

Analysis of today Assessment of tomorrow



By: TA | AP Brief

Brazil greenlights oil drilling near mouth of Amazon River ahead of UN climate summit



Brazil's government approved on Monday exploratory drilling by state-run oil-giant Petrobras near the mouth of the Amazon River.

The decision comes only weeks before the United Nations climate conference in Belem, COP30, where efforts to reduce the use of fossil fuels will be discussed.

The Equatorial Margin deposit off the coast of Brazil, which stretches from Brazil's border with Suriname to a part of the country's Northeast region, is believed to be rich in oil and gas.

The biodiverse area is home to little-studied mangroves and a coral reef, and activists and experts have said the project risks leaks that could be carried widely by tides and imperil the sensitive environment. Petrobras has long argued it has never caused spills in its drillings.

Petrobras said in a statement Monday that the drilling could start right away and take up to five months. It requested to conduct the exploratory drilling in block FZA-M-059, which lies 175 kilometers (108 miles) offshore the northern Brazilian state of Amapa bordering Suriname. The company added that the exploratory well will not produce any oil.

The decision was made by environmental regulator IBAMA, run by the country's environment ministry. In May 2023, that same body declined to grant Petrobras a license to drill in that region.

"After the refusal... IBAMA and Petrobras started an intense discussion that allowed a meaningful improvement of the project, especially in its structure of responding to emergencies," the environmental regulator said in a statement.

The oil companies see the area as highly promising

Energy Minister Alexandre Silveira celebrated the decision as a way to defend "the future of our energy sovereignty." "Brazil cannot give up knowing its potential," Silveira said on his social media channels after the decision was announced. "We made a firm and technical defense (of the drilling in the region) so we can assure that the exploration takes place with complete environmental responsibility, within the highest international standards and concrete benefits for Brazilians."

In June, Brazil auctioned off several potential land and offshore oil sites near the Amazon River, as it aims to expand production in untapped regions despite protests from environmental and Indigenous groups.

Nineteen offshore blocks were awarded to Chevron, ExxonMobil, Petrobras and China National Petroleum Corporation.

The oil companies see the area as highly promising because it shares geological characteristics with Guyana, where some of the largest offshore oil discoveries of the 21st century have been made.

This region is considered to have high potential risk due to strong currents and the proximity to the Amazon seashore. Block FZA-M-059 lies 500 kilometers (310 miles) north of the mouth of the Amazon River.

Suely Araújo, a coordinator at the Climate Observatory, a network of environmental nonprofit groups, said Brazil's government "acts against humanity by stimulating more expansion of fossil (fuels), and betting on more global warming."

"It also harms COP30 itself, whose most important delivery needs to be the gradual elimination of fossil fuels," Araújo said in a statement.

President Luiz Inácio Lula da Silva pushed for more use of biofuels during his first two terms, from 2003 to 2010, but that standing waned throughout those years after huge offshore discoveries close to Rio de Janeiro state became a means of financing health, education and welfare programs.

The soon-to-be 80-year-old leftist leader is widely expected to run for reelection next year.