

3rd quarter 2019 Performance

Webcast
October 25, 2019



P-68

Disclaimer

The presentation may contain forward-looking statements about future events that are not based on historical facts and are not assurances of future results. Such forward-looking statements merely reflect the Company's current views and estimates of future economic circumstances, industry conditions, company performance and financial results. Such terms as "anticipate", "believe", "expect", "forecast", "intend", "plan", "project", "seek", "should", along with similar or analogous expressions, are used to identify such forward-looking statements. Readers are cautioned that these statements are only projections and may differ materially from actual future results or events. Readers are referred to the documents filed by the Company with the SEC, specifically the Company's most recent Annual Report on Form 20-F, which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements, including, among other things, risks relating to general economic and business conditions, including crude oil and other commodity prices, refining margins and prevailing exchange rates, uncertainties inherent in making estimates of our oil and gas reserves including recently discovered oil and gas reserves, international and Brazilian political, economic and social developments,

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In addition, this presentation also contains certain financial measures that are not recognized under Brazilian GAAP or IFRS. These measures do not have standardized meanings and may not be comparable to similarly-titled measures provided by other companies. We are providing these measures because we use them as a measure of company performance; they should not be considered in isolation or as a substitute for other financial measures that have been disclosed in accordance with Brazilian GAAP or IFRS.

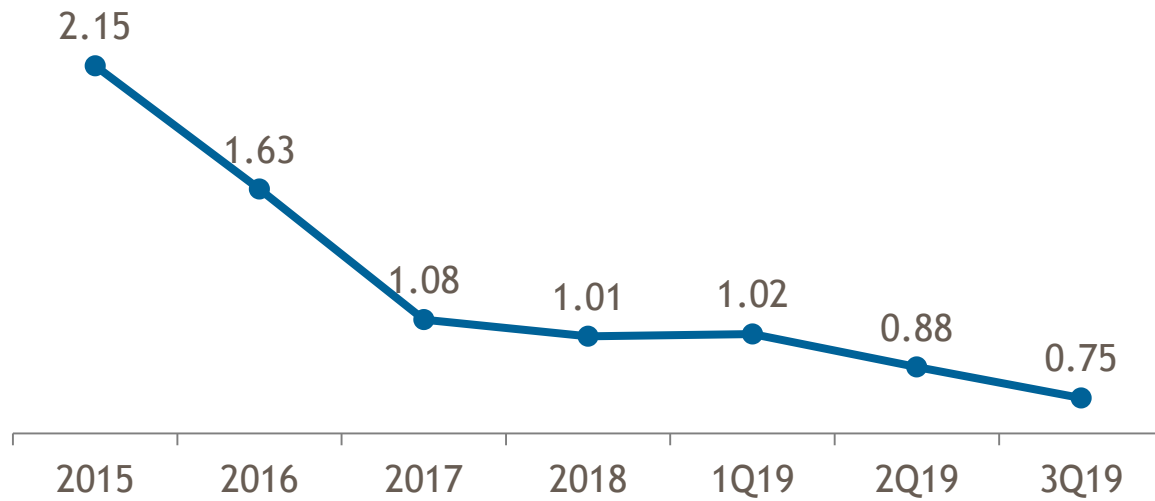
Non-sec compliant oil and gas reserves: cautionary statement for us investors

We present certain data in this presentation, such as oil and gas resources, that we are not permitted to present in documents filed with the United States Securities and Exchange Commission (SEC) under new Subpart 1200 to Regulation S-K because such terms do not qualify as proved, probable or possible reserves under Rule 4-10(a) of Regulation S-X

Lowest historical safety rate

TRI

Total recordable injuries



» TRI below historical peer group benchmark (0.80)



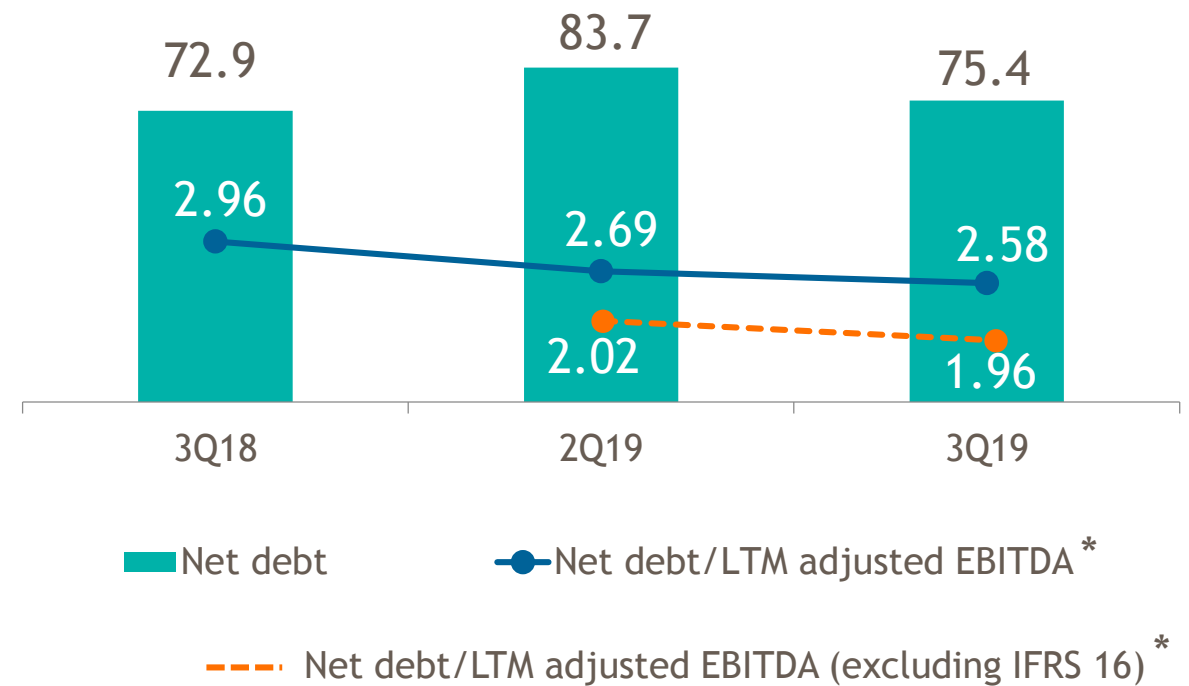
Financial highlights



Continuous deleveraging path

Net debt and leverage ratio

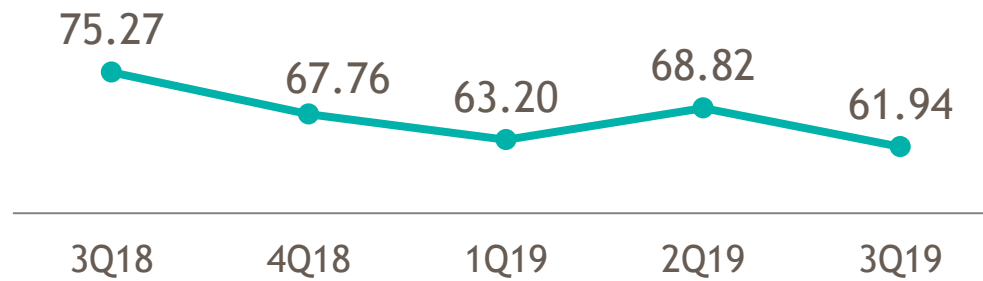
US\$ billion



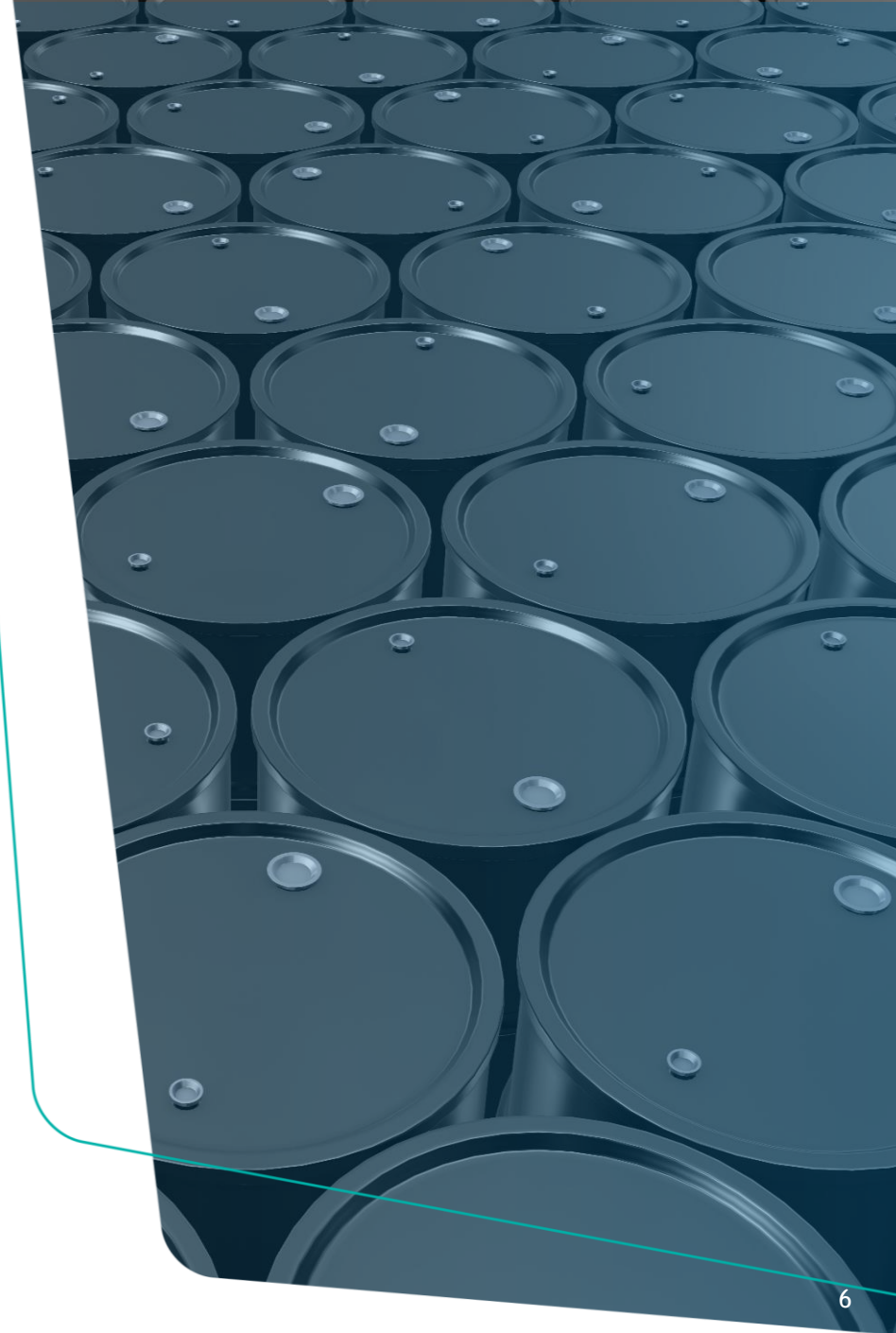
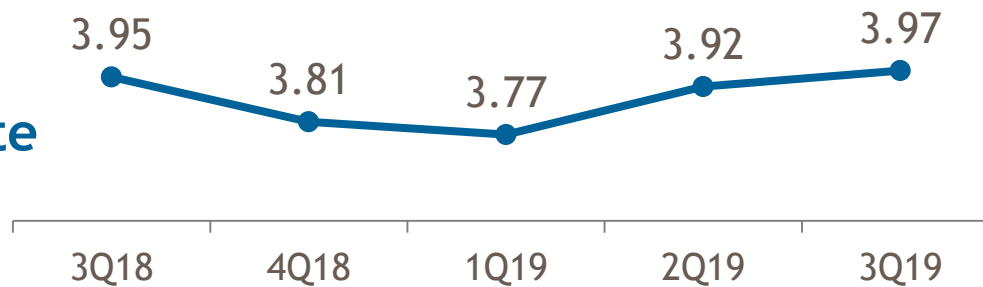
* Ratio calculated in *Reais*

