



OFFSHORE E&P OPPORTUNITY

May 2020

1. Opportunity Description

SUMMARY OF THE OPPORTUNITY

Petróleo Brasileiro S.A. (“Petrobras”) is undertaking a process (the “Process”) to sell its total operated working interests in the Manati offshore E&P field, located in the Camamu basin in Brazil (the “Potential Transaction”), as detailed in the table below.

<u>Basin</u>	<u>Field</u>	<u>Water Depth (m)</u>	<u>Petrobras WI</u>	<u>2019 Production (m boe/d)</u>	<u>Liquid Condensate %</u>
Camamu (BA)	Manati	35	35%	8,09	1,3%

- The Manati field comprises one offshore concession located in shallow waters at a distance of ~10 km from the coast of Bahia Estate - Brazil, with reservoir depth between 1230m to 1570m. Petrobras currently holds a 35% stake and operates the concessions.
- Currently producing from six wells and one fixed platform PMNT-1, from which gas and condensate are exported through a pipeline of 24” and 126 kilometers to Estação Geofísico Vandemir Ferreira (“EVF”) in São Francisco do Conde/BA.
- The platform, the export pipeline, EVF and all field facilities are included in the Potential Transaction.
- The Potential Transaction may also include the assignment of other services contracts, a condensate purchase and sales agreement, and a gas purchase and sales agreement with Petrobras¹.
- Concession Expiration: November 2029

Highlights

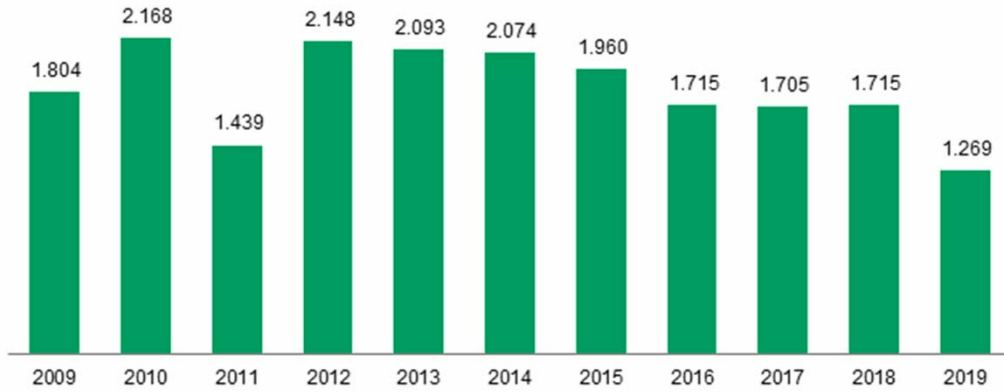
- Assets with a proven track record since 2007
- In the Manati field, Petrobras is the operator with a 35% interest rate (the remaining 65% participating interest belongs to Enauta Participações, with 45%; Geopark Brasil E&P de Petróleo e Gás Ltda., 10%; and Brasoil Manati Exploração Petrolífera Ltda., 10%)
- Average condensate production in 2019: 105 bpd
- Average natural gas production in 2019: 1.269 thousand m³/day
- Attractive fiscal terms – Round zero concessions with no local content requirements

¹It should be noted that according to clauses 2.5.1, ii); 2.5.2 and 2.5.3 of Cease and Desist Agreement established between Administrative Council of Economic Defense, the Brazilian Antitrust Agency, and Petrobras, in 07/08/2019, there are restrictions for Petrobras to purchase more than 1.000.000 (one million) m³/day of natural gas. If the natural gas production in Manati’s field is up to this volume the Prospective Purchaser and Petrobras shall obtain clearance for a natural gas purchase agreement, if needed.

