

Petrobras Day

New York

October 2, 2017

Pedro Parente
CEO





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 2017 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.

In addition, this presentation also contains certain financial measures that are not recognized under Brazilian GAAP or IFRS. These measures do not have standardized meanings and may not be comparable to similarly-titled measures provided by other companies. We are providing these measures because we use them as a measure of company performance; they should not be considered in isolation or as a substitute for other financial measures that have been disclosed in accordance with Brazilian GAAP or IFRS.

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.

SUMMARY



1. Petrobras at a glance
2. Oil & Gas industry
3. Brazil - regulatory framework
4. Our strengths
5. Our deliveries
6. Planning the future

Petrobras at a glance



Exploration & Production



2.8 MMboe/d	1.7 MMboe/d Pre-salt operated production	9.7 Bnboe* 1P Reserves
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Refining

2.3 MMbbl/d Capacity	2.0 MMbbl/d Domestic oil product sales	14 Refineries
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Transportation

7.7k km Oil pipelines	7.1k km Gas pipelines	56 Vessel Fleet
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Gas & power

59 MMm ³ /d Gas sales	6.1 GW Installed capacity
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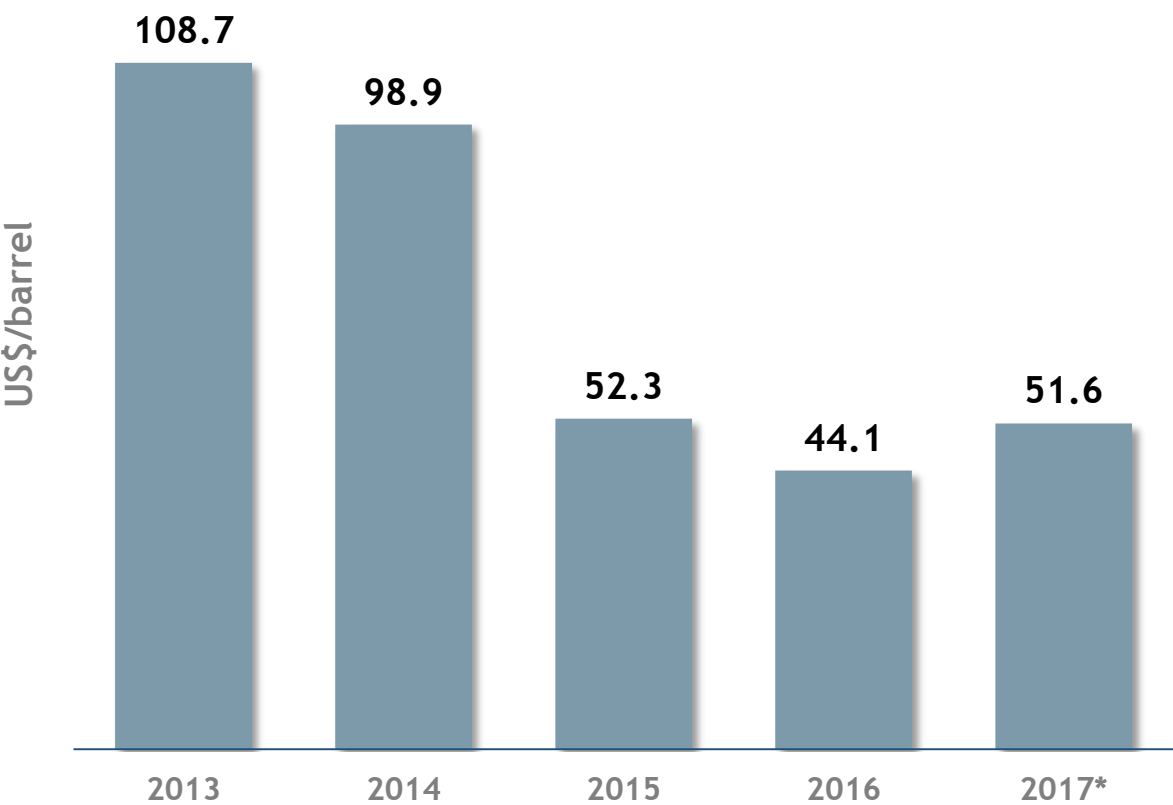
Distribution & Retail

46 MMm ³ Oil products sales in 2016	8,564 Service stations
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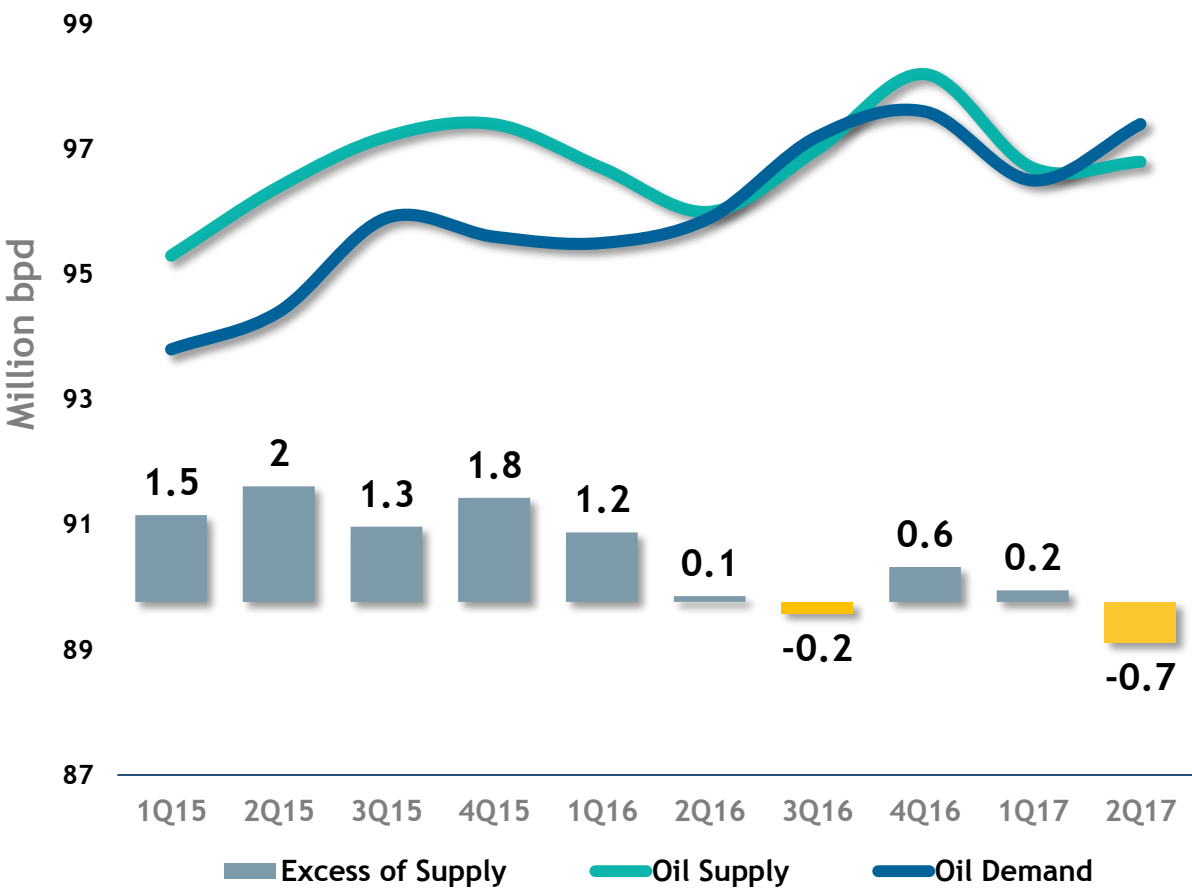
* Reserves reported according to SEC criteria

Global Oil & Gas sector is facing a challenging scenario

Oil Price - Brent (Annual average - Nominal)



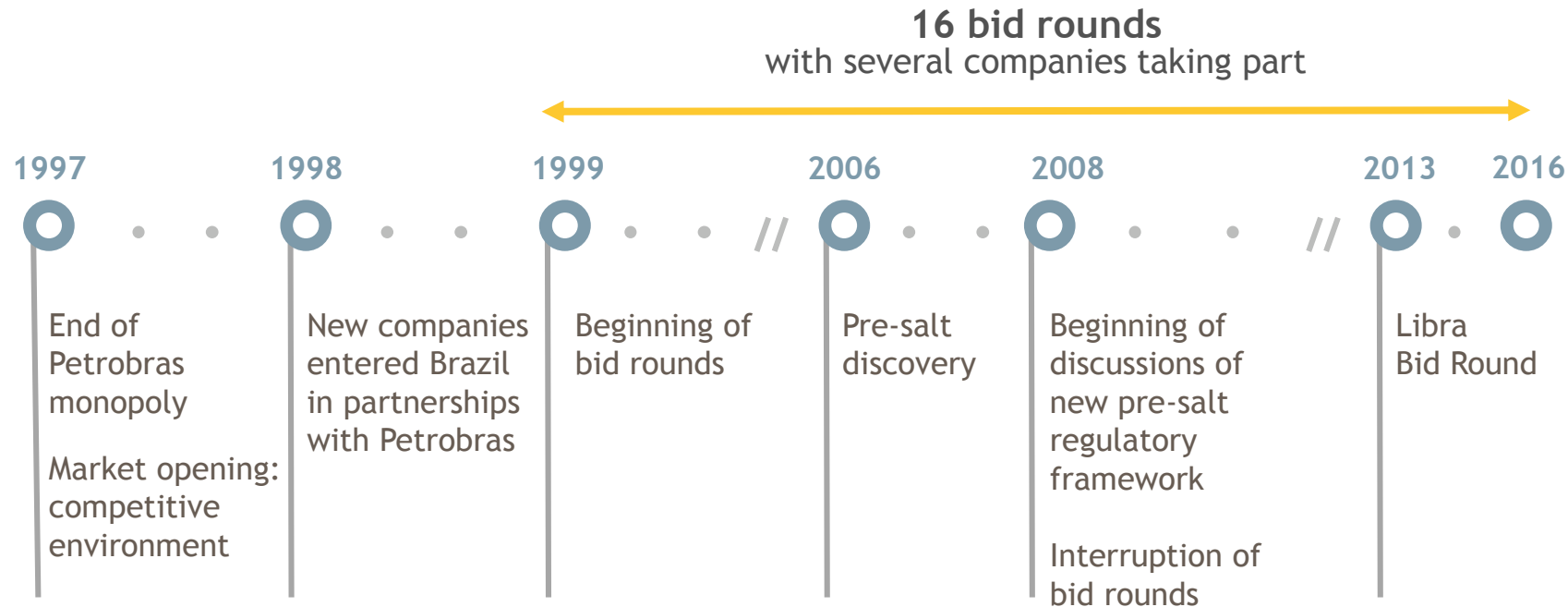
Balance between Oil Demand and Supply



* Average until August 31, 2017 Source: Bloomberg

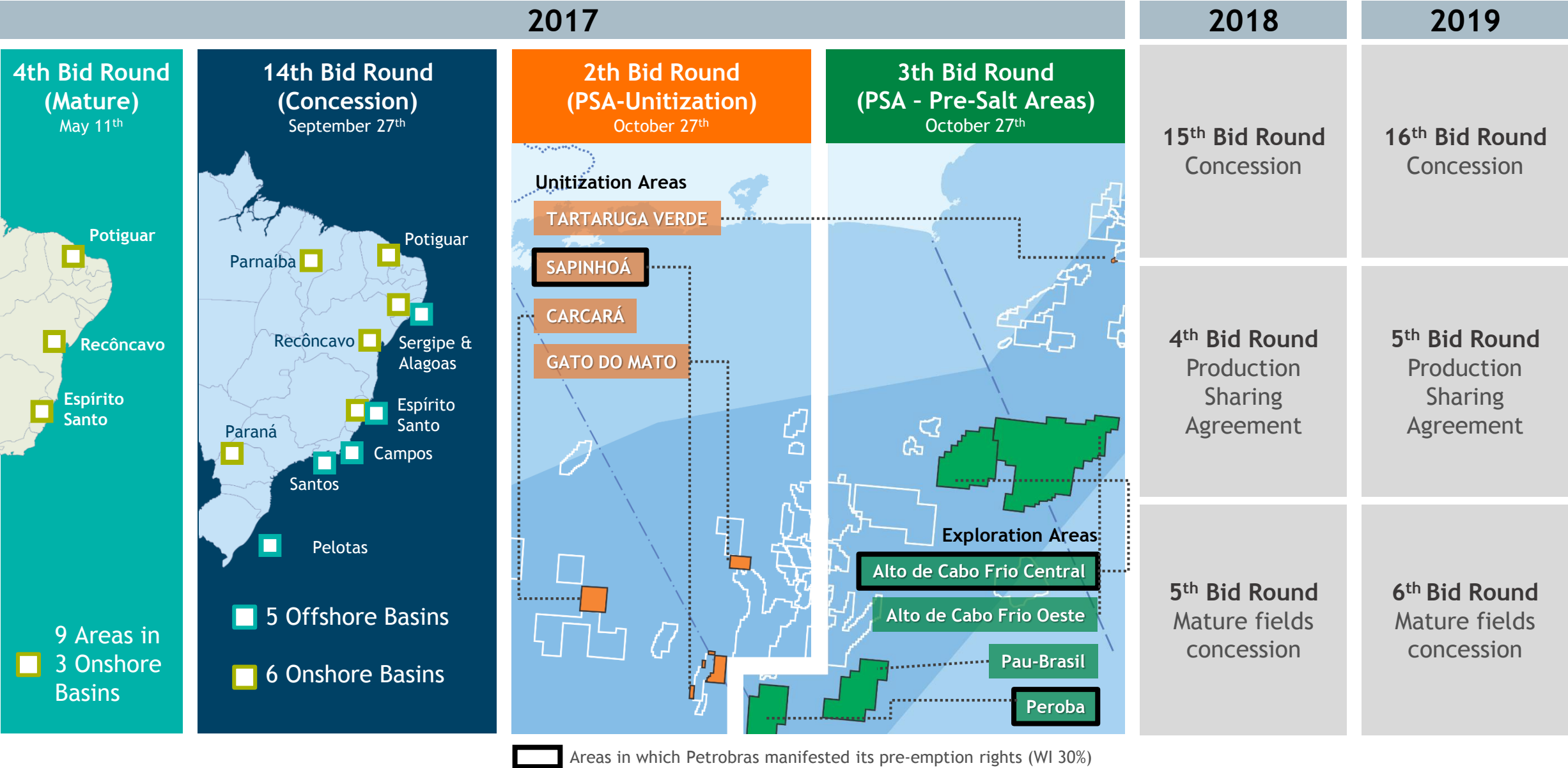
Source: International Energy Agency - July/2017 Oil Market Report

But Brazil is taking the opportunity to improve its business environment



- Pre-emption rights in pre-salt bidding rounds
- Improvement in local content policy
- Improvement in natural gas regulatory framework
- Predictability of bidding rounds
- Renewal of special tax regime (REPETRO)

Bid rounds are now predictable



Petrobras was awarded seven new blocks in the 14th Brazil bid round

Exploratory portfolio recomposition

Brazil's 14th Bidding Round (September 27, 2017)

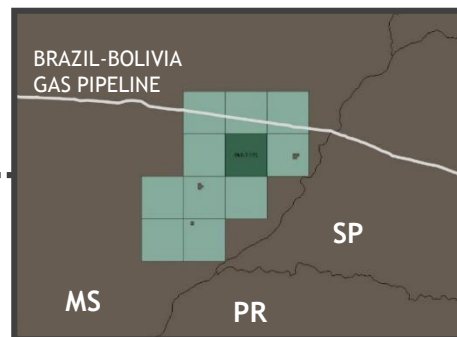
- Concession regime
- Simplified rules including lower local content requirements
- High liquidity blocks

6 blocks in the Campos Basin

- Partnership with Exxon, with 50% WI
- Petrobras is the operator
- Potential Pre-salt play
- Most competitive sector of the bid
- Eight big companies bid for this sector: Petrobras, Exxon, BP, Shell, Total, CNOOC, Repsol and Karoon

1 block in the Paraná Basin

- Gas opportunity
- New exploratory frontier
- Installed infrastructure



With selectiveness in a competitive bid round

THE WALL STREET JOURNAL

MARKETS

Brazil Holds Its Most Successful Oil Auction

Petrobras, Exxon team up in six exploration blocks in Campos Basin

By Paul Kiernan

Sept. 27, 2017 5:21 p.m. ET

RIO DE JANEIRO—Brazil held its most successful oil auction ever Wednesday, as a new partnership between state-run Petróleo Brasileiro SA and Exxon Mobil Corp. agreed to shell out \$1.1 billion for rights to drill in coveted offshore areas.

Petrobras and Exxon teamed up in six exploration blocks in the Campos Basin off Brazil's southeastern coast, at least some of which are believed to hold oil in an ultra-deep layer

"The big winners were Petrobras and Exxon Mobil, who partnered up to win bids for the Campos Basin blocks located on the pre-salt frontier."

BTG Pactual - Antonio Junqueira

"As promised, the company did indeed bid very selectively. Of all the blocks offered, Petrobras bid for only 8, and only one of them was not in the Campos basin. Despite the selectiveness, Petrobras was in big."

Credit Suisse - André Natal

"The R\$1.8bn payment in signature bonus represents only ~0.8% of total capex plan for 2017-2021 and we believe this could be a good opportunity to access pre-salt through the concession model."

UBS - Luiz Carvalho

Forbes

Exxon Mobil Bets Big On Brazil, Extends Wager On Permian

All the hubbub in oil circles this week has been about Chevron Corp.'s announcement of a new CEO to replace the retiring John Watson (longtime pipeline and refining executive Mike Wirth). But its rival Exxon

"We attribute the success of the auction to an improving oil price environment and recent changes implemented by regulators which including (1) removal of local content as a winning factor and (2) differentiated royalties for frontier/mature basins."

Bank of America Merrill Lynch - Frank McGann

REUTERS

#COMMODITIES SEPTEMBER 27, 2017 / 4:55 PM / 2 DAYS AGO

Exxon Mobil bets on Brazil, buys 10 oil blocks in auction

Alexandra Alper, Rodrigo Viga Gaier

4 MIN READ

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RIO DE JANEIRO/HOUSTON (Reuters) - Exxon Mobil Corp's big bet on Brazil's offshore Campos basin shows its willingness to pay up to replenish its reserves and may pave the way for hefty bids in October auctions in the country's rich pre-salt areas, analysts said.

"The possibility of pre-salt reservoirs drove PBR/Exxon to offer the highest bid for a block in the 14th bidding round."

Bradesco BBI - Filipe Gouveia

The New York Times

Brazil Offshore Oil Drilling Rights Draw Interest at Auction

By CLIFFORD KRAUSS and VINOD SREEHARSHA SEP. 27, 2017

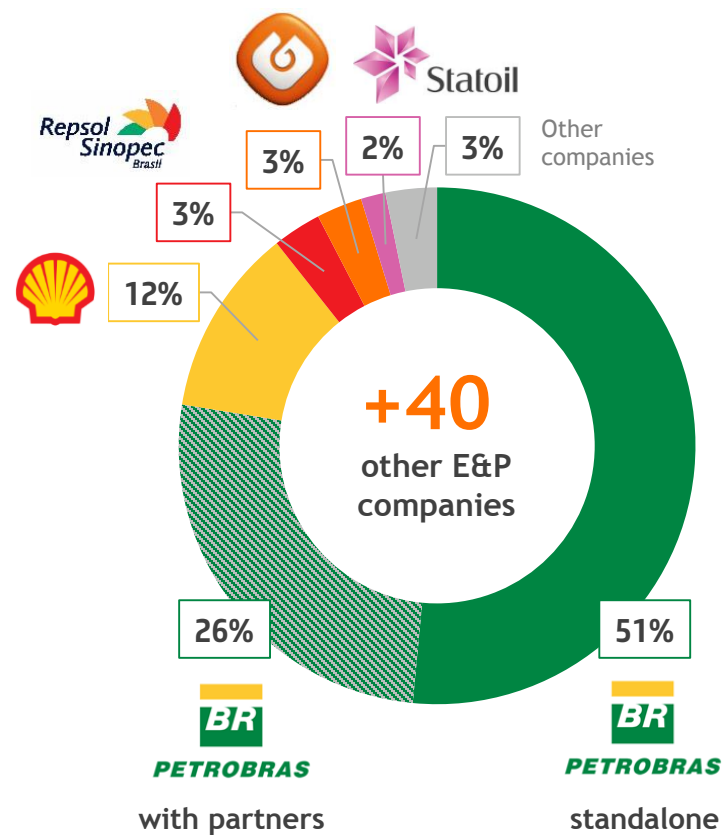
Brazil offered the world's oil companies a chance to bid for drilling rights in its waters on Wednesday, and it declared the results encouraging.

The bidding, the first of nine rounds, was considered a test of investor confidence in President Michel Temer's free-market initiatives. But it was also a measure of the industry's interest in tapping deepwater oil fields, among the most expensive to explore, at a time of low prices.

