

INVESTMENT OPPORTUNITIES IN BRAZIL

Portfolio Presentation

Civil Cabinet of the Presidency of the Republic - BRAZIL





SUMMARY

1

NEW PAC

2

BAMIN MINING AND FIOL
RAILWAY CORRIDOR

3

GREEN AGENDA

4

ENERGY

5

OPPORTUNITIES FOR PRIVATE
INVESTMENTS



WHAT IS

“NEW” IN THE PAC?

- ▶ **New fields**
- ▶ **A commitment to ecological transition**
- ▶ **A commitment to Brazil’s new industrialization**
- ▶ **Respectful, republican and democratic dialogue with all state governors and city mayors**
- ▶ **Coordination of sources of financing towards strategic actions**



**Investment in
Infrastructure**

**Institutional
Measures**



NEW PAC

USD 126^{BI}

PRIVATE

USD 76^{BI}

BRAZIL'S GENERAL BUDGET

USD 347^{BI}

TOTAL INVESTMENT

USD 74^{BI}

FINANCING

USD 71^{BI}

STATE-OWNED COMPANIES

9 AXES



**Efficient &
Sustainable
Transportation**

US\$ 72 bi



**Sustainable
& Resilient
Cities**

US 125 bi



Healthcare

US\$ 6 bi



**Energy
Security &
Transition**

US\$ 111 bi



**Education,
Science &
Technology**

US\$ 9 bi



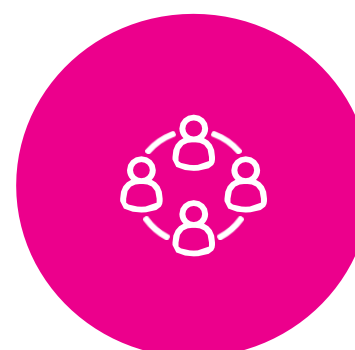
**Água para
Todos**

US\$ 6 bi



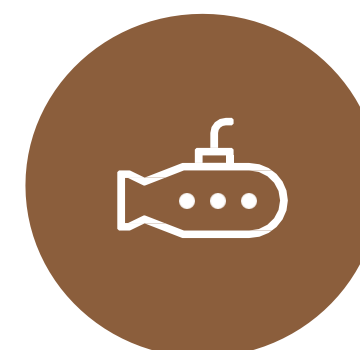
**Digital
Inclusion &
Connectivity**

US\$ 6 bi



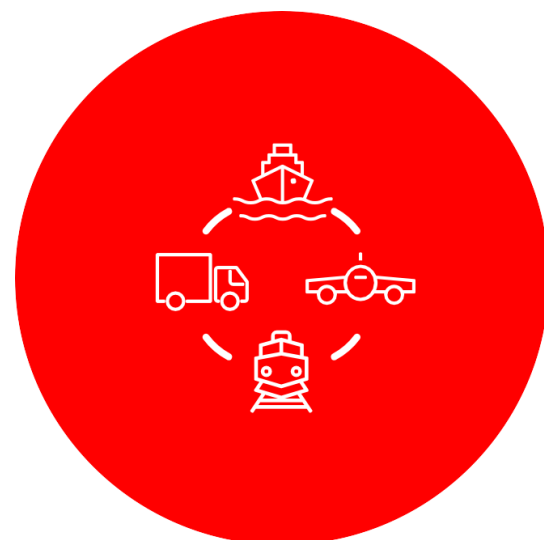
**Inclusive
Social
Infrastructure**

US\$ 0,5 bi

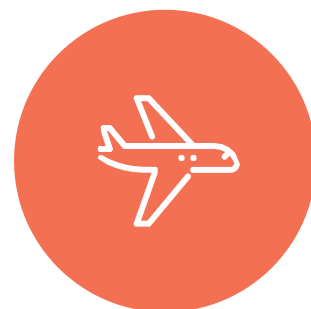


**Innovation for
the Defense
Industry**

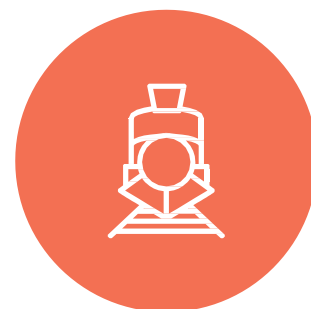
US\$ 11 bi



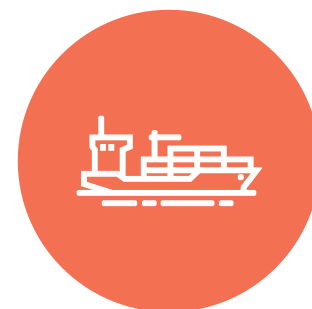
**Efficient &
Sustainable
Transportation**



Airports



Railways



Waterways



Ports



Highways

Investment

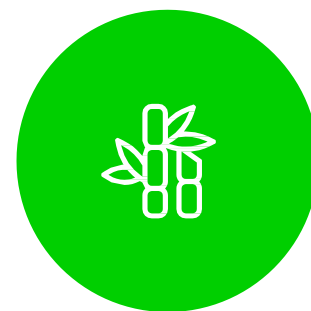
US\$ **72**
Billion

US\$ **45.6** Bi
2023 - 2026

US\$ **26.4** Bi
After 2026



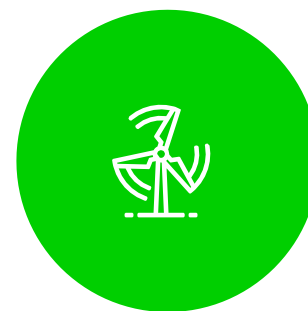
**Energy Security
& Transition**



**Low carbon
fuels**



**Mineral
search**



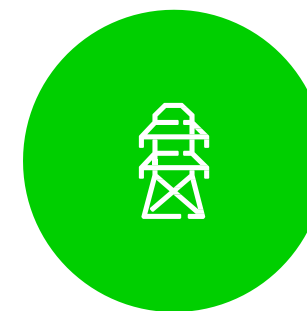
**Power
generation**



**Luz para
Todos**



**Oil and
Gas**



**Power
Transmission**



**Energy
Efficiency**

Investment

US\$ **111**
Billion

US\$ **82** Bi
2023 - 2026

US\$ **29** Bi
After 2026



**Sustainable &
Resilient Cities**



**Solid waste
management**



**Sustainable
Urban
Mobility**



**Disaster
Prevention -
Slope
Containment
and Drainage**



**Periferia Viva
- Favela
Urbanization**



Sanitation



**Minha Casa,
Minha Vida
(housing)**



**Housing
Financing**

Investment

US\$ **125**
Billion

US\$ **114,2** Bi
2023 - 2026

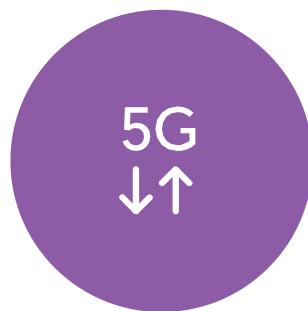
US\$ **10,8** Bi
After 2026



**Digital Inclusion
& Connectivity**



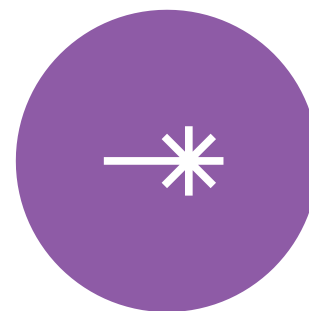
**Connectivity
in schools
and health
units**



**4G
Expansion
and 5G
Deployment**



**Postal
Services**



Infovias



Digital TV

Investment

US\$ **6**
Billion

US\$ **4.4** Bi
2023 - 2026

US\$ **1.6** Bi
After 2026



Água para
Todos



Water
supply



Water for
those who
need it
most



Water
Infrastructure



Revitalization
of Watersheds

Investment

US\$ **6**
Billion

US\$ **5** Bi
2023 - 2026

US\$ **1** Bi
After 2026



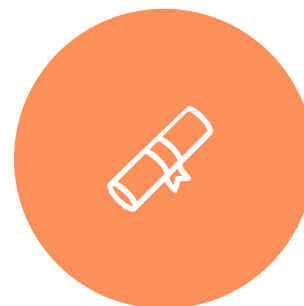
**Education, Science
& Technology**



**Basic
Education**



**Professional
and
Technological
Education**



**College
Education**



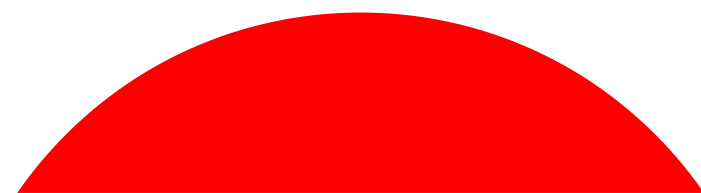
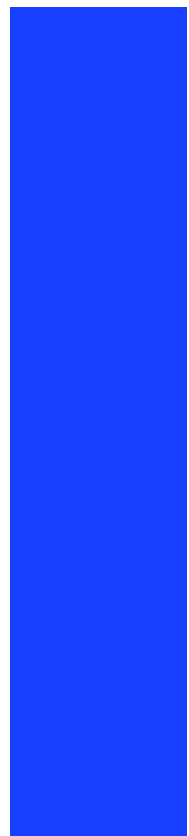
**Innovation
and Research**