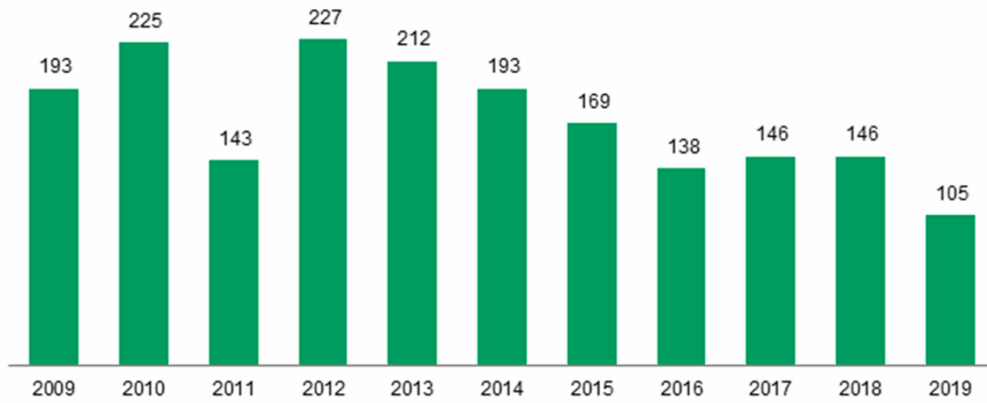
1. Opportunity Description

Historical Production

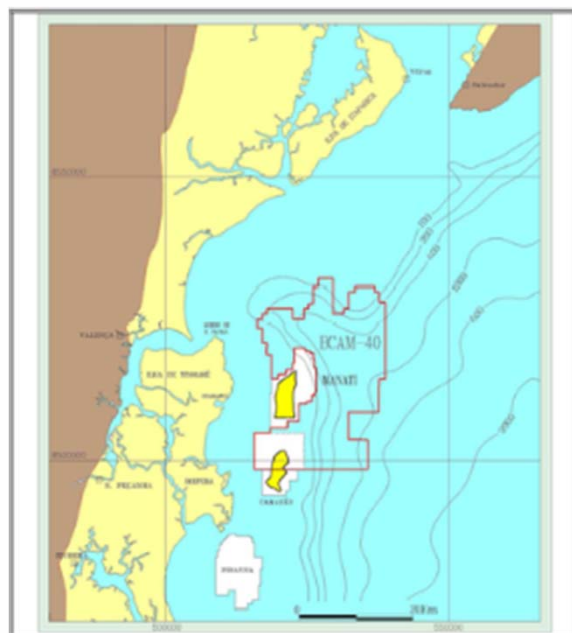
Natural Gas Production in Manati Field from 2009 to 2019, WI 35% (thousands m³/d)



Condensate Production in Manati Field from 2009 to 2019, WI 35% (bbl/d)



Location Map



2. Process Overview

2.1. Petrobras has retained Banco J.P. Morgan (“J.P. Morgan”) to act as its exclusive financial advisor in connection with the Potential Transaction.

- a. Should any recipient/participant who meets all the Eligibility Requirements (“Prospective Purchaser”) be interested in participating in the Process, it will be required to formally notify J.P. Morgan up to May 22nd, 2020 of its interest through the contact information, described on Page 09, in order to receive the required documents to participate in the Process: (i) Confidentiality Agreement (“CA”); (ii) Compliance Certificate (“CC”); (iii) Regulatory Requirements Certificate (“RRC”)
- b. If required by Petrobras, the Potential Purchaser shall present supporting documents.
- c. For the next phase of the Process, the deadline to execute the CA, the CC and the RRC, and deliver any other required documents, will be May 29th, 2020.
- d. Distribution of the information package will commence after the deadline date specified on item 2.1.c, to all Prospective Purchasers who have executed the CA, the CC and the RRC, and delivered any other required documents.
- e. It is recommended that Prospective Purchasers execute the CA, the CC and the RRC as soon as possible, since any delays may affect investors’ timeframe to analyze this opportunity.

