

RESULTS ANNOUNCEMENT

3rd Quarter 2015

Conference Call / Webcast
November 13th, 2015



FORWARD-LOOKING STATEMENTS:

DISCLAIMER

The presentation may contain forward-looking statements about future events within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are not based on historical facts and are not assurances of future results. Such forward-looking statements merely reflect the Company's current views and estimates of future economic circumstances, industry conditions, company performance and financial results. Such terms as "anticipate", "believe", "expect", "forecast", "intend", "plan", "project", "seek", "should", along with similar or analogous expressions, are used to identify such forward-looking statements. Readers are cautioned that these statements are only projections and may differ materially from actual future results or events. Readers are referred to the documents filed by the Company with the SEC, specifically the Company's most recent Annual Report on Form 20-F, which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements, including, among other things, risks relating to general economic and business conditions, including crude oil and other commodity prices, refining margins and prevailing exchange rates, uncertainties inherent in making estimates of our oil and gas reserves including recently discovered oil and gas reserves, international and Brazilian political, economic and social developments, receipt of governmental approvals and licenses and our ability to obtain financing.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason. Figures for 2015 on are estimates or targets.

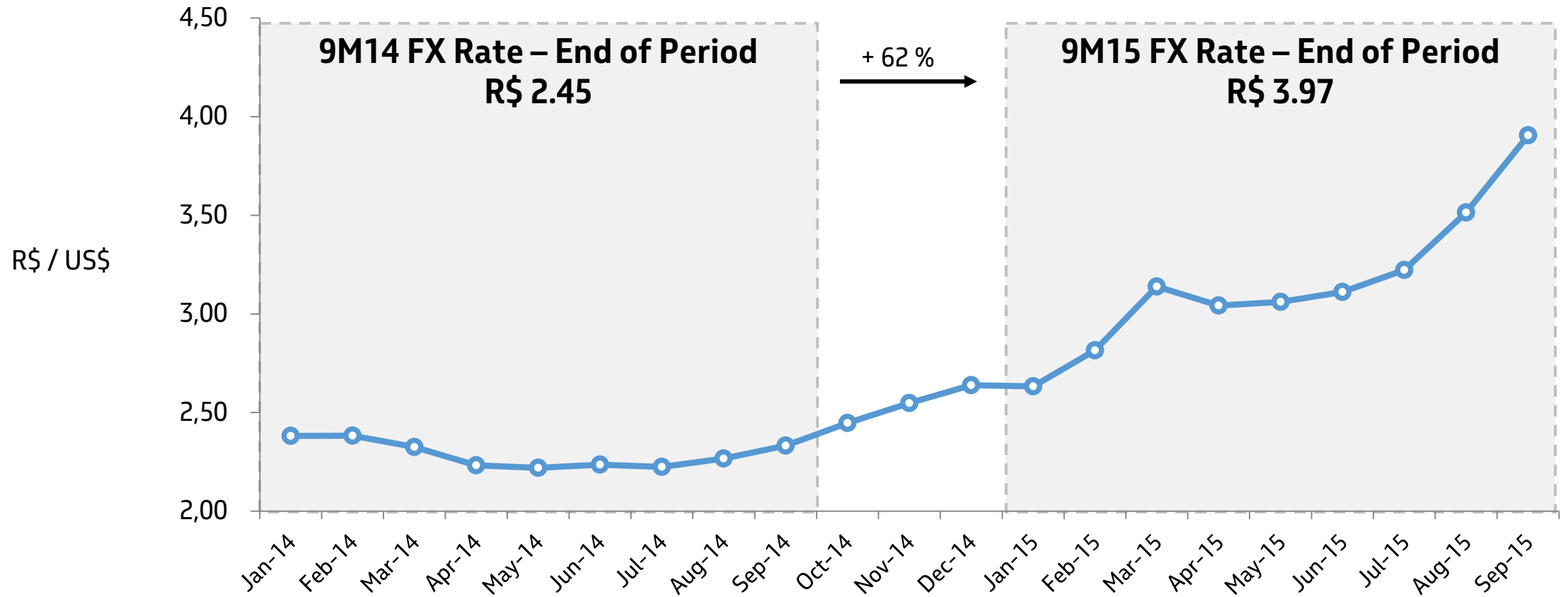
All forward-looking statements are expressly qualified in their entirety by this cautionary statement, and you should not place reliance on any forward-looking statement contained in this presentation.

NON-SEC COMPLIANT OIL AND GAS RESERVES:

CAUTIONARY STATEMENT FOR US INVESTORS

We present certain data in this presentation, such as oil and gas resources, that we are not permitted to present in documents filed with the United States Securities and Exchange Commission (SEC) under new Subpart 1200 to Regulation S-K because such terms do not qualify as proved, probable or possible reserves under Rule 4-10(a) of Regulation S-X.

Exchange Rate

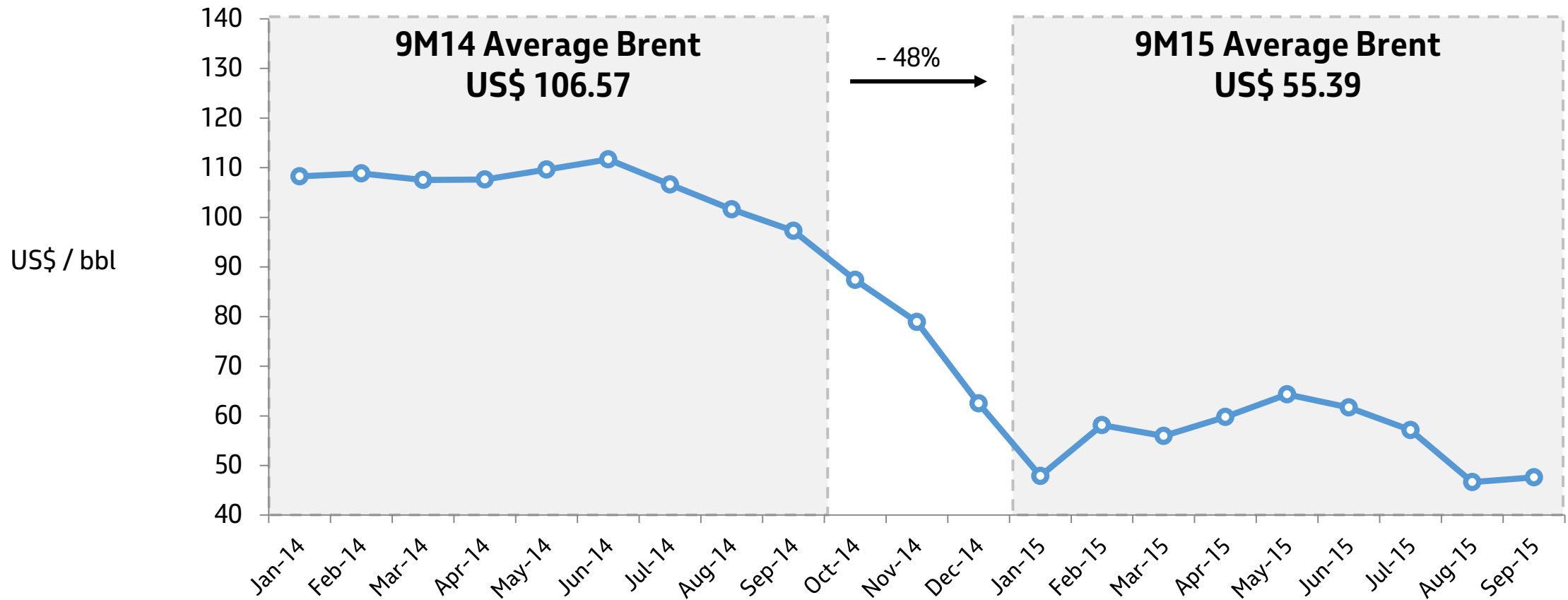


FX Rate (R\$/US\$)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
Average	2.37	2.23	2.27	2.54	2.87	3.07	3.54
End of Period	2.26	2.20	2.45	2.66	3.21	3.10	3.97

28%

Source: Bloomberg – PTAX Exchange Rate

Oil Prices - Brent



Average Brent	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15
R\$	256.48	244.47	231.56	193.73	154.89	190.09	177.38
US\$	108.22	109.63	101.85	76.27	53.97	61.92	50.26



Source: Platts

9M15 Highlights

- Higher oil, NGL and natural gas production (6%, +163 kboed), amounting 2,790 kboed
- Free cash flow of R\$ 8.3 bn
- Improvement on oil and oil products trade balance (from -424 to -89 kbpd)
- Lower imports and government take expenses
- Pre-salt daily production* record of 1 million and 120 thousand barrels on September 15th

3Q15 Highlights

- Higher oil, NGL and natural gas production (1%, +35 kboed), amounting 2,800 kboed
- Free cash flow of R\$ 3.8 bn
- Higher domestic oil products demand (1%, +32 kbpd)
- Improvement of oil and oil products trade balance (from -27 to -21 kbpd)

9M15 Net Results: R\$ 2,102 Million

R\$ Billion	9M15	9M14	Δ%
Sales Revenues	236.5	252.2	↓
Cost of Sales	-164.8	-193.8	↓
Gross Profit	71.7	58.4	23
Operational Expenses	-43.1	-46.9	↓
Operating Income	28.6	11.5	149
Financial Results	-23.1	-2.1	↓
Share of earning in equity-accounted investments	0.5	1.0	↓
Profit-sharing	-0.1	-0.8	↓
Net income (loss) before income taxes	5.9	9.6	-38
Income Taxes	-5.5	-4.6	↑
Non-controlling interest	1.7	0.0	↑
Net Income/Loss	2.1	5.0	-58
Net Income (US\$ Billion)	1.0	2.4	-59
Adjusted EBITDA	56.8	39.1	45
Investments	55.5	62.5	-11
Free Cash Flow*	8.3	-12.3	167

