



ONSHORE E&P OPPORTUNITY IN BRAZIL

June 2020

1. Opportunity Description

OPPORTUNITY OVERVIEW

Petróleo Brasileiro S.A. (“PETROBRAS”) is undertaking a process (the “Process”) to sell its total operated working interests in a group of concessions in onshore E&P fields (“Urucu Pole”), located in the Solimões Basin in the state of Amazonas, Brazil. The scope of this Process consists on the transfer of exploration, development and production rights of oil and natural gas in this group of onshore fields, with integrated facilities, aiming to provide potential buyers with full operating conditions (“Potential Transaction”).

- Urucu Pole comprises 7 production concessions (Aracanga, Arara Azul, Carapanaúba, Cupiúba, Leste do Urucu, Rio Urucu, Sudoeste Urucu), all located in the state of Amazonas, in the municipalities of Tefé and Coari, occupying an area of approximately 350 km².
 - Petrobras may exclude from the scope of the project, at its own discretion, the concessions of Cupiúba and Carapanaúba, at any moment prior to the offer submission.
- The average monthly production of Urucu Pole in the first quarter of 2020 was approximately 106,353 boed, of which 16,525 bpd are oil and condensate and 14,281 Mm³/d are gas, in addition to 1,137 ton/d of GLP. It is worth mentioning that the production of fields Cupiúba and Carapanaúba represent 0.5% of the total production of the Pole.
- Petrobras is the operator in all concessions, with a 100% working interest.
- In addition to the concessions and its production facilities, the transaction perimeter includes the oil and natural gas production processing plants and storage facilities of Polo Arara, of which is worth highlighting 4 Natural Gas Processing Plants (“UPGN”) and treatment and compressing stations, oil tanks and GLP spheres. Given the remote location, the transaction perimeter also includes an airport, medical center, and other facilities which enable operations in such conditions, in addition to logistics facilities which support production, such as the Encontro das Águas port, located in Manaus and the support bases Evandro I and II located in the municipality of Coari.
- A contract for drainage, transfer and storage will be offered, with terms to be disclosed during the process.

