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2014: What to Expect
Petrobras Maintenance
Back on Track

Offshore's Generation 'Y'



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Urca's hull being transported by a Dockwise vessel

Statoil/Fixed Platform

The Norwegian company announced that it intends to install a fixed platform in Pintangola Field for its production development. The field was declared commercially viable earlier in December and it is part of the second stage of the Peregrino development project, which is currently producing over 100,000 boed.

Brasfels/Drillship Urca

The hull of the first pre salt ultra deep water drillship is set to arrive in Brazil by January 2014. The ship will be chartered by Petrobras and Sete Brasil and delivered in Angra dos Reis where the blocks for the upper structure of the ship will be installed. The services of integration, commissioning and testing will all be carried out in Brazil.

Japanese quartet/Carioca FPSO

The companies Modec, Mitsui & Co. Ltd., Mitsui O.S.K. Lines Ltd. (MOL) and Marubeni Corp. will invest in a long term charter business for the purpose of providing a FPSO in the Carioca area and which will be named Cidade de Caraguatatuba. The vessel will be chartered for 20 years and deployed to the BM-S-9 Consortium, comprising Petrobras (45%), BG (30%) and Repsol Sinopec (25%). The unit is scheduled to be installed in Carioca discovery in 3Q of 2016.

OGP/Manifold

OGP, ex-OGX, plans on installing a manifold to extend the production system of Tubarão Martelo field, aiming to overcome the cancellation of fixed WHP-1 platform, commissioned with OSX. The alternative, however, will reduce the number of wells from 15 to 7 from the original field development plan and has yet to pass ANP's approval.



What to Expect in 2014, When you Expected Everything in 2013?

The perfectness of the calendar system is impressive, it gives everyone the chance to reset themselves for a new start every 365 days of their lives, renewing hopes and setting new targets. So here we are: a year has finished and another one just started. What should we expect of the 2014 Brazilian OSV market?

While market gurus are still staring into their crystal balls and scratching their foreheads, we can't avoid looking into the past for future projections, especially in our business. In that sense, 2013 has been a year of expectancy. The market anxiously expected ANP's 11th round, which could and will mean more charterers operating in Brazil. Speculators have been expecting OGX to shut down while bondholders were anxiously waiting for an outcome. Owners around the world have been expecting Petrobras to be back to the contracting pace seen in the last decade, in which a normal year had on average ten to

twelve tenders for different types of offshore support vessels, in an always booming market. The spot market was a good surprise mainly pushed by the number of offshore drilling rigs upon redelivery plus some short term demands from IOCs like Repsol, BP, Karoon, QGOG, Chevron and Anadarko, which had a reasonable level of activity. But that was pretty much it. So what can we say about 2014?

Spot Market (IOCs and Drilling Companies)

This year, a large amount of exploratory activity from the IOCs is not really expected. While Anadarko, Perenco and Starfish Sonangol are working on a divesting process in Brazil, the long awaited blocks awarded during the 11th round will only have any drilling activity in 2016, at the earliest. In terms of new campaigns, we could point out that Karoon is still in the process of fixing a drilling unit (likely a semi-sub) in the second or third quarter of the

year to drill two wells in the Santos Basin for evaluation (Kangaroo 2 and Kangaroo West-1) with some chance of drilling four more wells in the sequence.

Now with Ibama's approval, Total will move on in the first semester with its Xerelete pre-salt exploratory campaign with the rig Norbe VIII for three months firm plus extensions, depending on the first wells results. We can also mention Statoil planning again the drilling Juxia prospect (one well) in Peregrino during the first quarter, only pending the sublet of a moored semi-sub rig that may already come along with one or two AHTSs. HRT, which in late December got the approval from ANP for the acquisition of 60% of participating interest in Polvo field

"A lot is expected from Petrobras in 2014. While in 2012 and 2013, Petrobras could fill gaps and not present new demands, a record number of international vessels hired in 2010 and 2011 will have their contracts expiring in 2014 and 2015."

from BP, is already looking forward to the drilling of one or two wells in the fourth quarter of this year in this region, after structuring its production and settling its support fleet within the next couple months. And OGP is looking forward to expanding its current production in Tubarão Martelo by drilling new wells this year, hopefully by having its restructuring plan approved by the bondholders and the court in late January.

