

# REPSOL SINOPEC BRASIL

## A PARTNERSHIP MADE IN BRAZIL



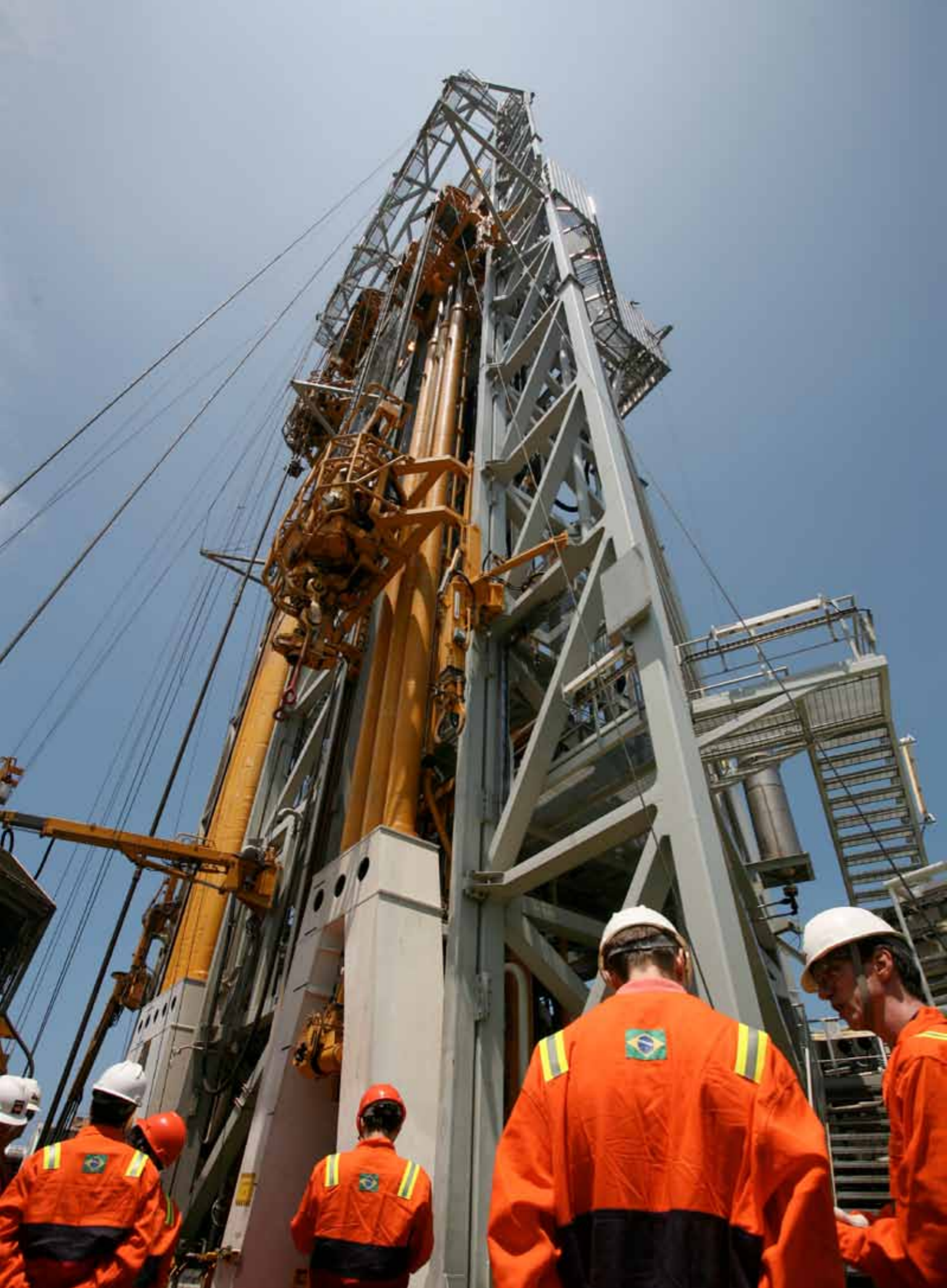
# A PARTNERSHIP MADE IN BRAZIL

---

*Country Manager, José María Moreno discusses how the coming together of Repsol and Sinopec is bringing huge benefits to Brazil, both economically and socially*

---

WRITTEN BY: **WILL DAYNES**  
RESEARCH BY: **DAVID BROGAN**





Platform Marcos Pinto

It was in December 2010 that two of the world's foremost oil and gas companies came together in one of the globe's most exciting locations for oil and gas development, Brazil. Repsol Sinopec Brasil was born out of a capital increase, in which Sinopec, the largest oil and petrochemical company in China, contributed more than \$7.1 billion towards Repsol Brazil. The transaction gave rise to a company that today possesses a market value of some \$17.8 billion.

