



The Oil and Gas Industry in Brazil

Opportunities for short and mid-term

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Licensing Rounds Promotion Superintendent



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Agenda

Brazil Oil & Gas Industry Overview

Improvements in E&P Regulation

Last Bidding Rounds

Next Bidding Rounds

Conclusion

Brazil Oil & Gas Industry Overview

Brazil is a Country with Continental Dimension with Unrealized Potential...



Less than **5%** of the sedimentary areas are contracted



2 Basins without a single well
(Madre de Dios & Pernambuco – Paraíba)

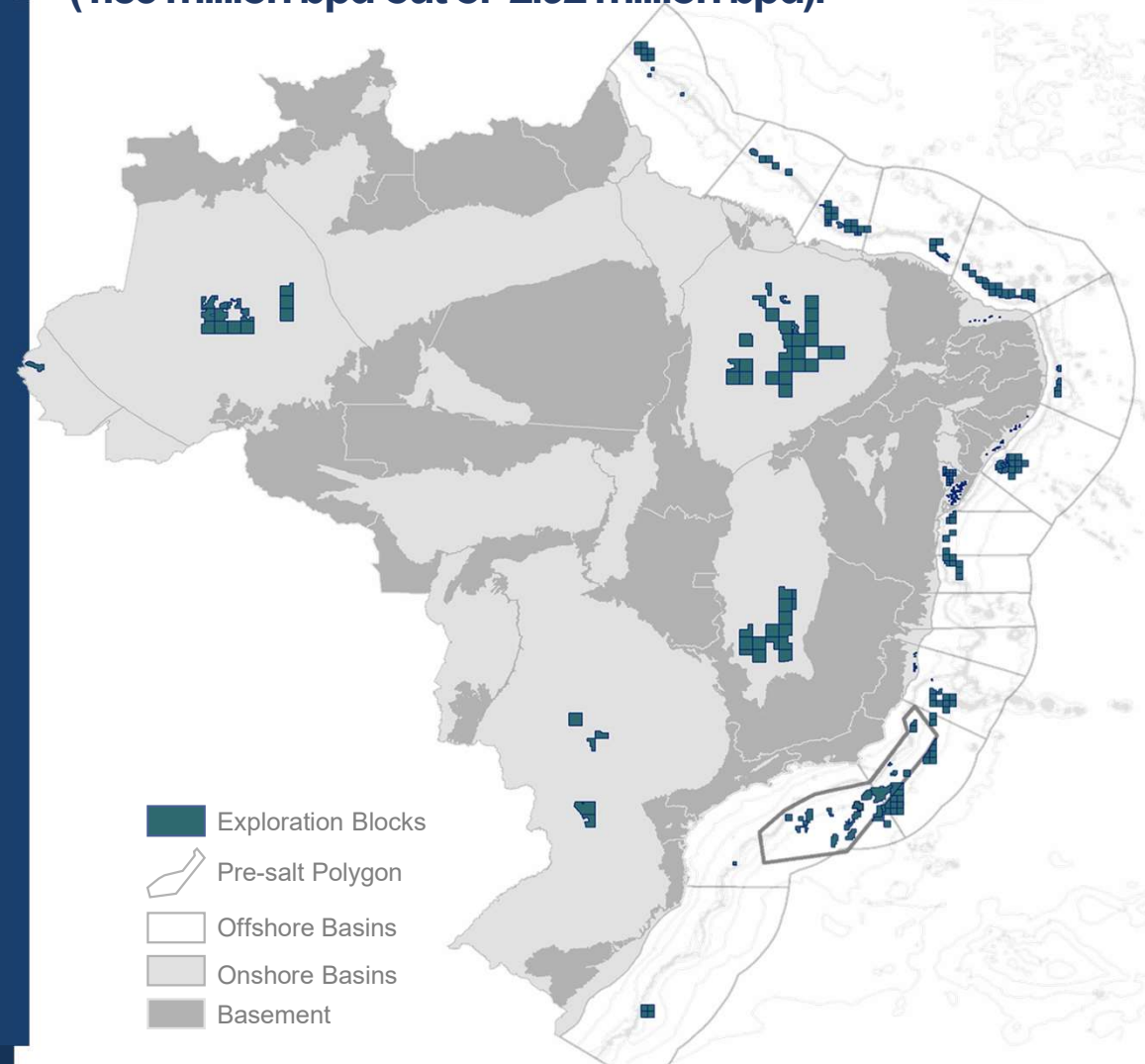


Only ~ **30,000** wells were drilled in Brazil YTD

❖ **60,000 in Argentina**

❖ **4 million in USA**

Pre-Salt Production accounts for over **62%** of Total Production
(1.83 million bpd out of 2.92 million bpd).