Meanwhile, the drilling campaigns from Shell, Repsol, BP and QGOG which started in 2013 will keep going on, with OSVs already assigned to each one of them. As a reflex of slow exploratory activity in 2014, rigs with contracts that are about to expire and are set to leave the country and will keep generating demands on the

spot market as seen last year. In addition rigs' or vessels' term docking, which cannot always be planned in advance, will hopefully heat up the market and generate some action for vessels available after or in-between contracts.

Petrobras

A lot is expected from Petrobras in 2014. While in 2012 and 2013, Petrobras could fill gaps and not present new demands, a record number of international vessels hired in 2010 and 2011 will have their contracts expiring in 2014 and 2015. PSVs will account for most of this supply with around 76 PSVs contracts expiring during that period, 40 in 2014.



PETROBRAS

This means that if Petrobras wants to keep that number of vessels, they need to reach an agreement with Owners to extend these "old" contracts. As to new demands, Petrobras expect their ongoing national tender for PSV 3000 and PSV 4500 to absorb if not all then most of it as they have been adding new deliveries from the newbuilding rounds and from a PSV international tender carried out in June 2012 where 24 x PSV 3000 were contracted. It can all change very drastically from one day to another, but PSV demand for international vessels is not expected to be significant.

Although on smaller scale, when it comes to AHTS contracts expiring in that period, at least ten large

vessels (AHTS 18000/21000) are expected to be renegotiated for an extension, and probably retendered due to the unwillingness of owners to keep same "old" rates.

In addition to that, there is an open demand for at least 40 large AHTS which Petrobras has failed to secure from its five past newbuilding rounds, due to excessively high price to build them locally. Difficulties in hiring AHTS from the local market have reached the top management and

"In general, we could say that 2014 will be full of expectations which passed over last year."

are a concern for Petrobras. We will also see the conclusion the 6th newbuilding round in the first semester, and the 7th newbuilding round released at the end of year, wrapping up the rounds planned by Petrobras in its long term plans.

Seismic/Environmental

The next couple of years shall be focused on seismic data assessment and interpretation. OSVs to work as chase boats, supply, refuelling and seabed coring will find their place in the requirements. Companies like CGG, C&C, Fugro Marine Geotechnical, SeaSeep, etc, are already going through an intense tendering process from many IOCs aiming to map new regions, mainly in the northeast and north of Brazil, soon.

Most of the seismic/environmental specialized vessels are expected to come from abroad; however some operations in Brazil are expected to be short, which would significantly increase the costs of the projects if not coordinated efficiently and in sequence. Therefore, some of these companies are already considering available vessels in Brazil with the capability of working on DP, having at least 15 extra accommodation, large deck areas, and a crane (A-Frame or regular, mobile or fixed) to safely deploy and retrieve their equipment.

Given the large number of vessels that may become available after long term contracts or are already in the spot market in 2014 (around 4 PSVs and 6 AHTS expected in the first semester), these specialized companies may

have a handful of options. The only question is how much they would be willing to pay and what owners would be willing to accept as the lowest rate, given their frequent tight budgets after the contracts are closed.

Contractors (Subsea Companies)

When it comes to Contractors, Saipem has a big project ongoing in Cabiúnas, and tenders for two large PSVs, one Observation RSV and one vessel capable of transporting IFO 180 were already issued and shall all be closed within two months, for their operation to take place during the first semester.

Technip is also expected to have some activity during 2014, as soon as a few tender results, mainly with Petrobras and Shell, are revealed. Technip's Papa Terra project is still ongoing, mostly demanding barges and tugs to transport flexible lines, etc. And after being cancelled last year due to excessive price, the Route 3 gas pipeline tender will be issued again by Petrobras in order to connect the area of Franco to a petrochemical complex in Rio de Janeiro by mid-2016. Petrobras has made a market study to make it simpler and avoid further delays, since it needs the production of the pipelines to start this year and installation in 2015.

In the cancelled tender, two Work Class RSVs and one PSV with large crane were requested, among other smaller vessels. Therefore, we may expect companies like Odebrecht, Allseas, Saipem (which participated before) and others inquiring in the market for vessels with these characteristics. And after having a difficult year in 2013 with the increase of costs in the Guara-Lula project with Petrobras and a drop in the market shares value, Subsea7 does not have upcoming work in 2014.

