



**PETROBRAS**

# Onshore E&P Divestment Opportunity

August 2017



## Onshore E&P – Buracica Cluster

### Summary of the Opportunity

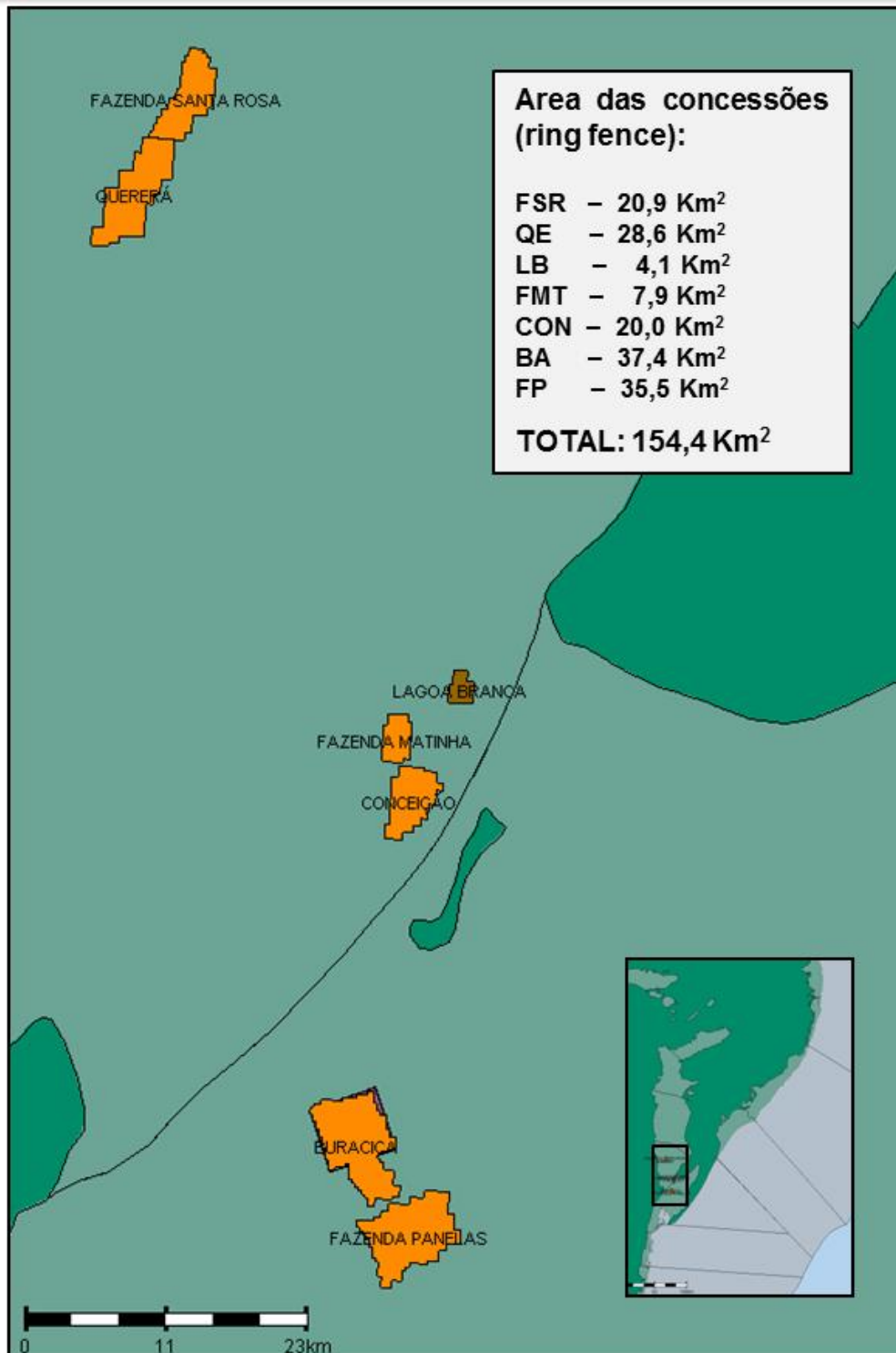
Petróleo Brasileiro S.A. (“PETROBRAS”) is beginning a process (“Process”) to assign the total of its equity interests in selected onshore E&P fields located in the state of Bahia, Brazil, jointly designated as Buracica Cluster (the “Potential Transaction”), as described below:

- Buracica Cluster (“BA”) has 7 production concessions located in the north of Salvador, near by the city of Alagoing.