Improvements in E&P Regulation

Recent Legal and Regulatory Enhancements



2016

Petrobras No Longer Sole Operator for the Pre-Salt Play

(Law 13,365/2016)

2017

Bidding Rounds Schedule until 2019

(CNPE Resolution 10/2017)

New Local Content Policy – future rounds

(CNPE Resolution 07/2017)

New E&P Policies

(CNPE Resolution 17/2017)

Exploratory Phase Extension (BID 11 and BID 12)

(CNPE Resolution 708/2017)

REPETRO Extension – fiscal regime

(Law 13,586/2017)

2018

Local Content waiver for contracts up to the 13th bidding round

Royalties reduction for the incremental production in mature fields

Farm-in, Farm-out and Reserve-Based Lending (RBL)

2019

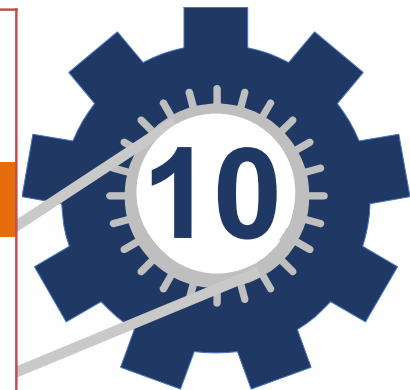
Guidelines for Transfer of Rights Surplus Bidding Round

(CNPE Resolutions and MME regulations)

Open Acreage – 1st Bidding Round

Transfer of Rights Surplus Bidding Round

R,D&I New Regulation



Bidding Rounds (2017-2019)

Recent Legal and Regulatory Enhancements



2020

**Decommissioning New Regulation
(RANP n° 817/2020)**

**New version of the Tender Protocol for the
Open Acreage
(regarding the 2nd Bidding Round)**

**Draft resolution that regulates procedures
for presenting guarantees and instruments
that ensure the decommissioning of
production facilities in oil and natural gas
fields.**

**(Under public consultation and public
hearing n° 10/2020)**

2021

**Revision of the Tender Protocol and of the concession and
production sharing contracts for the next bidding rounds.**




Last Bidding Rounds

2017-2018 Rounds: Diversified & Intense Competition



Bidding Round	Acquired Blocks	Signing Bonus		Registered Companies	Winner Companies	Premium
		(R\$ billion)	(USD billion) R\$/US\$ = 5,28			
 Oil & Gas Bidding Rounds	37 (24 onshore and 13 offshore)	3.84	0.73	32	17	1,556%
 PRODUCTION SHARE	3	3.30	0.62	10	7	261%
 PRODUCTION SHARE	3	2.85	0.54	14	6	202%
 PRODUCTION SHARE	3	3.15	0.60	16	7	202%
 OIL AND GAS CONCESSIONS	22	8.01	1.52	17	12	622%
 PARTILHA DA PRODUÇÃO	4	6.82	1.29	12	8	170%
Total	72	27.97	5.30	<i>Significant Increase in Premiums</i>		

Bid Rounds 2019 - Incredible Results Achieved

Bidding Round	Acquired Blocks	Signing Bonus		Registered Companies	Winner Companies	Premium
		(R\$ billion)	(US\$ billion) R\$/US\$ = 5,28			
 OIL AND GAS CONCESSIONS	33 (+ 12 marginal fields)	0.22	0.04 <small>R\$/US\$ = 5,28</small>	47	14	61,48% <small>(2.221,78% marginal fields)</small>
 OIL AND GAS CONCESSIONS	12	8.91	1.69	17	10	322%
 PRODUCTION SHARE	02	69.96	13.25	14	03	NA
 PRODUCTION SHARE	01	5.01	0.96	17	02	NA
Total	48	84.14	15.94			

