



PETROBRAS

Investment Opportunity in Deep Water Fields in Campos Basin, Brazil

April 2018



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Overview

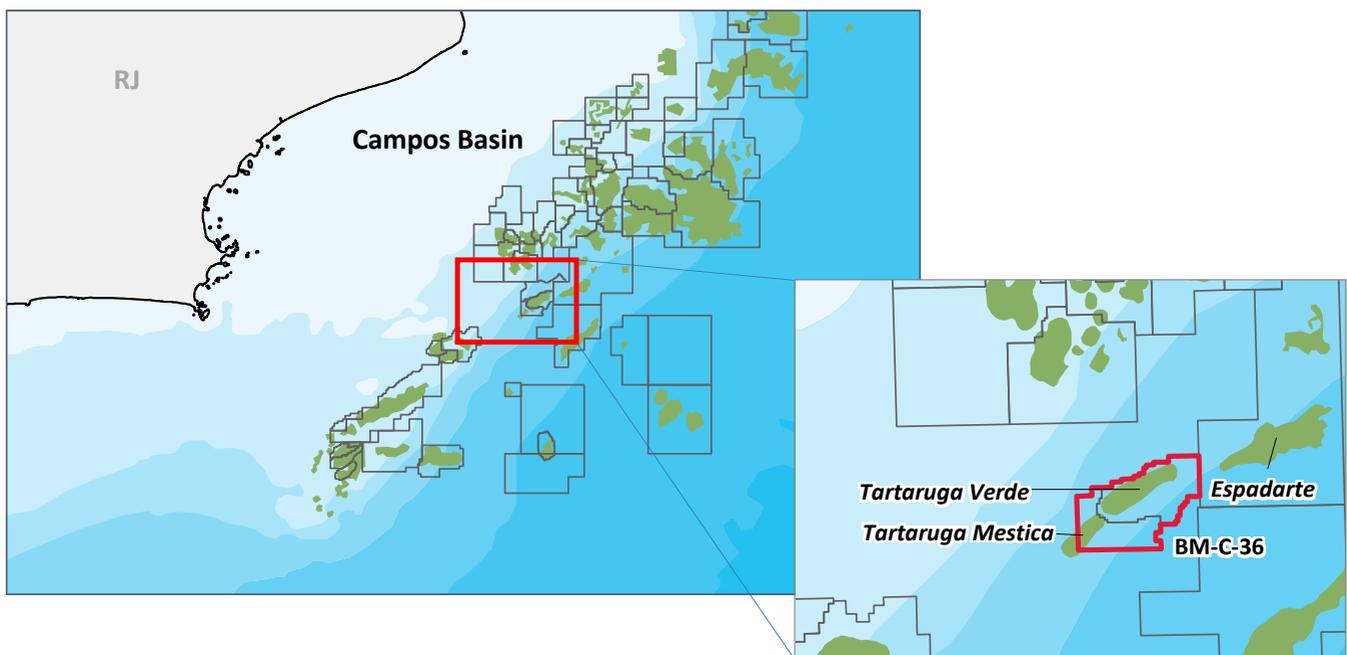
Petróleo Brasileiro S.A. (“Petrobras”) is undertaking a process (the “Process”) to assign a 50% non-operated working interest in Tartaruga Verde field (BM-C-36 concession) and Module III of Espadarte field, both deep water offshore exploration and production assets located in the Campos Basin, Brazil (the “Potential Transaction”).

<u>Concession</u>	<u>Field</u>	<u>Water Depth (m)</u>	<u>Petrobras WI</u>	<u>WI Available</u>	<u>Operatorship</u>
BM-C-36 (Campos Basin)	Tartaruga Verde	700 – 1,100	100%	50%	Petrobras
Espadarte (Campos Basin)	Espadarte Module III	1,240 – 1,620	100%	50%	Petrobras

Tartaruga Verde Field (BM-C-36)

- Petrobras has a 100% working interest in the BM-C-36 concession located in the Campos Basin which consists of two offshore deep water reservoirs under development: Tartaruga Verde (100% Petrobras) and Tartaruga Mestiça (69.35% Petrobras).
 - A portion of Tartaruga Mestiça extends outside the BM-C-36 concession, therefore a unitization is established through a Production Individualization Agreement (“AIP”⁽¹⁾). Currently, Pré-Sal Petróleo S.A. (“PPSA”) owns 30.65% corresponding to that portion and Petrobras holds the remaining 69.35% within the concession. A redetermination process is ongoing.
- First oil expected in 2Q 2018 with peak production reaching over 100,000 bbl/d in 2019.
- Development plan consists of a dedicated FPSO (Cidade de Campos dos Goytacazes MV-29, chartered from MODEC) connected to subsea wells (oil producers and water injectors), and a 29 km flexible pipeline that will connect to the Campos Basin gas grid.
 - Physical project development to date of 72% (as of December 2017).