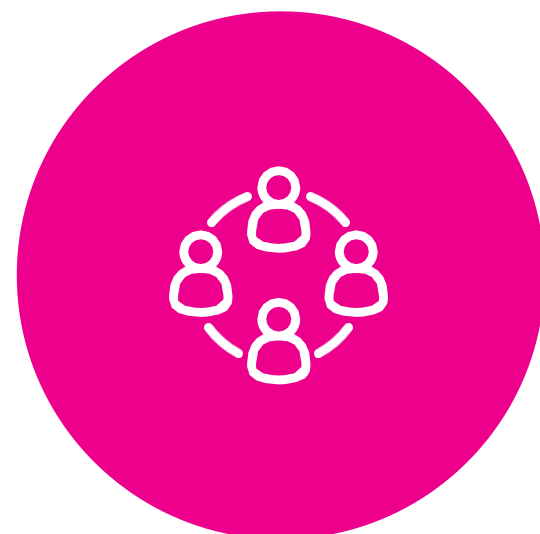
Investment

US\$ **9**
Billion

US\$ **7.3** Bi
2023 - 2026

US\$ **1.7** Bi
After 2026





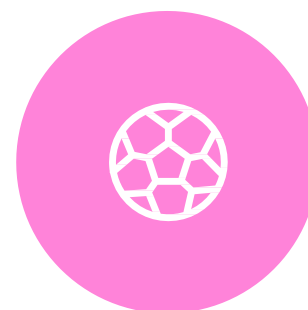
**Inclusive Social
Infrastructure**



Culture



**Public
Security with
Citizenship**



Sports

Investment

US\$ **0,5**
Billion

US\$ **0.4** Bi
2023 - 2026

US\$ **0.1** Bi
After 2026



Healthcare



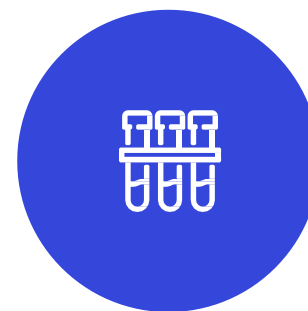
**Primary
Health
Care**



**Specialized
Health Care**



**Health
Emergency
Preparedness**



**Health
Industrial
Complex**



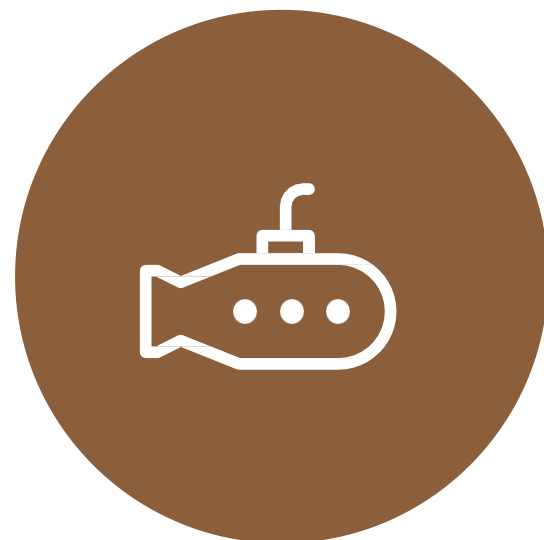
Telehealth

Investment

US\$ **6**
Billion

US\$ **5.8** Bi
2023 - 2026

US\$ **0.2** Bi
After 2026



Innovation for the Defense Industry

Investment

US\$ **11**
Billion

US\$ **5.8** Bi
2023 - 2026

US\$ **5.2** Bi
After 2026

173 Institutional Measures

Improvement of the regulatory & of environmental licensing

Incentives to ecological transition

Expansion of Credit & Economic Incentives

Improvement of Concession Mechanisms

Planning, Management & Public Procurement

- Railways
- FIOL BAMIN Complex
- Highways
- Ports
- Hydroagrucultural Projects
- Subnational Projects





RAILWAYS

Portfolio

Investments

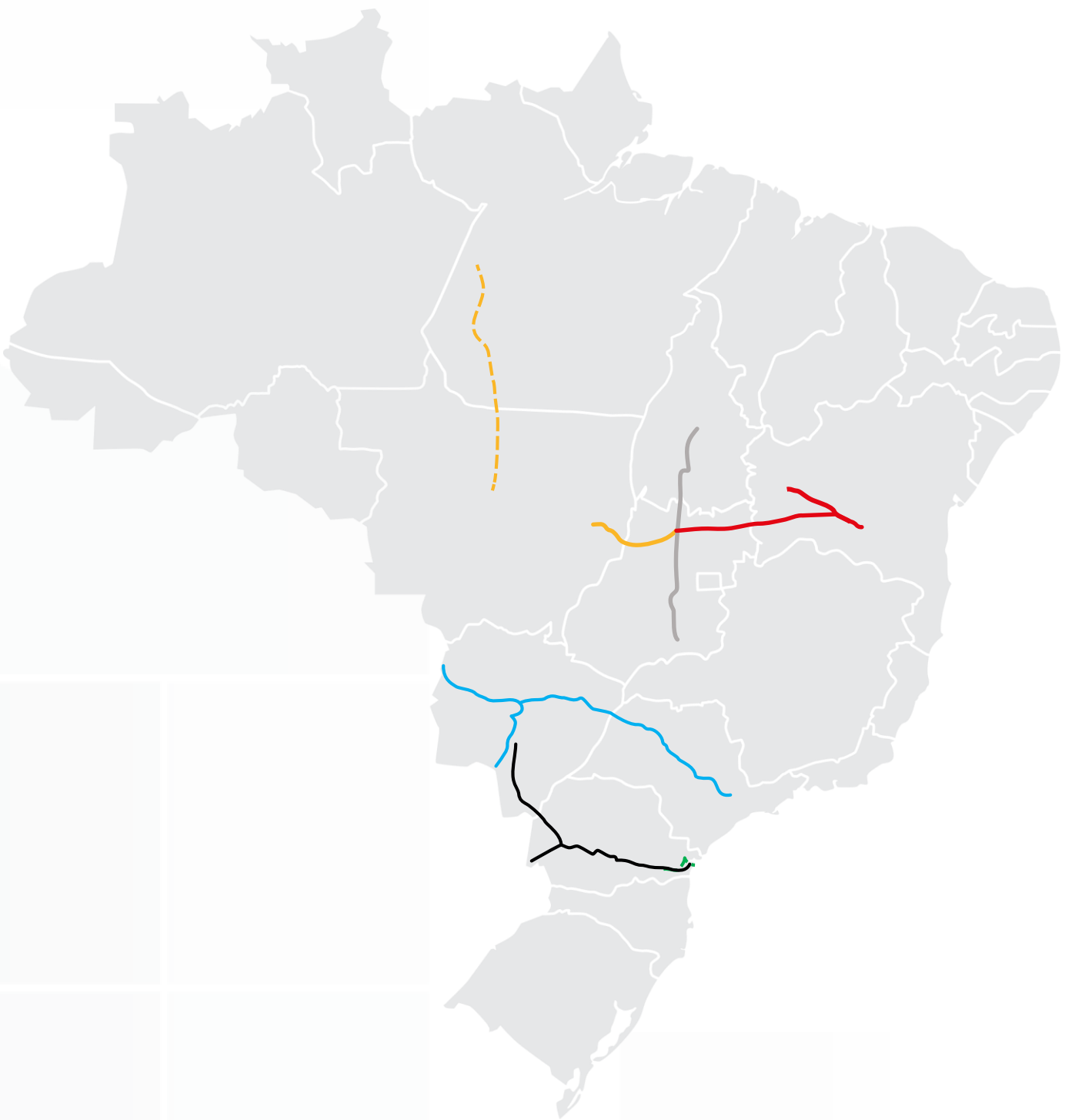
USD 12,76 bi

New – USD 4,32 bi
Renewal – USD 4,82 bi
Concession – USD 2,9 bi
Rebidding – USD 3,12 bi

Total lenght

20.284 km

New – 2.306 km
Renewal – 14.438 km
Concession – 1.567 km
Rebidding – 1.973 km



Malha Oeste

1.973 km
Inv.: tbd

Ferrogrão

Sinop/MT a Miritituba/PA
933 km
Inv.: USD 4,32 bi

FIO 2 e FIO 3

Caetité/BA – Barreiras/BA; 485 km
Barreiras/BA – Figueirópolis/TO; 505 km
Inv.: tbd

FICO (Nova)

Mara Rosa/GO a Água Boa/MT
383 km
Inv.: TBD

Ferroeste

1.567 km
Inv.: USD 2,9 bi

OPPORTUNITY OVERVIEW

POTENTIAL ACQUISITION OF BAHIA MINERAÇÃO (“BAMIN”) INTEGRATED IRON ORE PROJECT IN BAHIA

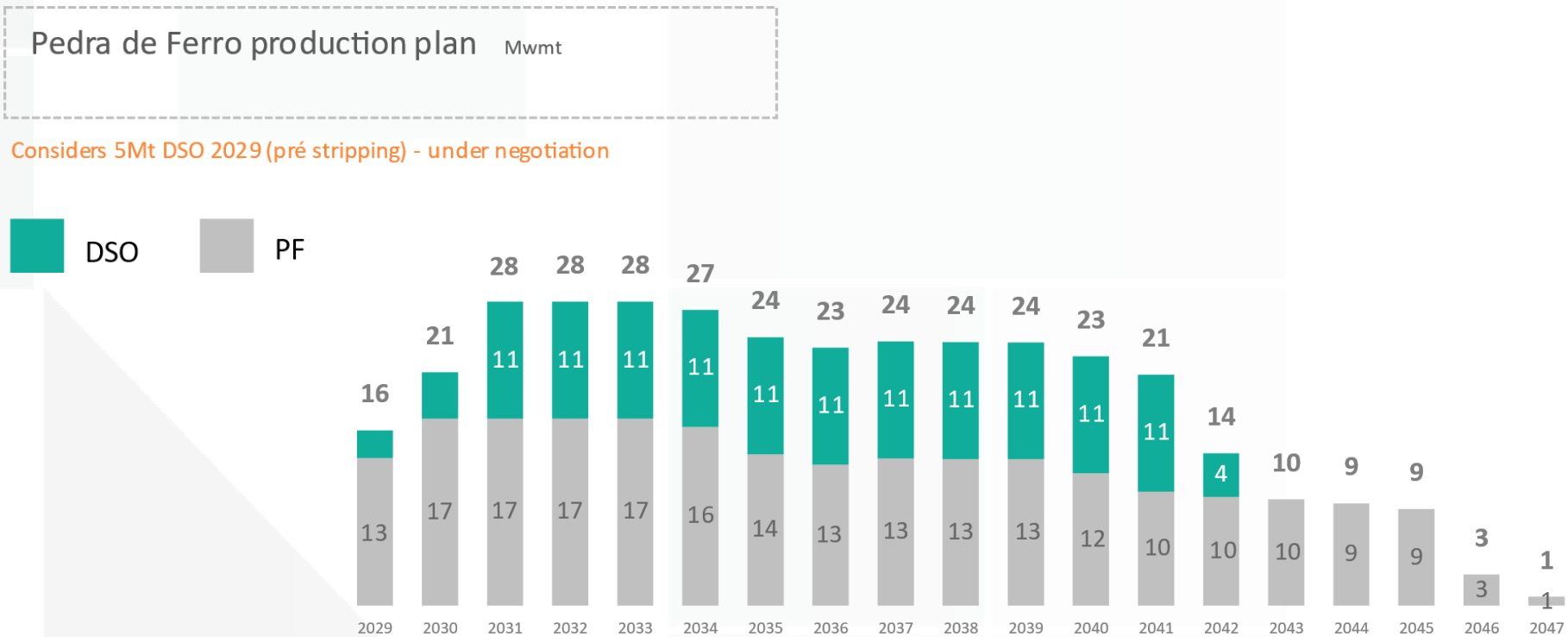


PEDRA DE FERRO/PDF BAMIN

- Total Resources **931Mt @ 40% Fe**
- Production of **15Mtpy PF** and **11Mtpy DSO** high grade (LOM = 18 years)
- Product split **DR / BF**
- **Water main** with 147km (São Francisco River x Plant)
- **FIOL railroad – 35-year** federal concession with **60Mtpy** capacity in advanced stage of construction (50-60% built)
- **Porto Sul (TUP) greenfield with LI** - licensing by Government of Bahia: cap. **28Mtpy** for large cape ships (220k dwt) and expandable to 40Mtpy

CORRIDOR FULL POTENTIAL

PDF MINE HAS A 20 YEARS PRODUCTION PROFILE, WHICH COULD BE EXPANDED BY EXPLORING OTHER MINERAL RIGHTS CLOSE TO FIOL - ILHEUS NEW LOGISTICS CORRIDOR



- Large-scale, high-quality asset - 26 Mtpy (dry basics):
 - DSO (sinter feed) 64,5% Fe
 - Pellet feed 67% to 68,5% Fe - high DR feed potential
- Integrated logistics; railway concession (FIOL 1) granted for 35-years and private port for 28 Mtpy (wet basics)
- Potential acquisition of a fully licensed, integrated mining-railway-port project in Brazil
- Enabling the development of other iron ore deposits in Bahia and North Minas Gerais

FICO I AND II ; FIOL 2 AND 3

(FICO-FIOL CORRIDOR)

OBJECT:

- Study of the future concession of the Corridor formed by FICO I and II and FIOL 2 and 3, with a length of 2,654 km. All lines are 1.60m gauge.
- Section of FIOL 1, between Ilhéus and Caetité, already awarded to Bahia Mineração.
- The stretch from Mara Rosa to Água Boa is being built by Vale, as part of the concession to extend the EFVM.
- The feasibility studies are being carried out by INFRA S.A. and IFC.
- Demand of 48.6 million tons in 2050.



