

OFFERING MEMORANDUM



PETROBRAS GLOBAL FINANCE B.V.

A Wholly Owned Subsidiary of

PETRÓLEO BRASILEIRO S.A. – PETROBRAS

Offers to Exchange Any and All of the Outstanding Notes Listed Below of Petrobras Global Finance B.V. (the “Old Notes”) for New Global Notes due 2030 (the “New Notes”) and Cash:

CUSIP / ISIN Numbers	Title of Security	Acceptance Priority Level	Principal Amount Outstanding	Reference U.S. Treasury Security	Bloomberg Reference Page	Fixed Spread (basis points)	Hypothetical Exchange Consideration <sup>(1)</sup>	Composition of Hypothetical Exchange Consideration per U.S.\$1,000 Principal Amount of Old Notes	
								Hypothetical Cash Amount <sup>(2)</sup>	Hypothetical New Notes Amount <sup>(3)</sup>
71647NAF6 / US71647NAF69	4.375% Global Notes due May 2023	1	U.S.\$1,500,414,000	1.250% due August 31, 2024	FIT1	+140	U.S.\$1,053.96	U.S.\$526.98	U.S.\$526.98
71647NAM1 / US71647NAM11	6.250% Global Notes due March 2024	2	U.S.\$1,984,522,000	1.250% due August 31, 2024	FIT1	+173	U.S.\$1,129.24	U.S.\$564.62	U.S.\$564.62
71647NAV1, N6945A AJ6 / US71647NAV10, USN6945AAJ62	5.299% Global Notes due January 2025	3	U.S.\$2,661,378,000	1.250% due August 31, 2024	FIT1	+178	U.S.\$1,102.68	U.S.\$551.34	U.S.\$551.34
71647NAQ2 / US71647NAQ25	8.750% Global Notes due May 2026	4	U.S.\$2,962,000,000	1.625% due August 15, 2029	FIT1	+243	U.S.\$1,277.73	U.S.\$638.86	U.S.\$638.87
71647NAS8 / US71647NAS80	7.375% Global Notes due January 2027	5	U.S.\$3,391,069,000	1.625% due August 15, 2029	FIT1	+249	U.S.\$1,209.59	U.S.\$604.79	U.S.\$604.80
71647NAW9, N6945A AK3, 71647N AY5 / US71647NAW92, USN6945AAK36, US71647NAY58	5.999% Global Notes Due January 2028	6	U.S.\$4,790,114,000	1.625% due August 15, 2029	FIT1	+269	U.S.\$1,122.96	U.S.\$336.89	U.S.\$786.07
71647NAZ2 / US71647NAZ24	5.750% Global Notes due February 2029	7	U.S.\$2,623,099,000	1.625% due August 15, 2029	FIT1	+281	U.S.\$1,106.13	U.S.\$331.84	U.S.\$774.29

- (1) Per U.S.\$1,000 principal amount of PGF’s notes listed on the above table (the “Old Notes”) validly tendered and accepted for exchange, based on the fixed spread for the applicable series of Old Notes, plus the yield of the Reference U.S. Treasury Security for that series as of 2:00 p.m. (New York City time) on September 6, 2019. The information related to consideration provided in the above table is for illustrative purposes only. We make no representation with respect to the actual consideration that may be paid in connection with the Exchange Offers (as defined below), and such amounts may be greater or less than those shown in the above table depending on the yield of the applicable Reference U.S. Treasury Security as of 2:00 p.m. (New York City time) on September 13, 2019 (such date and time with respect to an Exchange Offer, as it may be extended with respect to such Exchange Offer, the “Price Determination Date”). The actual Exchange Consideration (as defined below) for each series of Old Notes will be based on the fixed spread for the applicable series of Old Notes, plus the yield of the Reference U.S. Treasury Security for that series as of 2:00 p.m. (New York City time) on the Price Determination Date. The applicable Exchange Consideration does not include accrued and unpaid interest on the Old Notes accepted for exchange (the “Accrued Coupon Payment”), which is payable in cash in addition to the applicable Exchange Consideration.
- (2) With respect to each series of Old Notes in Acceptance Priority Levels 1 through 5, the cash amount payable as part of the applicable Exchange Consideration (the “Cash Amount”) will be equal to 50% of the applicable Exchange Consideration. With respect to each series of Old Notes in Acceptance Priority Levels 6 and 7, the Cash Amount will be equal to 30% of the applicable Exchange Consideration.
- (3) Payable in principal amount of New Notes per each U.S.\$1,000 principal amount of the specified series of Old Notes validly tendered and accepted for exchange. With respect to each series of Old Notes in Acceptance Priority Levels 1 through 5, the principal amount of New Notes to be issued and delivered as part of the applicable Exchange Consideration will be equal to 50% of the applicable Exchange Consideration. With respect to each series of Old Notes in Acceptance Priority Levels 6 and 7, the principal amount of New Notes to be issued and delivered as part of the applicable Exchange Consideration will be equal to 70% of the applicable Exchange Consideration.

**The Exchange Offers (as defined below) will expire at 5:00 p.m. (New York City time) on September 13, 2019 (such date and time with respect to an Exchange Offer, as the same may be extended with respect to such Exchange Offer, the “Expiration Date”). Old Notes tendered for exchange may be validly withdrawn at any time at or prior to 5:00 p.m. (New York City time) on September 13, 2019, (such date and time with respect to an Exchange Offer, as the same may be extended with respect to such Exchange Offer, the “Withdrawal Date”), but not thereafter, unless extended by us.**

You should consider the risk factors beginning on page 23 of this Offering Memorandum before you decide whether to participate in the Exchange Offers and invest in the New Notes.

PGF’s obligation to complete an Exchange Offer with respect to a particular series of Old Notes is conditioned on the aggregate Cash Amount payable for all Old Notes validly tendered in the Exchange Offers not exceeding U.S.\$3.0 billion (the “Maximum Cash Amount”), and on the Maximum Cash Amount being sufficient to pay the aggregate Cash Amount for all validly tendered Old Notes of such series (after paying the applicable Cash Amount for all validly tendered Old Notes having a higher acceptance priority level as set forth in the above table (the “Acceptance Priority Levels”). See “Description of the Exchange Offers—Conditions to the Exchange Offers.

We have not registered the New Notes under the Securities Act of 1933, as amended (the “Securities Act”), or any state securities law. The New Notes may not be offered or sold in the United States or to any U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Notes are being offered for exchange only (1) to holders of Old Notes that are “qualified institutional buyers” as defined in Rule 144A under the Securities Act (“QIBs”), in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof and (2) outside the United States, to holders of Old Notes other than “U.S. persons” (as defined in Rule 902 under the Securities Act, “U.S. Persons”) and who are not acquiring New Notes for the account or benefit of a U.S. Person, in offshore transactions in compliance with Regulation S under the Securities Act, and who are Non-U.S. qualified offerees (as defined under “Transfer Restrictions”). **Only holders who have returned a duly completed Eligibility Letter (as defined below) certifying that they are within one of the categories described in the immediately preceding sentence are authorized to receive and review this Offering Memorandum and to participate in the Exchange Offers (such holders, “Eligible Holders”).**

We have agreed, subject to certain conditions, to offer to exchange New Notes issued in connection with the Exchange Offers for new issues of substantially identical notes registered under the Securities Act. See “Registration Rights.”

Dealer Managers

Citigroup      Credit Agricole CIB      HSBC      Mizuho Securities      Morgan Stanley      Santander

## IMPORTANT INFORMATION

A consolidated securities class action was filed against Petrobras, PGF, and other defendants in the U.S. federal court for the Southern District of New York (the “Court”) on behalf of purchasers of certain securities of Petrobras, including certain series of Old Notes, under the caption *In re Petrobras Securities Litigation*, No. 14-cv-9662. Petrobras, PGF and other settling defendants have entered into a settlement of the class action. See Note 31.4 to the audited consolidated financial statements of Petrobras for the year ended December 31, 2018, incorporated by reference to the Petrobras Annual Report on Form 20-F furnished to the Securities and Exchange Commission (“SEC”) on April 1, 2019. On June 22, 2018, the Court approved, as final, the settlement of the class action. Certain objectors appealed the settlement’s approval to the Second Circuit Court of Appeals, which affirmed the judgment of the Court on August 30, 2019.

The Exchange Offers are being made upon the terms and subject to the conditions set forth in this Offering Memorandum (as it may be amended or supplemented from time to time, the “Offering Memorandum”), the eligibility letter (the “Eligibility Letter”) and the notice of guaranteed delivery (the “Notice of Guaranteed Delivery” which, together with the Offering Memorandum and the Eligibility Letter, constitute the “Exchange Offer Documents”). This Offering Memorandum contains important information that Eligible Holders are urged to read before any decision is made with respect to the Exchange Offers. Any questions regarding procedures for tendering Old Notes or requests for additional copies of this Offering Memorandum, the Eligibility Letter and the Notice of Guaranteed Delivery should be directed to the Information Agent (as defined below). Copies of the Offering Memorandum and Notice of Guaranteed Delivery are available for Eligible Holders at the following web address: <https://gbsc-usa.com/eligibility/Petrobras>.

PGF hereby invites all Eligible Holders of Old Notes to exchange, upon the terms and subject to the conditions set forth in the Exchange Offer Documents, any and all of their Old Notes pursuant to the following seven separate exchange offers:

- (i) an offer to exchange PGF’s 4.375% Global Notes due May 2023;
- (ii) an offer to exchange PGF’s 6.250% Global Notes due March 2024;
- (iii) an offer to exchange PGF’s 5.299% Global Notes due January 2025;
- (iv) an offer to exchange PGF’s 8.750% Global Notes due May 2026;
- (v) an offer to exchange PGF’s 7.375% Global Notes due January 2027;
- (vi) an offer to exchange PGF’s 5.999% Global Notes due January 2028; and
- (vii) an offer to exchange PGF’s 5.750% Global Notes due February 2029,

in each case, for New Global Notes due 2030 of PGF and cash, all as described below under “Description of the Exchange Offers—Exchange Consideration.”

We refer to each offer to exchange a series of Old Notes as an “Exchange Offer” and collectively as the “Exchange Offers.” Subject to applicable law, each Exchange Offer may be amended, extended or, upon failure of a condition to be satisfied or waived prior to the applicable Expiration Date, terminated individually.

Concurrently with each Exchange Offer for a series of Old Notes, PGF is conducting seven separate tender offers to purchase for cash any and all of each series of Old Notes (collectively, the “Cash Offers”), available solely to holders of such Old Notes that are Cash Offer Qualified Holders (as defined below), under the terms and subject to the conditions set forth in a separate Offer to Purchase, including maximum amounts of cash payable in certain of such Cash Offers. Holders that are QIBs or non-U.S. Persons located outside the United States are not Cash Offer Qualified Holders and are not permitted to participate in the Cash Offers. All other holders of Old Notes are eligible to participate in the Cash Offers (such other holders, the “Cash Offer Qualified Holders”). Holders participating in the Cash Offers are required to certify that they are Cash Offer Qualified Holders. **If you are eligible to participate in these Exchange Offers, you are not eligible to participate in the Cash Offers.**

The total consideration payable with respect to each of the Cash Offers will be determined by PGF in its reasonable discretion to approximate the value of the Exchange Consideration payable in the corresponding Exchange Offer.

The consummation of each Exchange Offer for a series of Old Notes is conditioned upon, among other conditions, the consummation of the related Cash Offer with respect to such series of Old Notes. See “Description of the Exchange Offers—Conditions to the Exchange Offers.” The consummation of each Cash Offer is conditioned upon, among other conditions set forth in the Offer to Purchase, the aggregate amount of cash (excluding the payment of the applicable Accrued Coupon Payment) required to accept any and all Old Notes of the applicable series (i) validly tendered at or prior to the applicable expiration date of such Cash Offer (as set forth in the Offer to Purchase) or (ii) tendered in compliance with the applicable guaranteed delivery procedures set forth in the Offer to Purchase, not exceeding the maximum consideration for all the Cash Offers specified in the Offer to Purchase.