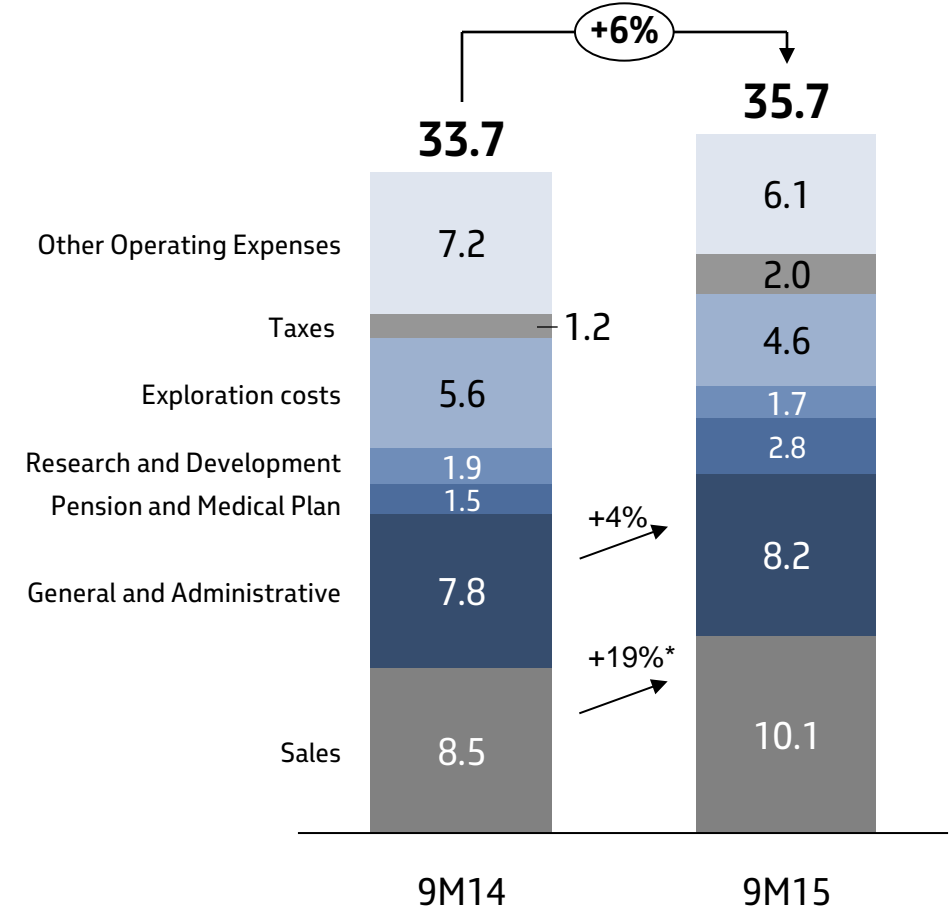
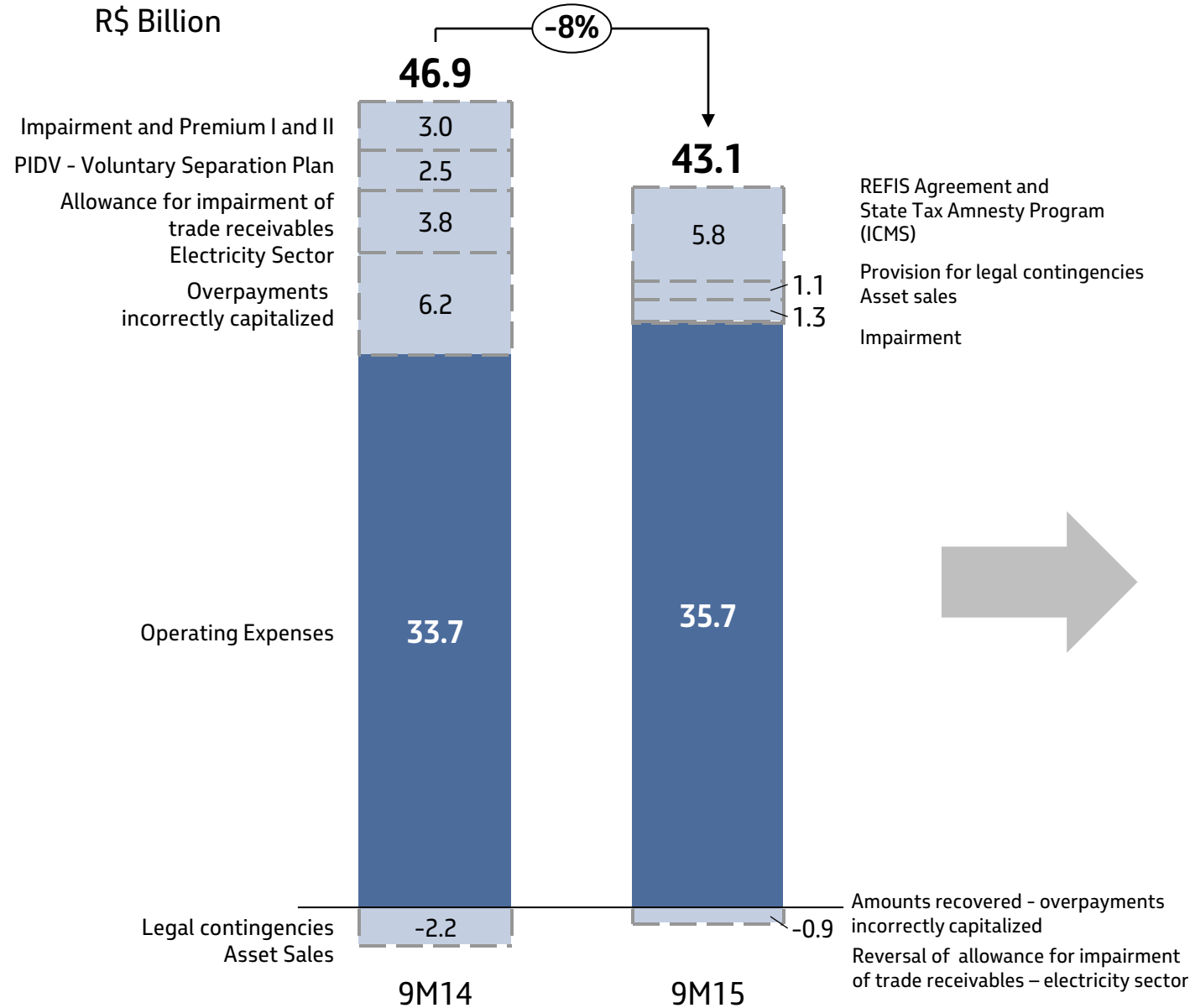
- Decrease of oil products sales volume in the domestic market
- Lower oil products exports
- Lower export prices
- Lower oil and oil products imports
- Lower government take expenses
- 2014 events: write-off of overpayments incorrectly capitalized, impairment of trade receivables from the electricity sector, write-off of Premium I and II and Voluntary Separation Incentive Plan (PIDV)
- Lower dry/subcommercial wells expenses
- Increase in tax expenses due to REFIS agreements
- Provisions for legal contingencies (labor and tax claims)
- Higher expense with pension and medical plan due to actuarial revision
- Impairments
- Higher exchange rate loss over foreign currency debt
- Higher financial expenses due to the increase in debt and lower interest capitalization

* Free Cash Flow = Operating Cash Flow minus Investing Cash Flow

Operating Expenses without Special Items

9M14 x 9M15

R\$ Billion



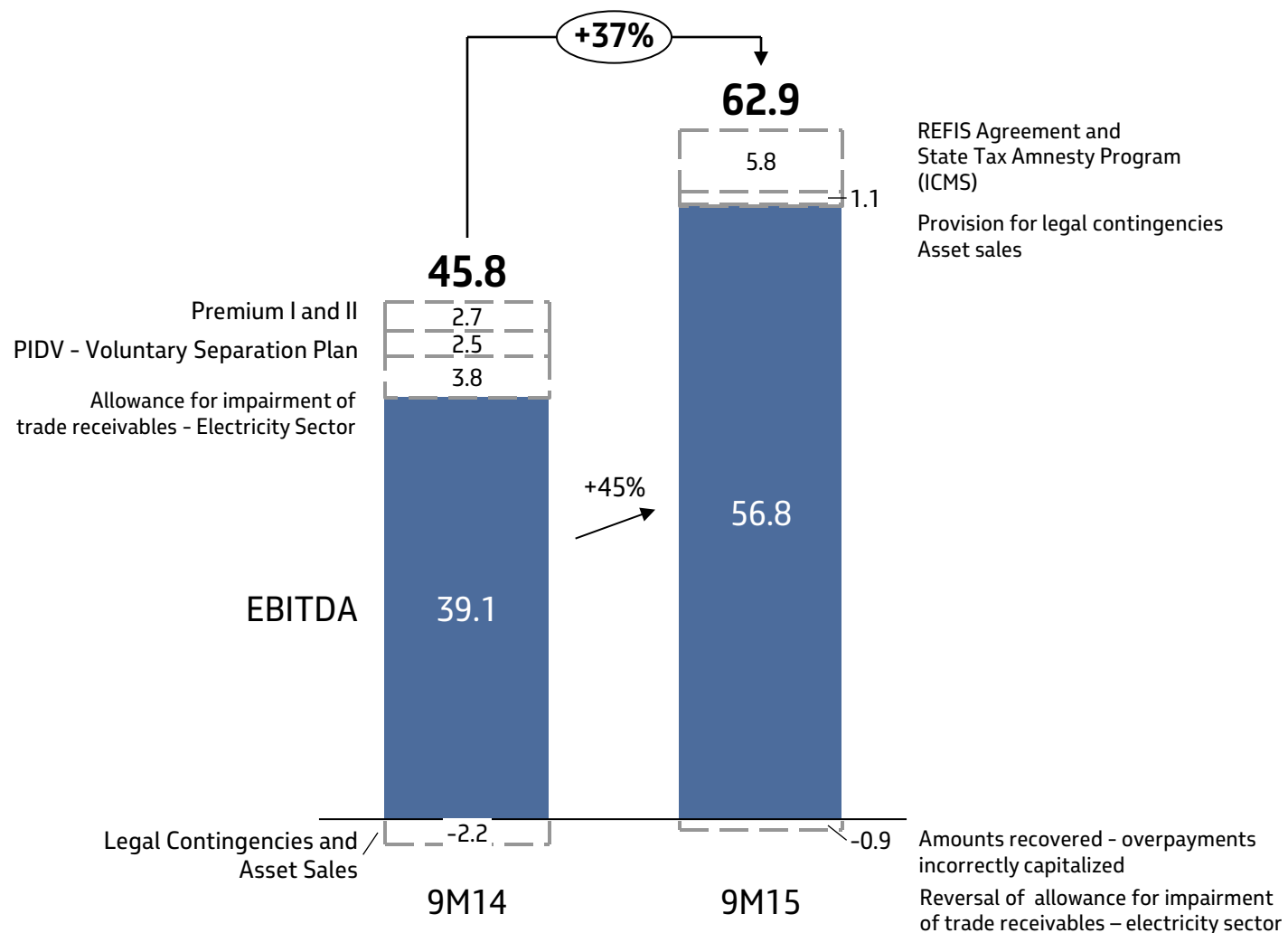
* Higher logistical costs, mainly due to exchange rate variation

