



Investment Opportunity in Shallow Water Fields in Brazil

Garoupa Cluster Opportunity

August 2019

Opportunity Overview

Summary of the Opportunity

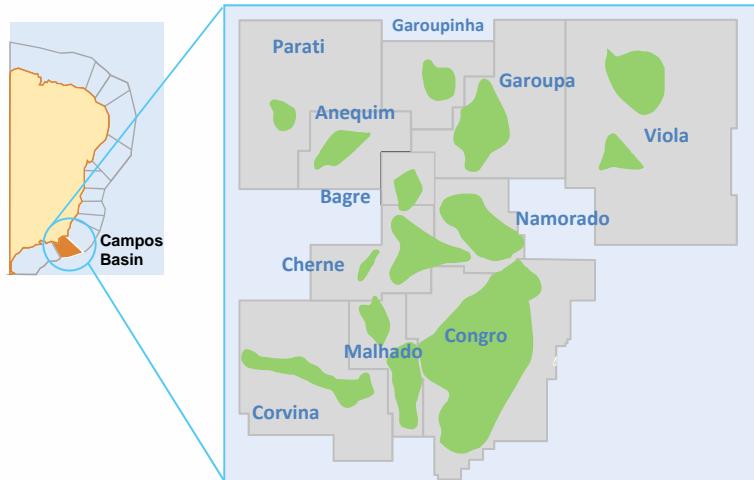
Petróleo Brasileiro S.A. (“Petrobras”) is undertaking a process (the “Process”) to sell its total operated working interests in certain shallow water assets located in the Campos basin in Brazil (the “Potential Transaction”). The assets have been arranged in one cluster (the “Cluster”) as outlined in the following table:

Assets Overview

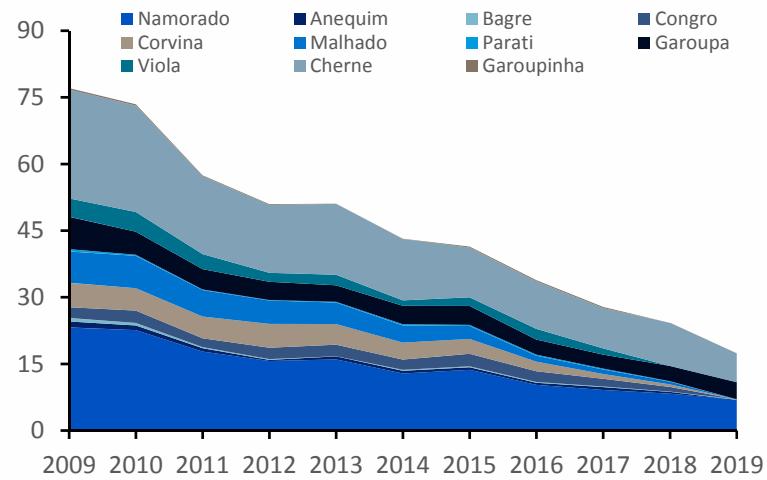
<u>Cluster</u>	<u>Basin</u>	<u>Fields</u>	<u>Water Depth (m)</u>	<u>Petrobras WI</u>	<u>Production last 12 months (thousand boe/d)</u>	<u>Oil %</u>
Garoupa	Campos	Anequim, Bagre, Cherne, Congro, Corvina, Malhado, Namorado, Parati, Garoupa, Garoupinha and Viola	70-740	100%	19,6	88%

- The Package is located in shallow water at a distance of ~80 km from the coast with reservoir depth between c.70m to 740m and occupying an area of ~720km²
- Currently producing from 42 wells; 5 fixed platforms (PGP-1, PCH-1, PCH-2, PNA-1, PNA-2) and 1 SS (P-09) installed across the Cluster
- Oil is exported through pipelines to Barra to Furado
- All platforms are included in the Potential Transaction perimeter, as well as the export oil pipeline from PGP-1 to Barra do Furado and all internal oil and gas pipelines connecting the platforms within the clusters

Location Map



Historical Production (kboe/d)



Highlights

- Producing assets with track record in a proven petroleum system with first oil achieved in the late 1970's
- Multiple recovery initiatives (including infill drilling, well reconnection and recompletion and water flooding) can be implemented to enhance production profile
- Attractive fiscal terms – Round zero concessions with no local content requirements
- Several exploration prospects identified
- High degree of control on spending given 100% operated working interest

Prospective Assignee Requirements

1. In order to participate in the Process, the prospective assignee must meet the following criteria ("Eligibility Criteria"):

