



Pasadena Refining System Teaser

Transaction Background

- On February 6, 2018 Petrobras America Inc. (“PAI”) announced the sale of its Pasadena Refining System operations (the “Potential Transaction”), including the 110,000 barrel per day (“Bpd”) Pasadena Refining System, Inc (the “Refinery” or “PRSI”), PRSI Trading LLC (“PRST”), the associated logistics and trading assets and PRSI Real Property Holdings, LLC (“REAL”) and its assets, as part of the ongoing divestment plan defined by Petrobras.
- Following a comprehensive analysis, PAI has determined that the Pasadena Refining System does not align with the Company’s strategic focus and believes it may have higher value for the right investor.
- PAI has retained Evercore to explore the sale of PRSI, PRST and REAL with a select group of potentially interested parties (the “Process”).

Overview of Operations

- The Refinery has 110,000 Bpd of crude throughput capacity, and additionally the ability to receive external intermediate feedstocks .
- The Refinery produces gasoline, distillate, LPG (liquefied petroleum gas), fuel oil, benzene extract and sulfur with an approximate 90% conversion to gasoline and distillates.
 - ▶ The Refinery’s major processes include crude and vacuum distillation, fluid catalytic cracking, naphtha hydrotreating, catalytic reforming, gasoline desulfurization, distillate hydrotreating and alkylation.
- 5.1 million barrels (“MMBbls”) of crude and refined product storage capacity on site:
 - ▶ 6 dedicated crude tanks capable of storing 1.9 MMBbls;
 - ▶ 51 refined and intermediary product storage tanks capable of storing 3.2 MMBbls.
- Marine terminal on site with ability to receive PANAMAX vessels up to 30’ draft (possible to reach the ship channel depth of 40’ after dredging) with a current discharge rate of 10,000 barrels per hour of crude and vacuum gas oil.
- A total complement of approximately 300 highly capable, experienced and knowledgeable PRSI personnel are responsible for the safe, efficient and profitable operation of the Pasadena System.

Ownership and Organization



- For the purpose of this document and any communication made in the competitive process, Petrobras group, including the holding and/or its affiliates, will be defined as “PETROBRAS”.

Highlights

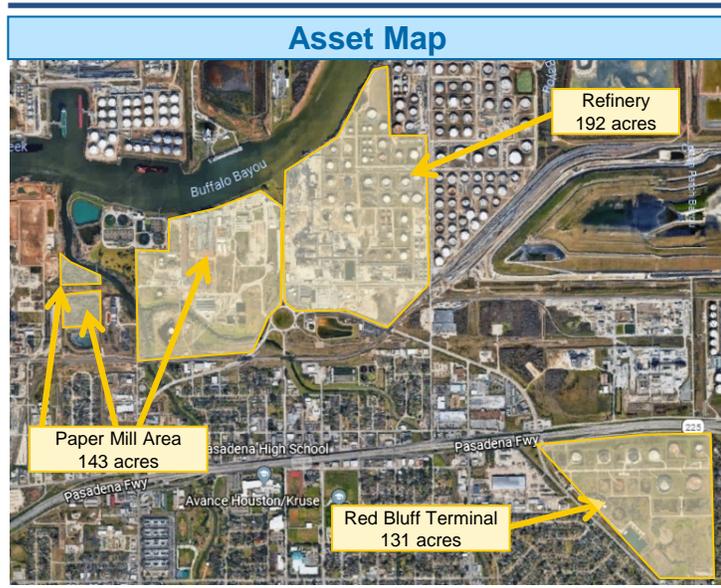
- The Refinery is strategically located on a 466-acre complex on the Houston Ship Channel with throughput capacity of 110,000 Bpd, 91% utilization in 2017.
 - Nelson complexity factor of 9.4x.
- The Refinery is well positioned to access and process the significant projected domestic crude oil growth, benefitting from direct connections to the Permian Basin, Eagle Ford Shale and Bakken Shale along with the ability to receive imports.

Refinery:
Capacity: 110,000 Bpd
Storage: 5.1 MMBbls

Real Estate:
192 acre Refinery site
131 acre tank farm
143 acres adjacent to the Refinery

Product	Percentage
Gasoline	58%
Diesel Oil	31%
LPG	5%
Naptha	3%
Fuel Oil	3%
Other	1%

- The strategic location of the Refinery on the Houston Ship Channel provides access to U.S. West Coast, U.S. East Coast and Gulf Coast export markets with integrated logistics assets supporting both imports and exports.
 - ▶ Positioned among major terminalling facilities including Kinder Morgan Pasadena, Magellan Galena Park and Enterprise Ship Channel;
 - ▶ Directly connected to major key refined products logistics assets including direct access to Colonial Pipeline and Explorer Pipeline;
 - ▶ Marine terminal on site.
- In addition, REAL owns 143 acres located adjacent to the Refinery on the Houston Ship Channel providing the opportunity for future expansion through the construction of additional refining processing units, terminalling or storage capacity



Refinery Configuration	
Process Units	Capacity (MBpd)
Crude Atmospheric Distillation Unit	110.0
Vacuum Distillation Unit	42.5
Fluid Catalytic Cracking Unit	52.0
Naptha Hydrotreater Unit	26.0
Regenerative Catalytic Reformer Unit	22.0
Reformate Splitter	20.0
Gasoline Desulfurization Unit	40.0
Alkyltion Unit 1	6.0
Alkyltion Unit 2	6.0
Distillate Hydrotreater Unit	12.0

Evercore Process Contacts

<p>Ray Strong Senior Managing Director (713) 427-5416 Ray.Strong@Evercore.com</p>	<p>Randy Crath Senior Managing Director (713) 427-5137 Randy.Crath@Evercore.com</p>	<p>Eric Bauer Managing Director (713) 427-5704 Eric.Bauer@Evercore.com</p>	<p>Márcio Santiago Senior Managing Director (11) 3014-6862 MSantiago@g5evercore.com</p>
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- Interested parties shall not contact Petrobras in any aspect of their interest in the potential transaction
- All inquiries or communications, including requests for information, shall be directed to the above emails

Process Information

The competitive process will be managed in accordance with procedures that will be established and communicated to interested parties periodically.

