Petrobras Distribuidora S.A.

Individual and consolidated interim financial statements

September 30, 2017

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Report on the review of the individual and consolidated interim financial statements

To the Members of the Board and Stockholders of
Petrobras Distribuidora S.A
Rio de Janeiro - RJ

Introduction
We have reviewed the accompanying September 30, 2017 individual and consolidated interim financial information of Petrobras Distribuidora S.A. ("Company") which comprise the individual and consolidated statement of financial position as of September 30, 2017 and the individual and consolidated statements of profit or loss and comprehensive income for the three- and nine-month periods then ended, and the individual and consolidated statements of changes in equity and cash flows for the nine-month period then ended, including the notes to the interim financial information.

Management is responsible for preparation and presentation of this consolidated interim financial information in accordance with Technical Pronouncement CPC 21(R1) – Interim Financial Reporting and with the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, and in accordance with standards issued by the Brazilian Securities Commission – CVM, applicable to the preparation of –interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review
We conducted our review in accordance with the Brazilian and International Standards for Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Information Performed by the Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquires,, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than that of an audit conducted in accordance with Brazilian and InternationalAuditing Standards and, consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Conclusion on the interim individual financial information
Based on our review, nothing come to our attention that causes us to believe that the accompanying September 30, 2017 individual interim financial information is not prepared, in all material respects, in accordance with the CPC 21 (R1), and presented accordance with the standards issued by CVM.

Conclusion on the interim consolidated financial information
Based on our review, nothing come to our attention that causes us to believe that the accompanying September 30, 2017 consolidated interim financial information is not prepared, in all material respects, in accordance with the CPC 21 (R1) and IAS 34, and presented accordance with the standards issued by CVM.

Emphasis – Effect of the Car Wash Operation on the Company's operating activities
We wish to highlight note 1.2 to the interim accounting information, which describes that: i) we have not identified, so far, any additional information that would significantly affect the calculation method adopted to establish the write-off with undue payments recorded on September 30, 2014; and ii) internal investigations conducted by independent law firms, under the direction of a Special Committee formed by the Company's controlling shareholder, are still ongoing, and so far no additional impact has been identified, other than what was disclosed in the interim financial statements.

Our report is not modified due to this matter.

Other matters

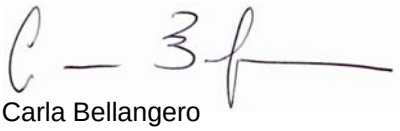
Statement of value added
Interim, individual and consolidated accounting information relating to the statements of value added (DVA) for the nine-month period ended September 30, 2017, prepared under the Company directors' responsibility, presented as additional information for the purposes of IAS 34, was submitted to revision procedures carried out jointly with the review of the Company's quarterly information - ITR. In order to reach our conclusion, we have assessed whether these statements are reconciled with the interim accounting information and accounting records, as applicable, and if its form and content are in accordance with the criteria defined in the Technical Pronouncement CPC 09 – Statement of Value Added. Based on our review, we are not aware of any fact that could lead us to believe that the aforementioned value added statements have not been prepared, in all material respects, consistent with the interim, individual and consolidated accounting information taken as a whole.

Audit of the amounts corresponding to the previous year and review the amounts corresponding to the third quarter of the previous year
The individual and consolidated financial statements of the Company for the year ended December 31, 2016 were audited by another auditor who expressed an unmodified opinion on those individual and consolidated financial statements on November 21, 2017, and the individual and consolidated interim financial information for the three and nine month periods ended September 30, 2016 were reviewed by another auditor, who issued a review report without modification on November 21, 2017.

The corresponding amounts relating to individual and consolidated statements of value added (DVA) for the nine-month period ended September 30, 2016 were subjected to the same review procedures by those independent auditors, and based on their review, those auditors issued a report stating that they had no knowledge of any fact that would lead them to believe that the DVA had not been prepared, in all material respects, consistent with the interim, individual and consolidated accounting information taken as a whole.

Rio de Janeiro, November 21, 2017

KPMG Auditores Independentes
CRC SP-014428/O-6 F-RJ



Carla Bellangero
Accountant CRC 1SP196751/O-4

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Petrobras Distribuidora S.A.
Statement of financial position
At September 30, 2017 and December 31, 2016
(In BRL million)

Assets	Note	Consolidated		Parent company	
		09/30/2017	12/31/2016	09/30/2017	12/31/2016
Current assets					
Cash and cash equivalents	5	522	655	285	442
Accounts receivable, net	6	5,498	7,679	5,552	7,761
Inventories	7	2,836	2,678	2,822	2,668
Advances to suppliers		91	62	91	62
Income tax and social contribution recoverable		101	219	100	218
Taxes recoverable	8	556	372	482	343
Prepaid expenses	10	553	587	553	587
Other current assets		87	37	86	33
		10,244	**12,289**	**9,971**	**12,114**
Non-current assets					
Accounts receivable, net	6	405	6,250	405	6,244
Judicial deposits	11	985	950	962	928
Taxes recoverable	8	485	366	456	307
Deferred income tax and social contribution	9	3,334	3,425	3,320	3,414
Prepaid expenses	10	1,629	1,602	1,629	1,602
Other long-term receivables		25	24	20	18
		6,863	**12,617**	**6,792**	**12,513**
Investments	12	36	45	327	217
Property, plant and equipment	13	5,880	5,986	5,404	5,542
Intangible assets	14	454	461	453	460
		13,233	**19,109**	**12,976**	**18,732**
Total Assets		**23,477**	**31,398**	**22,947**	**30,846**

The accompanying notes are an integral part of these financial statements.

Petrobras Distribuidora S.A.
Statement of financial position
At September 30, 2017 and December 31, 2016
(In BRL million)

		Consolidated		Parent company	
Liabilities and Equity	**Note**	**09/30/2017**	**12/31/2016**	**09/30/2017**	**12/31/2016**
Current Liabilities					
Trade Payables	15	2,129	2,650	2,092	2,622
Borrowings	16	305	805	194	697
Assignment of receivables	29.2	23	31	-	-
Finance leases	17.1.1	29	28	123	124
Advances from customers	18	394	354	385	322
Income tax and social contribution		102	1	102	-
Taxes and contributions payable	19	236	204	231	200
Interest on capital		686	635	686	635
Salaries, vacation pay and social charges		264	246	254	245
Voluntary Dismissal Incentive Plan	20.2	10	445	10	445
Healthcare and pension plans	20.1	145	139	145	139
Other liabilities		86	91	130	132
		4,409	**5,629**	**4,352**	**5,561**
Non-current Liabilities					
Borrowings	16	4,427	12,009	3,548	11,036
Finance leases	17.1.1	68	67	479	561
Healthcare and pension plans	20.1	4,450	4,172	4,446	4,169
Provision for contingencies	26	2,102	2,090	2,102	2,089
Other liabilities		17	21	16	20
		11,064	**18,359**	**10,591**	**17,875**
Total Liabilities		**15,473**	**23,988**	**14,943**	**23,436**
Equity	21				
Paid-up capital		6,352	6,352	6,352	6,352
Revenue reserves		3,639	3,045	3,639	3,045
Carrying value adjustments		(1,987)	(1,987)	(1,987)	(1,987)
		8,004	**7,410**	**8,004**	**7,410**
Total Liabilities and Equity		**23,477**	**31,398**	**22,947**	**30,846**

The accompanying notes are an integral part of these financial statements.

Petrobras Distribuidora S.A.
Statement of profit or loss
Periods ended September 30, 2017 and 2016
(In millions of reais, except for the profit per thousand shares)

	Note	Consolidated				Parent company			
		Current quarter (7/1/2017 to 9/30/2017)	Nine-month period ended September 30, 2017	Same quarter, previous year (7/1/2016 to 9/30/2016)	Nine-month period ended September 30, 2016	Current quarter (7/1/2017 to 9/30/2017)	Nine-month period ended September 30, 2017	Same quarter, previous year (7/1/2016 to 9/30/2016)	Nine-month period ended September 30, 2016
Sales and services revenue	22	21,839	61,363	21,984	65,458	21,665	60,998	21,853	65,117
Cost of products sales and services	24	(20,035)	(56,802)	(20,439)	(60,801)	(19,880)	(56,478)	(20,317)	(60,490)
Gross profit		**1,804**	**4,561**	**1,545**	**4,657**	**1,785**	**4,520**	**1,536**	**4,627**
Operating expenses									
Selling Expenses	24	(747)	(2,210)	(874)	(2,982)	(728)	(2,178)	(835)	(2,931)
General and administrative expenses	24	(209)	(618)	(199)	(591)	(203)	(604)	(195)	(578)
Tax expenses	24	(92)	(154)	(22)	(106)	(93)	(154)	(21)	(105)
Other net expenses	23	76	(91)	(265)	(953)	76	(91)	(266)	(953)
		(972)	**(3,073)**	**(1,360)**	**(4,632)**	**(948)**	**(3,027)**	**(1,317)**	**(4,567)**
Profit (loss) before financial income, interest and taxes		**832**	**1,488**	**185**	**25**	**837**	**1,493**	**219**	**60**
Finance result	25								
Expenses		(315)	(1,116)	(481)	(1,438)	(329)	(1,140)	(494)	(1,466)
Revenue		69	341	174	486	53	310	150	437
Foreign exchange and interest indexation, net		14	307	122	411	37	360	155	416
		(232)	**(468)**	**(185)**	**(541)**	**(239)**	**(470)**	**(189)**	**(613)**
Share of profit (loss) of equity-accounted investees	12	**1**	**(1)**	-	**(1)**	**4**	**(3)**	**(20)**	**44**
Profit (loss) before taxes		**601**	**1,019**	-	**(517)**	**602**	**1,020**	**10**	**(509)**
Income tax and social contribution	9								
Current		(184)	(308)	(126)	(391)	(183)	(306)	(126)	(389)
Deferred		(23)	(91)	112	541	(25)	(94)	102	531
		(207)	**(399)**	**(14)**	**150**	**(208)**	**(400)**	**(24)**	**142**
Net profit (loss) for the period		**394**	**620**	**(14)**	**(367)**	**394**	**620**	**(14)**	**(367)**
Basic and diluted earnings per shares – BRL		0.34	0.53	(0.01)	(0.32)	0.34	0.53	(0.01)	(0.32)

Capital stock is composed of 1,165,000,000 common shares (*).

(*) Net income (loss) per share, presented before the reverse share split, is evidenced in Note 21.5.

The accompanying notes are an integral part of these financial statements.

Petrobras Distribuidora S.A.
Statement of comprehensive income
Periods ended September 30, 2017 and 2016
(In BRL million)

	Consolidated				Parent company			
	Current quarter (7/1/2017 to 9/30/2017)	Nine-month period ended September 30, 2017	Same quarter, previous year (7/1/2016 to 9/30/2016)	Nine-month period ended September 30, 2016	Current quarter (7/1/2017 to 9/30/2017)	Nine-month period ended September 30, 2017	Same quarter, previous year (7/1/2016 to 9/30/2016)	Nine-month period ended September 30, 2016
Net profit (loss) for the period	394	620	(14)	(367)	394	620	(14)	(367)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Comprehensive income (loss) for the period ended	**394**	**620**	**(14)**	**(367)**	**394**	**620**	**(14)**	**(367)**

The accompanying notes are an integral part of these financial statements.

Petrobras Distribuidora S.A.
Statements of changes in equity
Periods ended September 30, 2017 and 2016
(In BRL million)

		Consolidated								Parent company
			Revenue reserves					Other comprehensive		
	Note	Capital stock subscribed and paid-up	Legal	Statutory	Retained earnings	Dividend Additional Proposed	Earnings (deficit) accumulated	Carrying value adjustments	Total shareholders' equity	Total shareholders' equity
On January 1, 2016		**6,352**	**807**	**270**	**3,030**	**-**	**-**	**(534)**	**9,925**	**9,925**
Loss for the period		-	-	-	-	-	(367)	-	(367)	(367)
On September 31, 2016		**6,352**	**807**	**270**	**3,030**	**-**	**(367)**	**(534)**	**9,558**	**9,558**
On January 1, 2017		**6,352**	**807**	**270**	**1,968**	**-**	**-**	**(1,987)**	**7,410**	**7,410**
Capital Contribution	21.1	6,313	-	-	-	-	-	-	6,313	6,313
Spin-off	21.1	(6,313)	-	-	-	-	(26)	-	(6,339)	(6,339)
Net income for the period		-	-	-	-	-	620	-	620	620
On September 30, 2017		**6,352**	**807**	**270**	**1,968**	**-**	**594**	**(1,987)**	**8,004**	**8,004**

The accompanying notes are an integral part of these financial statements.

Petrobras Distribuidora S.A.
Statements of cash flows
Periods ended September 30, 2017 and 2016
(In BRL million)

	Note	Consolidated Nine-month period ended September 30, 2017	Consolidated Nine-month period ended September 30, 2016	Parent company Nine-month period ended September 30, 2017	Parent company Nine-month period ended September 30, 2016
Operating activities					
Net profit (loss) for the period		620	(367)	620	(367)
Adjustments:					
Income tax and social contribution	9	399	(150)	400	(142)
Depreciation and amortization	24	343	333	339	330
Income from disposal / write-off of assets		(8)	(8)	(8)	(8)
Provision for impairment of trade receivables, net of reversion	6	3	616	(2)	583
Share of (loss) profit of equity-accounted investees		1	1	3	(44)
Appropriation of early bonuses granted to customers		418	391	418	391
Appropriations of insurance, rentals and others		62	33	62	33
Interest, foreign exchange and monetary variations, net		476	673	467	721
Actuarial expenses with healthcare and pension plans	20.1	377	286	376	286
Provision for contingencies		12	847	12	847
Provision for Voluntary Dismissal Incentive Plan	20.2	(143)	(9)	(143)	(9)
Other adjustments		(81)	(7)	(82)	(6)
Decrease (increase) in assets					
Accounts receivable		(218)	591	(194)	555
Inventories		(149)	454	(155)	455
Prepaid expenses		(474)	(306)	(474)	(306)
Judicial Deposits		(2)	(80)	(2)	(80)
Other assets		(88)	(3)	(88)	(1)
Increase (decrease) in liabilities					
Trade Payables		(501)	(811)	(542)	(833)
Income tax and social contribution paid		(61)	(186)	(59)	(185)
Taxes, fees and contributions		(222)	(225)	(208)	(200)
Healthcare and pension plans		(93)	(93)	(93)	(93)
Voluntary Dismissal Incentive Plan	20.2	(292)	(85)	(292)	(85)
Other liabilities		43	79	61	89
Net cash generated from operating activities		**422**	**1,974**	**416**	**1,931**
Investment activities					
Additions to property, plant and equipment and intangible assets		(205)	(282)	(198)	(279)
Additions to investments		(2)	-	(87)	-
Proceeds from sale of assets		13	1	13	1
Other investments		1	12	1	13
Investments in FIDC		2,503	(282)	2,499	(321)
Dividends received		-	-	1	1
Net cash generated from (used in) investment activities		**2,310**	**(551)**	**2,229**	**(585)**
Financing activities					
Capital contribution		6,313	-	6,313	-
Borrowings					
Amortization of principal	16.4	(7,810)	(114)	(7,717)	(17)
Amortization of interest	16.4	(1,355)	(1,435)	(1,295)	(1,374)
Assignment of receivables - FIDC-NP	29.2	(8)	(1)	-	-
Other financing operations		(5)	(22)	(103)	(120)
Net cash used in financing activities		**(2,865)**	**(1,572)**	**(2,802)**	**(1,511)**
Net variation in cash and cash equivalents in the period		**(133)**	**(149)**	**(157)**	**(165)**
Cash and cash equivalents at the beginning of the period		**655**	**810**	**442**	**607**
Cash and cash equivalents at the end of the period		**522**	**661**	**285**	**442**
Financing transaction that does not involve cash					
Spin-off (note 22.1)		**6,339**	**-**	**6,339**	**-**

The accompanying notes are an integral part of these financial statements.