Opportunities in all oil & gas segments in Brazil

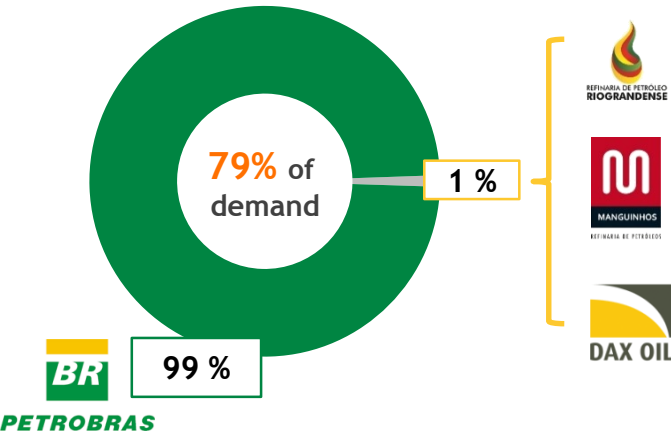


Companies with production in Brazil

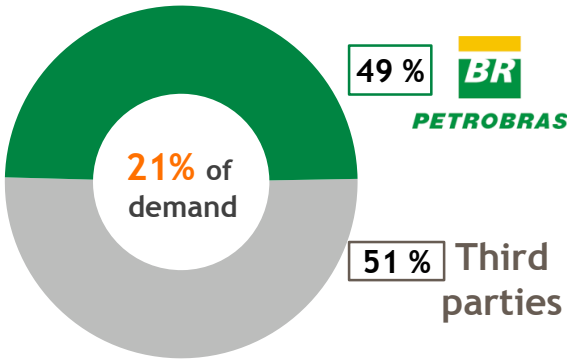


Source: ANP (Brazil), June 2017

Production

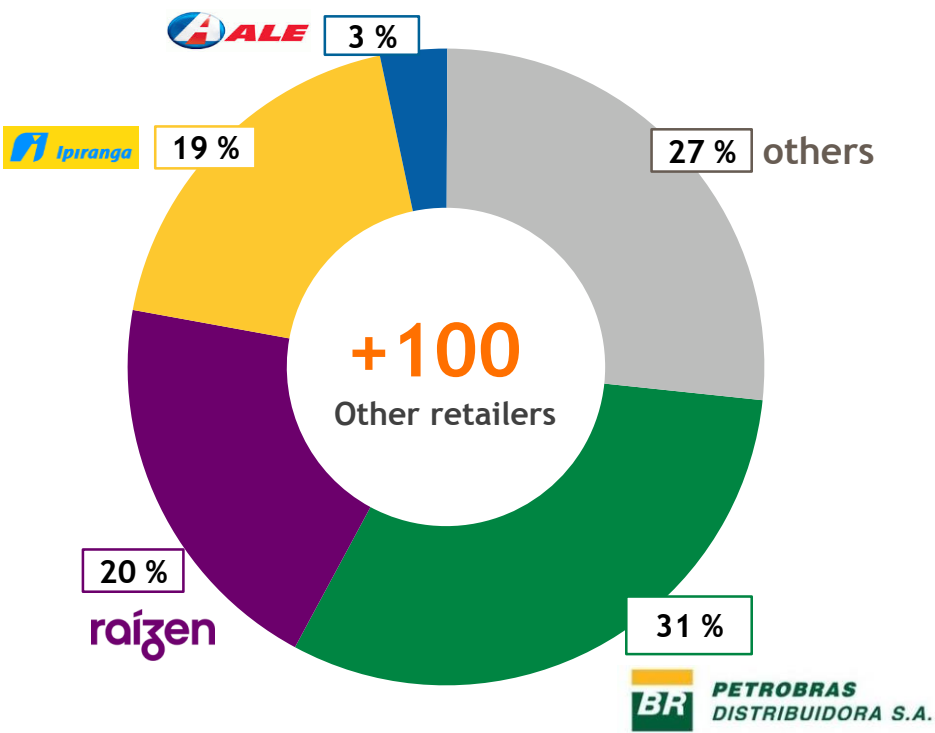


Import



Source: ANP (Brazil), up to December 2016

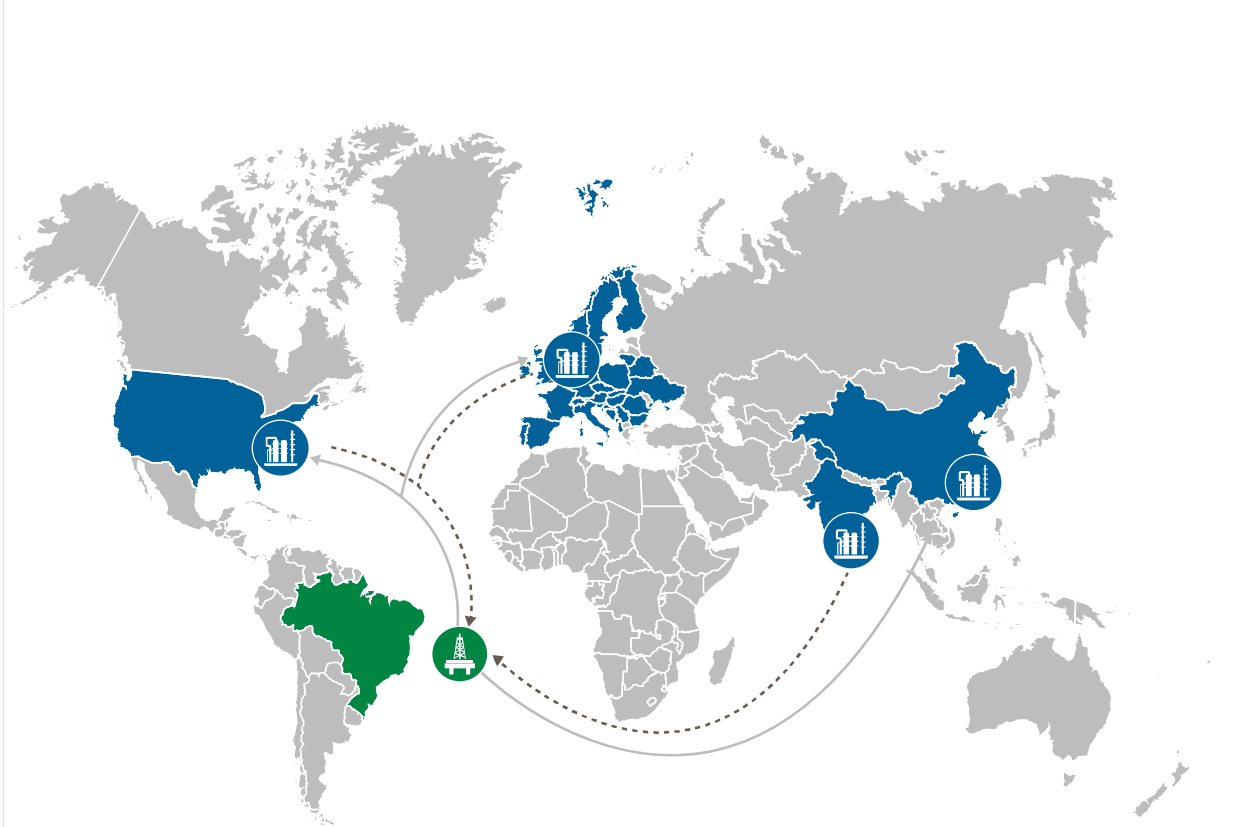
Distribution



Source: Sindcom (Brazil), up to May 2017

Petrobras is an integrated company with competitive advantages

Brazilian market is long in crude oil, short in oil products and far from main markets



————> Crude Oil
-----> Oil Products

Exploration & Production

- Leader in deep-water production, with access to abundant oil reserves
- Access to already discovered volumes in areas with existing operations

Downstream

- 7th largest oil market, far from other refining centers
- Balance and integration between production, refining and demand

Gas & Power

- Fully developed infrastructure for processing and transporting oil and gas
- Integration across full energy and hydrocarbon chain in Brazil

Distribution & Retail

- Market leader and top of mind brand
- Nationwide presence

Leader in deep water technologies, constantly developing innovative solutions to reduce costs in offshore projects

RESERVOIR

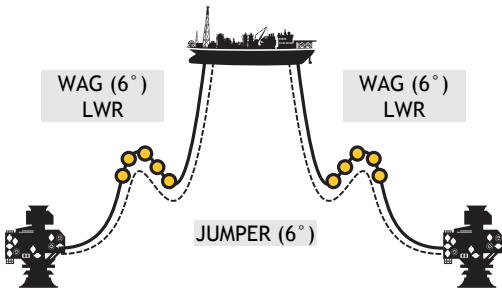


Appraisal Strategy Optimization

US\$360 million

saved in Libra projects,
by decreasing (460 days) the
evaluation phase

SUBSEA



Single-line WAG

US\$300 million

saved by cutting the
number of flexible lines
used

WELLS



**Simplified Project of
Intelligent Completion**

US\$ 82 million

saved by reducing (12 days)
the completion process of
injections wells

FACILITIES



**CO₂ separation and
reinjection**

4.5 MM tons

separated and reinjected
in Lula and Sapinhoá fields
between 2010-2016

And is strengthening its corporate governance

Board of Directors and Executive Team



Majority of Independent members

25% is the minimum required in the Petrobras By-Laws



By-Laws

CEO ≠ Chairman
2 year-term
3 maximum reelections
Integrity background check for all the executives



Policies

Risk management policy
Compliance policy
Succession policy
Related parties transaction policy
Dividend distribution policy

Decision making



Minority Committee to evaluate the relevant transactions between Petrobras and its related parties



Statutory Committees to strengthen commitment and accountability of executive managers in the decision-making



Shared authorization process for every relevant investment decision

Ethics and Transparency



Implementation of independent Whistleblowing Channel with guaranteed anonymity:
contatoseguro.com.br/petrobras



Integrity evaluation of the nominees for all members of top management, suppliers and counterparts

Creating conditions to maintain a strong governance in the long run

What has changed?



Law
13.303

- Strong restrictions for nominations to the Board of Directors
- Disclosure rules related to the controller shareholder's interest



Petrobras
By-Laws

- Minimum requirements and impediments for executive nomination
- Minority Committee to evaluate relevant transactions with related parties (federal government, among others)



Certifications
B3

- Certification in the Corporate Governance Program for State-Owned Companies
- Annual evaluation of the member of Board of Directors by an external organization
- Code of Ethics annual training

OUR VISION



An **integrated energy** company **focused on oil and gas** that **evolves** with society, creating **high value**, with a unique **technical capability**

Petrobras Business Plan has two main metrics

Reduction of
36%
in the Total Recordable Injury
Frequency Rate*

FROM
2.2
in 2015

TO
1.4
in 2018



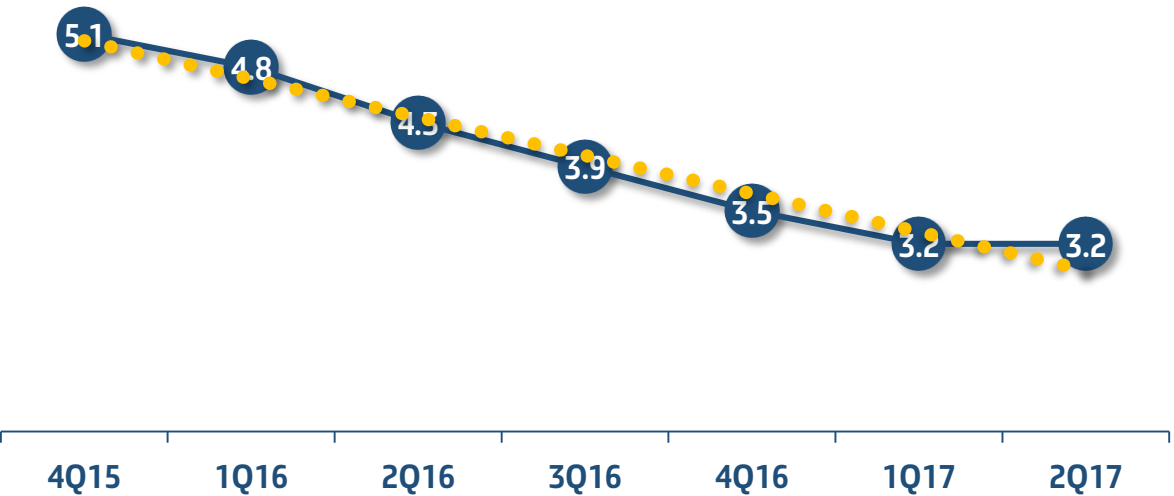
1.1
in 2Q17

We are already below the
plan acceptable limit

Reduction in
LEVERAGE
Net Debt / LTM Adjusted
EBITDA

FROM
5.1
in 2015

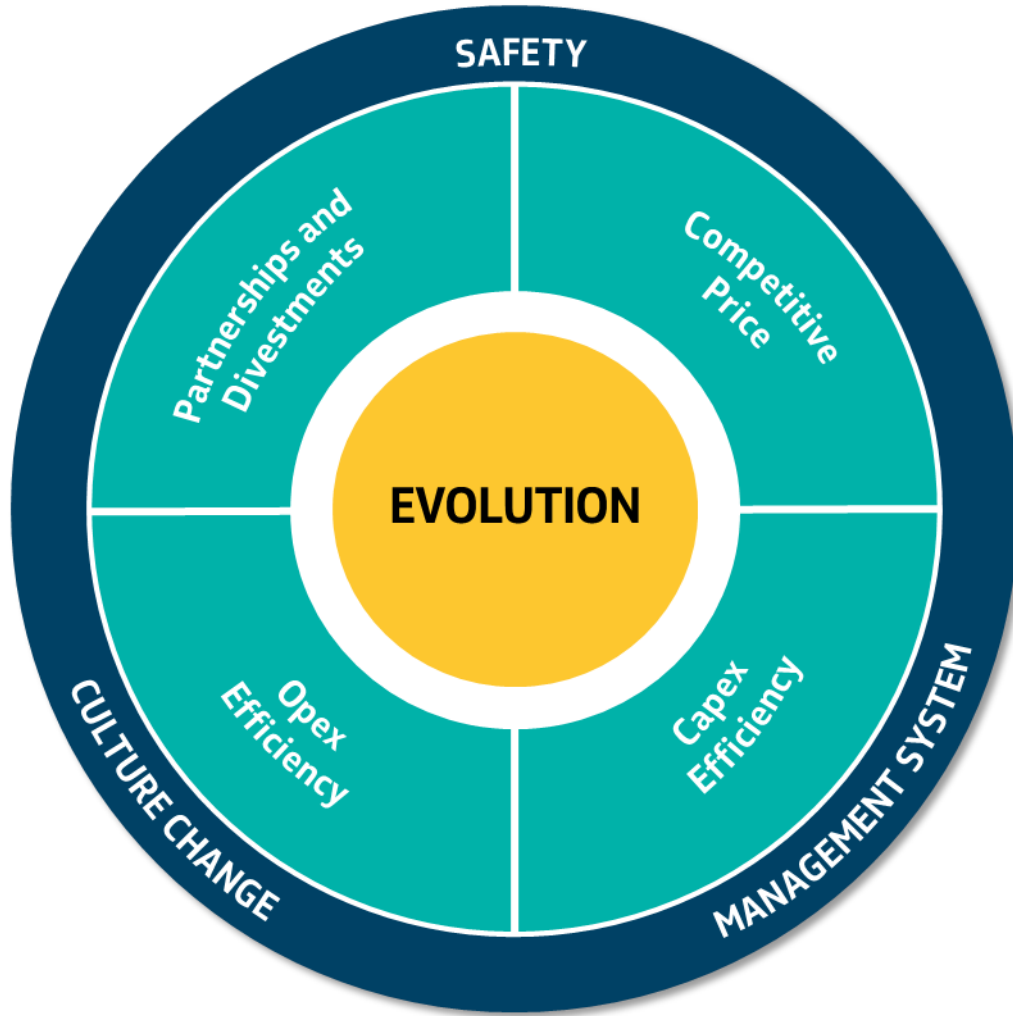
TO
2.5
by 2018



3.2
in 2Q17

We are moving
towards the
target

Based on four pillars, which are being delivered



PRICES

- ✓ New pricing policy implemented in Oct/16
- ✓ Short-term adherence to international prices

CAPEX

- ✓ Higher efficiency in capital allocation
- ✓ Focus on upstream projects

OPEX

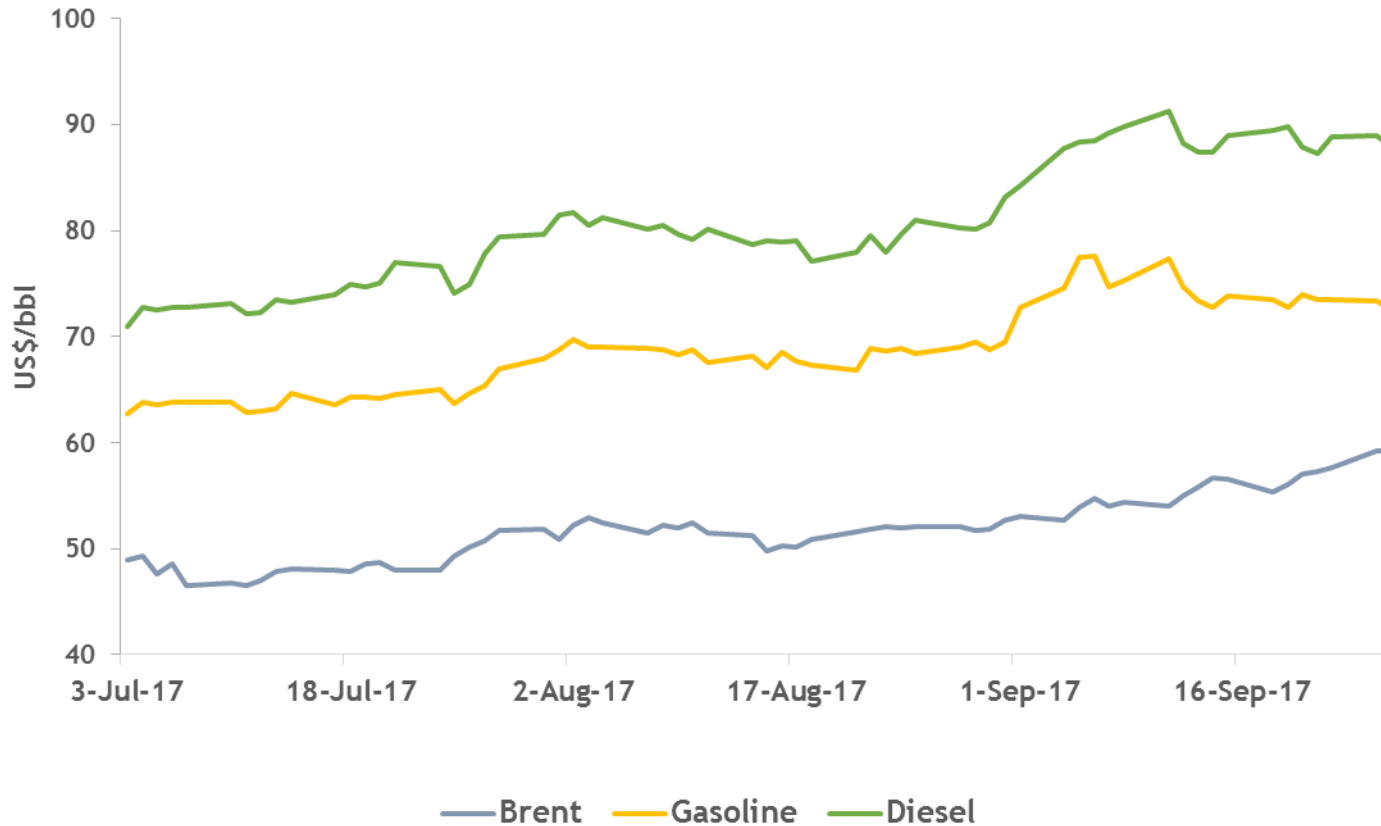
- ✓ 12% reduction in manageable operating costs since 2016
- ✓ Implementation of Zero Base Budgeting

PARTNERSHIPS AND DIVESTMENTS

- ✓ US\$ 13.6 billion on partnerships and divestments in 2015-2016, US\$ 21 billion planned for 2017-2018
- ✓ Strategic alliances with Statoil, Total and CNPC

Implemented Pricing Policy aims prices always above international parity

Petrobras gasoline and diesel prices x Brent

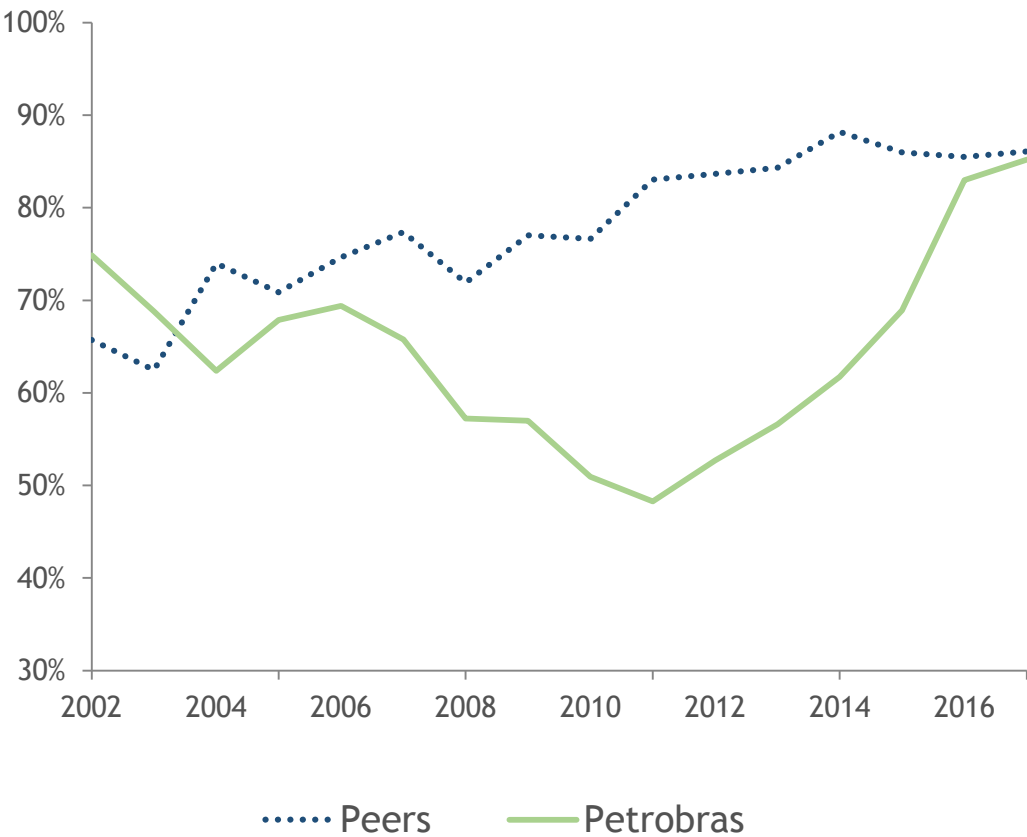


Key Drivers

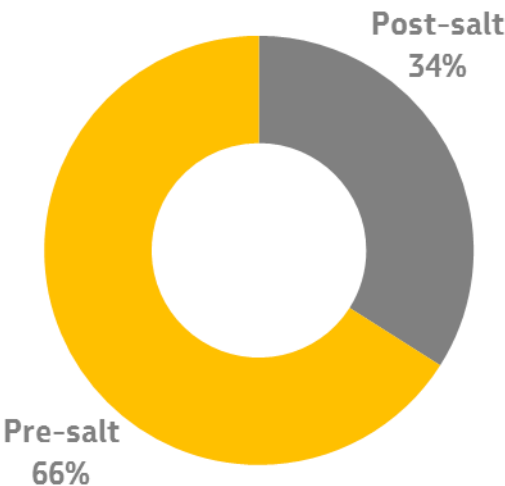
- Alignment to international prices
- Daily decisions
- Key for attracting new partners in downstream segment

Investments are focused on more profitable projects

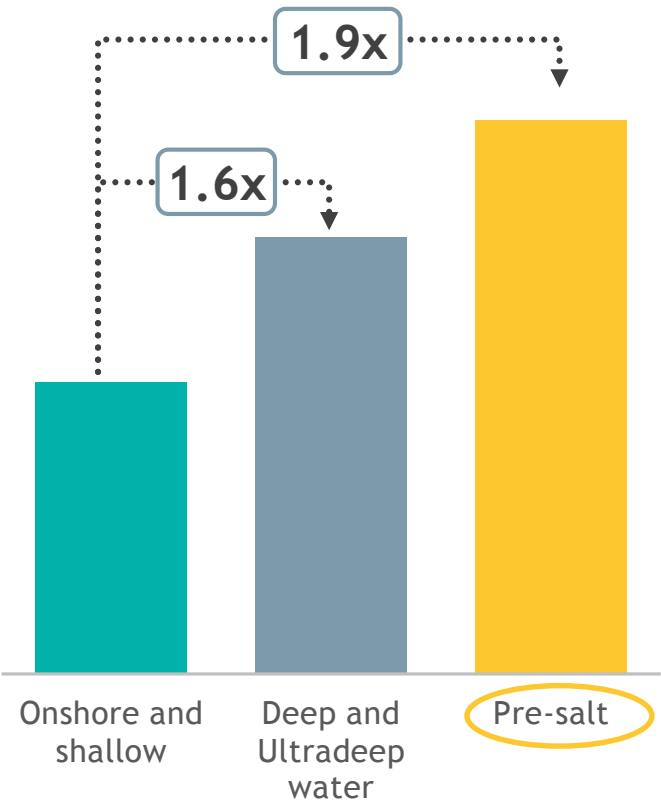
E&P Capex / Total Capex



E&P Capex
2017-2021



Higher Profitability
(Ebitda/boe)