1) Financial Capability Criteria

A) Shareholders' equity exceeding R\$ 67 million

OR

B) Companies that do not meet such condition, but bid with a financial partner should present (i) a letter from the partner stating their intention to fund the potential acquisition and (ii) proof that the partner manages at least U\$S 5 billion in assets under your management

2) Technical Capability Criteria - Operation:

A) Qualification as operator A or B by the National Petroleum Agency (ANP);

OR

B) In the event that the prospective assignee does not hold Operator A or B status, the assignee must declare (as per a declaration statement to be supplied by PETROBRAS): (i) that it is aware of the Agency's Qualification process and (ii) that it meets the most recent technical requirements of ANP to be classified as Operator B.

3) Technical Capability Criteria - Experience:

A) Have an average global oil production of over 10,000 boe/d in the last 12 months

2. Potential assignee is allowed to present a joint proposal 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 8 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.

2.3 For the purposes of this Process, the parties must indicate which member shall be considered the leader of such joint proposal.

2.4 The leader of the joint proposal shall fulfill the Eligibility Criteria and it shall formally declare not to be acting merely as an intermediary on the Potential Transaction.

2.5 Further restrictions on the presentation of joint proposals, including the possibility of changes in the composition of the proposing group, will be informed by Petrobras in the due course of the Process.

3. If any of the events A, B or C below violates or cause any non-compliance of any (i) sanctions, (ii) regulations, (iii) embargoes or (iv) restrictive measures, which have been enacted, imposed or enforced by the World Bank, the United Nations Security Council, the United States of America, the Canada, the United Kingdom, the European Union, the Netherlands and Brazil, as well as their respective institutions and government agencies in any of the countries mentioned ("Sanctions") applied to Petrobras, the potential assignee or any of its affiliates shall not participate in the Process.

- (A) Be subject, owned or controlled by a person or entity subject to any Sanctions ("Sanctioned Person");
- (B) Be located, have been incorporated in or are resident in a country subject to Sanctions ("Sanctioned Country");
- (C) Have any commercial affiliation or business with, or investments in, any Sanctioned Country or Sanctioned Person.

Prospective Assignee Requirements (Cont'd)

4. 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>).

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. "Affiliate" of a Person means, for purposes of items 3 and 4, any company or legal entity that controls, or is controlled by, or is controlled by an entity that controls a Party. "Control" means, in relation to a Person or Consortium, a Person who has (i) the direct or indirect ownership of more than fifty (50) percent of the voting rights in a company or other legal entity; (ii) directly or indirectly, the power or rights to direct or indirect management policies, whether through the ownership of securities with voting rights, by contract or credit agreement, as fiduciary or executor, or otherwise.

6. 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, the 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 (OECD). Furthermore, when participating in the Process, the potential assignee further declares to know and comply with the rules established in the Petrobras System Code of Ethics.

7. In order to assume that it meets the requirements established in items 3 and 4, and that it observes the content of item 6 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.

7.1 The accuracy of this disclosure and the fulfilment of the requirements stated above will be verified by Petrobras after the completion, by the assignee, of all confidentiality obligations required to participate in this Process.

7.2 The Compliance Certificate shall specify the relationships and the situations described in items 3 and 4, if any. In these cases, Petrobras will evaluate if the relationships or the situations described prevent the participation of the potential assignee due to a non-compliance of any Sanctions applicable to Petrobras.

8. 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).

Process Overview

- 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 until 11:59 p.m., Brasília/Brazil time, on August 23th 2019 in order to receive the required documents to participate in the Process: (i) Confidentiality Agreement; (ii) Regulatory Requirements Declaration; (iii) Compliance Certificate.
 - At the request of Petrobras, the potential assignee must provide supporting documentation.
- Project e-mail address: garoupa@baml.com
- Qualified interested parties who execute the aforementioned documents by until 11:59 p.m., Brasília/Brazil time, on August 30th, 2019, 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 BofAML. Interested parties 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 Brazil



Disclaimer

This Opportunity Overview (the "Teaser") is being furnished to prospective assignees and published in Petrobras site ("http://www.investidorpetrobras.com.br/en") with the purpose to present the Potential Transaction.

This document is being provided only with the purpose of verifying the interest of the market in the opportunity and therefore do not oblige PETROBRAS to start or to conclude the Process for the sale of its assets.