**Unless the context indicates otherwise, all references to a valid tender of Old Notes in this Offering Memorandum shall mean that such Old Notes have either (i) been validly tendered, at or prior to the Expiration Date and such tender or delivery has not been validly withdrawn at or prior to the applicable Withdrawal Date or (ii) a Notice of Guaranteed Delivery in respect of such Old Notes has been validly delivered at or prior to the Expiration Date and such Old Notes have been tendered at or prior to 5:00 p.m. (New York City time) on the second business day after the applicable Expiration Date (the “Guaranteed Delivery Date”).**

#### **Compliance with “Short Tendering” Rule**

It is a violation of Rule 14e-4 promulgated under the Exchange Act, for a person, directly or indirectly, to tender Old Notes for its own account unless the person so tendering (a) has a net long position equal to or greater than the aggregate principal amount of the Old Notes being tendered and (b) will cause such Old Notes to be delivered in accordance with the terms of the Exchange Offers. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Old Notes in any Exchange Offer under any of the procedures described herein will constitute a binding agreement between the tendering Eligible Holder and us with respect to such Exchange Offer upon the terms and subject to the conditions of such Exchange Offer, including the tendering Eligible Holder’s acceptance of the terms and conditions of such Exchange Offer, as well as the tendering Eligible Holder’s representation and warranty that (a) such Eligible Holder has a net long position in the Old Notes being tendered pursuant to such Exchange Offer within the meaning of Rule 14e-4 under the Exchange Act and (b) the tender of such Old Notes complies with Rule 14e-4.

#### **Review by the SEC**

In connection with the Exchange Offers, we will enter into a Registration Rights Agreement obligating us, under certain circumstances, to file a registration statement with the SEC with respect to a registered exchange offer to exchange the New Notes for replacement notes with terms identical in all material respects to the New Notes, except that they will generally be freely transferable under the Securities Act and will not contain terms with respect to additional interest. See “Registration Rights.” In the course of the review by the SEC of such registration statement, we may be required to make changes to the description of our business, our financial statements and other information included or incorporated by reference in this Offering Memorandum. While we believe that our financial statements and other information included, or incorporated by reference, in this Offering Memorandum have been prepared in a manner that complies, in all material respects, with generally accepted accounting principles and the regulations published by the SEC, comments by the SEC on the registration statement may require modification or reformulation of our financial statements and other information we present, or incorporate by reference, in this Offering Memorandum.

## Important Dates and Times

Please take note of the following important dates and times in connection with the Exchange Offers.

<u>Date</u>	<u>Calendar Date</u>	<u>Event</u>
Commencement of the Exchange Offer	September 9, 2019.	The day the Exchange Offer is announced and the Offering Memorandum is made available to Eligible Holders.
Price Determination Date	2:00 p.m. (New York City time) on September 13, 2019, unless extended with respect to any Exchange Offer.	The date and time that the Exchange Consideration and the New Notes Coupon (as defined below) will be determined.
Withdrawal Date	5:00 p.m. (New York City time) on September 13, 2019, unless extended with respect to any Exchange Offer.	The deadline for Old Notes to be validly withdrawn, unless a later deadline is required by law. See “Description of the Exchange Offers—Withdrawal of Tenders.”
Expiration Date	5:00 p.m. (New York City time) on September 13, 2019, unless extended with respect to any Exchange Offer.	The deadline for Eligible Holders to validly tender Old Notes or deliver a duly completed Notice of Guaranteed Delivery in order to be eligible to receive the applicable Exchange Consideration on the Settlement Date.
Guaranteed Delivery Date	5:00 p.m. (New York City time) on the second business day after the Expiration Date, expected to be 5:00 p.m. (New York City time) on September 17, 2019, with respect to each Exchange Offer, unless extended with respect to such Exchange Offer.	The deadline for Eligible Holders to validly tender Old Notes, if any, pursuant to the Guaranteed Delivery Procedures described in this Offering Memorandum.
Settlement Date	Expected to be the third business day after the Expiration Date. The expected Settlement Date is September 18, 2019, with respect to each Exchange Offer, unless extended with respect to such Exchange Offer.	The date the New Notes will be issued and the applicable Cash Amount will be paid, in exchange for any Old Notes validly tendered and accepted for exchange, in the amounts and manner described in this Offering Memorandum.

**The above times and dates are subject to our right to extend, amend and/or terminate the Exchange Offers (subject to applicable law and as provided in this Offering Memorandum). Eligible Holders of Old Notes are advised to check with any bank, securities broker or other intermediary through which they hold Old Notes as to when such intermediary would need to receive instructions from a beneficial owner in order for that beneficial owner to be able to participate in, or withdraw their instruction to participate in, an Exchange Offer before the deadlines specified in this Offering Memorandum. The deadlines set by any such intermediary and The Depository Trust Company (“DTC”) for the submission of tender instructions will be earlier than the relevant deadlines specified above.**

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## ABOUT THIS OFFERING MEMORANDUM

In this Offering Memorandum, unless the context otherwise requires or as otherwise indicated, references to “Petrobras” mean Petr leo Brasileiro S.A. – Petrobras and its consolidated subsidiaries taken as a whole, and references to “PGF” mean Petrobras Global Finance B.V., a wholly-owned subsidiary of Petrobras. Terms such as “we,” “us” and “our” generally refer to both Petrobras and PGF, unless the context requires otherwise or as otherwise indicated.

References herein to “*reais*” or “R\$” are to the lawful currency of Brazil. References herein to “U.S. dollars” or “U.S.\$” are to the lawful currency of the United States.

This Offering Memorandum does not constitute an offer or an invitation by, or on behalf of, us or by, or on behalf of, the Dealer Managers (as defined below) to participate in the Exchange Offers in any jurisdiction in which it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this Offering Memorandum and the offering of the New Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required by us and the Dealer Managers to inform themselves about and to observe any such restrictions. This Offering Memorandum may not be used for or in connection with an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. See “Notice to Certain Non-U.S. Holders.”

Neither we nor the Dealer Managers are making any representations to any offeree of the New Notes described herein regarding the legality of an investment therein by such offeree under applicable legal investment or similar laws or regulations.

You may not copy or distribute this Offering Memorandum in whole or in part to anyone without our prior consent or the prior consent of the Dealer Managers. This Offering Memorandum is a confidential document that is being provided for informational use solely in connection with the consideration of the Exchange Offers and an investment in the New Notes (i) to holders of Old Notes that are QIBs in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof and (ii) outside the United States, to holders of Old Notes other than “U.S. persons” (as defined in Rule 902 under the Securities Act) and who are not acquiring New Notes for the account or benefit of a U.S. person, in offshore transactions in compliance with Regulation S under the Securities Act, and who are Non-U.S. qualified offerees (as defined under “Transfer Restrictions”). Its use for any other purpose is not authorized. Distribution of this Offering Memorandum to any person other than the offeree and any person retained to advise such offeree with respect to its participation in the Exchange Offers is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each prospective participant in the Exchange Offers, by accepting delivery of this Offering Memorandum, agrees to the foregoing and to make no copies or reproductions of this Offering Memorandum or any documents referred to in this Offering Memorandum in whole or in part (other than publicly available documents).

In making an investment decision regarding the New Notes, you must rely on your own examination of us, the terms of the Exchange Offers and the terms of the New Notes, including the merits and risks involved. You should not consider any information in this Offering Memorandum to be legal, business or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of participating in the Exchange Offers.

This Offering Memorandum contains summaries of certain documents which we believe are accurate, and it incorporates certain documents and information by reference. We refer you to the actual documents and information for a more complete understanding of what is discussed in this Offering Memorandum, and we qualify all summaries by such reference. We will make copies of such documents and information available to you upon request. See “Where You Can Find More Information.”

We are relying on exemptions from registration under the Securities Act for offers of the New Notes that do not involve a public offering. Because the New Notes have not been registered under the Securities Act, they are subject to certain restrictions on transfer. You should read the information contained under “Transfer Restrictions” in this Offering Memorandum for a description of the restrictions on transfers of beneficial interests in the New

Notes. By tendering your Old Notes and accepting the New Notes in the Exchange Offers and by delivering the Eligibility Letter, you will be agreeing with certain statements, and you will be making certain acknowledgements, representations and agreements, described under “Transfer Restrictions” in this Offering Memorandum. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

**Neither the SEC nor any other regulatory body has registered, recommended or approved of these securities or passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.**

You should contact the Dealer Managers with any questions about the terms of the Exchange Offers.

Notwithstanding anything herein to the contrary, except as reasonably necessary to comply with applicable securities laws, investors (and each employee, representative or other agent of the investors) may disclose to any and all persons, without limitation of any kind, the United States federal and state income tax treatment and structure of the Exchange Offers and all materials of any kind (including opinions or other tax analyses) that are provided to the investors relating to such tax treatment and tax structure. For this purpose, “tax structure” is limited to facts relevant to the United States federal and state income tax treatment of the Exchange Offers and does not include information relating to our identity or that of our affiliates, agents or advisors.

**None of PGF, Petrobras, the Dealer Managers, the Trustee (as defined below), the Exchange Agent or the Information Agent makes any recommendation as to whether or not Eligible Holders of the Old Notes should exchange their Old Notes in the Exchange Offers.**

**You should read this entire Offering Memorandum (including the information incorporated by reference) and related documents and any amendments or supplements carefully before making your decision to participate in the Exchange Offers.**

Eligible Holders must tender their Old Notes in accordance with the procedures described under “Description of the Exchange Offers—Procedures for Tendering.”

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in, or incorporated by reference into, this Offering Memorandum, and, if given or made, such information or representation may not be relied upon as having been authorized by PGF, the Exchange Agent, the Information Agent, any Dealer Manager or the Trustee. Neither the delivery of this Offering Memorandum nor any exchange hereunder will, under any circumstance, create any implication that the information herein is current as of any time subsequent to the date hereof, or that there has been no change in the affairs of Petrobras as of such date.

After the Expiration Date, Petrobras or its affiliates may from time to time purchase additional Old Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, or PGF may redeem Old Notes pursuant to the terms of the indenture governing the Old Notes. Any future purchases may be on the same terms or on terms that are more or less favorable to Eligible Holders of Old Notes than the terms of the Exchange Offers and, in either case, could be for cash or other consideration. Any future purchases will depend on various factors existing at that time. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we choose to pursue in the future.

## FORWARD-LOOKING STATEMENTS

Some of the information contained or incorporated by reference in this Offering Memorandum constitutes forward-looking statements that are not based on historical facts and are not assurances of future results. Many of the forward-looking statements contained, or incorporated by reference, in this Offering Memorandum may be identified by the use of forward-looking words, such as “believe,” “expect,” “estimate,” “anticipate,” “intend,” “plan,” “aim,” “will,” “may,” “should,” “could,” “would,” “likely,” “potential” and similar expressions.

**Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. There is no assurance that the expected events, trends or results will actually occur.**

We have made forward-looking statements that address, among other things:

- our marketing and expansion strategy;
- our exploration and production activities, including drilling;
- our activities related to refining, import, export, transportation of oil, natural gas and oil products, petrochemicals, power generation, biofuels and other sources of renewable energy;
- our projected and targeted capital expenditures and other costs, commitments and revenues;
- our liquidity and sources of funding;
- our pricing strategy and development of additional revenue sources; and
- the impact, including cost, of acquisitions and divestments.

Our forward-looking statements are not guarantees of future performance and are subject to assumptions that may prove incorrect and to risks and uncertainties that are difficult to predict. Our actual results could differ materially from those expressed or forecast in any forward-looking statements as a result of a variety of assumptions and factors. These factors include, but are not limited to, the following:

- our ability to obtain financing;
- general economic and business conditions, including crude oil and other commodity prices, refining margins and prevailing exchange rates;
- global economic conditions;
- our ability to find, acquire or gain access to additional reserves and to develop our current reserves successfully;
- uncertainties inherent in making estimates of our oil and gas reserves, including recently discovered oil and gas reserves;
- competition;
- technical difficulties in the operation of our equipment and the provision of our services;
- changes in, or failure to comply with, laws or regulations, including with respect to fraudulent activity, corruption and bribery;
- receipt of governmental approvals and licenses;



- international and Brazilian political, economic and social developments;
- natural disasters, accidents, military operations, acts of sabotage, wars or embargoes;
- the cost and availability of adequate insurance coverage;
- our ability to successfully implement assets sales under our divestment program;
- the outcome of ongoing corruption investigations and any new facts or information that may arise in relation to the “Lava Jato investigation;”
- the effectiveness of our risk management policies and procedures, including operational risks;
- litigation, such as class actions or enforcement or other proceedings brought by governmental and regulatory agencies; and
- other factors discussed in the Petrobras Annual Report on Form 20-F for the year ended December 31, 2018 (the “2018 Form 20-F”) under “Risk Factors.”

