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Venezuela Energy Week’s London Showcase Highlights Competitive New Fiscal Framework for Upstream Investment

LONDON, UNITED KINGDOM, July 31, 2026 /EINPresswire.com/ -- Industry leaders at the Venezuela Energy Week London Industry Showcase on Thursday highlighted Venezuela's newly implemented hydrocarbons framework as a major step toward restoring the country's competitiveness as an upstream investment destination, pointing to simplified fiscal terms, greater operational flexibility and rising production as key drivers of renewed investor interest.

Presented to international investors and industry stakeholders in London, the country's regulatory framework establishes a combined government take as low as 20% on greenfield upstream projects through a streamlined fiscal system that replaces more than 20 legacy taxes. According to industry analysis shared during the showcase, the reforms position Venezuela among Latin America's most competitive upstream jurisdictions.

The new terms, set out in implementing regulations signed into force in July, pair a variable royalty with the Integrated Hydrocarbons Tax to produce combined rates of 20% for greenfield developments and 25% for extra-heavy and diluted crude projects. The windfall tax and shadow tax – both previously identified by investors as barriers to high-CapEx developments – have been repealed.

Carlos Bellorin, Executive Vice President of Macro Analysis at Welligence Energy Analytics, said his firm has modeled expansion under the new framework and found Venezuela's terms highly competitive on a global scale. Production has recovered to approximately 1.2 million barrels per day, he said, with Welligence forecasting output to reach between 1.4 million and 1.6 million barrels per day by the end of 2026.

“Below two million barrels per day it's an OpEx game,” Bellorin said. “After that, you need the big companies to come in.”

Juan Carlos Andrade, CEO of Araya Energy Group and Director and Legal Counsel at the Venezuelan Petroleum Chamber, said the regulatory overhaul has removed constraints that previously forced operators to resolve shortcomings through contractual workarounds. Operators now have the right to trade their own barrels, manage their own cash flow and develop on-site power generation.

“This is no longer a theory,” Andrade said. “What exists is an opportunity.”

Andrade projected that Productive Participation Contracts could deliver between 250,000 and 500,000 barrels per day, with mixed operating companies contributing a similar volume. Combined, these two contract structures are expected to form the foundation of Venezuela's near-term production growth.

The London Industry Showcase marks the first in a series of international engagements leading up to Venezuela Energy Week 2026, taking place October 26-29 in Caracas. The event will convene government officials, international operators, investors and technology providers to examine the country's evolving regulatory framework, upstream opportunities and long-term energy development strategy.

Supporting Venezuela's Earthquake Recovery

Our thoughts are with the people and communities affected by the recent earthquakes in Venezuela. As the country begins the long process of recovery, we encourage members of the global energy community to support relief and reconstruction efforts through the CAF Recovery and Reconstruction Fund for Venezuela, which channels contributions from individuals, companies and organizations to emergency assistance, essential services and long-term rebuilding efforts.

To learn more or make a contribution, please visit the CAF Recovery and Reconstruction Fund for Venezuela.

Venezuela Energy Week
Energy Capital and Power
Info@venezuelaenergyweek.com
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