



2nd quarter 2020 Performance

*Webcast
July 31, 2020*



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

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

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

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

Our actions against Covid-19



Prevention and focus on health and safety

- Home office for more than 24,000 people, extended until December 2020
- More than 120 thousand tests carried out with a comprehensive testing strategy for suspects, their contacts and for screening
- Real-time monitoring of cases using data intelligence
- Special care for boarding platforms: home isolation, virtual briefing and medical screening with testing at airports
- More than 90 thousand liters of gel alcohol made available in the units with adjustments in operational routines and reinforcement in cleaning
- More than 2.5 million face masks were distributed in the operational units
- Rigorous risk assessment for the return of staff (in person) at operational units



ESG

Environmental, Social and Governance

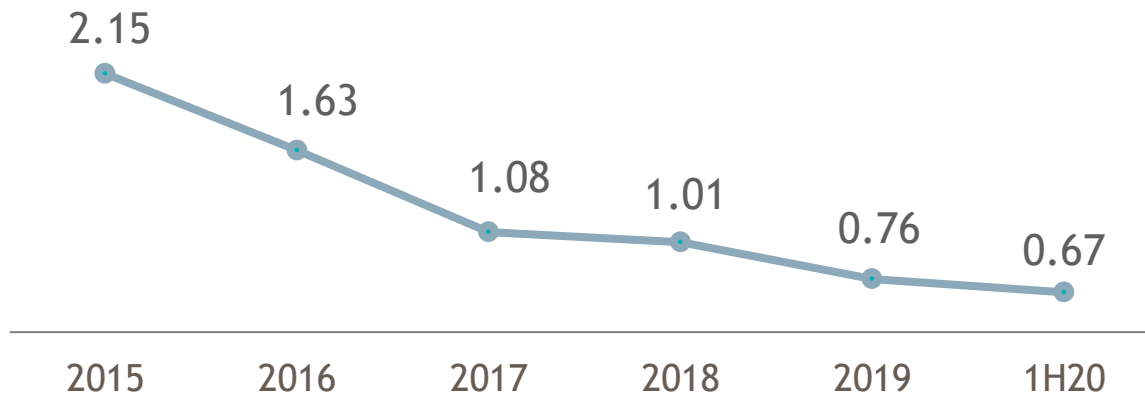


Safety as priority



TRI

Total recordable injuries
per million man-hours



Ambition of zero fatalities

- » Top metric is TRI <1,0
- » Continuous reduction of TRI, with a level significantly below our peer group benchmark

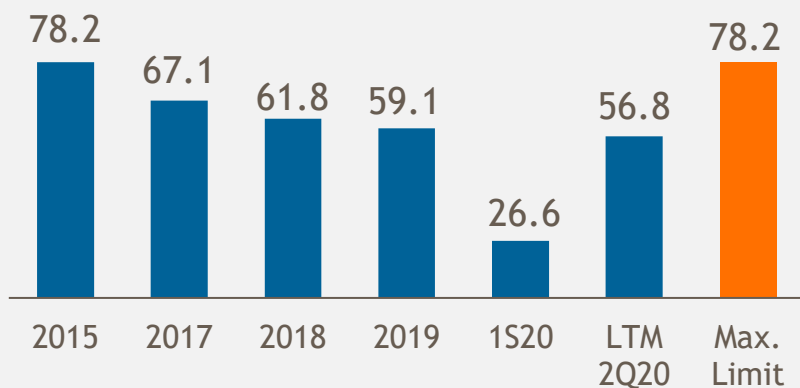


Evolution of ESG indicators

Monitoring our sustainability commitments

Absolute GHG emissions Consolidated

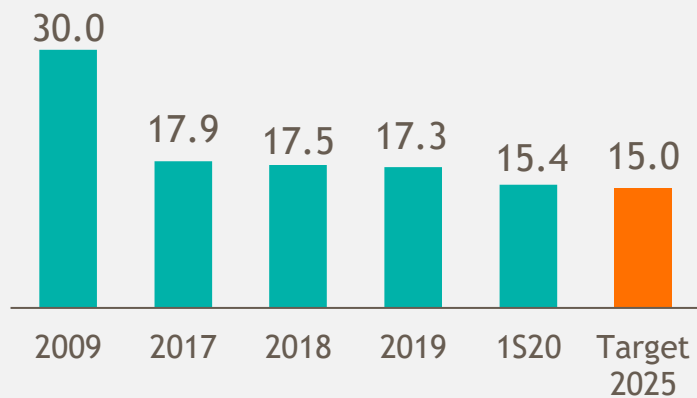
Mt CO₂e



- Solid reduction in absolute emissions since 2015. The target is not to exceed 2015 emissions even with higher production

Carbon Intensity E&P

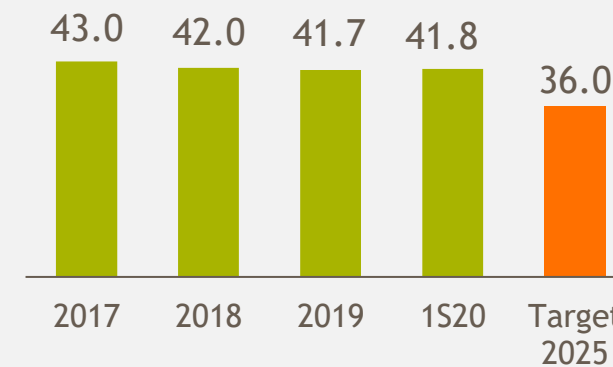
kgCO₂e/boe produced



- From 2009 to 2019, the CO₂e intensity for the E&P segment dropped 42%. The target for 2025 is to reach 15.0 kgCO₂e/boe produced

Carbon Intensity Refining

kgCO₂e/CWT*



- In the last 2 years the CO₂e intensity for the Refining segment has dropped 3%. The target for 2025 is to reach 36.0 kgCO₂e/CWT

* The CWT (Complexity Weighted Tonne) of a refinery considers the potential for distillation - equivalent CO₂ emissions for each process unit.

Focus on ESG with increased transparency in 2Q20

- Top metrics: **carbon intensity** impacting executive compensation
- Support and 100% compliance with **Task Force on Climate-related Financial Disclosure** - TCFD
- New **carbon reduction** targets from the Oil and Gas Climate Initiative - OGCI
- **Climate Change Supplement** Update
- **Code of Ethical Conduct**
- New **Human Rights** guidelines
- Disclosure of the **Sustainability Report**



Financial Highlights



Highlights

Despite the macroeconomic crisis, we managed to generate solid results



Positive free cash flow of US\$ 3 billion



Solid cash position of US\$ 19.5 billion



Decrease of net debt by US\$ 2 billion despite the crisis



Total cash inflow from divestments of US\$ 997 million in 2020



US\$ 3.25 billion issue of Bonds maturing in 2031 and 2050



Records of daily oil production in the pre-salt in Búzios, reaching 674 kbpd and 844 kboed on 07/13



Positive impact of US\$ 1.4 billion in EBITDA with the exclusion of VAT tax (ICMS) from the PIS/COFINS calculation basis since 2001

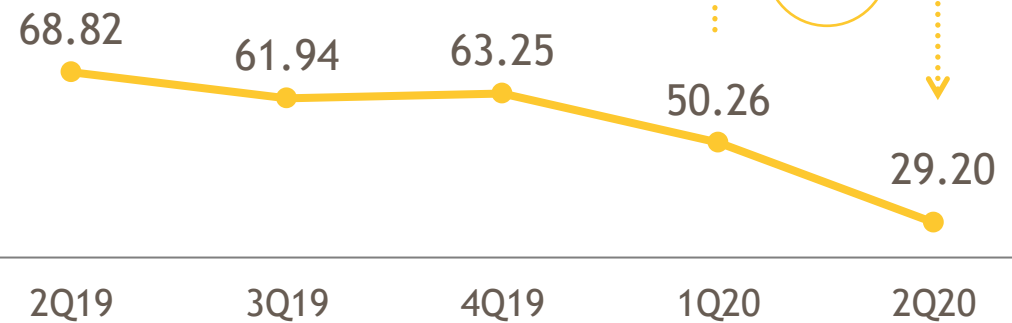


So far 10,312 employees have signed up for different voluntary dismissal programs, 23% of the workforce