All forward-looking statements attributed to us or a person acting on our behalf are expressly qualified in their entirety by this cautionary statement, and you should not place undue reliance on any forward-looking statement included in this Offering Memorandum. 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.

## INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents have been filed or furnished by Petrobras with or to the SEC under the Exchange Act and are incorporated herein by reference:

- (1) The 2018 Form 20-F, filed with the SEC on April 1, 2019.
- (2) The Petrobras Report on Form 6-K furnished to the SEC on August 5, 2019, containing Petrobras's unaudited consolidated interim financial statements in U.S. dollars as of June 30, 2019, and for the three and six month periods ended June 30, 2019 and 2018, prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").
- (3) The Petrobras Report on Form 6-K furnished to the SEC on August 6, 2019, relating to Petrobras's LPG pricing policy.
- (4) The Petrobras Report on Form 6-K furnished to the SEC on August 8, 2019, relating to Petrobras's 2019 oil hedging position.
- (5) The Petrobras Report on Form 6-K furnished to the SEC on August 13, 2019, relating to the debt pre-payment with Petros.
- (6) The Petrobras Report on Form 6-K furnished to the SEC on August 13, 2019, relating to the environmental licensing of the *Complexo Petroquímico do Rio de Janeiro*.
- (7) The Petrobras Report on Form 6-K furnished to the SEC on August 15, 2019, relating to the debt pre-payment with China Development Bank.
- (8) The Petrobras Report on Form 6-K furnished to the SEC on August 19, 2019, relating to Petrobras's debentures public offering.
- (9) The Petrobras Report on Form 6-K furnished to the SEC on August 20, 2019, containing a discussion of Petrobras's financial information and results in U.S. dollars as of June 30, 2019, and for the six-month periods ended June 30, 2019 and 2018.
- (10) The Petrobras Report on Form 6-K furnished to the SEC on August 21, 2019, relating to CARF's favorable decision regarding the collection of CIDE – Import tax on charter contracts.
- (11) The Petrobras Report on Form 6-K furnished to the SEC on August 29, 2019, announcing the election of a new Chief Governance and Compliance Executive Officer.
- (12) The Petrobras Report on Form 6-K furnished to the SEC on August 29, 2019, relating to CARF's favorable decision related to the approval of PIS and Cofins credits.
- (13) The Petrobras Report on Form 6-K furnished to the SEC on September 4, 2019, relating to the oil and gas production in August.
- (14) The Petrobras Report on Form 6-K furnished to the SEC on September 4, 2019, relating to the suspension of the public offering of Petrobras debentures.
- (15) The Petrobras Report on Form 6-K furnished to the SEC on September 9, 2019, relating to the final decision affirming the consolidated class action settlement agreement.
- (16) Any future reports of Petrobras on Form 6-K furnished to the SEC that are identified in those forms as being incorporated by reference into this Offering Memorandum.

Any statement contained in a document incorporated by reference into this Offering Memorandum, or contained in this Offering Memorandum, shall be considered to be modified or superseded to the extent that a statement contained in this Offering Memorandum or in a subsequently filed document that is also incorporated by reference into this Offering Memorandum modifies or supersedes such statement. Any statement so modified or superseded in this manner does not, except as so modified or superseded, constitute a part of this Offering Memorandum.

We will provide without charge to each person to whom this Offering Memorandum is delivered, upon the request of such person, a copy of any or all of the documents incorporated herein by reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference into such documents). Requests for such documents should be directed to the Depositary and Information Agent at its address set forth on the back cover of this Offering Memorandum.

## WHERE YOU CAN FIND MORE INFORMATION

Documents incorporated by reference in this Offering Memorandum are available without charge. Each person to whom this Offering Memorandum is delivered may obtain documents incorporated by reference herein by requesting them either in writing or orally, by telephone or by e-mail from us at the following address:

Investor Relations Department  
Petróleo Brasileiro S.A.-Petrobras  
Avenida República do Chile, 65 — 10<sup>th</sup> Floor  
20031-912 — Rio de Janeiro — RJ, Brazil  
Telephone: +55 (21) 3224-0792  
Fax: +55 (21) 3224-1401  
E-mail: [petroinvest@petrobras.com.br](mailto:petroinvest@petrobras.com.br)

Petrobras is subject to the informational requirements of the Exchange Act and accordingly files reports and other information with the SEC. Reports and other information filed by Petrobras with the SEC are available to the public on the SEC's website at [www.sec.gov](http://www.sec.gov). You may also inspect Petrobras's reports and other information at the offices of the New York Stock Exchange, 11 Wall Street, New York, New York 10005. For further information on obtaining copies of Petrobras's public filings at the New York Stock Exchange, you should call +1 (212) 656-5060.

Information will also be available at the office of the Luxembourg paying agent.

## SUMMARY

*This summary highlights selected information appearing elsewhere, or incorporated by reference, in this Offering Memorandum and is, therefore, qualified in its entirety by the more detailed information appearing elsewhere, or incorporated by reference, in this Offering Memorandum. It may not contain all the information that is important to you. We urge you to read carefully this entire Offering Memorandum and the other documents to which it refers to understand fully the terms of the New Notes and the Exchange Offers. You should pay special attention to “Risk Factors” and “Forward-Looking Statements.”*

### PGF

PGF is a wholly-owned finance subsidiary of Petrobras, incorporated under the laws of The Netherlands as a private company with limited liability on August 2, 2012. PGF is an indirect subsidiary of Petrobras, and all of PGF's shares are held by Petrobras's Dutch subsidiary Petrobras International Braspetro B.V. PGF's business is to issue debt securities in the international capital markets to finance Petrobras's operations. PGF does not currently have any operations, revenues or assets other than those related to the issuance, administration and repayment of its debt securities. All debt securities issued by PGF are fully and unconditionally guaranteed by Petrobras. PGF was incorporated for an indefinite period of time.

Petrobras uses PGF as its main vehicle to issue securities in the international capital markets. PGF's first offering of notes fully and unconditionally guaranteed by Petrobras occurred in September 2012. In December 2014, PGF assumed the obligations of Petrobras's former finance subsidiary Petrobras International Finance Company S.A. (“PifCo”) under all then outstanding notes originally issued by PifCo, which continue to benefit from Petrobras's full and unconditional guarantee.

PGF's registered office is located at Weena 762, 3014 DA Rotterdam, The Netherlands, and our telephone number is +31 (0) 10 206-7000.

### Petrobras

Petrobras is one of the world's largest integrated oil and gas companies, engaging in a broad range of oil and gas activities. Petrobras is a *sociedade de economia mista*, organized and existing under the laws of Brazil. For the years ended December 31, 2018 and 2017, Petrobras had sales revenues of U.S.\$95.6 billion and U.S.\$88.8 billion, respectively, gross profit of U.S.\$34.1 billion and U.S.\$28.7 billion, respectively, and net income (loss) attributable to shareholders of Petrobras of U.S.\$7.2 billion and U.S.\$(91.0) million, respectively. In 2018, Petrobras's average domestic daily oil production was 2,035 mmbbl/d. Petrobras engages in a broad range of activities, which cover the following segments of its operations:

- *Exploration and Production:* this segment covers the activities of exploration, development and production of crude oil, NGL (natural gas liquid) and natural gas in Brazil and abroad, for the primary purpose of supplying our domestic refineries. This segment also operates through partnerships with other companies and includes holding interests in foreign entities operating in this segment;
- *Refining, Transportation and Marketing:* this segment covers the activities of refining, logistics, transport and trading of crude oil and oil products in Brazil and abroad, exports of ethanol, petrochemical operations, such as extraction and processing of shale as well as holding interests in petrochemical companies in Brazil;
- *Gas and Power:* this segment covers the activities of logistics and trading of natural gas and electricity, transportation and trading of LNG (liquefied natural gas), generation of electricity by means of thermoelectric power plants, as well as holding interests in transporters and distributors of natural gas in Brazil and abroad. It also includes fertilizer operations;
- *Distribution:* this segment covers the activities of Petrobras Distribuidora S.A., which sells oil products, including gasoline and diesel, ethanol and vehicle natural gas in Brazil. This segment also includes distribution of oil products operations abroad (South America). Following the sale by Petrobras of its common shares in Petrobras Distribuidora S.A. in July 2019, Petrobras owns a 37.5% interest in Petrobras Distribuidora S.A.; and

- *Biofuel*: this segment covers the activities of production of biodiesel and its co-products, as well as ethanol-related activities through interest in entities producing and trading ethanol, sugar and surplus electric power generated from sugarcane bagasse.

Additionally, we have a *Corporate* segment that has activities that are not attributed to the other segments, notably those related to corporate financial management, corporate overhead and other expenses provision for the class action settlement and actuarial expenses related to the pension and medical benefits for retired employees and their dependents. For further information regarding our business segments, see Notes 4.2 and 30 to our audited consolidated financial statements for the year ended December 31, 2018, incorporated herein by reference to the 2018 Form 20-F.

Petrobras's principal executive office is located at Avenida República do Chile, 65, 20031-912 - Rio de Janeiro RJ, Brazil, its telephone number is +55 (21) 3224-4477, and our website is [www.petrobras.com.br](http://www.petrobras.com.br). The information on our website, which might be accessible through a hyperlink resulting from this URL, is not and shall not be deemed to be incorporated into this Offering Memorandum.

## THE EXCHANGE OFFERS

**The Exchange Offers** ..... PGF hereby invites all Eligible Holders of Old Notes to exchange, upon the terms and subject to the conditions set forth in the Exchange Offer Documents, any and all of their Old Notes pursuant to the following seven separate exchange offers:

- (i) an offer to exchange PGF's 4.375% Global Notes due May 2023;
- (ii) an offer to exchange PGF's 6.250% Global Notes due March 2024;
- (iii) an offer to exchange PGF's 5.299% Global Notes due January 2025;
- (iv) an offer to exchange PGF's 8.750% Global Notes due May 2026;
- (v) an offer to exchange PGF's 7.375% Global Notes due January 2027;
- (vi) an offer to exchange PGF's 5.999% Global Notes due January 2028; and
- (vii) an offer to exchange PGF's 5.750% Global Notes due February 2029.

in each case, for New Notes and cash, as described below under "Description of the Exchange Offer—Exchange Consideration."

As of the date of this Offering Memorandum, the aggregate outstanding principal amount of the Old Notes subject to the Exchange Offers is approximately U.S.\$19,912.6 million.

**Eligibility to Participate in the Exchange Offers** .....

We have not registered the Exchange Offers or the issuance of the New Notes under the Securities Act or any other laws. **Subject to the laws of the jurisdictions in which Eligible Holders reside, only Eligible Holders who have duly completed and returned the Eligibility Letter certifying that they are either (1) QIBs or (2) non-U.S. persons (as defined in Rule 902 under the Securities Act) located outside of the United States are authorized to receive this Offering Memorandum and to participate in the Exchange Offers.**

**Exchange Consideration**.....

Upon the terms and subject to the conditions set forth in the Exchange Offer Documents, Eligible Holders who validly tender Old Notes at or prior to the Expiration Date or the Guaranteed Delivery Date pursuant to the Guaranteed Delivery Procedures, and whose Old Notes are accepted for exchange by us, will receive the applicable Exchange Consideration payable by us for each U.S.\$1,000 principal amount of such Old Notes.

The applicable Exchange Consideration payable by us for each U.S.\$1,000 principal amount of Old Notes tendered for exchange and accepted by us, will consist of a Cash Amount and New Notes.

