



PETROBRAS



Investment Opportunity in Brazil

Peroá Cluster

July 2019

Investment Opportunity in Brazil

Opportunity Overview

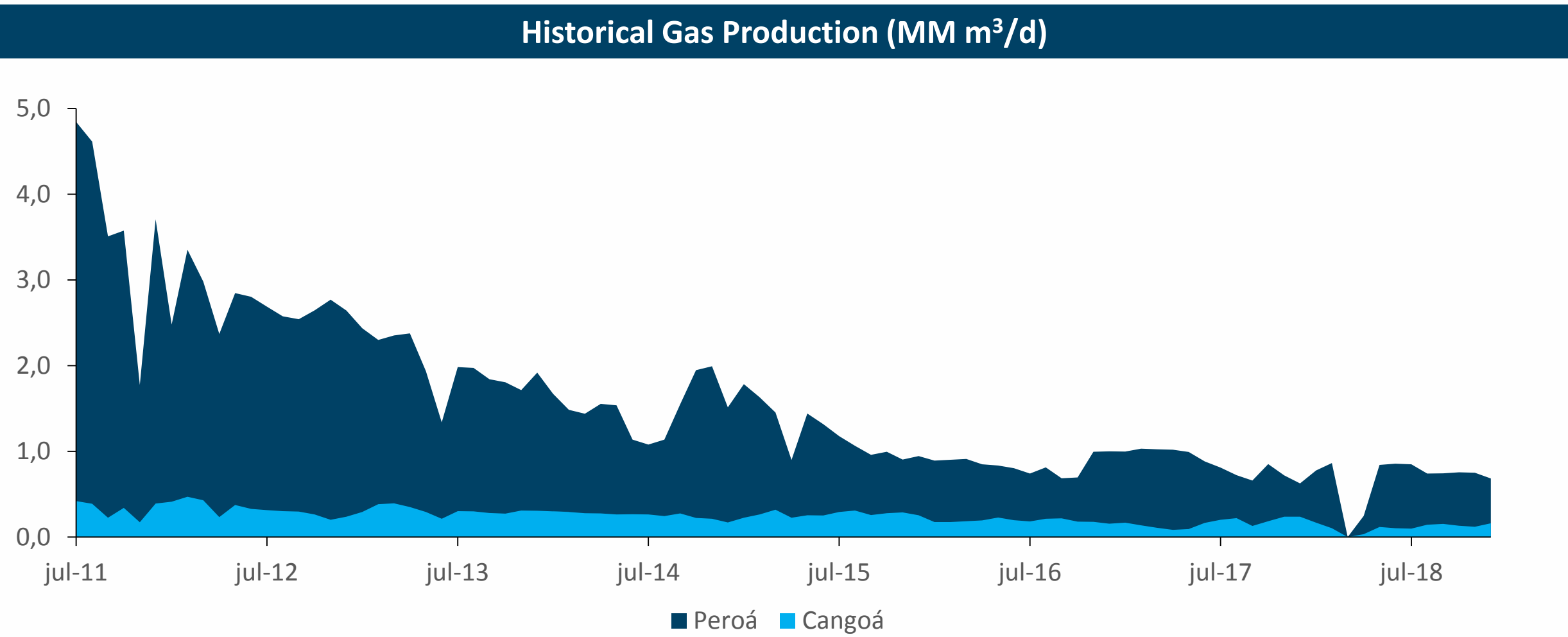


Petróleo Brasileiro S.A. (“Petrobras”) is undertaking a process (the “Process”) to assign its entire operated working interest in certain E&P assets located in the Espírito Santo Basin in Brazil (the “Potential Transaction”). The assets have been arranged in one package (the “Package”) as described below:

Assets Overview					
Basin	Field	Water Depth (m)	Petrobras WI	Gas Production (k m³/d)	Distance to the Coast
Espírito Santo	Peroá	67-84	100.0%	769	52 km
Espírito Santo	Cangoá	67-84	100.0%	176	40 km
Espírito Santo	Malombe	980	88.9%	-	72 km

Peroá and Cangoá

- Petrobras has a 100% working interest in Peroá and Cangoá concessions, located in the Espírito Santo Basin
- Peroá and Cangoá are two shallow water fields, about 50km offshore Linhares (ES), containing turbidite sandstone reservoirs and non-associated gas and condensate fluid
- The fields are operational since 2006 and 2009, respectively, with peak production of the cluster in 2008 in excess of 7.3 MM m³/d of non-associated gas and total cumulative gas production of 9,499 MM m³ as of year-end 2018
- Production system based on up to six wells connected to the unmanned offshore platform PPER-1, that sits in 67m water depth, plus one well directly tied to the gas pipeline connecting the platform to the UTGC processing facility onshore
 - Among the wells connected to PPER-1, three are operational in Peorá (7-PER-1, 3-ESS-82 e 1-ESS-77) and one is operational in Cangoá (7-CAN-1-ESS)
- The platform and the export pipeline are included in the Potential Transaction perimeter

