

Prospects for investments in the Brazilian Oil & Gas Industry and Brasil Round 9



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Director ANP

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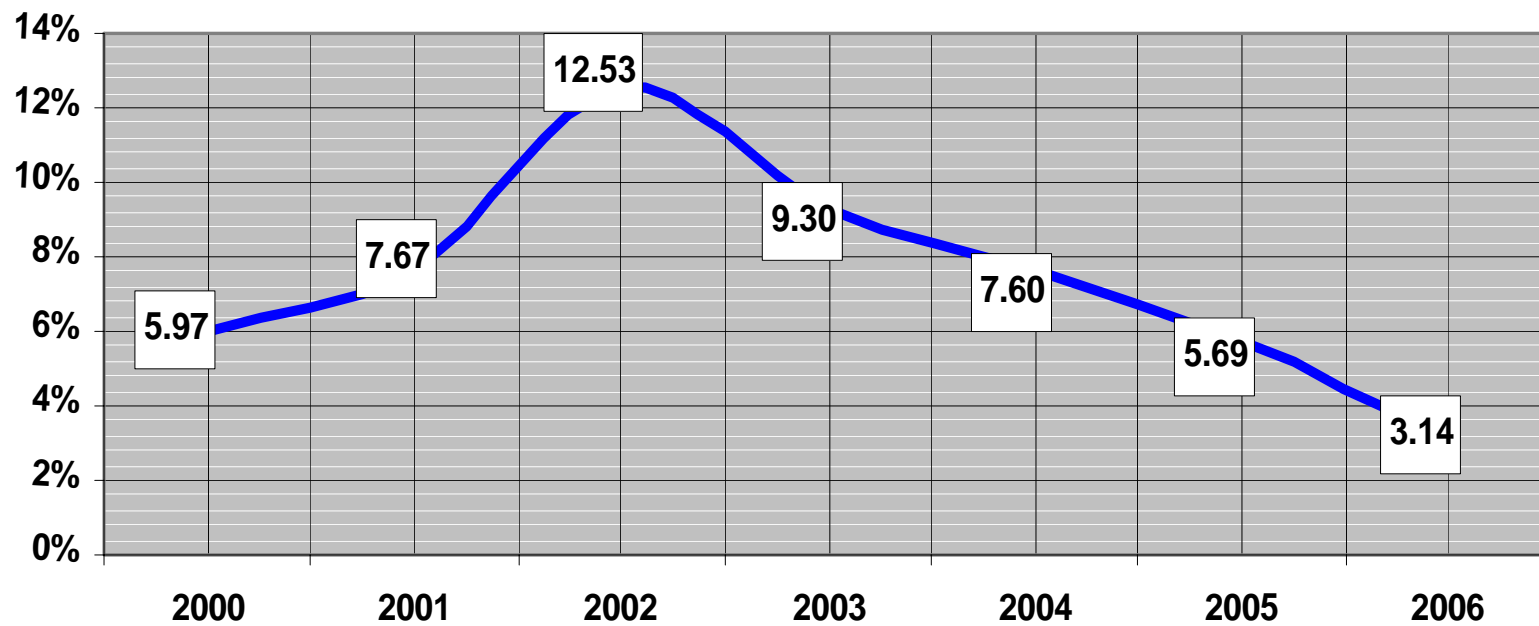
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Why invest in Brazil's oil & gas industry



ECONOMIC STABILITY

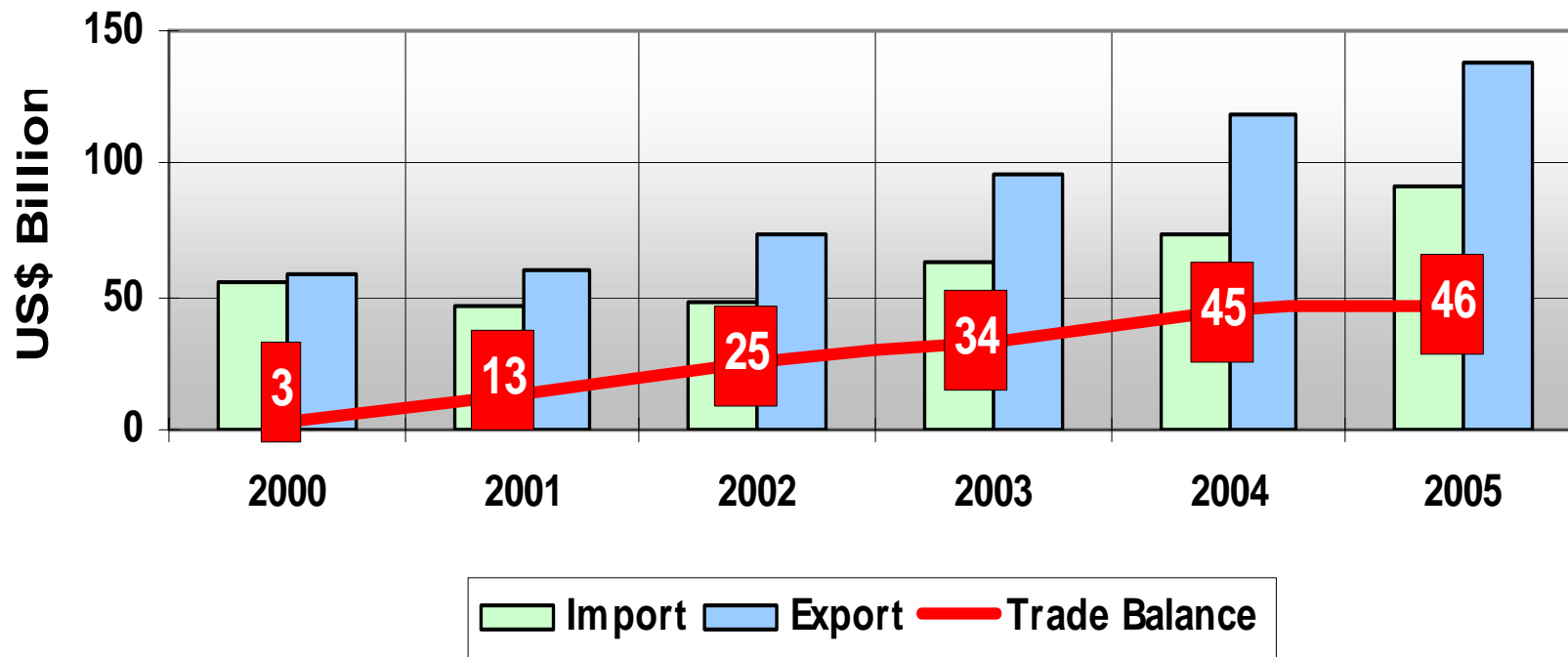
National Consumer Price Index (IPCA/IBGE) 2000 - 2006