With respect to each series of Old Notes in Acceptance Priority Levels 1 through 5, the Cash Amount and the principal amount of New Notes to be issued and delivered as part of the applicable Exchange Consideration will be equal to 50% and 50%, respectively, of the applicable Exchange Consideration. With respect to each series of Old Notes in Acceptance Priority Levels 6 and 7, the Cash Amount and the principal amount of New Notes to be issued and delivered as part of the applicable Exchange Consideration will be equal to 30% and 70%, respectively, of the applicable Exchange Consideration.

A hypothetical calculation of each Exchange Consideration, including the determination of the principal amount of New Notes and amount of cash to be delivered per U.S.\$1,000 principal amount of Old Notes tendered and accepted for exchange, is set forth in Annex B to this Offering Memorandum.

**Determination of the Exchange Consideration.....**

The price for each U.S.\$1,000 principal amount of each series of Old Notes validly tendered and accepted for exchange (each, an “Exchange Consideration”) will be determined in accordance with standard market practice, as described in this Offering Memorandum, using the applicable yield to maturity (each, an “Exchange Offer Yield”), which will be equal to the sum of

- (i) the applicable yield (the “Reference Yield”), which shall be based on the bid-side price of the applicable Reference U.S. Treasury Security specified on the front cover page of this Offering Memorandum for such series of Old Notes appearing at the Price Determination Date on the Bloomberg Reference Page specified on the front cover page of this Offering Memorandum for such series of Old Notes, or any other recognized quotation source selected by the Dealer Managers in their sole discretion if such quotation report is not available or manifestly erroneous, *plus*
- (ii) the applicable Fixed Spread specified on the front cover page of this Offering Memorandum.

Accordingly, the Exchange Consideration payable by us for each U.S.\$1,000 principal amount of each series of Old Notes will equal:

- (i) the present value on the Settlement Date of U.S.\$1,000 principal amount of such Old Notes due on the stated maturity date of such Old Notes and all scheduled interest payments on such principal amount of Old Notes to be made from (but excluding) the Settlement Date up to and including such maturity date, discounted to the Settlement Date in accordance with standard market practice as described by the formula set forth in Annex A to this Offering Memorandum, at a discount rate equal to the applicable Exchange Offer Yield, *minus*
- (ii) the Accrued Coupon Payment per U.S.\$1,000 principal amount of such Old Notes,



such price being rounded to the nearest cent per U.S.\$1,000 principal amount of such Old Notes.

**Pricing of the New Notes .....**

The coupon for the New Notes will be determined on the Price Determination Date. The New Notes are expected to mature on January 15, 2030 and will bear interest at a rate per annum (the “New Notes Coupon”), which will be equal to the sum of (a) the yield of the 1.625% U.S. Treasury Security due 2029 (the “New Notes Reference Security”), as calculated by the Dealer Managers in accordance with standard market practice, that equates to the bid-side price of the New Notes Reference Security appearing at the Price Determination Date on the Bloomberg Reference Page FIT1, or any other recognized quotation source selected by the Dealer Managers in their sole discretion if such quotation report is not available or manifestly erroneous (the “New Notes Quotation Report”), *plus* (b) 322 basis points, such sum rounded to the third decimal place when expressed as a percentage.

See “Risk Factors—Risks Relating to the Exchange Offers—Pricing of the New Notes.” Eligible Holders should review our announcement of the New Notes Coupon, which announcement is expected on the Price Determination Date, before making a decision to participate in the Exchange Offers.

**Accrued Interest.....**

In addition to the applicable Exchange Consideration, Eligible Holders whose Old Notes are accepted for exchange will be paid, in cash, the applicable Accrued Coupon Payment. Interest will cease to accrue on the Settlement Date for all Old Notes accepted in the Exchange Offers, including those tendered through the Guaranteed Delivery Procedures.

**Cash Rounding Amount.....**

If, with respect to any tender of Old Notes of any particular series, it is determined that an Eligible Holder would be entitled, pursuant to the applicable Exchange Offer, to receive New Notes of a particular series in an aggregate principal amount that is at least U.S.\$2,000 but not an integral multiple of U.S.\$1,000 in excess of U.S.\$2,000, PGF will round downward the principal amount of such New Notes to the nearest multiple of U.S.\$1,000 and will pay or cause to be paid to such Eligible Holder on the applicable Settlement Date an amount in cash equal to the fractional portion of such aggregate principal amount of New Notes not issued as a result of such rounding down. If, however, such Eligible Holder would be entitled to receive less than U.S.\$2,000 principal amount of New Notes, the Eligible Holder’s tender will be rejected in full, no cash will be paid and the Old Notes subject to this tender will be returned to the Eligible Holder.

**Minimum Issue Requirement,  
Complete Exchange Condition and  
Conditions to the Exchange Offers ..**

We will not complete the Exchange Offers if the aggregate principal amount of New Notes to be issued in the Exchange Offers would be less than U.S.\$1.0 billion (the “Minimum Issue Requirement”).

PGF’s obligation to complete an Exchange Offer with respect to a particular series of Old Notes is conditioned on the aggregate Cash Amount payable for all Old Notes validly tendered in the Exchange Offers not exceeding U.S.\$3.0 billion (the “Maximum Cash

Amount”), and on the Maximum Cash Amount being sufficient to pay the aggregate Cash Amount for all validly tendered Old Notes of such series (after paying the applicable Cash Amount for all validly tendered Old Notes having a higher Acceptance Priority Level) (the “Complete Exchange Condition”). For purposes of determining whether the Complete Exchange Condition is satisfied, PGF will assume that all Old Notes tendered pursuant to the Guaranteed Delivery Procedures will be duly delivered at or prior to the Guaranteed Delivery Date and we will not subsequently adjust the acceptance of Old Notes in accordance with the Acceptance Priority Levels if any such Old Notes are not so delivered.

Our obligation to accept Old Notes tendered in the Exchange Offers is also subject to the satisfaction of certain conditions, including (1) certain customary conditions, including that we will not be obligated to consummate the Exchange Offers upon the occurrence of an event or events or the likely occurrence of an event or events that would or might reasonably be expected to prohibit, restrict or delay the consummation of the Exchange Offers or materially impair the contemplated benefits to us of the Exchange Offers, and (2) the Cash Offer Completion Condition (as defined below).

We may not waive the Minimum Issue Requirement or the Cash Offer Completion Condition.

Subject to applicable law, we may waive any of the other conditions in our reasonable discretion.

See “Description of the Exchange Offers—Conditions to the Exchange Offers.”

<b>Acceptance Priority Level</b> .....	The Old Notes accepted for exchange in the Exchange Offers will be accepted in accordance with their Acceptance Priority Levels (with 1 being the highest Acceptance Priority Level and 7 being the lowest Acceptance Priority Level). PGF will accept in the Exchange Offers all Old Notes of each series tendered in accordance with the applicable Acceptance Priority Level, so long as the Maximum Cash Amount is equal to or greater than the sum of the aggregate Cash Amount for all tendered Old Notes of such series, <i>plus</i> the aggregate Cash Amount for all tendered Old Notes of each series having a higher Acceptance Priority Level, as further provided herein. All Old Notes of a series validly tendered having a higher Acceptance Priority Level will be accepted before any Old Notes having a lower Acceptance Priority Level are accepted.
<b>Price Determination Date</b> .....	2:00 p.m. (New York City time) on September 13, 2019 with respect to each Exchange Offer (as the same may be extended with respect to such Exchange Offer).
<b>Withdrawal Date</b> .....	5:00 p.m. (New York City time) on September 13, 2019 with respect to each Exchange Offer (as the same may be extended with respect to such Exchange Offer).
<b>Expiration Date</b> .....	5:00 p.m. (New York City time) on September 13, 2019 with respect to each Exchange Offer (as the same may be extended with respect to such Exchange Offer).

<b>Guaranteed Delivery Date</b> .....	5:00 p.m., New York City time, on the second business day after the Expiration Date, expected to be 5:00 p.m., New York City time, on September 17, 2019 with respect to each Exchange Offer (as the same may be extended with respect to such Exchange Offer).
<b>Settlement Date</b> .....	The “Settlement Date” for an Exchange Offer will be promptly following the Guaranteed Delivery Date and is expected to be September 18, 2019, which is the third business day after the Expiration Date (as the same may be extended with respect to such Exchange Offer).
<b>Withdrawal of Tenders</b> .....	Old Notes tendered in the Exchange Offers may be validly withdrawn at any time at or prior to the Withdrawal Date for such series. Old Notes tendered after the applicable Withdrawal Date may not be withdrawn, except in limited circumstances. After the Withdrawal Date for a given series, for example, tendered Old Notes of such series may not be validly withdrawn unless we amend or otherwise change the applicable Exchange Offer in a manner material to tendering Eligible Holders or are otherwise required by law to permit withdrawal (as determined by us in our reasonable discretion). See “Description of the Exchange Offers—Withdrawal of Tenders.”
<b>PGF’s Right to Amend or Terminate</b> ..	<p>Subject to applicable law, each Exchange Offer may be amended, extended or, upon failure of a condition to be satisfied or waived (other than conditions that we have described as non-waivable) prior to the applicable Expiration Date or Settlement Date, as the case may be, terminated individually.</p> <p>Although we have no present plans or arrangements to do so, we reserve the right to amend, at any time, the terms of any of the Exchange Offers (other than conditions that we have described as non-waivable) in accordance with applicable law. We will give Eligible Holders notice of any amendments and will extend the Expiration Date if required by applicable law.</p>
<b>Procedures for Tendering</b> .....	For an Eligible Holder to validly tender Old Notes pursuant to the Exchange Offers, an Agent’s Message (as defined below), and any other required documents, must be received by the Exchange Agent at its address set forth on the back cover page of this Offering Memorandum at or prior to the Expiration Date or the Guaranteed Delivery Date pursuant to the Guaranteed Delivery Procedures. <b>There is no separate letter of transmittal in connection with this Offering Memorandum.</b> See “Description of the Exchange Offers—Procedures for Tendering.”
<b>Tax Considerations</b> .....	For a summary of certain U.S. federal income tax, Brazilian tax and Dutch tax considerations of the Exchange Offers to Eligible Holders of Old Notes, see “Taxation.”
<b>Use of Proceeds</b> .....	We will not receive any cash proceeds from the Exchange Offers.

**Exchange Agent and Information**

**Agent** .....

Global Bondholder Services Corporation is the exchange agent (the “Exchange Agent”) and also is the information agent (the “Information Agent”) for the Exchange Offers. The address and telephone numbers of Global Bondholder Services Corporation are listed on the back cover page of this Offering Memorandum.

**Dealer Managers** .....

Citigroup Global Markets Inc., Credit Agricole Securities (USA) Inc., HSBC Securities (USA) Inc., Mizuho Securities USA LLC, Morgan Stanley & Co. LLC and Santander Investment Securities Inc. are the Dealer Managers for the Exchange Offers (the “Dealer Managers”). The addresses and telephone numbers of the Dealer Managers are listed on the back cover page of this Offering Memorandum.

**Purpose of Exchange Offers**.....

The purpose of the Exchange Offers and concurrent Cash Offers is to reduce indebtedness and extend the maturity of the debt obligations associated with the Old Notes during a time of favorable market conditions.

**Further Information; Questions**.....

Questions concerning tender procedures and requests for additional copies of this Offering Memorandum should be directed to the Information Agent at its address or telephone numbers listed on the back cover page of this Offering Memorandum. Any questions concerning the terms of the Exchange Offers should be directed to the Dealer Managers at the telephone numbers listed on the back cover page of this Offering Memorandum.

