AUGUST - 2011

BRAZILIAN TEXAS

THE MAGAZINE FOR BUSINESS - SOCIAL LIFE - NEWS - POLITICS

Featuting an special interview with
Mr. José Orlando Melo de Azevedo
President of Petrobras America

HOUSTON, TEXAS

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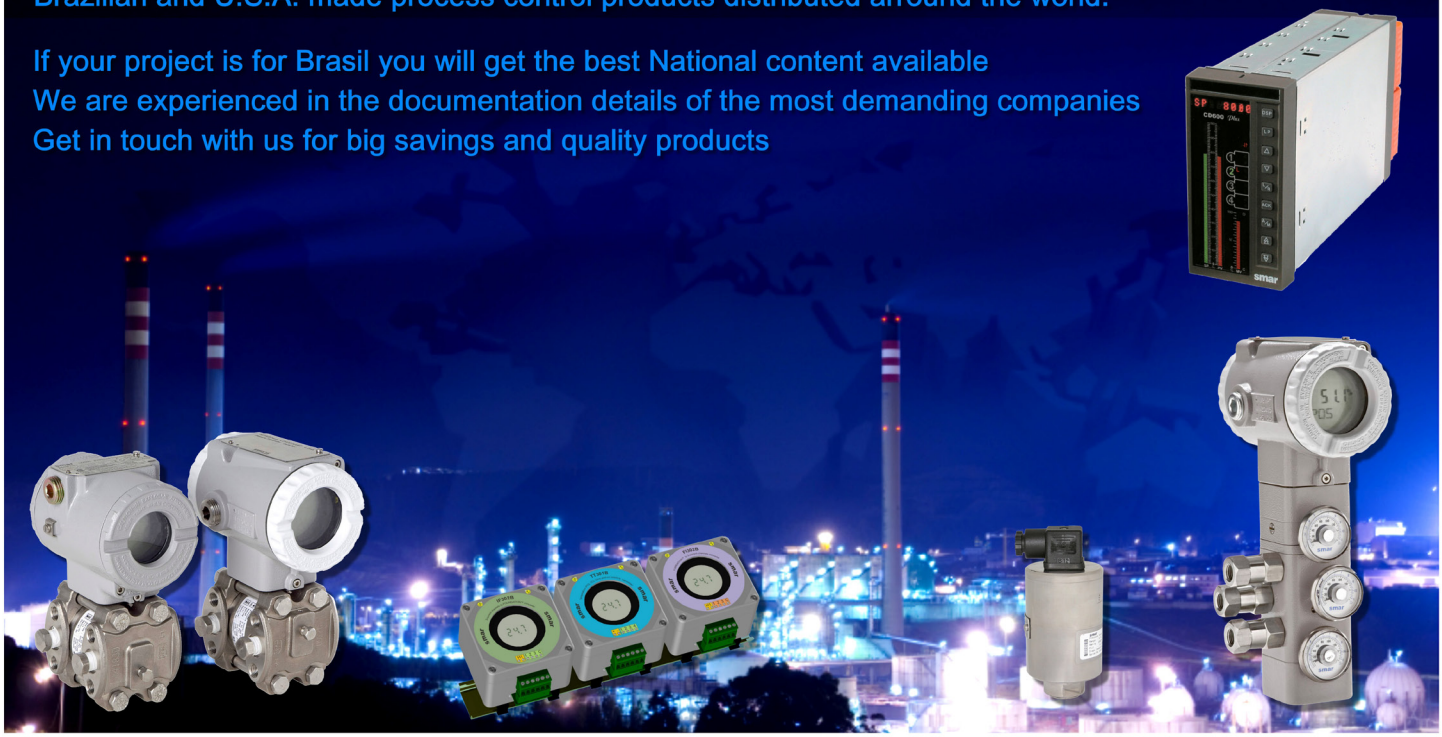

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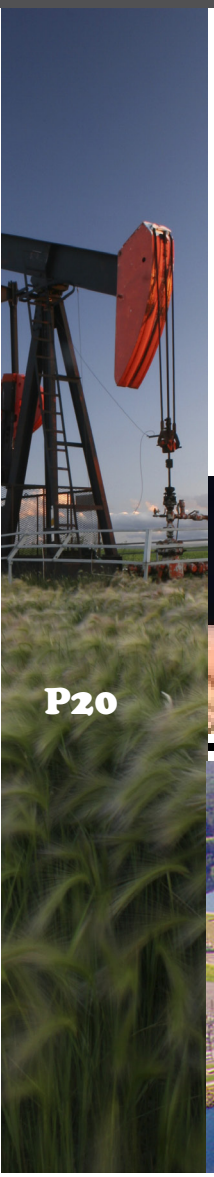

POLYGON AEROSPACE

20 YEARS OF EXCELLENCE

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Raizen – A global giant bio fuel company is born from Cosan and Shell Joint Venture

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Interview
Jose Orlando de Azevedo
President of Petrobras America

The Cascade and Chinook development of the first floating system of production, warehousing, and transport. How is this project progressing? This project is our primary focus right now because it showcases Petrobras' presence in the Gulf of Mexico.Consequently, it is being followed close byoperators, the media, and other companies.

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Egon Poisl
President of POLYGON AEROSPACE

International distributor of aircraft fasteners catering to the all different segments of the aerospace market. We sell fasteners such as screws, nuts, bolts, washers and many others which are used in the structural (frame) part of the aircraft as well as the interiors.

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Personality Of the Month
Cid Silveira
President of ATEX International

Since 1993 at the same location, our commitment is to the excellence your company expects, from carrying out the procurement process in an expeditious way, to the reliability of the products and services rendered.

HEADLINE:P 14

RUGGED RFID Technology Revolutionizing

Oil and gas operations involve very high stakes. Tools, equipment and assets often cost hundreds of thousands of dollars and are not easy to replace, especially when the operation is located in a remote area or offshore.

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Brazilians should invest in Houston Real Estate!

What do you get when you compare seasonal summer home buying in a single month to the same month a year earlier shortly after a home buyer tax credit expired?

HEADLINE: P19

Raizen A global giant bio fuel company ....

The creation of Raizen, a $12 billion bio fuel company, was announced in February 2011. Raizen is born as Brazil's 5th-largest company by sales and has plans to grow 50% bigger by 2016.

EDITORIAL

To Our Readers

The Brazilian Texas Magazine May 2011 issue has received an overwhelming reader feedback with an international circulation of 5,000 copies.The issue was totally dedicated to the celebration of the 10th anniversary of the Brazil Texas Chamber of Commerce (BRATECC).We want to extend our invitation to other companies to participate in the coming magazines with the opportunity to highlighting their history, challenges and successes achieved as PETROBRAS AMERICA is doing it in the present publication.The magazine staff is interviewing the "Mayor of Houston Annise Parker" for the December 2011 issue. Both 2011 issues will have a circulation of 10,000 copies with a 40-page standard format including interviews, comments and various articles covering current topics of interest to general audience and promoting the cultural exchange and trade between the State of Texas and Brazil. We look forward to the valuable participation of your company in the coming 2011 Brazilian Texas Magazine.We are thankful for the strong support received from all of these invaluable friends and companies that are constantly feeding the Brazilian Texas Magazines with its interesting articles and advertises. We continue in same direction and we are working hard to give the best possible service to our customers and readers. Thanks so much for those that have deposit their thrust on us for many years and a special mention to the Magazine cooperators, eaders, and places that have warmly allowed us to place our publication for distribution

Sergio Lima

BRAZILIAN TEXAS MAGAZINE
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BRATECC – THE BRAZIL-TEXAS CHAMBER OF COMMERCE

BRATECC Offshore 2011 Breakfast

"Chambers of commerce are the perfect place to foment business between international companies. Therefore Bratecc has an important challenge and a responsibility to bridge the interest of companies and stimulate the development of business in a moment where the intensification of relations between the United States and Brazil is in the spotlight."