In general, 2014 will be full of expectations which passed over last year, and now, more than ever, all stakeholders really need them to become true. With hopes renewed, we will watch Petrobras increasing the contracting pace, seismic companies needing more and more vessels and contractors consulting the OSV market. This should reassure the economic balance of the years to come, as the volume of short contracts keeps rising, and the IOCs prepare themselves for a bright future in brand new areas. As some may say, every cloud has a silver lining...

SEALION - RSV Toisa Coral has been fixed with Petrobras for 18 months firm plus 18 months option. The rate was not disclosed.

SEACOR - Brazilian built and flagged PSV Seabulk Angra has been fixed to Schahin for supply duties for 7 days firm plus options in December and is available at time of writing in Rio de Janeiro.



DOF BRASIL - DOF has secured three charters with Petrobras, with Skandi Ipanema commencing February 2014, Skandi Rio in March 2014, and Skandi Fluminense in June 2014. All charters are for 4 years firm plus 4 years option.

MAERSK - AHTS Maersk Pacer fixed with BP until mid-January 2014 has been extended to cover the dry-docking of AHTS Elizabeth C until 1st of February, and during such period HRT assumed Polvo operation.

SIEM OFFSHORE - Brazilian built and flagged Siem Atlas has been sublet by Statoil for 10 days firm plus options to assist on the mobilization of the Juxia Well rig Noble Max Smith coming from Shell, and other supply duties on the Peregrino field.

SIEM OFFSHORE - PSV Siem Atlas (pictured on the right) will return to BP until the end of her term charter 14th February after completing a sublet with Statoil before proceeding to Petrobras for 2 years firm + 2 years option.

BRAVANTE - PSV Bravante V has been cleared and is ready for work in Brazil upon customs clearance notice. The vessel is DP2 and with large cargo capacity PSV 4500 category.

MAERSK - AHTS Maersk Mariner had its current contract extended with Petrobras for 144 days, until June 1st 2014.

TRANSMAR - OSRV Eco-Octo (ex-Marabá I) has been fixed with Chevron as OSRV for 10 days firm + options as of January 1st 2014.

GEORADAR - PSV Dundee has been fixed to Cockett Marine for one fuel run 2 days firm plus options commencing January 5th 2014.

ASTROMARITIMA - OSRV Astro Vermelho has been fixed to Chevron for OSRV duties for 60 days firm plus options commencing January 06th 2014, while OSRV Magé is undergoing repairs.

MAERSK - AHTS Maersk Terrier has been fixed to Statoil for 45 days firm plus 4x 3 days options. Maersk Provider is docked until January 27th and being upgraded to DP2 as anticipated.

DEEPSEA SUPPLY - AHTS Sea Leopard has been fixed to OGP for 14 days firm plus options, commencing January 14th 2014.



A New Beginning

OGP (ex-OGX) no longer belongs to Eike Batista and the businessman was entitled to only a tenth of the company. The deal was concluded after negotiations during the Christmas holiday and has seen the new management as the responsibility of executives appointed by the major lenders who are Pimco, BlackRock, Ashmore and GSO funds, the conversion of all debt of USD 5.8 billion in market shares and injection of up to USD 215 million to keep all operations on going in 2014. If everything runs as planned these three groups will own 90% of the company, the minority shareholders will have their stakes reduced from 50% to 5% and Eike will only have rights to claim a seat on the administrative council. To be approved, OGX has committed to submit a restructuring plan by January 24th, which will be voted at a meeting in late March. If approved, the oil company will come out of bankruptcy protection.



HRT receives ANP approval for Polvo

The company received from ANP the documents approving the assignment of BP's interest in Polvo, but a further final approval expected within a few weeks is required before HRT acquires operatorship of Polvo and completes its related acquisitions of the fixed platform Polvo A and a 3000 HP drilling rig. Recently, HRT has also signed a letter of intent with BW Offshore to take a 30% stake in the block but the definitive agreements are still subject to a due diligence process to be conducted by BW Offshore, and remains subject to regulatory, governmental, and board approvals.

