

ISSUE 33:
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brazilian WAVE

A large red AHTS vessel is shown sailing on the water, leaving a white wake. In the background, a city skyline with numerous buildings is visible across a body of water under a clear sky.

Prospects for Large AHTS Vessels
What's next after the latest awards

Brazilian Bureaucracy Continues
A look at the country's complex tax arrangements

Rigs Leave Brazil: What to Expect
The movements of MODUs in & out



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Drilling & Production

The latest from Brazil

Keeping up the seabed connections

Italian Saipem has confirmed that it will supply Petrobras with pipelines and risers for the Lula field, in the Santos Basin. The contract with a total value of USD 717 million is scheduled to start the marine activities within the first half of 2016. The Saipem FDS2 will be in charge of the main operations.

Coming soon

QGEP plans on hiring an FPSO for the Atlanta field by December this year but the company has not decided if will charter the definitive system for the area or a unit for an Anticipate Production System (APS). According to the market, the Atlanta field contains over 147 million boed and 17 million cbm of gas. The first oil is scheduled at the end of 2015 / beginning of 2016.

FPSO "farm in"

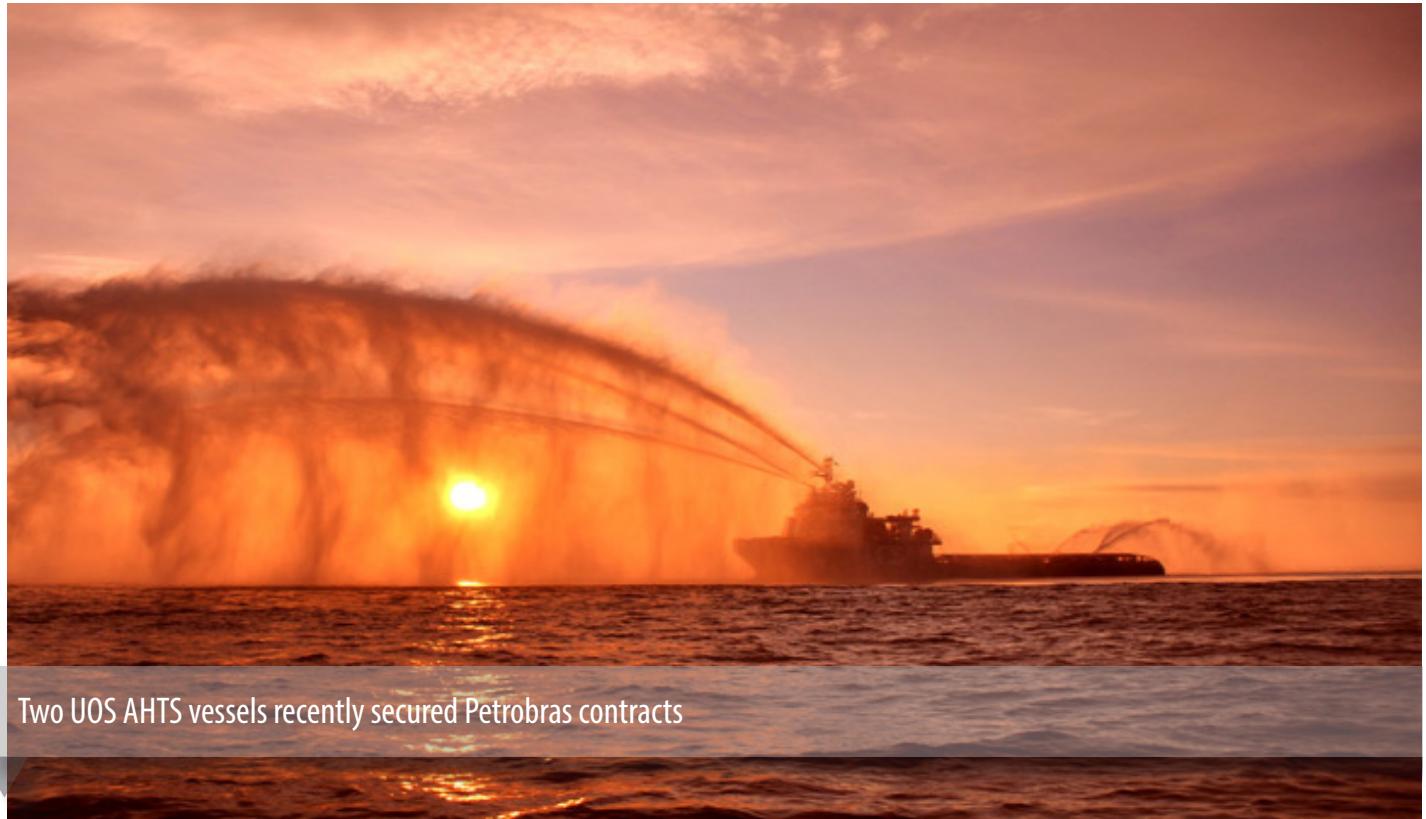
According to the market, only the companies Enser, Odebrecht and Seadrill are still competing on the tender for buying 15% participation on the first seven drillships of Sete Brasil, which will be chartered to Petrobras. The delivery of the proposals is scheduled for May 15th and the units should start operations on June 2015, in line with the official timescale.

