Anatomy of a Venezuela Oil MoU — Model Text & Annotations

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Editor's note

The memorandum of understanding has become the first document of Venezuela's reopening. MoUs do not move barrels. They show who is in the room, on which blocks, under which vehicle, and subject to which licence.

September 2026 brought the densest run of signings since the sector reopened. The latest was PDVSA's MoU with TotalEnergies E&P New Ventures, signed at Miraflores Palace on September 19 (EIN Presswire). Signed texts are rarely published, so readers see only the ceremony.

This special edition fills that gap with a model MoU between the Venezuelan State and an international oil company (IOC), drafted in Spanish and English. It reflects the post-reform framework and current US sanctions practice. Annotations flag the clauses where the real negotiation happens.

The text is illustrative. It is not a leaked or signed document, and it is not legal advice.

The framework behind the model

Every clause in the model below points to one of five constraints: the reformed Organic Hydrocarbons Law (LOH), its July regulations, the fiscal regime, the ministry's approval power, and US sanctions.

Element	Current position	Source
Legal basis	Partial reform of the LOH, published in Special Official Gazette No. 6.978 on January 29, 2026; implementing rules followed on July 7	Baker McKenzie; Rio Times
Scope	Crude oil and associated gas only; non-associated gas sits under a separate law	Baker McKenzie

Element	Current position	Source
Vehicle A	Mixed company (empresa mixta), PDVSA minimum stake cut from 60% to 50.1%	Rio Times
Vehicle B	Productive Participation Contract (CPP): private operator carries management, cost and risk; State keeps the deposits	Rio Times
Royalty	Up to 30%, set per project by the ministry after a Finance opinion; payable in kind or cash	Mayer Brown
Other take	Integrated tax capped at 15% of gross monthly income; income tax 50% standard, 34% on new fields	Rio Times
Investor gate	Operator must be domiciled in Venezuela and approved by the ministry; crude sales need a separate permit	Rio Times
Legacy contracts	180-day window to adjust pre-reform mixed companies and CPPs	Baker McKenzie
US sanctions	PDVSA still an SDN; relief runs through revocable general licences. GL 49 lets US persons sign contingent contracts that take effect only with a specific OFAC licence	King & Spalding; WISS Partners

The closest public reference point is Continental Resources' non-binding MoU with PDVSA of September 16 for the Ayacucho 2 block, with a participation contract to follow (Rio Times). Its text is not public. The model below is illustrative drafting based on the legal framework, not a reconstruction of that or any other signed MoU.

Model MoU — Part I: Parties and recitals

The Spanish text governs; the English is a convenience translation. Bracketed items are variables.

MEMORÁNDUM DE ENTENDIMIENTO / MEMORANDUM OF UNDERSTANDING

ES — Entre el **Ministerio del Poder Popular de Hidrocarburos** (el "Ministerio"), **Petróleos de Venezuela, S.A.** ("PDVSA"), y **[IOC Holdings B.V.]**, actuando por medio de su filial **[IOC Venezuela, S.A.]**, domiciliada en la República Bolivariana de Venezuela (la "Compañía"); cada una una "Parte" y conjuntamente las "Partes".

EN — Between the **Ministry of Popular Power for Hydrocarbons** (the "Ministry"), **Petróleos de Venezuela, S.A.** ("PDVSA"), and **[IOC Holdings B.V.]**, acting through its affiliate **[IOC Venezuela, S.A.]**, domiciled in the Bolivarian Republic of Venezuela (the "Company"); each a "Party" and together the "Parties".