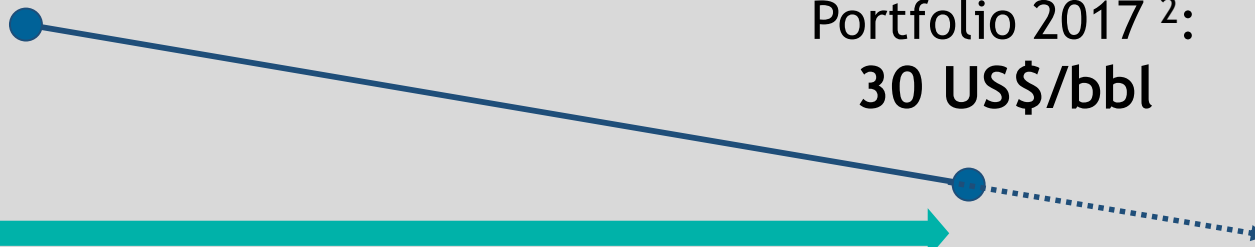
Note: Peers considers RDS, ExxonMobil, Chevron and BP


Competitive portfolio breakeven

Point-forward breakeven reduction of 30%

Portfolio 2014 ¹:
43 US\$/bbl

Portfolio 2017 ²:
30 US\$/bbl

- 
- Pre-salt knowledge base
 - Technology development
 - Portfolio management & selectiveness
 - High productivity and low lifting cost

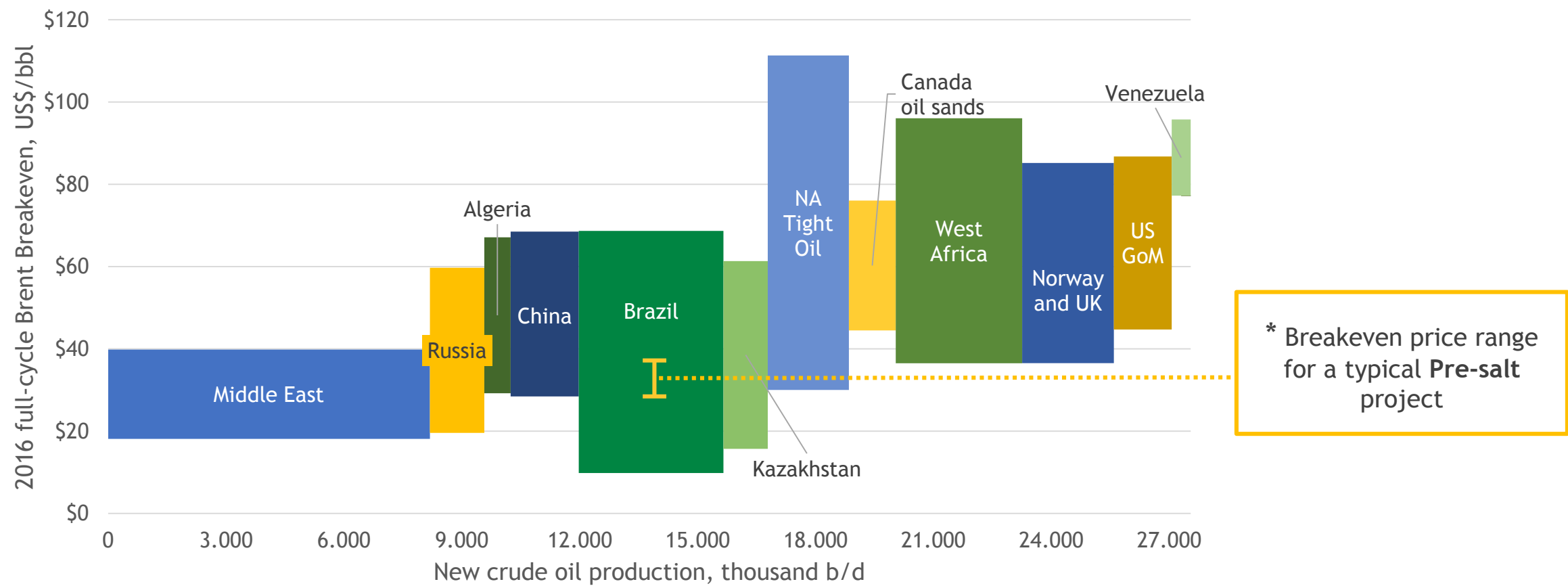
- 
- Selectiveness for new exploratory opportunities
 - Preemption rights in pre-salt areas
 - ToR ³ renegotiation
 - Better regulatory and tax framework
 - Lower local content requirements
 - Renewal of special tax regime (Repetro)

1) Business Plan 2014-18

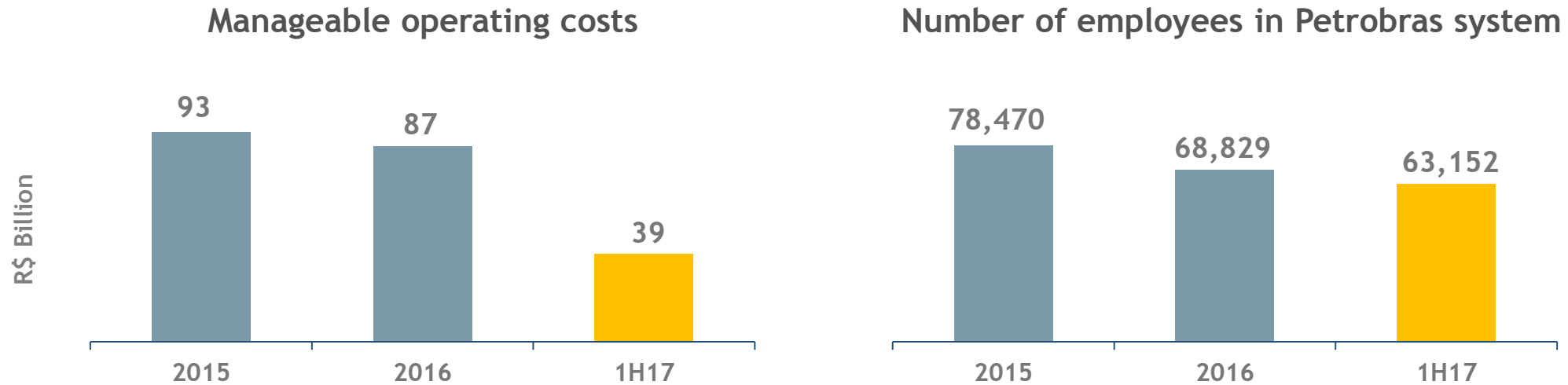
2) Business Plan 2017-21

3) Transfer of Rights

And great competitiveness worldwide



Operating costs are being reduced




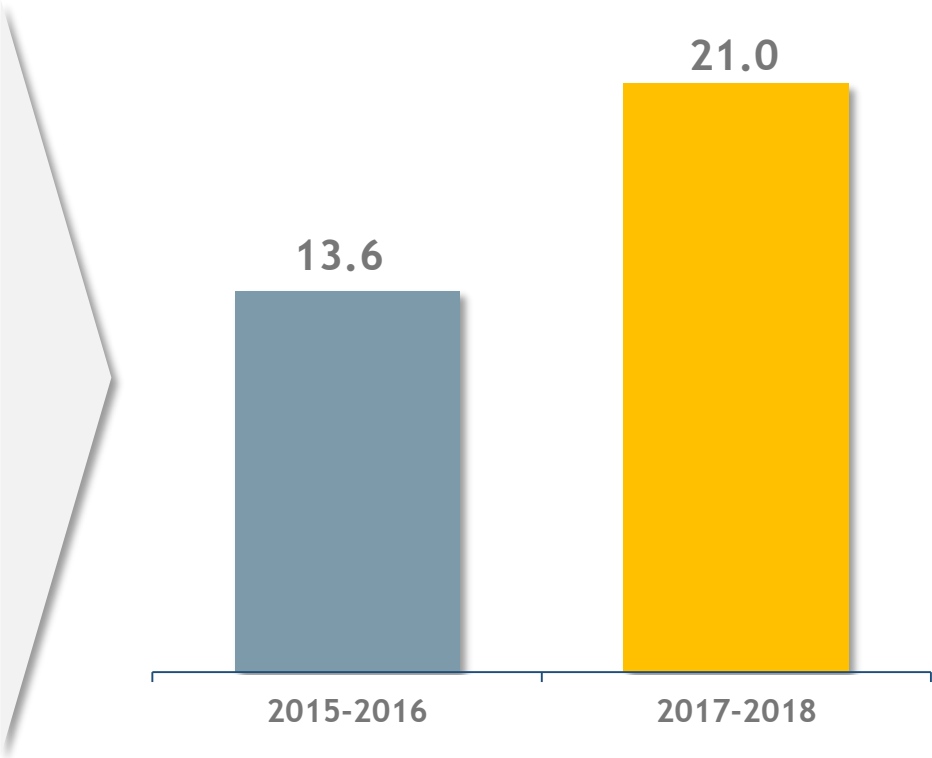
Main initiatives

- Technical standardization
- Contracts renegotiation: reduction in fleet and daily rates
- Organizational restructuring (cut of managerial functions)
- Process reorganization

Partnerships and Divestments will reach U\$34.6 billion from 2015 to 2018

We reached US\$ 13.6 billion in 2015-16 and are committed to the 2017-18 target

-  Petrochemicals
-  Biofuels
-  Gas Pipelines
-  Distribution
-  Assets Abroad
-  Strategic Partnerships



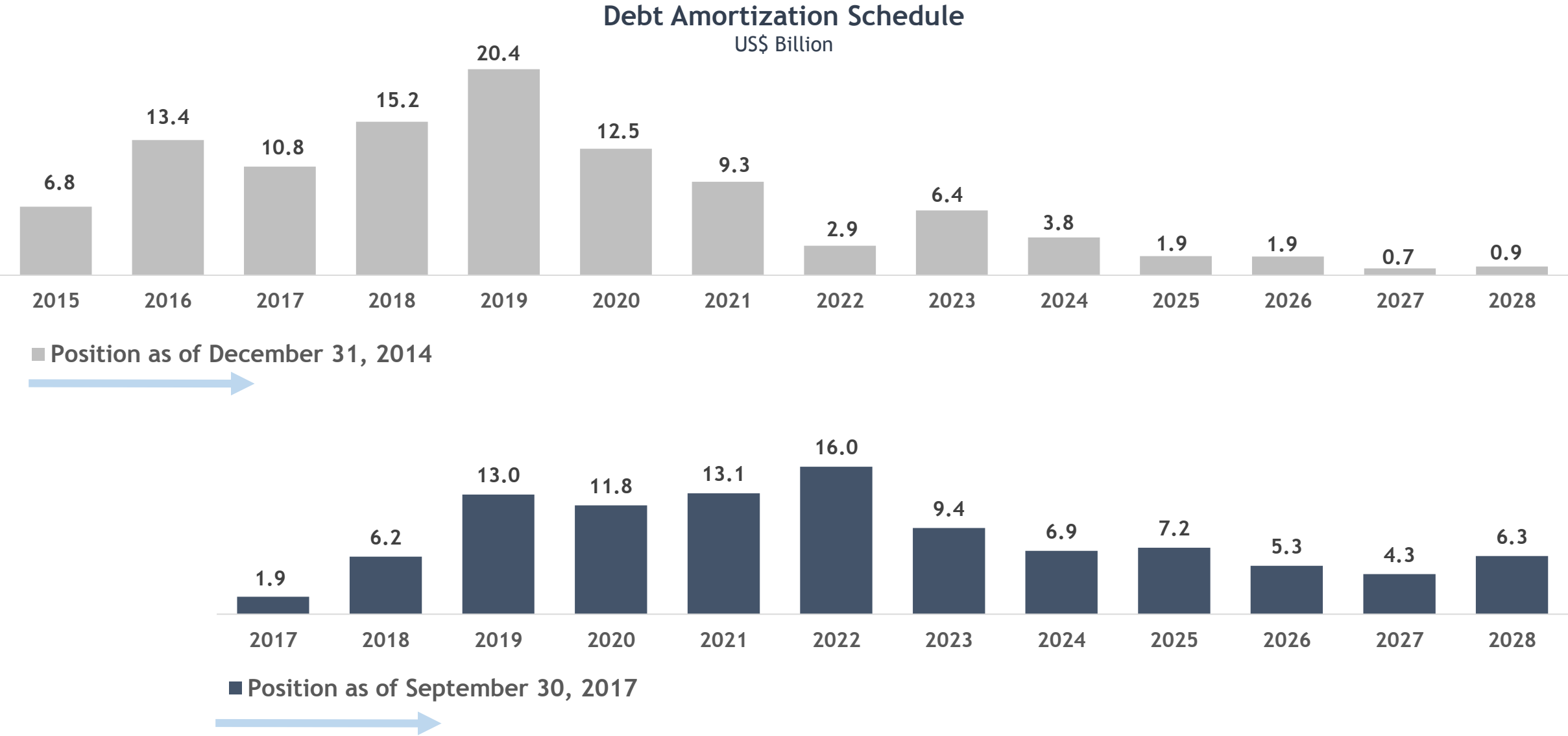
Announced in 2017

- IPO of Petrobras Distribuidora
- 71 onshore fields
- 31 shallow water fields
- Distribution & Retail in Paraguay
- North/Northeast gas pipelines
- Fertilizer units

Strategic Partnerships:

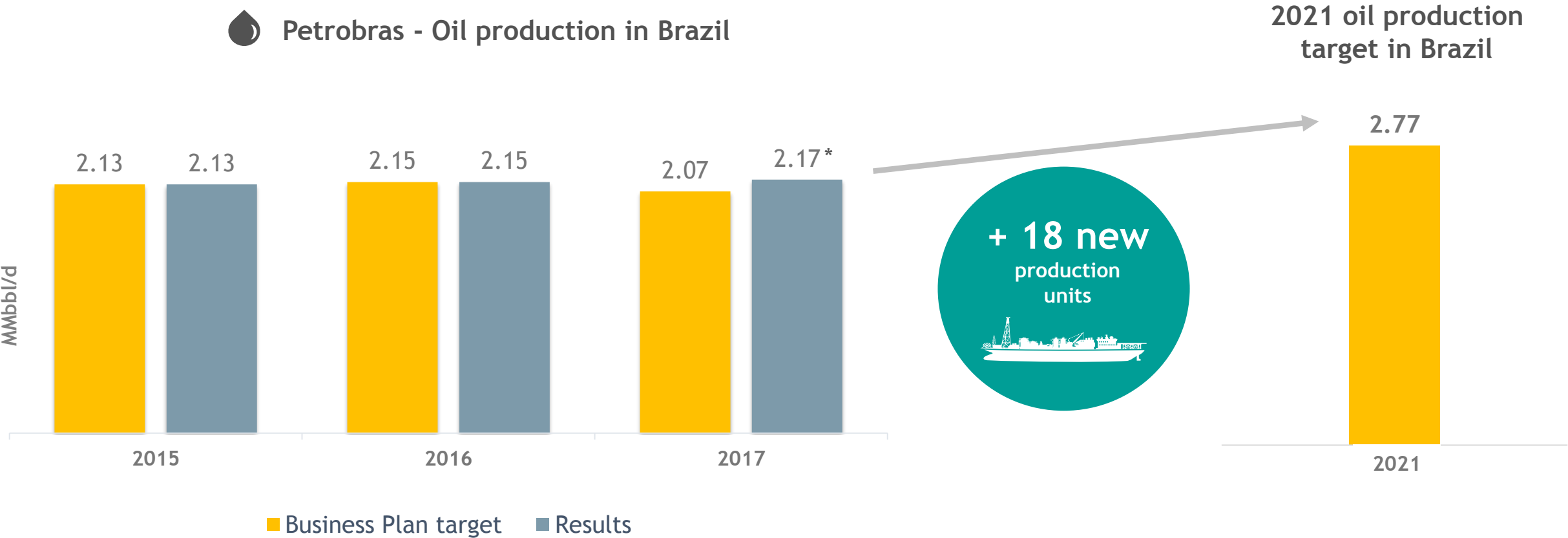


Active liability management have resulted in maturities extension



Production targets were met in 2015 and 2016 and we are ahead of schedule in 2017

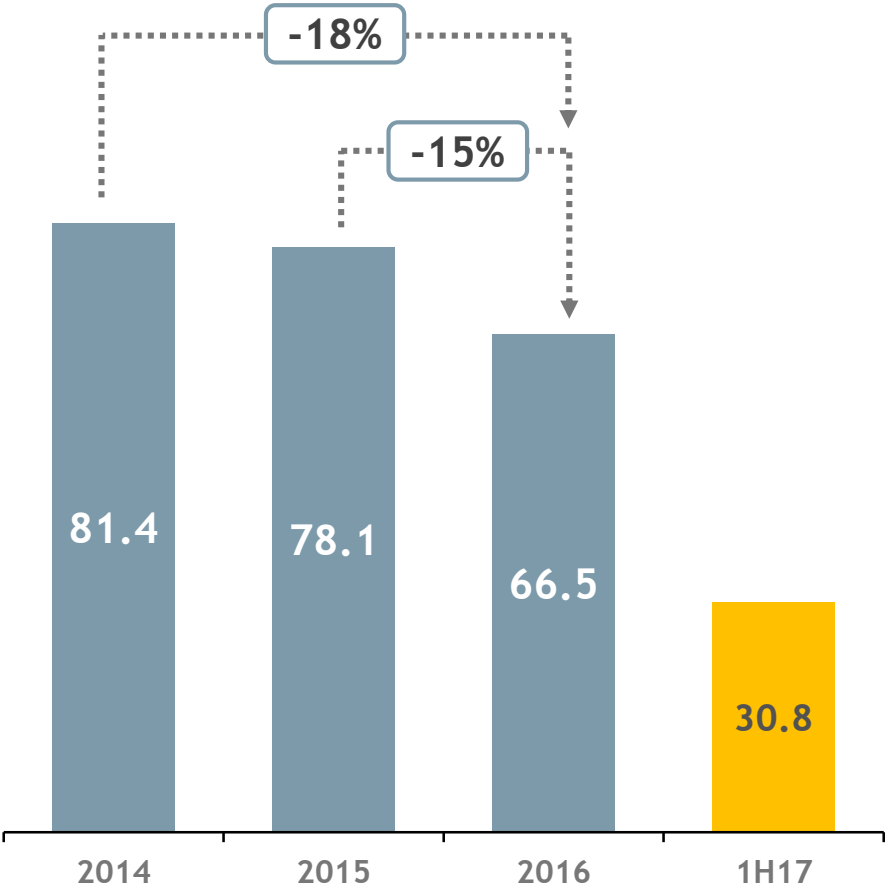
 Petrobras - Oil production in Brazil



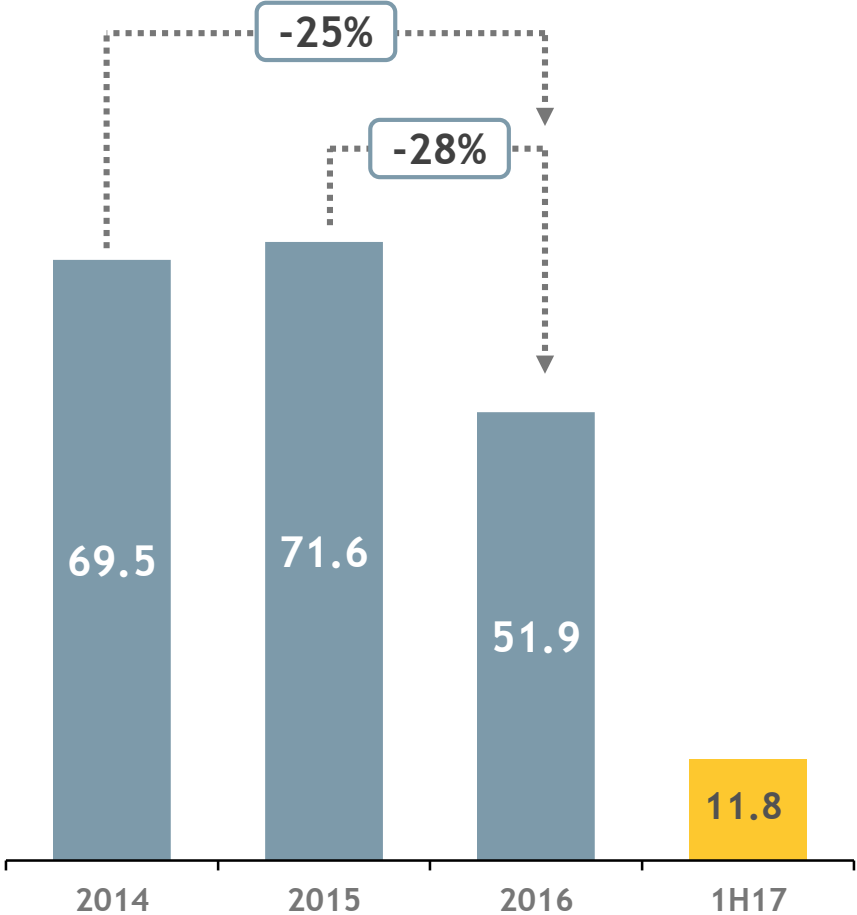
* 1H 2017 average

Environmental performance indicators are improving

Greenhouse Gas Emissions
GHG (MM t CO₂ e)

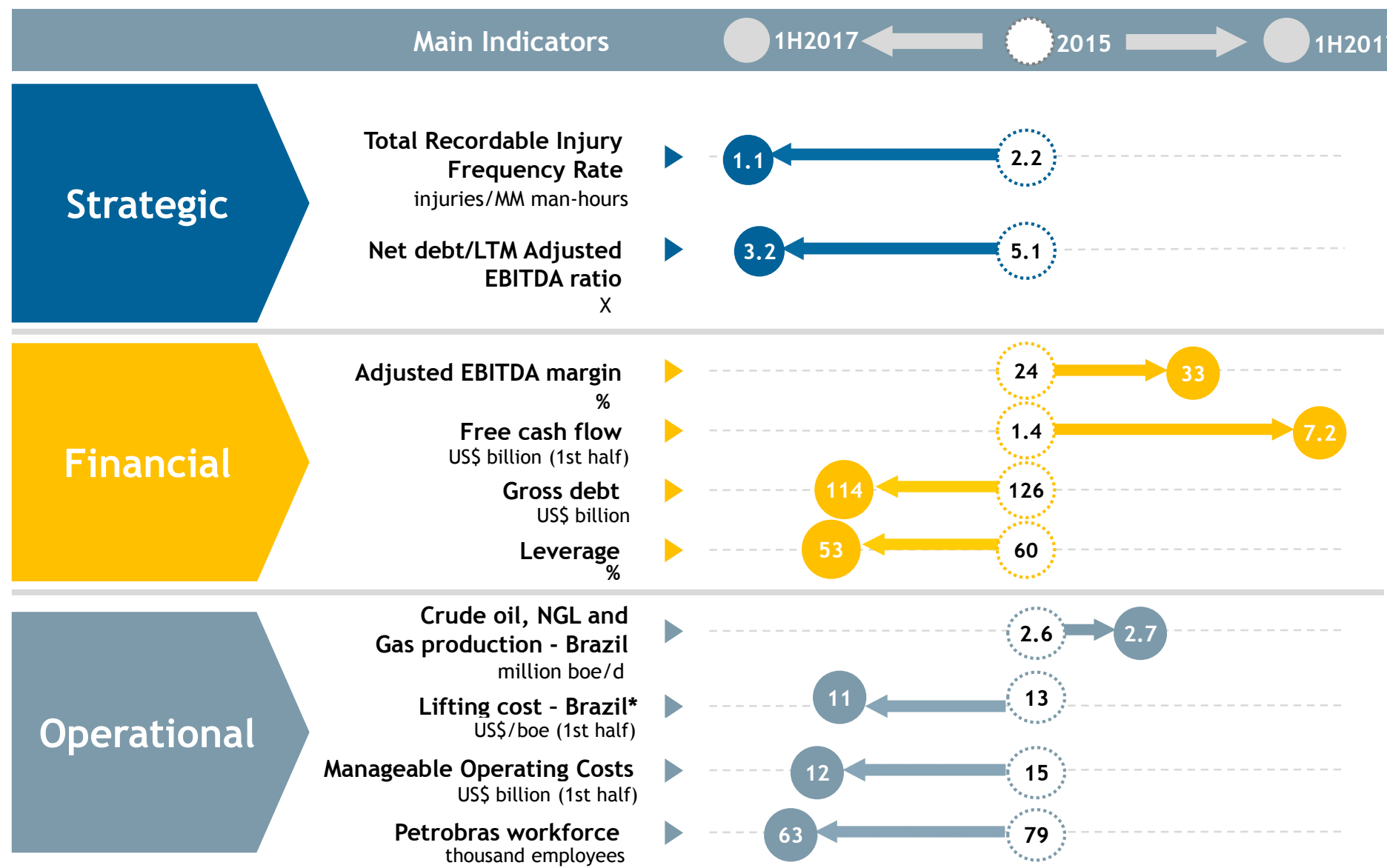


Oil Spills
(M³)