3Q19 impacted by Brent decrease

Brent
US\$/bbl

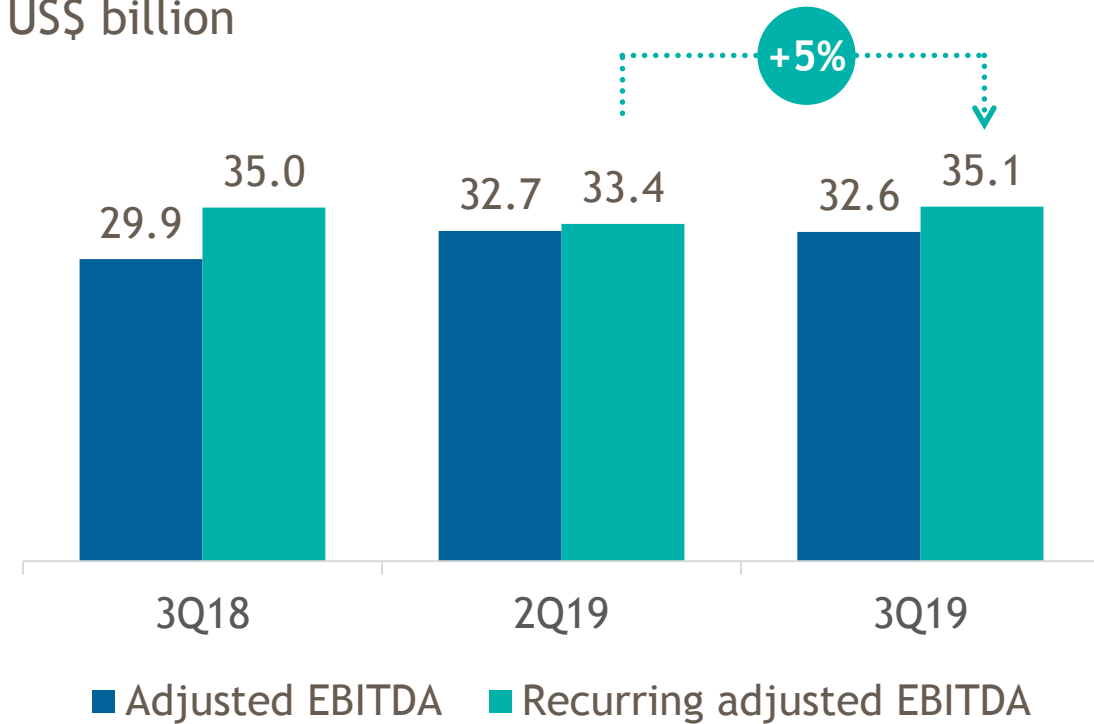


**Average
exchange rate**
R\$/US\$



EBITDA resilient to price environment

US\$ billion



3Q19 x 2Q19

- » Increased oil production and exports
- » Higher sales of oil products refined with Brazilian oil
- » Higher diesel and LPG margins

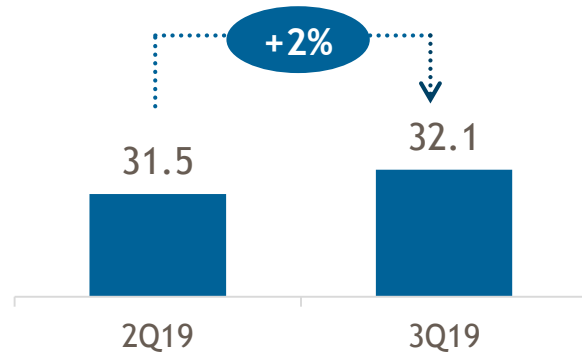
EBITDA by business segment

Adjusted EBITDA

R\$ billion



Exploration & Production

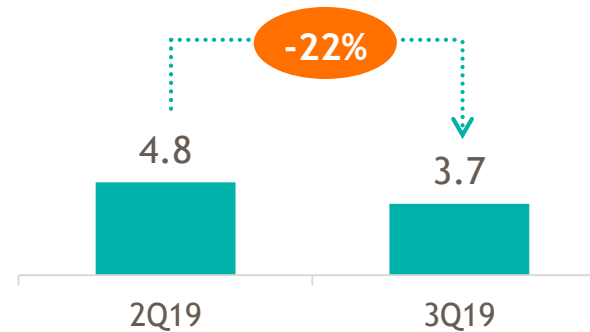


3Q19 x 2Q19

- » Higher production offset lower margins due to lower Brent



Refining

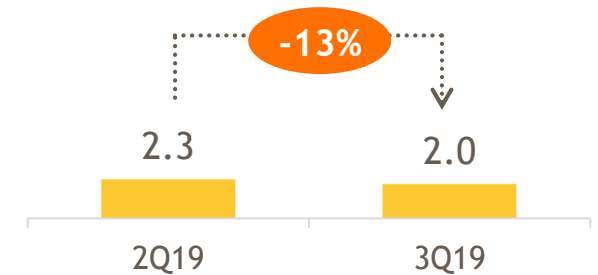


3Q19 x 2Q19

- » Higher diesel volumes and margins partially mitigated the inventories effect



Gas & Energy



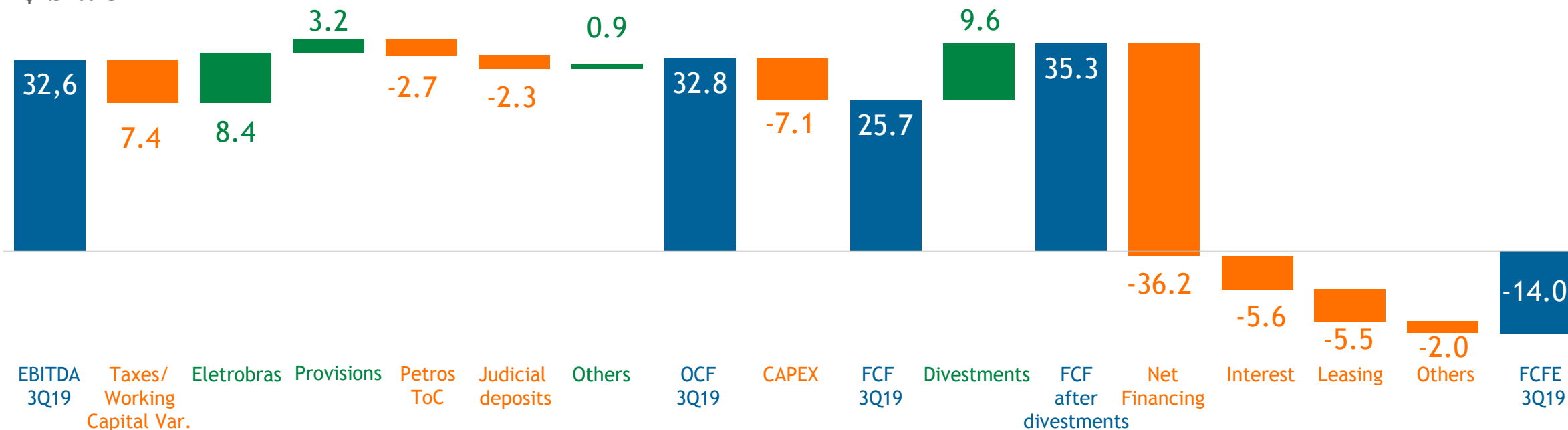
3Q19 x 2Q19

- » Lower margins in energy commercialization partially offset by higher gas margins due to lower LNG costs

