

PETROBRAS DAY²⁰¹⁹ *New York*



New York, December 4th, 2019

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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

PETROBRAS
DAY²⁰₁₉

Roberto Castello Branco

—
CEO

The first results of a new Petrobras

Five strategic pillars underpinning our transformational agenda



Maximize returns on capital employed

- Focusing on assets in which we are the natural owner
- Pre-salt production reached 60% of output



Reduction of cost of capital

- Continuing the deleveraging path
- Transparency and liability management



Relentless search for low costs

- Cost cutting and resilience to low-price scenarios



Meritocracy

- Merit-based variable compensation program
- EVA[®] implementation



People, environment and safety

- People's empowerment
- Safety culture
- Decarbonizing oil production

2019 achievements



~ US\$ 21 billion¹

Debt reduction

~ US\$ 16 billion²

Divestments of non-core assets

~ US\$ 13 billion

Free cash flow (9M19)

~ US\$ 17 billion

Acquisition of Búzios surplus



Opening refining market

Agreement with CADE (anti-trust body) to sell 50% of refining capacity



Opening gas market

Agreement with CADE to foster competition in Brazilian gas market



Privatization of BR Distribuidora

First one through capital markets in Brazil



Credit rating upgrade

Upgrade from Moody's and Fitch on the stand-alone credit profile

¹ Including IFRS16

² Sales updated until 11/28/2019, including signed and closed transactions



Resilience Plan launched in March 2019

- Voluntary dismissal programs
 - » 2,962 employees enlisted
- Revision of advertising and sponsorship expenses
 - » Reduction of ~US\$ 40 million
- Optimization of use of office buildings
 - » Reduction of ~ 45,000 m² in Brazil
 - » Closing of 8 offices abroad, 5 to come
- Creation of Digital Transformation and Innovation Executive Office
 - » Digital twin implementation in 3Q19

Improving Petrobras

Empowerment of Executive Committee

Creation of new Executive Offices:
Institutional Relations and Digital
Transformation and Innovation

Reduction of the number of Board
advisory committees

Improvement in flexibility and
efficiency in organizational structure

New shareholder remuneration policy

Empowerment of people -
responsibility with accountability
EVA[®] - recognition program



Mind the Gap
PETROBRAS2020/2024

Key messages

Focus on a higher value generation for shareholders



Safety as a priority



Active portfolio management



Debt reduction and capital discipline



Digital transformation



Resilience to low oil prices



Transition to low-carbon economy



Performance measurement for value generation 2020

TRI¹



< 1.0

ND/EBITDA²



1.5x

Δ EVA[®]

NEW



US\$ 2.6 billion³

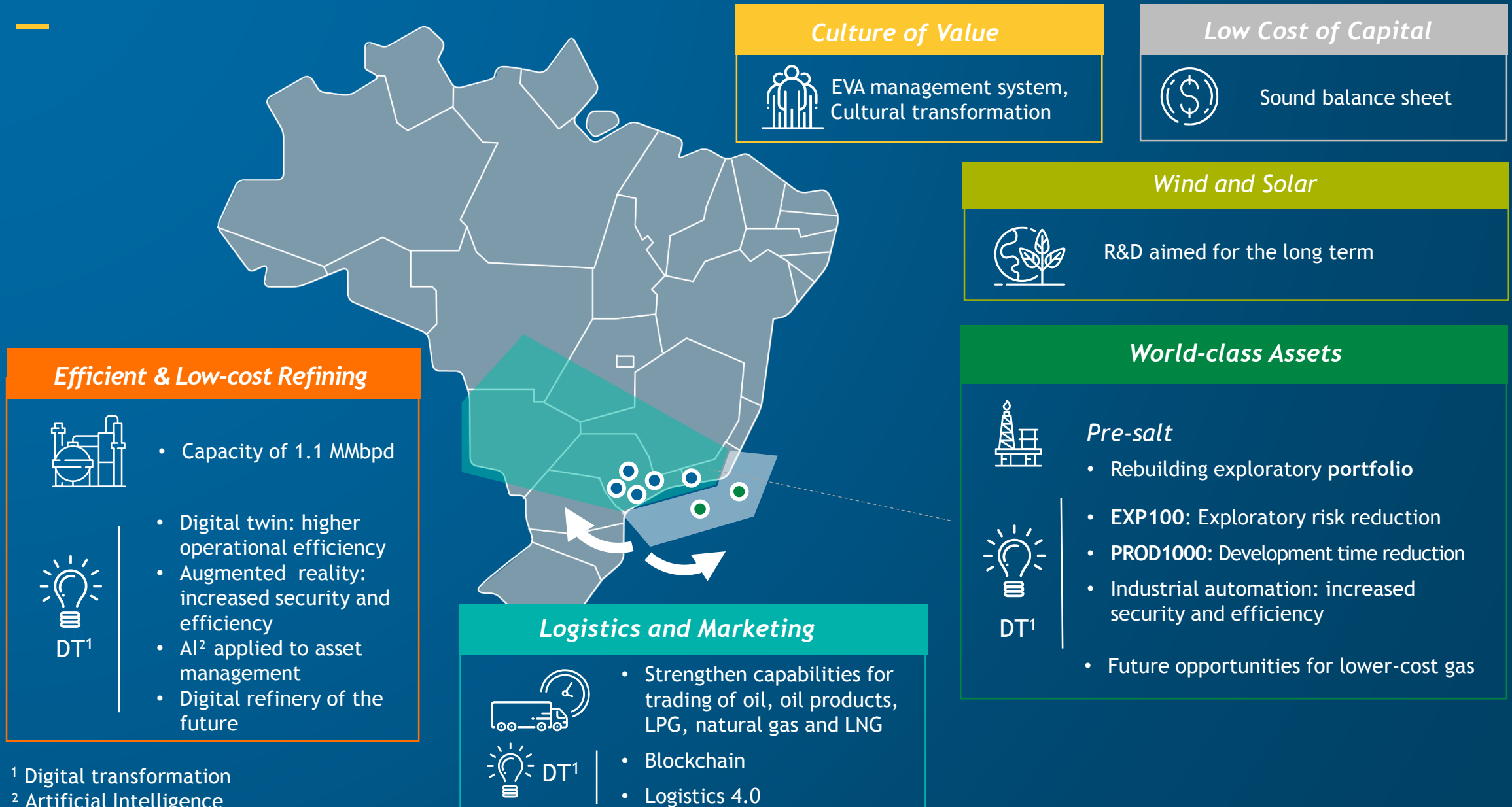
Ambition: Zero fatalities

¹TRI: Total recordable injuries

²ND/EBITDA: Net debt/LTM adjusted EBITDA (including IFRS16)|

³ EVA: Economic Value Added.

Petrobras of the future



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Andrea Almeida

—
CFO



Maximize shareholder return



Improve balance sheet through deleveraging, lower interest expense and optimization of cash position

