

Brazil Wells Market Outlook 2026

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INTRODUCTION

South America is expected to be one of the main engines of non-OPEC+ oil supply over the coming decade, with production from Brazil's offshore basins, alongside developments in Guyana, Suriname and Argentina's Vaca Muerta shale set to deliver competitive barrels through 2030 and beyond.

Brazil's offshore industry has been transformed by the discovery and development of vast pre-salt reservoirs in the Campos and Santos basins, turning it into one of the world's E&P hotspots. Ongoing discoveries and investments from the likes of Petrobras, Shell and BP are expanding drilling activity and extending the offshore development pipeline.

There is little sign of that momentum disappearing. In May 2026, for example, SBM Offshore secured contracts from Petrobras for two new FPSO projects in the Sergipe-Alagoas Basin, highlighting continued confidence in Brazil's offshore growth. In March 2026, TotalEnergies announced the start-up of its Lapa South-West project, in the Santos Basin, which will increase output from the Lapa field by 25,000 barrels per day (bpd).

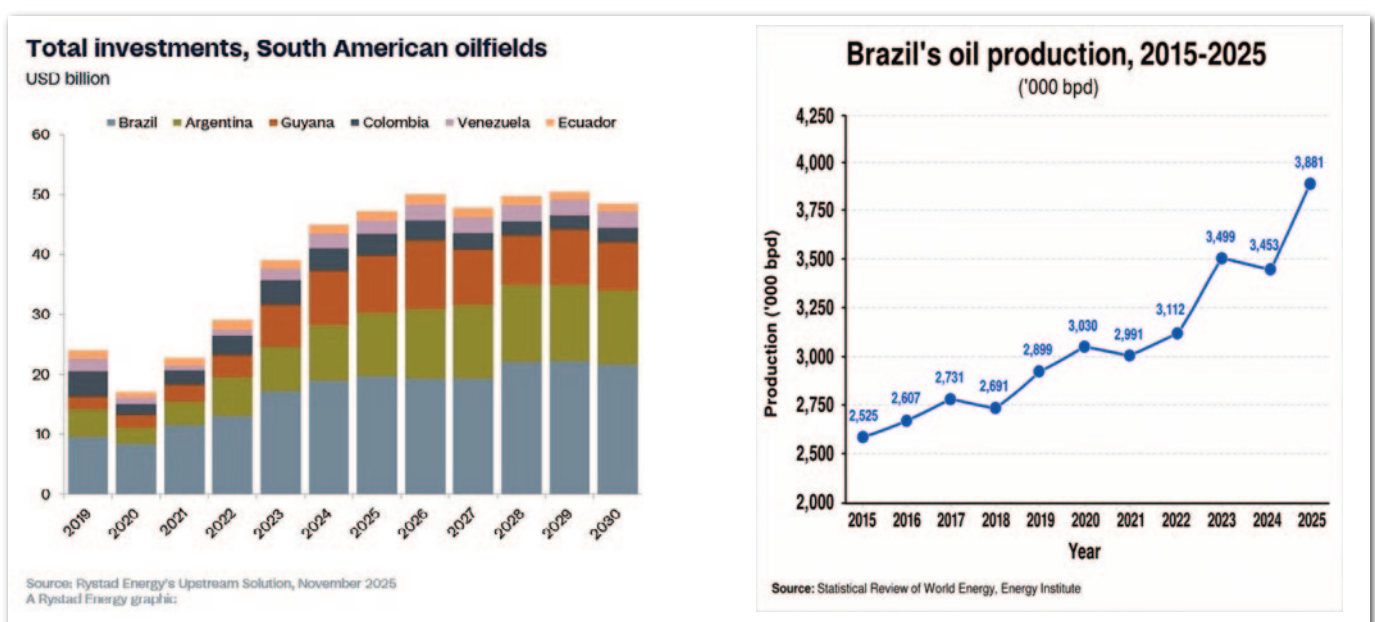
New projects continue to dominate the headlines, but they are only part of the picture. As Brazil's offshore

sector grows, operators are now focusing on how those assets perform over decades rather than simply how quickly they can be brought onstream. Extending production, maintaining well integrity and planning for eventual abandonment are increasingly being considered together rather than as separate stages of an asset's life.

Mature infrastructure requires more intervention, rig schedules remain tight and operators are under growing pressure to maximise recovery from producing assets. Operational pressures, including limited rig availability, vessel supply constraints and regulatory processes, are also forcing companies to rethink how well services are delivered.

Today, Brazil is also emerging as one of the world's decommissioning hotspots. According to Petrobras, some 420 wells and 2,000 km of subsea pipelines and flexible lines are expected to be decommissioned by 2029 as mature fields reach the end of productive lives.

