

The E&P scenario in Brazil

Brazilian National Agency of Petroleum, Natural Gas and Biofuels – ANP





#1

**Brazilian National Agency of
Petroleum, Natural Gas and
Biofuels - ANP**

The Role of ANP

ANP is the Brazilian oil, natural gas and biofuels regulator



ANP is an **independent regulatory agency**: board of 5 directors with fixed, staggered terms; mandatory RIAs, public hearings and consultations; administrative autonomy, etc. The government cannot overrule ANP technical decisions.



Regulate

Establish the regulation of the oil, natural gas and biofuels industry. ANP must assure **free competition, national supply, and consumers protection** in terms of price, quality and product offer.



Contract

Grant **authorizations** for the O&G and biofuels activities; to promote **E&P bidding rounds** and **sign contracts** on behalf of the Federal Estate.



Supervise

Enforce the standards and rules by the regulated industry. It covers the administrative process, judgment and sanction.

ANP's Structure

Decision-making process through Collegiate Board sessions

(linked to the ministry of mines and energy, **but with autonomous decisions**)

Board of Directors

(1 Director General and 4 Directors)

Decisions that affect economic agents and consumers are submitted to public hearings



A Head Office - Distrito Federal

B Central Office - Rio de Janeiro

C Inspection Office - São Paulo

D Inspection Office - Salvador

E Inspection Office - Porto Alegre

F Inspection Office - Manaus

G Inspection Office - Belo Horizonte

ANP is the Brazilian regulatory body for the oil, natural gas and biofuels industries



#2

Brazil at a glance

Brazil at a glance

213,4

million people
(7th largest
population)

2.26

Trillion USD GDP
2025
(11th largest
economy - IMF)

9th

Largest Crude Oil
Exporter
(World's Top Exports
2025)

8th

Largest Crude Oil
and Condensate
producer
(Energy Institute,
Statistical Review 2025)

8th

Largest **Oil Products
Consumer**
(Energy Institute, Statistical
Review 2025)

2th

Largest
**hydroelectric
power generation**
(Energy Institute,
Statistical Review 2025)

84

E&P company
groups, ~50% foreign
(Feb 2025)

3,77

million bpd of oil
production
(2025 - average)

179

Million m³ of gas
production
(2025)

Forecast

Potential to reach
more than



5

million bpd of oil in
2030 (EPE)

Potential to be the



5th

Largest crude oil
exporter in 2030
(EPE)

8th largest oil producer in the world and the largest in Latin America

Brazil at a glance

Production (Jan 2026):

Oil: 3.95 million barrels/d
Natural Gas: 193,2 million m³/d

Proven Reserves (Dec 2024):

Oil: 16.8 billion barrels
Natural Gas: 546 billion m³

Area under concession:

~280,000 km²

~ **433 Blocks**

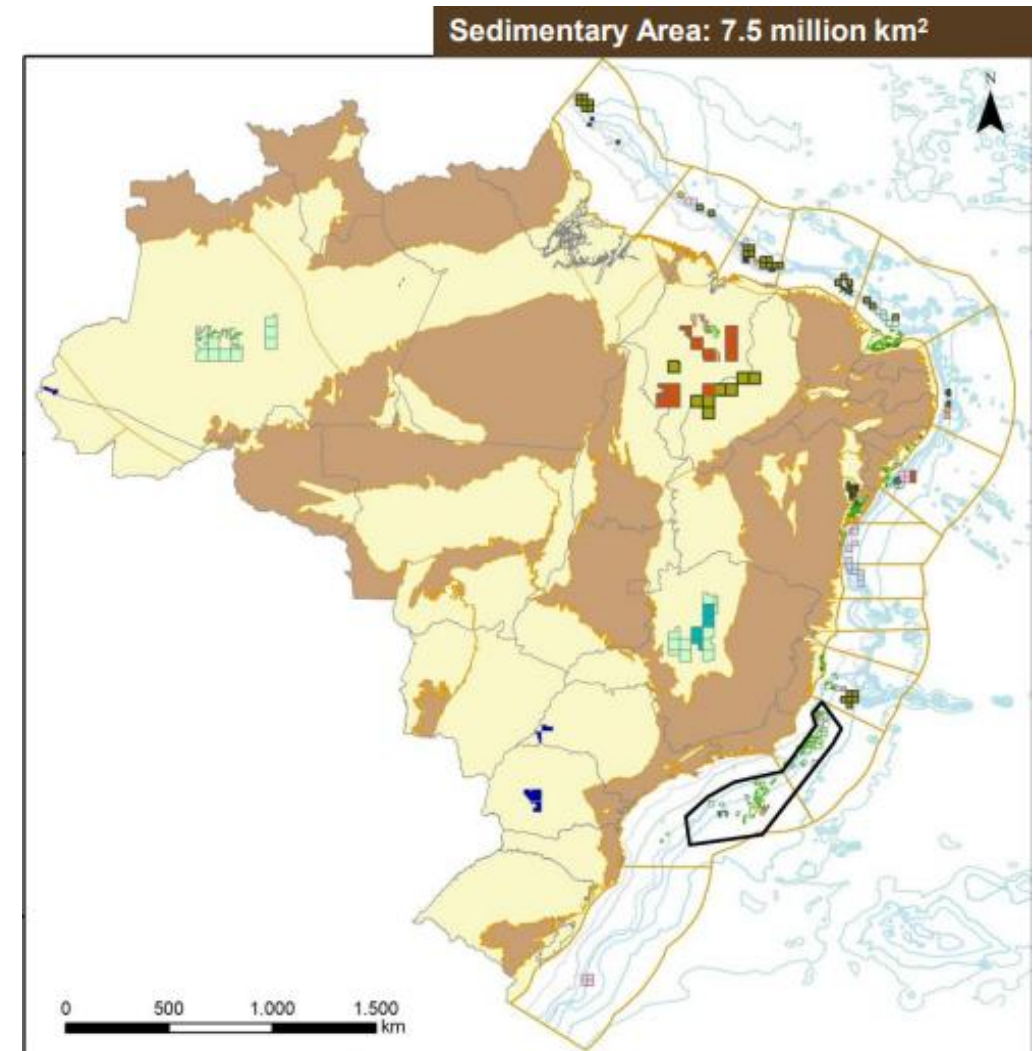
~ **300 Fields**
 (in production)

30,000+
 Wells perfured

20,000+
 Km Pipelines

**R\$ 609B in E&P investments (production phase)
 expected 2025-2029**

Source: ANP, 2026.





