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CNPE defines signature bonus and minimum government profit oil share for the areas to be offered in the Mega Bid Round of Transfer of Rights Surpluses

On 18 April 2019, the Brazilian National Energy Policy Council (CNPE) published [Resolution nº 06/2019](#) defining the following signature bonus and the minimum government profit oil share for the areas to be offered in the Mega Bid Round of Transfer of Rights Surpluses:

Area	Signature Bonus	Min. Government Share
Búzios	R\$68,194,000,000.00	23,25%
Sépia	R\$22,859,000,000.00	27,65%
Atapu	R\$13,742,000,000.00	25,11%
Itapu	R\$1,766,000,000.00	19,82%

Local content terms

Following the most recent bid rounds, the local content requirements for Búzios, Sépia and Itapu during development phase were kept in (i) 25% for wells construction and FPSOs and (ii) 40% for production collection and offload system. For Atapu, the local content requirements will be the same defined for the adjacent area of “Oeste de Atapu” as such two areas are likely to be unitized.

Recoverability of compensation due to Petrobras for past investment

As per the guidelines established in CNPE Resolution n. 02/2019, the amounts to be paid by the winning bidders in connection with the compensation due to Petrobras for past investments and deferment of production will be recoverable as cost oil under the PSC.

Next Steps

Considering that the bid round is currently scheduled to be held on 28 October 2018, the preliminary tender protocol, the draft of PSC and Co-participation Agreement are expected to be released in early June. We point out that such schedule may be affected by: (i) the approval of the revision of the Transfer of Rights Contract by the board of directors of Petrobras and TCU; and (ii) the political debate over the sharing of the signature bonuses among federal, state and local governmental authorities.

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