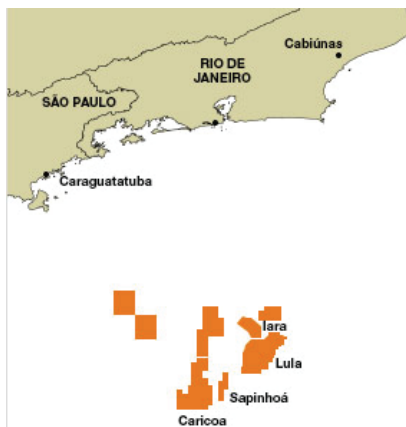
Perenco: An unfulfilled dream

The operator of three blocks in Espirito Santo Basin (ES-M-472, ES-M-529 and ES-M-531) in partnership with OGP (ex OGX) with 50% and Sinochem (10%) is ending its E&P activities in Brazil and is preparing to close its local office in Rio de Janeiro. The reason was an unsuccessful drilling campaign in ultra deep water which hasn't revealed economically commercial fields. According to the market, ANP has been holding meetings with the consortium to discuss issues and prepare the return of the concession areas.



BG to invest on technology for pre salt

BG Group has announced investments of over USD 14.9 million for an advanced oil recovery laboratory at Coppe/UFRJ. The goal is to increase the volumes of oil recovered studying new technologies for water and gas injection to be used in pre salt fields where BG has interest, such as Lula and Sapinhoá plus the blocks where the company is the operator in the Barreirinhas basin.





Petrobras sells stake in Parque das Conchas

Petrobras has concluded the negotiations with Shell and ONGC Videsh for selling its 35% in the Parque das Conchas Discovery. The deal has already received the approval of ANP, in which Anglo Dutch purchased an additional share of 23% for USD 1 billion and now holds 73% of BC-10, while the Indian oil company increased its share from 15% to 27%.

Rota 3 New Tender

Petrobras has announced that will issue a new tender between January 13th and 15th 2014 to lay the Route 3 gas pipeline. The Project covers the connection of Franco's area to the Rio de Janeiro Petrochemical Complex (Comperj), with 310 km of gas pipeline. The previous tender was cancelled due to excessive price of offers, forcing the company to make a market study for the project and release a new technical simplification. According to Petrobras, Rota 3 must be ready to start operating by July 2017.

P-61 on its way to Papa Terra Field

The first TLWP built in Brazil has already left Brasfels

shipyard and is heading toward Papa Terra field in Campos Basin. P-61 will work with the FPSO P-63 to increase the company's oil production and together, both units will have the capacity to produce 140,000 barrels of oil per day, through 18 linked wells.

Another unit in operation

On December 31st, P-55 started operations in Roncador field, Campos Basin. The unit, installed in 1,800 meters of water depth and designed to process 180,000 boed, will be connected to a total of 17 wells, consisting of 11 producers of oil and gas and six water injectors. This is part of Roncador's Module 3 project, which will work together with the P-52 and P-54 production platforms, already installed in the area.

P-20 Shut Down

P-20 will remain inoperative for at least ten days. The unit, which operates in the Marlim field in the Campos Basin, had its operations shut down after a fire incident on December 27th, generating overall losses of over 220,000 barrels until now. The investigations into the causes of the fire are still ongoing.

AHTS 18000 A/B Official Ranking:

Further to our December edition, please note below the official ranking from Petrobras for the AHTS 18000 A/B tender.

