

Business and Management Plan 2015-2019

Press Conference
June 29th, 2015

DISCLAIMER



FORWARD-LOOKING STATEMENTS:

DISCLAIMER

The presentation may contain forward-looking statements about future events within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are not based on historical facts and are not assurances of future results. Such forward-looking statements merely reflect the Company's current views and estimates of future economic circumstances, industry conditions, company performance and financial results. Such terms as "anticipate", "believe", "expect", "forecast", "intend", "plan", "project", "seek", "should", along with similar or analogous expressions, are used to identify such forward-looking statements. Readers are cautioned that these statements are only projections and may differ materially from actual future results or events. Readers are referred to the documents filed by the Company with the SEC, specifically the Company's most recent Annual Report on Form 20-F, which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements, including, among other things, risks relating to general economic and business conditions, including crude oil and other commodity prices, refining margins and prevailing exchange rates, uncertainties inherent in making estimates of our oil and gas reserves including recently discovered oil and gas reserves, international and Brazilian political, economic and social developments, receipt of governmental approvals and licenses and our ability to obtain financing.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason. Figures for 2015 on are estimates or targets.

All forward-looking statements are expressly qualified in their entirety by this cautionary statement, and you should not place reliance on any forward-looking statement contained in this presentation.

NON-SEC COMPLIANT OIL AND GAS RESERVES:

CAUTIONARY STATEMENT FOR US INVESTORS

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

2015-2019 Business and Management Plan Targets

DELEVERAGE

Capital discipline
Strengthening of performance management

GENERATE VALUE FOR SHAREHOLDERS

Focus on profitability

Deleverage Targets

By 2018

- Net Leverage below 40%
- Net Debt / EBITDA below 3.0x

By 2020

- Net Leverage below 35%
- Net Debt / EBITDA below 2.5x

Financial Planning Assumptions

Oil Product Prices in Brazil	Import parity			
Brent Prices (Average)	US\$ 60/bbl in 2015 US\$ 70/bbl in the 2016-2019 period			
Nominal Exchange Rate (Average) R\$/US\$	2015 3.10	2016 3.26	2017-2019 3.29	2020 3.56
No equity issuance				

Divestments and Restructurings

2015-2016

Divestments revised to US\$ 15.1 billion
from US\$ 13.7 billion

2017-2018

US\$ 42.6 billion as follows:

- Businesses restructurings
- Demobilization of assets
- Additional divestments

Investments

Selectivity of projects in the portfolio

E&P

Prioritization of oil production projects in Brazil, focusing on the pre-salt

Downstream, G&P and Other Areas

Maintenance of Operations

Investments

Reduction of 37% relative to 2014-2018 BMP



2015-2019 Business and Management Plan		
Segments	US\$ Billion	%
Exploration and Production*	108.6	83
Downstream**	12.8	10
Gas and Power	6.3	5
Other Areas	2.6	2
Total	130.3	100