**THE NEW NOTES**

<b>Issuer .....</b>	Petrobras Global Finance B.V., or “PGF.”
<b>The New Notes .....</b>	The Global Notes due 2030 will be issued with a coupon to be determined on the Price Determination Date pursuant to the procedures described in this Offering Memorandum and in an aggregate principal amount to be determined on the Settlement Date.
<b>Issue Date .....</b>	The Settlement Date.
<b>Expected Maturity Date.....</b>	January 15, 2030.
<b>Interest .....</b>	The New Notes will bear interest from the Settlement Date at the rate per annum to be determined on the Price Determination Date, payable semi-annually in arrears on each interest payment date.
<b>Expected Interest Payment Dates ...</b>	January 15 and July 15 of each year, commencing on January 15, 2020.
<b>Form and Denominations .....</b>	<p>The New Notes issued in the United States in reliance on Rule 144A will be evidenced by a note in global form called a restricted global note, which will be deposited with a custodian for, and registered in the name of a nominee of, DTC. The New Notes issued outside the United States in reliance on Regulation S will be evidenced by a separate note in global form called a Regulation S note, which also will be deposited with a custodian for, and registered in the name of a nominee of, DTC. Transfers of beneficial interests between the restricted global note and the Regulation S global note are subject to certification requirements.</p> <p>PGF will issue the New Notes only in denominations of U.S.\$2,000 and integral multiples of U.S.\$1,000 in excess thereof.</p>
<b>Trustee, Registrar and Paying Agent.....</b>	The Bank of New York Mellon.
<b>Luxembourg Paying Agent and Listing Agent.....</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch
<b>Codes</b>	
<b>(a) CUSIP.....</b>	<p>Restricted Global Note: 71647N BF5                      Regulation S Global Note: N6945A AL1</p>
<b>(b) ISIN .....</b>	<p>Restricted Global Note: US71647NBF50                      Regulation S Global Note: USN6945AAL19</p>
<b>Use of Proceeds .....</b>	PGF will not receive any cash proceeds from the Exchange Offers.

<b>Indenture</b> .....	<p>The New Notes offered hereby will be issued pursuant to an indenture among PGF, Petrobras, The Bank of New York Mellon, a New York banking corporation, as trustee (the “Trustee”), and The Bank of New York Mellon SA/NV, Luxembourg Branch, as Luxembourg paying agent, to be dated as of the Settlement Date.</p> <p>See “Description of the New Notes.”</p>
<b>Guaranty</b> .....	<p>The New Notes will be unconditionally guaranteed by Petrobras under the guaranty. See “Description of the Guaranty.”</p>
<b>Ranking</b> .....	<p>The New Notes constitute general senior unsecured and unsubordinated obligations of PGF that will at all times rank <i>pari passu</i> among themselves and with all other unsecured unsubordinated indebtedness issued from time to time by PGF.</p> <p>The obligations of Petrobras under the guaranty constitute general senior unsecured obligations of Petrobras that will at all times rank <i>pari passu</i> among themselves and with all other senior unsecured obligations of Petrobras that are not, by their terms, expressly subordinated in right of payment to Petrobras’s obligations under the guaranty.</p>
<b>Optional Redemption</b> .....	<p>PGF may redeem the New Notes at any time in whole or in part by paying the greater of the principal amount of the New Notes and the “make-whole” amount, plus, in each case, accrued interest, as described under “Description of the New Notes—Optional Redemption—Optional Redemption With ‘Make-Whole’ Amount for the New Notes.”</p>
<b>Early Redemption at PGF’s Option Solely for Tax Reasons</b> .....	<p>The New Notes will be redeemable in whole at their principal amount, plus accrued and unpaid interest, if any, to but excluding the relevant date of redemption, at PGF’s option at any time only in the event of certain changes affecting taxation. See “Description of the New Notes—Optional Redemption—Redemption for Taxation Reasons.”</p>
<b>Registration Rights</b> .....	<p>Pursuant to a registration rights agreement to be entered into among PGF, Petrobras and the Dealer Managers (the “Registration Rights Agreement”), PGF and Petrobras will agree to use their respective commercially reasonable efforts to (a) file with the SEC a registration statement (an “Exchange Offer Registration Statement”) on an appropriate form under the Securities Act, with respect to its offer to exchange the New Notes for an equal principal amount of notes with substantially identical terms (the “A/B Exchange Notes”) (subject to certain exceptions) (the “A/B Exchange Offer”) on or before July 31, 2020, (b) have the Exchange Offer Registration Statement declared effective by the SEC on or before August 31, 2020, and (c) consummate the A/B Exchange Offer on or before September 30, 2020.</p>

In the event that applicable law, regulation or policy of the SEC does not allow the consummation of the A/B Exchange Offer, or upon the occurrence of certain other conditions, PGF will use its commercially reasonable efforts to file with the SEC a new “shelf” registration statement, or supplement an existing “shelf” registration statement to the extent necessary, covering resales of the New Notes by the holders thereof; *provided* that PGF shall not be required to file a new “shelf” registration statement or supplement an existing “shelf” registration statement during any statutory or self-imposed blackout or quiet period. With respect to the New Notes, if a Registration Default (as defined herein) relating to the filing or declaration of effectiveness of a registration statement or the related A/B Exchange Offer occurs, the per annum interest rate on all outstanding New Notes or, in the case of all other Registration Defaults, the per annum interest rate on the New Notes to which such Registration Default relates, will increase by 0.25% per annum with respect to each 90-day period that passes until all such Registration Defaults have been cured, up to a maximum amount of 1.00% per annum over the interest rate shown on the cover page of this Offering Memorandum; *provided* that any such additional interest on the New Notes will cease to accrue on the later of the date on which such New Notes become freely transferable pursuant to Rule 144 under the Securities Act.

See “Registration Rights.”

**Covenants**

- (a) PGF ..... The terms of the indenture will require PGF, among other things, to:
- pay all amounts owed by it under the indenture and the New Notes when such amounts are due;
  - maintain an office or agent in New York for the purpose of service of process and maintain a paying agent located in the United States;
  - ensure that the New Notes continue to be senior obligations of PGF;
  - use proceeds from the issuance of the New Notes for specified purposes; and
  - replace the Trustee upon any resignation or removal of the Trustee.

In addition, the terms of the indenture will restrict the ability of PGF and its subsidiaries, among other things, to:

- undertake certain mergers, consolidations or similar transactions; and
- create certain liens on its assets or pledge its assets.

PGF’s covenants are subject to a number of important qualifications and exceptions. See “Description of the New Notes—Covenants.”

- (b) Petrobras.....** The terms of the guaranty will require Petrobras, among other things, to:
- pay all amounts owed by it in accordance with the terms of the guaranty and the indenture;
  - maintain an office or agent in New York for the purpose of service of process;
  - ensure that its obligations under the guaranty will continue to be senior obligations of Petrobras; and
  - make available certain financial statements to the Trustee.

In addition, the terms of the guaranty will restrict the ability of Petrobras and its subsidiaries, among other things, to:

- undertake certain mergers, consolidations or similar transactions; and
- create certain liens on its assets or pledge its assets.

Petrobras’s covenants are subject to a number of important qualifications and exceptions. See “Description of the Guaranty—Covenants.”

- Events of Default .....** The following events of default will be events of default with respect to the New Notes:
- failure to pay principal on the New Notes within seven calendar days of its due date;
  - failure to pay interest on the New Notes within 30 calendar days of any interest payment date;
  - breach by PGF of a covenant or agreement in the indenture or by Petrobras of a covenant or agreement in the guaranty for the New Notes if not remedied within 60 calendar days;
  - acceleration of a payment on the indebtedness of PGF or Petrobras or any material subsidiary that equals or exceeds U.S.\$200 million;
  - certain events of bankruptcy, reorganization, liquidation, insolvency, moratorium or intervention law or law with similar effect of PGF or Petrobras or any material subsidiary;
  - certain events relating to the unenforceability of the New Notes, the indenture or the guaranty for the New Notes against PGF or Petrobras; and
  - Petrobras ceasing to own at least 51% of PGF’s outstanding voting shares.

The events of default are subject to a number of important qualifications and limitations. See “Description of the New Notes—Events of Default.”



<b>Further Issuances .....</b>	PGF reserves the right, from time to time, without the consent of the holders of the New Notes, to issue additional New Notes on terms and conditions identical to those of the New Notes, which additional New Notes shall increase the aggregate principal amount of, and shall be consolidated and form a single series with, the New Notes offered hereby. Any additional New Notes shall be issued under a separate CUSIP or ISIN number unless the additional New Notes are issued pursuant to a “qualified reopening” of the original series, are otherwise treated as part of the same “issue” of debt instruments as the original series or are issued with no more than a <i>de minimis</i> amount of original discount, in each case for U.S. federal income tax purposes. PGF may also issue other securities under the indenture which have different terms and conditions from the New Notes. See “Description of the New Notes—Further Issuances.”
<b>Modification of New Notes, Indenture and Guaranty .....</b>	The terms of the indenture may be modified by PGF and the Trustee, and the terms of the guaranty may be modified by Petrobras and the Trustee, in some cases without the consent of the holders of the New Notes. See “Description of the New Notes—Modification and Waiver” and “Description of the Guaranty—Amendments.”
<b>Clearance and Settlement .....</b>	The New Notes will be issued in book-entry form through the facilities of DTC for the accounts of its direct and indirect participants, including Clearstream Banking, <i>société anonyme</i> , and Euroclear S.A./N.V., as operator of the Euroclear System, and will trade in DTC’s Same-Day Funds Settlement System. Beneficial interests in New Notes held in book-entry form will not be entitled to receive physical delivery of certificated New Notes except in certain limited circumstances. For a description of certain factors relating to clearance and settlement, see “Clearance and Settlement.”
<b>Withholding Taxes; Additional Amounts.....</b>	Any and all payments of principal, premium, if any, and interest in respect of the New Notes will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments, levies, imposts or charges whatsoever imposed, levied, collected, withheld or assessed by Brazil, the jurisdiction of PGF’s incorporation (currently The Netherlands) or any other jurisdiction in which PGF appoints a paying agent under the indenture, or any political subdivision or any taxing authority thereof or therein, unless such withholding or deduction is required by law. If PGF is required by law to make such withholding or deduction, it will pay such additional amounts as are necessary to ensure that the holders receive the same amount as they would have received without such withholding or deduction, subject to certain exceptions. In the event Petrobras is obligated to make payments to the holders under the guaranty, Petrobras will pay such additional amounts as are necessary to ensure that the holders receive the same amount as they would have received without such withholding or deduction, subject to certain exceptions. See “Description of the New Notes—Covenants—Additional Amounts.”
<b>Governing Law .....</b>	The indenture, the New Notes, the guaranty, and the Registration Rights Agreement will be governed by, and construed in accordance with, the laws of the State of New York.

**Listing**..... PGF intends to apply to have the New Notes listed on the Official List of the Luxembourg Stock Exchange and trade on the EuroMTF Market of the Luxembourg Stock Exchange. We cannot assure you that this application will be accepted.

**Risk Factors** ..... You should carefully consider the risk factors discussed beginning on page 23, the section entitled “Risk Factors” in Petrobras’s 2018 Form 20-F, which is incorporated by reference in this Offering Memorandum, and the other information included or incorporated by reference in this Offering Memorandum, before tendering any Old Notes.

## **RISK FACTORS**

*Our 2018 Form 20-F includes extensive risk factors relating to our operations, our compliance and control risks (including those related to material weaknesses in our internal control over financial reporting identified in prior years, the ongoing Lava Jato investigation and uncertainty relating to our methodology to estimate the incorrectly capitalized overpayments uncovered in the context of the Lava Jato investigation), our relationship with the Brazilian federal government, and to Brazil. You should carefully consider those risks and the risks described below, as well as the other information included or incorporated by reference in this Offering Memorandum before making a decision to invest in the New Notes.*

### **Risks Relating to the Exchange Offers**

#### ***Uncertainty as to the trading markets for Old Notes not exchanged***

To the extent tenders of Old Notes for exchange in the Exchange Offers (and tenders by non-Eligible Holders in the concurrent Cash Offers) are accepted by us and the Exchange Offers (and the concurrent Cash Offers) are completed, the trading markets for the Old Notes that remain outstanding following such completion may be significantly more limited. The remaining Old Notes may command lower prices than comparable issues of securities with greater market liquidity. Reduced market values and reduced liquidity may also make the trading prices of the remaining Old Notes more volatile. As a result, the market prices for the Old Notes that remain outstanding after the completion of the Exchange Offers (and the concurrent Cash Offers) may be adversely affected as a result of the Exchange Offers (and the concurrent Cash Offers). None of PGF, Petrobras, the Dealer Managers, the Exchange Agent or the Information Agent has any duty to make a market in any remaining series of Old Notes.