Brazil

Texas

Interview

PETROBRAS

José Orlando Melo de Azevedo

President of Bratecc and President of Petrobras America Inc.

1. Mr. Azevedo, what are Petrobras America's plans and projects for 2011?

Petrobras America's business in the United States is focused on four specific areas:

a) Procurement: One of our main activities for 2011 is the purchase of equipment and spare parts in the American market as supply chain support for our operations in Brazil.

b) Trading: The Petrobras America Trading Group is engaged in the supply and marketing of our domestic and Brazilian production. This activity involves exporting our excess oil production in Brazil. In 2011, we are forecasting to trade from 40 to 60% of the total oil production currently available for export from Petrobras Brazil.

c) Downstream: We are active in this business area through PRSI, our refinery in Pasadena, TX. Since we started operating PRSI in 2008, we have made substantial investments in safety and reliability improvements. Due to this, we have consistently broken historical records of processing capacity and operational efficiency for this refinery. Our strategy for 2011 is to maintain these investments and to perform programmed turnarounds.

d) Exploration and Production (E&P): In the E&P area our main project is the development of the Cascade and Chinook fields. Cascade and Chinook is a pioneering project that brings a new concept in production, the FPSO (Floating Production Storage and Offloading), to the US Gulf of Mexico. The system is in full compliance with US Regulations, and in line with Petrobras' safety, environment and health guidelines.

Our main goal for 2011 is the start of oil production in the Cascade field.

We also have work interests in the St. Malo, Stones, Tiber and Hadrian projects in ultra deep water in the US Gulf of Mexico.

2. Petrobras leadership and pioneering spirit in the energy sector is shown through Cascade and Chinook developments with the first FPSO. How is this project progressing?

This project is our primary focus right now because it showcases Petrobras' presence in the US Gulf of Mexico. Consequently, it is being followed closely by operators, the media, and other companies. Progress is going as well as expected for a project of this size and importance. We are very optimistic that we will have the first oil production this year.This project will be a milestone achievement as one of the deepest production installations in the world. These water depths are even deeper than our projects in Brazil and its success creates new frontiers for Petrobras because of the new knowledge, information and management innovations.

3. The size of the Brazilian community in Texas is estimated to be about 15,000 people. Do you believe in the possibility of Petrobras establishing a chain of gas stations here in Texas?

This business possibility has always been part of our long term strategy for the US market. However, based on recent feasibility evaluations and analysis, this is not yet viable in the short term.

4. What is your opinion about the importance and impact of Bratecc to the North American and Brazilian markets?

Bratecc, which recently celebrated its 10th anniversary, plays an important role in the relationship between these two markets. Bratecc's function is to facilitate and promote business between Texas and Brazil. Throughout these 10 years, it has organized various events in order to accomplish this goal. Our influence was even relevant to Continental Airlines when it decided to continue operating daily non-stop flights from Houston to Brazil. This non-profit organization operates through the tireless dedication of its directors.

5. Mr. Azevedo, what 3 words define Petrobras America?

Value

Motivation

Dedication

POLYGON
AEROSPACE

About Polygon Aerospace

Polygon Aerospace is an internationally recognized distributor of aircraft fasteners with almost three decades of experience in servicing the aerospace manufacturing and maintenance industry. Polygon has assembled an extremely diverse inventory of parts specialized primarily in the support of Airbus and Embraer fleets. Our inventory is one of the most complete in the world when it comes to these two fleets. We have compiled an extensive network of manufacturers and suppliers over the years so that the "hard to find" products are no longer "hard to find" at Polygon.

Following the growth trend of Airbus and Embraer fleets around the world, Polygon Aerospace has also expanded its facilities at its headquarters in Houston as well as started a manufacturing facility in Sao Jose dos Campos, Brazil – home of the Embraer regional aircraft plant. This development has further strengthened Polygon Aerospace's position as one of the leading suppliers of fasteners for the Embraer jet families.

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POLYGON
AEROSPACE

20

YEARS OF EXCELLENCE

Egon Poisl

President of POLYGON AEROSPACE

Interview

1 Where You Born in Brazil?

born in Porto Alegre Brasil

2 What is your professional Background ?

Studied at University of Hamburg in Germany however finished the degree of Business Administration at New York University - major in International Business. Held several positions in USA/ Brasil and Germany always in international sales and distribution of consumer goods.

3 When did you open your company in the USA?

Established company in Sept. 1991.

4 Tell us about your Business .

International distributor of aircraft fasteners catering to the all different segments of the aerospace market. We sell fasteners such as screws, nuts, bolts, washers and many others which are used in the structural (frame) part of the aircraft, as well as the interiors. Our customer base is the airlines and their maintenance facilities as well as aircraft manufacturers such as Embraer and Airbus. 60% of our business is done outside the US (mainly Europe and South America) and the balance is domestic sales . 45% of the sales is to the airlines and maintenance organizations while the manufacturers and other distributors make up the rest of the sales volume. We also have a manufacturing plant in Sao Jose dos Campos –Brasil – close to the Embraer plant, which makes several lines of fasteners dedicated to the Embraer aircraft and used in the production of those aircraft – 70% of the production is used locally in Brasil and the remainder is exported to our facility in Houston where it is then distributed worldwide.

POLYGON AEROSPACE 20 YEARS OF EXCELLENCE

5 Tell us about the products you stock for immediate delivery.

We maintain a large inventory of parts in our Houston 40,000sqft facility (aproximately 25,000 part numbers-SKU's) and through collaboration with partners in Europe have access to over 275,000 additional part numbers. The key to success in this business is customer service, quality control and having stock available. We offer 24/7 AOG (Aircraft On Ground)

service to airlines and maintenance companies to avoid delays in repairs and emergencies at airports. All parts available from stock have complete traceability and quality documentation which is the minimum required to be able to sell to the airlines and any one installing parts on an aircraft. We are AS9120 certified which is an aerospace upgrade from the standard ISO certification. 30% of our deliveries are accomplished in 24 hrs or less from the time the customer's PO is received.

6 Has the current American economy affected your business?

The state of the American economy has most definitely impacted our business, at one point during the major crisis of 2009 reduced our business over 20% compared to 2008. However, in a way it also helped us as it forced us to diversify our business into different segments which contributed to our steady growth over the past 2 years. The need for new aircraft in the USA and in all emerging countries (such as Brasil) has helped boost the business in the aerospace market segment.

7 Has the stability of the Brazilian currency given you a good balance?

The stability of the Brazilian currency has not had an impacted our business, although the strength of the Real to the Dollar has certainly made our products manufactured in Brasil more expensive and less competitive in the USA and world markets.

8 Do you think alternative sources of energy are the solution for the present problems with the environment?

Most definitely. Alternative sources of energy and fuel are the future. All major aerospace manufacturers and aerospace related companies are actively pursuing these possibilities with a lot of resources being invested in this research.