Everything comes to an end

After more than 11 years working in national waters, the FPSO Brasil has officially concluded its activities in the Roncador field. Owned by SBM offshore, the FPSO had its first production registered in December 2002 with a total capacity of 90 thousand boed. All eight wells which were connected to the unit will be transferred to the platforms P-52 and P-54 which will be in charge of production for now. SBM Offshore has started to decommission the FPSO Brasil and is considering scrapping the vessel, with opportunities for a conversion limited.



Headline News



Two UOS AHTS vessels recently secured Petrobras contracts

Prospects for Large AHTS Vessels

Apart from the Petrobras newbuilding program contracting pace, it has been a while since we have last seen the market so excited about Petrobras awarding contracts to OSVs. Eight large AHTS contracted from a tender issued in November, in addition to another 10 units shortlisted, plus the fact that Petrobras has not been hiding their long term and challenging demand for many more large AHTS. Good or bad, what is the present AHTS scenario in Brazil?

Petrobras has not been able to secure enough AHTS from the domestic market through its fleet renewal newbuilding program widely known as PROREFAM. From an initial

demand forecast in 2008, 54 large AHTS were planned to be contracted locally, but only 14 have been secured so far. The list of reasons for that low success rate can be very wide ranging, but in summary: building sophisticated large AHTS (not enough experienced Brazilian crew) in a Brazilian shipyard (expensive) for long term contracts (eight years plus options) at the rates intended by Petrobras (in line with international market) is supposedly too risky and not a good business venture for the Owners, especially for those who are not yet in this business.

Petrobras may therefore keep employing foreign tonnage and theoretically, there could be an open demand of at least 40 large AHTS in Brazil.



On the other hand, Petrobras presently has on its fleet around 50 AHTS > 15000 BHP, of which close to 50% will have their original contract periods expiring in 2014 and 2015. At least for those expiring in 2014, Owners are not likely to extend these contracts as the rates are four-years-old-day-rates (likely low), which cannot be increased during direct negotiation obliging Petrobras to issue a new tender should they wish to keep such vessels in their fleet.

Otherwise and unless Petrobras' timing is nothing but perfect, we may see demand further increasing if some of these vessels are set to leave Brazilian waters for other markets.

A challenge lies in the fact that from the large anchor handlers available in the worldwide market, only a few can comply with Petrobras specifications, which are also the same vessels required in the North Sea and Arctic region, not to mention other areas. There is no use looking at the > 15000 bhp AHTS worldwide availability list as only a few of those can fit the Petrobras requirement.

“Theoretically there could be an open demand for at least 40 large AHTS vessels in Brazil”

Main engine power and bollard pull is not a primary request, but the robust winch package, which besides being very expensive, is not present in many of these large vessels and may not be simply installed. Another challenge is the fact that differently from the PSV orderbook which usually is counted in hundreds of units each year, building large AHTS has not been on the plans for many Owners for quite some time now, and you may almost count in your two hands the number of large AHTS units being delivered from shipyards in the next couple of years, several not even fully complying with Petrobras specifications.

So exciting times may come for AHTS Owners and a challenging period for Petrobras to secure the tonnage they need for the price they want. Although recent contracts and offers for AHTS vessels have been indicating rate expectations pretty much in line with market offers, if demand surges and AHTS availability becomes scarce, this scenario could drastically change. ■

Vessel News

Chartering Activity



The CBO Carolina has been made available by Statoil

MAERSK - AHTS Maersk Pacer has been chartered to Shell Brasil after its charter with HRT to support cargo runs and AH duties, the vessel remains on hire at moment.

SEACOR - Brazilian built and flagged PSV Seabulk Angra has been fixed to Odebrecht for a cargo run and is now prompt Rio de Janeiro.

DEEPSEA SUPPLY - Brazilian built and flagged PSV Sea Brasil has been fixed on the spot market twice in sequence to Tramp Oil and Ensco and is now prompt in Guanabara Bay.

FARSTAD - AHTS Far Sea has been fixed to Van Oord to support the operations of the pipelaying barge Stingray and its project anchor handler Multicat which have arrived in Brazil to attend a contract with Saipem, for two months firm plus options.

MAERSK - AHTS Maersk Terrier has been extended with Shell Brasil until early June when the vessel is expected to leave Brazil in preparation for another contract.

SIEM - Brazilian built and flagged PSV Siem Giant, sister ship to Siem Atlas is undergoing final tests for delivery to Owners by late May confirmed, the vessel will be available on the local market.



The AHTS Far Sea has picked up a series of charters

LABORDE - Following its fixture to OOS Intl, LH Lab 180 has been fixed last month to OGPar to assist as line handler for 5 days firm, the vessel is currently available on the local market.

CBO - Brazilian built and flagged CBO Carolina has been made available by charterer Statoil during this month for short term employment.

MAERSK - AHTS Maersk Provider has been fixed to Brasdril for 5 days firm plus options.

BIGMAR - Brazilian built and flagged Astro Dourado is now prompt available in Guanabara Bay after its docking for regular maintenance and updates.

FARSTAD - AHTS Far Sea has been fixed to Bras-

dril starting 15th May for 5 days firm to support S/S Ocean Yatzy entering dock and Ocean Alliance returning to its contract with Petrobras.

"The large PSVs Siem Giant & Starnav Aquarius are expected to be available on the spot market in May"

OSRVs - A number of OSRVs are prompt available in Guanabara Bay attesting a flexibility for short term demands and prompt response in case of spill, we can name Eco-Octo, Eco-Orion and Eco-Vega from Eco Tug and Clarisse and Carmen from Oceanpact.