Source: IBGE



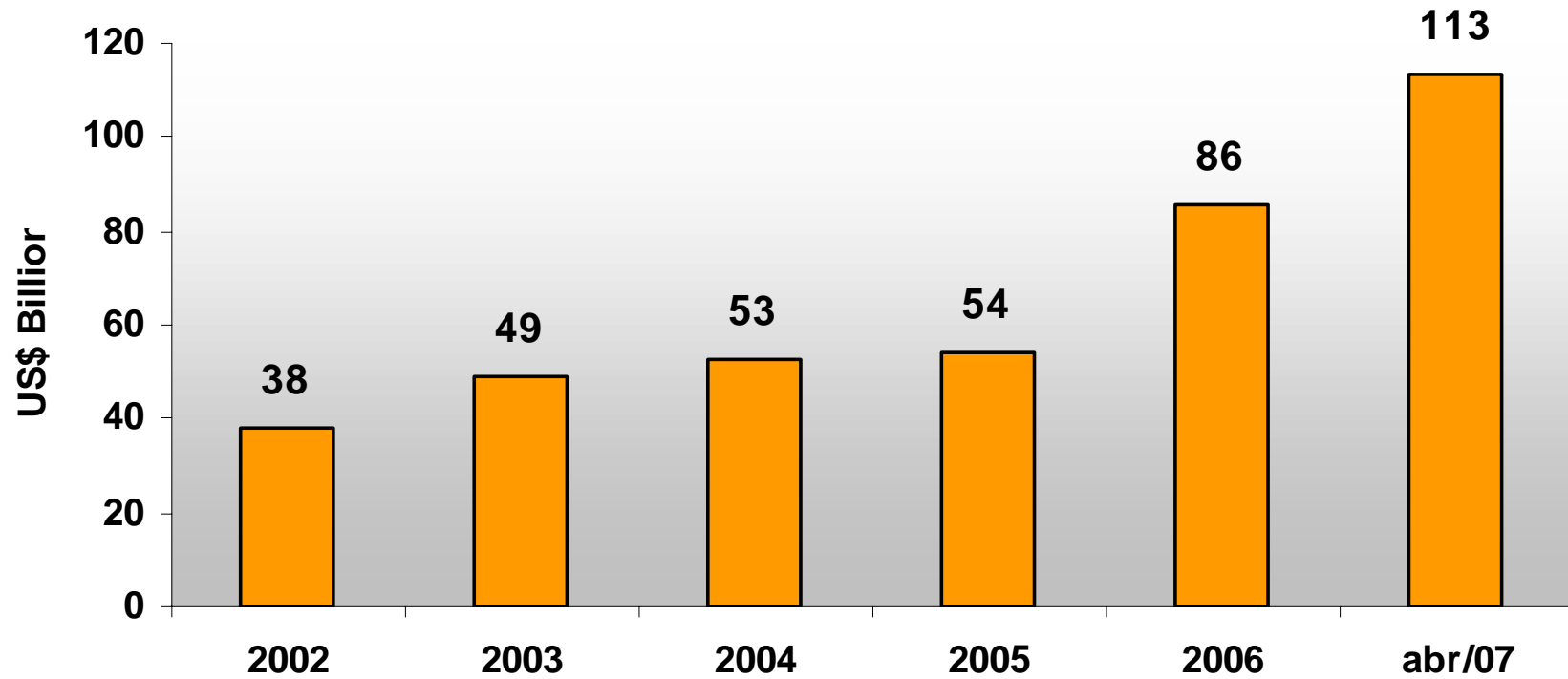
Trade Balance (FOB) 2000 - 2006



Source: Banco Central



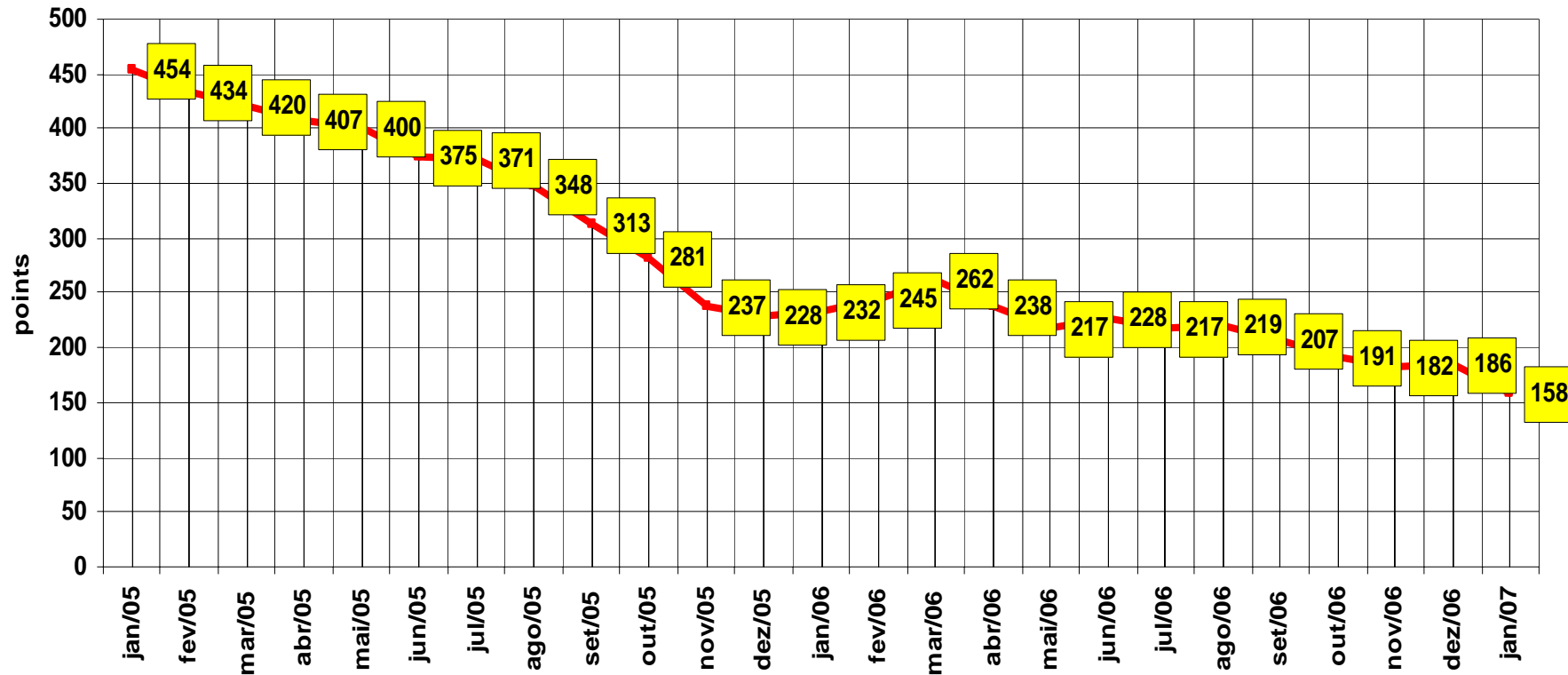
International Reserves



Source: Banco Central



Country Risk (EMBI+)



Source: JP Morgan

Regulation

ANP establishes the rules for the Oil and Gas industry

Contracting

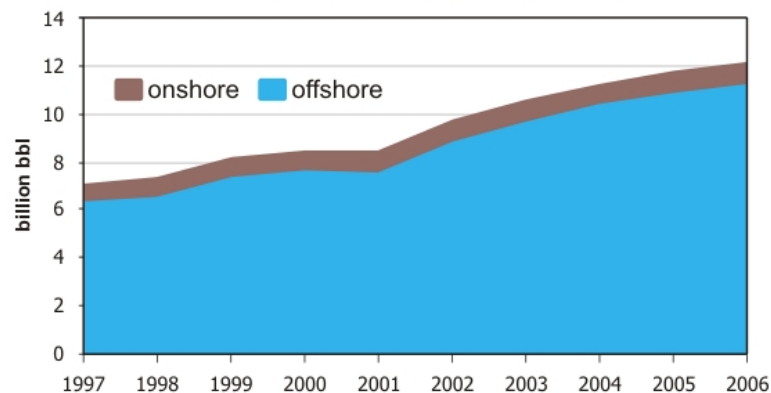
ANP promotes bid rounds and signs contracts with concessionaires for exploration, development and production activities of the Oil and Gas industry

Supervision

ANP supervises the activities of the regulated industries

