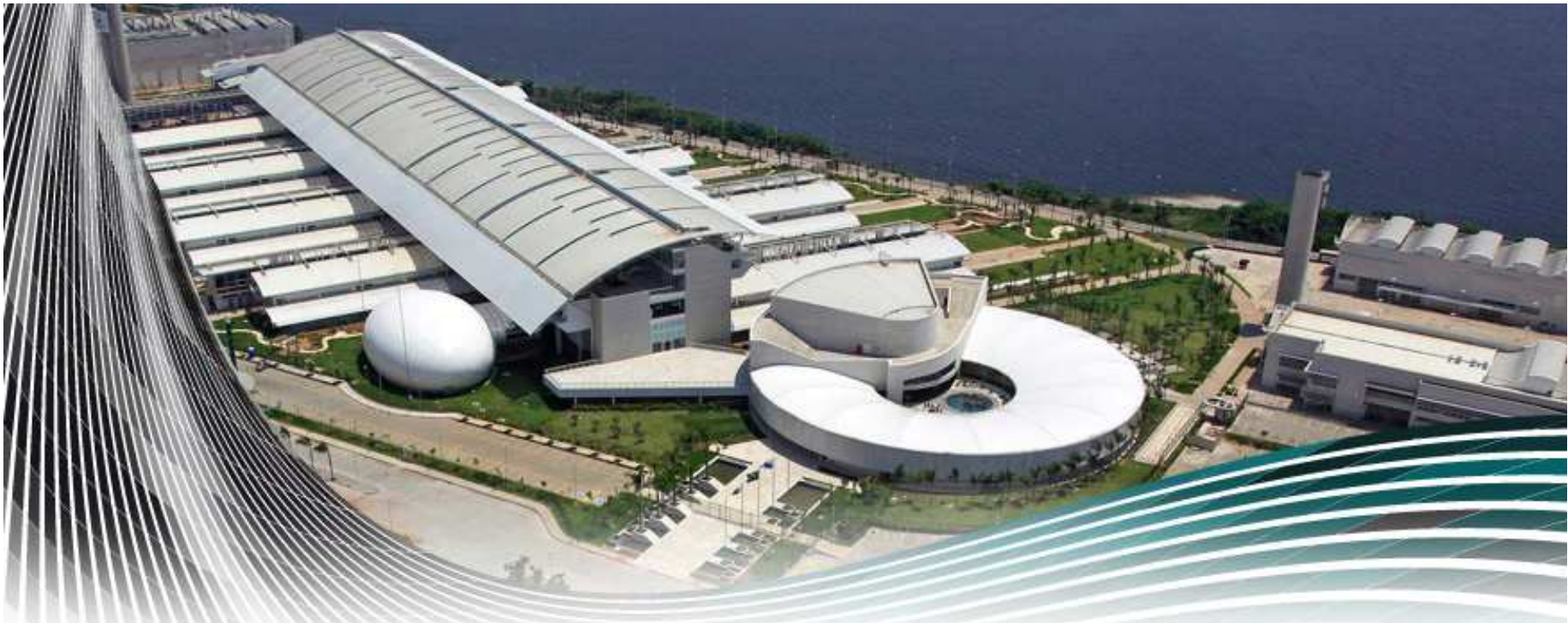


EWO in the Petroleum Industry - challenges and opportunities

Lincoln F. Lautenschlager Moro
Fábio dos Santos Liporace
Euclides Almeida Neto





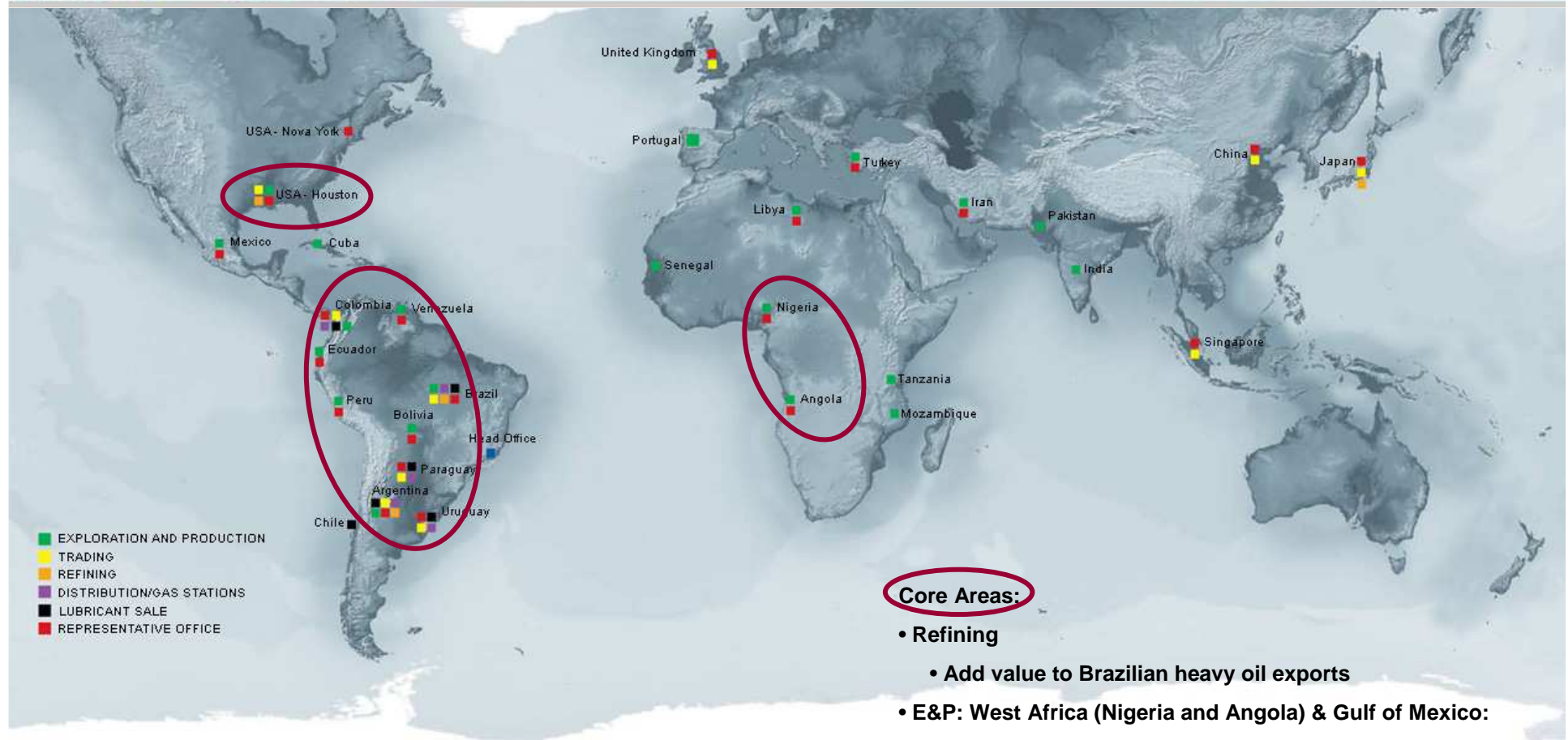
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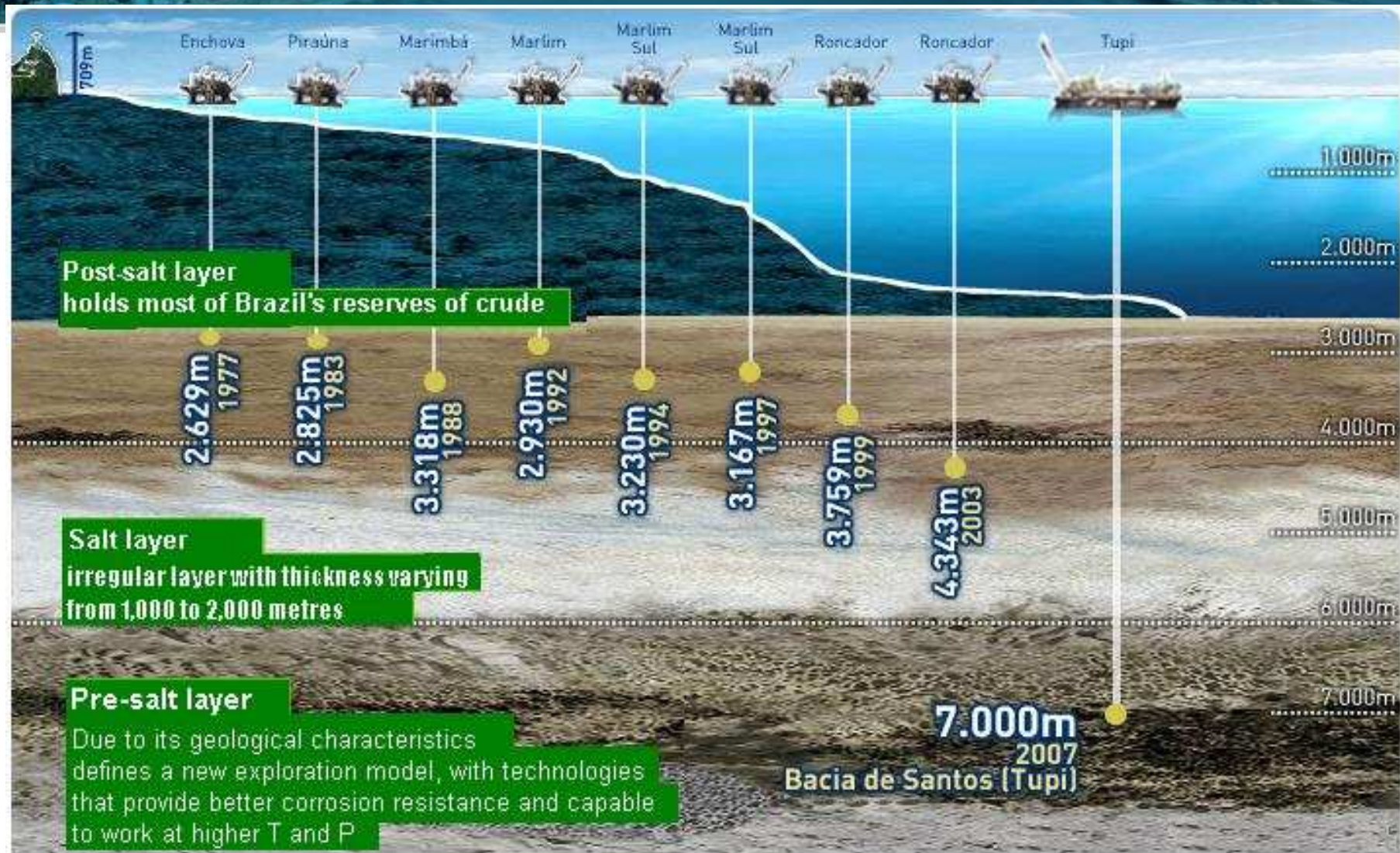
INTERNATIONAL COMPANY



Core Areas:

- Refining
 - Add value to Brazilian heavy oil exports
- E&P: West Africa (Nigeria and Angola) & Gulf of Mexico:
 - Apply deep water and deep well drilling technology.
- Latin America:
 - Leadership as an integrated energy company