Fuel along with personnel are the 2 major cost centers for any airline.Savings of $0.01 per gallon can mean billions saved to all airlines in the world and of course with the advantage being environmentally friendly. Several airlines have bio-fuel programs which are currently flying experimentally

9 Tell us about your experience in Texas.

Texas and the US has been extremely good to us, nowhere in the world can anyone start from nothing and have the opportunities this country offers. Houston in particular is the best environment for that, it has all the required tools to carry out international business, it is the 4th largest city in the USA and yet has the comfort, security and ammenities of a smaller town. We moved here in 1983, and have seen the tremendous growth this town experienced over the past decades but nevertheless everything flows easily compared to the other major US cities.

10 Are you going back to Brazil to live?

My roots are now here in Texas , I will continue going to Brasil periodically to also keep the Brazilian roots alive and enjoy our beautiful country as well as get to know more of it.

11 Tell us about the position of Brazil in economy in the World.

Brazil is poised to become one of the major powers in the world economy . The recent discoveries in the oil field as well as the upcoming sporting events will make Brasil the center of attention in the years to come and will give us the final push to put us among the "majors". However, there is the need to a very quick and major overall of our society's cultural and educational infrastructure to be able to achieve this goal and that is the biggest challenge . The tools are there to do it , we need the proper operators who are serious a competent to work them.

POLYGON AEROSPACE

20 YEARS OF EXCELLENCE

12 Is Brazil an emerging power or super power?

It is still one the emerging powers but it is on the very top of the list . Of all the "brick" countries we are definitely ahead by a commanding lead but as mentioned before we need to have the right team steering our tremendous potential and vast resources to be able to consider ourselves as part of the "first world".

13 Tell us about soccer and your love for"INTERNACIONAL"The soccer team

It is my passion –Inter- Colorado – Campeao de Tudo – is my soccer team since birth and it is such a pleasure to be associated with such a fine entity as their representative in Houston . Over the last 10 years is the only team that has brought international recognition to Brasil at their main sport, therefore the nickname: Champion of Everything !

14 You are the official representing"Internacional"in Texas. Is there any possibility of"Internacional" opening a soccer school in in Texas?

We would like to "globalize" the team name and brand so that the USA can enjoy the true feeling of soccer and also promote the sport within the american youth by also interchanging players between american and brazilian clubs. A soccer school might be one of the best tools to achieve this . It is something to consider

Personality OF The Month

Cid Silveira

President

ATEX International Corporation.

Changes in the lives of everyone occur all the time: employment, town, country. Some in a larger and others in a minor scale.Changes may be planned or unexpected, however in all cases require a great deal of responsibility and understanding of the new times.So it also happened with Silveira, as it did with so many others who, in the performance of a professional carrier, moved to a new country, particularly from Brazil to the United States. All the successes achieved during the three years commanding CONFAB's American subsidiary ~~offices~~ in Houston have served to deepen and solidify his knowledge in various aspects. Since 1995 when he decided to focus in activities such as business development and procurement, he contributed to the development of multiple projects. The first major project was in the supply of parts and equipment for the very first wet christmas tree manufactured in Brazil for Petrobras, commissioned to a subsea well in the deep waters of the Campos Basin back in 1998.With a degree in Engineering from Escola de Engenharia Maua in São Paulo, specialization courses in import, export and a deep knowledge of API steel pipe with upstream and downstream applications, he's been conducting his business importing such material to the US market, as well as exporting machinery and equipment for projects in various parts of the Brazilian territory. He's also helped American companies to introduce and sell their products in the Brazilian market.Having been in this business for the last 20 years, he's carefully developed an extensive network of dependable suppliers and manufacturers, partnering on qualified goods and reliable logistical services, mainly in the area of oil and gas. At the same time, he was one of the pioneers in the creation of BRATECC, the Brazil-Texas Chamber of Commerce, participating today in the Board of Directors.The expansion of the oil business in Brazil created numerous projects that ATEX participates through medium and long term contracts. With children at adult age, married with attorney and academic Ines Selestrim Silveira – active partner in the co-administration of the business – he is currently the CEO of ATEX International Corporation, in Houston, Texas.

ATEX International Corp.

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Our Commitment

When accepting a client engagement, we pledge hard work, attention to detail, timely performance to match agreed deadlines, and creative consultation. We also keep our clients abreast of developments as they occur – and we make sure developments do occur. We strive to provide the absolute highest levels of quality professional service, and we do guarantee our very best efforts for every client's satisfaction

Vip

Otto Fanini

Otto Fanini currently holds the position of Global Principal Engineer (Electrical) for Drilling & Evaluation in Baker Hughes, Inc. During his career he has worked in state-of-the-art projects in multiple industries such as oilfield services, semiconductor, broadcast, printing, communication, and textile industries. Fanini has accumulated 31 years of engineering experience, over 42 patents and over 45 technical publications. He holds a Master of Science degree in electrical engineering from Texas A&M University, an MBA degree from Houston Baptist University and a Bachelor degree in Electrical Engineering from the Universidade Federal do Rio de Janeiro (UFRJ) in Rio de Janeiro, Brazil. In Baker Atlas he participated in the development of state-of-the-art micro-resistivity, galvanic, and induction resistivity logging instruments. As project manager participated in the first successful through casing resistivity field measurement, the first slim through casing resistivity instrument and the development of the first multiple component tri-axial induction instruments. During his career in Baker Hughes, Inc. worked in multiple developments for dual induction, minilog, micro-laterolog, thin bed resistivity, spherically focused laterolog, and dual laterolog resistivity instruments. He held the position of Director of Borehole Systems for KMS Technologies working with technology development contracts for major oil companies such as Shell and British Petroleum. In the semiconductor industry developed the first internet network chip-set mounted on a single printed circuit board card under a contract for IBM. This improvement greatly reduced cost and size yielding a large internet network reliability increase (TMS 380 product family, Texas Instruments). In the broadcast industry installed and operated television channel 13 in Rio de Janeiro, Brazil holding the Technical Director position. During this project pioneered in Brazil less costly NTSC standard equipment used in Brazilian television stations with conversion to the local standard at the point of transmission. Led negotiations for the transponder allocation in BrasilSat3 used for launching RECORD TV network. Installed and operated his own FM radio station (Radio Sudoeste FM Ltda - 96.9FM in Sao Pedro de Aldeia, RJ Brazil).

News

$2.5 billion in biofuels until 2015

Petrobras, through its wholly-owned subsidiary Petrobras Biocombustível, will invest $2.5 billion in increasing biodiesel and ethanol production between 2011 and 2015. This amount is part of the $4.1 billion earmarked for the biofuels business, which also foresees $1.3 billion for ethanol logistics and $300 million for research in this segment. Petrobras' Business Plan calls for total investments in the order of $224.7 billion in the next five years. Increasing ethanol production will be a priority, and get a total of $1.9 billion of the investments (76% of the amount set aside for production). Together with partners, the goal is to reach a volume of 5.6 billion liters in 2015, or a 12% national market share. This will ensure the company the leading position in the domestic market. About 70% of the investments made in ethanol will be used to produce "new ethanol," with the construction of new plants, distilleries, increased sugarcane crushing capacity and plantation renewal. The investments will be made primarily through existing partnerships with Guarani, Nova Fronteira and Total Agroindústria Canavieira. So far as the biodiesel and agricultural supply segments are concerned, which are expected to get some $600 million in investments, the company hopes to maintain a 25% domestic market share in the coming years. This figure takes into account the organic growth in demand for diesel and the B5 regulation going into effect (5% biodiesel added to diesel). With its recent acquisition of a 50% interest in BSBIOS, in Passo Fundo, Petrobras Biocombustível's industrial park now adds up to five plants with a total capacity to produce about 700 million liters of biodiesel per year.

