CALEDONIA
SOCIEDAD DE VALORES

SPECIAL SITUATIONS ANALYSIS

# ELECAR and VENZ Oil Warrants

*The forgotten bonds*

October 2026

Madrid, Spain

The forgotten bonds

# ELECAR 8.5 04/10/18 Corp - Overview

*Financial*

| Notional | Last Coupon | Total Claim | Mid Price |
|---|---|---|---|
| USD 650M | 10/10/2017 | USD 1,176M \| 181% | 39.35% |

*Legal*

| Law | CAC | Rank | SoL up to |
|---|---|---|---|
| New York | NO | Senior Unsecured | 31/12/28 |

## ELECAR, a former PDVSA company

Founded in 1895, C.A. La Electricidad de Caracas (ELECAR) was one of Venezuela's largest and oldest electricity utilities. In 2007, PDVSA acquired an 82% stake from AES, reaching 93.62% by December. PDVSA's control was transitional. Decree N° 5,330, dated May 2, 2007, nationalized the electricity sector, ending private ownership, and created Corporación Eléctrica Nacional (Corpoelec).

The decree required PDVSA to transfer its ELECAR shares to Corpoelec and set May 2010 as the deadline for all subsidiaries, including ELECAR, to merge into it. A 2010 reform extended the deadline to December 30, 2011, after which Corpoelec became Venezuela's sole electricity provider.

**Legal implication**: ELECAR is not guaranteed by PDVSA or the Republic

## Stakeholder's incentives

### Strategic Holders

Publicly available information shows that a single VCC member holds **31.62% of the issuance, a concentration far from coincidental.**

A position of this size, held by a committee member, gives the creditor group a dominant stake in ELECAR and positions it as a pivotal player in any restructuring or enforcement action.

### Statute of Limitations: ELECAR 8.5 18 - XS0356521160

Link to NYSC's docket

In April 2024, the Venezuelan AN15 and a group of VCC member creditors announced a voluntary tolling agreement, **extending the SOL to December 31, 2028.** Bondholders now retain their legal rights, keeping enforcement and restructuring options alive. The tolling was recognized by New York's Supreme Court (Index No. 651866/2024) that same year.

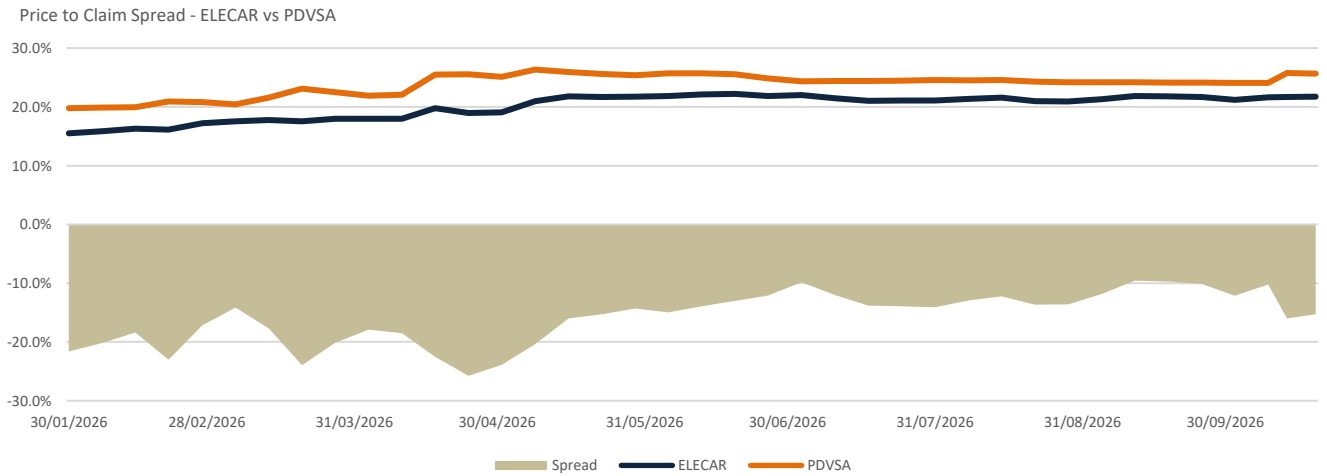
**Tolling agreement inclusion suggests ELECAR is being treated as part of the restructuring perimeter.**

