



**ONSHORE E&P OPPORTUNITY IN
BRAZIL**
North Capixaba Cluster
August 2020

1. Opportunity Description

OPPORTUNITY SUMMARY

Petróleo Brasileiro S.A. (“Petrobras”) is undertaking a process (the “Process”) to sell its operated working interests in five onshore E&P fields, located in the Espírito Santo Basin, in Espírito Santo State, Brazil. The object of this Process is the assignment of the rights to explore, develop and produce oil and natural gas of these group of concessions, with integrated facilities, in order to provide Potential Buyers with full operating conditions (“Potential Transaction”). The assets have been arranged in one cluster (“North Capixaba Cluster” or “Cluster”) as outlined in the following table:

<u>Cluster</u>	<u>Basin</u>	<u>Fields</u>	<u>Petrobras WI</u>	<u>2019 Daily Production (oil barrels per day)</u>
North Capixaba	Espírito Santo	Cancã, Cancã Leste, Fazenda Alegre, Fazenda São Rafael and Fazenda Santa Luzia	100%	7.041

- The Cluster comprises five onshore oil concessions (Cancã, Cancã Leste, Fazenda Alegre, Fazenda Santa Luzia and Fazenda São Rafael) located in Espírito Santo State, in the cities of Jaguaré, Linhares and São Mateus.
- Petrobras currently holds 100% stake and operates the concessions.
- The Cluster has 269 wells currently operating, three oil treatment stations, four satellite stations at Fazenda Alegre Field and 74 km of gas and oil pipelines.
- In 2019, North Capixaba average oil production was 7.041 bpd and 56,4 mil m³/d of gas.
- The Cluster comprises equipments that perform water/oil separation (treatment) and water injection at Fazenda Alegre, Fazenda São Rafael and Fazenda Santa Luzia Stations.
- The secondary recovery method applied in the fields of Cancã, Cancã Leste and Fazenda Alegre, consists of steam injection.
- The Cluster includes North Capixaba Terminal – TNC and all production facilities contained in the five ring fence concessions, besides ownership lands transference.
- Concession Contracts: Fazenda Alegre, Cancã and Cancã Leste fields have contract extension until 2052, 2034 and 2045, respectively.

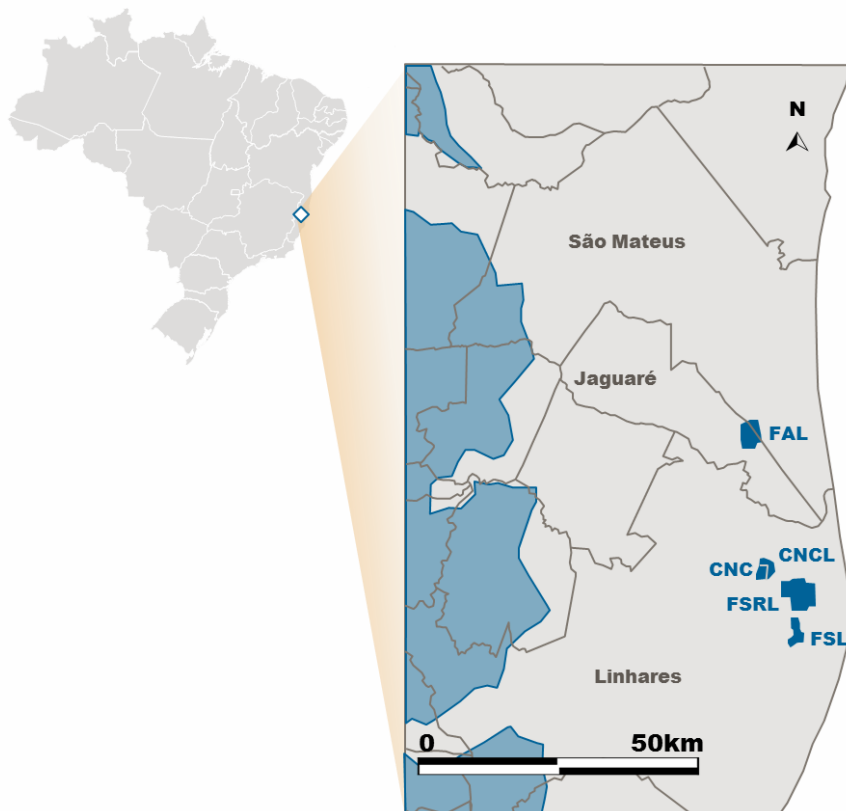
Highlights

- Prospective Purchaser will have access to whole infrastructure for oil and gas storage and transportation, which will allow full operational autonomy.
- The proposed business model considers the current synergy between the listed concessions, in order to optimize the sharing of production and treatment facilities, which justifies their conformation in a single production cluster.
- Access to internal and external oil Market through North Capixaba Terminal - TNC which is included in the cluster.
- The Cluster production supplies Brazilian oil internal Market (refineries), nevertheless Potential Transaction can consider oil purchase and sale agreement with Petrobras, which terms will be known during the process.

