

❖ OIL & GAS

Petrobras leads the list of companies that gained most value in the stock market in 2016

1 Jan 2017

The market value of Petrobras increased from R\$101.3 billion at the end of 2015 to R\$209.4 billion, an increase of 106.7% - despite a net loss of R\$17.3 billion in the first nine months of the year. As the result of the companies in market value is a projection that is made of future cash, investors indicated this year that they expect improvements for the next months, even in the face of losses like those the State company has had. Sales of assets, higher commodity prices and names in the federal government and in charge of companies are among the factors that favoured the stock market recovery. Petrobras, for example, has benefited from a relative recovery in the value of oil and the expectation of a further increase in the price resulting from OPEC's decision to reduce the product supply. According to the chief economist of Azimut Brazil Wealth Management, the "more transparent" pricing policy adopted this year and the change in command of the oil company also helped the company's performance.

<https://www.portosenavios.com.br/noticias/geral/37092-petrobras-lidera-lista-de-empresas-que-mais-ganharam-valor-na-bolsa-em-2016>

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Chariot postpones exploration in the Barreirinhas Basin to 2019

9 Jan 2017

The British oil company Chariot Oil & Gas postponed from 2018 to 2019, the start of drilling in the Barreirinhas Basin, on the equatorial shore. The company's intention is to drill only after getting a new partner with whom to share the investments. Chariot operates, with 100% of participation, four exploratory blocks in Barreirinhas: BAR-M-292, BAR-M-293, BAR-M-313 and BAR-M-314, all won on public bid in 2013. For the 2017-2018 biennium, the plan of the oil company is to evaluate the seismic data acquired in the region and to define the best location for the beginning of the drillings

<http://www.valor.com.br/empresas/4830582/britanica-chariot-adia-exploracao-na-bacia-de-barreirinhas-para-2019>

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## To attract investments, government wants two pre-salt bids this year

19 Jan 2017

The Federal Government is studying the possibility of holding two bids of pre-salt areas this year. The previous forecast was to carry out only one such bid in 2017. The objective of the measure would be to stimulate the increase of investments in the country, which already has three bids officially planned for this year: 2<sup>nd</sup> round of the pre-salt; 14<sup>th</sup> round of post-salt; bidding of land fields. The Brazilian Institute of Petroleum, Natural Gas and Biofuels – IBP – considered the possibility of an additional bid this year to be positive, but stressed that the government needs to focus on defining important points to unlock investments in the sector, such as the expansion of the Repetro – special customs regime for import and export of goods related to oil and gas exploration activities – and the improvement in local content policy.

<https://www.portosenavios.com.br/noticias/ind-naval-e-offshore/37258-para-atrair-investimentos-governo-quer-dois-leiloes-do-pre-sal-neste-ano>

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## Foreign companies return exploration in the country

23 Jan 2017

Foreign oil companies are planning to resume investment programs for the drilling of marine wells, searching for new oil and gas fields in the country, after a long time away from the Brazilian coast. French company Total and Norway's Statoil have announced plans to restart exploring the Brazilian waters this year. Also planning to invest in 2017 is Australia's Karoon, which has defined two new wells to better evaluate the discovery of Echidna, in the post-salt of Santos Basin. The increase in exploration activities of multinationals in Brazil occurs in the midst of a global recovery of investments in the sector. According to Wood Mackenzie, after two consecutive years of decline, oil companies are expected to raise exploration and production investments by 3% to US\$450 billion, boosted by the recovery of barrel prices to levels above US\$50. The expectation of increase in foreign investment also applies to shore-based exploration. Earlier in the year, Tek, Alvo Petro and Geopark announced at least three wells - the same number of wells drilled by foreign companies throughout 2016.