FERROGRÃO



PROJECT

Section: from Sinop/MT to Miritituba/PA (933 km)

Concession period: 69 years, extension is prohibited

Auction Criterion: Highest concession fee

Gauge: 1,60 m

Train-type: 3 locomotives and 160 wagons

SOCIAL ASPECTS

The railroad route does not overlap with Indigenous Lands or Quilombola communities

The nearest indigenous lands are located at a distance of 4 km (Praia do Mangue) and 7 km (Praia do Índio), in Itaituba

The railway's reference layout **does not cross any Conservation Unit**

Reduction of USD 3.84 billion in freight costs compared to the highway mode

FINANCIAL

CAPEX: USD 4,32 bi

CAPEX Implementation: USD 1,68 bi

CAPEX: USD 2,64 bi

OPEX: USD 9,8 bi

Demand: 33,54 mi TU (2030);
40,6 mi (2050)

Soybean and corn tariff: USD 16.28 / net tons

(Sinop-Miritituba)

Total Revenue: USD 35.36 billion

Year 10 revenue USD 400 million

WACC: 11.04% per year (in real terms and net of tax)

Ebitda margin after ramp up: 59% (year 2037)

NEW HIGHWAYS CONCESSIONS

EXPECTED INVESTMENT

UPCOMING
AUCTIONS
2023

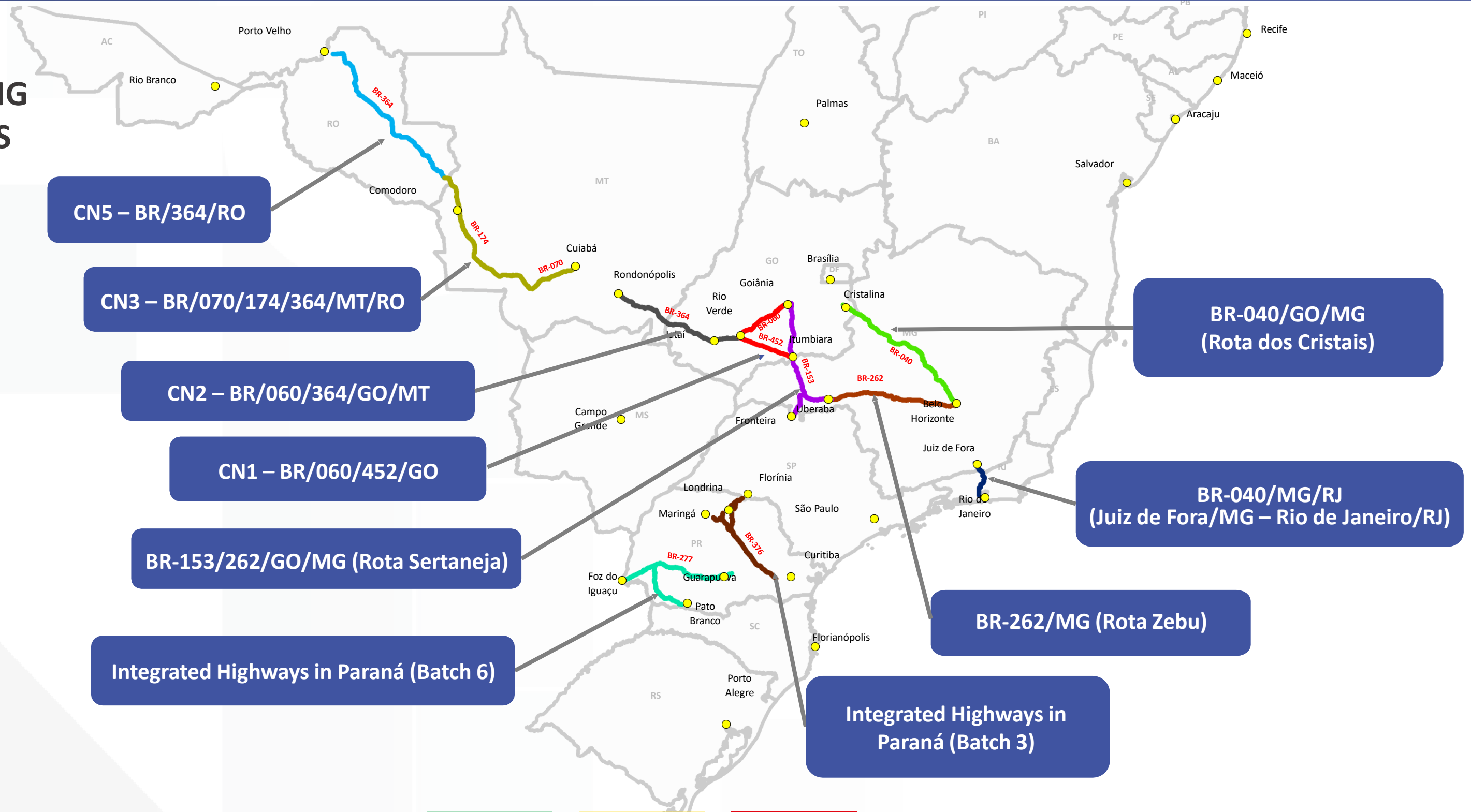


BR-040/MG
(Belo Horizonte - Juiz de Fora)
Auction expected by February/23

NEW HIGHWAYS CONCESSIONS

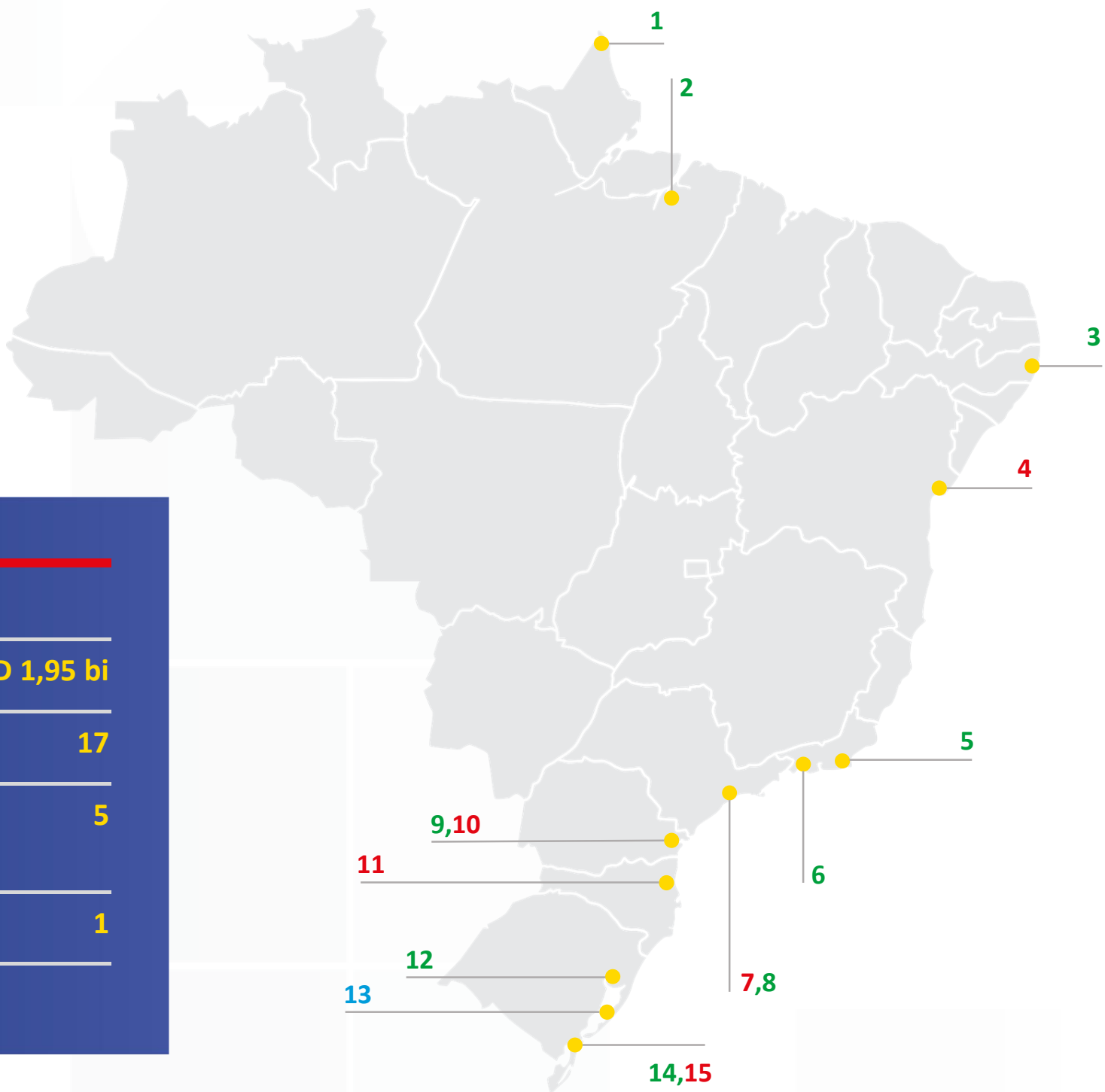
EXPECTED INVESTMENT

UPCOMING
AUCTIONS
2024





PORTS – PPI



Portfolio in progress

Investments	USD 1,95 bi
■ Port Leasing 2023/2024	17
■ Partial Concession of Port Authority Services	5
■ Waterway	1

1. PORT OF SANTANA/AP (2)

Solid Vegetable Bulk

2. Vila do Conde/PA (3)

Solid Vegetable, Mineral and Liquid Bulk

3. PORT OF RECIFE/PE (4)

Solid Vegetable, Mineral and Liquid Bulk

4. SALVADOR, ARATU E ILHÉUS/BA

Partial concession of port services

5. RIO DE JANEIRO/RJ (1)

Lubricants (base oil)

6. ITAGUAÍ/RJ (1)

Solid Mineral Bulk

7. PORT OF SANTOS/SP

Partial concession of port services

8. SANTOS/SP (1)

General Cargo

9. PARANAGUÁ/PR (1)

Solid Vegetable Bulk

10. PARANAGUÁ/PR (1)

Concession of the port's waterway access channel

11. PORT of ITAJAÍ/SC

Concession of the port's waterway access channel and container terminal operation

12. PORTO ALEGRE/RS (2)

Solid Vegetable and Mineral Bulk

13. Waterway LAGOA MIRIM e CANAL SÃO GONÇALO/RS (1)

Brazil-Uruguay waterway connection

14. PORT OF RIO GRANDE/RS (2)

Solid Mineral Bulk and General Cargo

15. PORT OF RIO GRANDE/RS (1)

Concession of the port's waterway access channel

PORT LEASING 2023

VDC04 – PORT OF VILA DO CONDE (PA)