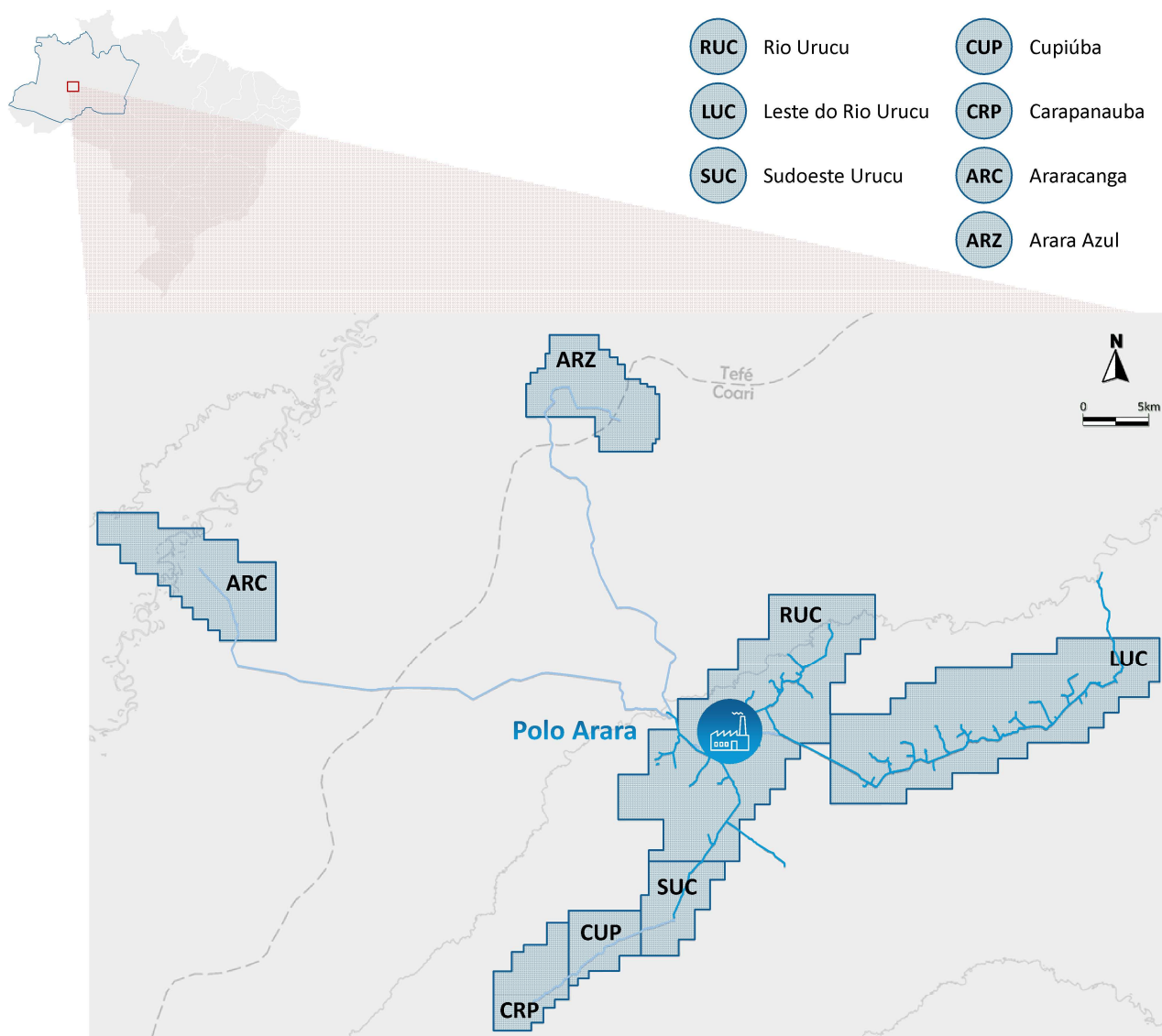
HIGHLIGHTS

- High level of autonomy for the management of the assets (100% working interest in all fields)
- Average production of oil and condensate in the first quarter of 2020: 16,525 bdp, of light oil (average API of 49 degrees)
- Average natural gas production in the first quarter of 2020: 14,281 thousand m³/d
- Prospective purchasers will have access to infrastructure for storage, transportation and drainage of oil and natural gas, which will allow for full operational autonomy

1. Opportunity Description (Cont'd)

LOCATION

Urucu Pole is located in the Solimões Basin, Amazonas, approximately 235 km southwest from the city of Coari and 623 km southwest from Manaus.



2. Process Overview

2.1. Petrobras has retained Banco J.P. Morgan (“J.P. Morgan”) to act as its exclusive financial advisor in connection to 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 **July 17th, 2020** of its interest 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”). All notifications should be sent to J.P. Morgan through the contact information, described on Page 9.
- b. If required by Petrobras, the Potential Purchaser shall present supporting documents.
- c. For the next phase of the Process, the deadline to execute the CA, the CC and the RRC, and deliver any other required documents, will be **July 24th, 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 and the RRC, 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"):

1) Currently hold a qualification by Agência Nacional do Petróleo Gás Natural e Biocombustíveis (ANP) to act at least as Operator "B", in accordance to ANP's Bidding Guidelines to award the Bidding Contracts for oil and gas exploration and production activities– 16th Bidding Round ("ANP Guideline")

OR

2) In the event that the Prospective Assignee is classified by ANP as operator "C", or does not hold ANP operator status, the assignee must declare (as per RRC to be presented by PETROBRAS): (i) it is aware of the Agency's qualification process (ii) it meets, at the time the declaration is presented, to the requirements of ANP's 16th Bidding Round to be classified at least as "Operator B".

It should be noted that in order to be qualified as Operator "B", nowadays ANP requires minimum book value of R\$ 76,000,000.00. This requirement can be updated by the referred agency during the development of the competitive process and the Prospective Assignee shall be in compliance with such updates.

3.2 The Prospective Purchaser shall not be listed in the following restrictive lists:

(A) "Cadastro de Empresas Inidôneas, Suspensas" (CEIS)

(available at: <http://www.portaldatransparencia.gov.br/ceis>)

(B) "Cadastro Nacional de Empresas Punidas" (CNEP)

(available at: <http://www.portaldatransparencia.gov.br/sanções/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, or any of its Affiliates, 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. Eligibility Requirements (Cont'd)

3.4 In case the Prospective Purchaser or any of its subsidiaries or its and their respective directors, officers, 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) embargoes or (iii) restrictive measures 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 ("Sanctions").
- b. is located, have been constituted, incorporated, organized or resident in a country subject to any Sanctions.
- c. Have the predominant part of its business with any person or in a country subject to Sanctions.

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 or any other situation described in item 3.5, even if it considers that the sanction does not prevent its participation in the Process. If the Prospective Purchaser is subject to such situations, 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 delivered together with the Information Package.

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.

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 all of the Joint Offer Members individually meets all the Eligibility Requirements established herein.

a. With the exception of the Joint Offer Leader, 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 for the modification in the composition of the Joint Offer 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 - PPC, 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 J.P. Morgan individuals at SOLIMOEES_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/>

Disclaimer

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