* Includes Petrobras investments abroad

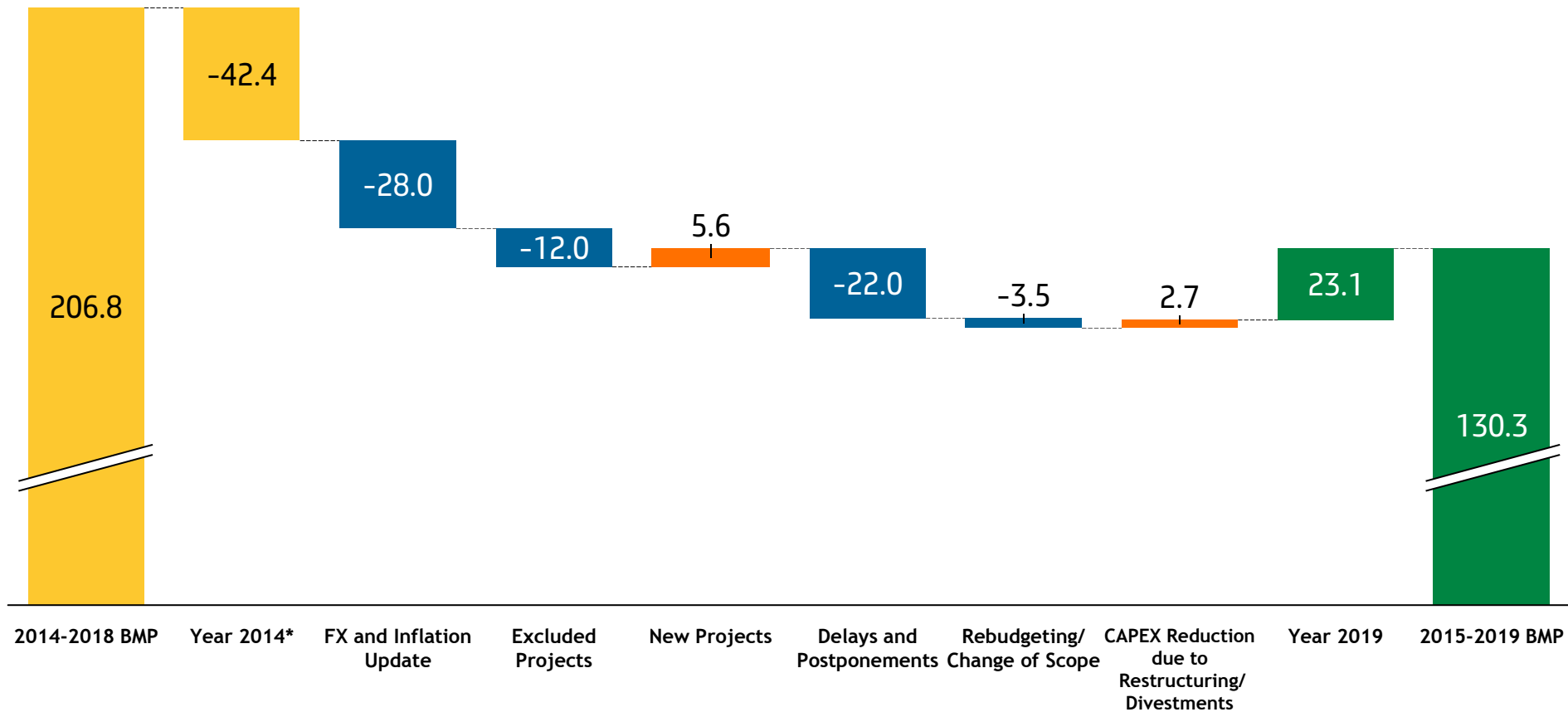
** Includes Distribution

Investments

Comparison between portfolios: 2014-2018 BMP x 2015-2019 BMP



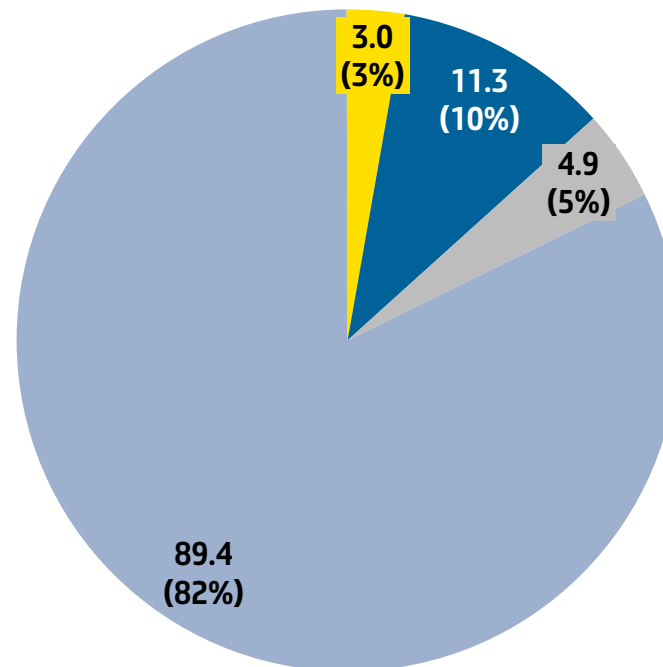
US\$ Billion



* 2014 actual investments were US\$ 37.1 Billion

Exploration & Production Investments

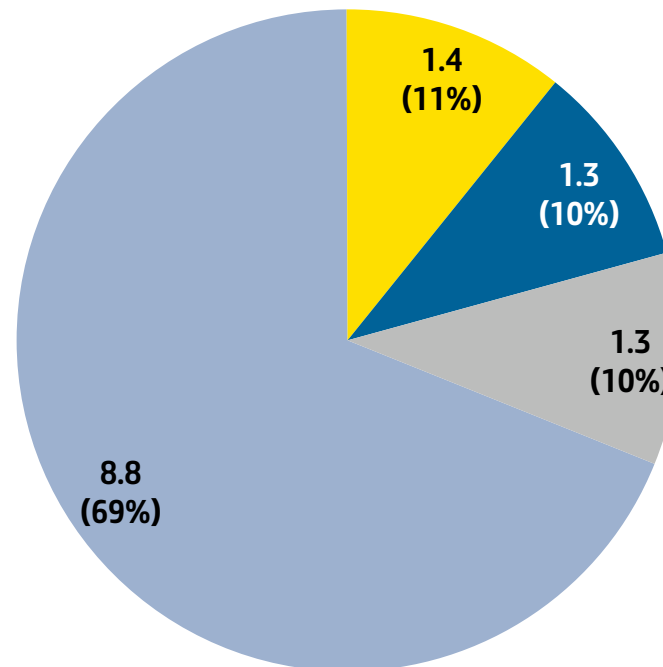
E&P
US\$ 108.6 Billion



