

Petronas signs major oil deal with Venezuela
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National oil firm Petronas said today it has signed its first deal with Venezuela to develop oil projects in the country.

Petronas signed a joint venture agreement with Petroleos De Venezuela S.A. for the development and production of hydrocarbons from the Carabobo Project in Venezuela's Orinoco Region.

oil world market 141008 03Petronas, together with partners Repsol YPF, ONGC Videsh Limited, Indian Oil Corporation Limited and Oil India Limited, will develop the Carabobo 1 Norte and Carabobo 1 Centro blocks located in the Orinoco Heavy Oil Belt.

Petronas said in a statement that the signing of the agreement took place in Caracas on May 12.

Under the terms of the deal, the joint venture company will build heavy oil production facilities and upgrade facilities and associated infrastructure.

The upstream facilities are expected to produce around 400,000 barrels per day of extra-heavy oil, of which about 200,000 barrels per day will be processed into light crude, it said.

Petronas said the joint venture company has a licence term of 25 years with the potential for a further 15-year extension to extract oil.

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