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STRATIS INTELLIGENCE WHITE PAPER

Brazil's Subsea Market in 2026: Execution Without a Pipeline

Brazil's 2026 subsea awards execute sanctioned backlog while the exploratory pipeline contracts. What the 2026-2030 plan signals for suppliers and capital planning through 2030.

EXECUTIVE SUMMARY

Backlog execution, not a new investment cycle

Brazil's subsea sector recorded an unusually large volume of contract awards in the first half of 2026. Petrobras signed about US$ 2.2 billion for four subsea support vessels. Shell awarded TechnipFMC an integrated subsea package for Gato do Mato worth more than US$ 1 billion. Brava Energia contracted OneSubsea, Baker Hughes, and McDermott for a four-well campaign in the Campos and Santos basins. Each of these awards develops oil that was discovered years earlier and sanctioned before the current planning cycle. The 2026 activity is the execution phase of investment decisions already taken, not evidence of a new one.

> **THE STRATIS READ**
> Subsea demand through 2028 is contracted. Demand from 2030 onward depends on final investment decisions that have not been taken. In the same 2026-2030 plan that funds current work, Petrobras reduced its in-implementation portfolio from US$ 98 billion to US$ 91 billion and shifted spending away from exploration toward developing existing discoveries. Suppliers weighing multi-year capacity commitments to Brazil should treat 2026-28 as a peak to be served, not the start of a growth trend.

1. The five-year plan trims sanctioned capital

Petrobras' Business Plan 2026-2030 commits US$ 109 billion in total capital, of which more than US$ 78 billion goes to upstream exploration and production. The figure that matters for subsea suppliers is narrower. The in-implementation portfolio, covering projects already sanctioned and under construction, fell to US$ 91 billion from US$ 98 billion in the previous 2025-2029 plan. Petrobras has described the plan as a response to lower oil prices, with priority given to developing sanctioned discoveries rather than new exploration. The capital funding the 2026 subsea awards therefore sits at the end of an investment cycle rather than the beginning of one.

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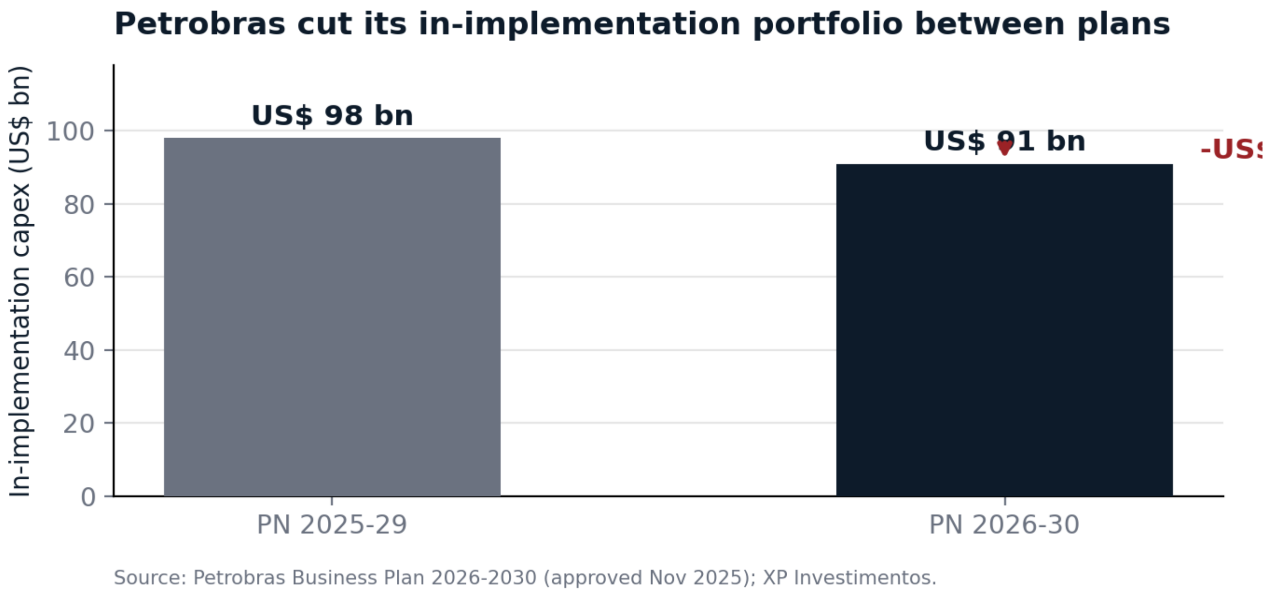

Figure 1 — Petrobras' in-implementation capital fell US$ 7 billion between consecutive five-year plans, even as sanctioned projects moved into execution.