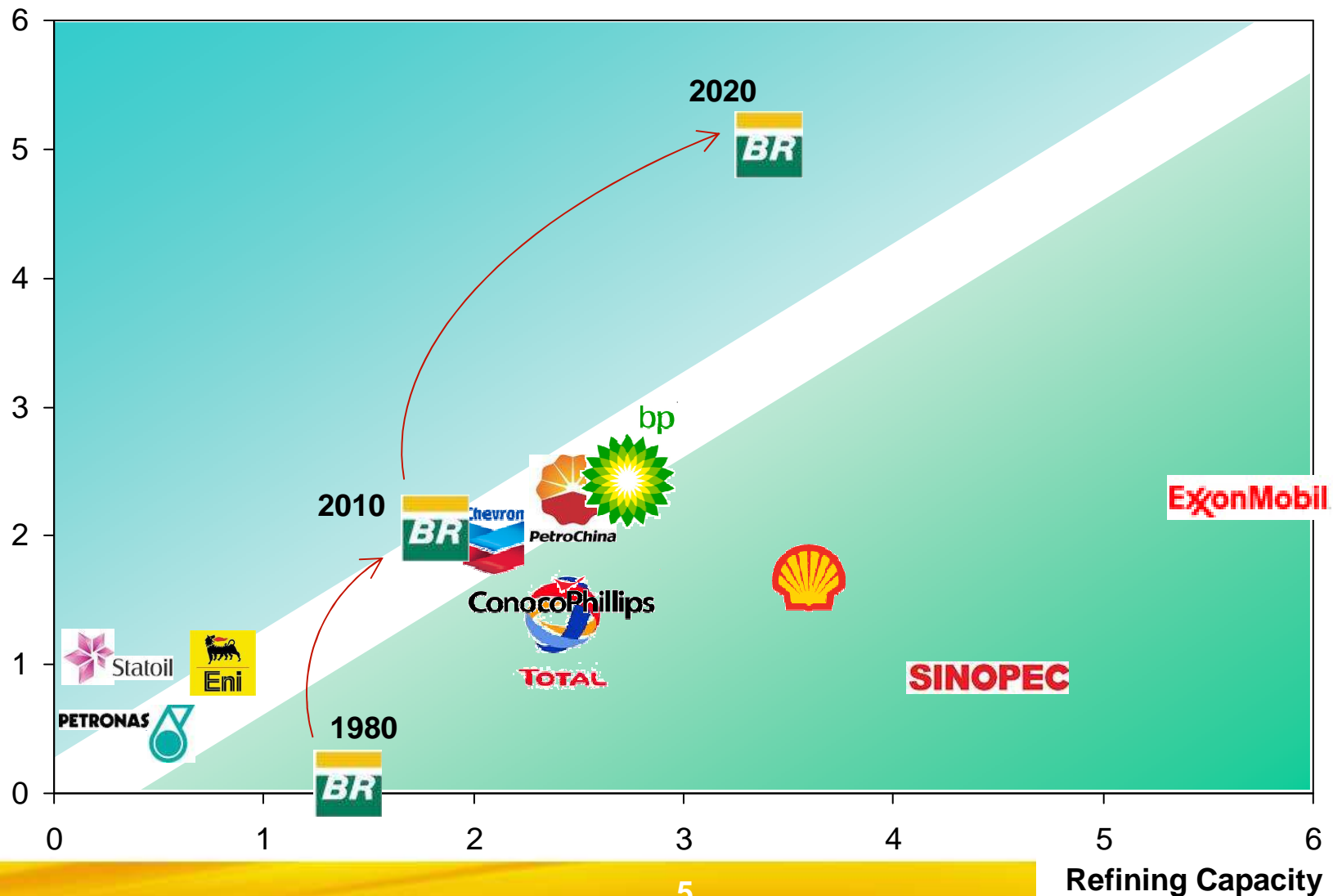
New frontier in crude oil production: Sub-salt



BUSINESS INTEGRATION

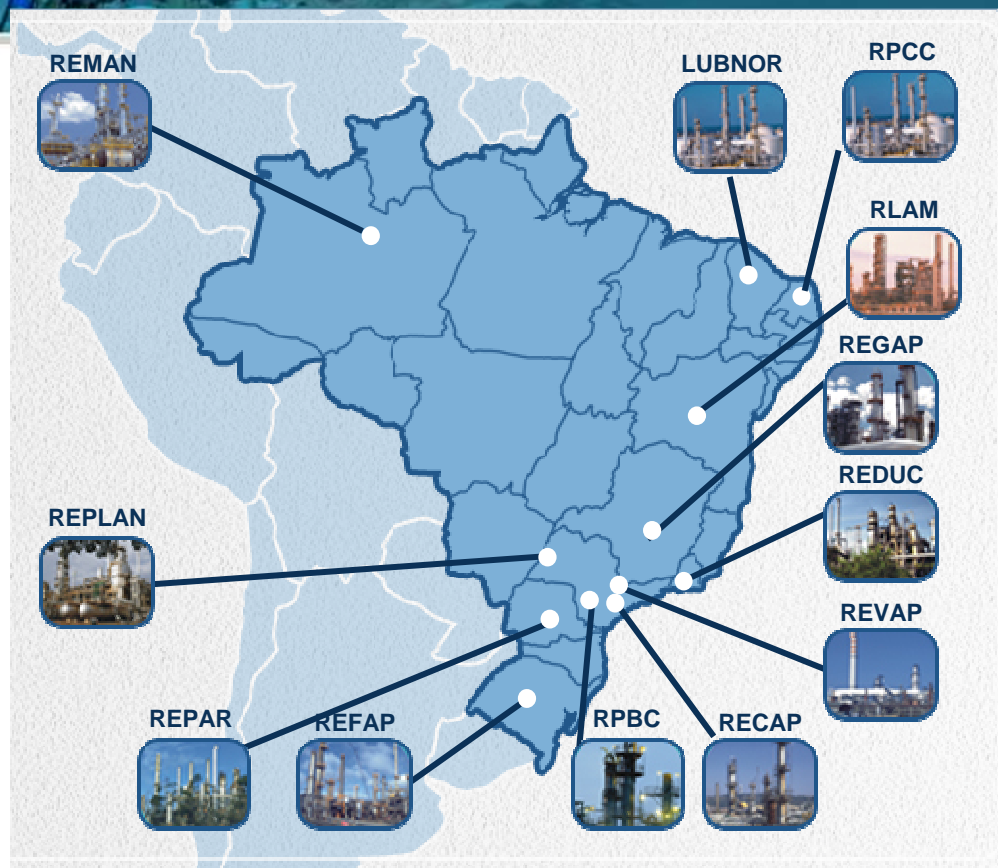
Petrobras will increase the importance in the industry through growing the oil production and expanding the Downstream

Oil Production



Note: For other companies, capacity in 2010.

Petrobras' Refining Infrastructure



- As Petrobras continues to grow its upstream business, the need for a compatible refining infrastructure becomes more critical

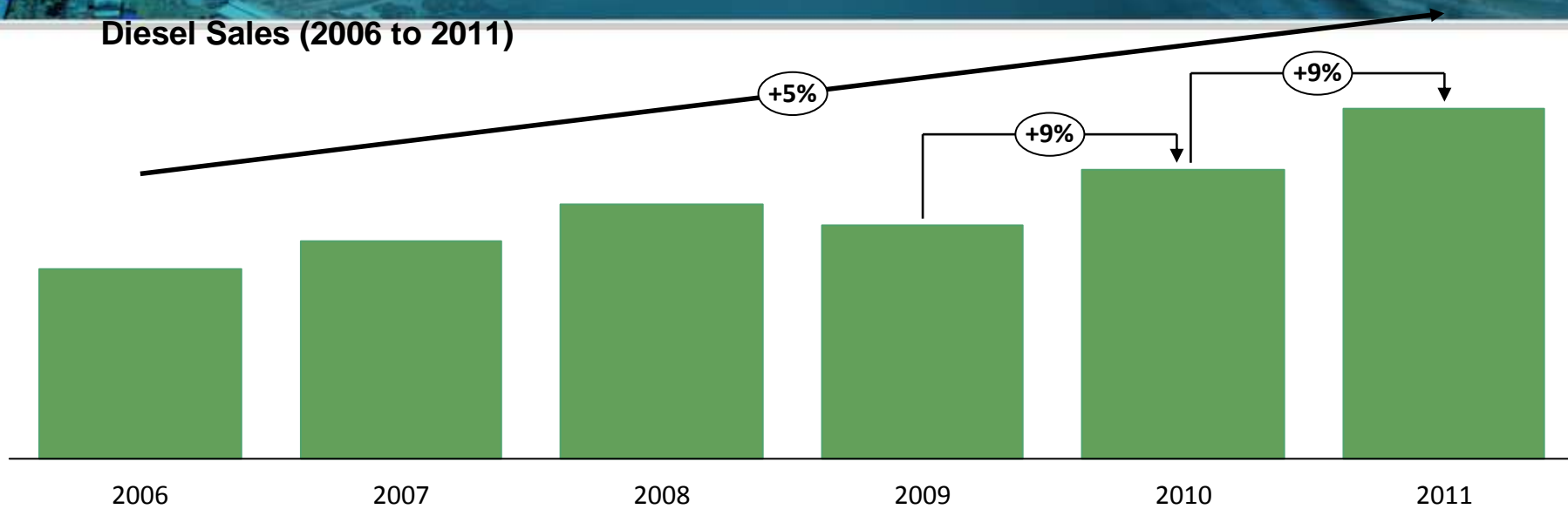
Refineries	Capacity (Mbpd)		
	Original	Upgraded	%
Paulínia - Replan (SP)	252	396	57%
Landulpho Alves - Rlam (BA)	218	281	29%
Henrique Lage - Revap (SP)	189	252	33%
Duque de Caxias - Reduc (RJ)	191	239	25%
Pres. Getúlio Vargas - Repar (PR)	126	195	55%
Alberto Pasqualini - Refap (RS)	142	189	33%
Pres. Bernardes - RPBC (SP)	139	172	24%
Gabriel Passos - Regap (MG)	110	151	37%
Capuava - Recap (SP)	20	49	145%
Manaus - Reman (AM)	37	46	24%
Clara Camarão - RPCC (RN)	25	35	40%
Fortaleza - Lubnor (CE)	3	8	167%
Total Brazil	1,452	2013	38%
United States		100	
Argentina		81	
Okinawa		100	
Total Petrobras		2,289	

- With limited investment over the last 20 years, Petrobras will increase capacity to meet the needs of a growing domestic market.

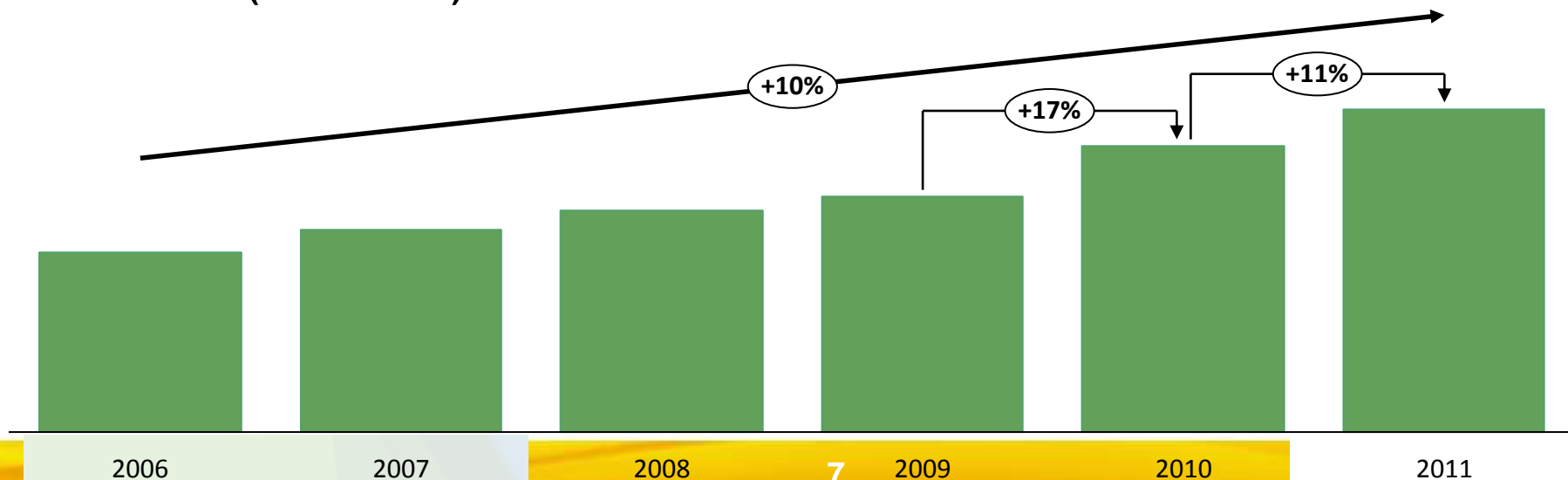
MIDDLE DISTILLATE DEMAND EVOLUTION

Strong diesel and jet fuel consumption growth in Brazil have been observed following the economic growth...