Petrobras Distribuidora S.A.
Statements of value added
Periods ended September 30, 2017 and 2016
(In BRL million)

	Consolidated		Parent company	
	Nine-month period ended September 30,		Nine-month period ended September 30,	
	2017	2016	2017	2016
Revenue				
Sales of products and services and other revenues	76,416	80,753	75,948	80,329
Provision for impairment of trade receivables	(3)	(616)	2	(583)
Revenue from the construction of assets for use	149	205	141	193
	76,562	**80,342**	**76,091**	**79,939**
Inputs acquired from third parties				
Raw materials and goods for resale	56,833	60,290	56,525	60,002
Material, energy, outsourced services and others	1,554	3,069	1,513	3,033
Tax credits on inputs acquired	2,157	2,456	2,157	2,456
	60,544	**65,815**	**60,195**	**65,491**
Gross value added	**16,018**	**14,527**	**15,896**	**14,448**
Retention				
Depreciation and amortization	343	333	339	330
Net value added produced by the company	**15,675**	**14,194**	**15,557**	**14,118**
Value added received in transfer				
Share of profit (loss) of equity-accounted investees	(1)	(1)	(3)	44
Financial income - includes monetary and exchange fluctuations	762	1,061	739	1,029
Rentals and royalties	208	201	208	201
	969	**1,261**	**944**	**1,274**
Total value added to distribute	**16,644**	**15,455**	**16,501**	**15,392**

The accompanying notes are an integral part of these financial statements.

Petrobras Distribuidora S.A.
Statements of value added
Periods ended September 30, 2017 and 2016
(In BRL million)

	Consolidated		Parent company	
	Nine-month period ended September 30		Nine-month period ended September 30	
	2017	2016	2017	2016
Distribution of value added				
Personnel and management				
Direct compensation				
Salaries	615	624	603	613
Participation in the profits or results	17	30	17	30
Benefits				
Advantages	69	67	67	66
Retirement and pension plan	56	160	56	160
Healthcare plan	229	175	228	174
FGTS (Severance Pay Fund)	47	48	46	47
	1,033	**1,104**	**1,017**	**1,090**
Taxes				
Federal	803	207	762	183
State	12,668	12,606	12,604	12,553
Municipal	22	22	22	21
	13,493	**12,835**	**13,388**	**12,757**
Financial institutions and suppliers				
Interest, foreign exchange and monetary variations	1,231	1,613	1,209	1,642
Rental expenses	267	270	267	270
	1,498	**1,883**	**1,476**	**1,912**
Stockholders				
Retained profits (losses)	620	(367)	620	(367)
	620	**(367)**	**620**	**(367)**
Value added distributed	**16,644**	**15,455**	**16,501**	**15,392**

The accompanying notes are an integral part of these financial statements.

1 General considerations

1.1 Operational context

Petrobras Distribuidora S.A. ("Company" or "BR"), is a public limited company domiciled in Brazil. Incorporated on November 12th, 1971, it is a subsidiary and controlled company of Petróleo Brasileiro S.A. - "Petrobras" and its corporate purpose is the distribution, transportation, trade, processing and industrialization of petroleum by-products and other fuels, production, transportation, distribution and marketing of all forms of energy, chemicals and asphalts, related services and import and export related to the aforementioned products and activities. The Company's registered office is located in the city of Rio de Janeiro - RJ.

1.2 Operation “Car Wash” and its impacts in the Company

The Company recognized in the third quarter of 2014 a write-off of BRL 23, capitalized expenses related to amounts paid in addition to the acquisition of fixed assets in prior periods. For more information on Operation “Car Wash”, see note 1.2 of the annual audited financial statements for the year ended December 31st, 2016.

In the preparation of the interim financial statements for the period ended September 30th, 2017, the Company considered all information available and did not identify any additional information that would impact the calculation methodology adopted and, consequently, the accounting for supplementary write-offs.

The Company will continue to monitor the investigations to obtain additional information and evaluate its potential impact on the adjustments made.

1.3 Relevant events in the period

The Extraordinary General Shareholders’ Meeting held on August 31, 2017 approved the partial spin-off of the Company, which included the receivables held by the Company arising out of Confession of Indebtedness Agreements (CCDs) entered into with the Eletrobras Group that hold real guarantees (loan liens from the Power Development Account-CDE) and receivables held by the Company with other companies within the Petrobras Group. The portion of spin-off was incorporated into the Downstream Participações Ltda. ("Downstream"), a wholly-owned subsidiary of Petrobras, for BRL 6,339 million. (Note 6.3).

Since it refers to a restructuring among companies whose entire capital stock belongs to Petrobras, the transactions were carried out at book value based on an appraisal report, not generating any impact on the financial results of the companies involved. The transaction did not generate any relevant changes in the Company's net equity as well.

The same Meeting discussed the increase of Petrobras' capital in the company, valued at BRL 6,313 million. The funds generated by the capital contribution transaction were used entirely to pre-pay debts incurred previously by the Company and guaranteed by Petrobras, totaling BRL 7,708 million. (Note 21.1)

2 Basis of presentation of the interim financial information

The consolidated interim financial information is presented in accordance with the accounting practices adopted in Brazil for interim financial statements (Technical Pronouncement - CPC 21 (R1) - Interim Financial Reporting), as well as with IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The individual interim financial information is being presented in accordance with the accounting practices adopted in Brazil for interim statements (Technical Pronouncement - CPC 21 (R1) - Interim Financial Reporting).

This interim financial information is presented with the relevant changes occurred in the period, without repetition of certain explanatory notes previously disclosed. Therefore, such accounting information should be read in conjunction with the Company's annual financial statements for the year ended December 31st, 2016, which include the full set of explanatory notes.

In the preparation of the interim financial statements, historical cost was considered as the value basis, except for financial instruments measured at fair value through profit or loss and defined benefit actuarial liability, recognized as the fair value of plan assets, less the amount of the defined benefit obligation.

The individual and consolidated statement of value added (DVA) were prepared in accordance with Technical Pronouncement CPC 09 - Statement of the added value as supplementary information.

The Company's Board of Directors, at a meeting held on November 21, 2017, authorized the reissue of the interim financial statements disclosed and approved on October 16, 2017, with the purpose of retrospectively reflecting the corporate event related to reverse share split, occurred on November 14, 2017, as presented in Note 21 - Equity.

3 Use of estimates and judgments

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2016.

4 Main accounting policies

The accounting policies and calculation methods used in preparing this quarterly information and the consolidated group of companies are consistent with the practices adopted in the preparation of the Company's annual financial statements for the year ended December 31st, 2016.

5 Cash and cash equivalents

	Consolidated		Parent company	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Cash and banks	300	63	285	61
Financial investments	222	592	-	381
Total	**522**	**655**	**285**	**442**

The financial investments corresponding to investment funds in the country have their funds invested in Brazilian federal public securities and have immediate liquidity. In the case of redemption in the first 30 days of application, there is IOF on the income, by means of the regressive table.

6 Accounts receivable, net

	Consolidated		Parent company	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Related parties (note 29)				
Receivables fund - FIDC - NP (note 29.2)	465	2,776	463	2,770
Electrical energy sector - Isolated system (note 6.2)	2,992	9,165	2,992	9,165
Federal government customers	87	77	87	77
Petrobras Group companies, except for the electrical energy sector -	343	294	523	426
Total related parties	**3,887**	**12,312**	**4,065**	**12,438**
Third Parties				
Customers and other accounts receivable (a)	6,987	6,481	6,818	6,391
Electrical energy sector - Isolated system - third parties (note 6.2)	1,027	1,131	1,027	1,131
Total third parties	**8,014**	**7,612**	**7,845**	**7,522**
Total accounts receivable (note 6.1)	**11,901**	**19,924**	**11,910**	**19,960**
Allowance for doubtful account				
Third Parties	(2,984)	(2,947)	(2,939)	(2,907)
Related parties	(3,014)	(3,048)	(3,014)	(3,048)
Total allowance for doubtful account	**(5,998)**	**(5,995)**	**(5,953)**	**(5,955)**
Accounts receivable - net	**5,903**	**13,929**	**5,957**	**14,005**
Accounts receivable (current assets), net	5,498	7,679	5,552	7,761
Accounts receivable (non-current assets), net	405	6,250	405	6,244

Change in allowance for doubtful account	Consolidated		Parent company	
	Nine-month period ended September 30,		Nine-month period ended September 30,	
	2017	2016	2017	2016
Opening balance	**(5,995)**	**(5,319)**	**(5,955)**	**(5,314)**
Additions	(375)	(829)	(228)	(796)
Reversals	372	213	230	213
Closing balance	**(5,998)**	**(5,935)**	**(5,953)**	**(5,897)**
Allowance for doubtful account (current assets)	(2,040)	(1,830)	(1,995)	(1,824)
Allowance for doubtful account (non-current assets)	(3,958)	(4,105)	(3,958)	(4,073)

(a) Includes the balance of judiciary bonds with the Governments of the State of Rio de Janeiro and São Paulo (BRL 25 as ofSeptember 30, 2017 and BRL 24 as of December 31st, 2016).

The additions and reversals of net estimated losses in doubtful accounts for the period, in the net amount of BRL 3 for consolidated report and BRL 2 for parent company report (BRL 616 for consolidated report and BRL 583 for parent company report as at September 30, 2016) were recorded as selling expenses (note 24).

The Company has BRL 4,874 in accounts receivable in judicial colletion (BRL 4,391 as of December 31st, 2016), of which BRL 1,868 (BRL 1,732 on December 31, 2016) in current assets and BRL 3,006 (BRL 2,659 on December 31, 2016) in non-current assets.

6.1 Breakdown of accounts receivable – past due and not past due

On September 30, 2017, the accounts receivable from customers past due totaled BRL 6,503 and BRL 6,440 in the Consolidated report and in the Parent Company report, respectively (BRL 6,557 and BRL 6,498 on December 31, 2016), of which BRL 5,807 and BRL 5,762 in the Consolidated report and in the Parent Company report, respectively (BRL 5,714 and BRL 5,674 on December 31, 2016) are reduced to the recoverable amount. The balance of accounts receivables not past due, BRL 191 in the Consolidated report and in the Parent Company report (BRL 281 on December 31, 2016) has been reduced to its recoverable amount.

Of the balance of BRL 191 (BRL 281 on December 31, 2016), BRL 21 (BRL 41 on December 31, 2016) relates to the confession of indebtedness agreement (CCD) signed by the electrical energy sector, without guarantees, in 2013; BRL 102 (BRL 120 on December 31, 2016) relates to the CCD signed by the power sector, without guarantees, in 2014; BRL 61 (BRL 67 on December 31, 2016) relates to the Dalçoquio customer undergoing judicial recovery; and BRL 7 (BRL 53 on December 31, 2016) relates to other customers.

	Consolidated					
	09/30/2017			12/31/2016		
	Gross Accounts receivable	(-) Allowance for doubtful account	Net account receivable	Gross Accounts receivable	(-) Allowance for doubtful account	Net account receivable
Past-due						
Up to 3 months	201	11	190	293	80	213
3 to 6 months	41	2	39	103	8	95
6 to 12 months	198	22	176	1,416	1,260	156
Over 12 months	6,063	5,772	291	4,745	4,366	379
Total	**6,503**	**5,807**	**696**	**6,557**	**5,714**	**843**
Not past due (excluding FIDC transactions)	4,933	191	4,742	10,591	281	10,310
FIDC	465	-	465	2,776	-	2,776
Total	**11,901**	**5,998**	**5,903**	**19,924**	**5,995**	**13,929**

	Parent company					
	09/30/2017			12/31/2016		
	Gross Accounts receivable	(-) Allowance for doubtful account	Net account receivable	Gross Accounts receivable	(-) Allowance for doubtful account	Net account receivable
Past-due						
Up to 3 months	198	11	187	285	79	206
3 to 6 months	38	2	36	99	8	91
6 to 12 months	190	21	169	1,412	1,260	152
Over 12 months	6,014	5,728	286	4,702	4,327	375
Total	**6,440**	**5,762**	**678**	**6,498**	**5,674**	**824**
Not past due (excluding FIDC transactions)	5,007	191	4,816	10,692	281	10,411
FIDC	463	-	463	2,770	-	2,770
Total	**11,910**	**5,953**	**5,957**	**19,960**	**5,955**	**14,005**

6.2 Breakdown - Energy sector (Isolated system)

	Consolidated					
	09/30/2017			12/31/2016		
	Not yet due	Past-due	Total	Not yet due	Past-due	Total
Accounts receivable						
Eletrobras Group (a)	126	2,866	2,992	6,230	2,860	9,090
Petrobras Group	-	-	-	-	75	75
Third Parties	25	1,002	1,027	62	1,069	1,131
	151	3,868	4,019	6,292	4,004	10,296
(-) Allowance for doubtful account						
Electrical energy sector - Eletrobras Group companies	(126)	(2,866)	(2,992)	(166)	(2,860)	(3,026)
Electrical energy sector - third parties	(4)	(1,002)	(1,006)	(48)	(1,069)	(1,117)
	(130)	(3,868)	(3,998)	(214)	(3,929)	(4,143)
Total	**21**	**-**	**21**	**6,078**	**75**	**6,153**
Related parties	-	-	-	6,064	75	6,139
Third Parties	21	-	21	14	-	14

(a) See note 1.3.

