
Petrobras brings new oil wealth on stream in Brazil

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Reuters reported that Petrobras has lifted the first sub salt oil from the massive, ultra deep, offshore Tupi field, an action Brazil's government hopes will launch a new era for Latin America's largest economy.

It may be noted that Petrobras shocked the oil world in November 2007 when it said the field contained up to 8 billion barrels of recoverable light oil and gas, which would make it the second biggest oil find in 20 years.

The Tupi will not be the first sub salt oil produced off Brazil, but it will set the tone for development of the rest of the 200 kilometer wide sub salt band stretching 800 kilometers down the coast. If reserve estimates for the Tupi are confirmed, it would vault Brazil into the world's top 10 oil producing countries. The government plans to use the wealth generated by these resources to transform Brazil into a developed country.

In September, President Mr Luiz Inacio Lula da Silva helicoptered out and dipped his hands in the first sub salt oil produced at Petrobras' Juscelino Kubitschek offshore platform, named after a former president whose term was marked by economic progress and widespread optimism.

The field lies 7,000 meters below the ocean surface, under 2,000 meters of corrosive salt at mind numbing pressures and temperatures, 300 kilometers offshore. Although the government and Petrobras CEO Mr Jose Sergio Gabrielli say the technology and the will exist to profitably produce oil at these extremes, industry specialists are more skeptical.

(Sourced from Reuters)

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