

Brazil Hosts Oil and Gas Conference



Brasilia, September 18 (RHC) -- During the Rio Oil & Gas Expo and Conference, the vice president of Exploration and Production for the French company Total, Ladislav Paszkiewicz, announced that Brazil's biggest oil field, Libra, will cost US\$80 billion to develop.

The French Company belongs to a consortium of four companies, including Royal Dutch Shell, China National Petroleum Corporation and China National Offshore Oil Corporation, which was granted exploration rights over the Libra field, estimated to contain between 8-12 billion barrels of crude oil.

Last October, Pre Sal Petroleo S.A., a Brazilian company responsible for distributing ownership contracts and profit sharing agreements of Libra oil field, auctioned off exploration rights to the multi-company consortium.

The contract agreement requires companies to pay royalties and also deliver 41.65 percent of oil profits to the Brazilian government.

Last year, the Brazilian government passed an oil royalty law, which will allocate 75 percent of oil royalties to the education sector and 25 percent to health.

According to the United States Energy Information Administration, the Brazilian "pre salt" oil reserves were originally discovered in 2007 in the Santos Basin off the coast of Brazil and are believed to contain more than 90 percent of Brazil's total oil reserves and is estimated to generate US\$1 trillion in profits by 2020.



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