2. Milestones concentrate in 2026-27

Brava Energia targets first oil at Papa-Terra in the fourth quarter of 2026 and at Atlanta Phase 2 in the second quarter of 2027. Shell's Gato do Mato, sanctioned in March 2025, is expected to reach first oil around 2029. The four DOF support vessels contracted in May 2026 do not enter service until 2030. Near-term activity is concentrated and already funded. The interval between the 2026-27 start-ups and the next set of projects is the exposure for contractors that depend on a continuous order book.

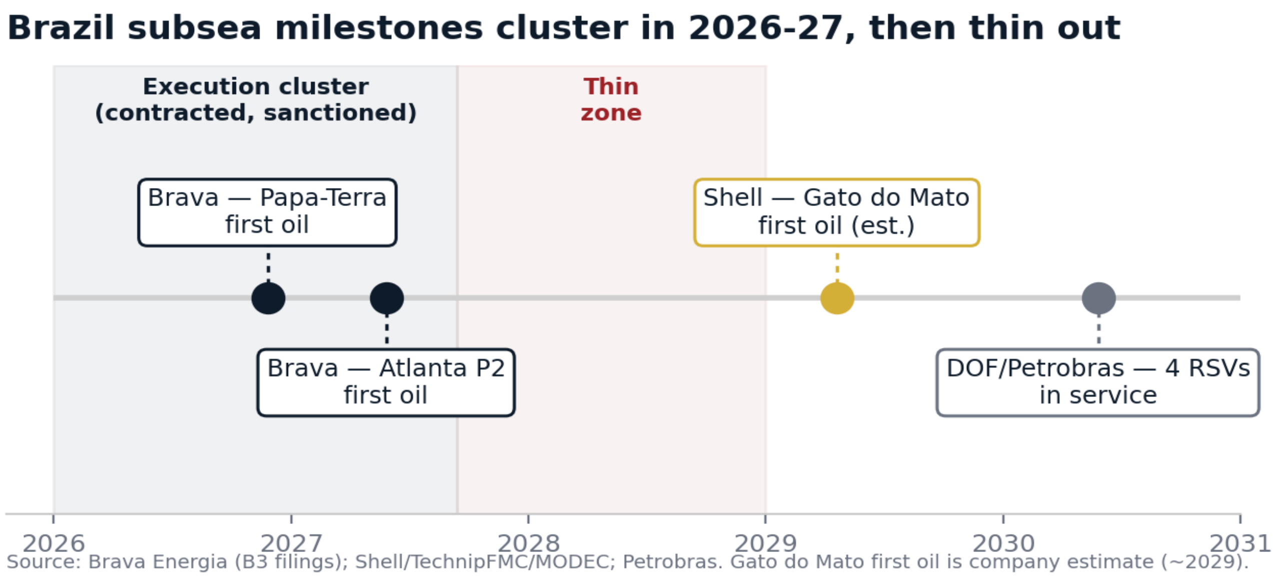

Figure 2 — Subsea and first-oil milestones concentrate in 2026-27, thinning before the 2029-30 projects come online.

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3. The active developments, by basin

Most of the disclosed subsea spending falls to three developments across the Campos and Santos basins. Papa-Terra, a heavy-oil field in about 1,200 m of water, and Atlanta, in about 1,500 m, form Brava's independent campaign. Gato do Mato, a Shell-operated pre-salt project in roughly 2,000 m about 200 km south of Rio de Janeiro, is the largest of the three. The map places them against the Santos pre-salt production cluster that still accounts for most national output.

Where the 2026 subsea money is going — SE Brazil offshore

Schematic locator, not to scale. Field positions approximate. Source: Stratis Intelligence.

Figure 3 — Schematic locator of the principal 2026 subsea developments, SE Brazil offshore. Positions approximate; not to scale.

4. Supplier concentration

A small number of contractors hold most of the scope: TechnipFMC (integrated subsea for Gato do Mato, on its Subsea 2.0 system), OneSubsea/SLB (subsea trees for Atlanta), Baker Hughes (flexible lines and risers), McDermott (transport and installation), with Prysmian and DOF on the vessel side. The concentration has two consequences. Pricing power and lead times rest with a few firms, and a schedule slip at any one operator affects the wider Brazilian order book.