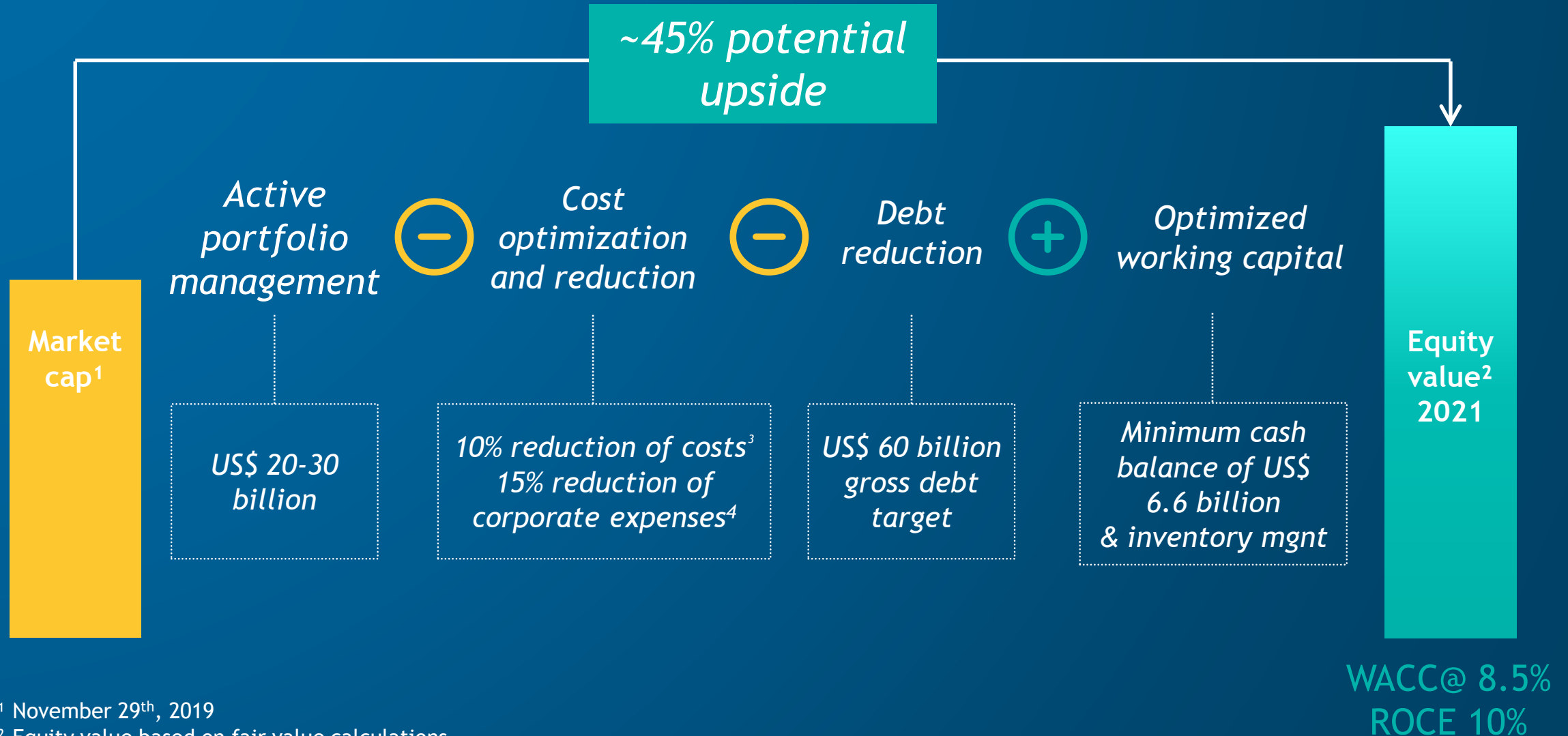


Increase dividend distribution while investing in world-class assets



Risk reduction through contingencies management

Bridging the gap to fair value in two years



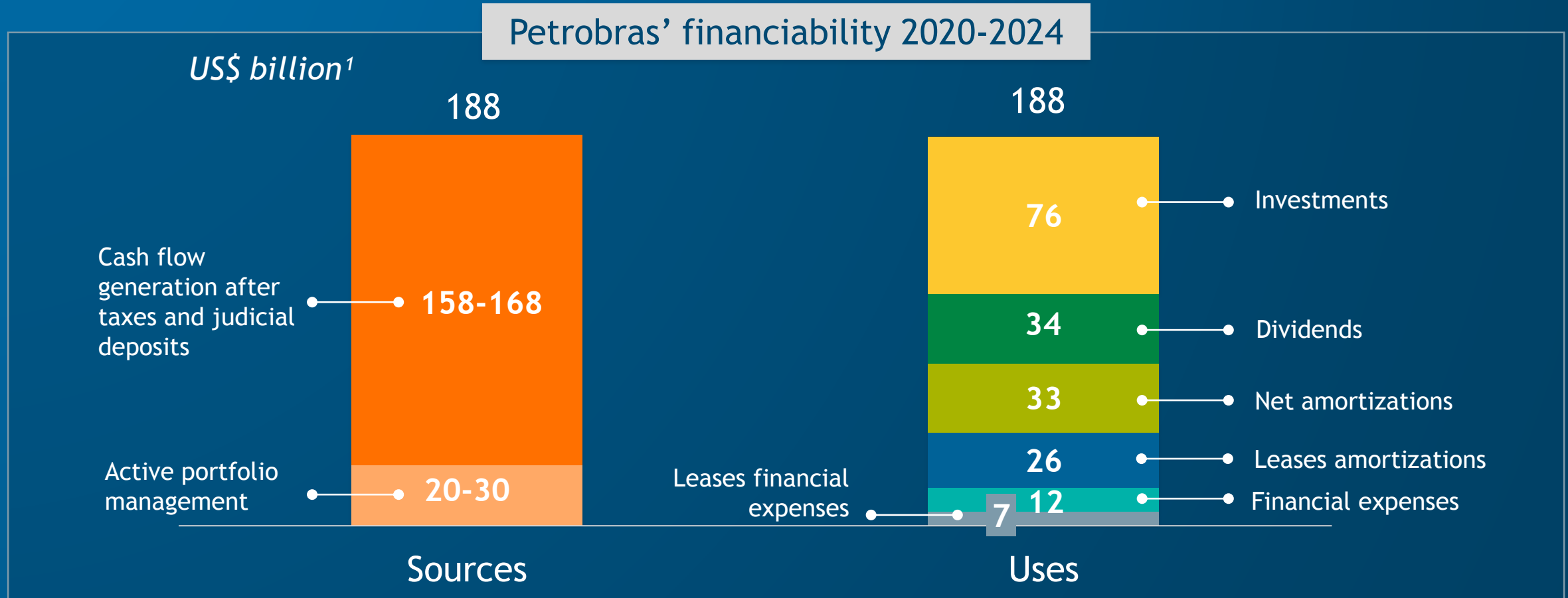
¹ November 29th, 2019

² Equity value based on fair value calculations

³ Costs and expenses without feedstock

⁴ In 2020

Strong FCF generation with higher dividends

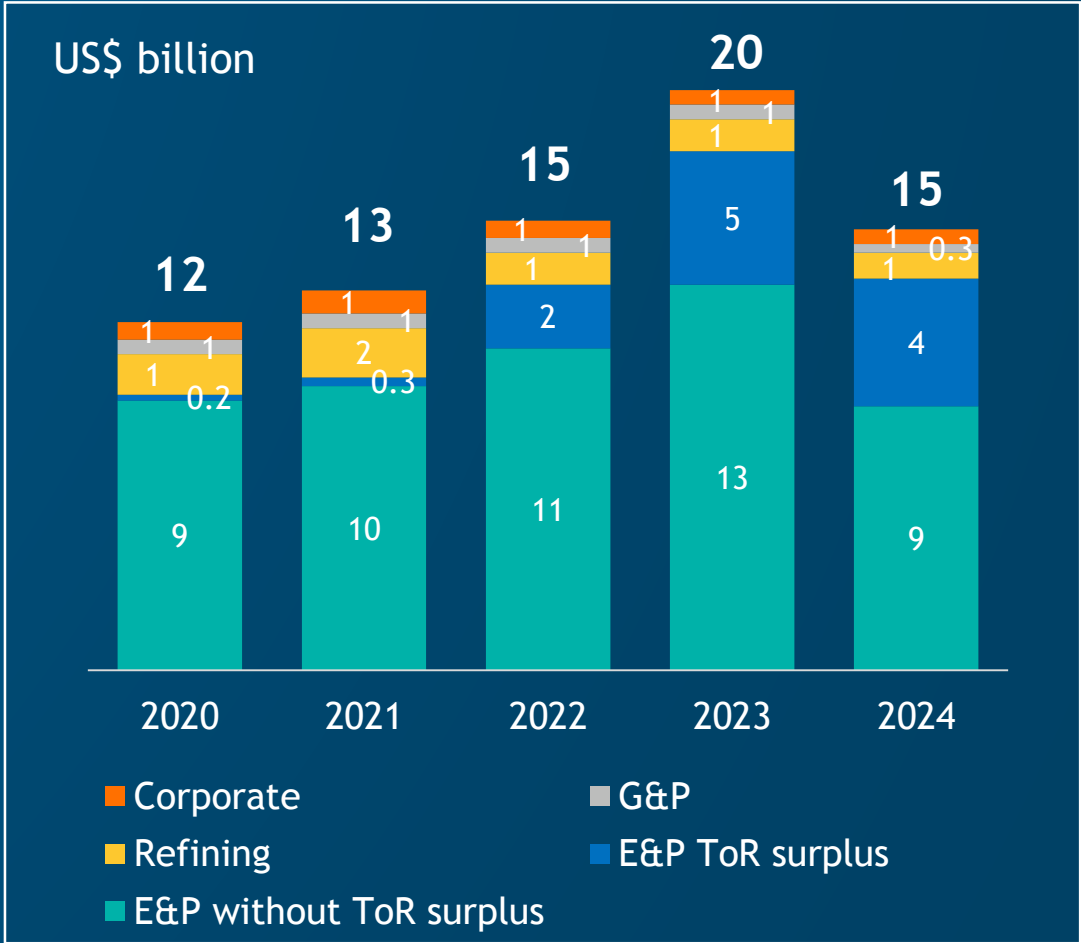
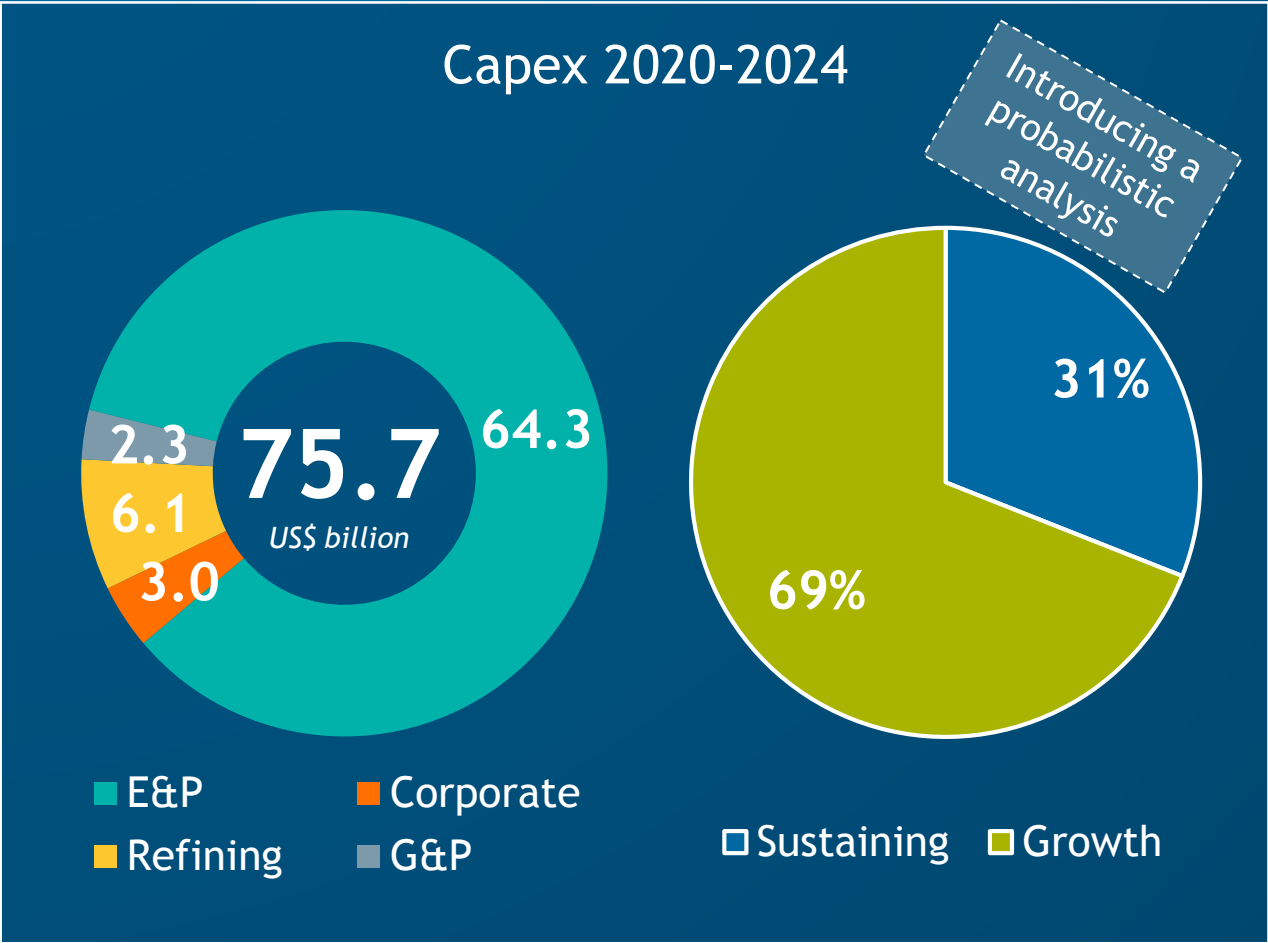