#3

Different E&P Environments

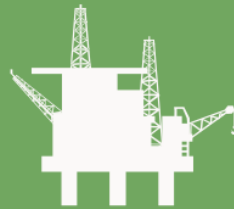
Brazil E&P: The Rights Assets in the Right Hands

3 DIFFERENT E&P ENVIRONMENTS



Pre-Salt

One of the World's hottest oil plays, home to the largest offshore oil discoveries in the last decade



Conventional Offshore

All the East Margin (besides the pre-salt region) and the Equatorial Margin, including new frontier areas and a significant number of large mature fields



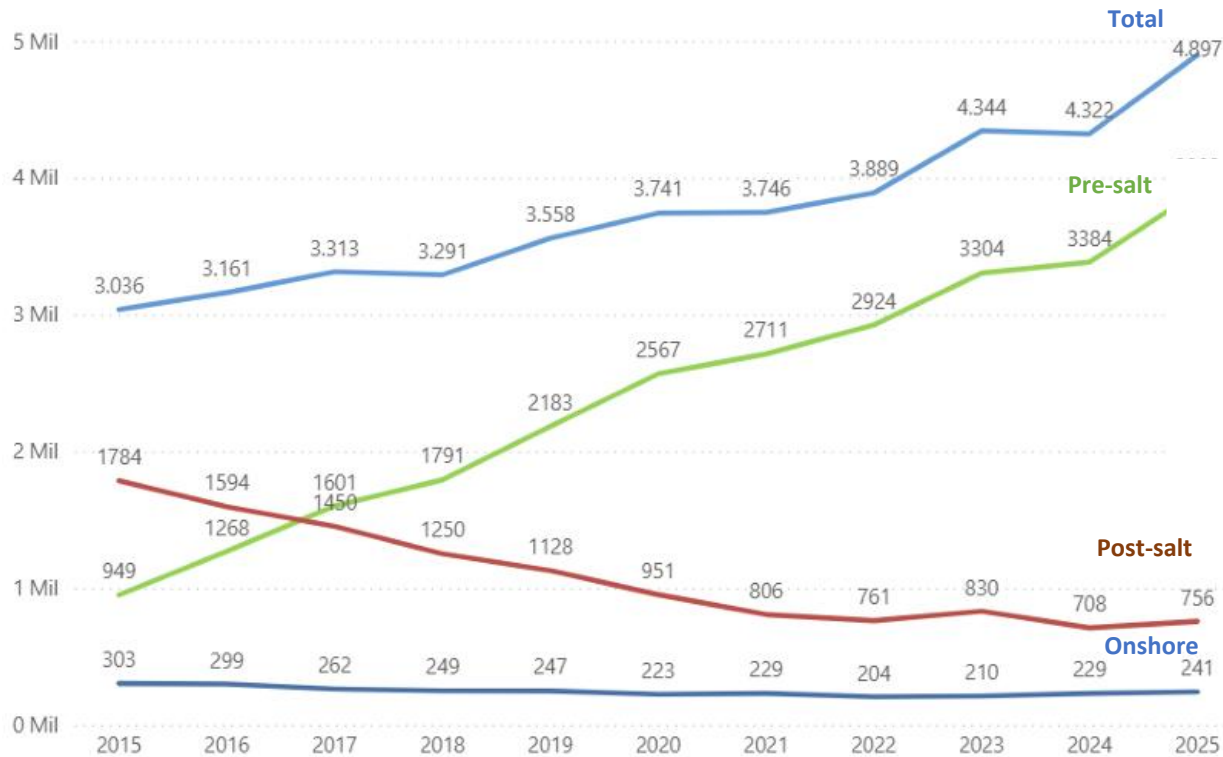
Onshore

Mature Basins and New Frontier Basins (mostly gas prone), potential for unconventional to be unleashed

Three different E&P environment

Pre-salt production will continue to increase

O&G offshore production in Brazil – Dec/2025 (boe/d)



Pre-salt

Home to the largest offshore oil discoveries in the last decade. Poised to keep growing.

~79,6%
of total O&G production

175 wells in production



Post-Salt Offshore

All the offshore area besides the pre-salt region, including new frontier areas and a significant number of large mature fields

15,4%
of total O&G production

372 wells in production



Onshore

Mature fields and New Frontier Basins (mostly gas prone)