AHTS 18000 A TYPE - INTERNATIONAL INVITATION E&P 1446022138 (Official ranking of offers)										
Ranking after criteria	Ranking before Fuel criteria	OWNER	VESSEL	EBN	PEOTRAM GRADE	TYPE	PERIOD (DAYS)	DAY RATE (USD)	MOBE FEE (USD)	COMMENTS
-	4	POSH	POSH-CONCORDE	BRAWANTE	64.22	A	730	57,800.00	3,700,000.00	technically disqualified due gypsies' line pull and dynamic brake, secondary winch capacity and socket compartment of main winch.
-	2	POSH	POSH-CONSTANT	BRAWANTE	64.22	A	730	59,300.00	3,700,000.00	
-	3	POSH	POSH-CONQUEST	BRAWANTE	64.22	A	730	60,400.00	3,800,000.00	
1	4	GO OFFSHORE	GO PHOENIX	ASTROMARITIMA	62.58	A	730	61,900.00	3,000,000.00	
2	13	SIEM	SIEM OPAL	SIEM OFF. DO BRASIL	79.0	A	730	70,000.00	6,300,000.00	
3	5	SEALION	TOISA ENVOY	SEALION DO BRASIL	73.38	A	730	65,000.00	1,500,000.00	
4	6	SEALION	TOISA ELAN	SEALION DO BRASIL	73.38	A	730	65,000.00	1,500,000.00	
5	8	FARSTAD	FAR SAGARIS	FARSTAD	72.23	A	730	70,950.00	-00	
6	9	FARSTAD	FAR SENATOR	FARSTAD	72.23	A	730	71,450.00	-00	
7	7	SWIRE PACIFIC OFFSHORE	PACIFIC DILIGENCE	OSM	67.92	A	730	62,000.00	5,500,000.00	
8	11	FARSTAD	FAR STATESMAN	FARSTAD	72.23	A	730	71,950.00	1,000,000.00	
9	10	SWIRE PACIFIC OFFSHORE	PACIFIC DUCHESS	OSM	67.92	A	730	64,000.00	5,500,000.00	
-	14	MAERSK SUPPLY SERVICE	MAERSK-LASER	MAERSK SUPPLY SERVICE	NOT INFORMED	A	730	86,500.00	4,000,000.00	commercially disqualified due to excessive price
-	12	OLYMPIC SHIPPING	OLYMPIC-HERCULES	OLYMPIC-MARITIMA	48.61	A	730	74,750.00	2,580,000.00	technically disqualified due to the stern roller

AHTS 18000 B TYPE - INTERNATIONAL INVITATION E&P 1446022138 (Official ranking of offers)										
Ranking after criteria	Ranking before Fuel criteria	OWNER	VESSEL	EBN	PEOTRAM GRADE	TYPE	PERIOD (DAYS)	DAY RATE (USD)	MOBE FEE (USD)	COMMENTS
1	4	MAERSK SUPPLY SERVICE	MAERSK TRIMMER	MAERSK SUPPLY SERVICE	NOT INFORMED	B	1460	48,800.00	2,750,000.00	
2	5	MAERSK SUPPLY SERVICE	MAERSK TRAVELLER	MAERSK SUPPLY SERVICE	NOT INFORMED	B	1460	49,490.00	2,750,000.00	
3	8	MAERSK SUPPLY SERVICE	MAERSK TERRIER	MAERSK SUPPLY SERVICE	NOT INFORMED	B	1460	51,800.00	2,750,000.00	
4	3	UOS	UOS CHALLENGER	ASTROMARITIMA	62.58	B	1460	48,878.00	2,500,000.00	
5	2	SOLSTAD	NORMAND TITAN	SOLSTAD OFFSHORE	60.0	B	1460	45,945.00	3,000,000.00	
6	9	MAERSK SUPPLY SERVICE	MAERSK HANDLER	MAERSK SUPPLY SERVICE	NOT INFORMED	B	1460	52,990.00	3,000,000.00	
7	6	UOS	UOS LIBERTY	ASTROMARITIMA	62.58	B	1460	50,378.00	2,500,000.00	
8	1	TIDEWATER	ALDEN J. LABORDE	TIDEWATER	72.0	B	1460	43,900.00	2,000,000.00	
-	11	BOURBON SHIPS	BOURBON-ORCA	BOURBON-OFFSHORE-MARITIMA	NOT INFORMED	B	1460	58,540.00	2,800,000.00	technically disqualified due to gypsies' line pull
10	10	SWIRE PACIFIC OFFSHORE	PACIFIC CHAMPION	OSM	67.92	B	1460	57,000.00	3,500,000.00	
-	12	POSH	POSH-CHAMPION	BRAWANTE	64.22	B	1460	58,000.00	3,600,000.00	technically disqualified due to socket compartment on main and towing winch drums, gypsies' dynamic brake, line pull last layer and static brake on both main and towing winch drums.
12	7	MAERSK SUPPLY SERVICE	MAERSK SHIPPER	MAERSK SUPPLY SERVICE	NOT INFORMED	B	1460	51,400.00	3,000,000.00	
-	13	POSH	POSH-COMMANDER	BRAWANTE	64.22	B	1460	59,000.00	3,600,000.00	technically disqualified due to socket compartment on main and towing winch drums, gypsies' dynamic brake, line pull last layer and static brake on both main and towing winch drums.
-	14	POSH	POSH-COURAGE	BRAWANTE	64.22	B	1460	60,000.00	3,600,000.00	technically disqualified due to gypsies' line pull and dynamic brake, socket compartment on main and towing winches
-	15	EASTERN NAVIGATION	ENA-SAMURAI	GEO-NAVEGACAO	71.8	B	1460	62,000.00	3,000,000.00	technically disqualified due to socket compartment on main and towing winch drums

