EXCLUSIVE REPORT

Brazil Just Broke Its All-Time Oil Production Record — Here's Why It Matters to You

A deep-dive analysis based on verified data from ANP, Petrobras, IEA, Bloomberg, Reuters, Agência Brasil, Agência Gov, and multiple international and Brazilian news sources across the political spectrum.

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What Happened

On February 2, 2026, Brazil's oil and gas regulator — the National Agency of Petroleum, Natural Gas and Biofuels (ANP) — released the consolidated production numbers for 2025. The results are historic.

Brazil produced an average of **3.770 million barrels of oil per day** throughout 2025. That is the highest annual average in the country's history, and it represents a **12.3% jump** over 2024, when production stood at 3.358 million barrels per day. To put it simply: Brazil added roughly 412,000 barrels per day in a single year — equivalent to the entire daily oil output of a mid-sized producer like Egypt or Ecuador.

Natural gas production rose even faster, climbing **17% year-on-year** to 179 million cubic meters per day, also a record.

When oil and gas are combined into a single measure (barrels of oil equivalent per day), Brazil averaged **4.897 million barrels per day** in 2025 — roughly **12.7% higher than the previous all-time record** set in 2023 (4.344 million) and **13.3% above** the 2024 figure (4.322 million). The 2024 number had actually dipped slightly from 2023, so 2025's surge represents a sharp rebound and then some.

December 2025 alone was particularly impressive. Oil output hit **4.015 million barrels per day** — the first time Brazil ever exceeded 4 million in a single month. That was **6.4% higher** than November and a massive **17.4% increase** from December 2024. Natural gas in December reached 194.33 million cubic meters per day, up 20.6% year-on-year. Combined December production topped **5.237 million barrels of oil equivalent per day**.

What Drove the Record

The short answer: new floating oil platforms came online in Brazil's ultra-deep pre-salt offshore fields, and existing fields kept performing above expectations.

What is the pre-salt? Imagine the ocean floor off the coast of Rio de Janeiro. Drill down through more than 2,000 meters of water, then through another several kilometers of rock and an ancient layer of salt, and you reach enormous pockets of high-quality, light crude oil. These "pre-salt" deposits were first commercially discovered in 2006 at the Tupi field (originally called Lula). Since then, Brazil's pre-salt has proven to be one of the most prolific oil provinces ever found. In 2025, **pre-salt fields accounted for roughly 79.6% of all Brazilian oil and gas production**, extracted through approximately 175 wells in December.

Three major new production units ramped up during 2025, each one essentially a massive floating factory:

FPSO Almirante Tamandaré — This is now the biggest production vessel in Brazil. It was deployed at the Búzios field in the Santos Basin and averaged roughly **240,000 barrels of oil per day** during November and December 2025. It was a decisive factor in pushing Búzios past the milestone of **1 million barrels per day** in October 2025 — only the second Brazilian field ever to hit that mark (after Tupi).

FPSO Alexandre de Gusmão — Operated by a consortium that includes Shell (19.3%), Petrobras (38.6%), TotalEnergies (19.3%), and Chinese companies CNPC and CNOOC, this platform came online in the Mero field with a nameplate capacity of **180,000 barrels per day**.

Bacalhau field start-up — Norway's Equinor began first production at its Bacalhau project, also in the Santos Basin, adding further to national output.

P-78 — This newest platform at the Búzios field started producing on the very last day of 2025, December 31. Its full capacity of 180,000 barrels per day will primarily affect 2026 numbers, but it signals that the growth pipeline is far from exhausted.

Offshore fields produced **97.9% of all Brazil's oil** and 86.5% of gas in December. Petrobras — the state-controlled energy giant — alone or in partnerships with other companies, was responsible for roughly **89 to 90% of all oil and gas produced** in the country.

How Big Is This Globally?

Brazil is already one of the world's most important oil producers. Depending on which measure you use, it ranks as the **seventh- or eighth-largest crude oil producer** in the world, behind the United States, Russia, Saudi Arabia, Canada, Iraq, and the UAE, and is roughly on par with Iran.