~5%
of total O&G production

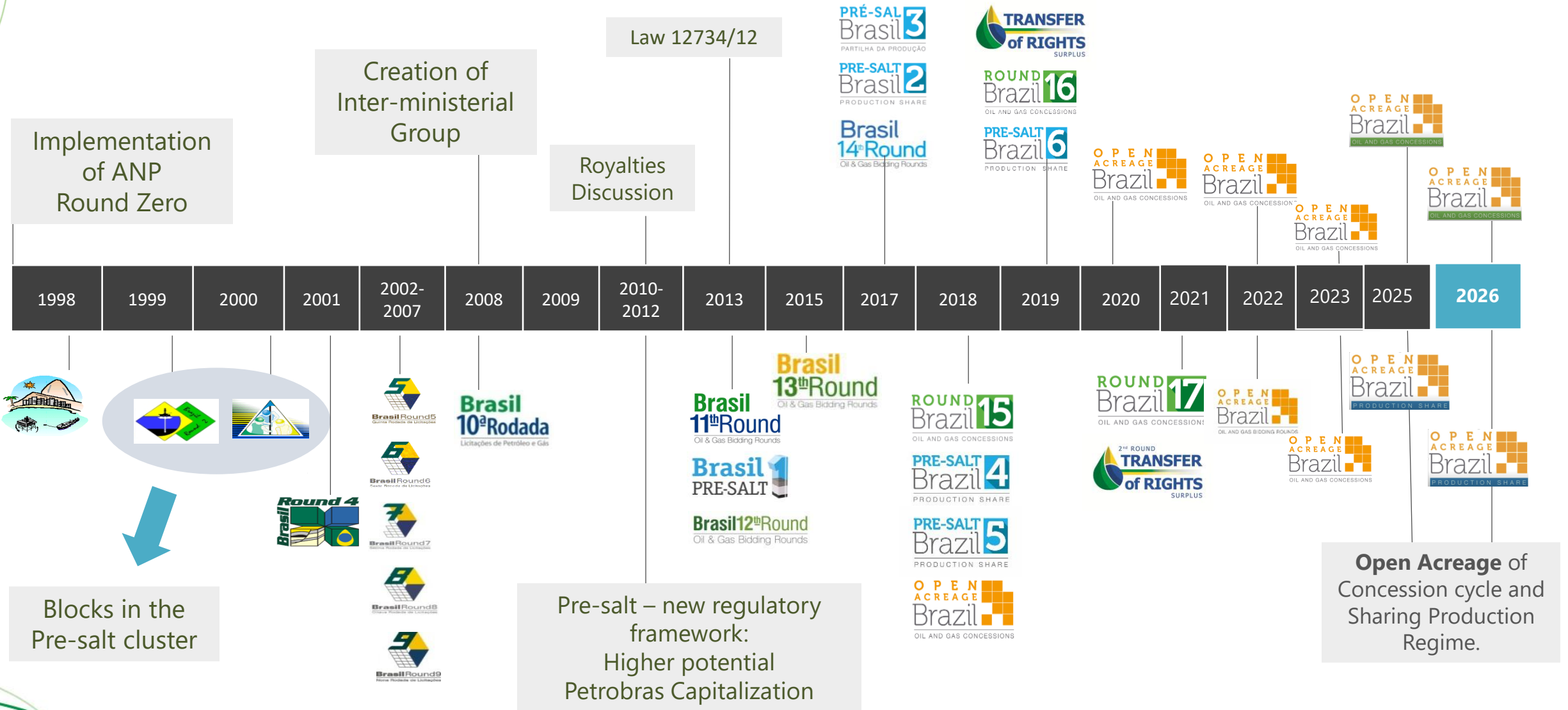
5,501 wells in production



#4

Bidding Rounds

Bidding Rounds - Timeline

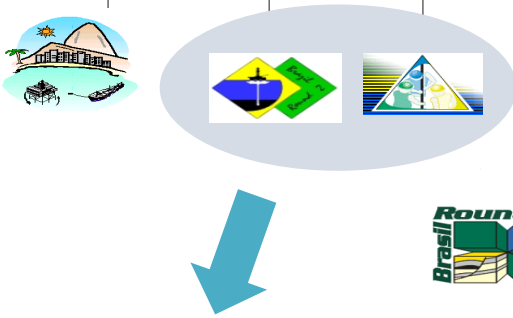


Implementation of ANP Round Zero

Creation of Inter-ministerial Group

Royalties Discussion

Law 12734/12



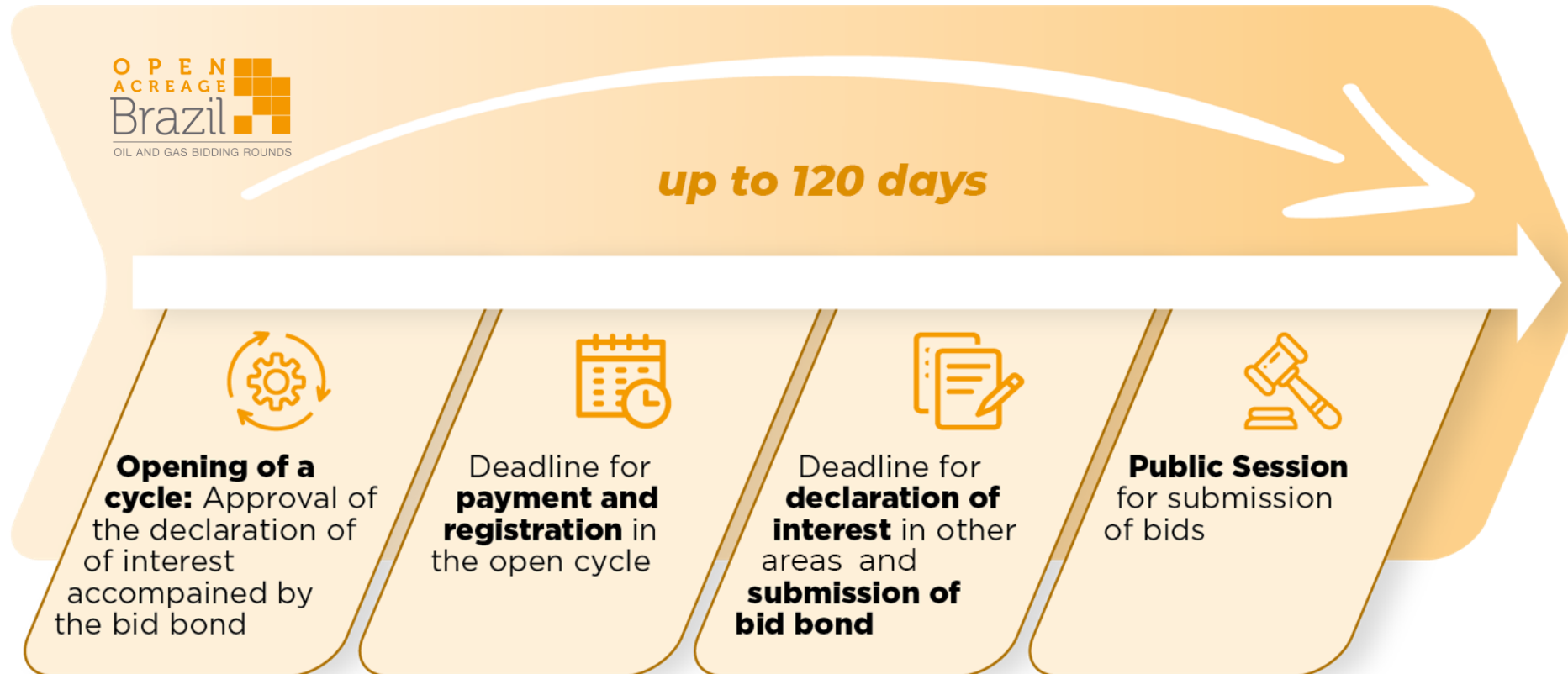
Blocks in the Pre-salt cluster

Pre-salt – new regulatory framework: Higher potential Petrobras Capitalization

Open Acreage of Concession cycle and Sharing Production Regime.

Bidding Rounds

The Open Acreage allows the market to decide when bidding rounds will take place and what areas from the stock will be offered.



The schedules of the Open Acreage cycles will begin with the approval of a declaration of interest submitted by a registered bidder accompanied by a bid guarantee.

Bidding Rounds - Outcome

Outcome of the Open Acreage O&G Bidding Rounds:

CONCESSION

5 cycles, 340 contracts,
US\$ 836 million in exploration
activities minimum investment and
US\$ 368 million in signature bonus

PRODUCTION SHARING

3 cycles, 10 contracts,
US\$ 433 million in exploration
activities minimum investment and
USD 198 million in signature bonus.

*Note: Reference exchange rate of the commercial U.S. dollar (PTAX – Central Bank of Brazil) on March 2, 2026: **BRL 5.19/USD.***

Bidding Rounds: Concession Open Acreage (OPC)