Diesel Sales (2006 to 2011)



Jet Sales (2006 to 2011)



2006

2007

2008

7

2009

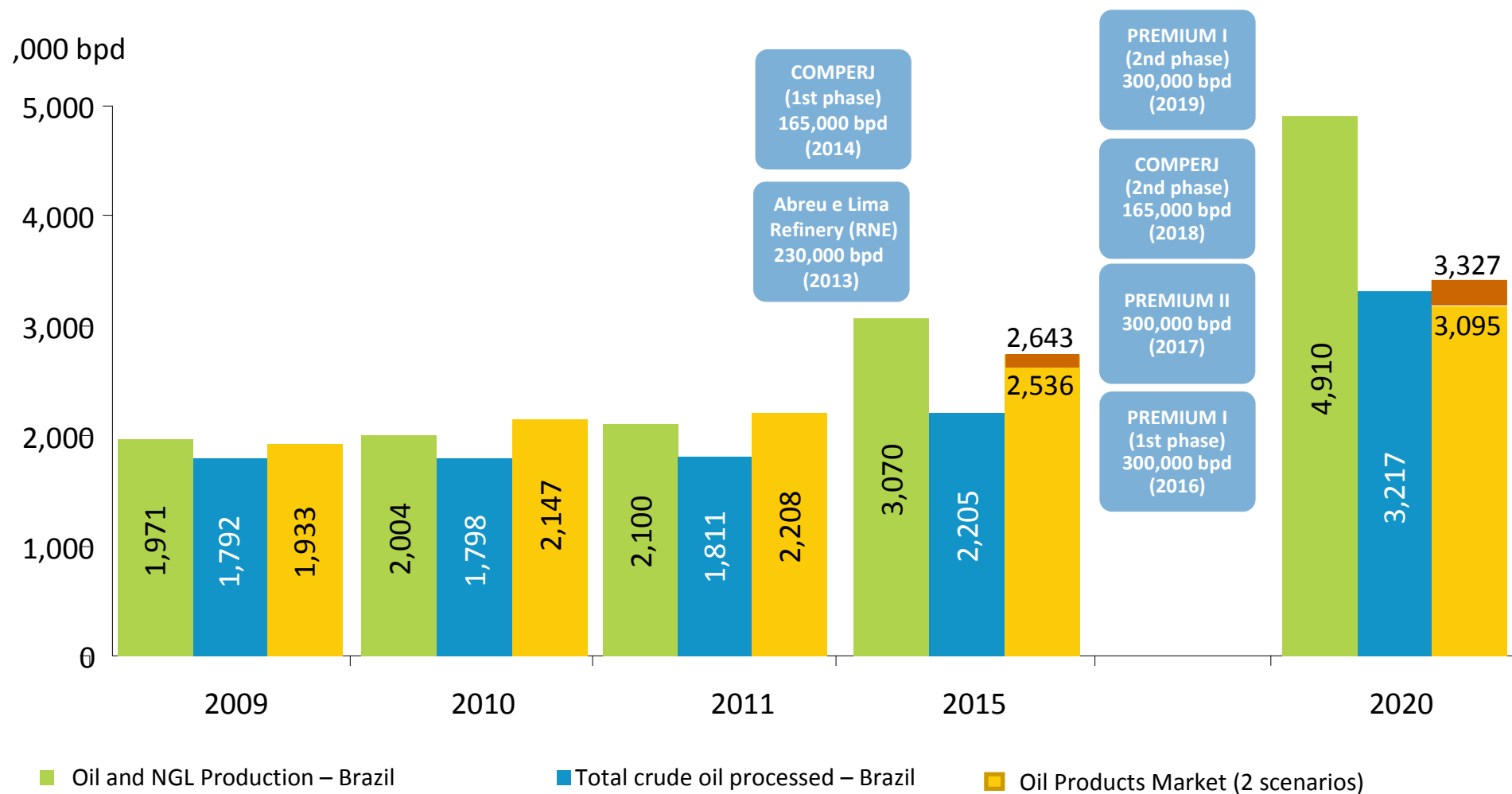
2010

2011

IS

PRODUCTION, DOWNSTREAM AND DEMAND IN BRAZIL

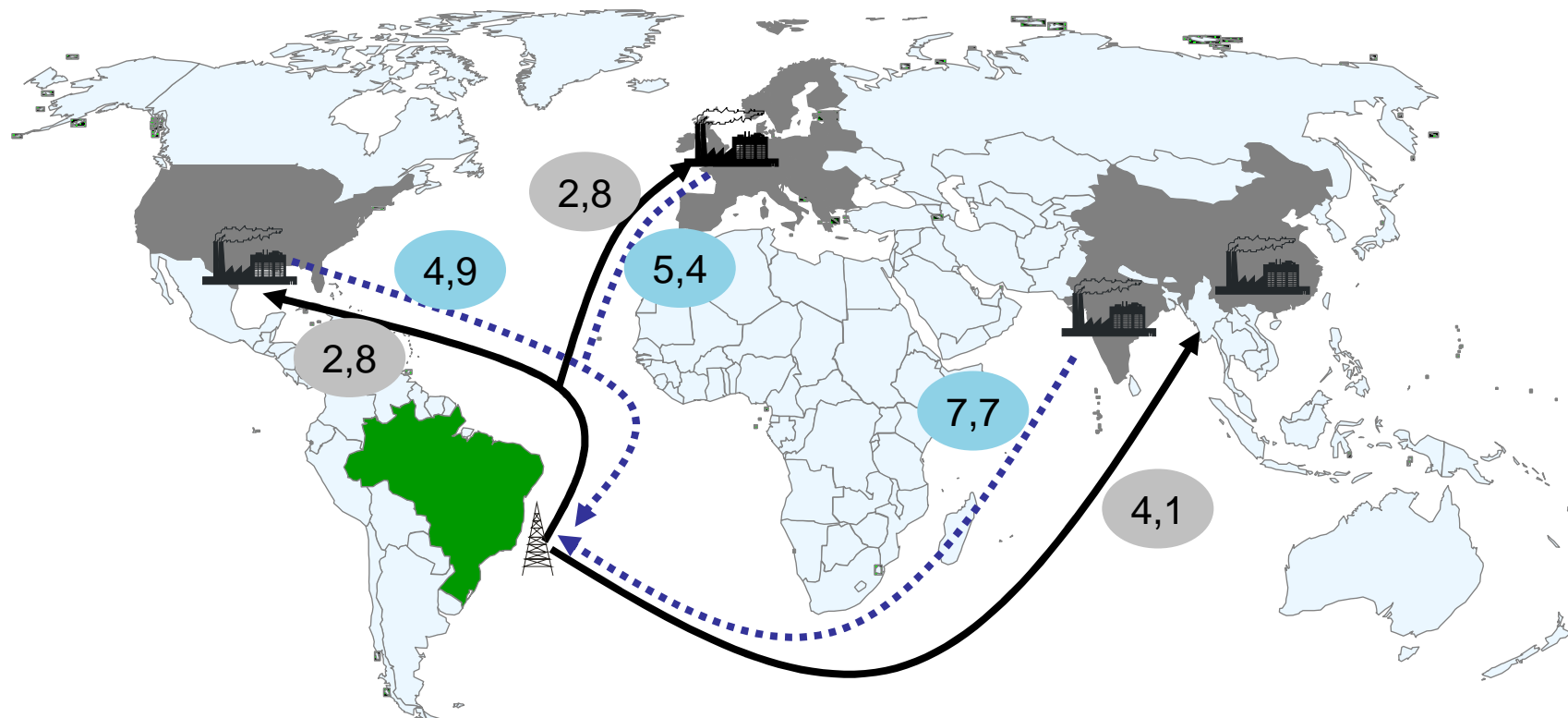
Construction of new refineries to meet local market demand



LOGISTICS

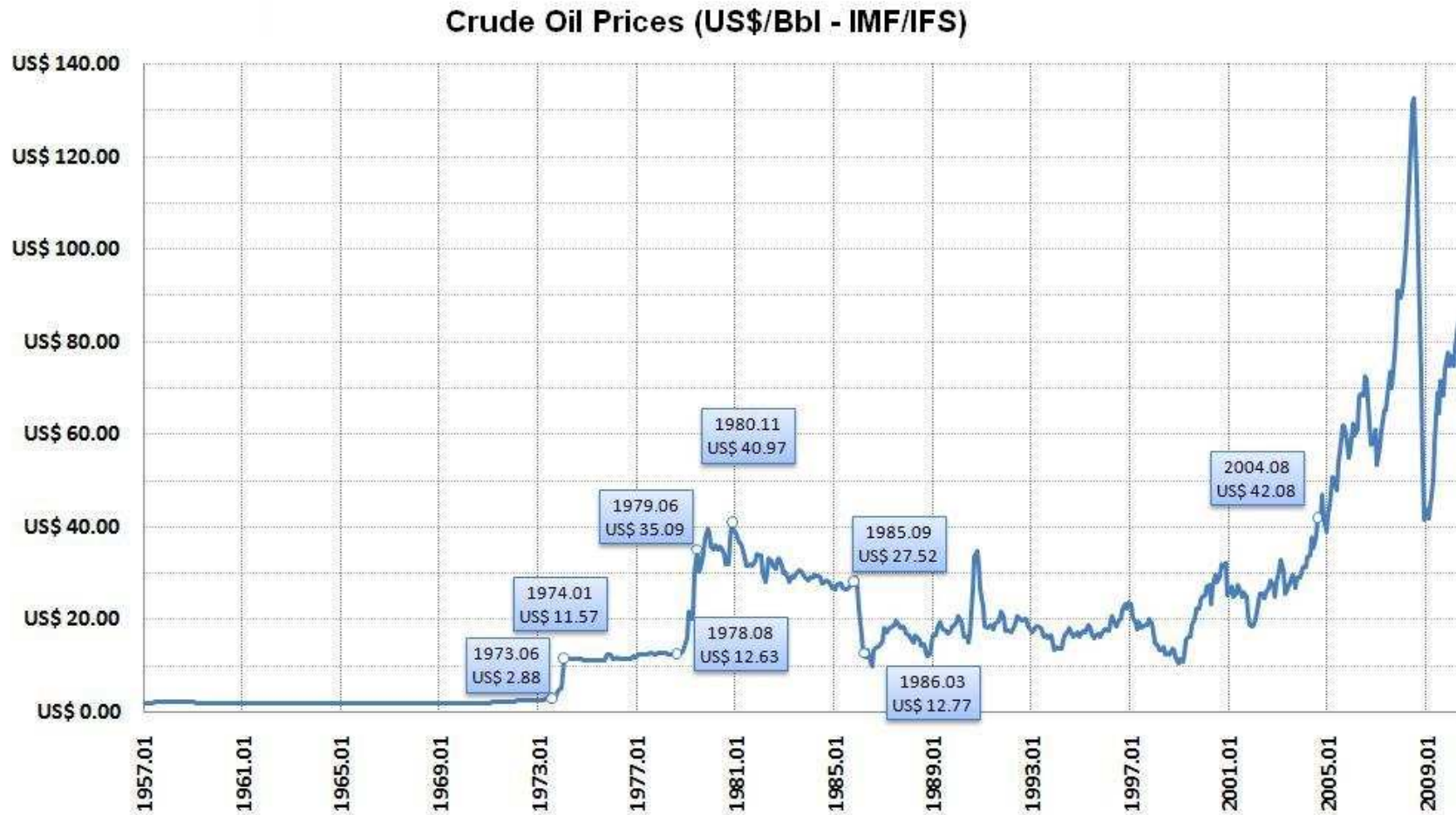
Distance from the Brazilian coast to refining centers is at least 5.000 miles, or 16 to 33 days of travel

