OIL, GAS & BIOFUELS

CLIENT ALERT

JUNE / 2019

PETROBRAS ANNOUNCES DIVESTMENTS OF REFINING AND LOGISTICS ASSETS

Following the agreement between Petrobras and the Brazilian antitrust authority (CADE) aimed at reducing Petrobras' dominance and promoting competition on the downstream sector (see our previous client alert on this regard), Petrobras disclosed today teasers with information relevant to the sale of 4 (four) refining units and associated logistics infrastructure in Brazil. According to CADE's recommendations, Petrobras must sell all its interest in eight of these refining clusters across seven different Brazilian states.

Transactions will be carried out through independent competitive processes, which will take place in two phases. The first phase begins today with the disclosure of the opportunities in the following refining clusters (refineries and corresponding logistics assets): RNEST in Pernambuco, RLAM in Bahia, REPAR in Paraná, and REFAP in Rio Grande do Sul.

With respect to each cluster, among other key information, teasers available on the Petrobras website report the following:

	Production units	Integrated logistics		Refining Capacity
RNEST Cluster	1 Refinery	101 km of pipelines	1 terminal	130 kpbd
RLAM Cluster	1 Refinery	669 km of pipelines	4 terminals	333 kpbd
REPAR Cluster	1 Refinery	476 km of pipelines	5 terminals	208 kpbd
REFAP Cluster	1 Refinery	260 km of pipelines	2 terminals	208 kpbd

As disclosed by Petrobras, prospective buyers interested in engaging in the competitive processes shall meet all the eligibility criteria, as set forth in the opportunity teasers. In summary:

PRACTICE AREA
Oil, Gas & Biofuels

For further information, please send a message to news@veirano.com.br

This document was prepared exclusively for informational purposes and does not constitute legal advice or an invitation to an attorney-client relationship. If you have any questions, our lawyers are available for clarification.

It is forbidden to distribute, reproduce or transmit this document, in full or in part, without the prior consent of Veirano Advogados.

© 2019 Veirano Advogados.
All rights reserved.

a) Oil & Gas companies: companies with annual revenues, in 2018, in excess of US$3.0 billion, which own and operate assets in oil & gas production, refining, transportation, logistics, retail, trading or distribution of oil and/or oil products; or

b) Financial investors and others: investor or economic group must have assets under management or control representing at least US$1 billion.

Teasers of the second phase, comprising the REGAP, REMAN, SIX and LUBNOR Clusters, will be released later this year.

It is important to note that Brazil is the 6th largest consumer of refined oil products, the 9th largest crude oil producer worldwide and its refined oil products market is projected to grow above world average in the next years. In addition, all cluster regions contain significant market upsides that can be captured by entrants.

The Oil, Gas & Biofuels team is at your disposal if you have any questions or need additional information.

Ali El Hage Filho
ali.hage@veirano.com.br

Marcos Ludwig
marcos.ludwig@veirano.com.br

Rogério Campos
rogerio.campos@veirano.com.br

André Carvalho
andre.carvalho@veirano.com.br