Buracica Cluster			
Concession	Acronym	Contract	Petrobras' WI
Buracica	BA	48000.003635/97-46	100%
Fazenda Panelas	FP	48000.003653/97-28	100%
Fazenda Matinha	FMT	48000.003891/97-14	100%
Conceição	CON	48000.003702/97-31	100%
Quererá	QE	48000.003894/97-02	100%
Fazenda Santa Rosa	FSR	48000.003883/97-88	100%
Lagoa Branca	LB	48000.003893/97-31	100%

- The concessions are grouped into production clusters, which share disposal and production treatment facilities and have operational synergies that justify its conformation.
- The transaction may also include an O&G purchase and sale agreement with Petrobras, as well as services contracts of others specified services.

## Location Map

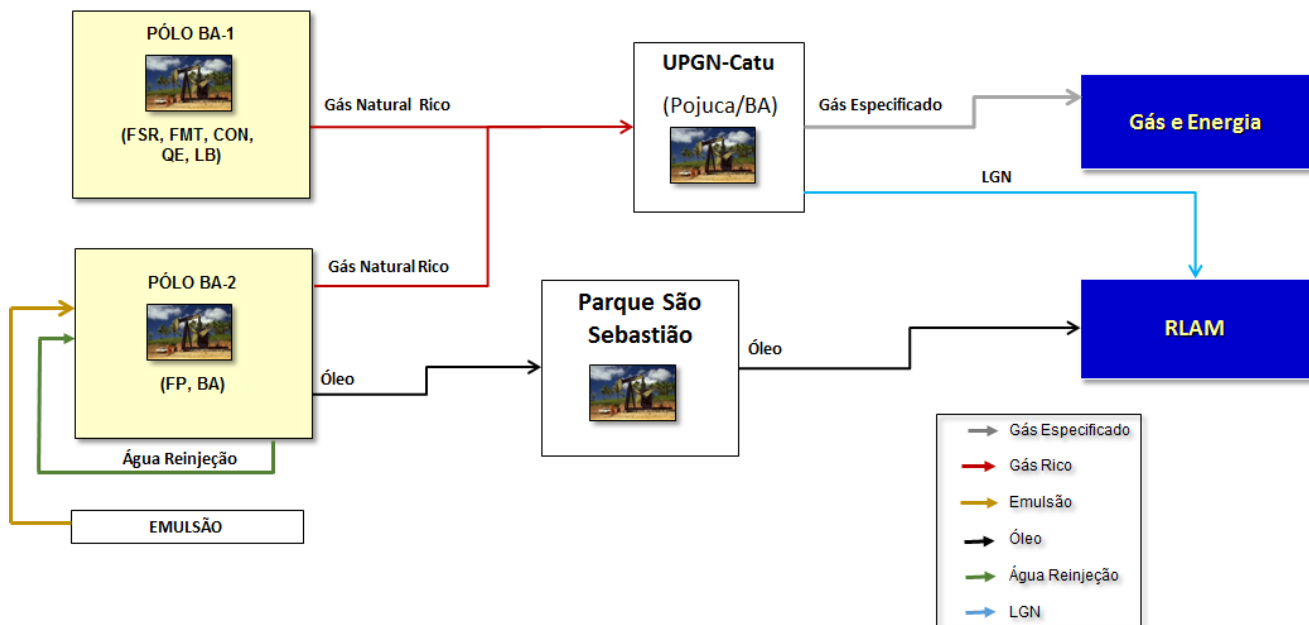


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## Highlights

- **Position as operator and with a 100% equity interest**
- **Robust production profile with strong cash generation**
  - Oil Production (average daily oil production considers January to December 2016 period): 3.940 bpd
  - Gas Production (average daily gas production considers January to December 2016 period): 32 thousands m<sup>3</sup>/day
- **Relevant reserves volume**
  - 3P reserves (Petrobras's 2016 Boletim Anual de Reservas da Petrobras): 33,5 MM boe
- **Fields are organized in clusters in order to optimize the operational flow and infrastructure, as well as to ensure greater autonomy to operators**
- **Exploratory upsides have been identified in the ring fences of the cluster's concessions.**