- Production Development
- Operational Support
- Exploration
- Investments Abroad

Downstream Investments

Downstream
US\$ 12.8 Billion

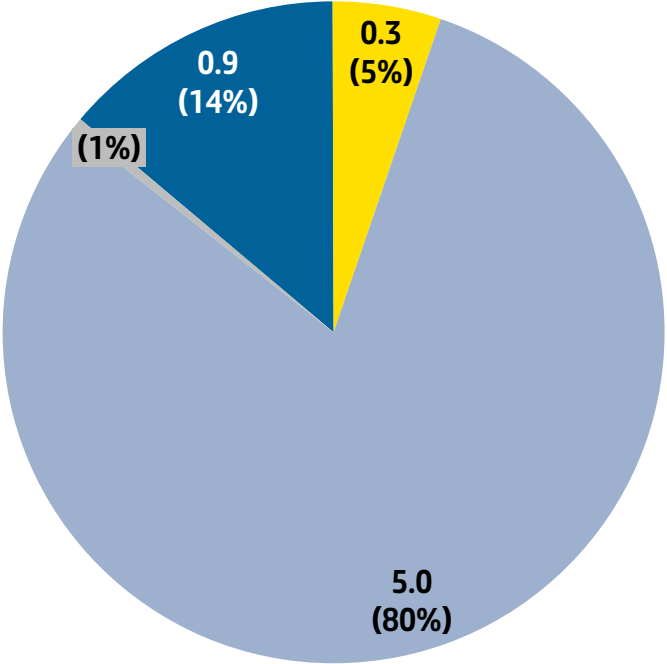


- Maintenance and Infrastructure
- Abreu e Lima Refinery
- Others
- Distribution (BR Distribuidora)

Note: Total amount includes investments in Comperj to receive and treat natural gas, maintenance of equipment, among others.

