS BRIEF

→ What was signed
→ Which barrels, which partners
→ The $1.6bn award
→ Four gates to a contract

ExxonMobil Is Back at the Table With PDVSA. It Is Not Yet Back in the Field.

On 9 November ExxonMobil signed a non-binding memorandum of understanding with PDVSA to explore upstream opportunities, almost two decades after Venezuela expropriated its Cerro Negro stake. No fields, values or timelines were disclosed.

By Danny Peña · Founder & Editor, The Energy Gazette: Venezuela Edition · November 2026

9 Nov 2026	41.67%	$1.6bn	50.1%
Non-binding MOU signed with PDVSA	Exxon's Cerro Negro stake, expropriated in 2007	ICSID award of October 2014, plus interest	Minimum PDVSA stake in joint ventures after the 2026 reform

THE SEQUENCE

2007 — Cerro Negro expropriated → OCT 2014 — $1.6bn ICSID award → 9 JAN 2026 — "Uninvestable" → 29 JAN — Hydrocarbons law reform → 7 APR — Award enforcement affirmed → 16 SEP — Petromonagas talks reported → 28 SEP — OFAC GL 49B → 9 NOV — MOU signed

This issue reads what was signed, which barrels and partners are in play, the award still on the books, and the four gates between a memorandum and a barrel. Plus: every edition now lives at abaxgrid.com/energygazette.

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THE DOCUMENT

What Was Signed, and What Wasn’t

Exxon calls it “a meaningful first step, but any future investment would require stable policies, clear regulations, strong investment protections and competitive returns.” In January its CEO called Venezuela’s frameworks “uninvestable”; since then: progress on terms, but “not in a rush.” Delcy Rodríguez, at the signing: “We welcome you back.”

What it is

- A memorandum of understanding between ExxonMobil and PDVSA
- A basis to evaluate exploration and production opportunities
- Signed nearly two decades after Exxon’s 2007 exit

What it is not

- A contract: a definitive joint venture or production-sharing agreement is still needed
- A commitment: no fields, values, volumes or timelines disclosed
- A settlement of the 2014 award, or a licence to perform

Sources: ExxonMobil (9 January 2026); Reuters, Sheila Dang and Marianna Parraga (9 November 2026).

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THE ASSETS

Which Barrels, With Which Partners

Exxon named no areas. In September Reuters reported talks over Petromonagas, the former Cerro Negro, and nearby Carabobo areas. Petromonagas has a 40% Russian partner, Roszarubezhneft, and OFAC's 2026 oil licences exclude Russian parties.

Company	Where it stands	Assets	What holds it back
ExxonMobil	Non-binding MOU with PDVSA, 9 November	Petromonagas and Carabobo areas reported, not confirmed	**40% Russian partner; upgrader repairs; award unpaid**
Chevron	Producing; $7bn+ over five years, announced 2 September	Existing joint ventures, targeting about 600,000 b/d	Execution under the new terms
Continental Resources	MOU with PDVSA	Ayacucho 2, Orinoco Belt	A definitive contract is still needed
ConocoPhillips	Not returning yet	Former Hamaca, Petrozuata and Corocoro	**About $11bn owed; payment first**

Sources: Reuters (16 September and 9 November 2026); The Rio Times; EnergyNow.

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THE AWARD

The $1.6 Billion Claim Still on the Books

ICSID awarded Exxon’s Mobil Cerro Negro affiliate $1.6bn plus interest in October 2014 (ARB/07/27). A U.S. court enforced it in September 2025; the D.C. Circuit affirmed on 7 April 2026. Commentators report it might be satisfied partly by restoring ownership of the expropriated assets.

How it could be settled

- Restored or new ownership in the expropriated assets
- Cash, competing with $10bn+ of other energy claims
- Terms folded into a definitive contract: to watch

What a CFO should watch

- Whether the contract references the award or a release of claims
- U.S. GAAP: a gain contingency, recognised only when realised
- Tax characterisation of any asset transfer in settlement
- The precedent for ConocoPhillips’ larger claim

Settlement routes are this desk’s reading of reported options. Sources: UNCTAD; LexMarc (May 2026); Shale24; Reuters.

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THE GATES

From Memorandum to Barrel: Four Gates

Gate	What it requires	Set by
1. Contingent contract	U.S. persons may sign contingent contracts for new investment only if the contract commits to obtaining an OFAC licence before performance.	OFAC GL 49B, 28 Sep 2026
2. Specific licence	Case-by-case OFAC approval, unless a general licence fits. Russian, Chinese, Iranian, North Korean and Cuban parties excluded; payments owed to blocked persons go to Treasury-held funds.	OFAC
3. Contract under the reformed law	A joint venture with PDVSA at 50.1% or more, or a participatory productive contract through a Venezuelan-domiciled company with a Ministry-approved plan.	Hydrocarbons law reform, Jan 2026
4. Fiscal and legal terms	Royalty plus tax of 20% greenfield, 25% extra-heavy, 35% producing brownfield; income tax 50% (34% greenfield). Disputes with PDVSA heard in the U.S., U.K., France or Singapore.	Reform regulations; OFAC FAQ 1267

Analysis, not legal advice. Sources: OFAC; Bracewell (19 October 2026); Cleary Gottlieb on the oil reform.