CMM - The 80-metre, 3,300 dwt vessel CMM Gravity will be deployed in the Brazilian waters from June 2014 on a 4+4 year contract with Petrobras.

TIDEWATER - The 9,000 bhp AHTS Oil Vibrant ended its term charter with Petrobras and is in Amelia, Louisiana and is expected to be put up for sale. ■

Operator Update

Brazilian Activity

Karoon Campaign

Australian company Karoon has announced that its new drilling campaign in Santos Basin is scheduled to start around August/September this year. The program covers the drilling of two firm wells plus two optional wells, in a water depth ranging from 250m to 450m. The five blocks were obtained in ANP Round 9 and the company will use a semisubmersible drilling rig. Karoon is currently negotiating the drilling rig Olinda Star with Queiroz Galvão O&G. OSV contracts are for 120 days firm plus options to be agreed. The oil company is on the market looking for 3 AHTS min 160ton, 1 PSV min 550m² free deck area, 1 boom handler and 1 OSRV. Offers are due on May 30th.

Farm out in Campos Basil

Due to the lack of economic interest in the region and the search for new projects by Maersk Oil, the company decided to sell its 20% stake in blocks C-M-471 and C-M-473 in Campos Basin to BP. If approved by the Administrative Council for Economic Defense (Cade), the British company will retain operation of BM-C-34 with 50% of the area in partnership with Petrobras, which holds the remaining 50%.

He's back

Eike Batista will return to chair the Management Board of OGpar along with his father and five other directors who were reappointed to their positions after being re-elected at the Annual General Meeting. The approval has been criticized by minority shareholders, since he is being investigated by the Federal Police, but at the same time he is the main stakeholder in OGpar's growth, in order to recover his losses

and pay off his debts, at least partially.

Tubarão Martelo

OGpar has recently announced its plans on starting the production of two additional wells in the Tubarão Martelo field (TBMT-2HP and TBMT-6HP) from July, which should increase its total daily average production from 10 thousand boed to 16 thousand boed, with a total of four wells in production. OGpar is also running some production tests in Tubarão Azul field since March, reaching around five thousand boed.

