

US International Law Violations in Actions against Venezuela: Oil Investment, Expropriation, and Business and Human Rights Considerations

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On 3rd January 2026, the United States launched a military operation on Venezuelan territory. Framed by the US administration as a crackdown on 'narco-terrorism', the operation resulted in the capture and forcible transfer of President Nicolás Maduro to US custody, and the [promise of restructuring Venezuela's oil sector](#) under American influence. This operation constitutes unlawful use of force against the territorial integrity and political independence of Venezuela within the meaning of Article 2(4) of the [UN Charter](#). As multinational oil companies contemplate renewed oil investment in Venezuela, they must consider the implication under international law, business and human rights expectations as well as operational and rule of law issues.

The US administration characterised this operation as law enforcement or an act of self-defence. [International legal experts widely dispute](#) any lawful basis under the UN Charter. [Absent Security Council authorisation or an armed attack](#) triggering Article 51 self-defence, [the operation may amount to an act of aggression under customary international law](#). Regardless of domestic justifications, accusations of drug trafficking or regime illegitimacy [do not provide a lawful basis for military force](#). [UN Secretary-General António Guterres warned](#) that the action sets a dangerous precedent for the international order. The US attack [has received broad international condemnation during an emergency UN Security Council meeting](#).

The US government's framing of the intervention [included an economic justification narrative](#) tied to past oil sector expropriations affecting US companies. The intervention was publicly expressed not only in security terms but also in terms of correcting historic commercial grievances by [restoring foreign access to Venezuela's oil](#). Economic injury alone cannot justify the use of force under the UN Charter and [other lawful mechanisms exist to address expropriation claims](#). Under [international law](#), states retain the right to expropriate foreign-owned assets, provided that such measures are taken for a public purpose, applied in a non-discriminatory manner, carried out with due process, and accompanied by prompt, adequate and effective compensation. Where these conditions are unmet, investors may have lawful recourse typically through investment treaty arbitration, contractual dispute mechanisms, or remedies available in domestic law. Indeed, US oil firms affected by past Venezuelan nationalisations [already had access to legal remedies such as investor-state dispute settlement and nationality-based claims](#).

[Venezuela reportedly holds](#) the world's largest proven crude-oil reserves. Its state-owned company Petróleos de Venezuela S.A. (PDVSA) historically provided most of the government revenue and foreign exchange. [Oil income funded](#) food imports, healthcare, electricity. The result has been [an economy highly vulnerable to external pressure and internal collapse](#). [Venezuela's oil wealth has long been a central factor in US foreign policy considerations in the region](#). US financial and oil sanctions, together with infrastructure decay and mismanagement, caused production to collapse from over 3 million barrels per day to barely 1 million, and the state [became acutely vulnerable to external coercion](#). For years, before the January 2026 attack, the US had imposed sector-wide sanctions on PDVSA, freezing assets, blocking oil transactions and [imposing secondary sanctions](#) on non-U.S. companies that traded Venezuelan oil. Secondary sanctions that regulate foreign companies trading outside US territory [raise serious concerns](#) under the principles of sovereign equality and non-intervention. Because these sanctions were not authorised by the UN Security Council, and were not taken in response to a prior internationally wrongful act attributable to Venezuela, they fall outside the narrow category of lawful countermeasures and may [constitute unlawful economic coercion](#).

Immediately after the intervention, [President Trump announced](#) that Venezuela would send up to 50 million barrels of oil to the United States, triggering a collapse in global oil prices. [Trump also said](#) that US taxpayers might reimburse oil firms for investments in Venezuela. International oil companies quickly signalled interest in re-engagement with Venezuela's oil sector. [Chevron, Vitol and Trafigura](#) are already securing shipping and logistics to move Venezuelan oil, and that the [White House convened ExxonMobil, Chevron, Shell and ConocoPhillips](#) to discuss investment opportunities in Venezuela's energy sector. Chevron remains the primary US operator in the country, and other international companies such as Repsol and Eni [are maintaining limited operations with the potential to expand](#)

Under the [ILC Articles on State Responsibility](#), a state that commits an internationally wrongful act must cease and make full reparation, [including restitution of unlawfully taken assets](#). International law does not permit title to natural resources to arise from an unlawful use of force. [Legal scholarship on unlawful expropriation and reparations confirms](#) that asset transfers following illegal force are voidable and give rise to restitution obligations. When oil companies invest in a sector restructured through an unlawful invasion and coercive sanctions, their profits may be linked to an internationally wrongful act.

Large-scale oil re-entry into Venezuela is also economically and operationally questionable. A large share of Venezuela's reserves are [extra-heavy crude from the Orinoco Belt](#), which generally requires blending with diluent and upgrading and is costlier to produce and process than light sweet crudes. Even assuming political change, Venezuela [remains a challenging operating environment](#). Degraded refining infrastructure and the need for sustained capital injection, weak rule of law, investment protections and contract security concerns, and compliance constraints that complicate financing and insurance. Exxon's initial reluctance is rooted in both history and present conditions: it exited following nationalisation and maintains large outstanding claims, and [its CEO has said that Venezuela is 'uninvestable'](#) and it would require legal reforms and credible investment protections before Exxon would commit capital.

Multinational oil companies contemplating investment in Venezuela operate in a context that [qualifies as a conflict-affected and high-risk area \(CAHRA\)](#), triggering heightened human rights due diligence (HRDD) expectations under business and human rights standards. In Venezuela, where governance deficits, weak rule of law, sanctions exposure, and allegations of serious human rights violations persist, oil companies are therefore expected to avoid entering or expanding operations where their presence could contribute to or benefit from ongoing rights abuses or internationally wrongful state conduct.

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