Record operating cash flow

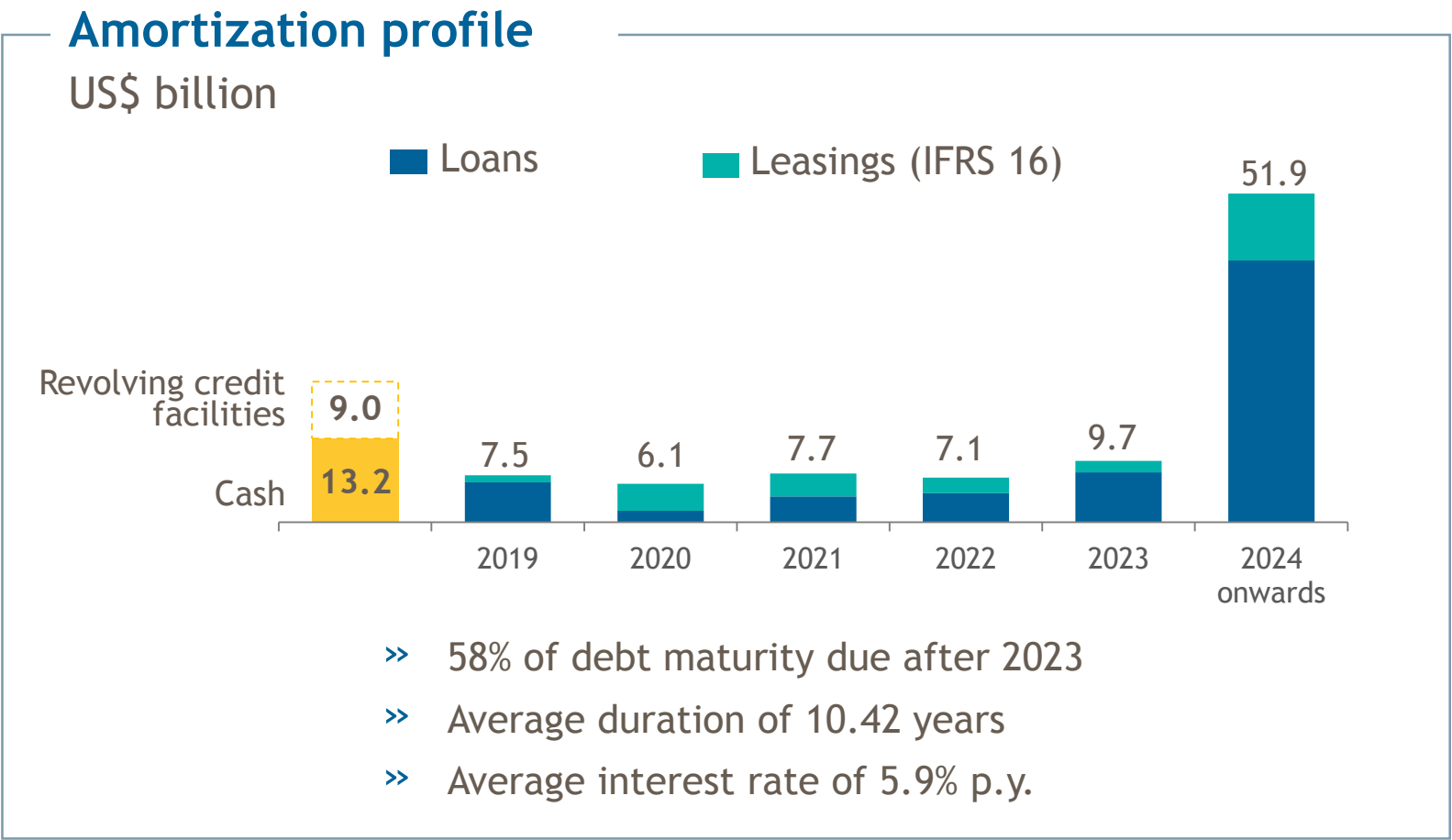
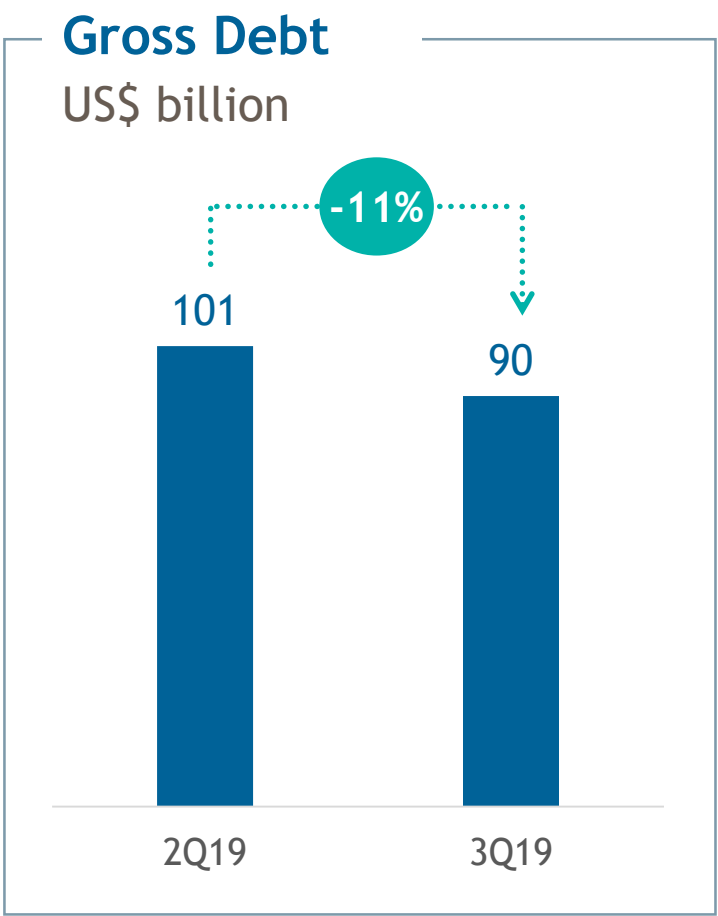
Cash flow

R\$ billion



- Securitization of Eletrobras receivables contributed for the operating cash flow
- Cash inflows from divestments used for debt payment

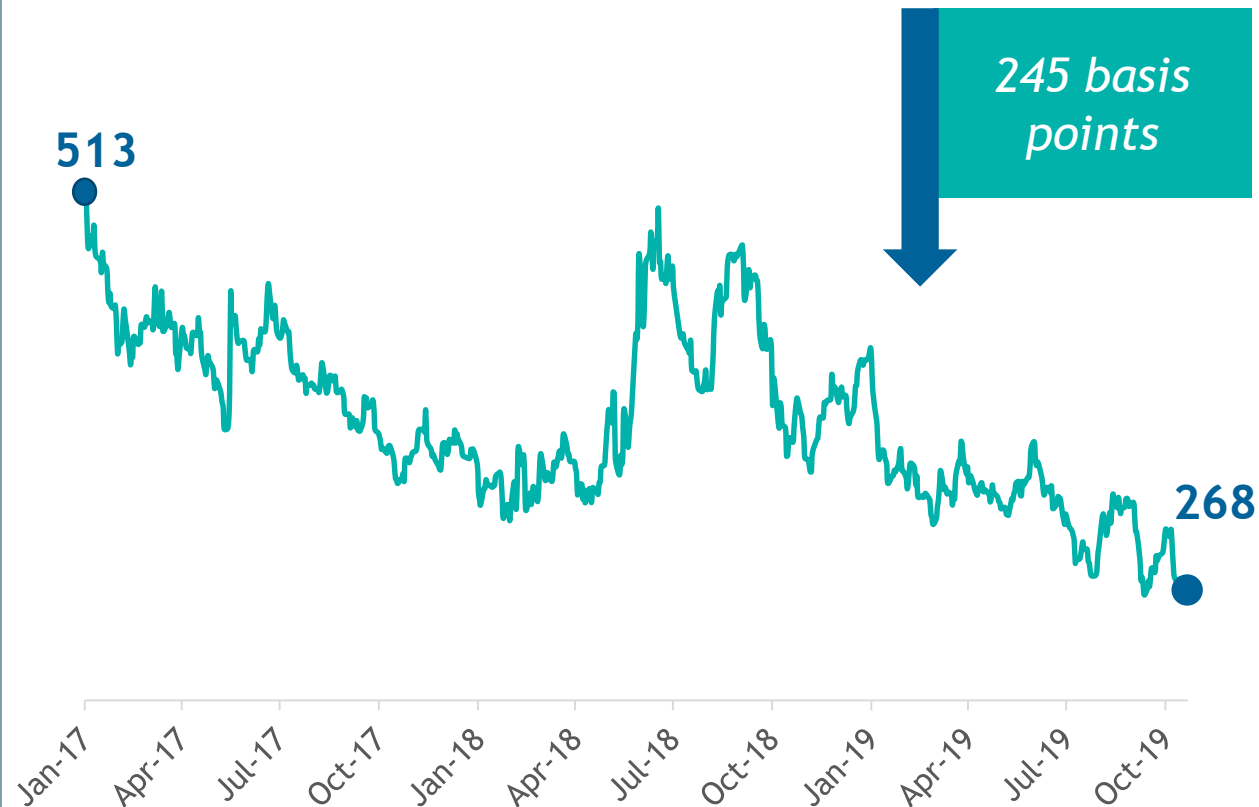
US\$ 11 billion reduction in gross debt



NOTE
Managerial view. 2019 figures includes US\$ 5 billion pre-payment to CDB, expected in December/2019

Liability management contributes to improve the company's risk perception

Petrobras 10-year bonds spread over Treasury bps



Main financial operations in 3Q19

Prepayments: US\$ 8.1 billion

- » Prepayment of bank loans and bonds in the international capital market

Exchange offer of global notes: US\$ 3.65 billion

- » Exchange of global notes maturing between 2023 and 2029 for a new one maturing in 2030, yielding 5.093%, the lowest since 2013

Eletrobras receivables: R\$ 8.4 billion

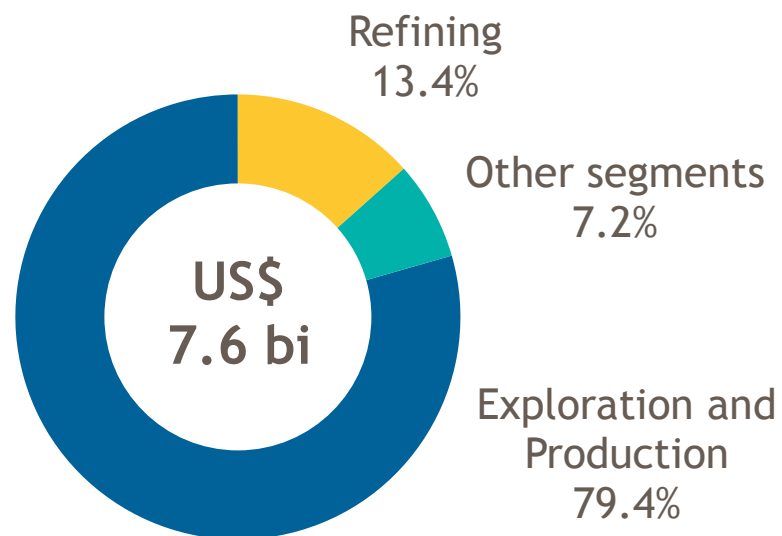
- » Securitization of Eletrobras receivables, used for debt prepayments

7th issuance of debentures: R\$ 3 billion

- » The largest infrastructure debenture issued in Brazilian history

Investments totaled US\$ 7.6 billion in 9M19

Investments



2019 target
maintained
US\$10 - 11 bi*

Investments focused mainly on:

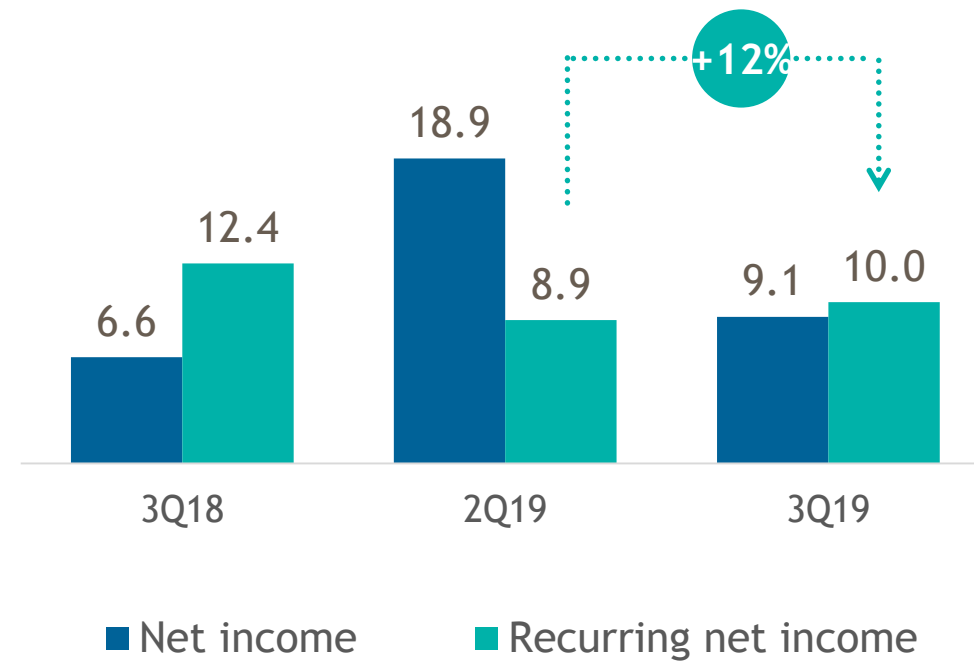
- » Production systems ramp-up in Buzios and Lula fields
- » Production development in Berbigão/Sururu (P-68) and Atapu (P-70) fields
- » New wells development in post-salt (Tartaruga Verde, Baleia Azul and Marlim Leste)