Gas & Power Investments

G&P
US\$ 6.3 Billion



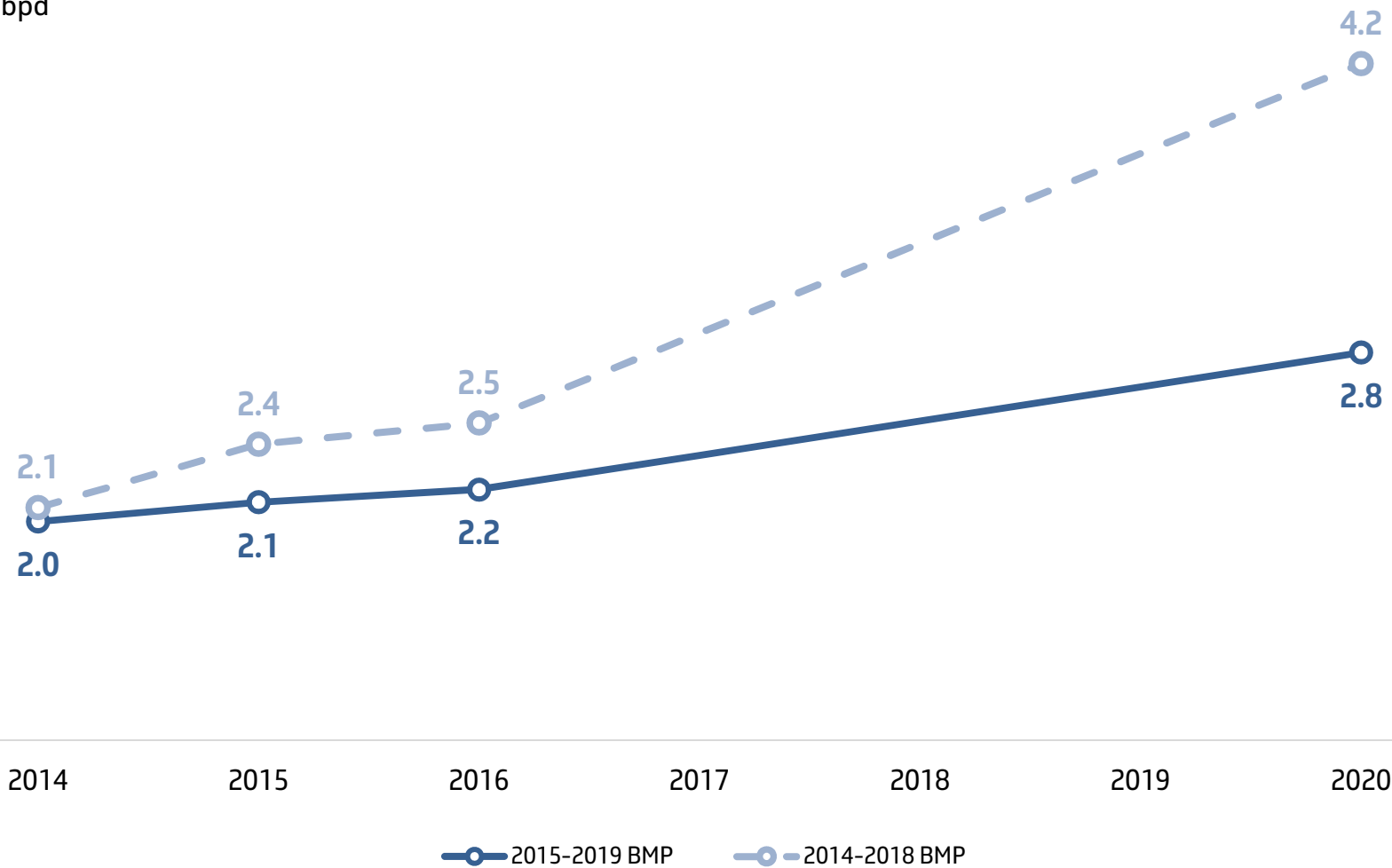
- Electricity
- Gas Chemical Units
- Pipelines
- LNG