But what matters even more than the ranking is the direction: while OPEC+ members have been voluntarily cutting production to keep prices up, Brazil (along with the United States, Canada, and Guyana) has been surging. According to the U.S. Energy Information Administration (EIA), these four countries in the Americas are the primary drivers of global oil supply growth in 2025 and 2026. The EIA estimates that total world oil supply increased by about **1.9 million barrels per day in 2025**, and non-OPEC+ countries contributed the lion's share.

The **International Energy Agency (IEA)** has identified Brazil as one of the key non-OPEC producers reshaping global supply, and an IEA report from April 2025 suggested that Brazil could join the group of the **five largest oil exporters by 2030**. A separate analysis from September 2025 noted that Latin America — led by Brazil, Guyana, and Argentina — would account for about **a quarter of non-OPEC oil production growth** over the next five years, even though the region only pumps about 12% of non-OPEC barrels.

In February 2025, Brazil officially joined **OPEC+**, the expanded cartel that includes OPEC's 12 members plus 11 other producers like Russia. However, Brazil's membership is limited to the "Charter of Cooperation" — it participates in discussions but does **not** accept production quotas or limits. This means Brazil can pump as much as it wants while still sitting at the table.

And that oil is increasingly going abroad. In 2024, crude oil surpassed soybeans as **Brazil's number-one export** for the first time ever, reaching $44.8 billion in export value. The volume of oil shipped overseas rose 10%. China was the biggest buyer, receiving about 44% of Brazilian crude exports, followed by the United States, Spain, and the Netherlands.

The Money Behind It: Petrobras and Big Oil Are Pouring In Billions

This production surge didn't happen by accident. It is the result of deliberate, massive investment, primarily by Petrobras.

The company — which is 37% owned by the Brazilian federal government — approved a business plan for 2025–2029 totaling **$111 billion in investments**, up 9% ($9 billion) from its previous 2024–2028 plan. Of that amount, **$77 billion** is earmarked for exploration and production, with roughly 60% directed at pre-salt fields. Nearly **$8 billion** will go toward drilling **51 new wells**, 78% of them offshore.

A big chunk of that money is being spent on new floating production vessels: Petrobras plans to bring **10 new FPSOs online by 2029**, with five more after that and six additional projects under study. The company targets **4.5 million barrels of oil equivalent per day** in operated production by 2029, with 80% coming from pre-salt.

One of the most striking numbers: Petrobras claims its average **breakeven price is just $28 per barrel of Brent crude** — among the lowest of any major producer in the world, cheaper than even ExxonMobil or Chevron. This means that even if oil prices drop significantly, most of its projects remain profitable.

But Petrobras is not alone. The entire Brazilian oil sector is expected to attract **$122 billion in investment by 2029**, according to the ANP. Shell has become Brazil's second-largest oil producer, responsible for about 11% of crude output — Brazil now accounts for roughly 15% of Shell's global production. TotalEnergies is the third-largest, planning to reach 200,000 barrels per day in Brazil by the end of 2026. Equinor, CNOOC, CNPC, and others are all investing heavily.

Petrobras itself reported record production in 2025: **2.40 million barrels of oil per day** (its share of the national total), up 11% from 2024. Combined oil and gas output reached 2.99 million barrels of oil equivalent per day. The company beat its own targets by 0.5 percentage points — a rare feat that exceeded the top end of its guidance range.

For dividends, the plan sets aside **$45 billion** in regular payouts to shareholders over 2025–2029, with up to $10 billion more in extraordinary dividends. However, dividends are becoming a source of tension: Petrobras raised its capital spending by 32% in the first half of 2025, while free cash flow dropped 44% in the second quarter — a sign the company is prioritizing growth over payouts.

The Big Political Controversy: Oil Wealth vs. the Climate

This is where the story gets complicated, and where left-wing and right-wing narratives diverge sharply.