* excluding bids



Growth of recurring net income in 3Q19

Net Income
R\$ billion

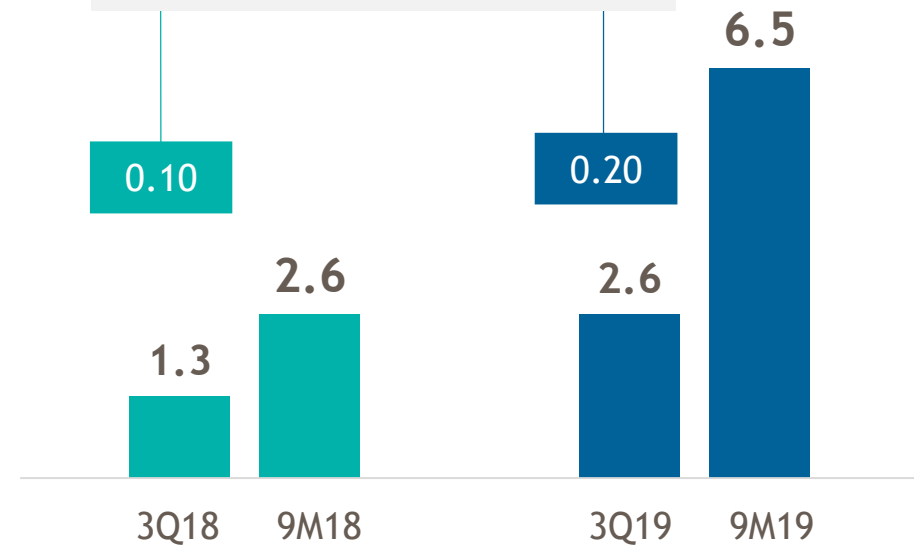


Increase in shareholder remuneration

Advanced payment to shareholders

R\$ billion

Interest on equity
R\$/share



New Dividend Policy

New Policy | Approved in Aug/19

More transparency in compensation, considering Petrobras indebtedness level and cash flow

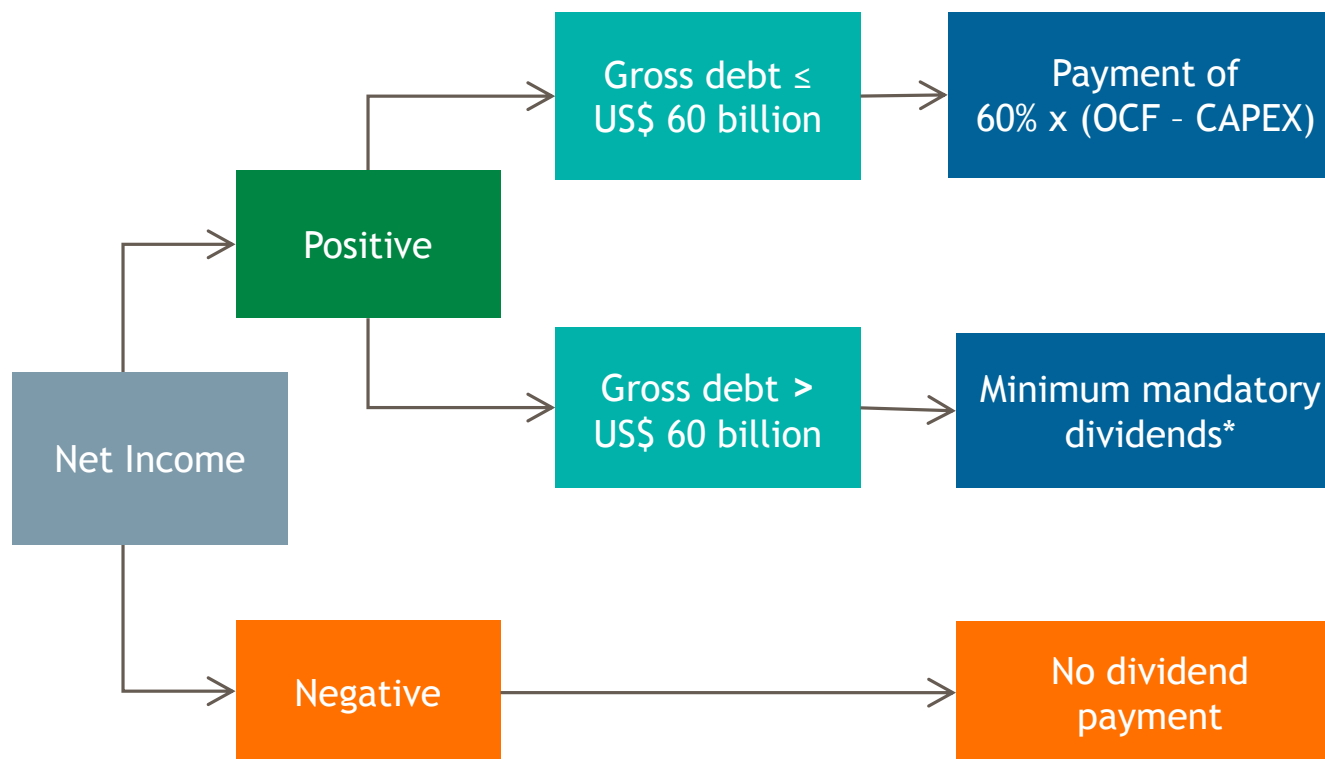
Policy principles

- » Adequate capital structure
- » Balance between shareholder compensation and the company's financial sustainability

Guidelines

- » Debt level
- » Maintenance of investment capacity

Dividend payment formula

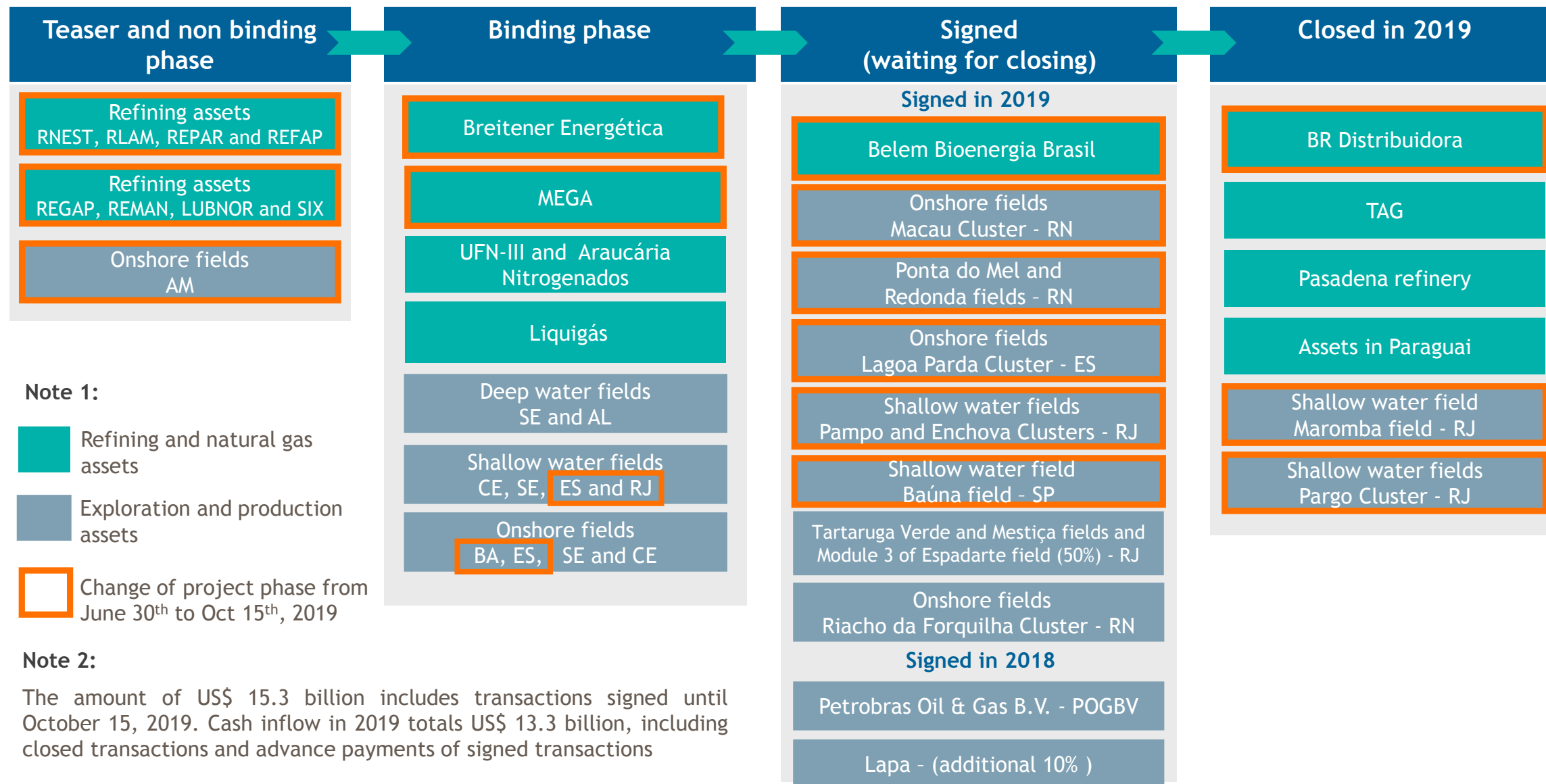


NOTE

* 25% of adjusted net income for the shareholder base, respecting the preferred shareholders priority in receiving dividends, the greater between: (i) 5% on the part of the capital represented by such shares, or (ii) 3% of the share's net equity value. Preferred shares have priority in distribution, limited to adjusted net income for the year.



