



The Future of Venezuela Oil

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Political Milieu: Changes or Not

- Venezuela Political environment has been tough for the past decade. Many investors had had to step back or withdraw their positions in the country, due to government confiscatory actions and questionable legal security
- With government re-election current frameworks could get deeper into socialism. Nevertheless, Oil and Gas projects would still keep a **slow** but growing **pace** due to the need to “*Open Up*” the sector even further (although with leverage & conditionality)
- On the other hand, in the short/mid-term future (as described on the Scenarios), a new different Government could launch political frameworks encouraging foreign companies to invest in Venezuela what would **speed** up the **pace** of development for Oil and Gas

Political Milieu: Changes or Not

- Despite government policies, no matter what, a Scenario for Oil sector growth may unfold (boosting production from its large resource base in attempt to accomplish its goals)
 - Under current regime because it has deepened dependence of the economy from oil revenues (**Rentistic Approach**)
 - Under a different type of government because it would non-restrictively open up the country to foreign investments helping oil projects to advance even further (**Industrial Approach**)