#### ***Treatment of the Old Notes not exchanged***

Old Notes not exchanged in the Exchange Offers will remain outstanding. The terms and conditions governing the Old Notes will remain unchanged. No amendments to these terms and conditions are being sought.

From time to time after the Expiration Date, PGF or its affiliates may acquire Old Notes that are not exchanged in the Exchange Offers (or the concurrent Cash Offers) through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as PGF or its affiliates may determine or as may be provided for in the indenture or other documents governing the Old Notes (which may be on terms more or less favorable from those contemplated in the Exchange Offers and, in either case, could be for cash or other consideration).

#### ***Responsibility for complying with the procedures of the Exchange Offers***

Eligible Holders of Old Notes are responsible for complying with all of the procedures for tendering Old Notes for exchange. If the instructions are not strictly complied with, the Agent's Message or Notice of Guaranteed Delivery may be rejected. None of PGF, Petrobras, the Dealer Managers, the Exchange Agent or the Information Agent assumes any responsibility for informing any Eligible Holder of Old Notes of irregularities with respect to such Eligible Holder's participation in the Exchange Offers.

#### ***Consummation of the Exchange Offers may not occur***

In addition to the Minimum Issuance Requirement, each Exchange Offer is subject to the satisfaction of certain conditions, including, among other things, the Cash Offer Completion Condition and the Complete Exchange Condition. See "Description of the Exchange Offers—Conditions to the Exchange Offers." Even if the Exchange Offers are completed, they may not be completed on the schedule described in this Offering Memorandum. Accordingly, Eligible Holders participating in the Exchange Offers may have to wait longer than expected to receive their New Notes, during which time such Eligible Holders will not be able to effect transfers of their Old Notes tendered in the Exchange Offers.

***A U.S. Holder that exchanges its Old Notes pursuant to the Exchange Offers will be required to recognize gain, and may not be permitted to recognize any loss for U.S. federal income tax purposes.***

A U.S. Holder that exchanges Old Notes pursuant to the Exchange Offers generally will be required to recognize gain, if any, on the disposition of the Old Notes equal to the lesser of the U.S. Holder's gain and the boot received by such U.S. Holder, as described below under "Certain U.S. Federal Income Tax Consequences—Tax Consequences of the Exchange to U.S. Holders."

A U.S. Holder that exchanges Old Notes pursuant to the Exchange Offers also generally will not be permitted to recognize any loss on the exchange.

A U.S. Holder should consult its U.S. tax advisor to determine whether it will be required to recognize any gain, or permitted to deduct any loss, on the exchange of Old Notes for New Notes. See "Certain U.S. Federal Income Tax Consequences—Tax Consequences of the Exchange to U.S. Holders."

#### ***Completion, termination and amendment***

Until we announce whether we have accepted valid tenders of Old Notes for exchange pursuant to the Exchange Offers (or the concurrent Cash Offers), no assurance can be given that the Exchange Offers will be completed. In addition, subject to applicable law and limitations described elsewhere in this Offering Memorandum, we may, in our sole discretion, extend, amend, waive (other than conditions that we have described as non-waivable) any condition of or, upon failure of a condition to be satisfied or waived prior to the applicable Expiration Date or Settlement Date, as the case may be, terminate any or all of the Exchange Offers.

#### ***Compliance with offer and distribution restrictions***

Eligible Holders of Old Notes are referred to the restrictions in "Transfer Restrictions" and "Notice to Certain Non-U.S. Holders" and the agreements, acknowledgements, representations, warranties and undertakings contained therein and in the Eligibility Letter, which Eligible Holders will make on submission of an Agent's Message. Non-compliance with these could result in, among other things, the unwinding of trades and/or heavy penalties.

#### ***Responsibility to consult advisers***

Eligible Holders should consult their own tax, accounting, financial and legal advisers regarding the suitability to themselves of the tax or accounting consequences of participating in the Exchange Offers and an investment in the New Notes.

None of PGF, Petrobras, the Dealer Managers, the Exchange Agent or the Information Agent or their respective directors, employees or affiliates is acting for any Eligible Holder, or will be responsible to any Eligible Holder for providing any protections which would be afforded to its clients or for providing advice in relation to the Exchange Offers, and accordingly none of PGF, Petrobras, the Dealer Managers, the Exchange Agent or the Information Agent or their respective directors, employees and affiliates makes any recommendation whatsoever regarding the Exchange Offers, or any recommendation as to whether Eligible Holders should tender their Old Notes for exchange pursuant to the Exchange Offers.

#### ***Pricing of the New Notes***

Eligible Holders of the Old Notes will not know the New Notes Coupon until it is determined on the Price Determination Date and announced by PGF.

The actual applicable coupon may or may not result in the New Notes having a market value equal to their face amount at the time of pricing. Moreover, once the applicable coupon is fixed and announced on the Price Determination Date, market interest rates may change thereafter and the market value of the New Notes may fluctuate prior to the Settlement Date.

### ***Market values and prices of the New Notes***

The Exchange Consideration may not reflect the market value of the applicable series of New Notes. To the extent that the New Notes are traded, the prices of the New Notes may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. Eligible Holders are urged to contact their brokers to obtain the best available information as to the potential market price of the New Notes and for advice concerning the effect of the Exchange Offer Yields on the calculation of the Exchange Consideration.

### ***Consideration for the Old Notes may not reflect their fair value***

The consideration offered to Eligible Holders in exchange for validly tendered and accepted Old Notes does not reflect any independent valuation of the Old Notes and does not take into account events or changes in financial markets (including interest rates) after the commencement of the Exchange Offers. We have not obtained or requested a fairness opinion from any banking or other firm as to the fairness of the consideration for the Old Notes. If an Eligible Holder tenders its Old Notes, such Eligible Holder may or may not receive more or as much value than if such Eligible Holder chose to keep them. Although we believe that the value of the total consideration offered for each series of Old Notes in the Cash Offers represents the approximate value of the Exchange Consideration for such series, their actual values may not be equal.

### ***Certain Tax Matters***

See “Taxation” for a discussion of certain U.S. federal income tax, Brazilian tax and Dutch tax considerations of the Exchange Offers to Eligible Holders of Old Notes.

### **Risks Relating to the New Notes**

#### ***The market for the New Notes may not be liquid.***

The New Notes are an issuance of new securities with no established trading market. We intend to have the New Notes approved for listing on the Official List of the Luxembourg Stock Exchange and for trading on the EuroMTF Market of the Luxembourg Stock Exchange. We cannot assure you that this application will be accepted. We can also make no assurance as to the liquidity of or trading markets for the New Notes offered by this Offering Memorandum. We cannot guarantee that holders of the New Notes will be able to sell their New Notes in the future. If a market for the New Notes does not develop, holders of the New Notes may not be able to resell the New Notes for an extended period of time, if at all.

#### ***The New Notes will be subject to transfer restrictions that could limit your ability to resell your New Notes.***

Each series of Old Notes were originally issued pursuant to registration statements filed with the SEC. The New Notes have not been registered under the Securities Act or for public offerings outside the United States. Consequently, the New Notes may not be offered or sold in the United States, unless they are registered (including pursuant to the Registration Rights Agreement), or transferred pursuant to an exemption from registration, under the Securities Act. See “Transfer Restrictions.” As a result, Eligible Holders of Old Notes who participate in the Exchange Offers will face additional restrictions on the resale of their New Notes as compared to the Old Notes, and such Eligible Holders may not be able to sell their New Notes at the time they wish or at prices acceptable to them. Eligible Holders may have to bear the economic risk of their investment in the New Notes for the term of the New Notes.

Pursuant to the terms of the Registration Rights Agreement, we intend to file a registration statement with the SEC and to cause that registration statement to become effective with respect to the exchange notes to be issued in exchange for the New Notes offered hereby. The SEC, however, has broad discretion to declare any registration statement effective and may delay or deny the effectiveness of any registration statement for a variety of reasons. See “Registration Rights.”

***Restrictions on the movement of capital out of Brazil may impair your ability to receive payments on the guaranty and restrict Petrobras's ability to make payments to PGF in U.S. dollars.***

In the past, the Brazilian economy has experienced balance of payment deficits and shortages in foreign exchange reserves, and the government has responded by restricting the ability of Brazilian or foreign persons or entities to convert *reais* into foreign currencies. The government may institute a restrictive exchange control policy in the future. Any restrictive exchange control policy could prevent or restrict our access to U.S. dollars, and consequently our ability to meet our U.S. dollar obligations under the guaranty and could also have a material adverse effect on our business, financial condition and results of operations. We cannot predict the impact of any such measures on the Brazilian economy. In the event that any such restrictive exchange control policies were instituted by the Brazilian government, we may face adverse regulatory consequences in The Netherlands that may lead us to redeem the New Notes prior to their maturity.

In addition, payments by Petrobras under the guaranty in connection with PGF's New Notes do not currently require approval by or registration with the Central Bank of Brazil. The Central Bank of Brazil may nonetheless impose prior approval requirements on the remittance of U.S. dollars, which could cause delays in such payments.

***Petrobras would be required to pay judgments of Brazilian courts enforcing its obligations under the guaranty only in reais.***

If proceedings were brought in Brazil seeking to enforce Petrobras's obligations in respect of the guaranty, Petrobras would be required to discharge its obligations only in *reais*. Under Brazilian exchange controls, an obligation to pay amounts denominated in a currency other than *reais*, which is payable in Brazil pursuant to a decision of a Brazilian court, will be satisfied in *reais* at the rate of exchange in effect on the date of payment, as determined by the Central Bank of Brazil.

***A finding that Petrobras is subject to U.S. bankruptcy laws and that the guaranty executed by it was a fraudulent conveyance could result in the relevant holders of New Notes losing their legal claim against Petrobras.***

PGF's obligation to make payments on the New Notes is supported by Petrobras's obligation under the corresponding guaranty. Petrobras has been advised by its external U.S. counsel that the guaranty is valid and enforceable in accordance with the laws of the State of New York and the United States. In addition, Petrobras has been advised by its general counsel that the laws of Brazil do not prevent the guaranty from being valid, binding and enforceable against Petrobras in accordance with its terms.

In the event that U.S. federal fraudulent conveyance or similar laws are applied to the guaranty, and Petrobras, at the time it entered into the guaranty:

- was or is insolvent or rendered insolvent by reason of our entry into such guaranty;
- was or is engaged in business or transactions for which the assets remaining with Petrobras constituted unreasonably small capital; or
- intended to incur or incurred, or believed or believe that Petrobras would incur, debts beyond Petrobras's ability to pay such debts as they mature; and
- in each case, intended to receive or received less than reasonable equivalent value or fair consideration therefor,

then Petrobras's obligations under the guaranty could be avoided, or claims with respect to that agreement could be subordinated to the claims of other creditors. Among other things, a legal challenge to the guaranty on fraudulent conveyance grounds may focus on the benefits, if any, realized by Petrobras as a result of the issuance of the New Notes. To the extent that the guaranty is held to be a fraudulent conveyance or unenforceable for any other reason, Eligible Holders that participate in the Exchange Offer would not have a claim against Petrobras under the guaranty

and would solely have a claim against PGF. Petrobras cannot ensure that, after providing for all prior claims, there will be sufficient assets to satisfy the claims of the noteholders relating to any avoided portion of the guaranty.

***We cannot assure you that the credit ratings for the New Notes will not be lowered, suspended or withdrawn by the rating agencies.***

The credit ratings of the New Notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the New Notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. We cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the New Notes.