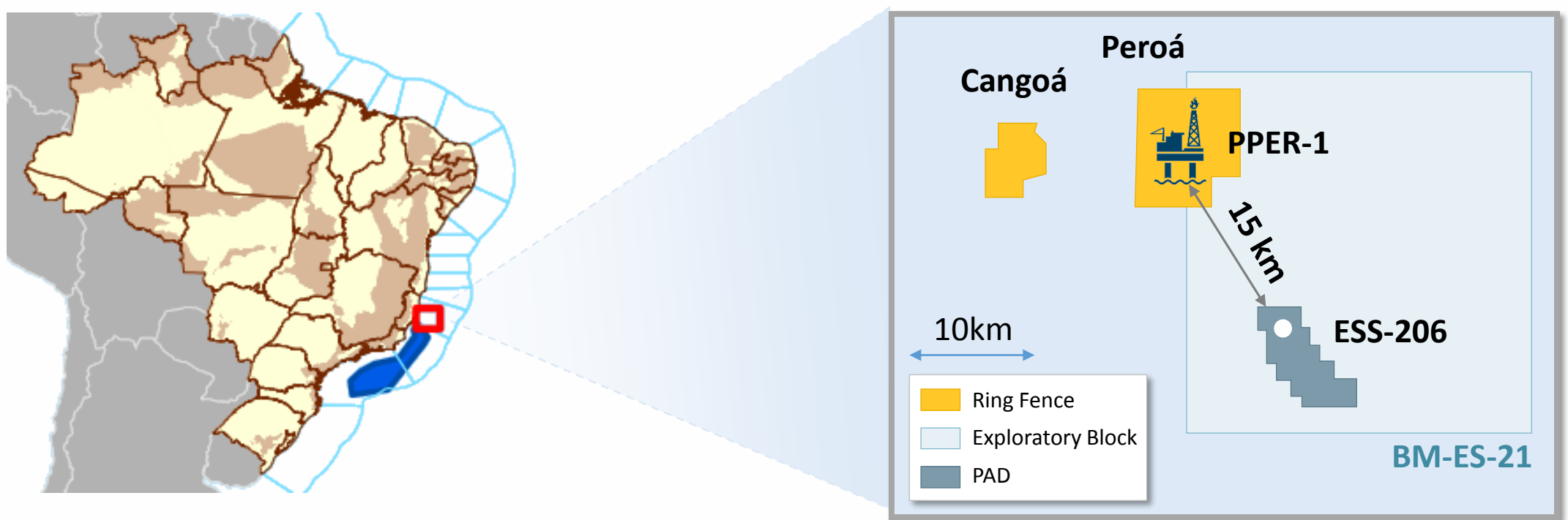


Assets Overview (Cont'd)

Malombe Discovery

- Malombe discovery was made in 2011 with the drilling of 1-ESS-206 exploration well, in BM-ES-21 concession, which was acquired during ANP's 6th bidding round in 2004. Currently the area is under a discovery appraisal plan (PAD) with declaration of commerciality expected in the 2nd semester of 2019
- Malombe development concept consists of a subsea tie-back of 1-ESS-206 exploration well to PPER-1 platform, in Peroá concession
- Completion and tie-in works are necessary to repurpose the exploration well and connect to production gathering system
- Final Investment Decision (FID) expected in 4Q 2019 and first gas expected in 1Q 2023 with peak production reaching 2.5 MM m³/d of gas
- As published in Diário Oficial da União (DOU) in June 11, 2019, Repsol is currently exiting its 11.1% stake in the Concession Contract in favor of Petrobras. The withdrawal has already been approved by CADE but is still subject to ANP approval. Therefore, should ANP approve Repsol's withdrawal in favor of Petrobras, the assigned Working Interest on Malombe Field will be increased from 88.9% to 100% on the course of the Process. In case such increase is confirmed, Petrobras will necessarily send an addendum afterwards communicating a change of the relevant conditions of the transaction and requesting a new binding or non-binding offer, as the case may be, for the 100% Participating Interest on Malombe Field

Location Map



Infrastructure Overview

PPER-1: Unmanned Platform



Associated Infrastructure:

- PPER-1 capacity: 8 MM m³/d
- Gas pipeline capacity: 9 MM m³/day
- Six production wells in Peroá and one in Congoá
- One exploration well drilled in BM-ES-21 concession

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Prospective Assignee Requirements



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

1.1 Technical Qualification

(A) The assignee must currently be qualified by the Agência Nacional do Petróleo (ANP) to act as Operator A;

or

(B) In the event that the prospective assignee does not hold Operator A 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 A.

2. It should be noted that, in addition to the technical requirements mentioned above, ANP requires a minimum net worth of R\$ 176 million for the qualification as Operator A (according to the notice of the 16th Round of Bids). Even though it is not an Eligibility Criteria under the Process, this requirement must be fulfilled until the signing date.

3. Potential assignee is allowed to present a joint proposal with an independent party or parties to participate in this Process.

3.1 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 4 and 5 below.

3.2 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.

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

3.4 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.

3.5 Other rules regarding the presentation of joint proposals, including the possibility of changes in the composition of the proposing group, will be informed by Petrobras in a timely manner.

4. If any of the events A, B or C below 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)

5. 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>).

5.1 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.

6. “Affiliate” of a Person means, for purposes of items 4 and 5, 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 direct management policies, whether through the ownership of securities with voting rights, by contract or credit agreement, as fiduciary or executor, or otherwise.

7. 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.

8. In order to assume that it meets the requirements established in items 4 and 5 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.

8.1 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.

8.2 The Compliance Certificate shall specify the relationships and the situations described in items 4 and 5, 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

9. 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).

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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 by **July 26th, 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: projeto.peroa@baml.com
- Qualified interested parties who execute the aforementioned documents by **August 1st, 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/>.

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