All projects are NPV positive in the resilience scenario - Brent @ US\$ 45 - 50/bbl²

¹ Numbers calculated with Brent @ US\$ 65/bbl

² Brent @ ~US\$ 50/bbl in the 2020-2024 period and US\$ 45/bbl in the long run

Investing in high return projects



Note: ToR surplus CAPEX assumes wells construction starting in 2023 and owned platforms

Active portfolio management

Selling assets in which Petrobras is not the natural owner

Divestment plan

- 50% of the refining capacity
- Gas transportation and distribution
- Onshore and shallow water assets
- LPG distribution
- Thermal power plants
- Offshore gas pipelines
- South American assets



Upside in Divestment

- BR Distribuidora
- Braskem
- Post-salt assets
- Bolivian assets

Returning value to our shareholders

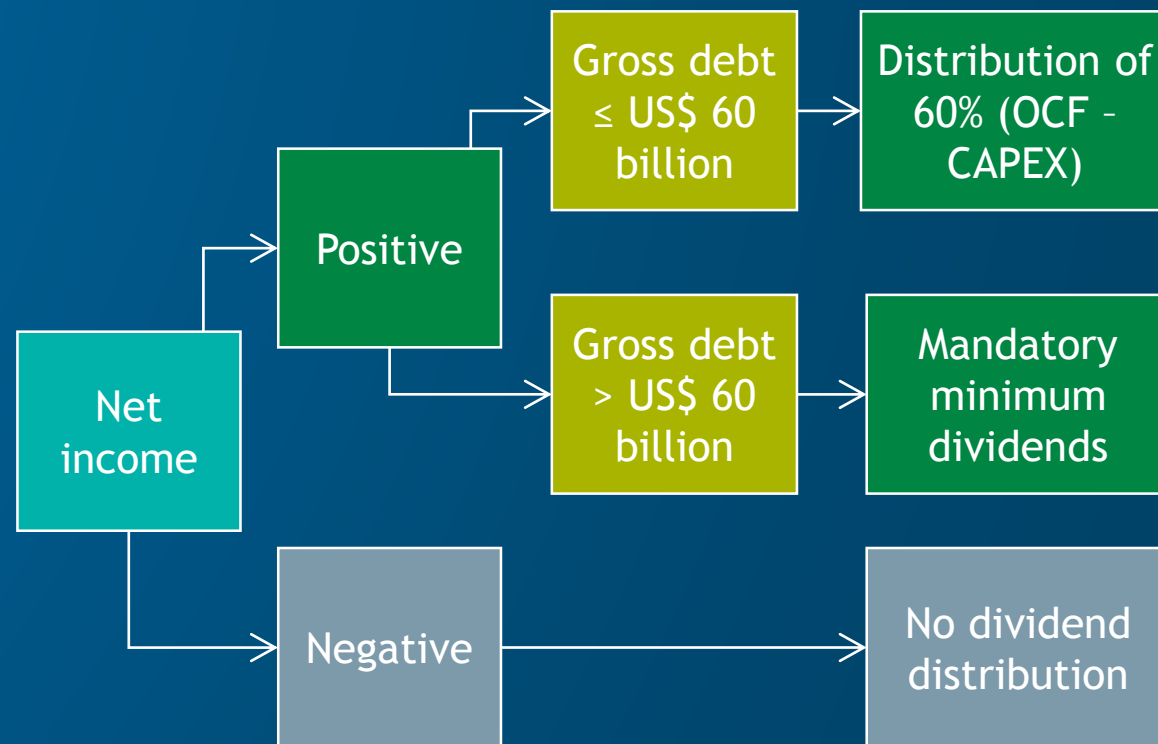
New dividend policy

Distribution formula

$$D = 60\% \times (OCF - CAPEX^1)$$

Dividends

Operating
cash flow



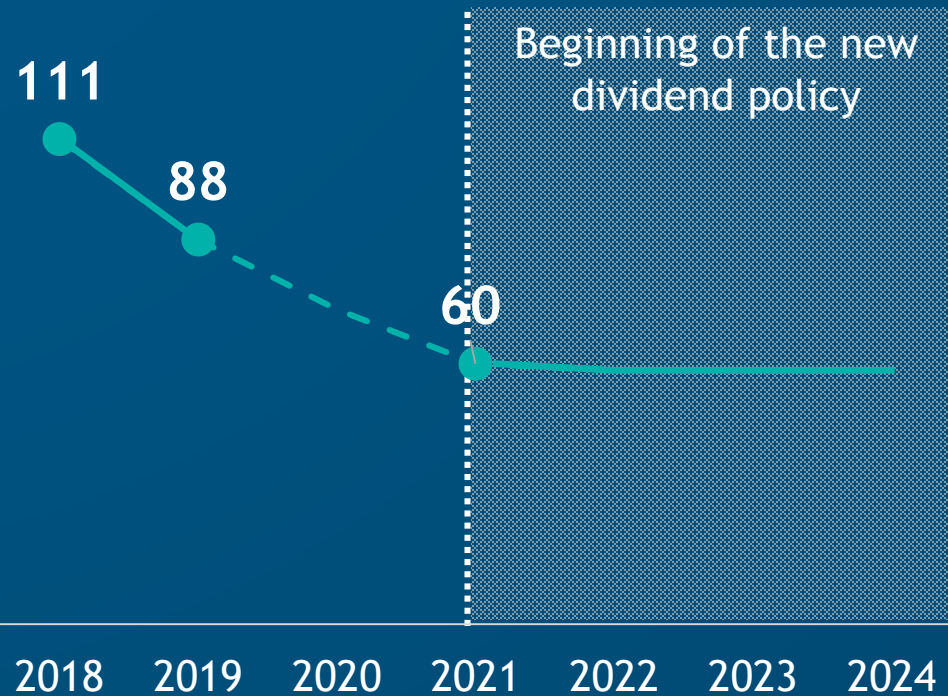
- Annual calculation based on year end figures
- At least two distributions per year
- Amount to be distributed is gross of taxes
- Cash flows and gross debt in accordance with IFRS16

¹Excludes bid rounds and acquisitions

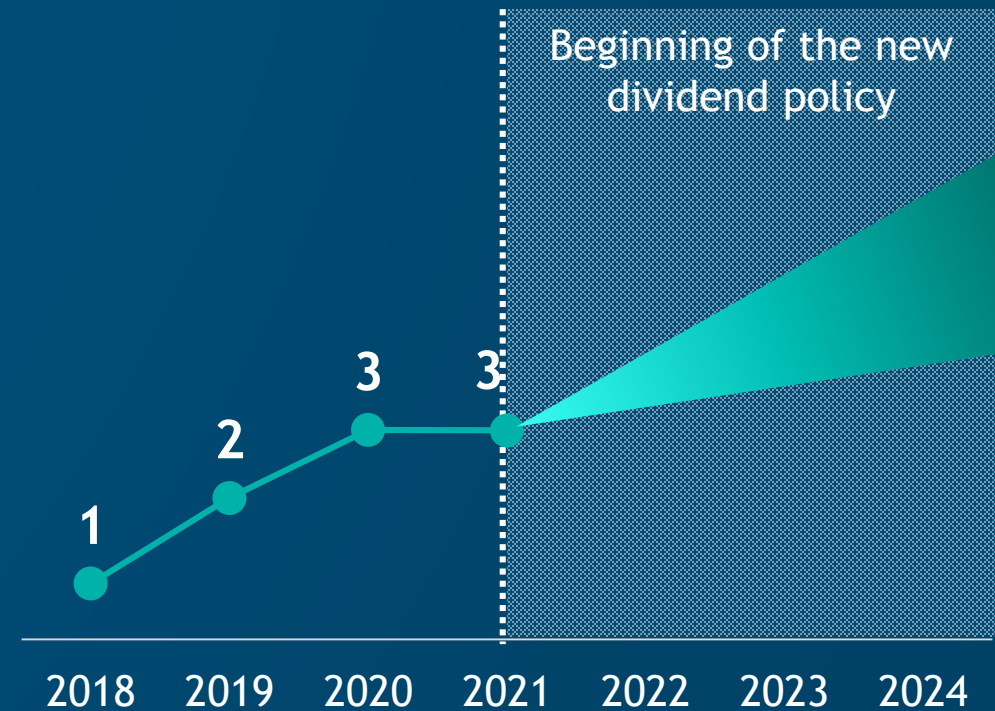
Focus on deleveraging with higher dividends