EBITDA without Special Items

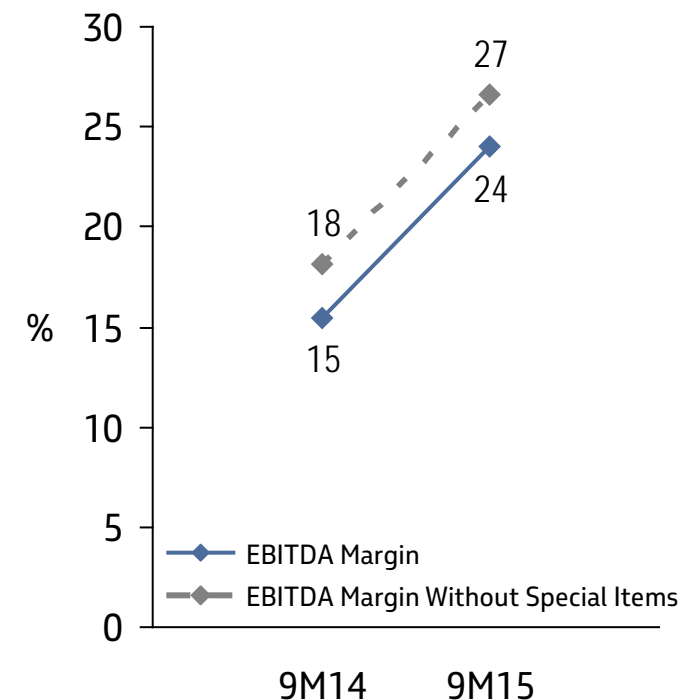
9M14 x 9M15

R\$ Billion

EBITDA Without Special Items



EBITDA Margin Without Special Items



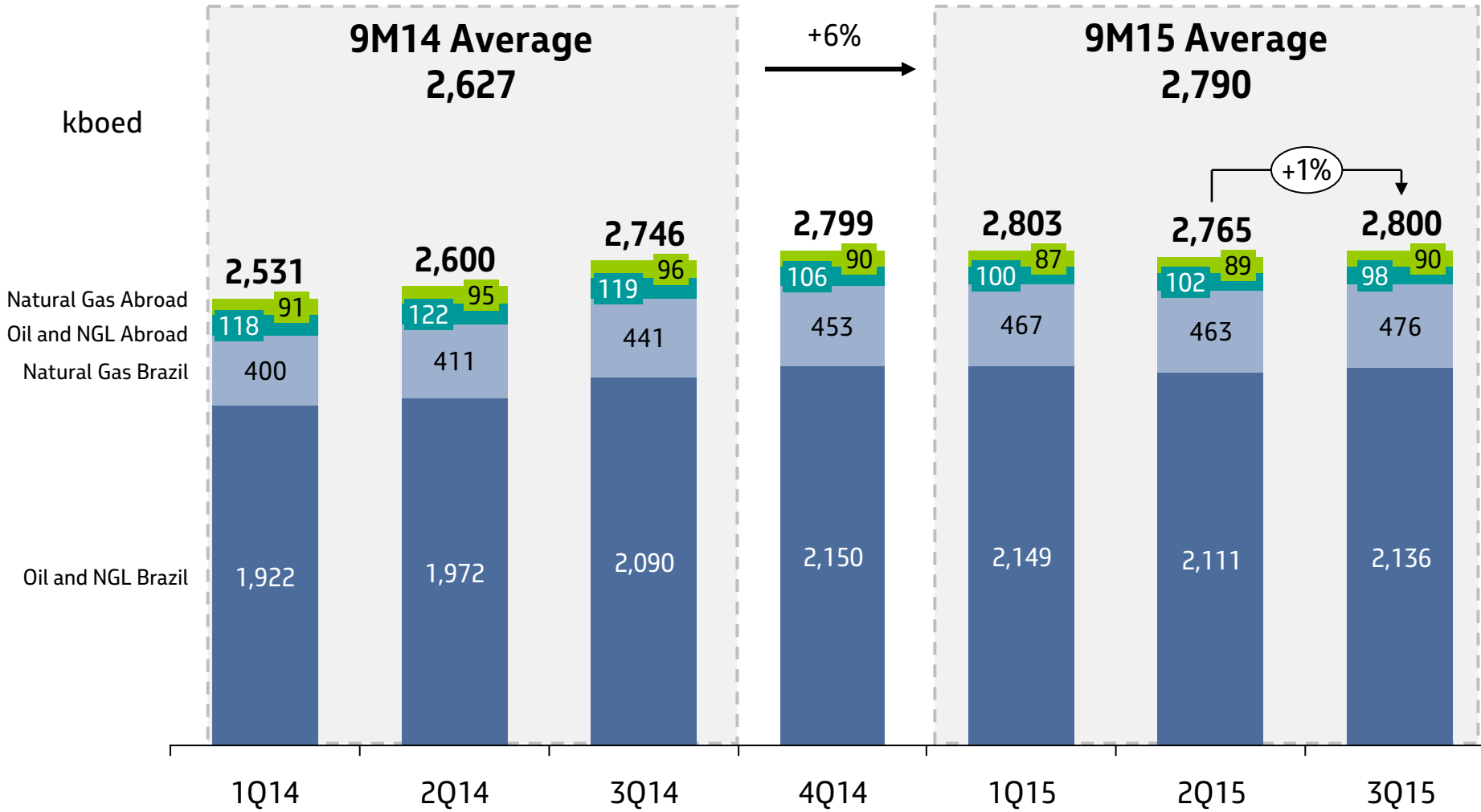
3Q15 Net Result: - R\$ 3,759 Million

R\$ Billion	3Q15	2Q15	Δ%
Sales Revenues	82.2	79.9	↑
Cost of Sales	-58.5	-54.4	↑
Gross Profit	23.8	25.6	-7
Operational Expenses	-17.9	-16.1	↑
Operating Income	5.8	9.5	-39
Financial Results	-11.4	-6.0	↓
Share of earning in equity-accounted investments	0.2	0.2	↑
Profit-sharing	0.2	0.0	↑
Net income (loss) before income taxes	-5.2	3.6	-245
Income Taxes	0.2	-2.7	↓
Non-controlling interest	1.3	-0.4	↑
Net Income/Loss	-3.8	0.5	-808
Net Income (US\$ Billion)	-1.1	0.2	-721
Adjusted EBITDA	15.5	19.8	-22
Investments	19.3	18.3	5
Free Cash Flow*	3.8	5.7	-33

- Higher demand for domestic oil products
- Higher oil export prices
- Higher oil import costs
- Higher oil products sales
- Legal contingencies (labor and tax claims)
- Higher dry/subcommercial wells expenses
- Higher exchange rate losses over FX-denominated debt

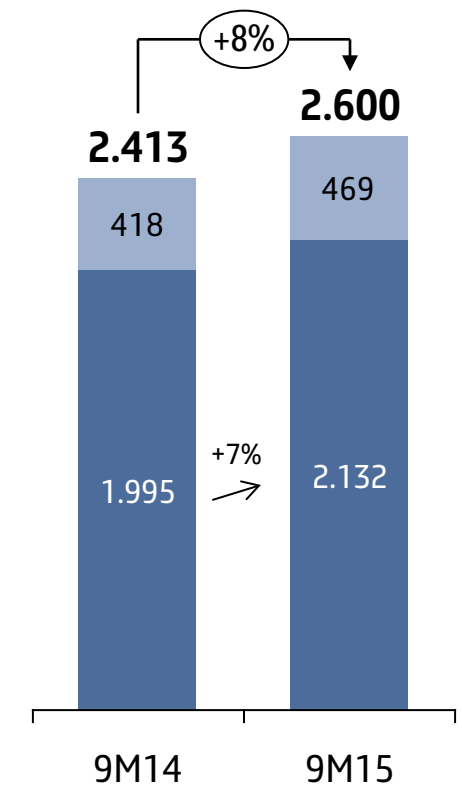
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Oil and Natural Gas Production – Brazil and Abroad