Freight cost (\$/bbl)¹



→ Crude
---> Products

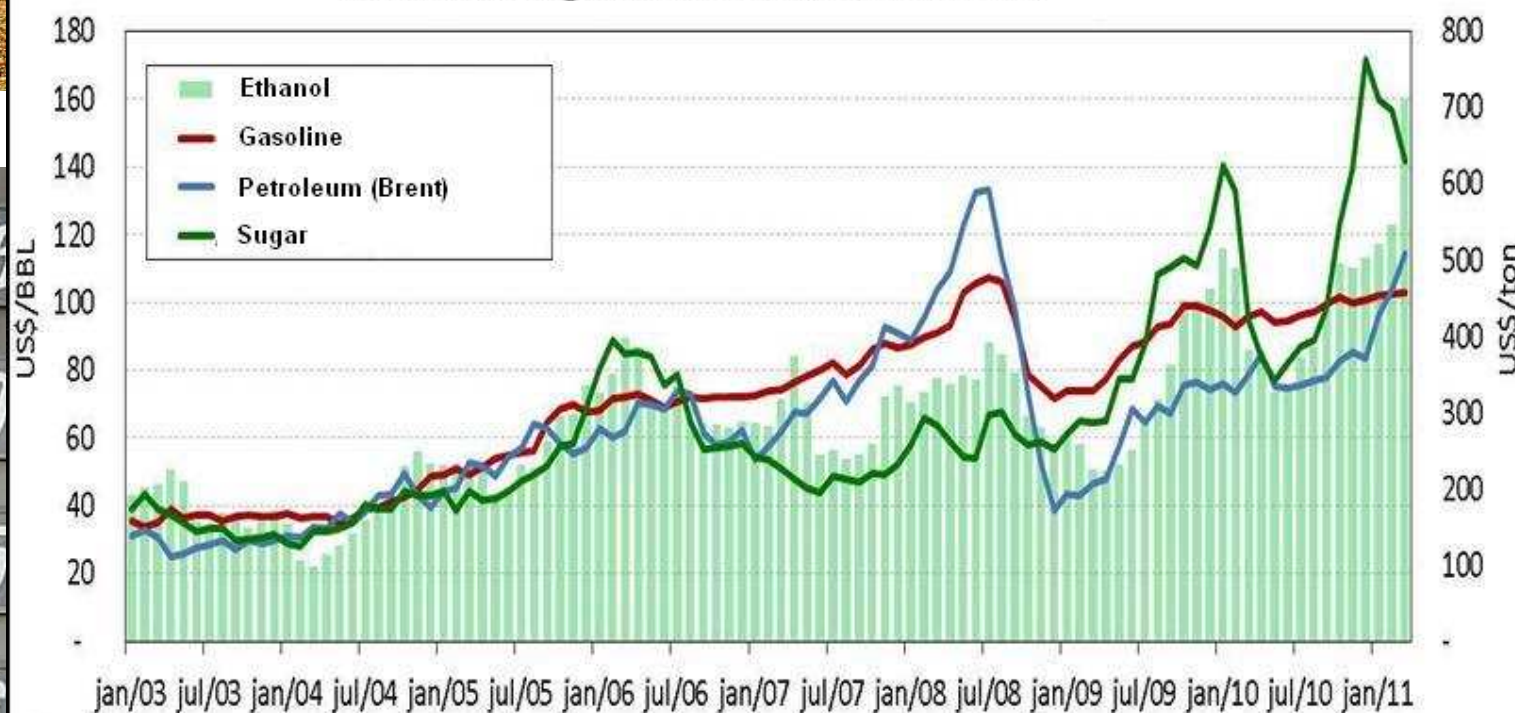
Business Environment 1- Crude Oil market



Business Environment: Biofuels → Ethanol



Ethanol, Sugar and Petroleum Prices



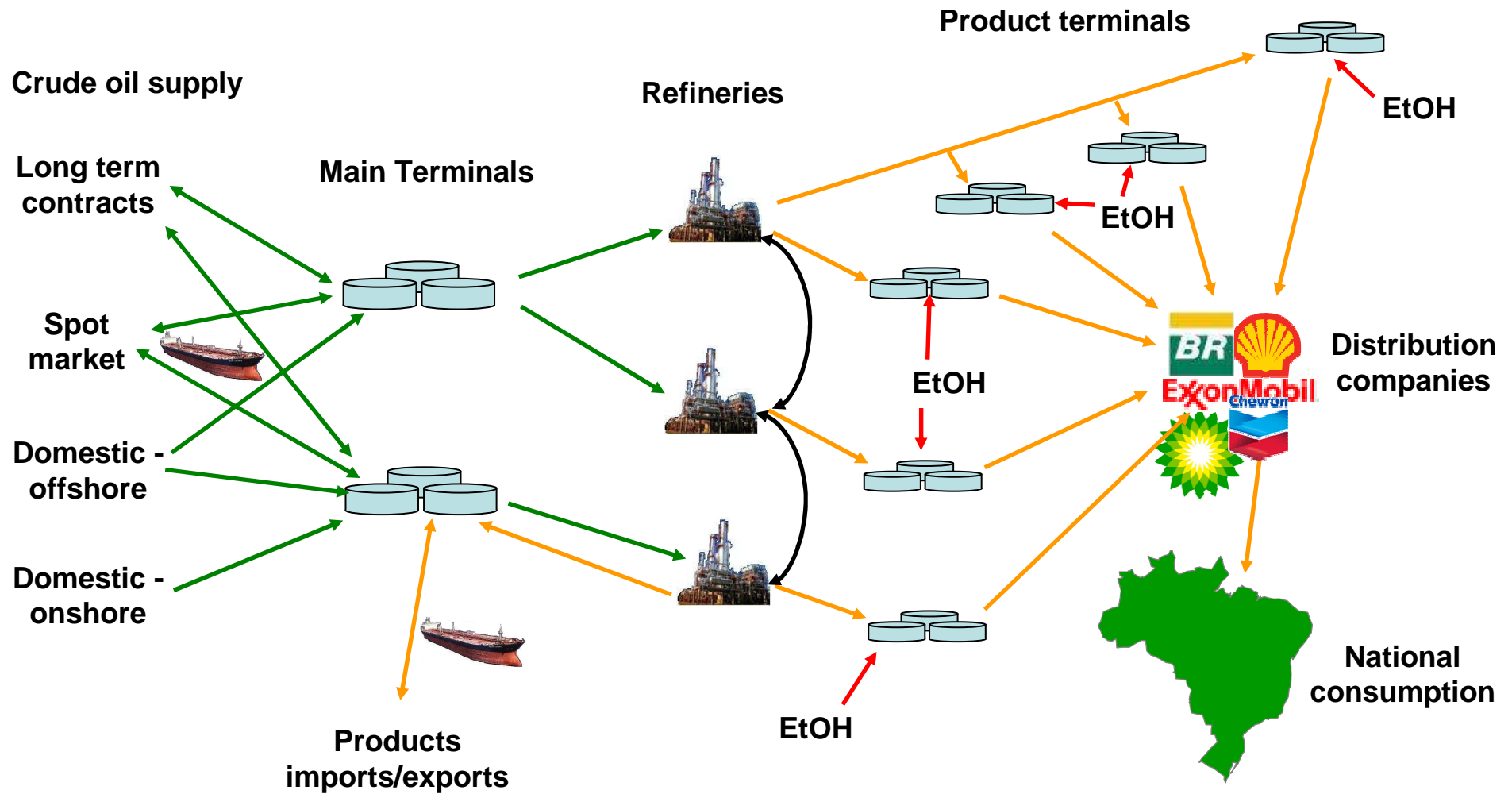
CEPEA/ESALQ, Platt's e Boletim Flextrading

BUSINESS OBJECTIVE

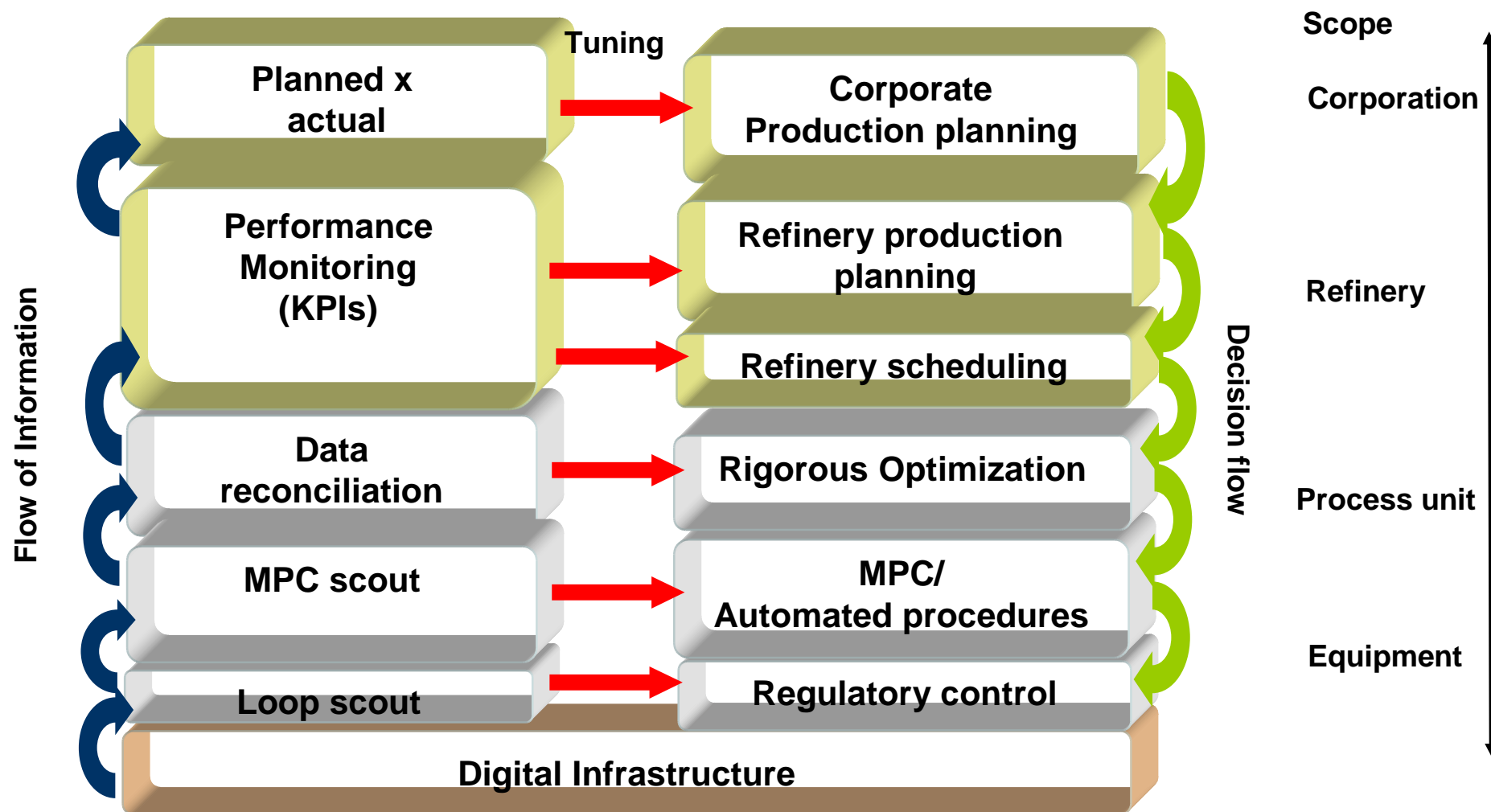
Provide flexibility in the entire supply chain in order to capture benefits in an increasingly volatile market.