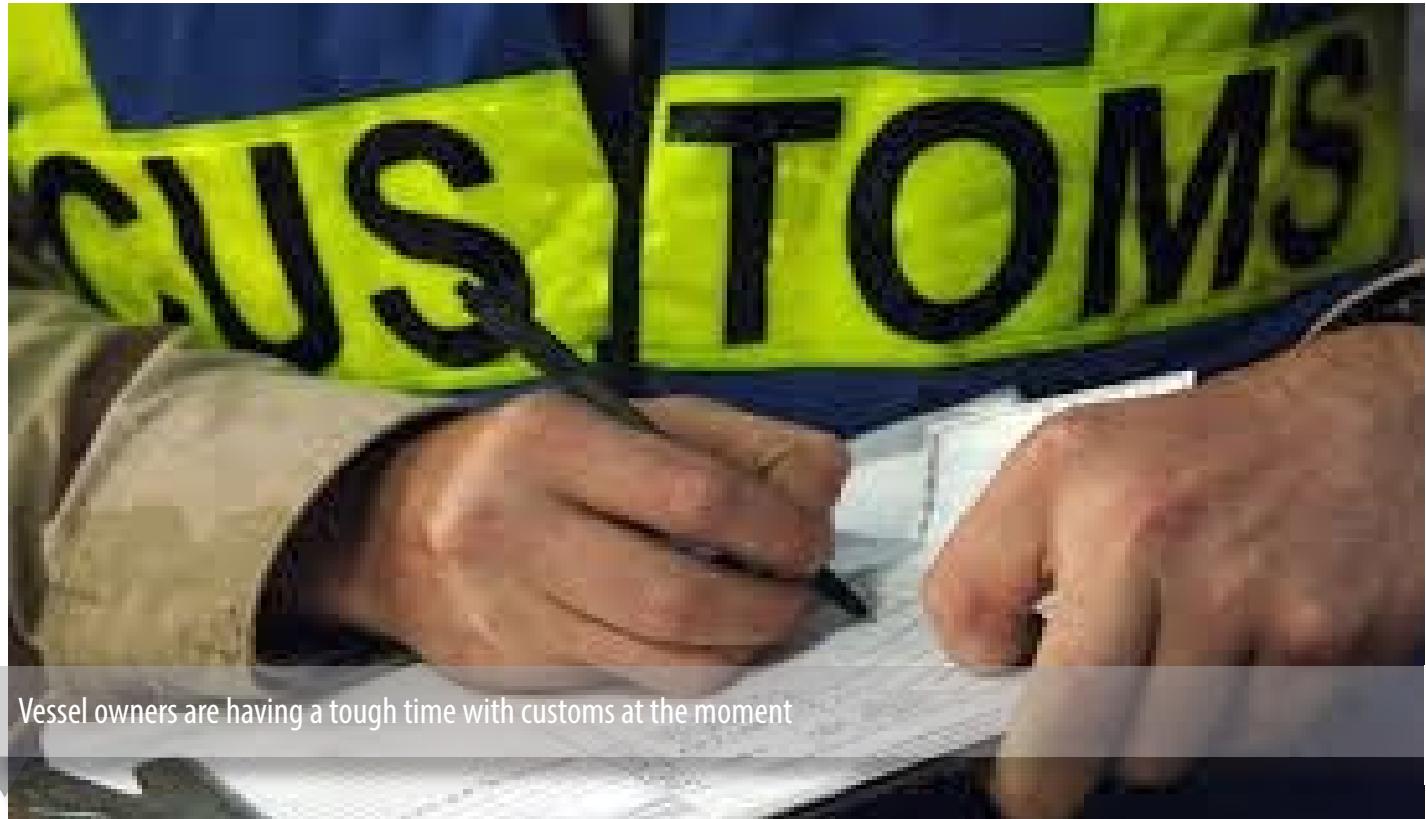
BW Offshore declines

The company has decided to cancel a letter of intent (LOI) presented in December last year to acquire a 30% stake in the Polvo field from HRT. The deal was subject to approval by ANP and both companies' regulatory boards. Upon the expiry of the backstop date, BW Offshore chose to terminate the LOI pursuant to its terms and to keep only the operation of FPSO Polvo under a fixed contract until 3Q 2015.

Let's get started

The blocks ES-M-673 and ES-M-743 in Espírito Santo Basin have received from IBAMA the environmental license for 3D seismic acquisition by January 2015. Statoil is the operator of the area, which was acquired in the 11th Round last year. The company CGG will be in charge of the operations along with the vessels Ocean Phoenix, Alizé and Oceanic Champion. The campaign will also be extended to the exploratory blocks ES-M-596 and ES-M-669, both operated by Petrobras.

Inside Story



Vessel owners are having a tough time with customs at the moment

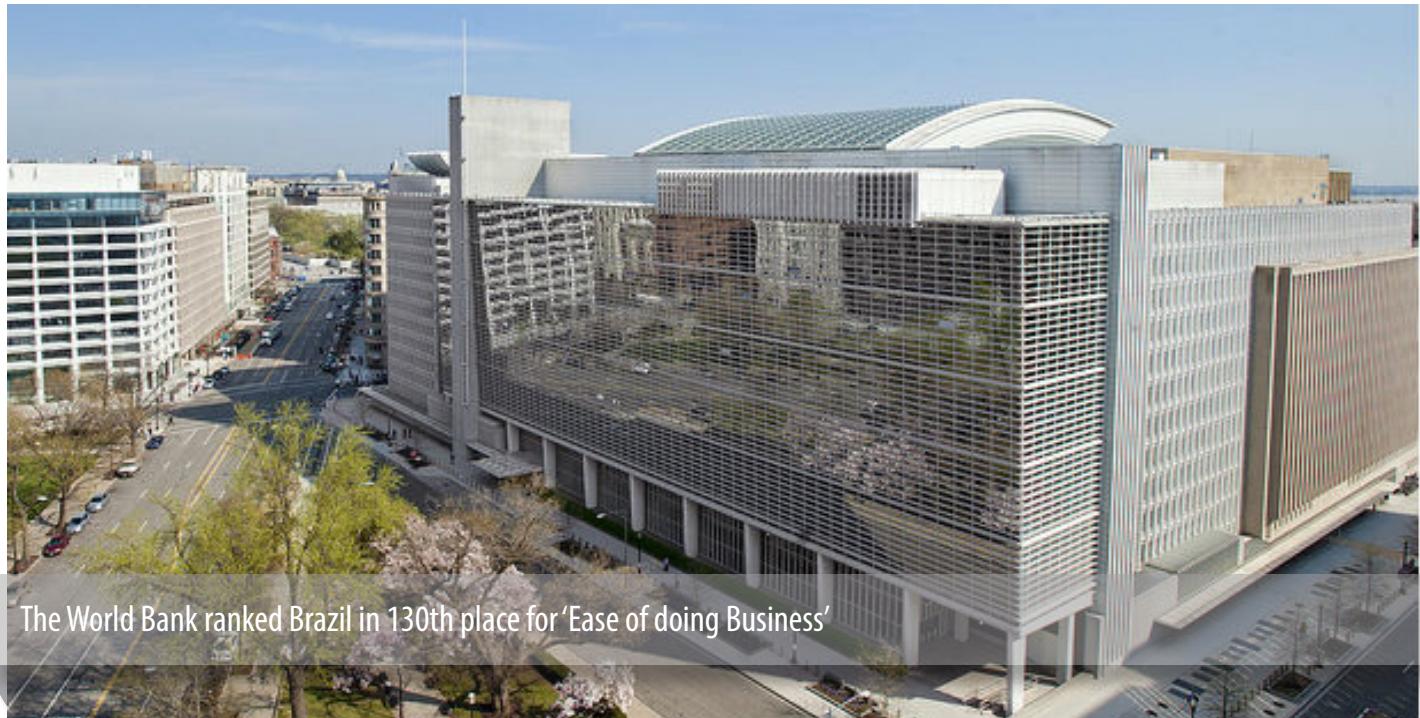
Brazilian Bureaucracy Continues

The Brazilian offshore market is in a moment of growth, but a lot must be done to meet the high expectations of the market, mainly taking into consideration other oil and gas competition around the world.

Although the growth forecast is impressive, industry bottlenecks scare the market, bringing a feeling of skepticism to those already operating in Brazil, especially concerning profitability. We cannot be naïve, all companies are here to make profit, if margins become lower than expected, or fall into the red, then companies have the option to move assets to another area or move to a different business. This is precisely what haunts the

market today, both for the companies and for those who depend directly or indirectly on it.