<http://www.valor.com.br/empresas/4844110/estrangeiras-voltam-exploracao-no-pais>

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## Incentive program for in land oil and gas exploration and production is launched

27 Jan 2017

The Programme for the Revitalization of Oil and Gas Exploration and Production Activities in Terrestrial Areas (Reate) is expected to triple onshore production in Brazil by 2030. Currently, this type of production in Brazil is of 143,000 barrels of oil per day and 26 million m<sup>3</sup>/day in 8 states. With the proposal of the Reate, this volume can reach the level of 500,000 barrels per day. In addition, the initiative, which aims to create synergies among producers, suppliers and financiers in this segment to make the terrestrial E&P industry increasingly strong and competitive, can help bring exploration and production to twice the number of Brazilian states, enabling the generation of new jobs besides moving the economy of hundreds of municipalities. It is also a goal of the program to improve the environment of competitive production of natural gas in order to support regional industrial development, notably in the Northeast, Midwest and Northern regions of Brazil. According to the Ministry of Energy (MME), the preparation of the initial guidelines of the programme should be completed by March. By mid-April, a proposal should be put on public consultation and the guidelines should be defined before June, to be submitted to the next meeting of the National Energy Policy Council (CNPE).

<http://www.brasil.gov.br/infraestrutura/2017/01/programa-de-incentivo-a-exploracao-e-producao-de-petroleo-e-gas-em-terra-e-lancado-nesta-sexta-27>

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## Petrobras forecasts 15 new platforms in the pre-salt of Santos Basin until 2021

31 Jan 2017

Petrobras has divested itself of valuable areas in the pre-salt, such as stakes in the fields sold to Statoil (Carcará) and Total (Iara and Lapa), but still maintains great plans for the oil company, with the intention to install 15 new platforms in the Santos Basin region. The estimate is part of Petrobras' 2017-2021 Business and Management Plan, which celebrated this month its 11-year anniversary of the creation of the Santos Basin Exploration and Production Operations Unit (UO-BS). With a production of 1 million barrels of oil per day (bpd), the unit currently has 15 platforms in operation and is preparing for the arrival of the new production systems, which should mark the elevation of this basin to the position of largest producer in the Brazil, surpassing the Campos Basin soon. "The unit has had many reasons to celebrate: in 2016, we were able to put three new platforms in operation and started the gas flow through the Rota 2 pipeline. Thanks to the good performance of these projects, we are now producing more than one million barrels of oil per day and delivering about 29 million cubic meters of natural gas to the market daily," Osvaldo Kawakami, general manager of UO-BS, said. Last year, the FPSOs began to operate in the Santos Basin, in the city of Maricá (in Lula Alto), Saquarema City (in Lula Central) and Caraguatatuba City (in the Lapa field). In addition, the increase in gas exports was also one of the highlights of UO-BS

in 2016. Four FPSOs recorded a higher delivery of the product in the company's processing units, which represented an increase of 16 million cubic meters per day in the gas supply, almost doubling the daily volume delivered at the beginning of the year by the Santos Basin.

<https://www.petronoticias.com.br/archives/94480>

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## ❖ RENEWABLE ENERGY

### Brazil and European Commission sign biofuels research agreement

14 Jan 2017

Brazil and the European Commission signed an agreement to develop a joint research in the field of biofuels. The initial focus of the partnership is a project called BioValue, which aims to produce advanced biofuels: development and evaluation of integrated thermo-chemical routes to biomass production and biochemical routes. The project was approved in a call for proposals of the European Commission and bodies that constitute the European Horizon 2020 program, in partnership with São Paulo Research Foundation (Fapesp), the Ministry of Science, Technology, Innovation and Communications (MCTIC) and the National Council of State Foundations for Research Support.

<https://www.petronoticias.com.br/archives/93767>

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### With renewables growth, the country reduces dependence on fossil fuels, points BP

26 Jan 2017

With the accelerated growth of the renewable energy market, the Brazilian energy matrix will become less and less dependent on oil, even if fossil fuel remains the dominant fuel. The projection comes from the British oil company BP, which forecasts that wind energy will surpass natural gas as the country's second largest source of electricity generation by 2035. BP's expectation is that growth in the importance of clean energy in Brazil follows the international trend. Globally, the British company's prediction is that non-fossil fuels will account for half of the growth in energy supply over the next 20 years. And that oil and gas, along with coal, remain the main sources of energy that will feed the world economy, accounting for more than 75% of the world's energy supply in 2035, against 86% in 2015

<http://www.valor.com.br/brasil/4848146/com-expansao-de-renovaveis-pais-diminui-dependencia-de-combustivel-fossil-aponta-bp>