The company will focus its efforts on undertakings in the State of Pará. These ventures include the Pará project, which will deploy a plant to supply Northern Brazil, and the Belém project, conceived to produce green diesel in Portugal in partnership with Portuguese company Galp. Currently generating 861 jobs and implementing their agribusiness operations, the two projects involve total investments of R$884 million.

In the biofuels research area, meanwhile, $300 million will be invested in advancing the development of second generation ethanol (cellulosic ethanol) with a view to industrial-scale production. Investments will also be increased in research into aviation biofuels and to improve production processes to keep the company at the forefront of sustainability

Photo: PETROBRAS NEWS AGENCY

"Leopoldo", who?

Petrobras' Research Center CENPES bears his name,
IBP - The Brazilian Petroleum, Gas and Biofuels Institute awards its highest honor
"Prêmio Leopoldo Américo Miguez de Mello".
Who was this Leopoldo?

The CENPES Expansion

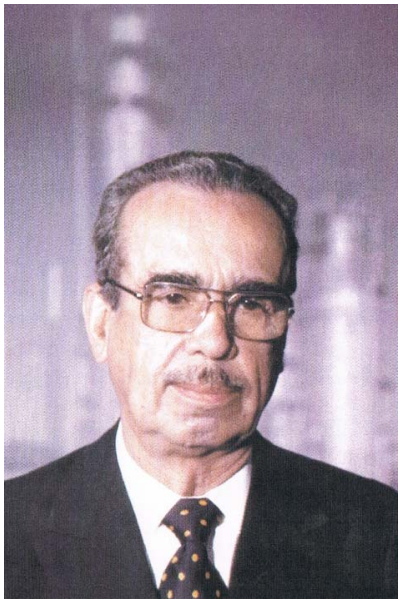
On October 7, 2010, Petrobras CEO José Sergio Gabrielli along with his Board of Directors, received Brazil's President Lula da Silva, for a ribbon-cutting celebration for the opening of a sparkling new wing at CENPES, the Petrobras Research Center – a new building, designed by Brazilian architect Siegbert Zanettini. The ceremony involved a small reception gathering industry leaders, followed by a presentation in the auditorium, providing keynotes discussing the significance of CENPES expansion. Finally, the event's main highlight: President Lula's address to CENPES employees, eager to hear Lula (like them, in white overalls) discuss the significance of CENPES expansion. Spirits were high that day.

After President Getulio Vargas created Petrobras in 1953, Leopoldo Miguez inspired its leadership for 20+ years with a Vision and a Mission, providing the wherewithal to develop Talent and Technology

At the end of the ceremony, CEO Gabrielli presented President Lula with "LEOPOLDO", a biography by Andre Ribeiro, on the life and work of Leopoldo Américo Miguez de Mello.

The Man

Leopoldo was born February 9, 1913 in Rio de Janeiro, to then Banco do Brasil employee Alvaro Miguez de Mello and Isabel Bastos de Mello. Soon thereafter, Leopoldo's father went on temporary assignment in Manaus, State of Amazonas, so Leopoldo's family lived part of his childhood there, just as the natural rubber cycle winds down, coming to an end in Brazil, the boom days were over. The planned plantations in Indonesia and Burma represented simply too effective and efficient a competition for the scattered and far between rubber trees occurring naturally in the Amazon forest.



Leopoldo Américo Miguez de Mello

Returning to Rio de Janeiro later in his youth, Leopoldo chose to study Chemistry at Escola Superior de Agricultura e Medicina Veterinaria, soon to become Escola Nacional de Quimica, eventually Universidade do Brasil, and more recently today, part of the Universidade Federal University do Rio de Janeiro. In 1935 Leopoldo graduated with a degree in Industrial Chemistry. But Leopoldo remained forever committed to Academia, first as a Teacher's Aid while still in his second year at the school, and after graduation as an assistant professor. Later Miguez de Mello acquires full professorship, and reaches the degree of doctor in chemistry.

The Professional

Following his graduation in 1936, Miguez de Mello joined one of the principal Oil & Gas companies setting up operations in Brazil in those days, Standard Oil Company of Brazil Esso His new employer arrived in Brazil with a representative office in 1912, followed by Shell's Anglo-Mexican Petroleum Products the following year. Esso pioneered the marketing and distribution of petroleum products in Brazil, installing the first fuel pump in Rio de Janeiro's Praca XV in 1921. Esso was also the first distributor to employ tank trucks, distributing petroleum products in Brazil.

Petrobras Research Center CENPES, 1973

The CNP Years

Leopoldo Miguez left Esso in 1943, to join Quimica Mercurio, a chemical company in Rio de Janeiro, as Technical Manager. Leopoldo worked ar Mercurio until 1947, when the CNP National Petroleum Council, retained Leopoldo Miguez'

professional services as a Consultant. CNP had been formed by Congress in April 1938, to oversee and regulate the petroleum industry in Brazil.

What followed were years of dedicated service to the energy industry in Brazil, as Leopoldo helped write regulations at CNP outlining the path and profile for the evolution of the petroleum and petrochemical sectors. Intense political activity in Brazil, heightened by a nationalistic drive and a constant search for an identity and role for the incipient local oil industry, marked that era in Brazil. Miguez de Mello however, maintained an apolitical posture, focusing on the technical issues that challenge growth in the industry. In October 1953, President Vargas created Petrobras firming Law 2004. The law established that the exploration, production, transportation and refining of crude oil become the Union's monopoly, and assigned Petrobras the duty of executing those activities on behalf of the State.

Petrobras CENPES Expansion, October 2010
Original building in background, left

The Petrobras Visionary

The following January, Leopoldo Miguez was invited to join Petrobras. As such, he became part of the team overseeing the building of Petrobras Mataripe Refinery, and later leading the construction of the Cubatao Refinery in Sao Paulo.

"In Brazil, we never built anything exceedingly ambitious"
Leopoldo

Fully recognized as the principal expert in the petroleum business in Brazil, Leopoldo Miguez orchestrated a series of initiatives that led Petrobras beyond a only perennial search for reserves. Leopoldo provided a vision, designing a strategy to implement a Mission toward that objective, and orchestrated the team to bring it to fruition. His inspiration extrapolated those who worked closely with him, to include other sectors of the company, to eventually become the corporate *modus operandi*. Until today, the constant search to expand and qualify the local supply chain is but one example of Leopoldo's concerns from his early days executing engineering projects of significant dimensions in Brazil.

One observes three basic drivers permeating Leopoldo's vision: a) the dire need for basic industrialization, b) the urgent quest for technology acquisition and development, and c) the critical preparation of human resources capable to absorb and advance in technology fronts. Leopoldo Miguez could visualize the role to be played by the petrochemical industry in that scenario, and equally important – he was able to convey that vision to his team and colleagues, in a scale that allowed exponential results – Leopoldo launched the first petrochemical endeavor in Brazil, FABOR, the synthetic rubber plant in the vicinity of Rio de Janeiro's Duque de Caxias Refinery. Moreover, Leopoldo was equally successful in coordinating an action plan leading to the creation of Petrobras Research Center. Leopoldo Miguez was further instrumental in developing Petrobras basic engineering capabilities. Leopoldo's multifaceted career at Petrobras brought him to the trenches that produced the Petrobras lube oil line LUBRAX, and its marketing arm BR Distribuidora, a top 5 largest Brazilian corporations.