Potential Investor Selection Requirements

- Refining or logistics companies must meet all the criteria described below:
 - Companies that are active or have worked in the refining or logistics segment;
 - The company's market value, shareholders' equity or the sum of the assets of the company or its parent company shall be equal to or greater than US \$500 million (five hundred million dollars);
 - Net debt / EBITDA ratio less than 5.0x.
- Investment funds must meet all the criteria described below:
 - Have made at least one investment in the oil and gas sector in the last 10 years;
 - Possessing, under its administration or management, assets, whose sum of its values is at least US \$500 million dollars.
- Trading companies must meet all the criteria described below:
 - Have made at least 1 investment in the oil and gas sector in the last 10 years;
 - Have a market value, shareholders' equity or the sum of the assets of the company or its parent company shall be equal to or greater than US \$500 million dollars;
 - Net debt / EBITDA ratio less than 5.0x.

The Process

- Petrobras is inviting selected companies to join this Process.
 - By receiving this Teaser, the invited companies and other potential buyers that fulfill all the requirements established in this Teaser, shall express its interest before February 23rd 2018.
 - It will be necessary to accept certain confidentiality obligations with Petrobras, in order to have access to relevant technical, legal and financial information, including the Instruction Letter, the Information Memorandum and relevant information regarding the bidding process.
- The potential buyer could form such a consortium with an independent party or parties. All instructions will be detailed in the Information Memorandum.
 - In this case, the potential buyer will be required to inform Petrobras, at a suitable moment, of such condition and which member will be the leader of this consortium.
 - The independent party or parties will be required to sign a separate Confidentiality Agreement and the consortium will have to fulfill the Potential Investors Selection Requirements mentioned in this document.
 - The participation of such parties / consortia is subject to an assessment of admissibility by Petrobras.
 - Once approved by Petrobras, the independent party or parties will be able to participate in the process considering that, for all purposes and intentions of this process, the parties will be treated as one potential buyer, characterized by a consortium.

Additional Process Information

- Petrobras reserves the right to amend the process as it judges appropriate, ensuring that any change is equally informed to all parties.
- Petrobras may, during the Process, perform preventive risk analysis, in compliance with Anti-Bribery Laws and the Petrobras Program of Corruption Prevention, and can request to any participant to fill a detailed questionnaire to verify the accordance of its practices and conducts to the Anti-Bribery Law.
- Neither potential buyer nor any of its affiliates can:
 - Be owned or controlled by a person or entity subject to (i) any economic, financial or trade sanctions, (ii) regulations sanctions, (iii) embargoes or (iv) restrictive measures, all related to fuel distribution activities (sanctioned person), and that were administered, enacted, imposed or applied by the World Bank, the United Nations Security Council, the United States of America, the United Kingdom, the European Union, France, Italy, Austria, the Netherlands, Brazil, and the respective governmental institutions and agencies of any mentioned previously;
 - Be located, incorporated, organized or resident in a country subject to any (i) economic, financial or commercial sanctions, (ii) regulations sanctions, (iii) embargoes or (iv) restrictive measures, all related to activities in the energy sector (sanctioned country) and that were administered, enacted, imposed or executed by the World Bank, the United Nations Security Council, the United States of America, the United Kingdom, the European Union, France, Italy, Austria, the Netherlands, Brazil and the respective governmental institutions and agencies of any mentioned previously;
 - Have any business affiliation or commercial relations with, or investments in, any sanctioned country or sanctioned person.
- In addition, the potential buyer shall not be listed in the following restrictive lists:
 - *Cadastro Nacional de Empresas Inidôneas, Suspensas e Punidas* (Available at: <http://www.portaldatransparencia.gov.br/ceis>);
 - *Empresas impedidas de transacionar com a PETROBRAS* (Available at: <http://transparencia.petrobras.com.br/licitacoes-contratos>).
- If the potential buyer, or any of its affiliates, is identified in the abovementioned hypotheses, it will be excluded from the Process in any time, in compliance with the rules applicable to Petrobras.
- By participating in this process, the potential buyer shall compromise not to take any action, or omit any action that violates any applicable law regarding business ethics, including, but not limited to, the US Foreign Corrupt Practices Act, UK Bribery Act, Brazilian Anti-Corruption Laws (especially Brazilian Federal Law No. 12,846 / 2013) and the principles described in the Organization for Economic Cooperation and Development (OECD) Convention on Preventing Bribery of Foreign Public Officials in International Business Transactions (hereafter "Anti-Corruption Laws").
- In order to participate in the Process and comply with the requirements set forth above, potential buyers shall sign a Compliance Certificate and indicate, if applicable, whether it is subject to any kind of sanction, even if it considers that the sanction does not prevent its participation in the Process. If the potential buyer is subject to sanctions, it shall describe in the Compliance Certificate the nature and details of the sanction, as well as indicate the restrictions arising from it.
- The accuracy of the declaration and the fulfillment of the requirements mentioned above will be verified by Petrobras after the acceptance, by the potential buyer, of the confidentiality obligations necessary to participate in the Process.

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