Brazil has some of the highest tax bureaucracy in the world! Proof of this comes from the data of the last report prepared by the World Bank, which shows that of 185 countries assessed, our country is in 156th place in "Paying Taxes" and in 130th place in the category "Ease of doing business". To get an idea, while the average time spent by small and medium enterprises in Latin America and the Caribbean with tax issues is 367 hours, Brazil can achieve the feat of 2,600 hours per year, accounting for nearly 110 days to deal only with the tax bureaucracy.



The World Bank ranked Brazil in 130th place for 'Ease of doing Business'

As an example of how such bureaucracy can strongly affect the business, recently, a large number of ship-owners have been suffering with customs, especially in the Niterói branch, which after the change of its staff is insanely delaying the analysis when not rejecting most applications for renewal of licenses (AIT, DAT) required for inputting the Repetro regime.

This measure has been causing losses for the companies who end up unable to receive their hire payments from Petrobras as the Register of Financial Operations (ROF) cannot be issued, precisely by the absence of the licenses renewed. Some companies have had to initiate legal proceedings as a last resort, but it's still not a 100% guaranteed that the problem will be resolved.

In the 1970s, the Brazilian shipbuilding industry was the second largest in the world and employed approximately 40,000 workers. At the turn of the millennium there were only 600 metallurgists and only in the last five years has the growth begun again. The starter for the expansion came from the offshore exploration in deep waters, however, once again the "Brazil cost" shows its face and the lack of proper rules and regulation in an industry

that involves a wide range of government agencies, end up jamming the development with lack of long-term planning, combined with a poor infrastructure in the sector, even compromising the development of some new projects.

"A large number of ship-owners have been suffering with customs, especially in the Niteroi branch."

Despite the efforts of the Brazilian government to ensure that offshore industry develops into a sustainable line in the pre-salt era, there are many bottlenecks that need to be addressed. Every industry subjected to strict regulations is forced to use some its productive and organizational capacity in meeting these needs to maintain its operations and growth.

In a complex environment, such as the regulatory framework created by the oil and gas industry in Brazil, operators and suppliers must make sure, now more than ever, that they have a good knowledge of the risks involved to meet the increased demand for products and services

Petrobras News



Petrobras vs ANP

In 2011, ANP decided that two pre-salt areas in Santos Basin, Lula and Cernambi, should be considered a single field. The decision, in theory, makes the “super-field” an area with high financial revenues of oil, which increases exponentially the payment of special participation by the concessionaires (Petrobras, with 65% share in Lula, BG Group, 25 %, and Portugal's Galp, with 10%).

After being declared commercially separate as two distinct fields by Petrobras, since this is the understanding of the consortium responsible for the area, the National Agency determined that Lula and Cernambi were united into a single polygon and would be considered a single Development Plan.

In February this year, Petrobras filed for arbitration with the goal of reversing the decision of ANP on both fields (Lula field and Cernambi field) at the International Court of Arbitration of the International Chamber of Commerce (ICC). According to Petrobras, the split may generate a profit of BRL 50 billion in 35 years but, on the other hand, the explorer

consortium would have to make a smaller payment to the government concerning the royalties.

Last month ANP filed a lawsuit in Federal Court to force Petrobras to stop the arbitration that the company plans to start, and the oil company has informed that it has not been successful in seeking other attempts at reconciliation between the two parties. The dispute occurs by the technical

understanding of what may or may not define two distinct fields, which may take unprecedented proportions involving one of the most emblematic areas of the Brazilian pre salt.

Similar to the pre-salt of Santos Basin, the oil field formation also questions the decision of ANP to consider as a single field the areas Baleia Anã, Baleia Azul, Baleia Franca, Cachalote, Caxaréu, Jubarte and Pirambu, making them all Jubarte. There are signs that another fight on unification of enclosed areas may be on the cards between the ANP and Petrobras, but this time in Campos Basin. ■

“Petrobras & ANP are lining up for another fight over possibly unification in the Campos Basin”

Petrobras News

The latest on tenders

SV OSRV Lot 1 Official Ranking

The tender issued in December last year for SV OSRV type for 4 + 4 years contract, had its first official ranking revealed. On batch 1, with commencement up to March 2015, eight vessels are competing while the batch 2, with commencement up September 2015, still under analyses.

SV OSRV Lot 1 - INTERNATIONAL INVITATION E&P 1460525138 (Official ranking of offers)						
RANKING	OWNER	VESSEL	EBN	DAY RATE (USD)	MOBE FEE (USD)	FUEL CONSUMPTION (m3/day)
1	CMM	TBN 547292	INTERNACIONAL MARITIMA	17,950.00	538,500.00	5.85
2	CMM	TBN 547292/ TBN 547293	INTERNACIONAL MARITIMA	17,950.00	538,500.00	5.85
3	CMM	TBN 547292/ TBN 547293/ TBN 547294	INTERNACIONAL MARITIMA	17,950.00	538,500.00	5.85
4	MCT	TBN 542784	ACAMIN	20,300.00	500,000.00	4.47
5	VEGA OFFSHORE	VEGA SPIRIT	BRAVANTE	20,900.00	627,000.00	4.74
6	ASGAARD	TBN 542786/ TBN 542787/ TBN 542788	ASGAARD	20,488.00	614,640.00	5.86

AHTS 18000 B Awards

Previous to our January edition, please note below the official awards from Petrobras for the AHTS 18000 B type.

