AFRICAN ENERGY CHAMBER

Venezuela's Orinoco Revival Prompts Questions Over African Heavy Oil Potential

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Venezuela's Orinoco Belt is experiencing a significant resurgence in activity, driven by the return of international oil companies and a series of new export agreements. The belt, which holds some of the world's largest reserves of extra-heavy crude, had been largely dormant due to U.S. sanctions, mismanagement, and capital flight. Recent diplomatic shifts and selective sanctions relief have reopened the door to foreign investment, with major players reassessing their exposure to Venezuelan upstream assets. The result is a recalibration of the global heavy oil economy that industry observers at the African Energy Chamber believe carries direct implications for comparable African basins.

The parallels being drawn centre on Africa's own substantial heavy and extra-heavy oil accumulations, particularly in the Congo Basin, Uganda's Albertine Graben, and offshore Angola. These resources have long been considered technically challenging and commercially marginal relative to lighter African crudes. However, as Venezuelan output recovery demonstrates that heavy oil development can be commercially viable under the right fiscal and technological conditions, African host governments and their upstream partners may be encouraged to revisit appraisal programmes and development timelines that were shelved during the low-price environment of the late 2010s.

The technology stack required to develop heavy oil at scale — thermal recovery methods, dilution blending infrastructure, specialised pipeline systems, and

upgrading facilities — represents a significant capital and engineering challenge. Venezuela's rehabilitation has relied heavily on Chinese financing and Russian technical collaboration, models that may not translate directly to Sub-Saharan Africa's regulatory and commercial frameworks. Nevertheless, the demonstration effect is meaningful: production recovery in the Orinoco is validating the economics of assets that were once considered stranded, and African policymakers are paying attention.

For the upstream services sector, the implications are gradual rather than immediate. African heavy oil development would require multi-year appraisal and field development planning phases before any material procurement cycle emerges. Uganda's Tilenga project, operated by TotalEnergies, remains the most advanced heavy oil development on the continent and continues to progress toward a final investment decision on associated infrastructure. Angola's pre-salt and onshore heavy oil acreage is less mature but represents a longer-term optionality play. In both cases, service companies capable of handling high-viscosity crude handling, thermal well completions, and specialised pipeline engineering will be best positioned when procurement windows open.

The broader signal from the African Energy Chamber's analysis is that the Orinoco revival is shifting the narrative around heavy oil from 'stranded asset' to 'deferred opportunity.' For African producers competing for international capital, this reframing could accelerate engagement with development partners and financiers who have previously prioritised lighter, lower-cost barrels. The pace of that shift will depend heavily on individual country fiscal terms, infrastructure readiness, and the appetite of national oil companies to structure bankable joint ventures.

Why this matters to partners and clients of Saga

Norwegian service companies should monitor Uganda's Tilenga project and Angola's onshore heavy oil acreage as the most credible near-term procurement opportunities arising from renewed heavy oil interest in Africa. Companies with competencies in thermal well completions, high-viscosity fluid handling, and pipeline engineering for heavy crudes should begin positioning with TotalEnergies and Saipem on Tilenga-related infrastructure tenders. The current phase warrants active monitoring and early partner engagement rather than immediate bidding.

PARTNER ANGLES

- **Pipeline:** Heavy crude pipeline systems in Uganda and Angola will require specialist engineering for high-viscosity flow assurance — Norwegian pipeline firms with thermal insulation and drag-reduction expertise should engage early with Tilenga EACOP contractors.
- **Drilling:** Thermal recovery and steam-assisted gravity drainage wells demand specialised completion techniques; drilling contractors with heavy oil well experience should track appraisal programmes in Uganda and Congo Basin acreage.
- **FPSO:** Offshore Angolan heavy oil developments may eventually require purpose-configured FPSO vessels with enhanced crude handling and heating systems, representing a longer-term design and fabrication opportunity.
- **Subsea:** If Angolan pre-salt heavy oil acreage progresses to development, subsea tiebacks handling high-viscosity, high-wax crudes will require Norwegian subsea firms' flow assurance and heated flowline capabilities.
- **Service:** Well services companies offering production chemistry, viscosity modifiers, and downhole monitoring for heavy crude wells should begin building relationships with TotalEnergies and CNOOC teams active in Uganda and Congo Basin blocks.

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Saga Advisory

General: info@saga-advisory.com · saga-advisory.com

STAVANGER · CAPE TOWN