From 1997 to 2006, proved oil reserves increased from 7 billion barrels to 12 billion barrels. Gas reserves increased from 228 billion cubic meters to 348 billion cubic meters.

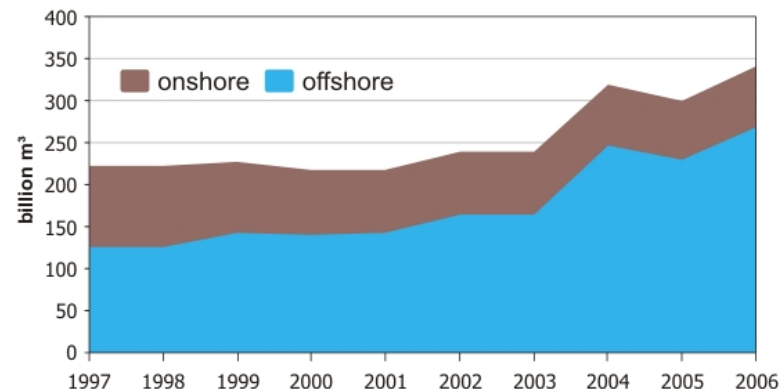
Evolution of proved oil reserves, by location
(onshore and offshore) - 1997-2006



Sources: ANP and Petrobras
Notes: 1. Reserves on 12/31 of the reference years.
2. Includes condensate.

In 2006, the proved oil reserves amounted to 12 billion barrels.

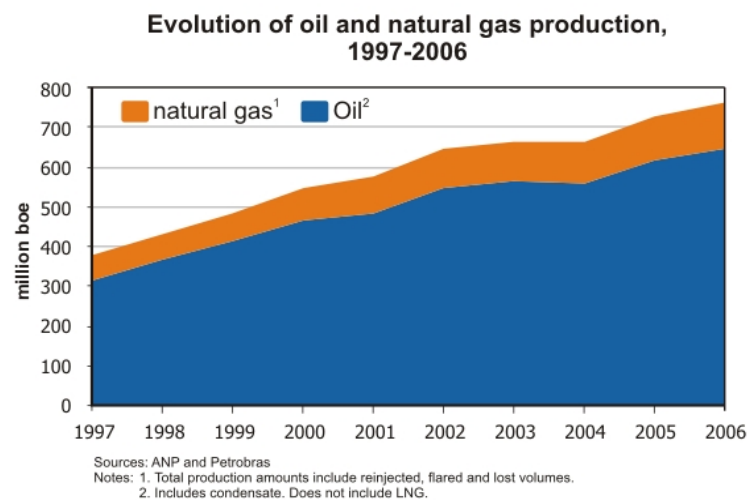
Evolution of proved natural gas reserves, by location
(onshore and offshore) - 1997-2006



Sources: ANP and Petrobras
Notes: 1. Reserves on 12/31 of the reference years.

