“It’s All About Oil”: Ecclestone on Why Venezuela Still Matters to Markets

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The markets woke up to a headline that reads like a time-warp: U.S. strikes in Venezuela, President Nicolás Maduro reportedly captured, and Washington openly debating what it means to “run” a sovereign country—temporarily, of course. Reuters reported regional condemnation within hours, including Brazil warning the United States had crossed “an unacceptable line.” AP, in parallel, described a pre-dawn raid and the administration’s stated intent to seize control of Venezuela’s political transition and oil flows.

In an InvestorNews conversation post Trump news conference, Christopher Ecclestone of Hallgarten + Company didn’t reach for ideology. He reached for history—and for a warning label.

“It’s early days yet,” he told InvestorNews host Tracy Hughes. Anyone assuming “it’s all over by the shooting” is “probably mistaken,” because regime change “has generally resulted in way more complications than whoever has come up with the idea has accounted for.” In his view, Venezuela “almost seems too easy,” and “that is a fatal trap.”

Ecclestone’s first frame is not moral, but mechanical: power doesn’t disappear when a leader is removed. **“Don’t think you’ve won the war by just taking out one guy,”** he said. Maduro, he argues, “was not [a] Stalin-like figure that was all-encompassing.” He was “part of a whole structure,” with “lots of mini Maduros out there” and a vice president “who can potentially step into the role.”

That point matters because Washington's public rationale is already under strain. Trump has leaned heavily on narco-terrorism charges; the legal debate is immediate, loud, and global. Ecclestone was blunt: "The drug argument is definitely feeble." Compared with Mexico or Colombia, he said, Venezuela "doesn't even register on the Richter scale." He went further: calling the legal case fragile enough that Trump "risks actually being laughed out of court" unless the administration can offer something stronger than the claim "the leader of a South American country controls some machine guns."

"So you are right," and then adds: "It really… it's all about oil and gas and absolutely nothing to do with drugs."

The oil facts are not subtle. Venezuela holds the world's largest proved reserves—about 303 billion barrels, per Reuters—yet years of mismanagement, underinvestment, and sanctions have left production far below historic peaks. U.S. companies have still orbited the sector: Chevron Corporation (NYSE: CVX) has operated via licenses and joint ventures with Petróleos de Venezuela, S.A. (PDVSA), even as U.S. policy tightened and loosened over time.

For mining investors, Ecclestone's memory snaps back to a scar: Crystallex International Corporation (TSX: KRY | NYSE Amex: KRY) and the Las Cristinas gold saga—an emblem of what happens when geology meets politics. Venezuela expropriated Crystallex's interest in Las Cristinas; arbitration later awarded damages, and the dispute became a case study in sovereign risk. "Since then," Ecclestone said, "mining investors have given Venezuela a wide berth."

And yet, the temptation is obvious: the Guayana Shield. Ecclestone notes that Guyana has become "one of the hot spots of gold," and Venezuela controls part of the same ancient

geological province. **“So I think it’s the gold and the oil and gas rather than the drugs,”** he said—less a thesis than a map.

Then he landed on the line investors should tape above their screens: “Any politician that steps into the quicksand ends up sinking.” If today’s intervention is meant to be swift, bankable, and clean, Ecclestone’s view is the opposite: messy, contingent, and structurally unresolved. **“Time will tell,”** he said—and the clock, in his mind, is not measured in victory speeches, but in who actually governs Caracas “over the next week or two.”