ALERT MEMORANDUM

OFAC Issues General Licenses 49 and 50A Authorizing Contingent Investments and Additional Operations in Venezuelan Oil and Gas Sector

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On February 13, 2026, the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC") issued General License ("GL") 49 and GL 50 (since amended as 50A),[1] continuing the expansion of authorized activities in the Venezuelan oil and gas sectors. These two licenses follow five additional licenses recently issued by OFAC[2] collectively providing distinct pathways for engagement with Venezuelan energy operations while maintaining stringent controls and oversight mechanisms by the U.S. government. GL 49 authorizes negotiation of and entry into contingent contracts for certain new investments in oil or gas sector operations in Venezuela, and GL 50A authorizes transactions by BP, Chevron, Eni, Établissements Maurel & Prom SA, Repsol, and Shell related to oil or gas sector operations in Venezuela.

[1] On February 18, 2026, OFAC issued GL 50A, which amended GL 50 to update the list of authorized entities to include Établissements Maurel & Prom SA. We refer to the current version of the license, GL 50A, throughout this alert memorandum.
[2] See our analysis of GL 46A (relating primarily to downstream activities) here, GL 47 (relating to the sale of U.S.-origin diluents) here, and GL 48 (relating to goods and services in support of upstream activities) here. On February 10, 2026, OFAC issued amended GL 30B, relating to operations or use of ports and airports in Venezuela, by removing the prohibition in GL 30A regarding transactions or activities related to the exportation or reexportation of diluents to Venezuela.

General License 49: Authorizing Contingent Contracts for New Investment

GL 49 authorizes all transactions related to the negotiation of and entry into "contingent contracts" relating to operations in the Venezuelan oil and gas sector – including new investments and expansion of the existing operations – that are otherwise prohibited by the Venezuela Sanctions Regulations, 31 CFR Part 591 ("VSR"), including transactions involving the Government of Venezuela ("GoV"), Petróleos de Venezuela, S.A. ("PdVSA"), or any entity in which PdVSA owns, directly or indirectly, a 50 percent or greater interest ("PdVSA Entities"). Prior to the issuance of GL 49, only the provision of goods, software, technology and services in relation to upstream activities was authorized subject to certain conditions. GL 49 thus marks a notable step toward broadening the potential involvement of new investors in upstream oil and gas operations in Venezuela.

GL 49 broadly defines "contingent contracts" to include executory contracts, executory pro forma invoices, agreements in principle, executory offers capable of acceptance such as bids or proposals in response to public tenders, binding memoranda of understanding, or any other similar agreement. Critically, all such contracts must make performance expressly contingent upon separate authorization from OFAC, meaning that any performance under a contract authorized by GL 49 cannot occur until OFAC authorizes the final agreement. In practical terms, this means that although negotiations, due diligence, and contract execution are preauthorized, further OFAC specific authorization must be included as a condition precedent to closing. Consequently, a U.S. person generally will be required to apply for and obtain an OFAC specific license before the transaction can close, unless performance under the contracts is otherwise authorized, for example, under a separate GL.

Covered Activities. GL 49 addresses a significant barrier to U.S. companies' participation in upstream activities in Venezuela's energy sector by enabling them to deploy resources in deal structuring, due diligence, and negotiations without requiring advance OFAC approval, while preserving the government's authority over actual contract performance.

More specifically, GL 49 authorizes a comprehensive range of preparatory activities, including negotiating and entering into contingent contracts to engage in new oil or gas exploration, development, or production activities in Venezuela, expand existing operations, and form new joint ventures or other entities related to these activities. GL 49 also authorizes prefatory steps such as conducting commercial, legal, technical, safety, and environmental due diligence and assessments – essential groundwork for structuring substantial energy investments.

No Payment, Contractual, or Reporting Requirements. Contrary to the GLs authorizing certain downstream, midstream, and other activities relating to the Venezuelan energy sector issued in recent weeks,[3] GL 49 only does not expressly require any monetary payments to the GoV, PdVSA or PdVSA Entities to be made into the Foreign Government Deposit Funds, require U.S. law to govern and dispute resolution to occur in the United States, or impose other requirements to the contracts that U.S. persons enter into. GL 49 only authorizes negotiating and entering into contracts, not performance of the contracts themselves. Thus, OFAC retains broad discretion to impose such requirements, including payment, contractual, or reporting requirements, as conditions to any specific licenses that it issues. Given OFAC's discretion to impose conditions that may necessitate amendments to executed contracts, companies may in certain circumstances consider engaging with OFAC proactively before finalizing contingent contracts reliant upon GL 49. Early communication can help ensure that contractual terms align with any conditions OFAC may ultimately require, avoiding the need for subsequent modifications.

