



RESULTS ANNOUNCEMENT 2017

— Press Conference
March, 15th 2018



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 2018 on are estimates or targets.

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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.

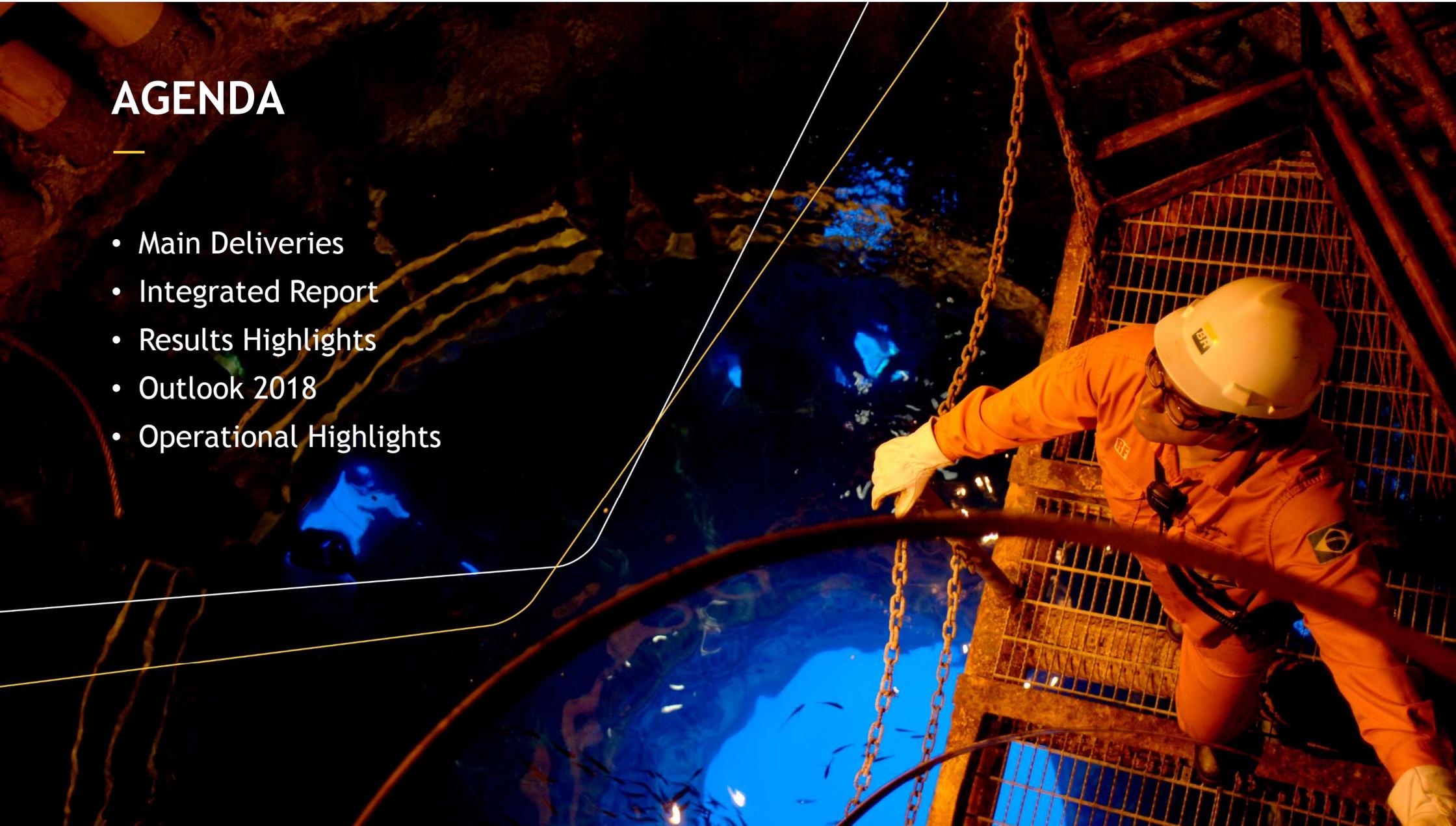
NON-SEC COMPLIANT OIL AND GAS RESERVES:

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.

AGENDA

- Main Deliveries
- Integrated Report
- Results Highlights
- Outlook 2018
- Operational Highlights



MAIN DELIVERIES

Top Metrics

TOTAL RECORDABLE INJURIES - TRI*



NET DEBT/ADJUSTED EBITDA



* Total recordable injuries per million man-hour frequency rate

** Excluding the Class Action agreement



MAIN DELIVERIES



New Dividend Policy

Proposed amendment of the Bylaws



Class Action Agreement

Elimination of relevant uncertainties



Net Result

R\$ 7.09 billion excluding the Class Action agreement



Production

Record production in Brazil for the 4th consecutive year, goal reached for 3 years in a row



Costs

Manageable Operating expenses reduced 10% compared to 2016



Cash Flow

Free Cash Flow of R\$ 44.06 billion, positive for 11 consecutive quarters and 6% higher than the previous year



Partnership and Divestment

US\$ 4.5 billion made in the Partnership and Divestment Program in the biennium 2017-2018



Internal Controls

Eliminate material weaknesses and significant control deficiencies

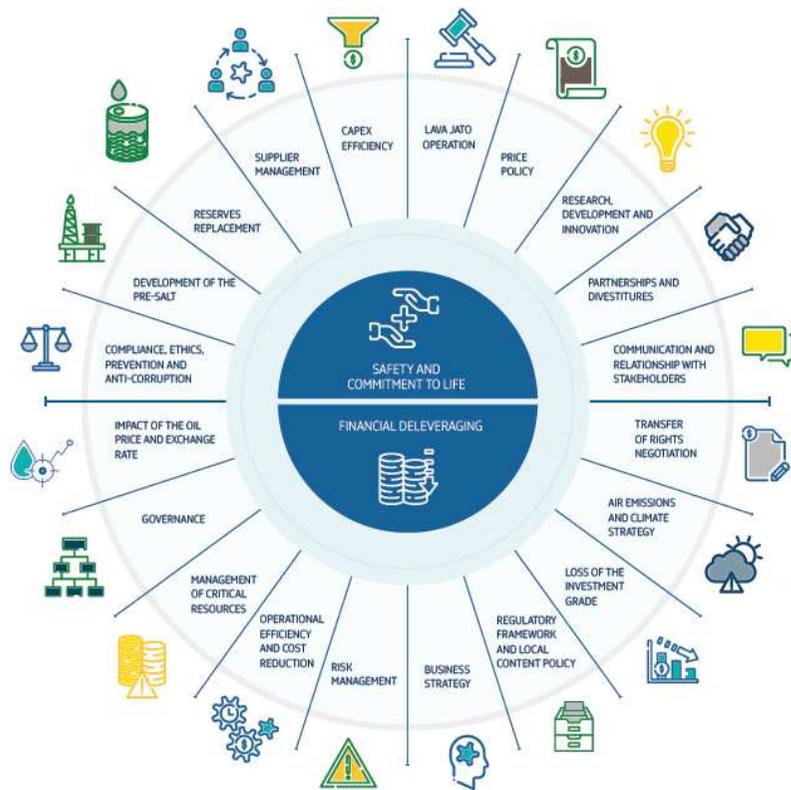


Integrated Report

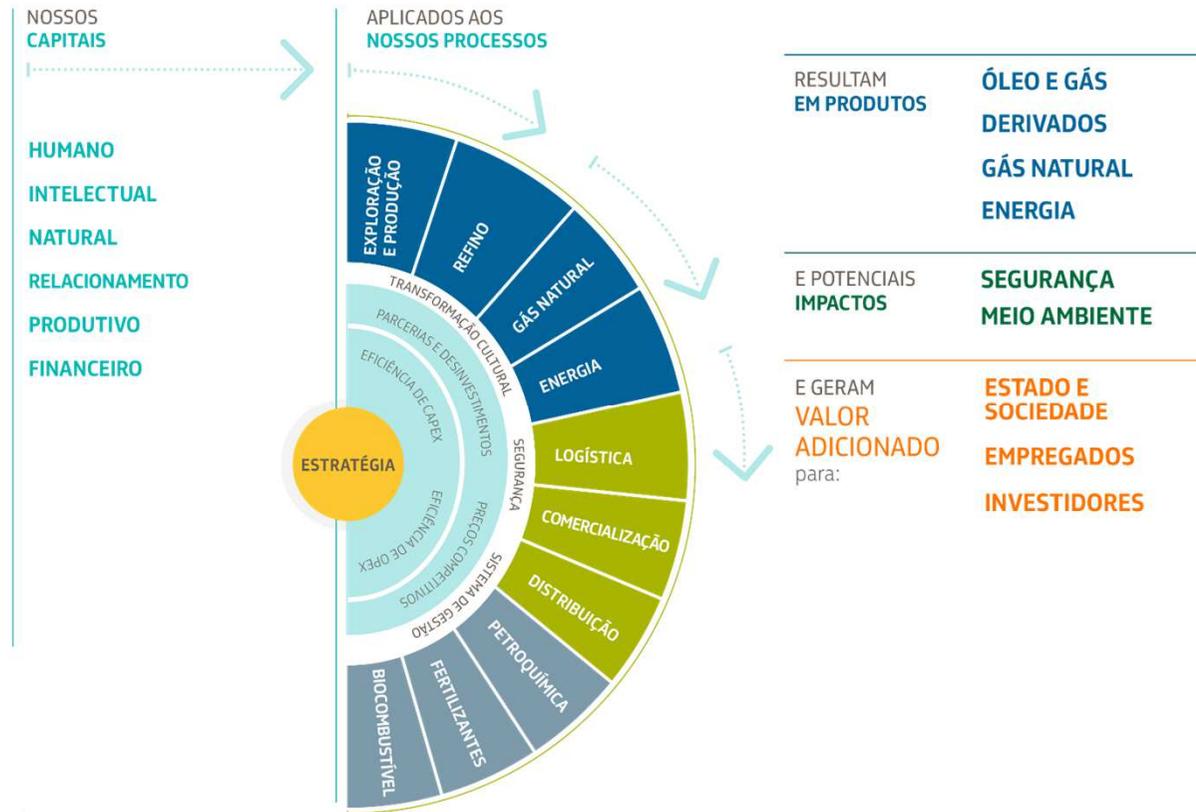
1st Petrobras' Integrated Report, composed of: Annual Report, Sustainability and Financial Statements