3. Eligibility Requirements

3.1. In order to participate in the Process, a Prospective Purchaser must meet at least one of the criteria below (“Eligibility Requirements”):

- TECHNICAL CAPABILITY CRITERIA

1) Qualification as operator A or B by the National Petroleum Agency (“ANP”);

OR

2) In the event that the Prospective Assignee does not hold Operator A or B status, the assignee must declare (as per RRC to be presented by PETROBRAS): (i) that it is aware of the ANP’s Qualification process AND (ii) that it meets, by the time of presentation of such declaration, or will meet, by the signing date, the most recent technical requirements of ANP to be classified as Operator B.

3.2. It should be noted that, in addition to the technical requirements mentioned above, ANP requires minimum net worth for the qualification as Operator “B” to be fulfilled until the signing date. Even though it is not an Eligibility Requirement, Prospective Purchaser must present, during the required phase of the Process:

1) Minimum Net Worth necessary for the qualification as Operator B by ANP;

OR

2) Prospective Purchasers that do not meet such condition may bid with a financial partner and should present (i) a letter from the partner stating their intention to fund the potential acquisition and to increase, until the signing date, the Prospective Purchaser’s net worth to the minimum necessary for the qualification as Operator “B” by ANP; AND (ii) proof that the partner manages at least 3 times the value of binding offer in assets under management.

3.3 The Prospective Purchaser shall not be listed in the following restrictive lists:

(A) “Cadastro de Empresas Inidôneas e Suspensas” (CEIS)

(available at <http://www.portaldatransparencia.gov.br/sancoes/ceis>)

(B) “Cadastro Nacional de Empresas Punidas” (CNEP)

(available at <http://www.portaltransparencia.gov.br/sancoes/cnep>)

(C) “Empresas impedidas de transacionar com a PETROBRAS”

(available at: <http://transparencia.petrobras.com.br/licitacoes-contratos>)

3.4 In case the Prospective Purchaser, or any of its Affiliates, is identified in the abovementioned hypothesis or fail to meet any of the abovementioned requirements, it will be excluded from the Process at any time, in compliance with the rules applicable to Petrobras.

3. Eligibility Requirements (Cont')

3.5 In case the Prospective Purchaser or any of its subsidiaries:

- a. is subject, owned or controlled by a person or entity subject to (i) any economic, financial or trade sanctions, (ii) regulatory sanctions, (iii) embargoes or (iv) restrictive measures that have been administered, enacted, imposed or applied by the World Bank, the United Nations Security Council, the United States of America, the Canada, the United Kingdom, the European Union, the Netherlands, Brazil, and the respective governmental institutions and agencies of any mentioned previously ("Sanctioned Person").
- b. is located, have been constituted, incorporated, organized or resident in a country subject to any (i) economic, financial or commercial sanctions, (ii) regulatory sanctions, (iii) embargoes or (iv) restrictive measures that were administered, enacted, imposed or executed by the World Bank, the United Nations Security Council, the United States of America, the Canada, the United Kingdom, the European Union, the Netherlands, Brazil and the respective governmental institutions and agencies of any mentioned previously (Sanctioned Country) .
- c. Have the predominant part of its commercial affiliation or business with any Sanctioned Person or in a Sanctioned Country,

Petrobras will evaluate if the relations or situations described prevent the participation of the Prospective Purchaser in the Process due to non-compliance with Sanctions applicable to Petrobras and will inform the exclusion of the Prospective Purchaser from the Process, as the case may be.

- 3.6 Furthermore, by participating in this Process, the Prospective Purchaser shall undertake not to take any action or omission that violates any applicable law regarding business ethics, including, but not limited to, the US Foreign Corrupt Practices Act, the UK Bribery Act, Brazilian Anti-Corruption Laws (specially the Brazilian Federal Law n.12.846/2013) ("Anti-Corruption Laws").
- 3.7 In order to participate in the Process and comply with the requirements set forth above, Prospective Purchaser shall sign a Compliance Certificate ("CC") and indicate, if applicable, whether it is subject to any kind of sanction, even if it considers that the sanction does not prevent its participation in the Process. If the Prospective Purchaser is subject to sanctions, it shall describe in the Compliance Certificate the relation, the nature and the details of the sanction, as well as indicate the restrictions arising from it.
- 3.8 The accuracy of the declaration and the fulfillment of the requirements mentioned above will be verified by Petrobras after the acceptance, by the Prospective Purchaser, of the confidentiality obligations necessary to participate in the Process.