[3] See footnote 1 of this alert memorandum.

Prohibited Counterparties. GL 49 does not authorize any transaction involving a person located in China, Cuba, Iran, North Korea, or Russia, or any entity that is owned or controlled by or in a joint venture with such persons.

Other Restrictions. GL 49 does not authorize the unblocking of any property blocked pursuant to the VSR, nor does it authorize any transaction involving a blocked vessel.

GL 49 contains no expiration date, though it remains subject to revocation by OFAC at any time, and does not relieve parties from compliance with requirements of other federal agencies, including the U.S. Department of Commerce, Bureau of Industry and Security ("BIS").

General License 50A: Authorizing Operations of Listed Entities

GL 50A authorizes all transactions related to oil or gas sector operations in Venezuela by certain historic investors in Venezuela (BP PLC, Chevron Corporation, Eni S.p.A., Établissements Maurel & Prom SA, Repsol S.A., and Shell PLC) and their subsidiaries, that are otherwise prohibited by the VSR, including transactions involving the GoV, PdVSA, or any PdVSA Entities.

Choice of Law. All contracts for transactions entered into pursuant to GL 50A must be governed by U.S. law and require dispute resolution to occur in the United States.

Payments and Payment Terms. GL 50A requires that any payment to a blocked person (excluding payments for local taxes, permits, or fees) must be made into the Foreign Government Deposit Funds, as specified in Executive Order 14373, or any other account as instructed by the U.S. Department of the Treasury.[4] Additionally, all payments of oil or gas taxes or royalties to the GoV, PdVSA, or any PdVSA Entity must similarly be paid into these designated accounts. GL 50A, similar to GLs 46A, 47 and 48, does not authorize payment terms that are "not commercially reasonable," debt swaps, gold payments, or digital currency, coins, or tokens issued by, for, or on behalf of the GoV (including the petro).

Prohibited Counterparties. GL 50A does not authorize any transaction involving a person located in China, Cuba, Iran, North Korea, Russia, or any entity that is owned or controlled by or in a joint venture with such persons.

Transaction Reporting Requirements. GL 50A requires parties engaging in transactions pursuant to GL 50A to submit reports to the U.S. government identifying: (i) the parties involved; (ii) a description of the transactions, including, as relevant, the quantities, values, and dates of the transactions; and (iii) any taxes, fees, or other payments provided to the GoV. These reports must be submitted within ten days after the execution of the first of such transactions and every 90 days thereafter while such transactions are ongoing.

Other Restrictions. GL 50A does not authorize the unblocking of any property blocked pursuant to the VSR, nor does it authorize any transaction involving a blocked vessel.

GL 50A does not contain an expiration date, though it remains subject to revocation by OFAC at any time, and does not relieve parties from compliance with requirements of other federal agencies, including BIS.

How GL 49 and GL 50A Relate

Although each license operates independently, GL 49 and GL 50A broadly outline a possible two-stage framework for Venezuela energy sector operations. GL 49 enables broad market participation in deal structuring and negotiation, allowing potential new market entrants to deploy resources to explore potential projects, conduct due diligence, and negotiate terms without requiring advance OFAC approval. However, the requirement for contingency upon OFAC approval ensures that actual contractual performance remains

[4] See our analysis of Executive Order 14373 here.

subject to subsequent OFAC authorization. GL 50A, meanwhile, provides authorization for specifically listed entities, establishing the payment controls, contractual requirements, and reporting mechanisms necessary for ongoing operations. As additional market entrants receive the OFAC approval described in GL 49, it is possible that they may also be added to future iterations of GL 50A (as has already been the case within one week of the issuance of GL 50).

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Cleary's international trade team continues to monitor developments regarding the Trump administration's evolving approach to Venezuela and is available to offer guidance on managing the rapidly changing regulatory landscape.

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