INTEGRATED REPORT 2017

MATERIALITY



MODELO DE NEGÓCIOS





INTEGRATED COMPANY WITH A SINGLE SYSTEM OF MANAGEMENT AND CONTROL

EVOLUTION PANEL



Indicators



Initiatives



Indicators by process



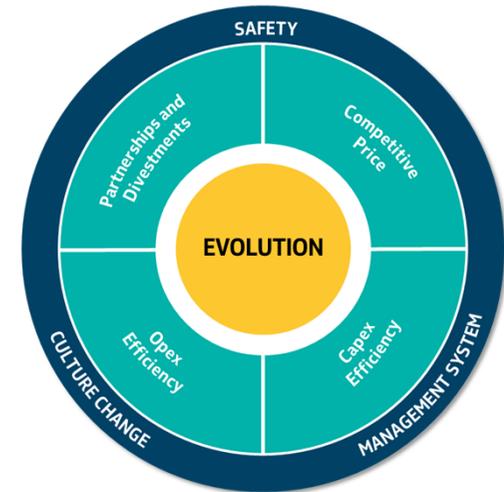
Manageable Operating Costs



Scorecards

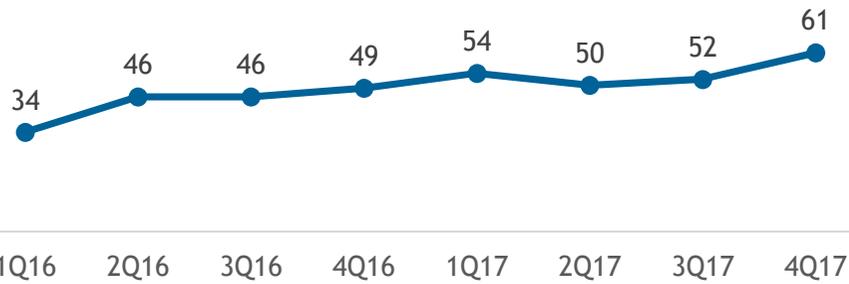


User Manual



HIGHER BRENT PRICES AND APRECIATION OF THE REAL

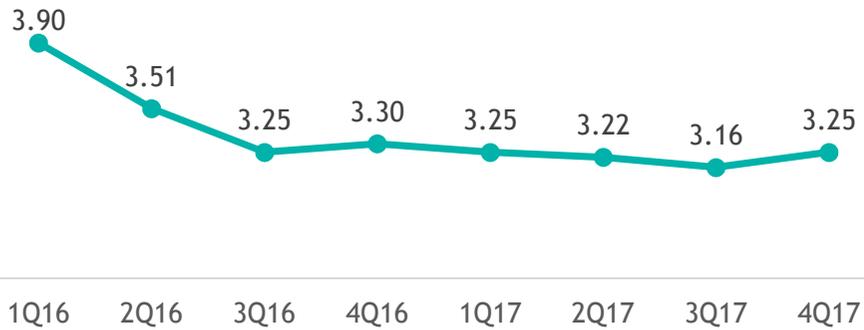
BRENT (US\$/bbl)



US\$ 54.3/bbl

2017 average

FX RATE(R\$/US\$)



3.19

2017 average





FINANCIAL PERFORMANCE 2017

(R\$ billion)

-0.45	NET RESULTS
7.09	NET RESULTS (excluding <i>CLASS ACTION</i>)
76.56	ADJUSTED EBITDA
87.76	ADJUSTED EBITDA (excluding <i>CLASS ACTION</i>)
44.06	FREE CASH FLOW

MAJOR NON-RECURRING ITEMS

CLASS ACTION AGREEMENT

Settlement with US investors of the Class Action

R\$ 11.20 billion*

BRAZILIAN FEDERAL SETTLEMENT PROGRAMS

Discharge of debts with interest reductions, fines and charges and use of tax loss carryforwards

R\$ 10.43 billion

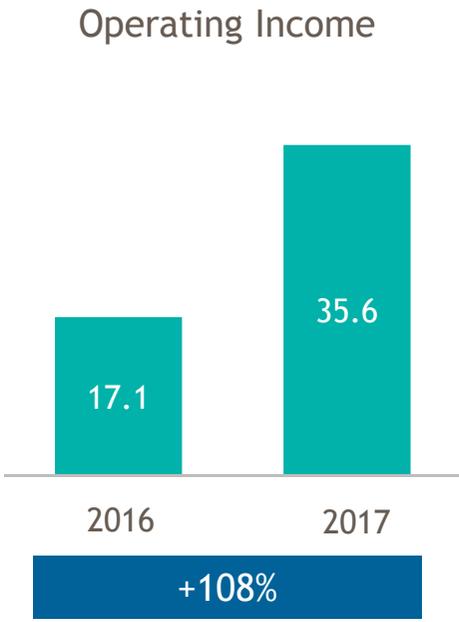
* Tax included





OPERATING INCOME SURPASS NET FINANCE INCOME

(R\$ billion)



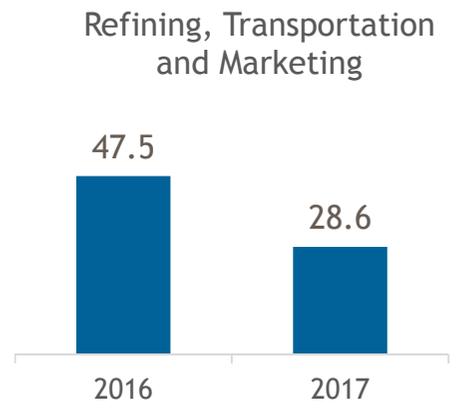
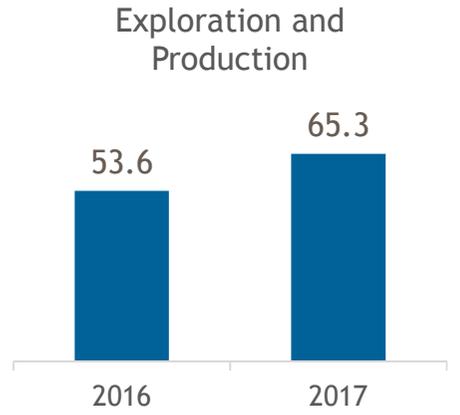
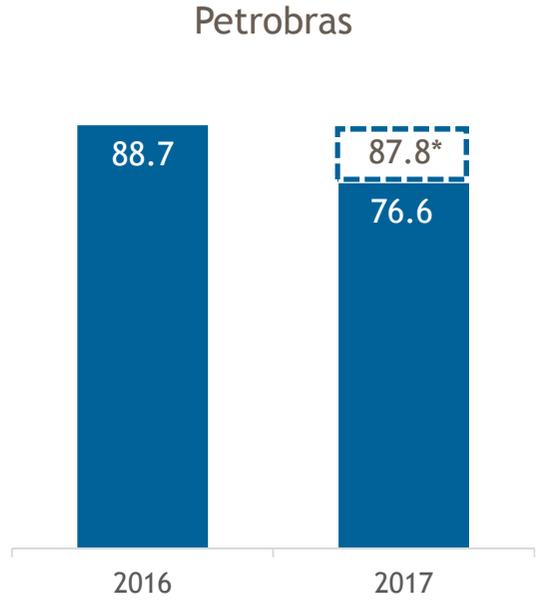
- Lower asset impairment
- Cost Reduction (personnel, write-offs of wells and equipment idleness)
- Higher crude exports at higher prices