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PRACTITIONER'S POINT

Which OFAC Licences Matter, Step by Step

Step	Licence	What it covers	Watch
Negotiate and sign	GL 49B · 28 Sep	Contingent contracts for new oil, gas, petrochemical or power investment, incl. due diligence	Performance waits for separate OFAC authorisation
Evaluate the fields	GL 48D · 28 Sep	Goods, technology and services for exploration and production	No new joint ventures; reporting
Deal with PDVSA	GL 52C · 14 Sep	PDVSA transactions for established U.S. entities, incl. new investment and JVs	No PDVSA debt; Citgo untouched; reporting
Operate	GL 50C · 27 Aug	Operations for BP, Chevron, Eni, Maurel & Prom, Repsol, Shell	**ExxonMobil is not named**
Lift and sell	GL 46E · 28 Sep	Lifting, export and sale of Venezuelan oil for established U.S. entities	Reporting for non-U.S. destinations

All exclude Russian, Iranian, North Korean, Cuban and Chinese parties. Disputes with PDVSA: U.S., U.K., France or Singapore. Venezuelan law behind gates 3 and 4: search it in GazettePro.

abaxgrid.com/gazettepro

Versions current as of 9 November 2026. Analysis, not legal advice. Sources: OFAC; Bracewell (19 October 2026).

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READ WITH: ANATOMY OF AN OIL MOU

The Five Clauses to Watch in Exxon’s MOU

September’s special drafted a model Venezuela oil MoU and marked five clauses where the risk sits. Exxon’s text is not public; here is what to look for.

Model clause	What the special found	In Exxon’s MOU, watch for
3 — Vehicle	IOCs prefer a CPP; the State keeps the mixed company as baseline	Petromonagas is a mixed company with a Russian partner
6 — Economics	Royalty up to 30%, set project by project	Whether royalty and new-field tax are named
7 — Sanctions	IOCs need a condition precedent tied to OFAC	**Performance contingent on OFAC authorisation (GL 49B)**
13 — Term	IOCs want an immediate sanctions exit	An exit if a licence is revoked or amended
14 — Disputes	IOCs push for international arbitration	U.S., U.K., French or Singapore forum; Venezuela left ICSID in 2012

Source: The Energy Gazette, Anatomy of an Oil MoU (September 2026), an illustrative model, not a signed text.

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SO WHAT

Three Points for the Board

1 **An MOU is an option, not an asset.**

No volumes, no value, no commitment. Model it at zero until a definitive contract and a specific OFAC licence exist.

2 **The Russian partner is the first gate.**

If Petromonagas is the target, its 40% Russian stake has to be resolved, or licensed around, before any barrel moves.

3 **Watch the award.**

Whether the $1.6bn is settled in cash, in assets or not at all will shape Exxon's terms, and set the precedent for every claimant still waiting.

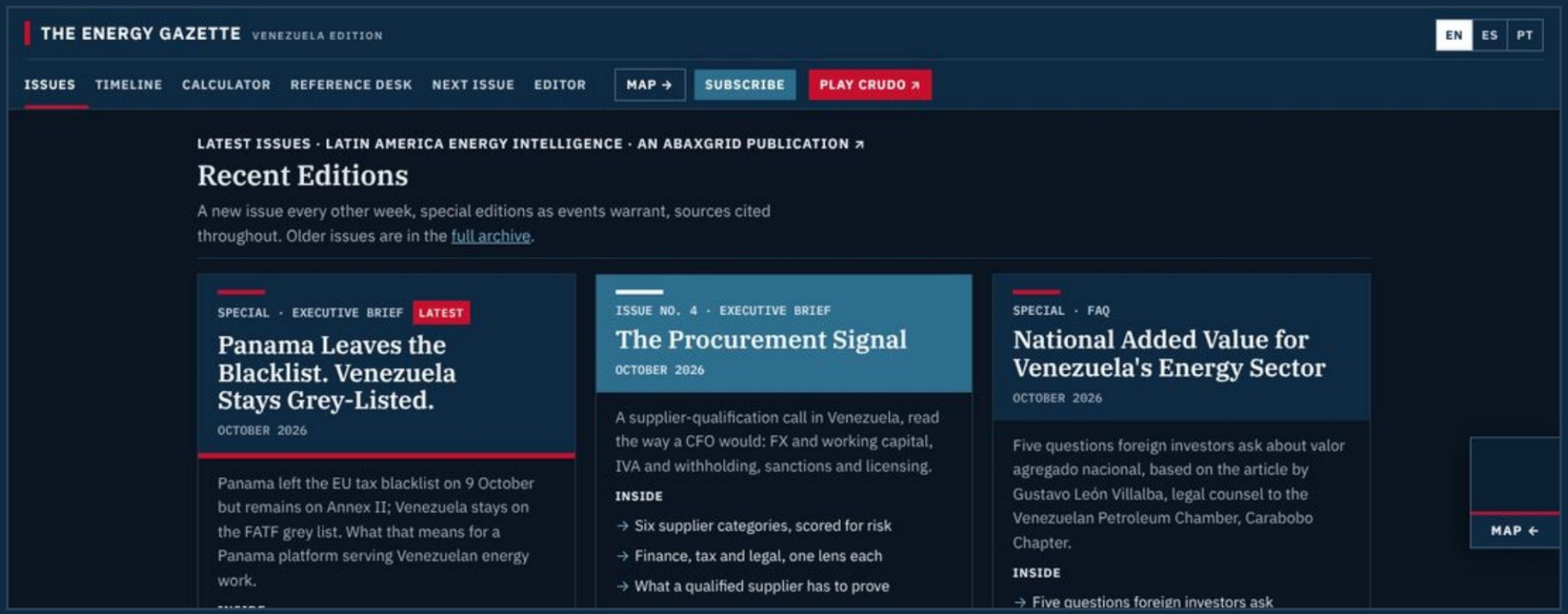
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