Supply Chain



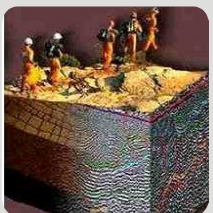
Optimization Structure



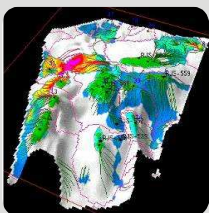
Challenges for a flexible Supply-Chain

- Traditional optimization structure → tends to optimize the usual production mode.
- It is necessary to create a structure adapted also to search novel operations. Ex:
 - Transfers of streams among refineries, and terminals;
 - Use of intermediate streams for non-usual operations.

TECHNOLOGICAL PROGRAMS



**New
Exploratory
Frontiers**



**Basin
Modeling**



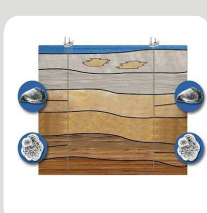
**Deep and
Ultra-deep
Waters**



**Carbon
Capture and
Storage**



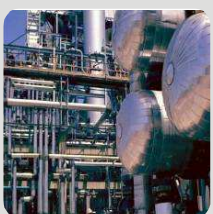
**Enhanced Oil
Recovery**



Pre-salt



Refining



Reliability



**Fuel
Innovation**



Transportation



Natural Gas



Bio Fuels



Environment



**Climate
Changes**

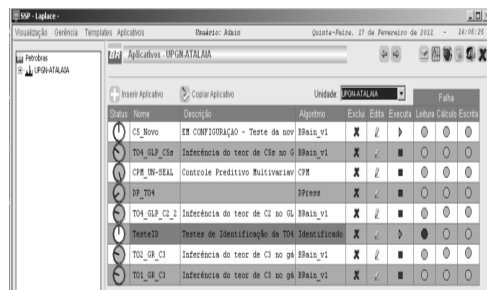
Enterprise-wide Optimization in Petrobras

Main results and current issues

OPTIMIZATION ISSUES BEING ADDRESSED

Multivariable Predictive Control:

- ✓ Developed Linear and nonlinear predictive control algorithms
- ✓ Developed software solutions for MPC implementation
- ✓ implemented APC on major Downstream units (Distillation, FCC, Delayed Coker)
- ✓ Implementing on NG Processing units, Hydrotreaters and Upstream
- ✓ Developed APC tuning tools
- ✓ Further developments in robust and nonlinear MPC → Fast NMPC
- ✓ We still need better product quality inferences and dynamic inferential models
- ✓ Developing Mixed-Integer MPC algorithms



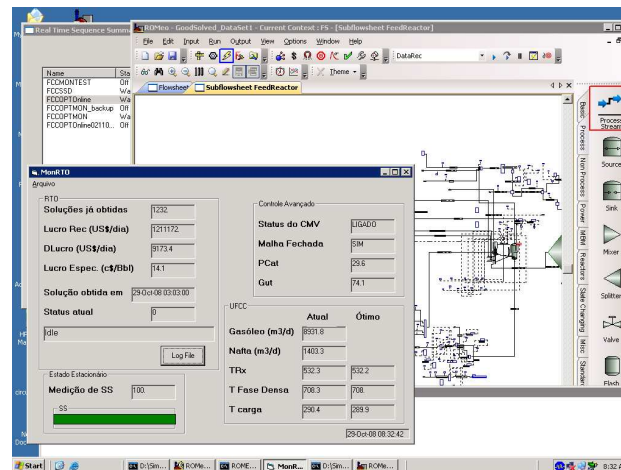
The screenshot shows the SIMULINK software interface with a list of applications for the UPONATALIA unit. The table below represents the data visible in the application list.

Status	Nome	Descrição	Algoritmo	Execu	Edi	Execu	Letura	Cálculo	Escrito
0	Ct_Novo	EM CONFIGURAÇÃO - Teste de nov	Blaza_v1	X	2	0	0	0	0
0	T04_OLP_C5a	Inferência do teor de C5a no G Blaza_v1	X	2	0	0	0	0	0
0	CPM_MU-SEAL	Controla Predictivo Multivariável	CPM	X	2	0	0	0	0
0	TP_T04	3Press	X	2	0	0	0	0	0
0	T04_OLP_C2_2	Inferência do teor de C2 no GL Blaza_v1	X	2	0	0	0	0	0
0	ParamID	Testes de Identificação de T04 Identificado	X	2	0	0	0	0	0
0	T02_O3_C1	Inferência do teor de C3 no gH Blaza_v1	X	2	0	0	0	0	0
0	T01_O3_C1	Inferência do teor de C3 no gH Blaza_v1	X	2	0	0	0	0	0

OPTIMIZATION ISSUES BEING ADDRESSED

Real Time Optimization

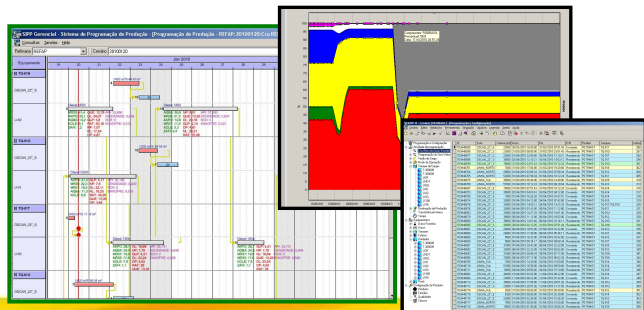
- ✓ implementing commercial static RTO on major Downstream units (Distillation and FCC)
- ✓ studying better ways to characterize the feed and do feed reconciliation
- ✓ Developing dynamic RTO
- ✓ implementing RTO on systems with great complexity (Distillation + FCC together)
- ✓ Developing models for conversion processes for use in RTO systems



OPTIMIZATION ISSUES BEING ADDRESSED

Planning and Scheduling

- ✓ Developed a software platform for refinery scheduling (SIPP)
- ✓ Implemented SIPP in several refineries
- ✓ Developed specialized scheduling optimizers using MIP models
- ✓ Studying optimization of crude allocation into the refineries
- ✓ terminal-refinery integrated crude planning
- ✓ integrated optimization of process – blending
- ✓ routing and scheduling of crude ships
- ✓ routing and scheduling of helicopters and platform boat supplies (pre-salt increases distance and size of wells; more people to transport)
- ✓ Long-term planning (Process synthesis)



OPTIMIZATION ISSUES BEING ADDRESSED

Other areas:

- ✓ Abnormal situation management in real time
- ✓ On-line product certification
- ✓ Product blending optimization and control
- ✓ Detailed furnace modeling (coker)
- ✓ Dynamic simulation of refining processes
- ✓ Virtual process units integrating 3D visualization and process simulation
- ✓ Automated startup and shutdown of process units
- ✓ Robotic inspection of industrial equipment
- ✓ Crude blending systems to optimize feed composition according to the demand of finished products
- ✓ Production planning under uncertainty

Developing Mixed-Integer MPC algorithms

Motivation

- Commercial MPCs → QP formulations.
- Some practical consequences:
 - No preferential manipulation sequence → inputs are changed simultaneously;
 - No minimum limit for the absolute change on the inputs → hysteresis may prevent actual application.
 - No preferential order of relaxation of the outputs → choice made by heuristics.

Moro and Grossmann, FOCAPO-2012

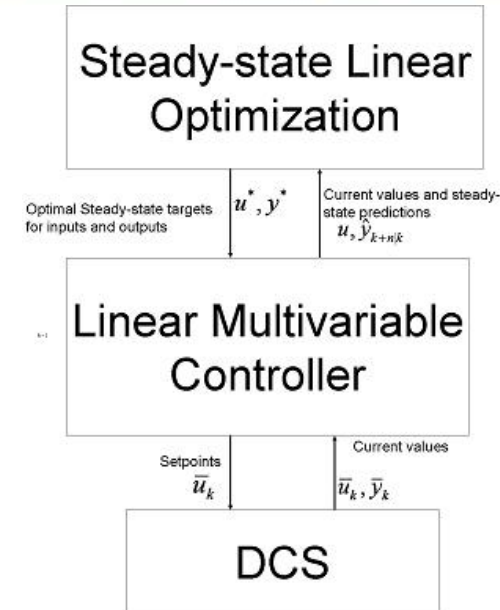


Goals

- Mixed-integer MPC formulation:
 - Assignment of explicit priorities for the outputs → preferential order of constraint relaxation in case the initial steady-state problem proves infeasible.
 - Assignment of explicit priorities for the outputs → order in which the inputs are to be moved to adjust each output.
 - Minimum limit for control moves → adequate for valves subject to hysteresis.
 - Deal with discrete inputs, either manipulated variables or disturbances → on/off variables.

Background

- MPC functions:
 - reduce process variability;
 - Move closer to the constraints or towards a predefined optimum.
- Hierarchical structure with two layers.
- Hybrid MPCs not new:
 - Bemporad and Morari (1999), Morari and Barić (2006), Zabiri and Samyudia (2006).
- Our approach:
 - MI algorithms based on the traditional MPC that can be advantageously applied even to continuous systems.



MIQP – Steady State Optimization

Obj. function:
$$\min_{\Delta \tilde{u}} \varphi_{miss} = \frac{1}{2} y_v^T \overline{\omega} y_v - \pi_i^T z_y + \frac{1}{2} \Delta \tilde{u}^T \mu \Delta \tilde{u} - \lambda_u^T \Delta \tilde{u} + \pi_u^T (z_{u+} + z_{u-})$$

Output violations:
$$y_v + G \Delta \tilde{u} + \hat{y} - y_{LB} \geq 0 \qquad y_v - G \Delta \tilde{u} + y_{UB} - \hat{y} \geq 0$$

Bounds for the outputs:
$$\tilde{y} \geq y_{LB} + M(z_y - 1) \qquad \tilde{y} \leq y_{UB} - M(z_y - 1)$$

Minimum input change:
$$\Delta \tilde{u}_+ \geq \Delta u_{LB} \circ z_{u+} \qquad \Delta \tilde{u}_- \geq \Delta u_{LB} \circ z_{u-}$$

Priorities for inputs:
$$(\pi_{u1} - \pi_{u2})(z_{u1+} + z_{u1-}) \leq (\pi_{u1} - \pi_{u2})(z_{u2+} + z_{u2-})$$

Inputs x Outputs priorities:
$$z_{yi} \geq 1 - (z_{uj+} + z_{uj-}) \quad \forall i \in CV, j \in MV \mid \pi_{yi} > \pi_{uj}, G_{ij} \neq 0$$

\tilde{u} = SS targets for the inputs z_{u+}, z_{u-} = decision to move the input

\tilde{y} = SS targets for the outputs z_y = decision to enforce the output bounds

G = Gain matrix $\mu, \pi_y, \pi_u, \overline{\omega}$ = tuning factors

MIQP – MPC (dynamic layer)

Obj. function:
$$\min_{\Delta \bar{u}_k} \varphi^{qdmc} = \frac{1}{2} \Delta \bar{u}_k^T (A^T Q A + \Lambda) \Delta \bar{u}_k + A^T Q (\hat{y}_k - y_{sp}) \Delta \bar{u}_k + \frac{1}{2} (\bar{u}_k - \tilde{u})^T R (\bar{u}_k - \tilde{u})$$

Bounds for the inputs:
$$\Gamma_l \Delta \bar{u}_k + u \geq u_{LB} \quad u_{LB} \geq \Gamma_l \Delta \bar{u}_k + u$$

Max/min input rate-of-change:
$$\begin{aligned} \Delta \bar{u}_k - \Delta u_{LB} \circ \bar{z}_{u+} + \Delta u_{UB} \circ \bar{z}_{u-} &\geq 0 \\ -\Delta \bar{u}_k + \Delta u_{UB} \circ \bar{z}_{u+} - \Delta u_{LB} \circ \bar{z}_{u-} &\geq 0 \end{aligned}$$

Future time-instants with nonzero control moves:
$$\begin{aligned} h &\geq z_h^T \cdot 1 \\ \Delta u_{UB} \circ z_h &\geq \Delta \bar{u}_k \\ \Delta \bar{u}_k &\geq -\Delta u_{UB} \circ z_h \end{aligned}$$

- QDMC formulation with the inclusion of binaries to allow:
 - definition of minimum rate-of-change;
 - Selection by the algorithm of the future time-instants when the control action will be placed.
- Still using the Hierarchical structure with two layers.