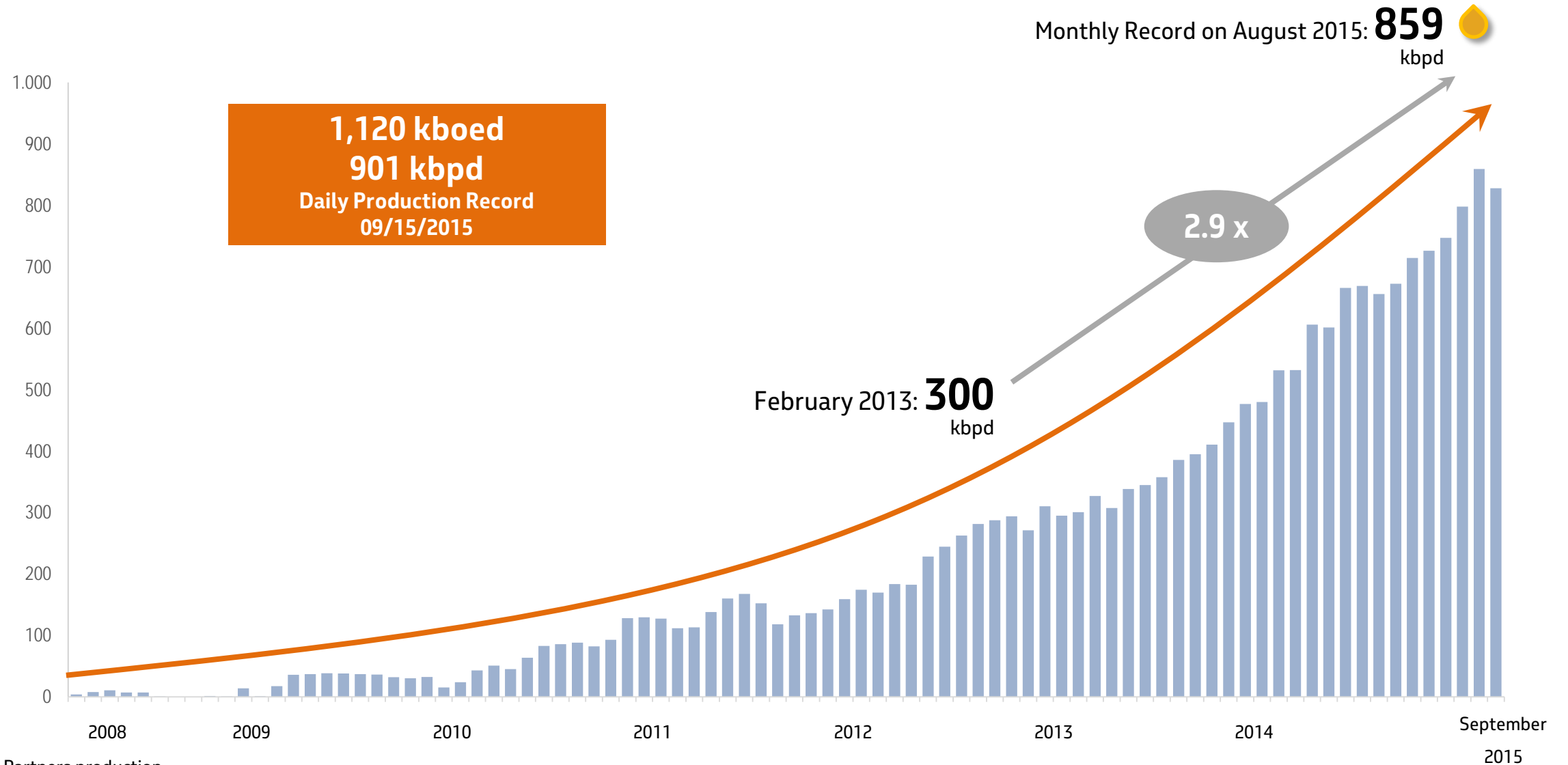


23,7% of total production of 9M15 comes from pre-salt

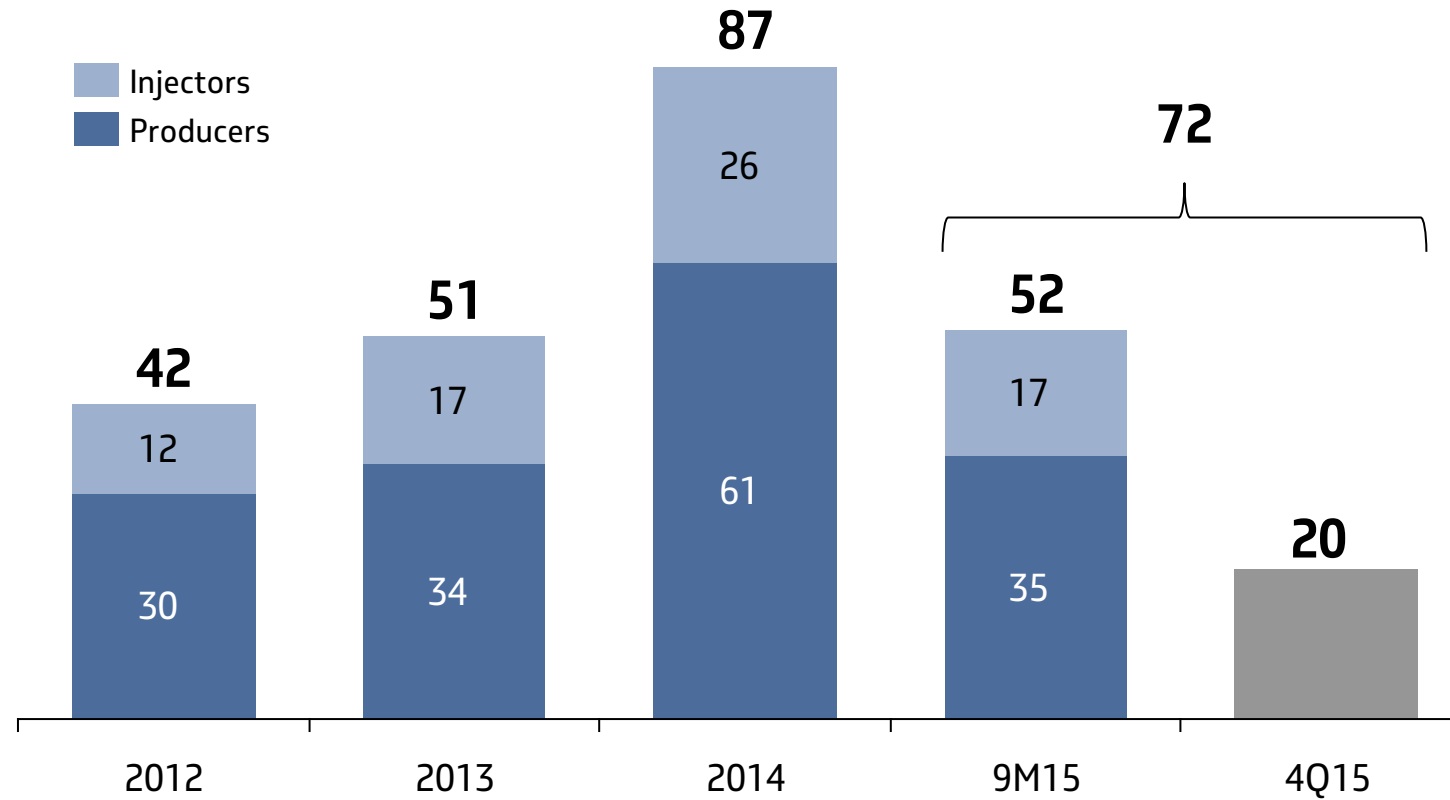
Oil and Natural Gas Production Brazil



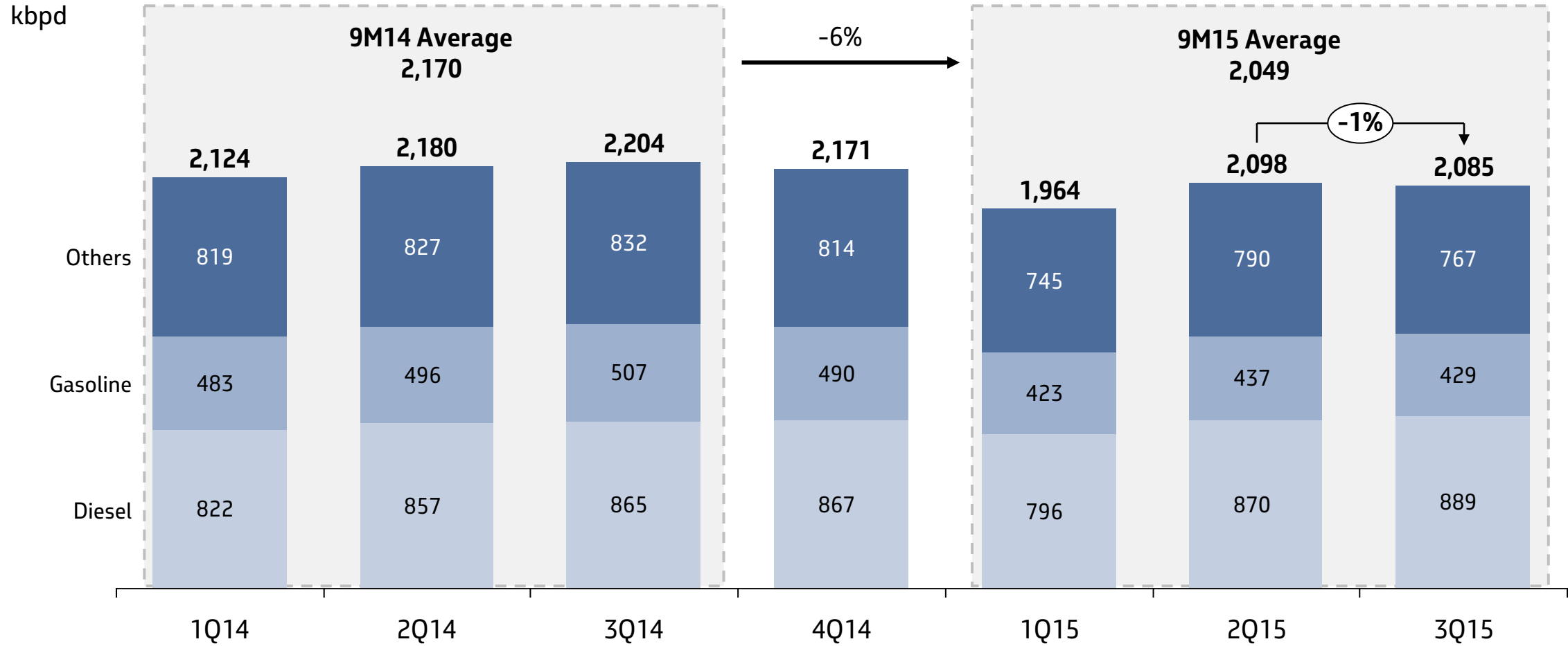
Pre-Salt Average Monthly Production (kpd)