6.3 Movements in client's accounts receivable - Energy sector (Isolated system)

	Balance on December 31, 2016	Billing	Receipts	Allowance for doubtful account		Inflation Indexation	Split	Balance on September 30, 2017
				Constitution	Reversal			
Related parties (Eletrobras Group)								
Amazonas Distribuidora de Energia	4,652	596	(772)	(2)	22	331	(4,827)	-
Centrais Elétricas de Rondônia - CERON	1,141	-	(43)	-	-	60	(1,158)	-
Centrais Elétricas do Norte - ELETRONORTE	-	-	-	-	-	-	-	-
Cia de Eletricidade do Acre - ELETROACRE	136	-	(10)	(8)	26	(3)	(141)	-
Eletrobras Roraima (Boa Vista Energia S.A.)	135	84	(85)	(22)	18	11	(141)	-
Eletrobras Group net accounts receivable	**6,064**	**680**	**(910)**	**(32)**	**66**	**399**	**(6,267)**	-
Related parties (Petrobras Group)								
Breitener Jaraqui	50	1	(2)	-	-	-	(49)	-
Breitener Tambaqui	23	4	(4)	-	-	-	(23)	-
Manauara	2	16	(18)	-	-	-	-	-
Petrobras Group net Accounts Receivable	**75**	**21**	**(24)**	-	-	-	**(72)**	-
Third Parties								
Alcoa World Alumina Brasil LTDA	13	86	(80)	-	-	-	-	19
Centrais Elétricas do Pará - CELPA	-	30	(129)	-	99	-	-	-
Centrais Elétricas Matogrossenses - CEMAT	1	7	(6)	-	-	-	-	2
Cia de Eletricidade do Amapá - CEA	-	3	(15)	-	12	-	-	-
Cia de Energia de Pernambuco - CELPE	-	10	(10)	-	-	-	-	-
Geradora de Energia do Amazonas - GERA	-	15	(15)	-	-	-	-	-
Rio Amazonas Energia - RAESA	-	22	(22)	-	-	-	-	-
Third Parties Net Accounts Receivable	**14**	**173**	**(277)**	-	**111**	-	-	**21**
Total net accounts receivable	**6,153**	**874**	**(1,211)**	**(32)**	**177**	**399**	**(6,339)**	**21**
Accounts receivable from the Eletrobras Group	9,090	680	(910)	-	-	399	(6,267)	2,992
(-) Allowance for doubtful account	(3,026)	-	-	(32)	66	-	-	(2,992)
Total net accounts receivable from the Eletrobras Group	**6,064**	**680**	**(910)**	**(32)**	**66**	**399**	**(6,267)**	-
Accounts receivable from the Petrobras Group	75	21	(24)	-	-	-	(72)	-
(-) Allowance for doubtful account	-	-	-	-	-	-	-	-
Total net accounts receivable from the Petrobras Group	**75**	**21**	**(24)**	-	-	-	**(72)**	-
Accounts receivable from third parties	1,131	173	(277)	-	-	-	-	1,027
(-) Allowance for doubtful account	(1,117)	-	-	-	111	-	-	(1,006)
Total net accounts receivable from Third Parties	**14**	**173**	**(277)**	-	**111**	-	-	**21**
Total accounts receivable	10,296	874	(1,211)	-	-	399	(6,339)	4,019
(-) Allowance for doubtful account	(4,143)	-	-	(32)	177	-	-	(3,998)
Total net accounts receivable	**6,153**	**874**	**(1,211)**	**(32)**	**177**	**399**	**(6,339)**	**21**

The Company supplies fuel oil and diesel oil to thermoelectric generation plants (Eletrobras subsidiaries), state concessionaires and Independent Power Producers (PIEs) that make up the isolated energy system in the northern region of the country. This system corresponds to the public electricity distribution service which, in its normal configuration, is not yet in a position to have all of its electricity demand served by the National Interconnected System (SIN), for technical or economic reasons.

A significant portion of the resources used for the financial settlement of these assets comes from the Fuel Consumption Account (CCC), which has as one of its main purposes the partial reimbursement of the costs of acquiring the fuels used for the generation of electricity in the isolated energy system. However, several changes in legislation, over time, highlighting MP 579/2012, which introduced significant adjustments in the source of the resources used to subsidize the generation of energy by the plants of the isolated systems, imposed restrictions that reduced the amounts reimbursed by the CCC to the thermoelectric plants of the isolated system, which, in turn, due to cash deficits, started to make smaller payments than those due to the Company for the supply of fuels for electricity generation, increasing the delinquency of the distributors operating in this sector.

In order to regularize this situation, the Company intensified negotiations with state concessionaires, PIE, private and controlled companies of Eletrobras and, on December 31st, 2014, debt confession contracts (CCD) were entered into in the amount of BRL 5,344 (BRL 5,194 refers to the Company's share and BRL 150 refers to Petrobras' share), covering debts maturing up to November 30th, 2014, updated by SELIC, for payment in 120 consecutive monthly installments as of February of which BRL 5,233 (BRL 126 referring to securities endorsed by Petrobras) had a pledge of credits from the Energy Development Account (CDE).

The amortization of the debt established in the CCDs takes place in two stages, the first one with amortization of 15% of the renegotiated value in the first 36 months, and the remaining 85% in 84 installments that begin to mature as from January 2018. With this, it is expected from 2018 the increase in installments for amortization and progressive reduction of the debt balance, since the benefits will be higher than the financial revenues due to inflation indexation of the indebtedness contract.

In order to mitigate the effects of the aggravation of the default of the companies of the sector, Normative Resolution nº 679, of September 1st, 2015, was published by the National Agency of Electric Energy (ANEEL), aiming to expedite the release of the resources for the fuel suppliers , due to the possibility of a preliminary repayment of up to 75% of the average value of the invoices of the last three months directly by the CCC to the creditor agents.

With the proposed change above, a greater financial balance of the distributors of the isolated system was expected, which in fact did not occur, leading to an increase in default.

In this context, the Company adopted the following measures:

- suspension of supply on a long-term basis, except for situations in which the Company is obliged to provide due to a judicial decision;

- judicial collection of the defaulted debt in the purchase and sale agreements with companies of the Eletrobras System (Amazonas, Acre, Rondônia and Roraima) and CEA's indebtness agreement (Companhia de Eletricidade do Amapá); and

- registration of the Companies of the Eletrobras System (Amazonas, Acre, Rondônia and Roraima) in CADIN (Federal Public Sector Non-Paid-off Credits Information Register).

In the period ended September 30th, 2017, the Company reversed the amount of BRL 145, net of incorporation, mainly due to the payments made by Centrais Elétricas do Pará - CELPA (BRL 99).

Despite intermittent delays, the Eletrobras Group has complied with the payments of the CCDs signed in 2014.

On August 31, 2017, the Extraordinary General Shareholders' Meeting approved the partial spin-off of the Company with the incorporation of the spin-off portion by Downstream Participações Ltda. (Petrobras subsidiary), in the amount of BRL 6,339 million, related to credits with companies from the Eletrobras Group renegotiated in 2014 and amounts receivable from Breitener Tambaqui and Breitener Jaraqui, both from the Petrobras Group.

7 Inventories

	Consolidated		Parent company	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Products for sale				
Oil products				
Gasoline	502	353	502	353
Diesel oil	1,000	946	1,000	946
Fuel oil	161	129	161	129
Other	406	489	406	489
Bio-fuels	355	566	355	566
	2,424	2,483	2,424	2,483
Other products	412	195	398	185
Total	**2,836**	**2,678**	**2,822**	**2,668**

No reduction to the net realizable value of inventories was recognized for the 9 month period ended September 30, 2017.

8 Taxes recoverable

	Consolidated		Parent company	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Current assets				
ICMS	512	335	457	324
Other taxes	44	37	25	19
Subtotal	**556**	**372**	**482**	**343**
Non-current assets				
ICMS	485	366	456	307
Subtotal	**485**	**366**	**456**	**307**
Total	**1,041**	**738**	**938**	**650**

The Company's tax recoverable are mainly represented by: (i) ICMS Tax Replacement to be reimbursed by the States in the interstate operations of pretroleum by-products in which the tax was withheld in the State of origin and passed to the State of destination for a lower value, the main States being Bahia (BRL 108), Maranhão (BRL 104), Pernambuco (BRL 84), Amazonas (BRL 44), Rio de Janeiro (BRL 24), Pará (BRL 14), São Paulo (BRL 6), Rio Grande do Norte (BRL 6), and Minas Gerais (BRL 4); (ii) credits to be returned by the state of Mato Grosso, through the administrative proceeding that established there was over collection of prepayments (BRL 89); (iii) agreements signed with State Departments of Taxation and Finance of the States of Maranhão (BRL 41) and Rio de Janeiro (BRL 34) involving the reimbursement of ICMS to the Company; (iv) ICMS credit balance to be recovered in the State of Bahia (BRL 65); and (v) ICMS to be refunded by the State of Espírito Santo for the purchase of natural gas with Tax Replacement at the source (BRL 72).

9 Deferred income and social contribution taxes

(a) Nature

Nature	Consolidated		Parent company	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Absorption of conditional financing	633	521	633	521
Provision for impairment of trade receivables	1,376	1,430	1,364	1,419
Discount of judicial bonds	13	13	12	13
Provision for contingencies	715	711	715	711
PETROS Obligation - Inactive futures	273	226	272	225
Actuarial losses - CPC 33	417	417	417	417
Provision for loss through devaluation of assets	98	99	98	99
Depreciation - revision of estimated useful lives	(80)	(59)	(78)	(58)
Finance leases	170	199	170	199
Use rights - finance leases	(237)	(242)	(237)	(242)
Revenue on disposal of Real Estate Receivables Certificates (CRIs)	4	6	4	6
Voluntary Dismissal Incentive Program - PIDV	3	151	3	151
Monetary correction of judicial deposits	(106)	(96)	(106)	(96)
Other	55	49	53	49
	3,334	**3,425**	**3,320**	**3,414**
Deferred income tax	2,451	2,518	2,441	2,510
Deferred social contribution	883	907	879	904

(b) Breakdown

								Consolidated	Parent company
Source of registration of deferred income tax and social contribution	**Property, plant and equipment**	**Accounts receivable, prepaid expenses and borrowings**	**Finance leases**	**Provision for contingencies**	**Voluntary Dismissal Incentive Program-PIDV**	**Post-employment benefits**	**Other**	**Total**	**Total**
On December 31, 2015	**71**	**1.743**	**(7)**	**376**	**33**	**355**	**(13)**	**2.558**	**2.557**
Recognized in income for the year	(31)	208	(30)	335	118	50	(21)	629	619
Recognized in equity	-	-	-	-	-	238	-	238	238
On December 31, 2016	**40**	**1.951**	**(37)**	**711**	**151**	**643**	**(34)**	**3.425**	**3.414**
Recognized in income for the period	(21)	74	(26)	4	(148)	47	(21)	(91)	(94)
On September 30, 2017	**19**	**2.025**	**(63)**	**715**	**3**	**690**	**(55)**	**3.334**	**3.320**
Deferred income tax								**2.451**	**2.441**
Deferred social contribution								**883**	**879**
Deferred tax assets								3.874	3.862
Deferred tax liabilities								(449)	(448)
On December 31, 2016								**3.425**	**3.414**
Deferred tax assets								3.794	3.779
Deferred tax liabilities								(460)	(459)
On September 30, 2017								**3.334**	**3.320**

The Company maintains the recognition of the deferred tax assets based on the projection of taxable income for subsequent years, and such projection is reviewed annually. Management believes that deferred tax assets will be realized in proportion to the realization of provisions and the final resolution of future events, both based on projections based on the Business Plan and Management (PNG), which do not exceed ten years.

(c) Estimation of realization

Period	Deferred income tax and social contribution	
	Consolidated	Parent company
2017	229	229
2018	294	292
2019	756	753
2020	887	884
2021	318	314
2022	155	154
2023	146	146
2024 onward	549	548
September 30, 2017	**3,334**	**3,320**
On December 31, 2016	**3,425**	**3,414**

(d) Reconciliation of income tax and social contribution on profit

The reconciliation of taxes calculated according to nominal rates and the value of registered taxes are shown below:

	Consolidated		Parent company	
	Nine-month period ended September 30,		Nine-month period ended September 30,	
	2017	2016	2017	2016
Net income (loss) before taxes	1,019	(517)	1,020	(509)
Income tax and social contribution at nominal rates (34%)	(347)	176	(347)	173
Settings for calculating effective rate:				
• Additions/permanent exclusions, net	15	(8)	15	(8)
• Equity	-	-	(1)	15
• Tax incentives	5	13	5	13
• Post-employment benefit expenses of Healthy A.M.S.	(72)	(51)	(72)	(51)
• Other items	-	20	-	-
Income tax and social contribution	**(399)**	**150**	**(400)**	**142**
Current income tax and social contribution	(308)	(391)	(306)	(389)
Deferred income tax and social contribution	(91)	541	(94)	531
	(399)	**150**	**(400)**	**142**
Effective rate of income tax and social contribution	39.2%	29.0%	39.2%	27.9%

10 Prepaid expenses

	Consolidated		Parent company	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Early bonuses granted to customers	1,939	1,959	1,939	1,959
Rentals/ leases	207	201	207	201
Other	36	29	36	29
Total	**2,182**	**2,189**	**2,182**	**2,189**
Current assets	553	587	553	587
Non-current assets	1,629	1,602	1,629	1,602

The bonuses granted to clients depend on terms and future performance, in particular of volumes as provided in supply agreements and are recognized in the statement of profit or loss ratably over the agreements term as reduction of gross revenue, in amount of BRL 418 on September 30, 2017 (BRL 391 on September 30, 2016) in the Consolidated and Parent Company (note 22).

11 Judicial deposits

	Consolidated		Parent company	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Taxes	707	680	685	659
Labor	186	167	186	167
Civil cases	87	94	87	94
Environmental	5	9	4	8
Total	**985**	**950**	**962**	**928**

The Company maintains BRL 202 (BRL 192 as of December 31st, 2016) of judicial deposists related to lawsuits provisioned (note 26.1.1); BRL 454 (BRL 366 as of December 31st, 2016) associated with possible contingencies; BRL 58 (BRL 22 as of December 31st, 2016) associated with remote contingencies; BRL 225 (BRL 324 on December 31, 2016) refers deposits related to lawsuits in which the Company is plaintiff, and BRL 23 (BRL 24 on December 31, 2016) relating to others.

12 Investments

12.1 Summary accounting information on the subsidiaries, joint arrangements and associates

The information represents the total assets, liabilities and results of the investees, disregarding proportion according to the Company's interest.