## Cluster Flow Chart



## Prospective Assignees Requirements

- In order to participate in this Process, the prospective assignee must meet the following requirements ("Eligibility Criteria"):
  - Be an onshore operator in Brazil or abroad. Offshore companies abroad are also allowed to participate in the Process, since, according to the Brazilian rules, they are also able to operate onshore fields; or
  - Be classified as operator "C" by the ANP. Companies classified as operator "B" or "A" in Brazil can also participate, since, according to the Brazilian rules, they are also able to operate onshore fields. Alternatively, even if the prospective assignee 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 declaration model to be provided by PETROBRAS, that: (i) is aware of the Agency's Qualification process and (ii) it meets the requirements of ANP to be classified as operator "C".
- Besides, neither prospective assignee nor any of its affiliates can:
  - be subject to, or be owned or controlled by a person or entity subject to, any economic, financial or trade (i) sanctions, (ii) regulations, (iii) embargoes or (iv) restrictive measures, all related to E&P activities on onshore/offshore fields (Sanctioned Person), and that were administered, enacted, imposed or enforced by the World Bank, the United Nations Security Council, the United States of America, the United Kingdom, the European Union, France, Italy, Austria, the Netherlands, Brazil, and the respective governmental institutions and agencies of any of the foregoing.
  - be located, incorporated, organized, or resident in a country subject to any economic, financial or trade (i) sanctions, (ii) regulations, (iii) embargoes or (iv) restrictive measures, all related to E&P activities on onshore/offshore fields (Sanctioned Country) and that were administered, enacted, imposed or enforced by the World Bank, the United Nations Security Council, the United States of America, the United Kingdom, the European Union, France, Italy, Austria, the Netherlands, Brazil and the respective governmental institutions and agencies of any of the foregoing.

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(C) have any business affiliation or commercial dealings with, or investments in, any Sanctioned Country or Sanctioned Person.

3. In addition, the prospective assignee and its affiliates shall not be included in any of the following restrictive lists:

(A) “Cadastro Nacional de Empresas Inidôneas, Suspensas e Punidas” (Available at: <http://www.portaldatransparencia.gov.br/ceis>);

(B) “Empresas impedidas de transacionar com a PETROBRAS”. (Available at: <http://transparencia.petrobras.com.br/licitacoes-contratos>).

4. The subsequent fitting of prospective assignee, or of any of its affiliates, in the abovementioned hypotheses will result in its elimination from the Process.

5. Furthermore, by participating in this Process, you shall undertake not to take any action, or omit to take any action that would violate any applicable law related to business ethics, including but not limited to the US Foreign Corrupt Practices Act and Brazilian anti-bribery laws (specially the Brazilian Federal Act n. 12.846/2013) and the principles described in the Organization for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (hereinafter “Anti-Bribery Law”).

6. To participate in the Process and comply with the requirements set forth in item 2 above, prospective assignees shall sign a Compliance Certificate, in the exact same terms of the declaration model to be provided by PETROBRAS, 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. In case prospective assignee is subject to sanctions, it must describe in the Compliance Certificate the nature and details of the sanction, as well as indicate the restrictions arising therefrom.

6.1 The accuracy of this statement and the fulfillment of the requirements above will be verified by Petrobras after the undertaking of the confidentiality obligations required to participate in this Process.

7. All qualifications for the assignment of the Concession Contract before ANP are the sole responsibility of prospective assignee.

8. Prospective assignees will be allowed to form a consortium. Prospective assignees that intend to form a consortium will be required, in due time, to express such intent. The leader of the consortium shall fulfill the Eligibility Criteria. All consortium members shall individually sign a Compliance Certificate as set forth in item 6 and meet the requirements set forth in items 2 and 3 above. In addition, the consortium members (except for the leader) shall declare that they fulfil all legal and regulatory requirements to be a concessionaire in Brazil (in the exact same terms of the declaration model to be provided by PETROBRAS).

## The Process

The invited companies and other prospective assignees that fulfill the Eligibility Criteria and all the requirements established in this Teaser, should express its interest up to September 12<sup>th</sup>, 2017 directly to Itaú BBA, the financial advisor in this Process, to the following email: [onshorebrazil@itaubba.com](mailto:onshorebrazil@itaubba.com).

Queries from the prospective assignees which meet the abovementioned requirements should be addressed exclusively to Itaú BBA. You should not contact any PETROBRAS personnel.

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In order to have access to relevant (and confidential) technical, legal and financial information, including a *Process Letter* and information concerning the Process, the prospective assignee is required to sign a Confidentiality Agreement, the Compliance Certificate and the other required declarations by September 26<sup>th</sup>, 2017.

Access to Physical and Virtual Data Room can only be granted after you have undertaken such confidential and compliance obligations and sign a Compliance Certificate.

PETROBRAS reserves the right to amend the Process as it may deem appropriate, provided any change is informed to all participants.

PETROBRAS may, during the Process, perform preventive risk analysis, in compliance with Anti-Bribery Law and the Petrobras Program for Preventing Corruption - PPPC, and may ask any participant to fill out a detailed questionnaire to verify the compliance of its practices and conducts with the Anti-Bribery Law.

### Notice

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.

Any queries regarding this Process shall be addressed to Itaú BBA.

This document is being provided only with the purpose of verifying the interest of the market in the opportunity and therefore does not oblige PETROBRAS to start or to conclude the Process for the assignment of their working interests.

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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 and Eligibility Criteria to participate in the Process.

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