

# Transpetro, Estaleiro Eisa and BNDES sign financing contract for four more vessels



Photo: Courtesy EISA

TRANSPETRO, ESTALEIRO EISA and the National Economic and Social Development Bank (BNDES) signed the financing contracts for constructing four more Panamax vessels within the Fleet Modernization and Expansion Program (Promef) in March. Upon signing the R\$ 856m contract, the Eisa shipyard will begin work to construct the four vessels next week.

The first Panamax (70,000 dead weight tons and a 500,000 barrel cargo capacity) should be delivered by the end of 2012. The remaining vessels are to be delivered during 2013. Construction of the

vessels is forecast to create 4,000 new direct jobs.

This is the third shipyard to effectively sign its contract, permitting the release of financed resources. The Estaleiro Atlântico Sul (Suape, state of Pernambuco) reached this stage with 15 contracted vessels with Transpetro and Mauá (Niterói, state of Rio de Janeiro) in four years.

Signing the contract happened during the same week that President of Brazil, Luiz Inácio Lula da Silva, released the second phase of the Growth Acceleration Plan (PAC), in order to prioritize financial resources for the assembly and

modernization of vessels, as well as the construction and expansion of national shipyards.

The fundamental principals of Promef are the manufacturing of vessels in Brazil with a national content level of at least 65% (first phase) and 70% (second phase) and international shipyard competitiveness, after the learning curve.

Promef – which revitalized the Brazilian maritime industry – has created 15,000 direct jobs within the country, and expected to reach 40,000. Initiated in 2004, the program includes the construction of 49 vessels, aggregating 4m dead weight tons to maritime transport. Thirty-three contracts have been signed for the construction of vessels, with a value of US\$ 3.9bn. The two first Promef vessels will be completed in this first semester: a Suezmax from the Atlântico Sul shipyard and the other, a products vessel, from the Mauá shipyard.

Due to the Transpetro program, Brazil already has the world's 5th largest order book for oil tankers. Promef attracted new investments in the maritime industry, stimulating the parts industry, as well as the construction of repair shipyards around the country. ■

## New well confirms light oil potential at Tupi

THE DRILLING OF YET ANOTHER well in the Tupi area has confirmed the light oil potential of the pre-salt reserves located in the Tupi field, in the ultra-deep waters of the Santos basin. The new well, denominated 3-BRSA-795-RJS (3-RJS-666), and informally known as Tupi OW, is located at a depth of 2,131 meters, almost 270 km offshore of Rio de Janeiro and 12.5 km northeast of the discovery well 1-RJS-628 (1-BRSA-369).



Photo: Petrobras Agency

The discovery, which was communicated to the National Petroleum Agency (ANP), was proven by light oil samples (almost 250° API) tested from reserves located at depths much greater than those of well previously drilled.

The convergence of information from this and other wells drilled reinforced the estimates of an oil potential between 5 to 8bn barrels of recoverable light oil and natural gas from the pre-salt Tupi region.

The exploration consortium for BM-S-11, comprised of Petrobras (65% - Operator), BG Group (25%) and Galp Energy (10%), will continue with activities and investments as forecast in the Evaluation Plan, which had been approved by the ANP for drilling other wells before declaring it commercially viable, scheduled for December 2010. ■

# Global Industries announces new CEO



AT THE END OF LAST February, Global Industries announced John Reed as the new CEO of the company. With more than thirty years' experience in the offshore industry, Reed has also been the CEO of Heerema Marine and of Intec Engineering, a company specialized in subsea engineering. The former CEO of the company, John Clerico, shall remain as the chairman of the board.

Reed has also been a member of the board of directors of the National Ocean Industries Association, president of the International Pipeline and Marine Contractors Association, and chairman of the American division of the International Marine Contractors Association.

Clerico praised the new CEO of Global for his experience and proven capacity for leadership. "John is the ideal candidate. He has the vision and talent necessary to lead the company and consolidate our position in the offshore services industry", he stated.

With almost three years in Brazil, Global has already participated in projects such as Camarupim and Mexilhão, as well as doing the maintenance of pipelines in Campos, Santos and Espírito Santo.

In March, the company won the bid to manufacture and supply subsea equipment, as well as install the pipelines from the natural gas field of Ubarana to the gasoline unit of Guamaré in the Portuguese basin for Petrobras. ■

## Petrobras will increase biodiesel production capacity 33% by August

UPON CONCLUDING the expansion of the Candeias Biodiesel Mill in the state of Bahia, Petrobras will increase production capacity 33% by August from its three units: Montes Claros (MG), Quixadá (CE) and Candeias.

The total production capacity of the three mills will surpass the current 326m liters to reach 434m liters per year by the end of 2010, after concluding the expansion project in Bahia. The other two mills produce 108m liters annually.

Petrobras' Strategic Plan already foresees the construction of a large scale Mill in the North of Brazil by 2012, able to process 120m liters of biodiesel per year – doubling the company's production capacity in the next three years. Therefore, Petrobras will convert one of its two experimental units in Guamaré, state of Rio Grande do Norte, into an industrial mill.

Petrobras has already approved an investment of R\$ 1bn over the next five years for the development of bio-fuel Technologies to the implemented by the company's Research Center, located in Ilha do Fundão, as well as by other research institutions.