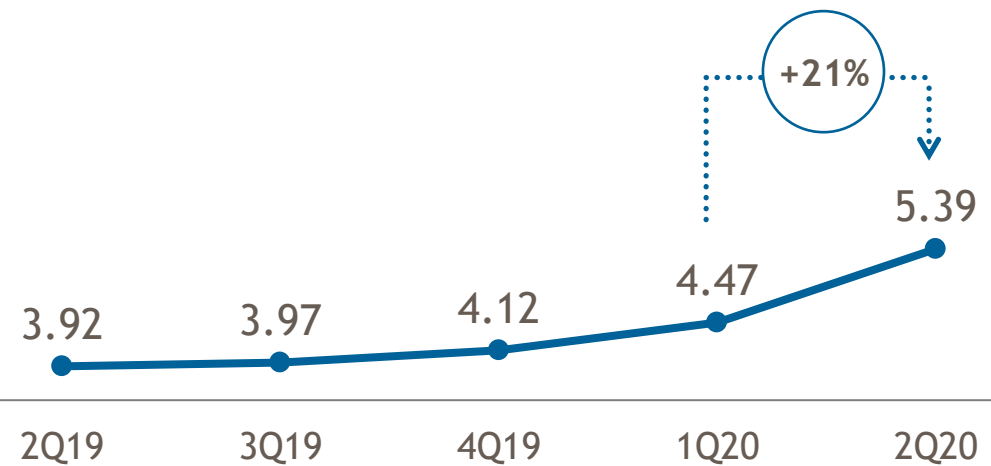
Oil price shock in 2Q20

Strong depreciation of Brent and BRL

Brent
US\$/bbl



Average
exchange
rate
R\$/US\$

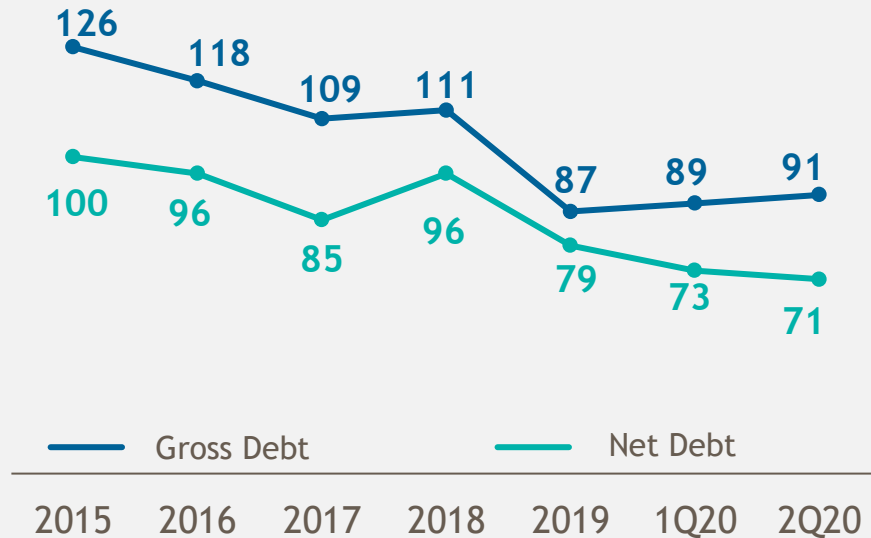


Slight increase in indebtedness despite the crisis

Robust cash position to face the crisis

Indebtedness*

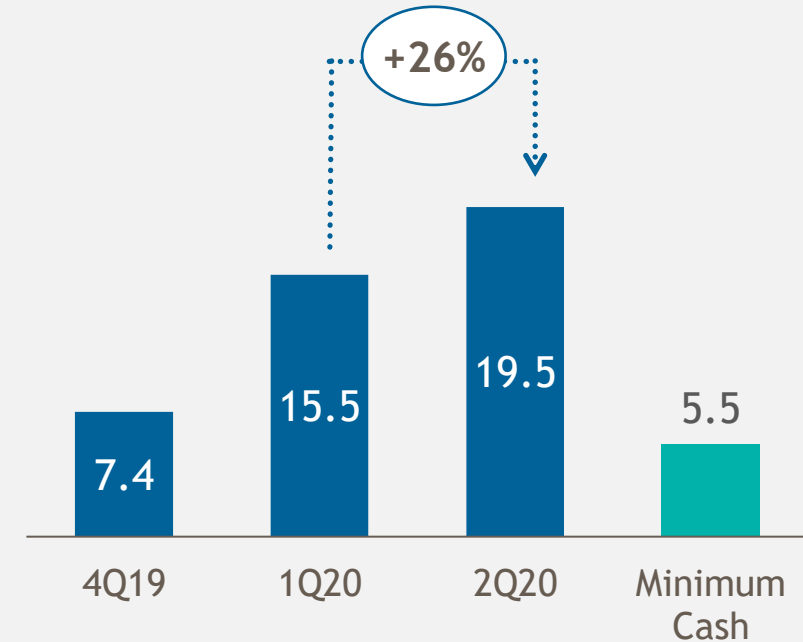
US\$ billion



- Despite funding of US\$ 5.6 billion, gross debt increased by only US\$ 2 billion in the quarter

Cash position

US\$ billion

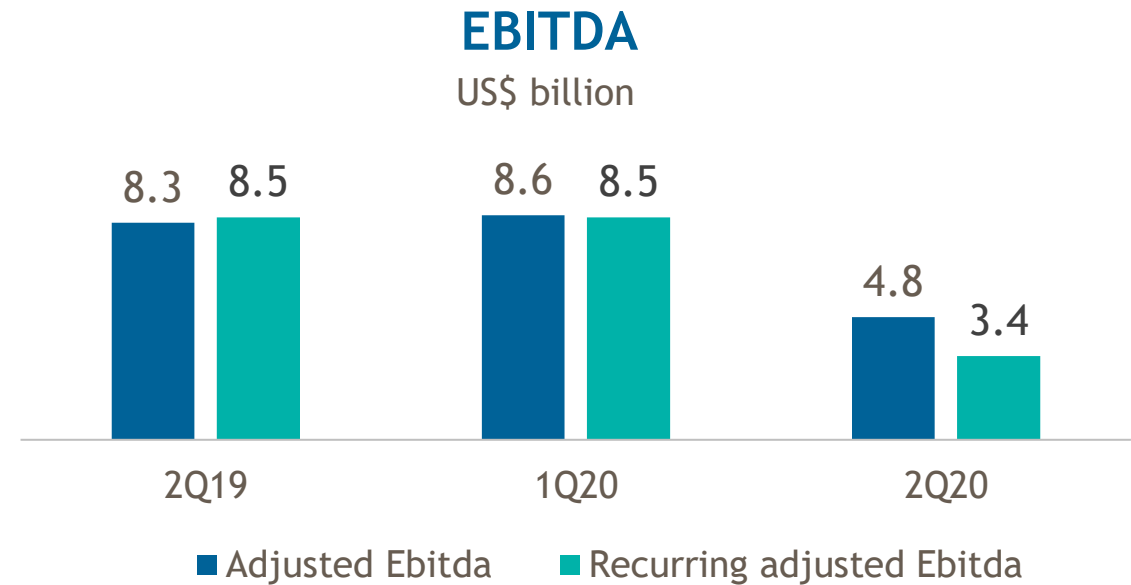


- Minimum cash of US\$ 5.5 billion in less volatile scenarios

* As of 2018, values include leases



EBITDA reflecting the effects of the crisis



Brent
(US\$/bbl)

68.82

50.26

29.20

2Q20 x 1Q20

- Effects of the Brent shock, lower volumes and higher expenses with voluntary dismissal plans and hedges, partially offset by the exclusion of VAT tax (ICMS) from the PIS/COFINS calculation basis, and the equalization of the Production Individualization Agreement for the shared reservoirs of Tupi, Sépia and Atapu

EBITDA by business segment

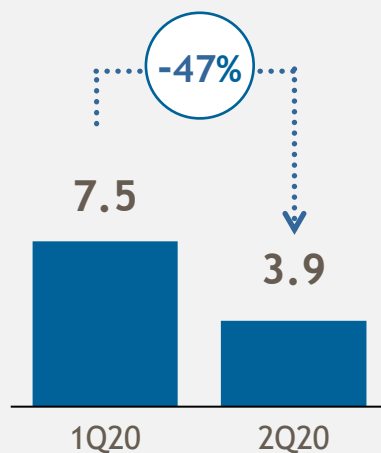
The fall in Brent and demand for oil products mainly affected the E&P and Refining segments

Adjusted EBITDA

US\$ billion



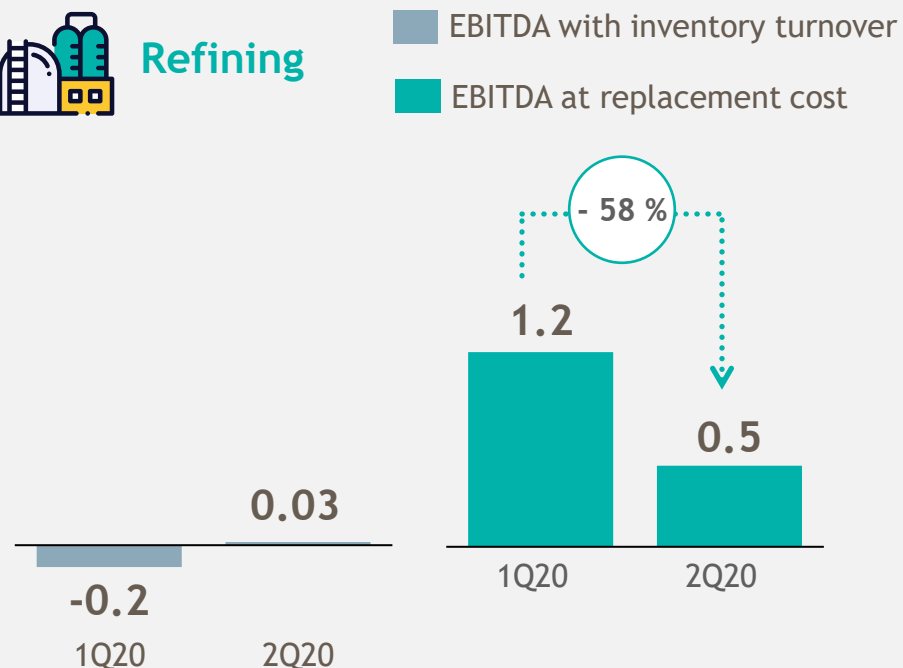
Exploration & Production



>> Drop in Brent price partially offset by lower lifting costs



Refining



>> Lower margins and volumes of oil byproducts offset by the lower inventory turnover due to the drop in Brent



Gas & Power

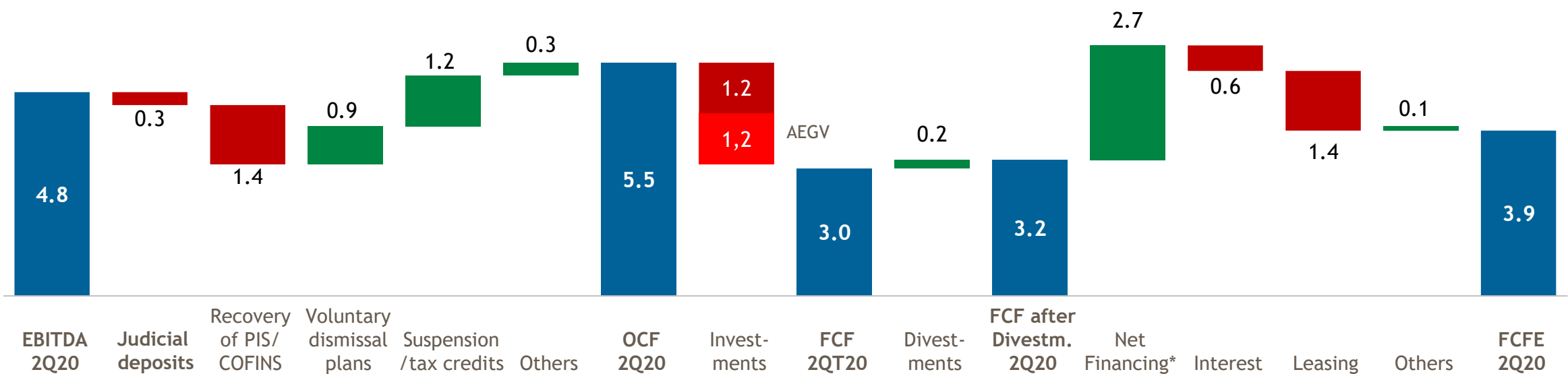


>> Lower volume of gas sold and lower volume of power generation

Strong cash generation despite the crisis

Evolution of cash flow in 2Q20

US\$ billion



- Equalization of the Production Individualization Agreement (AEGV) of Tupi, Sépia and Atapu with a positive impact of US\$ 0.7 billion in OCF and a negative US\$ 1.2 billion in investments
- Funding of US\$ 5.6 billion, of which US\$ 3.25 billion refers to Bonds issued
- US\$ 3.5 billion payment of loans and financing