Next Bidding Rounds

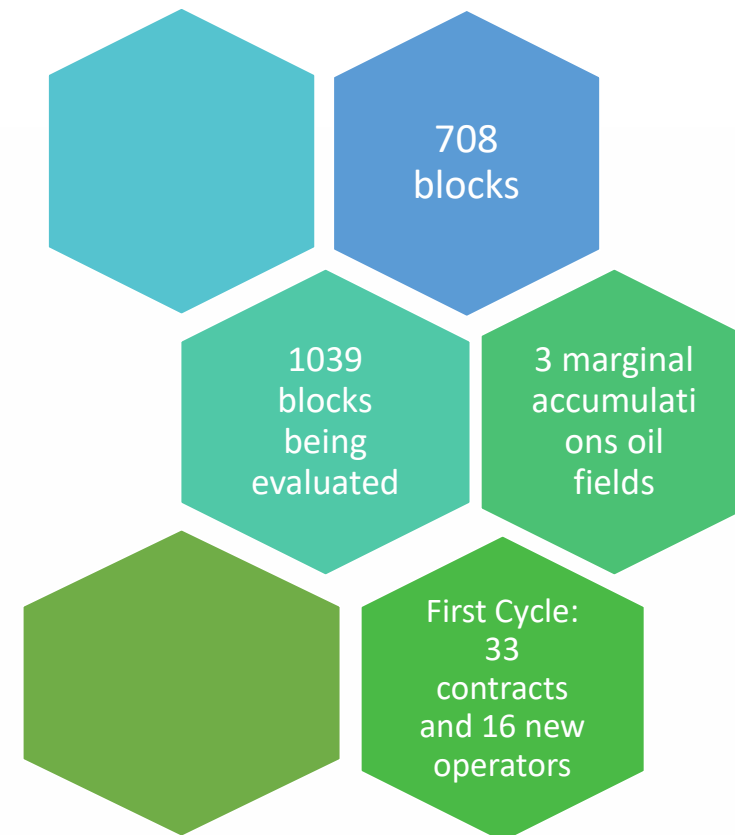
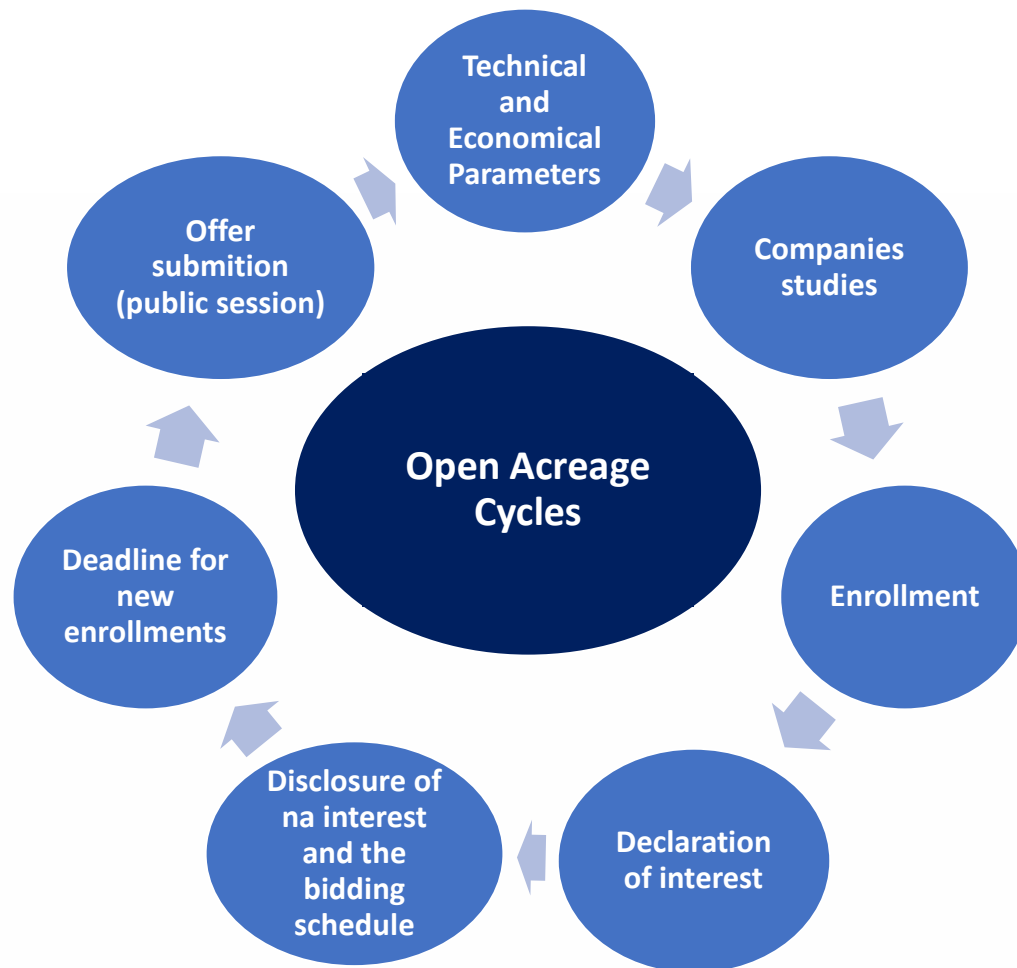
Next Bidding Rounds schedule