PSV 1500 BR flag:

The tender issued on November 08th 2013 for PSV 1500 Brazilian flag, with commencement up to September 2014 had its offers revealed. Seven vessels are competing as per below table. Note that the vessel offered by Geonavegação is an AHTS built in China to be converted as PSV.

OWNER	VESSEL	YEAR OF BUILT	TC PERIOD	DAY RATE
ASTROMARITIMA	ASTRO ARRAIA	1988	3 YEARS	19,907.00
ASTROMARITIMA	ASTRO BADEJO	1989	3 YEARS	19,907.00
ASTROMARITIMA	ASTRO PARGO	1987	3 YEARS	20,497.00
ASTROMARITIMA	ASTRO ENCHOVA	1989	3 YEARS	20,997.00
ASTROMARITIMA	ASTRO GUARICEMA	1987	3 YEARS	20,997.00
ASTROMARITIMA	ASTRO VERMELHO	1987	3 YEARS	22,457.00
GEONAVEGACAO	TBN MDPL 1498	2014	3 YEARS	31,000.00

This Month's Requirements

This month's Petrobras has issued tenders for a PSV 3000 General Cargo A and B type and a PSV 4500 General Cargo A and B type for 4 + 4 years contracts each with commencement of July 2014 for all vessels. All proposals should be delivered by January 30th.

Maintenance Allowance Back on Track



Petrobras has turned back the clock to bring back its Maintenance allowance in an effort to reduce rates but only time will tell if this will lower costs.

OSV Owners holding Petrobras contracts have been complaining for the last three to four years about the lack of any maintenance allowance for their vessels. With very little time allowed at the port, the crew changes became the only opportunity for services suppliers' visit without being offhire. But as a Christmas gift, on its last tender of 2013, Petrobras went back in time incorporating again the maintenance allowance clause. However, should this be the first flexibility indication of a series or was this just a timely move?

When offering in a tender with no provision for any maintenance allowance, Owners usually project a lower utilization level for the vessel taking into consideration

that whenever vessel would need some repair, docking or attendance from shore, the vessel would be offhire, lowering its availability rate. That means extra cost for Petrobras as Owners just add such the cost of unavailability on to the day rate. Also, in days where efficiency is echoing throughout the Petrobras system, with a lot of efforts towards maintenance, not allowing suppliers to make use of such policy does not sound right at all.

The "new old" maintenance clause now states that Owners have the right of 288 hours for docking or repairs, to be used up to two times a year, for each period of two years. In an average calculation, Petrobras allows twelve days every two years, or twelve hours per month for the vessel

to be on repairs but on hire, still restricted to use it only two times per year. Much better than before but not much when compared to the widely and internationally used charter contract form BIMCO SUPPLY TIME 2005, where Owners can make use of 24 hours for repairs every month, cumulative, basically two times Petrobras' proposed allowance.

Anyway, and although it still is good news, there is no free lunch: Petrobras expects Owners to take contingency out from its day rate calculations resulting in lower day rates. As expected with the fuel efficiency ranking criteria implementation and the mobilization fee proposal, the chartering department has been working to seek more advantageous conditions to the Company through lower day rates, which also recently included a cap for environmental liabilities, long awaited by the industry.