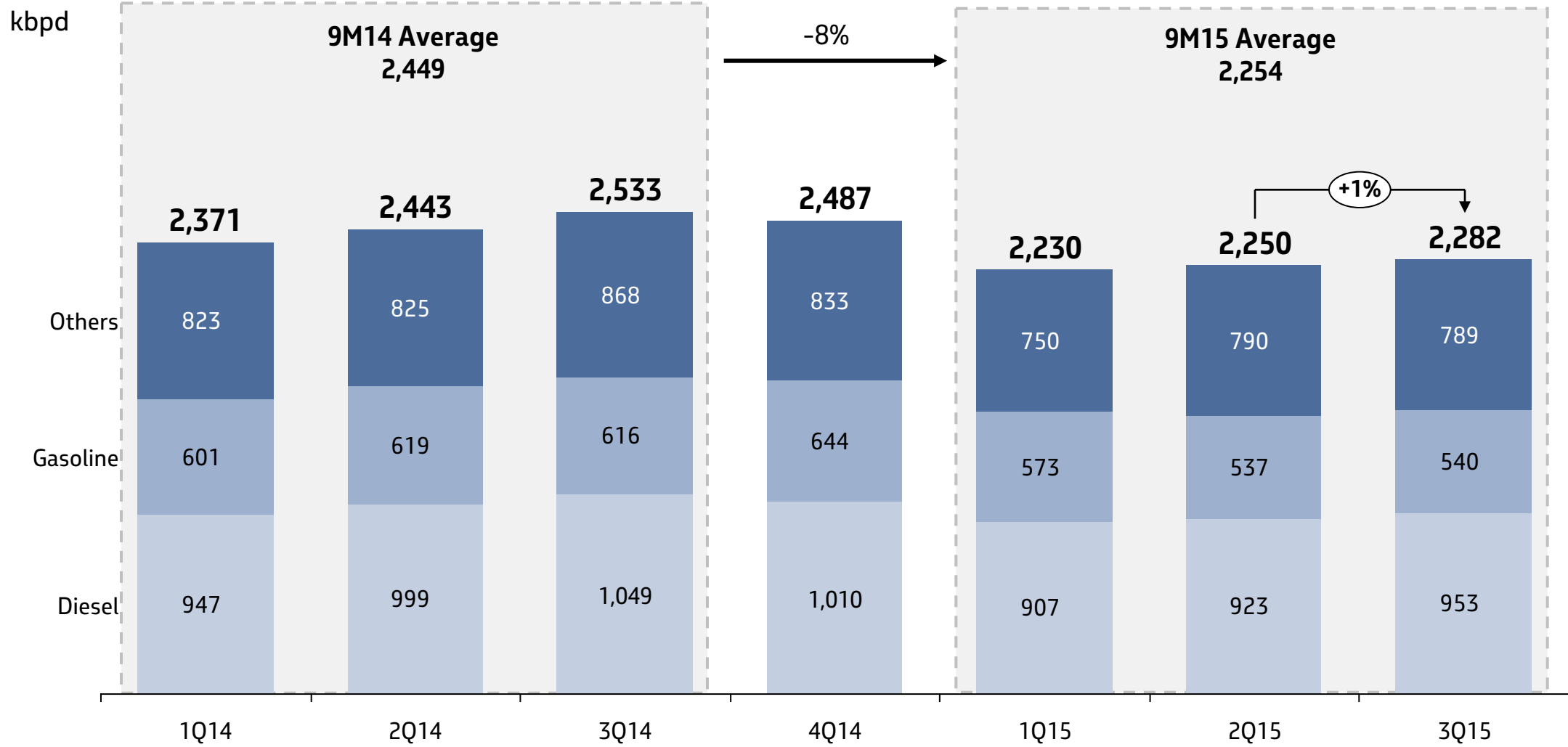
Connection of New Wells in Brazil



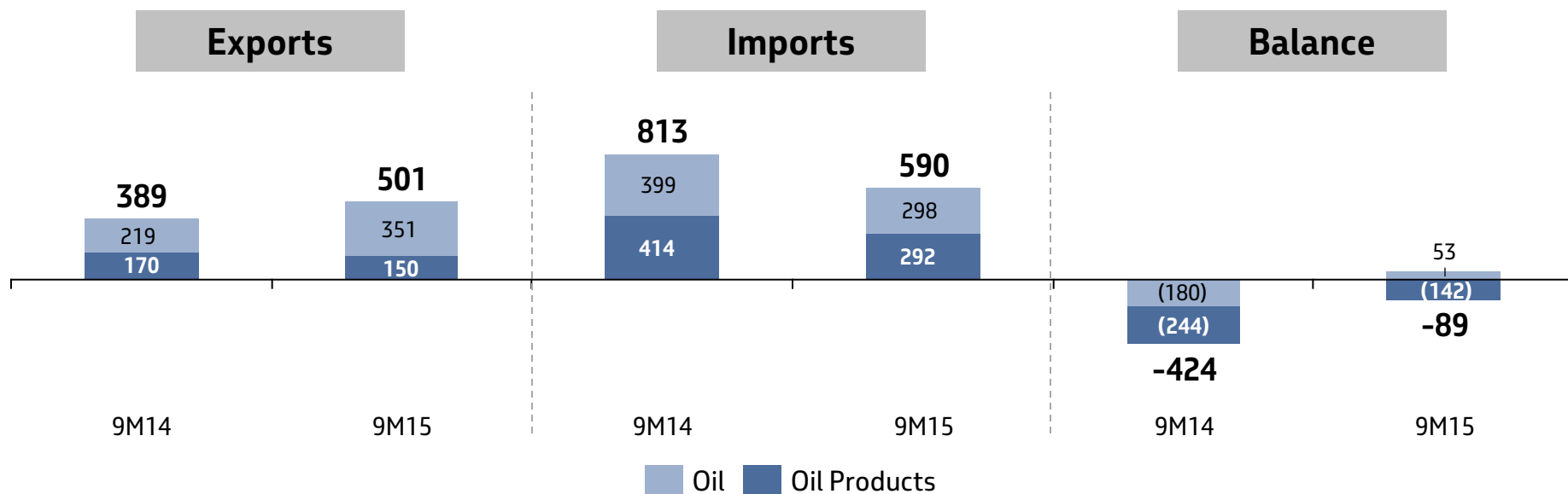
Oil Products Output in Brazil



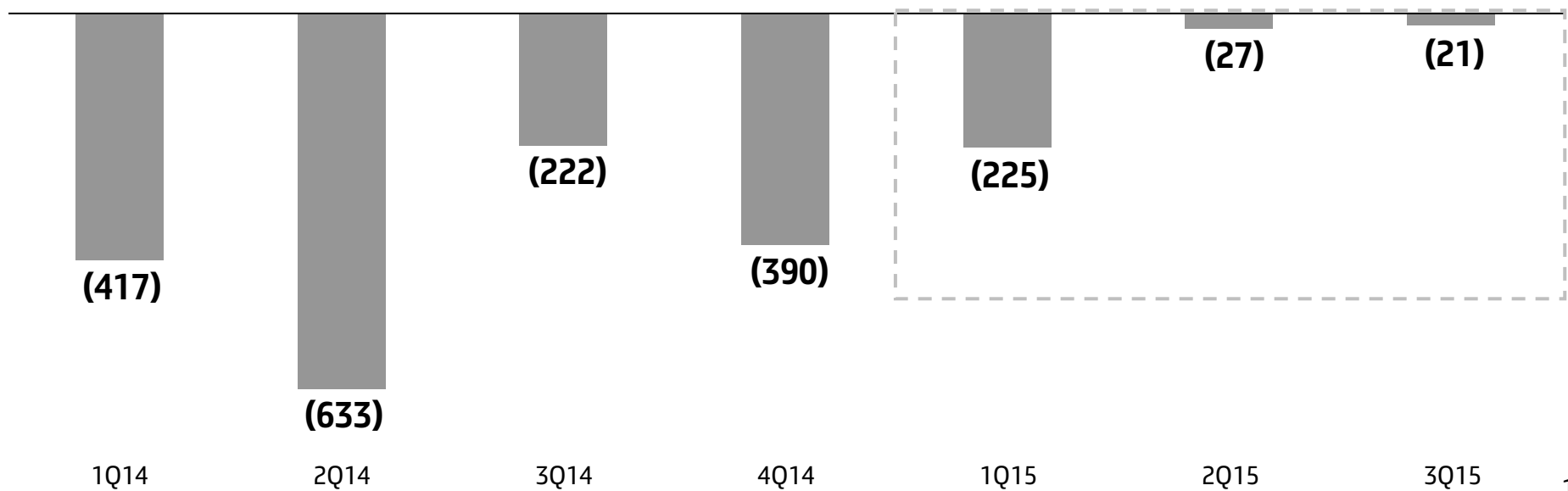
Sales Volume in Brazil



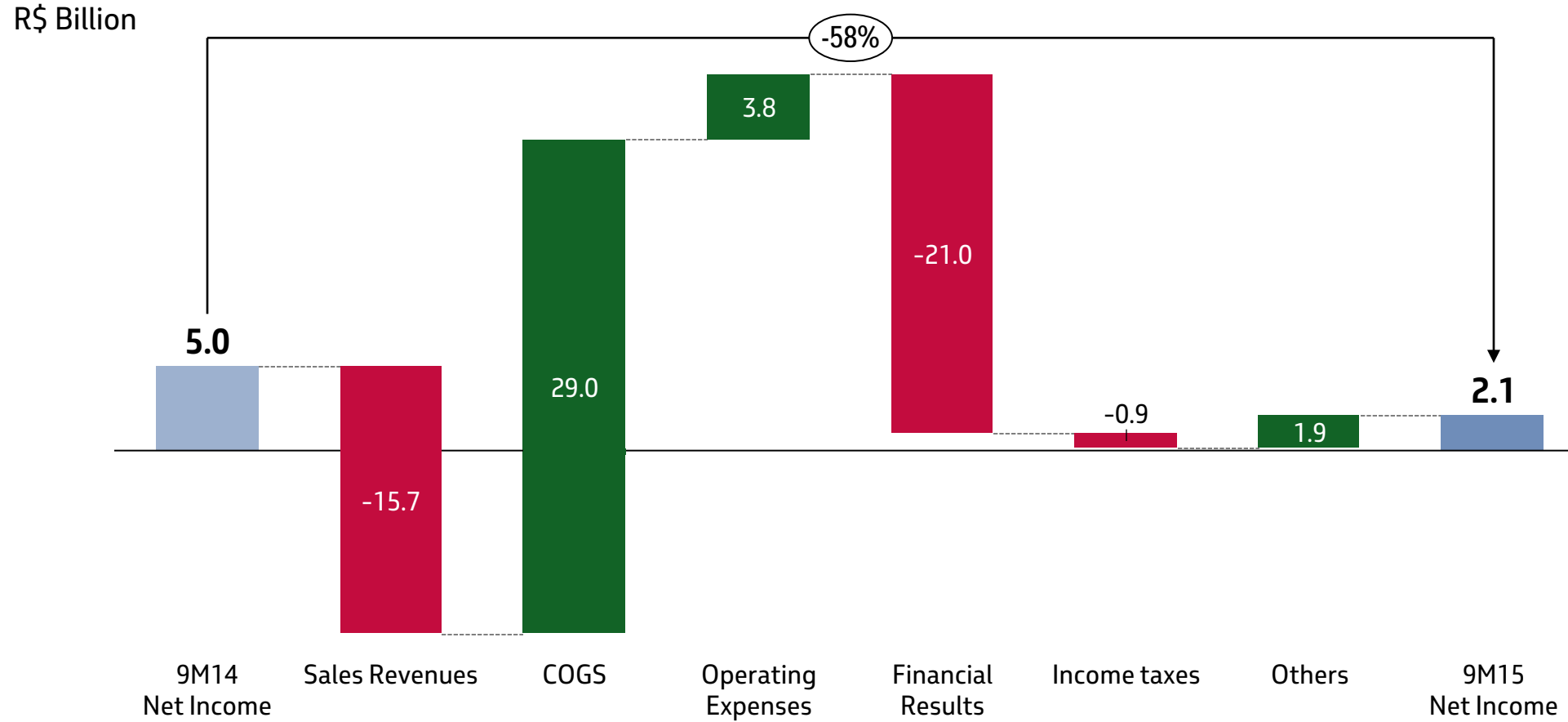
**Trade Balance:
Oil and Oil Products
(kbpd)**



