



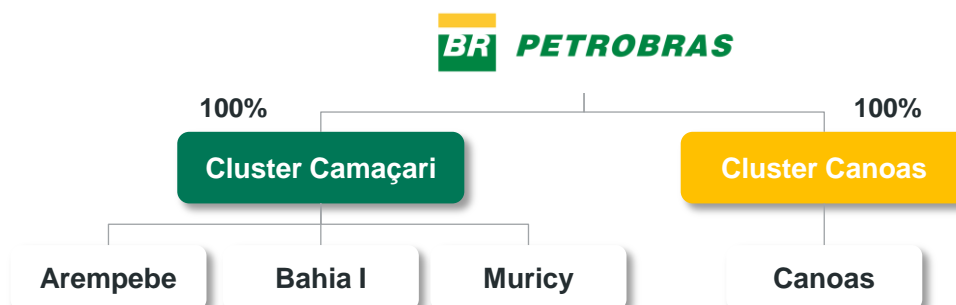
# Investment Opportunity in Thermoelectric Assets

## *Oil-Fired Thermoelectric Power Plants*

May 2020

## Proposed Transaction

- Banco Goldman Sachs do Brasil Banco Múltiplo S.A. (“Goldman Sachs”) has been retained by Petróleo Brasileiro S.A. – Petrobras (“Petrobras”) as its exclusive financial advisor in connection with the sale of Petrobras’ equity interest (“Process”) on Arembepe, Bahia 1 and Muricy Thermoelectric Plants located in Camaçari-BA (“Cluster Camaçari”) and, Canoas Thermoelectric Plant, located in Canoas-RS (“Cluster Canoas” individually, and, in combination with Cluster Camaçari, “Plants” or “Clusters”) (“Potential Transaction”)
- Plants are fully operational, currently oil-fired, and combine for 578 MW of installed capacity and 241 MW of physical guarantee
- The Plants are assets owned by Petrobras and the Transaction involves the sale of the Clusters (each Cluster individually or combined)



## Assets Overview



Canoas,  
Rio Grande  
do Sul

### Cluster Camaçari

	Arembepe	Bahia 1	Muricy	Total
<b>Capacity (MW)</b>				
Installed Capacity	150	32	147	329
Physical Guarantee <sup>1</sup>	68	17	82	168
<b>Power Purchase Agreements (“PPAs”)</b>				
Size	101	5	101	207
Maturity	Dec / 23	Dec / 25	Dec / 23	-
Fixed Revenue <sup>2</sup> , R\$/MWh	c.122	c.114	c.121	-
CVU <sup>2</sup> , R\$/MWh	1.115	994	1.115	-

*Oil-Fired Plants, with fuel supplied by road transportation*

### Cluster Canoas

**Installed Capacity** 249 MW

*Bi-fuel (natural gas or diesel) power plant*

**Physical Capacity<sup>1</sup>** 74 MW

*Currently, operates only with diesel due to logistic restrictions in local natural gas transportation network*

*Diesel is supplied through a pipeline connecting plants directly to REFAP (Alberto Pasqualini Refinery)*

<sup>1</sup> As of December 2019. <sup>2</sup> As of October 2019; PPA does not have any inflexibility commitment with the electric system.



### Key Highlights

#### Fully Operational Thermoelectric Power Plants with no Development Risk

- ✓ Thermoelectric complex with combined installed capacity of 578 MW (329 MW from Cluster Camaçari and 249 MW from Cluster Canoas) and physical guarantee of 241 MW (168 MW from Cluster Camaçari and 74 MW from Cluster Canoas)
- ✓ Plants are fully operational with no regulatory risks related to assets' development

#### Proven Track Record of Strong Financial Performance

- ✓ Consistent operational efficiency proven by high EBITDA margin (over 15% for Camaçari Cluster and c.15% for Canoas since 2017)
- ✓ Combined EBITDA of R\$ 40 million during first semester of 2019, with strong cash generation

#### Solid Capital Structure Ensuring Flexibility to the Assets

- ✓ Transaction considers assets free of financial liabilities
- ✓ Additional value could potentially be generated with capital structure optimization