Location Map – Tartaruga Verde Field (BM-C-36)



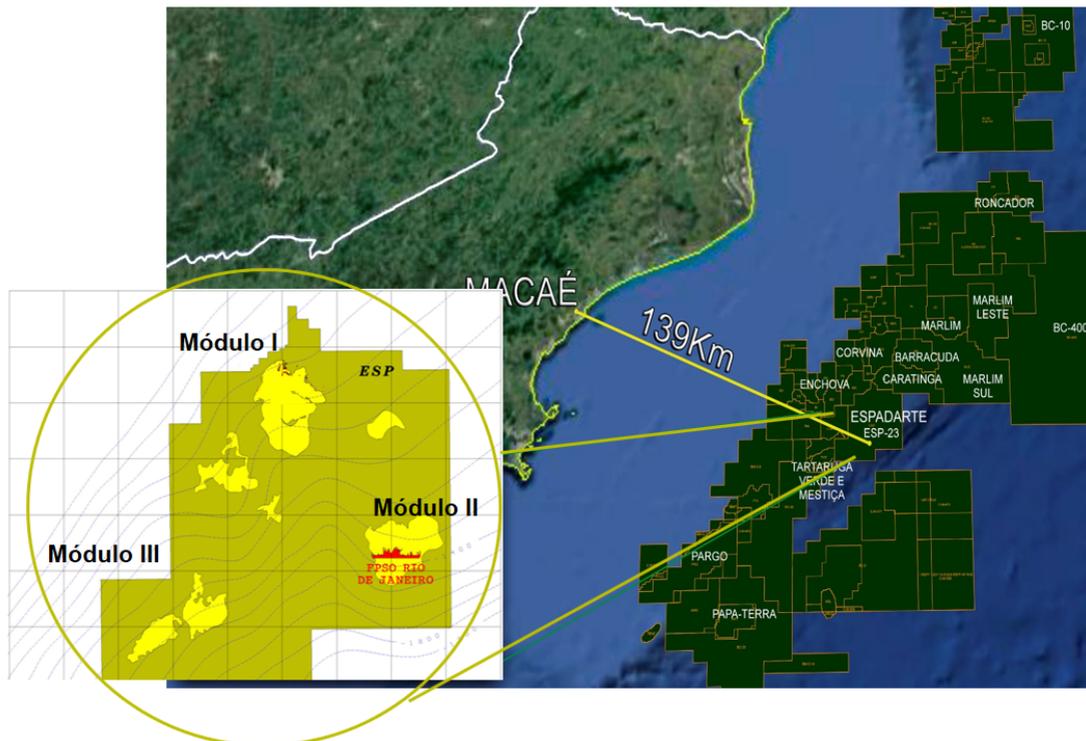
(1) Acordo de Individualização da Produção

Overview (Cont'd)

Espadarte Module III

- Espadarte Module III development considered as a separate tie-back development to BM-C-36 concession whereby one well would be connected to the same FPSO that handles production from Tartaruga Verde.
 - The well has already been drilled and completed and will be placed on production by using a multi-phase pumping method on a mudline SKID.
- First oil expected in 1Q 2021 with peak production reaching 10,500 bbl/d.

Location Map – Espadarte Module III



Investment Highlights

- Ability to gain a 50% non-operated working interest in one of the most attractive developments in the Campos Basin, with experienced deep water operator (Petrobras).
- Tartaruga Verde (albian carbonate) reservoir already produced through 5 extended well tests (EWT) reaching over 12,000 bbl/d per well.
- BM-C-36 and Espadarte Module III development plan based on a 150,000 bbl/d processing capacity FPSO.
- Tartaruga Verde development significantly de-risked with over 16 wells drilled (11 will be used for development plan) and 7 completed and 3-D seismic which covers entire BM-C-36 area.
- Attractive, low-risk, high productivity Tartaruga Verde field development offers substantial cash flow with modest remaining capital investment and significant upside through Espadarte Module III development potential.