The proved gas reserves amounted to 348 billion cubic meters in 2006.

In 2006, Brazil became self-sufficient in oil production: 1.7 million bpd.



In 2006, crude oil production amounted to 651 million boe and natural gas to 112 million boe.

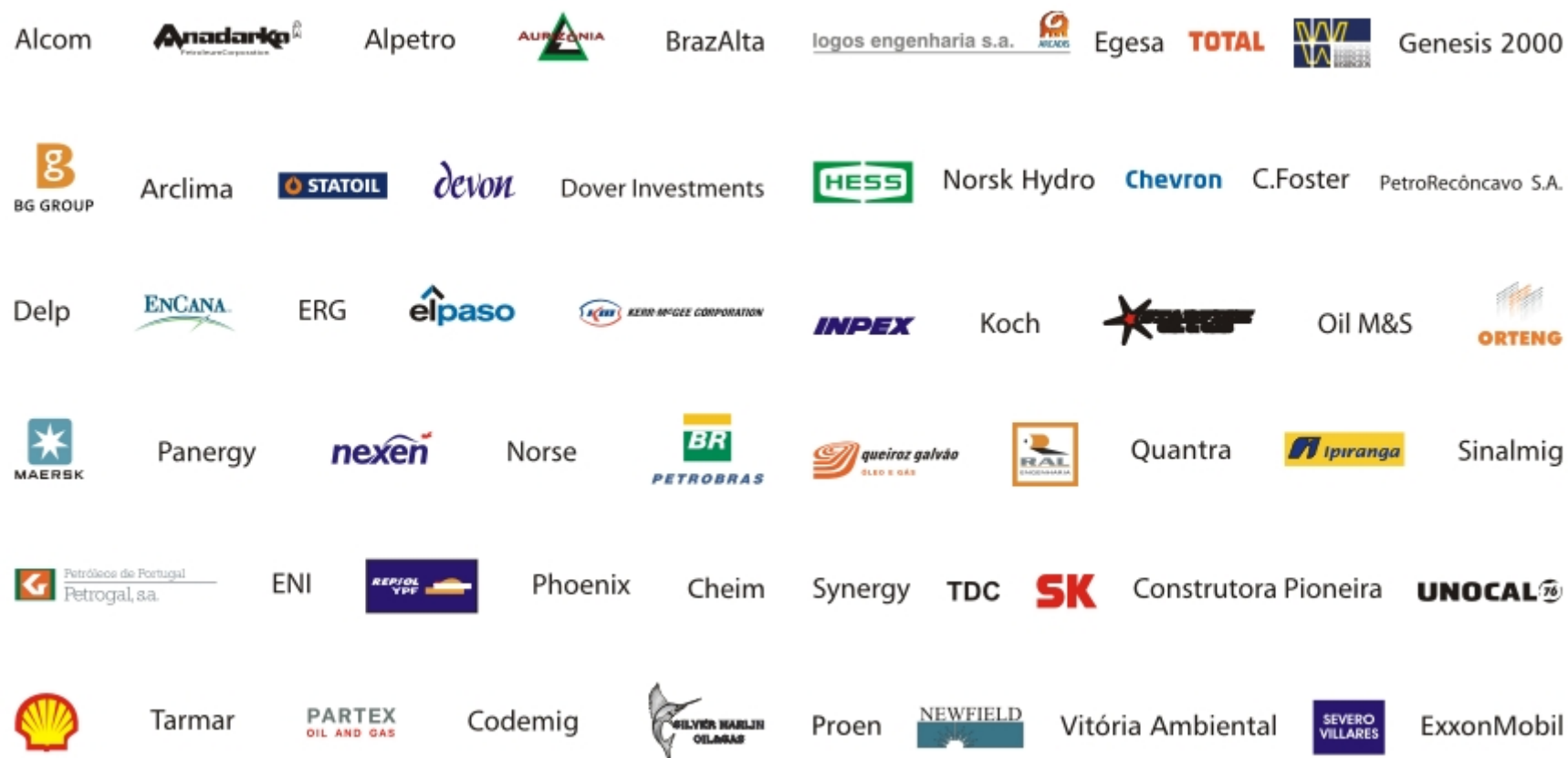
The oil and gas sector is one of the most dynamic in the Brazilian economy, promoting economic development and technological innovation.

From 1997 to 2005, the oil & Gas industry experienced expansion of 350%.