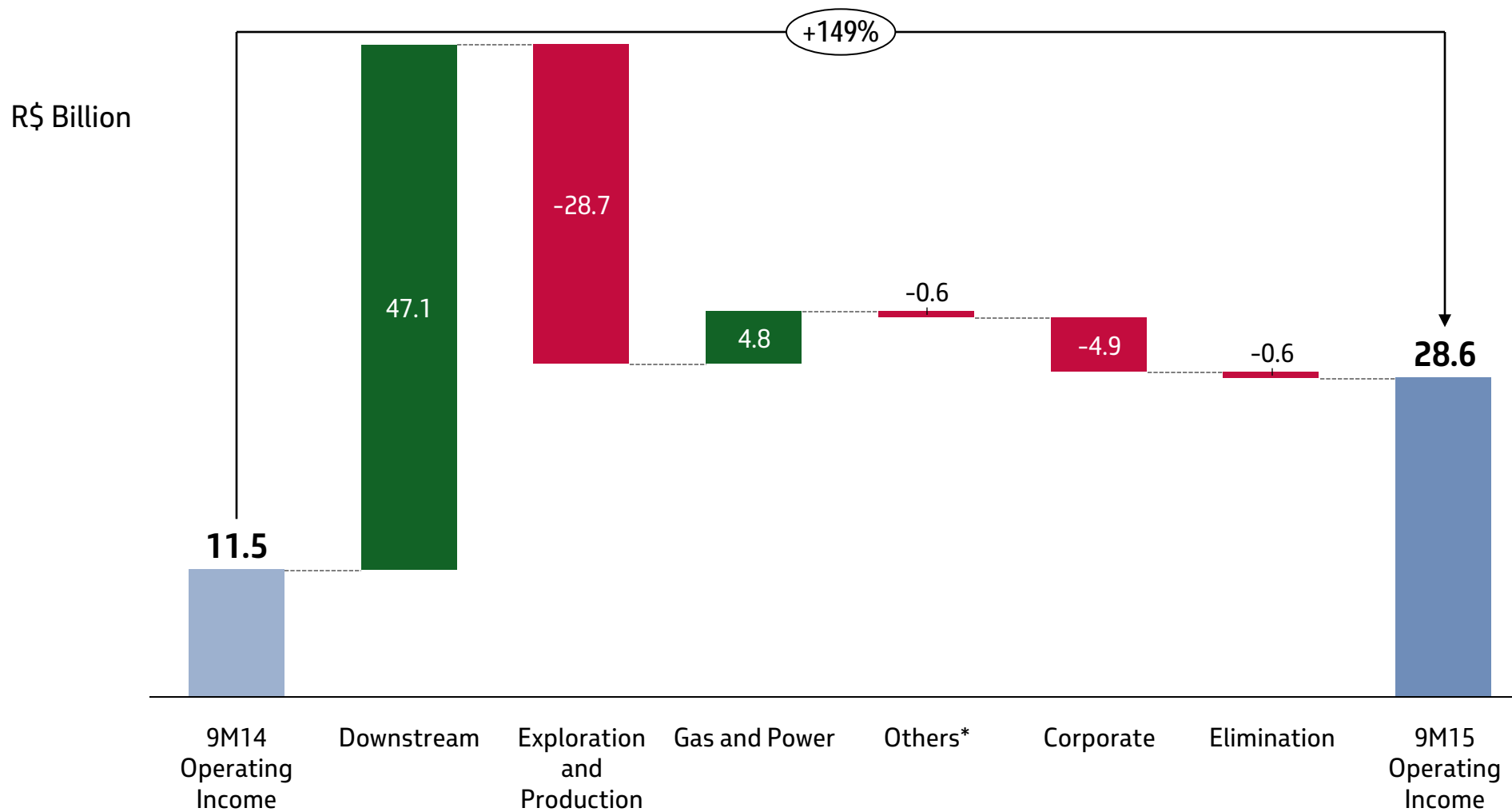
**Trade Balance Evolution
(kbpd)**



Net Income Evolution 9M14 x 9M15

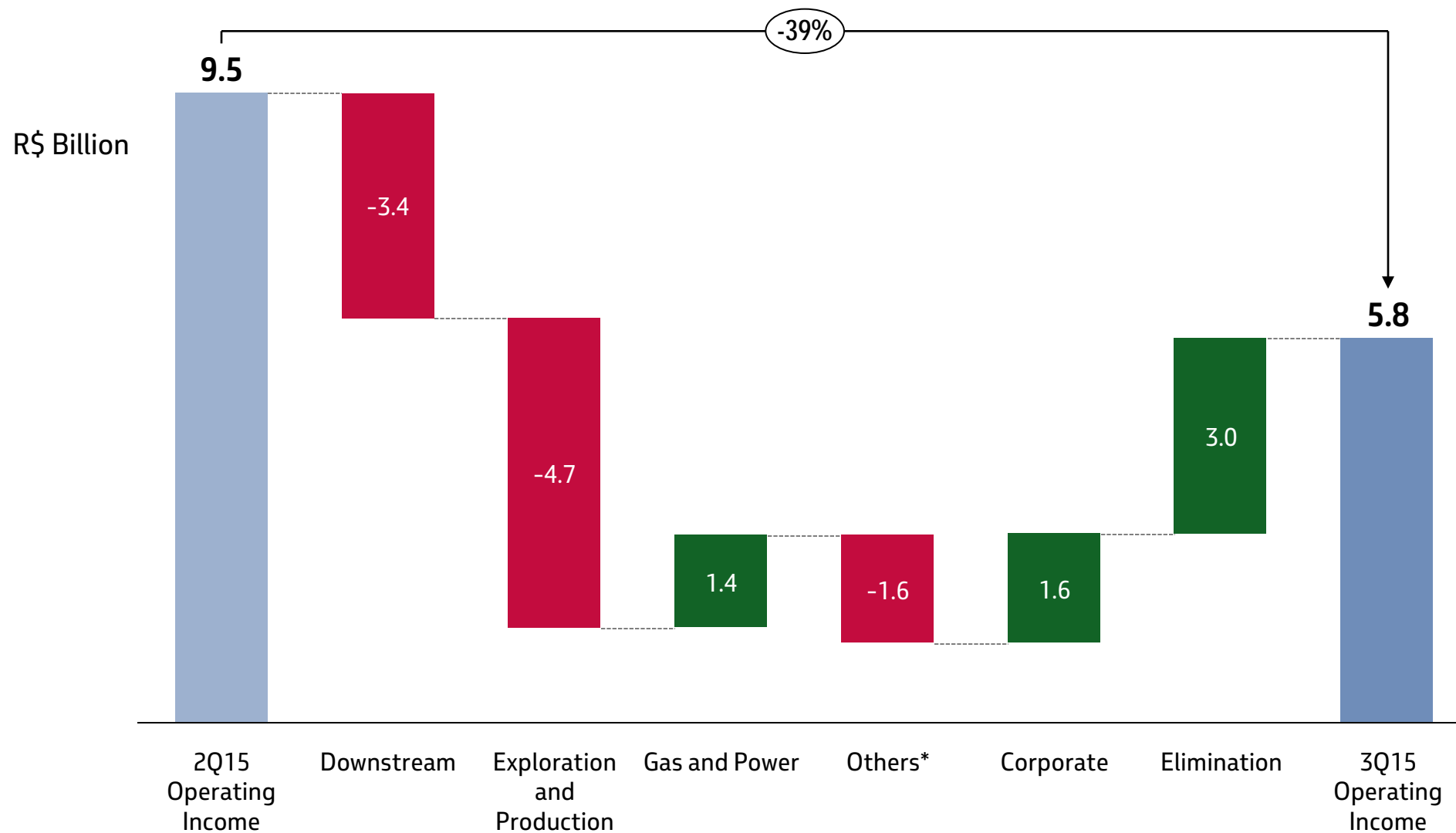


Operating Income Evolution per Segment 9M14 x 9M15



*Others: Distribution, Biofuels and International Activities.