These trends are reshaping priorities. Though Brazil's offshore industry is still thriving, lifecycle management is becoming just as important as new drilling. Intervention, integrity management and abandonment are now viewed as part of a continuous strategy aimed at protecting production as well as reducing long-term costs.



MARKET OVERVIEW: THE STATE OF BRAZIL'S WELLS MARKET

As Latin America's dominant offshore producer, Brazil's pre-salt developments continue to account for the majority of production and investment. Behind that, however, lies an increasingly complex operational picture, as every new well adds to the industry's long-term intervention requirements.

Petrobras continues to shape the market through the sheer scale of its offshore portfolio and its influence on technical standards. International operators including Shell, TotalEnergies and Equinor add further expertise through production optimisation and intervention programmes, while companies such as Trident Energy, Brava Energia and BW Energy are playing an important role as mature assets change ownership and operational priorities evolve.

Although operator strategies differ, the direction of travel is similar. The emphasis is moving beyond adding more

barrels towards extracting greater value from wells that are already online.

This lifecycle perspective is beginning to influence planning. Brazil's offshore inventory includes a steadily growing number of wells that will eventually require plug and abandonment (P&A). Although annual spending in this segment remains modest for now, operators are already factoring future liabilities into their decisions. End-of-life obligations are no longer viewed as distant concerns but as factors that shape field management decades before production ceases.

Taken together, all of these trends point to a market becoming increasingly lifecycle-focused. Drilling activity remains an important industry barometer, but operators are looking far more closely into how effectively they sustain production, manage integrity and control lifecycle costs across an asset's life.



Source: Petrobras

DELIVERING INTERVENTION IN A CONSTRAINED MARKET

Meeting rising intervention demand presents its own challenges, as pressure grows across the global offshore supply chain. Rig availability remains an obvious constraint, with deepwater drill rigs in demand around the globe. Intervention programmes that once relied on relatively flexible rig schedules must now compete with long-term development campaigns, delaying maintenance work and making production optimisation more difficult to plan.

Recognising that these pressures are unlikely to ease quickly, operators are seeking longer-term partnerships. A memorandum of understanding signed by Petrobras and Saipem in May 2026 for future decommissioning work reflects this broader trend. Beyond supporting specific projects, agreements of this kind provide greater certainty over future capability as intervention and abandonment requirements come into focus.

Pressure is also building elsewhere in the offshore fleet. Intervention and specialist support vessels are increasingly shared between operators, improving utilisation but making campaign planning more complex.

Scheduling conflicts, shifting operational priorities and competing commercial commitments can all introduce delays, particularly during periods of high demand.

The challenge extends beyond the availability of individual assets. Intervention demand is rising across the basin, yet planning and execution remain largely organised by individual operators rather than through coordinated regional programmes. Compared with mature offshore provinces such as the North Sea, opportunities for collaboration remain relatively limited, though there are signs of change.

This represents an obvious efficiency opportunity. Regional intervention campaigns and shared vessel strategies make sense operationally, but aligning commercial priorities between operators is more difficult than merely identifying any potential savings.

For now, operators appear to be following two complementary strategies: securing long-term access to conventional offshore resources, while also investing in technologies and operating models that reduce reliance on scarce rigs, vessels and other assets.



THE RISE OF RIGLESS INTERVENTION

As operators seek ways to ease pressure on constrained offshore resources, rigless intervention is moving from a specialist capability to a core part of well management. The concept itself is established, but its role in Brazil is changing. Rather than being reserved for lower-complexity work, rigless solutions are being considered early in campaign planning as firms seek faster, more flexible ways to maintain production without relying on conventional rigs.

Riserless light well intervention (RLWI) is part of that move. By eliminating the need for a drilling rig in certain instances, RLWI can reduce mobilisation costs, shorten planning timelines and give operators flexibility when responding to production or integrity issues. In a market where rig schedules may be booked years in advance, flexibility is becoming more prized.

The technology reached an important milestone in Brazil during 2026 when Trendsetter Engineering completed the country's first offshore RLWI operation. More than a technical first, it demonstrated that rigless intervention

could be successfully deployed in Brazilian offshore conditions, opening the door to wider adoption. Petrobras has since expanded the use of rigless techniques across selected assets, reflecting growing confidence these approaches can support routine well management.

A similar trend is evident in through-tubing intervention technologies, systems that allow operators to carry out activities such as scale removal, acid stimulation, diagnostics and integrity work without the need for full workovers. Again, this may deliver cost savings and improved responsiveness, significant as intervention demand grows, easing pressure on the wider supply chain.