Net Finance Income reached R\$ 31.6 billion in 2017

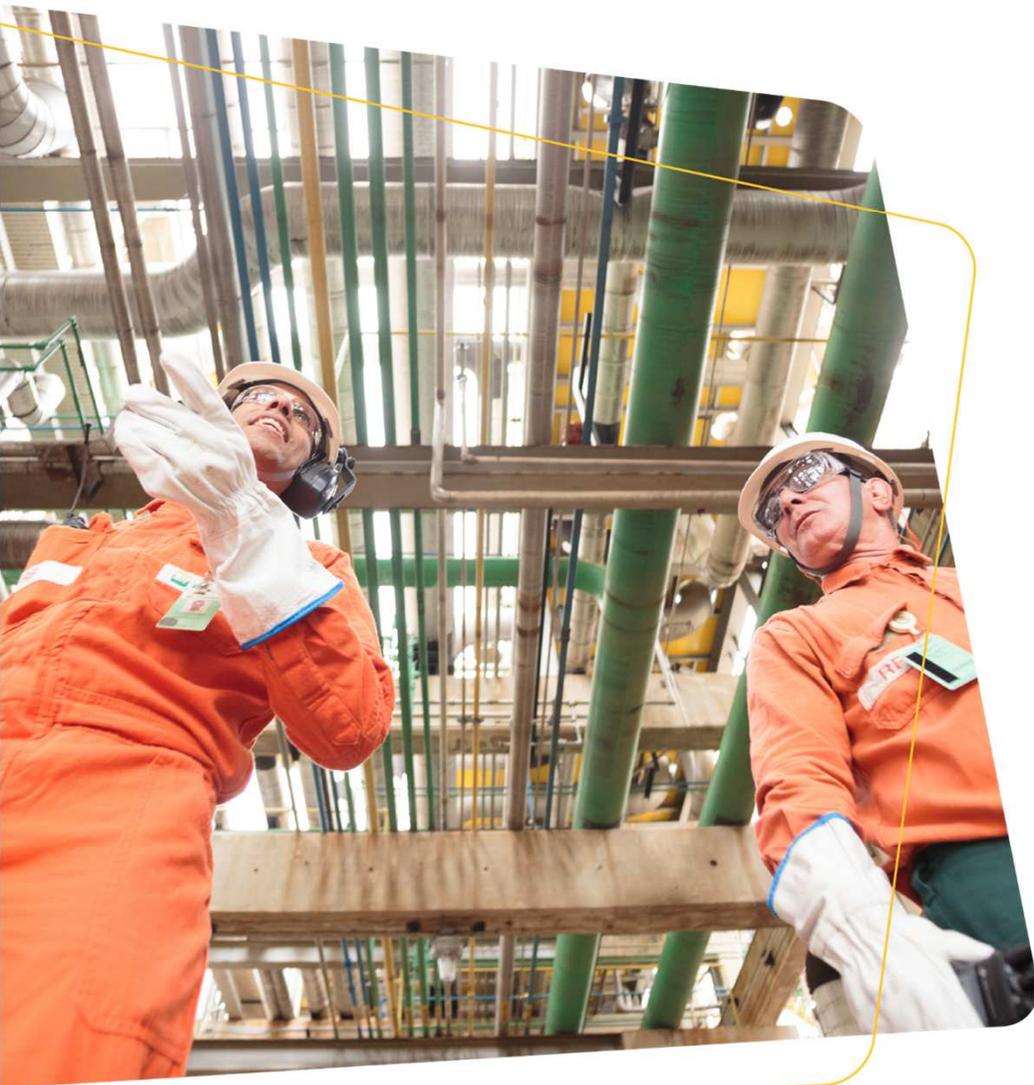


ADJUSTED EBITDA

Adjusted EBITDA evolution
(R\$ billion)

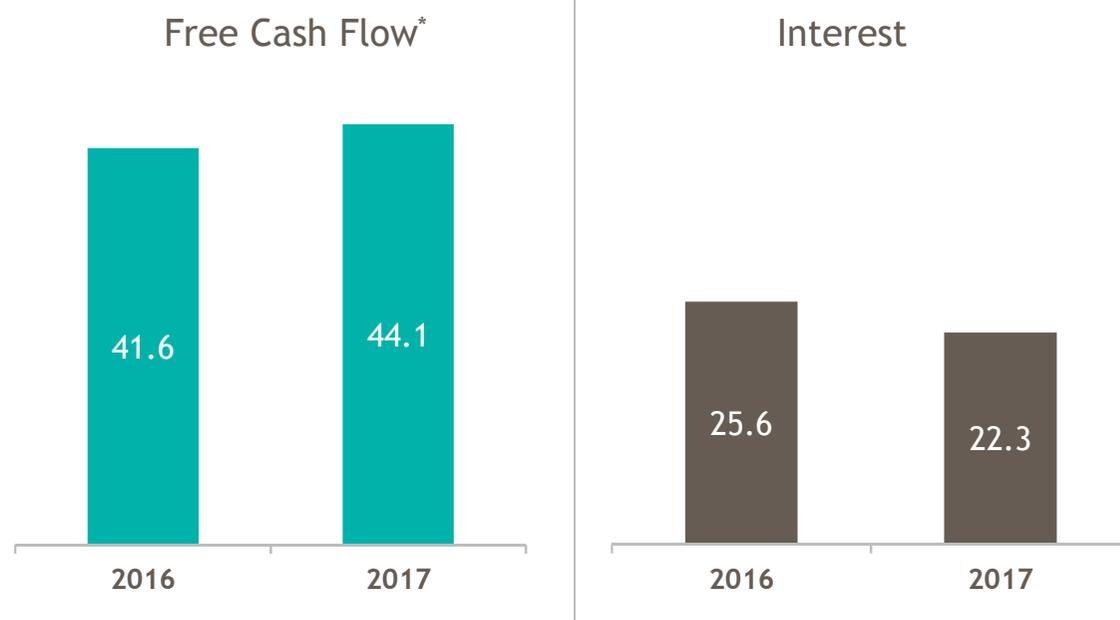


* Adjusted EBITDA excluding the Class Action agreement



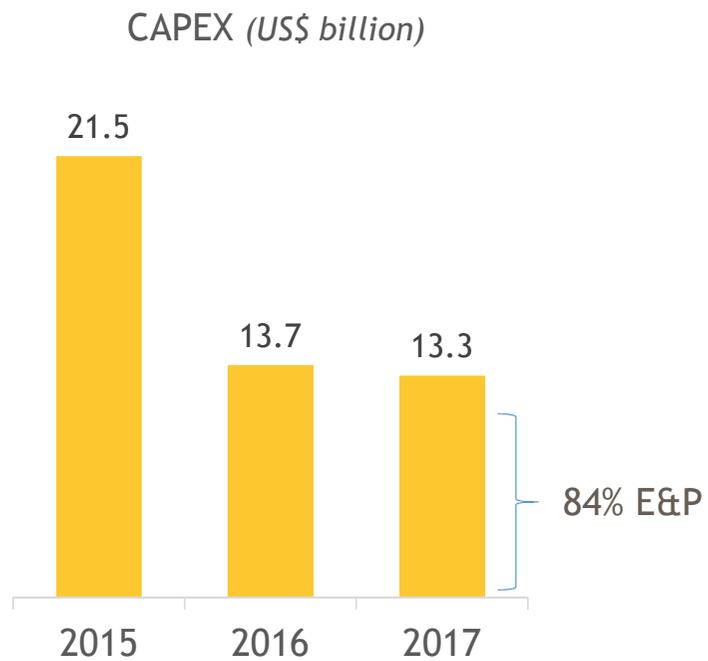
POSITIVE FREE CASH FLOW

(R\$ billion)



*Free Cash Flow to the Firm

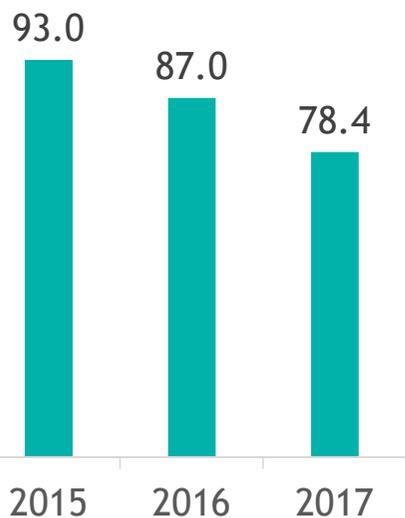
CAPEX OPTIMIZATION



- Efficiency gains in programmed shutdowns and well construction
- Re-planning investments in wells and platforms
- Payment of R\$ 2.9 billion in signing bonus in 4Q2017

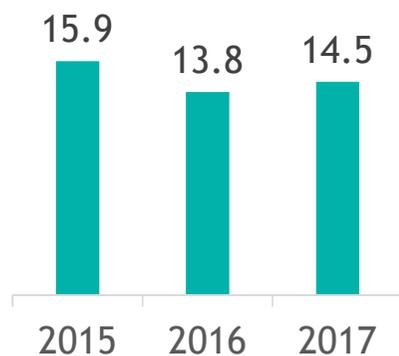
OPERATING EXPENSES EVOLUTION

Manageable
Operating Costs
(R\$ billion)



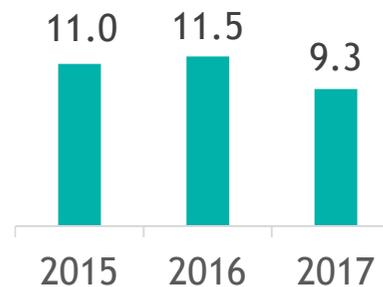
-10%
between 2016 e 2017

Sales Expenses
(R\$ billion)



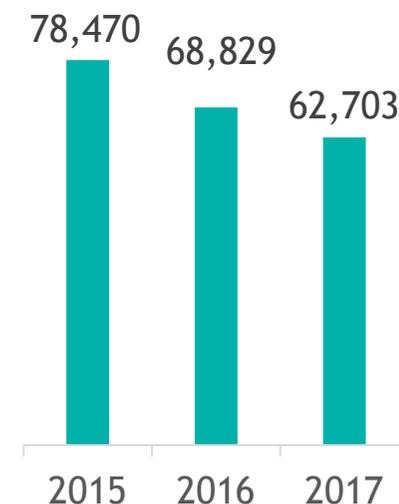
+5%
between 2016 e 2017

General and
Administrative
Expenses
(R\$ billion)