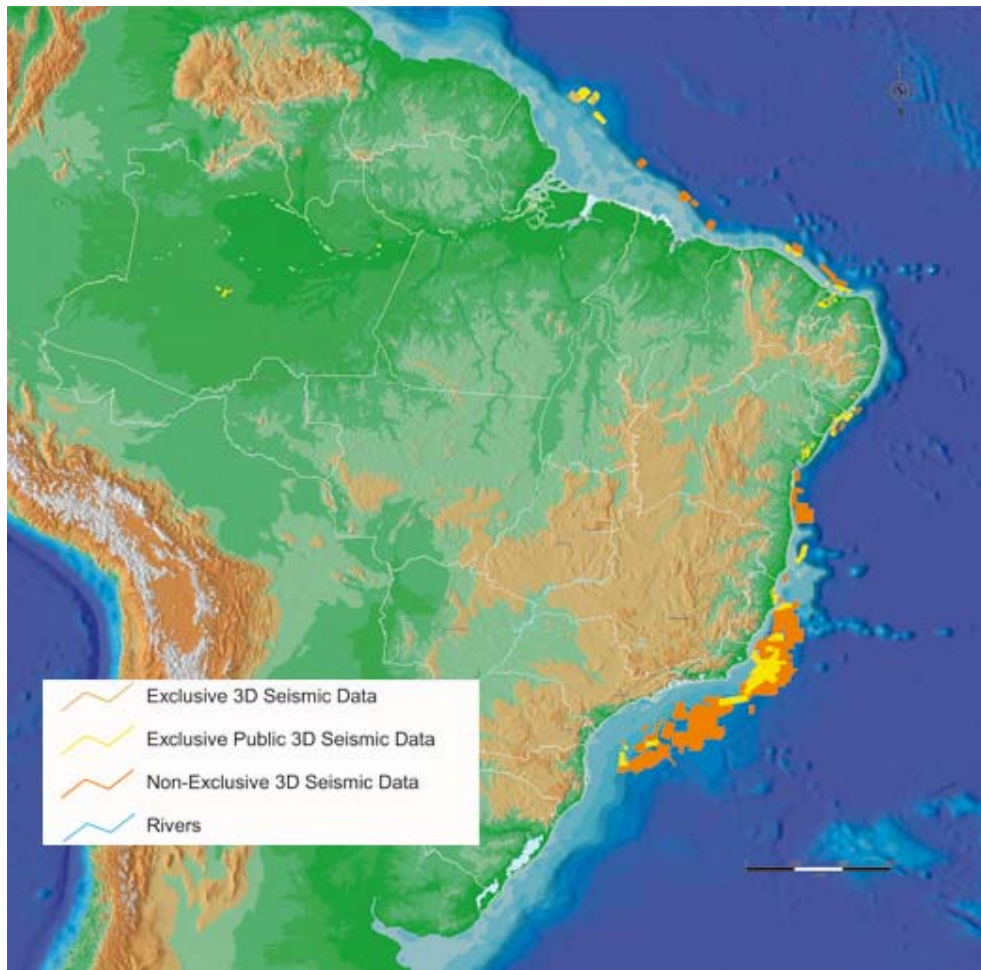
- **There are 29 sedimentary basins with significant oil and gas potential, covering an acreage of 7 million km².**
- **285,104 km² of exploration areas are under concession in 523 blocks, corresponding to 4.4% of the sedimentary basins.**
- **Campos Basin accounts for 84% of the national oil production.**
- **Santos Basin's proved gas reserves increased 36% from 2005 to 2006.**
- **In Espirito Santo Basin, the second largest in oil production, there are expressive prospects of light oil discoveries.**

- **60 economic groups are working in the Brazilian upstream sector. 30 foreign are from 14 countries.**
- **Investment forecasts for E&P activities amount to US\$ 30.7 billion from 2006 to 2010.**
- **The operations covered by concession contracts are supervised by ANP.**
- **Brazil has a well-established industry of goods and services, working in a competitive market, which provides investors with reliable qualified supply.**

Today there are 60 economic groups working in the Brazilian upstream sector



Seismic Surveying Improves Brazil's Oil and Gas Discoveries



Brazil is among the countries with the highest level of seismic data acquisition.

From 1999 to 2006, more than 366,000 km of 2D seismic data and more than 245,000 km² of 3D seismic data were acquired.

Nowadays, an expressive amount of new seismic data of high potential areas is available.



BDEP is the source of basic data for the geological studies to be carried out in the Brazilian sedimentary basins through the organization and storing of the data and information from the oil and gas industry activities.



Through BDEP's website it is possible to access, with any browser, an application called BDEP Web Maps, which provides interactive maps with positioning and information about:

- **2D and 3D Seismic Data**
- **Well Data (Logs & Reports)**
- **Gravimetric and Magnetometric Data**

Exploration & Production Activities

PETROLEUM



CONTRACT



EXPLORATION

NATURAL
GAS

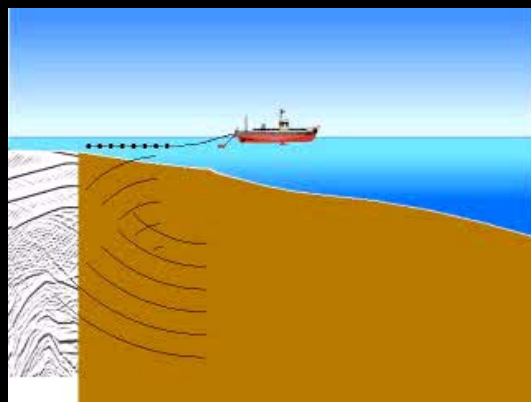


Exploration & Production Activities

PETROLEUM



CONTRACT



EXPLORATION

NATURAL
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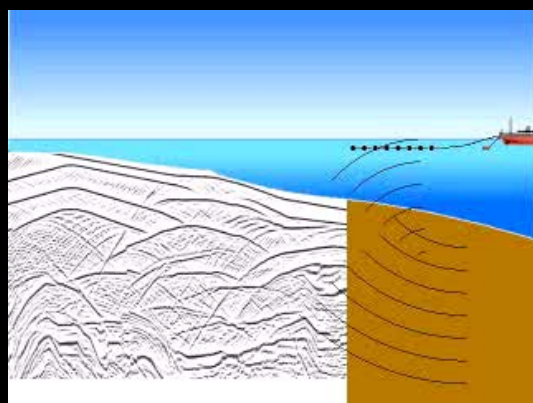


Exploration & Production Activities

PETROLEUM



CONTRACT



EXPLORATION

NATURAL
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E&P Scenario

Exploration & Production Activities

PETROLEUM



CONTRACT



EXPLORATION

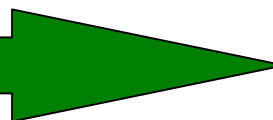
**NATURAL
GAS**



Exploration & Production Activities

PETROLEUM

3 to 7 YEARS



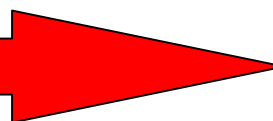
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EXPLORATION