Note: Oil spills volume of oil or oil products spilled to the environment >1 barrel

Results are being delivered as promised



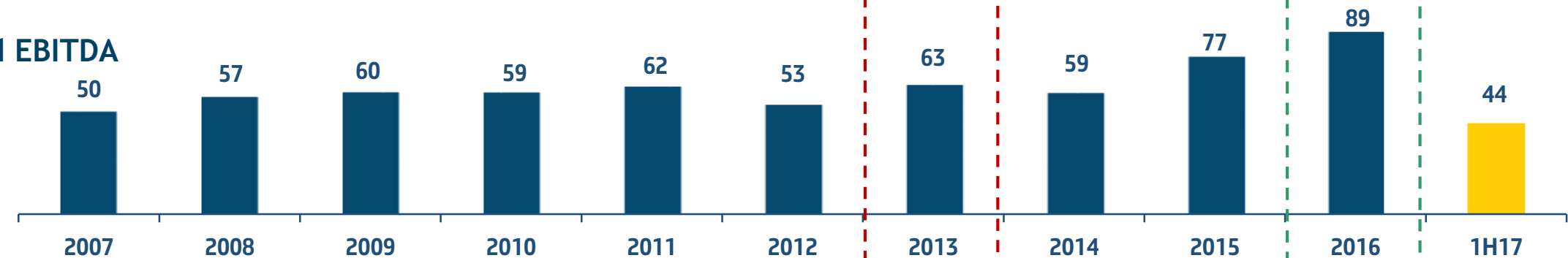
*excluding government take

Reflecting a consistent improvement in our performance

Brent US\$/bbl	73	99	63	80	111	112	109	99	52	44	52
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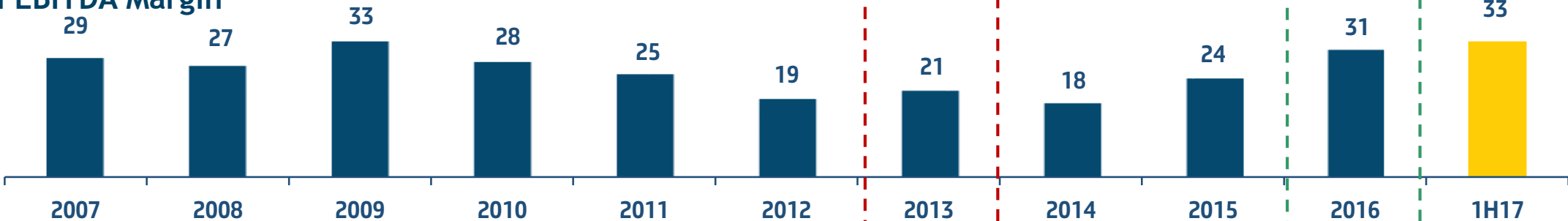
Adjusted EBITDA

R\$ Billion



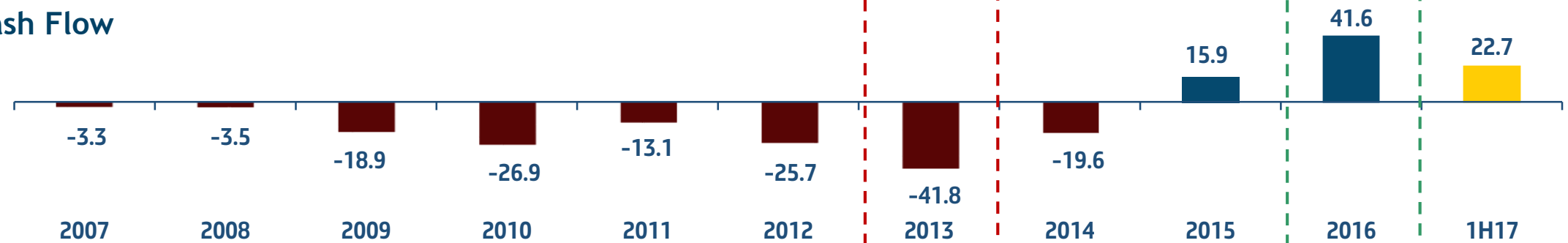
Adjusted EBITDA Margin

%



Free Cash Flow

R\$ Billion



Petrobras is moving forward...

- Petrobras is regaining momentum and becoming more agile
- Partnership-driven business model
- Cooperation with operators, suppliers and academia
- Better prepared to face industry challenges and a low carbon world

Finance

Highlights

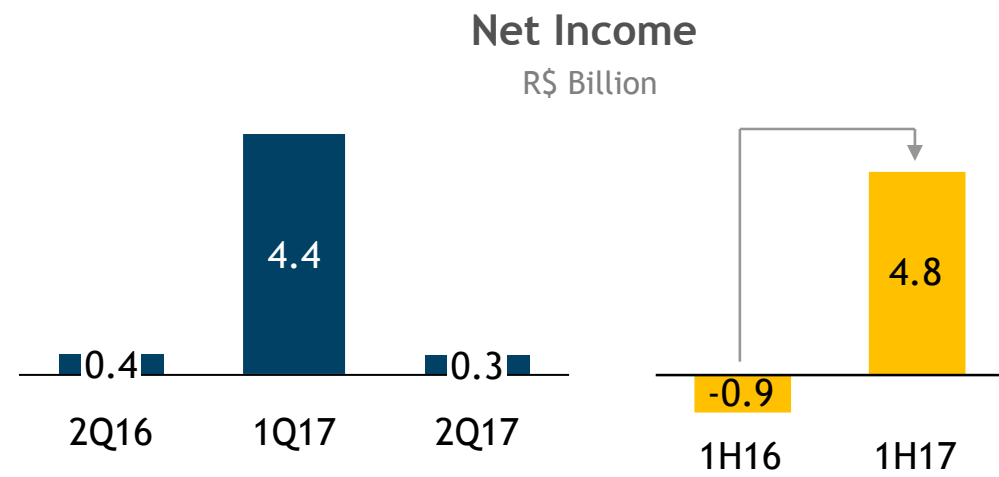
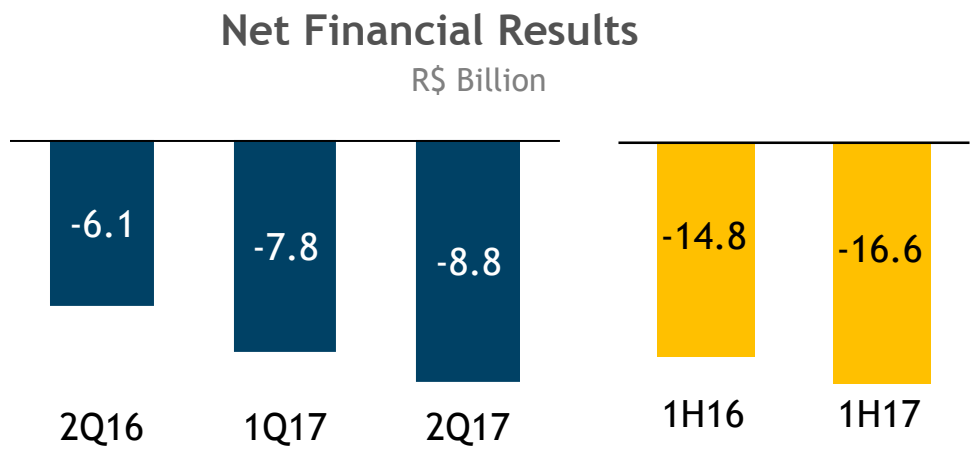
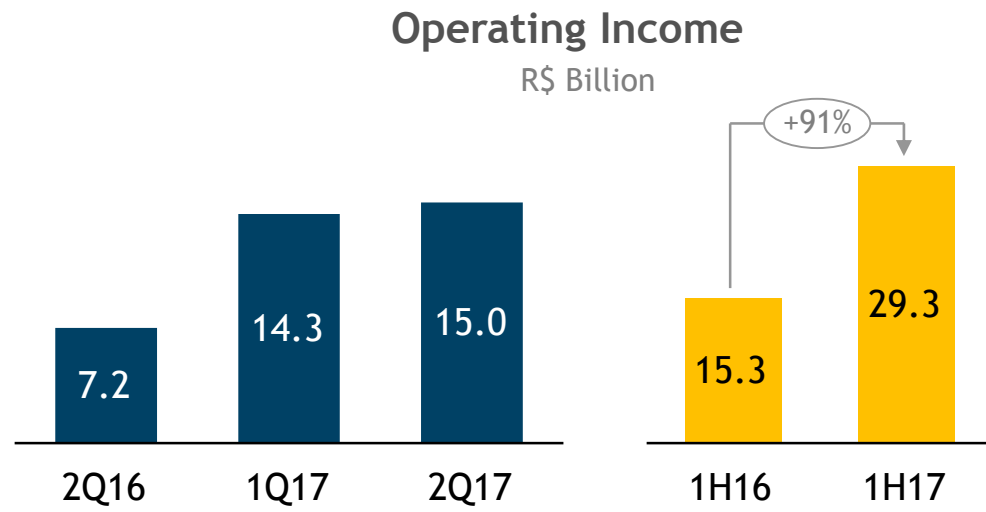
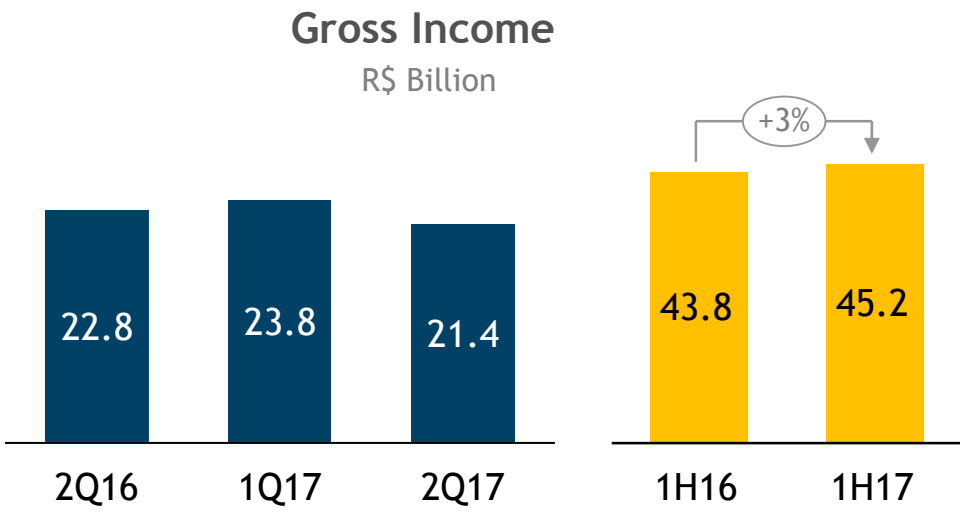
Ivan Monteiro

CFO & Chief Investor Relations Officer

An integrated energy company focused on oil and gas that evolves with society, creating high value, with a unique technical capability

- Ensure **disciplined use of capital** and **return to shareholders** in all Petrobras projects, with **high reliability and predictability** in the delivery
- Operate with an emphasis on **partnerships and divestments** as key **value generation** elements
- Maintain **transparent, respectful and proactive dialogue** with all stakeholders, through the use of the best and most up-to-date internal and external communication practices

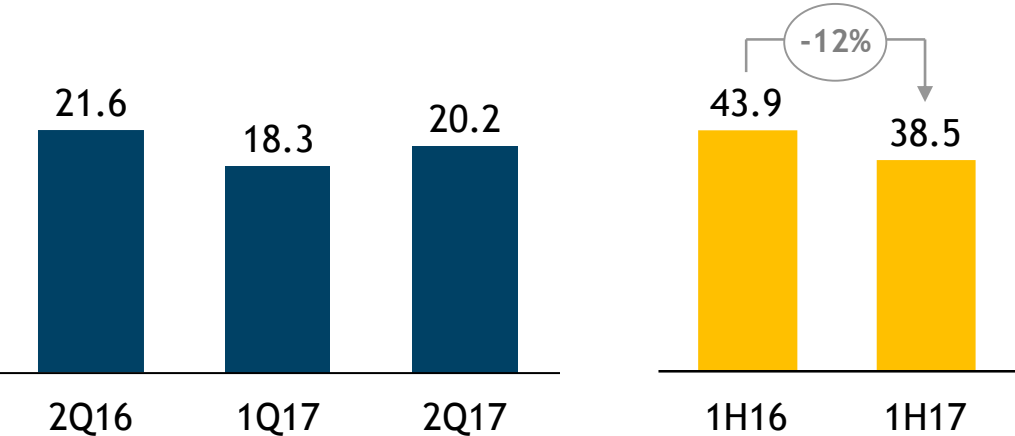
Consistent improvement in results due to better operational performance



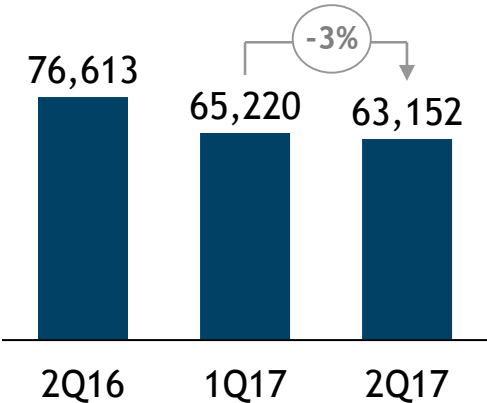
And cost reductions

Manageable Operating Costs

R\$ Billion

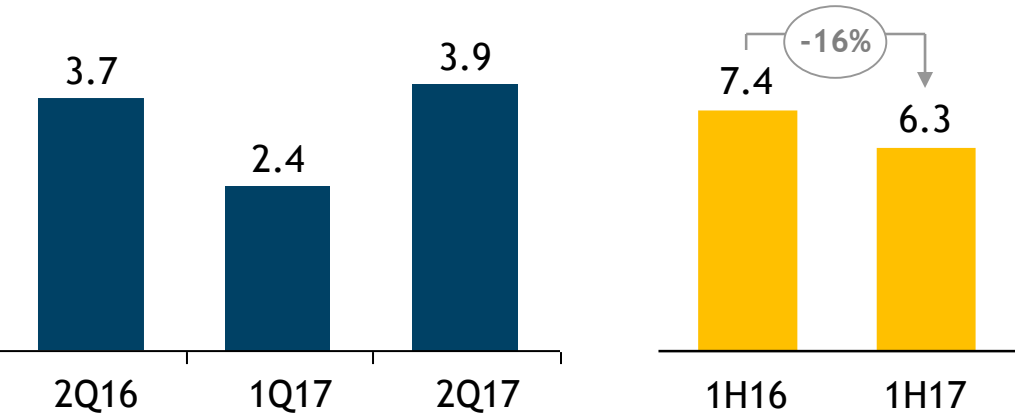


Number of Employees



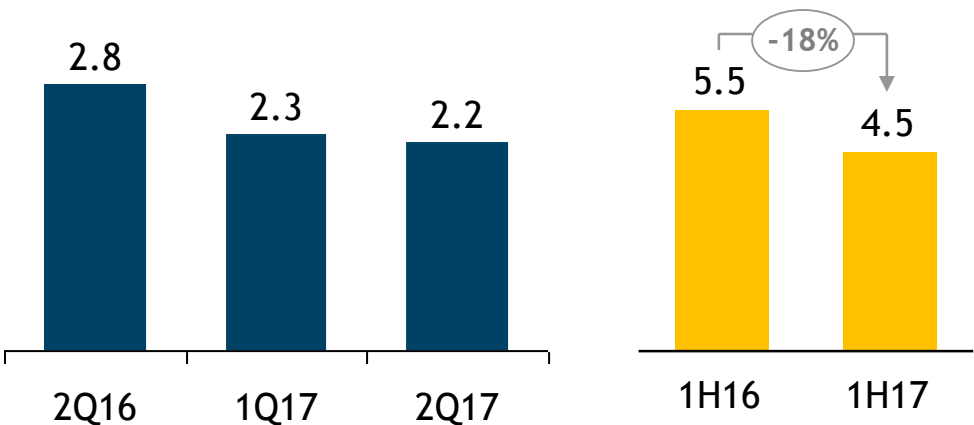
Sales Expenses

R\$ Billion



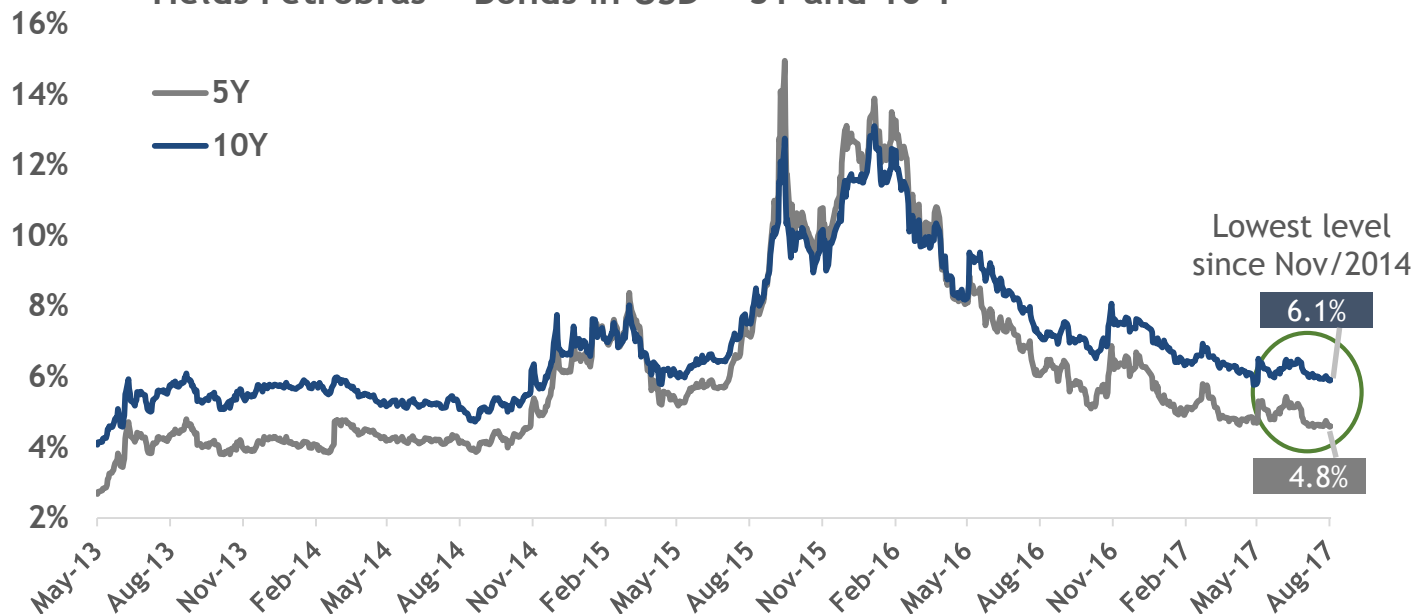
General and Administrative Expenses

R\$ Billion



And lower cost of debt

Yields Petrobras - Bonds in USD - 5Y and 10 Y



Source: Bloomberg

Petrobras estimated cost of debt

Term	Sep-17	Maximum
5 years	4.5% p.y.	15.9% p.y. (09/29/15)
10 years	6.1% p.y.	14.4% p.y. (01/20/16)
30 years	6.9% p.y.	13.2% p.y. (02/11/16)

Cost of Debt Optimization

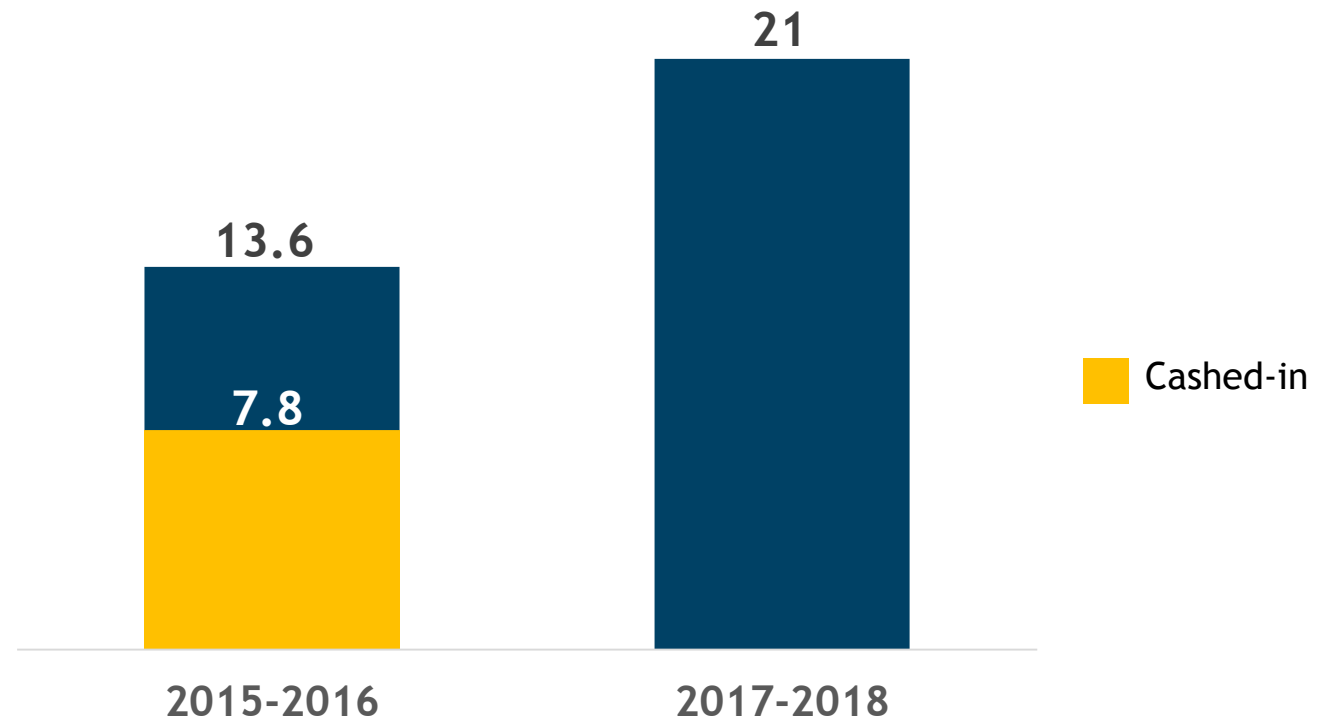
- Exchanges from expensive debt to cheaper ones
- Average cost of debt reduced from 6.3% in 2015 to 6.1% in 2017
- Average duration increased from 7.14 in 2015 to 7.88 years in 2017

Petrobras latest issuance (Sep-17)

Term	Yield
2025 (long 7-year)	5.3% p.y.
2028 (long 10-year)	6.0% p.y.