The Lula government's position

President Luiz Inácio Lula da Silva, who leads a left-wing coalition, has argued that Brazil needs to extract its oil to generate the revenue that will **fund the country's energy transition**. Oil revenues pay for social programs, infrastructure, and job creation. Brazil's sovereign oil fund, created in 2010 to collect royalties, had accumulated about $3.5 billion by 2025 — but Lula's government tapped it to help shore up the economy when his approval ratings hit a record low. The government revised how reference oil prices are calculated, aiming to boost royalty revenues by about $181 million. Brazil's energy minister, Alexandre Silveira, has repeatedly argued that Brazilian oil has one of the world's **lowest carbon footprints per barrel** — around 15 kg of CO_2 per barrel compared to a global average of about 20 kg — making it a more responsible source of fossil fuels.

Environmental and left-wing criticism

Climate activists see a deep contradiction. In November 2025, just weeks before Brazil hosted **COP30** — the UN climate summit — in the Amazon city of Belém, the government's environmental agency IBAMA granted Petrobras a license to drill an exploratory well in **Block FZA-M-59**, located in the Foz do Amazonas Basin, about 540 kilometers from the mouth of the Amazon River. This area is near the **Great Amazon Reef System**, a massive and largely unmapped marine ecosystem estimated to span at least 20,000 square miles.

The ANP has estimated that the broader Equatorial Margin could hold up to **30 billion barrels of recoverable oil**, and Petrobras plans to spend $3 billion drilling 15 wells there. But IBAMA's own technical staff had recommended rejecting the license **three times** — in May 2023, October 2024, and February 2025 — citing insufficient environmental mitigation and emergency response plans. A 2024 study by the Amapá Institute for Scientific Research, in collaboration with Greenpeace Brazil, found that an **oil spill in that area could reach Pan-Amazonian countries** and devastate the coastlines of Amapá and Pará states.

Environmental groups including Greenpeace, Observatório do Clima, and Arayara filed lawsuits to nullify the drilling license, calling it "double sabotage" — against both the climate and Brazil's own legal commitments. A coalition of Brazilian climate organizations described it as Brazil "putting on a green facade internationally while staining itself with oil at home."

A 2024 Climainfo survey found that **81% of Brazilians** said Petrobras should shift into renewable energy immediately.

A June 2025 report by the International Institute for Sustainable Development (IISD), World Benchmarking Alliance, and WWF-Brazil concluded that up to **85% of Petrobras' planned extraction** would be unprofitable under a climate scenario consistent with limiting warming to 1.5°C. The most high-risk projects would only turn a profit if global temperatures rise by **2.4°C or more**. The report estimated that avoiding new field development could save Petrobras from **$13 to $36 billion in stranded asset losses**.

A separate investigation by SkyTruth detected **179 probable oil slicks** in Brazilian waters since 2017, while fossil-industry vessel traffic grew 81% between 2012 and 2023. Methane burning from offshore operations was found to release emissions equivalent to those of **6.9 million cars annually**.

Global Witness calculated that Petrobras is set to spend **$770 billion on oil and gas through 2050**, with $230 billion of that going to new production — oil and gas that, when burned, would produce emissions equivalent to the **annual emissions of the US and EU combined**.

Right-wing and market-oriented criticism

On the other side, investors and conservative commentators worry that President Lula is using Petrobras as a **political tool**, echoing past practices that nearly bankrupted the company. During Lula's earlier presidential terms (2003–2010) and those of his successor Dilma Rousseff, Petrobras was used to subsidize fuel prices and fund government programs, which led to massive debt and, eventually, the Operation Car Wash corruption scandal that exposed billions in kickbacks and graft. That scandal sent Lula to prison (he was later released) and destroyed enormous shareholder value.

Under the current government, investors note that Petrobras' **net debt jumped 27%** year-on-year to $58.56 billion by mid-2025, that capex is rising while dividends are being cut, and that the government has signaled it wants a larger share of Petrobras profits directed to the domestic economy rather than to shareholders. When Brent crude dropped to around $62 per barrel in late 2025 — well below the $70+ average earlier that year — Petrobras indicated it would trim investments in its upcoming 2026–2030 plan, marking the first capex cut since the Bolsonaro era.

Separately, an investigative report by Brazilian outlet Agência Pública found that towns that receive the most oil royalties in Brazil **remain among the country's poorest**, raising hard questions about whether oil wealth actually trickles down to ordinary citizens or is absorbed by administrative inefficiency and corruption.