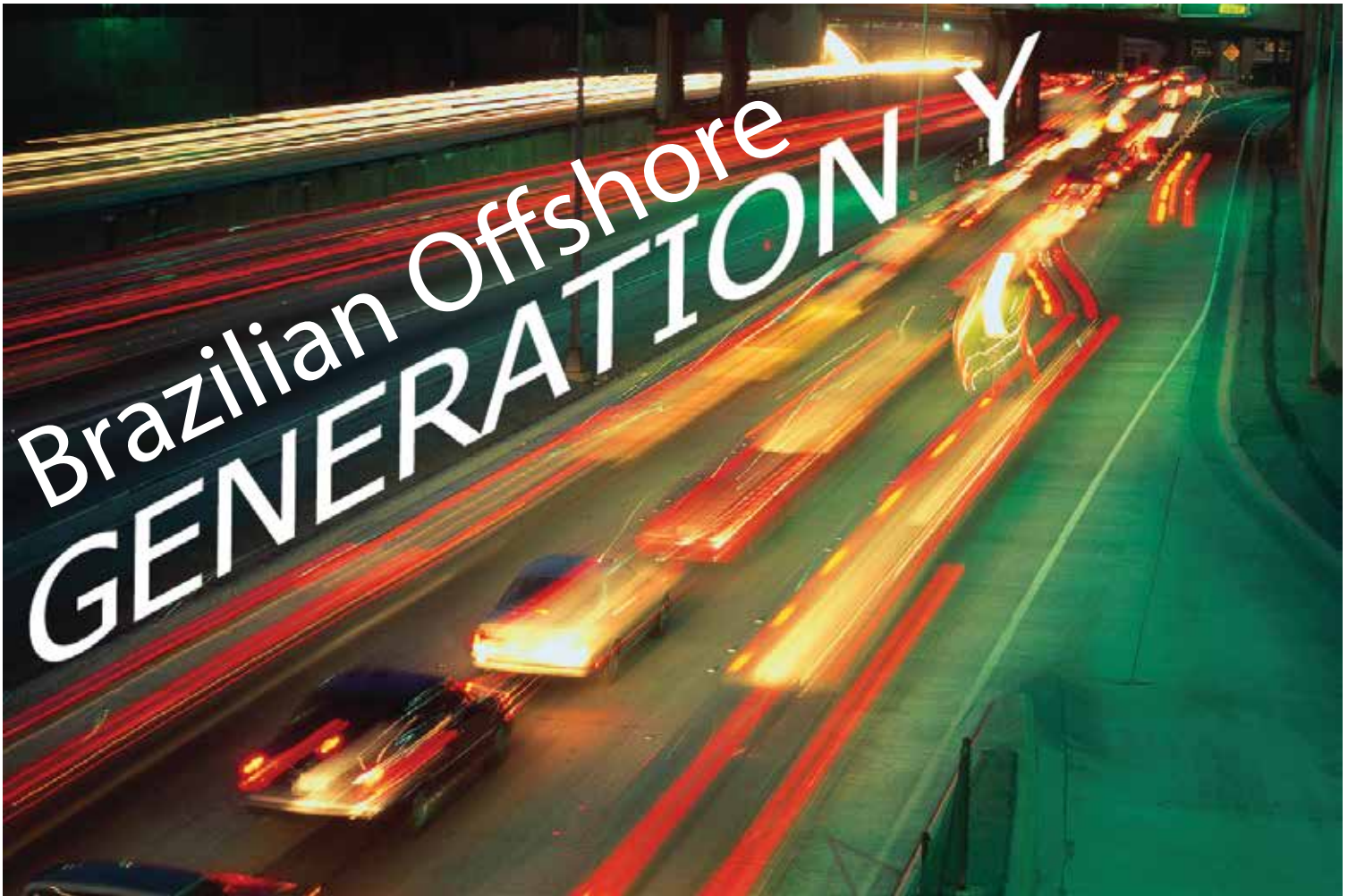
In the contrary direction for "slim" prices, Petrobras has recently required Owners to consider on its proposals all the costs for pilotage, which created a lot of complaints and contingency from the Owners' side, as it is impossible to predict where and how many times vessels will be calling in to ports for the next four years, bringing

**"Under Bimco
Supplytime 2005
Owners can make
use of 24 hours for
repairs every
month, two times
the Petrobras
allowance."**



unnecessary contingency to the price. In that same sense, Petrobras has also requested Owners to provide winch wires with the vessel, not part of the requirements until not so long ago. The aim however, was to relieve Petrobras from time consuming reimbursement and procurement processes.

Whether the market will positively react to Petrobras' efforts to reduce rates, it is too early to say. If not lowering rates, it will possibly lead Owners to not raise the price too much given the pressure some have been getting on HSE issues and extra administrative work. Time to wait and see..