The Legacy

Married to Nadyr Cavalcante Miguez de Mello for 38 years, no children, Leopoldo combined his focus on work with open house gatherings at his home welcoming friends, co-workers, and quite often business partners. Former colleagues of Leopoldo Américo Miguez de Mello often affectionately refer to him above all as a friend, describing him as an intelligent, bright individual, possessing a huge vision, simple manners, and unparalleled sense of humor. Andre Ribeiro's biography of Leopoldo Miguez (the one CEO Gabrielli presented to President Lula) describes countless episodes describing Leopoldo's keen readiness to engage others in humorous circumstances. Folks who worked directly with him, assistants and secretaries describe the unpretentious nature of such a consequential visionary. Leopoldo passed away on February 22, 1975 after a long bout with cancer.

As one will appreciate, Leopoldo's greatest legacy was his courage to dare, his willingness to challenge the status quo with the confidence that aligning an individual's competence with that of a team delivers outstanding results. Leopoldo's tenacity in pursuing the vision of a grand Brazil, coupled with his firm belief that only knowledge and technology truly break barriers inspired his colleagues during his days, and to this date, still guides Petrobras management and leadership. As one would expect from an important, ubiquitous player in the Brazilian market such as Petrobras, its practices eventually spilled over the walls into contact with the supply chain at large, bringing about similar tactics, protocols, procedures - duplicating itself amongst vendors and the industry as a whole. Today, as Petrobras leads Brazil into a new era resulting from major offshore developments, it is hoped Leopoldo's memory will inspire all toward plans for that grand Brazilian nation.

Ricardo Peduzzi
President of Peduzzi & Company, Inc.

RUGGED RFID TECHNOLOGY REVOLUTIONIZING OIL AND GAS DRILLING OPERATIONS

Increasing efficiency to save millions of dollars and reduce the risk of catastrophic failures

Oil and gas operations involve very high stakes. Tools, equipment and assets often cost hundreds of thousands of dollars and are not easy to replace, especially when the operation is located in a remote area or offshore. High rig rates make downtime, when an essential component breaks or simply can't be located, very expensive. And when assets fail, the results can have long term catastrophic effects on the environment and claim human lives. To ensure efficient and safe operations and comply with increasing HSE regulations, oil & gas companies must be able to track each tool, piece of equipment and assets such as drill pipe at all times. They need to know the location of their operational components at any given time, the exact specifications of each component, whether or not it was inspected or undergone maintenance treatment and when.They also need to know where, when and for how long each asset was used in the past. If, for instance, a piece of a drill pipe was used in a drill string that was exposed to a great deal of stress, it may be too fatigued to be used again under high stress. Depending on its use history, it may only fit certain tasks or perhaps should be retired to reduce the risk of a failure. Knowing asset use history, companies can also perform inspections and maintenance when necessary, avoiding arbitrarily scheduled treatments and unnecessary operational downtime. Traditionally, the process of tracking oil & gas assets has been largely manual. Writing down identification numbers on paper or entering manually to spreadsheets and tally books which are then copied and distributed to others at the company was time consuming and prone to human errors. Throughout the years, several different technologies have been used to help automate and simplify things.Among those were bar codes,stenciling and Radio Frequency Identification (RFID) technologies that were originally developed for the retail and transportation industries.These technologies worked well for some assets but they all failed when deployed to track assets used in downhole drilling and subsea operations where extreme temperatures, pressures, vibration, shock and abrasives destroyed any identification marks. Merrick Systems, a leading provider of IT solutions for upstream operations, was determined to solve the crucial problem of asset tracking in drilling operations. Merrick determined that RFID is the best technology to achieve that.However, traditional RFID widely used for applications such as EZ tags,store warehouse management and personnel management, had to be ruggedized to survive the harsh environment and rough handling typical of oil and gas drilling. Since 2005,the Company has worked to develop a new generation of RFID tags, rugged enough to survive the rigors of downhole and subsea operations. Merrick created a suite of RFID tags to fit different oil & gas assets, introducing in May 2010 its revolutionary High Pressure High Temperature (HPHT)RFID Diamond Tag^{T}, a game-changing technology for the drilling industry. Combining patented design and unique application methods, Merrick's tags allow companies, for the first time, to automatically track their high value assets even under the harshest conditions onshore, offshore and subsea, promoting efficient operations with a high degree of environmental and personal safety. Outlasting the asset life, Merrick's HPHT tags survive sustained (over 1000 hours) temperatures up to 200C and pressure up to 2070 Bar. Gaining global recognition from leading oil and gas producers as well as international organizations such as Offshore Northern Seas (ONS) which nominated the tags for its prestigious Innovator Award and the UK-based Energy Institute which included the tags in its short list of nominees for its EI Innovation Award. Merrick continues to develop and improve its RFID tags, stretching their abilities beyond existing boundaries and has recently announced the addition of a new tag to the Diamond suite for tagging casing. A member of BRATECC, Merrick is working to help oil & gas companies in the bustling Brazilian market to realize the immense benefits of RFID-based asset tracking for increased operational effi ciency and safety.

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Accident at the Bahía Blanca Refinery

Petrobras announces that there was an explosion in one of the temporary operator break rooms at the Ricardo D. Eliçabe Refinery, in Bahía Blanca, southern Argentina,this Wednesday (08/10) morning, at around 1 am. The blast took place outside the industrial area.One employee was killed and another injured. The Company is providing assistance to the employees' families. The internal emergency crews and the Civil Defense were notified immediately and are working on the site. The refinery was shutdown preemptively at the request of the local Subsecretariat for the Environment. The causes of the accident will be investigated.

Platform P-56 starts to produce in the Marlim Sul field

Petrobras has put semi-submersible platform P-56 into operation in the Campos Basin's Marlim Sul field, (state of Rio de Janeiro). The unit went into production from well 7-MLS-163HPRJS, which can produce up to 16,000 barrels per day. Installed at a water depth of 1,670 meters, the new platform was designed to process up to 100,000 barrels of oil per day when it reaches full capacity, which is expected in the first quarter, 2012. In addition to heavy oil (18 °API), the P-56 is capable of processing and treating up to 6 million cubic meters of natural gas per day.

The platform will be interconnected to 21 wells, 10 of which are oil producers and 11 are water injectors. Oil will be transported by pipeline to platform P-38, an FSO (floating oil and gas storage and offloading system) unit anchored 20 km away from the P-56. From the P-38, the oil will then be transported on shuttle tankers and the natural gas will be piped to Cabiúnas terminal.P-56 measures 125 meters in length, 110 meters in width, stands 137 meters tall and weighs more than 54,000 tons. Construction of P-56 topside modules has a high level of national content. The hull was entirely built in Brazil, which shows local industry capacity to meet orders placed by Petrobras.

Photo: PETROBRAS NEWS AGENCY

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News

Petrobras CEO presents the Business Plan for 2011-2015 in New York

Photo: PETROBRAS NEWS AGENCY

Petrobras CEO, José Sergio Gabrielli de Azevedo, and the Director of Finance and Investor Relations, Almir Barbassa, presented the company's 2011-2015 Business Plan to investors, analysts and journalists in New York.Gabrielli highlighted Brazil's position in the international economy compared to traditional markets and detailed Petrobras' projects. He spoke about the investments in the pre-salt, in biofuels, and in refineries, and discussed the Company's projections given the global demand for oil. "We are increasing our investments in upstream from 50% to 57% of the total. This is the main change in the plan. We will produce increasingly more oil," said the CEO.

Exploration and Production will get $127.5 billion of the total of $224.7 billion foreseen under the plan through 2015. This will allow the company to increase its total production (oil and gas) from the current 2.7 million barrels of oil equivalent (boed) to 4 million boed in 2015 and 6.4 million boed in 2020.