	Subsidiaries		Joint arrangements					
			Joint Operation	Joint Ventures				Associate
	Fundo de Investimento Imobiliário FCM	Stratura	Brasil Carbonos	CDGN (a)	Brasil Supply (b)	Energética Camaçari Muricy II (a)	Pecém Energia (a)	BRF Biorefinos (a)
Assets								
Current assets								
Cash and cash equivalents	215	14	16	8	-	2	2	3
Other current assets	123	217	5	5	76	-	-	-
Non-current asset	487	65	11	7	1	-	-	-
Investments	-	-	-	-	-	-	-	-
Property, plant and equipment	363	44	99	44	641	-	-	22
Intangible assets	-	1	-	-	2	-	-	-
Total Assets	**1,188**	**341**	**131**	**64**	**720**	**2**	**2**	**25**
Liabilities								
Current liabilities								
Loans and financing	98	-	27	4	79	-	-	-
Other current liabilities	208	114	4	5	92	1	1	-
Non-current liabilities								
Loans and financing	879	-	1	10	447	-	-	-
Other non-current liabilities	45	5	1	2	167	-	-	-
Shareholders' equity attributable to the Parent Company								
Share Capital	-	216	37	39	210	3	3	25
Other	(42)	6	61	4	(275)	(2)	(2)	-
Total Liabilities	**1,188**	**341**	**131**	**64**	**720**	**2**	**2**	**25**
Results								
Net operating revenue	-	349	33	25	3	-	-	-
Gross profit	-	33	16	7	(15)	-	-	-
Profit/(net loss) for the year	-	(5)	8	1	(36)	-	-	1
Percentage of participation - %	99.01%	100.00%	49.00%	49.00%	0.38%	50.00%	45.00%	49.00%
Depreciation and amortization	-	(2)	(3)	(5)	(9)	-	-	-
Interest revenue	61	8	1	-	-	-	-	1
Interest expense	(3)	(10)	(3)	-	(9)	-	-	-
Net monetary and foreign exchange variations	(55)	4	(1)	-	6	-	-	
Expenditure / Income from IR and CS - current and deferred	-	2	(2)	-	-	-	-	-

(a) Position: 08/31/2017
(b) Position: 07/31/2017

12.2 Changes in investments in subsidiaries, joint arrangements and associate

		Joint Business						
	Subsidiaries	Joint operation	Joint ventures			Associate		
	Stratura	Brasil Carbonos (a)	CDGN	Camaçari Muricy II	Pecém Energia	BRF Biorefinos	Other investments	09/30/2017
Balance of 1 January 2017	**103**	**69**	**22**	**-**	**-**	**22**	**1**	**217**
Capital contribution (b)	124	-	-	1	-	-	-	125
Equity method	(5)	4	(1)	-	-	-	-	(2)
Dividends	-	(2)	-	-	-	-	-	(2)
Amortization of surplus value of assets	-	(1)	-	-	-	-	-	(1)
Capital reduction	-	-	-	-	-	(10)	-	(10)
At the end of the period	**222**	**70**	**21**	**1**	**-**	**12**	**1**	**327**

	Subsidiaries		Joint Business				Associate		
			Joint operation	Joint ventures					
	Stratura	FII (*)	Brasil Carbonos	CDGN	Camaçari Muricy II	Brazil Supply	BRF Biorefinos	Other investments	09/30/2016
Balance of 1 January 2016	**124**	**-**	**64**	**24**	**-**	**-**	**21**	**1**	**234**
Equity method	(19)	14	4	(1)	-	-	-	-	(2)
Amortization of surplus value of assets	-	-	(1)	-	-	-	-	-	(1)
Other	-	-	-	-	1	-	-	-	1
At the end of the period	**105**	**14**	**67**	**23**	**1**	**-**	**21**	**1**	**232**

(a) In the acquisition of a stake in Brasil Carbonos S.A., in December 2010, an asset appreciation of BRL 28 was calculated, which is amortized over the useful lives of the assets. As of September 30th, 2017, the balance of BRL 22 is classified in property, plant and equipment in the Consolidated.

(b) In order to improve its performance in the asphalt market, the activities of this segment were merged into Stratura Asfaltos S.A., a wholly owned subsidiary of the Company, resulting in a contribution of BRL 124.

On September 30th, 2017, the balance of the equity interest in the subsidiary FII FCM is zero due to the presentation of excess of liabilities over assets by the subsidiary. Losses in excess of the investment value were recognized in liabilities, in the form of a provision.

	Nine-month period ended September 30,	
	2017	2016
Provision balance at the beginning of the year	42	47
Constitution (c)	10	-
Reversal (c)	(10)	(47)
Provision balance at the end of the year	**42**	**-**

(c) Amounts recorded in the statement of profit or loss under “Investment Income”.

13 Fixed assets

13.1 By asset type

	Consolidated			
	Land (b), Buildings and Improvements	Equipment and Other Assets	Assets under construction	Total
Balance on December 31, 2015	**3,071**	**2,086**	**882**	**6,039**
Additions	2	97	252	351
Write-offs	(3)	(3)	(11)	(17)
Depreciation	(122)	(273)	-	(395)
Transfers (a)	106	150	(259)	(3)
Capitalized interest	-	-	11	11
Balance on December 31, 2016	**3,054**	**2,057**	**875**	**5,986**
Additions	1	50	118	169
Write-offs	(1)	(2)	-	(3)
Depreciation	(95)	(204)	-	(299)
Transfers (a)	88	98	(161)	25
Capitalized interest	-	-	2	2
Balance on September 30, 2017	**3,047**	**1,999**	**834**	**5,880**
Cost	4,055	4,894	875	9,824
Depreciation	(1,001)	(2,837)	-	(3,838)
Balance on December 31, 2016	**3,054**	**2,057**	**875**	**5,986**
Cost	4,159	5,001	834	9,994
Depreciation	(1,112)	(3,002)	-	(4,114)
Balance on September 30, 2017	**3,047**	**1,999**	**834**	**5,880**
Estimated useful life	25 to 60 years (*)	4 to 25 years		

(*) Except Land

	Parent company			
	Land (b), Buildings and Improvements	Equipment and Other Assets	Assets under construction	Total
Balance on December 31, 2015	**3,025**	**2,043**	**542**	**5,610**
Additions	2	97	244	343
Write-offs	(2)	(3)	(12)	(17)
Depreciation	(121)	(269)	-	(390)
Transfers (a)	104	148	(256)	(4)
Balance on December 31, 2016	**3,008**	**2,016**	**518**	**5,542**
Additions	-	49	112	161
Write-offs	(1)	(2)	-	(3)
Depreciation	(94)	(201)	-	(295)
Transfers (a)	74	86	(161)	(1)
Balance on September 30, 2017	**2,987**	**1,948**	**469**	**5,404**
Cost	4,004	4,830	518	9,352
Depreciation	(996)	(2,814)	-	(3,810)
Balance on December 31, 2016	**3,008**	**2,016**	**518**	**5,542**
Cost	4,087	4,912	469	9,468
Depreciation	(1,100)	(2,964)	-	(4,064)
Balance on September 30, 2017	**2,987**	**1,948**	**469**	**5,404**
Estimated useful life	25 and 60 years (*)	4 to 24 years		
Buildings	60 years			
Improvements	25 years			

(*) Except Land

(a) They refer mainly to transfers between other accounts in the financial statment, such as the receipt of equipment as settlement of accounts receivable.

(b) As of September 30th, 2017, the consolidated balance of land is BRL 389 (BRL 392 as of December 31st, 2016) and the Parent Company is BRL 384 (BRL 388 as of December 31st, 2016).

The assets under construction presented in the Consolidated refer substantially to the expansion, modernization and improvements in terminals and distribution bases of fuels, airports and lubricants factory.

The property, plant and equipment of the Company includes assets arising from financial lease agreements, in the amount of BRL 384 (BRL 390 as of December 31st, 2016).

14 Intangible

14.1 By asset type

	Consolidated			
	Rights and Concessions	Software (b)	Goodwill (c)	Total
Balance on December 31, 2015	**272**	**159**	**29**	**460**
Additions	10	41	-	51
Amortization	(12)	(47)	-	(59)
Transfers (a)	9	-	-	9
Balance on December 31, 2016	**279**	**153**	**29**	**461**
Additions	5	32	-	37
Amortization	(8)	(36)	-	(44)
Balance on September 30, 2017	**276**	**149**	**29**	**454**
Cost	360	418	29	807
Amortization	(81)	(265)	-	(346)
Balance on December 31, 2016	**279**	**153**	**29**	**461**
Cost	366	447	29	842
Amortization	(90)	(298)	-	(388)
Balance on September 30, 2017	**276**	**149**	**29**	**454**
Estimated useful life - years	5 to 33 years	4 to 5 years	Undefined	

	Parent company			
	Rights and Concessions	Software (b)	Goodwill (c)	Total
Balance on December 31, 2015	**270**	**160**	**29**	**459**
Additions	10	41	-	51
Amortization	(11)	(48)	-	(59)
Transfers (a)	9	-	-	9
Balance on December 31, 2016	**278**	**153**	**29**	**460**
Additions	5	32	-	37
Amortization	(8)	(36)	-	(44)
Balance on September 30, 2017	**275**	**149**	**29**	**453**
Cost	357	418	29	804
Amortization	(79)	(265)	-	(344)
Balance on December 31, 2016	**278**	**153**	**29**	**460**
Cost	362	447	29	838
Amortization	(87)	(298)	-	(385)
Balance on September 30, 2017	**275**	**149**	**29**	**453**
Estimated useful life - years	10 to 33 years	4 years	Undefined	

(a) They refer mainly to transfers between other accounts in the financial statements, such as fixed assets, according to the nature of the investment.

(b) The Company has a balance of BRL 57 of software in development (BRL 68 as of December 31st , 2016).

(c) Goodwill of fuel distribution assets, originated from the acquisition of Liquigás S.A., distributor of Liquefied Petroleum Gas (LPG). This investment was transferred to Petrobras in 2012 however the operation related to this goodwill remained in the Company.

14.2 Concession for the exploration and marketing of natural gas in the State of Espírito Santo

The Company is a concessionaire for the exclusive exploitation of the public service of distribution of piped gas in the State of Espírito Santo, under a concession contract signed with the government of that State, for a term of 50 years, due in 2043.

The amount of assets, net of amortization, related to the gas concession and recorded as intangible at September 30th, 2017 is BRL 271 (BRL 274 at December 31st, 2016).

The Company recognized revenue and construction cost of BRL 5 until september 2017 (BRL 7 until September 2016).

On February 2, 2016, Act 10,493/2016 was published in the Official Gazette of Espírito Santo, which recognizes the extinction/nullity of the concession contract for the distribution of piped gas, pursuant to the provisions of art. 43 of Federal Act 8987 of February 13th, 1995.

This law establishes the implementation of the concession bidding process or the creation of a state-owned company to take over the services, whereby the Concessionaire is entitled to the compensation provided by Law, which was challenged in court by Petrobras Distribuidora.

On August 12th, 2016, the Company signed a Memorandum of Understanding with the Government of the State of Espírito Santo aiming to evaluate the creation of a state-owned company to provide a public service for the distribution of piped natural gas.

The Company did not make any provision for loss, as the book value existing on September 30th, 2017 is guaranteed by the indemnification provided for in said Act.

15 Trade Payables

	Consolidated		Parent company	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Companies of the Petrobras Group (Note 29.1)	1,090	1,701	1,063	1,677
Third Parties	1,039	949	1,029	945
Total	**2,129**	**2,650**	**2,092**	**2,622**

The balance of Suppliers - Companies of the Petrobras System, is mainly comprised of invoices to be paid to Petrobras for the acquisition of petroleum by-products and contracting services (including freight).

16 Financial Services

16.1 By Financial Institution

	Consolidated		Parent company	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Banco Bradesco	-	3,266	-	3,266
Banco da Amazônia	-	247	-	247
Banco do Brasil	13	4,542	-	4,524
Banco IBM	55	77	55	77
Banco Itaú - Debentures	3,687	3,619	3,687	3,619
	3,755	11,751	3,742	11,733
Real Estate Receivables Certificates (CRI)	977	1,063	-	-
Total	**4,732**	**12,814**	**3,742**	**11,733**
Current assets	305	805	194	697
Non-current assets	4,427	12,009	3,548	11,036

Banco do Brasil

On April 14, 2015, the Company signed a financing agreement with Banco do Brasil in the amount of BRL 4,500, with final maturity in March 2021.

On August 31, 2017, the Company settled in advance the entire balance of the Export Credit Note issued in favor of Banco do Brasil.

Bradesco

On June 1st, 2015, the Company signed a financing agreement with Banco Bradesco, in the form of Export Credit Notes in the amount of BRL 3,000 for a period of five years.

On August 31, 2017, the Company settled in advance the entire balance of the Export Credit Note issued in favor of Banco Bradesco.

Banco Itaú

On August 10, 2015, the Company signed a contract for the issuance of debentures, non-convertible into shares, with Banco Itaú BBA, in the amount of BRL 3,500, for a term of five years.

The interest on the financing is amortized every six months and the principal will be amortized through a single payment, at the end of the agreement, on April 15th, 2020.

The charges on the remuneration to be paid by the debentures are 111.57% of the CDI.

The financing was contracted to fund the acquisition of ethanol. There is exemption from IOF in the operation, as provided for in Act 6,313/75. Petrobras is the guarantor of the transaction.

16.2 Contractual obligations (covenants)

The Company has contractual obligations (non financial) related to the financing agreements, which were fully met on September 30th, 2017, among them the presentation of the financial statements in terms agreed with the institutions; no claim of securities in predetermined amounts; not appear as a defaulter to the creditor or to any financial or credit institution according to agreed amounts; and other clauses.

16.3 Nominal flow of principal and interest on financing

	Consolidated		
Period	**Principal**	**Interest**	**Total**
2017	3	188	191
2018	119	378	497
2019	113	372	485
2020	3,638	209	3,847
2021	118	36	154
2022 onward	600	127	727
Total	**4,591**	**1,310**	**5,901**

16.4 Financial Activity

	Consolidated			Parent
	Bank Market	Capital market (CRIs and Debentures)	Total	Total
Non-current				
In the country				
Opening balance on January 1, 2016	**7,744**	**4,506**	**12,250**	**11,255**
Provision for interest	24	-	24	24
Transfer from long-term to short-term	(246)	(138)	(384)	(243)
Monetary variations	-	119	119	-
Closing balance on December 31, 2016	**7,522**	**4,487**	**12,009**	**11,036**
Current				
In the country				
Opening balance on January 1, 2016	**371**	**273**	**644**	**527**
Provision for interest	1,220	538	1,758	1,757
Amortization of principal	(34)	(81)	(115)	(17)
Interest amortization	(1,193)	(682)	(1,875)	(1,813)
Transfer from long-term to short-term	246	138	384	243
Monetary variations	-	9	9	-
Closing balance on December 31, 2016	**610**	**195**	**805**	**697**
Total balance at 31 December, 2016	**8,132**	**4,682**	**12,814**	**11,733**
Non-current				
In the country				
Opening balance on January 1, 2017	**7,522**	**4,487**	**12,009**	**11,036**
Provision for interest	4	-	4	3
Transfer from long-term to short-term	(7,493)	(146)	(7,639)	(7,491)
Monetary variations	-	53	53	-
Closing balance on September 30, 2017	**33**	**4,394**	**4,427**	**3,548**
Current				
In the country				
Opening balance on January 1, 2017	**610**	**195**	**805**	**697**
Provision for interest	703	316	1,019	1,018
Amortization of principal	(7,721)	(89)	(7,810)	(7,717)
Interest amortization	(1,049)	(306)	(1,355)	(1,295)
Transfer from long-term to short-term	7,493	146	7,639	7,491
Monetary variations	-	7	7	-
Closing balance on September 30, 2017	**36**	**269**	**305**	**194**
Total balance on September 30, 2017	**69**	**4,663**	**4,732**	**3,742**

	Consolidated		Parent company	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Current				
Current portion of long-term debt	116	315	13	217
Interest on financing	189	490	181	480
Total	**305**	**805**	**194**	**697**

16.5 Summarized information on the maturities of borrowings

								Consolidated	Parent company
	2017	2018	2019	2020	2021 (a)	2022 (a)	2023 onward (a)	Total	Total
Borrowings in Brazilian Reais (BRL)									
Indexed to floating rates	176	129	117	3,642	115	122	431	4,732	3,742
Average rate of Financing in Brazilian reais	8.49%	8.27%	8.71%	8.71%	8.70%	5.85%	5.37%	9.84%	9.31%
Total on September 30, 2017	**176**	**129**	**117**	**3,642**	**115**	**122**	**431**	**4,732**	**3,742**

(a) Only Real Estate Receivables Certificates - CRI

The fair values of the financing are mainly determined by derived data fom observable markets (Level 2). The fair value of financing at September 30th, 2017 is BRL 4582 (BRL 3,283 in Parent Company).