Repsol's own history in the country dates back to 1999, when Repsol Spain purchased the Brazilian subsidiary of YPF. In the years that followed the company pioneered the process of opening the Brazilian energy sector and was the first private company to invest in domestic refining by investing in the Manguinhos Refinery in Rio de Janeiro. Furthermore, Repsol also pioneered the development of natural gas projects by importing gas from Bolivia and Argentina to the thermoelectric plants based in Uruguayana and Cuiabá.

In addition to the above, an Asset Exchange Agreement with Petrobras in December 2001 saw the company take a 30 percent stake in the Alberto Pasqualini Refinery (Refap) in Rio Grande do Sul, as well as a network of service stations concentrated in Central, Southeast and South Brazil, plus a ten percent stake in the field Albacore Leste, one of the largest oil fields in the country.

Sinopec's time in Brazil began in 2004

and came as a result of a strategic alliance formed between the governments of Brazil and China, with Sinopec International Petroleum Service of Brazil Ltd formally established in February 2005.

Since the coming together of the two parties in late 2010 the capital invested by Sinopec has begun to be used to develop several upstream projects in the country, some of which are thought to be among the most important discoveries anywhere in the world in recent years. These include the

Santos Basin, Campos Basin and Espiritu Santo Basin oil exploration projects.

At the time of the two companies coming together Repsol Chairman, Antonio Brufau stated that the deal was a "good reflection of the value created by the investment of technical, human and material means by Repsol in exploration,

particularly in Brazil's pre-salt offshore in recent years. Together with Sinopec, an internationally renowned and experienced partner, we can do our part in expanding business relations between Brazil and China."

"The relationship between Repsol and Sinopec in Brazil has been, and remains, nothing short of excellent," states Country Manager, José María Moreno. "The strength of this partnership can perhaps best be displayed by the fact that every three months we hold special committee meetings attended by senior board members of the two companies. At these meetings there can

**\$17.8  
BILLION**

The market value of  
the company

## Our Vision

To be the preferred drilling contractor in the ultra-deep water drilling sector, supplying sophisticated and modern assets and unique engineering solutions, coupled with a motivated and highly competent workforce.



## Our Promise

We will conduct our business in an incident free environment and efficient manner, becoming the drilling contractor of choice for our customers, employees and shareholders.

[www.ocean-rig.com](http://www.ocean-rig.com)

Nasdaq: ORIG

be as many as ten different business proposals presented and not once to date has any such proposal been met with a negative vote. To me this reinforces the belief that we are a collective entity that shares the same vision for what we want to achieve in Brazil.”

Repsol Sinopec’s already considerable portfolio was further strengthened in February 2012 by the discovery of the Pão de Açúcar well at the Campos Basin. With estimated reserves of more than 700 million barrels of extremely light oil and three million cubic feet of gas, the Pão de Açúcar well represents the biggest discovery



ever made on the Campos Basin pre-salt site.

In addition to the Pão de Açúcar well, Repsol Sinopec Brasil’s assets today include two producing fields, the Albacora Leste and the Sapinhoá fields, and one field currently under

## OCEAN RIG

Ocean Rig is proud to have been chosen as the preferred drilling contractor by Repsol Sinopec for its development of the ultra deepwater drilling campaign in Block BM-C-33 in the Campos Basin offshore Brazil. Block BM-C-33 is one of the biggest offshore pre-salt discoveries in Brazil. Ocean Rig are confident it will successfully contribute to Repsol Sinopec’s drilling campaign by providing a highly efficient and incident free drilling campaign by utilizing the most advanced and sophisticated ultra deep water drilling unit (Ocean Rig Mylos), second to none engineering solutions, and a

highly motivated and competent workforce for the development of Repsol Sinopec’s important and strategic development offshore Brazil.

Ocean Rig has a keen desire to build up long-term strategic relationship with key clients. We are very excited to include a major integrated oil and gas company as Repsol Sinopec to our list of partners. We are convinced this partnership will create great value and optimal returns to the shareholders of both companies.