American investors also showed interest in the growth in the Brazilian demand for oil products, such as gasoline and diesel. According to Gabrielli, failing to meet this demand by expanding the refining capacity would result in a loss of 4% of the market share in coming years. "It is economically illogical," he said. The director of Finance and Investor Relations spoke about the soundness of the investments. "We are increasing the production of a commodity that the world needs, will continue needing for a long time, and that is becoming scarce," he said.

Also taking part in the event were the executive manager for Investor Relations, Theodore Helms, and Exploration & Production and Downstream coordinators Eduardo Molinari and André Natal, respectively.

Brazilian investors should be investing in Houston Real Estate!

By: Amando Queiroga

Houston Real Estate remains very affordable

-Houston never has had the so called" Real Estate Bobble problem

-Rental Market historically has always been strong in Houston

-Brazil's economy has put the Real to Dollar at a historically low ratio

-Houston economy is very strong

Just look at HAR latest figure 8,16, 11

HOUSTON HOME SALES RISE AGAIN INJULY

The second consecutive monthly increase is still attributed to slower than usual home sales in 2010 following expiration of the tax credit

What do you get when you compare seasonal summer home buying in a single month to the same month a year earlier shortly after a home buyer tax credit expired?

If it's July 2011 in Houston, Texas, it's a nearly 17 percent increase in home sales. Last year's third quarter slowdown in home sales continues to make this year's generally "typical" real estate activity appear slightly more positive than it otherwise would be considered. July marked the third time in 2011 that sales volume entered positive territory. It also saw the average price of a single-family home reach its highest level for a July in Houston. According to the latest monthly data compiled by the Houston Association of REALTORS® (HAR), July sales of single-family homes rose 16.7 percent versus one year earlier. That third increase of the year followed gains in January and June. All segments of the housing market, from the sub-$80,000 to the $500,000 and above, experienced positive sales. On a year-to-date basis, sales declined 2.2 percent. Compared to July of 2009, a year with no unusual market factors like Hurricane Ike in 2008 and the 2010 tax credit, single-family home sales were down 12.2 percent. "It is still premature to label this latest increase in home sales a true positive indicator, but with the effects of last year's tax credit fading and local employment figures strengthening, we should soon have an accurate reading on the Houston real estate market," said Carlos P. Bujosa, HAR chairman and VP at Transwestern. "I believe the year-to-date and July 2009 comparisons probably yield the most realistic picture of what's happening locally, and that places Houston in an enviable position when you see how other real estate markets around the country continue to struggle.

The average price of a single-family home rose 0.7 percent from July 2010 to $224,110, an all-time high for a July in Houston and the second highest average price of 2011.

The July single-family home median price—the figure at which half of the homes sold for more and half sold for less—increased 0.3 percent year-over-year to $160,000. That is unchanged from June and remains the highest that the median price has been this year.

Foreclosure property sales reported in the Multiple Listing Service (MLS) increased 13.5 percent in July compared to one year earlier. Foreclosures comprised 19.6 percent of all property sales, up slightly from the June level but lower than the first five months of the year. The median price of July foreclosures was unchanged at $84,000 on a year-over-year basis.

July sales of all property types in Houston totaled 5,962, up 17.1 percent compared to July 2010. Total dollar volume for properties sold during the month increased 18.7 percent to $1.27 billion versus $1.07 billion one year earlier.

Single-Family Homes Update

July sales of single-family homes in Houston totaled 5,034, up 16.7 percent from July 2010. This marks the third increase of the year after an 8.4 percent gain in January and 0.5 percent bump in June. The July number represents the second highest sales volume month of the year. June was higher with 5,570 homes sold.On a year-to-date basis, sales are down 2.2 percent. When compared to July of 2009, a year in which there were no unusual real estate market influences such as Hurricane Ike in 2008 and the 2010 home buyer tax credit, single-family home sales were down 12.2 percent.

Broken out by segment, July sales of homes priced below $80,000 rose 15.8 percent; sales of homes in the $80,000-$150,000 range climbed 17.7 percent; sales of homes between $150,000 and $250,000 increased 18.5 percent; sales of homes ranging from $250,000-$500,000 advanced 13.7 percent; and sales of homes that make up the luxury market—priced from $500,000 and up—soared 25.7 percent.

Lease Property Update

The Houston market experienced continued high demand for lease properties in the month of July. Single-family home rentals jumped 21.6 percent

compared to one year earlier and year-over-year townhouse/condominium rentals rose 7.7 percent. This demand has been largely driven by steady improvement in local employment numbers, with REALTORS® observing a surge in consumers relocating to Houston from around the country.

Houston Real Estate Milestones in July

· Volume of single-family home sales rose for the third time in 2011;

· Volume of townhouse/condominium sales rose for the second time in 2011;

· At $224,110, the average price of a single-family home reached the highest level for a July in Houston;

· At $160,000, the median price of a single-family home remained flat from June, maintaining the highest level of 2011 and the highest level in two years;

Townhouse/condominium sales rose for the second time in 2011;

· Single-family home rentals rose 21.6 percent;

· Townhouse/condominium rentals increased 7.7 percent;

· 7.6 months inventory of single-family homes compares favorably to the national average of 9.5 months.

The MLS does not verify the information provided and disclaims any responsibility for its accuracy. All data is preliminary and subject to change. Monthly sales figures reported since November 1998 includes a statistical estimation to account for late entries. Twelve-month totals may vary from actual end-of-year figures. (Single-family detached homes were broken out separately in monthly figures beginning February 1988.)

Founded in 1918, the Houston Association of REALTORS® (HAR) is a member organization of real estate professionals engaged in every aspect of the industry, including residential and commercial sales and leasing, appraisal, property management and counseling. It is the largest individual dues-paying membership trade association in Houston as well as the second largest local association/board of REALTORS® in the United States.

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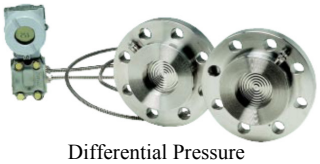

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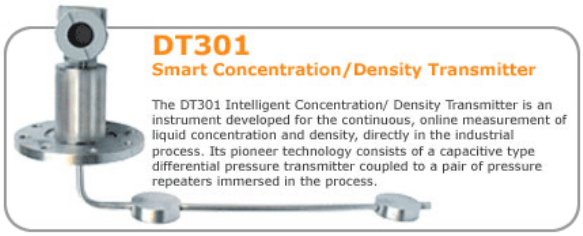

Featured at CONTROL magazine of JUNE/2007—See page 64

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Raizen – A global giant bio fuel company is born from the Cosan and Shell Joint Venture

The creation of Raizen, a $12 billion bio fuel company, was announced in February 2011. Raizen is born as Brazil's 5th-largest company by sales and has plans to grow 50% bigger by 2016. Raizen results from a joint venture agreement between the Brazilian ethanol giant, Cosan SA, owned by billionaire Rubens Ometto Silveira Mello, and Royal Dutch Shell PLC, a global group of energy and petrochemicals companies. This agreement brings approximately US$ 1.6 billion of cash inflow to the joint venture's investments. Raizen has 40,000 employees and plans to produce more than 2.2 billion liters of ethanol annually. Raizen's sugarcane crushing capacity will also increase from about 60 million metric tons a year to 100 million metric tons a year.

Raizen's impressive portfolio currently includes 23 ethanol plants with the following production capacity:

- Approximately 62 million tons per year of sugarcane crushing capacity with an annual production of over 2.2 billion liters of ethanol;
- Annual production of 4 million tons of sugar. - Electricity cogeneration with installed capacity of approximately 900MW. Energy sales contracts are signed for 12 of the 23 plants.