Partnerships and divestments program continues

We have reached US\$ 13.6 billion in 2015-16 and we maintain our 2017-18 target



With new opportunities being offered

IPO of Petrobras Distribuidora (BR)

- Minority stake to be offered (25%-40%)
- Highest governance level at Brazilian Stock Exchange (“New Market”)

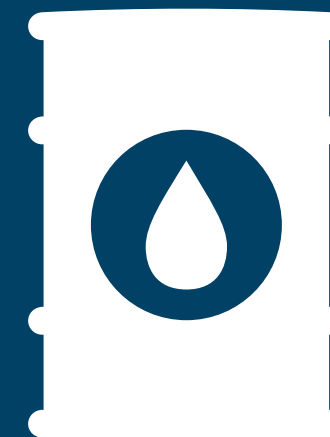
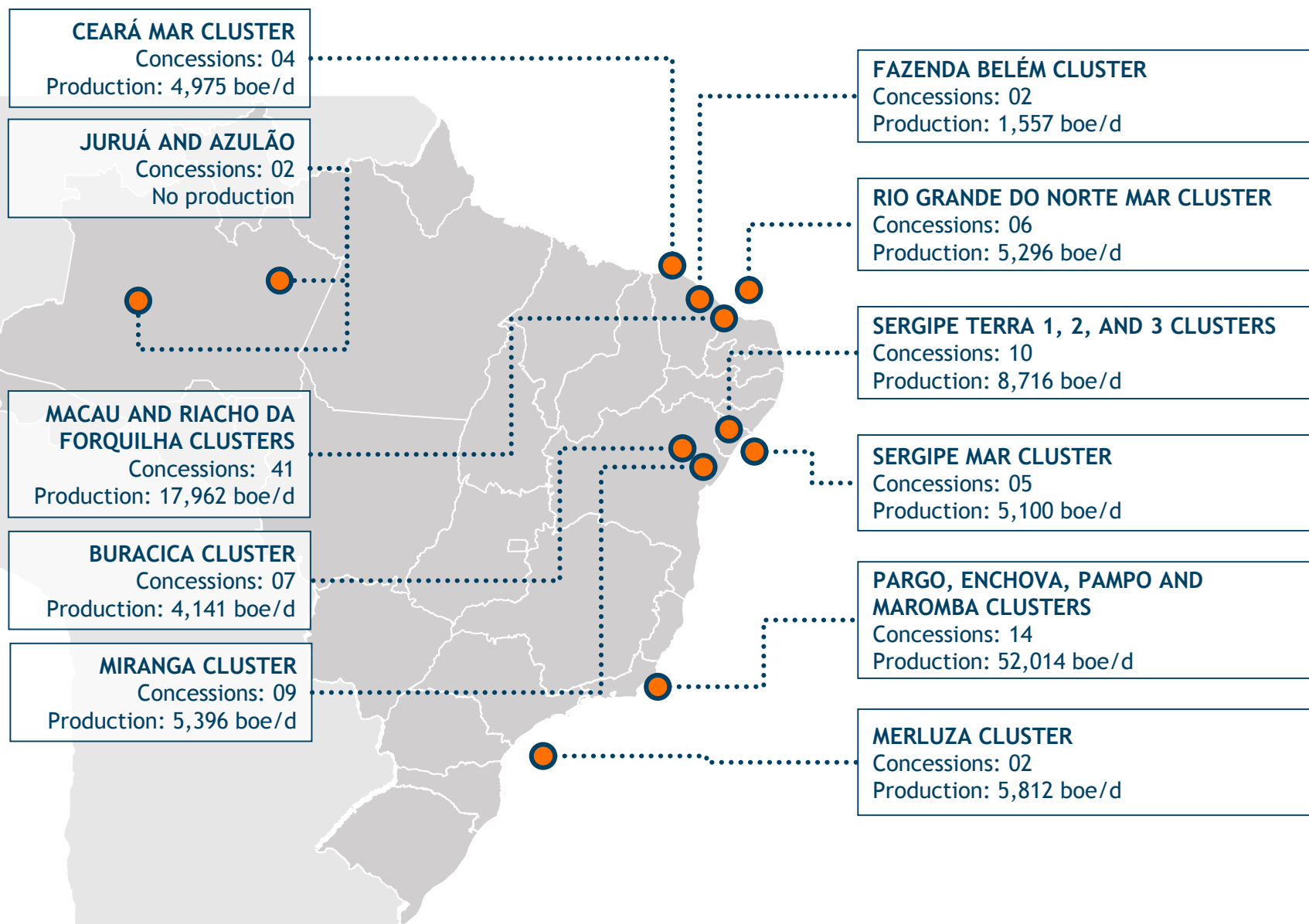
Teasers

- Azulão and Juruá fields in Amazonas
- Maromba field in Campos Basin
- Shallow waters fields (30 assets / 7 clusters)
- Onshore fields (69 assets / 8 clusters)
- Distribution & Retail business in Paraguay
- North/Northeast gas pipelines
- Fertilizer units

Strategic Partnerships



Which includes 102 fields announced



TOTAL PRODUCTION

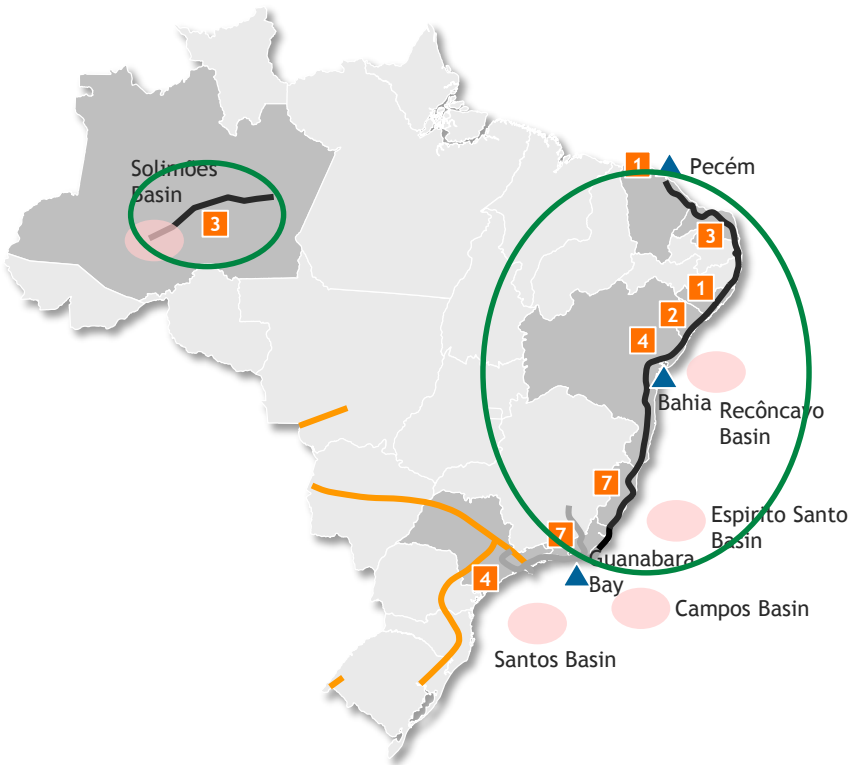
111

thousand boe/d

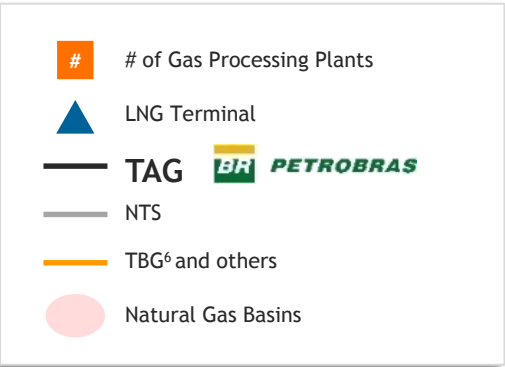
4.2%

of our total output in Brazil

And premium infrastructure assets



Geographical footprint of Brazilian gas transportation assets



Unique asset base

- Same business profile of NTS
- 4.5 thousand km
- Solid operational track-record with high availability and reliability



Defensive asset with stable regulatory framework



Strong and predictable cash flows hedged against inflation

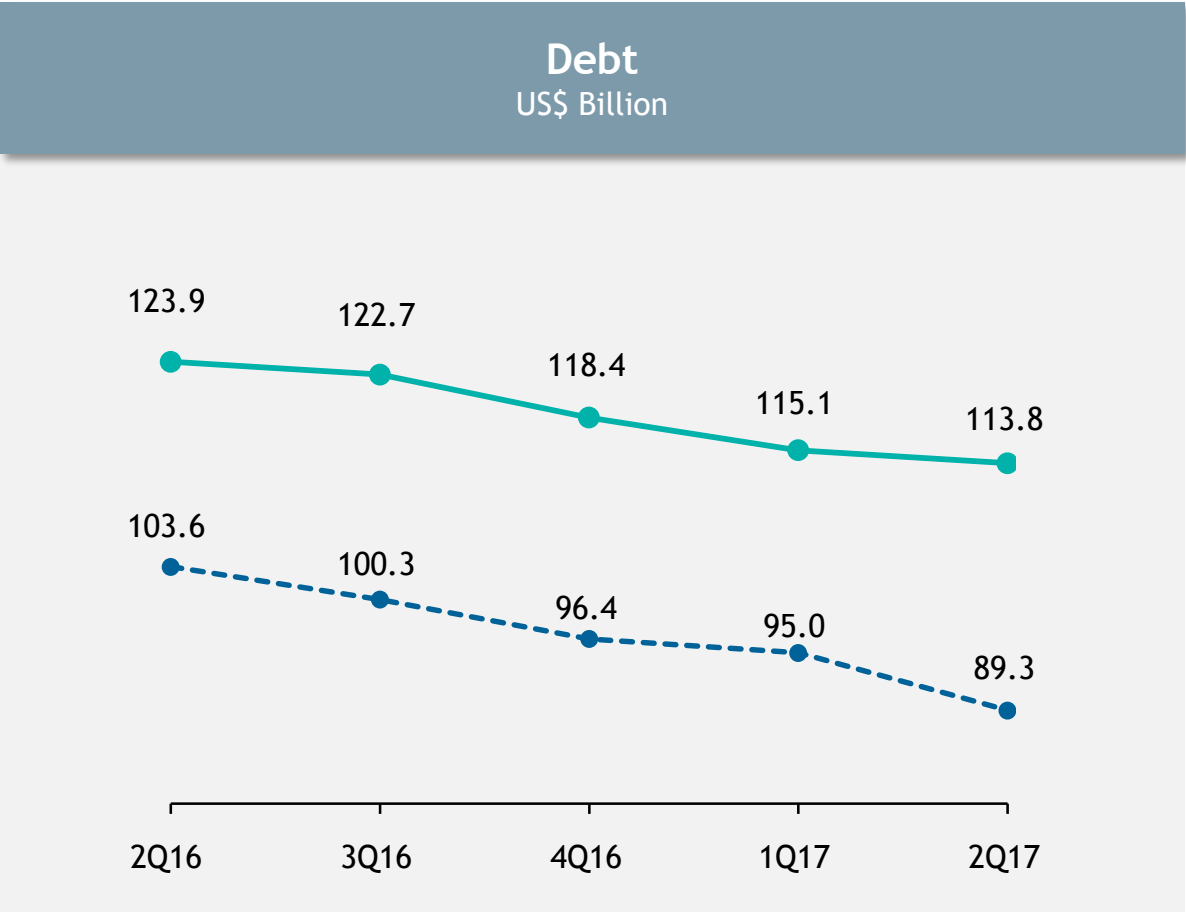
- Arms-length long term ship-or-pay contracts in place with Petrobras



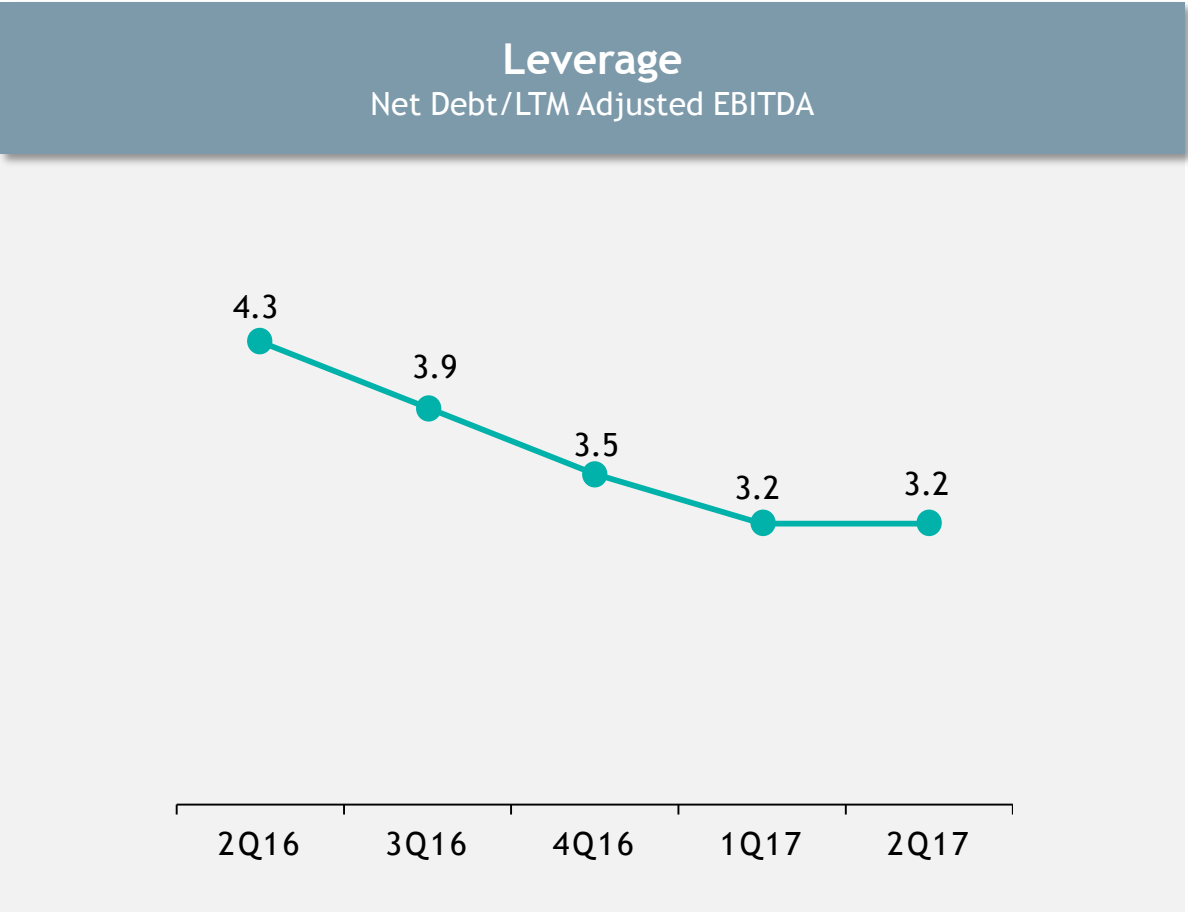
Leading Latin American infrastructure player

- Financial flexibility to tap into the expected future growth of the Brazilian natural gas industry

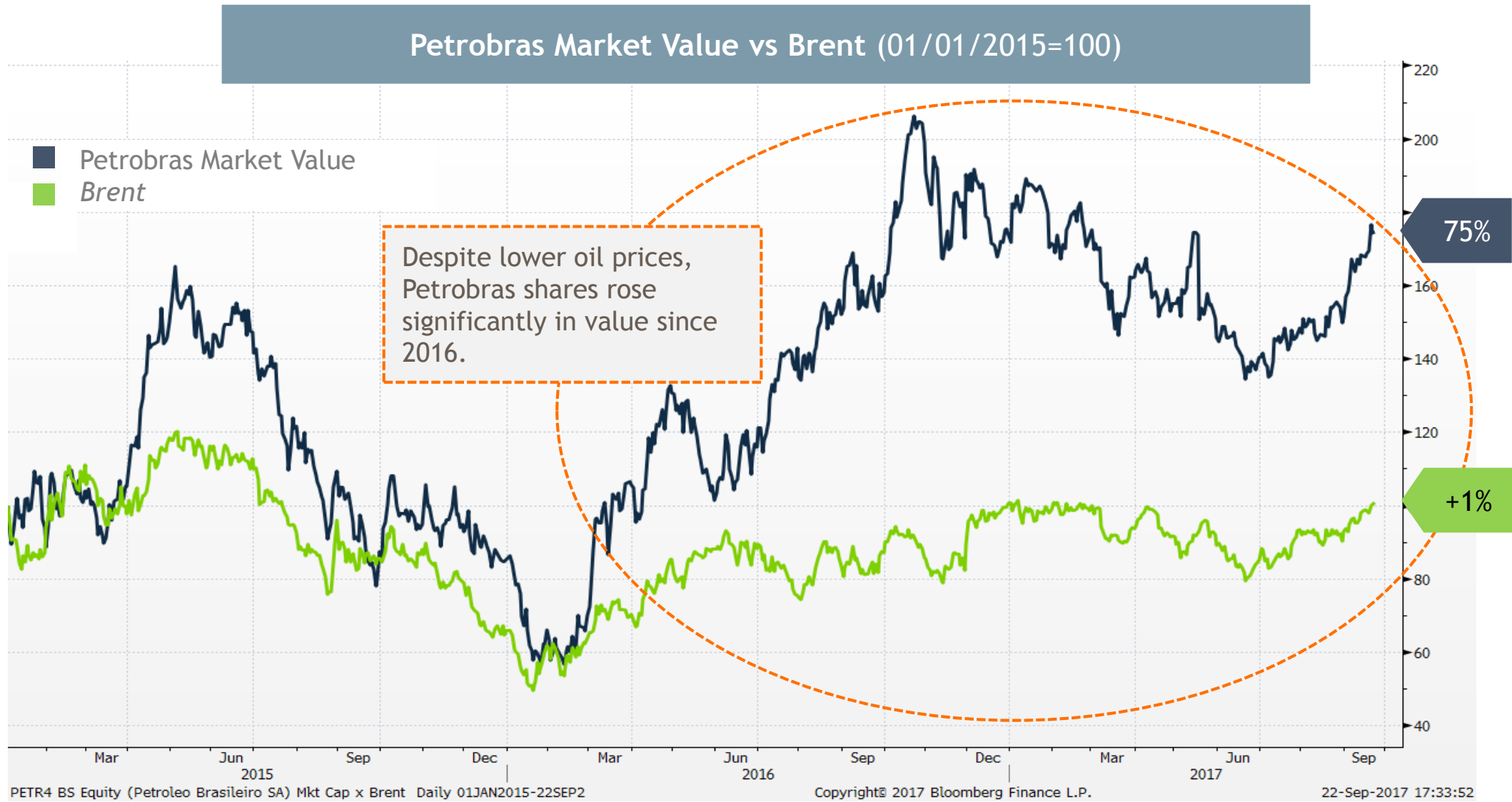
Net debt and leverage keep reducing



—●— Total Debt
-●- Net Debt

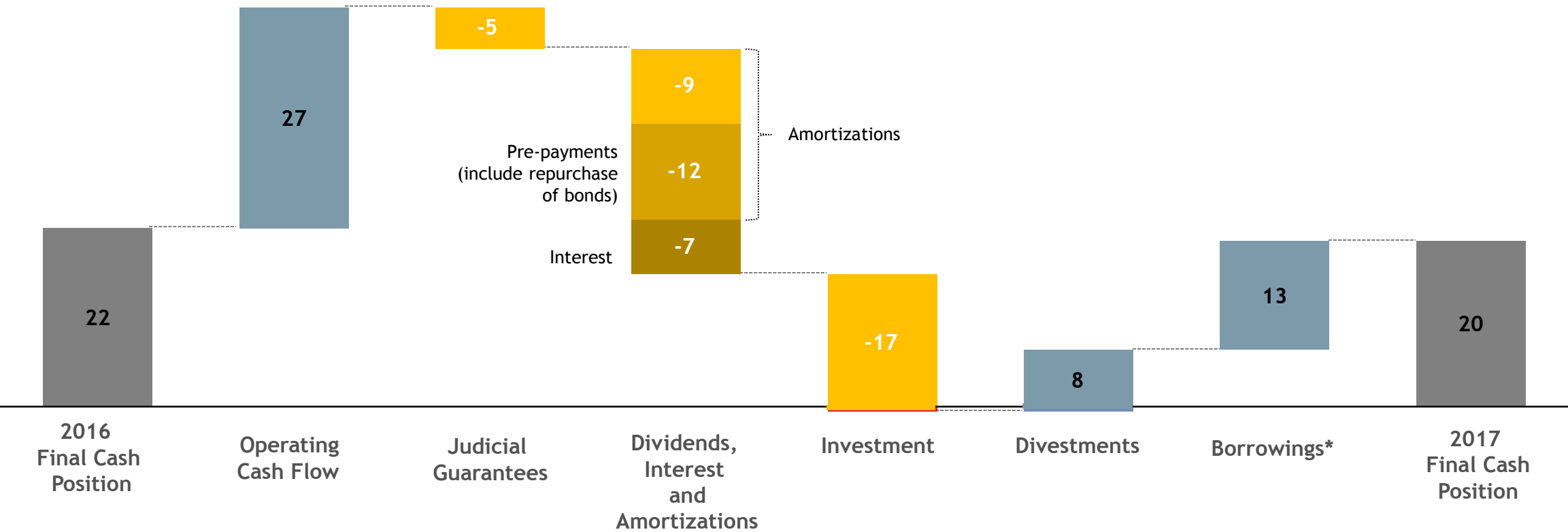


While market value recovers



With no liquidity concerns in 2017

US\$ Billion



*Does not include September global notes issuance

Exploration & Production

Highlights

Solange Guedes

Chief Exploration & Production Officer

An integrated energy company focused on oil and gas that evolves with society, creating high value, with a unique technical capability

- Manage the E&P project portfolio in an integrated manner
- Prioritize **development of deep-water production**, with a focus on strategic partnerships, combining technical competencies and technologies
- Manage the **exploratory portfolio** in order to **maximize economic viability** thereby ensuring the **sustainability** of oil and gas production
- **Continually improve upon productivity and cost reduction** while following best international practices
- Strengthen **reservoir management** to maximize the value of E&P contracts in all the regulatory regimes, seeking opportunities to continuously incorporate reserves