[www.ocean-rig.com](http://www.ocean-rig.com)



## Deep Thinking

- New sources of hydrocarbons present new opportunities
- Deeper water and remote hostile locations present new challenges
- Creativity is required to unlock value from these opportunities
- New opportunities and challenges require new thinking

For over 25 years, Granherne has found the right development solutions with creativity and efficiency – your consultant of choice.



# 2010

The year that Repsol Sinopec Brasil was established

development, that being the Piracucá fields. In addition to these the company also has one block under assessment, BM S-9 in Carioca, and a total of twelve exploratory blocks, five of which are operated by the company. Each of these possesses a great degree of potential lying as they are in one of the world's largest growth areas for hydrocarbon reserves.

With its roots so deeply entrenched in the growth of Brazil's oil and gas sector it comes as little surprise when Moreno starts



to highlight the contributions that Repsol Sinopec Brasil has made, and is making, to the sustainable development of the country

by investing in solutions to protect the environment, communities and people. "All of our social programmes and initiatives are continuous undertakings that aim to make a significant difference to the world around us."

Repsol Sinopec Brasil's policy for corporate social responsibility is based on the award winning guidelines of its holding company, Repsol. The social responsibility projects in which Repsol Sinopec Brasil invests aims to enhance the quality of life of communities and provide

### KBR

KBR and its subsidiaries GVA, Granherne and Energo provide innovative, cost-effective services for subsea and pipelines, FPSOs, fixed platforms, topsides and semi-submersibles. For optimized oil and gas solutions, you can trust KBR to deliver.

KBR – Project Management, FEED, Detailed Engineering, EPCm and EPC Delivery for Onshore and Offshore Fixed and Floating Facilities.

GVA – Hull and Marine Systems, Conversions, Drilling Rigs, Engineering Management, Construction Support.

Granherne – Field Development Planning, Feasibility, Concept and Pre-Feed Studies for Fixed and Floating Facilities, Subsea Systems and Flow Assurance.

Energo – Integrity Management for Fixed, Floating and Subsea Systems, Risk-Based Inspection Planning.

[www.kbr.com](http://www.kbr.com)

benefits to society in general. “As a company,” Moreno continues, “we believe wholeheartedly in Brazil and that is the fundamental reason why we have all made a commitment to work even harder towards successfully developing strong energy solutions for Brazilians in a transparent and responsible way.”

One of the ways that the company has been giving back to people for some time now is through the Repsol Sinopec Education Platform. Working in partnership with the country’s Navy the company uses this

programme to train artisanal fishermen and provide them with professional qualifications. Having begun in July 2009 it has since been rolled out to 17 cities in Brazil to the benefit of more than 10,000 people.

From an environmental perspective, Repsol Sinopec is the only oil company partner of the SOS Mata Atlântica foundation, with which it develops various fauna and flora conservation and recovery initiatives. The project Florestas do Futuro (Forests of the Future) is one of the widest spanning programmes of its kind

“WE ARE VERY MUCH FOCUSED ON BRINGING OUR OIL EXPLORATION PROJECTS TO PRODUCTION OVER THE NEXT TWO YEAR”



The Repsol Sinopec Education Platform



The Repsol Sinopec Education Platform in transit

and involves the recovery of riparian forests in hydrographic basins, something which is vitally important for the production of water and biodiversity conservation.

Its partnership with the SOS Mata Atlântica foundation has enable the company to plant two forests with a combined area that is equivalent to 22 soccer fields in the riparian forests of Paraíba do Sul river and on the Tietê river basin in the state of São Paulo.

Repsol Sinopec also invests in the environmental protection of the coastal area of the country. The Costa Atlântica program has joined up with five Brazilian NGO projects that are contributing to maintaining sustainable development and the balance of the environment, including the conservation

of natural, biological, historical and cultural estates existing in those regions.

“As we look to the future,” Moreno concludes, “we are very much focused on bringing our oil exploration projects to production over the next two years. Achieving our targets for these projects is of crucial importance to us. Meanwhile, as we develop our existing assets we will continue to look at the possibility of adding new ones accordingly, both within Brazil and further across the region.” **BE**

For more information about Repsol Sinopec Brasil visit: [www.repsolsinopec.com.br](http://www.repsolsinopec.com.br)



**REPSOL SINOPEC BRASIL**

**[www.repsolsinopec.com.br](http://www.repsolsinopec.com.br)**

Produced by:

ACHIEVING BUSINESS EXCELLENCE ONLINE

**BE BusinessExcellence**

**[www.bus-ex.com](http://www.bus-ex.com)**