Oil and NGL Production in Brazil

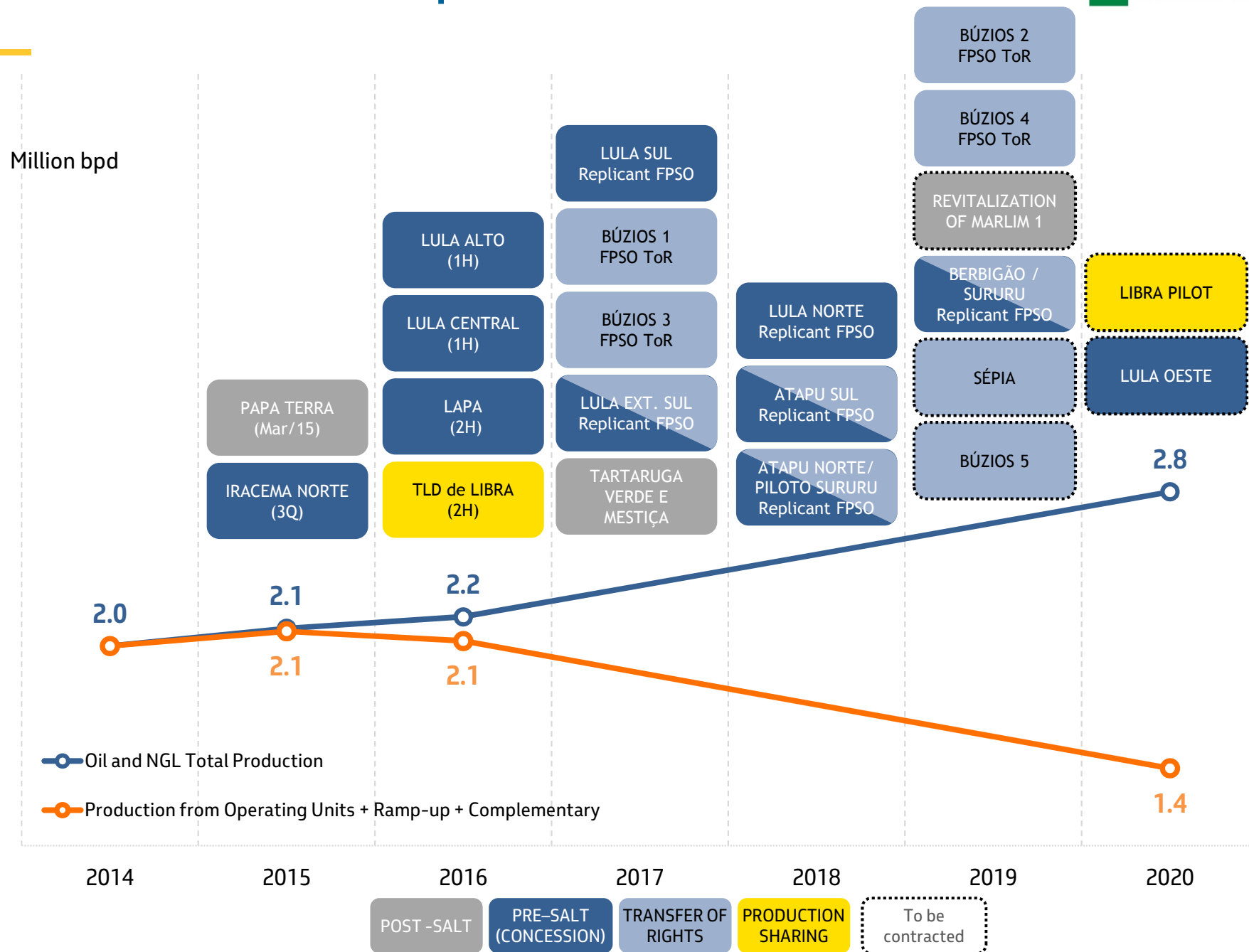
Comparison with 2014-2018 BMP



Million bpd



Production Units Start-up Schedule

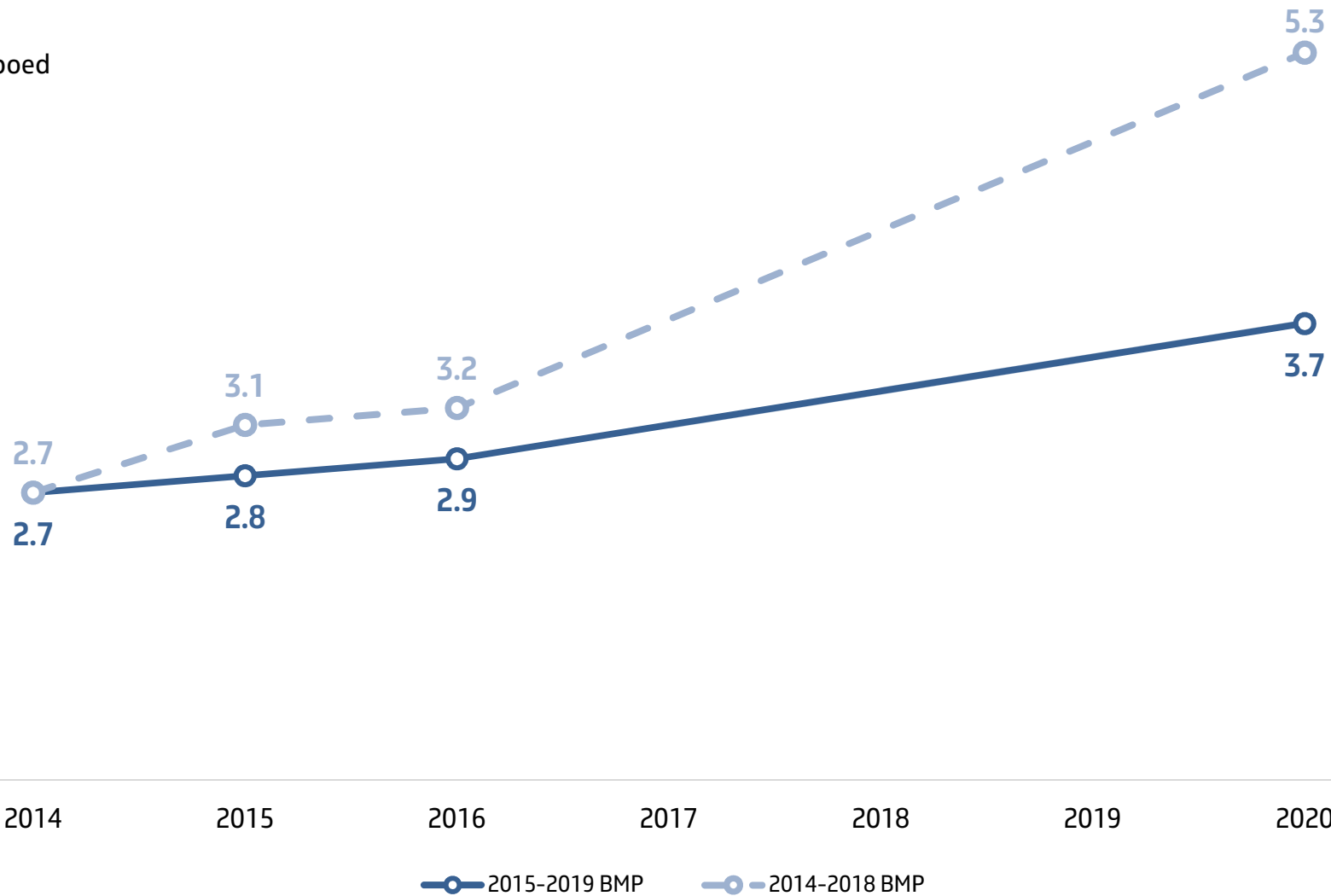


Oil, NGL and Natural Gas Production in Brazil and Abroad

Comparison with 2014-2018 BMP

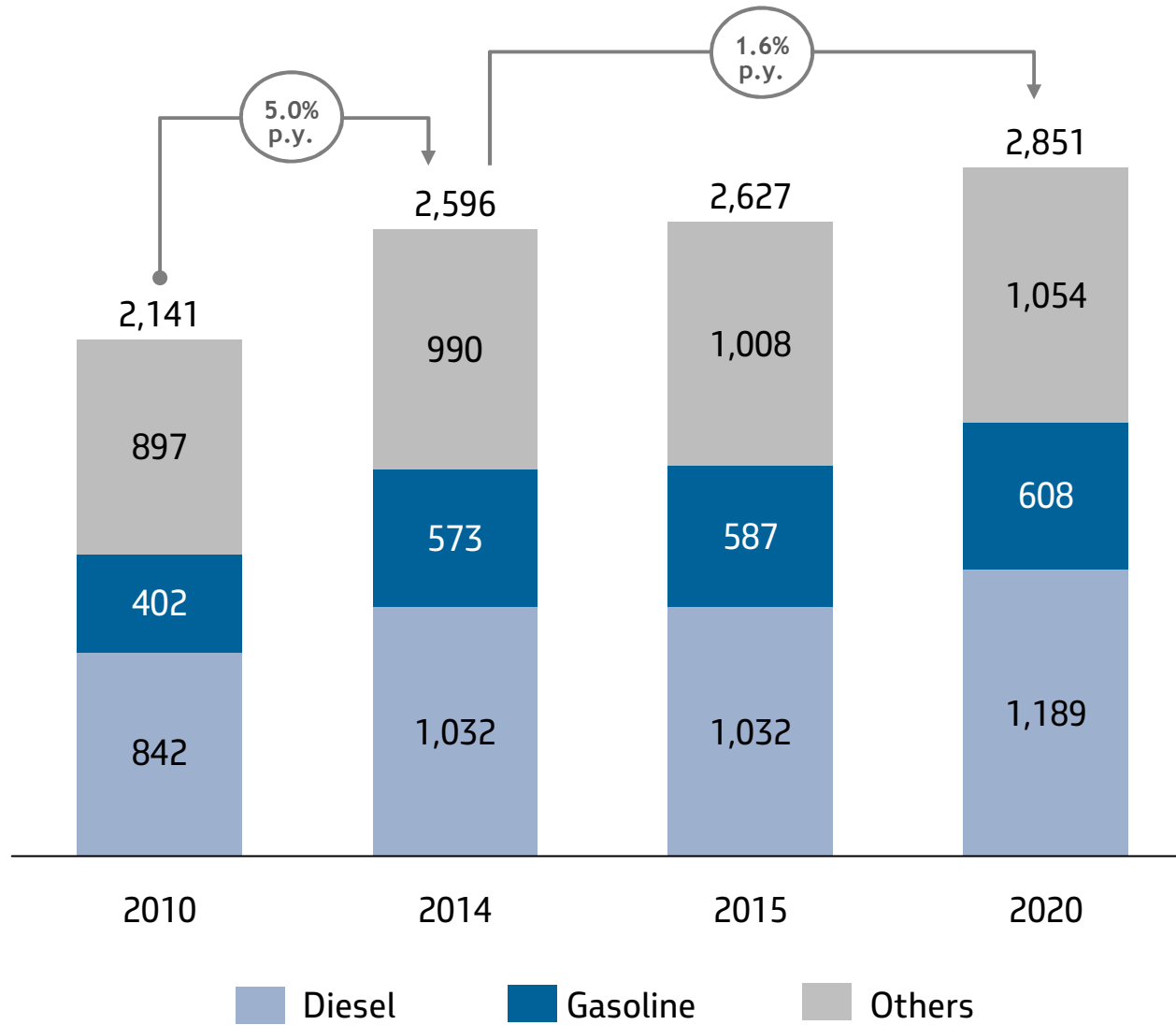


Million boed



Oil Products Demand