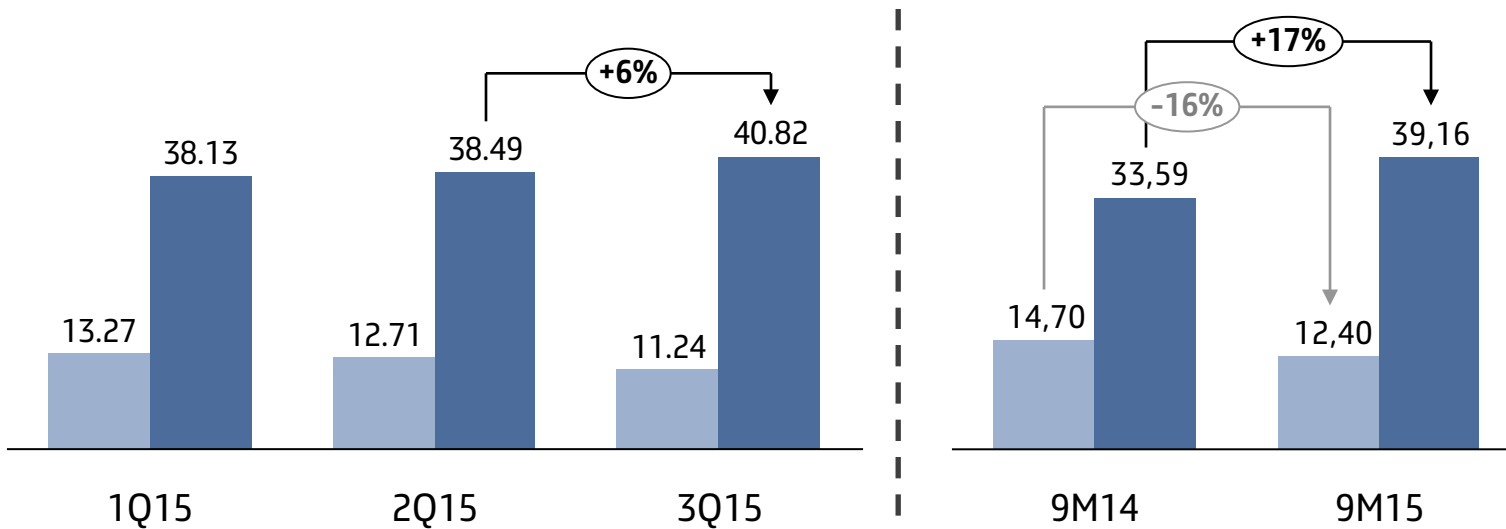
Operating Income Evolution per Segment 2Q15 x 3Q15



*Others: Distribution, Biofuels and International Activities.

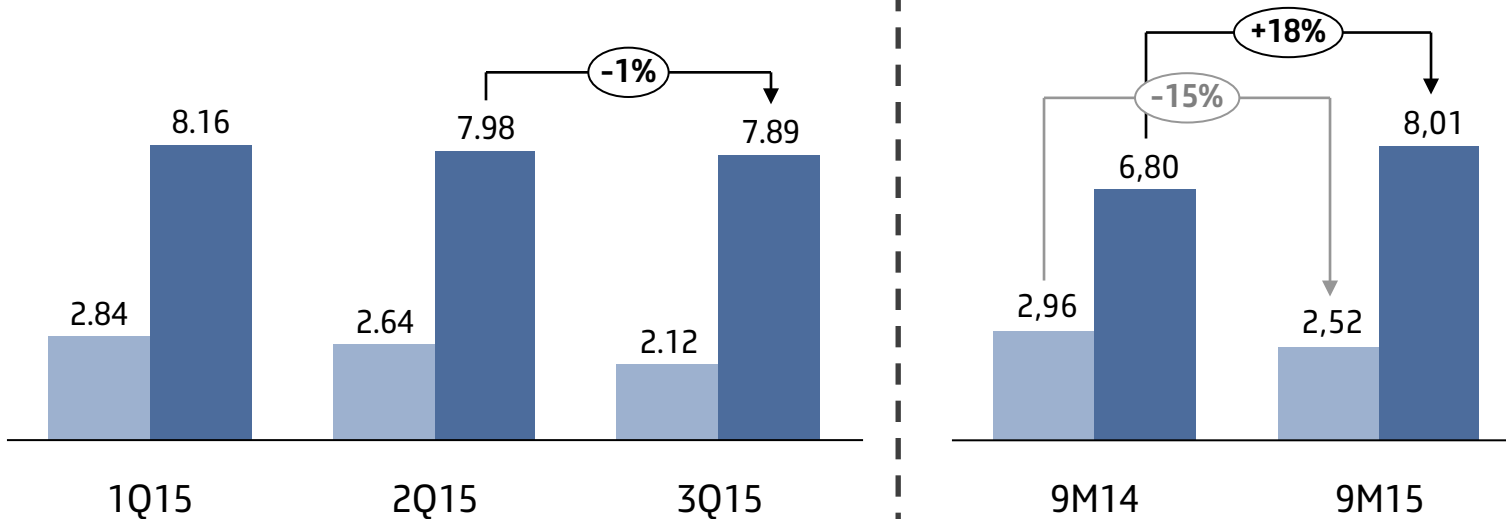
Costs Evolution in Brazil

Lifting Cost*



- Excluding the impact of FX variation, lifting costs increased by 4%
- Higher expenses with well intervention and subsea engineering and maintenance in Campos Basin

Refining Cost



Lower throughput and higher personnel expenses

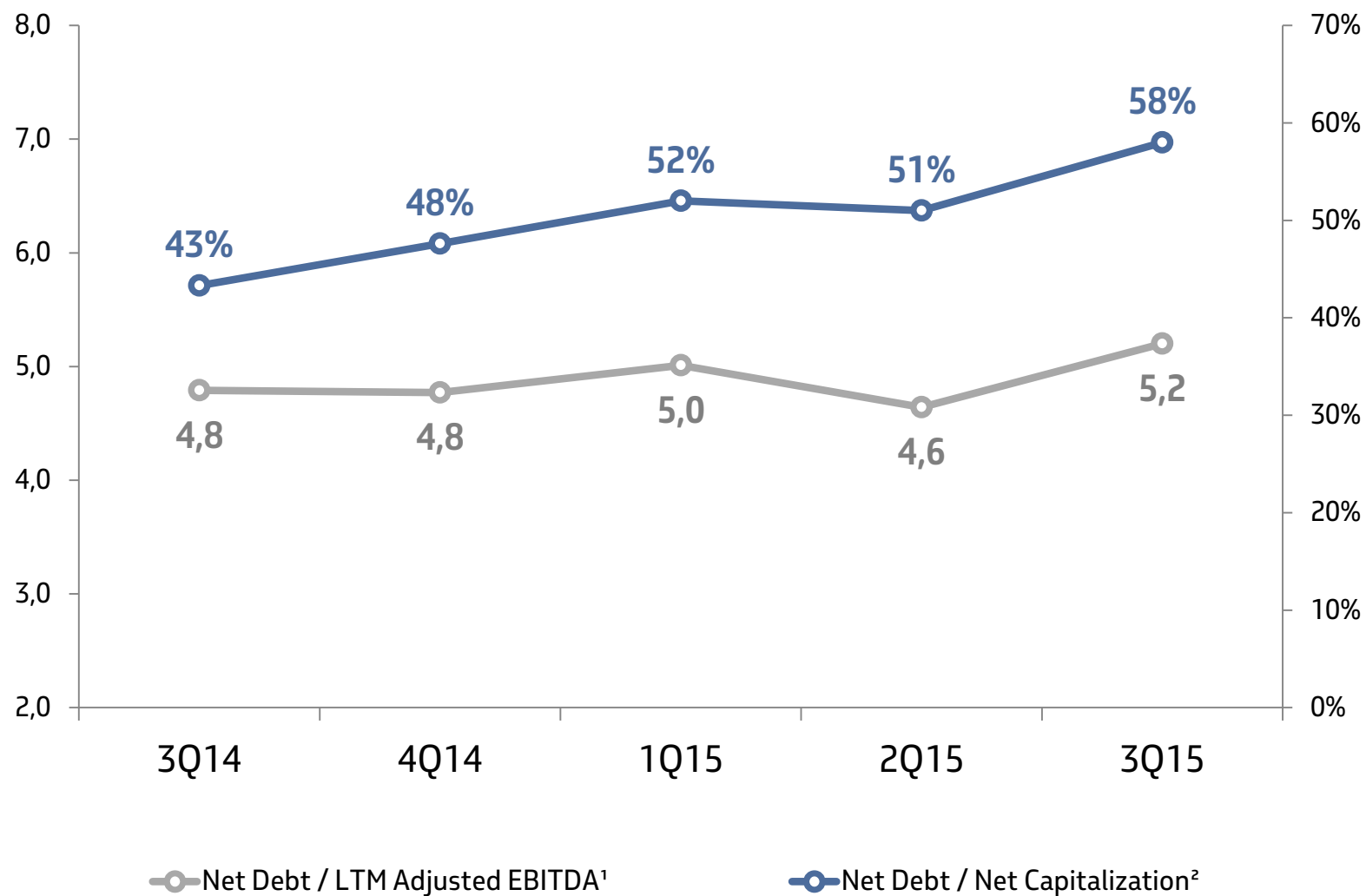
US\$/boe R\$/boe

* Does not include government take

Indebtedness		
Indebtedness (R\$ Billion)	12/31/2014	09/30/2015
Short-term Debt	31.6	53.4
Long-term Debt	319.5	453.2
Total Indebtedness	351.0	506.6
(-) Cash and Cash Equivalents ¹	68.9	104.2
= Net Debt	282.1	402.3
Indebtedness (US\$ Billion)		
Net Debt	106.2	101.3

1) Includes government securities and time deposits (maturity longer than 90 days)