* Includes funding, amortization and prepayments

Debt profile

51% of debt due after 2025

Amortization profile

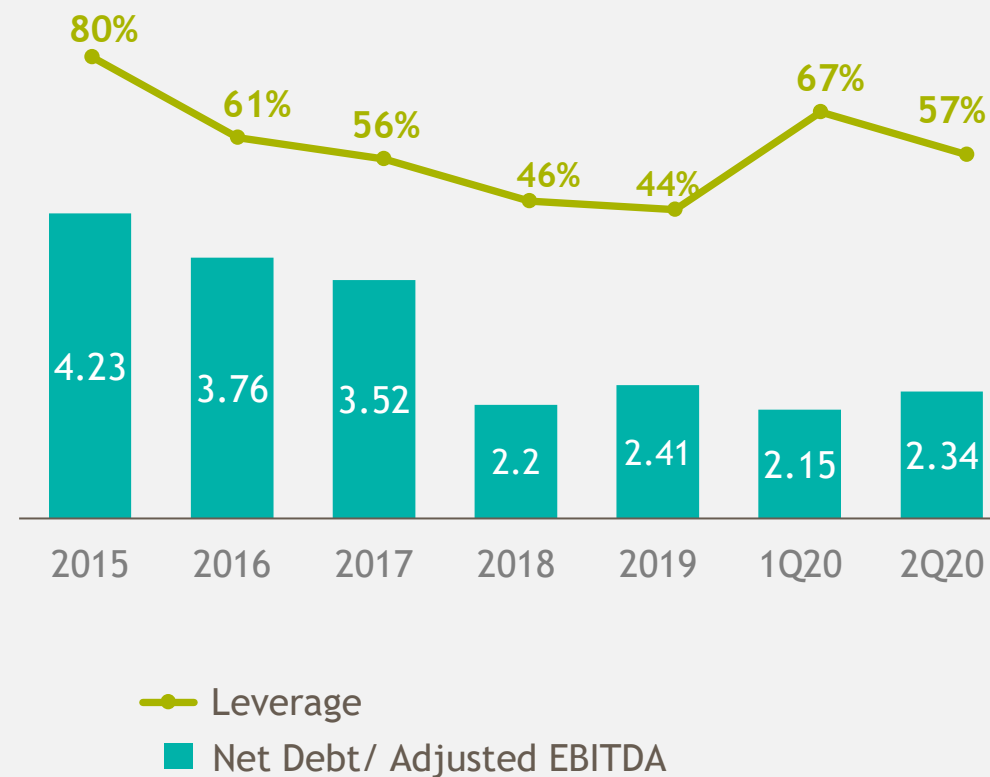
US\$ billion



- Average debt maturity of 10.12 years
- Average interest rate of 5.6% p.y.

* Relative to the amortizations scheduled for the months of July to December

Leverage ratio*

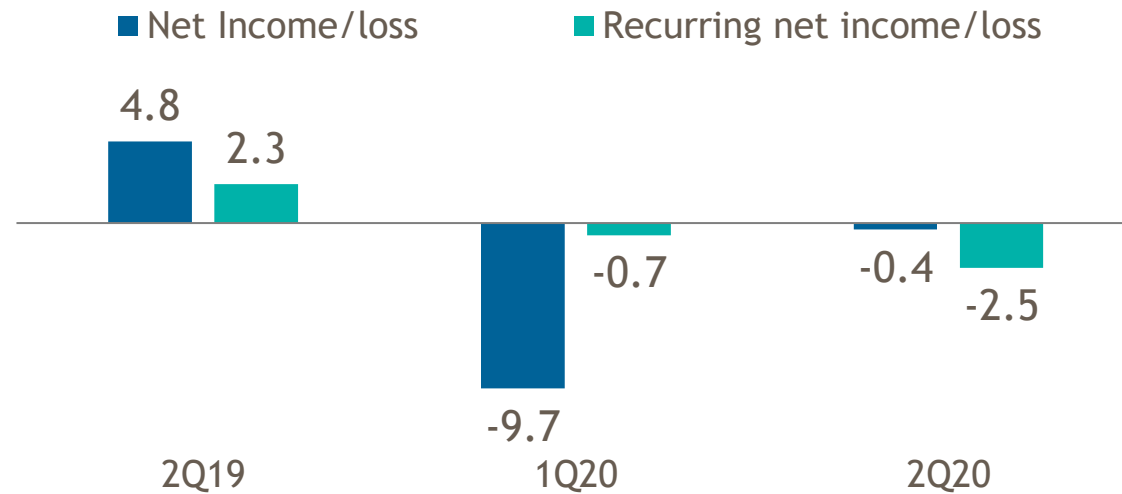


* Values calculated in USD / include IFRS-16 as of 2019

Net result

Reflects the impact of the crisis, voluntary dismissal programs and financial results

US\$ billion



2Q20 x 1Q20

- Lower volumes and higher expenses with voluntary dismissal programs and hedges
- Positive effect with the exclusion of ICMS from the PIS/COFINS calculation base
- Positive effect with the equalization of the Individualization Agreement for the production of the shared reservoirs of Tupi, Sépia and Atapu

