

**Xinhua. 2009. "China to invest USD16 bln in Venezuelan oil project". Xinhua, September 17**

BEIJING, Sept. 17 (Xinhua) -- Venezuelan president Hugo Chavez said on Wednesday that China has agreed to invest 16 billion US dollars in a joint venture (JV) oil project in the Orinoco Heavy Oil Belt in the next three years.

Chavez did not disclose the agreement's details, but he did say that the daily output of the project would be as much as 450,000 barrels. The Venezuelan state oil company Petroleos De Venezuela SA will hold the majority stake in the JV.

At present, China National Petroleum Corporation (CNPC), the parent of PetroChina (PTR.NYSE, 0857.HK, 6001857.SH), owns a 40 percent equity of the Junin4 block in Venezuela's Orinoco heavy oil belt, while Petroleos De Venezuela SA holds 60 percent equities.

The deal, coupled with a contract signed between Venezuela and Russia last week, will increase Venezuela's oiloutput to 900,000 barrels per day.

The Orinoco Heavy Oil Belt is located in the southern part of the Eastern Venezuelan Basin. It covers an area of 54,000 square km, and is one of the world's largest reserves of natural bitumen and heavy oil. Enditem