



VENEZUELAN PETROLEUM CORPORATION

A PDVSA affiliate in charge of administering domestic or foreign business with third parties and participating in the definition of future projects executed within the framework of the Organic Hydrocarbons Law, in order to maximize the value of the petroleum and gas in pro of the well being of the Venezuelan people.

Orinoco Magna Reserves Project

This Project seeks to take advantage of the resources to be found in the Orinoco Oil Belt (Faja Petrolífera del Orinoco FPO) to increase PDVSA's participation in the global oil market, by certifying the recoverable volumes in the area. It is thought that the FPO holds 235 billion barrels of oil, and these, when added to the 100 billion already confirmed, raise our reserves to 316 billion barrels of oil.

The FPO has been divided into four areas: Boyaca, Junin, Ayacucho and Carabobo, segmented in turn into 28 blocks of about 193 mi², with the participation of 20 oil companies together with PDVSA: Petrobras, Lukoil, Gazprom, CNPC, Repsol YPF, ONGC, Petropars, Ancap, Enarsa, Belarusneft, Petrovietnam, Petronas, Cupet, Petroecuador, Statoil, Total, Chevron Texaco, Enap, BP and Galp.

Nationalized Companies

In 2007 four FPO association agreements were nationalized: Petroanzoategui, Petrocedeño, Petropiar and Petromonagas (formerly Petrozuata, Sincor, Ameriven and Cerro Negro), 3 at-risk and profit-sharing exploration agreements (Golfo de Paria Oeste, Golfo de Paria Este and La Ceiba) and the





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operator SINOVENSA, thus terminating the “oil opening” and guaranteeing majority shareholding for the Venezuelan State.

Following the nationalization, FPO production has remained stable at 563,000 bpd, thanks to the joint efforts of PDVSA and its partners Total, Statoil, Chevron, BP, Sinopec, Inelectra and Eni. Moreover, the tax share of the State has risen, moving from 44% to over 65%, thus recovering over US\$ 23 billion that will be invested in social development.

Mixed Companies

Sovereign control over 32 operating agreements was assured through the incorporation of 21 Mixed Companies with majority State shareholding (60%) in the hands of PDVSA, allowing for a saving of US\$ 3 billion for the country and guaranteeing production from this sector of 357,000 bpd. PDVSA's partners in the Mixed Companies are: Petrobras, Repsol YPF, BP, CNPC, Perenco, Harvest Vinccler, Taikoku, Inemaka, CGC, Open, Chevron Texaco, Shell, Suelopetrol, Hocol, Tecpetrol and Vinccler Oil & Gas.

Social Districts

The Social Districts were created in 2006, in parallel with the operating areas where PDVSA conducts its oil business, in other words, in the neighboring zones around CVP projects, associating the latter with the progress of the communities.