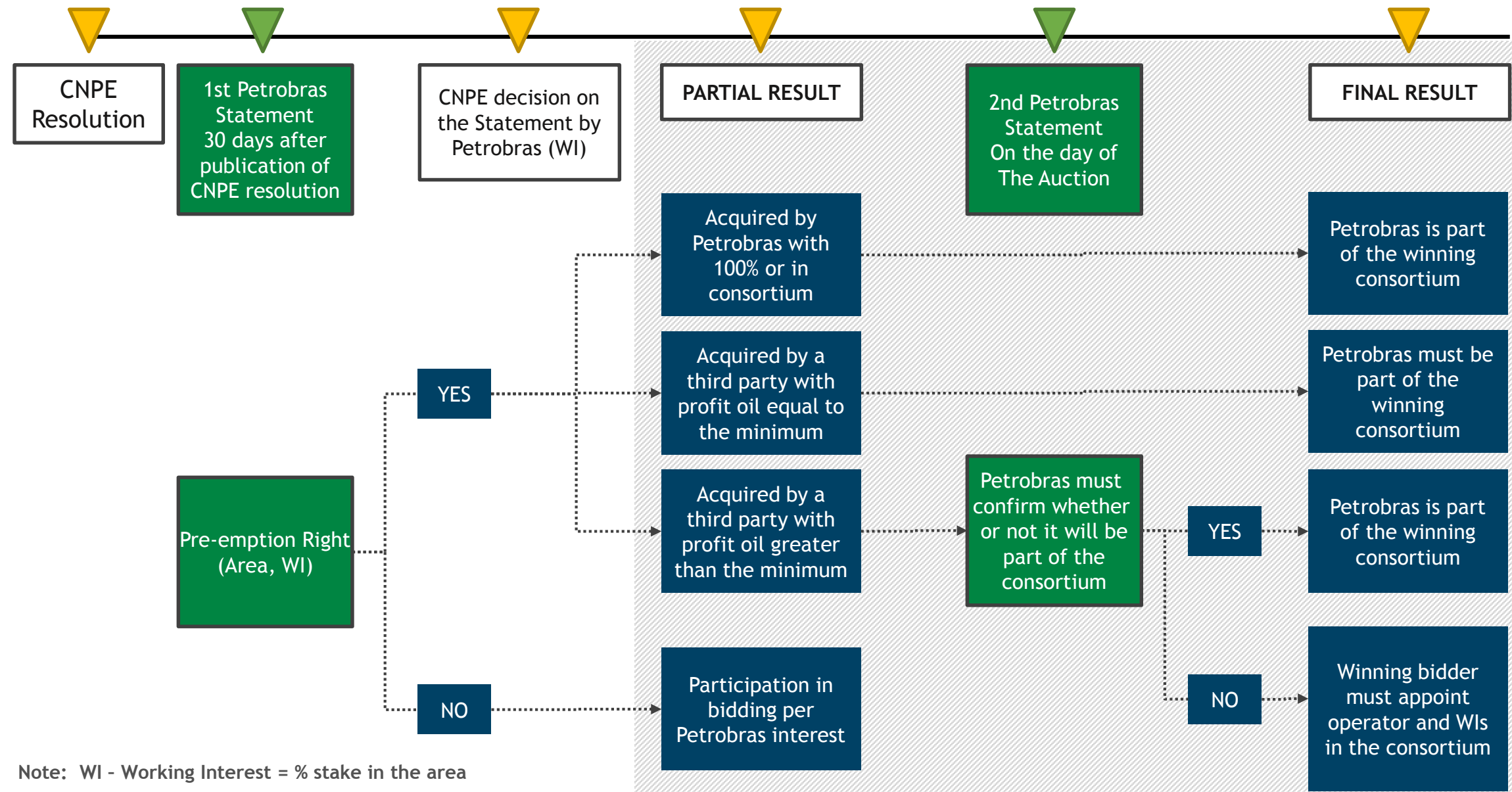
Rising political stability

- Tax predictability
- Inflation under control

Regulatory framework improvements

- Petrobras pre-emption right on Production Sharing bidding rounds
- Predictability of bidding rounds:
 - In the 14th bidding round (September 27, 2017) 37 blocks were acquired by 17 companies, including Petrobras, ExxonMobil, CNOOC, Repsol, Murphy and Karoon.
- Lower local content requirements
- Special Tax Regime (REPETRO) renewal until 2040
- Divestment process methodology approved by Federal Accounting Court (TCU)

Petrobras can now choose to have a minimum stake on Pre-salt bids

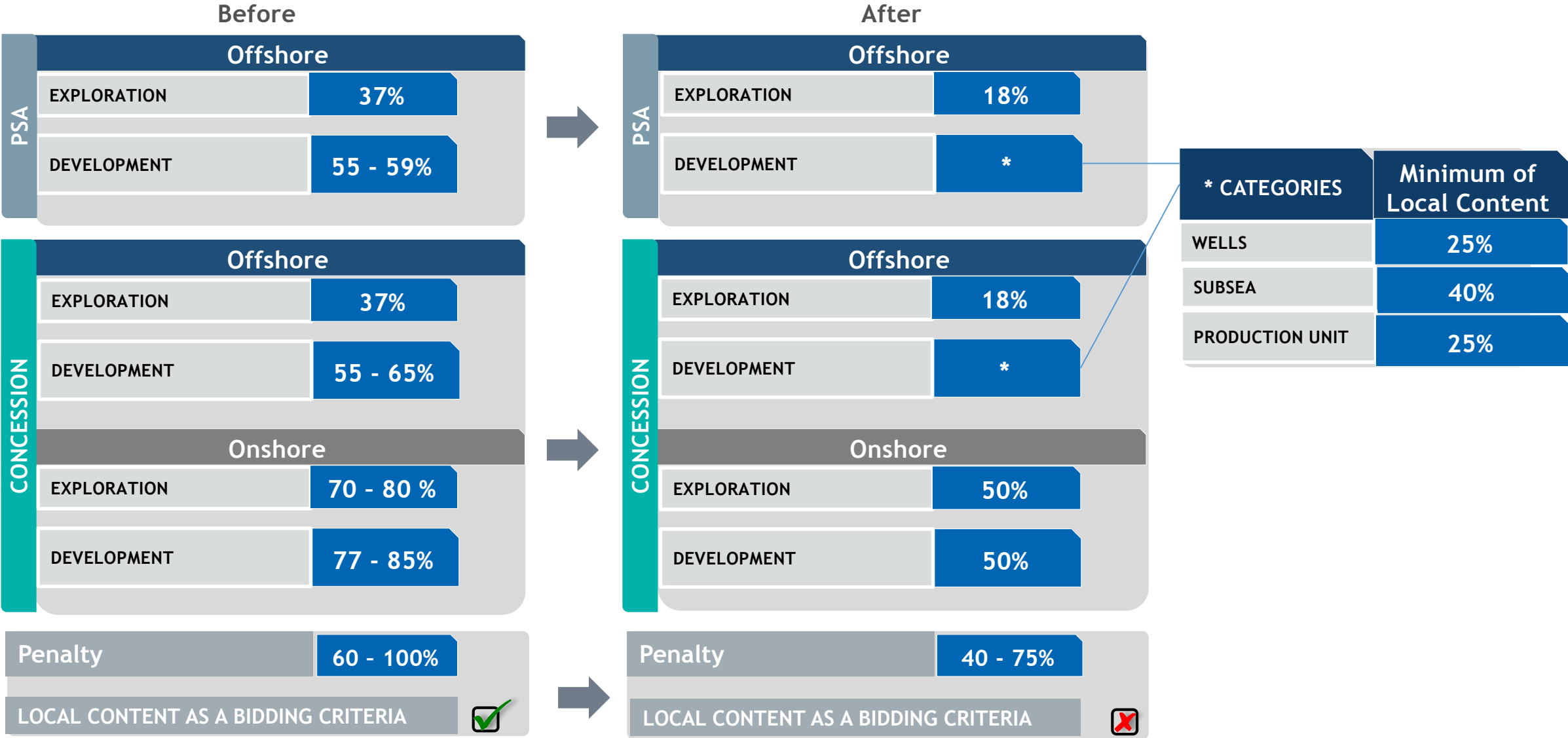


Note: WI - Working Interest = % stake in the area

Local content policy was revised

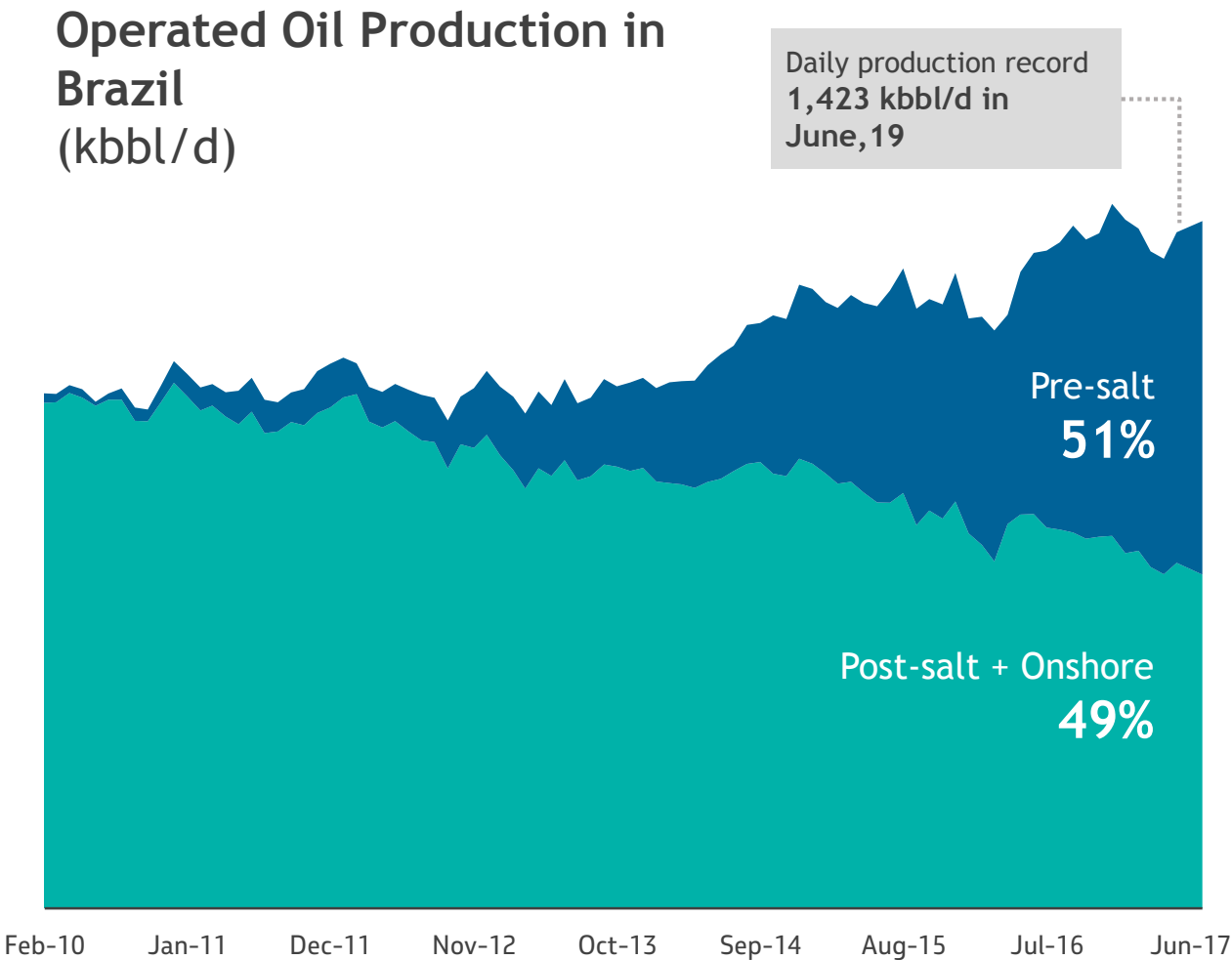


Lower level and complexity will bring greater flexibility and competitiveness to the sector



Note: PSA = Production Sharing Agreement

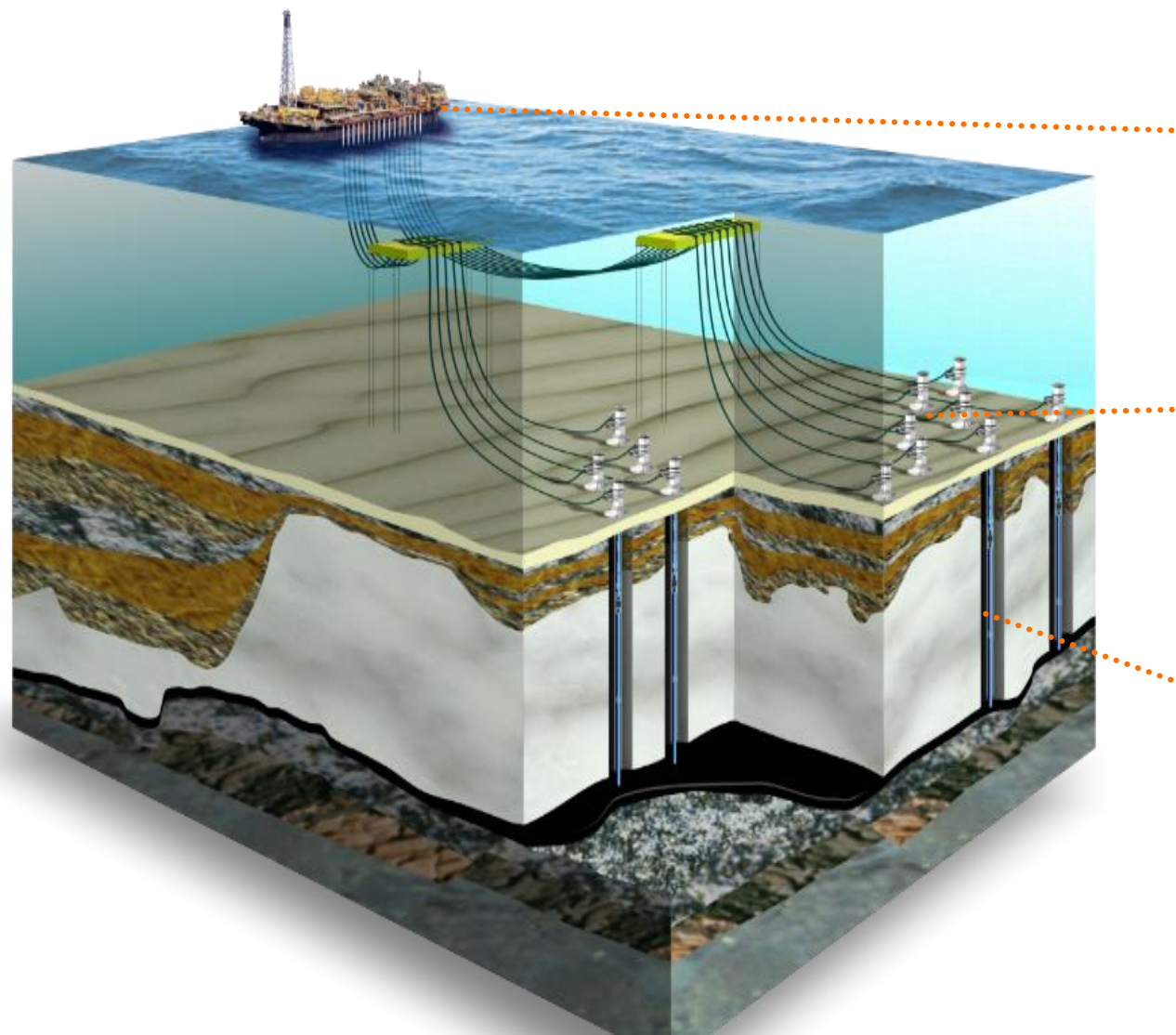
Pre-salt represents half of our operated production



Pre-salt delivers higher revenues and lower costs to the company

Lower operating costs	▼	Lifting costs below US\$7 per barrel
Higher oil quality	▲	Higher margin
	▲	More domestic oil in the refineries
	▲	Lighter products yield
Higher gas ratio	▲	Higher gas availability

With outstanding results



Capex distribution

Production Unit
35%

Subsea
30%

Wells
35%

Our competitive advantages

One new system every 7 months

Long-term contracts and standardization of subsea trees and lines led to subsea costs 5% lower than the industry benchmark*.

- 327 wells drilled so far
- Well construction 3x faster
- Fewer wells needed to top capacity

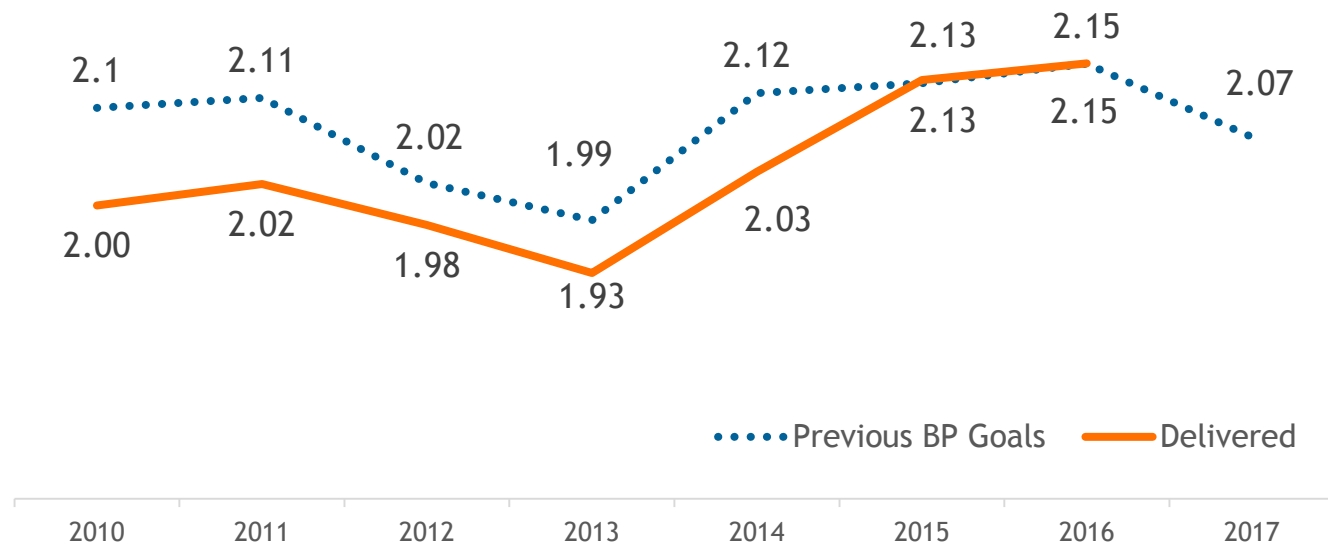
Collaboration with partners is bringing solid gains



- Evaluation of exploratory wells phase reduced by 20%
- Simplified projects for intelligent completion
- Higher recovery factor (from 25% to 30%)
- Early engagement of service providers

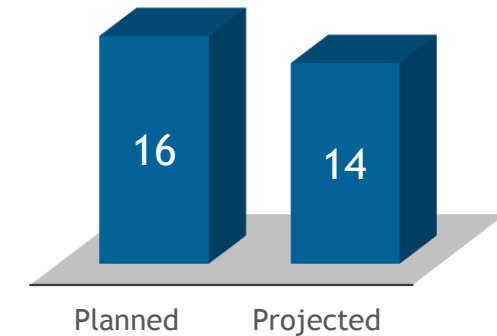
Production predictability

Forecast vs. Delivered Domestic Production (2010 - 2017)
(MM bbl/d)



Capex efficiency

Lower E&P Capex projected in 2017 (US\$ billion)



- Contracts renegotiation
- Projects optimizations

Three new systems are about to start production

P-66 Lula Sul Operating

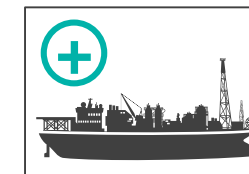


- + 2 new production wells in 2017
- 97% Operational Efficiency

Libra FPSO Extended Well Tests On Location

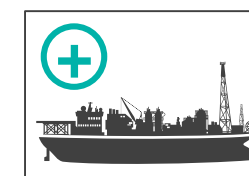


- Environmental license granted
- Waiting for the connection of the first well for production start-up in 4Q17



1Q18

P-67 Lula Norte COOEC Shipyard (Qingdao) Completion: 99%



1Q18

FPSO Cidade de Campos dos Goytacazes Tartaruga Verde e Tartaruga Mestiça Anchorade (Angra dos Reis) Completion: 100%

And seven new others will start-up in the next two years

1st Oil 2018

P-68 (Berbigão/Sururu Project)



Jurong Aracruz Shipyard, ES

Completion: 88%

P-69 (Lula Extremo Sul Project)



BrasFels Shipyard, RJ

Completion: 90%

P-74 (Búzios 1 Project)



EBR Shipyard, São José do Norte, RS

Completion: 95%

P-70 (Atapu 1 Project)



COSCO Shipyard, China

Completion: 86%

P-77 (Búzios 4 Project)



COSCO Shipyard, China

Completion: 89%

P-75 (Búzios 2 Project)



COSCO Shipyard, China

Completion: 91%

P-76 (Búzios 3 Project)



Offshore Unit Shipyard Techint, PR

Completion: 92%

1st Oil 2019

Downstream

Highlights

Jorge Celestino

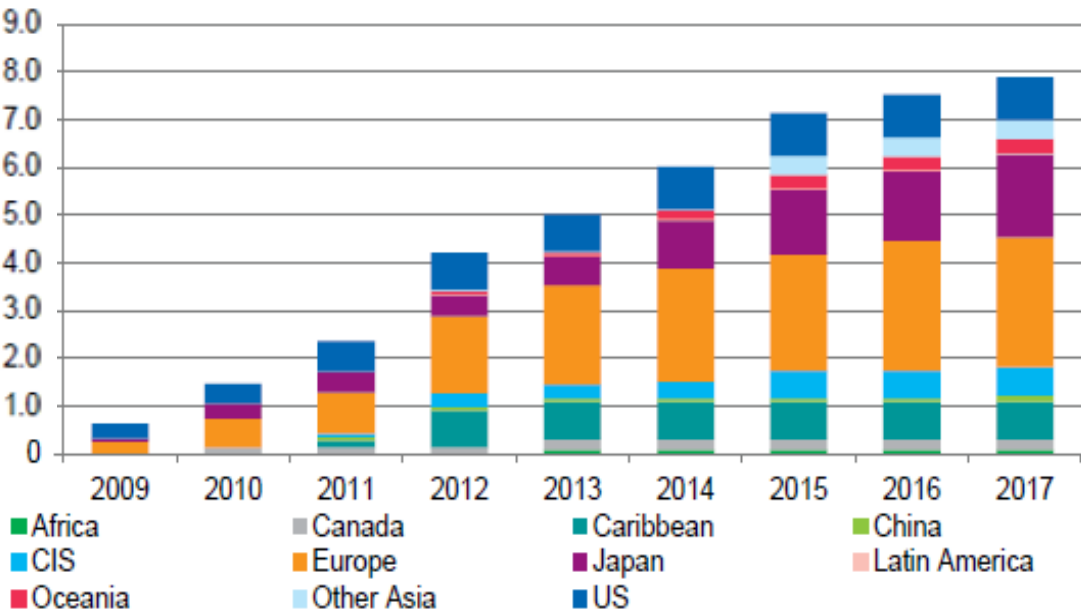
Chief Refining & Natural Gas Officer

An integrated energy company focused on oil and gas that evolves with society, creating high value, with a unique technical capability