Financial Ratios - Indebtedness



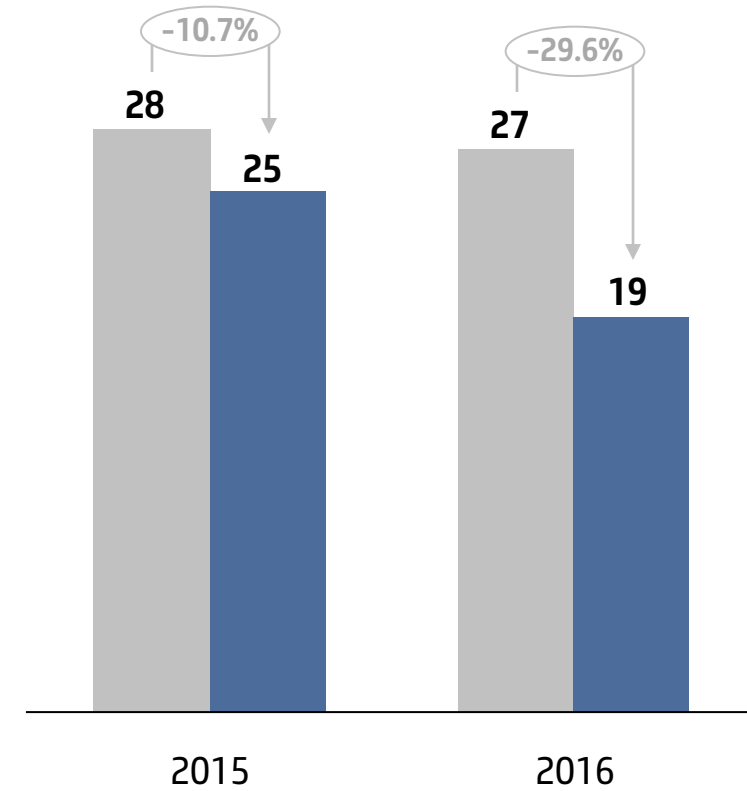
1) As of the 2Q15, the adjusted EBITDA used to calculate the ratio is the sum of the last 12 months

2) Net Debt / (Net Debt + Shareholders Equity)

Assumptions

		2015-2019 BMP	Revised on 10/08/15
Brent (US\$/bbl)	2015	60	54
	2016	70	55
FX Rate (R\$/US\$)	2015	3.10	3.28
	2016	3.26	3.80

CAPEX (US\$ Billion)

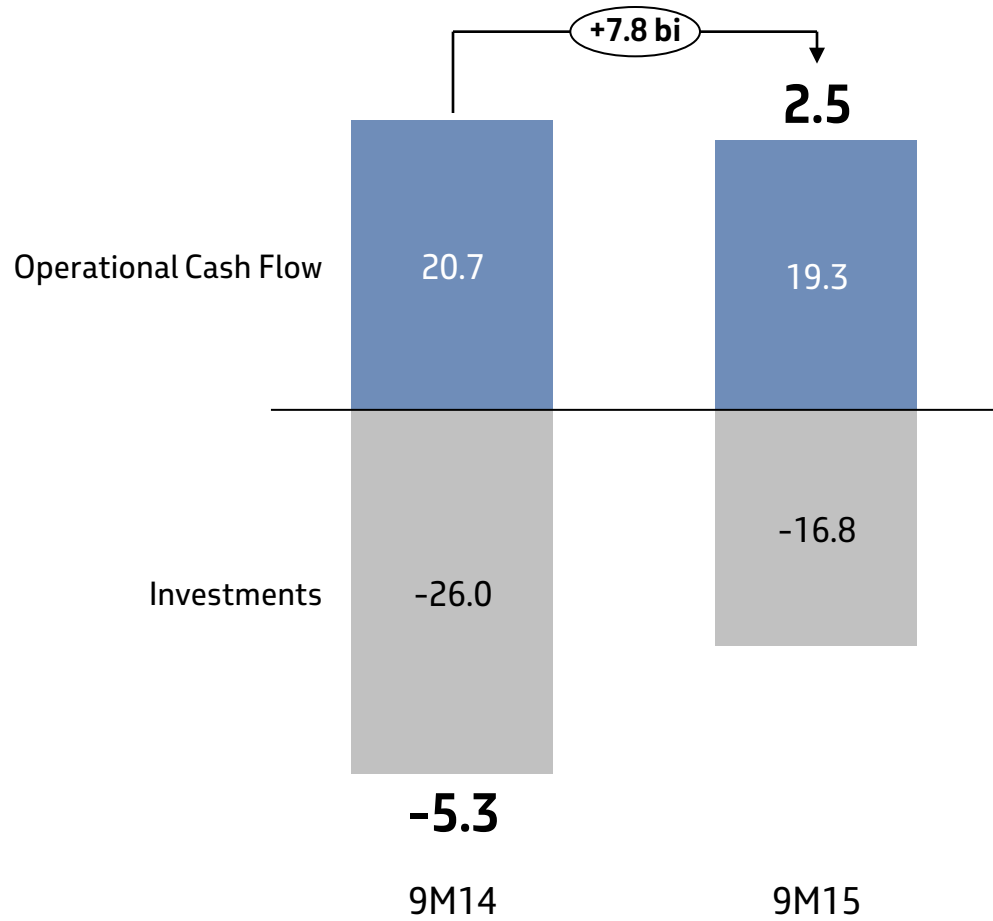


2015-2019 BMP
 Revised on 10/05/15

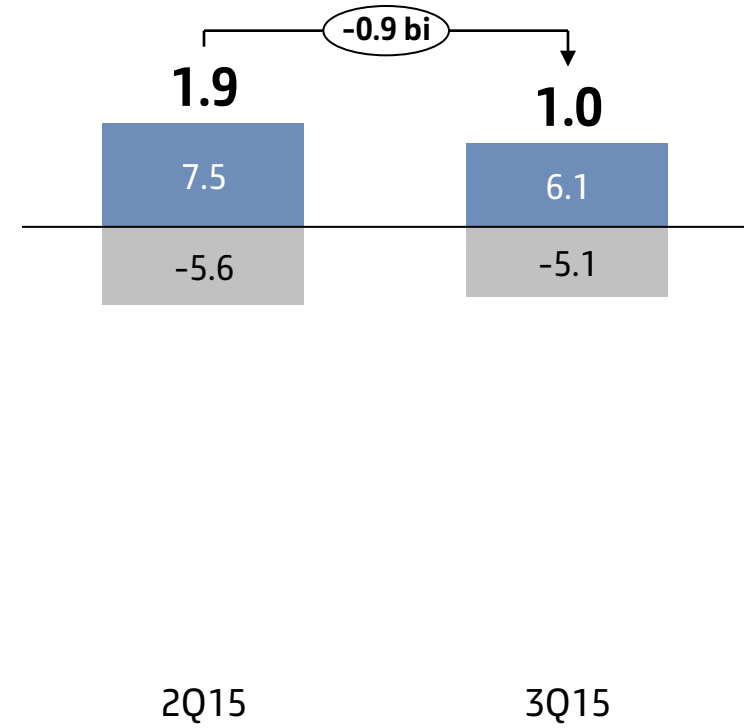
Free Cash Flow

US\$ Billion

9M14 x 9M15

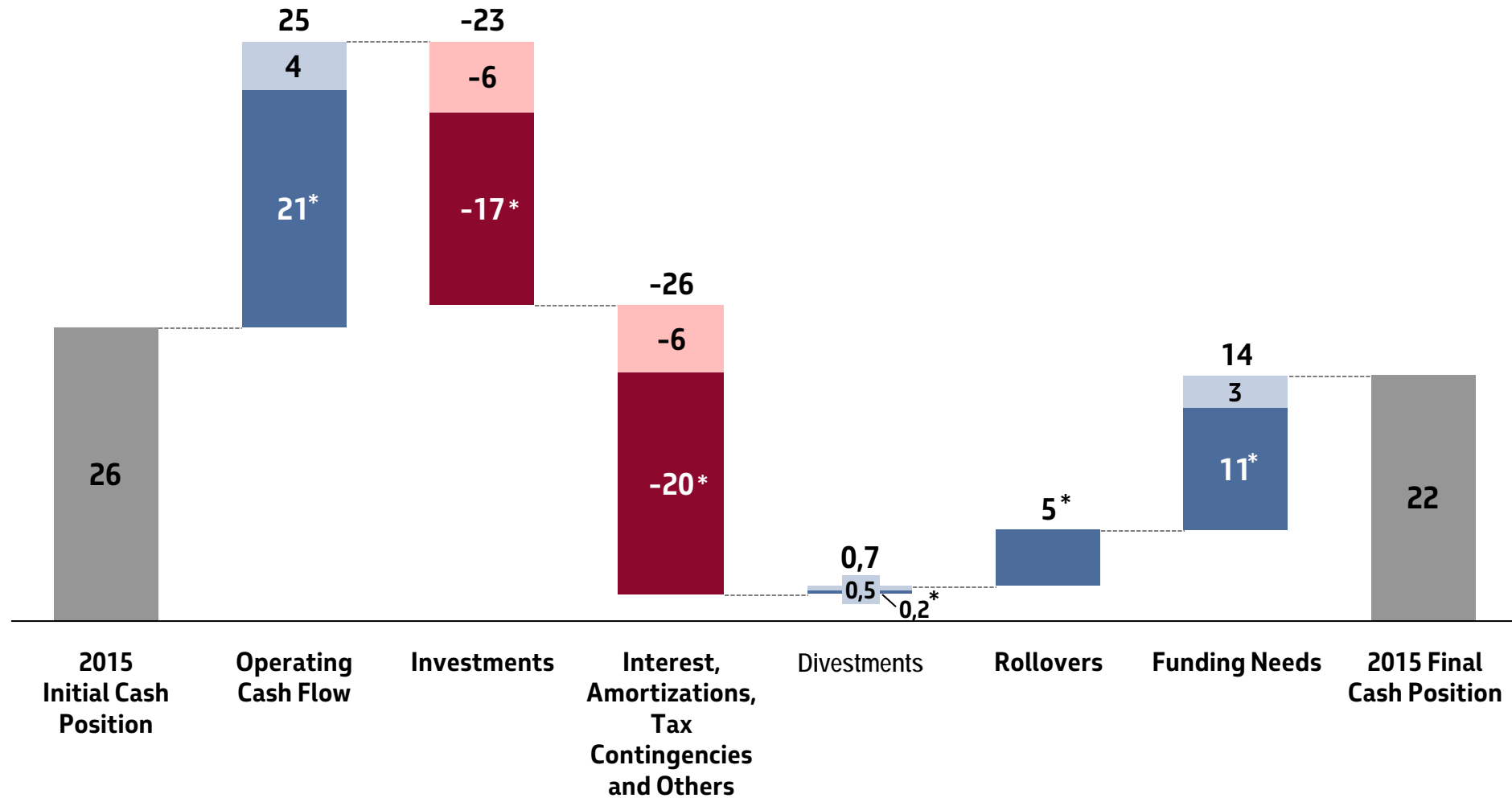


2Q15 x 3Q15



2015 Cash Flow

US\$ Billion



* Realized in 9M15. Operating Cash Flow excludes tax contingencies

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