Divestments continue moving forward

Total cash inflow of US\$ 997 million in 2020

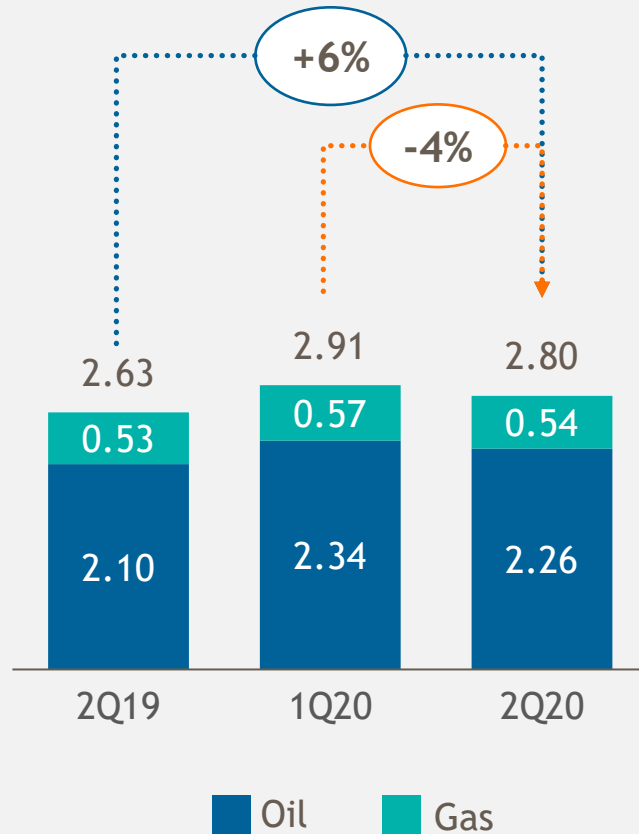


Exploration & Production Highlights

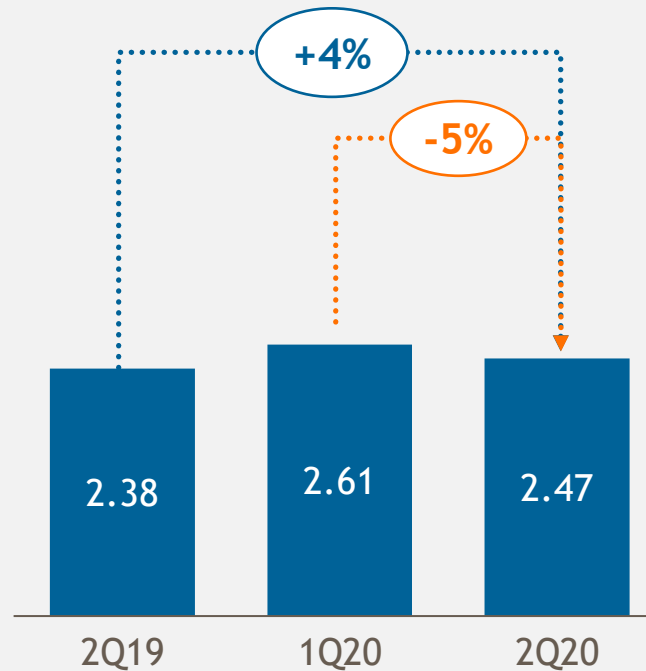


31% growth in pre-salt production in 1 year

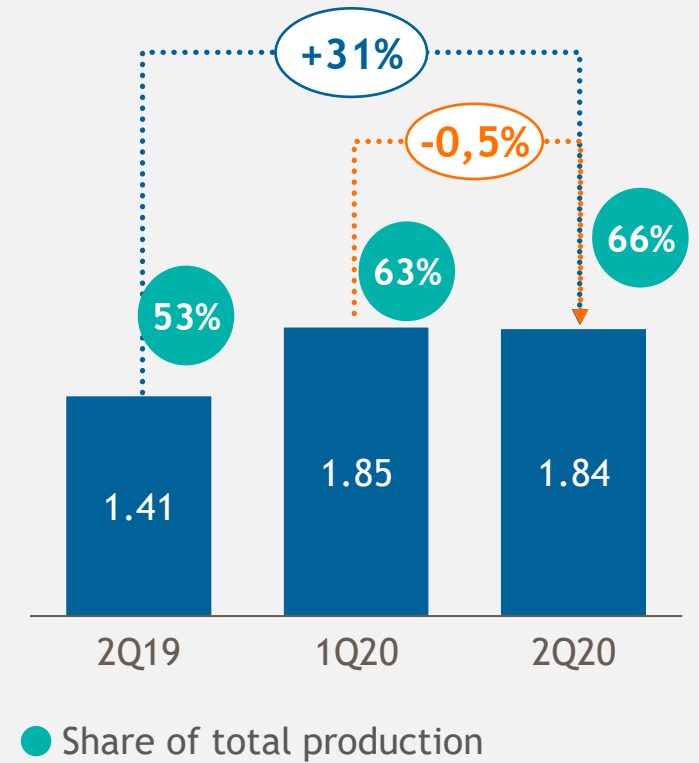
Oil and gas production
million boed



Commercial oil and gas
production
million boed

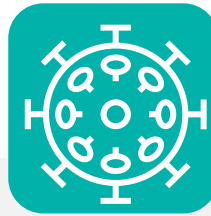
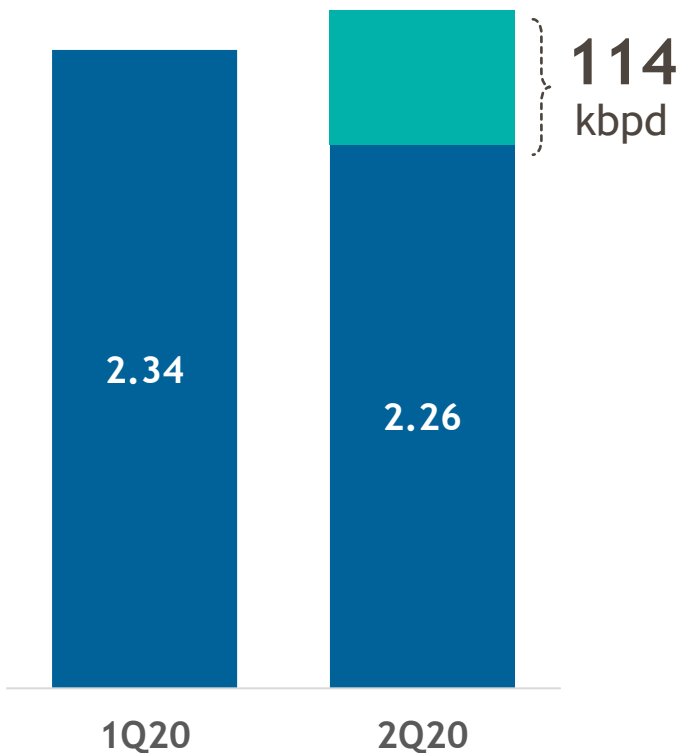


Oil and gas production
in the pre-salt
million boed



Operational performance remains high despite the effects of Covid-19

Oil production
million bpd



Effects of Covid-19

- Interruption or delay in repairs
- Reduction of demand in April
- Mothballing of platforms

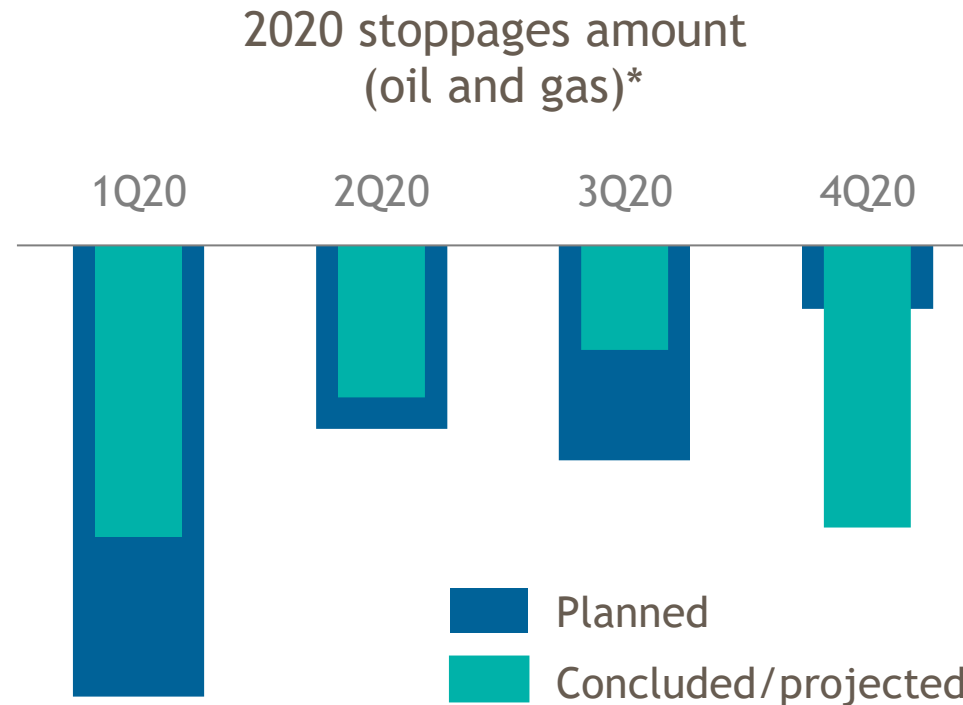
Pre-salt

- Better operational efficiency in the pre-salt layer
- Lower number of interventions associated with CO₂ corrosion
- Agility to increase oil exports

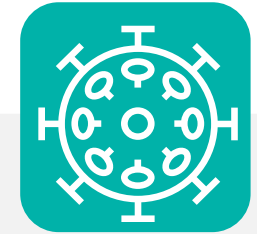


Maintaining the 2020 production target

Major maintenance stoppages postponed until 4Q20, but some activities already completed



* Includes scheduled stoppages and interventions

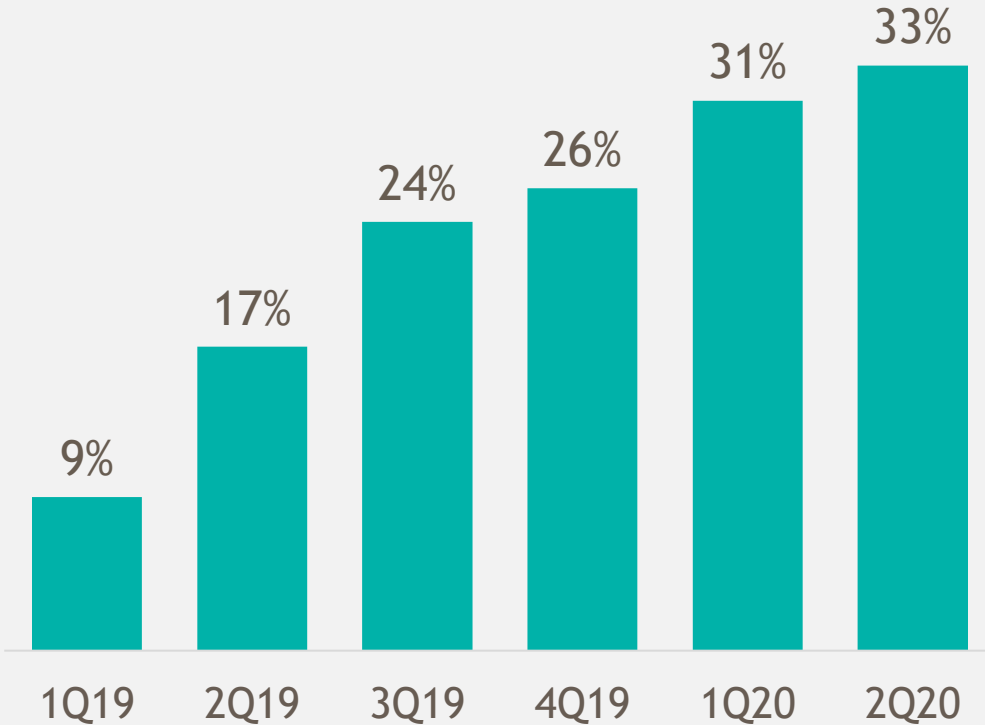


Effects of Covid-19

- Prioritization of key services
- Normalization expected for September 2020

Búzios: records and good results of a world class asset

Share relative to total production of oil and gas from the pre-salt of the Santos and Campos Basins