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3 to 7 YEARS





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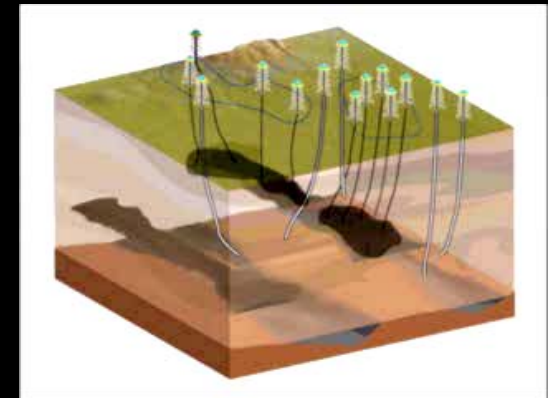
E&P Scenario

Exploration & Production Activities

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CONTRACT



Start of PRODUCTION

NATURAL
GAS





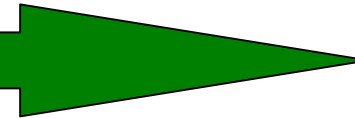
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E&P Scenario

Exploration & Production Activities

PETROLEUM

7 to 10 YEARS



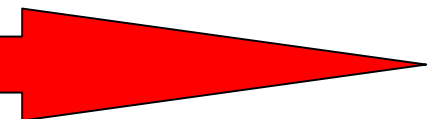
CONTRACT



PRODUCTION

NATURAL
GAS

7 to 12 YEARS



Data Package

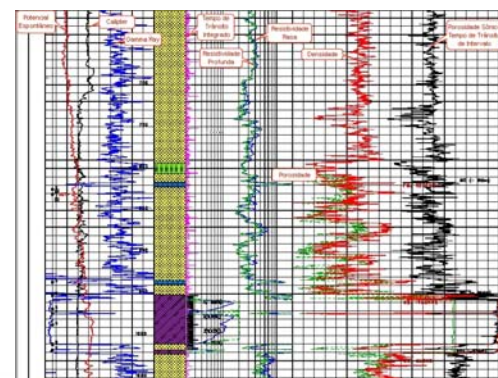
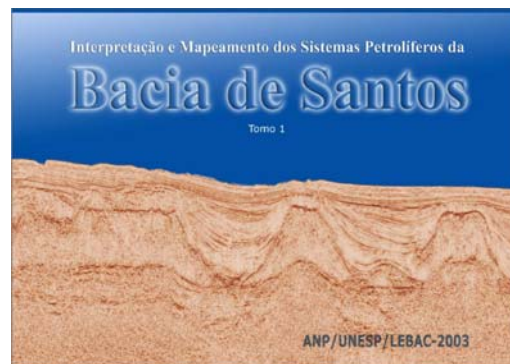
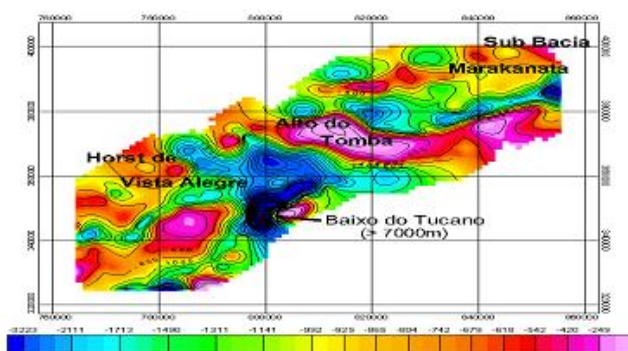
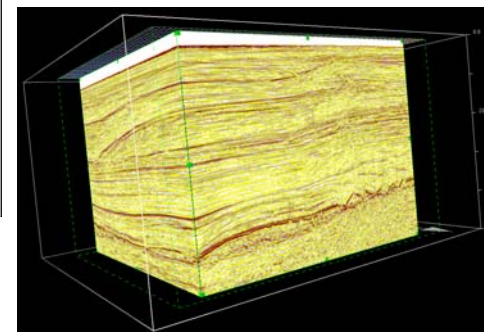
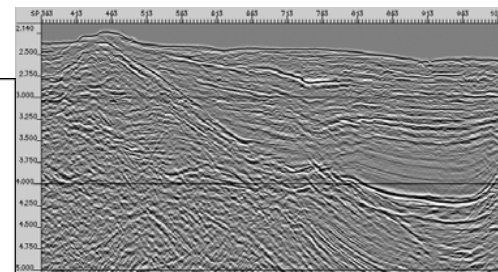
- Geological Summary
- 2D and 3D Seismic
- Wells data
- Geological Reports of Universities
- Geological Interpretations of ANP
- Potential Methods



