



## Petrobras Seeks A Service Provider and Investor for a Gas Pipeline Project

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### **Overview**

CS Rio met with Petrobras on August 5<sup>th</sup>, 2015 to discuss a new gas pipeline and processing project that will need to be operational by 2022, as part of a deepwater oil and gas field that will start production by then. Petrobras is the operator in this exploration and production (E&P) project, but it is associated with other partners. However, at this point, Petrobras requested CS Rio not to disclose the E&P oil and gas field name or location in Brazil.

Petrobras is evaluating a new business model in which a service provider would be responsible for the designing, construction, and operation of that pipeline and a natural gas processing unit (NGPU). The pipeline will bring the gas from a floating production storage and offloading (FPSO) platform to an NGPU.

### **Petrobras provided the following information on the project:**

#### **Basic information**

##### 1) Gas pipeline

- Total length: 105 km (approximately), 100 km offshore + 5 km onshore
- Flow nominal capacity: 16 MM m<sup>3</sup>/day
- Nominal Diameter: 18"
- Design pressure: 255 kgf/cm<sup>2</sup>
- Operations: September 2022

##### 2) Natural Gas Processing Unit (NGPU)

- Capacity of two units: 8 + 8 MM m<sup>3</sup>/day
- Stage 1: Production Start: 1st gas - Feb/2023 to the 1st gas terminal unit (GTU) (8MMm<sup>3</sup>)
- Stage 2: 2nd GTU as the development of the project: 1st estimate: Feb/2025

##### 3) Liquids from natural gas

- Estimated Volume:
  - LPG: 530 - 1490 t/d
  - C5+: 300 - 405 t/d

4) Depth: 2,200 m (approximately)

### **Business Model**

Petrobras plans to hire a service provider for an approximate 20 year-contract duration. Through this contract, the service provider/investor will design, build, own, and operate (“BOO”) the gas pipeline and a gas treatment and separation unit.

The service provider/investor will also build, own, and operate a storage facility to store the liquids (LPG and C5+) to be delivered to Petrobras, as Petrobras is the owner of the gas and its by-products. A “Ship or Pay” contract is being considered.

For the provision of the service, the Contractor will own the facilities and will be responsible for the following:

- Do the project design
- Secure all necessary licenses required for the construction and operation of the assets
- Fund the investment
- Construct, assemble, and manage the project
- Operate the facilities

Petrobras will use the following criteria for the selection of the service provider:

- Performance (capacity assurance to handle and treat the full capacity of gas and liquids);
- Price (Petrobras plans to adopt a “Ship or Pay” format, as noted above);
- The potential candidate cannot be included in the current list of companies suspended from doing business with Petrobras.

Petrobras is in the process of identifying potential candidates for this venture worldwide.

Note: Since the assets to be built will belong to a company other than Petrobras, local content requirements are not expected to apply. The investor, that can be an EPC, for example, will be able to source equipment at his discretion.

U.S. companies interested in contacting Petrobras for additional information on this project should contact:

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