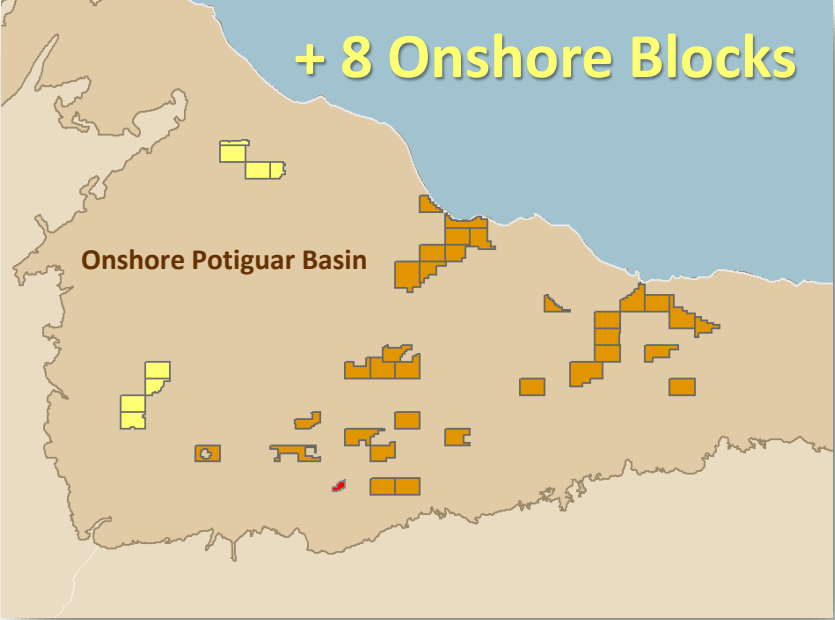
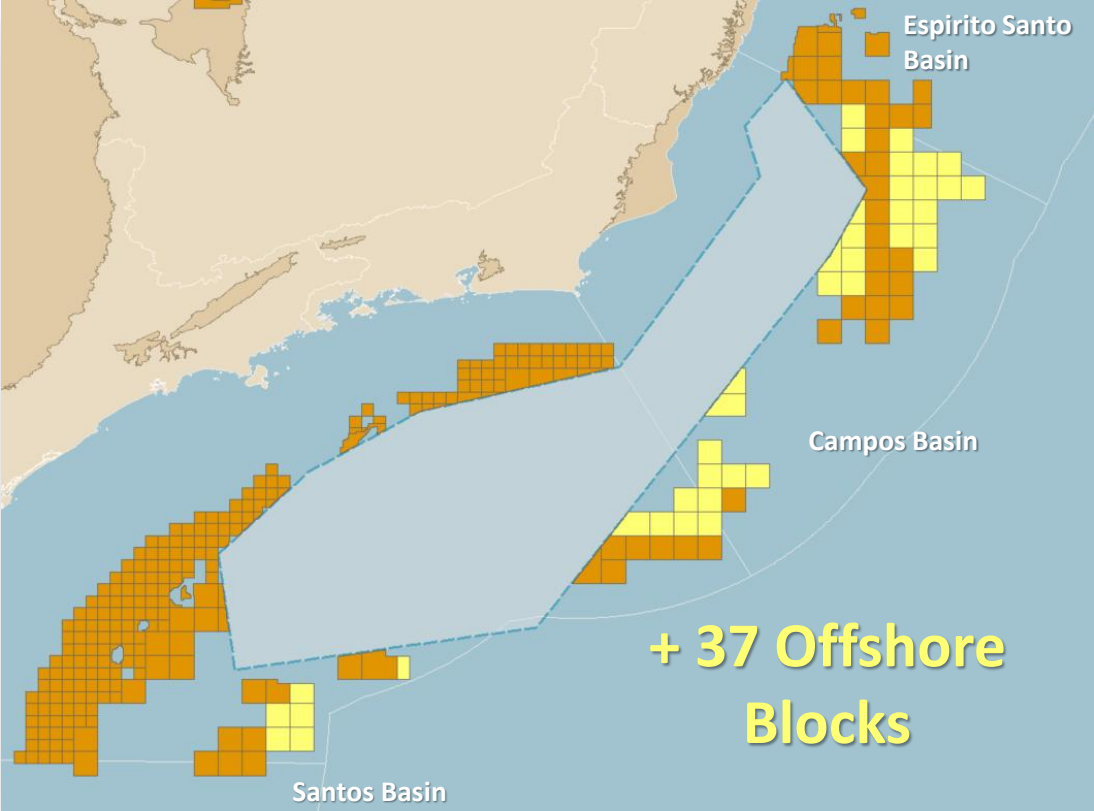
In Stock:
11 Basins
34 sectors available
Onshore 15/ Offshore 19

450 Blocks (Onshore 174/Offshore 276)
5 Areas with Marginal Accumulations

Under Study (future inclusions):
1,523 Blocks and **4 Areas** with Marginal Accumulations

Bidding Rounds

Near Term Inclusions: + 45 Blocks



- Blocks already available in the Tender Protocol
- Areas with Marginal Accumulations already available in the Tender Protocol
- Blocks under inclusion process in the Tender Protocol



Bidding Rounds: PSA Open Acreage (OPP)

PRODUCTION SHARING (PRE-SALT & STRATEGIC AREAS)



■ In Stock:
23 Blocks in the Pre-Salt

Under Study:
 3 Blocks will be incorporated in
 future revisions



#5

Local Content

LOCAL CONTENT IN BRAZIL

Definition in Oil & Gas industry

Local content consists in the proportion between (i) the **expenditures with national goods and services** in E&P contracts and (ii) the total expenditure for this purpose

Main tool of the Local Content policy

Local content minimum percentages to be complied in E&P Contracts

- ✓ The primary factor to generate local content is **the very existence and dynamism of the E&P activities in Brazil**, acting the minimum percentages as an additional driving factor

Players

- **Government/CNPE:** directives and minimum percentages
- **ANP:** enforcement and regulation
- **Oil field operators:** procurement of goods and services in E&P
- **Suppliers:** goods and services provision
- **Certification entities:** measure goods and services nationality



LOCAL CONTENT PERCENTAGES

Directives for new contracts – Resolution CNPE 11/2023

EXPLORATION PHASE	Onshore	50%
	Offshore	30%

PRODUCTION DEVELOPMENT STAGE	Onshore	50%	
	Offshore	Wells	30%
		Subsea	40%
		FPSO	25%



- ✓ Defined in **current versions** of the tender protocol and contract draft for concessions and PSAs in the open acreage format
- ✓ Present in the contracts awarded in the last cycles of the Open Acreage in 2025

The recent changes promoted by CNPE in 2023 tend to result in more incentives for local content in the maritime environment

PERSPECTIVES

The role of the ANP in offering new areas - to guarantee the continuity of investments in Brazilian suppliers and the replacement of national reserves.



5º Cycle of the Open Acreage of Concession

Blocos	
Total de Blocos Arrematados:	34
Área Arrematada (Km ²):	26.834,52

PEM	
Total de PEM Ofertado (UT):	6.000,00
Investimento Previsto (R\$):	1.456.963,000,00
Ágio (%):	33,87