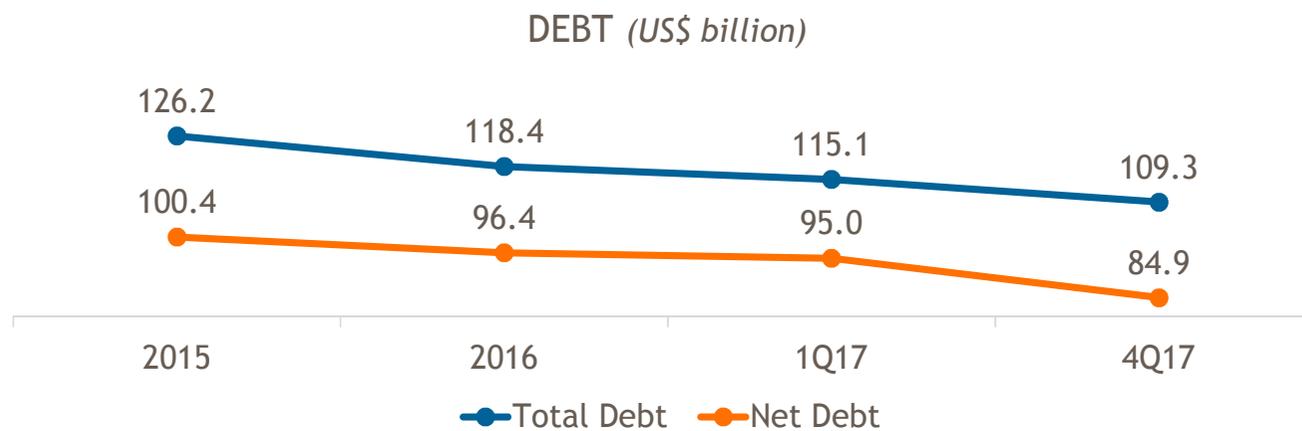
-19%
between 2016 e 2017

Workforce



-9%
between 2016 e 2017

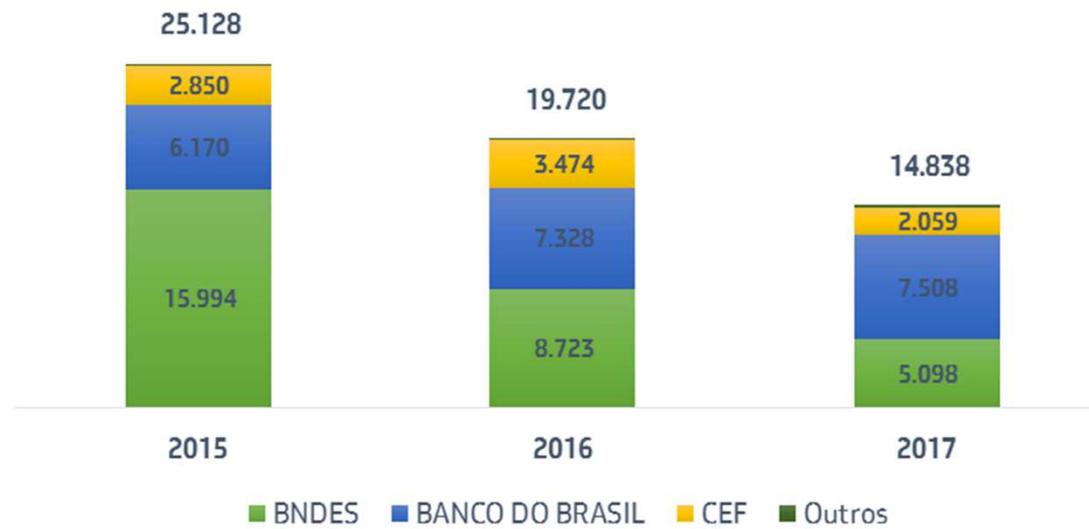
DEBT REDUCTION



	1Q17	4Q17
Average interest rate (% p.y.)	6.2	6.1
Average Duration (years)	7.61	8.62
Leverage (%)	54	51

EXPOSURE TO PUBLIC INSTITUTIONS

Exposure - Public Institutions(USD MM)



LIABILITY MANAGEMENT

(US\$ billion)

AMORTIZATION SCHEDULE



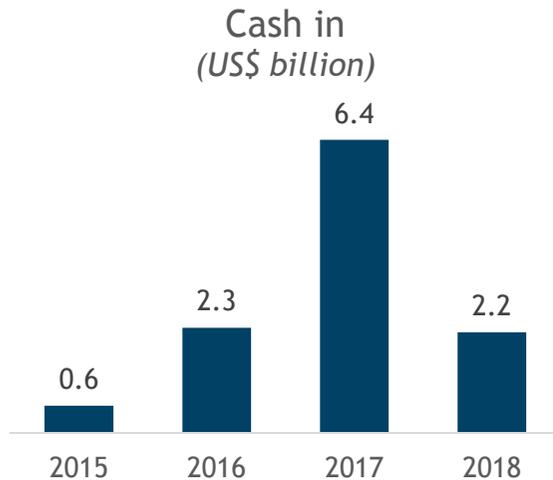
+ Revolving Credit Facility of US\$ 4.35 billion in March 2018



PARTNERSHIPS AND DIVESTMENTS IN PROGRESS

Target maintained for 2017-2018

REALIZATIONS



Received:
US\$ 11.6 billion

To receive:
US\$ 5.7 billion

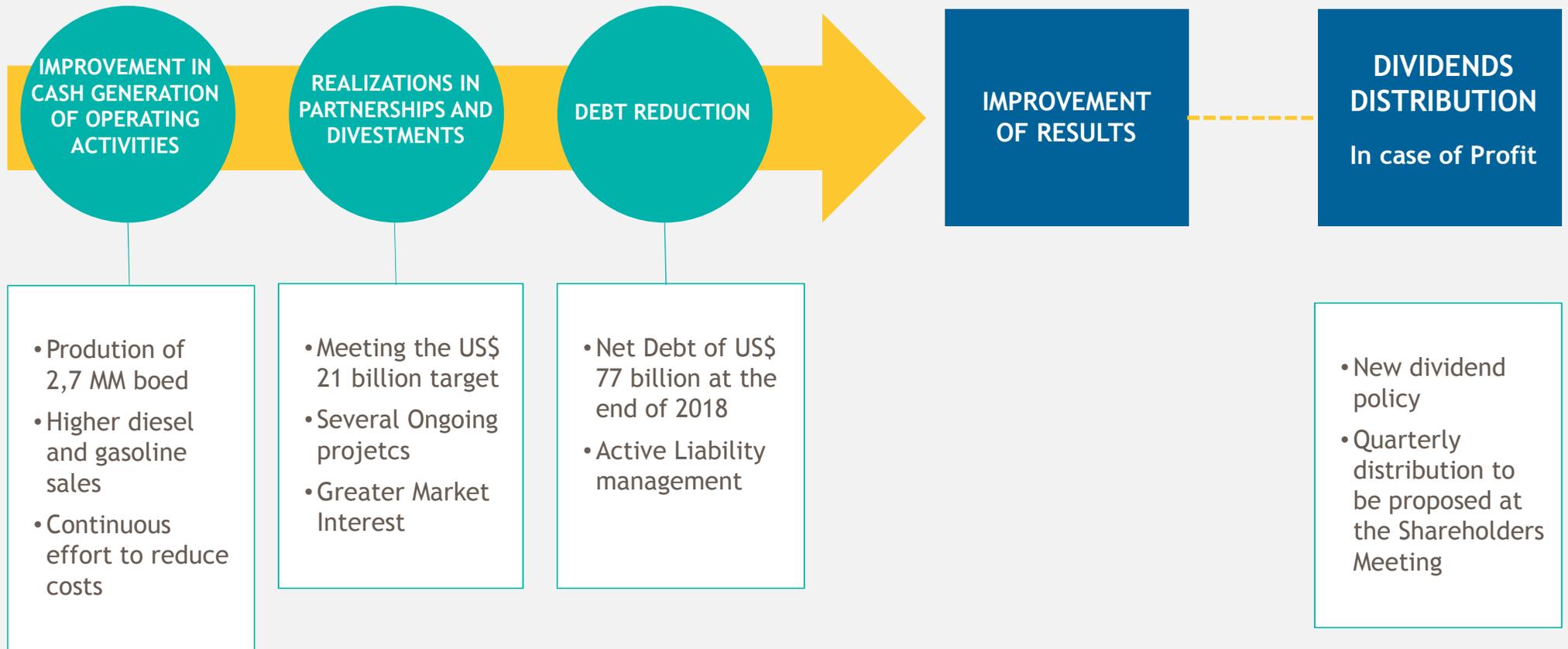
COMPETITIVE PROCESSES

- 71 Onshore fields
- 33 shallow water fields
- 3 deep water fields
- Distribution in Paraguay
- North/Northeast pipelines
- Fertilizer Units
- POG BV (Africa)
- Pasadena Refinery
- BSBios