## Pricing - *Low* liquidity, *high* value

ELECAR's high concentration, while positive for restructuring purposes, has a caveat: **it also limits supply.**
With a third of the float locked up and the rest spread across a handful of hedge funds and large real-money accounts, the bond trades in odd lots rather than size.
Despite that, the instrument still trades at a considerable discount: **21.74% price to claim, 15% below PDVSA's 25.68%.** Scarce supply would normally support the price. **That the discount persists suggests the market is pricing ELECAR's illiquidity and separate-obligor risk.**

| Ticker | Bond | Amount Outs (USD MM) | ISIN | CAC | Exit Consent | MID | Total Claim (P+I) | Price to Claim (Cash price/Claim) |
|---|---|---|---|---|---|---|---|---|
| ELECAR | ELECAR 8.5 04/10/18 Corp | 650 | XS0356521160 | NO | NO | 39.350% | 181% | **21.74%** |
| PDVSA 22 | PDVSA 12 3/4 02/17/22 Corp | 3,000 | USP7807HAM71 | NO | 50% | 53.250% | 217.0% | **24.54%** |
| PDVSA 6 22 | PDVSA 6 10/28/22 Corp | 3,000 | XS1126891685 | NO | 50% | 39.000% | 153.9% | **25.35%** |
| PDVSA 35 | PDVSA 9 3/4 05/17/35 Corp | 3,000 | USP7807HAQ85 | NO | 50% | 49.150% | 192.2% | **25.58%** |
| PDVSA 21 | PDVSA 9 11/17/21 Corp | 2,394 | USP7807HAP03 | NO | 50% | 47.900% | 184.8% | **25.92%** |
| PDVSA 37 | PDVSA 5 1/2 04/12/37 Corp | 1,500 | XS0294367205 | NO | 50% | 39.500% | 152.4% | **25.92%** |
| PDVSA 24 | PDVSA 6 05/16/24 Corp | 5,000 | USP7807HAT25 | NO | 50% | 40.750% | 156.57% | **26.03%** |
| PDVSA 26 | PDVSA 6 11/15/26 Corp | 4,500 | USP7807HAR68 | NO | 50% | 40.800% | 156.58% | **26.06%** |
| PDVSA 27 | PDVSA 5 3/8 04/12/27 Corp | 3,000 | XS0294364954 | NO | 50% | 39.650% | 151.2% | **26.23%** |

| | | Price | Total Claim (P+I) | PDVSA Curve |
|---|---|---|---|---|
| WAP | | 43.491% | 169.374% | 25.68% |
| *Amt Outs* | PDVSA Curve | | | |



# VENZ 0 PERP Corp - Overview

*Financial*

| Wrt Out | Last Coupon | Total Claim | Mid Price |
|---|---|---|---|
| 24.77M | 15/10/2017 | USD 20.68 \| 138%* | USD 4.25 |

*Legal*

| Law | CAC | Rank | SoL up to |
|---|---|---|---|
| New York | N/A | Senior Unsecured | 31/12/28 |

## The Oil Warrants – a Brady Era legacy

In 1990, Venezuela restructured its commercial bank debt under the Brady Plan. Alongside the new bonds, the Republic issued Oil Warrants: value recovery instruments that gave creditors a share of the upside if oil prices recovered.

Payments were triggered when Venezuela's oil export price exceeded a strike price adjusted for US producer-price inflation. **They were capped at USD 3 per payment, due semiannually until 2020**, and subject to a force majeure clause. The warrants are governed by New York law, with submission to jurisdiction and waivers of sovereign immunity in line with the Republic's bonds. **The Brady bonds themselves are gone; a large share was redeemed early in 2006.**

The Oil Warrants are the only instrument from that deal still outstanding. Payments stopped in April 2018, leaving about USD 512mn in unpaid amounts outstanding.

**Expected Rank**: ***pari passu*** to the Republic's bonds

## Statute of Limitations: Oil Warrants (XS0029484945)

**Link to NYSC's docket**

The warrants were issued under Venezuela's 1990 Fiscal Agency Agreement and matured on April 15, 2020. Venezuela missed five payments of USD 3: April 15, 2018, October 15, 2018, April 15, 2019, October 15, 2019 and April 15, 2020.

**Litigation:** On October 11, 2023, a group of VCC member creditors filed suit against the Republic in the New York Supreme Court (Index No. 655071/2023). The suit names the warrants, listed as "0% 2020 Bonds" under the 1990 FAA, alongside the Republic's other defaulted bonds. **Plaintiffs seek all unpaid amounts plus 9% New York statutory prejudgment interest on unpaid interest. Filing stops the clock, but only for the plaintiffs.**

**Unilateral tolling:** On August 8, 2023, the 2015 National Assembly declared that all limitation periods under New York law on Republic bonds are suspended until December 31, 2028. The declaration expressly preserves the Republic's other defenses and urges holders not to sue.

**Claim = USD 15 (5 missed payments at the USD 3 cap, per fiscal agent notices) + carry at 12M LIBOR + 0.8125% [fallback: 12M Term SOFR + 0.7151% (ISDA adjustment) + 0.8125% = +1.53% after June 2023] = **USD 20.68 (137.9%).***

*Contractual rate used; plaintiffs claim 9% statutory interest, which would imply a higher claim.*

