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Venezuela's oil rollercoaster takes a new turn

$100bn in investment, $209bn in projected state revenue, 65 billion barrels of oil. The figures attached to the new US-Venezuela deal are as large as the uncertainty surrounding them.

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On 3 January 2026, US special forces captured Nicolás Maduro, ending nearly three decades of Chavista rule and installing former vice president Delcy Rodríguez as interim president. In the eight months since, Washington has steadily deepened its involvement in Venezuela's energy sector, easing sanctions in exchange for greater access to the country's oil. That process reached a new peak on 29-31 August, when President Trump announced what he called "the biggest oil deal in world history", a joint arrangement between the US government and North American Blue Energy Partners (NABEP) covering 17 Venezuelan oil fields. The agreement is real and financially significant, but its exact legal terms, its duration, and its long-term durability remain contested and, in large part, undisclosed.

The deal structure

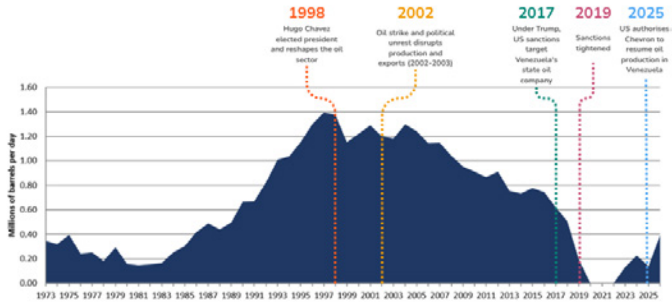
At the center of the joint arrangement between Washington and Caracas over Venezuela's oil reserves is a company few people outside the oil industry had heard of before this year: North American Blue Energy Partners (NABEP). Owned by Venezuelan businessman Alejandro Betancourt, NABEP has, according to one of its press releases on PR Newswire, scaled its output from roughly 18,000 barrels per day to more than 200,000 barrels per day in just two years, making it Venezuela's second-largest private oil producer. It now employs over 5,000 people directly and supports another 10,000 through contractors.

That scale is also what the United States is now buying into. According to the White House Fact Sheet, the US Department of War's Office of Strategic Capital has secured rights to a 35% equity stake directly in NABEP's corporate parent. NABEP nevertheless retains operating control of the business. Separately, the US government has negotiated a right of first refusal to purchase 20% of the company's production at cost, a term US officials have repeatedly framed as giving Washington "majority control" over Venezuelan oil. In total, the deal covers 17 oil fields holding an estimated 65 billion barrels of proven reserves, about 21% of Venezuela's total reserves of 303 billion barrels, among the largest in the world.

What the deal does not include is clarity on its own basic terms. The White House fact sheet describes 100-year concessions granted by Venezuela's interim authorities to NABEP. Rodríguez, in a televised address on state broadcaster VTV, described something narrower: a 25-year bilateral project between Venezuela and the United States targeting production of more than 1.5 million barrels per day. Notably, this threshold is not unprecedented in the bilateral oil relationship: before Hugo Chávez was elected president in 1998, U.S. oil imports from Venezuela were already above 1.5 million barrels per day.

Neither government has published the full legal text of the agreement, so it remains unclear which duration actually governs the contract, or whether the two figures describe different, overlapping instruments rather than a straightforward contradiction.

US oil Imports from Venezuela



Source: US energy Information and Administration

The two governments' framing diverges just as sharply on sovereignty. Trump has described the arrangement as securing "majority US control" of Venezuela's reserves "at no cost to the American taxpayer." Rodríguez has insisted the opposite: that Venezuela "retains ownership and sovereignty" over its resources, and is merely leveraging US capital, technology, and operational expertise to revive an industry battered by sanctions. That gap between "control" and "sovereign ownership" will likely shape how the deal is perceived, challenged, or defended in the years ahead.

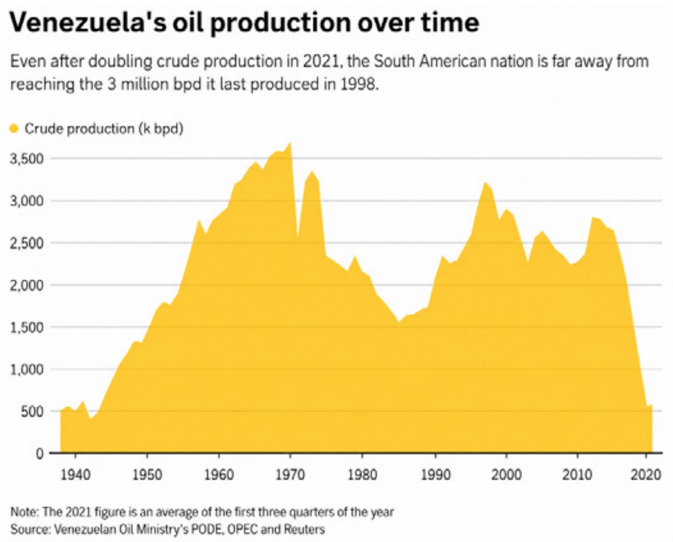
The reaction inside Venezuela has been split along familiar lines. In Caracas, members of the Anti-Imperialist Popular Front took to the streets demanding the release of Maduro, while the ruling United Socialist Party of Venezuela issued a statement of "full support" for Rodríguez's handling of the negotiations. The sharpest criticism, though, has come from outside party politics: Harvard economist Ricardo Hausmann, a former Venezuelan planning minister, called the arrangement a "shameful deal" and questioned whether Rodríguez, as an interim, unelected president, has the constitutional standing to commit the country to an agreement of this scale without parliamentary approval. With no public legal text to examine, that question remains open rather than resolved.