MIQP Solver

- Outer-Approximation method (Duran and Grossmann, 1986) → series of QP subproblems and MILP master problems;
- DLL built in FORTRAN:

$$\min_x \varphi = \frac{1}{2} x^T Cx + D^T x$$

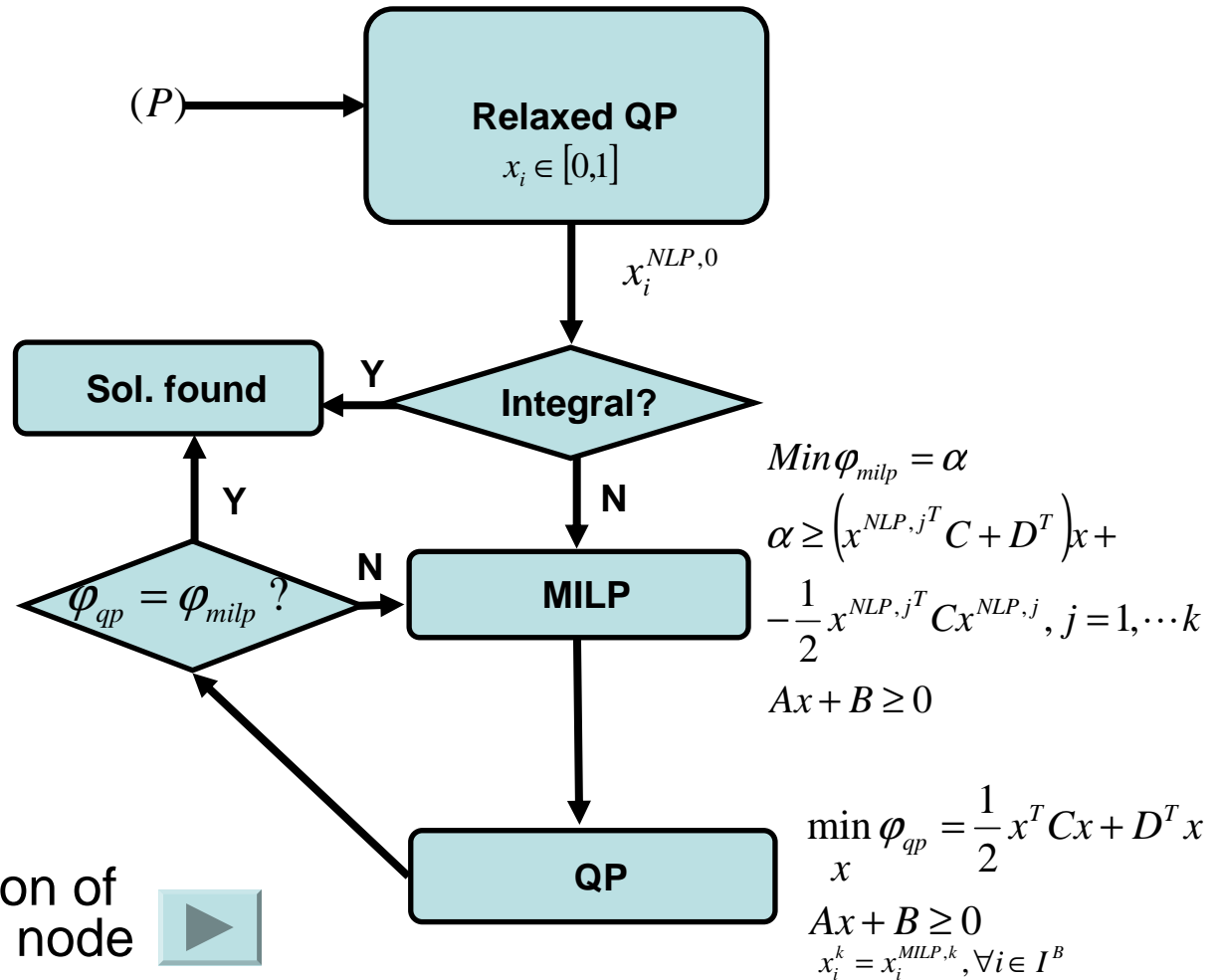
s.t.

$$Ax + B \geq 0 \quad (P)$$

$$x^L \leq x \leq x^U$$

$$x_i \in [x_i^L, x_i^U], \forall i \in I^c$$

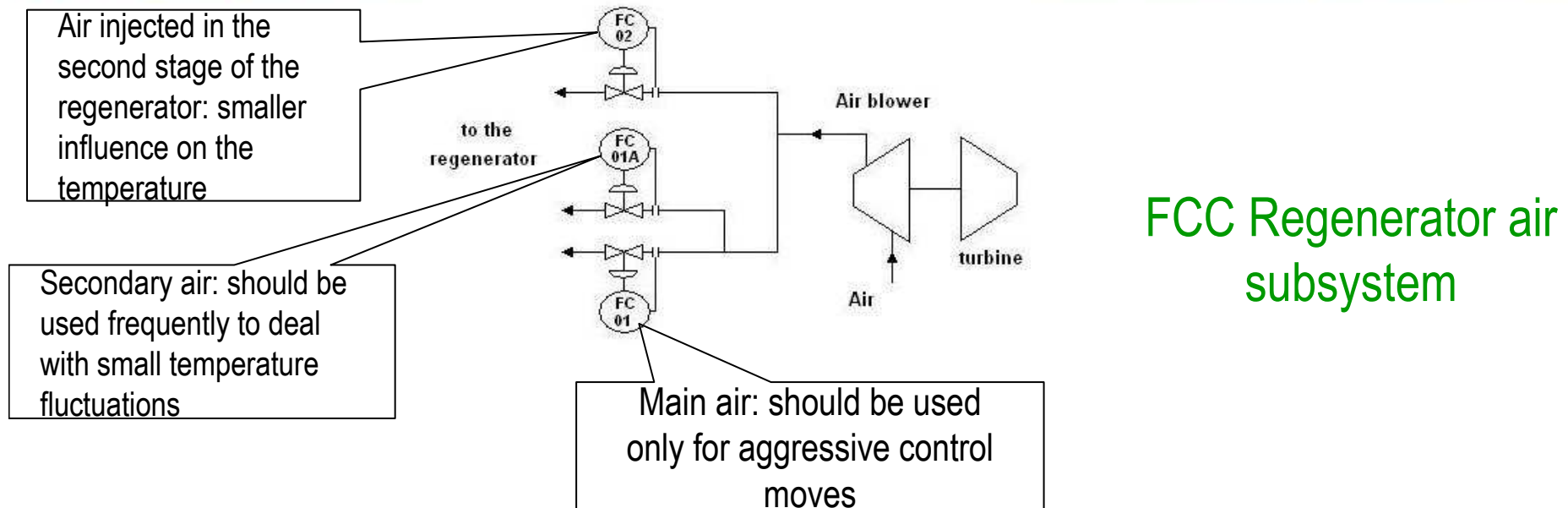
$$x_i \in \{0,1\}, \forall i \in I^B$$



- DLL also includes the option of solving a QP at each B&B node



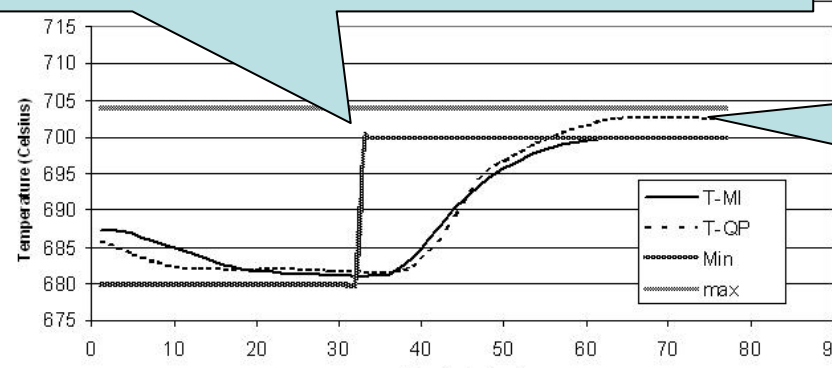
Tests on a Simulated System



- The MPC from the actual industrial implementation:
 - 33 outputs and 11 manipulated inputs
- Steady State layer → MIQP with 55 continuous and 44 binary variables → solved in 0.25 sec. in a 2.4GHz PC
- Dynamic layer → MIQP with 11 continuous variables, 23 binary variables → solved in less than 0.1 seconds.

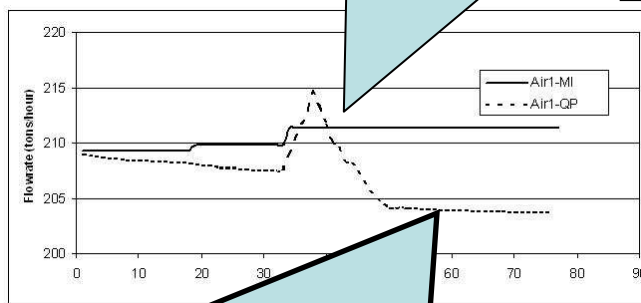
Behavior

After steady state the minimum limit is raised from 680°C to 700°C.

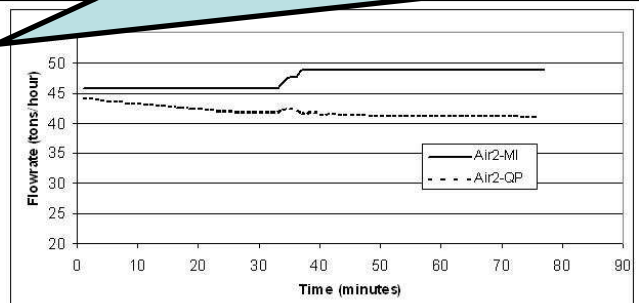
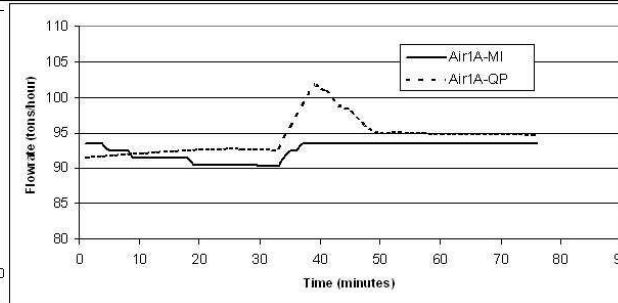


Traditional MPC (T-QP) and MIQP (T-MI) exhibit similar behavior

The MIQP uses the main air flow only for aggressive moves, as desired.