This document may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act) that merely reflect the expectations of PETROBRAS' management. 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. These predictions evidently involve risks and uncertainties, whether foreseen or not by PETROBRAS. Therefore, the future results of operations may differ from current expectations, and readers must not base their expectations exclusively on the information presented herein.

This document is issued by PETROBRAS in the context of the Potential Transaction. It has been prepared by PETROBRAS and not by any other person and is furnished to the recipient/participant by PETROBRAS solely for its information and should not be relied upon and shall not confer rights or remedies upon, the recipient/participant or any of its employees, creditors, holders of securities or other equity holders or any other person.

This Teaser has been assembled for the sole purpose of determining whether the prospective assignees wish to receive further information for analysis in connection with the Potential Transaction upon undertaking certain confidentiality obligations provided prospective assignees meet the abovementioned requirements to participate in the Process.

Although this document was prepared in good faith and the information provided herein may be obtained from publicly available sources, neither PETROBRAS nor any of its affiliates nor any of its associates, nor subsidiary companies (the "PETROBRAS Group"), nor any of their respective directors, officers, employees, representatives, advisers or agents, is making any representations or warranties, expressed or implied, as to the fairness, accuracy, reliability, sufficiency, reasonableness or completeness of such information, statements or opinions contained in, or otherwise in relation to, this document or any written or oral information made available to any interested party, and no liability whatsoever is accepted by any such person in relation to any such information or opinion. Only those representations and warranties which may be made on a definitive agreement concerning the Potential Transaction (which will not contain any representations, warranties or undertakings as to this document) shall have any effect. In particular, any prospective assignee will, so far as permitted by law, be required to acknowledge in the definitive agreement relating to the Potential Transaction that it has not relied on or been induced to enter into such an agreement by any representation or warranty, save as expressly set out in such agreement.

The information contained in this document is being delivered for information purposes only. Any financial information ("Financial Information") contained in this document regarding any part of the PETROBRAS Group has been obtained from information ("Source Data") prepared by PETROBRAS management for internal purposes only and not with a view toward disclosure to third parties and may not comply with IFRS, UK, BR or US GAAP. No attempt has been made by PETROBRAS to audit or verify the Source Data or the Financial Information or any other financial information. Furthermore, any information that might be contained in this document regarding oil reserves and resources, production estimates and any other prospective information regarding the quantity or quality of oil resources is subject to a number of factors and involve a number of risks which cannot be predicted by PETROBRAS Group. For example, it is not possible to predict in advance of drilling and testing whether any particular prospect will contain oil or natural gas, or if it does contain oil or natural gas, whether it will be in sufficient quantities to be economically viable.

This material is necessarily based upon information available to this date and considering market conditions, economic and other conditions in the situation where they are and how these can be evaluated at the moment.

PETROBRAS does not consider that the Financial Information that might be herein contained is or should be taken as a reliable indication of the projected financial performance or any other matter. The Financial Information may include certain forward-looking statements and forecasts including statements with respect to financial conditions and results of operations relating to certain business and cost savings, management's plans and objectives for relevant assets. These statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be based on certain assumptions with regard to the future evolution of a series of magnitudes and of the economy in general, which may not be fulfilled and, thus, the conclusions reached in this document may be altered accordingly. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved. Actual outcomes are highly likely to vary from any such forward-looking statements or projections and such variations may be material. There are a number of factors that could cause actual results and developments to differ materially from any of those expressed or implied by any such statements and forecasts, such as, but not limited to, the ability to achieve cost savings, exposure to fluctuations in exchange rates for foreign currencies, inflation and adverse economic conditions.

Nothing contained in this document is or should be relied upon as a promise or representation as to the future. Except where otherwise expressly indicated, this document speaks as of the date hereof. Neither the delivery of this document nor any purchase of any of the securities, assets, businesses or undertakings of PETROBRAS or any related entity shall, under any circumstances, be construed to indicate or imply that there has been no change in the affairs of the PETROBRAS Group since the date hereof. In addition, no responsibility or liability or duty of care is or will be accepted by the PETROBRAS Group or its respective affiliates, advisers, directors or employees for updating this document (or any additional information), correcting any inaccuracies in it which may become apparent or providing any additional information to any recipient/participant. The information contained in this document is necessarily based on economic, market and other conditions as in effect on, and the information made available as of, the date hereof or as stated herein. It should be understood that subsequent developments may affect such information and that the PETROBRAS Group have no obligation to update or revise such information.