- Brownfield Terminal
- Cargo: Solid Mineral Bulk
- Area: 30,570 m²
- Type: Simplified
- Term: 10 Years
- CAPEX: USD 1,88 Million
- **Expected auction date 2023**

POA11 – PORT OF PORTO ALEGRE (RS)

- Brownfield Terminals
- Cargo: Solid Vegetable and Mineral Bulk
- Area: 3,380 m²
- Type: Simplified
- Term: 10 Years
- CAPEX: USD 1 Million
- **Expected auction date 2023**

RIG71 – PORT OF RIO GRANDE (RS)

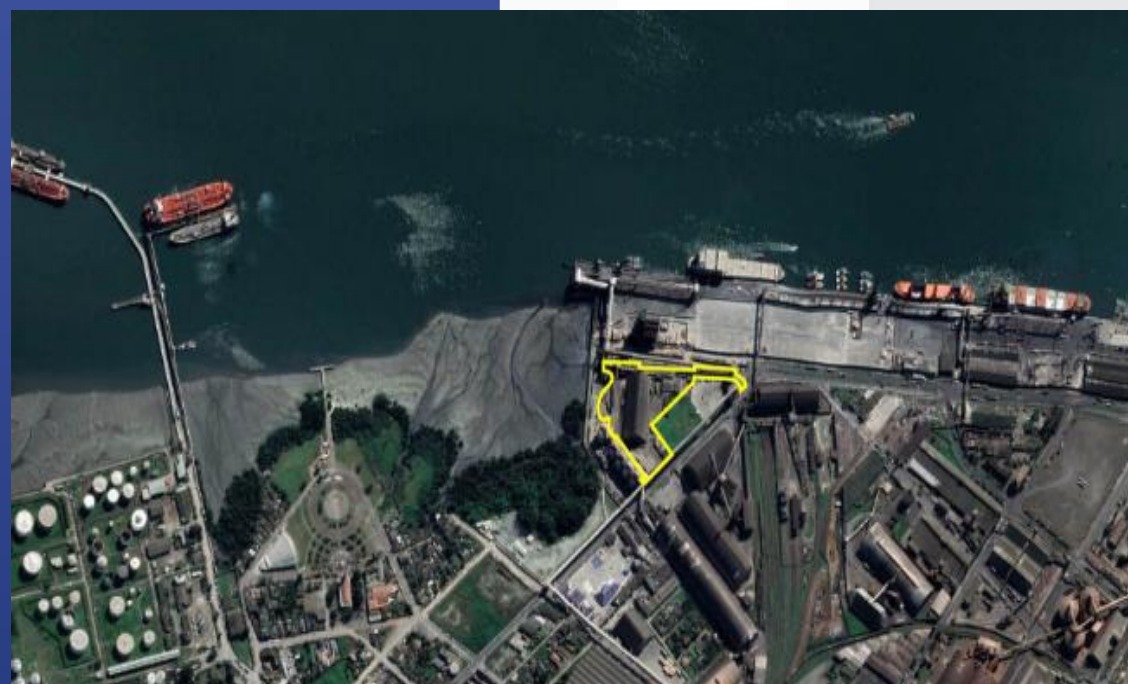
- Brownfield Terminal
- Cargo: Solid Mineral Bulk
- Area: 11,140 m²
- Type: Simplified
- Term: 10 Years
- CAPEX: USD 5,38 million
- **Expected auction date 2023**

PAR09 – PORT OF PARANAGUÁ (PR)

- Brownfield Terminals
- Cargo: Solid Vegetable Bulk
- Area: 26,576 m²
- Type: Ordinary
- Term: 35 Years
- CAPEX: USD 182,12 million
- **Expected auction date 13/12/2023**

POA02 – PORT OF PORTO ALEGRE (RS)

- Brownfield Terminals
- Cargo: Solid Bulk
- Area: 21,150 m²
- Type: Simplified
- Term: 10 years
- CAPEX: USD 3,2 Million
- **Expected auction date 2023**



PORT LEASING 2024

MCP03 – PORT OF SANTANA (AP)

- Brownfield Terminal
- Cargo: Solid Vegetable Bulk
- Area: 4,945 m²
- Type: Ordinary
- Term: 25 years
- CAPEX: USD 17,78 million
- Auction scheduled for 2024

VC29 – PORT OF VILA DO CONDE (PA)

- Greenfield Terminal
- Cargo: Solid Vegetable Bulk
- Area: 56,850 m²
- Type: Ordinary
- Term: 25 years
- CAPEX: USD 143,2 Million
- Auction scheduled for 2024

RDJ06 – PORT OF RIO DE JANEIRO (RJ)

- Brownfield Terminal
- Cargo: Lubricants (base oil)
- Area: 13,560 m²
- Type: Simplified
- Term: 10 years
- CAPEX: USD 4,42 million
- Auction scheduled for 2024

MCP01 – PORT OF SANTANA (AP)

- Brownfield Terminal
- Cargo: Solid Vegetable Bulk
- Area: 30,456 m²
- Type: Ordinary
- Term: 25 years
- CAPEX: USD 12,16 million
- Auction scheduled for 2024

VDC10 – PORT OF VILA DO CONDE (PA)

- Brownfield Terminals
- Cargo: Solid and Liquid Bulk
- Area: 98,795 m²
- Type: Ordinary
- Term: 35 years
- CAPEX: USD 226 mi
- Auction scheduled for 2024

RIG10 – PORT OF RIO GRANDE (RS)

- Brownfield Terminals
- Cargo: General Cargo
- Area: 8,670 m²
- Type: Simplified
- Term: 10 years
- CAPEX: USD 2,48 Million
- Auction scheduled for 2024

PARTIAL CONCESSION OF PORT SERVICES

MAIN PARTIAL CONCESSION PROJECTS IN THE PORT SECTOR

PARANAGUÁ ACCESS CHANNEL(PR)

- Concession of the waterway access channel to the Port of Paranaguá, for the administration and operation of the infrastructure
- Project in the Public Consultation phase from 09/10/2023 to 22/11/2023
- Term: 25 years
- CAPEX: USD 214 million
- OPEX: USD 470 million
- Fixed monthly contribution: R\$ 632.26k
- Auction: Lowest tariff + highest award (maximum discount of 18.95%)
- Auction expected to: 2024

PORTS OF SALVADOR, ARATU AND ILHÉUS (BA), PORT OF SANTOS AND ACCESS CHANNEL OF THE PORT OF RIO GRANDE (RS)

- In studies to define the model.

PORT OF ITAJAÍ (SC)

- Concession of the waterway access channel to the Port of Itajaí, together with the operation of the container terminal
- Term: 35 years
- CAPEX: USD 542 Million
- Annual fixed contribution: USD 6,716 million (from the 6th year)
- Variable contribution: USD 10,67 per TEU handled (from the 6th year)
- Minimum initial contribution: USD 44,42 million
- Auction: Highest award
- Auction expected to: 2024

PISF

PROJECT TO INTEGRATE THE SÃO FRANCISCO RIVER WITH THE HYDROGRAPHIC BASINS OF THE NORTHERN NORTHEAST



ASSET

Studies to model a partnership for the operation and maintenance of the raw water supply infrastructure, with a view to water security in the beneficiary states.

STUDIES

Operation and maintenance of 477 km of canals; 9 pumping stations; 27 reservoirs on the axes; 4 tunnels; 14 aqueducts; 33 delivery portals linking 24 strategic reservoirs

Model: Joint or sponsored concession (under study)

Structurer: BNDES together with MDR, ANA, SPPI and SDI/ME

Public Authority: Federal Government

Linning Ministry: Ministry of Regional Development – MDR

Regulator: ANA

Regulation: Mechanism defined in the concession contract

Brownfield project

CAPEX investments made: USD 2,4 billion

Expected investments CAPEX:

USD 360 million

Expected investments OPEX:

USD 100 million/year

Contract term: 35 years

Competition criteria: to be defined

Public Guarantees: Infrastructure Guarantee Fund - FGIE and FPE States

Status: completion of phase 1 of the studies in February 2021

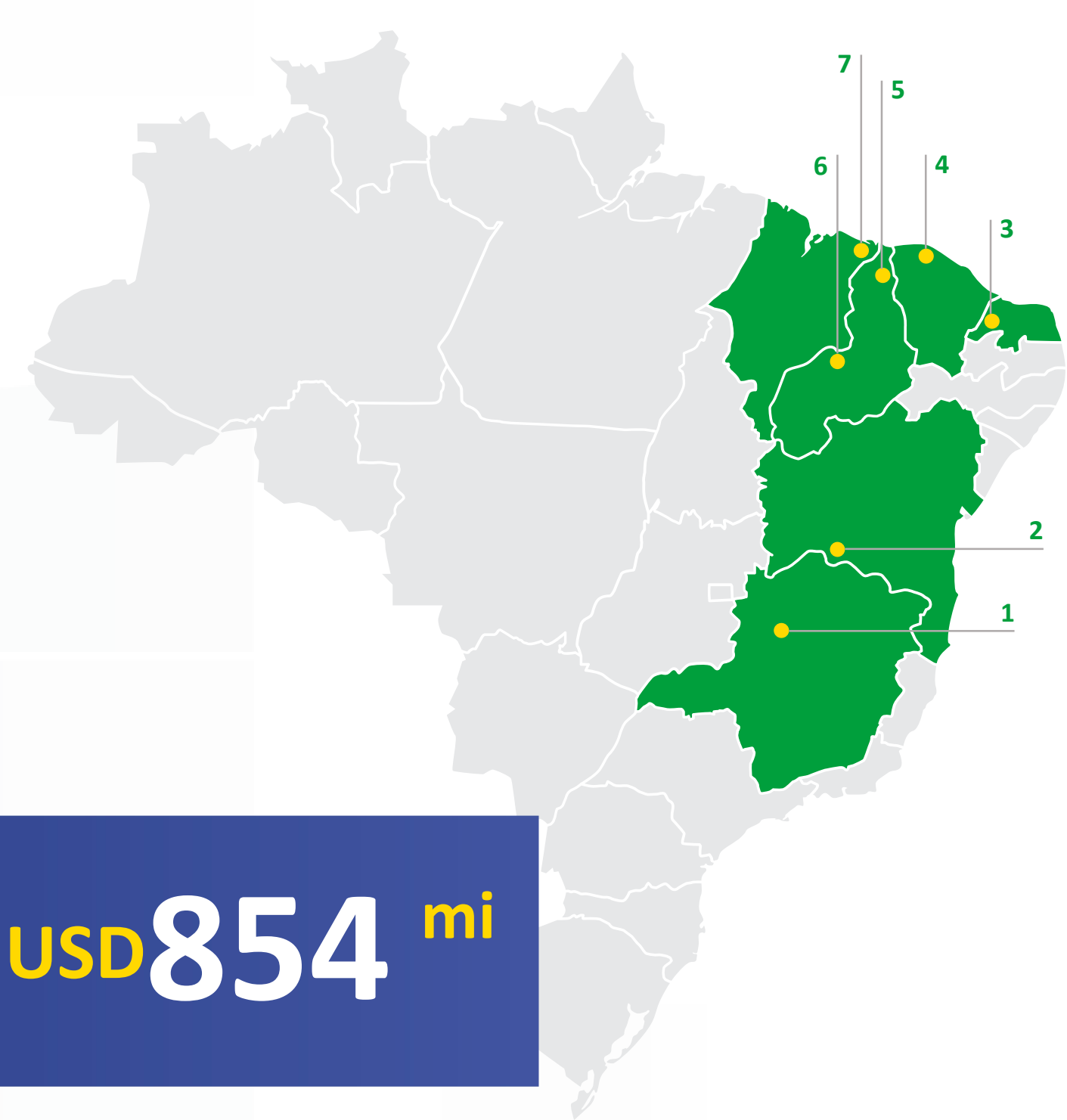


HYDRO-AGRICULTURAL PROJECTS AND IRRIGATION PERIMETERS

PROJECTS	AUCTION	CAPEX (USD K)
Chapada do Apodi/RN	2024	74,800
Baixio Acaraú/CE	2024	18,600
Tabuleiros Litorâneos/PI	2024	34,000
Platôs de Guadalupe/PI	2024	51,200
Tabuleiros de São Bernardo/MA	2024	25,200
Vale do Iuiú/BA	2025	350,000