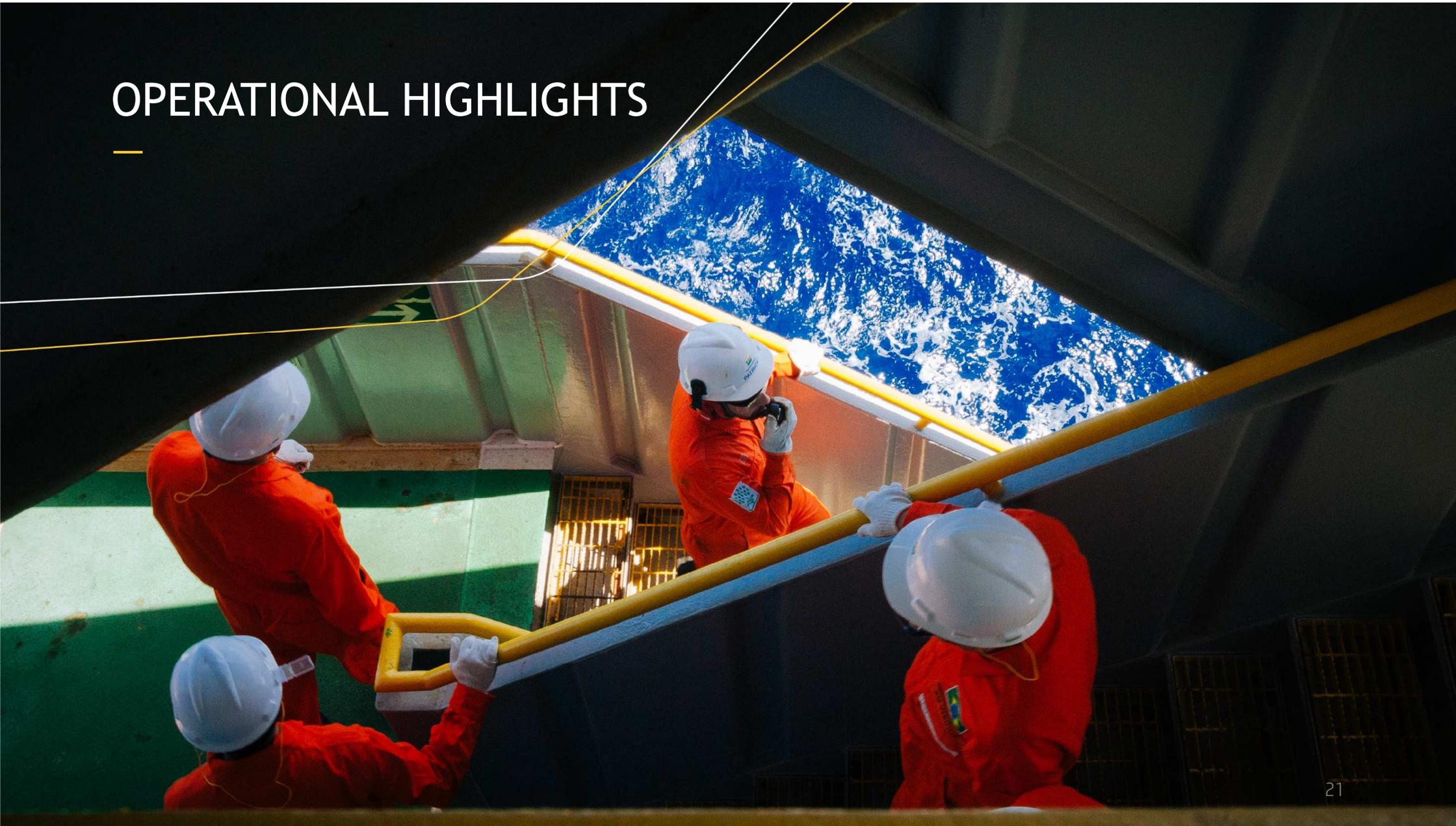
STRATEGIC PARTNERSHIPS



OUTLOOK FOR 2018



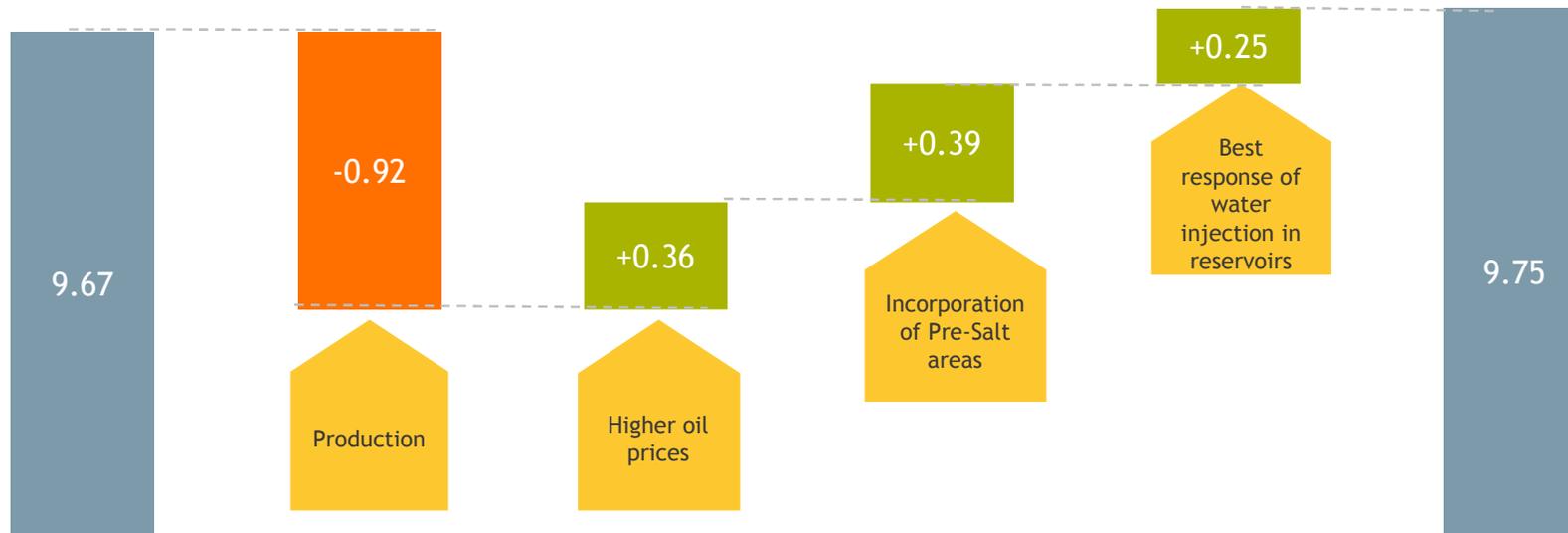
OPERATIONAL HIGHLIGHTS



RESERVE REPLACEMENT EXCEEDED THE PRODUCTION

Maintenance of reserve / production index

Variation in proved oil and natural gas reserves
(Bi boe, SEC criteria)



RESERVE
REPLACEMENT RATIO
109%

R/P 10.5 years

10.6 years

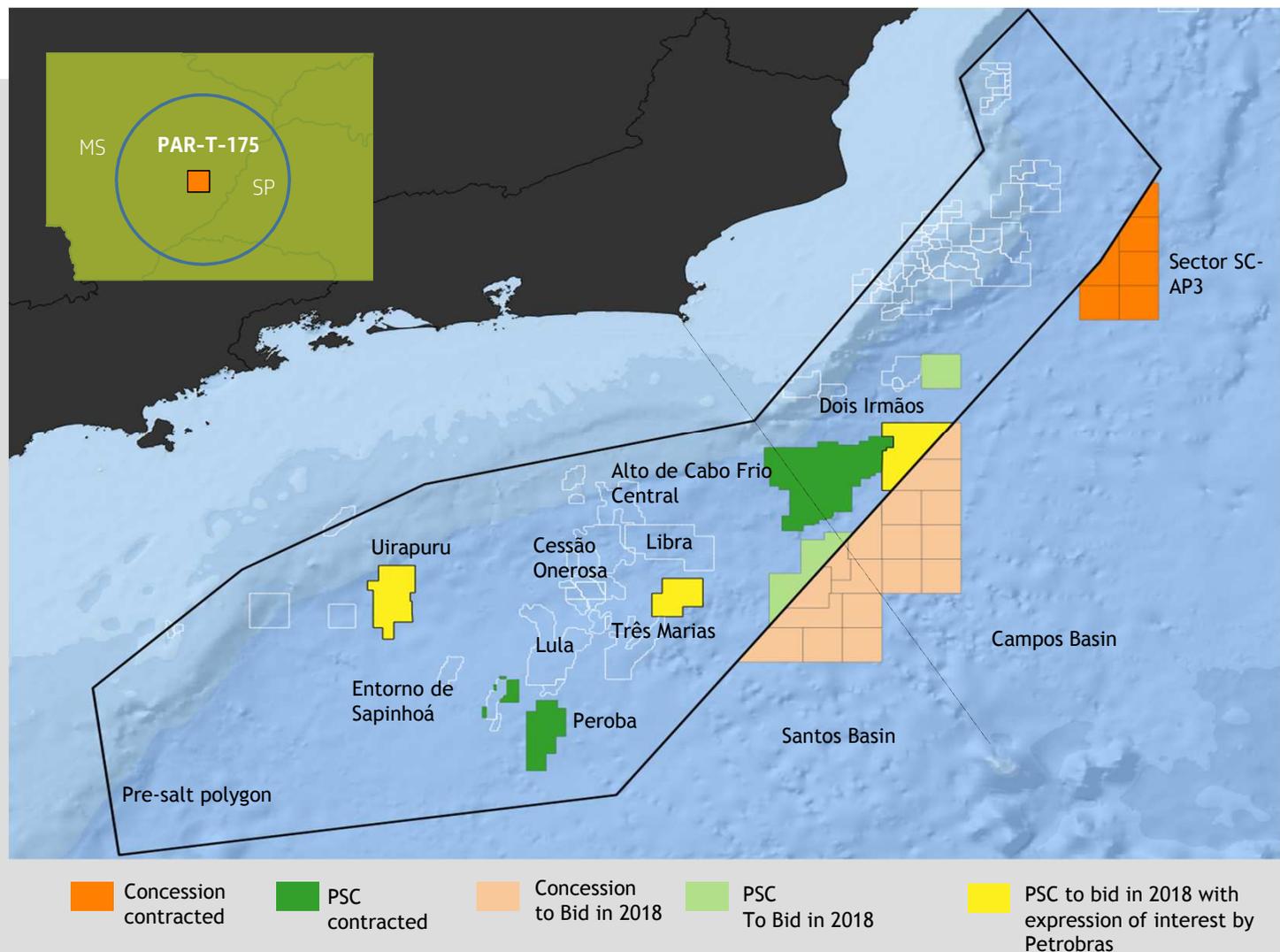
SELECTIVE ACQUISITION OF NEW EXPLORATORY AREAS

2017

- Strategic partnerships
- Investment of R\$ 2.9 billion in the acquisition of 10 new exploration blocks in 2017
- Expression of interest for three areas of the 4th Round of PSC

