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Venezuela Gets Loan After Oil and Gas Deal

By The Moscow Times

October 09, 2011



Chavez and Sechin at Caracas's Miraflores presidential palace Thursday. **Ariana Cubillos**

Russia agreed to lend Venezuela $4 billion through 2013 for defense spending while gaining deals to develop heavy crude and offshore gas fields in the South American country.

Rosneft and Gazprom signed agreements with Venezuelan state oil company Petroleos de Venezuela late last week at a ceremony in Caracas led by President Hugo Chavez and Russian Deputy Prime Minister Igor Sechin.

"Russia and Venezuela, each country with its own dimension, are walking today on our own feet," Chavez said on state television. "We're working on large-dimension projects from oil, gas and petrochemicals to finance, banking and trade."

Chavez, who has led the OPEC-member nation since 1999, has strengthened ties with Russia in a bid to re-equip his military after a U.S. arms embargo and to attract investment in the

energy sector.

The $4 billion defense loan will be disbursed in two equal parts in 2012 and 2013, Chavez said Friday. A binational bank known as Evrofinance Mosnarbank will boost its capital to $4 billion and provide lending for housing projects and a joint-venture oil project in the Junin 6 block, he said.

Rosneft will develop the Carabobo 2 heavy-crude block in the Orinoco Belt as a minority partner along with PDVSA, under an agreement signed at the ceremony. Carabobo 2 was the last block yet to be assigned from a 2010 bid round.

Venezuela assigned the other two blocks to groups led by Chevron and Repsol YPF last year.

Officials from Gazprom signed an agreement to explore for natural gas in the Gulf of Venezuela, close to the Perla field where Eni and Repsol have certified 15 trillion cubic feet of gas reserves.

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