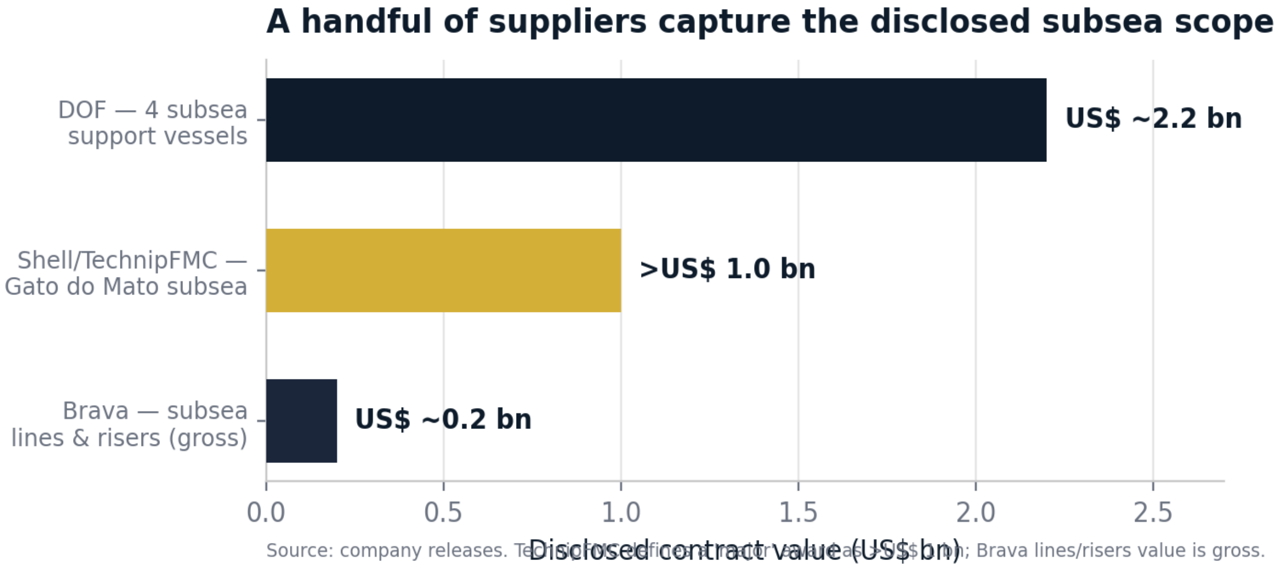

Figure 4 — Disclosed subsea-related contract values by award. TechnipFMC classifies a "major" award as above US$ 1 billion.

Contract map — Brazil subsea 2026

Operator / Project	Basin · depth	Subsea scope & supplier	Value (US$)	First oil / in-service
Petrobras — Mar Aberto (4 RSVs)	Support fleet	4 ROV support vessels — DOF (built at Navship, SC)	**~2.2 bn**	in service 2030
Shell — Gato do Mato	Santos pre-salt · ~2,000 m	iEPCI subsea (Subsea 2.0) — TechnipFMC; FPSO — MODEC	**>1.0 bn**	~2029
Brava — Atlanta Ph.2	Santos · ~1,500 m	Trees — OneSubsea; lines/risers — Baker Hughes; T&I; — McDermott	**~0.2 bn***	Q2 2027
Brava — Papa-Terra	Campos · ~1,200 m	Uses existing lines; T&I; — McDermott	incl. above	Q4 2026

*Brava subsea lines and risers gross value ~US$ 200 m for the first four wells, shared across Atlanta and Papa-Terra. Depths and stakes per company filings.

5. What to watch

The variable that would change this assessment is a new round of final investment decisions: Petrobras sanctioning additional Santos or Campos developments, or an international operator taking a pre-salt discovery to FID. Either would refill the queue behind the 2029-30 projects. Without it, the reduction in exploration set out in the current plan points to lower demand once the present projects are delivered. A view of Brazil as a durable growth market, based on 2026 award volumes, does not hold up against the plan's own numbers.

WHY IT MATTERS

> Brazil is one of the few deepwater markets with substantial volume under contract today; Petrobras states that it accounts for roughly a third of global FPSO orders. Volume under contract is not the same as volume sanctioned for the years ahead. That difference determines whether a fabricator commits multi-year capacity to Brazil or serves the 2026-28 workload and then scales back.

Sources & method

Primary sources: Petrobras Business Plan 2026-2030 and Agência Petrobras releases; Petrobras Form 6-K filings (U.S. SEC); Shell plc and TechnipFMC press releases; MODEC; Brava Energia (B3: BRAV3) material-fact filings; Oil & Gas Journal; U.S. Department of Commerce / International Trade Administration. Values originally reported in Brazilian reais are converted to U.S. dollars at prevailing rates (approx. R$ 5.07 per US$ 1, early August 2026). Field positions on the map are schematic. This document is market intelligence, not investment advice.

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