AHTS 18000 B TYPE - INTERNATIONAL INVITATION E&P 1446022138 (Official ranking of offers)							
Ranking after criteria	Ranking before Fuel criteria	OWNER	VESSEL	EBN	PERIOD (DAYS)	DAY RATE (USD)	MOBE FEE (USD)
1	4	MAERSK SUPPLY SERVICE	MAERSK TRIMMER	MAERSK SUPPLY SERVICE	1460	48,800.00	2,750,000.00
2	5	MAERSK SUPPLY SERVICE	MAERSK TRAVELLER	MAERSK SUPPLY SERVICE	1460	49,490.00	2,750,000.00
3	8	MAERSK SUPPLY SERVICE	MAERSK TERRIER	MAERSK SUPPLY SERVICE	1460	51,800.00	2,750,000.00
4	3	UOS	UOS CHALLENGER	ASTROMARITIMA	1460	48,878.00	2,500,000.00
5	2	SOLSTAD	NORMAND TITAN	SOLSTAD OFFSHORE	1460	45,945.00	3,000,000.00
6	9	MAERSK SUPPLY SERVICE	MAERSK HANDLER	MAERSK SUPPLY SERVICE	1460	52,990.00	3,000,000.00
7	6	UOS	UOS LIBERTY	ASTROMARITIMA	1460	50,378.00	2,500,000.00
8	1	TIDEWATER	ALDEN J LABORDE	TIDEWATER	1460	43,900.00	2,000,000.00

Petrobras News

PSV 1500 Offers

PSV 1500 Offers

Petrobras has finally revealed the offers on the tender issued in April this year for PSV 1500 type. Thirteen vessels are competing on three different batches in three different periods as following in the tables below.

PSV 1500 Lot 1 - INTERNATIONAL INVITATION E&P 1510764148 (Unofficial ranking of offers)							
RANKING	OWNER	VESSEL	EBN	DAY RATE (USD)	MOBE FEE (USD)	PERIOD	FUEL CONSUMPTION (m³/day)
1	Finarge	Ievoli Coral	Finarge	23,000.00	-	365	9.34
2	Tidewater	Amadon Tide II	Mare Alta	25,249.00	757,470.00	365	9.6
3	Tidewater	Bobby Rawle Tide	Mare Alta	25,749.00	772,470.00	365	9.37
4	Asgaard Navegação S.A	Casco 622-3	Asgaard Na	24,560.00	736,800.00	365	11.46
5	Asgaard Navegação S.A	Casco 622-4	Asgaard Na	24,560.00	736,800.00	365	11.46
6	Global Offshore Services	Meghna	Acamin	30,132.00	750,000.00	365	7.16
7	Vega Offshore	Vega Commander	OSM	32,000.00	960,000.00	365	5.41
8	Vega Offshore	Vega Carrier	OSM	33,500.00	1,005,000.00	365	5.41
9	Whitesea Shipping & Supply	Samed	Acamin	37,750.00	1,132,500.00	365	7.63
10	Whitesea Shipping & Supply	Saeb	Acamin	37,750.00	1,132,500.00	365	7.63
11	Whitesea Shipping & Supply	Sahab	Acamin	37,750.00	1,132,500.00	365	7.63
12	Whitesea Shipping & Supply	Saleh	Acamin	37,750.00	1,132,500.00	365	7.63
13	Whitesea Shipping & Supply	Sarem	Acamin	37,750.00	1,132,500.00	365	7.63

PSV 1500 Lot 2 - INTERNATIONAL INVITATION E&P 1510764148 (Unofficial ranking of offers)							
RANKING	OWNER	VESSEL	EBN	DAY RATE (USD)	MOBE FEE (USD)	PERIOD	FUEL CONSUMPTION (m³/day)
1	Finarge	Ievoli Coral	Finarge	22,500.00	-	730	9.34
2	Tidewater	Amadon Tide II	Mare Alta	24,249.00	727,470.00	730	9.6
3	Tidewater	Bobby Rawle Tide	Mare Alta	24,749.00	742,470.00	730	9.37
4	Vega Offshore	Vega Commander	OSM	28,500.00	855,000.00	730	5.41
5	Vega Offshore	Vega Carrier	OSM	29,000.00	870,000.00	730	5.41
6	Global Offshore Services	Meghna	Acamin	27,540.00	750,000.00	730	7.16
7	Asgaard Navegação S.A	Casco 622-3	Asgaard Na	23,850.00	715,500.00	730	11.46
8	Asgaard Navegação S.A	Casco 622-4	Asgaard Na	23,850.00	715,500.00	730	11.46
9	Whitesea Shipping & Supply	Samed	Acamin	32,750.00	982,500.00	730	7.63
10	Whitesea Shipping & Supply	Saeb	Acamin	32,750.00	982,500.00	730	7.63
11	Whitesea Shipping & Supply	Sahab	Acamin	32,750.00	982,500.00	730	7.63
12	Whitesea Shipping & Supply	Saleh	Acamin	32,750.00	982,500.00	730	7.63
13	Whitesea Shipping & Supply	Sarem	Acamin	32,750.00	982,500.00	730	7.63