The sensitivity analysis of financial instruments is presented in note 28.2.1.1.

17 Leasing

17.1 Finance leases

The Company has financial commitments with FII FCM, managed by Rio Bravo Investimentos DTVM Ltda., As a result of rights arising from leases of real estate and equipment, and construction of bases and terminals, indexed to the Brazilian National Consumer Price Index (IPCA). The balance payable on September 30th, 2017 totals BRL 602 (note 17.1.1).

The real estate credits originated in the Private Instruments of Pledge served as a basis for the issuance of Certificates of Real Estate Receivables (CRIs) by RB Capital Securitizadora S.A. CRIs are registered for trading on the secondary market, and investors can trade them through the BMF-BOVESPA platform.

The Company is lessee of equipments from CDGN, and lessor of these equipments to the customers Suzano Papel e Celulose S.A. and Fiat Automóveis Ltda. The balance receivable generated by the lease to these customers totals BRL 26 (note 17.1.1).

There are no contingent payments and residual values guaranteed.

17.1.1 Flow of payments and receipts from finance leases

	Consolidated		Parent company	
	Minimum receipts	Minimum payments	Minimum receipts	Minimum payments
2017	2	2	2	2
2018 – 2021	26	123	26	500
2022 onward	17	17	17	626
Receivables/ future payments of estimated commitments	**45**	**142**	**45**	**1,128**
Least amount of annual interest	(19)	(45)	(19)	(526)
Present value of the receipts/ minimum payments	**26**	**97**	**26**	**602**
Current	4	29	4	123
Non-current	22	68	22	479
On September 30, 2017	**26**	**97**	**26**	**602**
Current	4	28	4	124
Non-current	24	67	24	561
On December 31, 2016	**28**	**95**	**28**	**685**

17.2 Operating leases

For the nine months ended September 30th, 2017, the Company paid BRL 211 (BRL 151 on September 30th, 2016) for the contractual commitments of operating leases, of which BRL 136 related to fixed installments and BRL 75 referring to variable installments . These leases expire on various dates until 2040.

Operating leases include mainly land, administrative units and buildings used as fuel stations and electric power supply equipment.

The Company has contractual commitments with Confidere OGB Imobiliária and Incorporadora regarding the lease of the Lubrax Building for the period from March 2017 to 2031, in an estimated total remaining amount of BRL 944.

The estimated disbursements for the next years are presented as follows:

	Consolidated	Parent company
2017	41	41
2018 – 2021	400	400
2022 onward	334	334
Total	**775**	**775**

18 Customer advances

	Consolidated		Parent company	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Marketing funds (a)	188	184	188	184
Advances from customers	197	159	188	127
Other	9	11	9	11
Total	**394**	**354**	**385**	**322**

(a) Advances received from contracted customers, such as resellers, franchisees and commercial partners, for use in advertising and promotion actions developed by the Company.

19 Taxes and contributions payable

	Consolidated		Parent company	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Current Liabilities				
ICMS	154	143	153	143
PIS/COFINS	33	18	33	17
Withholding income tax and social contribution	15	29	15	29
Other	34	14	30	11
Total	**236**	**204**	**231**	**200**

The ICMS payables are basically represented by: (ICMS) and ICMS Tax Replacement, registered in the Tax Books to be collected mainly for the States of São Paulo (BRL 39), Minas Gerais (BRL 18), Rio de Janeiro (BRL 16), Maranhão (BRL 10), Mato Grosso do Sul (BRL 8), Federal District (BRL 8), Goiás (BRL 7), Paraná (BRL 6), Pernambuco (BRL 5), Santa Catarina (BRL 4), and Rio Grande do Sul (BRL 4); (ii) PIS and COFINS payable on revenues (BRL 33); and (iii) PERT - Special Tax Regularization Program (BRL 20).

19.1 State Amnesty Programs

In the periods ending on September 30, 2017 and December 31, 2016, the Company settled ICMS tax debts with several States, through Amnesty Programs.

State	State Law / Decree	Liquidated values	
		09/30/2017	12/31/2016
MG	22,549/2017	71	-
PE	362/2017	3	-
CE	16,259/2017	3	-
SP	61,788/2016 and 61,625/15	-	5
AC	4,559/2016 and 4,971/2012	-	2
RO	3,835/16 and 3,934/16	-	2
RN	10,112/2016	-	1
MT	10,433/2016	-	12
Total		**77**	**22**

19.2 Special Tax Regularization Program - PERT

In 2017, the Company joined the Special Tax Regularization Program (PERT), established by Provisional Measure No. 783/2017, whose registered proceedings relate to debts for PIS/COFINS, IPI and INSS charged by the Federal Government, totaling BRL 23.

20 Benefits granted to employees

20.1 Pension and healthcare plans

The Company sponsors defined benefit pension plans and maintains a defined benefit health plan that serves the employees of companies in Brazil (active and inactive) and their dependents.

The changes in acturial liabilities are as follows:

	09/30/2017				
	Consolidated				Parent company
	Pension plan				
	Defined Benefit	Variable Contribution	Healthcare Plan	Total	Total
Movement on net actuarial liabilities					
Balance on December 31, 2015	1.079	16	1.280	2.375	2.372
(+) Remeasurement effects recognized in OCI	651	49	991	1.691	1.691
(+) Costs incurred in the period	26	3	14	43	43
(-) Payment of contributions	(59)	-	(78)	(137)	(137)
(+) Net interest on net liabilities	152	2	185	339	339
Balance on December 31, 2016	**1.849**	**70**	**2.392**	**4.311**	**4.308**
Current assets	60	-	79	139	139
Non-Current Assets	1.789	70	2.313	4.172	4.169
	1.849	**70**	**2.392**	**4.311**	**4.308**
(+) Costs incurred in the period	7	6	19	32	31
(+) Net interest on net liabilities	148	5	192	345	345
(-) Payment of contributions	(39)	-	(54)	(93)	(93)
Balance on September 30, 2017	**1.965**	**81**	**2.549**	**4.595**	**4.591**
Current assets	66	-	79	145	145
Non-Current Assets	1.899	81	2.470	4.450	4.446
	1.965	**81**	**2.549**	**4.595**	**4.591**

Net expenditure on pension and health plans includes the following components:

	Consolidated				Parent company
	Pension plan				
	Defined Benefit	Variable Contribution	Healthcare Plan	Total	Total
Service cost	7	6	19	32	31
Net interest on the net liabilities	148	5	192	345	345
Net cost in Jan-Sep/17	**155**	**11**	**211**	**377**	**376**
On active employees:					
Absorbed in the funding of operational activities	2	-	1	3	3
Directly in the result	23	9	45	77	76
On inactive employees:	130	2	165	297	297
Net cost in Jan-Sep/17	**155**	**11**	**211**	**377**	**376**
Net cost in Jan-Sep/16	**134**	**4**	**148**	**286**	**286**

20.2 Voluntary Exit Incentive Programs - PIDV

In October 2016, the Company implemented the BR 2016 Voluntary Dimissal Incentive Programs (PIDV), in order to adjust the Company's permanent employees to the divestment plan conducted by Parent Company Petróleo Brasileiro SA and the performance targets set forth in the Business and Management Plan 2017-2021.

The program, whose enrollment period ended on December 30, 2016, obtained 1,105 accessions. The dismissal period of registered employees is from January 17th to July 31st, 2017, according to the action plan of awareness management or managerial succession inherent in the processes and activities in which they operate.

Employees who joined the PIDV had at least 10 years of Company time, completed by December 30th, 2016, regardless of position or function. As provided for in the PIDV BR 2016 Revision, employees may withdraw at any time until the homologation of the termination, in which case they will not be entitled to the financial incentive.

The financial incentive to be paid to employees who are dismissed through the PIDV was stipulated in a ceiling of BRL 800 thousand (eight hundred thousand reais) and the floor of BRL 250 thousand (two hundred and fifty thousand reais), in addition to the legal and corporate advantages.

The Company recognized the provision on December 31st, 2016, corresponding to the indemnities due to the employees who joined, being subject to periodic review for the occurrence of possible waivers, the updating of the remunerations in collective bargaining agreements up to the date of termination of employees, updating of the floor and ceiling by the IPCA.

In 2017, the Company registered 702 dismissals, 381 withdrawals and 1 elimination of the program related to PIDV BR - 2016 and 1 dismissal referring to PIDV BR - 2014.

The provision related to the PIDV is recorded in current liabilities.

Balance on December 31, 2016	**445**
Withdrawals	(149)
Update/ adjustments	6
Use for dismissals	(292)
Balance on September 30, 2017	**10**

The remaining balance at September 30, 2017 refers to the PIDV BR - 2016, since in April the last participant of the PIDV BR - 2014 occurred.

Employees who remain enrolled in the program after the last dismissal date of 07/31/2017 are included in the cases set out in the PIDV Regulations concerning employees who had their work contracts suspended or who even after their dismissal, are awaiting the result of the calculation of the Internal Inquiry Commission - CIA or the Government Accountability Office - CGU in which their names are listed. The payment of the indemnities accounted for in the remaining balance of the provision will be made as these cases are settled, and for the second group, there is the possibility of being eliminated from the program, in which case the participant will not be entitled to receive the compensation.

As established in the 2016 PIDV BR Regulations, the deadline for paying the indemnities, for all cases, is 01/17/2019. After this date, the 2016 PIDV BR will be closed permanently.

21 Equity

21.1 Paid-up capital

On August 31, 2017, the Extraordinary General Shareholders' Meeting approved the Company's capital increase, receiving in cash the amount of BRL 6,313, which will result in administrative and economic benefits, allowing for the improvement of its financial indicators, such as liquidity and solvency.

On August 31, 2017, the Extraordinary General Shareholders' Meeting approved the partial spin-off of the Company with the incorporation of the spin-off portion by Downstream Participações Ltda. (Petrobras subsidiary), related to credits with companies from the Eletrobras Group renegotiated in 2014 and amounts receivable from the clients Breitener Tambaqui and Breitener Jaraqui (note 6.3), both of the Petrobras group, for the purpose of improving management of capital structure for said companies' economic group.

The amount of spin-off was BRL 6,339, of which BRL 6,313 affected the capital stock and BRL 26 in retained earnings, related to equity transactions carried out between the base date of the report (June 30, 2017) and the date of the Extraordinary General Shareholders' Meeting (August 31, 2017).

At the Extraordinary Shareholders' Meeting held on November 14, 2017, and based on the terms of articles 12 and 122 of Law 6404/76, the proposal for a reverse split of the shares of the Company's capital stock was approved, in the proportion of 29,8521666575107:1, so that each block of 29,8521666575107 shares is grouped into a single share. The amendment of article 4 of the Bylaws was also approved to reflect the change in the number of shares issued by the Company, from 34,777,774,156 shares (unchanged from 2013) to 1,165,000,000 common shares represented in book-entry form and without par value.

The capital stock on September 30, 2017 and December 31, 2016 is BRL 6,352, fully subscribed and paid in.

21.2 Revenue reserves

(a) Legal reserve

It is constituted through the appropriation of 5% of the net income for the year, not exceeding 20% of the share capital, in accordance with article 193 of the Brazilian Corporation Law.

(b) Statutory reserve

Constituted through the appropriation of the net income of each year of an amount equivalent to at least 0.5% of paid-in capital at the end of the year and is used to fund research and technological development programs. The balance of this reserve may not exceed 5% of paid-in capital, in accordance with Article 46 of the Company's Bylaws.

(c) Profit retention reserve

It is intended for investments in capital budget investments, mainly in the activities of distribution of petroleum by-products, ethanol, support infrastructure, capital contributions and financing to clients, in accordance with article 196 of the Brazilian Corporation Law.

21.3 Dividends

Stockholders are assured a mandatory dividend of 25% of adjusted net income for the year, in accordance with Article 7 of the Company's Bylaws and pursuant to article 202 of the Brazilian Corporation Law.

21.4 Carrying value adjustments

These refer to the recognition of actuarial gains or losses, net of the effects of taxes on income, calculated by independent actuaries at the end of each fiscal year.

21.5 Earnings per share

	Parent company	
	Nine-month period ended September 30,	
	2017	2016
Net income (loss)	620	(367)
Weighted average number of shares outstanding (number of shares)	1,165,000,000	1,165,000,000
Basic and diluted net income (loss) per share (BRL per share)	**0.53**	**(0.32)**

The basic and diluted net income (loss) per thousand shares, previously presented, considering 34,777,774,156 common shares was BRL 17.83 of profit on September 30, 2017 (BRL 10.55 of loss on September 2016).

22 Sales revenue

	Consolidated		Parent company	
	Nine-month period ended September 30		Nine-month period ended September 30	
	2017	2016	2017	2016
Products, services and energy				
Oil products				
Diesel	33,230	36,850	33,230	36,850
Gasoline	24,826	25,074	24,826	25,074
Fuel oil	3,534	3,023	3,534	3,023
Aviation kerosene	5,626	5,224	5,626	5,224
Lubricants	1,459	1,551	1,459	1,551
Asphalt	677	1,103	226	699
Other	2,141	2,088	2,141	2,087
Ethanol	3,531	4,493	3,531	4,493
Natural Gas	1,203	1,086	1,203	1,086
Other (a)	1,007	1,151	990	1,132
	77,234	81,643	76,766	81,219
Interest embedded in the price of the products	(273)	(405)	(273)	(405)
Early bonuses granted to customers (note 10)	(418)	(391)	(418)	(391)
Performance-based bonus (b)	(190)	(181)	(190)	(181)
Premiums and discounts on sales	(33)	(22)	(33)	(22)
Sales charges	(14,957)	(15,186)	(14,854)	(15,103)
Sales revenue	**61,363**	**65,458**	**60,998**	**65,117**

(a) Includes, in the consolidated, supply house products of BRL 959 (BRL 1,093, 2016); service revenue of BRL 37 (BRL 47, 2016) and electric energy revenue of BRL 12 (BRL 10, 2016).

(b) Values granted to customers due to the fulfillment of contractually agreed terms and performance, in particular, regarding the consumption of volumes provided in supply contracts.