TOTAL (6)

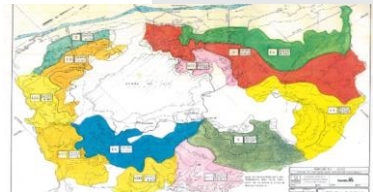
USD854 mi



1. Vale do Jequitaí (MG)



2. Vale do Iuiú (BA)



3. Chapada do Apodi (RN)



4. Baixo Acaraú (CE)



5. Tabuleiros Litorâneos (PI)



6. Platôs de Guadalupe (PI)



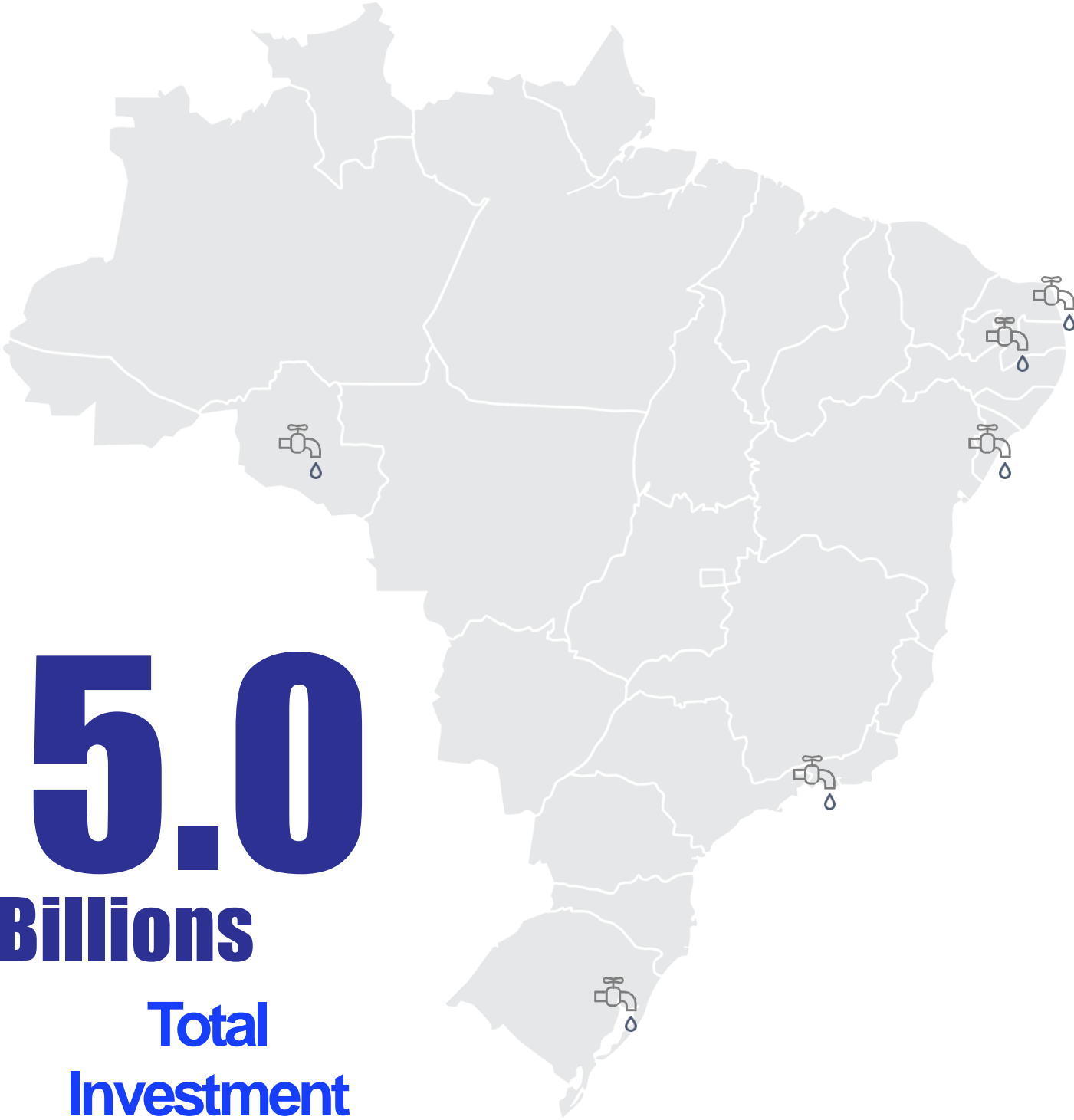
7. Tabuleiros de São Bernardo (MA)





SANITATION AUCTIONS

MUNICIPAL CONSORTIA



Sanitary Sewage - Volta Redonda/RJ

Auction Expected for Investment **2º quarter 25**
US\$ 65,7 mi

Basic Sanitation - Porto Alegre/RS

Auction Expected for Investment **2º quarter 25**
US\$ 1,1 bi

Basic Sanitation – Sergipe State

Auction Expected for Investment **1º quarter 24**
US\$ 1,3 bi

Basic Sanitation - São Gonçalo do Amarante/RN

Auction Expected for Investment **2º quarter 25**
US\$ 24,6 mi

Basic Sanitation – Paraíba State

Auction Expected for Investment **3º quarter 24**
US\$ 1,2 bi

Basic Sanitation – Rondônia State

Auction Expected for Investment **2º quarter 24**
US\$ 1,4 bi

GREEN AGENDA

- Conversion of Degraded Pastures
- Land Recuperation
- Parks and Forests





INVESTMENT OPPORTUNITY

FUNDING FOR SUSTAINABLE LAND CONVERSION

OPPORTUNITY

US\$ 120 billion (US\$ 12 billion py)
Recuperation of 40 million ha
Average cost per ha: US\$ 3,000.00



IMPACTS

To double the Brazilian food
production in 10 years
Forest Preservation and CO2
emissions reduction
Job creation and food security

BNDES (through 30 financial agents) and Banco do Brasil capacity of
lending for recuperation projects of Brazilian food producers

Financial Conditions necessary for the success of the Program:

Long Term Loan (3 years of grace period and 12 years for payment)
Competitive Interest Rate adjusted for the environmental and social positive impact

NATIONAL STRATEGY FOR THE CONVERSION OF DEGRADED PASTURES



Technological
Transfer to the
Field



Operation and
Proximity to the
Producer



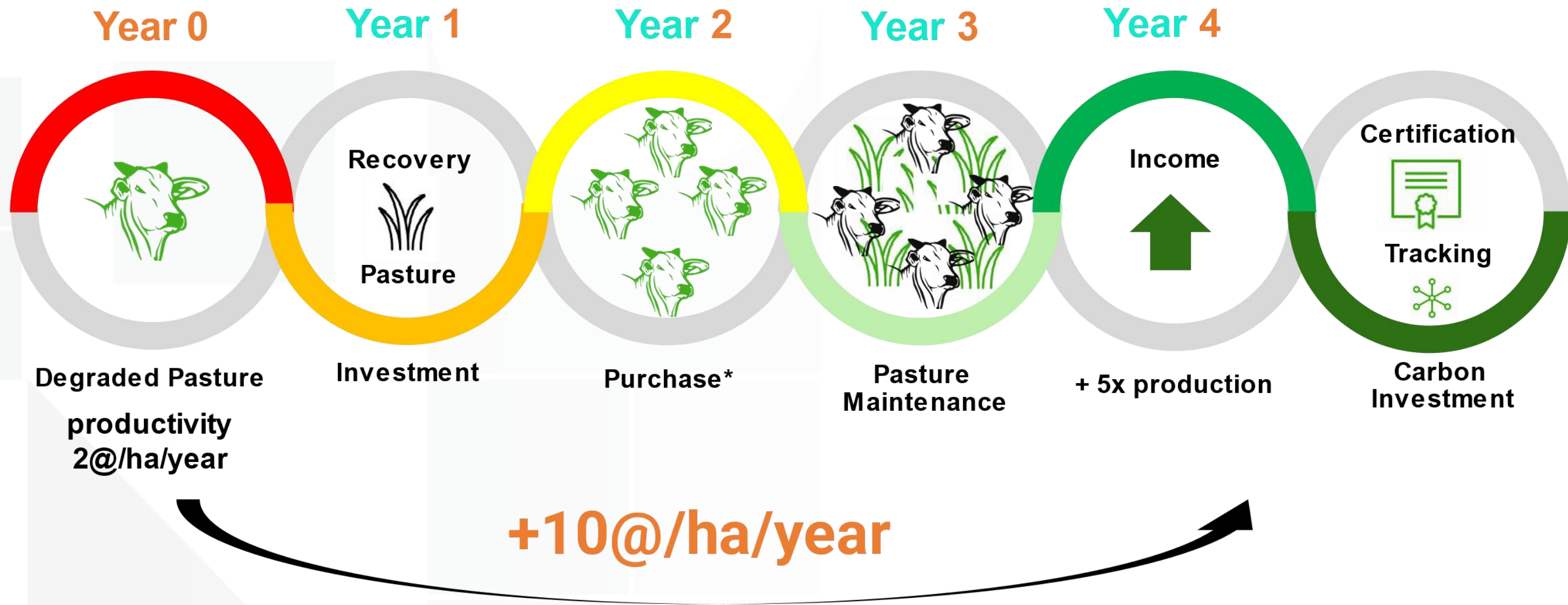
Resource operator
agent

- Strategy of the government of Brazil led by the Ministry of Agriculture and Livestock
- Operated by public companies
- Double Brazilian production
- 80% small and medium producers
- 40 million hectares recovered – 4 million/year
- Usd 12 billion/year
- Correction of soil, machinery and equipment, environmental adjustments and costing.