4 FPSOs
in operation



New production
records

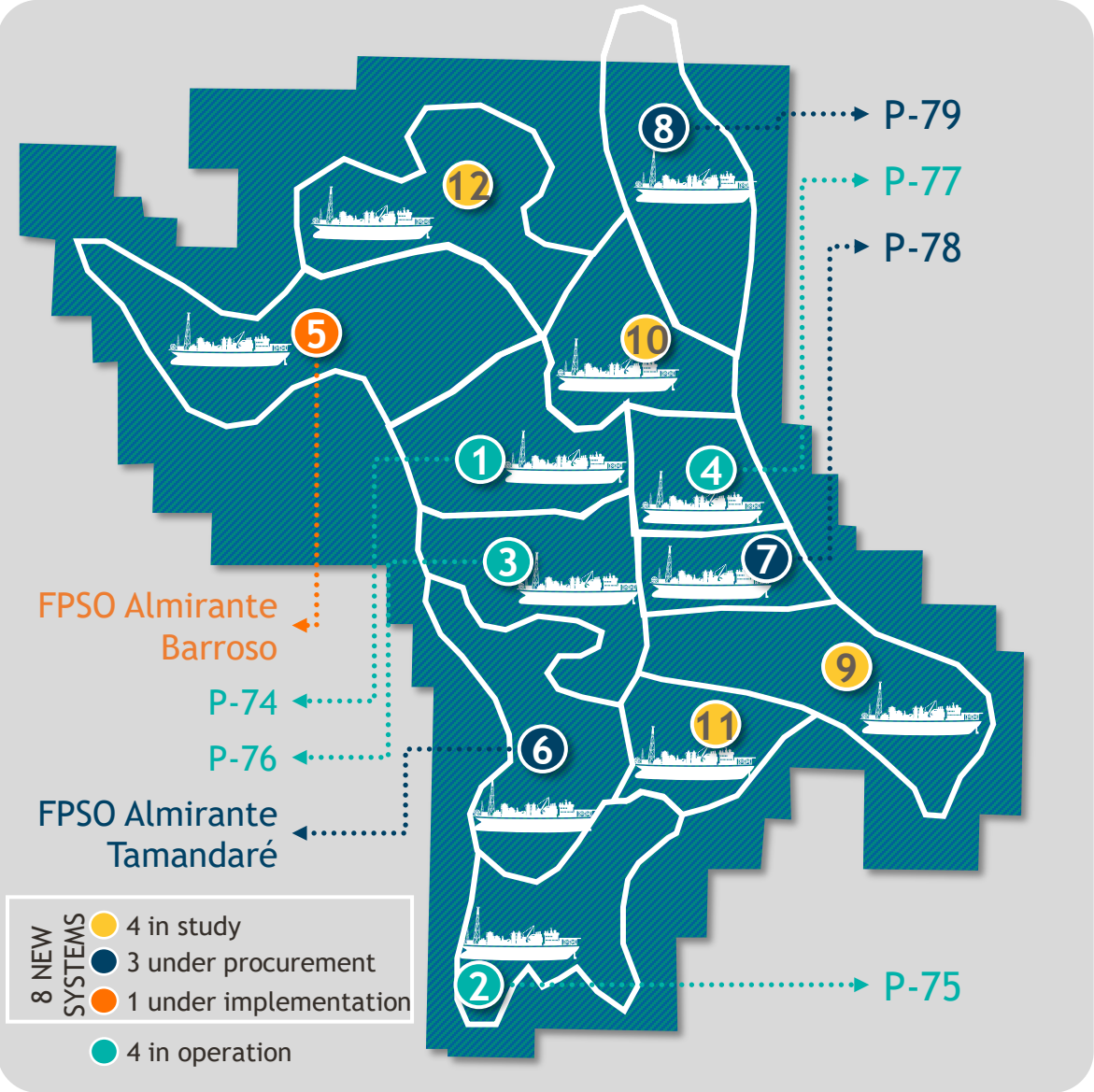
Daily production
July 13th

674 **844**
kbpd kboed

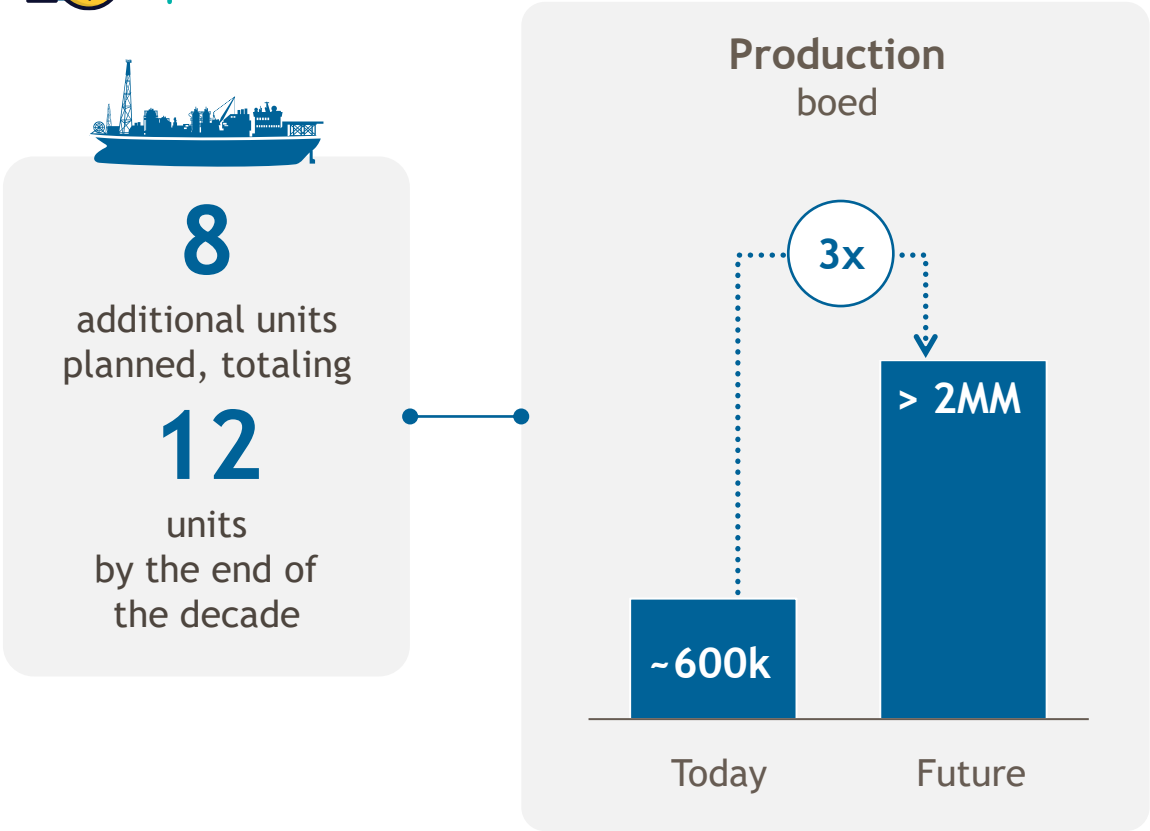
Monthly production
July

>600 **>700**
kbpd kboed

Búzios: the giant of the pre-salt



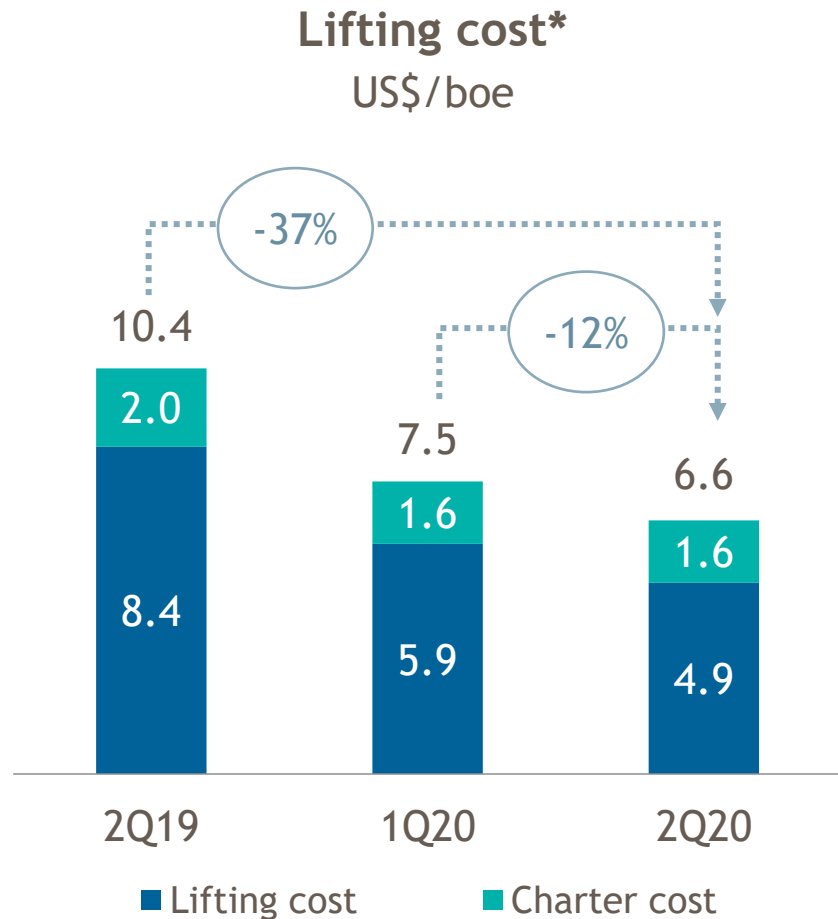
Most valuable asset for Petrobras



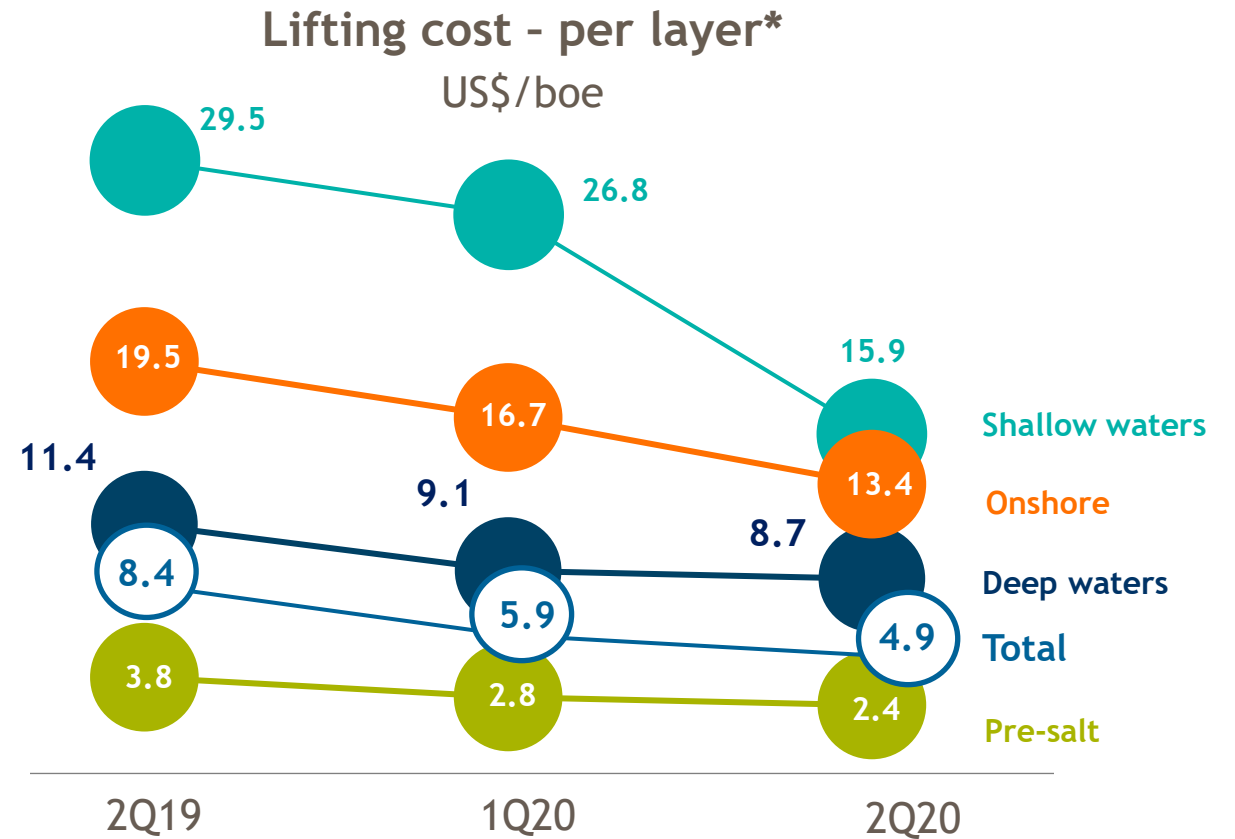
Negotiations with CNOOC, CNODC and PPSA for the Co-Participation Agreement are going well, with conclusion expected by the end of 2020