Considerandos / Recitals

1. **ES —** Que los yacimientos de hidrocarburos pertenecen a la República y son bienes del dominio público, inalienables e imprescriptibles. **EN —** Hydrocarbon deposits belong to the Republic and are inalienable, imprescriptible public-domain property.
2. **ES —** Que la Ley de Reforma de la Ley Orgánica de Hidrocarburos, publicada en la Gaceta Oficial Extraordinaria N° 6.978 del 29 de enero de 2026, y su Reglamento, permiten la participación de empresas privadas en actividades primarias mediante empresas mixtas o Contratos de Participación Productiva. **EN —** The reformed Organic Hydrocarbons Law (Official Gazette No. 6.978, January 29, 2026) and its Regulations allow private participation in primary activities through mixed companies or Productive Participation Contracts.
3. **ES —** Que PDVSA es titular o administradora del Área [Bloque ___, Faja Petrolífera del Orinoco / Costa Afuera], descrita en el Anexo A (el "Área"). **EN —** PDVSA holds or administers the Area [Block ___, Orinoco Oil Belt / Offshore], described in Annex A (the "Area").
4. **ES —** Que la Compañía posee capacidad técnica y financiera en la producción de crudos [extrapesados / convencionales] y manifiesta interés en evaluar y desarrollar el Área. **EN —** The Company has technical and financial capacity in [extra-heavy / conventional] crude production and wishes to evaluate and develop the Area.
5. **ES —** Que la Compañía está sujeta a regímenes de sanciones extranjeros cuyo cumplimiento condiciona su capacidad de obligarse. **EN —** The Company is subject to foreign sanctions regimes, compliance with which conditions its capacity to commit.

ES — Por lo tanto, las Partes acuerdan suscribir el presente Memorándum conforme a las cláusulas siguientes. **EN —** The Parties therefore sign this Memorandum on the following terms.

Model MoU — Part II: Operative clauses 1–7

Cláusula 1 — Objeto / Purpose

ES — El objeto del presente Memorándum es establecer el marco de cooperación para que las Partes evalúen conjuntamente el Área y negocien de buena fe un Acuerdo Definitivo para su desarrollo.

EN — This Memorandum sets the framework for the Parties to jointly evaluate the Area and negotiate in good faith a Definitive Agreement for its development.

Cláusula 2 — Alcance / Scope

ES — El Memorándum comprende exclusivamente petróleo crudo y gas asociado en el Área. El gas no asociado, la refinación y la comercialización quedan fuera de su alcance, salvo acuerdo escrito posterior.

EN — The Memorandum covers only crude oil and associated gas in the Area. Non-associated gas, refining and marketing are excluded unless later agreed in writing.

Cláusula 3 — Vehículo contractual / Contractual vehicle

ES — Las Partes negociarán el Acuerdo Definitivo bajo la modalidad de [Contrato de Participación Productiva / empresa mixta con participación de PDVSA no inferior al 50,1%], sujeto a la aprobación del Ministerio y, cuando corresponda, de la Asamblea Nacional.

EN — The Parties will negotiate the Definitive Agreement as a [Productive Participation Contract / mixed company with PDVSA holding no less than 50.1%], subject to Ministry approval and, where required, National Assembly approval.

Cláusula 4 — Programa de trabajo / Work programme

ES — Dentro de los [noventa (90)] días siguientes a la firma, las Partes ejecutarán el programa del Anexo B, que incluye: (a) revisión de datos sísmicos, de pozos y de producción; (b) visita técnica al Área; (c) evaluación del estado de las instalaciones existentes; (d) estimación preliminar de recursos; y (e) un plan conceptual de desarrollo con perfil de producción y requerimientos de diluente o mejoramiento.

EN — Within [ninety (90)] days of signing, the Parties will carry out the programme in Annex B: (a) review of seismic, well and production data; (b) site visit; (c) condition assessment of existing facilities; (d) preliminary resource estimate; and (e) a conceptual

development plan with production profile and diluent or upgrading needs.

Cláusula 5 — Acceso a información / Data access

ES — PDVSA pondrá a disposición de la Compañía un cuarto de datos con la información técnica del Área. La información se entrega "tal como está", sin garantía de exactitud o integridad.

EN — PDVSA will provide the Company with a data room holding the Area's technical information. Data is provided "as is", without warranty of accuracy or completeness.

Cláusula 6 — Principios económicos / Economic principles

ES — El Acuerdo Definitivo se regirá por los siguientes principios, sin carácter vinculante: (a) regalía dentro del límite del 30% previsto en la Ley, fijada por el Ministerio según la economía del proyecto; (b) régimen tributario aplicable a los contribuyentes especiales del sector, incluida la tasa aplicable a nuevos desarrollos; (c) mecanismo de restablecimiento del equilibrio económico-financiero; (d) recuperación de costos y participación en la producción, en caso de Contrato de Participación Productiva; y (e) derecho a comercializar la producción, previa obtención del permiso correspondiente.

