DOING BUSINESS WITH PETROBRAS: PROCUREMENT STRATEGIES

Houston - 2015
Procurement Department
DISCLAIMER

FORWARD-LOOKING STATEMENTS

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 2012 on are estimates or targets.

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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.
1. Petrobras in numbers
2. Supply History
3. What is Pre-Salt?
4. Critical Items
5. Suppliers Qualification & Register in Petrobras
6. Establishing a Successful G&S Supplier in Brazil
7. Conclusions
PETROBRAS IN NUMBERS
PETROBRAS IN NUMBERS (as per 2014)

**Investments**
R$ 104.41 billion

**Net Revenue**
R$ 304.89 billion

**Net Profit**
R$ 23.57 billion

**Shareholders**
798,596

**Global Presence**
17 countries*

**Number of Employees**
86,111

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**Daily Output**
2,539,000 barrels of oil equivalent a day.

**Proved Reserves**
16.57 billion barrels**
of oil equivalent (boe)

**Production Platforms**
134 (77 Fixed; 57 floating)

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**Refineries**
15

**Oil product production**
2,124,000 barrels per day

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**Vessel Fleet**
326 (57 belonging to Petrobras)

**Pipelines**
34,639 km

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**Biofuels**
5 biodiesel plants (3 owned and 2 in partnerships);
10 ethanol plants in partnerships

**Thermoelectric Plants**
21 plants ***

**Wind Energy**
4 plants

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**Service Stations**
7,710

**Fertilizers**
3 plants
SUPPLY HISTORY
Focus on the Brazilian industry. Increase of Local Content in goods and services contracting (competitiveness and technological adherence).
What is Pre-Salt?
WHAT IS PRE-SALT?

- Located in a remote area, up to 300 km offshore
- Water depths that can exceed 2,000 meters
- Total depth from 5,000 to 7,000 meters
- Salt layer more than 2,000 meters thick.
- Large Oil Carbonatic Reservoirs
- Pre-Salt Layer, New Exploratory Border
- Post-Salt Layer, focus up to 2006
- Corcovado Hill
WHAT IS PRE-SALT?

Pre-Salt Production Data

- Oil Production reached > 800 kbpd (Petrobras + Partners);
- Level reached only 8 years after discovery:
CRITICAL ITEMS (examples)
# Critical Items

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<tr>
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SUPPLIERS QUALIFICATION & REGISTER IN PETROBRAS
The Corporate Register is a database of Brazilian and foreign companies interested in participating in bidding for Petrobras.

These companies, Brazilians or foreigners, are eligible to provide to Petrobras high complexity services or equipment/goods, which are under permanent Petrobras interest.

The purpose of Petrobras Registry is to allow prior evaluations of companies that wish to take part in bidding processes.

The first step to negotiate with Petrobras is to have your company registered.

The evaluation approval, as part of the registration process, ensures the inclusion of the supplier in Petrobras Corporate Registry by obtaining the CRCC - Certificate of Registration and Classification, which is valid up to one year.

The CRCC must be renewed annually.
SUPPLIER QUALIFICATION AND REGISTER IN PETROBRAS

MANAGERIAL
- ISO-9001 or API Q1 Certification - Quality Management System (SQS)

TECHNICAL
- Supply tradition in the market
- Equipment
- Personnel
- Technology

LEGAL
- Legal Capacity
- Legal Certification
- Legal Fiscal Compliance
- Terms and Declarations

ECONOMIC
- Accounts Credibility
- Structure
- Solvency
- Profitability

Mandatory requirements
SUPPLIER QUALIFICATION AND REGISTER IN PETROBRAS

How to register

- website: www.petronect.com.br

- Petronect is an “e-Procurement” platform which provides tools for carrying out all registration process.
SUPPLIER QUALIFICATION AND REGISTER IN PETROBRAS

Choose the language option that fits you best
SUPPLIER QUALIFICATION AND REGISTER IN PETROBRAS

Petrobras Group has saved the releasing of around 1041.970512 tons of CO2 by using Petronect.

Electronic Portal for contracting Goods and Services for Petrobras Group

The Portal uses SAP solution and is only compatible with the Internet Explorer. Click here for further information about compatibility.
SUPPLIER QUALIFICATION AND REGISTER IN PETROBRAS

www.petronect.com.br > Vendors > Registration
ESTABLISHING A SUCCESSFUL GOODS AND SERVICES (G&S) SUPPLIER IN BRAZIL
Foreign Companies should:

- Understand Petrobras technical requirements (including qualification of local manufacturing and product homologation processes)
- Understand local supply chain (Logistic & Available Infrastructure)
- Evaluate the manufacturing chain and define the possible Local Content ramp-up
- Understand legal requirements and the Brazilian taxes

Supporting foreign companies in Brazil

- APEX Brazil - Brazilian Trade and Investment Promotion Agency
- ONIP - National Organization of the Petroleum Industry
  http://www.onip.org.br/areas-of-activity/?lang=en-to-help-you
- Foreign Companies Support in Brazil
  Embassies, Consulates, Chambers of Commerce, Governments Authorities, etc
- Legal Guide for Foreign Investors in Brazil: Ministry of External Relations
CONCLUSIONS
There are many opportunities for new suppliers of goods and services to establish manufacturing facilities in Brazil, as well as opportunities to develop engineering solutions in partnership with Petrobras.

It’s important to understand the Brazilian business environment (ex: demands, competitors, local supply chain, laws).

Local content is a relevant issue in Petrobras’ supply strategy for goods and services.
Thank you!

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