



## Market Visit Opportunity

### UK & Brazil Partners in Energy 2019 3-5 June, Rio de Janeiro, Brazil

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***Why joining this activity?*** Check out the latest overview of the market.

#### **Brazil Oil & Gas Market Scenario and Opportunities**

The recovery of oil prices, the announcement of Petrobras investments plan of more than R\$ 42 billion for the next four years, as well as the recent auctions and the forthcoming ones scheduled for this year are attracting new investments to the market. An example is Exxon, which recently returned to the market and currently holds stakes in 25 offshore projects.

The Brazilian Government has been taking actions in order to improve the country's business environment for the Oil & Gas sector. Brazil is reviewing its regulatory frameworks to attract more investments by relaxing its local content policy, reviewing and improving the natural gas regulatory framework, establishing an agenda of bidding rounds until 2021, eliminating the Petrobras' exclusive rights to operate in the pre-salt area and renewing of special tax regime (REPETRO).

Besides that, Petrobras' divestment programme as well as the company's strategy to work more closely with other oil operators is expected to generate more business. Petrobras estimates that it will complete US\$ 10 billion in divestitures during the first four months of 2019. The expectation is that by the end of the year, the amount raised from the sale of assets will reach up to US\$ 40 billion.

#### **IOCs**

According to ANP, the Brazilian Oil & Gas Regulatory Agency, there are around 30 operators present in the country, with 493 fields in production phase, onshore and offshore. 22 companies are focused in onshore activities and 9 in offshore: *Petrobras, Shell, Statoil, TOTAL, Chevron, QGEP, PetroRio, Dommo and Up Petroleo*. Petrobras is still the dominant player, with 345 fields in production, of which 110 are offshore. UK's IOCs such as *BP* and *Premier Oil* have areas in the exploratory phase. *Perenco* has recently acquired a field divested from Petrobras.

Petrobras has been investing in building **strategic alliances** and has recently firmed agreements with *BP, TOTAL, Exxon, CNPC and Statoil*. Their main objective is to bring together technical and technological expertise, reduce costs of operation and share risks.



## Drilling Activity

The drilling activity is slowly picking up. In total, IOCs' exploration and development commitments with the Regulatory Agency presents a plan for 190 new wells to be drilled in 2019.

## Subsea

Opportunities in Brazil are particularly strong in the **subsea** area. Analysis made by renowned consultancies shows that Brazil will be responsible for 16% of the wet xmas trees installed globally between 2018 and 2022. The Brazilian demand is expected to come mainly from ultra-deep-water fields, which will receive 96% of the units installed in country within that period. Currently, there are 1000 wet xmas trees installed.

Just in February this year, **TechnipFMC has been awarded a large EPCI contract** for the Petrobras Mero 1 Pre-Salt field. The contract covers engineering, procurement, construction of all rigid lines, as well as the installation and pre-commissioning of all the infield riser and flowline system for interconnecting 13 wells (6 production and 7 water alternate gas) to the FPSO. It also includes the installation of rigid pipelines (including corrosion resistant alloy and steel lazy wave risers), flexible risers and flowlines, steel tube umbilicals and other required subsea equipment.

## Decommissioning

Decommissioning has begun to gain importance in the Brazilian offshore sector, concerning not only offshore structures but also subsea. Many oil & gas fields in Brazil are about to reach the end of their productive lives. According to ANP, Brazil currently has 147 offshore production units in operation. 80% of them in operation for over 25 years. Petrobras alone has 74 units which are aged over 25 years, followed by SBM Offshore and Modec with 2 units each.

Other areas of opportunities in Brazil include **repair and maintenance of onshore and offshore assets** and **maximising oil recovery**.

## Bids and Contracts

Below, there is a handful of bids and contracts that are currently happening in Brazil, according to information circulating on the media:

- Fugro closed 2 contracts with Petrobras for **ROV services**;
- TechnipFMC won contract with Exxon for **17 wet xmas trees** and 5 **manifolds** for the Liza project in the Guyana. Equipment will be manufactured in Brazil;
- Shell recently started **intervention campaign** on their Parque das Conchas field. Semisub unit contracted from Ventura Petróleo for 60 days.