PSV 1500 Lot 3 - INTERNATIONAL INVITATION E&P 1510764148 (Unofficial ranking of offers)							
RANKING	OWNER	VESSEL	EBN	DAY RATE (USD)	MOBE FEE (USD)	PERIOD	FUEL CONSUMPTION (m³/day)
1	Vega Offshore	Vega Commander	OSM	24,500.00	735,000.00	1095	5.41
2	Global Offshore Services	Meghna	Acamin	22,995.00	685,000.00	1095	7.16
3	Vega Offshore	Vega Carrier	OSM	24,950.00	748,500.00	1095	5.41
4	Finarge	Ievoli Coral	Finarge	21,950.00	-	1095	9.34
5	Tidewater	Amadon Tide II	Mare Alta	23,249.00	697,470.00	1095	9.6
6	Tidewater	Bobby Rawle Tide	Mare Alta	23,749.00	712,470.00	1095	9.37
7	Whitesea Shipping & Supply	Samed	Acamin	25,950.00	778,500.00	1095	7.63
8	Whitesea Shipping & Supply	Saeb	Acamin	25,950.00	778,500.00	1095	7.63
9	Whitesea Shipping & Supply	Sahab	Acamin	25,950.00	778,500.00	1095	7.63
10	Whitesea Shipping & Supply	Saleh	Acamin	25,950.00	778,500.00	1095	7.63
11	Whitesea Shipping & Supply	Sarem	Acamin	25,950.00	778,500.00	1095	7.63
12	Asgaard Navegação S.A	Casco 622-3	Asgaard Na	22,355.00	670,650.00	1095	11.46
13	Asgaard Navegação S.A	Casco 622-4	Asgaard Na	22,355.00	670,650.00	1095	11.46
14	Bumi Armada	Armada Tuah 25	Bravante	25,500.00	720,000.00	1095	8.99

Petrobras News

6th Newbuilding Round Awards

6th Newbuilding Round Awards

Petrobras has confirmed the award of 23 vessels in the company's Renewal Program of the Offshore Fleet. 19 units are PSVs 4500, with 6 from Asgaard, 6 from Starnav, 3 from Bram Offshore, 2 from Wilson Sons and 2 from CBO. The remaining 4 vessels are AHTS 18000 type from the single offer of CBO. The units of AHTS 15000 and AHTS 21000 types are still under analysis and the results should be revealed within next few weeks.

PSV 4500			
Bidder	No of vessels	Period (years)	Day Rate (USD)
Asgaard	6	8	36,872.12
Chouest	3	8	33,500.00
CBO	2	6	37,500.00
Starnav	6	8	37,233.11
WSUT	2	6	37,459.00

AHTS 18000			
Bidder	No of vessels	Period (years)	Day Rate (USD)
CBO	4	6	73,000.00

Petrobras DSV Award

Farstad and Belov Engineering were competing on the tender issued by Petrobras (E&P:1380538138) for diving support vessel (DSV). Far Swift awarded a 2 + 2 years contract after disputing against 2 hulls from Belov which would be built in POET shipyard, in China.

Petrobras Outstanding Requirements

Petrobras postponed again the AHTS 12000 RFQ to May 23rd and according to the market this tender has high chances of being cancelled. On the other hand the company still on the market with the FSV OSRV Lot 2 and has issued the 7th Newbuilding round for 8, 6 or 4 years contract. Petrobras is also looking for LHS 2500 and UTs 4000 with Brazilian flag, both for 4+4 years contract and delivery up to November 2014.

Look Ahead



More moored drilling units are set to leave Brazil in 2014 although the Ocean Rig Mylos is set to stay

Rigs Leave Brazil - What to Expect

Last November we highlighted the movements of mobile offshore drilling units (MODUs) coming in and out of Brazil, most of them out. Just six months later and sooner than we thought, this subject has come to the fore again, leaving the market questioning drilling activity levels in Brazil for the remainder of the year. Over the next six months, six MODUs will be leaving Brazil, and so far there is no news of units coming in. So, what to expect?

By the end of 2013, Brazil waved goodbye to the semisubmersibles Enscos 5002, 5004, Sedco 710,

Ocean Quest and Blackford Dolphin. Meanwhile, the Ocean Rig Mylos, Norbe VIII, Ocean Star and Noble Max Smith secured long term contracts for drilling campaigns which are still ongoing with Repsol Sinopec, Total, Queiroz Galvão and Shell (assigned to Statoil for about two months), respectively.

The exodus of "mid-water drilling units" is set to continue this year. The rig Enscos 6000 is currently being exported and prepared in Angra dos Reis region to be demobilized to a shipyard in the US Gulf of Mexico, after several years on contract with Petrobras. The rig Noble Paul Wolff, also known as SS-53, after the

ballast room was flooded and offshore support vessels around the unit helped in the evacuation of 77 people in the end of February, recently had its contract terminated early about 180 days in advance and shall be redelivered to the rig owner this month. The unit will then head to Southeast Asia, and so far no job has been assigned to it. It is understood that the anticipation of the contract conclusion is unrelated to the flood incident, while some believe Petrobras really wants to save the last days of rig hire, claiming that it needs to go under maintenance and repair works as soon as possible.

The unit Sedco 706 will likewise leave Brazil this month or the next, after being on contract with Chevron since 2009. Transocean has not reported any future client for the unit yet. We also have Dolphin Drilling's last unit set to leave Brazil around July, which is Borgny Dolphin. Borgny Dolphin is expected to undergo maintenance work in Europe, and is looking for work. In addition the semisub drilling units Ensco 7500 and Ocean Yatzy may depart in September unless Petrobras extends their contracts. However, Noble recently confirmed the continuation of its contracts for the Noble Max Smith and Noble Bully II units with Shell Group until 2015, although both are due to conclude their activities with the company in Brazil in the next six months.