To be rescheduled



Open Acreage: on demand Bidding Rounds



Open Acreage: blocks and marginal accumulations



✓ 708 blocks

466 onshore and 242 offshore

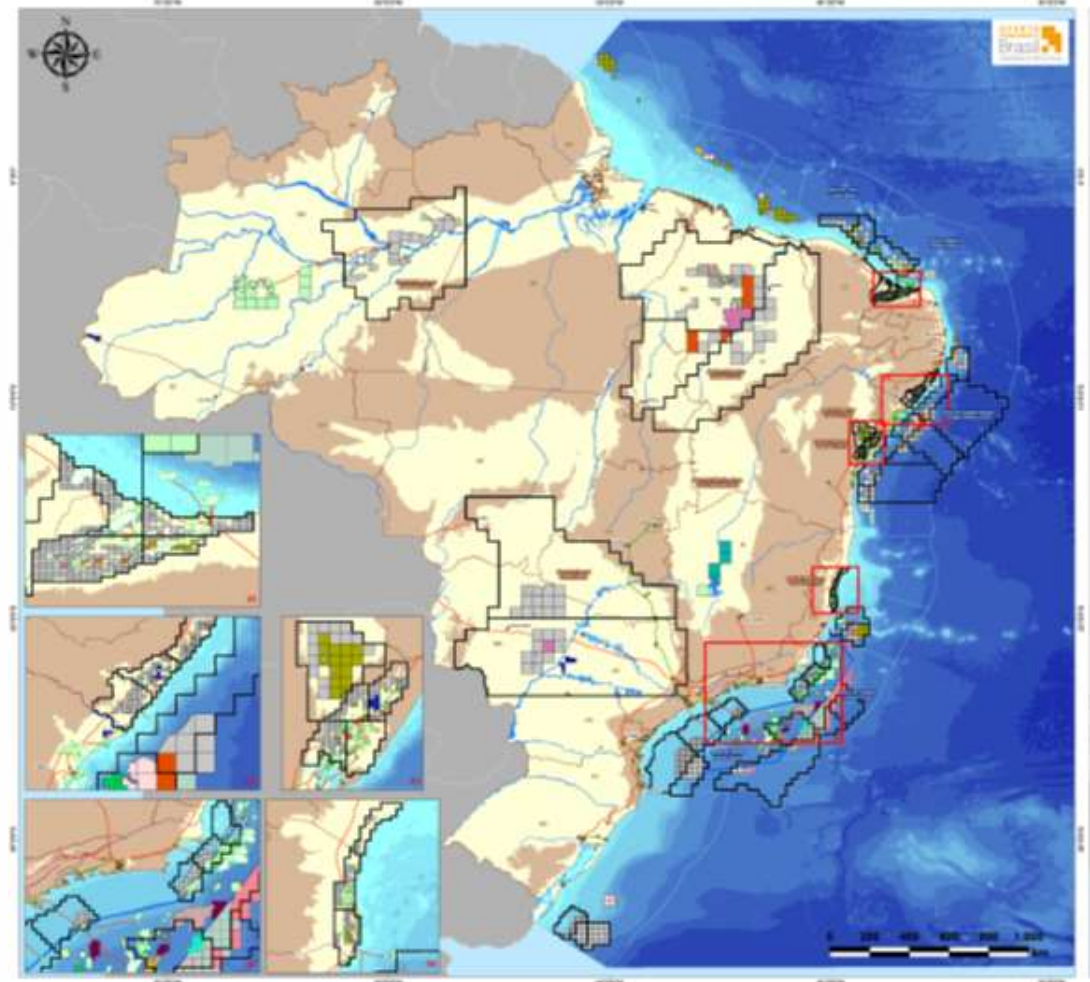
✓ 3 marginal accumulations

Rio Ibiribas, Miranga Leste, Juruá.

✓ 16 Brazilian basins

Onshore: Espírito