The object of the company is to become one of the world's five biggest producers of biodiesel, explaining the recent acquisition of 50% of the Marialva mill in Maringá, state of Paraná, from the BSBios group – the first transaction in partnership with a private sector company for production.

Initial production is scheduled for the second semester of 2010 with 120m liters per year. This volume represents 60% of the current demand in the state of Paraná, which is currently 200m liters per year.

Petrobras biodiesel production in 2009 saved emitting 320,000 tons of carbon dioxide gas into the atmosphere. ■

## Tyco acquires Grupo Hiter and Crosby Valve

TYCO ANNOUNCED IN DECEMBER the acquisition, by its business unit Flow Control, of one of the two main Brazilian companies in manufacturing valves, Grupo Hiter and Crosby Valves. Together, the two companies presented in 2008 revenues of approximately US\$ 66m. The strategy of Tyco is to expand products and services in Brazil and South America.

With more than 300 units worldwide, Tyco Flow Control (TFC) is one of the main manufacturers and distributors of valves and controls, hydraulic and environmental systems, as well as temperature control systems for vital base industries, such as energy, electricity, sanitation, mining, chemicals, food and beverage, and construction.

Grupo Hiter started operations in São Paulo in 1965 with a small outfit dedicated to needs of the sugar market. The company gradually increased its activities to include a wide array of industrial segments, including the oil and gas, food and beverage, chemical and petrochemical markets.

The two companies had been collaborating for decades. "Brazil is a strategic market for Tyco. We are making investments and developing innovative solutions to exceed our customer's needs. We have a large installed base in Brazil and it is being increased year by year due to our local presence and investments", says Victor Venancio Dias, Tyco International Global Strategic Account Manager. "We are making these investments as part of our commitment with Petrobras to offer a total support and increase local content in Brazil. We trust the Brazilian market represents a great opportunity for all Tyco divisions and Petrobras is a key piece on this market. We are committed to establishing a long-term relationship not only with Petrobras, but with all Brazilian customers requiring products, systems, solutions and services with a high quality and Global expertise like Tyco International". ■

# BP enters deepwater Brazil and strengthens core portfolio

BP ANNOUNCED IN MARCH a transaction that will deliver a material exploration position in the deepwater offshore Brazil and significantly enhance its position in core strategic areas.

In a broad-ranging deal, BP will pay Devon Energy \$7.0 billion in cash for assets in Brazil, Azerbaijan and the US deepwater Gulf of Mexico. These include interests in ten exploration blocks in Brazil, including seven in the prolific Campos basin; a major portfolio of deepwater exploration acreage and prospects in the US Gulf of Mexico; and an interest in the BP-operated Azeri-Chirag-Gunashli (ACG) development in the Caspian Sea, Azerbaijan.

In addition, BP will sell to Devon Energy a 50 per cent stake in BP's Kirby oil sands interests in Alberta, Canada, for \$500 million. The parties have agreed to form a 50/50 joint venture, operated by Devon, to pursue the development of the interest. Devon will commit to fund an additional \$150 million of capital costs on BP's behalf.

"This strategic opportunity fits well with BP's operating strengths and key interests around the world, offering us significant additional long-term growth potential with an emphasis on high-margin oil," said BP group chief executive



Photo: Courtesy

**Tony Hayward.** "As well as giving us a broad portfolio of assets in the exciting Brazilian deepwater, it will strengthen our position in the Gulf of Mexico, enhance our interests in Azerbaijan and enable us to progress the development of Canadian assets."



**Andy Inglis,** BP's chief executive of Exploration and Production, said: "Through our entry into Brazil, BP will add a major position in

another attractive deepwater basin. Together with the additional new access in the Gulf of Mexico, it further underlines our global position as the leading deepwater international oil company."

The deal will give BP a diverse and broad deepwater exploration acreage position offshore Brazil with interests in eight licence blocks in the Campos and Camamu-Almada basins, in water depths ranging from 330 to 9,100 feet (100-2,780 metres), as well as two onshore licences in the Parnaiba basin. The Campos basin blocks include three discoveries – Xerelete, pre-salt Wahoo and Itaipu – and the producing Polvo field.

On completion of the transaction, Devon's employees in Brazil are expected to join BP. ■

## Petrosynergy announces a new oil discovery at Recôncavo

PETROSYNERGY notified the National Petroleum, Natural Gas and Biofuels Agency (ANP) of an oil discovery at well 1PSY18BA in block REC-T-153 of the Catu regions in the Recôncavo basin at the beginning of April. The block had been acquired in the ANP's 9th Bid Round, held in 2008.

Petrosynergy holds 12 blocks, acquired from the 2nd, 3rd, 5th, 6th, 7th and 9th ANP Bid Round: six in Recôncavo and six in the Potiguar basin. With daily production around 800 barrels/day and annual revenues at around R\$ 25m, Petrosynergy has drilled 25 wells with a success rate of 60%.

In Bahia, the company acquired the Uirapuru field in 2005, located in the municipality of Catu, with total daily production of 108.3 boe (42.1 b/d of oil and 66.2 boe/d of natural gas). Also in Catu, Petrosynergy has the Canário field with total daily production of 189.4 boe (177.0 b/d of oil and 12.4 boe/d of gas). ■