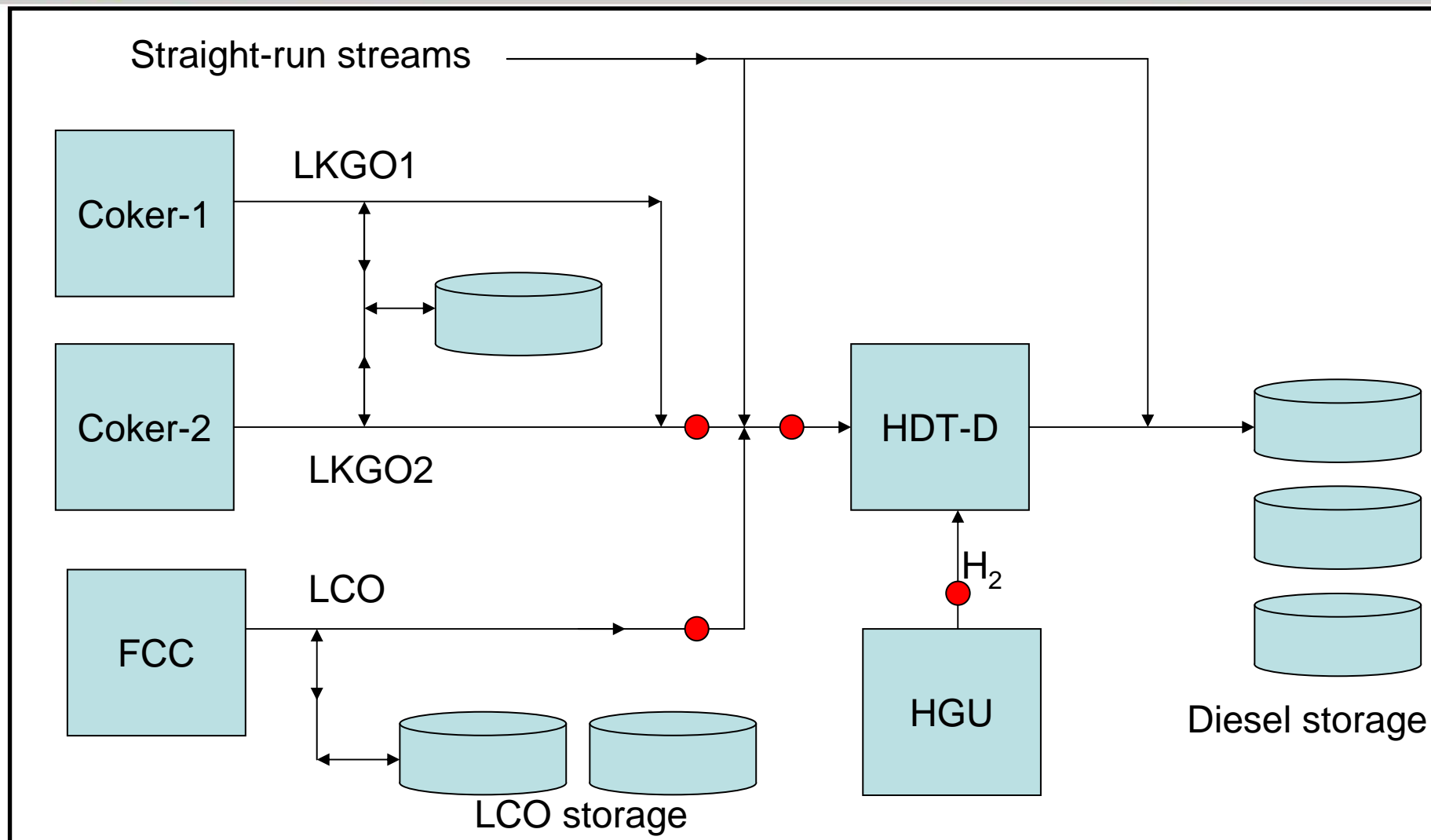


MIQP → inputs are more stable, but can be vigorously moved when necessary. The traditional formulation changes the inputs frequently, even when little improvement in the system behavior can be obtained.



Traditional MPC makes frequent small adjustments in the main air, which can result in wear and tear in the valve

Currently: Integration of scheduling and MPC





Thank you

Motivation

- Model predictive control (MPC) algorithms traditionally use continuous quadratic programming formulations: QP-MPC.
- Some practical difficulties result from this approach:
 - It is not possible to define a preferential order of manipulation of the inputs → inputs are changed simultaneously, even when some have only a small influence on the controlled variables that are active;
 - It is not possible to define a minimum limit for the absolute change on the inputs → very small changes may be calculated, but these cannot be implemented in practice due to valve hysteresis;
 - It is not possible to define a preferential order of relaxation of the outputs (controlled variables) in case it is infeasible to keep all of them within bounds → choice of which outputs will be relaxed is made by the MPC in an ad-hoc basis.

Goals

- Develop a mixed-integer (MIP) formulation for the MPC problem with the following advantages over the continuous MPC:
 - Assignment of explicit priorities for the outputs → preferential order of constraint relaxation in case the initial steady-state problem proves infeasible.
 - Assignment of explicit priorities for the outputs → order in which the inputs are to be moved to adjust each output.
 - Set a minimum limit for control moves → adequate for valves subject to hysteresis.
 - Deal with discrete inputs, either manipulated variables or disturbances → on/off variables.

Background

- Model predictive control (MPC) algorithms have two main functions: reduce process variability and move the operating point closer to the constraints.
- This is achieved via a hierarchical structure with two layers:
 - Upper layer → optimal steady-state targets for inputs and outputs;
 - Lower layer → control moves that drive the system towards the steady-state targets.

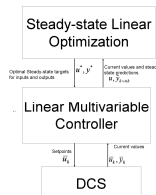


Figure 1: MPC hierarchical structure

- Both layers → continuous quadratic programming problems.
- Hybrid MPCs are already successfully used in industrial applications: Bemporad and Morari (1999), Morari and Barić (2006), Zabiri and Samyudia (2006). We focus on the development of MIQP algorithms based on the traditional MPC that can be advantageously applied even to continuous systems.

MIQP Formulation for the Steady State Optimization

The objective function includes terms maximizing the decision to enforce the upper/lower limits on the outputs, z_i (binary variable) and minimizing the decision to move the inputs in the positive and negative directions, and_i (binary variables):

$$\min_{\Delta u} \phi^{MIQP} = \sum_{i=1}^{N_c} \left(\frac{1}{2} y_i^{LB} y_i' - \sum_{j=1}^{N_m} \pi_j^+ z_j^+ \right) + \sum_{j=1}^{N_m} \left(\frac{1}{2} \Delta u_j^L \Delta u_j^U - \sum_{i=1}^{N_c} \pi_i^+ (z_i^+ + z_i^-) \right)$$

Equations defining the amount of upper (y_i^{LB}) and lower (y_i^{UB}) limit violations for each output, y_i' :

$$\left. \begin{aligned} y_i' + \sum_{j=1}^{N_m} G_{i,j} (\Delta u_j^+ - \Delta u_j^-) + \bar{y}_i - y_i^{UB} &\geq 0 \\ y_i' - \sum_{j=1}^{N_m} G_{i,j} (\Delta u_j^+ - \Delta u_j^-) + y_i^{LB} - \bar{y}_i &\geq 0 \end{aligned} \right\} \quad \forall i = 1, \dots, N_c$$

Violations of limits are always positive numbers:

$$y_i' \geq 0 \quad \forall i = 1, \dots, N_c$$

If the decision to enforce the limits of output i is taken then the target for this input must remain within the allowable range:

$$\left. \begin{aligned} y_i^+ &\geq y_i^{LB} + M(z_i^+ - 1) \\ y_i^- &\leq y_i^{UB} - M(z_i^- - 1) \end{aligned} \right\} \quad \forall i = 1, \dots, N_c$$

The values of the inputs u_j can only be changed if the corresponding binary decision variable (z_j^+ or z_j^-) is selected:

$$\left. \begin{aligned} \Delta u_j^+ &\leq M z_j^+ \\ \Delta u_j^- &\leq M z_j^- \\ \Delta u_j^+ &\geq \Delta u_j^- - \Delta u_j^+ \end{aligned} \right\} \quad \forall j = 1, \dots, N_m$$

Once the decision to move an input is taken, the change must be greater than the minimum threshold limit, Δu_j^L :

$$\left. \begin{aligned} \Delta u_j^+ &\geq \Delta u_j^L z_j^+ \\ \Delta u_j^- &\geq \Delta u_j^L z_j^- \end{aligned} \right\} \quad \forall j = 1, \dots, N_m$$

An input cannot be simultaneously moved in the positive and negative directions:

$$z_j^+ + z_j^- \leq 1 \quad \forall j = 1, \dots, N_m$$

The movements to be applied on the inputs are subject to a sequence of priorities according to:

$$z_{j1}^+ + z_{j2}^- \leq z_{j2}^+ + z_{j2}^- \quad \forall j1, j2 = 1, \dots, N_m \mid \pi_{j1}^+ > \pi_{j2}^+$$

where $j1$ and $j2$ are input variables indexes so that the priority of input $j1$ is greater than the priority of $j2$. This means that the input $j1$ can only be moved if $j2$ has also already been moved.

The decision to relax a limit of any output can only be selected when all inputs with lower priority than this output have already been moved:

$$z_i^+ \geq 1 - z_j^+ - z_j^- \quad \forall i = 1, \dots, N_c, j = 1, \dots, N_m \mid \pi_i^+ > \pi_j^+$$

The lower layer (dynamic controller) was not modified in this work.

MIQP Solver

- The MIQP solver uses the Outer-Approximation method (Duran and Grossmann, 1986) → series of QP subproblems and MILP master problems;
- Algorithm built in C++ using freely available DLLs to solve the QPs and MILPs;
- The resulting DLL was linked to the industrial multivariable controller.
- MIQP described as:

$$P \left\{ \begin{aligned} \min \phi &= \frac{1}{2} x^T C x + D^T x \\ s.t. \quad &A x + B \geq 0 \\ &x^L \leq x \leq x^U \\ &x_i \in [x_i^L, x_i^U] \quad \forall i \in I^c \\ &x_i \in \{0,1\} \quad \forall i \in I^b \end{aligned} \right.$$

Algorithm:

- Solve P as a relaxed QP → set $x \in [0,1]$, $\forall i \in I^b$ and let $x^{NLP,k}$, with $k=0$, be the solution vector. If the solution is integral → optimal for P. Otherwise, proceed.
- Linearize the objective function around $x^{NLP,k}$, set $k = k + 1$ and solve the following MILP:

$$\min \phi_{MIQP} = \alpha$$

$$s.t. \quad \alpha \geq \left(x^{NLP,k} \right)^T C x + D^T x - \frac{1}{2} \left(x^{NLP,k} \right)^T C x^{NLP,k}, j = 1, \dots, k$$

$$A x + B \geq 0$$

$$x^L \leq x \leq x^U$$

$$\alpha \in \mathbb{R}^1$$

which will result in a new optimal solution $x^{MILP,k}$.

- Fix the binary variables $x_i^{MILP,k} = x_i^{NLP,k}$ and solve P with only $x_i \in I^c$ as free variables, thus obtaining $x^{NLP,k}$. If the NLP objective function value $\phi^{NLP} = \phi^{MILP}$ → the algorithm converged and $x^{NLP,k}$ is the optimum solution. Otherwise, proceed to step 2.

Application to an FCC unit

- Formulation used to control an FCC (Fluid Catalytic Cracking) simulator (Moro and Odloak, 1995).
- MPC configuration → taken from the actual industrial implementation: 33 outputs and 11 manipulated inputs.
- Steady-State MIQP with 55 continuous and 44 binary variables and 165 constraints → solved in 0.25 sec in an INTEL Core Duo 2.4GHz PC.
- Subsystem to be analyzed: regenerator temperature control.
- Regenerator temperature is mainly affected by the air injection.
- Air is injected through 3 pipes to allow better control.

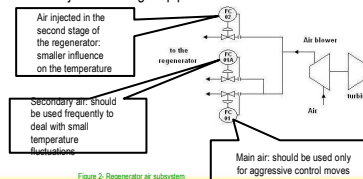


Figure 2: Regenerator at subsystem

Results

- Performance of the MIQP algorithm (MI) compared with the traditional MPC currently used to control the plant (QP).