This document does not constitute a prospectus or an offer for the sale or purchase of any shares or other securities in, or any underlying assets of, any member of the PETROBRAS Group or otherwise enter into the Potential Transaction, and does not constitute any form of commitment on the part of any member of the PETROBRAS Group or any other person to enter into any transaction or otherwise. Neither this document, nor any other written or oral information made available to any recipient/participant or its advisers will form the basis of any contract or commitment whatsoever. Any proposal regarding a possible transaction between any member of the PETROBRAS Group and the recipient/participant will only give rise to any contractual obligations on the part of such member of the PETROBRAS Group when a definitive agreement has been executed.

PETROBRAS reserves the right without liability, to change, to amend or replace this Teaser and the furnished information and to amend, modify, delay, accelerate or terminate the Process, negotiations and discussions at any time and in any respect, regarding the Potential Transaction or to terminate negotiations with any prospective assignee/recipient/participant of this document, provided such is equally informed to all participants and always observing the impartiality and equal treatment. PETROBRAS undertakes no obligation to provide the recipients/participants with access to any additional information.

The recipient/participant acknowledges that it will be solely responsible for its own assessment of the market and the market position of any member of the PETROBRAS Group or any of its securities, assets or liabilities or any part thereof and that it will conduct its own analysis and be solely responsible for forming its own view of the value and potential future performance of the same. Nothing contained within this Teaser is, or should be, interpreted as or relied upon as a promise or representation as to future events or undertakings.

Recipients/Participants shall keep their relationship with PETROBRAS confidential with regard to the Potential Transaction and shall not disclose to any third party that they have received this document or that they are assessing their interest in the Potential Transaction. In no circumstances will any member of the PETROBRAS Group or any of its advisers be responsible for any costs or expenses incurred in connection with any appraisal or investigation of any member or part of the PETROBRAS Group or for any other costs and expenses incurred by a recipient/participant.

Recipients/Participants of this document and their representatives should observe any applicable legal requirements in their jurisdiction. Accordingly, the recipient/participant agrees that neither the recipient/participant nor any of its agents or affiliates shall use such information save for the purposes specified in this notice or document and shall not use such information for any other commercial purpose. The distribution of this document in certain jurisdictions may be restricted by law and, accordingly, by accepting this document, recipients/participants represent that they are able to receive/access it without contravention of any unfulfilled registration requirements or other legal or regulatory restrictions in the jurisdiction in which they reside or conduct business. No liability is accepted to any person in relation to the distribution or possession of the document in or from any jurisdiction.

This document does not purport to give legal, tax or financial advice and should not be considered as a recommendation by any member of the PETROBRAS Group or any of their respective representatives, directors, officers, employees, advisers or agents or any other person to enter into any transactions and recipients/participants are recommended to seek their own financial and other advice, and are expected to adopt their own decisions without basing them on this document. As indicated herein, this document is solely for your information and should not be relied upon and shall not confer rights or remedies upon the recipient/participant or any other person.

This document shall not exclude any liability for, or remedy in respect of, fraudulent misrepresentation. By accepting this document, the recipient/participant agrees to be bound by the foregoing limitations.

No representation or warranty, express or implied, is made by Bank of America Merrill Lynch or any of its respective affiliates, employees or representatives ("BofAML") as to the fairness, accuracy, reliability, reasonableness or completeness of any information, statements or opinions contained in, or otherwise in relation to, this document or any written or oral information made available to any interested party, and no liability whatsoever is accepted by any such person in relation to any such information or opinion. BofAML does not make any representation or warranty as to the accuracy of any data contained in this presentation regarding oil reserves and resources, exploration timelines, production estimates, among others. BofAML is not responsible in the whole or in part, expressly or impliedly, for any errors, omissions or sufficiency of information or other information sent or offered via written or oral forms, and nothing here shall be considered as a representation or warranty, in the present or in the future, of BofAML. This material is necessarily based upon information available to this date and considering market conditions, economic and other conditions in the situation where they are and how these can be evaluated at the moment. In addition, no responsibility or liability or duty of care is or will be accepted by BofAML or their respective affiliates, advisers, directors or employees for updating this document (or any additional information), correcting any inaccuracies in it which may become apparent or providing any additional information to any recipient. The information contained in this document is necessarily based on economic, market and other conditions as in effect on, and the information made available as of, the date hereof or as stated herein. It should be understood that subsequent developments may affect such information and that BofAML has no obligation to update or revise such information. BofAML will not provide any advice to the recipient regarding any law or regulation potentially applicable to the Potential Transaction, including rules or procedures applicable to such transaction.