US\$ billion

Gross debt



Dividends



Oil production cash breakeven @ US\$ 16/bbl in 2020



US\$/bbl

Operational costs and expenses

13

Government take

3

Revenues: Gas and others

-4

Sustaining CAPEX

3

Spread Brent

1

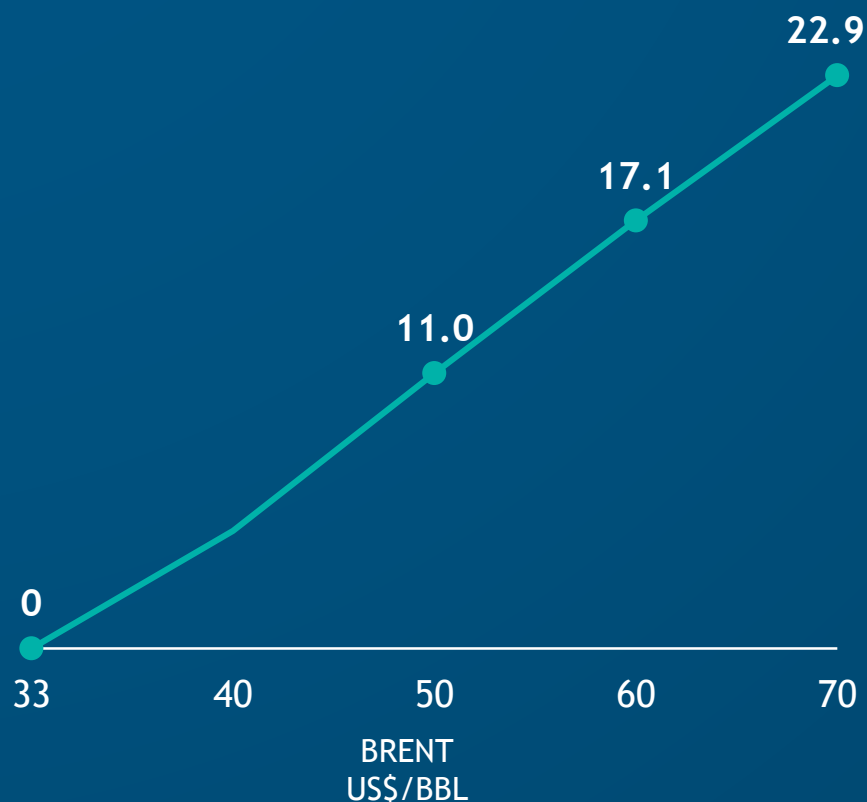
Cash breakeven: current

16

Cash flow resilient to low oil prices

FCF 2020¹

US\$ billion




EBITDA 2020

US\$ billion

BRENT US\$/BBL FX					
	50	55	60	65	70
3.50	25.4	28.7	32.0	35.3	38.6
3.70	26.3	29.6	32.8	36.1	39.4
3.90	27.0	30.3	33.6	36.9	40.2
4.10	27.7	31.0	34.3	37.6	40.9

¹ FCF = operating cash flow - total CAPEX

FX rate of US\$ 3.9/BRL

An aerial photograph of a large offshore oil rig, likely a FPSO (Floating Production Storage and Offloading) vessel, sailing on a deep blue ocean. The rig is a complex of white and yellow metal structures, including a tall derrick on the left, various cranes, and a helipad on the right. A yellow line is drawn across the image, starting from the top left, curving around the rig, and ending near the bottom right.

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**Carlos Alberto
Pereira de Oliveira**

*Chief Exploration and
Production Officer*

E&P Strategies

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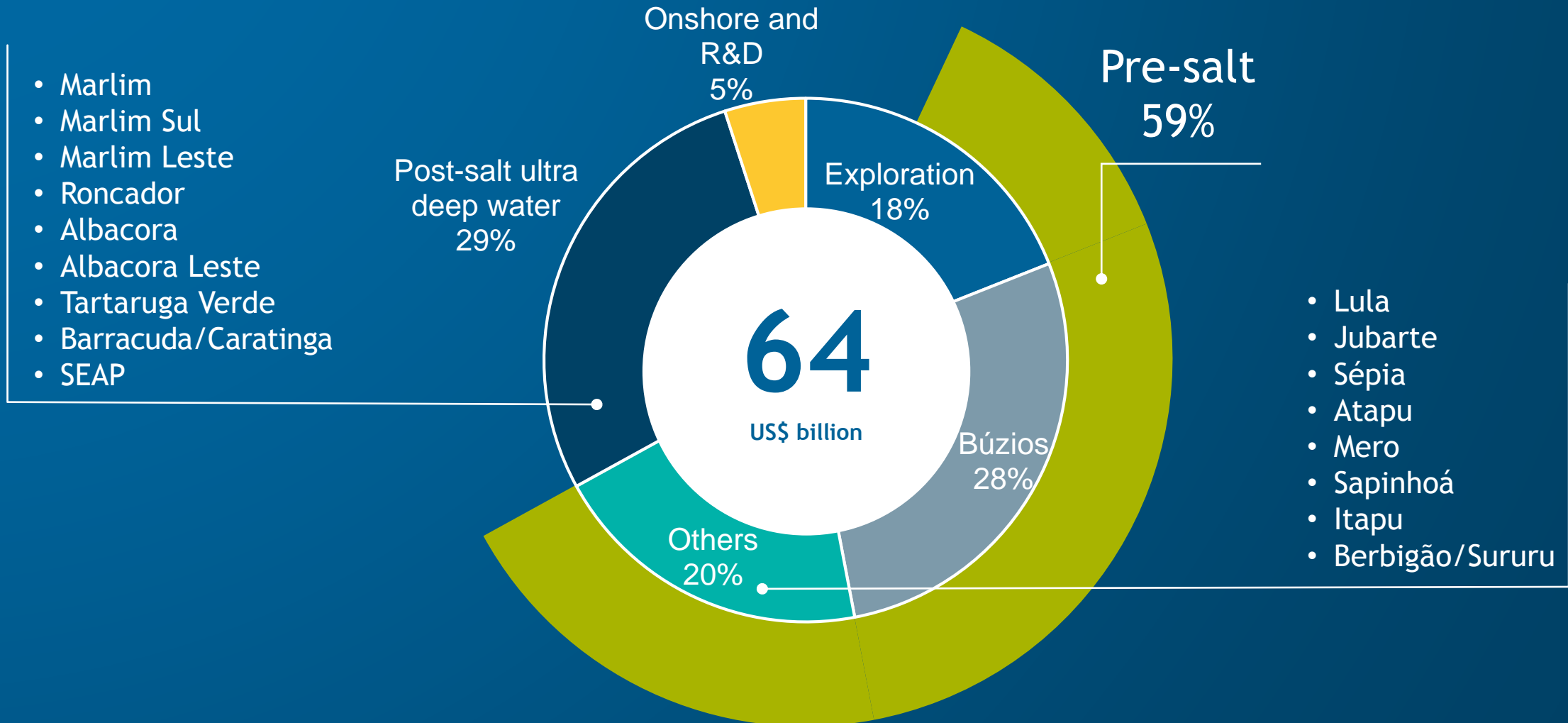
Maximize portfolio value, focusing on deep and ultra-deep waters, seeking operational efficiencies, recovery factor optimization and partnerships