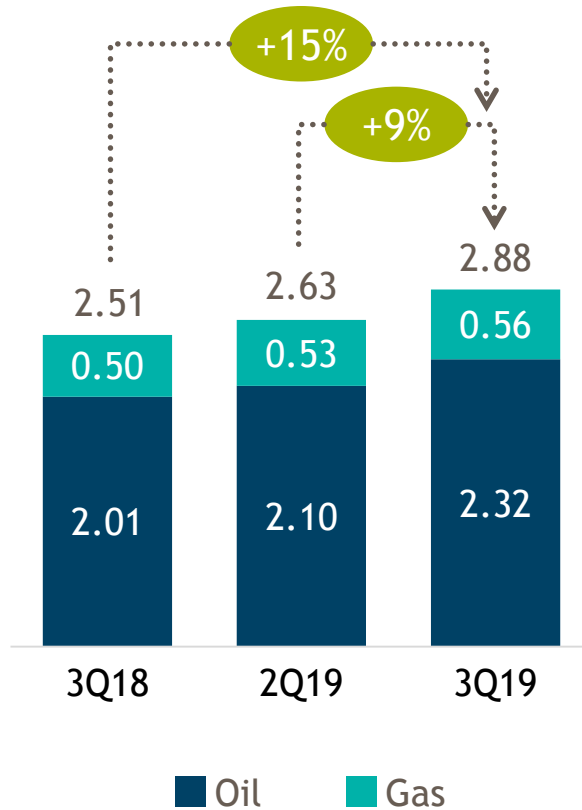
Focus on portfolio management: US\$15.3 billion of asset sales



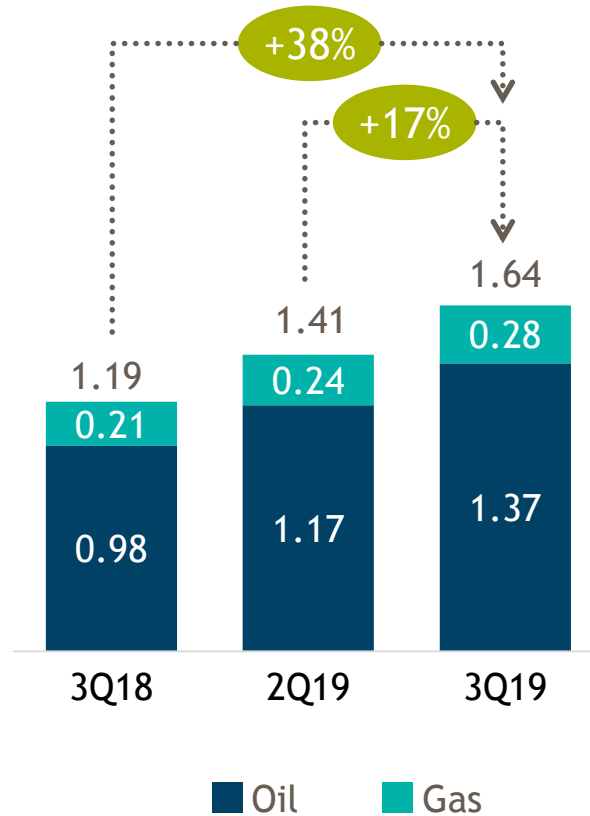
Exploration and Production highlights

Pre-salt production growth of 38% over 3Q18

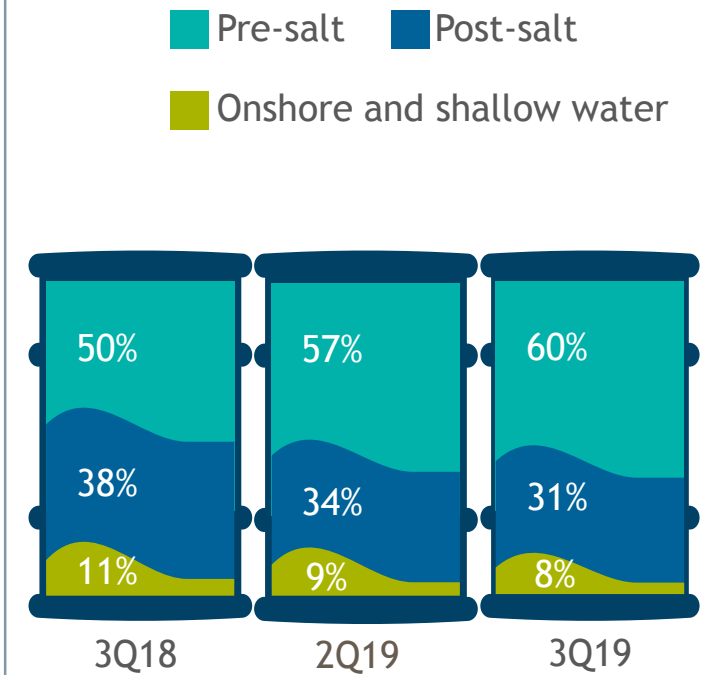
Oil and gas production
million boed



Pre-salt production
million boed



Oil production in Brazil
share (%)



New records in 3Q19



Production records

Total production Petrobras

Daily

3.1

Million boed
August

Monthly

3.0

Million boed
August

Pre-salt Petrobras + partners

Daily

2.5

Million boed
September 7th

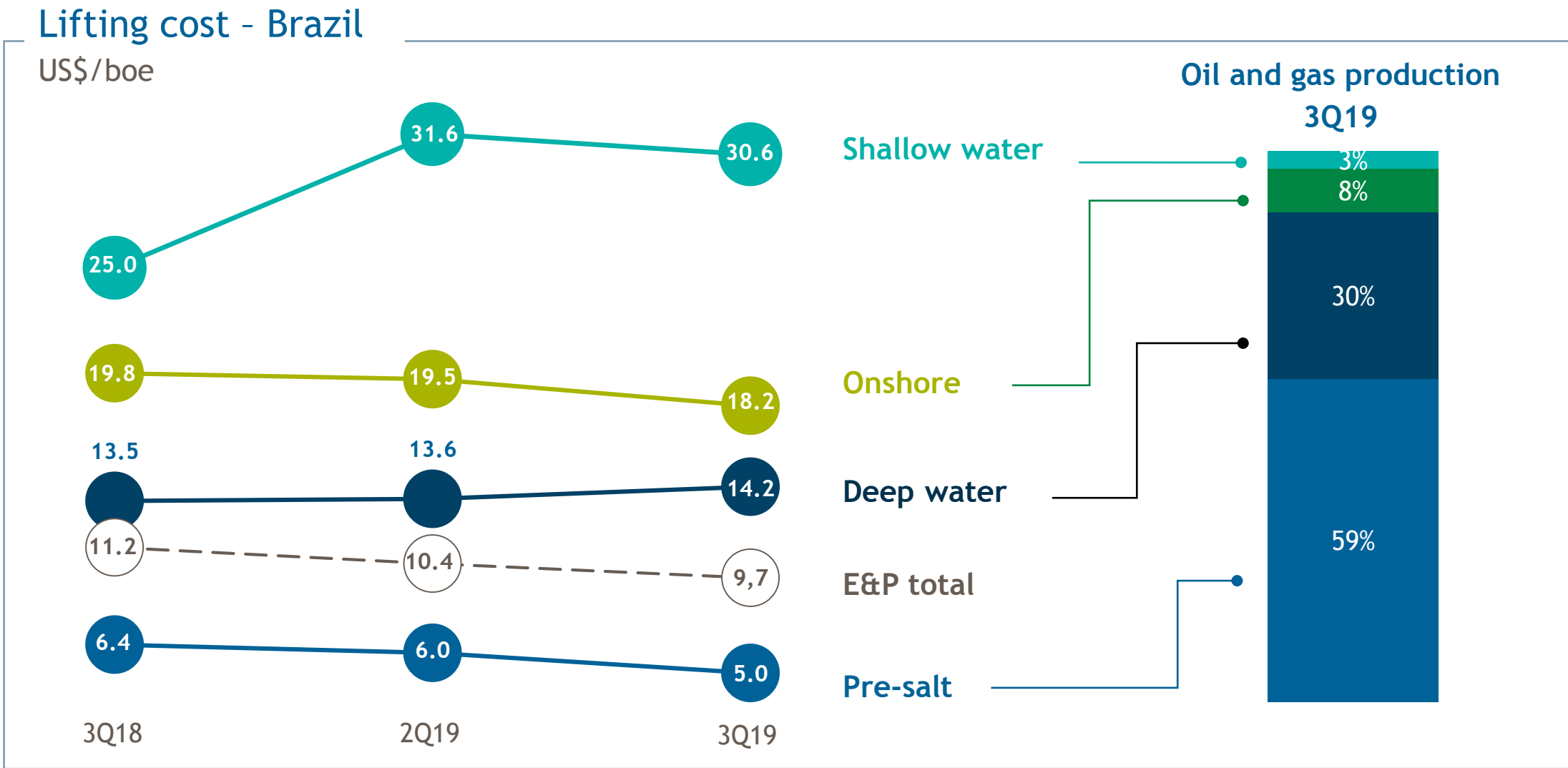
Monthly

2.3

Million boed
September



Lifting cost reduction with pre-salt production increase



Campos Basin revitalization

Focus on more profitable assets and investments of US\$ 21 billion, in the 2019-23 period, for sustaining the Campos Basin production curve

Portfolio optimization
with divestments in
shallow water

Closing
US\$ 488 million



Pargo
13 Mbpd

Maromba
-

Signing
US\$ 851 million



Pampo
14 Mbpd

Enchova
25 Mbpd

Binding Phase
Garoupa Cluster
20 Mbpd

Development of
our assets

Revitalization of
Marlim 1 and 2



FPSOs contracted



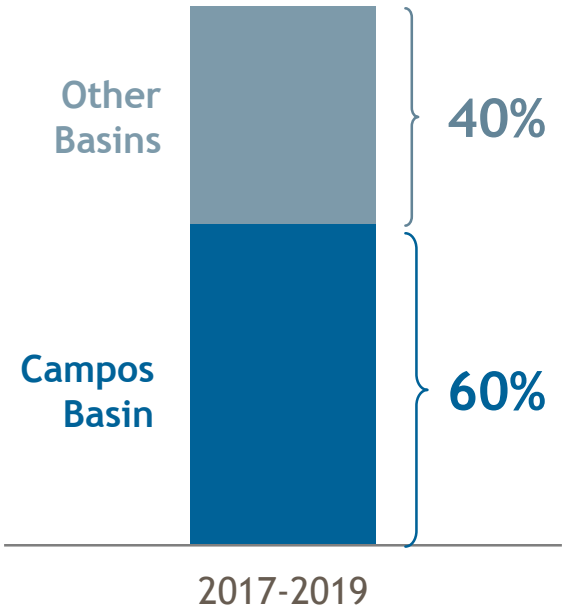
Complementary projects
(Business Plan 2019-2023)

87 new wells

Extended well test
Forno (Albacora)