INVESTMENT PROJECT

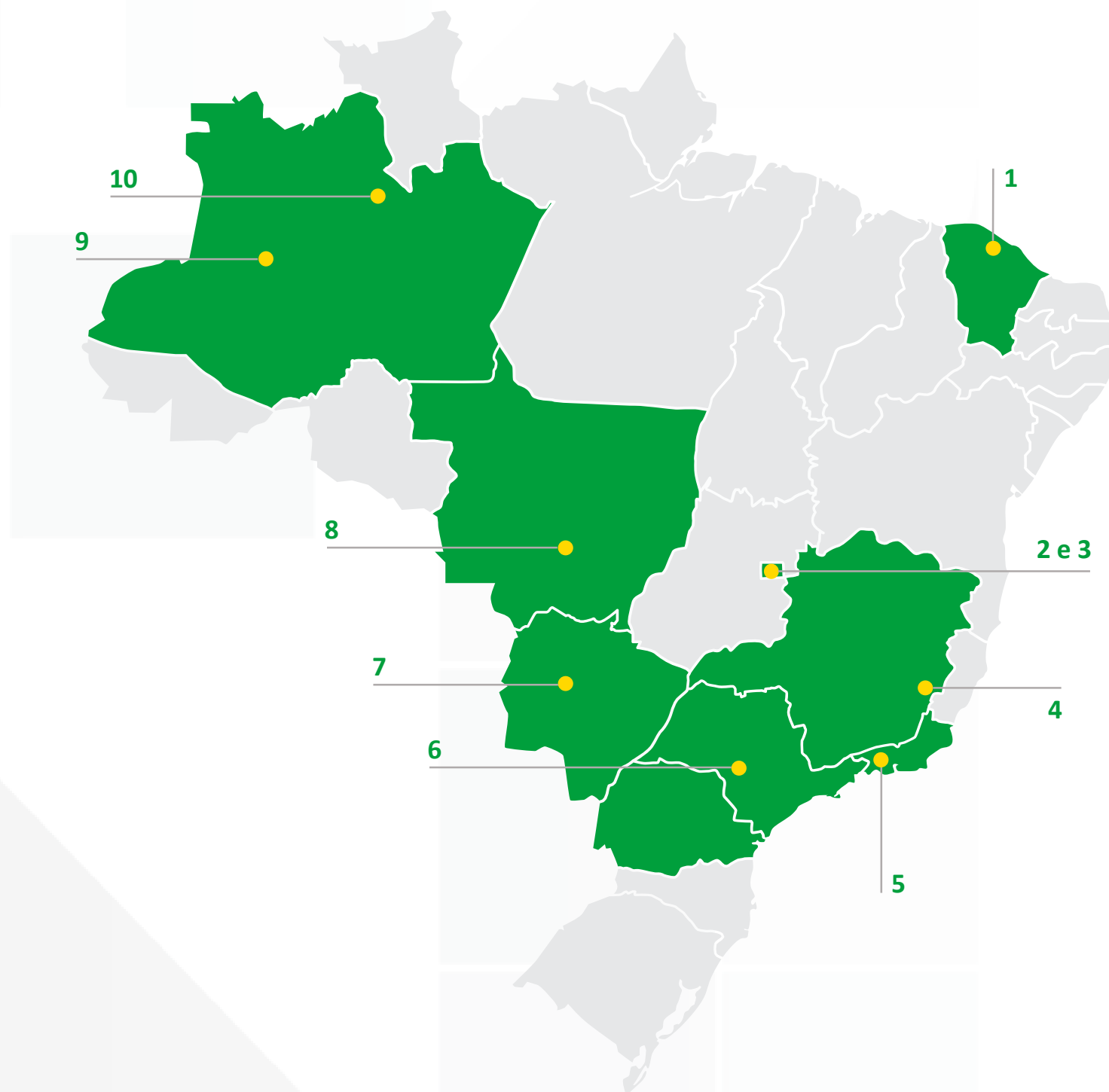
US\$ 120^{BI} / 10 YEARS

BUSINESS MODELS – PASTURE RECOVERY



*Including pasture maintenance and livestock acquisition (20% pasture and agriculture)

NATIONAL FORESTS AND PARKS



1. National Park of Jericoacoara (CE)

2 e 3. National Park and Forest of Brasília (DF)

4. National Park of Caparaó (MG/ES)

5. National Park of Serra dos Órgãos (RJ)

6. Ipanema Forest (SP)

7. National Park of Serra da Bodoquena (MS)

8. National Park of Chapada dos Guimarães (MT)

9. National Park of Anavilhanas (AM)

10. National Park of Jaú (AM)

ENERGY

- Energy
- Oil
- Mining



2º TRANSMISSION AUCTION, 2023

EVENTS	DATA
Public Consultation	March 17- May 02 /2023
Approval of draft public notice to be file with TCU	May/30/2023
ANEEL Auction 2/2023 Workshop	Oct/06/2023
Approval of the public notice after TCU analysis	Nov/07/2023
Publication of the Public Notice and Bidding Notice	Nov/11/2023
Public Auction Session, at B3 headquarters in SP	Dec/15/2023
Concession Contracts	Mar/29/2024

*Condition in the Public Notice not to bid for Lot 2 if Lot 1 is left without a bidder. There is no impediment for Lot 3;



Investments of R\$21,7 billion; 37,000 direct and indirect jobs;



- Divided into 3 lots (9 projects);
- 5 new transmission lines (and 02 sections);
 - 1 new substation and 1 new yard;
 - 6 synchronous compensation devices (-300/+300)Mvar.



4471 km of new transmission lines and sections;



Conversion 9840MW: 5,000 MW (Graça Aranha) +4,840MW (Silvânia)



Construction time: terms between 60 and 72 months;



In 5 states: GO, MA, MG, SP and TO

1º TRANSMISSION AUCTION, 2024

EVENTS	DATA
Public Consultation	Sept 01 – Oct 23/2023
Approval of draft public notice to be file with TCU	Nov/07/2023
ANEEL Auction 1/2024 Workshop	Jan/26/2024
Approval of the public notice after TCU analysis	Feb/20/2024
Publication of the Public Notice and Bidding Notice	Feb/22/2024
Public Auction Session, at B3 headquarters in SP	March/28/2024
Concession Contracts	Jun/28/2024



Investments in the order of USD 4,1 billion; An estimated 41,000 direct and indirect jobs;



Preliminarily divided into 15 lots (69 transmission facilities)

- 40 new transmission lines (and 13 sections)
- 12 new substations and 2 new yards;
- 2 synchronous compensation devices (-200/+300) Mvar.



6475 km of new transmission lines and sections;



9200MW in transformation capacity;



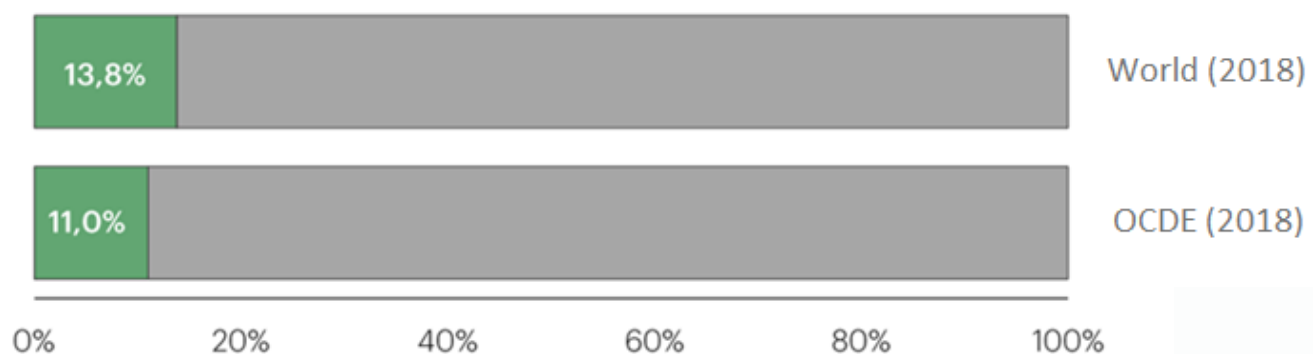
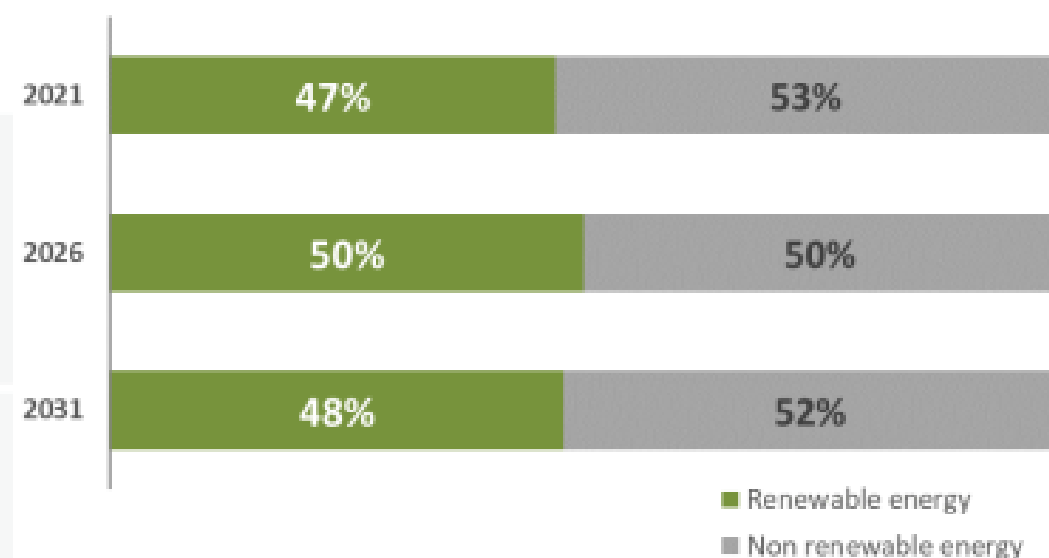
Construction times: terms between 42 and 72 months;



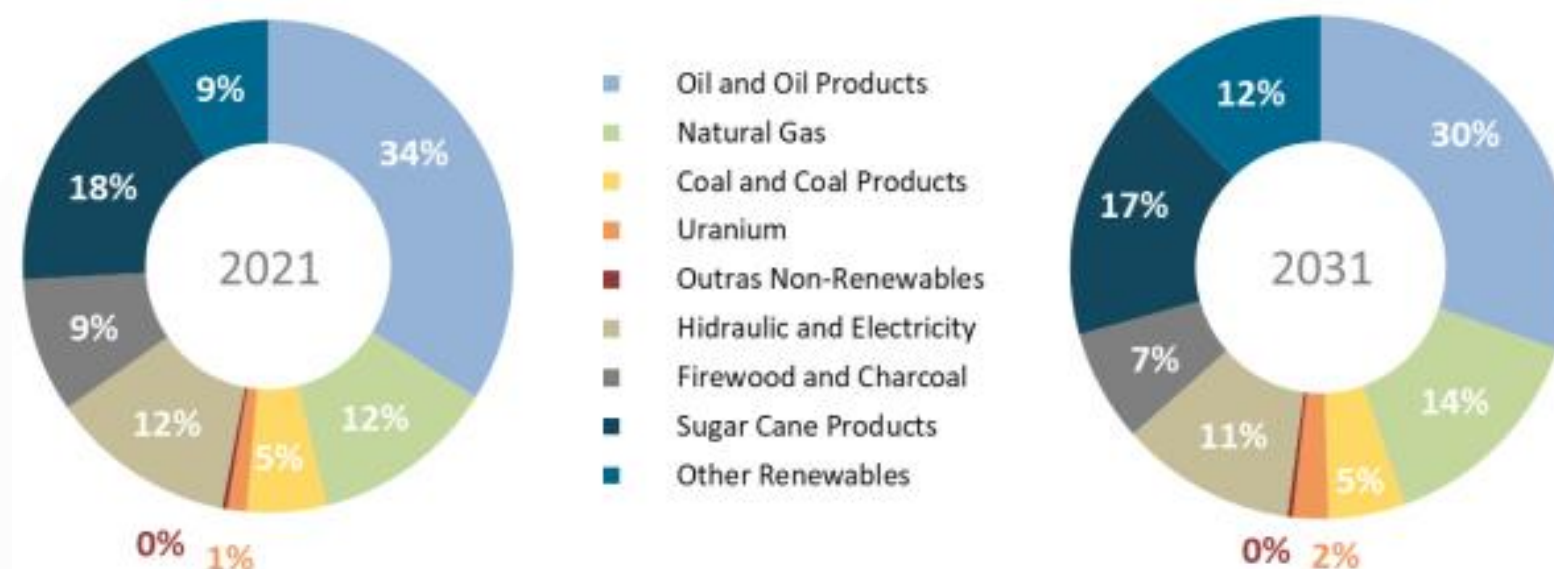
In 14 states: AL, BA, CE, MA, MG, MS, PB, PE, PI, RJ, RN, SC, SP and TO.