Criteria for Eligibility of Potential Assignees

1. In order to participate in the Process, the potential assignee must meet the following criteria (“Eligibility Criteria”):
 - 1.1 Currently be qualified by the Agência Nacional do Petróleo Gás Natural e Biocombustíveis (“ANP”) as a concessionaire Non-Operator, according to ANP’s Tender Protocol for Award of Exploration and Production Activities of Oil and Natural Gas Under the Concession Regime – 15th Bidding Round (“ANP’s Protocol”)¹ or;
 - 1.2 In the event that the potential assignee is currently not a concessionaire, the assignee must declare (as per a declaration statement of Non-Operator to be supplied by Petrobras): (i) that it is aware of ANP’s qualification process¹ and (ii) that it meets the most recent ANP requirements to be classified as Non-Operator (“Declaration of Non-Operator”).
 - 1.3 The prospective assignee must have at least R\$ 152 million of net assets.
 - 1.4 If the potential assignee, for any reason, intends to partner with a financial sponsor, it must provide: (i) a letter from this financial sponsor partner stating that it will finance the Potential Transaction; and (ii) proof that the financial sponsor is responsible for at least US\$1 billion in Assets Under Management.
2. Potential assignee is allowed to form a consortium with an independent party or parties to participate in this Process.
 - 2.1 In this case, the potential assignee will be required to inform Petrobras, in writing, of such intention and the independent party or parties will be required to sign a separate Confidentiality Agreement and Compliance Certificate as set forth in item 6 below, and it shall meet the requirements set forth in items 3 and 4 below.
 - 2.2 Independent party or parties will be allowed to participate in the Process together with the initial potential assignee, considering that, for all purposes and intents of this Process, the initial potential assignee and such independent party shall be treated as one potential assignee.
3. Neither the potential assignee nor any of its affiliates may:
 - (A) Be subject to or be owned or controlled by a person or entity subject to any (i) sanctions, (ii) regulations, (iii) embargoes or (iv) restrictive measures, all related to E&P activities on offshore fields (“Sanctioned Person”), which have been enacted, imposed or enforced 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 and Brazil, as well as their respective institutions and government agencies in any of the countries mentioned.
 - (B) Be located, have been incorporated in or are resident in a country subject to (i) sanctions, (ii) regulations, (iii) embargoes or (iv) restrictive measures, all related to E&P activities on onshore/offshore fields (“Sanctioned Country”), which have been enacted, imposed or enforced 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 and Brazil, as well as their respective institutions and government agencies in any of the countries mentioned.
 - (C) Have any commercial affiliation or business with, or investments in, any Sanctioned Country or Sanctioned Person.

(1) The guideline can be found in the following link: <http://rodadas.anp.gov.br/en/15th-bidding-round/tender-protocol>

Criteria for Eligibility of Potential Assignees (Cont'd)

4. In addition, the potential assignee and its affiliates must not be included in any of the following restrictive lists:

(A) "National Register of Unidentified, Suspended and Punished Companies". "Cadastro Nacional de Empresas Inidôneas e Suspensas" (Ceis) (Available at: <http://www.portaldatransparencia.gov.br/ceis>);

(B) "Companies prevented from trading with Petrobras". "Empresas impedidas de transacionar com a Petrobras" (Available at: <http://transparencia.petrobras.com.br/licitacoes-contratos>).

4.1 Should a potential assignee, or any of its affiliates, be included in the abovementioned lists or fail to meet any of the abovementioned criteria the potential assignee will be eliminated from this process.

5. Additionally, by participating in the Process, the potential assignee agrees not to take any action, or fail to take action, that may violate any applicable laws, including but not limited to the US Foreign Corrupt Practices Act, the UK Bribery Act and Brazilian anti-corruption laws (especially Federal Law 12846/2013) and the principles outlined in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, adopted within the framework of the Organization for Economic Co-operation and Development ("Anti-Corruption Law").

6. In order to assume that it meets the requirements above, to participate in the Process, the potential assignee must sign a Compliance Certificate, in the strict terms of the model to be supplied by Petrobras, in order to represent and warrant that neither the potential assignee nor its affiliates are subject to any kind of sanction and comply with the requirements set forth in the item 3 above.

6.1 The accuracy of this statement and the fulfillment of the above requirements will be verified by Petrobras after the assumption of the confidentiality obligations required to participate in this Process.

7. All the qualifications and regulatory requirements necessary for the assignment of the Concession Contract with ANP are the exclusive responsibility of the potential assignee (and of all consortium parties, if applicable).

The Process

- Interested parties, who meet the “Criteria for Eligibility of Potential Assignees”, should contact the project e-mail address below to express their interest in the opportunity by **April 17, 2018** in order to receive the required documents to participate in the Process: (i) Confidentiality Agreement; (ii) Declaration of Non-Operator; and (iii) Compliance Certificate.
 - At the request of Petrobras, the potential assignee must provide supporting documentation.
- Project e-mail address: pbr-bt@bankofamerica.com
- Qualified interested parties who execute the aforementioned documents by **May 08, 2018**, will be given access to an Information Package.
- Petrobras reserves the right to alter the Process, as it deems appropriate, and will ensure that any such change will be disclosed to all participants.
- During the Process, Petrobras may undertake risk prevention analysis in accordance with the Anti-Corruption Law and the Petrobras Program for Prevention of Corruption (“PPPC”) and may request the participants to complete a detailed questionnaire to verify the compliance of its practices and conducts with the Anti-Corruption Law.
- Petrobras has retained Bank of America Merrill Lynch (“BofAML”) as its exclusive financial advisor (or “Advisor”) in the context of the Potential Transaction.
- Queries from interested parties which meet the “Criteria for Eligibility of Potential Assignees” mentioned above should be addressed exclusively to the project e-mail address set forth above. You should not contact any Petrobras personnel.
- The project e-mail address should only be used for the purposes of the Potential Transaction. Any general question or inquiries not specific to or not directly related to the Potential Transaction should be addressed to the following site: <http://www.petrobras.com.br/en/>.

Investment Opportunity in Deep Water Fields in the Campos Basin, Brazil

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