23 Other income (expenses), net

	Consolidated		Parent company	
	Nine-month period ended September 30		Nine-month period ended September 30	
	2017	2016	2017	2016
Rentals and royalties	208	201	208	201
Operating leases	(81)	(81)	(81)	(81)
Participation in the profits or results	(17)	(30)	(17)	(30)
Losses and provisions with lawsuits	(104)	(927)	(104)	(927)
Voluntary redundancy incentive plan-PIDV	143	9	143	9
Pension and health plans - inactive	(297)	(169)	(297)	(169)
Joint storage revenue	40	44	40	44
Recovery of tax credits - PIS and COFINS	37	36	37	36
Institutional relations and cultural projects	(97)	(40)	(97)	(40)
Tax credit loss provision reversal - ICMS - Bahia	60	-	60	-
Refund of ICMS - GAS Espírito Santo	18	-	18	-
Other	(1)	4	(1)	4
Total	**(91)**	**(953)**	**(91)**	**(953)**

24 Expenses by nature

	Consolidated											
	Nine-month period ended September 30, 2017						Nine-month period ended September 30, 2016					
	Cost of goods and services sold	Sales expenses	General and administrative expenses	Other net expenses	Tax expenses	Total	Cost of goods and services sold	Sales expenses	General and administrative expenses	Other net expenses	Tax expenses	Total
Raw materials and goods for resale	(56,833)	-	-	(2)	-	(56,835)	(60,290)	-	-	-	-	(60,290)
Outsourced services, freight and rental costs	(70)	(1,268)	(157)	101	-	(1,394)	(68)	(1,344)	(128)	94	-	(1,446)
Personnel expenses	(40)	(537)	(377)	(176)	-	(1,130)	(47)	(585)	(385)	(197)	-	(1,214)
Provision for impairment of trade receivables	-	(3)	-	-	-	(3)	-	(616)	-	-	-	(616)
Depreciation and amortization	(10)	(288)	(45)	-	-	(343)	(9)	(282)	(42)	-	-	(333)
Variation of inventories	158	-	-	-	-	158	(374)	-	-	-	-	(374)
Institutional Relations and Cultural Projects	-	-	-	(97)	-	(97)	-	-	-	(40)	-	(40)
Tax expenses	1	(1)	-	118	(154)	(36)	-	-	-	25	(106)	(81)
Losses and provisions with lawsuits	-	-	-	(104)	-	(104)	-	-	-	(927)	-	(927)
Other	(8)	(113)	(39)	69	-	(91)	(13)	(155)	(36)	92	-	(112)
Total	**(56,802)**	**(2,210)**	**(618)**	**(91)**	**(154)**	**(59,875)**	**(60,801)**	**(2,982)**	**(591)**	**(953)**	**(106)**	**(65,433)**

	Parent company											
	Nine-month period ended September 30, 2017						Nine-month period ended September 30, 2016					
	Cost of goods and services sold	Sales expenses	General and administrative expenses	Other net expenses	Tax expenses	Total	Cost of goods and services sold	Sales expenses	General and administrative expenses	Other net expenses	Tax expenses	Total
Raw materials and goods for resale	(56,525)	-	-	(2)	-	(56,527)	(60,002)	-	-	-	-	(60,002)
Outsourced services, freight and rental costs	(64)	(1,254)	(152)	101	-	(1,369)	(64)	(1,336)	(125)	94	-	(1,431)
Personnel expenses	(33)	(532)	(372)	(176)	-	(1,113)	(40)	(580)	(380)	(197)	-	(1,197)
Provision for impairment of trade receivables	-	2	-	-	-	2	-	(583)	-	-	-	(583)
Depreciation and amortization	(7)	(287)	(45)	-	-	(339)	(7)	(282)	(41)	-	-	(330)
Variation of inventories	154	-	-	-	-	154	(374)	-	-	-	-	(374)
Institutional Relations and Cultural Projects	-	-	-	(97)	-	(97)	-	-	-	(40)	-	(40)
Tax expenses	1	(1)	-	118	(154)	(36)	-	-	-	25	(105)	(80)
Losses and provisions with lawsuits	-	-	-	(104)	-	(104)	-	-	-	(927)	-	(927)
Other	(4)	(106)	(35)	69	-	(76)	(3)	(150)	(32)	92	-	(93)
Total	**(56,478)**	**(2,178)**	**(604)**	**(91)**	**(154)**	**(59,505)**	**(60,490)**	**(2,931)**	**(578)**	**(953)**	**(105)**	**(65,057)**

25 Finance result

	Consolidated		Parent company	
	Nine-month period ended September 30		Nine-month period ended September 30	
	2017	2016	2017	2016
Expenses				
Borrowings	(1,023)	(1,352)	(1,021)	(1,350)
Finance leases	(3)	(6)	(38)	(39)
FIDC	(2)	(2)	-	-
Other	(88)	(78)	(81)	(77)
	(1,116)	**(1,438)**	**(1,140)**	**(1,466)**
Revenue				
FIDC	182	210	181	208
Late interest and client financing	107	214	102	206
Judicial deposits	29	22	29	21
Other	23	40	(2)	2
	341	**486**	**310**	**437**
Interest Indexation				
Asset				
Receivables update - Electrical energy sector - Isolated System	399	599	399	599
Receivables update - Electrical energy sector - Isolated System - third parties	-	10	-	10
Other	25	17	25	17
	424	**626**	**424**	**626**
Liabilities				
Finance leases	(1)	(6)	(9)	(111)
Update of dividends payable to Petrobras	(51)	(64)	(51)	(64)
Borrowings	(58)	(95)	-	-
Other	(6)	-	(5)	(1)
	(116)	**(165)**	**(65)**	**(176)**
Foreign exchange variation	**(1)**	**(50)**	**1**	**(34)**
Foreign exchange and interest variation, net	**307**	**411**	**360**	**416**
Financial result	**(468)**	**(541)**	**(470)**	**(613)**

Consolidated financing charges (foreign exchange and interest variation) totaled BRL 1,083 (note 16.4) in the period, of which BRL 1,081 was recognized in the finance result and BRL 2 as capitalized interest.

26 Judicial, administrative and contingency proceedings

26.1 Judicial and administrative proceedings accrued

The Company and its investees make provisions in an amount sufficient to cover the losses deemed probable and reliably estimated. The main actions relate to:

Tax Proceedings - (i) related to the transfer of ICMS credits from Mato Grosso carriers and construction companies, offset by the company (BRL 1,269); (ii) the collection of ICMS due to the non-inclusion of ICMS - Tax Replacement in its calculation basis (BRL 51); and (iii) stock divergence processes in Mato Grosso do Sul (BRL 23).

Civil Action - (i) a lawsuit in which the Company is alleged to have failed to comply with the Transportation and Loan Agreement, resulting in losses and rendering Valpar (BRL 86) unmanageable; (ii) a lawsuit filed by Compasa, due to the alleged loss of exclusivity for the marketing of Lubrax branded products in Paraguay, as a result of Petrobras entering the local market and selling the same products (BRL 16); (iii) a judicial decision that condemned the Company to return the property and pay damages and losses related to the time that allegedly unduly occupied the property (BRL 5); (iv) lawsuit filed by Único Combustíveis Ltda. which seeks to condemn the Company in the payment of a fine agreed in a Mercantile Purchase and Sale agreement, as well as compensation for moral damages for the interruption of the fuel supply (BRL 66); and (v) a demand that arose due to the unilateral termination of the distribution agreement by the Company, and the client requires the rescission of the contract due to the Company's fault, with the release of the guarantees and the condemnation to the payment of the contractual fine, indemnification to loss and damages and moral damages (Dislub) (BRL 73).

Labor lawsuits - (i) a sentence of conviction resulting from the payment of salary differences of the Bresser Plan, in the percentage of 26.06%, derived from Decree-Law no. 2,335 / 87, in the table of salary levels (BRL 20); (ii) litigation for the reintegration of employees on the grounds that dismissals were void for noncompliance with collective bargaining agreements (BRL 5); and (iii) a claim for the payment of attorney's fees resulting from the termination of the service agreement entered into with a company incorporated by the Company (BRL 5).

These provisions are presented according to the nature of the corresponding causes:

	Consolidated		Parent company	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Labor suits	253	225	253	225
Tax suits	1,409	1,415	1,409	1,414
Civil suits	433	441	433	441
Environmental suits	7	9	7	9
Total	**2,102**	**2,090**	**2,102**	**2,089**

	Consolidated		Parent company	
	Nine-month period ended September 30,		Nine-month period ended September 30,	
	2017	2016	2017	2016
Opening balance	**2,090**	**1,105**	**2,089**	**1,104**
Addition	255	891	255	891
Reversal	(332)	(36)	(331)	(36)
Use	(1)	(107)	(1)	(107)
Update	90	98	90	98
Closing balance	**2,102**	**1,951**	**2,102**	**1,950**

Expenses with legal and administrative proceedings, including inflation indexation, are recognized in other expenses, net.

26.1.1 Provisioned court proceedings and judicial deposits

	Consolidated					
	09/30/2017			12/31/2016		
	Lawsuits	Judicial deposits	Lawsuits net of judicial deposits	Lawsuits	Judicial deposits	Lawsuits net of judicial deposits
Labor suits	253	126	127	225	109	116
Tax suits	1,409	11	1,398	1,415	8	1,407
Civil suits	433	64	369	441	71	370
Environmental suits	7	1	6	9	4	5
Total	**2,102**	**202**	**1,900**	**2,090**	**192**	**1,898**

26.1.2 Guarantees

Part of the Company's inventories and property, plant and equipment serve as guaranties in lawsuits in which the Company is a defendant.

	Consolidated		Parent company	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Inventories	250	282	250	282
Property, plant and equipment	17	23	17	23
	267	**305**	**267**	**305**

26.2 Proceedings pending provision (possible losses)

	Consolidated		Parent company	
Nature	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Taxes	6,658	6,989	6,594	6,982
Civil Suits – General	2,253	1,833	2,253	1,833
Labor	159	259	159	259
Civil Suits – Environmental	24	9	24	9
Total	**9,094**	**9,090**	**9,030**	**9,083**

We present below the main processes not provisioned:

a) Tax proceedings

	Description of tax proceedings	09/30/2017
	Plaintiffs: State of Rio de Janeiro	
1)	Collection of the rate difference for internal operations with aviation kerosene. The States have given special treatment to airlines by reducing the ICMS rate. They now charge this difference from distributors for sales to airlines and/or transfers between the Company's establishments.	1,177
	Plaintiffs: States of Goiás, Pará, Rio de Janeiro, Roraima, Santa Catarina, São Paulo and Tocantins	
2)	Collection of ICMS-ST on consignment and symbolic return of aviation kerosene for resale; consideration of establishment as wholesale retailer; reputability of tax documents.	1,039
	Plaintiffs: States of Amazonas, Bahia, Ceará, Goiás, Mato Grosso do Sul, Mato Grosso, Pará, Paraíba, Pernambuco,	
3)	Legal proceedings in which the Company discusses the non-incidence of ICMS on the variation in fuel volumes for leftovers and inventory shortages resulting from the operation and transportation of products. The Company receives products from the oil refinery billed at a temperature of 20º C. When sold (consumer customers), the Company sells the product at room temperature, resulting in a variation of the inventory due to natural volumetric variations as a function of temperature.	816
	Plaintiffs: States of Amapá, Bahia and São Paulo, and Discom	
4)	Legal proceedings in which the Company discusses who is liable for the payment of ICMS not withheld through tax substitution based on injunctions obtained by the buyers, but which is now due because the buyers lost the lawsuit filed against the State.	626
	Plaintiff: States of Amazonas, Ceará and Pernambuco	
5)	Collection of ICMS on alleges sales of aviation kerosene without ICMS tax to national and foreign airlines for flights to other states and abroad.	461
	Plaintiff: State of Pernambuco	
6)	Legal proceedings in which the Tax Office accused the Company of taking/using credit in operations that would not generate such entitlement to credit. It is discussed whether the standards contained in §3, of Art. 32, of State Law No. 10.259/1989 and § 21 of Art. 34, of Ordinance No. 14,876/1991, which provided for the possibility of taking and maintaining ICMS tax credits, were tacitly revoked by State Law No. 11.408 /1996.	477
	Plaintiffs: States of Bahia, Goiás, Mato Grosso do Sul, Mato Grosso, Pará, Piauí, Rio de Janeiro, Rio Grande do	
7)	Punishment applied for noncompliance with ancillary obligations related to collection and crediting of ICMS, IRPJ, CSLL, PIS and COFINS, incident on operations in general by the Company.	287
	Plaintiff: Federal Government	
8)	Legal proceedings in which the Company discusses the incidence of IPI on oil products and the possibility of maintaining IPI credits on the acquisition of inputs used in the production of oil products.	524
	Plaintiff: State of Rio de Janeiro	
9)	Legal proceedings in which the Company was fined for using product NCM (Mercosur Common Nomenclature) with which the State does not agree.	232

	Description of tax proceedings	09/30/2017
	Plaintiff: State of Rio de Janeiro	
10)	Legal proceedings in which the appropriation of book value ICMS credit is discussed, considering that the State fined the Company for allegedly duplicating bookkeeping credits.	95
	Plaintiff: Federal Government	
11)	Legal proceedings in which the Company discusses the Social Security Contribution on the amount of PLR and performance bonuses paid to employees.	124
	Plaintiffs: States of Amazonas, Bahia, Ceará, Goiás, Paraíba, Piauí, Rondônia and São Paulo	
12)	Legal proceedings in which the Company discusses whether or not there is a right to credit for the ICMS paid when the CIF freight in interstate operations covered by immunity. Distinction between transportation operation and service.	103
	Plaintiffs: States of Amazonas, Bahia, Ceará, Goiás, Paraíba, Pernambuco, Piauí, Rio de Janeiro, Rondônia, Rio	
13)	Legal proceedings in which the Tax Office accused the Company of taking/using credit in operations that would not generate such credit entitlement, as in the cases of undue application of the non-cumulative	60
	Plaintiff: Federal Government	
14)	Legal proceedings in which the Company discusses the incidence of social security contribution on the compensation of self-employed individuals who provided services to the Company.	60
	Plaintiffs: States of Amazonas, Ceará, Espírito Santo, Goiás, Mato Grosso Sul, Mato Grosso, Pará, Pernambuco,	
15)	Legal proceedings in which the Company is charged for alleged omissions in the provision of information via SCANC, which allegedly resulted in absence or insufficiency of ICMS revenue in favor of the notifying federal unit.	54
	Plaintiffs: States of Mato Grosso and Pará	
16)	Legal proceedings in which the Company was fined by the Treasury, requiring ICMS on entry operations from transfers between its establishments.	54
	Plaintiff: Federal Government	
17)	Legal proceedings in which the Company discusses who is liable for the payment of PIS and COFINS not withheld through tax substitution based on injunctions obtained by the buyers, but which now is due because the buyers lost the lawsuit filed against the State.	54
	Plaintiff: Federal Government	
18)	Legal proceedings in which the Company is fined as jointly responsible for the payment of social security contributions.	52
	Various legal proceedings of a fiscal nature	363
	Total	**6,658**