2018

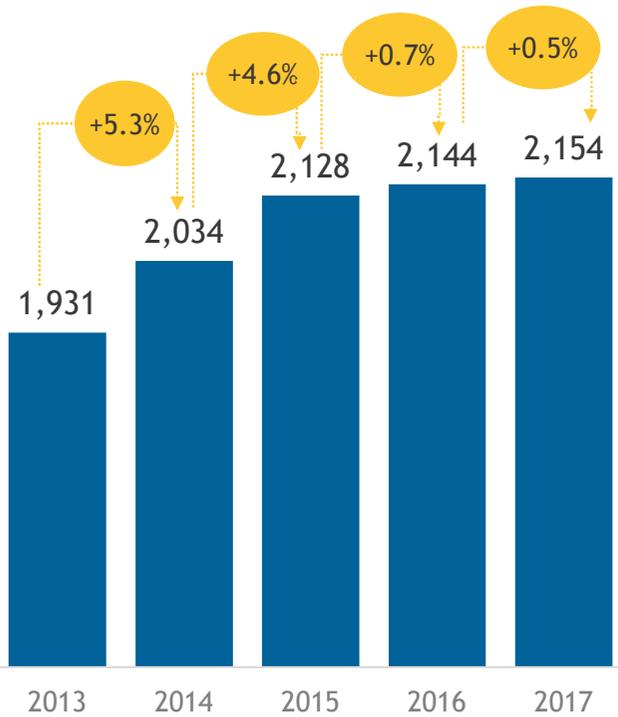
- Beginning in 2018 of the seismic activities in the blocks acquired in 2017
- 17% increase in exploration area



RECORDS FOR PRODUCTION AND GAS AVAILABILITY

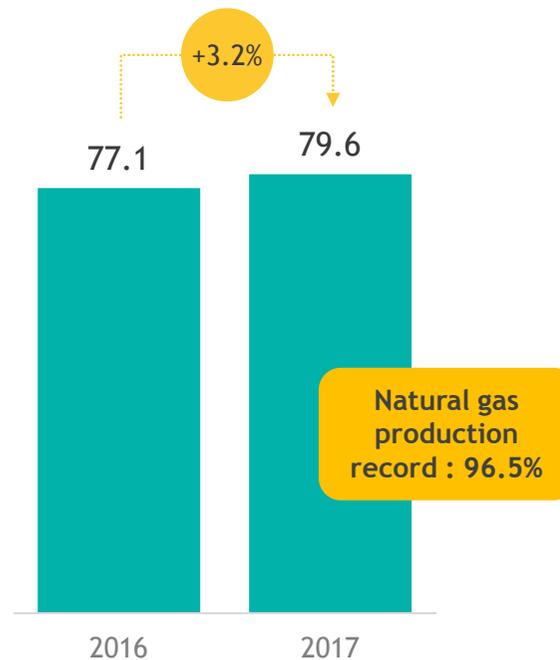
E&P SUSTAINED GROWTH

Oil production record in Brazil for the 4^o year in a row (thousand bpd)



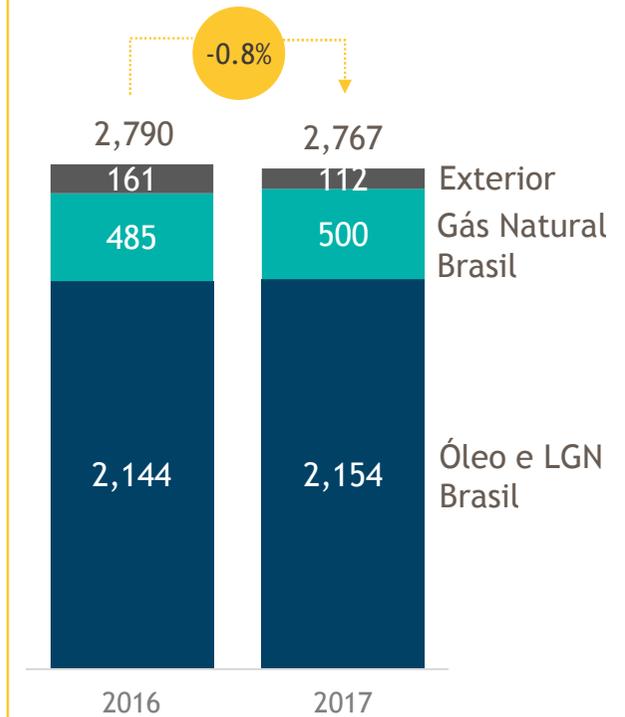
HIGHER EFFICIENCY IN GAS AVAILABILITY

Natural gas production record in Brazil (Million m³)

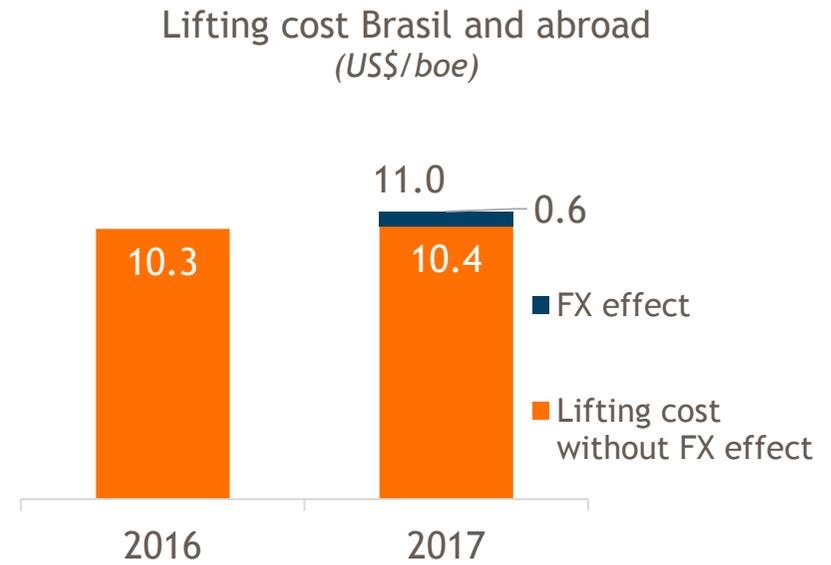
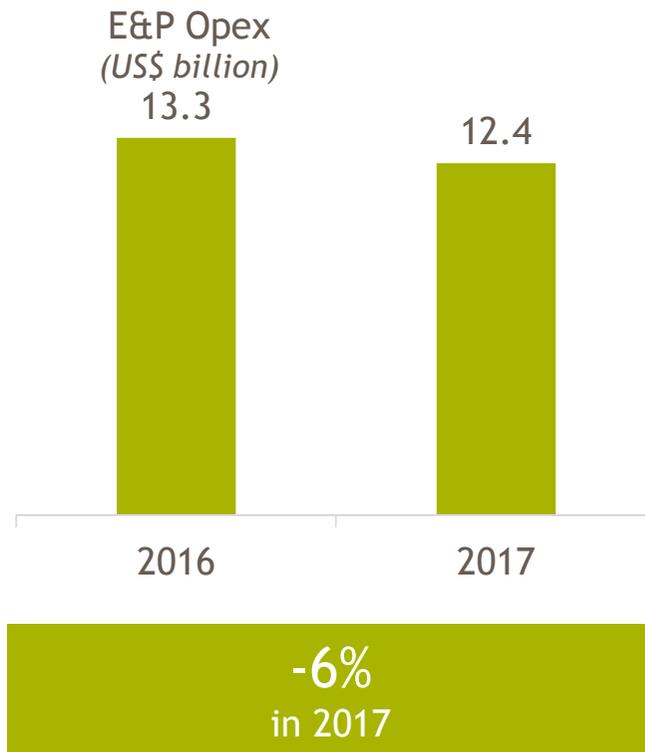


PREVISIBILITY

Oil and Natural gas production (thousand boed)