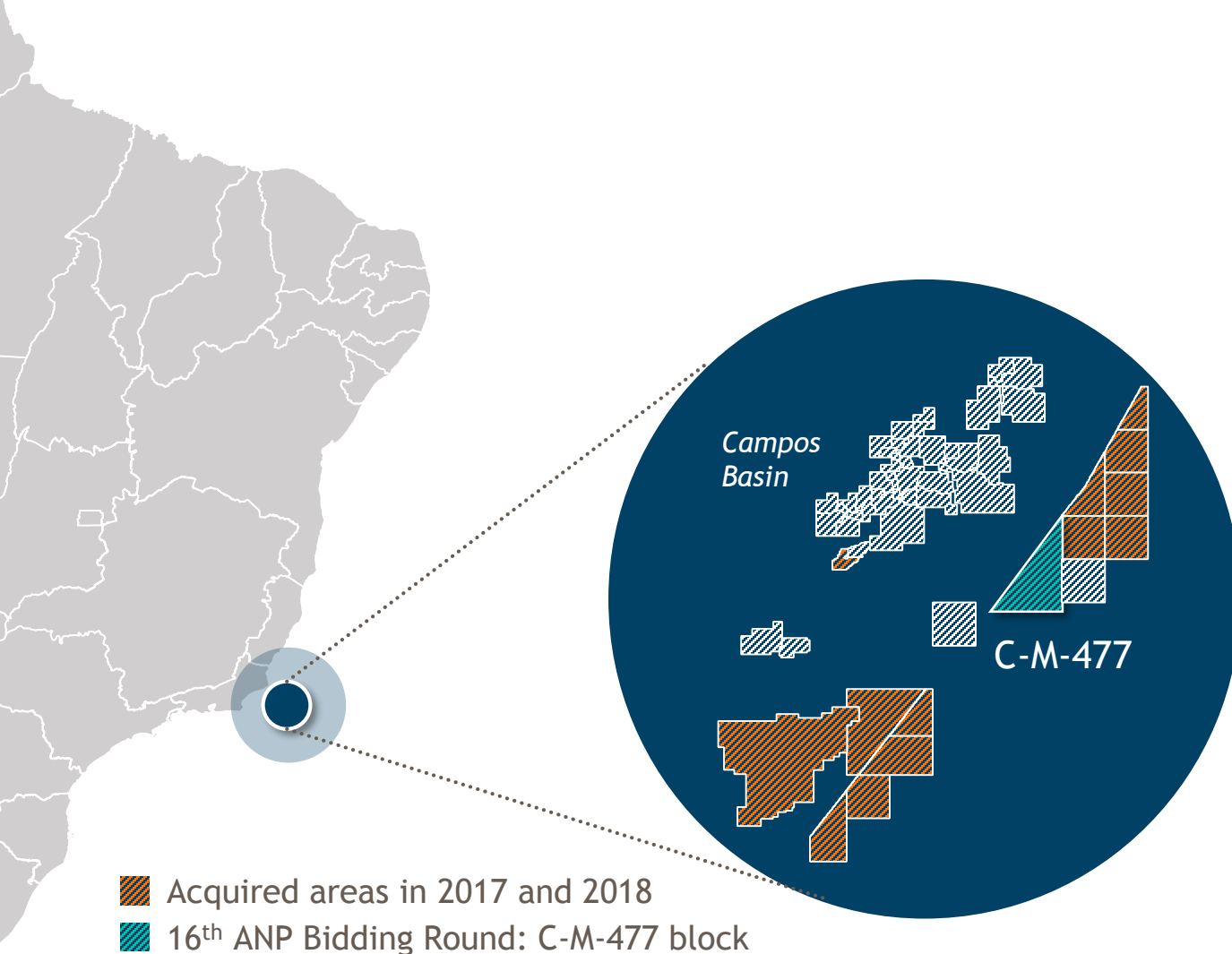
Exploration in
new areas

Total acquired area (km²)
between 2017 and 2019



Selective acquisition in ANP bidding rounds

We continue expanding our exploratory area in Campos Basin



We acquired a block in Campos Basin in the 16th ANP Bidding Round

Joint Venture

Petrobras
70%
Operator

BP Energy
30%

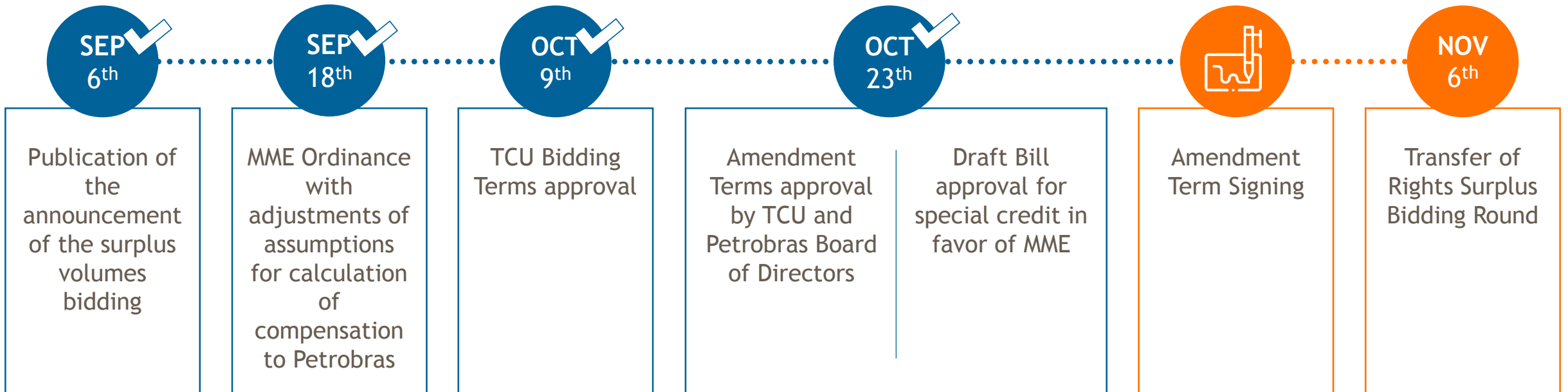
Petrobras bonus

R\$ 1.4 billion

Total area

1,363 km²

Revision of Transfer of Rights Agreement provides reimbursement of R\$ 34.6 billion to Petrobras



New units contribution to 2019 oil curve

New units

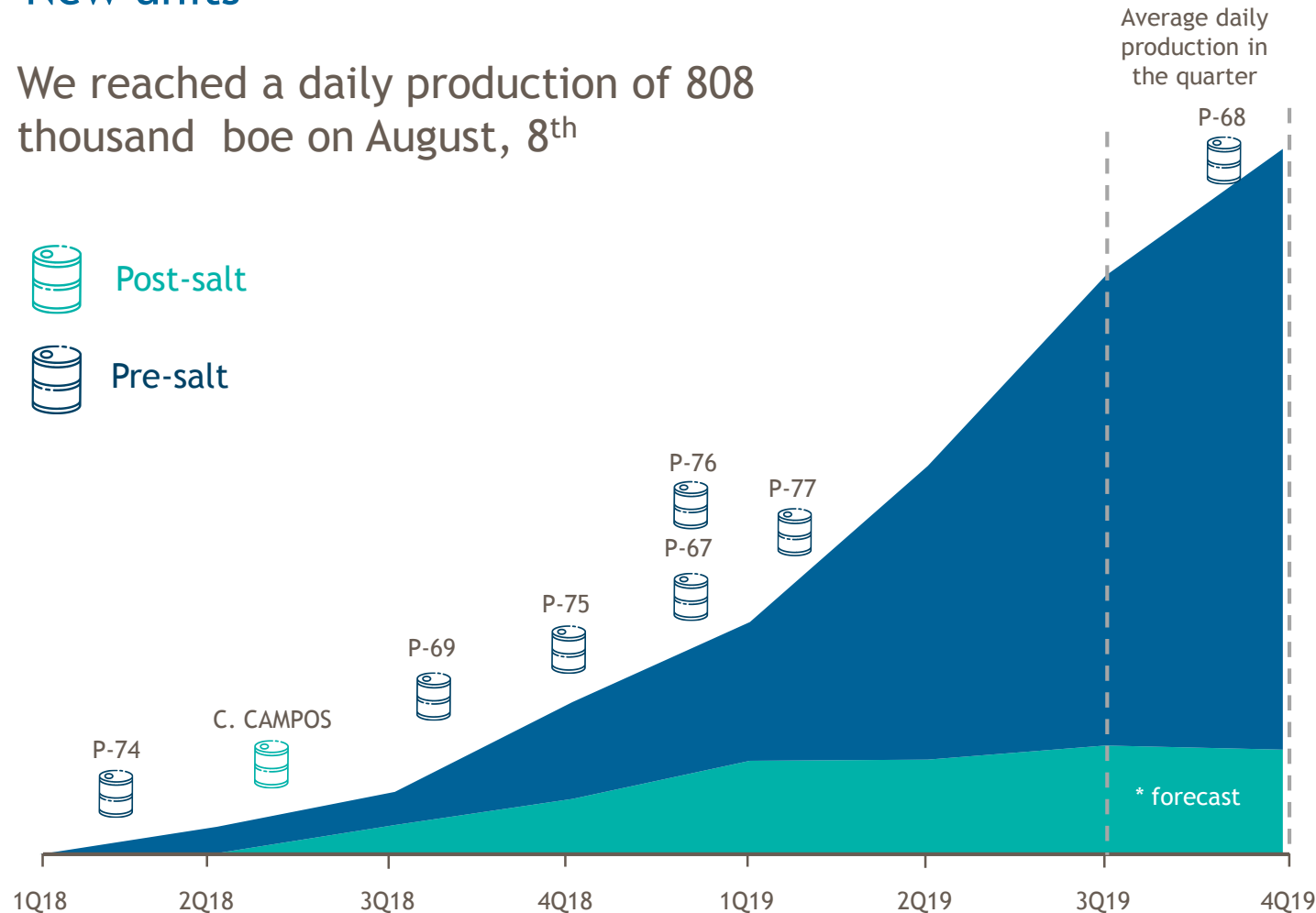
We reached a daily production of 808 thousand boe on August, 8th



Post-salt



Pre-salt



Production highlights

- » Production in 3Q19 was 48% higher than in 2Q19
- » Start-up of nine production wells in 3Q19
- » P-76 reached ramp-up in 7.7 months, record pre-salt time

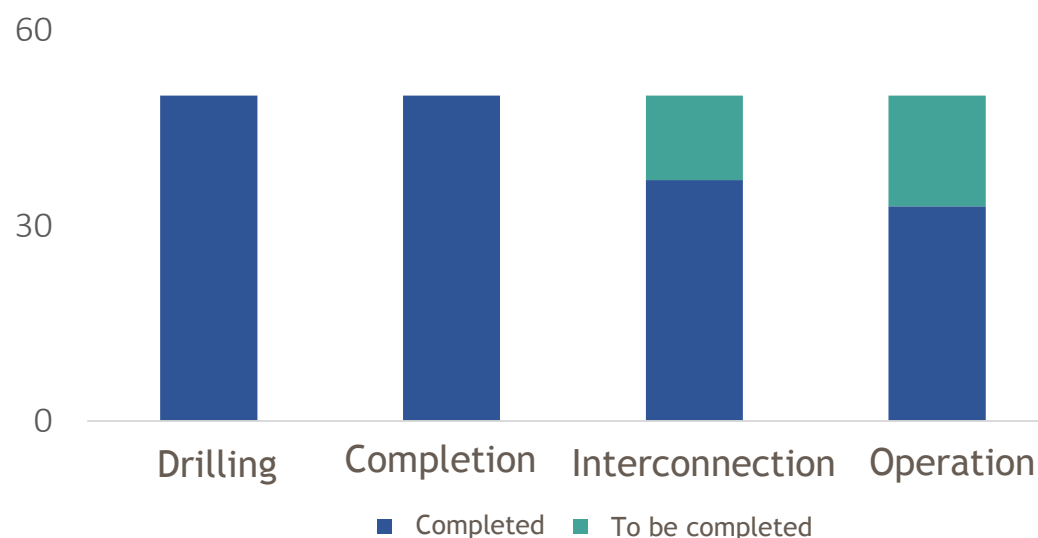
1° oil of Berbigão/Sururu (P-68)