Lifting cost below 5 US\$/boe in 2Q20

Strong reduction in shallow waters due to mothballing of platforms



*Brazil



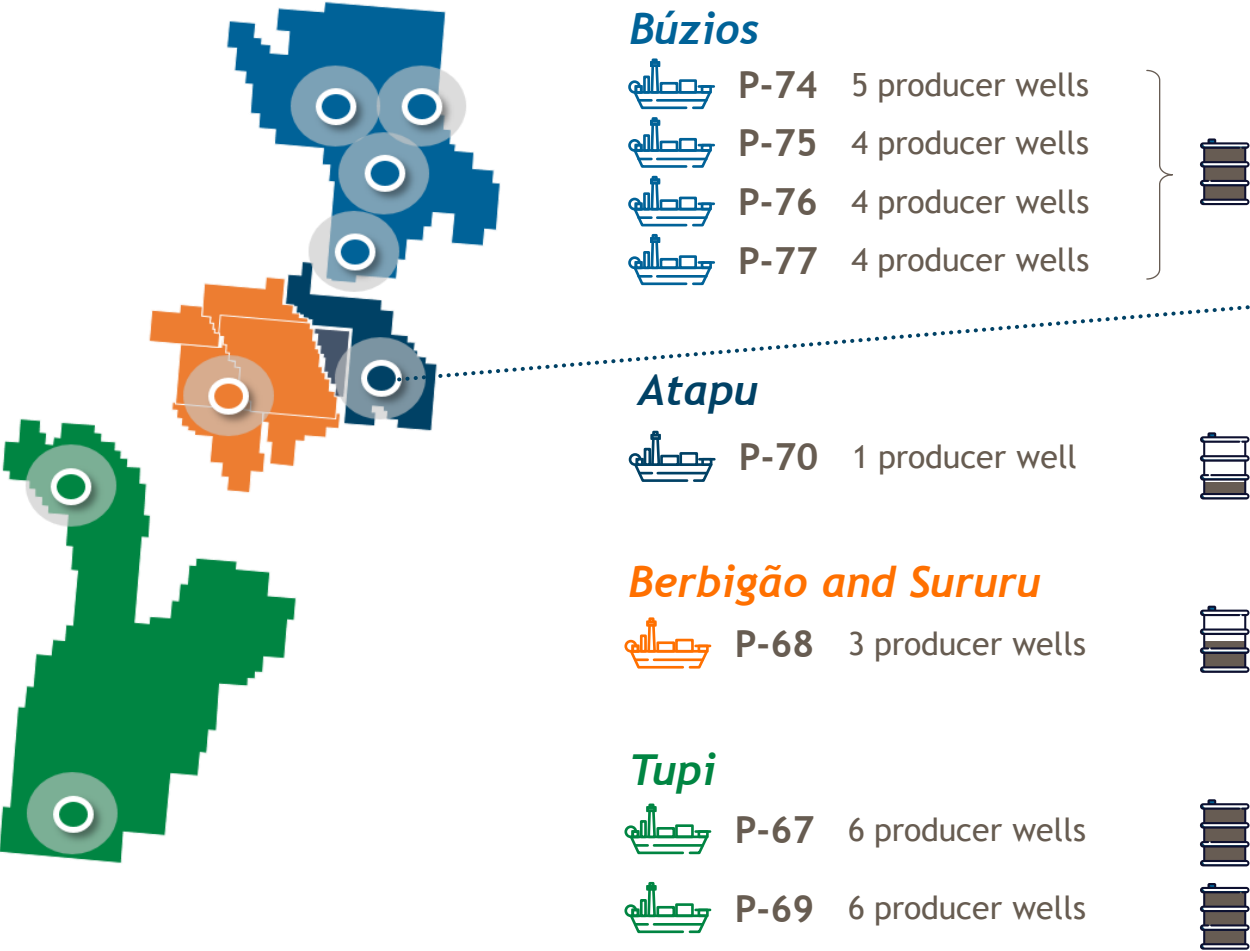
*Brazil, without charter

Production Development Highlights



Ramp-up of new production systems

8 new units added 1.2 million bpd of production capacity



Highlights



Start-up of P-70
(June 25th)



P-67 reached production capacity with 6 wells
(July 13th)



Increase of Búzios' production capacity with safety

Approval to start hiring for new projects in Búzios

3 FPSOs



P-78



P-79

2 owned with capacity of 180 kbpd
7.2 million m³ of gas



FPSO Almirante Tamandaré

1 chartered with a capacity of 225 kbpd
12 million m³ of gas



It will be the largest unit operating in the country and one of the largest in the world

Wet Christmas Trees - WCT



Subsea equipment necessary to control the flow of fluids produced or injected into wells

WCT Pre-Salt 2.0



Improvements to meet new requirements in Búzios and enable increased production in the field

Other contracts

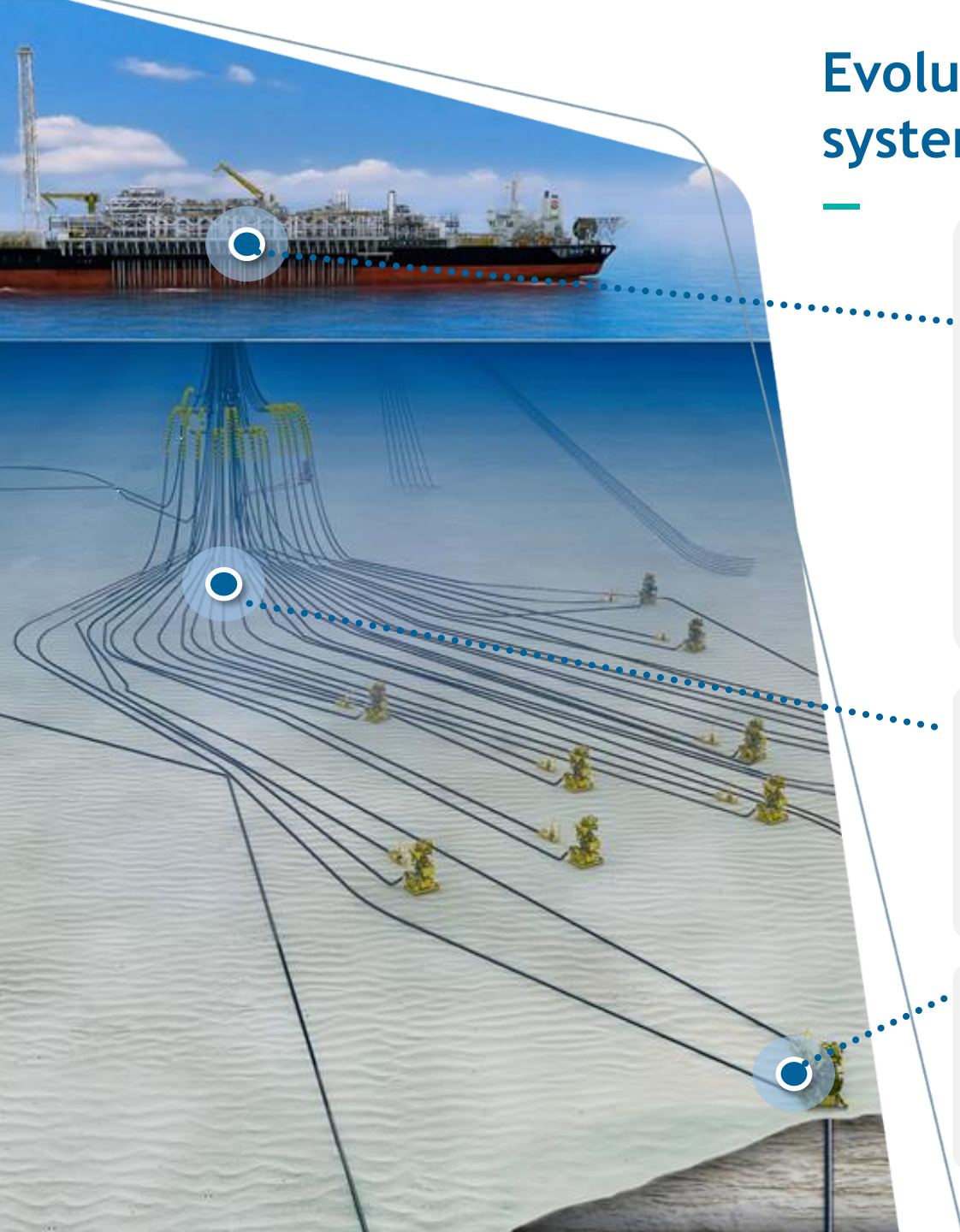


Drilling rigs, well services and submarine collection and export system



Expected to start in the next 18 months

Evolution in the concept of the new production systems of Búzios Pre-Salt



Production Unit

- New **generation of FPSOs** with incorporation of lessons learned on design, supplier pre-qualification and construction
- Higher oil processing **capacity** of the units (180 Kbpd and 225 Kbpd)
- Attendance to the percentage of **local content** required in Búzios field (25%)
- **Procurement model** in accordance with Brazilian Law

Subsea System

- **Rigid 8" oil production pipelines**, with **optimized riser** configuration and flow rates above 50,000 bpd
- Arrangement with 100% **rigid lines**

Wells

- **Open Well in Intelligent Completion:** production optimization and construction time and cost reduction

Logistics Highlights



UPSTREAM

Exploration & Production



MIDSTREAM

Pipelines, ships, tanks and terminals



DOWNSTREAM

Refining, trading and marketing



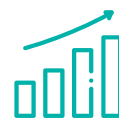
Logistics Department

Working on interfaces and strategy to bring even more competitiveness to E&P and Refining



Strategy

Ensure more competitiveness through Logistics
Logistics is key in production pricing



More efficiency (E&P/Refining)

Remove the logistics bottlenecks, increasing the flexibility and efficiency of operations



Investments

Integrated portfolio analysis evaluating product flow alternatives with expansion of piers and pipelines



Relationship improvement

Petrobras and third parties leading, for example, to the best use of our logistics capacity

Logistics in numbers

Largest fleet of DP vessels in the Southern hemisphere, operating in America, Europe, Asia and Africa



Offloading operations

1,800/year



20% offshore world air transport

+900 thousand passengers/year



100% of the country's oil pipelines



Ship-to-ship operations

Oil exports
Derivatives imports



LPG Tanking

477 thousand m³



Sea cargo

107 ships
+240 thousand tons
transported/year



Material stock

R\$ 11.2 billion of stock
1 million items



172 ships

138 TCP
8 barges
312 travel/year VCP



Oil tanking

5.4 million m³
47 terminals



Storage units

35 warehouses in industrial units,
energy and shared services



Tanks of oil and ethanol products

4.7 million m³



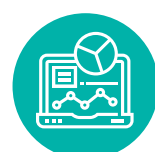
Spill recovery system

35 OSRV
51 CREs - Pipeline Repair Center
Pipeline Protection Intelligence



CNAN

National Ship Monitoring Center



CNCL

National Center for Logistic Control
24x7 operation

Generating value with the coordination of the production chain

During 2Q20, even in an adverse scenario, we generated over US\$ 500 million in gains



