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According to Andres Sosa, president of the state-run oil company (PDVSA), the government is considering joint ventures with foreign companies to exploit crude deposits, and to construct numerous refineries to process extra-heavy oil. As of April 16, PDVSA had formalized four letters of intent with companies in the northern hemisphere, which include feasibility studies on crude oil refining. PDVSA is planning joint projects with the German firm Veba Oel, the National Oil Company of Italy (ENI), British Petroleum and Elf Aquitaine of France, to produce heavy and extra-heavy oil and to build refineries in Venezuela and abroad. Sosa said a heavy oil refinery could cost up to $3.5 billion. Plans include exploitation of the 54,000 sq. km. oil strip in Orinoco, the world’s biggest reservoir of heavy and extra-heavy oil and bitumen. Orinoco reserves are believed to total up to 1.2 trillion barrels. Official figures show the country has proven oil reserves of 60 billion barrels; over half are heavy crude. In 1990, Venezuelan refinery capacity was measured at about 1.8 million barrels per day. Refineries in Venezuela processed 917,000 barrels a day, while refineries in other countries where Venezuela has equity shares processed 922,000 barrels a day. PDVSA has purchased shares in Veba Oel of Germany, Nynas Petroleum of Switzerland, and US companies Citgo, Champlin, Unocal and Seaview. PDVSA’s strategy includes ownership of petrochemical plants, distribution networks and oil pipelines in Venezuela and abroad. (Basic data from Inter Press Service, 04/16/91)

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