Grow sustained by world-class oil and gas assets in deep and ultra-deep waters

Focus on the pre-salt

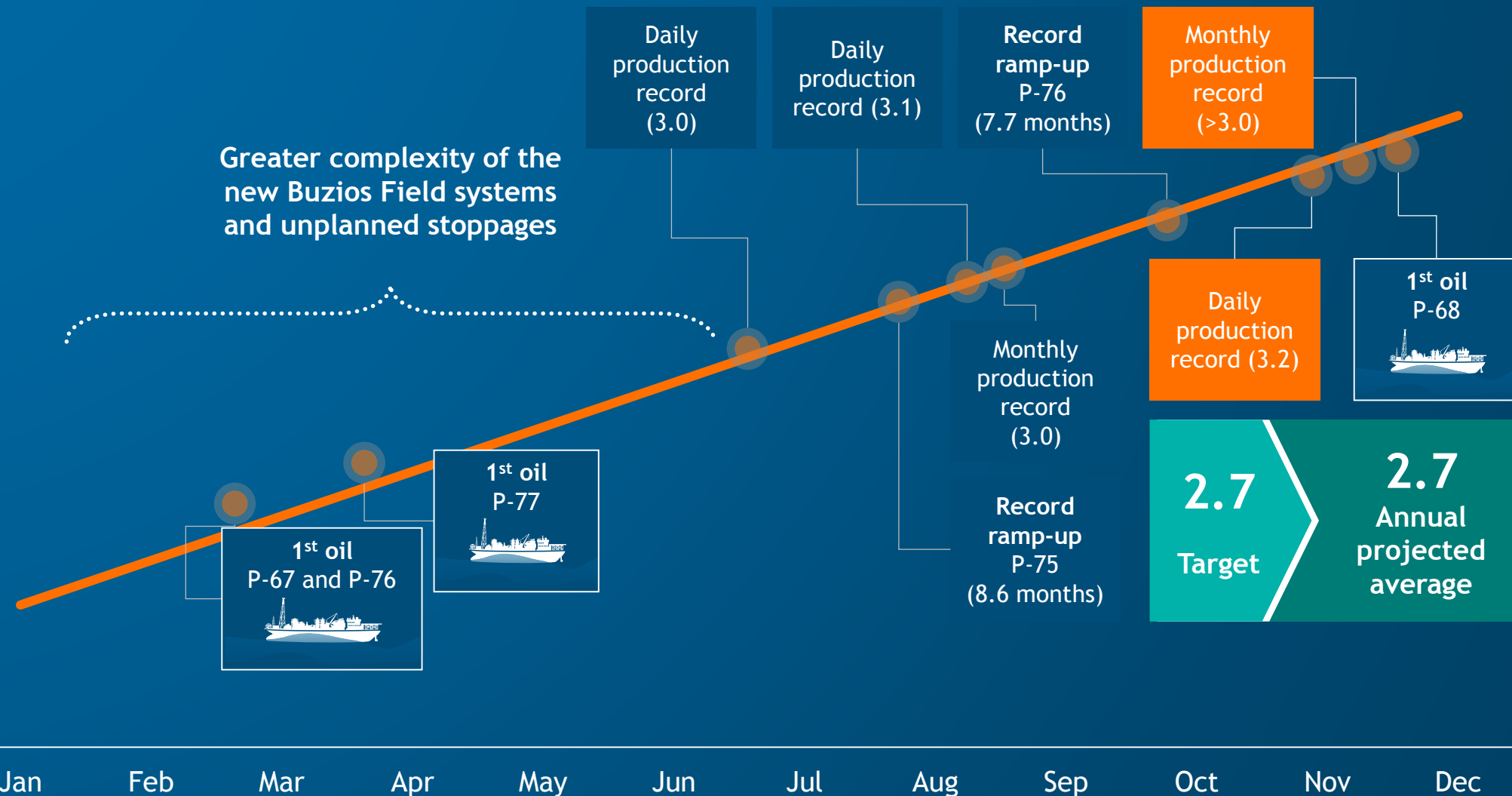
E&P Investments 2020 - 2024



CAPEX dedicated to growth

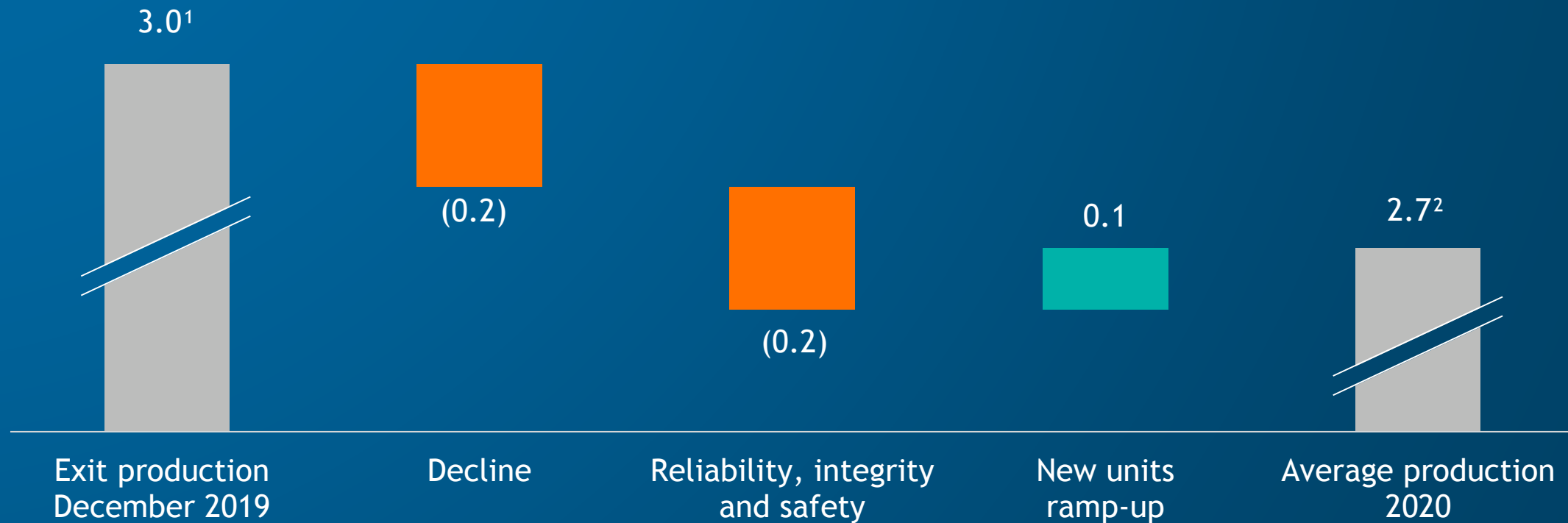


2019 was an all-time high year



2020 production in line with 2019 target

Production
MM boed



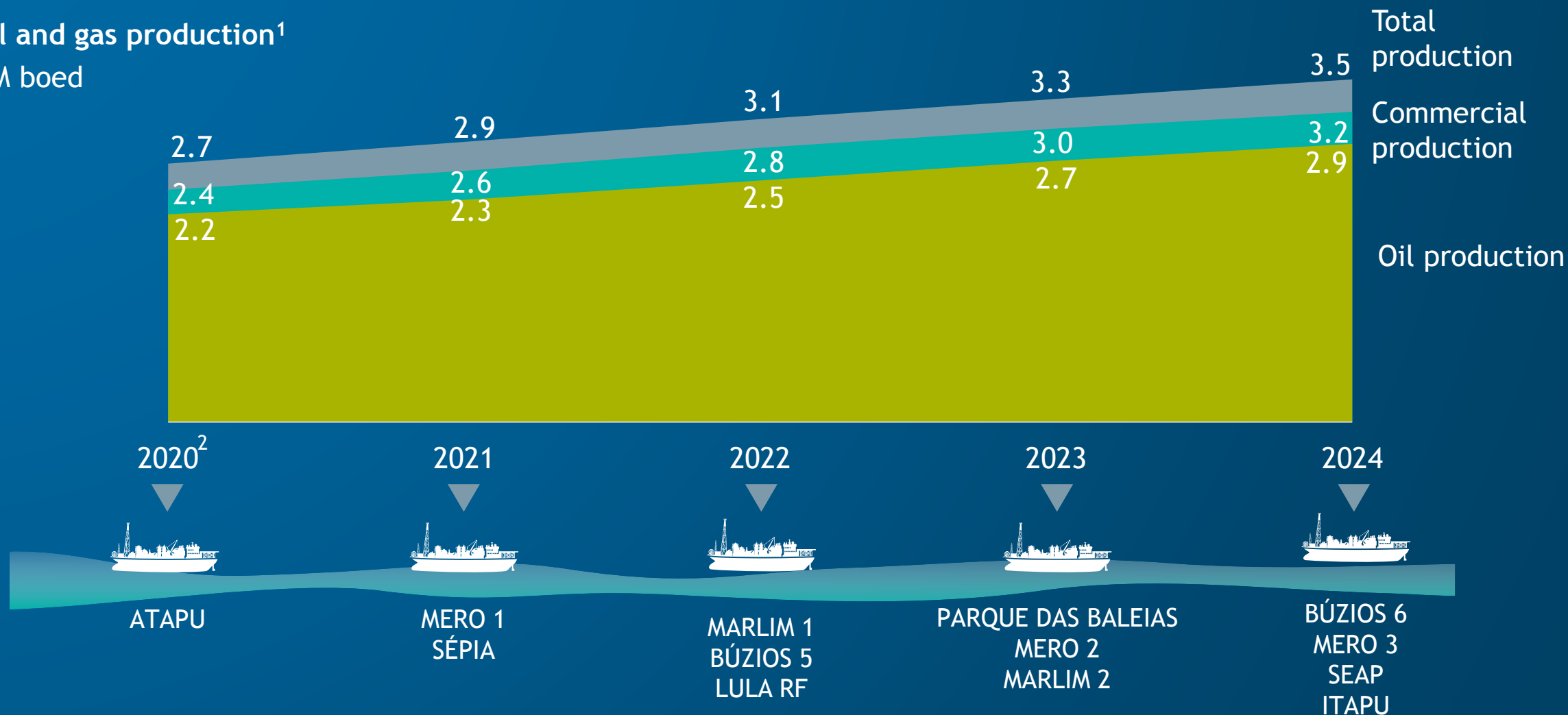
¹ Includes divestment of Nigerian assets and Tartaruga Verde (~100 kbpd of total production)

² +/- 2.5%

Steady production growth

Oil and gas production¹

MM boed



¹ Does not consider divestments, except from Nigerian assets and Tartaruga Verde (~100 kbpd of total production)