Santo, Potiguar, Recôncavo, Sergipe-Alagoas, Amazonas, Paraná, Parnaíba, Tucano e Solimões.

Offshore: Campos, Santos, Sergipe-Alagoas, Ceará, Potiguar.



Open Acreage: 2nd Cycle



All information from the 2nd Cycle is available on the website:
<http://rodadas.anp.gov.br/>

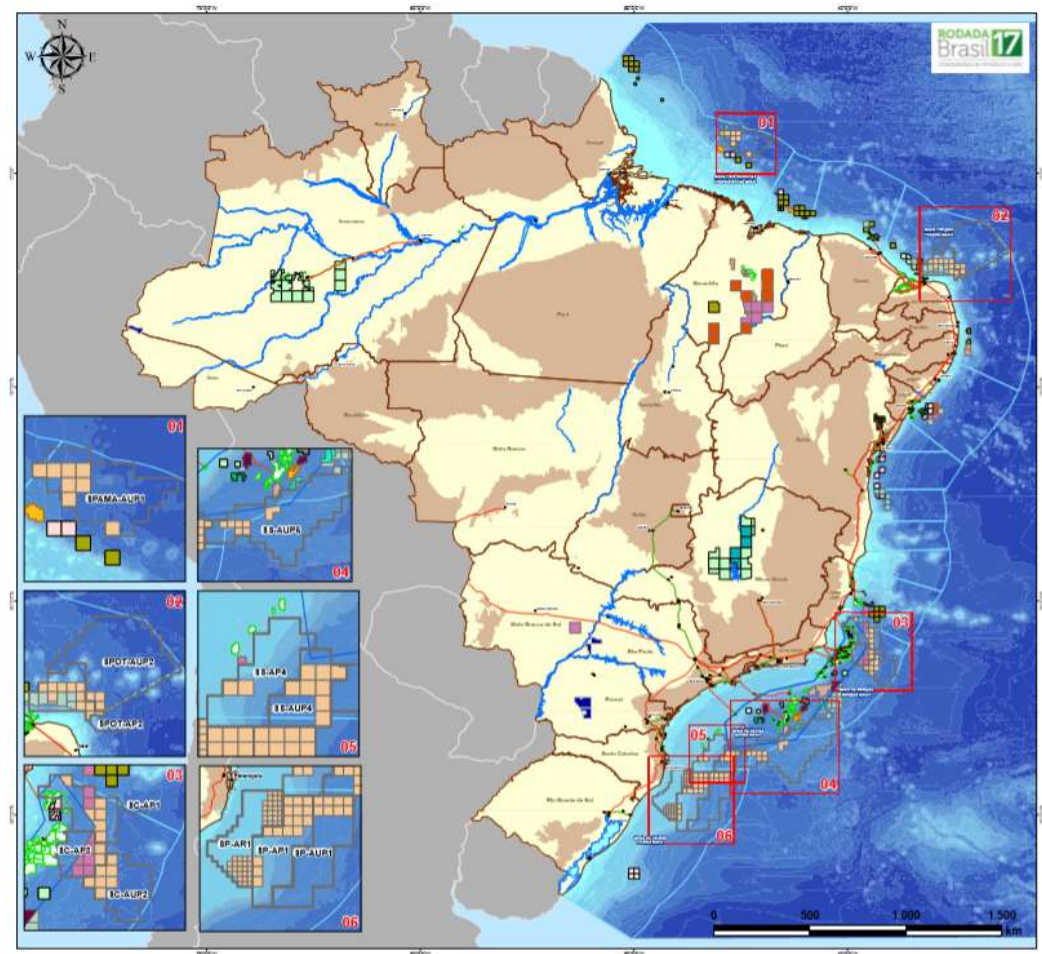
**CNPE Resolution n°07/2020
authorizes R17 - 2021**