1. Opportunity Description (Cont')

Location Map

The North Capixaba Cluster is located in the Espírito Santo Basin, in the Espírito Santo State, in the cities of Jaguaré, Linhares and São Mateus, as described in the map below:



Fazenda Alegre Station



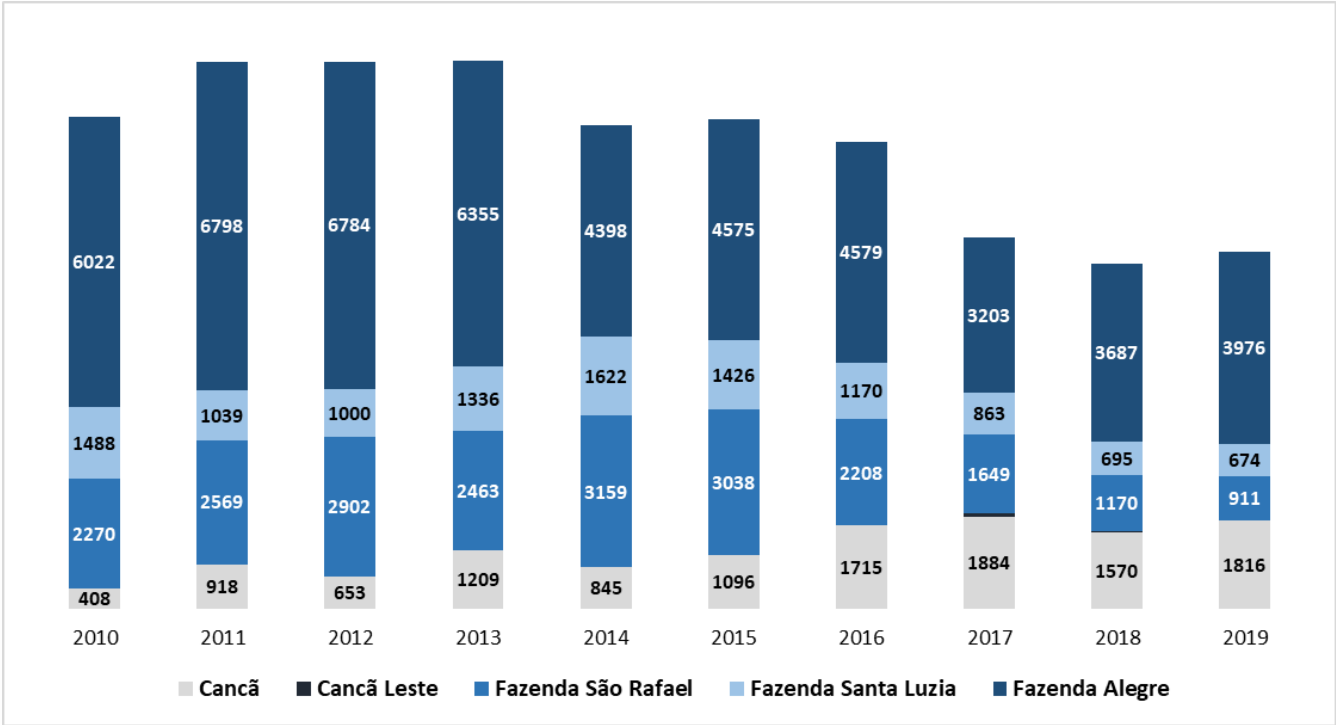
1. Opportunity Description (Cont.)

Norte Capixaba Terminal - TNC

The TNC is a waterway logistics terminal that is included in the scope of the Potential Transaction. The TNC consists of five oil and condensate receiving tanks (approximately 16,160 m³ each) with operational measurement in line at its entrance. It also has infrastructure for receiving trucks.



Historical Oil Production per field (boe/d)



2. Process Overview

2.1. Petrobras has retained J.P. Morgan Bank (“J.P. Morgan”) to act as its exclusive financial advisor in connection with the Potential Transaction.

- a. Should any recipient/participant who meets all the Eligibility Requirements (“Prospective Purchaser”) be interested in participating in the Process, it will be required to formally notify J.P. Morgan up to **September 11th, 2020** of its interest through the contact information, described on Page 10, in order to receive the required documents to participate in the Process: (i) Confidentiality Agreement (“CA”); (ii) Compliance Certificate (“CC”); (iii) Regulatory Requirements Certificate (“RRC”). If the Prospective Purchaser falls within Group B of item 3.1 below, the Participant Declaration (“DPar”) will also be required. Such notification to J.P. Morgan must include all the documents previously informed and must be send through the contacts described on page 10.
- b. If required by Petrobras, Prospective Purchaser shall present other supporting documents.
- c. For the next phase of the Process, the deadline to execute the CA, the CC, the RRC and DPar, and deliver any other required documents, will be **September 18th, 2020**.
- d. Distribution of the information package will commence after the deadline date specified on item 2.1.c, to all Prospective Purchasers who have executed the CA, the CC, the RRC and the DPar and delivered any other required documents.