EN — The Definitive Agreement will follow these non-binding principles: (a) royalty within the statutory 30% cap, set by the Ministry on project economics; (b) the tax regime for sector special taxpayers, including the new-field rate; (c) an economic-equilibrium restoration mechanism; (d) cost recovery and production sharing, if a Productive Participation Contract; and (e) the right to market production once the required permit is obtained.

Cláusula 7 — Cumplimiento de sanciones / Sanctions compliance

ES — Ninguna disposición de este Memorándum obliga a Parte alguna a realizar actos contrarios a las leyes de sanciones aplicables. La entrada en vigor del Acuerdo Definitivo y todo pago o transferencia de valor quedan condicionados a la obtención de las licencias necesarias, incluidas, en su caso, licencias específicas de la Oficina de Control de Activos Extranjeros (OFAC) de los Estados Unidos. Los pagos se efectuarán únicamente a través de los canales autorizados.

EN — Nothing in this Memorandum obliges any Party to act contrary to applicable sanctions laws. The Definitive Agreement's entry into force, and any payment or transfer of value, are conditioned on obtaining the necessary licences, including where applicable

specific licences from the US Office of Foreign Assets Control (OFAC). Payments will be made only through authorised channels.

Model MoU — Part III: Clauses 8–14, signatures, annexes

Cláusula 8 — Exclusividad / Exclusivity

ES — Durante la vigencia de este Memorándum, PDVSA no negociará con terceros el desarrollo del Área [en términos sustancialmente similares]. Esta cláusula no limita las facultades del Ministerio conforme a la Ley.

EN — While this Memorandum is in force, PDVSA will not negotiate the Area's development with third parties [on substantially similar terms]. This clause does not limit the Ministry's statutory powers.

Cláusula 9 — Confidencialidad / Confidentiality

ES — Las Partes mantendrán la confidencialidad de la información intercambiada durante [tres (3)] años desde la terminación, salvo divulgación exigida por ley, por autoridad bursátil o regulatoria, o autorizada por escrito. Ninguna Parte emitirá comunicados sobre el contenido del Memorándum sin el consentimiento previo de las demás.

EN — The Parties will keep exchanged information confidential for [three (3)] years after termination, except where disclosure is required by law, by a securities or regulatory authority, or authorised in writing. No Party will announce the Memorandum's content without the others' prior consent.

Cláusula 10 — Costos / Costs

ES — Cada Parte asumirá sus propios costos. Los estudios conjuntos se financiarán según el presupuesto del Anexo B.

EN — Each Party bears its own costs. Joint studies will be funded per the Annex B budget.

Cláusula 11 — Integridad / Anti-corruption

ES — Las Partes declaran que no han ofrecido ni ofrecerán pagos indebidos a funcionarios públicos o terceros en relación con este Memorándum, y cumplirán la legislación anticorrupción venezolana y las normas extranjeras aplicables a cada una.

EN — The Parties declare they have not offered and will not offer improper payments to public officials or third parties in connection with this Memorandum, and will comply with Venezuelan anti-corruption law and the foreign rules applicable to each.

Cláusula 12 — Naturaleza no vinculante / Non-binding nature

ES — Este Memorándum expresa intenciones y no crea obligaciones jurídicamente exigibles, salvo las Cláusulas 7, 9, 10, 11, 12, 13 y 14. Ninguna Parte estará obligada a suscribir el Acuerdo Definitivo.

EN — This Memorandum records intentions and creates no legally enforceable obligations, except Clauses 7, 9, 10, 11, 12, 13 and 14. No Party is obliged to sign the Definitive Agreement.

