

## Spain's Repsol-YPF Joins Petrobras to Explore Offshore Oil in Brazil

Contributed by Newsroom  
Tuesday, 06 June 2006

Spain's Repsol-YPF and Petrobras have jointly begun offshore production in Brazil with the country's largest and most sophisticated oil rig.

According to a release from Madrid, the Spanish company joint operation in the Albacora-Leste area makes her the third oil producer in Brazil.

Oil rig P-50 Albacora-Leste, belongs 10% to Repsol-YPF and is located in 1.240 meters deep water, 120 kilometers offshore Rio do Janeiro in the Campos Basin, Brazil's richest proven deposits.

The development of the Albacora-Leste basin has demanded almost US\$ 2 billion and when in full production will be extracting 180.000 barrels per day.

Petrobras has plans for 16 producing wells and 14 injected ones in the area.

The Albacora-Leste basin has 534 million barrels of oil and the equivalent of 32.6 million barrels of natural gas, of which 409 million barrels are proven reserves. Repsol-YPF owns 10% of that total equivalent to 40.9 million barrels.

According to the Spanish company's CEO, Antonio Brufau, the enterprise "is part of Repsol-YPF's strategy to associate with government owned oil corporations that own the hydrocarbons reserves of the country" and in this particular case is "the result of an extraordinary understanding with Brazilian officials and Petrobras".

Brufau added that sharing in such a significant project is in line with company's policy "to geographically diversify hydrocarbons exploration and production".

Repsol-YPF has been in Brazil since 1997 and has become the country's third largest oil producer; second in refining capacity and the only corporation fully integrated from the oil extraction to marketing process together with Petrobras.

The Spanish company currently has exploration and production activities in the maritime basins of Santos, Campos and Espírito Santo.

Refining capacity is 54.000 bpd, with a 30% participation in the refineries of REFAP and Manguinhos, plus 320 gasoline stations. The company also in involved in lubricants, asphalt and the liquid gas market.

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