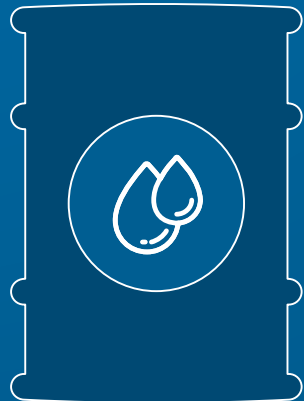
² 2020 figures include +/- 2.5%

Pre-salt share in total production keeps growing



Pre-salt production

63%

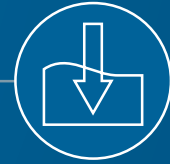


2020

66%



2024

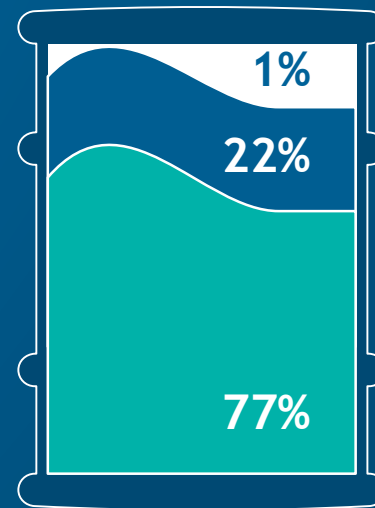


Regulatory regimes

1%

22%

77%

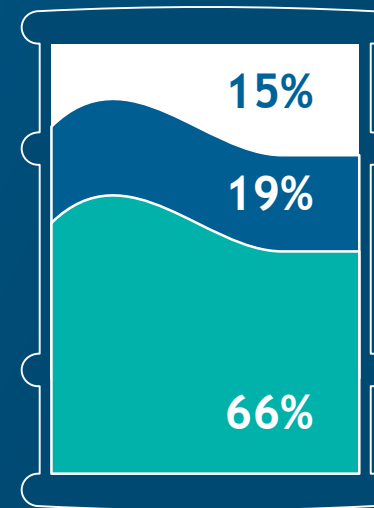


2020

15%

19%

66%



2024

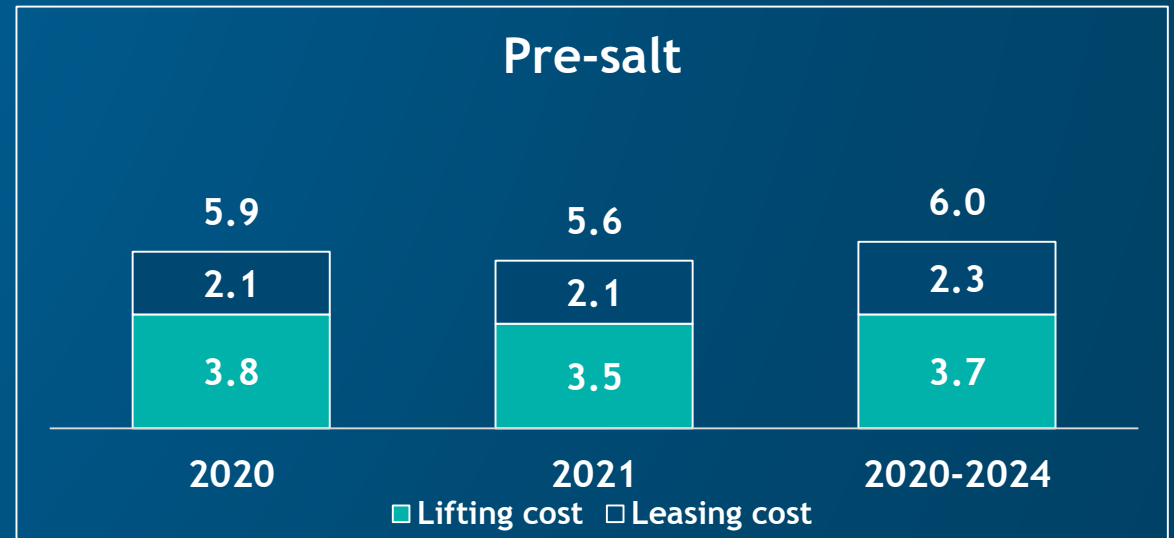
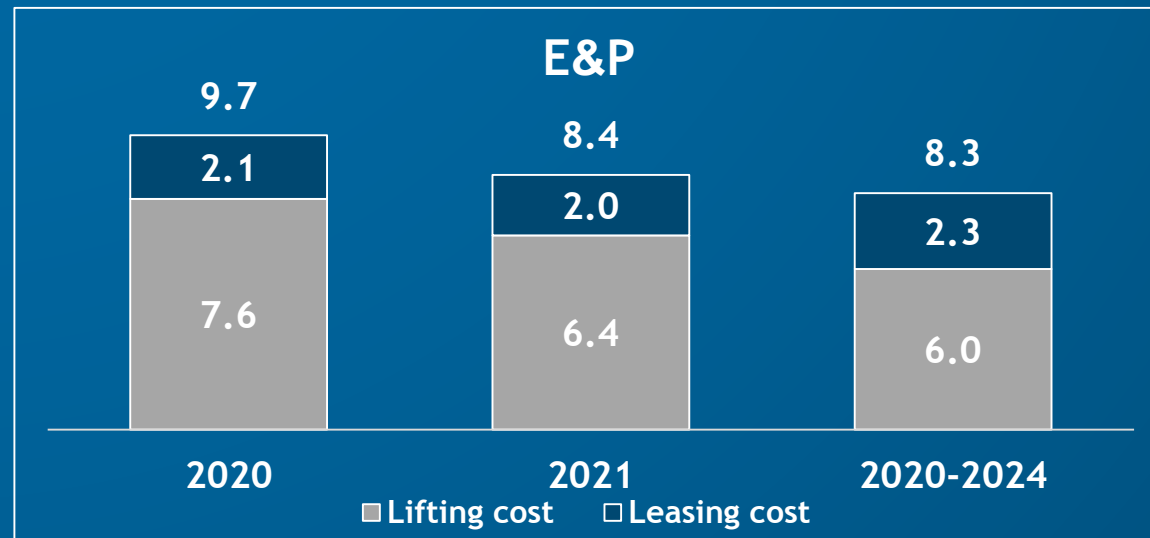
Production sharing

Transfer of Rights

Concession

Low breakeven and lifting cost reinforce the pre-salt competitiveness

Lifting Cost US\$/boe



Prospective
breakeven
US\$/boe

25

Prospective
breakeven
US\$/boe

21

Note: Pre-salt production development breakeven between US\$ 35-45/bbl

Over the last 3 years, we have invested in growing our pre-salt exploratory portfolio

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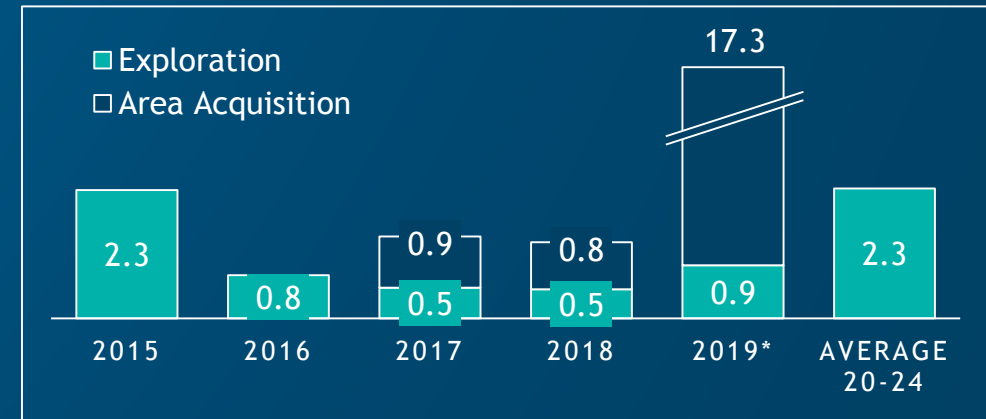
Areas acquired between 2017 and 2019

26,000
Km² total area acquired

40%
of Petrobras' total
exploratory area

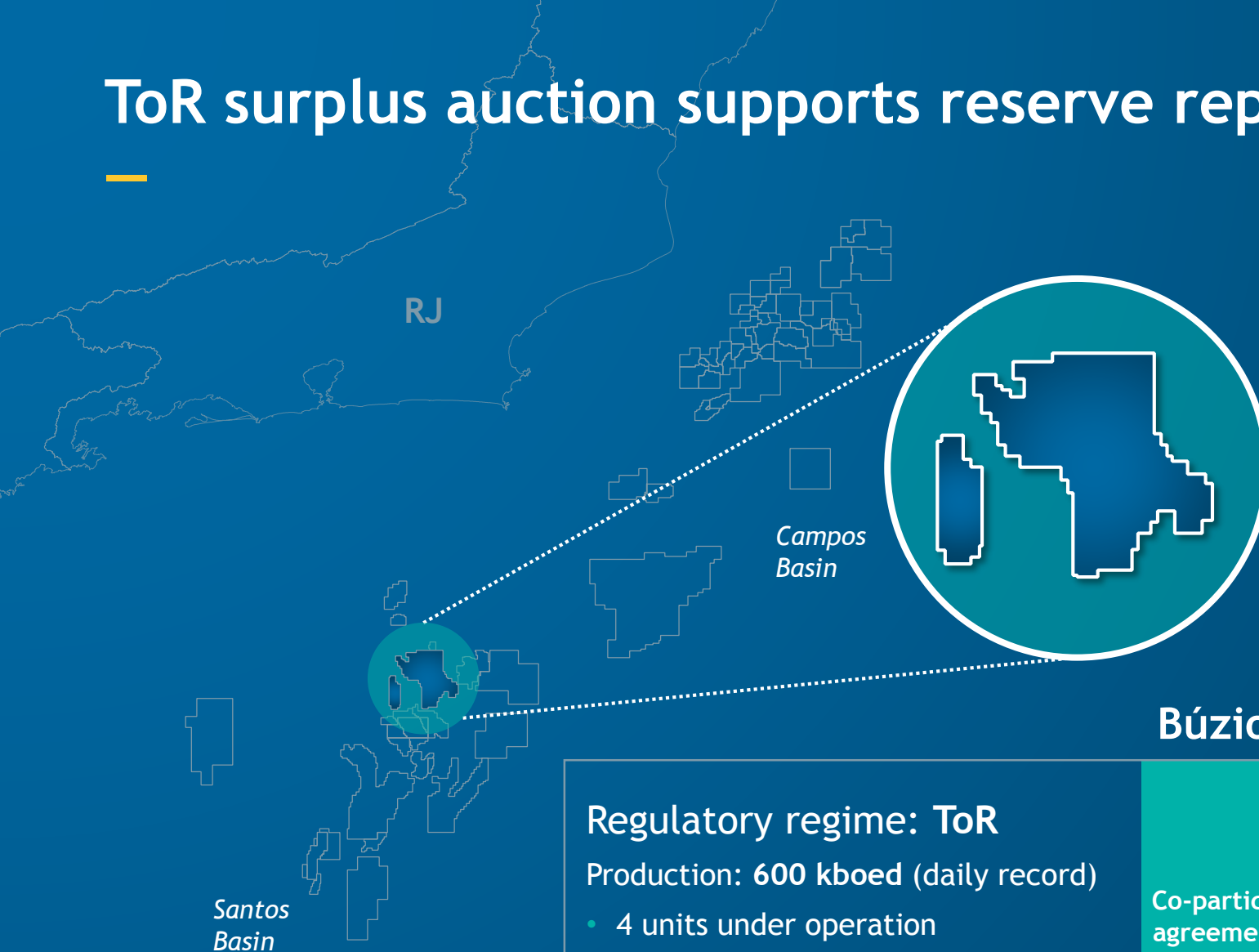
R\$ 75 billion
Signing bonus - Petrobras share

Exploratory capex
US\$ billion



* Forecast

ToR surplus auction supports reserve replacement



BÚZIOS		ITAPU	
90%	Petrobras	Petrobras	
5%	CNPC		
5%	CNOOC		
Bonus US\$ ~17 bi		Bonus US\$ ~0.5 bi	
Profit oil 23.24%		Profit oil 18.15%	
Petrobras' cash disbursement	US\$ ~7.5 bi	US\$ ~16 bi Bonus	US\$ ~9 bi ToR refund

Regulatory regime: ToR

Production: **600 kboed** (daily record)

- 4 units under operation
- 1 platform to begin operation in 2022

Co-participation
agreement until
Sep/2021

Regulatory regime: ToR + PSC

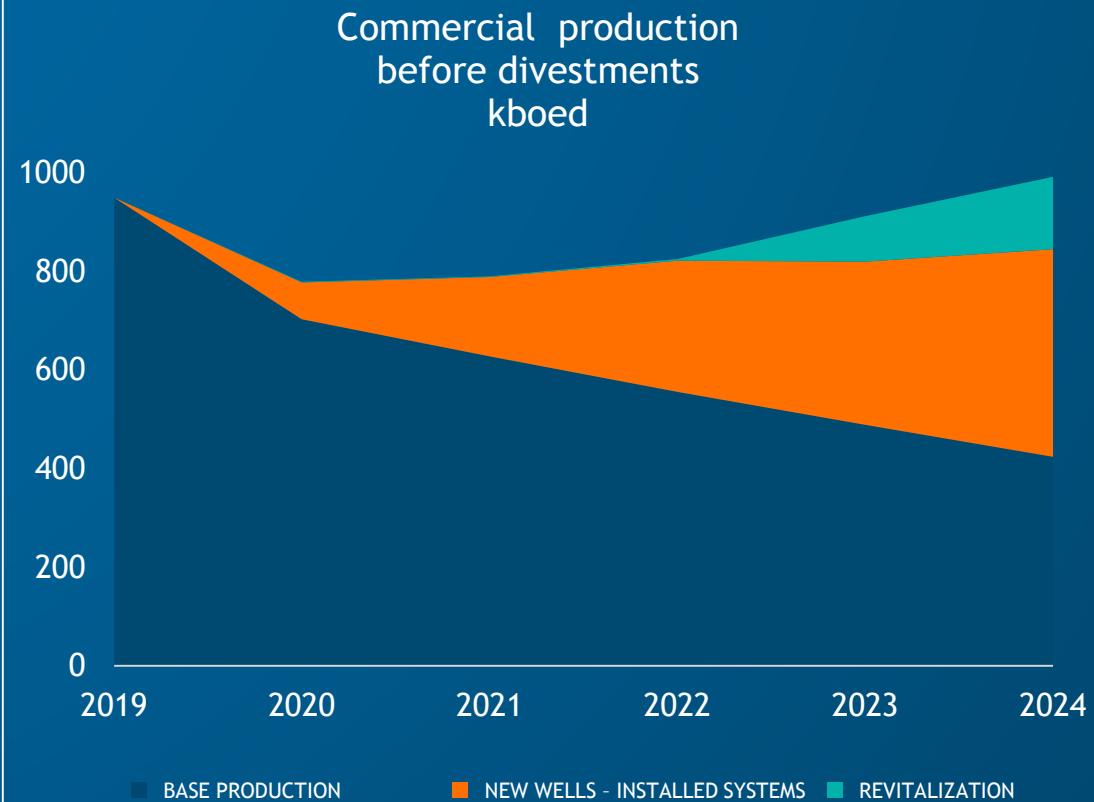
- 7 additional platforms
- Capacity \geq 180 kbpd