In upcoming drilling, Karoon will drill two wells plus two optional wells in the Santos Basin in August for 120 days, hiring three AHTS, one PSV, one OSRV and one boom handler to assist the operation. HRT is studying the drilling of a well in the Polvo field by the year end, with an undefined drilling unit although it is understood this could be the Olinda Star.

Total may also reveal the chosen drilling unit for a campaign in Uruguay in 2014/2015, which will later

come to Brazil to keep drilling in its new Northern exploration blocks. And at last, the Brazilian oil company OGpar ("ex-OGX") will increase the number of producing wells from two to six in Tubarão Martelo, in order to meet the recovery plan targets presented to the stakeholders. It will probably be drilled by an older generation of moored semisub rig from Ventura Petroleo (Petroserv), which is already available in Brazil.

The next arrivals of new Petrobras drilling units may start by the end of this year, for Santos Basin pre-salt fields, where the number of ultra deepwater drilling

units (presently close to ten) may double in the next couple of years. The exact number of existing units to be employed in that area may depend on the pace of the "Sete Brasil" development, which expects to deliver 28 locally built ultra deepwater drilling units by 2020. The first three units are due for delivery in the first quarter of 2016.

According to the ANP's local content requirement, the replacement of foreign drilling units is excellent for the country. Nonetheless, with a lack of infrastructure and qualified personnel to get a strong local content ratio, the forecasted volume of new rigs may suffer some delays, so foreign units may stay longer than expected in the country.

So it has become clearer that Petrobras' focus on the pre-salt development aiming to boost oil production is a reality, possibly leaving a big gap in the country's shallow/mid-water drilling activity level and likely affecting utilization of mid-size AHTS. As to the IOCs, we may start seeing the migration of mid-water drilling units by 2016 only, when they may carry out most of their new drilling campaigns on the offshore blocks awarded last year by ANP during the 11th Round. ■

"The number of Ultra Deep-water units in the Santos Basin pre-salt fields is set to double in the coming years."



Ranking Brazil in the World

This is how Brazil is, according to the worldwide rankings. It is difficult to draw a precise line of the position which Brazil occupies in many aspects when compared to the world. However, given the multiplication of global rankings released between 2013 and 2014, we can have a clearer picture of Brazil's ups and downs. We gathered some of them for your information.

Education

Position: 88th

Countries analyzed: 122

In its Human Capital Report, the World Economic Forum

(WEF) ranks Brazil among the last ones when evaluating education quality.

Worst traffic jams - 3rd place in the world

Location: Rio de Janeiro (3rd); São Paulo (7th)

"It is difficult to draw a precise line of the position which Brazil occupies in World rankings"

Cities examined: global survey

Brazil had two representatives among the 10 cities with more traffic jams in the world, according to a study Traffic Index, released by the Dutch company TomTom.

Corruption - 72nd in the world

Countries analyzed: 177

According to International Transparency, the perception of corruption in Brazil worsened three positions in 2013 compared to 2012.

Beautiful beaches - 4th place in the world

Position: Sancho Bay, Fernando de Noronha (4th);

Lopes Mendes beach in Ilha Grande, Rio de Janeiro (7th)

Countries analyzed: global survey

The Traveler's Choice ranking, done by travel site

TripAdvisor, elected the destinations considered as the most beautiful ever visited by tourists, according to the same.

Country to grow old –

Position: 31st

Countries analyzed: 91

Research by Global AgeWatch used criteria such as health, economy, employment and education to evaluate the best country in the world to grow old.

Powerful people - 20th place

(Dilma Rousseff)

Countries analyzed: In any country

President Dilma Rousseff is the 20th most powerful person in the world according to the last election the U.S. magazine Forbes.

Level of English - 38th place in the world

Countries analyzed: 60

According to English Proficiency Index 2013 prepared by the company Education First (EF), Brazil falls into the category of "low" in their ability to communicate in English.

Restaurants - 6th place

Position: Restaurant DOM,

Alex Atala - 6th place

Countries analyzed: global survey

The ranking prepared by Restaurant magazine is considered the "Oscars" of the food world.

Place to be a mother - 78th place in the world

Countries analyzed: 176

Research conducted by the NGO Save the Children, published by ABRINQ Foundation.

Westshore at OTC





Bravante personnel

Spotlight on Bravante

Bravante was founded in the 1950s, originally named Navegação São Miguel, it started transporting salt, but after few years the company changed the salt to bunker transportation and along these years incorporated others segments, such as offshore logistics, environmental protection and shipyard.

The company did a rebranding in September of 2012, changing its name to BRAVANTE, in order to gather all the services provided by the group. Having now, BTG Pactual - the largest investment bank in Latin America - as major shareholder.

As one of Petrobras main suppliers and aiming at new frontier areas – The Pre-salt – the Bravante Group decided to focus on the Offshore and the Environmental Services.

"The offshore segment has nine vessels & 24 owned vessels (EBN) in operation"

The offshore segment has nine owned vessels and 24 Foreign Owned vessels (EBN) in operation all over the Brazilian coast. In order to comply with the growing Brazilian market demand, the Group is investing in an aggressive newbuilding program of 15 offshore vessels, with six successfully delivered and already in operation.

The environmental protection area (Hidroclean), provides solutions to improve security in operations and reduce environmental impacts. The company currently has more than 29,000m of booms, 9,000m³/hour of oil recovery capacity, proprietary fleet, large storage capacity and covers 95% of the Brazilian coast in less than 36 hours. ■