Projected economic outputs

On paper, the numbers are large on both sides. According to the White House Fact Sheet, NABEP has pledged to invest up to $100bn in new oil and gas infrastructure over the life of the project, a scale of spending meant to reverse decades of underinvestment in Venezuela's oil sector.

For Venezuela, interim President Delcy Rodríguez stated in a televised address on 29 August that total fiscal revenue would reach $209bn, based on a $65-per-barrel benchmark price, with roughly $19 flowing to the Venezuelan state for every barrel produced and sold to the United States. That figure has already drawn scrutiny. In a thread posted on X on August 30, economist Francisco Rodríguez, later cited by Venezuelan outlets, questioned whether the $209bn and $19-per-barrel figures were nominal, inflation-adjusted, or expressed in present value. He noted that if the $19 figure is nominal, it would be worth closer to $9 in today's terms by 2051, the deal's notional end date under the 25-year framing. This is a reminder that headline totals quoted in nominal dollars over a quarter-century can overstate real economic value.

Production targets are similarly ambitious. According to the S&P Global Commodity Insights, Venezuela's output stood at roughly 1.2 million barrels per day as of July 2026, still far below the more than 3 million barrels per day the country produced at the end of the 1990s. The NABEP project alone targets more than 1.5 million barrels per day, meaning the deal is being sold not just as a transfer of assets but as the mechanism for a broader production recovery.



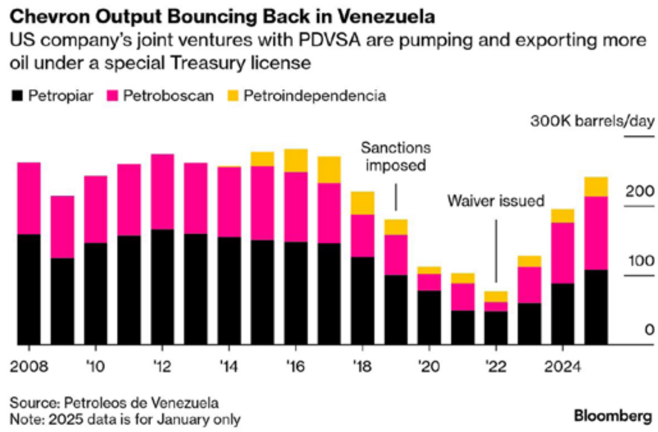
Source: Reuters

On the US side, the benefits are framed in three parts: preferential access to 20% of output at production cost, which officials say will translate into savings for American refiners and consumers; potential dividends from the 35% equity stake in NABEP's parent company; and billions of dollars in contracts for US suppliers of oil infrastructure and equipment, which the administration has tied to domestic manufacturing jobs. None of these benefits, however, materializes automatically, they depend on how quickly the pledged capital can actually be converted into flowing barrels, a question that becomes central once the wider investment landscape is considered.

Wider investment landscape & market impact

The NABEP deal did not happen in isolation. In February 2026, the US Treasury's Office of Foreign Assets Control issued General Licenses 49 and 50, reopening the door for foreign companies to negotiate and operate in Venezuela's oil and gas sector. The licenses came with conditions: no involvement from persons based in Russia, Iran, China, North Korea, or Cuba, and any payments to state oil company PDVSA had to be routed through US-controlled accounts before being released back to Venezuela.

Chevron, the only US major that never left Venezuela through the sanctions era, has been the biggest beneficiary of that opening. According to Bloomberg, the company already accounts for about one-fifth of Venezuela's oil production. As reported by S&P Global, forecasts suggest a further 50% increase by 2028, provided the United States gives its approval. Chevron is now finalising a separate agreement to migrate all of its Venezuelan joint ventures into the country's new energy framework. This track runs parallel to, and independent of, the government-NABEP agreement, but it was enabled by the same political opening. Other majors, including Shell, BP, and Eni, are reported to be pursuing new or renegotiated deals of their own.



Source: Bloomberg

That represents a marked shift from the past two decades, when many companies avoided Venezuela altogether. The 2007 expropriations of ExxonMobil and ConocoPhillips assets left a lasting scar on foreign investors, compounded later by sanctions and legal exposure under Maduro. Risk has clearly fallen under the Rodríguez-Trump alignment, but a political-risk premium is likely to persist. Former US energy advisers have cautioned that a future Venezuelan or US administration could still challenge or unwind the current arrangement.

The deal's effect on global oil markets is the area where official rhetoric and analyst consensus diverge most. Trump has said the agreement will bring down gasoline prices for Americans, but analysts broadly agree that Venezuela's degraded oil infrastructure makes any near-term supply surge unlikely. Turning around the sector is widely seen as a multi-year undertaking, not a quick fix. Trump himself has acknowledged as much, saying price relief "could be a little bit" away, even as he downplays longer analyst timelines. In the near term, other geopolitical supply risks are having a far larger effect on prices than anything coming out of Venezuela. Most forecasts suggest the deal is unlikely to move prices materially before the 2026 US midterm elections, and possibly not before the end of Trump's term.

Conclusion

The NABEP agreement is structurally significant, the largest US foothold in Venezuelan oil in decades, but for now it remains more a political announcement than a fully verified legal and economic fact. Three variables will determine whether it lives up to its billing: which duration governs the contract, how quickly $100bn in capital can be converted into real production given Venezuela's degraded infrastructure, and whether the arrangement survives future changes of government in either country. Until the underlying contract is made public, the headline figures of $100bn in investment and $209bn in Venezuelan revenue remain aspirational rather than guaranteed.

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