Integrated gains in 2020
US\$ 518 million

Integrated Logistics Strategy



- ✓ Product mix review
- ✓ Asset optimization
- ✓ Removing logistical bottlenecks
- ✓ Scenarios optimizations
- ✓ Capture opportunities

Additional OPEX gains from asset optimization

Some of the actions implemented during the crisis will bring benefits throughout the year

Highlights

- Contract suspension of 6 MR ships and 1 Handy from third TCP
- Contract ships COA and VLCC and ship-to-ship renegotiation
- Improvement of information flow for Offhire recovery and Underperformance
- Postponement of 13 new PSV vessels and fleet adjustment to demand (hibernated fields)
- Suspension of new vessels contract to support TO Offloading and Maintenance

OPEX reduction target in 2020
US\$ 332 million*

* Value includes avoided expenses and gains at Transpetro



Transpetro amplified its operational efficiency and cost optimization

Coordinated work with Petrobras to maximize value generation with a focus on business continuity and operations safety



Transformational agenda

Implementation of a new Board of Directors, Management structure optimization (24% savings), overhead reduction (voluntary dismissal program with more than 600 candidates) and increased productivity

More efficiency in asset management

Ships average age reduction (from 13.6 to 7.7 years) and raising the level of availability to 99% in May



Social work

Donation of 992 tons of food to communities in São Paulo



Cash impact from cost optimization in 2020 of
US\$ 174 million*

* Excluding exchange rate variation for the year

The results of integration and efficiency in logistics challenges can already be seen through successive product movement records

Efforts and coordination between the E&P and Refining departments with significant results in reducing capital employed and operating revenue



- ✓ Record handling of fuel oils for export - In May, we moved the record volume of 1.11 M tons of fuel oils through the ships and terminals we operate
- ✓ Madre de Deus waterway terminal (Temadre) - In May there was the biggest movement since 2015, with a volume of 2.773 MM m³, still reaching the historical record in the OC movement of 545.378 thousand m³
- ✓ Terminal de Suape (PE) - Record of 2,166,501 m³ of products handled in May, exceeding 2,101,000 m³, verified in February. We also recorded a record 33 ship to ship operations
- ✓ Terminal de Santos - Record handling in May of 850,933 m³, the highest since September 2016. We also highlight the handling of 248,096 m³ of dark products, the best since 2015



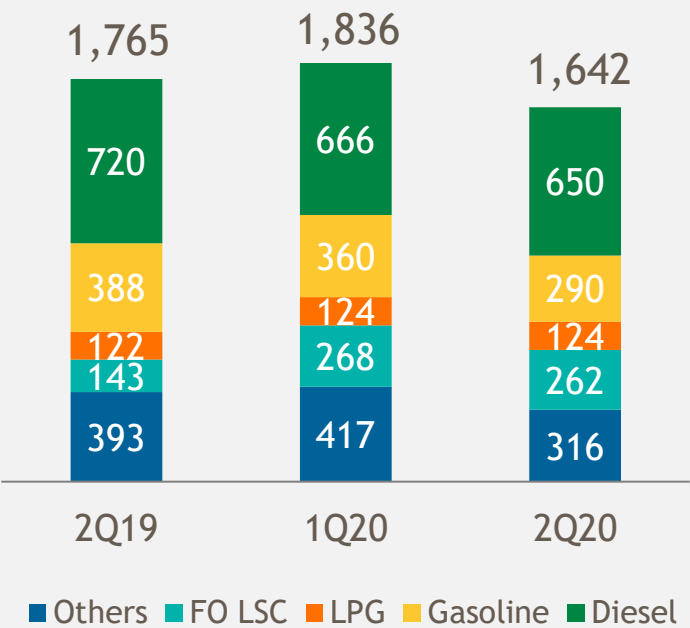
Refining, Marketing and Natural Gas Highlights



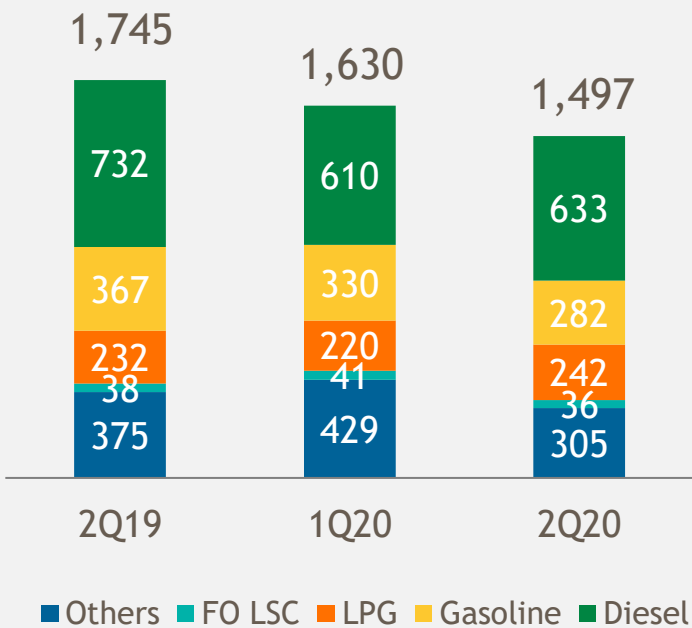
Sales volume strongly affected by social isolation measures, with the most significant impact in April



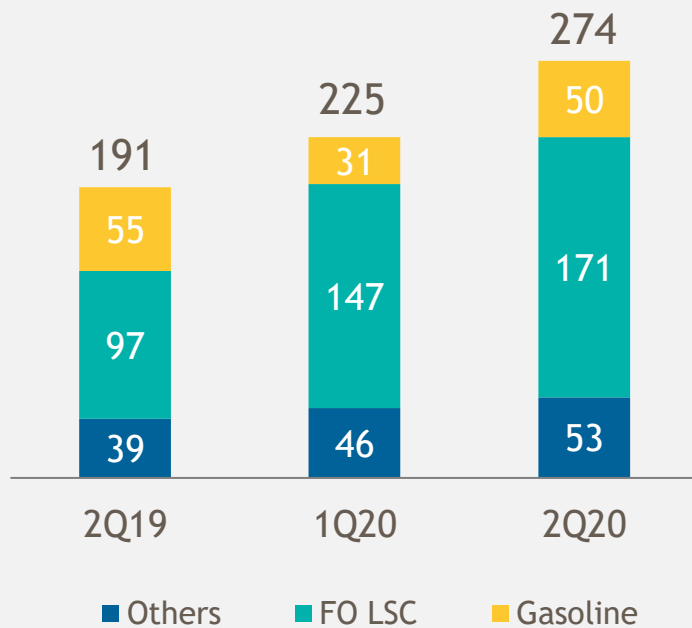
Production of oil products
Kbpd



Domestic sales volume
Kbpd



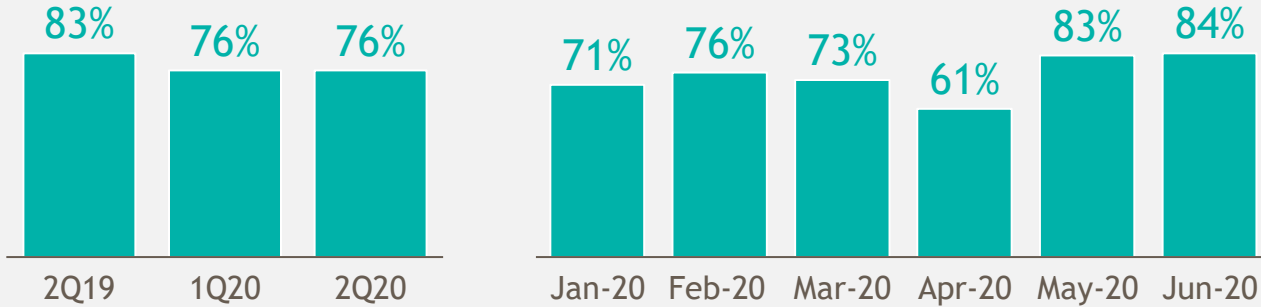
Sales volume
external market
Kbpd



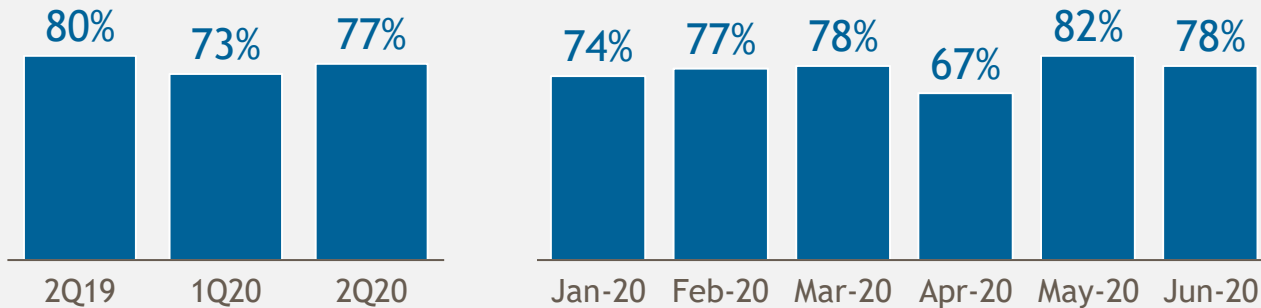
Note: Inventory and internal delivery movements are not considered

Market share and refining park utilization had their worst month in April

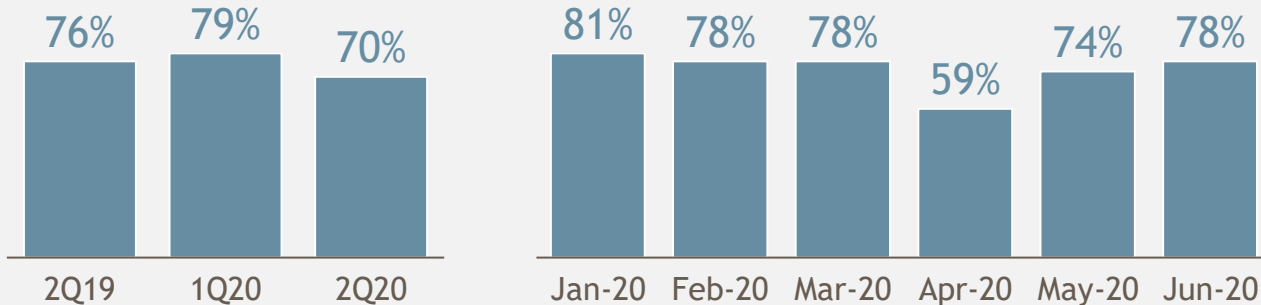
Diesel



Gasoline



Utilization Factor



Several production records and marketing of high value-added oil products tested the refining park potential