b) Civil proceedings

	Description of civil proceedings	09/30/2017
	Plaintiff: WTorre Engenharia E Construção S.A.	
1)	Arbitration procedure initiated by the applicants as a result of, arising out of alleged fraud to the imbroglio has non-requirement for tender for hiring of atypical location (BTS) for operation of the Terminal of Rondonópolis. Current situation: partial sentence has been rendered, rejecting the preliminary arguments presented by the Company. We will present requests for clarification.	684
	Plaintiff: Forte Comércio, Importação, Exportação e Administração	
2)	Civil action before the courts of the State of São Paulo, with a request for rescission of contracts and indemnification for damages, alleging that the Company failed to comply with the obligation it would have assumed for the emergence of Grupo Forte. Current situation: We await judgment of the special appeal filed by the Company.	261
	Plaintiff: Francisco Messias Cameli	
3)	Civil action before the courts of the State of Amazonas for collection of rent, due to the submerging of vessels at the Secondary Distribution Base of Cruzeiro do Sul (BASUL). Current situation: Conviction in the first degree, awaiting trial in second degree by the Court of Justice of the State of Amazonas.	178
	Plaintiff: DISCOM Distribuidora de Combustíveis e Comércio Ltda	
4)	DISCOM claims that since October 1997 the Company had entered into a promissory agreement for the purchase and sale of the Company, which includes the Company's obligation to supply products. It alleges that the Company would have ceased to comply with the agreement without suspension, suspending the delivery of products as of May 25, 2000, thus violating the agreement signed, causing numerous losses for DISCOM. Requires indemnification for losses and damages and loss of profits and indemnification for moral damages. Current situation: awaiting trial of the appeal.	167
	Plaintiff: Borborema Energética S.A.	
5)	The complainant alleges error in the formation of the company's price regarding the preparation of the contract which did not observe the competent ANEEL Resolution. The Company claims that it properly practiced the prices of the ANEEL resolution and that the formation of its price observed the adjustment foreseen in said resolution. Current situation: expert stage	149
	Plaintiff: Derivados de Petróleo Santa Izabel Ltda	
6)	Lawsuit for indemnification for moral and material damages. The complainant claimed to have protests against commercial duplicates and indemnification for moral and material damages, on the grounds that the protested bills would have been improperly issued by the Company (invoices and duplicates with the purpose of charging ICMS), causing significant losses in their patrimonial and extra-patrimonial orbits. Current situation: The other party started the sentence, estimating its credit in one hundred twenty-one million, four hundred and sixty-two thousand, two hundred and sixty-seven reais and sixty centavos (R$ 121,462,267.60), and the Company was summoned to pay the claimed amount, within 15 days, under penalty of attachment. In the face of this decision, the Company filed an appeal (in the lower court) and an interlocutory appeal before the Bahia Court of Justice. The appeal has not yet been judged. A suspensive effect was granted in the grievance, to suspend the decision that determined the payment of the amount claimed by the creditor (the merit of the appeal will still be assessed by the collegiate).	131
	Plaintiff: Plaintiff: CADE - Administrative Council for Economic Defense	
7)	Legal proceedings in which the Company is accused of discriminating buyers, which allegedly occurred under trade terms granted to Cascol stations network, operating in the Federal District. Such proceeding is in preliminary examination phase.	221
	Plaintiff: Plaintiff: CADE - Administrative Council for Economic Defense	
8)	Refers to investigation regarding alleged cartels in the resale and distribution of fuels in Belo Horizonte and surrounding areas. The proceeding is in the examination phase.	128
	Various legal proceedings of a civil nature	334
	Total	**2,253**

27 Commitments and other significant contracts

a) Contracts with Petrobras

The Company has contracts with Petrobras for the 5-year period under which it may purchase petroleum derivatives, which corresponds to an estimated total amount of BRL 26,627.

On March 1, 2016, the Company entered into a new contract with Petrobras for the acquisition of 3.5 million tons of green petroleum coke per year for 5 years from the date it was signed, renewable for an equal period, to the estimated amount of BRL 5,500, for the first contractual period.

On 27 June 2017, the second addendum to the purchase and sale agreement of green petroleum coke (CVP) with Petrobras was approved, signed on June 30. Once again, the addendum aims to enable the Company to continue its CVP distribution and marketing activity, under terms that are better aligned to the current market. The amended terms of the agreement include the pricing formula, definition of the marketing of coke for the calcination segment, billing/payment terms and changes to items related to financial compensation by quantity and penalty for the reduction of the refinery's load.

b) Commitments with Petrobras

The Company has unconditional purchase commitments with Petrobras for the period from September 30, 2017 to 2025, of approximately 3.9 billion m^3 of natural gas, which corresponds to an estimated total remaining value of BRL 1,851.

c) "Take or pay" contracts

The Company holds an agreement with Brasil Carbonos with a take or pay clause, for the services provided in the plants of Taubaté/SP and Cosmópolis. The agreement stipulates the processing services for 21,080,000 tons of green petroleum coke, with an estimated value of BRL 578, until October 2033.

d) Transport contracts

The Company has contractual commitments with Logum Logística S.A. referring to pipeline transportation for the period from March 2017 to 2029, in an estimated total remaining amount of BRL 410. The contract involves the supply of the bases of São Paulo and Rio de Janeiro and provides a minimum volume to be moved (Take or Pay) for each stretch.

28 Financial instruments and risk management

The management of financial instruments held by the Company is carried out through operational strategies and internal controls, aiming at liquidity, regarding the choice of counterparties, profitability and security of the commercial areas for which operations are carried out.

The control policy consists of the permanent monitoring of the contracted rates versus those prevailing in the market, with the ultimate objective being the preservation of the margins obtained with the hedge policy defined in conjunction with the commercial areas. The Company does not make speculative investments in derivatives or any other high risk assets.

Due to the nature of its business, the Company is mainly exposed to credit risk, and part of this exposure is updated by the application of interest rates on customer financing. The Company is also subject to liquidity, market and exchange rate risks.

We present the descriptions of the financial instruments included in the statement of financial position:

	Notes	Fair Value Hierarchy Level	Consolidated		Parent company	
			09/30/2017	12/31/2016	09/30/2017	12/31/2016
Loans and receivables						
Cash and banks	5		300	63	285	61
Financial investments	5		222	592	-	381
Accounts receivable	6		5,878	13,905	5,932	13,981
Judicial deposits	12		985	950	962	928
			7,385	**15,510**	**7,179**	**15,351**
Fair value through profit or loss						
Judicial bonds	6	2	25	24	25	24
			25	**24**	**25**	**24**
Financial assets held to maturity						
NTN-P (Other long-term receivables)			2	2	2	2
			2	**2**	**2**	**2**
Financial liabilities measured at amortized cost						
Trade Payables	15		2,129	2,650	2,092	2,622
Borrowings	16		4,732	12,814	3,742	11,733
Assignment of receivables	29.2		23	31	-	-
Finance leases	17.1.1		97	95	602	685
			6,981	**15,590**	**6,436**	**15,040**

28.1 Risk management objectives and strategies

The Company's credit risk management has as its main discussion forum the Credit Committee, which defines the main parameters and guidelines for the lending policy. The analyzes of credit applications, according to the levels of values, have specific procedures and increasing demands according to the level of exposure, and some cases raise the decision of the Board of Executive Officers.

Regarding foreign exchange exposure, the management policy for this type of risk is defined by the Executive Board, with joint management of the financial and commercial areas responsible for international revenues.

28.2 Market risk

28.2.1 Interest rate risk

The interest rate risk on the Company's liabilities is mainly related to CDI, index of financing with Banco do Brasil and Itaú (note 16), and IPCA rates, which is the index of the Certificates of Real Estate Receivables.

28.2.1.1 Interest rate risk management

The Company currently does not use derivative financial instruments to manage its exposure to interest rate fluctuations.

Following is the sensitivity analysis of the interest on the main financial assets and liabilities at September 30, 2017.

Instruments	Exhibition	Note	Risk	(Expense)/ financial income in scenario 1 (a)	Financial result decreased by 25%	Financial result decreased by 50%	Financial result increased by 25%	Financial results increased by 50%
Real estate receivables certificates (CRI)	(977)	16.1	IPC-A High	(60)	(54)	(50)	(63)	(68)
Debentures	(3.687)	16.1	CDI High	(315)	(236)	(158)	(394)	(473)
Applications – FIDC	465	29.2	CDI Reduction	181	136	91	226	272

(a) Scenario I corresponds to the effect recognized in the income for the fiscal year considering the base date of September 30, 2017.

28.2.2 Foreign exchange risk

Due to sales to foreign customers, the exchange rate risk is one of the risks to which the Company is exposed.

28.2.2.1 Foreign exchange risk management

The Company contracts foreign exchange hedge operations to cover the commercial margins inherent in sales of aviation fuels to foreign clients, and it also hires protection against foreign exchange variation in fuel import operations. In the first case, the purpose of the transaction is to ensure that the commercial margins agreed with the customers are maintained during the term of the negotiated prices, as well as during the commercial payment term. In the second case, the goal is to protect the cost of the imported product.

Between January 1 and September 30, 2017, hedge operations for export were contracted for a total of BRL 234.4 million, and BRL 106.7 million for import. In relation to export sales in dollar of the aviation segment occurred in the same period of 2017, the percentage of hedge contracted represented 60.4%.

The Company's financial risk management policy foresees the contracting of hedge operations to cover a maximum of 100% of foreign sales.

Between January 1 and September 30, 2017, BRL 65.9 million were hired in hedge in the purchase position.

The settlements of all currency hedge operations in 2017 generated a positive result for the Company of BRL 6.4.

It should be noted that the Company did not use any other derivative instrument in the foreign exchange hedge operations in addition to the NDF, as defined in article 2. of CVM Resolution 550 of 2008.

None of the transactions in question required the deposit of guarantee margins.

Fixed-term contracts dollar (NDF)	Reference value (notional) (USD)		Fair value (BRL)		Maturity
	09/30/2017	12/31/2016	09/30/2017	12/31/2016	
Long Position	10	-	-	-	4Q17
Short Sale	-	15	-	1	1Q17
Short Sale	69	-	-	-	4Q17

The following sensitivity analysis was performed for the fair value of foreign currency derivatives. The probable scenario is the fair value on September 30, 2017, the possible and remote scenarios consider the deterioration in the risk variable of 25% and 50%, respectively, in relation to this same date.

Foreign Currency Derivatives	Risk	Likely Scenario	Possible Scenario (Δ of 25%)	Remote Setting (Δ of 50%)
Fixed-term contracts dollar (NDF)	Appreciation of the USD against the BRL	-	(63)	(125)

28.2.3 Price risk management

Contracts (in cents on the USD per gallon)				(in millions of dollars)		
Type	Quantity	Average Sales Price	Closing on 09/30/2017	MTM (Contract Value)	Possible Scenario (Δ of 25%)	Possible Scenario (Δ of 50%)
HO NOV 2017 (Diesel)	830	578.93	5.73	1.92	(48.05)	(98.02)
RBOB NOV 2017 (Gasoline)	103	512.84	5.03	0.38	(5.07)	(10.52)

The fair value of commodity derivative is classified as level 1.

28.3 Liquidity risk

The Company uses its resources primarily in its operating expenses. Generally, conditions are met with internally generated resources, depending on opportunities in the financial market, possible financial operations to finance projects or in response to a specific liquidity event.

28.3.1 Liquidity risk management

The cash flow forecast is carried out centrally by the Company's financial area. We work with an annual flow, which is monitored through revisions of monthly projections, discussed in forums and representative executive committees.

The objective is to have sufficient cash generation to meet the operational, costing and investment needs of the Company, always striving to maintain a minimum cash balance capable of meeting fluctuations in the daily flow.

The excess cash is invested in quotas of FIDC-NP, exclusive and corporate fund of the Petrobras System, with interest incidence. Events that come to burden the generation of cash, within the limits of its turnover, are served with funds from the corporate fund.

In parallel, there is always room for financial structuring that can improve the structure and cost of capital, in addition to reinforcing the cash flow in specific situations.

The nominal flow of principal and interest on financing is presented in Note 16.3 and the flow of payments and receipts from financial leases is presented in Note 17.1.1.

28.4 Credit risk

The Company's exposure to credit risk arises from the forward sale of products resulting from its usual commercial operations. Such risk consists in the possibility of not receiving sales made.

28.4.1 Credit risk management

The Company's Credit and Collection Policy defines spheres of approval for each client considering the amount requested and establishes deadlines for limits, in order to allow a periodic reassessment of each client's situation with respect to the risk it may represent.

In the analysis, the payment behavior of the client and the market restrictions, the real guarantees (mortgages), personal guarantees (guarantees) are evaluated and balance sheet analyzes carried out. The Company uses a limit table of competence, approved by Management, to grant credit.

The credit granted to financial institutions in hedge transactions is distributed among the main international banks considered by international risk ratings as Investment Grade and the most important Brazilian banks.

The Company's commercial credit portfolio is very diversified, serving customers of the automotive network and large consumers, mainly represented by industries and government clients. Exposure to risk is mainly represented by the balance of accounts receivable.

28.5 Capital management

Capital management consists of a set of processes aimed at ensuring that the Company maintains an adequate capital base for the development of its activities, in the face of its financial commitments and risks.

The management and monitoring of capital takes place through:

- control of daily cash flow;
- projection and monitoring of the Company's short and medium-term cash flow, structuring the Financial Plan that will support the budget processes;
- monitoring of the balance, maturity and cost of the Company's indebtedness and of the variables that impact its leverage.
- analysis of the cash cycle and the need for working capital; and
- monitoring variables that impact working capital, integrating the initiatives related to the management of working capital needs

28.6 Measurement at fair value

Fair value measurements are classified at different levels in a hierarchy, as described below, based on the degree to which information for fair value measurements is observable:

- Level 1 - are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity may have access to at the measurement date;

- Level 2 - information, other than quoted prices included in Level 1, observable for the asset or liability, directly or indirectly;

- Level 3 - are non-observable information for the asset or liability.

There were no transfers between the levels of financial instruments in relation to December 31st, 2016.

The estimated fair value for the Company's long term debt as of September 30, 2017, computed based on the prevailing market rates is set out in note 16.5.

The fair values of cash and cash equivalents and other financial assets and liabilities are equivalent or do not differ significantly from their carrying amounts.

29 Related parties

The Company has a related party transactions policy, approved by the Board of Directors, which aims to establish rules to ensure that all decisions involving related parties and situations with a potential conflict of interest comply with the legislation, including the countries where it operates and the parties involved in negotiations.

29.1 Business transactions and other transactions

29.1.1 By nature

							Consolidated
							09/30/2017
		Assets			Passive		
	Statement of profit or loss	Current assets	current assets	Total	Current assets	current assets	Total
Profit or loss							
Revenues, mostly from sales	2.872						
Net monetary and foreign exchange variat	347						
Net financial revenue (expenses)	(366)						
Assets							
Accounts receivable (note 6)		467	2.955	3.422			
Marketable securities		-	2	2			
Cash and cash equivalents		185	-	185			
Judicial deposits		-	753	753			
Liabilities							
Trade payables (Note 15)					1.090	-	1.090
Dividends					686	-	686
Financing (note 16.1)					13	-	13
Advance from clients					92	-	92
On 09/30/2017	**2.853**	**652**	**3.710**	**4.362**	**1.881**	**-**	**1.881**
January to September/2016	**3.869**						
On 12/31/2016		**862**	**9.484**	**10.346**	**2.684**	**4.489**	**7.173**

		Parent company 09/30/2017					
		Assets			Liabilities		
	Statement of profit or loss	Current assets	current assets	Total	Current assets	current assets	Total
Profit or loss							
Revenues, mostly from sales	2.961						
Net monetary and foreign exchange variat	340						
Net financial revenue (expenses)	(400)						
Assets							
Accounts receivable (note 6)		647	2.955	3.602			
Marketable securities		-	2	2			
Cash and cash equivalents		172	-	172			
Judicial deposits		-	730	730			
Liabilities							
Trade payables (Note 15)					1.063	-	1.063
Dividends					686	-	686
Financing (note 16.1)					-	-	-
Advance from clients					92	-	92
Finance leases					119	457	576
On 09/30/2017	**2.901**	**819**	**3.687**	**4.506**	**1.960**	**457**	**2.417**
January to September/2016	**3.744**						
On 12/31/2016		**983**	**9.462**	**10.445**	**2.764**	**5.025**	**7.789**

Purchases amounted to BRL 42,938 (BRL 47,960 up to September 2016), of which BRL 42,506 (BRL 47,793 on September 30, 2016) were made with Petrobras and BRL 432 (BRL 167 on September 30, 2016) were made with Braskem. Petrobras is guarantor of some of the Company's financing operations, as presented in note 16.1.