- Fuel distribution assets in Brazil, including 4,500 service stations, 550 convenience stores and the participation in 53 distribution depots including an aviation fuel business serving 54 airports.
- Participation in an ethanol pipeline infrastructure company.
- Commercialization rights for Shell in Logen Energy, a global leader specialized in biotechnology for cellulosic ethanol production.
- 16.3% ownership of Codexis, a company with clean technology producing optimized bio-catalyzers.

Raizen's name originates from combination of two Portuguese words: RAIZ (root) and ENergia (energy).

The color in the Raizen's logo reflects the sugarcane's color when it is ripe and ready to harvest.

Raizen Vision: Be recognized globally by the excellence of development, production and commercialization of sustainable energy.

Raizen Mission: Provide sustainable energy solutions through technology, talent and agility maximizing value for clients and shareholders while contributing to society..

Raizen's business and operational integration process reflecting the Cosan-Shell joint venture agreement is in full motion now and is scheduled to be completed 2011.

Raízen will greatly contribute for the sugarcane ethanol production, a source of sustainable, clean and renewable energy, strengthening and consolidating Brazil's leadership position in the bio fuel international trade.

Reference: Website www.cosan.com.br

By ; Otto Fanini

Brazilian Local Content Requirements

Principles and Practice

Armando Cavanha is an Independent Consultant in O&G, was President of Thompson & Knight Global Energy Services, President of Petronect/Petrobras and Procurement Executive Manager in Petrobras Brazil. William Prescott Mills Schwind is a partner at Thompson & Knight, LLP.

The promise and potential for the Brazilian oil and gas industry are well known and undeniable. To capitalize on the opportunities in the Brazilian oil and gas sector, international service providers will need to navigate the often complex waters of Brazil´s local content requirements. To chart those waters, those companies will need to understand the principles and the practice behind Brazil´s local content rules.

Brazilian Opportunities

Recent discoveries in the offshore pre-salt fields have increased the Brazilian government's estimates of the country´s reserves to approximately 50 billion BOE, and the Brazilian Mines and Energy Ministry (Ministério de Minas e Energia) antecipates future discoveries may raise that reserve estimate to as high as 123 to 150 billion BOE. Petrobras has announced a budget of US$224 billion through 2014, much of which will be focused on capital expenditures for pre-salt developments, and experts predict that an additional $224 billion could be required for operating expenditures.The sheer size of Petrobras' budget, combined with the vast scale of the pre-salt projects and the technical complexity required to recover oil from ultra-deepwater fields buried beneath extensive layers of salt, means that there will be ample opportunities for Brazilian and international oilfield service providers to supply services and equipment to Petrobras. To do so, however, international oil field service providers will have to satisfy various levels of local content requirements.

Sovereignty and Brazil

The roots of Brazil's local content requirements lie in the country's notion of sovereignty. Defined by the Merriam-Webster Dictionary as "freedom from external control" or "autonomy," the principle of sovereignty is of fundamental importance to the Brazilian national ethos and underlies the country's foreign policy, industrial policies, business requirements and even the award of contracts by governmental entities. Perhaps nowhere is the Brazilian government's concern for sovereignty more evident than in its strategy for developing the pre-salt fields, where its goals have been to increase the government's financial participation in the proceeds from oil and gas projects, to fund government in health and education programs, and to leverage the growing demand for international oilfield support services into financing the development of Brazilian oilfield services companies. The local content requirements applicable to oil and gas developments in Brazil are a key component of that strategy.

Sources of Local Content Requirements

There are many different ways in which local content requirements apply to the Brazilian oil and gas industry. Until now, the National Petroleum Agency (the Agência Nacional de Petróleo or the "ANP") has been the regulatory entity that oversees all concessions for oil and gas exploration in Brazil. The Brazilian government has determined that the ANP will not regulate the pre-salt areas, but the ANP will continue to have jurisdiction over concessions for all other onshore and offshore blocks in Brazil. Current ANP regulations require the winner of a concession to commit to spend a certain percentage of its overall expenses on equipment or services that are sourced in Brazil. The Brazilian government recently formed Pré-Sal Petróleo S.A. to oversee the pre-salt areas. Although PetroSal has not yet been allocated specific regulations to administer, it is expected that the new regulator will require operators in the pre-salt areas to comply with local content requirements that are similar as those mandated by the ANP. Thirdly, Petrobras itself, acting through corporate policies and procedures, has been for decades a driving force in developing Brazilian technology and operational capability. Petrobras' procurement policies strongly and unequivocally prefer suppliers who have established operations in Brazil, particularly where those suppliers are ultimately owned by Brazilian nationals. In addition, Petrobras has actively promoted the education and development of engineers in Brazil, to generate employment, to stimulate local economic activity and to develop the country's oil and gas industry. In this sense, Petrobras still very much functions as a state company that weaves a strong social responsibility component into its business practices.

Meeting Local Content Requirements

Brazilian local content requirements can generally be understood as percentages of total expenditures, where regulations require an operator to spend a minimum of its total capital expenses or operating expenses on goods or services that are Brazilian. The exact percentages vary with the regulations, most of which feature very specific and detailed descriptions of what and how certain equipment and services will qualify as "Brazilian" and what will not. For example, in certain circumstances, the assembly of equipment in Brazil will qualify as "Brazilian," even though the parts that comprise that equipment are sourced from abroad.

Meeting local content requirements in Brazil demands strategy, attention to detail, and a thorough understanding of the regulations, as well as strong relationships with Petrobras, with the regulator and with Brazilian vendors. In particular, international oilfield service providers need to closely analyze supply, sources of raw materials, distribution centers, available technology, logistics, and manufacturing capacity.

While the reward for meeting Brazilian content requirements promises to be high, specifically the ability to participate in the lucrative pre-salt developments, the risks associated with deviating from those rules are also high. Specifically, failure to meet local content requirements can lead to fines or even to the loss of contracts. Fortunately, help is available. The Brazilian government sponsors the Program for the Mobilization of the National Oil and Natural Gas Industry (Programa de Mobilização da Indústria Nacional de Petróleo e Gás Natural or "PROMINP"), created in 2003 and coordinated by the Ministry of Mines and Energy,that plays a significant role in identifying areas where the Brazilian oil and gas industry still falls short of international standards,in formulating strategies to build and improve local capacity in those areas, and in consulting with international companies about what goods and services can be provided in Brazil in order to satisfy local content requirements.Working with PROMINP has the added bonus of improving an international company's relationship with Petrobras, since much of PROMINP's management team consists of Petrobras executives.Another source of support is the National Petroleum Industry Organization (Organização Nacional da Indústria de Petróleo or the "ONIP") which serves as an industry forum. This organization facilitates relationships between operators and the providers of goods and services, encourages dialogue, and creates opportunities for international companies to ask questions about taxes, technology, organization and development. Brazil's National Bank for Economic and Social Development (Banco Nacional de Desenvolvimento Econômico e Social or the "BNDES") is widely known for the significant role that it plays in financing infrastructure projects in Brazil, including oil and gas projects. Less known, however, is that the BNDES also actively promotes the development of the Brazilian oilfield services sector and local suppliers. The BNDES can also be an excellent source of contacts and information for an international provider, as well as a potential source of financing. Finally, no discussion of strategies to meet local content requirements would be complete without mentioning mergers,acquisitions and joint ventures between international oilfield service providers and Brazilian suppliers. The past several years have witnessed significant activity in each of these areas, and while these combinations offer immediate market access and local relationships, poor structuring can lead to successor or even direct liabilities for the international company in Brazil. When considering a strategic combination in Brazil, a legal, financial and fiscal due diligence investigation, together with careful legal planning, is essential.