Even so, rigless intervention is unlikely to replace conventional workovers in every situation. Well complexity, completion design and reservoir conditions will continue to dictate the most appropriate intervention method. The trend is therefore expanding the range of work that can be carried out without a rig, rather than eliminating rigs from intervention programmes altogether.



Source: Adobe Stock

WELL INTEGRITY AND PRODUCTION OPTIMISATION

out without a rig, rather than eliminating rigs from intervention. As offshore fields mature, declining reservoir pressure, mechanical wear and flow assurance challenges make intervention a routine part of operations. Many issues develop gradually. Scale build-up, corrosion, changing reservoir conditions and water production can all reduce performance over time, requiring regular intervention to sustain output or extend field life. It means operators are adopting continuous well management strategies that combine monitoring with planned intervention.

Downhole safety valves provide a good example of this changing approach. Although they remain essential for protecting personnel, assets and the environment, maintaining or replacing them can involve complex and expensive intervention programmes. To reduce that burden, Petrobras has evaluated insertable safety valves and wireline-retrievable systems that simplify future access while maintaining required safety standards. It illustrates how the emphasis is shifting from designing equipment solely for operational performance to

considering how easily it can be maintained throughout its working life.

Production optimisation is following a similar path. TotalEnergies has used stimulation campaigns on selected offshore assets to restore production without the need for more extensive workover operations, demonstrating how targeted interventions can deliver meaningful production gains.

Operators are also addressing day-to-day challenges that become more common as fields mature. Water handling, corrosion control and scale management require repeated intervention throughout a field's life, while declining reservoir pressure is creating interest in artificial lift systems.

It means the distinction between production enhancement and routine maintenance is becoming increasingly blurred. A campaign intended to address scale or integrity issues can often deliver meaningful production gains at the same time, making intervention decisions both operational and commercial.

P&A: GROWING ACTIVITY, GROWING COMPLEXITY

Operators are also addressing day-to-day challenges that. Although drilling continues to dominate investment across Brazil's offshore sector, attention is also turning towards future abandonment challenges. The inventory of offshore wells continues to expand, bringing with it a long pipeline of assets that will eventually require permanent plugging and decommissioning. While annual P&A expenditure remains relatively modest, operators recognise that the technical, regulatory and financial implications extend well beyond the final years of production.

Regulation is one of the biggest influences on project planning. Approval processes are becoming more detailed, with greater emphasis on environmental protection and barrier verification, which can impact schedules. Environmental considerations add another layer of complexity. Marine protection measures, seasonal operating restrictions and exclusion zones can all reduce

the number of available working days offshore.

There are numerous technical challenges and uncertainties too. Many legacy wells were drilled decades ago and may have incomplete records, uncertain barrier conditions or ageing infrastructure whose condition is difficult to verify before work begins. Each of these factors introduces additional technical risk and makes costs harder to predict.

Deepwater work brings with it added complications. Plugging wells in ultra-deepwater environments typically requires specialist vessels, complex subsea operations and lengthy offshore campaigns, all of which increase exposure to vessel availability and market costs. As intervention demand rises, these projects will compete for the same offshore resources needed to support ongoing production.

As such, P&A is no longer simply the final stage of an

asset's life. Decisions made during field development, intervention planning and integrity management will influence how straightforward, or expensive, eventual decommissioning will be.

Ultimately, cost uncertainty remains significant. Unlike development drilling, where costs are relatively predictable once a field concept has been established, abandonment projects often reveal unforeseen technical issues only after operations begin. That uncertainty is one reason operators are investing more heavily in well records,

integrity data and barrier verification long before production ends.

The industry is responding, with SLB opening a dedicated decommissioning hub in Rio to support Brazil's offshore retirement cycle, extending its capability across the full asset lifecycle, from well construction and production through end-of-life retirement. It also took the opportunity to introduce ROBIN, an autonomous subsea well intervention system developed in collaboration with Petrobras.

EMERGING TECHNOLOGIES IN INTERVENTION AND P&A

Technology is likely to play an integral role in meeting many of these challenges. Through-tubing (TT) P&A techniques are a good example. By enabling barriers to be installed without full workover operations in suitable wells, these methods can reduce vessel time and simplify campaign planning.

Petrobras has been actively developing and applying through-tubing abandonment techniques, alongside research into advanced methods such as Perforate, Wash and Cement (PWC), as part of efforts to improve the efficiency and cost-effectiveness of well abandonment while maintaining regulatory compliance.

Barrier verification is another area receiving attention. As abandonment requirements become more stringent, operators need confidence that permanent barriers have been installed correctly. Advances in cement evaluation, logging technologies and integrity verification are helping reduce uncertainty, allowing firms to demonstrate compliance while minimising the risk of costly remedial work.