29.1.2 By company

Consolidated

	Statement of profit or loss		Assets				Liabilities			
	Nine-month period ended September 30,		09/30/2017			12/31/2016	09/30/2017			12/31/2016
	2017	2016	Current assets	Non-current assets	Total	Total	Current assets	Non-current assets	Total	Total
Subsidiaries and joint arrangements between the Petrobras Group and the Electrical energy sector - Isolated System (Eletrobras Group)										
Electrical Energy Sector companies - Isolated system (Eletrobras	1.079	2.216	37	2.955	2.992	9.090	12	-	12	8
Petrobras	1.207	1.325	192	-	192	208	1.740	-	1.740	2.259
Termocabo	31	19	6	-	6	2	-	-	-	-
Transpetro	45	53	14	-	14	15	9	-	9	9
Petrobras Paraguay Operaciones y Logistica	19	17	3	-	3	-	-	-	-	4
Other	85	114	5	-	5	81	12	-	12	40
	2.466	3.744	257	2.955	3.212	9.396	1.773	-	1.773	2.320
Associates of the Petrobras Group										
Suape II	340	225	118	-	118	54	-	-	-	-
Braskem	54	27	5	-	5	7	15	-	15	14
Other associates	8	87	-	-	-	2	-	-	-	10
	402	339	123	-	123	63	15		15	24
Government entities										
Government securities	-	4	-	2	2	2	-	-	-	-
Banks Controlled by the Union	(367)	(510)	185	753	938	808	13	-	13	4.789
Clients - Federal Government	352	292	87	-	87	77	80	-	80	40
	(15)	(214)	272	755	1.027	887	93	-	93	4.829
Total	**2.853**	**3.869**	**652**	**3.710**	**4.362**	**10.346**	**1.881**	**-**	**1.881**	**7.173**

Parent company

	Statement of profit or loss		Assets				Liabilities			
	Nine-month period ended September 30,		09/30/2017			12/31/2016	09/30/2017			12/31/2016
	2017	2016	Current assets	Non-current assets	Total	Total	Current assets	Non-current assets	Total	Total
Subsidiaries and joint arrangements between the Petrobras Group and the Electrical energy sector - Isolated System (Eletrobras Group)										
Electrical Energy Sector companies - Isolated system (Eletrobras	1.079	2.216	37	2.955	2.992	9.090	12	-	12	8
Petrobras	1.205	1.325	192	-	192	208	1.677	-	1.677	2.226
Termocabo	31	19	6	-	6	2	-	-	-	-
Stratura	89	14	1	-	1	3	-	-	-	-
Transpetro	45	53	14	-	14	15	9	-	9	9
Petrobras Paraguay Operaciones y Logistica	19	17	3	-	3	-	-	-	-	4
Invest Fund. FCM Real Estate	(43)	(138)	179	-	179	130	152	457	609	660
Other	89	114	5	-	5	80	15	-	15	47
	2.514	3.620	437	2.955	3.392	9.528	1.865	457	2.322	2.954
Associates of the Petrobras Group										
Suape II	340	225	118	-	118	54	-	-	-	-
Braskem	54	27	5	-	5	7	15	-	15	14
Other associates	8	87	-	-	-	2	-	-	-	10
	402	339	123	-	123	63	15	-	15	24
Government entities										
Government securities	-	4	-	2	2	2	-	-	-	-
Banks Controlled by the Union	(367)	(511)	172	730	902	775	-	-	-	4.771
Clients - Federal Government	352	292	87	-	87	77	80	-	80	40
	(15)	(215)	259	732	991	854	80	-	80	4.811
Total	**2.901**	**3.744**	**819**	**3.687**	**4.506**	**10.445**	**1.960**	**457**	**2.417**	**7.789**

Transactions with banks controlled by the Federal Government were mainly carried out with Banco do Brasil and Banco da Amazônia S.A.

29.2 Receivables Investment Fund - FIDC-NP

	Consolidated		Parent company	
	09/30/2017	12/31/2016	09/30/2017	12/31/2016
Accounts receivable (note 6)	465	2,776	463	2,770
Total classified in current assets	**465**	**2,776**	**463**	**2,770**
Assignments of Performed and Non-Performed Rights	(23)	(31)	-	-
Total classified under current liabilities	**(23)**	**(31)**	**-**	**-**

	Nine-month period ended September 30		Nine-month period ended September 30	
	2017	2016	2017	2016
Financial revenue FIDC-NP	182	210	181	208
Financial cost FIDC-NP	(2)	(2)	-	-
Financial result	**180**	**208**	**181**	**208**

The assignments of performed and non-performing credit rights are classified in current liabilities.

Non-performed are credits whose receipts also depend on some counterpart or consideration of the originator or assignor, that is, for the future delivery of products and services. Performed are credits already billed, where the assignor has already fulfilled its obligations (services already provided or goods already delivered and, in any case, accepted), remaining only the obligation of the debtor to make the payment).

The discount rate on the assignment of receivables from FIDC-NP Petrobras is 100.5% of CDI; there is no IOF and IR in operation.

The investments in FIDC-NP quotas are classified in current assets, accounts receivable. The rate of remuneration is 100% of CDI. In the case of redemption in the first 30 days of application, there is IOF on the income, by means of a regressive table.

The subsidiaries of the Petrobras System have 100% senior quotas of FIDC-NP and, historically, all requests for redemptions from subsidiaries have been met.

29.3 Management and employee compensation

In the period from January to September 2017, the fees for executive officers and directors in Consolidated totaled BRL 8 (BRL 6 from January to September 2016).

On September 30th, 2017, the Company had five members on the Board of Executive Officers and nine members on the Board of Directors.

The compensation of employees (including those occupying managerial positions) were:

	Parent company	
	Nine-month period ended September 30,	
Compensation	**2017**	**2016**
Compensation per employee		
Lower compensation	3,577.10	3,260.42
Average compensation	14,444.09	13,625.17
Greater compensation	73,324.96	71,634.19
Remuneration by company's leader (major)	111,201.13	101,664.96

30 Segment information

The Executive Board, an operational decision-making group, considers the business from the perspective of the profile / market of its clients in relation to the Retail Stations. In relation to the profile of clients, the Administration separately considers the activities of Retail Stations, Major Costumers and Aviation.

Retail Stations
This network markets the Company's fuel, oil products, lubricants, vehicular natural gas, biofuels and convenience store products, for the purpose of achieving the established market and profitability goals, as well as creating favorable conditions for sustainable growth.

Major Customers
This area markets fuels, lubricants and provides associated services to all operating segments of the Company's major customer market.

Aviation products
This area markets aviation products and services at the country's airport facilities for airlines operating transportation abroad and the domestic market.

Other segments related to the sale of chemicals, asphalt and power generation were aggregated into "others", as operating segments reportable because they did not meet the quantitative criteria required by IFRS / CPC for reportable segments.

The Company is domiciled in Brazil. Revenues from customers in Brazil are BRL 60,375 (BRL 64,457 from January to September 2016), and total revenue from customers abroad is BRL 988 (BRL 1,001 from January to September 2016).

The Company's assets, notably the bases, terminals and other fixed assets, are not presented by segment to the Board of Executive Officers, since they are used, without segmentation, by all business units. Likewise, liabilities are not presented by segment, since they are managed by the central treasury.

The main financial information evaluated by the Board of Executive Officers is as follows:

Consolidated Income Statement by Business Segment - Sep/17

	Retail Stations	Major Customers	Aviation Products	Other	Corporate	Total of the segments	Reconciliation to Financial Statements		Total
Sales Revenue	36,908	16,431	4,984	3,447	11	61,781	(418)	(a)	61,363
Cost of sales	(34,196)	(15,159)	(4,479)	(2,941)	(17)	(56,792)	(10)	(b)	(56,802)
Gross profit	**2,712**	**1,272**	**505**	**506**	**(6)**	**4,989**	**(428)**		**4,561**
Expenses						-	-		
Sales, general and administrative	(1,231)	(689)	(350)	(250)	(120)	(2,640)	(188)	(c)	(2,828)
Taxes	(5)	(1)	(3)	(5)	(20)	(34)	(120)	(d)	(154)
Other income (expenses), net	156	13	10	39	(348)	(130)	39	(e)	(91)
Share of profit (loss) of investees	-	-	-	3	(4)	(1)	-		(1)
Net financial result							(468)	(f)	(468)
Adjusted EBITDA	**1,632**	**595**	**162**	**293**	**(498)**	**2,184**			
Profit (Loss) before taxes							**(1,165)**		**1,019**

Consolidated Income Statement by Business Segment - Sep/16

	Retail Stations	Major Customers	Aviation Products	Other	Corporate	Total of the segments	Reconciliation to Financial Statements		Total
Sales Revenue	39,603	17,736	4,617	3,893	-	65,849	(391)	(a)	65,458
Cost of sales	(36,791)	(16,494)	(4,206)	(3,298)	(3)	(60,792)	(9)	(b)	(60,801)
Gross profit	**2,812**	**1,242**	**411**	**595**	**(3)**	**5,057**	**(400)**		**4,657**
Expenses						-	-		
Sales, general and administrative	(1,188)	(787)	(348)	(324)	(159)	(2,806)	(767)	(c)	(3,573)
Taxes	(5)	-	(2)	(7)	(26)	(40)	(66)	(d)	(106)
Other income (expenses), net	161	22	18	25	(261)	(35)	(918)	(e)	(953)
Share of profit (loss) of investees	-	-	-	3	(4)	(1)	-		(1)
Net financial result							(541)	(f)	(541)
Adjusted EBITDA	**1,780**	**477**	**79**	**292**	**(453)**	**2,175**			
Profit (Loss) before taxes							**(2,692)**		**(517)**

Reconciliation with the financial statements	30/09/2017	30/09/2016
(a) Sales Revenue		
Appropriation of early bonuses granted to customers		
Sales Revenue is adjusted by the bonus advances granted to resellers of service stations for which the Company distributes fuels and lubricants corresponding to the installment made available mainly in kind and held under terms established in advance with such parties, which once completed, become unenforceable, being absorbed as expenses by the Company. This corresponds to a target scheme which, once met, exempt the recipients - resellers of service stations - from returning to the Company these amounts advanced as bonus. They are classified as prepaid expenses and are recognized in the recorded in the statement in proportion to their due dates.	(418)	(391)
(b) Cost of sold goods		
Depreciation and amortization	(10)	(9)
(c) Sales, general and administrative		
Depreciation and amortization	(333)	(324)
Provision for impairment of trade receivables		
The adjusted values refer to the provisions relating to receivables owed to the Company by the thermal companies of isolated and interconnected power system, a segment for which the Company substantially provides service, and which lately has been facing financial difficulties.	145	(443)
(d) Taxes		
Tax adjustments refer to tax amnesties and tax charges on revenue.		
Tax amnesties: payment provisions for joining the amnesty programs established by State Laws and the Special Tax Regularization Program (PERT) from the Federal Government concerning tax liabilities related to ICMS (Tax on Product Circulation) and federal taxes with the State and Federal Government, respectively. The Company considers the adjustment adequate because it provides investors additional information not deriving from our main operations.	(80)	(3)
Tax charges on revenue: the adjustments refer to expenditures with IOF PASEP and COFINS, levied on the Company's revenue and which are classified as tax expenses.	(40)	(63)
(e) Other revenue (expenses), net		
Losses and provisions with lawsuits		
The adjusted amounts refer to losses incurred in final and unappealable lawsuits, as well as the provisions made on the basis of the opinions obtained from the lawyers responsible for handling the lawsuits or by the Company's Legal Department.	(104)	(927)
Voluntary Dismissal Incentive Plan		
The adjustment refer to amounts that affected the Company's profits given the provision of the estimated expenditures with indemnities related to the plan, as well as the reversal of the provision due to the withdrawal from the plan, which took place in the respective periods.	143	9
(f) Net financial result	(468)	(541)
Total	**(1,165)**	**(2,692)**

Correlation between notes from December 31st, 2016 and September 30, 2017

	Number of explanatory notes	
Titles of the explanatory notes	**2016 Annual Report**	**Interim financial statements**
Operating context	1	1
Basis for preparation of financial statements	2	2
Use of estimates and judgments	3	3
Principal accounting policies	4	4
Cash and cash equivalents	6	5
Accounts receivable	7	6
Inventories	8	7
Taxes and contributions to be recovered	9	8
Deferred income tax and social contribution	10	9
Prepaid expenses	11	10
Judicial deposits	12	11
Investments	13	12
Property, plant and equipment	14	13
Intangible assets	15	14
Trade Payables	16	15
Borrowings	17	16
Leases	18	17
Advance from clients	19	18
Taxes and contributions payable	20	19
Employee benefits	21	20
Shareholders' equity	22	21
Sales revenue	23	22
Other revenue (expenses), net	24	23
Expenses by nature	25	24
Net financial result	26	25
Information by segment	27	30
Judicial, administrative and contingency proceedings	28	26
Contractual commitments	29	27
Financial instruments and risk management	30	28
Related parties	31	29

The explanatory notes to the 2016 annual report that were eliminated in the ITR dated September 30, 2017 because they did not present material changes and/or did not apply to the interim information are as following:

Titles of the explanatory notes	Number of explanatory notes
New standards and interpretations	5
Loans receivable	7.4
Description of the activities of subsidiaries	13.2
Description of the joint operation	13.3
Description of activities of joint ventures	13.4
Description of associate activities	13.5
Guarantees	17.6
National pension plans - Defined benefit and variable contribution	21.1
Pension plan assets	21.2
Healthcare plan - Multidisciplinary Health Assistance (AMS)	21.3
Obligations and net actuarial expenses, calculated by independent actuaries, and the plans' fair asset value	21.4
Participation in the profits or results	21.5
Insurance	32
Subsequent Events	33

ADMINISTRATIVE COUNCIL

AUGUSTO MARQUES DA CRUZ FILHO
President

BRUNO CESAR DE PAIVA E SILVA
Counselor

CLEMIR CARLOS MAGRO
Counselor

DURVAL JOSÉ SOLEDADE SANTOS
Counselor

FRANCISCO ARRUDA VIEIRA DE MELO FILHO
Counselor

JERÔNIMO ANTUNES
Counselor

JORGE CELESTINO RAMOS
Counselor

REINALDO GUERREIRO
Counselor

SEGEN FARID ESTEFEN
Counselor

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IVAN DE SÁ PEREIRA JUNIOR
Chairman

MARCELO FERNANDES BRAGANÇA
Executive Director of Operations and Logistics and Executive Director of Retail Stations

GUSTAVO HENRIQUE BRAGA COUTO
Executive Director of Consumer Market

RAFAEL SALVADOR GRISOLIA
Chief Financial and Investor Relations Officer

ACCOUNTING MANAGEMENT

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Accountant - CRC - RJ - 077.292/O-2