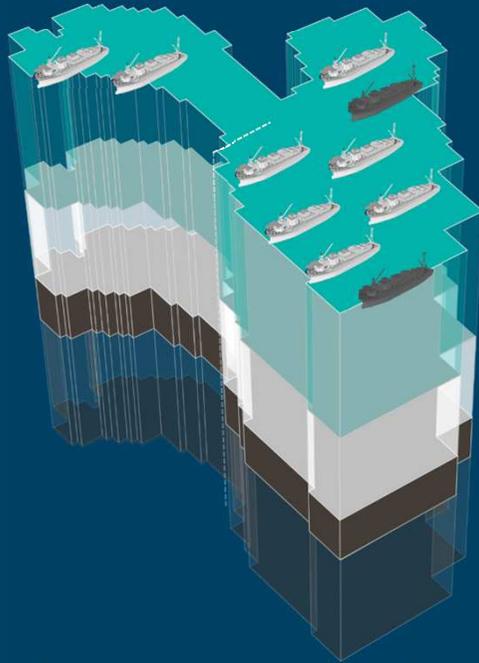
OPEX REDUCTION IN E&P



ADVANCED STAGE IN THE DEVELOPMENT OF THE MAJOR PRE-SALT FIELDS

Lula and Cernambi Concession

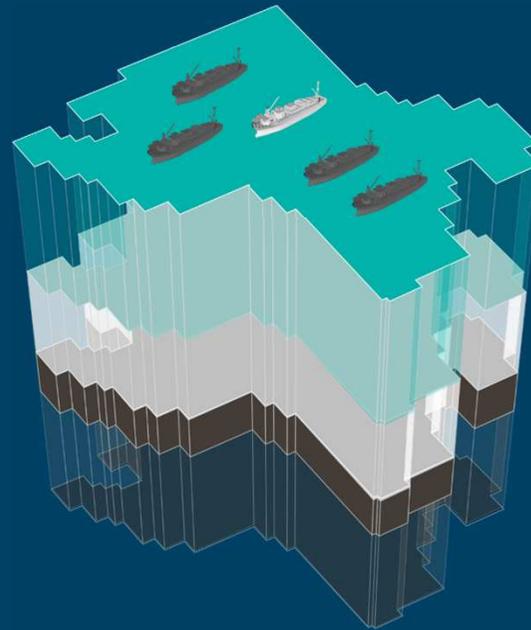
Two last platforms, P-67 and P-69, to be installed in 2018



Búzios

Cessão Onerosa

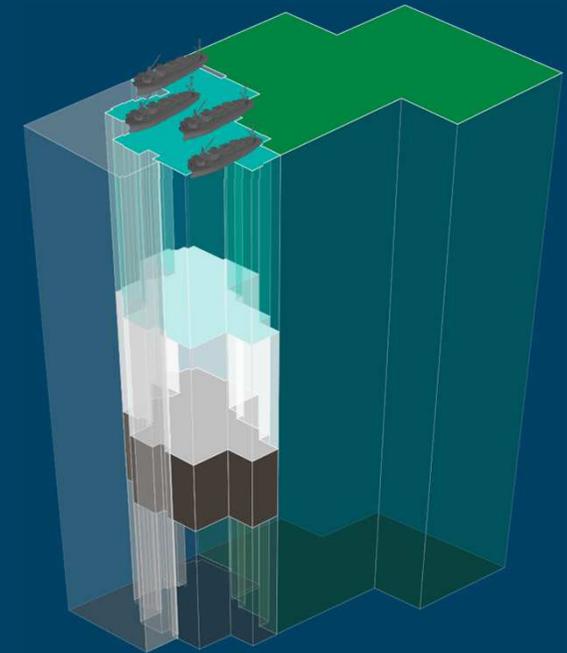
First oil in 2018, with P-74, which is on location



Mero

Partilha

The first unit, FPSO Guanabara, has been contracted



 On location

 Under construction/ Under planning

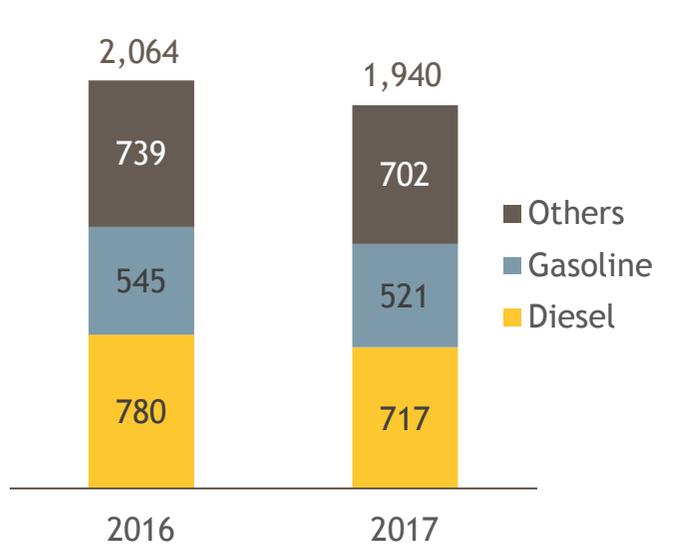
LOWER RISK FOR THE NEW PRODUCTION SYSTEMS START-UP

- **P-74 on location:** the FPSO arrived on Buzios Field and should start-up in the first semester.
- **Tartaruga Verde e Mestiça:** under prepare for pre-mooring of FPSO Campo dos Goytacazes on location.
- **Advancement of FPSOs integration activities and pre-mooring:** units with production start-up forecasted for 2018.
- **Mero and Sépia FPSOs contracted:** units with production start-up forecasted to 2021.
- **Begginig on contracting process for chartering of production systems for Parque das Baleias integrated Project and for the 2nd Mero system:** units with production start-up forecasted to 2021 and 2022, respectively.

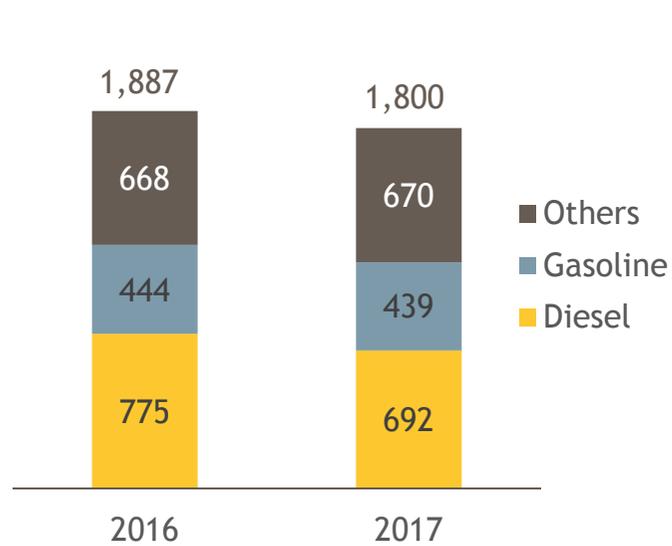


LOWER OIL PRODUCTS SALES IN THE ACCUMULATED COMPARISON

Sales Volume
(kbbbl/day)*



Oil Products Production
(kbbbl/day)*



Participation of domestic oil in the processed feedstock (%)



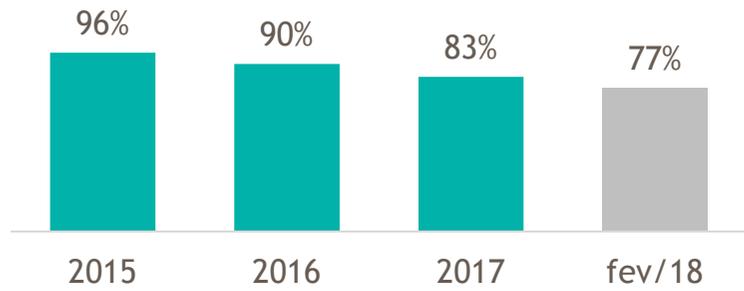
Refining Plants Operational Availability (%)