- » The FPSO platform left the shipyard in September and it is in the process of anchoring
- » Expected to start production in 2019

Ramp-up in 2019

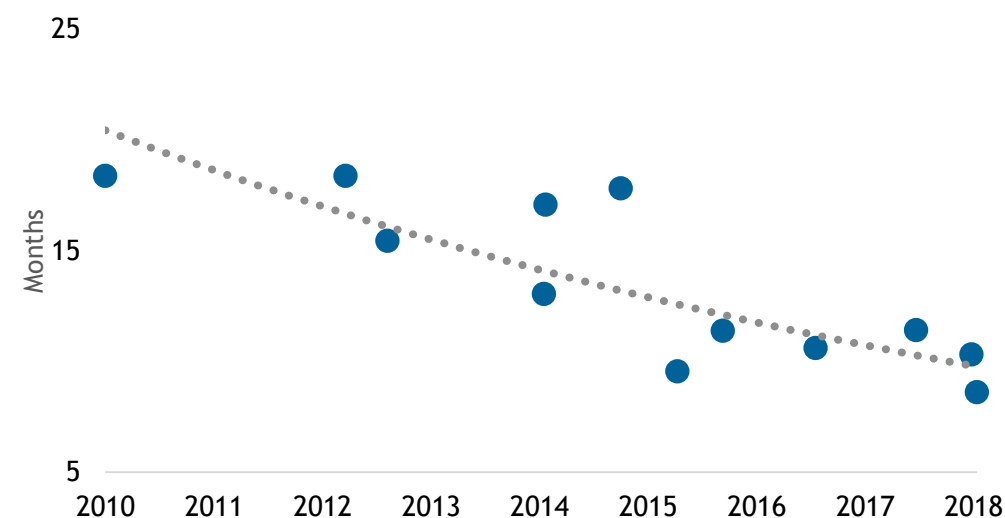
Búzios, Lula, Sul de Lula, Berbigão, Sururu, Tartaruga Verde

Number of wells starting up in 2019



- » 100% of planned wells for 2019 are already concluded (drilled and completed) and 66% are already in operation

Ramp-up length of new pre-salt units



- » Over the last years, we have reduced our ramp-up length to, in average, less than 12 months in new units
- » P-74, P-75, P-69 have already achieved production capacity

New systems supporting the production growth in the coming years

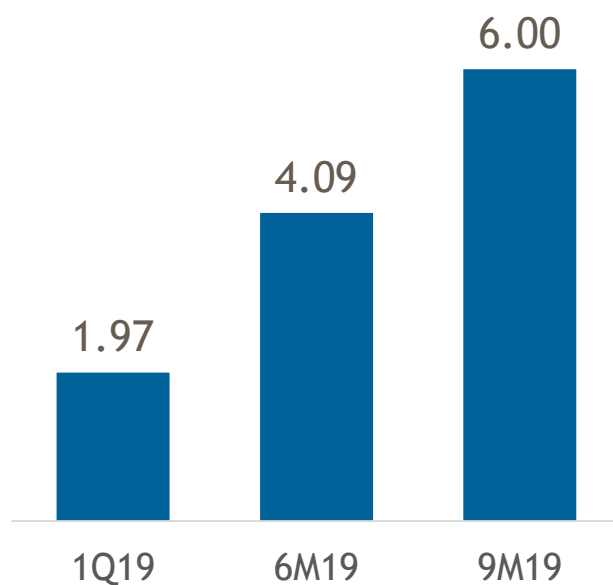
Start-up

2019		2020		From 2021 on									
													
BERBIGÃO <i>P-68</i>	ATAPU 1 <i>P-70</i>	SÉPIA <i>FPSO</i> <i>CARIOCA</i>	MERO 1 <i>FPSO</i> <i>GUANABARA</i>	BÚZIOS 5 <i>FPSO</i> <i>Alm. Barroso</i>	MERO 2 <i>FPSO</i> <i>Sepetiba</i>	MARLIM 1 <i>FPSO</i> <i>Anita Garibaldi</i>	MARLIM 2 <i>FPSO</i> <i>Ana Néri</i>	INTEGRADO PQ BALEIAS	ITAPU	SEAP			
150 kbbbl/d oil 6 MMm ³ /d gas	150 kbbbl/d oil 6 MMm ³ /d gas	180 kbbbl/d oil 6 MMm ³ /d gas	180 kbbbl/d oil 12 MMm ³ /d gas	150 kbbbl/d oil 6 MMm ³ /d gas	180 kbbbl/d oil 12 MMm ³ /d gas	80 kbbbl/d oil 7 MMm ³ /d gas	70 kbbbl/d oil	100 kbbbl/d oil 5 MMm ³ /d gas	120 kbbbl/d oil 3 MMm ³ /d gas	100 kbbbl/d oil 10.5 MMm ³ /d gas			
> 99% of the unit • Ramp up: 11 wells drilled and 5 completed	> 97% of the unit • Ramp up: 10 wells drilled and 2 completed	> 70% of the unit • Ramp up: 5 wells drilled and 2 completed	> 60% of the unit • Ramp up: 4 wells drilled and 1 completed	> 10% of the unit • Wells: 1 drilled	> 10% of the unit • Wells: 4 wells drilled and 2 completed	Leasing letter of intent signed in:		Under Procurement		Under Planning			
						October 2019	October 2019						

E&P investment reaches US\$ 6 billion in 9M19 and sustains CAPEX projection for the year

Accumulated investment in the E&P segment

US\$ billion



Petrobras 2019 CAPEX forecast



Total:
US\$ 10 - 11 bi
(without considering bid)



79%
In E&P
segment

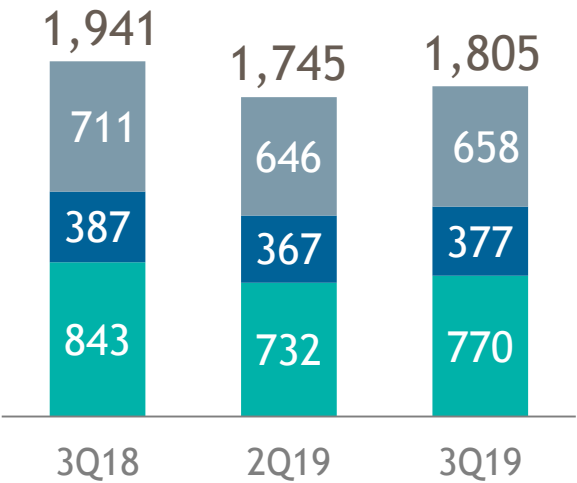
3Q19 Highlights

- » Completion of P-68 and P-70 units and beginning of P-68 Anchorage
- » Ramp-up of the new units, with 3 drilled wells, 6 completed, 10 interconnected and with start-up of 9 wells in 3Q19

