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Thomas C. Boronow<sup>1</sup>, Graeme G. Smith<sup>2</sup> (1) Shell International EP Inc, Houston, TX (2) Shell Brasil S.A, Rio de Janeiro, Brazil

**SBEP, Building a Profitable EP Growth Center in Brazil**

Shell has been active in offshore Brazil exploration and production activities for a quarter century. From the 1979 Merluza gas discovery and subsequent development in the Santos Basin to the present Bijupira-Salema development in the Campos Basin, Shell continues to leverage its global resources while striving to be an industry leader in Brazil. Currently, Shell and partners have over 42,000 km<sup>2</sup> of leases in 15 concessions extending from the Santos Basin in the south to the Foz de Amazonas Basin in the north. Since the re-opening of the upstream sector in 1998 Shell Brasil E&P (SBEP) have been at the forefront of the International industry exploration efforts in Brazil and, with partners, have experienced success in seven of thirteen deepwater wildcats and have safely executed two well tests. As a result of these ambitious activities, SBEP has discovered significant volumes and is the most successful explorer after Petrobras. All of Shell's current discoveries have targeted deepwater Cretaceous and Tertiary turbidite reservoirs. Future exploration and development will target equally challenging objectives. Volume materiality has been confirmed in core basins, yet business, technical, and commercial issues remain before any subsequent developments can be declared a success. Shell's success has been founded on a detailed understanding of the regional geological framework and the application of cutting edge technologies to subsurface evaluation, drilling, and development planning. Shell will continue to utilize its global experience in deepwater developments, viscous crudes, in-house drilling technology developments, and portfolio management to optimize potential development projects and lower costs in achieving these goals.