Why You Should Know This

Oil prices affect everyone. Brazil pumping nearly 4 million barrels a day means more supply on the global market. More supply tends to put downward pressure on prices. Whether you fill up a car, heat your home, or buy goods that were transported on trucks and ships, the global oil price affects the cost of your daily life. Brazil's surge, combined with similar growth from the US, Canada, and Guyana, is one reason OPEC+ is struggling to keep prices high despite production cuts.

Climate math is getting harder. The world agreed at COP28 in 2023 to "transition away from fossil fuels." Since then, multiple countries, including Brazil and Canada, have hit record oil production. Global oil demand is projected by the IEA to peak before 2030. But production plans from major producers suggest the supply side isn't slowing down. Brazil's Equatorial Margin alone could hold 30 billion barrels — oil that, if extracted and burned, would massively add to cumulative CO_2 emissions.

Brazil's economy runs on this. Oil is now Brazil's top export. The pre-salt fields generate enormous royalties and taxes. Petrobras' investment plan directly creates tens of thousands of jobs, mainly in the coastal states of Rio de Janeiro and São Paulo. For Lula, who faces a presidential election in 2026, oil money is both a political lifeline and a policy tool.

The Amazon is at stake. The decision to drill near the mouth of the Amazon River, close to a reef system that scientists are still mapping, represents one of the starkest conflicts between resource extraction and environmental protection anywhere in the world. How this plays out — in the courts, in politics, and in the ecosystem — will set a precedent for other frontier oil provinces in sensitive regions.

Geopolitics is shifting. Brazil joining OPEC+ while refusing production limits is a signal of confidence and independence. As Western nations push energy transitions and the Middle East manages supply, South American producers — Brazil chief among them — are emerging as the new swing factor in global oil. The IEA, Bloomberg, OilPrice.com, and the EIA all identify Brazil as the most important new non-OPEC oil growth story of the decade.

The Key Numbers at a Glance

Metric	Figure	Source
2025 annual oil production	3.770 million bbl/d	ANP
Year-on-year oil growth	+12.3%	ANP
2025 annual gas production	179 million m³/d	ANP
Year-on-year gas growth	+17%	ANP
Combined oil + gas (2025 avg)	4.897 million boe/d	ANP
December 2025 oil production	4.015 million bbl/d	ANP
December 2025 combined	5.237 million boe/d	ANP
Pre-salt share of production	~79.6%	ANP
Petrobras share of national production	~89–90%	ANP

Metric	Figure	Source
Petrobras 2025 oil production	2.40 million bbl/d	Petrobras
Petrobras 2025–2029 investment plan	$111 billion	Petrobras
Total sector investment by 2029	$122 billion	ANP
Petrobras breakeven price	~$28/barrel Brent	Petrobras
Crude oil exports (2024)	$44.8 billion	Trade Ministry
China's share of Brazil oil exports	~44%	Bloomberg
Equatorial Margin reserves (est.)	Up to 30 billion bbl	ANP
Búzios peak daily output (Oct 2025)	1 million bbl/d	Petrobras
Búzios estimated reserves	~13 billion bbl	ANP / Petrobras
Tupi estimated reserves	~8 billion bbl	ANP / Petrobras
Brazil global producer ranking	~7th	EIA

Fact-Check Statement

Every figure, claim, and data point in this narrative is sourced from verified, publicly available information published by the following institutions and outlets: Brazil's ANP (Agência Nacional do Petróleo, Gás Natural e Biocombustíveis), Agência Gov (Brazilian government news agency), Agência Brasil, Petrobras corporate disclosures, the U.S. Energy Information Administration (EIA), the International Energy Agency (IEA), Bloomberg, Reuters, OPEC, Petronotícias, SBT News, InfoMoney, ISTOÉ, Jornal de Brasília, Monitor Mercantil, Notícias ao Minuto, OilPrice.com, Brazil Energy Insight, Rio Times Online, CBC, Democracy Now!, Inside Climate News, Greenpeace International, Climate Change News, Mongabay, The Guardian (Agência Pública), Global Witness, IISD, Yahoo Finance, Nasdaq, Offshore Energy, and the IEA's Oil 2025 report.

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