As a result of efforts to capture the gains associated with the entry of the new bunker quality into the world, we recorded monthly production records for these LSC Fuel Oil streams at REPLAN and RNEST in 2Q20



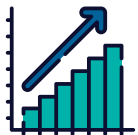
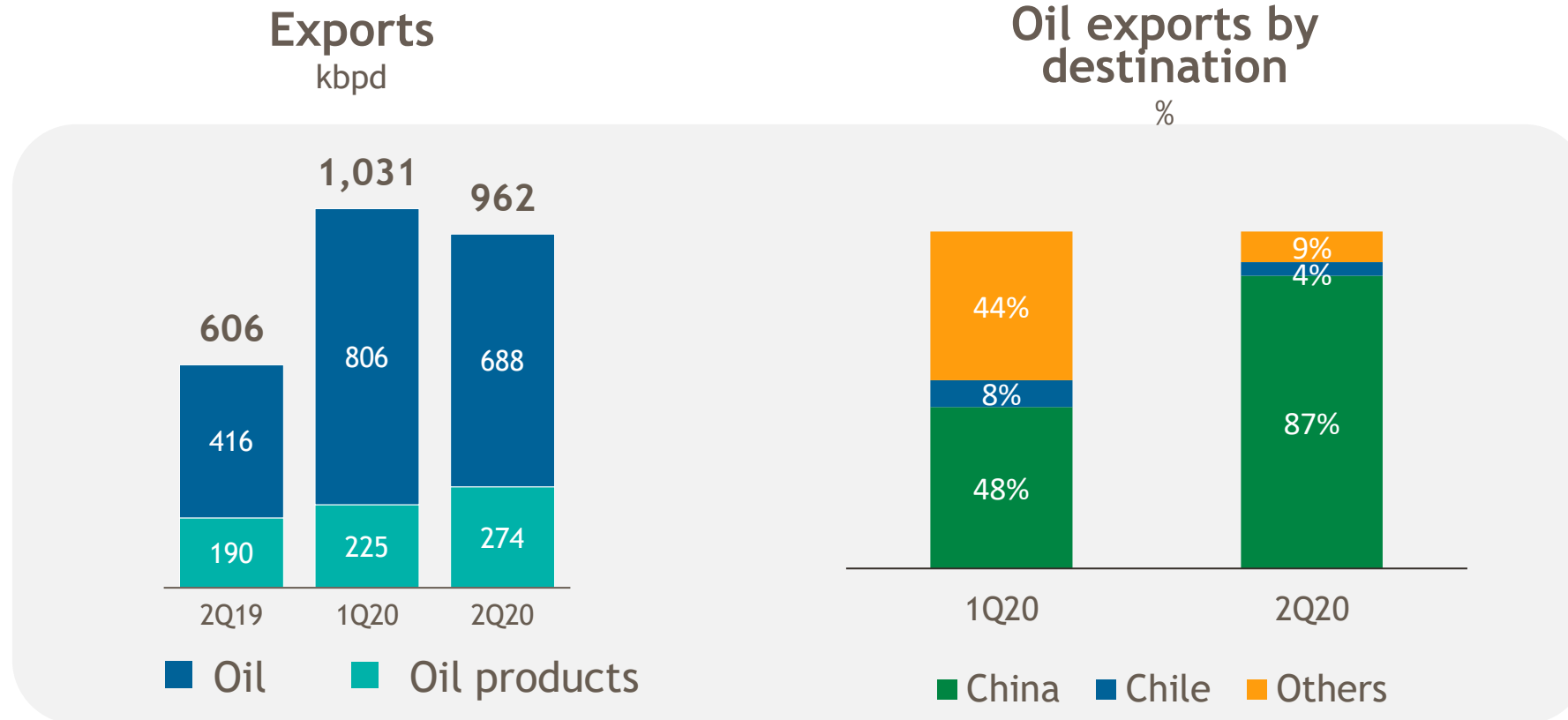
In response to the falling demand for oil products in the face of the pandemic, we improved our product mix and hit record monthly production of S-10 Diesel, a high value-added oil product, at REPAR, REPLAN and RPBC in June and RLAM and REFAP in May



In addition, we recorded monthly LPG sales records in May and June, respectively at REDUC and REVAP



Records and significant increase in exports in 2020



In April, oil exports confirmed the upward trend surpassing the mark of 1 million bpd leaving the coast, thus setting a new record



The digital twin has improved the profitability of the refineries by optimizing processes



Digital twin allows the virtual testing of choices on a digital version of the refinery before choosing one of the paths to follow at the unit in production, defining in advance the most efficient operation



The model is already implemented in eleven refineries: REFAP, REPAR, RECAP, RPBC, REVAP, REPLAN, REDUC, REGAP, RNEST, LUBNOR and REMAN

Gain in 2019
US\$ 66 million

Expected gain in 2020
US\$ 154 million

We are already producing the **NEW GASOLINE**

Better quality, performance and efficiency

- From 2017 onwards, engine breakdown problems began to occur in new vehicles, with many complaints from the consumer market (dealers, mechanics and distributors)
- The import and formulation of lower quality gasoline than those produced by Petrobras compromised the performance of the vehicles
- The proposal for a new specification, Resolution ANP 807/2020, includes 2 gasolines: Common C Gasoline and Premium C Gasoline
- Introduction of minimum RON octane rating, as in European countries, to protect the engine in detonation; and minimum density, avoiding formulations of gasoline with lighter naphtha

Specification		Common C Gasoline	Premium C Gasoline
Octane rating (min.)	RON	92*/93**	97
Density 20 °C (min.)	kg/m ³	715	715

* from 08/03/2020. ** from 01/01/2022.



Production tests of **RENEWABLE DIESEL** are performed at REPAR



Petrobras' technology processes vegetable oil with oil streams in the hydrotreatment unit to obtain S10 Diesel with renewable content



The tests consisted of coprocessing soy oil together with diesel streams in REPAR's hydrotreatment unit

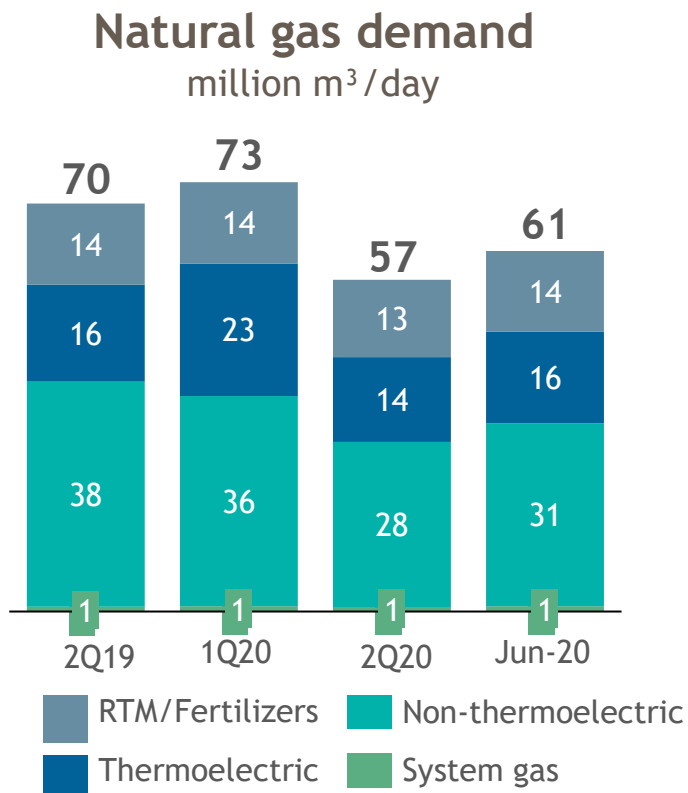
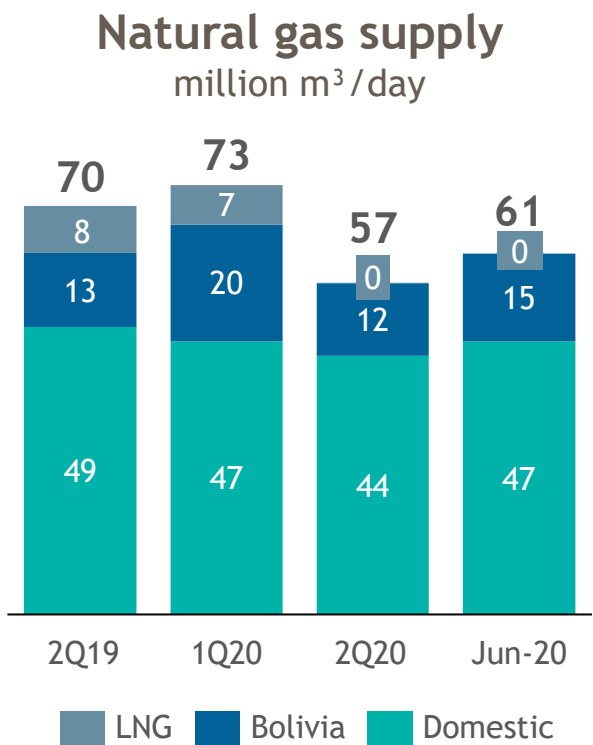
The main benefits of renewable diesel in relation to biodiesel are:

- The high cetane number, which gives better combustion quality and performance;
- Greater stability to oxidation and lower water absorption, can be added in any proportion to high-performance diesel, reducing greenhouse gas emissions and;
- Low contaminant levels, preserving fuel injection systems and not impacting the catalysts of emissions reduction.



Regulatory recognition of renewable diesel is required for RenovaBio (C-Bios) targets and mandatory blending of biodiesel into diesel

The G&E area was also affected by the pandemic, with the most significant impact in April



Negotiations between Petrobras, natural gas producers, transporters and distributors, with application of the force majeure clause and minimization of Covid-19 impacts for the sector's agents





2nd quarter 2020 Performance

Webcast
July 31, 2020