Cutting technologies are also evolving, with improvements in severing production tubing, casing and subsea infrastructure helping to reduce time spent by specialist vessels. Hydrate management technologies are allowing operators to regain access to wells in challenging offshore conditions without compromising well integrity, reducing both operational risk and downtime.

Digital inspection tools are becoming more important as well. One example is Saipem's FlatFish autonomous underwater inspection drone, which has been deployed on Petrobras projects to carry out subsea inspections while reducing the need for conventional offshore inspection campaigns.

Again, deployments such as these highlight a broader shift towards continuous asset monitoring and lower-risk subsea operations. As intervention and abandonment workloads increase, all technologies that reduce vessel dependency and improve operational certainty are likely to feature more prominently in offshore well management.

DESIGNING WELLS FOR THE FULL LIFECYCLE

The focus on intervention and abandonment is also changing how operators think about new well design. Historically, completion strategies have been driven primarily by production performance and reservoir recovery. Today, there is recognition that decisions made during design phase can have consequences for intervention costs,

maintenance requirements and eventual decommissioning.

Completion architecture, barrier placement and equipment selection all influence how easily a well can be accessed during its operating life. Designing for future intervention can reduce maintenance complexity, while simplifying

barrier placement and retrieval can lower abandonment costs decades later. This lifecycle approach is beginning to influence technology choices. Equipment that allows easier access for future intervention, modular completion systems or designs that minimise unnecessary complexity are attracting wider attention.

Lifecycle thinking also aligns with broader changes taking place across the energy sector. As carbon capture and storage (CCS) projects develop, some existing wells and offshore infrastructure may be considered for repurposing rather than permanent abandonment.

Although an emerging opportunity, the possibility of future reuse is encouraging operators to consider adaptability alongside production performance when planning new

developments.

The recent collaboration between Petrobras and Saipem also reflects this shift in thinking. While the agreement supports future decommissioning work, it also includes the development of new technologies and approaches for managing ageing offshore infrastructure, illustrating how end-of-life planning is becoming integrated into wider asset management strategies rather than being treated as a separate activity.

Whether large-scale well repurposing becomes common remains uncertain, particularly given the technical and regulatory hurdles involved, but the possibility is influencing engineering decisions today in a way that would have been difficult to justify only a few years ago.

COLLABORATION, CONTRACTING AND FUTURE DELIVERY MODELS

As offshore operations become more complex, operators are also rethinking how intervention and well services are delivered. Traditional contracting models, where individual service scopes are managed separately, remain common across Brazil. However, growing intervention demand, tighter offshore capacity and increasing lifecycle responsibilities means companies exploring integrated approaches.

Shared vessel utilisation, coordinated intervention campaigns and pooled logistics are all attracting interest as ways to improve efficiency across the sector. By coordinating offshore activity between multiple operators, these models could reduce costs, improve vessel utilisation and create more predictable campaign schedules.

Progress has been gradual, however. Commercial arrangements, differing planning cycles and operator-specific priorities continue to limit wider collaboration, particularly when compared with more mature offshore basins such as the North Sea. The challenge is in finding the right balance. Greater collaboration can unlock efficiencies, but operators also need the flexibility to respond quickly to changing priorities, reservoir performance and market conditions. Future delivery models will therefore need to provide both operational integration and commercial agility, certainly an area in which further collaboration or dialogue would make sense.

This is evidenced by recent industry moves, with SLB working with Helix Energy Solutions and other subsea and intervention partners to align planning and offshore execution under an integrated model.

CONCLUSION

Brazil's offshore sector remains one of the world's most attractive deepwater markets. Yet the industry's direction is no longer defined solely by new drilling activity or major project sanctions.

As offshore assets age, intervention, integrity management and eventual decommissioning and abandonment are becoming central themes. This is shaping the wells market across the basin. Operators are now managing wells as lifetime assets, where decisions made during design, production and maintenance all influence future operating costs and decommissioning outcomes.

At the same time, constraints on rigs, vessels and specialist resources are accelerating the adoption of new technologies and alternative delivery models. Rigless intervention, digital inspection tools, through-tubing abandonment techniques and integrated contracting

approaches are no longer niche solutions, they are becoming practical responses to the realities of a changing environment.

If there is a defining feature of Brazil's wells market over the next decade, it is unlikely to be a single technology or service innovation. Rather, it is a gradual shift in mindset. Intervention, production optimisation and abandonment are increasingly being viewed as different stages of the same engineering challenge rather than separate disciplines competing for investment.

The companies that adapt most successfully will be those that view intervention, production optimisation and decommissioning not as separate disciplines, but as interconnected parts of the same lifecycle strategy. In an offshore market that continues to grow while steadily maturing, that integrated approach is likely to become an increasingly important source of competitive advantage.

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