***Interest payments on the New Notes may be subject to Dutch withholding taxes.***

The Dutch government has confirmed that a withholding tax on interest payments made by Dutch issuers will be introduced commencing on January 1, 2021. It has been announced that the bill of law for the introduction of a withholding tax on interest payments will be published in the course of 2019. The official publications and announcements by the Dutch government to date suggest that the scope of such withholding tax will be limited to interest payments made to recipients that are cumulatively (i) affiliated to the person making such interest payments and (ii) a resident in a jurisdiction that is included in a list that will be updated periodically by the Ministry of Finance pursuant to the Ministry regulation of December 31, 2018 on the designation of low-taxed jurisdictions and non-cooperative countries (*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*). It is expected that the withholding tax rules will also include anti-abuse provisions aimed at avoiding interest payments being made indirectly to these recipients.

We cannot provide any assurance on whether a wider application of the withholding tax will be introduced by the Dutch government, or if such withholding tax would apply to interest payments on the New Notes. If PGF is required to withhold taxes on payments of interest on the Notes, PGF may be required to pay additional amounts to holders of the New Notes to account for such withholding taxes. Subject to certain conditions, if PGF is required to pay such additional amounts to holders of the New Notes, PGF would be permitted to redeem the Notes at par prior to their stated maturity. If the New Notes are so redeemed, an investor may not be able to earn the same yield on the Notes through the maturity date as originally expected. See “Description of the New Notes—Covenants—Additional Amounts,” and “Description of the New Notes—Optional Redemption—Redemption for Taxation Reasons.”

## **Risks Relating to PGF and Petrobras**

***PGF’s operations and debt servicing capabilities are dependent on Petrobras.***

PGF’s financial position and results of operations are directly affected by Petrobras’s decisions. PGF is an indirect, wholly-owned finance subsidiary of Petrobras incorporated in The Netherlands as a private company with limited liability. PGF does not currently have any operations, revenues or assets other than those related to its primary business of raising money for the purpose of on-lending to Petrobras and other subsidiaries of Petrobras. PGF’s ability to satisfy its obligations under the New Notes will depend on payments made to PGF by Petrobras and other subsidiaries of Petrobras under the loans made by PGF. The New Notes and all debt securities issued by PGF will be fully and unconditionally guaranteed by Petrobras. Petrobras’s financial condition and results of operations, as well as Petrobras’s financial support of PGF, directly affect PGF’s operational results and debt servicing capabilities.

## **USE OF PROCEEDS**

We will not receive any cash proceeds from the issuance of the New Notes in connection with the Exchange Offers.



## SELECTED FINANCIAL AND OPERATING INFORMATION

This Offering Memorandum incorporates by reference (i) our unaudited consolidated interim financial statements as of June 30, 2019 and for the three and six month periods ended June 30, 2019 and 2018, and (ii) our audited consolidated financial statements as of December 31, 2018 and 2017 and for the years ended December 31, 2018, 2017 and 2016, which have been prepared in accordance with IFRS as issued by the IASB.

The selected financial information as of December 31, 2018 and 2017 and for the years ended December 31, 2018, 2017, 2016, 2015 and 2014, presented in the tables below has been derived from Petrobras's audited consolidated financial statements. The selected financial information as of June 30, 2019 and for the six months ended June 30, 2019 and 2018 has been derived from Petrobras's unaudited consolidated interim financial statements, which in the opinion of management, reflect all adjustments that are of a normal recurring nature necessary for a fair presentation of the results for such periods. The results of operation for the six months ended June 30, 2019 are not necessarily indicative of the results of operations to be expected for the entire year. The selected consolidated financial data should be read in conjunction with, and are qualified in their entirety by reference to, Petrobras's financial statements and the accompanying notes incorporated by reference in this Offering Memorandum.

### Statement of Financial Position Data

	As of June 30,	As of December 31,				
	2019	2018	2017	2016	2015	2014
			(U.S.\$ million)			
<b>Assets:</b>						
Cash and cash equivalents .....	16,714	13,899	22,519	21,205	25,058	16,655
Marketable securities .....	641	1,083	1,885	784	780	9,323
Trade and other receivables, net .....	4,047	5,746	4,972	4,769	5,554	7,969
Inventories .....	8,934	8,987	8,489	8,475	7,441	11,466
Assets classified as held for sale .....	9,821	1,946	5,318	5,728	152	5
Other current assets .....	7,161	5,401	3,948	3,808	4,194	5,414
Long-term receivables.....	21,387	22,059	21,450	20,420	19,426	18,863
Investments .....	3,806	2,759	3,795	3,052	3,527	5,753
Property, plant and equipment .....	176,784	157,383	176,650	175,470	161,297	218,730
Intangible assets .....	2,583	2,805	2,340	3,272	3,092	4,509
Total assets .....	<u>251,878</u>	<u>222,068</u>	<u>251,366</u>	<u>246,983</u>	<u>230,521</u>	<u>298,687</u>
<b>Liabilities and equity:</b>						
Total current liabilities .....	36,100	25,051	24,948	24,903	28,573	31,118
Non-current liabilities <sup>(1)</sup> .....	65,204	43,334	42,871	36,159	24,411	30,373
Non-current finance debt <sup>(2)</sup> .....	69,832	80,508	102,045	108,371	111,482	120,218
Total liabilities .....	<u>171,136</u>	<u>148,893</u>	<u>169,864</u>	<u>169,433</u>	<u>164,466</u>	<u>181,709</u>
<b>Equity</b>						
Share capital (net of share issuance costs).....	107,101	107,101	107,101	107,101	107,101	107,101
Reserves and other comprehensive income (deficit) <sup>(3)</sup> .....	(27,872)	(35,557)	(27,299)	(30,322)	(41,865)	9,171
Equity attributable to the shareholders of Petrobras .....	79,229	71,544	79,802	76,779	65,236	116,272
Non-controlling interests .....	1,513	1,631	1,700	771	819	706
Total equity .....	<u>80,742</u>	<u>73,175</u>	<u>81,502</u>	<u>77,550</u>	<u>66,055</u>	<u>116,978</u>
Total liabilities and equity .....	<u>251,878</u>	<u>222,068</u>	<u>251,366</u>	<u>246,983</u>	<u>230,521</u>	<u>298,687</u>

(1) Excludes non-current finance debt.

(2) Excludes current portion of long-term finance debt.

(3) Capital reserve and transactions, profit reserve and accumulated other comprehensive income (deficit).

## Statement of Income Data

	For the Six Months Ended June 30,		For the Year Ended December 31,				
	2019	2018 <sup>(1)</sup>	2018 <sup>(2)</sup>	2017 <sup>(3)</sup>	2016 <sup>(4)</sup>	2015 <sup>(5)</sup>	2014 <sup>(6)</sup>
	(U.S.\$ million, except for share and per share data)						
Sales revenues .....	37,305	40,355	95,584	88,827	81,405	97,314	143,657
Net income (loss) before finance income (expense), results in equity-accounted investments and income taxes .....	13,476	9,931	17,432	11,219	4,308	(1,130)	(7,407)
Net income (loss) attributable to the shareholders of Petrobras .....	5,881	4,939	7,173	(91)	(4,838)	(8,450)	(7,367)
Weighted average number of shares outstanding::							
Common .....	7,442,231,382	7,442,454,142	7,442,454,142	7,442,454,142	7,442,454,142	7,442,454,142	7,442,454,142
Preferred .....	5,601,969,879	5,602,042,788	5,602,042,788	5,602,042,788	5,602,042,788	5,602,042,788	5,602,042,788
Net income (loss) before finance income (expense), results in equity-accounted investments and income taxes per:							
Common and Preferred shares .....	1.03	0.76	1.34	0.86	0.33	(0.09)	(0.57)
Common and Preferred ADS .....	2.06	1.52	2.68	1.72	0.66	(0.18)	(1.14)
Basic and diluted earnings (losses) per:							
Common and Preferred shares .....	0.45	0.38	0.55	(0.01)	(0.37)	(0.65)	(0.56)
Common and Preferred ADS .....	0.90	0.76	1.10	(0.02)	(0.74)	(1.30)	(1.12)

- (1) As of June 30, 2019, we classified the assets and liabilities of Petrobras Distribuidora (BR) as held for sale in the consolidated statement of financial position and presented its post-tax profit as discontinued operations in the consolidated statement of income. Accordingly, the statement of income for the six months ended June 30, 2018 was re-presented to reflect this classification. The statement of income for the years ended December 31, 2018, 2017, 2016, 2015 and 2014 have not been re-presented to reflect the partial sale of Petrobras Distribuidora S.A. (BR). In future filings with the SEC we may be required to re-present the statement of income data for all or some of those years to reflect such partial sale.
- (2) In 2018, we recognized the effects of the settlement of open matters with the Department of Justice and the SEC investigation, in the amount of U.S.\$853 million. We also recognized impairment losses of U.S.\$2,005 million.
- (3) In 2017, we recognized U.S.\$3,449 million as other income and expenses, due to the provision for legal proceedings relating to the agreement to settle our consolidated class action before the United States District Court for the Southern District of New York. We also recognized impairment losses of U.S.\$1,191 million.
- (4) In 2016, we recognized impairment losses of U.S.\$6,193 million.
- (5) In 2015, we recognized impairment losses of U.S.\$12,299 million.
- (6) In 2014, we recognized impairment losses of U.S.\$16,823 million.

## Cash Dividend Data

	For the Six Months Ended June 30,		For the Year Ended December 31,				
	2019	2018	2018	2017	2016	2015	2014
	(U.S.\$ million)						
Cash dividends per <sup>(1)</sup> :							
Common shares .....	0.07	0.03	0.07	—	—	—	—
Preferred shares .....	0.07	0.03	0.24	—	—	—	—
Common ADS .....	0.14	0.06	0.14	—	—	—	—
Preferred ADS .....	0.14	0.06	0.48	—	—	—	—

- (1) Pre-tax interest on capital and/or dividends proposed for the year. Amounts were based on the exchange rate prevailing at the date of the approval, except for the complement of minimum mandatory dividends, based on the closing exchange rate at the date of the financial statements.

## DESCRIPTION OF THE EXCHANGE OFFERS

### Purpose of the Exchange Offers and Concurrent Cash Offers

The purpose of the Exchange Offers and concurrent Cash Offers is to reduce indebtedness and extend the maturity of the debt obligations associated with the Old Notes during a time of favorable market conditions.

### General

PGF hereby invites all Eligible Holders of the Old Notes to exchange, upon the terms and subject to the conditions set forth in the Exchange Offer Documents, any and all of their Old Notes pursuant to the following seven exchange offers:

- (i) an offer to exchange PGF's 4.375% Global Notes due May 2023;
- (ii) an offer to exchange PGF's 6.250% Global Notes due March 2024;
- (iii) an offer to exchange PGF's 5.299% Global Notes due January 2025;
- (iv) an offer to exchange PGF's 8.750% Global Notes due May 2026;
- (v) an offer to exchange PGF's 7.375% Global Notes due January 2027;
- (vi) an offer to exchange PGF's 5.999% Global Notes due January 2028; and
- (vii) an offer to exchange PGF's 5.750% Global Notes due February 2029,

in each case, for New Notes and cash, all as described below under “—Exchange Consideration.”

As of the date of this Offering Memorandum, the aggregate outstanding principal amount of the Old Notes subject to the Exchange Offers is approximately U.S.\$19,912.6 million.

Concurrently with each Exchange Offer for a series of Old Notes, PGF is conducting seven separate Cash Offers, available solely to holders of such Old Notes that are Cash Offer Qualified Holders, under the terms and subject to the conditions set forth in a separate Offer to Purchase, including maximum amounts of cash payable in certain of such Cash Offers. Holders that are QIBs or non-U.S. Persons located outside the United States are not Cash Offer Qualified Holders and are not permitted to participate in the Cash Offers. All other holders of Old Notes are eligible to participate in the Cash Offers. Holders participating in the Cash Offers are required to certify that they are Cash Offer Qualified Holders. **If you are eligible to participate in these Exchange Offers, you are not eligible to participate in the Cash Offers.**

The consummation of each Exchange Offer for a series of Old Notes is conditioned upon, among other conditions, the consummation of the related Cash Offer with respect to such series of Old Notes. See “Description of the Exchange Offers—Conditions to the Exchange Offers.” The consummation of each Cash Offer is conditioned upon, among other conditions set forth in the Offer to Purchase, the aggregate amount of cash (excluding payment of accrued and unpaid interest) required to accept any and all Old Notes of the applicable series (i) validly tendered at or prior to the applicable expiration date of such Cash Offer (as set forth in the Offer to Purchase) or (ii) tendered in compliance with the applicable guaranteed delivery procedures set forth in the Offer to Purchase not exceeding the applicable amount specified in the Offer to Purchase.