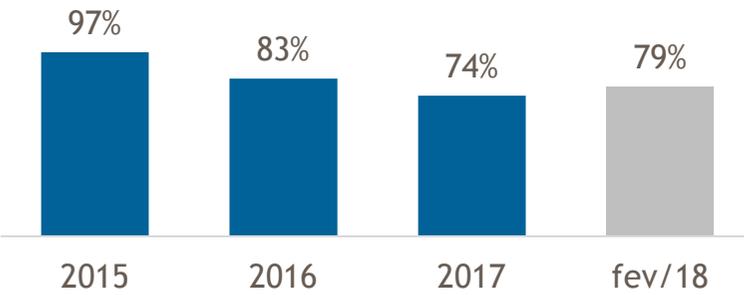
*Includes BR Distribuidora

MARKET SHARE EVOLUTION

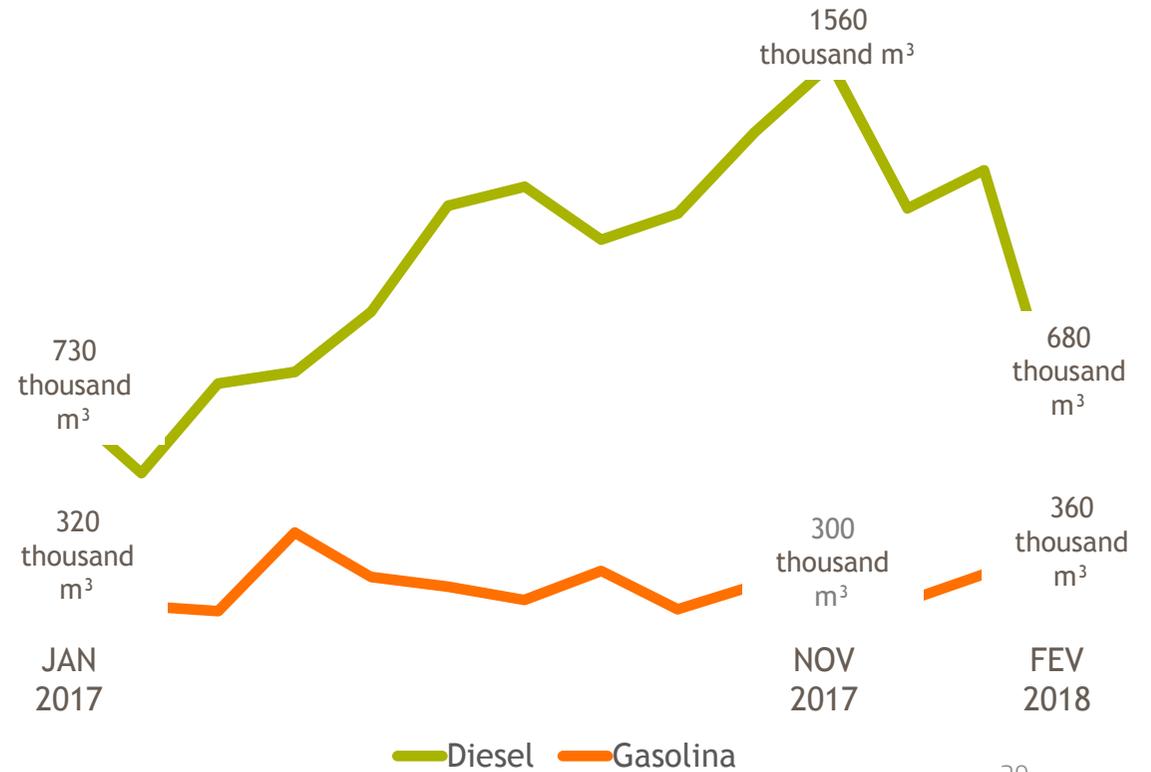
Gasoline



Diesel



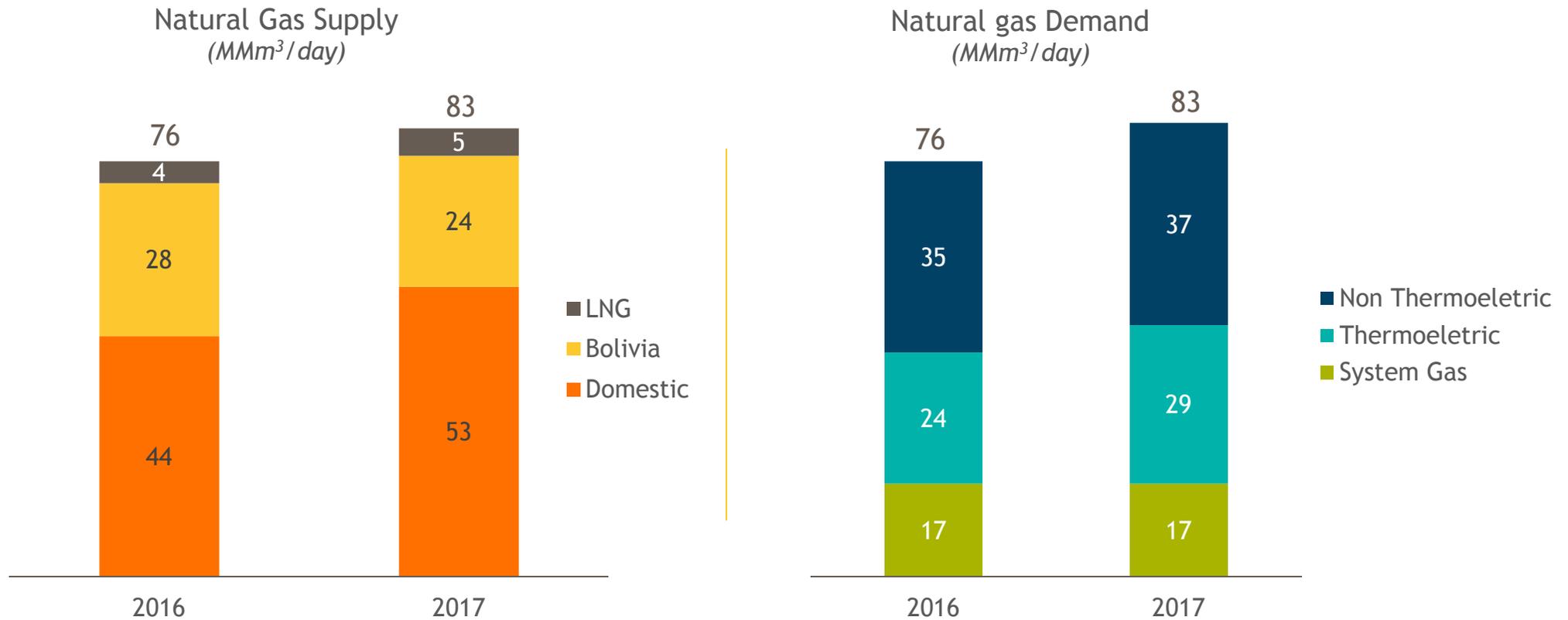
Third-party imports



EXPORTS OF 669 KBPD OF OIL AND OIL PRODUCTS IN 2017, A NET BALANCE OF 362 KBPD



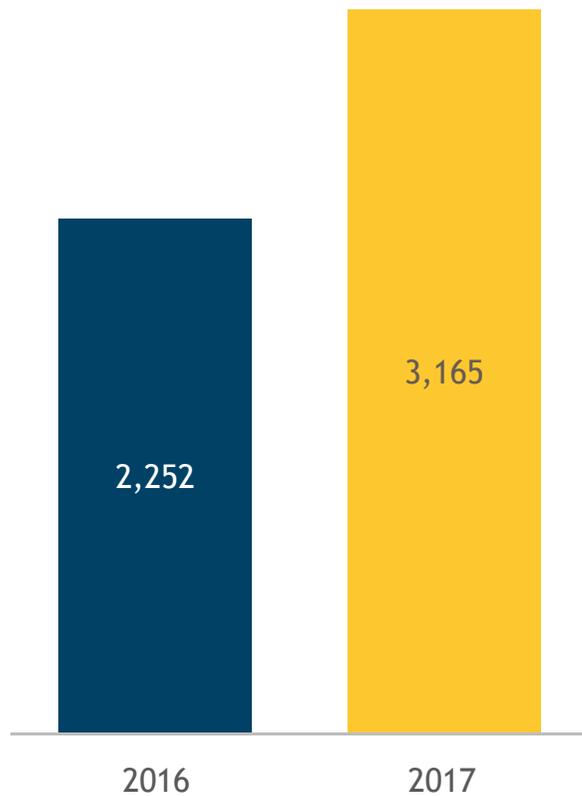
NATURAL GAS SUPPLY AND DEMAND



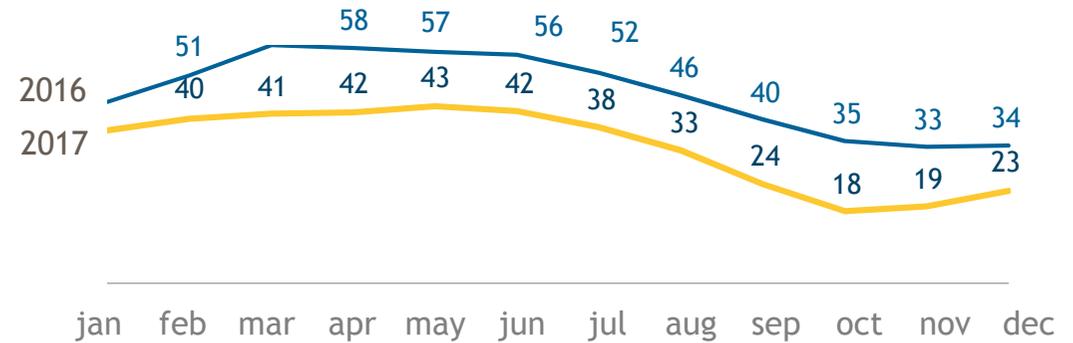
*Includes BR Distribuidora

HIGHER THERMOELECTRIC GENERATION

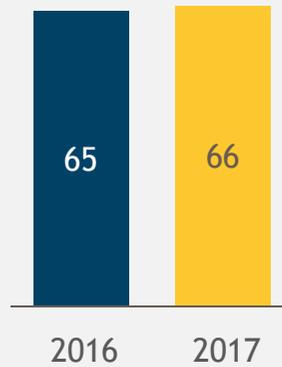
Petrobras Thermolectric Generation
(Average MW)



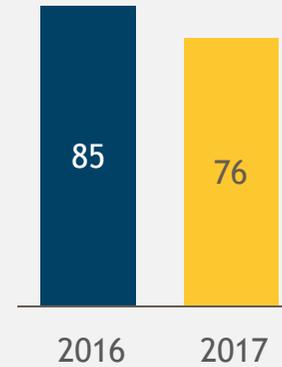
Reservoir Level SIN (%)



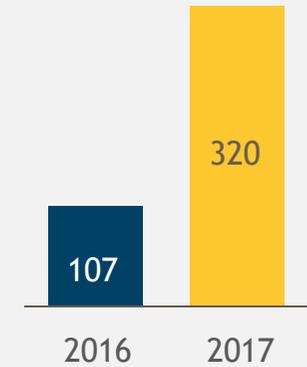
Charge SIN
(Average GW)



Hydrology SIN
(%MLT)



Southeast Spot Price
(R\$/MWh)





Results Annoucement 2017

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