Recovering Campos Basin output

CAPEX Campos Basin 2020-2024



20
US\$ billion



Operational efficiency increase

Complementary projects, revitalization
and new projects

New areas acquisition

Extensions and new findings

Recovery factor increment

Technologies to improve recovery
factor

Strategic partnerships




Decommissioning of E&P offshore systems

US\$ 6 billion

is the estimated cost of ongoing decommissioning projects: 18 platforms & subsea pipelines and offshore wells

Decommissioning costs planned



	2020	2021	2022	2023	2024
 07	P-12	P-33	FPSO Capixaba	Oeste de Ubarana	P-18
 06	P-07	P-26			P-19
	P-15	P-32			P-20
 05	Cação 1, 2 and 3	P-37			P-35
	FPSO Piranema				Biquara

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Anelise Lara

*Chief Refining and
Natural Gas Executive
Officer*

Refining and Natural Gas strategies



Operate competitively in downstream with focus on SE operations



Be competitive in global oil and gas trading



Divest gas distribution and transportation



Optimize the thermal power portfolio



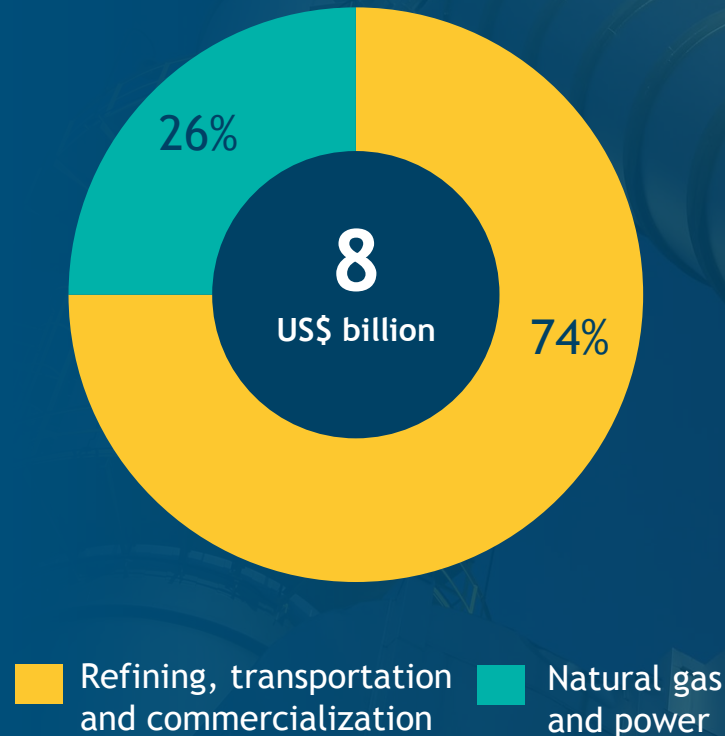
Make renewable diesel and bio-jet commercially feasible

Investing to ensure asset integrity



- Investments on refining and logistics maintenance
- HDTs in REPLAN, REDUC and RPBC
- HCC in REDUC to produce high quality lubricants

2020-2024 CAPEX US\$ billion



- Route 3 and natural gas processing unit: focus to enable gas outflow from pre-salt production