#### Power Purchase Agreements Celebrated in Cluster Camaçari, with Strong Contribution to Cash Flow Generation

- ✓ Contracted capacity accounts for more than 60% of total installed capacity of Cluster Camaçari
- ✓ Fixed revenues annually adjusted by inflation (IPCA)

#### Cluster Camaçari with Potential to Address Additional Markets, Improving Competitive Position

- ✓ Plants with quick start characteristics, enabling them to service specific energy demand
- ✓ Possible conversion to gas-fired operation, addressing a current market trend and extending plants' long term attractiveness

#### Potential Operational Gain in Canoas Plant with Unlocking of Gas Supply

- ✓ Operation might be significantly improved by expected expansion of pipeline network and / or new regasification terminals
- ✓ The projects might unlock gas supply in the region and enable Canoas' gas operation, which adds flexibility to business compositions

Gerais
  Cluster Camaçari
  Cluster Canoas

### Process Overview

1. Should any recipient/participant who meets all the Eligibility Requirements, described on Page 4, ("Prospective Purchaser") be interested in participating in the Process, it will be required to formally notify Goldman Sachs of its interest no later than June 12<sup>th</sup>, 2020 through the Contact Information described on Page 6, in order to receive the required documents to participate in the Process: (i) Confidentiality Agreement ("CA") and Compliance Certificate ("CC")
2. For the non-binding phase of the process, the deadline to execute the CA and the CC by the Prospective Purchasers (necessary documents to receive the Confidential Information Memorandum) will be June 12<sup>th</sup>, 2020.
3. Distribution of the Confidential Information Memorandum ("CIM") will commence on June 15<sup>th</sup>, 2020, to Prospective Purchasers who have executed the CA and CC
4. It is recommended that Prospective Purchasers execute the CA and CC as soon as possible, since any delays may affect the participation in the Process.

### Eligibility Requirements

1. In order to participate in the Process, a Prospective Purchaser must meet the criteria described below (“Eligibility Requirements”):
  - a) Financial Criteria: (i) shareholders’ equity in excess of US\$ 10 million or (ii) assets under management in excess of US\$50 million.
2. The Prospective Purchaser shall not be listed in the following restrictive lists:
  - a) “Cadastro de Empresas Inidôneas e Suspensas” (CEIS) (available at <http://www.portaldatransparencia.gov.br/sancoes/ceis>)
  - b) “Cadastro Nacional de Empresas Punidas” (CNEP) (available at <http://www.portaltransparencia.gov.br/sancoes/cnep>)
  - c) “Empresas impedidas de transacionar com a Petrobras”, available at: <http://transparencia.petrobras.com.br/licitacoes-contratos>
3. In case the Prospective Purchaser is identified in the abovementioned hypothesis or fail to meet any of the above mentioned requirements, it will be excluded from the Process at any time, in compliance with the rules applicable to Petrobras.
4. In case the Prospective Purchaser or any of its subsidiaries:
  - a) Is subject, owned or controlled by a person or entity subject to (i) any economic, financial or trade sanctions, (ii) regulatory sanctions, (iii) embargoes or (iv) restrictive measures that have been administered, enacted, imposed or applied by the World Bank, the United Nations Security Council, the United States of America, the Canada, the United Kingdom, the European Union, the Netherlands, Brazil, and the respective governmental institutions and agencies of any mentioned previously (Sanctioned Person);
  - b) Is located, have been constituted, incorporated, organized or resident in a country subject to any (i) economic, financial or commercial sanctions, (ii) regulatory sanctions, (iii) embargoes or (iv) restrictive measures that were administered, enacted, imposed or executed by the World Bank, the United Nations Security Council, the United States of America, the Canada, the United Kingdom, the European Union, the Netherlands, Brazil and the respective governmental institutions and agencies of any mentioned previously (Sanctioned Country); or
  - c) Have the predominant part of its commercial affiliation or business with any Sanctioned Person or in a Sanctioned Country.