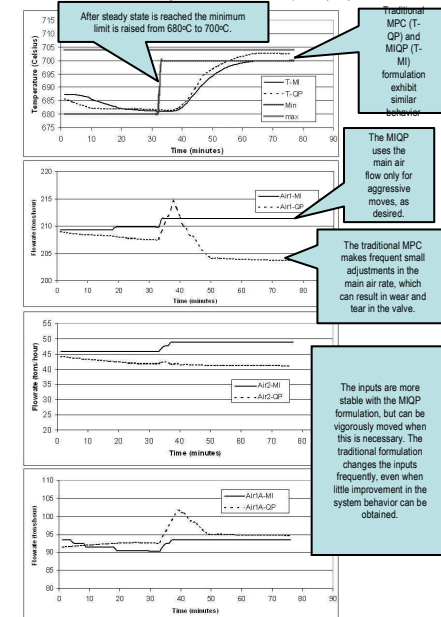


Figure 3: Regenerator temperature and air flow rates with the MIQP formulation (MI) and with the traditional QP (QP)

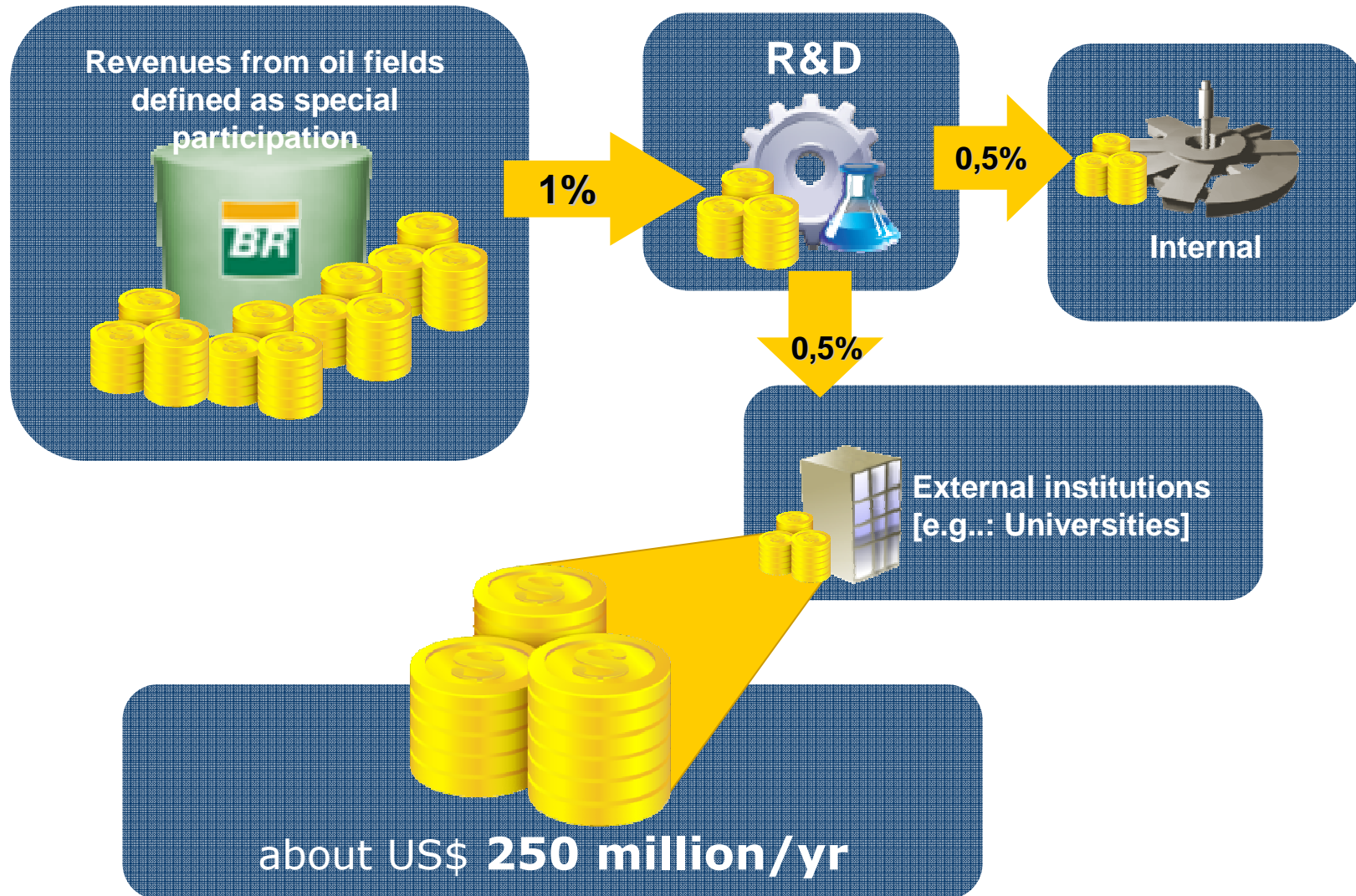
Conclusions and future work

- Developed MIQP formulation for the calculation of steady state targets and for the dynamic MPC layer.
- Formulation applied to a simulated industrial case → desired behavior was obtained.
- Future work:
 - Development of an MIQP formulation for the dynamic layer;
 - Evaluate changes in the tuning parameters;
 - Industrial implementation replacing the existing traditional MPC;

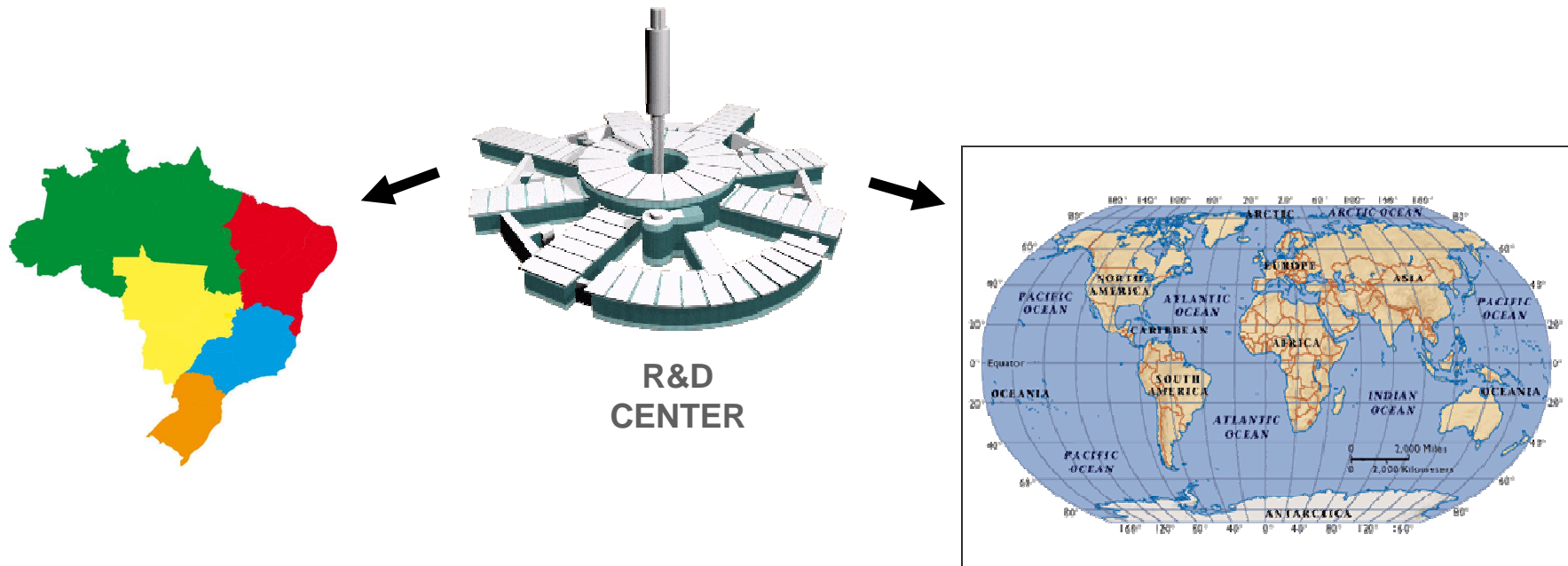
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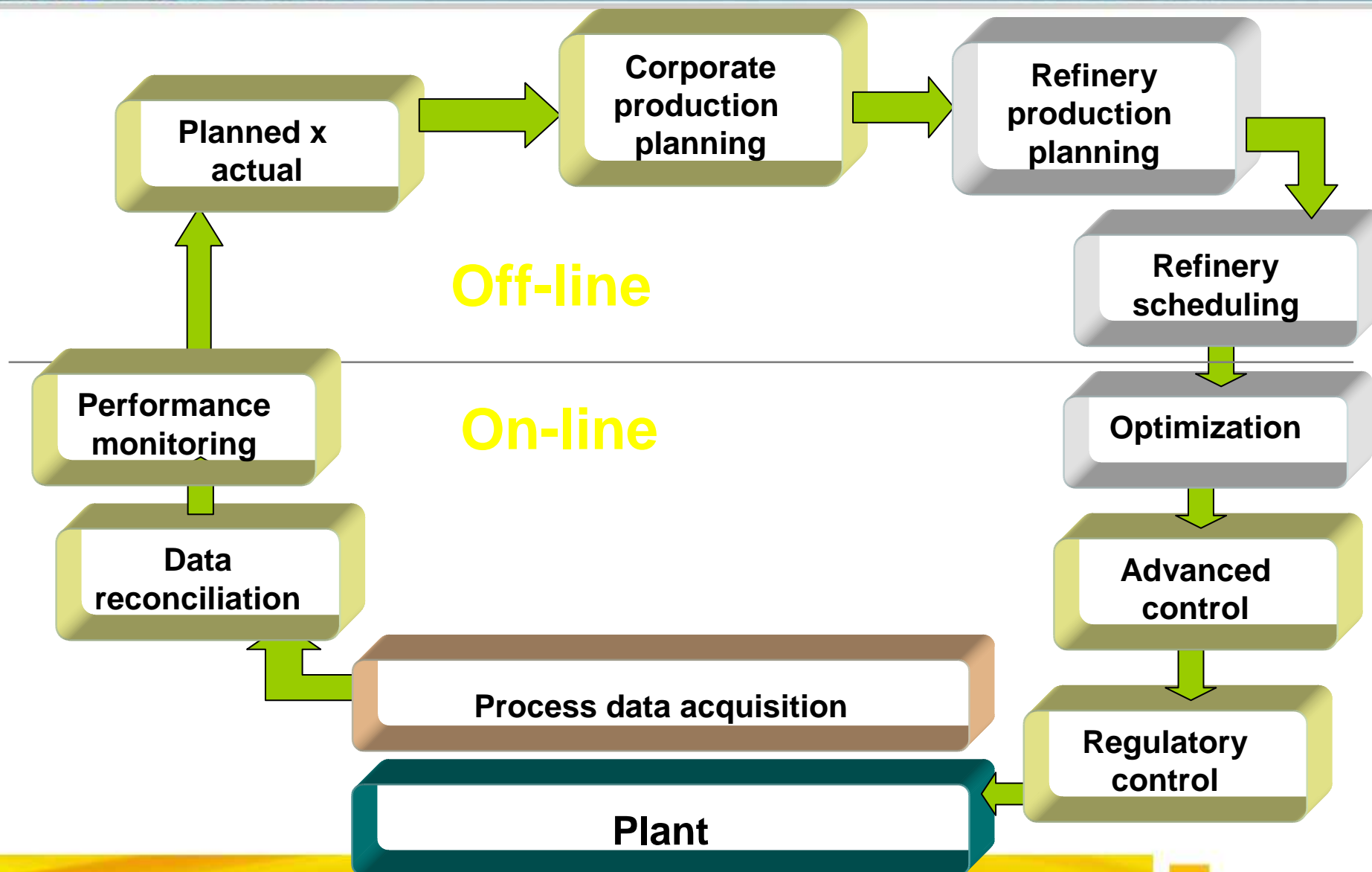
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