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Oil and Gas Sector Brief: BRAZIL

Since 1953, the Brazilian federal government has maintained a virtual monopoly in the exploration, drilling, production, transportation and refining of petroleum products. This monopoly, defined in the Constitution and scheduled for review when the newly-elected Congress takes office in October 1994, is exercised by Petrobras, the national oil company. Petrobras is a publicly traded company with the majority of its shares held by the federal government.

# OIL AND GAS REPORT: BRAZIL

Areas that are not within the exclusive jurisdiction of Petrobras include the distribution of natural gas within individual states (state government responsibility), the refining of certain lubricants and oil for use in certain industries (state responsibility), and the retail distribution of gasoline, diesel and alcohol fuels (private responsibility).

Petrobras has traditionally pursued a "buy-Brazil" policy in its procurement of goods and services and, where possible, consulting and engineering capabilities. It sources approximately 85% of its requirements domestically. As a result, Brazil has developed strengths over a spectrum of oil and gas equipment and services, particularly in the area of deep water exploration, and has been active in exporting this technology abroad through Braspetro International.

### Current Situation:

Today, Petrobras is a company with assets of US\$ 50 billion. Its operations and assets currently include 250 oil and gas fields (majority of oil and gas fields are onshore and 12 offshore drilling rigs, 76 fixed and 15 floating), 10 refineries (average daily output 1.7 million bpd), 76 cracking units, 9723 km of pipelines (6125 km oil, 3597 km gas), 9 research centres (CENPES) and 55,000 employees. Petrobras produces 1.5 billion barrels of oil + condensate, and 137.4 billion cubic metres of gas on average 400,134 bpd of crude oil, and 388,000 bpd of natural gas production, at an overall BOE of US\$ 14.32 per barrel.

Oil - Onshore	182,345 barrels	Gas - Onshore	388,000 bpd
Offshore	453,993 barrels	Offshore	12.7 million m <sup>3</sup>

In terms of drilling activity, Petrobras decreased its operations in 1992. US\$ 630 million was spent on 335 exploratory and development wells (US\$ 423 million offshore, US\$ 207 million onshore), down from 400 wells in 1991. Overall meters drilled, however, increased from 524,000 m in 1991. Detailed figures on wells drilled in 1992 show:

Onshore	Exploratory	51 wells	102,000 meters total
	Development	224 wells	426,000 meters total
Offshore	Exploratory	47 wells	156,000 meters total
	Development	34 wells	114,000 meters total

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