- Reduce Petrobras' E&P, Refining, Transportation, Logistics, Distribution and Sales risk through partnerships and divestments
- Promote a market parity price policy and maximize margins in the value chain
- Optimize the business portfolio, withdrawing entirely from biofuel production, LPG distribution, fertilizer production and petrochemical interests, preserving technological competencies in areas with development potential
- Maximize value creation in the gas chain, aligned with regulatory developments, ensuring the monetization of proprietary production and optimizing participation in the chain of natural gas as a fuel of transition to the long term
- Restructure the Energy Businesses, consolidating the thermoelectric assets and other businesses in this segment, seeking the alternative that maximizes value for the company
- Review the Lubricant business, with the purpose of maximizing value creation to Petrobras

Majors companies are rationalizing their downstream portfolio

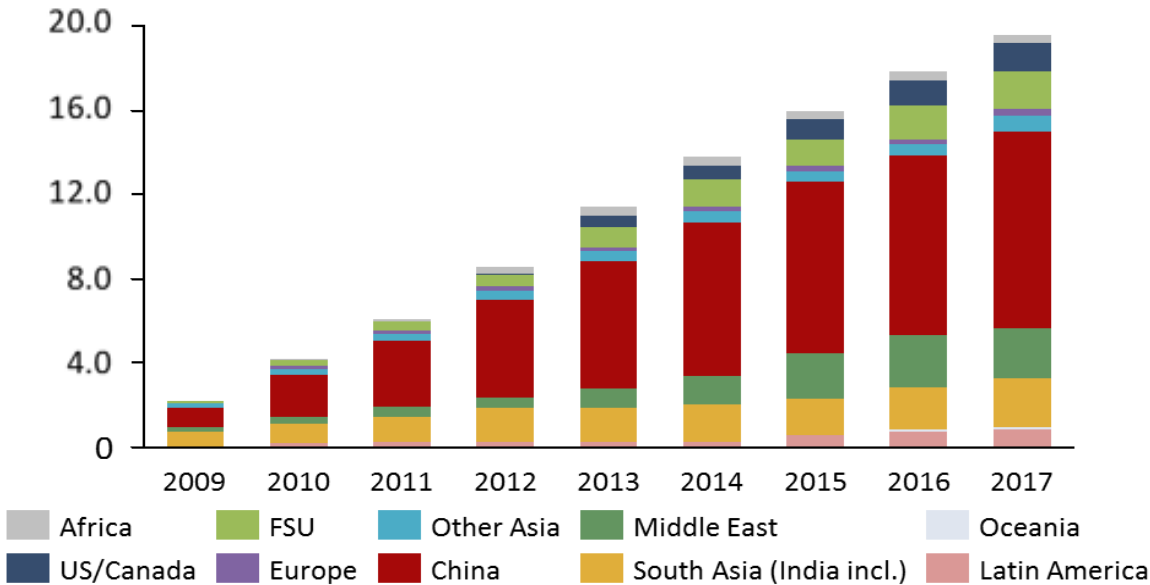
CRUDE DISTILLATION CAPACITY CLOSURES
(MMbpd cumulative)



Source: IHS, 2017

Between 2009-2016 almost 8 million bpd refining capacity closures and 1.1 million bpd refining capacity under risk

CRUDE DISTILLATION CAPACITY ADDITIONS
(MMbpd cumulative)

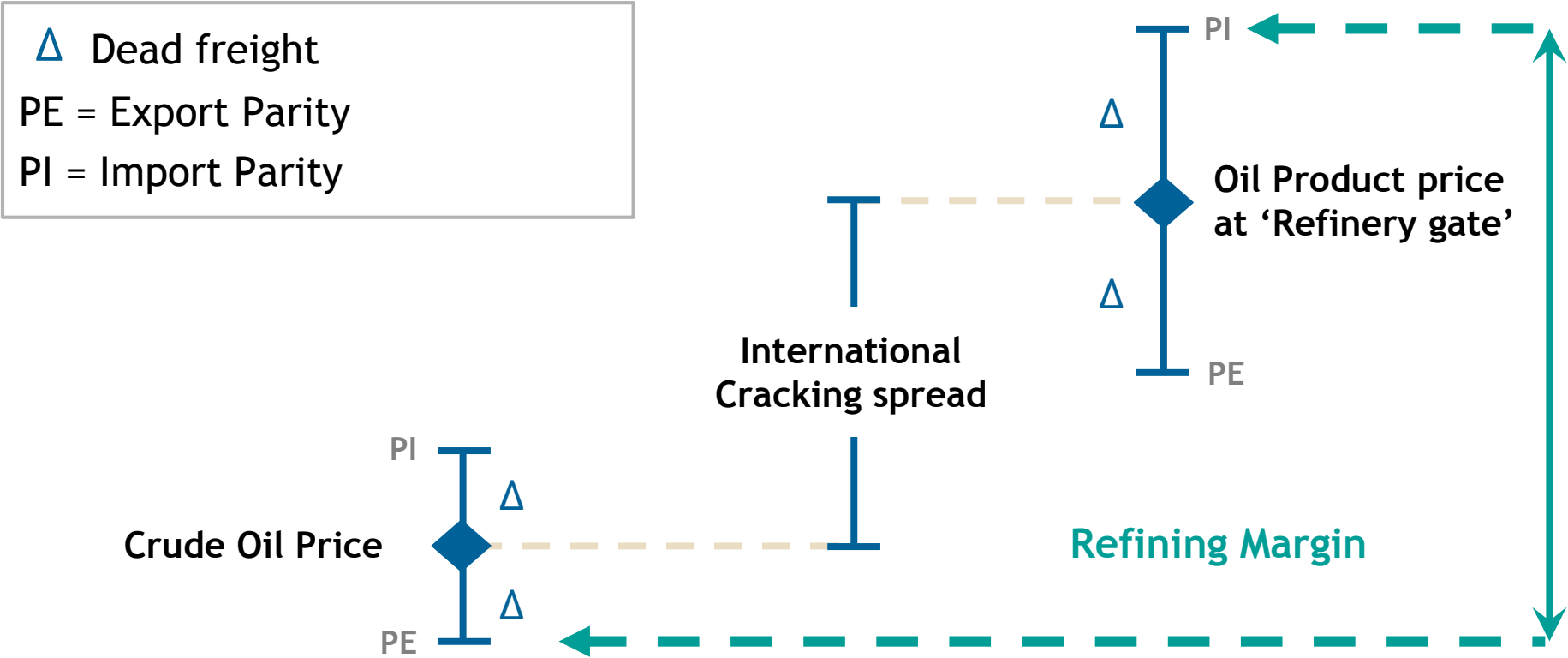


Source: PIRA, 2017

... on the other side, Middle East and Asia are adding capacity to supply their markets and export, maintaining global refining capacity almost flat

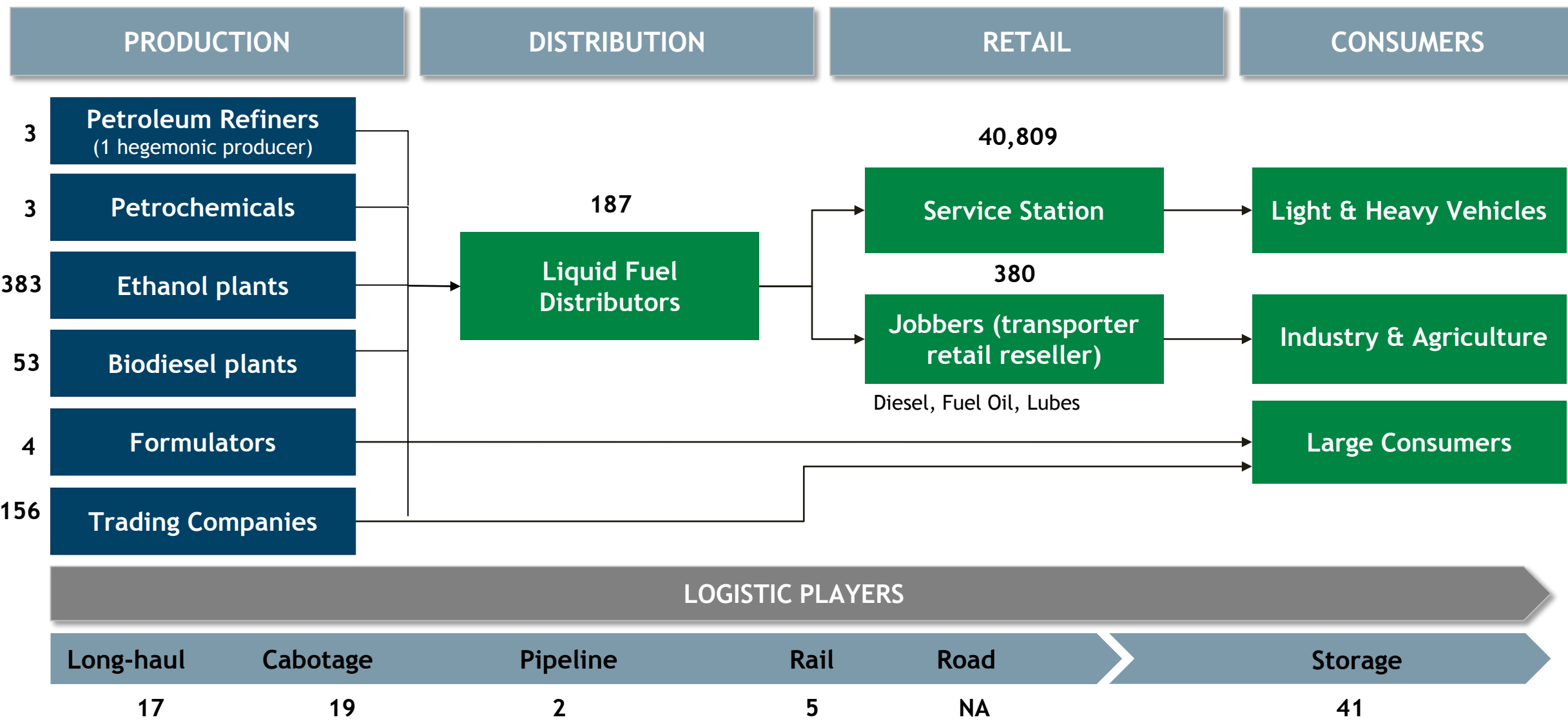
Brazilian downstream has a market advantage

Brazil is long in crude oil, short in oil products and geographically apart from the main markets



Buy crude oil near export parity and sell oil products near import parity

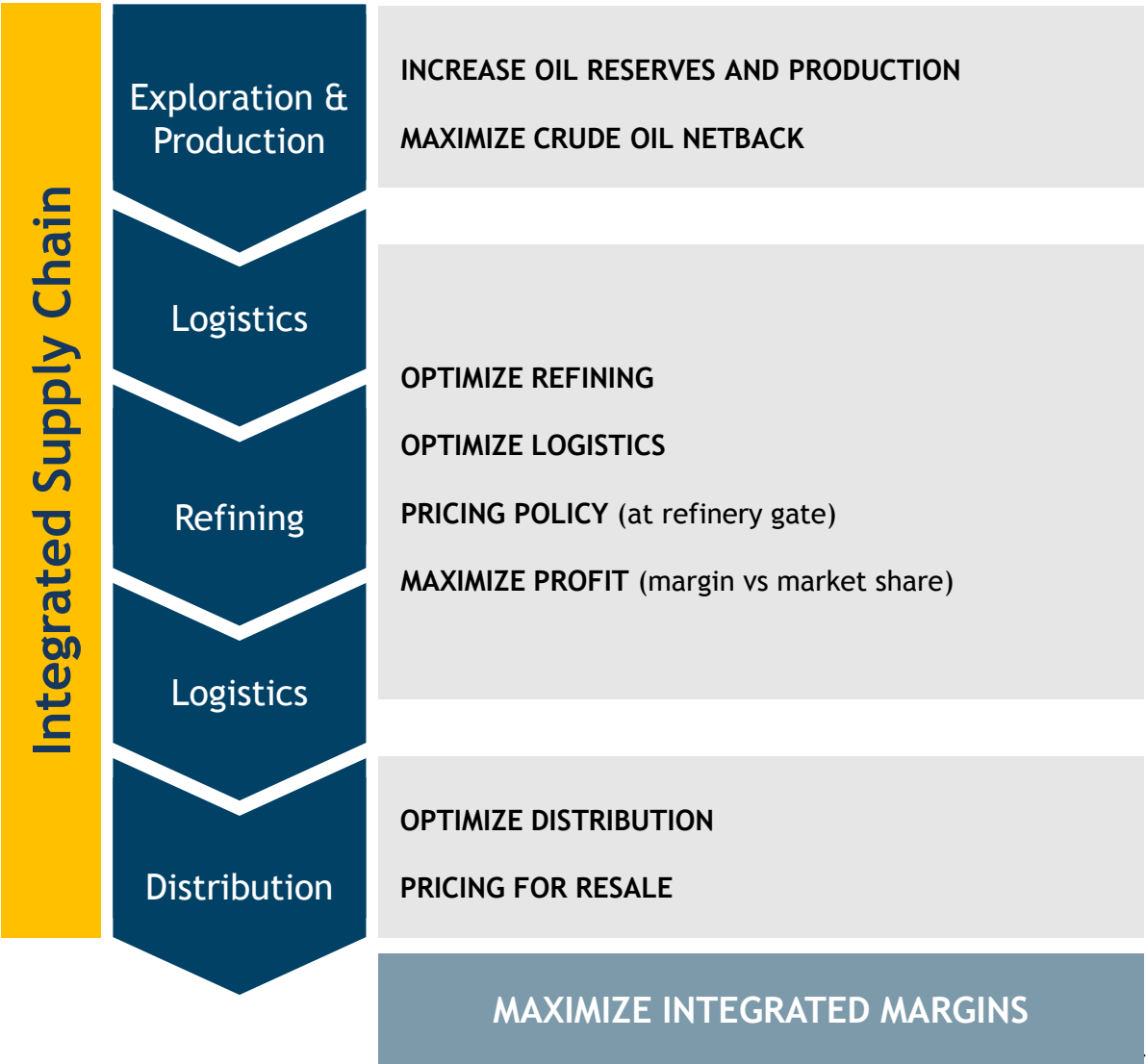
Petrobras has a distinguished position, among other players



Downstream partnership program will preserve supply chain integration

Integrated value creation

- Efficient pricing policy
- World class operational performance
- Maximize value of Brazilian crude oil
- Supply chain integration



Strategy, Governance & Sustainability

Highlights

Nelson Silva

Chief Strategy & Performance Officer

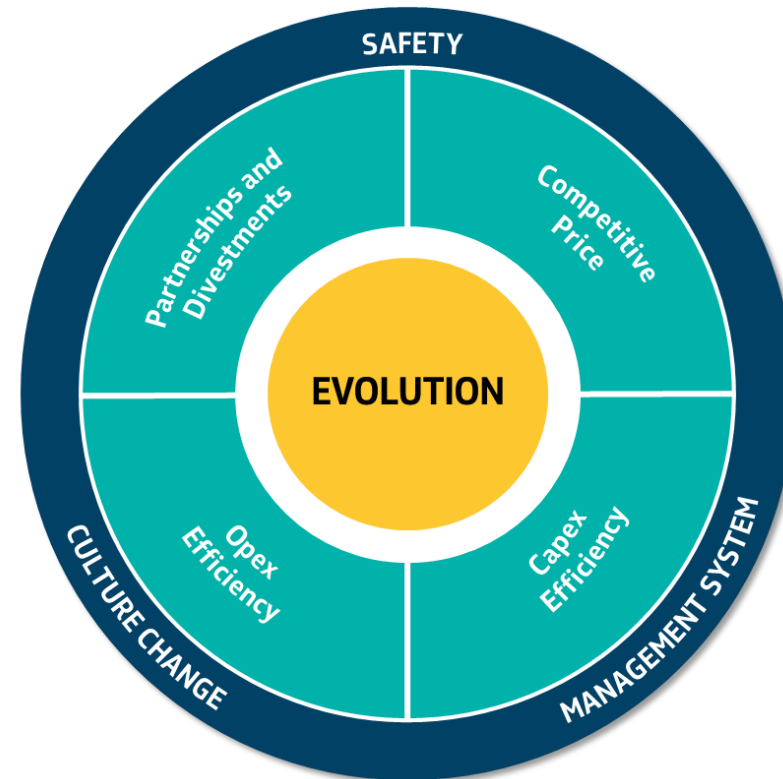
Hugo Repsold

Chief of Corporate Affairs

Strategies supporting 2017-2021 Business Plan

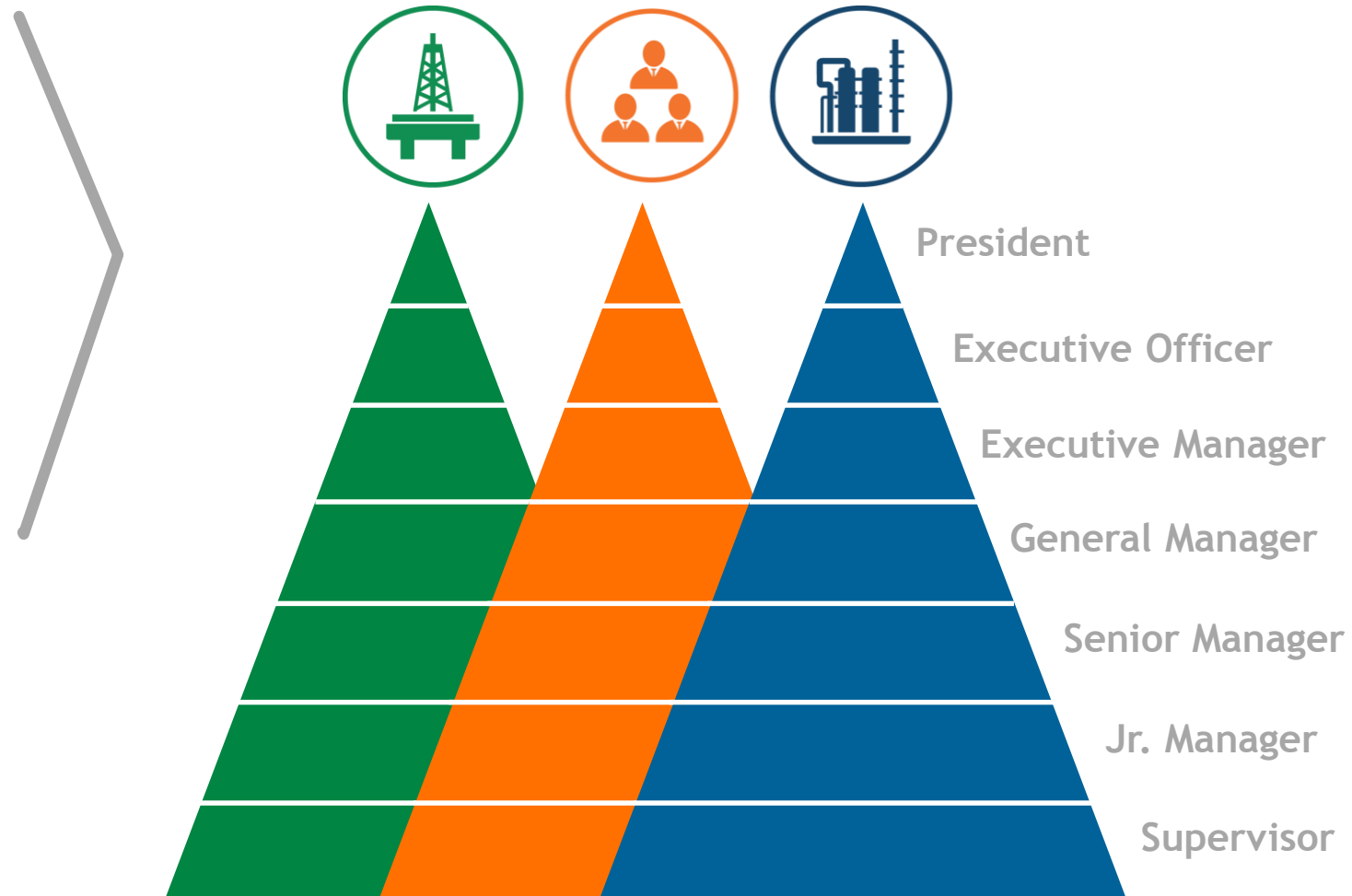
- Business Plan targets cascading down to supervisory level
- Zero Base Budgeting
- Active Risk Management
- Corporate Culture Change
- Process Streamline Program

