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Acquisition of Cherne and Bagre concessions, Campos Basin, Brazil

Perenco Brazil is pleased to announce the acquisition of the Cherne and Bagre concessions from Petr leo Brasileiro S.A. (Petrobras).

The deal comprises the Cherne and Bagre fields and two fixed platforms, located 30km from the Pargo Cluster in 120-140m water depth. The PCH-1 and PCH-2 platforms were hibernated by Petrobras in early 2020 and later scheduled for decommissioning.

Following the closing of the transaction, expected in 2025, Perenco Brazil will implement an ambitious redevelopment plan to revitalise the assets, restart production to a target rate of 10,000-15,000 barrels of oil per day and unlock in excess of 50 mmstb of reserves.

A new export pipeline will be laid directly to Pargo, to leverage the new Floating Storage and Offloading (FSO) infrastructure, improve efficiency and continue Perenco’s strategy of gaining independence in the basin. The deal exemplifies Perenco’s appetite and capacity to add value by tackling the industry’s mature field challenges.

Commenting on today’s announcement Armel Simondin, Perenco CEO, said:

“This acquisition is a new milestone for the Perenco Group in Brazil. Since takeover of the Pargo assets in 2019 at a rate of 2,800 bopd, we have increased production to over 20,000 bopd and successfully installed our own FSO. Perenco is proud to deploy its know-how to extend the life of these mature fields and grow our footprint in Brazil.”

About Perenco Brazil

Perenco Brazil holds a 100% stake in the Pargo Cluster, which comprises the Pargo, Carapeba and Vermelho fields located offshore in the shallow waters of the Campos Basin, off the coast of Rio de Janeiro. The Pargo concession area is developed by eight fixed platforms in up to 100 meters depth. After takeover from Petrobras in October 2019, the Pargo Cluster Development Plan was formally approved by the Brazilian authorities in 2021, along with extension of Perenco’s concession rights until 2040. Current production from the Pargo Cluster is approximately 20,000 barrels per day, up from 2,800 barrels per day when Perenco Brazil took over operations in October 2019. In December 2023, Perenco Brazil announced that first oil to its own Floating Storage and Offloading (FSO) vessel, the “FSO PARGO”, had been successfully received following issuance of all operational licensing from the Brazilian regulatory authorities. Perenco Brazil is part of the Perenco Group, which operates in 14 partner countries.

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