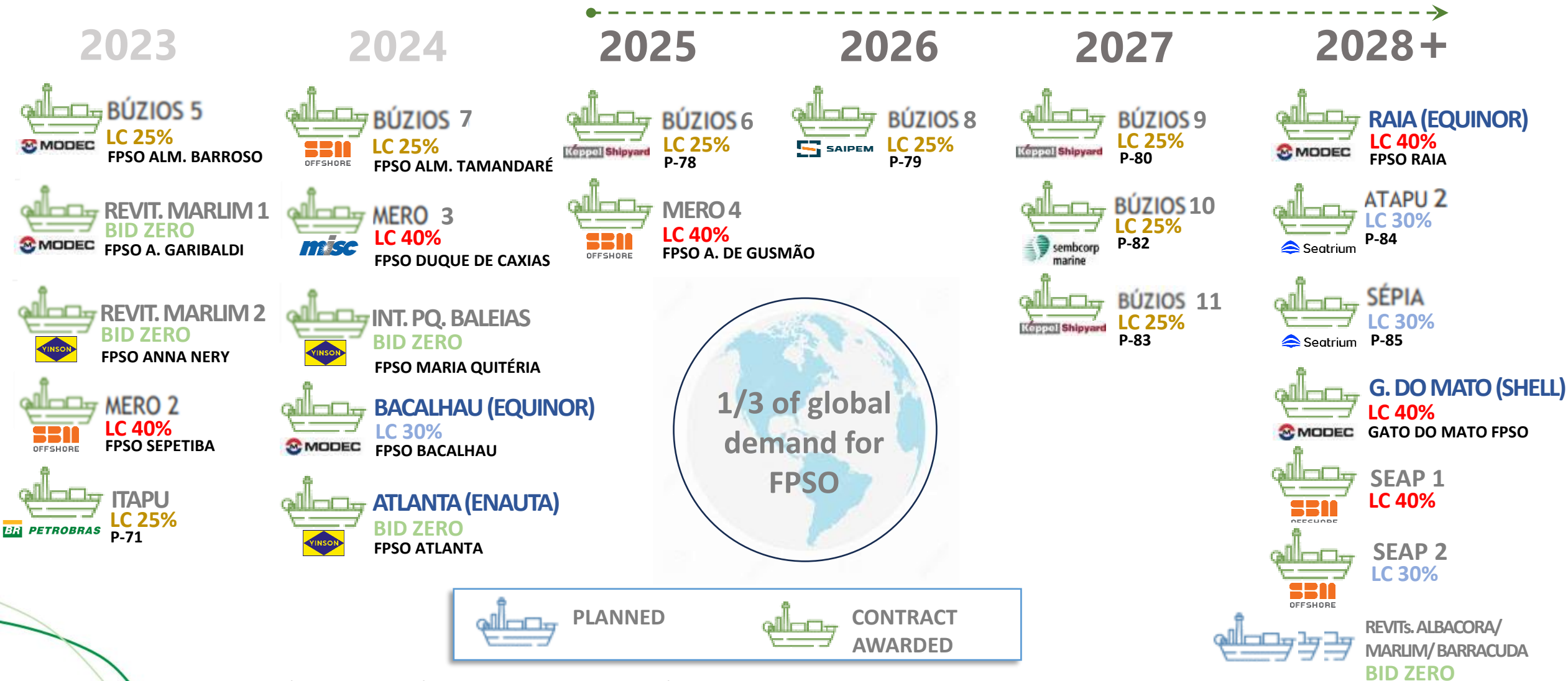
3º Cycle of the Open Acreage of PSA

Blocos	
Total de Blocos Ofertados:	7
Total de Blocos Arrematados:	5

Resultado	
Bônus Arrecadado:	R\$ 103.728.181,09
Investimento Previsto:	R\$ 451.498.600,00

PERSPECTIVES

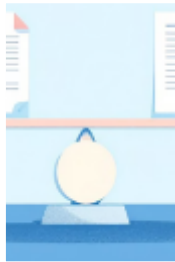
Around 15 FPSO projects being implemented or expected



LC NEW TOOLS - LAW 15.075/2024

Encouraging local content above the minimum percentages required in E&P contracts or in non-committal activities

New tools applied in new and ongoing contracts:



Transfer of surplus local content between different contracts



Reduction of royalties in Round Zero contracts as an incentive for the creation of local content in new FPSOs



Tax benefits for local content in new tankers, gas carriers, and support vessels

One of the main focuses of the recent evolution of local content policy is the development of the Brazilian shipbuilding industry

INTEGRATION WITH R&D&I

Proposals for better integration of local content and R&D&I policies are being developed by ANP

- ✓ Currently there are already ANP rules with incentive programs to develop domestic suppliers using R&D&I resources
- ✓ Also, expenses related to supplies developed under R&D&I resources can be accounted for as local content, but there are limitations in generating these effects.
- ✓ Proposals developed by ANP for mechanisms to encourage the use of R&D&I resources to develop suppliers and to promote the marketing of developed supplies:
 - ✓ bonuses, multiplier factors, and the conversion of local content fines into investments in R&D&I in local suppliers.



REGULATORY AGENDA 2025-2026



Action 1.3 - Regulation of the contractual clause giving preference to hiring Brazilian suppliers.

Regulation of contractual provisions that establish equal opportunity and the right of preference for Brazilian suppliers in the acquisition of goods and services in oil and natural gas exploration and production contracts, in accordance with the provisions of Resolution No. 11/2023 of the National Council for Energy Policy – CNPE.

The measure aims primarily to prioritize predictability for suppliers of domestic goods and services, through the clear, transparent, and accessible disclosure of schedules and detailed specifications of the goods and services to be contracted.

Status: studies undergoing, expecting to issue the new rule in March 2027



#6

Decommissioning

Decommissioning Basic Concepts



Decommissioning constitutes the comprehensive suite of activities associated with the permanent cessation of facility operations, the permanent abandonment and sealing of wells, facility removal, the environmentally sound management and disposal of materials and waste, environmental restoration, and the preservation of local maritime navigation safety.

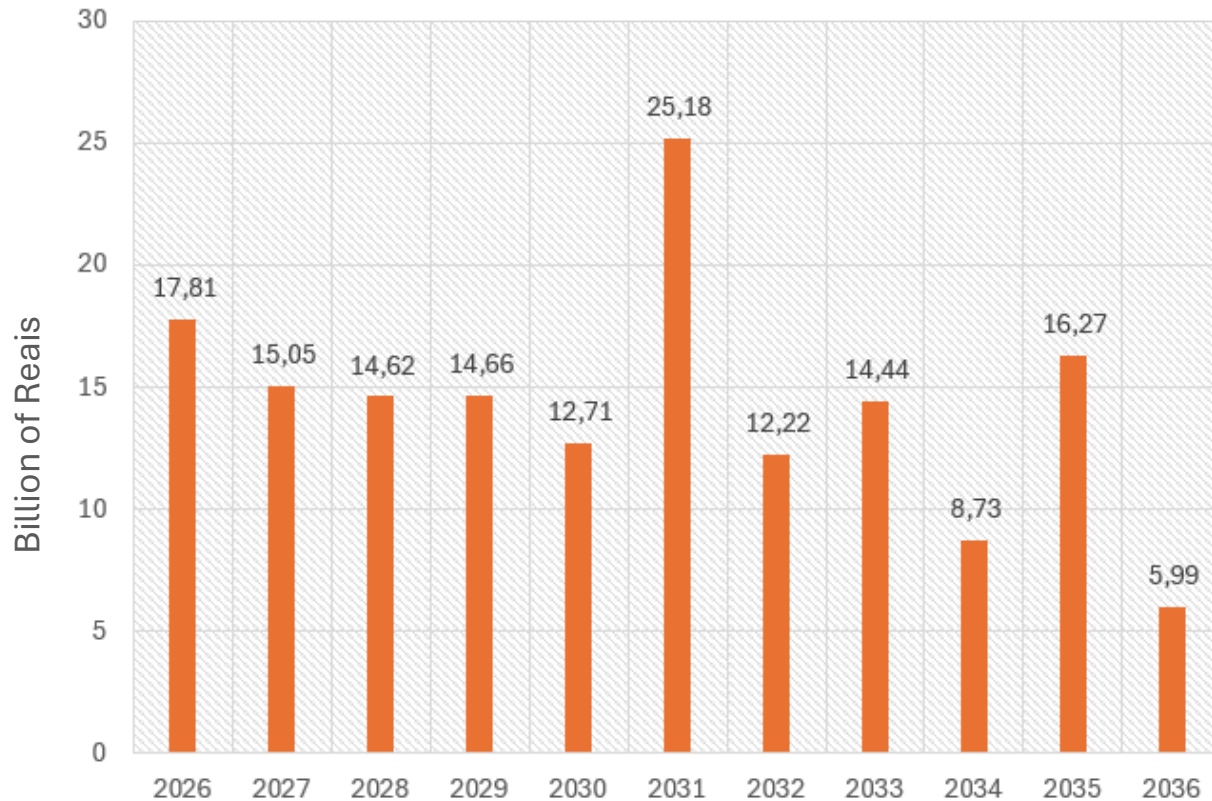
This critical process is a regulated contractual mandate, executed upon the formal conclusion of the field's productive life-cycle.