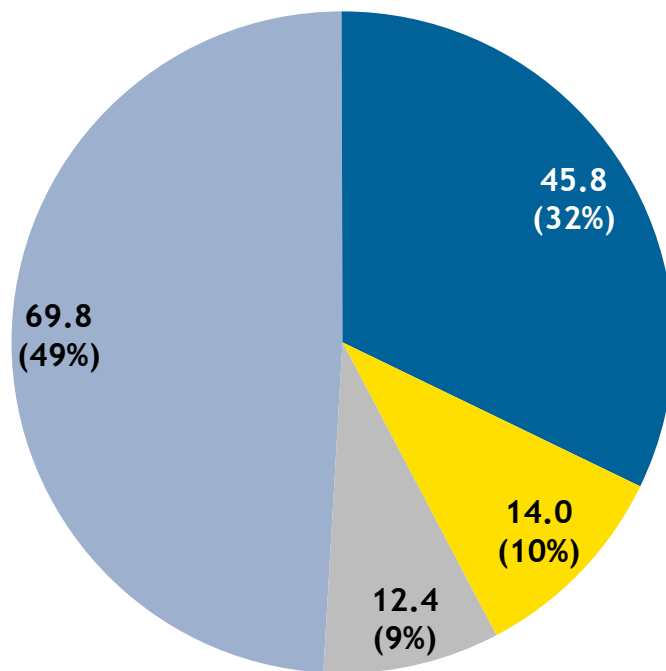
kbpd



Manageable Operating Costs

Total costs and expenses, excluding costs related to basic materials

2015-2019 BMP US\$ 142 Billion



■ E&P ■ G&P
■ Downstream ■ Other Areas

Measures for productivity gains

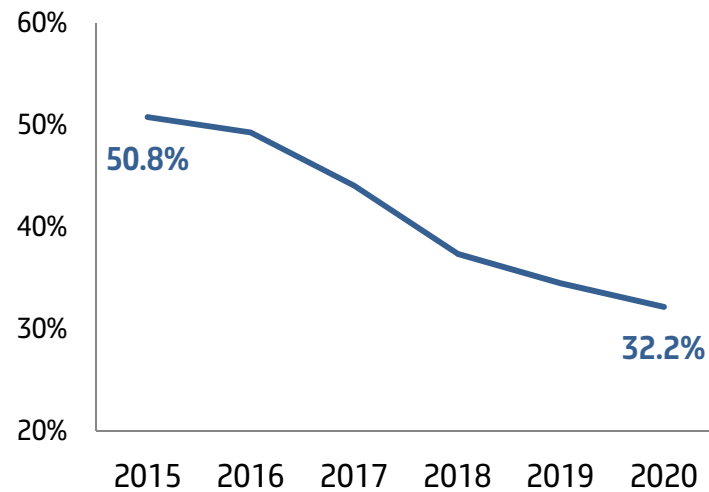
- Efficiency in the management of contracted services