Historically, a generation was roughly defined for each period of twenty five years or more, but with the constant easier access to information and a high speed change of society values, this period tends to go down, by ten years, if not less. As a metaphor, the Brazilian offshore market itself had many generations, but none of them has a stronger and more curious mark than the present one.

The Brazilian Offshore Market had its fundamental stone laid in the late 50's, when had its first "offshore" oil production at a five meters water depth field in Bahia State. From there, we can probably say the first offshore market generation started in the late 70's when Petrobras purchased and owned 30% of the OSV fleet in

Brazil. But this didn't last for long as Petrobras sold its 33 owned OSVs to local Owners in the early 80's, promoting the offshore industry and the investment from the private sector, which also didn't last even a decade. In the late 80's, the market was totally opened, bankrupting a lot of Brazilian Companies and shipyards which were not encouraged to be competitive nor efficient, but protected. The protection to the local flag OSV Owners was reinstated in the late 90's, encouraging again the formation of a Brazilian OSV fleet.

Three decades can be a long period for the generation that has been through so many changes in a short period of time for a recently established industry. During that time, the "baby-boomer-managed-Companies" developed a marine background, intimacy with the sea

business environment, respect to the notion of time and ability to adapt itself to different and unexpected scenarios.

“The Offshore Y-Generation has no time to lose, don’t care much about experience or hierarchy, don’t see challenges as obstacles”

In the first years of the twenty first century, the Brazilian offshore market has seen a movement which may have given form to a new generation. This was driven by people from other marine businesses (e.g. Port Agency, Deepsea, Bunkering, Engineering, etc.) that started to migrate and/or invest in the offshore business, attracted by a scenario of protection, big demand and stability. Such Offshore “X” generation had paid the price for a tough start when they realized offshore is not the same as any marine related activity, involving much more, but many had the ability and patience to acquire and adapt to the learning curve for a fruitful future.

Mainly in the present decade, the Brazilian market started to witness a brand new offshore generation, with not marine people but executives, attracted by the huge investment amounts expected in the industry and eager to take part at the earliest possible opportunity.

The Offshore “Y” generation has no time to lose, don’t care much about experience or hierarchy, don’t see challenges as obstacles and expect it to be fixed later on anyway. The deal is there to be done and not much is needed in order to invest in the market besides a good cash flow projection, feasible financing and reasonable costs.

It is not really about pro’s and con’s, who which generation was better or worse, right or wrong, but it is simply part of the market cycle. At the same time it is intriguing to think about what future to expect for our children in such ultra-fast changing environment. The question is who will be the next Offshore Generation and what can we expect from them?





Brasil 2014 World Cup - Warming up!

The matches in the Fifa 2014 World Cup in Brasil are now known for the first phase. Despite the fact that regular tickets for the games are limited and still almost impossible to get by "ordinary" football supporters, knowing specific matches and the key football nations facing each other during the first phase brought some excitement to the fans. England against Italy on June 14th playing out of Manaus; Spain playing against Netherlands on June 13th and Germany against Portugal on June 16th, both out of Salvador are some examples of exciting matches. Maracanã stadium in Rio de Janeiro will host seven matches, including the quarter final and final matches.

Celebrating 2014 in Rio de Janeiro

Multicolored fireworks lasting sixteen minutes celebrated the arrival of 2014 in Copacabana Beach in Rio de Janeiro. Over 2 million people gathered on the sands to keep up with the spectacle in the sky and the music concerts also on site. The great musical attractions of the evening include the presence of Lulu Santos and Carlinhos Brown, both very famous artists in Brazil. After an afternoon of intense heat in the carioca capital, with

thermometers reaching 39 degrees, the forecast for rain during the New Year's Eve did not come through and only a thin drizzle fell in Copacabana in the early evening.

Upcoming Conferences

Westshore do Brasil will participate as speaker in two events in February. The Lloyd's Maritime Academy will promote the "Background to Shipping Latin America Course" from 3rd to 5th of February at JW Marriot Hotel, and on the same week Informa Maritime Events will promote the "Subsea Vessels Brazil", on the 5th and 6th of February at the Sheraton Hotel, both in Rio de Janeiro. The subjects that will be presented and discussed by Westshore are the Brazilian subsea vessel market forecast and the introduction to shipping in Brazil, among other relevant market insights in both events. We look forward to meeting you there!