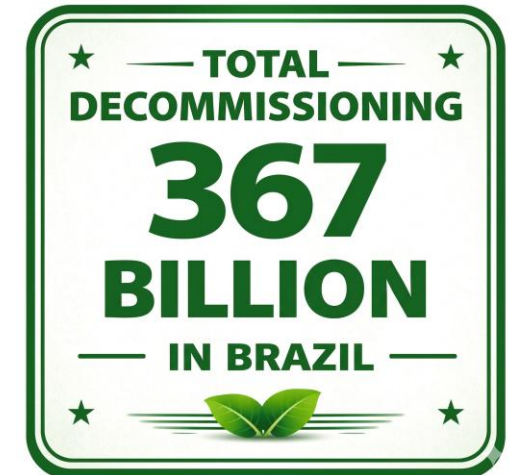
PGA-1 at its location (September 2022)

Decommissioning Forecast in Brazil: Next 10 Years

Projected Investment in Decommissioning in Brazil

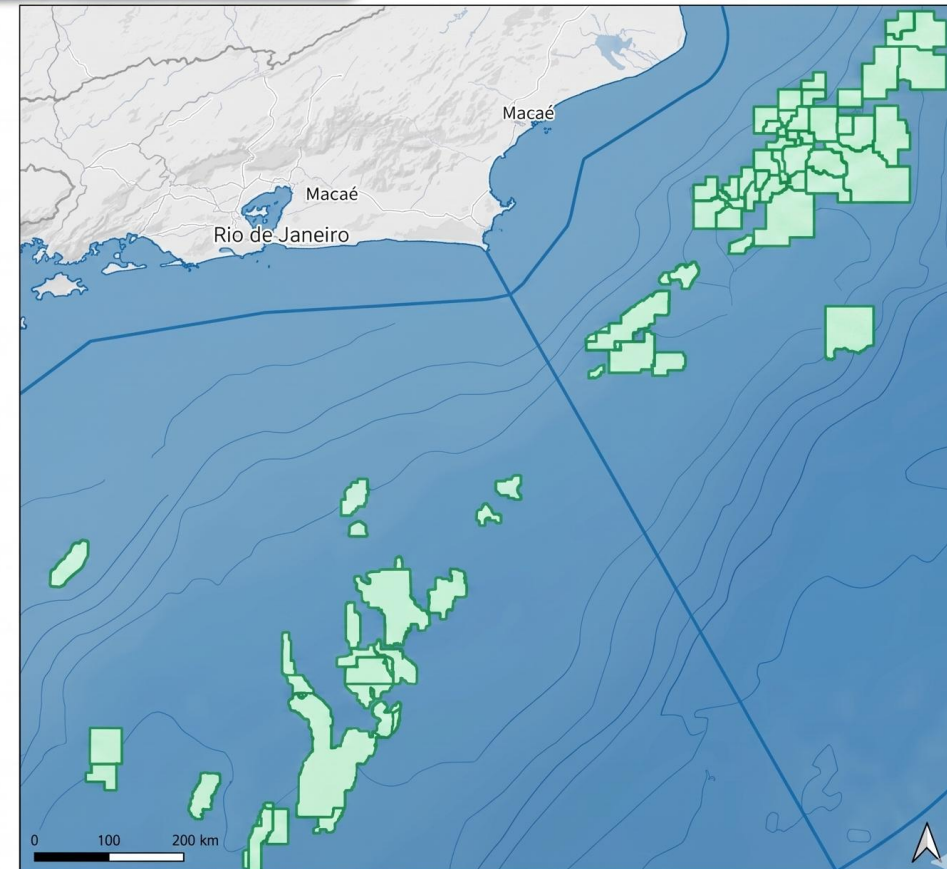


Source: Plano Anual de Trabalho 2026, subject to revision.



Offshore Decommissioning Activities in the Next 5 Years (2026-2030)