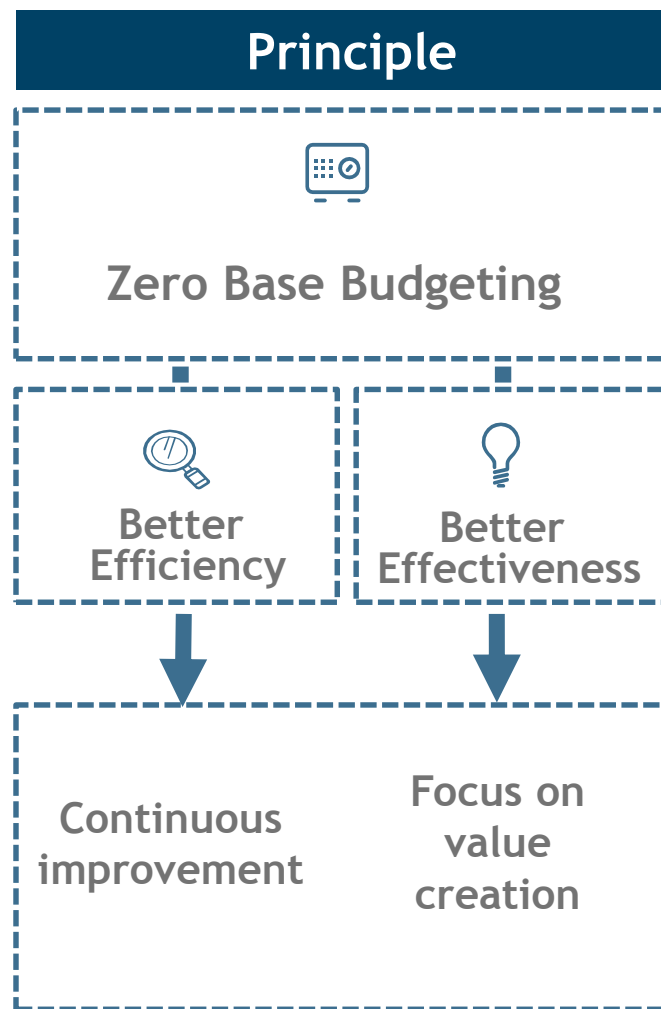
PDCA Cycle



New management system establishes scorecards across all levels

- Scorecards
- Goals
- Indicators
- Milestones
- Attitudes

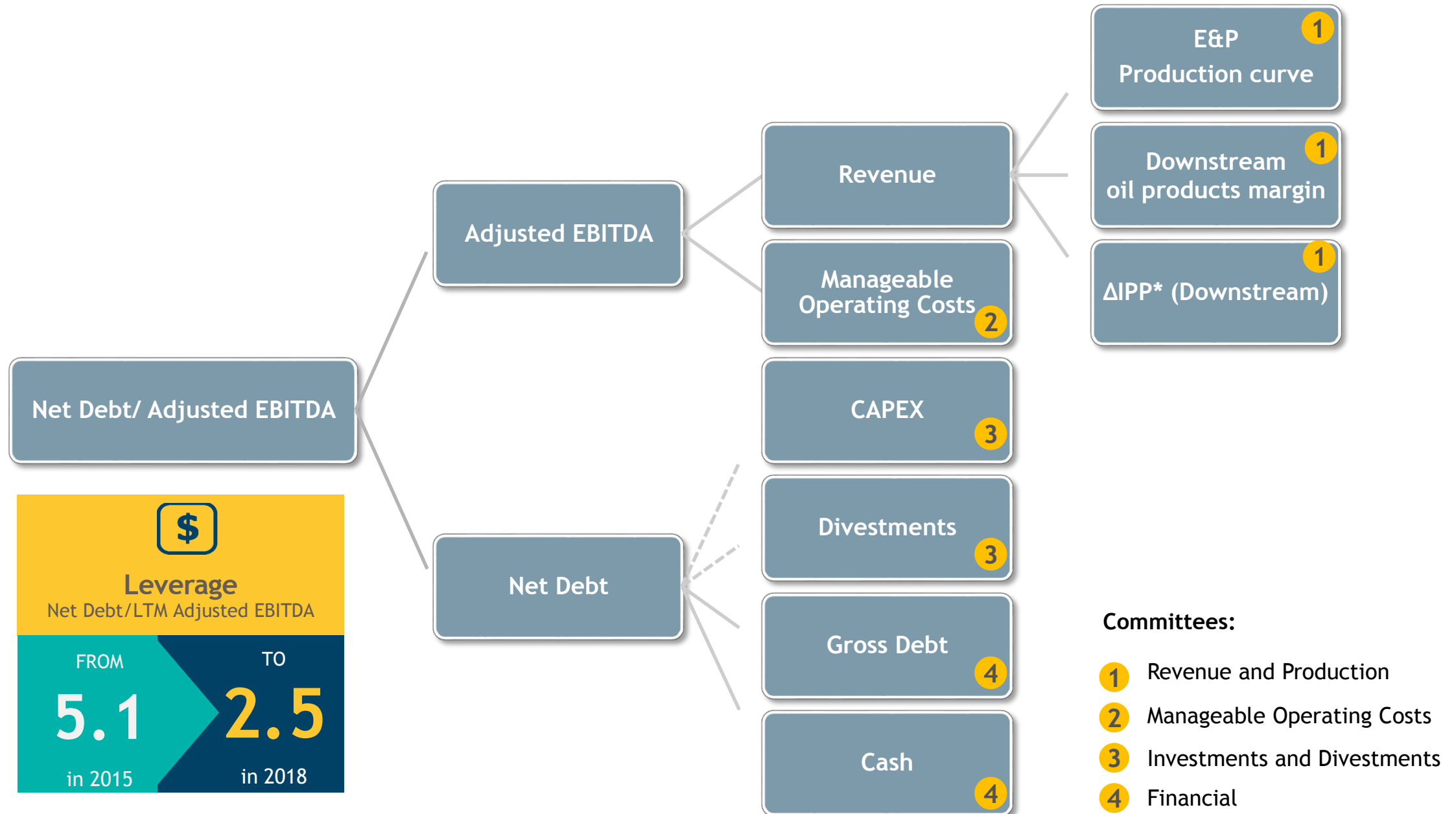




Main work groups

- Subsea and well operations
- Fleet efficiency
- Pipeline and terminal operations
- Facilities operations
- Overhead costs
- Contracting models
- Information technology and communication
- Shared services (rents, building maintenance, transportation)

A disciplined implementation with constant monitoring

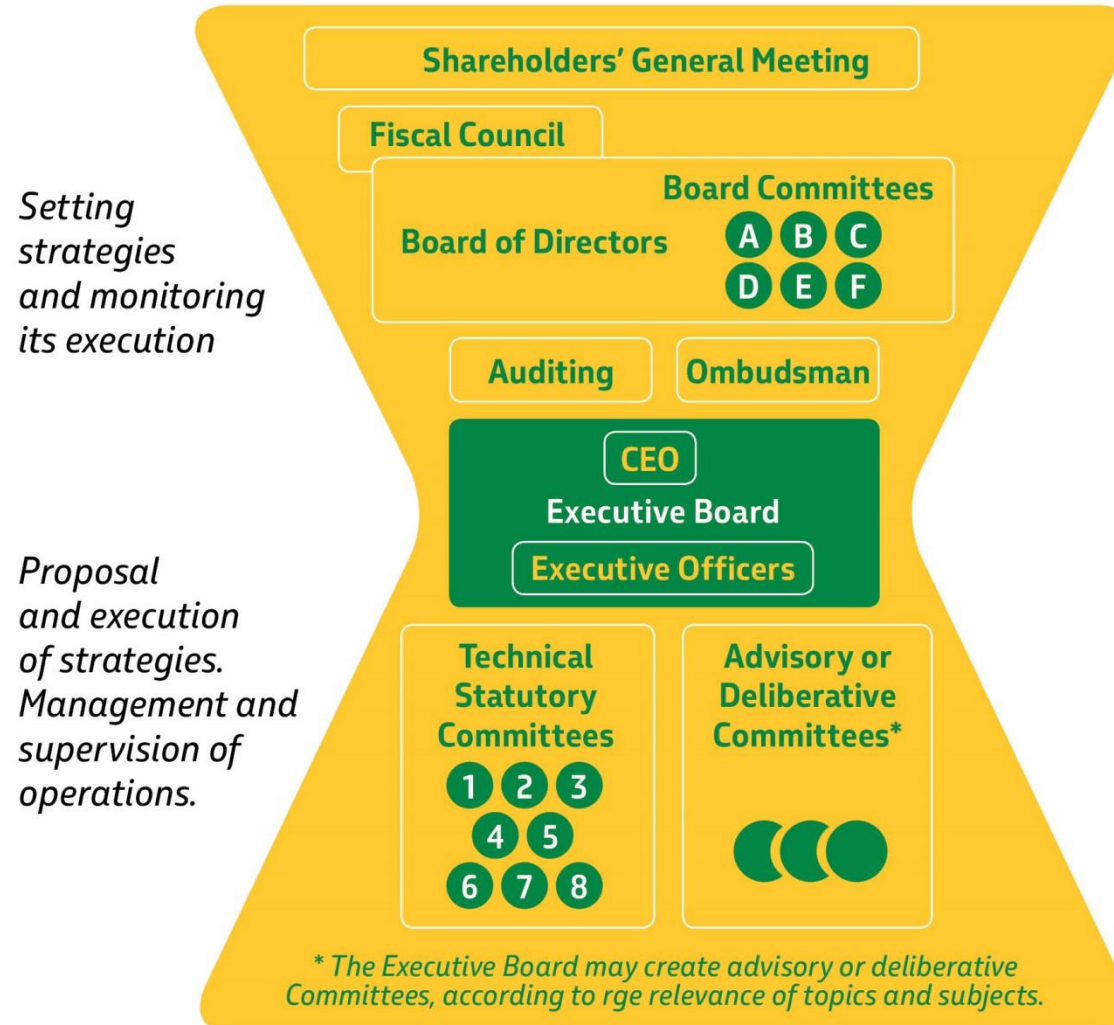


* IPP: Import Parity Price

An integrated energy company focused on oil and gas that evolves with society, creating high value, with a unique technical capability

- Strengthen internal controls and governance, ensuring transparency and an effective system for preventing and combating irregularities, without prejudice to agility in the decision-making process
- Recover Petrobras' credibility and strengthen its relation and reputation with all its stakeholders, including the controlling and supervisory bodies of the company

Petrobras has improved its Corporate Governance Model



Board Committees:

- A. Strategic
- B. Finance
- C. Audit
- D. Health, Safety and Environment
- E. Nomination, Compensation and Succession
- F. Minority

Technical Statutory Committees:

1. Production and Technology Development
2. Exploration and Production
3. Refining and Natural Gas
4. Financial and Investor Relations
5. Corporate Affairs
6. Governance and Compliance
7. Strategy, Organization and Management System
8. Investment and Divestment



B3' Corporate Governance Certification Program for State-Owned Companies

Launched by the São Paulo Stock Exchange in 2015, the initiative aims to improve corporate governance practices and structures of State-owned enterprises listed on the market. Petrobras implemented numerous significant changes to its several corporate governance processes and instruments since 2016.

Adopted instruments:

- Evaluation of the Board of Directors, Board Committees and Executive Office
- Succession planning policy and committee with minimum requirements for selection of executives
- Minority oversight on related parties transactions and policy
- Compliance officer with veto powers
- Independent Audit Committee
- Minimum number of independent members at board of directors



Segment Level 2 of B3

- Showing its commitment to constantly improve its governance processes, Petrobras has made public its intent to join Level 2 of B3*.

An unified whistleblowing channel has been adopted

A channel that receives all claims of breaches to Petrobras and its subsidiaries Code of Ethics



Available to internal and external stakeholders



Service in Portuguese, English and Spanish - 24 hours
(Telephone or internet)



Worldwide coverage



Online follow up



Guaranteed anonymity



Calls attended by experts
(Trained to interact with the complainant)



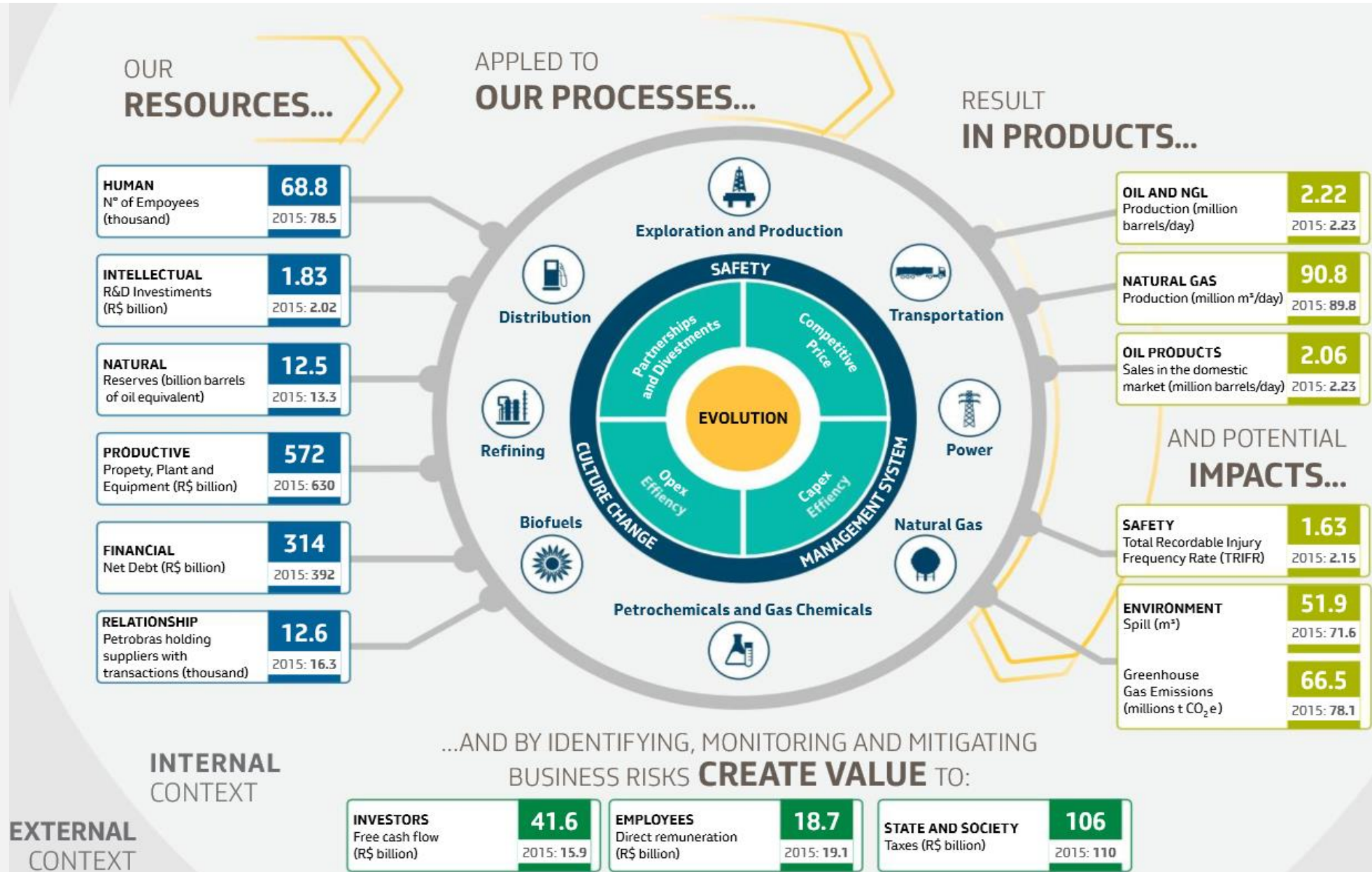
Reports of corruption, fraud, discrimination, harassment, sexual harassment, among others



4,411 complaints received
(from 11/18/2015 to 08/30/2017)

An integrated energy company focused on oil and gas that evolves with society, creating high value, with a unique technical capability

- Promote an environment of **participation and mutual trust, focused on results that add value**, with safety, ethical conduct, responsibility, encouragement of active debate, meritocracy, simplicity and compliance
- Align **social responsibility** actions with the company's projects
- Manage **the process of contracting goods and services with a focus on value**, aligned with international standards and metrics, meeting compliance requirements, maintaining flexibility in adverse and volatile demand scenarios and contributing to the development of the chain as a whole



Integrates social, environmental and economic dimensions



Global Reporting Initiative (GRI) guidelines



Global Compact principles and the Sustainable Development Goals (SDGs)



Concepts and elements recommended by IIRC

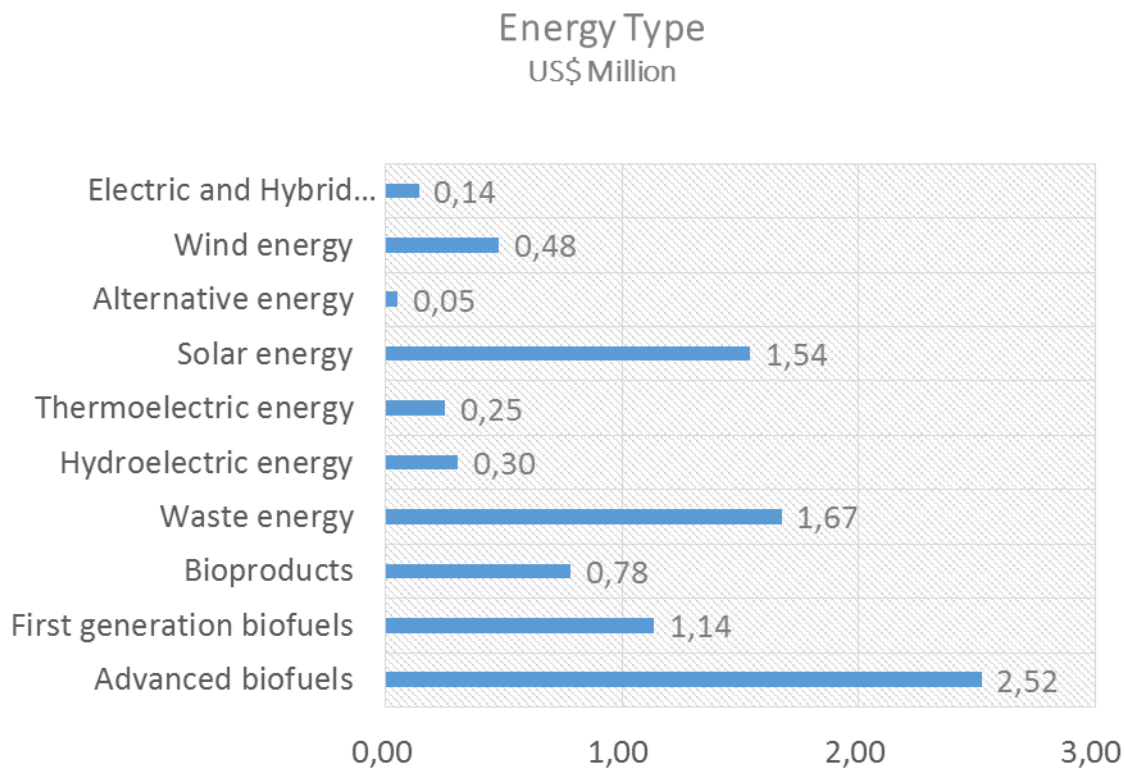
INVESTMENTS



- US\$ 550 million were invested in research and development (R&D)
- US\$ 169 million were directed to partnerships
- US\$ 74 million were invested in socioenvironmental, cultural and sports projects

With efforts for climate change mitigation

- Investment of US\$ 8.89 million in renewable energies and biofuels researches in 2016

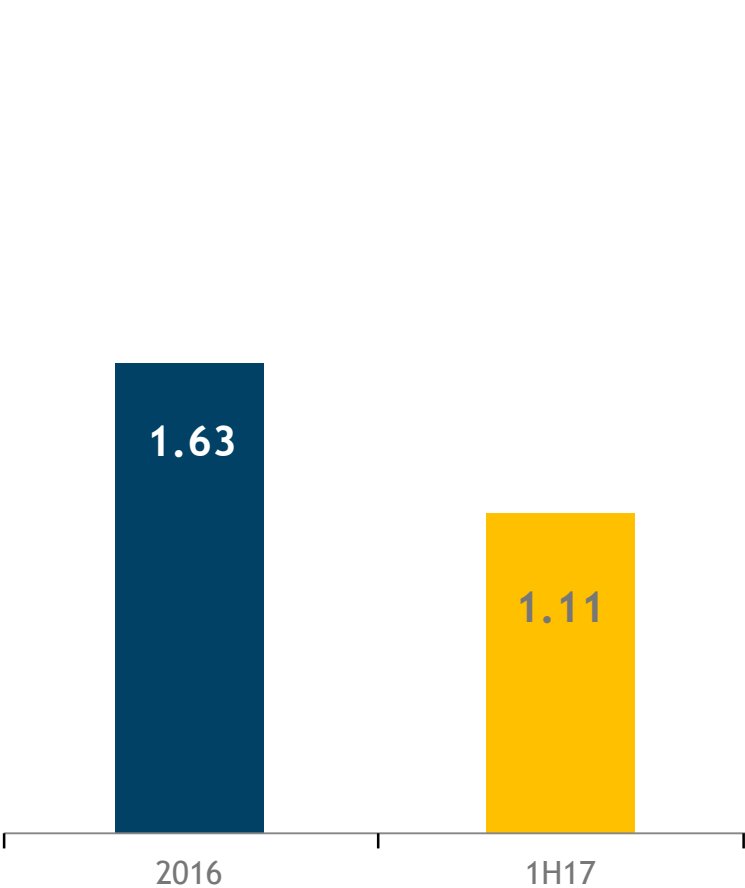


- GHG emissions management based nearly 30,000 registered sources
- Avoided emissions of 72 mm ton CO₂e in the 2010-2015 period
- Reduced by 11.6 mm ton of GHG-related CO₂e, nearly 15% less than 2015
- CCUS projects contributing to the “Thematic Network of Carbon Sequestration and Climate Change”

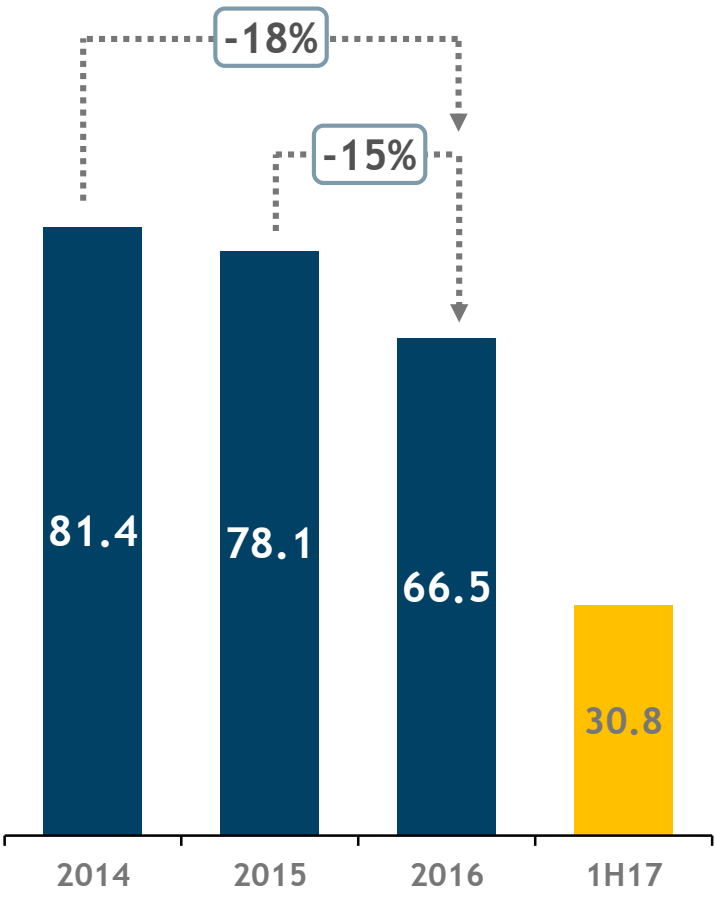


Towards a better safety and environmental performance

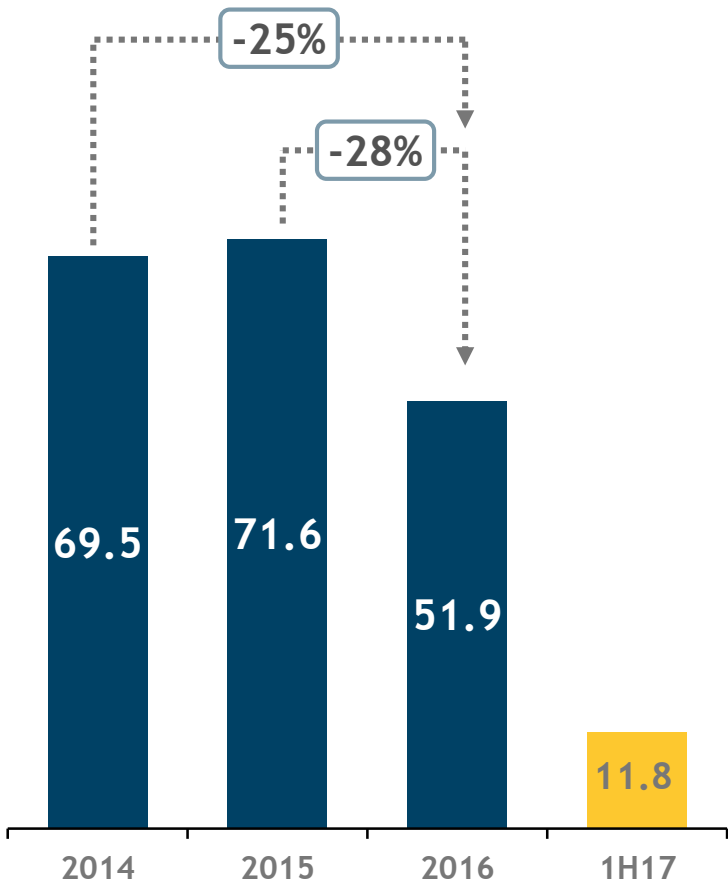
Total Recordable Injury
Frequency Rate
(TRIFR)



Greenhouse Gas Emissions
GHG (MM t CO₂ e)



Oil Spills*
(M³)



* Oil Spills: volume of oil or oil products spilled to the environment >1 barrel

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