- Aker Solutions won contract with Libra field consortia for the supply of **wet xmas trees** for the Mero 1 project;
- Modec won **FPSO bids** for Buzios field.
- BW Offshore contracted PG Flow Solutions for the supply of **pumps** for the life extension project of their Polvo FPSO unit.
- Offshore support vessel owner DOF has secured contracts for three **ROV Support Vessels** (RSV) with Petrobras.
- Transocean has secured contracts for **ultra-deepwater drillships** the Ocean Rig Corcovado and Ocean Rig Mykonos with Petrobras.
- Petrobras plans to open bid for the Mero 3 and Mero 4 **platforms** in mid-2019.
- Petrobras relaunched the process to allow new bids for the Transportadora Associada de Gás (TAG) **pipeline network**. TAG is a company that operates in the natural gas transportation sector.
- Petrobras is currently bidding for contracting **subsea interconnection services (SURF)** for Mero 1 and Sepia in the Santos Basin pre-salt, and the state is expected to launch the bids for Mero 2, Buzios V and Marlim's revitalization in 2019.
- Aker Solutions is currently participating in bids for the contraction of **wet xmas trees** and STU for the Mero 1 field.
- McDermott has been awarded a large contract award by Petrobras covering the **implementation of the ultra-shallow segment** of the new Rota 3 gas export pipeline.

## Expectations

According to information circulating on the media, it is expected that then number of production platforms in operation will grow from 106 to 170 by 2030 and that the resume of operation onshore and in shallow water will bring opportunity to suppliers

Petrobras has 250 fields for potential divestment which can allow the diversification of players in the production field.

There is also speculation on whether Petrobras will or will not sell its refineries or seek strategic alliances.

On the Gas Market, a lot of discussion is going on about the opening and unbundling the operation. If this happens, it will certainly bring competition and allow new projects to happen.



## The Event | UK & Brazil Partners in Energy 2019

Together with our strategic partners EIC, SDI and SubseaUK, the UK's Department for International Trade (DIT) invites you to attend to the 7<sup>th</sup> edition of the **UK & Brazil Partners in Energy**.

The objective of this conference is to showcase UK capability in the energy sector, sharing expertise and consolidating strategic partnerships between UK & Brazil in energy sector.

It will facilitate the exchange of experiences between British and Brazilian companies, institutions and government agencies, as well as offer a platform for new technologies to be presented, and discussions to take place on the latest innovations and challenges of the sector.

This year, 8 simultaneous workshops will take place with participation of speakers from the main British and Brazilian companies, research centres and governmental agencies of the energy sector.

The following topics will be covered:

- Offshore Construction and Maintenance
- Subsea Technologies
- Maximising Oil Recovery/ Decommissioning
- Gas Market
- Offshore Wind
- Biofuels and Biogas
- Solar Power
- Energy Storage/ Smart Grids

The event brings together the entire productive chain of the sector, from oil and gas operators to service companies and supply chain. The 2018 edition counted with the participation of more than 250 guests. A lot more is expected this year!

### What is in it for you?

- A **three-day visiting programme** with the major contractors in the country , one being the day of the event itself.
- A **slot to make a presentation** (aprox. 10 minutes) in in the selected workshop (related to your core activity/Trade Mission).
- Ideal opportunity to **strengthen existing business relationships as well as build new ones** and establish high level contacts with key players;
- Opportunity to attend a **networking reception** on Monday 03<sup>rd</sup> June;
- Have **your company's information featured in the event brochure** that will be distributed at the event;
- **DIT Social media coverage** promoting the companies on the Trade Mission, helping to raise your **visibility**.
- **Learn from others** in the UK group. You will have contact with other UK companies and the mixture of experiences in the market is always enlightening;



Department for  
International Trade

- Gain from the **interaction with DIT, SDI, and EIC specialists** based in Brazil, as they can offer you advice and market information;
- The opportunity to **display and distribute company literature** and/or giveaways in a prime location at the event venue – may be subjected to a small fee.
- Opportunity to **meet DIT specialists from neighbouring posts**, if they visit;

## Registration

If you are interested in participating in one of the 3 oil & gas Trade Missions, please contact the related partner below:

- ***Subsea Technologies***

### **Subsea UK**

Trish Banks

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- ***Offshore Construction & Maintenance:***  
**EIC**

Lucia Durante

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- ***Maximising oil recovery / Decommissioning:***  
**SDI - Scottish Development International**

Marion Murray

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For any further information about the oil & gas sector in Brazil or assistance, please feel free to contact me:

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