Brazil´s Promise and Challenges

For the Brazilian oil and gas industry, the future may be right now, and there are ample opportunities for international oilfield service providers to participate in Brazil's pre-salt developments in a significant way.To do so, however, international companies will need to carefully study and comply with a number of different local content requirements.

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Sometimes dining out can be a vacation in itself. That's never been truer in Houston than at Emporio Brazil Café, where, every day you can savour Delicious Brazilian Fare. Brazil is renowned for its pristine paradise beaches, beautiful people, football, but also for its incomparable cuisine, which varies delightfully from region to region, each dish meticulously blended with local ingredients like cassava, dende, coconut milk, cashews, papaya, and passion fruit. Emporio features the most exquisite dishes from different regions in Brazil, with a focus on freshness, purity, and delivering an authentic Brazilian dining experience. You'll be dizzy at the appetizer list alone, with a mouth-watering selection of empanadas (savoury pastry stuffed with either beef, chicken, cheese, hearts of palm, or shrimp), crab on the shell, garlic shrimp, fried yucca, and the famous mouth-watering Brazilian cheese bread, Pao de Queijo. Save room for the entrees, though, which include Brazil's beloved fish or bean stews; Brazilian beef or chicken Stroganoff; sirloin or chicken sautéed in a mushroom cream sauce; tender grilled chicken breast with sautéed shrimp and cooked yucca; Beef Parmeggiana with grilled vegetables and mozzarella cheese;

and the out of this world vegetarian flavour combo of grilled vegetables, white rice, fried yucca, sautéed collard greens and fried banana. Don't forget the soup and salad list, which includes six delectable salads and several unique Brazilian soups including the Collard green soup, (caldo verde) with potatoes and smoked sausage. Seafood, Poultry, and "The Grill" get their own menu lists as well—the latter includes Brazil's kaleidoscopically flavoured Churrasco Gaucho: grilled cubes of skirt steak, chicken, pork, and sausage with bell peppers and onions, served with white rice, black beans, banana, farofa and vinaigrette. Last but not least the most famous Brazilian cut of beef "picanha " By now you've probably realized that you'll have to go back (and you will want to!) to even begin to scratch the surface of Emporio Brazilian Café's amazing menu. But don't dare leave without asking for their delectable home-made dessert list--even if they have to wheel you out. (Three words: Passion Fruit Soufflé). Come celebrate spring and party in Brazilian grand style, join us for a refreshing caipirinha (pronounced kai – pee-reen – ya) during HAPPY HOUR 4P-9P. Bom Apetite

Smar Supplies First FOUNDATION Fieldbus System at Nuclear Plant

Ocone Nuclear Station - South Carolina, USA

Duke Energy Corporation is one of the largest energy suppliers of its kind in the Americas. Duke acquired Smar control equipment for Instrumentation and Control upgrades at one of its key base load nuclear power generation plants. The Oconee Nuclear Station is a three unit nuclear station located in South Carolina, USA. The Oconee Nuclear Station has generated more than 500 million MW/Hours of electricity for U.S. consumption since beginning operation in 1973.

Oconee Nuclear Station was the second U.S. nuclear station re-licensed for continued operation in addition to its current license of 40 years. Oconee has been re-licensed for operation of a total of 60 years. Oconee evaluated various technologies for the recent Instrumentation and Control upgrade application. Comparisons and technological reviews were made among the submitting suppliers regarding existing equipment offerings and instrumentation models to determine the appropriate application ensuring reliable operation and longevity. Smar met the requisites perfectly by supplying FOUNDATION fieldbus technology as the solution for sustained operation for the extended licensing term. Also resulting from this innovative implementation, Duke Energy made significant improvements throughout the plant infrastructure overall relative to the components, personnel training and process control.

According to Mike Miller, Duke's Electrical Engineering Supervisor in the Oconee Nuclear Station Major Projects organization, the company has benefited from the newly-acquired technology which enables field control capability not provided by previous numerical pneumatic equipment. In addition, it gained the benefit of on-line diagnostics and all the advantages that FOUNDATION fieldbus brings to the management of resources, costs, downtime etc. "After 25 to 30 years of limited and somewhat piecemeal attempts with conventional analog and rudimentary digital Instrumentation and Control systems, the Foundation fieldbus system provided a remarkable level of stability to our process control loops and variables".

Upgrades on one of the three reactors has been installed; with the additional two scheduled for December 2007 and 2008, respectively. The first reactor installation has a capacity for 64 segments, with a total of approximately 130 installed FOUNDATION fieldbus components. The installation will allow for up to 600 fieldbus units per reactor, with more than 1800 available for the entire plant. "Key improvements were made on electrical, steam and flow measurement. This drew the attention of other nuclear stations interested in the system, and showed the real benefits of Foundation fieldbus in control rooms and not only for simple field control, as before," added Miller. "As a result, the project for our new plant will include all the advantages that the FOUNDATION fieldbus system can bring", he stated.

Ernani Verissimo, Project Manager at Smar International in Houston, explains that Duke Energy identified Smar as a versatile company capable of customizing the requirements for nuclear sector development. "All equipment underwent a series of tests that recognized and approved the applicability of the products and the entire system," he adds.

Joe Rondan, Smar International President and CEO, commented; "After passing for a very demanding series of tests with the installation base in Nuclear Plants and other demanding sectors, Smar is prepared to provide a smooth transition for Digital Technology for American Nuclear Plants."

Mr. Rondan also added; "Smar, has by far, the most complete implementation for FOUNDATION fieldbus technology available in the market today."

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Executives can also recognize soccer talents

Sergio Lima Brazilian Soccer Academy in last three years had the pleasure to have the presence of Mr. Edu and his wife Maria Elena in town. Edu has participated in the Sergio Lima Summer Soccer Camp and we had to make the most of a world soccer star that was visiting Houston last July. Just briefly, I want to say that he was in the Brazilian National team in 3 WorldCups (1966, 1970, and 1974) and turned a World champion in 1970 were Brazil was the first team to conquer the FIFA World Cup for the third time. Fast and with great agility, he played for many years side-by-side with Pelé were he made significant contributions in conquering titles for the Santos Futebol Clube. Yes, ladies and gentlemen we are talking about Edu, Mr. Jonas Eduardo Americo. As good artist, Edu gave to soccer fans many moments of unique and creative performance. During his presence, we could even get Brazilian executives Antonio J.Galafassi President of Tramontina USA, Irineu Baldasso, Vice President of Sales of Tramontina,Marcel de Souza, Customer Service Manager of Tramontina,Joe Rondan, President of Smar,Farlanes Barbosa,President of Barbosa State,Sergio Santos President of Sergio&Doris Travel. That have enjoyed his performance in the pass to participate of a gather at Mr. Rondan's house to hear Edu and other invited soccer players sharing great moments of their carriers. A real treat for soccer lovers! The party was complemented with the participation of family members of executives and former soccer players that work in the Houston area for many years. Players as Sergio Lima, Carlinhos Lessa, and Coach André Lessa added a lot of talk about soccer. Of course, after Edu told Rondan that he is a great player in the attack and that he has a great accuracy with his left leg, Rondan also decided to add rich Paella to the party. Just kidding Edu inducing Rondan! Well, I can tell you thatonly Mr. Rondan knows how to do a Paella like that! And I'm not kidding about this one!

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