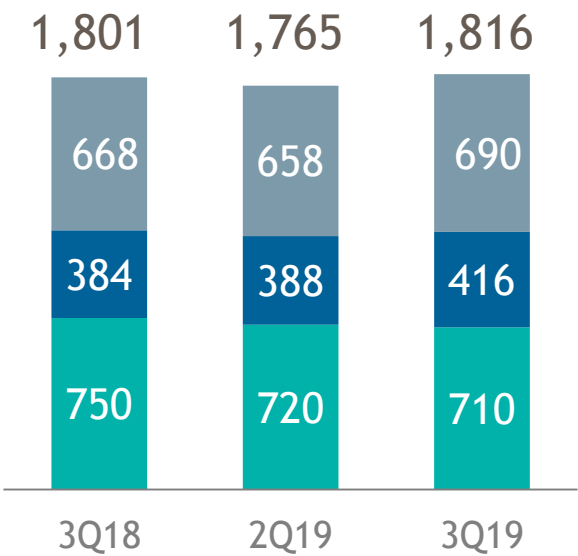
Refining and natural gas highlights

Production and sales of oil products

Sales volume
thousand bpd

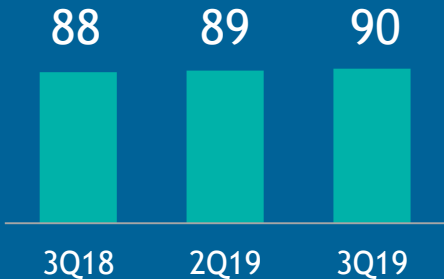


Production of oil products
thousand bpd

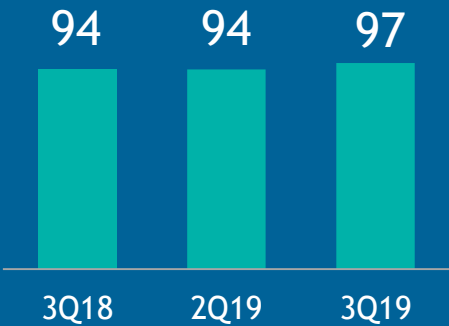


Others Gasoline Diesel

Participation of the domestic
oil in the processed feedstock
%

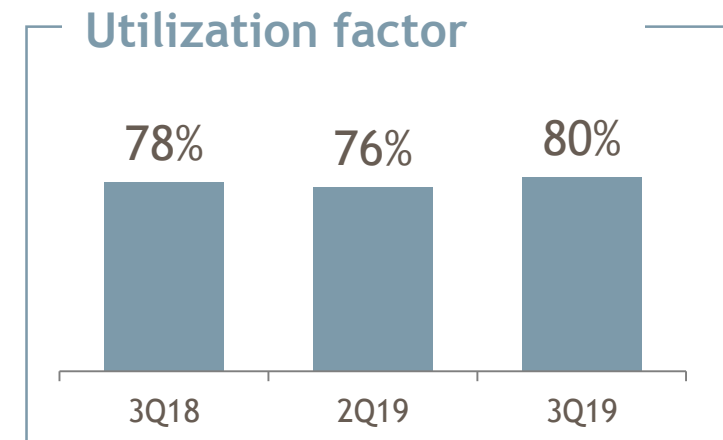
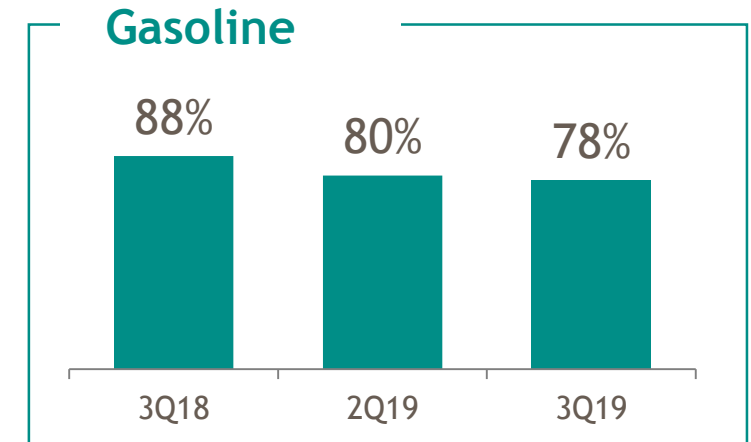
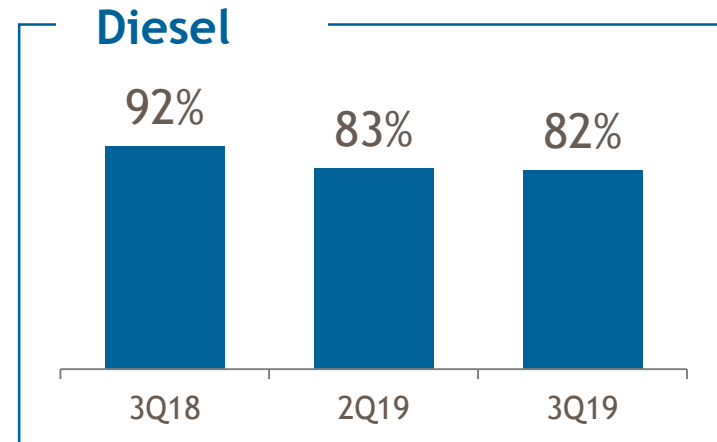


Operational availability in
refineries
%

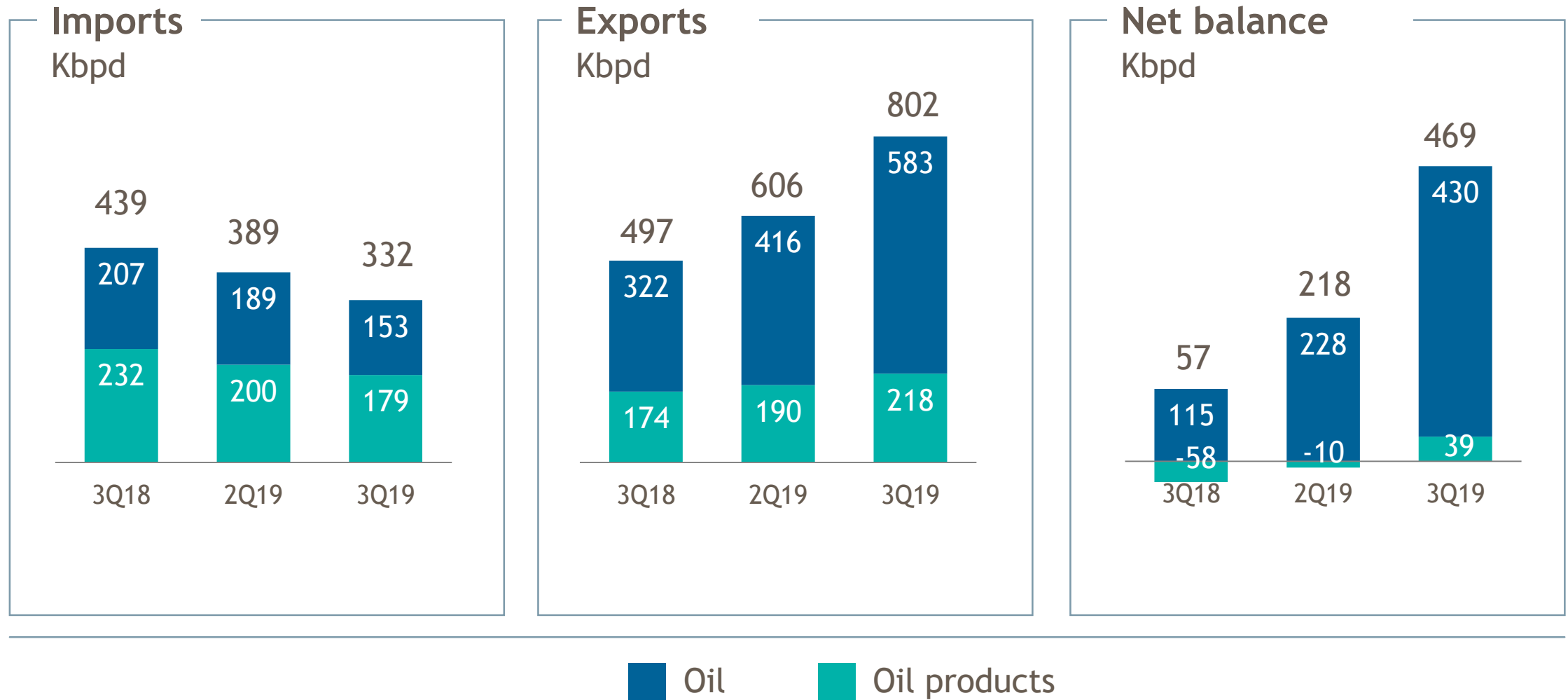




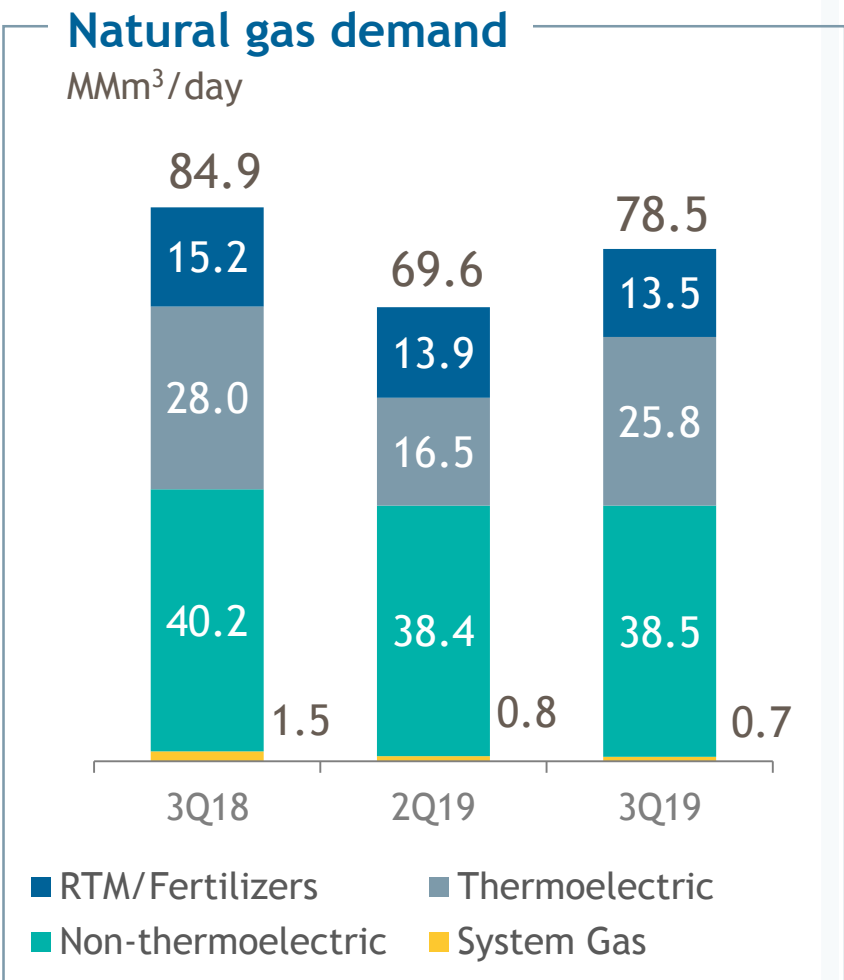
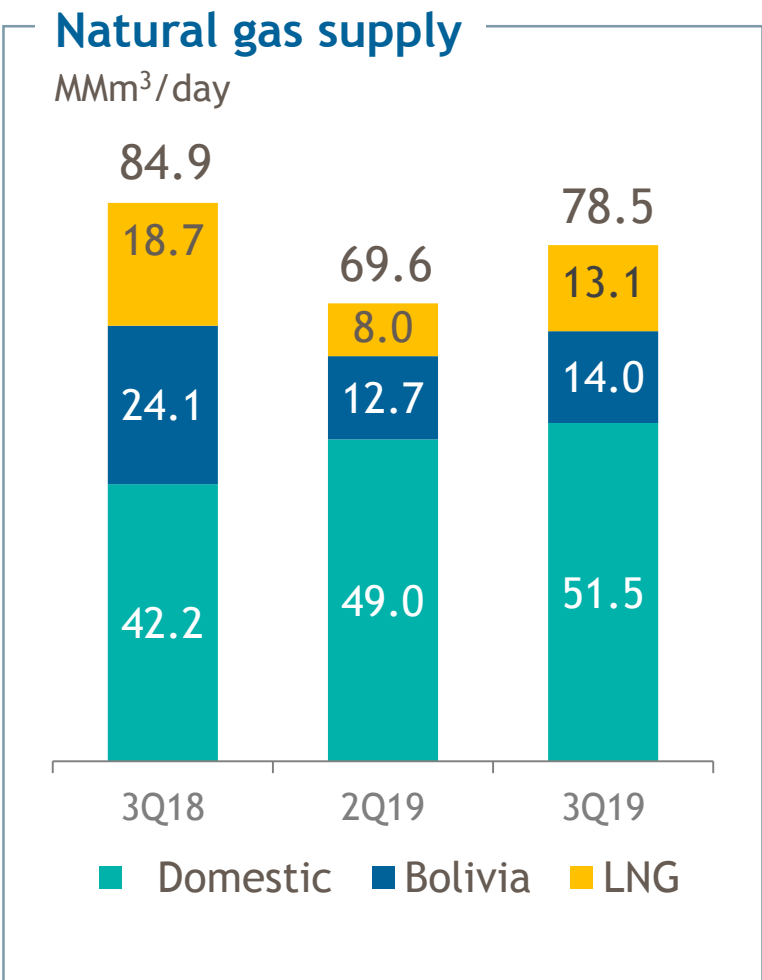
Market share evolution and utilization factor



Export of 802 thousand bpd of oil and oil products



Higher natural gas demand supplied by national gas and LNG with lower prices





Refining and natural gas additional highlights

IMO 2020

- » Increase of Bunker 0.5% production, which allowed the growth of low sulphur fuel oil exports under more advantageous conditions

Pró-Dutos program

- » Reduction of pipeline illegal tapping: drop in theft of 15% in 3Q19 vs 2Q19 and of 22% vs 3Q18

Partnership with Equinor

- » Signature of MoU in Oct/19 focused on the joint development of businesses related to the value chain of natural gas

Exit from gas distribution segment in Uruguay

- » Conclusion in Sept/19 of agreement to return gas distribution concessions in Uruguay

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