Informações Gerais / General Information

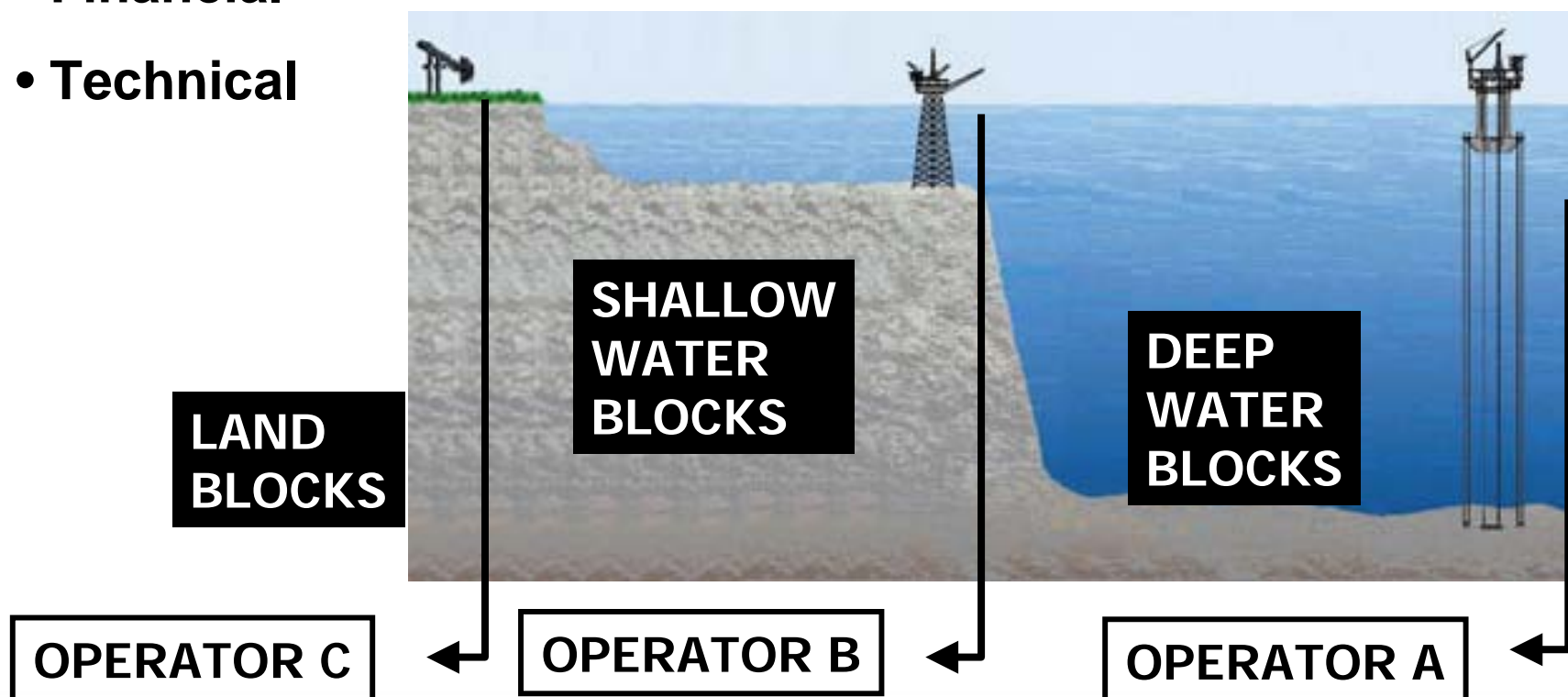
- Informações sobre o Pacote de Dados
- Data Package Information
- Informações sobre as Bacias
- Basin Information

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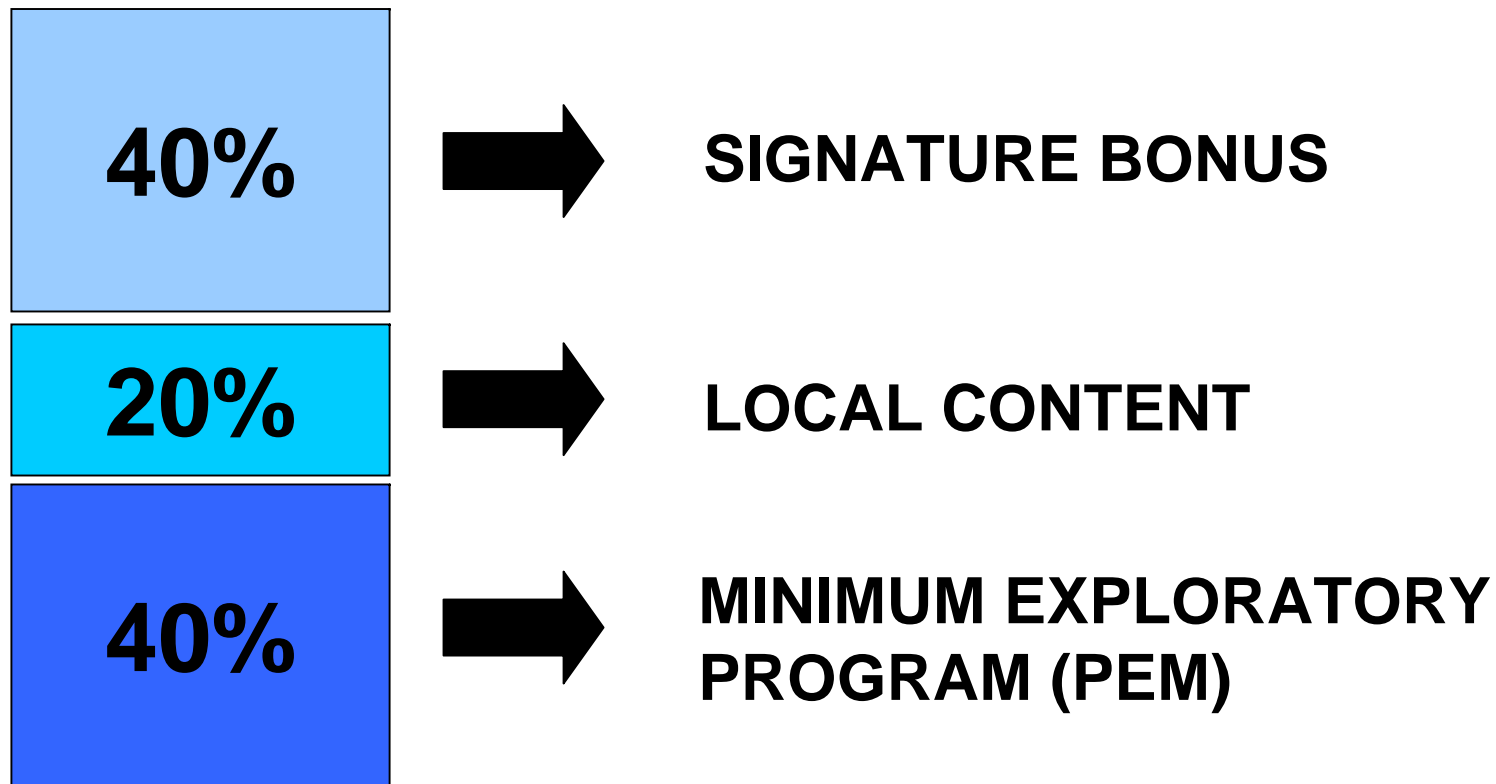