3. Eligibility Requirements

3.1. In order to participate in the Process, a Prospective Purchaser must meet at least one of the criteria below (“Eligibility Requirements”):

A. Oil and Gas Companies (Operators) (“Group A”):

- i) Qualification as operator C by the National Petroleum Agency (“ANP”);

OR

- ii) Alternatively, even if the Prospective Purchaser is not classified as “Operator C” by ANP, it will be able to participate in the Process if it declares (in the exact same terms of the RRC to be provided by Petrobras) that, at the moment of the DRR delivery, it meets the requirements of ANP to be classified as “Operator C” before ANP and will deliver its supporting documents within the first offer requested.

It must be noticed that, on the current date, ANP requires a minimum shareholders' equity of R\$ 5.5 million to qualify as “C” Operator, and this criterion may be updated along the process and it must be fulfilled by the Prospective Purchaser.

B. Financial Sponsors (“Group B”): managing or financial institutions such as private equities, pension funds, sovereign wealth funds and asset managers, whose value of assets under management (AUM: Assets under management - total market value of the investments that the institution negotiates on behalf of its investors) is greater than US\$ 300 million.

Financial institutions may form a joint offer with other participants in the Process (item 4).

3.1.1. During the Process, Petrobras may request that Prospective Purchasers to submit supporting documentation that support their technical and financial capacity, in accordance with (i) technical requirements to be qualified as Operator “C” by ANP; and (ii) the acquisition price and other financial commitments associated with the acquisition and operation of the assets included in the Potential Transaction.

3.1.2. The Prospective Purchasers from Group B may only submit a binding offer in conjunction with a company which qualifies as Operator (defined in Group A of item 3.1) and all must fulfill the Eligibility Requirements Criteria set out in items 3.2 to 3.7. This offer must be submitted pursuant to item 4 (Joint Offer).

3.1.2.1. The binding offer must also be signed by the Operator. More detailed rules will appear in the Instruction Letter (non-binding phase), and in the Process Letter (binding phase).

3.1.3. Prospective Purchasers qualified for the binding offer phase will not be able to participate as Financial Sponsor/Investors of another Offer.

3. Eligibility Requirements (Cont')

3.2 The Prospective Purchaser and/or its affiliates shall not be listed in the following restrictive lists:

- (A) "Cadastro Nacional 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.portaldatransparencia.gov.br/sancoes/cnep>)
- (C) "Empresas impedidas de transacionar com a PETROBRAS"
(available at: <http://transparencia.petrobras.com.br/licitacoes-contratos>)

3.3 In case the Prospective Purchaser is identified in the abovementioned hypothesis or fail to meet any of the abovementioned requirements, it will be excluded from the Process at any time, in compliance with the rules applicable to Petrobras.

3.4 In case the Prospective Purchaser or any of its affiliates or their respective administrators, employees, representatives and agents:

- 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 Sanctioned Country.
- 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, as the case may be.

3.5 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) ("Anti-Corruption Laws").

3.6 In order to participate in the Process and comply with the requirements set forth above, Prospective Purchaser shall sign a Compliance Certificate ("CC") 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.

3.7 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.

4. Joint Offer Formation

- 4.1 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.
- a. 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”).
 - b. 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 and/or Process Letter.
 - c. The Joint Offer must contain (i) powers of attorney granting powers to the Joint Offer Leader assigned by the other participants of the Joint Offer; and (ii) a statement by the Joint Offer Leader confirming that he is not acting as an intermediary in the Potential Transaction.
 - d. The Prospective Purchaser from Group B may only submit a Binding Offer in conjunction with a participant who meets the requirements of Group A. Prospective Purchasers qualified for the binding offer stage will not be able to participate as Financial Sponsor/Investors in another proposal.
- 4.2 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 and Process 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.
- 4.3 The formation of a Joint Offer is permitted only if the Joint Offer Members meets all the Eligibility Requirements described in the items 3.2 to 3.7 established herein.
- a. With the exception of the Operator, other Joint Offer Member(s) may execute a regulatory requirements certificate for non-operators (“RRC – Non-Operator”) in place of the RRC mentioned in item 2.1.
 - b. The RRC (or “RRC – Non-Operator”, as applicable) will be made available together with the CA and the CC to all Joint Offer Members(s), as each Joint Offer Member must execute its own CA, CC and RRC (or “RRC – Non-Operator”, as applicable) directly with Petrobras in order to access any non-public information related to the Potential Transaction or the Assets.
- 4.4 The rules applicable to the Joint Offer Leader and to modification in the Joint Offer composition will be further detailed in the Instruction Letter (non binding phase) and/or Process Letter (binding phase).

5. Further Considerations

- 5.1 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.
- 5.2 A Declaration of independent Proposal shall be submitted until the submission of each offer (non-binding and binding).
- 5.3 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.
- 5.4. 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.

6. Contact Information

6.1 Queries from Prospective Purchasers which meet the abovementioned Eligibility Requirements should be addressed exclusively to BofA individuals at **nortecapixaba_JPM_All@jpmorgan.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.

6.2 Any general questions or inquiries not specific and directly related to the Potential Transaction should be addressed to the following website: <http://transparencia.petrobras.com.br/>

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