BRAZILIAN ENERGY MATRIX

Brazilian energy matrix: renewable and non-renewable energy

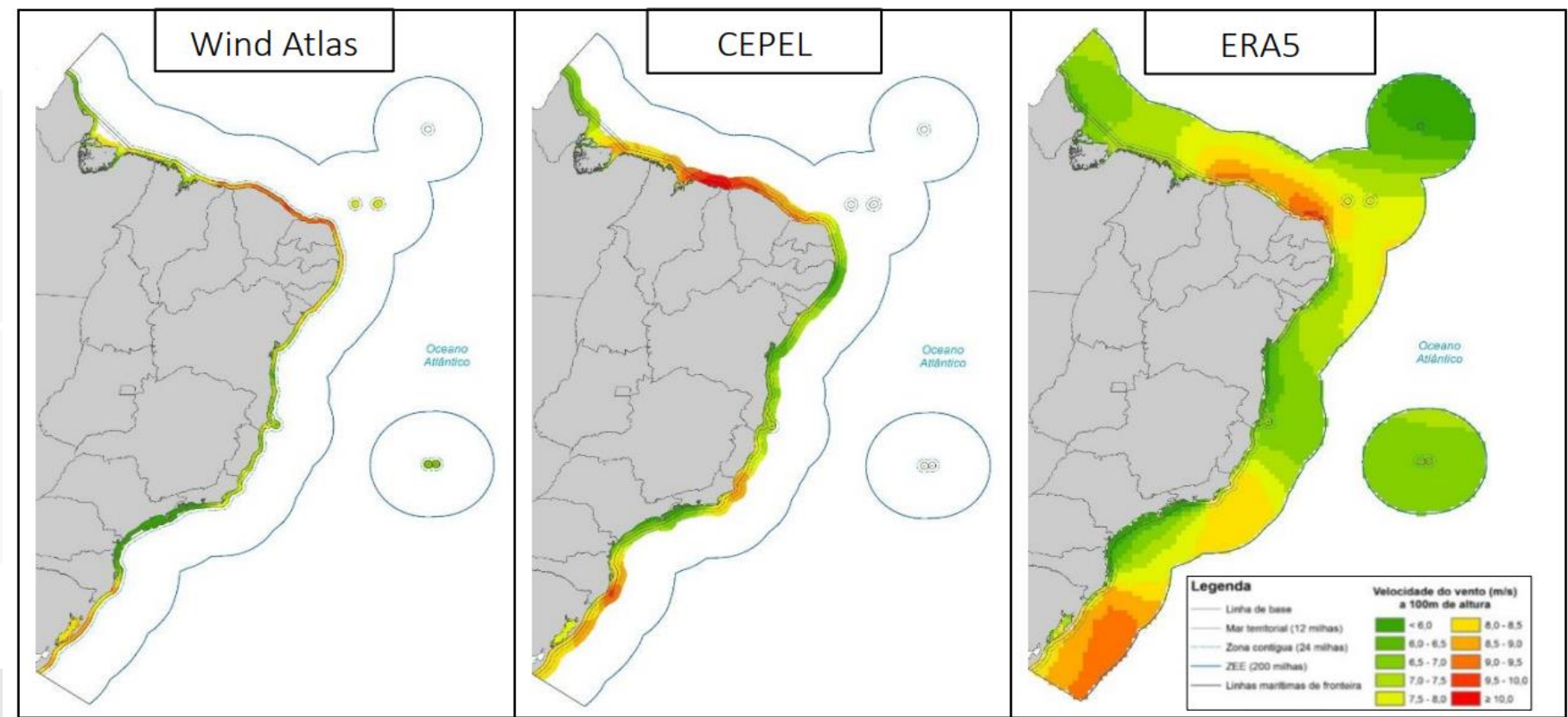


Evolution of the composition of the internal energy supply by source



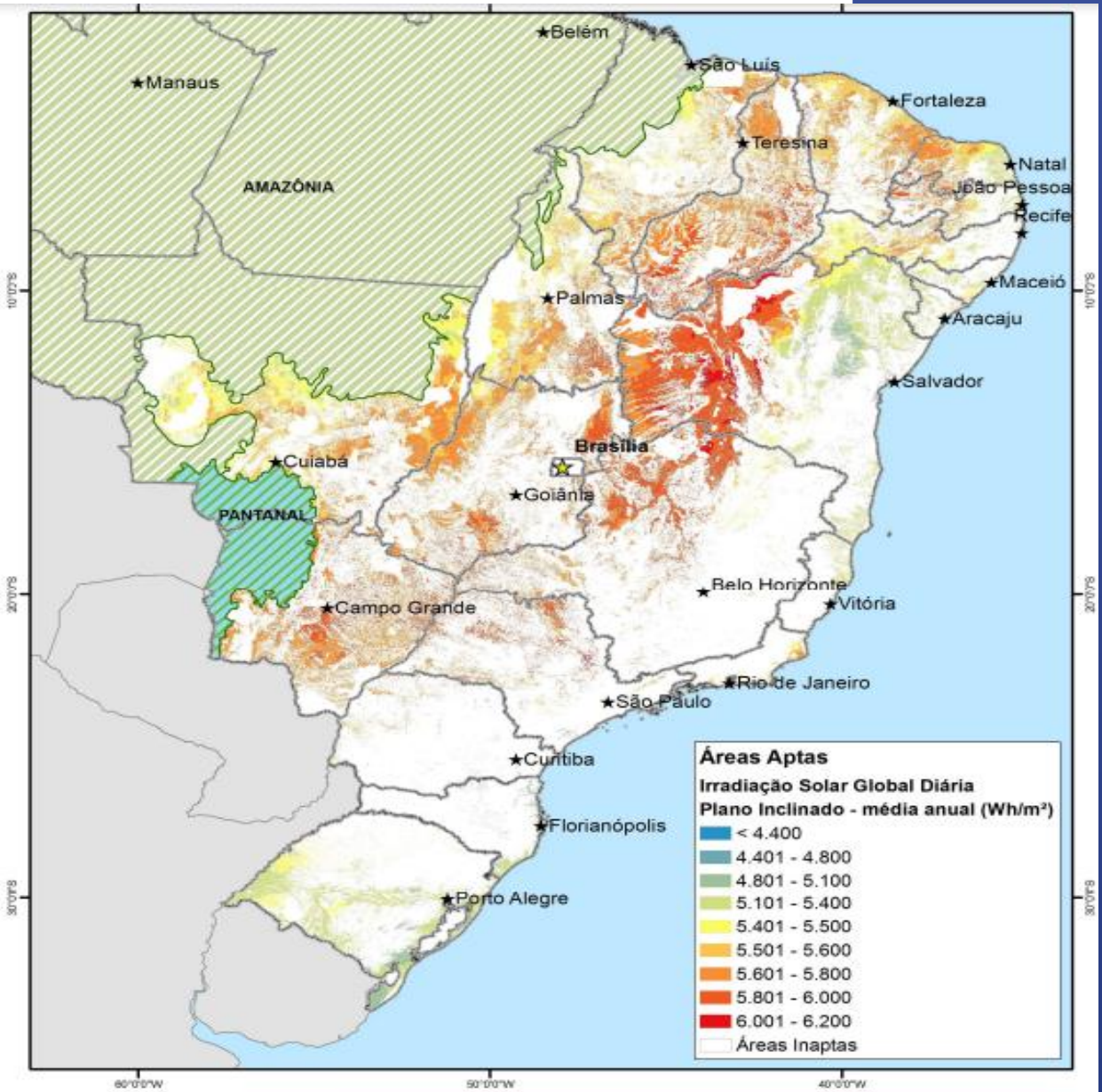
POTENTIAL IN WIND AND SOLAR PHOTOVOLTAIC ENERGY

Brazilian wind potential



“.. with an estimated potential of **1,780 GW** for the Exclusive Economic Zone (EEZ) (EPE, 2018)” (page 9)