Cláusula 13 — Vigencia y terminación / Term and termination

ES — Vigencia de [doce (12)] meses desde la firma, prorrogable por escrito. Terminará anticipadamente: (a) al suscribirse el Acuerdo Definitivo; (b) por mutuo acuerdo; (c) por notificación escrita de cualquier Parte con [treinta (30)] días de anticipación; o (d) de inmediato, si la ejecución resultare contraria a las leyes de sanciones aplicables.

EN — Term of [twelve (12)] months from signing, extendable in writing. It ends early: (a) on signing of the Definitive Agreement; (b) by mutual agreement; (c) on [thirty (30)] days' written notice by any Party; or (d) immediately, if performance would breach applicable sanctions laws.

Cláusula 14 — Ley aplicable y controversias / Governing law and disputes

ES — Este Memorándum se rige por las leyes de la República Bolivariana de Venezuela. Las controversias se resolverán mediante negociación directa durante [sesenta (60)] días y, en su defecto, [ante los tribunales competentes de Caracas / mediante arbitraje conforme al Reglamento de la CCI, con sede en ___].

EN — This Memorandum is governed by Venezuelan law. Disputes go to direct negotiation for [sixty (60)] days and, failing that, [to the competent courts of Caracas / to ICC arbitration seated in ___].

Firmas / Signatures

ES — Suscrito en [Caracas], el [__] de [____] de 2026, en [tres (3)] ejemplares en español y en inglés; en caso de discrepancia prevalecerá el texto en español.

EN — Signed in [Caracas] on [____] 2026, in [three (3)] counterparts in Spanish and English; the Spanish text prevails in case of conflict.

Por / For	Nombre y cargo / Name and title
Ministerio del Poder Popular de Hidrocarburos	[Ministro/a]
Petróleos de Venezuela, S.A.	[Presidente/a]
[IOC Venezuela, S.A.]	[Country Manager / Apoderado]

Anexos / Annexes

- **Anexo A / Annex A —** Coordenadas y mapa del Área / Area coordinates and map.
- **Anexo B / Annex B —** Programa de trabajo, cronograma y presupuesto / Work programme, timetable and budget.
- **Anexo C / Annex C —** Acuerdo de confidencialidad y protocolo del cuarto de datos / Confidentiality agreement and data-room protocol.

Practitioner annotations: where the negotiation happens

Five clauses carry most of the risk. The rest is boilerplate both sides accept quickly.

Clause	What each side wants	Why it matters now
3 — Vehicle	IOC prefers a CPP for operational control; the State keeps the mixed company as baseline	Choice drives governance, cost recovery and who books reserves
6 — Economics	IOC wants the royalty rate and new-field tax treatment named; State keeps them non-binding and at ministerial discretion	Royalty can run up to 30% and is set project by project, so it is the largest single variable
7 — Sanctions	IOC needs a condition precedent tied to OFAC; State wants a firm path to signing	PDVSA remains an SDN; general licences are revocable, so no MoU can promise performance
13 — Term	IOC wants an immediate sanctions exit; State wants notice periods	A licence withdrawal would otherwise leave the IOC in breach of a live document

Clause	What each side wants	Why it matters now
14 — Disputes	IOC pushes for international arbitration; State defaults to Venezuelan courts	Venezuela left ICSID in 2012 and has unpaid awards from the 2007 nationalisations (Rio Times)

Two further points belong in any reading of a signed MoU. First, the counterpart's mandate: contracts signed by an interim government without an electoral mandate carry the risk that a successor contests them. Second, the gap between "resources" and "reserves": headline figures in announcements usually refer to the broader, less certain category.

Sources and disclaimer

- Baker McKenzie — Venezuela's Hydrocarbons Law Reform: What Businesses Need to Know
- Mayer Brown — Venezuela Transforms Hydrocarbons Sector with New Hydrocarbons Law Amendment
- King & Spalding — Venezuela Reforms Hydrocarbons Law
- WISS Partners — Venezuela's 2026 Oil Law Reform and What It Means for Investors
- The Rio Times — US Oil Firms Edge Back Into Venezuela, but Exxon Has Still Not Said Yes (AI-assisted newsroom; figures to be verified against primary sources before publication)
- EIN Presswire — TotalEnergies signs MoU with PDVSA (press release)

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