



## **Adjustment of the Divestment Program to the Methodology approved by the Federal Accounting Court**

Rio de Janeiro, March 31<sup>st</sup>, 2017 – Petróleo Brasileiro S.A. – Petrobras, in continuation to the material fact disclosed on March 15, 2017, informs that its Executive Board approved yesterday the composition of its new divestment portfolio, consisting of projects that will follow the revised divestment methodology proceedings since the beginning, in compliance with the decision of the Federal Accounting Court (TCU).

To build the new portfolio, following TCU decision, it is necessary to terminate ongoing projects for which purchase and sale contracts have not yet been signed, a measure that was also approved yesterday.

Petrobras is taking all the internal necessary measures for the approval of its new portfolio by the Executive Board. Within two weeks, the projects that compose the new portfolio and which are qualified to initiate the structuring stage will be promptly started, and subsequently disclosed to the market.

Petrobras further reports that the aforementioned measures do not interfere with the achievement of the US\$ 21 billion target in partnerships and divestments defined in the Strategic Plan for the 2017/2018 biennium.

The tables below offer information on the divestment projects disclosed to the market since the second half of 2016 for which transaction closing has not yet occurred.

It should be noted that projects for which purchase and sale contracts have already been signed can advance to conclusion, and are detailed in table 2.

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**FORWARD-LOOKING STATEMENTS**

This release includes forward-looking statements 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 subject to risks and uncertainties. The forward-looking statements, which address the Company's expected business and financial performance, among other matters, contain words such as "believe," "expect," "estimate," "anticipate," "optimistic," "intend," "plan," "aim," "will," "may," "should," "could," "would," "likely," and similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. There is no assurance that the expected events, trends or results will actually occur. 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.

The Company's actual results could differ materially from those expressed or forecast in any forward-looking statements as a result of a variety of assumptions and factors. These factors include, but are not limited to, the following: (i) failure to comply with laws or regulations, including fraudulent activity, corruption, and bribery; (ii) the outcome of ongoing corruption investigations and any new facts or information that may arise in relation to the "Lava Jato Operation"; (iii) the effectiveness of the Company's risk management policies and procedures, including operational risk; and (iv) litigation, such as class actions or proceedings brought by governmental and regulatory agencies. A description of other factors can be found in the Company's Annual Report on Form 20-F for the year ended December 31, 2015, and the Company's other filings with the U.S. Securities and Exchange Commission.



Table 1 – Terminated divestment projects which will be assessed to compose the new portfolio

Project	Stage
Transfer of rights for a set of onshore fields	Process has already been suspended by injunction decision of the Federal Court of Sergipe, as disclosed in the material fact dated of 12/05/2016.
Transfer of shallow water rights in the States of Sergipe and Ceará	Regional Federal Court of Sergipe (5 <sup>th</sup> Region) has revoked the injunction that suspended the transaction, as disclosed in material fact dated of 1/23/2017.
Sale of capital interest in BR Distribuidora	Process has already been suspended by injunction decision of the Federal Court of Sergipe, as disclosed in the material fact dated of 12/05/2016.
Sale of transfer of rights for Baúna and Tartaruga Verde fields	Exempted from TCU preventive order of 12/7/2016. The company dropped the motion before the Federal Supreme Court to suspend the injunction issued by Federal Court of Sergipe that prevented the execution of contracts, and requested the dismissal of this legal claim, as per material fact dated of 3/29/2017.
Sale of participation in the Saint Malo field, in the Gulf of Mexico	Exempted from TCU preventive order of 3/15/2017. The project will not continue as it did not achieve the expected results.

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Table 2 – Divestment projects upheld

Project	Stage
Sale of 90% stake in the Nova Transportadora do Sudeste	Contracts signed on 9/23/2016, prior to the TCU preventive order of 12/7/2016 preventing the execution of divestment contracts. Shareholders' Meeting of Petrobras approved the sale, as disclosed on material fact of 11/30/2016. Injunction ordering the halt of sale was suspended, as per material fact of 03/09/2017. Transaction completion still subject to the fulfillment of usual prior conditions.
Sale of Liquigás	Contracts signed on 11/17/2016, prior to the TCU preventive order of 12/7/2016. Shareholders' Meeting of Petrobras approved the sale, as per material fact of 1/31/2017. Transaction completion subject to the fulfillment of usual prior conditions, including Administrative Council for Economic Defense (CADE) approval.
Sale of PetroquímicaSuape and Citepe	Contracts signed on 12/28/2016, as exempted under the TCU preventive order of 12/7/2016. Injunction suspending this project was itself suspended pursuant to appeal by Petrobras, as per material fact of 2/22/2017. Shareholders' Meeting of Petrobras approved the sale, as per material fact of 3/27/2017. Transaction completion subject to the fulfillment of usual prior conditions, including CADE approval.

Note: Does not include strategic partnerships

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