

Brazil in the spotlight, despite the crisis

The recent crisis in the worldwide financial market has been causing important impact in the activities of exploration and production of petroleum and gas, still without a precise measurement. The fact is that the scarcity of capital, linked to the harsh drop in the price of the oil barrel and the reduction in the expected demand, has made many international companies revise their investment plans.

In the opposite direction, the Brazilian petroleum sector has given signs that it is going to accelerate the rhythm, motivated, especially, by the elevated potential of the pre-salt prospects. After Petrobras' announcement of a significant increment of investments foreseen for the next five years, large international companies, their partners in the important discoveries in the Santos Basin, disclosed their intentions to accelerate the investment rhythm in the country, distinctively distancing from their strategies in other parts of the world. Total investments expected in petroleum and gas in Brazil are around US\$ 195 billion by 2013. There will be US\$ 116 billion just in the E&P segment projects.

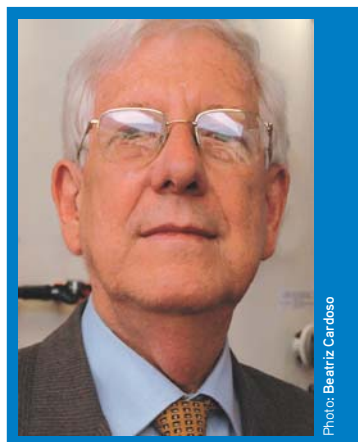
The bulky investments necessary for the development of discoveries in the Pre-Salt require a vast collaboration between the State, owner of petroliferous resources, and the investors who hold the necessary technology and

financial capacity to make the discoveries possible. Associated with an intelligent policy of development and qualification of the industrial supplier sectors, and of encouragement of new investments, the projects in petroleum and gas may reflect strongly on the economic activity and the generation of employment in the different regions of the country.

The Brazilian industry strengthening process through the increase, on a competitive basis, of national content and the technical qualification of these suppliers is fundamental not just for the development of goods and services for the petroleum sector, but for the country's own economic development. Due to being a very intensive industry in capital, it is through its expressive demand for goods and services that the petroleum industry generates employment, income and regional development.

Collaborating with this philosophy, IBP and ONIP have been participating for years in this effort to promote the national goods and services industry, through the organization of Brazilian pavilions in oil & gas events worldwide.

This year, with the important support of APEX (Export and Import Promotion Agency) by the Federal Government, IBP and ONIP will



organize the tenth edition of the Brazil Pavilion at the OTC (Offshore Technology Conference), held annually in Houston, Texas. The city is considered the world capital of petroleum, and OTC, the world's largest offshore event, with more than 2,500 exhibiting companies and, in the past edition, more than 70 thousand visitors.

One of the reasons for the organization of a Brazilian pavilion at OTC is that, as at the exhibition in Houston, the petroleum industry in Brazil is focused on offshore activity, in which it is the leader in deep water technology. The pavilion also gives opportunities for small and medium national companies to participate in an important petroleum expo, with the objective of seeking deals in the external market and forming partnerships that can aggregate new technologies.

In this year's edition, 30 Brazilian companies will be present at the Pavillon, besides Petrobras' institutional participation. A survey done with the exhibitors at the previous edition shows that initiatives like this are fundamental to promote

the development of the petroleum industry in Brazil. Of the companies that participated in the Pavilion in 2008, 90% showed the intention to return in 2009.

Besides the promotion of the national oil & gas industry, the pavilion is also the meeting point of a large Brazilian delegation. In the 2008 OTC edition, it was the second largest group, among 35 countries participating.

The Brazil Pavilion is always present at AOG, traditional oil and gas event in Buenos Aires, Argentina; at IPC, expo and conference about pipelines in Canada; and at the WPC, largest petroleum congress, held every three years.

After OTC, the next Brazil Pavilion will be organized at the 24th WGC (World Gas Conference), traditional natural gas congress, which will be held this year in Argentina, in October.

Examples such as these above show the greater potential of the Brazilian oil & gas sector, which today represents over 10% of the country's GDP, showing no signs of feeling the crisis. ■

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