

## Brazil Says No to Iran Invitation to Join OPEC

Contributed by Newsroom  
Friday, 05 September 2008

The Brazilian government has turned down a formal invitation by Iran for Brazil to join the Organization of Petroleum Exporting Countries (OPEC) it was reported by the official Iranian news agency, IRNA.

"I received the ambassador of Iran, and he invited Brazil to become part of OPEC. It was not a suggestion but a formal invitation," Brazil's Energy Minister Edison Lobão said in a news conference in Brasília, this Wednesday, September 3.

But Lobão said he has told the Iranian envoy Moshen Shaterzadeh in the meeting two weeks ago that Brazil "does not envisage that possibility," right now according to Brazilian media reports.

For Adriano Pires, director of the Brazilian Center of Infra-Structure accepting Iran invitation would not be advantageous for Brazil. "OPEC's member countries," Pires said, "have political regimes and economic development that I don't wish for Brazil," mentioning countries like Venezuela, Angola and Nigeria. He also argued that the OPEC countries have no free markets and oil there is exploited by state monopolies.

"Even if Brazil turns into a large oil producer and exporter in the future I see no advantage in joining such organization." Pires reminded that the OPEP rules only work when oil prices are high. "When prices fall, the members themselves ignore the quotas created by them."

In November 2007 Brazil announced that it had discovered a new oil field 250 kilometers offshore that could contain up to eight billion barrels of oil.

Earlier this year it said that other nearby oilfields could contain another 40 billion barrels of light crude oil in the so called sub salt layer over 5.000 meters below the sea bed.

Brazil's proven oil reserves currently stands at 14 billion barrels but if testing confirm the claims, Brazil will be propelled to the same level as OPEC members Nigeria or even Venezuela.

In related news Energy minister Lobão said Brazil will hold two auctions of onshore oilfields in December. One of them involves 171 blocks in Round 10 on December 18. Brazil's national petroleum agency, known as ANP, will sell another 13 onshore fields as part of the third round of mature fields' auction on December 2.

Brazil's government also decided it won't schedule auctions of offshore oil properties because there is a lack of equipment necessary to expand exploration, Lobão said

"We concentrated (on including blocks) where it is easy to explore" said the minister adding that the government was "careful to avoid including anything offshore" in the auction.

The Brazilian government suspended all auctions of so-called sub-salt offshore blocks in late 2007 and is considering a reform of the regulatory framework for exploration and production in these areas to raise the state's share of revenues from the promising deep-water fields.

The roughly 800 km long by 200 km wide sub-salt band off Brazil's coast extends from Santa Catarina to Espírito Santo states.

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