4. Joint Offer Formation

- 4.1 A Prospective Purchaser will be allowed to form a consortium, association or present a joint offer (“Joint Offer”) with an independent party, or parties, to participate in this Process.
- a. The Joint Offer must have a leader, which is the Prospective Purchaser that will lead negotiations with Petrobras and will be the main communication channel between Petrobras and the Joint Offer (“Joint Offer Leader”).
 - b. In such case, the Prospective Purchaser will be required to immediately inform Petrobras of its intention to present a Joint Offer, including information such as who is the Joint Offer Leader and who are the parties involved in the Joint Offer (“Joint Offer Member(s)”) according to the deadline previously set in the Instruction Letter and/or Process Letter delivered together with the Information Package.
 - c. The Joint Offer must contain (i) powers of attorney granting powers to the Joint Offer Leader assigned by the other participants of the Joint Offer; and (ii) a statement by the Joint Offer Leader confirming that he is not acting as an intermediary in the Potential Transaction.
- 4.2 The Joint Offer must be approved at Petrobras convenience, in accordance with the legal criteria and the rules established herein and further detailed in the Instruction Letter and Process Letter. After approved by Petrobras and verified compliance with Eligibility Requirements and Joint Offer formation rules, the Prospective Purchaser will be allowed to participate in the Process.
- 4.3 The formation of a Joint Offer is permitted only if the Joint Offer Members meets all the Eligibility Requirements established herein.
- a. With the exception of the Joint Offer Leader, other Joint Offer Member(s) may execute a regulatory requirements certificate for non-operators (“RRC – Non-Operator”) in place of the RRC mentioned in item 2.1.
 - b. The RRC (or “RRC – Non-Operator”, as applicable) will be made available together with the CA and the CC to all Joint Offer Members(s), as each Joint Offer Member must execute its own CA, CC and RRC (or “RRC – Non-Operator”, as applicable) directly with Petrobras in order to access any non-public information related to the Potential Transaction or the Assets.
- 4.4 Such Joint Offer Member(s) or any Prospective Purchaser must execute its own CA and CC directly with Petrobras in order to access any non-public information related to the Potential Transaction or the Assets.
- 4.5 The rules applicable for the modification in the composition of the Joint Offer will be further detailed in the Instruction Letter (non binding phase) and/or Process Letter (binding phase).

5. Further Considerations

- 5.1 During the Process, Petrobras may perform preventive risk analysis, in compliance with Anti-Corruption Law and the Petrobras Program for Preventing Corruption - PPC, and may ask any Prospective Purchaser to fill out a detailed questionnaire to verify the compliance of its practices and conducts with the Anti-Corruption Law.
- 5.2 A Declaration of independent Proposal shall be submitted until the submission of each offer (non-binding and binding).
- 5.3 In order to prevent a conflict of interest, it will not be allowed the participation in the Process of any Prospective Purchaser that is considered an affiliated company of the financial advisor of Petrobras in the Process.
- 5.4 The Prospective Purchaser may, under its sole responsibility and bearing all related expenses, retain financial, technical and, or legal consultants to advise on the Process, provided that such advisors are institutions with an undoubted reputation, experience and are not subject to any conflict of interests related to Petrobras whatsoever, being the existence of conflict determined in accordance with criteria specified by Petrobras.

6. Contact Information

6.1 Queries from Prospective Purchasers which meet the abovementioned Eligibility Requirements should be addressed exclusively to J.P. Morgan individuals at GONDWANA_JPM_All@jpmorgan.com

- This e-mail should be used only for the purposes of the Potential Transaction.

- Under no circumstances should any contact be made with the management or employees of Petrobras or any of its affiliates.

6.2 Any general questions or inquiries not specific and directly related to the Potential Transaction should be addressed to the following website: <http://transparencia.petrobras.com.br/>

OFFSHORE E&P – Shallow Waters



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