**96 blocks – 4 basins – 54 thousand
km²**

- Potiguar, Campos, Santos and Pelotas

**Near Future Opportunities
(7 blocks - SS-AUP5)**

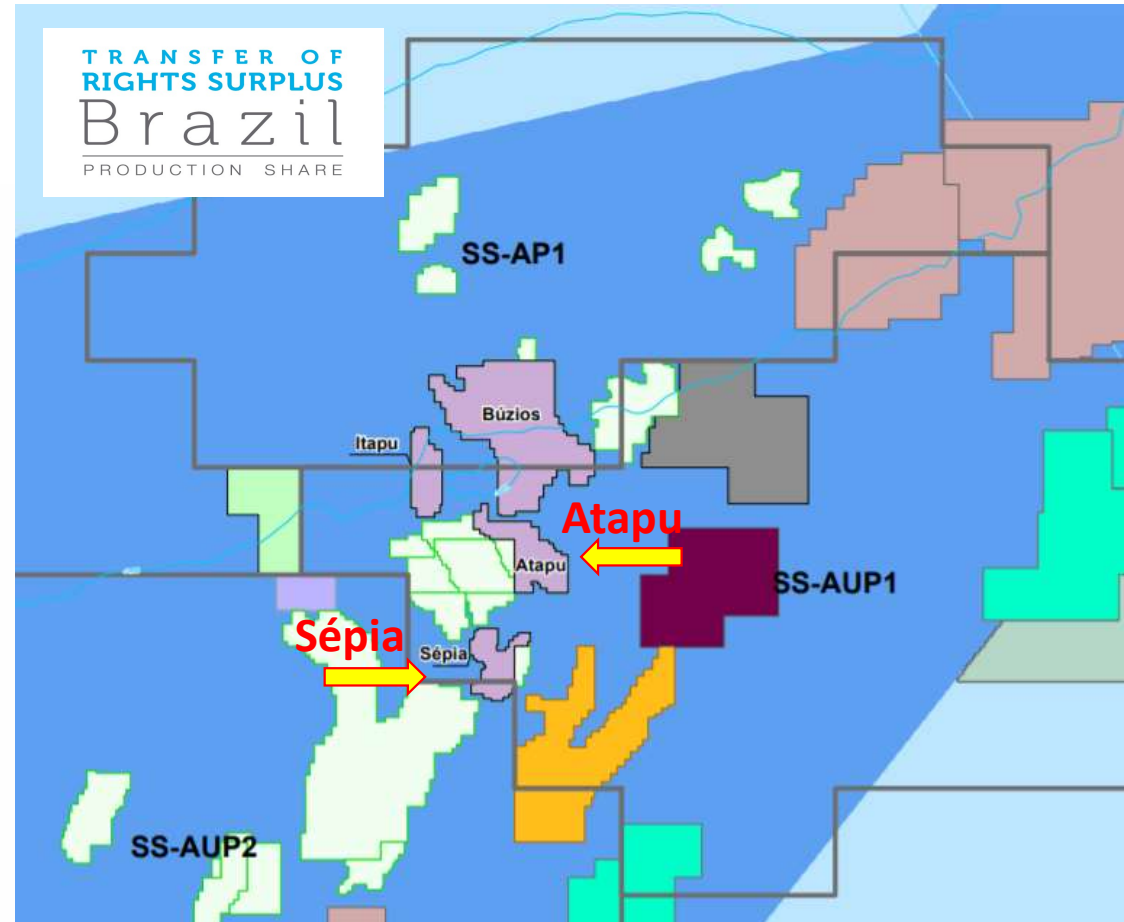
- Exploration beyond the Exclusive Economic Zone (EEZ)
- Ensure execution of exploration Investments in New Frontiers Basins
- Infrastructure to Support New Frontiers Exploration



2nd Transfer of Rights Surplus Production Sharing Bidding Round



- 1st Transfer of Rights Surplus Production Sharing Bidding Round:
 - Two blocks were sold, **Búzios** and **Itapu**.
- 2nd Bidding Round will offer **Atapu** and **Sépia**.
 - MME Ordinance n° 23/2020;
 - Track Participation and compensation due to Petrobras in tender protocol.