## Pricing – *Lower* liquidity, *Higher* value

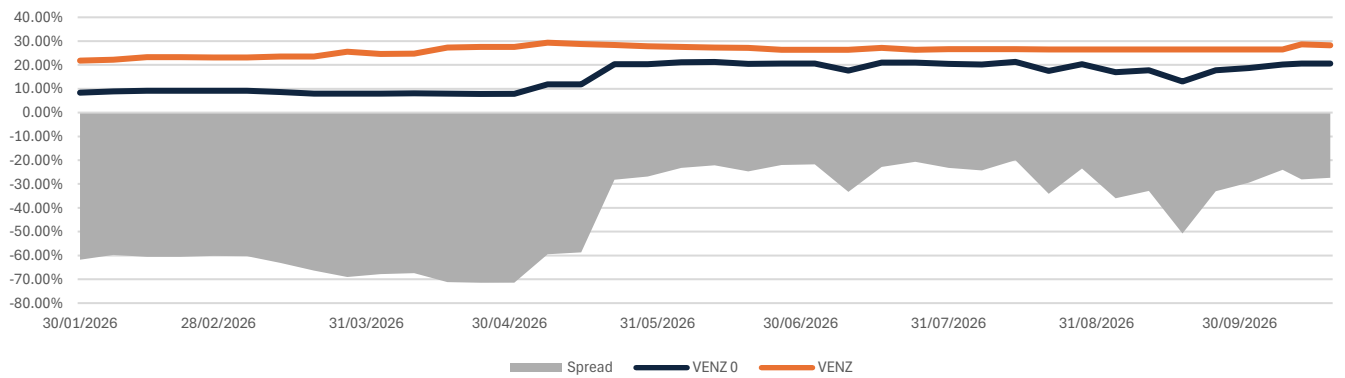
The Oil Warrants face the opposite problem: they are not scarce, they are dormant. The instrument hardly trades, screen prices can sit unchanged for weeks, and flow comes in occasional blocks rather than regular clips: the desk traded between 100k and 1MM units last year. Its Brady-era, oil-indexed structure sits outside standard EM debt mandates, which narrows the natural buyer base. The result is the widest discount in the complex: **20.55% on a price to claim basis, 27% below VENZ's curve at 28.30%. It reflects the absence of a market that prices the instrument regularly, and the uncertainty over how its claim is calculated.**

**Republic**

| Ticker | Bond | Amount Outs (USD MM) | ISIN | CAC | Exit Consent | MID | Total Claim (P+I) | Price to Claim (Cash price/Claim) |
|---|---|---|---|---|---|---|---|---|
| VENZ WRT | VENZ 0 PERP Corp | 371 | XS0029484945 | N/A | NO | 4.25 | 20.68 | 20.55% |
| VENZ 18 HC | VENZ 13 5/8 08/15/18 Corp | 1,052 | US922646AT10 | NO | 66.70% | 60.400% | 225% | 26.84% |
| VENZ 22 | VENZ 12 3/4 08/23/22 Corp | 3,000 | USP17625AC16 | 75% | 66.70% | 59.550% | 217% | 27.48% |
| VENZ 18 LC | VENZ 7 12/01/18 Corp | 1,000 | USP97475AD26 | 85% | 66.70% | 45.950% | 166% | 27.73% |
| VENZ 23 | VENZ 9 05/07/23 Corp | 2,000 | USP17625AA59 | 75% | 66.70% | 51.350% | 185% | 27.75% |
| VENZ 26 | VENZ 11 3/4 10/21/26 Corp | 3,000 | USP17625AE71 | 75% | 66.70% | 58.950% | 212% | 27.86% |
| VENZ 31 | VENZ 11.95 08/05/31 Corp | 4,200 | USP17625AD98 | 75% | 66.70% | 58.800% | 210% | 28.00% |
| VENZ 28 | VENZ 9 1/4 05/07/28 Corp | 2,000 | USP17625AB33 | 75% | 66.70% | 53.550% | 187% | 28.57% |
| VENZ 34 | VENZ 9 3/8 01/13/34 Corp | 1,500 | US922646BL74 | 85% | 66.70% | 53.450% | 187% | 28.60% |
| VENZ 20 | VENZ 6 12/09/20 Corp | 1,500 | USP97475AG56 | 75% | 66.70% | 44.700% | 156% | 28.62% |
| VENZ 24 | VENZ 8 1/4 10/13/24 Corp | 2,496 | USP97475AP55 | 75% | 66.70% | 51.100% | 179% | 28.63% |
| VENZ 38 | VENZ 7 03/31/38 Corp | 1,250 | USP97475AJ95 | 75% | 66.70% | 46.800% | 163% | 28.65% |
| VENZ 25 | VENZ 7.65 04/21/25 Corp | 1,600 | XS0217249126 | 75% | 66.70% | 50.300% | 173% | 29.14% |
| VENZ 27 | VENZ 9 1/4 09/15/27 Corp | 4,000 | US922646AS37 | NO | 66.70% | 53.650% | 184% | 29.14% |
| VENZ 19 | VENZ 7 3/4 10/13/19 Corp | 2,496 | USP97475AN08 | 75% | 66.70% | 50.750% | 174% | 29.21% |

| WAP | | Price | Total Claim (P+I) | VENZ Curve |
|---|---|---|---|---|
| *Amt Outs* | VENZ Curve | 53.926% | 190.551% | 28.30% |

Price to Claim Spread - VENZ 0 vs VENZ



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