- R&D investments in solar and wind power

Adding competition to downstream

Divestments of 8 refineries

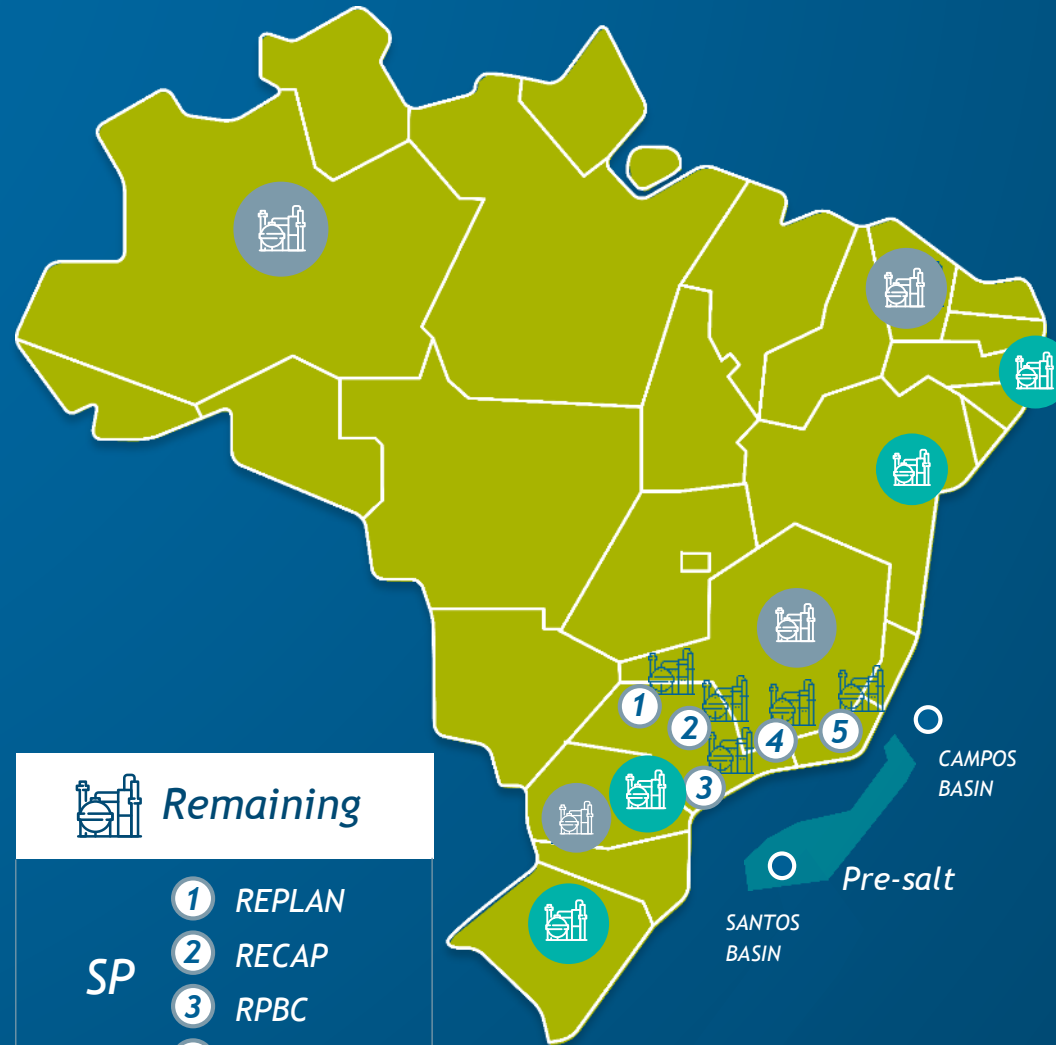
Binding phase

RNEST, RLAM, REPAR and REFAP

Non binding phase

REGAP, REMAN, LUBNOR and SIX

Expect to move to binding in 2 months



Remaining

SP

- ① REPLAN
- ② RECAP
- ③ RPBC
- ④ REVAP

RJ

- ⑤ REDUC

Benchmarking in profitability

1 REPLAN

2018 numbers

Solomon index
1st quartile in Latin America

Return on capital

~15%

Net margin

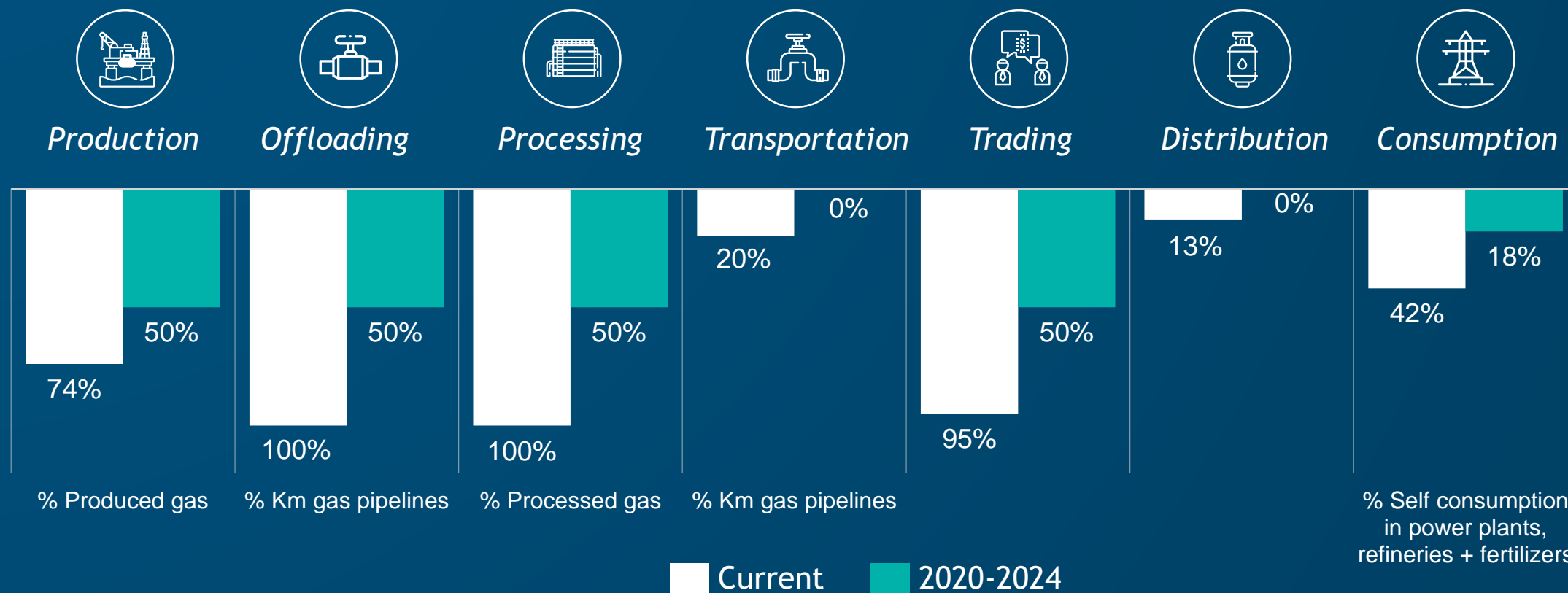
~13%

- REPLAN's performance in maintenance, personnel and service costs is equivalent to best refineries in Latin America
- 1st quartile net cash margin performance

Transforming the gas business in a competitive market

Petrobras will focus on gas production and marketing

Petrobras market share



Opportunities in renewable diesel, BioJET and low sulphur bunker



Renewable diesel and BioJET fuel

Opportunity for co-processing of vegetable oils

- Attractiveness in a scenario of competition with biodiesel
- Technologies that add value to refining assets and enable routes for the transition to a low carbon economy
- Subject to regulatory approval



IMO 2020

Opportunities in Asian, European and US markets

- Pre-salt oil has low sulphur content
- Refining system producing bunker to meet IMO specs

Bunker 0.5%

- 2020 potential gain (vs. 2018): ~ **US\$ 1 billion**
- 85% of Petrobras fuel oil production is suitable to produce bunker 0.5%

Crude Oil

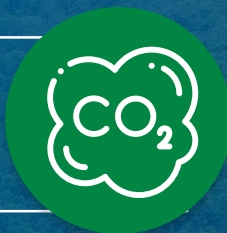
- 2020 potential gains (vc. 2018): + **US\$ 540 million**
- Estimated oil exports for next 12 months: **590 kbpd**

Opportunities in the transition to a low carbon future

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Petrobras production is the second lowest in carbon intensity in the industry

Actions to decarbonization



- Closed flare deployment
- CO₂ capture and storage
- Leakage and repair monitoring
- Vapor tank recovery
- Energy efficiency

CAPEX for decarbonization
US\$ 100 million/year

R&D for decarbonization and renewables



- CO₂ capture and storage
- CO₂ subsea separation
- Supercritical CO₂ turbine
- Renewable diesel and bio-jet fuel
- Offshore wind and solar
- OGCI: partnership initiatives

R&D CAPEX
US\$ 70 million/year

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Nicolás Simone

*Chief Digital Transformation
and Innovation Executive
Officer*

Digital Transformation strategies

Accelerate Petrobras through Digital Transformation and Innovation journey

GO DIGITAL



Information Technology: Technology platforms boosting digital evolution

BE DIGITAL



Digital Transformation: Agile at scale

LEAN



Business process office: Optimizing and automating processes (Lean Petrobras)

INNOVATING



R&D Center: Innovating for value creation, time to market, growth engine and business models

PROTECT



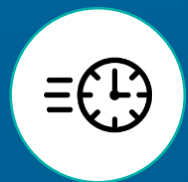
Information and Cybersecurity: Information security as an innovation enabler

Digital Transformation & innovation initiatives



Using HPC¹ capacity to enhance productivity

Increase 10x HPC capacity in 2019-2020



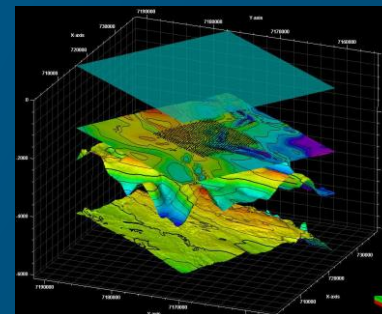
On average, simulation time has decreased by 35% (50% in some cases)

Digital twin of stationary production unit



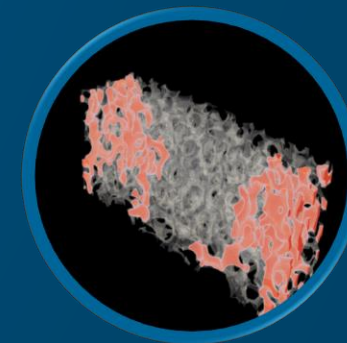
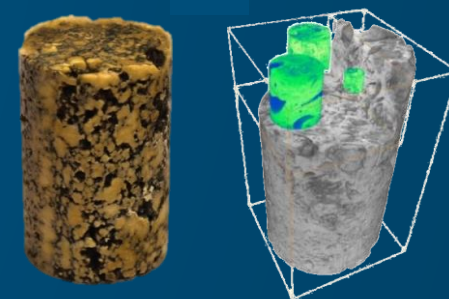
2018

Buzios field nodes survey
largest seismic campaign in the world



2020

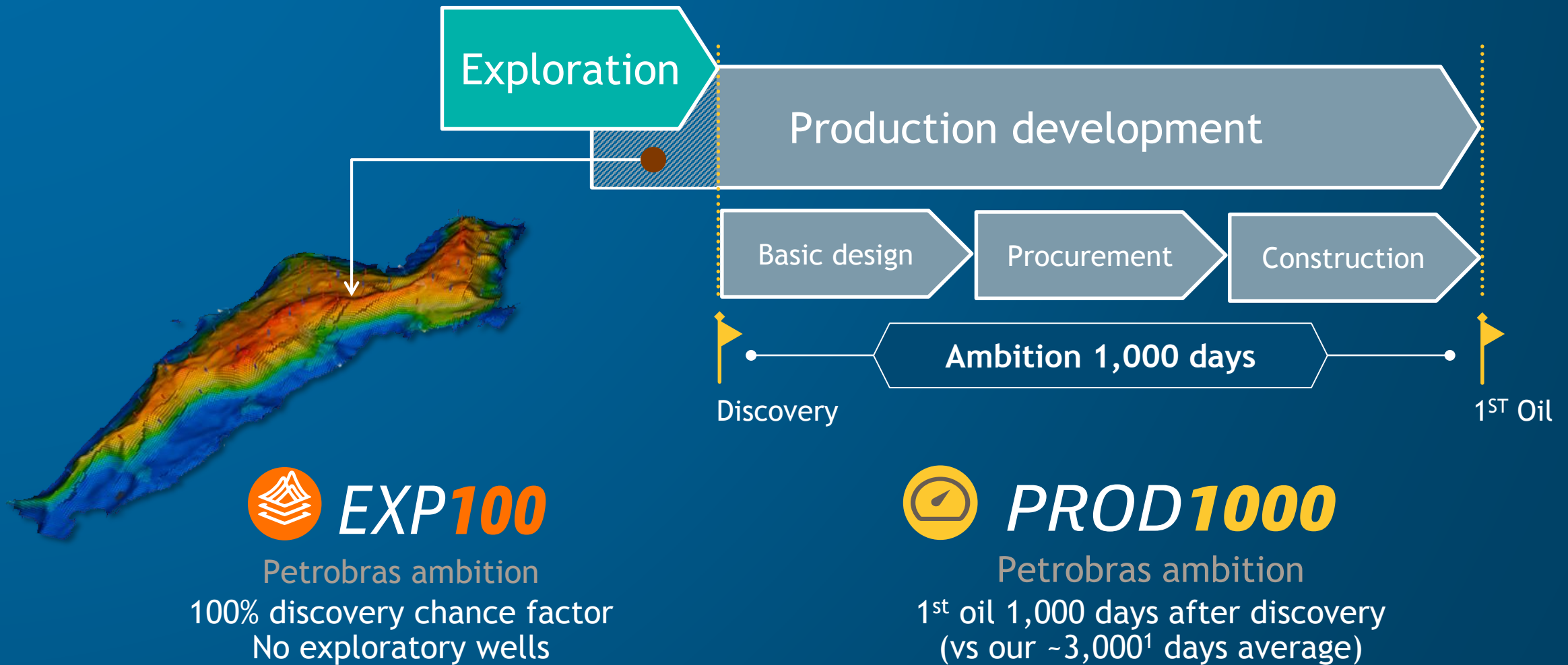
Digital twin of the rocks



Future Vision

¹ High Performance Computing

Digital transformation will enable our long term ambitions



¹ Petrobras' pre-salt average

The largest R&D Center in Latin America

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CENPES

Lab of the labs

Total area - 308,000 m²

147 Labs

+ 8,000 equipment

*12 PostDocs, 261 PhDs and
420 MsCs*

*Largest R&D center in Latin
America*

The largest R&D Center in Latin America

One more building block in the ecosystem

Data access



Test platforms



Co-working



Startups



Partners



**Corporate
Innovation
Lab**



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Roberto Castello Branco

—
CEO final remarks

Our ten sustainability commitments



1. Zero growth in absolute operating emissions until 2025¹
2. Zero routine flaring by 2030
3. 40MM tonCO₂ reinjection by 2025 in CCUS projects
4. 32% reduction in carbon intensity in the upstream segment by 2025
5. 30%-50% reduction in methane emission intensity in the upstream segment by 2025
6. 16% reduction in carbon intensity in the refining segment by 2025
7. 30% reduction in freshwater capture in our operations with focus on increasing reuse by 2025
8. Zero increase in residues generation by 2025
9. 100% of Petrobras facilities with a biodiversity action plan by 2025
10. Investments in environmental and social projects

¹ Carbon commitments related to 2015 base. Other commitments based on 2018

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