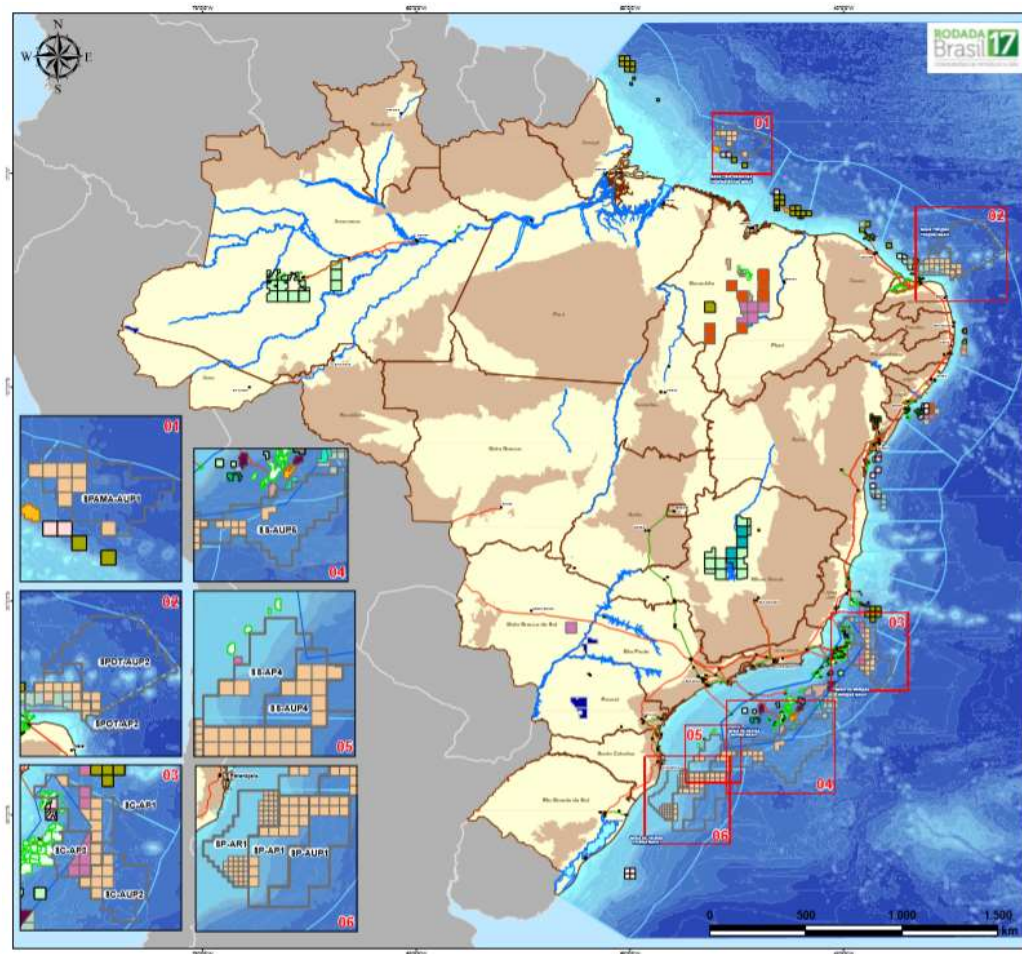
CNPE Resolution n°07/2020 authorizes R18 - 2022

