

PETROLEUM IN VENEZUELA 2002

1. VENEZUELA SELECTS SHELL AND MITSUBISHI AS PARTNERS FOR THE DEVELOPMENT OF NATURAL GAS

Venezuela, fifth biggest exporter in the world of crude and owner of one of the biggest gas reserves in the world, is planning to construct a liquefaction train of 4,7 million tons a year that will supply liquid natural gas to the east coast of the United States.

CARACAS, June 4 (6/4/2002 Reuters) - Venezuela selects the companies Royal Dutch/Shell and Nippon Mitsubishi Oil Corp as partners in the development of its natural gas reserves in sea north of Paria. The decision left out the main oil firm in the world, Exxon Mobil Corp., even though it has been involved in negotiations for more than a decade.

Venezuela, fifth biggest exporter in the world of crude and owner of one of the biggest gas reserves in the world, foresees the construction of a liquefaction train of 4,7 million tons per year that will supply LNG (liquid natural gas) to the east coast of the United States.

The Hugo Chavés government announced at the beginning of the year the new terms of the project in the North of Paria, which will grant 60% of its participation to the state gas and oil company PDVSA.

In 1999 a new Gas Law was introduced that permitted foreign capital investment in all activities in this sector.

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