Qualification of Companies:

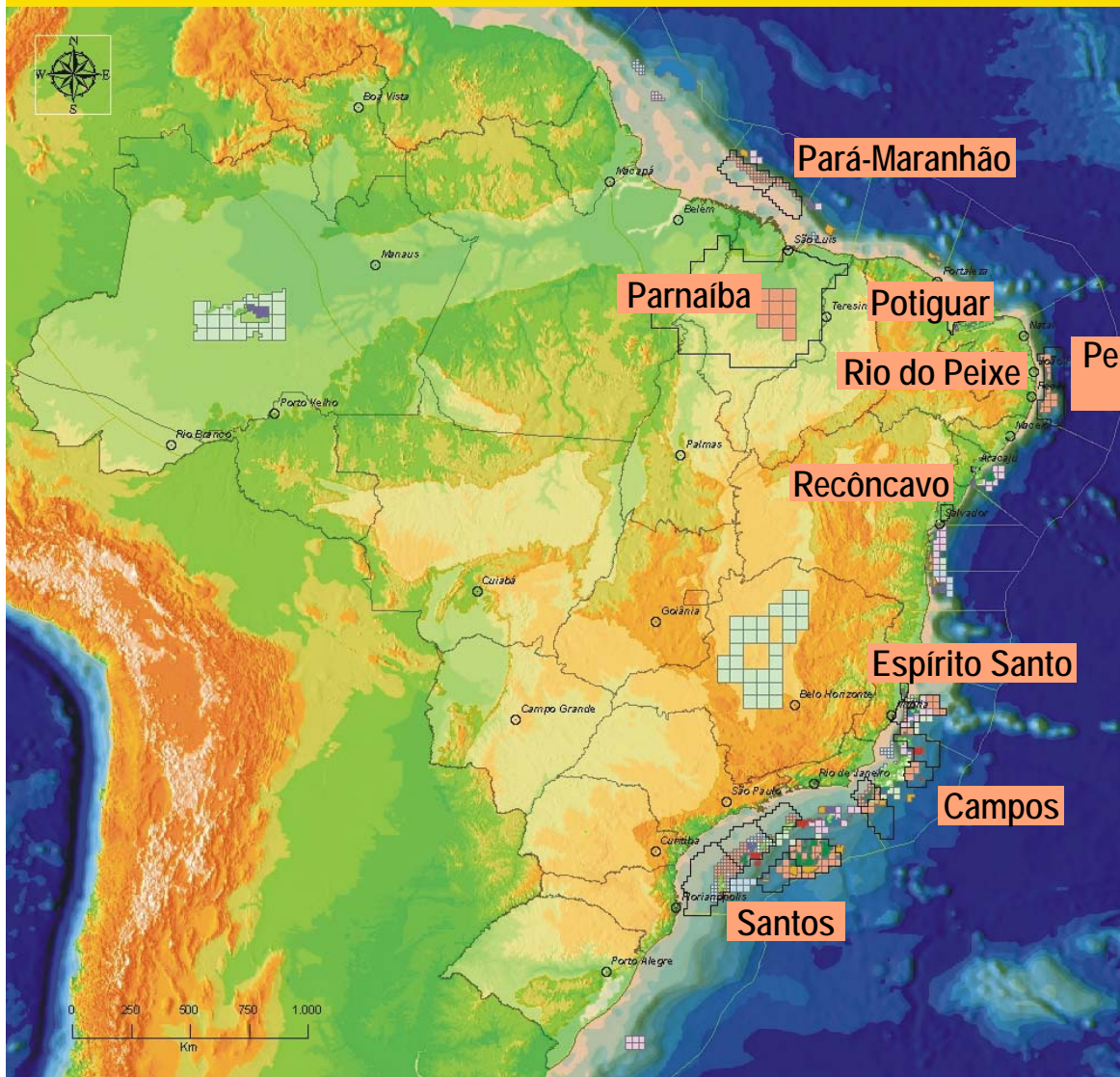
- Legal
- Financial
- Technical



Rules for Submission of Offers



- **Since 1999, ANP has performed eight bidding rounds for oil and gas exploration & production, in which 582 exploratory blocks were granted, covering an acreage of 407,000 km².**
- **Brasil Round 9 will follow the previous rounds model, including areas in mature, new frontier and high potential basins.**
- **With a differential portfolio, the new Bid will also offer opportunities for small to medium-sized companies to invest in areas onshore.**



Sedimentary Basins

- Espírito Santo
- Campos
- Santos
- Pará-Maranhão
- Parnaíba
- Potiguar
- Pernambuco-Paraíba
- Recôncavo
- Rio do Peixe

Improvements

- **New Informatised Bid System**
- **Wider publicizing of technical data (consult the data package local or remote access)**
- **Greater time for technical and legal discussions in the seminars and workshops**
- **Publicizing of the round in the regions where the blocks will be auctioned**

- **The Brazilian sedimentary basins offer opportunities:**
 - **Different stages of exploration**
 - **Large unexplored areas**
- **There are opportunities for companies of all sizes and types**
- **Great prospects for domestic demand of petroleum and natural gas**
- **Excellent local capacity for provision of goods and services**
- **Stable contracts**

THANK YOU!

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