ANP DECOMMISSIONING DASHBOARD

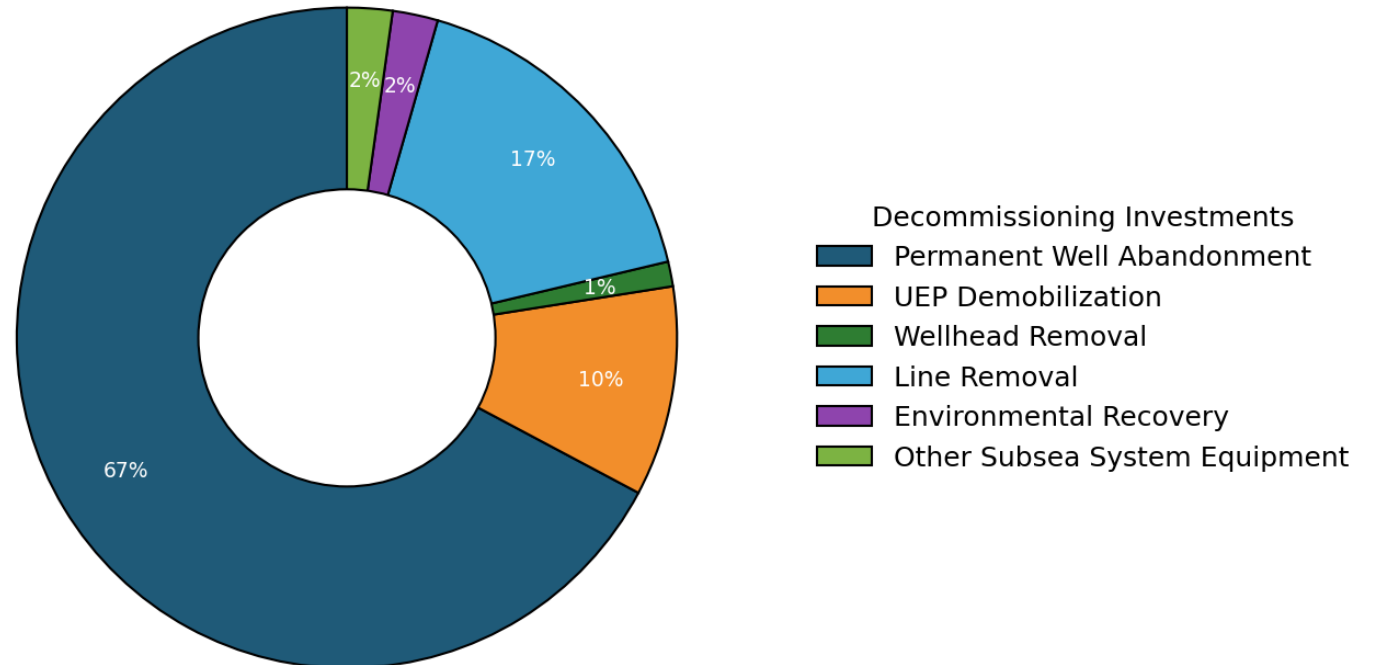


Offshore Decommissioning Investments in the Next 5 Years (2026 – 2030)

Activities

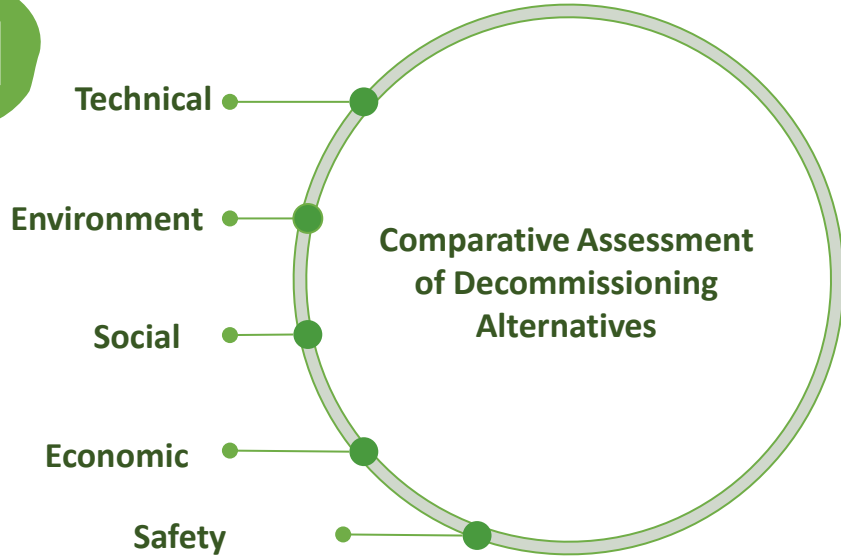
Activities	Investments (R\$ billions)
Permanent Well Abandonment	49.659
UEP Demobilization	7.589
Wellhead Removal	0.895
Line Removal	12.446
Environmental Recovery	1.639
Other Subsea System Equipment	1.639
TOTAL	73.867

Decommissioning Investments



Decommissioning Regulation: ANP Resolution 817/2020

01



02

Single Decommissioning Plan
for Facilities

transparency, legal certainty, and standardization of the document

Decommissioning
Justification Study
(offshore fields)

Social Responsibility
Management System

04

M&A: commitment term,
agreement, with ANP's
consent, of the facilities to be
decommissioned by the
assignor, to be approved by
the assignee

05

Open Acreage (onshore):

Transfer of operations under
the Decommissioning Plan,
review or execution

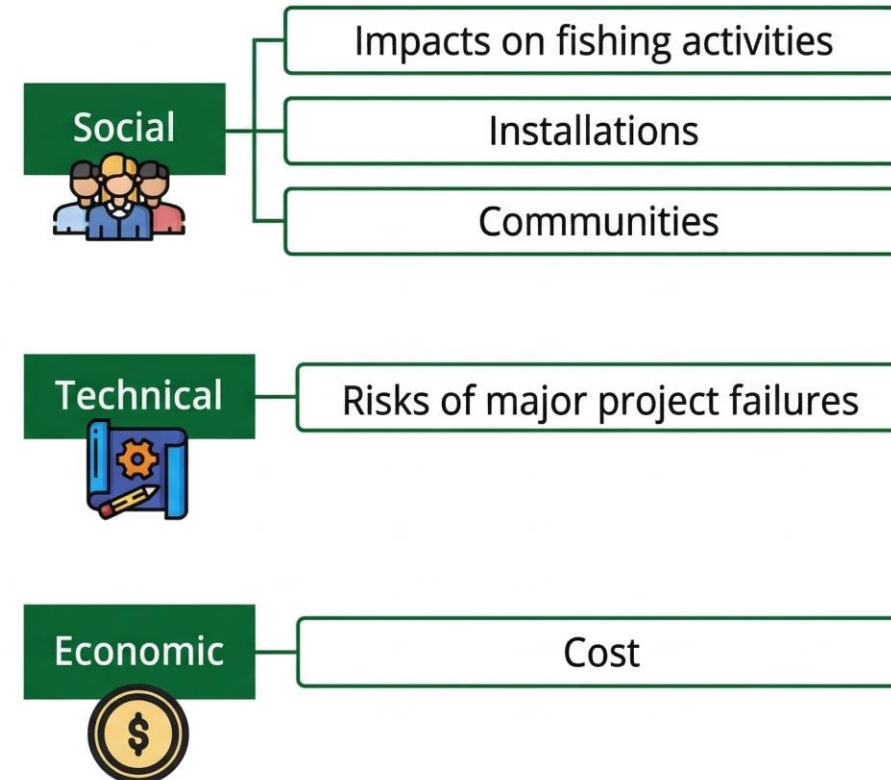
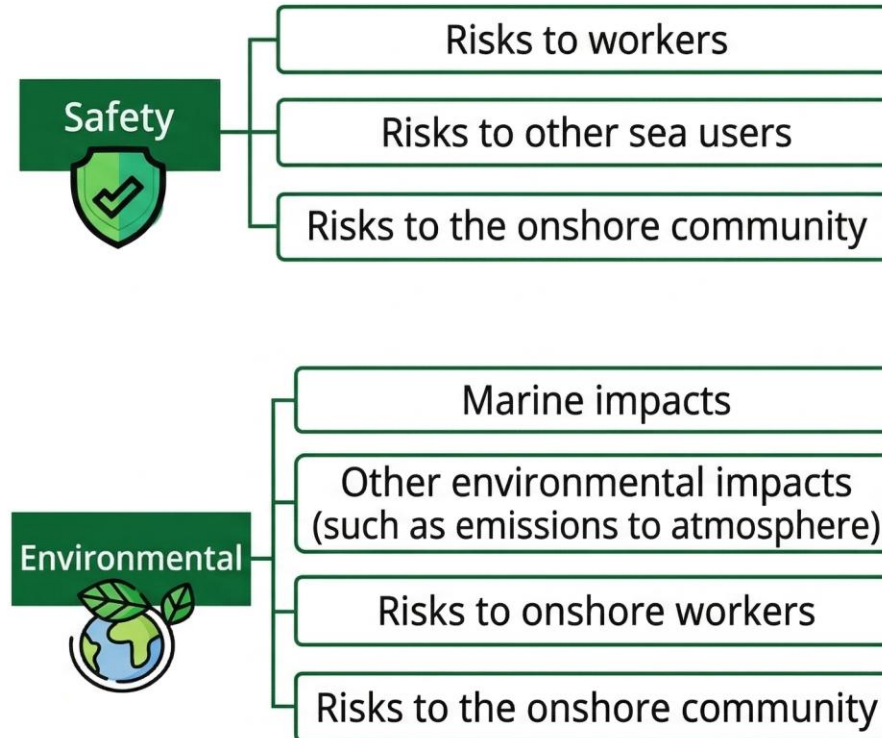
Decommissioning Regulation: ANP Resolution 817/2020

