

## Brazil's 2019 bid rounds:

- Round 16 postsalt
- Sixth presalt
- Surplus transfer of rights (TOR)

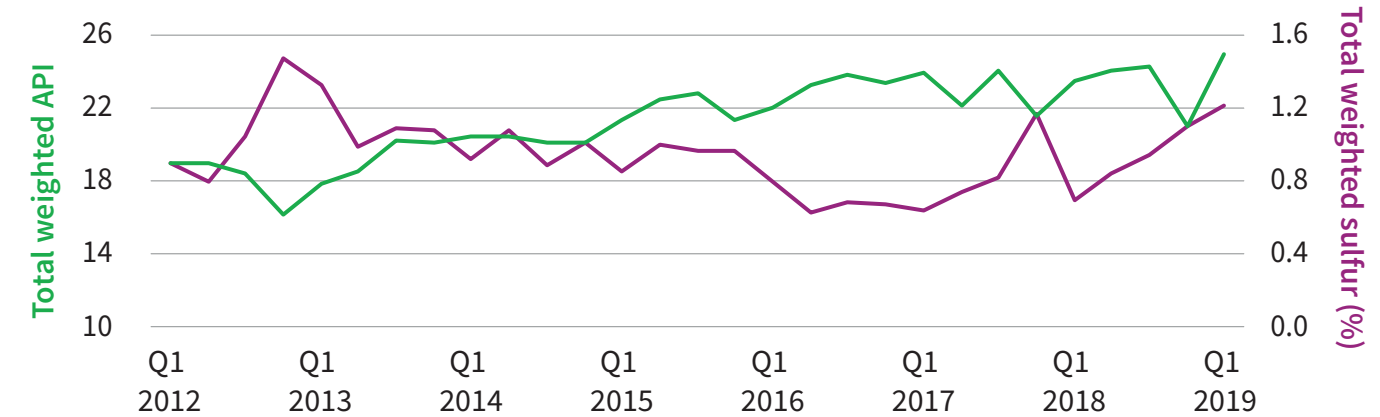
Surplus TOR	<ul style="list-style-type: none"> <li>- In April, the government agreed to pay Petrobras US\$9 billion in compensation.</li> <li>- An auction is expected in November 2019 for about 6.1–15.1 billion boe surplus volume.</li> </ul>
Operators	<ul style="list-style-type: none"> <li>- Interest is expected from major foreign companies.</li> <li>- CNOOC, CNPC, Total, Equinor, Royal Dutch Shell.</li> </ul>
Petrobras	<ul style="list-style-type: none"> <li>- There is continued focus on the upstream salt portfolio through further divestment of noncore upstream assets.</li> <li>- Companies awarded PSCs will be required to sign coparticipation agreements with Petrobras to unitize operations and establish working interests.</li> </ul>
Government and risks	<ul style="list-style-type: none"> <li>- <b>1 January 2019:</b> Far-right populist Jair Bolsonaro was sworn in as president.</li> <li>- Continuation of liberal policies in presalt is expected.</li> <li>- Investors face bureaucratic obstruction related to environmental regulations.</li> <li>- Deteriorating relations between oil unions and the government will likely lead to conflicts, delaying certain Petrobras asset sales.</li> <li>- <b>6 June 2019:</b> The Brazil Supreme Court ruled subsidiaries of the state-run firm can be sold without Congress approval.</li> </ul>

\*Demand driven by CNPC and Sinopec, along with independent refiners across Shandong province.  
 CNOOC = China National Offshore Oil Corporation; CNPC = China National Petroleum Corporation; PSCs = production-sharing contracts. Source: IHS Markit

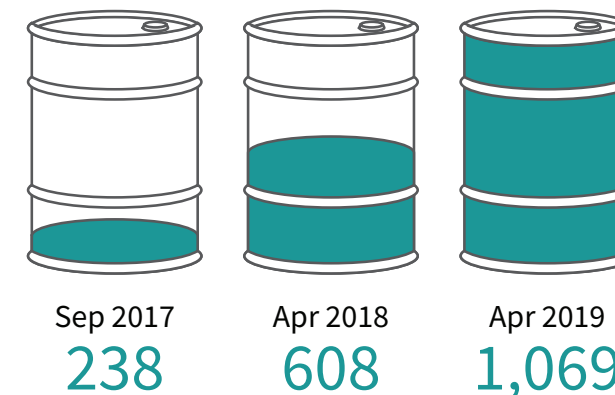
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## Exports to the United States: Quality trend



## Exports to China (thousand b/d)\*



## Production (MMb/d)