Brazilian photovoltaic potential



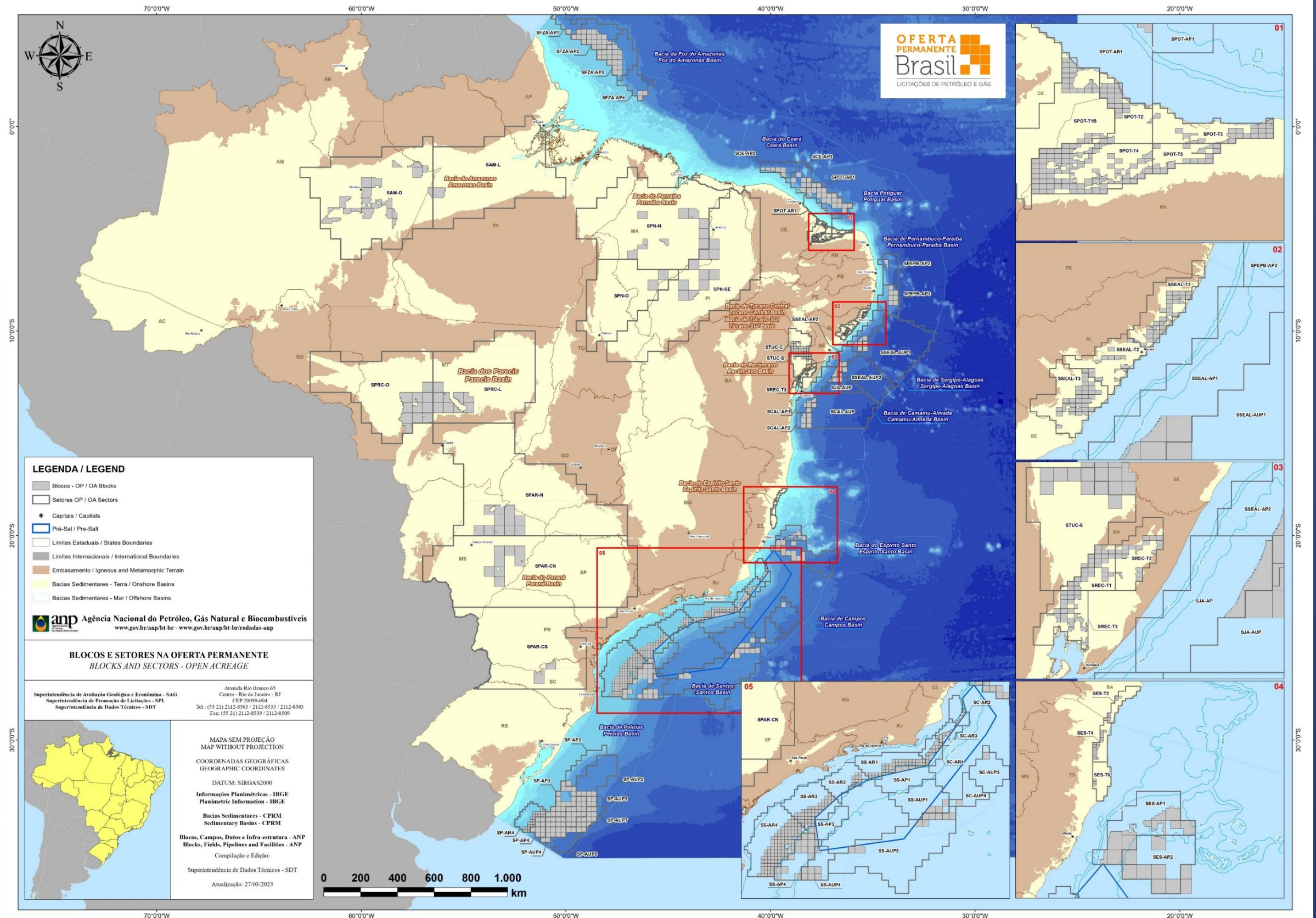
“.. Considering only the best available areas with radiation greater than 6 kWh/m2.day, it would be possible to install **307 GWp**” (page 108)

* Plano Nacional de Expansão de Energia 2050 / Empresa de Pesquisa Energética. – Rio de Janeiro : EPE, 2023. The Nacional Energy Expansion Plan / Empresa de Pesquisa Energética – Rio de Janeiro: EPE, 2023.

OPEN ACREAGE

2023

- Simplified qualification;
- Extension of the cycle from 90 to 120 days;
- Offer of **955 exploration blocks**, including 87 blocks left over from the 17th Round and block PRC-T-54, block ES-T-399 (from the 3rd Cycle);
- Offer of the area with marginal accumulations of Japiim.



EXPLORATION AND PRODUCTION OF OIL AND NATURAL GAS



O&G AND BIOFUELS



TEN YEARS
INVESTMENT
FORECAST
O&G ON T&P

**US\$ 451.4
BILLION**



**MANAGEMENT
GUIDELINES**



INNOVATION



SUSTAINABILITY



GOVERNANCE



ENERGY
SECURITY



around
**7% OF THE
BRAZILIAN GDP**



**9th largest crude
oil producer and
8 th largest crude
oil exporter**

(we will be the 4th largest
producer and exporter in
2031)



Sustainable Production:

- Less than 10 kgCO₂e/boe is the carbon intensity in the pre-salt
- 14 kgCO₂e/boe is the offshore average in Brazil
- Compared to OGCI average – 19 kgCO₂e/boe

OPPORTUNITIES

1

SEDIMENTARY AREA: 7.5 million km²
less than 5% contracted

2

**OPEN ACREAGE OIL AND
GAS BID ROUNDS:**

Open acreage allows the market
to decide the hottest areas and
when to apply

3

OPEN ACREAGE CONCESSION:

- Onshore and Offshore areas
- Opportunities:
 - High potential basins:
Campos, Santos
 - Mature basins:
Reconcavo, Potiguar
 - Frontier basins:
Equatorial Margin, Pelotas,
Amazon Region
- 1096 areas available
for the market
- Tender protocol available for
the market after march 2023

4

**OFERTA PERMANENTE DA PARTILHA
DA PRODUÇÃO:**

- Oportunidades:
Áreas do pré-sal (Offshore)
- 6 Blocos disponíveis para o mercado
- As empresas já podem se candidatar
às áreas sessão pública de ofertas:
13/12/2023

HIGHLIGHTS

- Oil reserves 2022:
14.8 billion bbl
(12,2% increase)
- Projected Oil Production for 2023:
3.4 million bbl/d
(~97,6% offshore)
- Projected Gas Production for 2023:
152,26 MMm³/d
(~83,2% offshore)
- Oil production forecast 2031:
5.2 million bbl/d
(4th oil producer)
- Oil export june/2023:
1.5 million bbl/d
- **269 fields in production**
(jun/2023)
- **81 companies**, from
20 different countries,
acting in Brazilian E&P



NATURAL GAS AND OIL PRODUCTS

NATURAL GAS IS FUNDAMENTAL FOR
ENERGY AND FOOD SECURITY



TEN YEARS
INVESTMENT
FORECAST

Energy, Infrastructure & Logistics

**US\$ 10.4
BILLION**

**US\$ 3.6
BILLION**



O&G AND BIOFUELS



HIGHLIGHTS

NATURAL GAS



- Domestic transmission pipeline network of **9,409 km total length**
- **5 LNG regasification terminals** 99 MMm³/d
- **187 citygates**
- **16 processing plants:** 116 MMm³/d
- **33 compression stations**
- **New gas pipelines** will be operational in the upcoming years:
 - **Rota 3** gathering pipeline in 2024, with 18 MMm³/day
 - **Itaborai-Guapimirim** transport pipeline in 2024 18 MMm³/day
 - **SEAL Basin** and the **BM-C-33 block** (pre-salt of the Campos Basin)

OIL PRODUCTS



- **9th largest oil producer in the world**
- **National consumption** of 143 MMm³ of fuels, including 63 MMm³ of diesel (B10, in 2022) and 43 MMm³ of gasoline (E27, in 2022)
- **4th global automotive fuel market**, behind USA, China and India
- **78% of vehicles fleet** powered by flex engines
- **Oil products imports** represents 28% of diesel, 26% of LPG and 12% of gasoline sales
- **20 oil refineries installed** and **120k authorized agents** by ANP, including **40k gas stations**
- fuel demand is already **above pre-pandemic levels**

MANAGEMENT GUIDELINES



INNOVATION



SUSTAINABILITY



GOVERNANCE



ENERGY
SECURITY

REASONS TO INVEST IN BRAZIL'S DOWNSTREAM INDUSTRY

1

Brazil is the **4th largest** consumer Of fuels in the world

2

Brazil still depends on **importing oil products** to attend domestic demand

3

Logistics' investment estimates demonstrate that it will be needed **about usd 24 billion** by 2035 to improve transportation, expand existing infrastructure, eliminate bottlenecks and develop new projects

4

Brazil has several programs to attract **investments in sustainability projects**, which bring incentives for O&G operators to invest in R&D of low carbon fuels

5

Arising commitments to ESG principles in the brazilian private sector

6

The brazilian **vehicles' fleet will increase** from 40 to 52 million cars from 2022 to 2030

7

Trucks were responsible for more than **60% of cargo** handling in recent decades, **reaching 70% in 2021**, fostered by the continuous growth of agricultural production

8

Brazil's fuel matrix includes **diesel oil, gasoline, lpg, natural gas, ethanol, biodiesel & biomethane**, representing a range of opportunities in various sectors

9

Pre-salt, onshore and other natural gas deposits **will increase production** from 138 MMm³/d to 323 MMm³/d by 2032

10

Brazil already has a **sizeable share of renewables** (hydro, wind and solar) in its energy mix, fueling demand for natural gas energy plants to secure supply resilience considering seasonal and climatic oscillations

11

There is also demand for **investments in gas pipelines** to supply industries and fertilizer production plants

REASONS TO INVEST IN THE BRAZILIAN MINING INDUSTRY

FUNDAMENTAL FOR FOOD SAFETY
AND GLOBAL ENERGY TRANSITION



COMMITMENTS & AGENDA

- Strengthening sector regulations
- Advancing geological knowledge
- Encouraging mineral processing and transformation
- Prioritizing critical minerals and food security
- Ensuring safe, sustainable, and socially responsible mining practices



THE VITAL ROLE OF THE BRAZILIAN MINERAL SECTOR:

- Brazil boasts a diverse range of mineral resources, with **over 80 substances produced**.
- **More than 9,000 active mining projects** are currently underway.
- There are **114 large-scale operations**, each producing over **1 million ROM tons of ore annually**.
- **Top 5 world's producer:** bauxite (4th), graphite (2nd), iron ore (2nd), lithium (5th), magnesite (2nd), niobium (1st), tantalum (2nd), tin (5th) and vanadium (4th).
- **The country holds substantial reserves of key minerals, including :** bauxite, gold, gypsum, iron ore, lithium, magnesite, manganese, nickel, rare earths, tantalum, and tin.



around
**3% OF THE
BRAZILIAN GDP**
(extractive and
processing industries)



It supports
2.5 MILLION
direct and
indirect jobs.



investment forecast
2023–2027:
US\$ 50 BILLION

HIGHLIGHTS

1

GEOLOGICAL
DIVERSITY



2

HIGH MINERAL
PRODUCTION



3

STRONG POTENTIAL
FOR NEW RESERVES



4

LEGAL
AND
REGULATORY
CERTAINTY



5

ROBUST
INFRASTRUCTURE
AND
EFFICIENT
LOGISTICS



6

COMMITMENT TO
ESG PRINCIPLES



OPPORTUNITIES FOR PRIVATE INVESTMENT



- Buying green bonds
- FDI in clean energy projects
- FDI in powershoring and de-risking
- FDI for investing in local public procurement
- Financing carbon credit projects
- Land conversion projects
- Public private partnerships for preservation areas
- International payment for environmental services

HOW TO INVEST IN BRAZIL

DEBENTURES

- Withholding tax exemption in the remittance of interest payments for Project Bonds;
- New type of debenture, now setting the issuer as the recipient for tax incentives, aiming to attract institutional investors.

AUCTIONS

- Asset auctions can cover a wide range of sectors, such as energy, infrastructure, real estate and public concessions. To enter this market, investors can monitor auctions held by different government agencies.
- Federal government's [Investment Partnership Program](#) act as a bridge between public and private sector.

CAPITAL MARKETS

- [B3](#) is the largest stock exchange in Latin America, with market cap of 930 billion dollars.
- 92 IPOs between 2017 and 2023.

FUNDS AND PRIVATE EQUITY

- BNDESPAR – Brazilian Development Bank subsidiary (BNDESPAR) can support investment funds (seed, private and venture capital)
- Specific Funds: Donation to Amazônia Fund(REDD+), shares acquisition from FDIRS (Project Preparation and Project Guarantees) and FEP (Project Preparation)
- Brazilian venture capital funds are also extremely competitive and [Apex-Brasil](#), in cooperation with the Brazilian [Association of Venture Capital and Private Equity](#) (ABVCAP), contributes to promoting the attraction of capital for these funds, through rounds, forums and other specific events.

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