- Rationalization of structures and reorganization of businesses
- Optimization of personnel costs
- Reduction in the costs of inputs acquisition
- Reduction in the transportation costs

Deleverage Projection

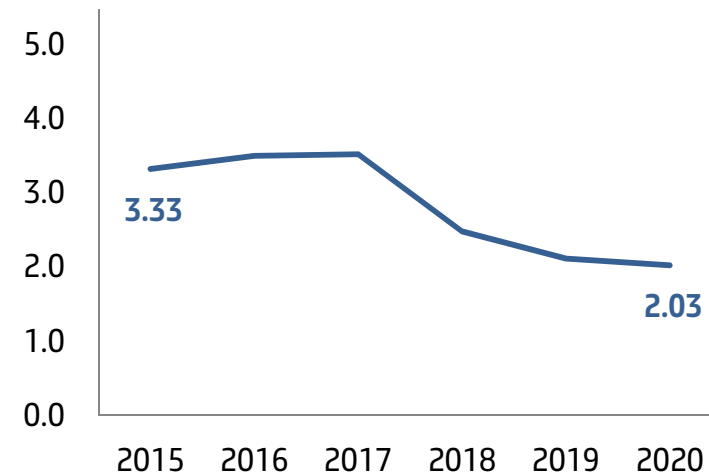
Including productivity gains and divestments/restructurings in 2017 and 2018



Net Leverage



Net Debt / EBITDA



Risk factors that may impact the Plan

Changes in market variables, such as oil prices and foreign exchange rates

Divestments and other restructurings of our businesses,
subject to prevailing market conditions when such transactions occur

Achievement of production targets for oil and natural gas,
in a scenario of difficulties with suppliers in Brazil

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