Petrobras will evaluate if the relations or situations described prevent the participation of the Prospective Purchaser in the Process due to non-compliance with Sanctions applicable to Petrobras, and will inform the exclusion of the Prospective Purchaser from the Process, if the case may be.
5. Furthermore, by participating in this Process, the Prospective Purchaser shall undertake not to take any action or omission that violates any applicable law regarding business ethics, including, but not limited to, the US Foreign Corrupt Practices Act, the UK Bribery Act, Brazilian Anti-Corruption Laws (specially the Brazilian Federal Law n. 12.846/2013) (hereinafter “Anti-Corruption Laws”).
6. In order to participate in the Process and comply with the requirements set forth above, Prospective Purchaser 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 Prospective Purchaser is subject to sanctions, it shall describe in the Compliance Certificate the relation, the nature and the details of the sanction, as well as indicate the restrictions arising from it.
7. The accuracy of the declaration and the fulfillment of the requirements mentioned above will be verified by Petrobras after the acceptance, by the Prospective Purchaser, of the confidentiality obligations necessary to participate in the Process.

## The Process

### Joint Offer Formation

1. A Prospective Purchaser will be allowed to form a consortium, association or present a joint offer ("Joint Offer") with an independent party, or parties, to participate in this Process.
2. The Joint Offer must have a leader, which is the Prospective Purchaser that will lead negotiations with Petrobras and will be the main communication channel between Petrobras and the Joint Offer ("Joint Offer Leader").
3. In such case, the Prospective Purchaser will be required to immediately inform Petrobras of its intention to present a Joint Offer, including information such as who is the Joint Offer Leader and who are the parties involved in the Joint Offer ("Joint Offer Member(s)") according to the deadline previously set in the Instruction Letter delivered together with the CIM.
4. The Joint Offer must contain (i) powers of attorney granting powers to the Joint Offer Leader assigned by the other participants of the Consortium; and (ii) a statement by the Joint Offer Leader confirming that he is not acting as an intermediary in the Potential Transaction.
5. The Joint Offer must be approved at Petrobras convenience, in accordance with the legal criteria and the rules established herein and further detailed in the Instruction Letter. After approved by Petrobras and verified compliance with Eligibility Requirements and Joint Offer formation rules, the Prospective Purchaser will be allowed to participate in the Process.
6. The formation of a Joint Offer is permitted only if all the members collectively meet the Financial Criteria described in item 1 and individually all the requirements described in items 2,3,4,5,6,7 of the Eligibility Requirements section.
7. Such Joint Offer Member(s) or any Prospective Purchaser must execute its own CA and CC directly with Petrobras in order to access any non-public information related to the Potential Transaction or the Asset.
8. The rules applicable for the modification in the composition of the Joint Offer will be further detailed in the Instruction Letter of the non-binding phase.

### Further Considerations

1. During the Process, Petrobras may perform preventive risk analysis, in compliance with Anti-Corruption Law and the Petrobras Program for Preventing Corruption - PPPC, and may ask any Prospective Purchaser to fill out a detailed questionnaire to verify the compliance of its practices and conducts with the Anti-Corruption Law.
2. A Declaration of independent Proposal shall be submitted until the submission of each offer (non-binding and binding).
3. In order to prevent a conflict of interest, it will not be allowed the participation in the Process of any Prospective Purchaser that is considered an affiliated company of the financial advisor of Petrobras in the Process (Goldman Sachs)
4. The Prospective Purchaser may, under its sole responsibility and bearing all related expenses, retain financial, technical and, or legal consultants to advise on the Process, provided that such advisors are institutions with an undoubted reputation, experience and are not subject to any conflict of interests related to Petrobras whatsoever, being the existence of conflict determined in accordance with criteria specified by Petrobras

## The Process

### Contact Information

- Queries from Prospective Purchasers which meet the abovementioned Eligibility Requirements should be addressed exclusively to Goldman Sachs's individuals at [gs-goytacazes@gs.com](mailto:gs-goytacazes@gs.com)
- This e-mail should be used only for the purposes of the Potential Transaction
- Under no circumstances should any contact be made with the management or employees of Petrobras or any of its affiliates
- Any general questions or inquiries not specific and not directly related to the Potential Transaction should be addressed to the following website: <http://transparencia.petrobras.com.br/>



## The Process

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