PRINCIPLES OF THE REGULATION

All installations must be removed
from the contract area

Partial removal or non-removal:
Comparative Assessment

Reuse of structures must
be considered





#7

Energy transition

We are well positioned to remain competitive in the energy transition

01

Pre-salt: world class assets with **low breakeven** and **low greenhouse gas emissions**



High productivity and low sulfur levels:



Carbon intensity: 9 – 10 kgCO₂e/boe

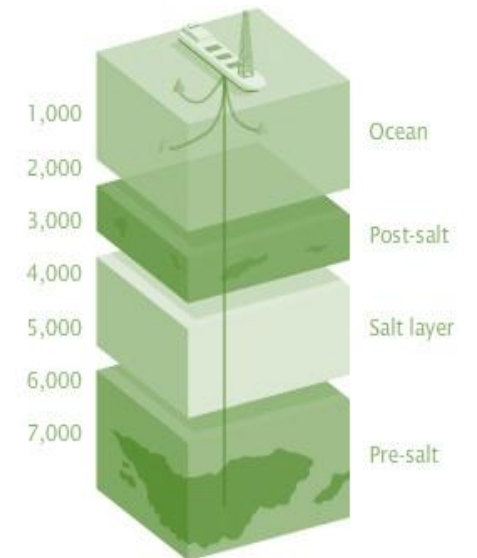
Half of global E&P average (19,5kgCO₂e/boe)

02

Largest offshore operators, as Petrobras, are committed to net zero

03

ANP is publishing **upstream emissions**. Flaring is 2% of associated gas production.



Brazil in the energy transition

A country of plenty and diverse energy resources and one of the world's leading player in the energy transition

Brazil's electricity matrix is one of the cleanest in the world



 ~ **50%**

Share of **primary energy from renewable sources, 2024**
World Average – ~15%
(Our World in Data)

 **4th**

Largest **share of primary energy from renewables**
1st – Iceland, 2nd Norway, 3rd Sweden
(Our World in Data)

 **87%**

Share of **electricity production from renewables, 2022**
World Average – ~32%
(Our World in Data)

 **2nd**


Largest Producer and Consumer of **Biofuels**
(BP Statistical Review 2022)

 **2nd**

Largest **Hydropower** generation in 2021
(Our World in Data)

 **6th**

Largest **Wind Generation Capacity**
(GWEC 2021)

Less than **10** 
kgCO₂e/boe is the **carbon intensity in the pre-salt**

14 kgCO₂e/boe is the offshore average in Brazil

Compared to OGCI average – 19 kgCO₂e/boe

The role of the oil and gas sector in the energy transition.

Companies in this sector are present worldwide and have been seeking to make their own transition to renewable energy .



01

In Brazil, **1%** of the gross revenue from large-scale production fields must be invested in research, development, and innovation projects.

02

R\$ 4 billion invested annually in Brazilian research centers and universities, of which **30% last year...** of the total was invested in projects focused on sustainability and decarbonization.

03

Oil and gas companies intend to invest, on average, **10%** of the total R&D budget in Brazil, aimed at developing and supporting green technologies, decarbonization, and environmental impacts.

04




To date, more than **400** projects have already been initiated in areas such as environmental recovery, hydrogen, biogas, ocean energy, and bio-kerosene.



Pre -Salt – World Class

Carbon Intensity: 9 – 10 kgCO2e/ boe (Half the global average)

Biofuels National Market

Ethanol		<p>359 Ethanol Plants</p>	<p>417mil m3/d capacity (+ 9% in construction or expansion)</p>	<p>37Mi m3 Ethanol production (2025)</p>
Biodiesel		<p>58 Biodiesel Plants</p>	<p>42,6mil m3/d capacity (+ 16% in construction or expansion)</p>	<p>9Mi m3 Biodiesel Production (2025)</p>
Biomethane		<p>11 Biomethane Facilities</p>	<p>680mil Nm3/d capacity (+ 108% in construction)</p>	<p>81Mi Nm3 Biomethane production (2025)</p>

2026

About 198 million tons CO₂ avoided by Feb/25 due to Renovabio Program

Brazil has a privileged position in the energy transition



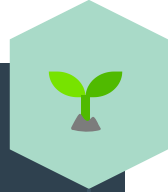
Renewables account for **46% of the energy matrix**. Emissions in the energy sector are substantially lower compared to the world average (19% compared to 74% average world)



Petrobras, the greater operator in Brazil (more than 90% of production) announced: **25% reduction in absolute operating emissions by 2030**; Zero routine flaring by 2030; 40Mton CO2 reinjection by 2025 in CCUS projects



50% of the R&D resources from the O&G industry obliged to apply in Brazil are spent on **renewables projects**. More than 20% of the vehicle matrix is fueled by renewables (**ethanol and biodiesel**).



Brazil is the **2nd largest producer and consumer** of biofuels and benefits from a longstanding well-established industry: **80% of our automobiles are flex-fuel**.



Public policies like Renovabio Program show the country will continue to advance in this agenda. In 2020, more than **14 million tons of greenhouse gas emissions were avoided**.



A new government program (Fuel of the future) is under development (i.e.: incentives to the large-scale use of 2nd generation ethanol; R&D to encourage fuel-cell technology; creation of green corridors to supply heavy vehicles powered by biomethane; introduction of BioJetFuel etc)



#8

Final Remarks

A country of great opportunities



Our Strengths

Legal and regulatory stability

Geological potential

Incentives for independent operators

Open Acreage: preferred bidding system = bidding by market demand

IOR opportunities in mature fields

Market opening in the midstream (New Gas Law) and downstream

One of the largest fuel market

Great potential for renewables and CCS

Brazil is prepared to attract different size investors and has a robust legal and regulatory framework.

National Agency of Petroleum, Natural Gas and Biofuels - ANP

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