



## MEMORANDUM TO CLIENTS

### OIL AND GAS

*November 10<sup>th</sup>, 2017*

## National Energy Policy Council establishes new bid rounds

The Ministry of Mines and Energy announced that the 15<sup>th</sup> bid round for exploration and production of oil under the concession regime and the 4<sup>th</sup> bid round for areas under the production-sharing regime are expected to occur, respectively, on March 29 and June 7, 2018. An extraordinary meeting of the National Energy Policy Council (Conselho Nacional de Política Energica – “CNPE”) approved both bid rounds this Thursday, November 9.

The 15<sup>th</sup> bid round will offer 70 blocks: 49 offshore blocks at the Ceará, Potiguar, Sergipe-Alagoas, Campos and Santos basins; the other 21 blocks being onshore in the Paraná and Parnaíba basins. The 4<sup>th</sup> bid round includes the Três Marias, Dois Irmãos, Uirapuru, Saturno and Itaimbezinho blocks, located in the Campos and Santos basins, within the pre-salt Polygon. In accordance with the current regulations, Petrobras must express its interest in acting as operator of the five areas within 30 days as from the publication of the CNPE resolution in the Federal Official Gazette (Diário Oficial da União – “DOU”).

The government maintained the percentages for local content established for the bid rounds held earlier this year. For onshore blocks, the minimum percentage for global mandatory local content will be 50% for the exploration phase and 50% for the development phase. For offshore blocks, the minimum percentage for global mandatory local content will be 18% for the exploration phase. For the development phase, the percentages will be: 25% for well construction; 40% for the production collection and outflow system and 25% for the oil platform.

The CNPE postponed until 2019 the offer of blocks at Foz do Amazonas in order to conclude the environmental licensing process for the blocks awarded in the 11<sup>th</sup> bid round. The offer of the blocks located in the Pernambuco-Paraíba basin was also postponed until 2019, in order to gather more technical data on these areas.

The purpose of this memorandum is to inform our clients about important changes and developments in the area of law. We remain at the reader's disposal for any additional information that may be desired regarding the subject matter herein.

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**MATTOS FILHO** >

Mattos Filho, Veiga Filho,  
Marrey Jr e Quiroga Advogados

**For additional information, please contact:**

Bruno Werneck

[bwerneck@mattosfilho.com.br](mailto:bwerneck@mattosfilho.com.br)

T +11 3147-7781

Felipe Feres

[fferes@mattosfilho.com.br](mailto:fferes@mattosfilho.com.br)

T +55 21 3231-8126

Giovani Loss

[giovaniloss@mattosfilho.com.br](mailto:giovaniloss@mattosfilho.com.br)

T +55 21 3231-8246

Pablo Sorj

[psorj@mattosfilho.com.br](mailto:psorj@mattosfilho.com.br)

T +55 21 3231- 8241

Thiago Moreira

[thiago.moreira@mattosfilho.com.br](mailto:thiago.moreira@mattosfilho.com.br)

+55 21 3231-8115

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**SÃO PAULO – PAULISTA**

Al. Joaquim Eugênio de Lima 447  
01403 001 São Paulo SP Brasil  
T 55 11 3147 7600

**SÃO PAULO – FÁRIA LIMA**

Rua Campo Verde 61 3º andar  
01456 000 São Paulo SP Brasil  
T 55 11 3035 4050

**RIO DE JANEIRO**

Praia do Flamengo 200 11º andar  
22210 901 Rio de Janeiro RJ Brasil  
T 55 21 3231 8200

**BRASÍLIA**

SHS Q6 Bloco C Sala 1901  
70322 915 Brasília DF Brasil  
T 55 61 3218 6000

**NEW YORK**

712 Fifth Avenue, 26<sup>th</sup> floor  
New York NY 10019 U.S.A.  
T 1 646 695 1100

**LONDON**

5<sup>th</sup> floor, 32 Cornhill  
London UK EC3V 3SG  
T 44 (0)20 7280 0160