3 basins

- Ceará, Pelotas and Espírito Santo

11 sectors

- SCE-AP1
- SCE-AP2
- SCE-AP3
- SP-AR2
- SP-AR3
- SP-AP2
- SP-AUP2
- SP-AUP7
- SES-AUP2
- SES-AUP3
- SES-VT





Esmeralda

Agata

Agua Marinha



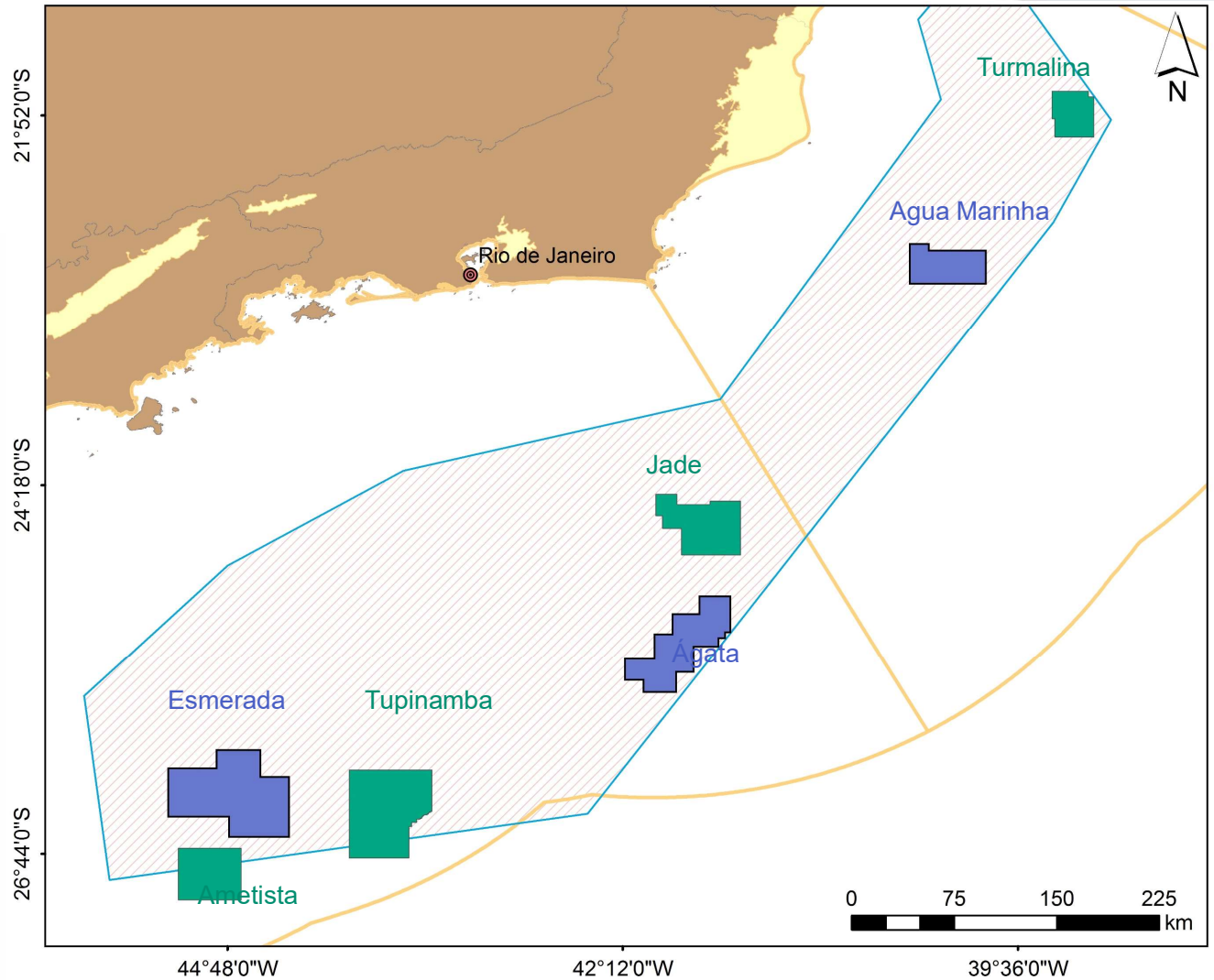
Amethysta

Tupinamba

Jade

Turmalina

Next Pre-Salt Licensing Rounds



Conclusion

- Brazil is safe country for investments
- Has legal certainty for oil companies
- It has the potential for great oil discoveries e
- It has regular bidding rounds schedule
- Offers opportunities for majors, independents and others oil companies a



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