## Eligibility to Participate in the Exchange Offers

If and when issued, the New Notes will not be registered under the Securities Act or the securities laws of any other jurisdiction. Therefore, the New Notes may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and any applicable state securities laws. See “Registration Rights” for a description of the Registration Rights Agreement that PGF will enter into with respect to the New Notes.

You may not copy or distribute this Offering Memorandum in whole or in part to anyone without our prior consent or the prior consent of the Dealer Managers. This Offering Memorandum is a confidential document that is being provided for informational use solely in connection with the consideration of the Exchange Offers and an investment in the New Notes (i) to holders of Old Notes that are QIBs in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof and (ii) outside the United States, to holders of Old Notes other than “U.S. Persons” (as defined in Rule 902 under the Securities Act) and who are not acquiring New Notes for the account or benefit of a U.S. Person, in offshore transactions in compliance with Regulation S under the Securities Act, and who are Non-U.S. qualified offerees (as defined under “Transfer Restrictions”).

**Only holders who have returned a duly completed Eligibility Letter certifying that they are within one of the categories described in the immediately preceding sentence, are authorized to receive and review this Offering Memorandum and participate in the Exchange Offers.** See “Transfer Restrictions.” If you are not an Eligible Holder, you should dispose of this Offering Memorandum. Each Eligible Holder that tenders its outstanding Old Notes will be bound by the Agent’s Message and will be agreeing with and making the representations, warranties and agreements as set forth under “Description of the Exchange Offers—Other Matters” and “Transfer Restrictions.”

## Exchange Consideration

Upon the terms and subject to the conditions set forth in the Exchange Offer Documents, Eligible Holders who validly tender Old Notes at or prior to the Expiration Date or the Guaranteed Delivery Date pursuant to the Guaranteed Delivery Procedures, and whose Old Notes are accepted for exchange by us, will receive the applicable Exchange Consideration payable by us for each U.S.\$1,000 principal amount of such Old Notes, which will be payable in the forms of consideration described below.

The applicable Exchange Consideration will be calculated on the Price Determination Date. The Exchange Consideration for each series of Old Notes will be determined in accordance with standard market practice, as described in this Offering Memorandum, using the Exchange Offer Yield, which will be equal to the sum of:

- (i) the Reference Yield, as calculated by the Dealer Managers which shall be based on the bid-side price of the applicable Reference U.S. Treasury Security specified on the front cover page of this Offering Memorandum for such series of Old Notes appearing at the Price Determination Date on the Bloomberg Reference Page specified on the front cover page of this Offering Memorandum for such series of Old Notes (or any other recognized quotation source selected by the Dealer Managers in their sole discretion if such quotation report is not available or manifestly erroneous), *plus*
- (ii) the Fixed Spread specified on the front cover page of this Offering Memorandum for such series of Old Notes.

Accordingly, the Exchange Consideration payable by us for each U.S.\$1,000 principal amount of each series of Old Notes will equal:

- (i) the present value on the Settlement Date of U.S.\$1,000 principal amount of such Old Notes due on the maturity date of such Old Notes and all scheduled interest payments on such principal amount of Old Notes to be made from (but excluding) the Settlement Date up to and including such maturity date, discounted to the Settlement Date in accordance with standard market practice as described by the formula set forth in Annex A to this Offering Memorandum, at a discount rate equal to the applicable Exchange Offer Yield, *minus*

(ii) the Accrued Coupon Payment per U.S.\$1,000 principal amount of such Old Notes, such price being rounded to the nearest cent per U.S.\$1,000 principal amount of such Old Notes.

We will announce the Exchange Offer Yields, Exchange Consideration and Cash Amounts (as defined below) for all series of Old Notes as soon as practicable after they are determined by the Dealer Managers.

The applicable Exchange Consideration payable by us for each U.S.\$1,000 principal amount of Old Notes tendered for exchange and accepted by us, will consist of a Cash Amount and New Notes.

With respect to each series of Old Notes in Acceptance Priority Levels 1 through 5, the Cash Amount and the principal amount of New Notes to be issued and delivered as part of the applicable Exchange Consideration will be equal to 50% and 50%, respectively, of the applicable Exchange Consideration. With respect to each series of Old Notes in Acceptance Priority Levels 6 and 7, the Cash Amount and the principal amount of New Notes to be issued and delivered as part of the applicable Exchange Consideration will be equal to 30% and 70%, respectively, of the applicable Exchange Consideration.

### **Cash Rounding Amount**

If, with respect to any tender of Old Notes of any particular series, it is determined that an Eligible Holder would be entitled, pursuant to the applicable Exchange Offer, to receive New Notes of a particular series in an aggregate principal amount that is at least U.S.\$2,000 but not an integral multiple of U.S.\$1,000 in excess of U.S.\$2,000, PGF will round downward the principal amount of such New Notes to the nearest multiple of U.S.\$1,000 and will pay or cause to be paid to such Eligible Holder on the Settlement Date an amount in cash equal to the fractional portion of such aggregate principal amount of New Notes not issued as a result of such rounding down. If, however, such Eligible Holder would be entitled to receive less than U.S.\$2,000 principal amount of New Notes, the Eligible Holder's tender will be rejected in full, no cash will be paid and the Old Notes subject to this tender will be returned to the Eligible Holder.

### **Accrued Interest**

In addition to the applicable Exchange Consideration, Eligible Holders whose Old Notes are accepted for exchange will be paid, in cash, the Accrued Coupon Payment. Interest will cease to accrue on the Settlement Date for all Old Notes accepted in the Exchange Offers, including those tendered through the Guaranteed Delivery Procedures.

### **Pricing of the New Notes**

The New Notes Coupon will be determined on the Price Determination Date. The New Notes are expected to mature on January 15, 2030 and will bear interest at a rate per annum, which will be equal to the sum of (a) the yield of the New Notes Reference Security, as calculated by the Dealer Managers in accordance with standard market practice, that equates to the bid-side price of the New Notes Reference Security appearing at the Price Determination Date on Bloomberg Reference Page FIT1 or any other New Notes Quotation Report, *plus* (b) 322 basis points, such sum rounded to the third decimal place when expressed as a percentage.

See "Risk Factors—Risks Relating to the Exchange Offers—Pricing of the New Notes." Eligible Holders should review our announcement of the New Notes Coupon, which announcement is expected on the Price Determination Date, before making a decision to participate in the Exchange Offers.

### **Denominations**

The New Notes will be issued only in minimum denominations of U.S.\$2,000 and integral multiples of U.S.\$1,000 in excess of U.S.\$2,000.

Old Notes of a given series may be tendered only in minimum denominations of U.S.\$2,000 and integral multiples of U.S.\$1,000 in excess of U.S.\$2,000 (each, an "Authorized Denomination"). No alternative, conditional or contingent tenders will be accepted. Eligible Holders who tender less than all of their Old Notes must continue to hold Old Notes in the applicable Authorized Denominations.

## **Expiration Date; Extensions**

The Expiration Date is 5:00 p.m. (New York City time) on September 13, 2019, unless extended with respect to a series of Old Notes, in which case the Expiration Date will be such time and date to which the Expiration Date is extended.

Subject to applicable law, PGF, in its sole discretion, may extend the Expiration Date for any reason, with or without extending the Withdrawal Date. To extend the Expiration Date, PGF will notify the Exchange Agent and Information Agent and will make a public announcement thereof before 10:00 a.m. (New York City time) on the next business day after the previously scheduled Expiration Date. Such announcement will state that PGF is extending the Expiration Date, as the case may be, for a specified period. During any such extension, all Old Notes previously tendered in an extended Exchange Offer will remain subject to such Exchange Offer and may be accepted for exchange by us.

PGF expressly reserves the right, subject to applicable law, to:

- delay accepting any Old Notes, extend any Exchange Offer, or, upon failure of a condition to be satisfied or waived (other than conditions that we have described as non-waivable) prior to the applicable Expiration Date or Settlement Date, as the case may be, terminate any Exchange Offer and not accept any Old Notes; and
- amend, modify or waive at any time, or from time to time, the terms of any Exchange Offer in any respect, including waiver of any conditions, other than the Minimum Issue Requirement and the Cash Offer Completion Condition, to consummation of any Exchange Offer.

Subject to the qualifications described above, if PGF exercises any such right, PGF will give written notice thereof to the Exchange Agent and will make a public announcement thereof as promptly as practicable. Without limiting the manner in which PGF may choose to make a public announcement of any extension, amendment or termination of any Exchange Offer, PGF will not be obligated to publish, advertise or otherwise communicate any such public announcement, other than by making a timely press release and in accordance with applicable law.

The minimum period during which an Exchange Offer will remain open following material changes in the terms of such Exchange Offer or in the information concerning such Exchange Offer will depend upon the facts and circumstances of such changes, including the relative materiality of the changes. With respect to a change in consideration, any affected Exchange Offer will remain open for a minimum five business day period. If the terms of an Exchange Offer are amended in a manner determined by PGF to constitute a material change, PGF will promptly disclose any such amendment in a manner reasonably calculated to inform Eligible Holders of such amendment, and PGF will extend such Exchange Offer for a minimum three business day period following the date that notice of such change is first published or sent to Eligible Holders to allow for adequate dissemination of such change, if such Exchange Offer would otherwise expire during such time period.

## **Settlement Date**

Upon the terms and subject to the Minimum Issue Requirement and the conditions of the Exchange Offers, including, among other things, the Cash Offer Completion Condition and the Complete Exchange Condition, we will accept for exchange as soon as reasonably practicable after the applicable Expiration Date all Old Notes validly tendered at or prior to the Expiration Date or the Guaranteed Delivery Date pursuant to the Guaranteed Delivery Procedures and not validly withdrawn as of the Withdrawal Date in such Exchange Offer.

On the Settlement Date, we will deposit with the Exchange Agent or, at the direction of the Exchange Agent, with DTC, an amount of cash sufficient to pay the applicable Cash Amount, including the applicable Accrued Coupon Payment, and we will issue and deliver the applicable principal amount of New Notes, in exchange for any Old Notes tendered and accepted for exchange, in the amount and manner described in this Offering Memorandum. We will not be obligated to deliver the New Notes or pay any Cash Amount with respect to an Exchange Offer unless such Exchange Offer is consummated. The Settlement Date is expected to be the third business day after the Expiration Date, which is the first business day after the Guaranteed Delivery Date.

## **Minimum Issue Requirement**

We will not complete the Exchange Offers if the aggregate principal amount of New Notes to be issued in the Exchange Offers would be less than U.S.\$1.0 billion (the “Minimum Issue Requirement”). The Minimum Issue Requirement cannot be waived by us.

## **Conditions to the Exchange Offers**

Notwithstanding any other provision of the Exchange Offer Documents, with respect to each Exchange Offer, we will not be obligated to (i) accept for exchange any validly tendered Old Notes or (ii) issue any New Notes in exchange for validly tendered Old Notes, pay any cash amounts or complete such Exchange Offer, unless each of the following conditions is satisfied at or prior to the Expiration Date:

- (1) there shall not have been any change or development that in our reasonable judgment materially reduces the anticipated benefits to us of such Exchange Offer or that has had, or could reasonably be expected to have, a material adverse effect on us, our businesses, condition (financial or otherwise) or prospects;
- (2) there shall not have been instituted or threatened in writing any action, proceeding or investigation by or before any governmental authority, including any court, governmental, regulatory or administrative branch or agency, tribunal or instrumentality, that relates in any manner to such Exchange Offer and that in our reasonable judgment makes it advisable to us to terminate such Exchange Offer;
- (3) we shall have obtained all governmental approvals and third-party consents that we, in our reasonable judgment, consider necessary for the completion of such Exchange Offer as contemplated by this Offering Memorandum and all such approvals or consents shall remain in effect;
- (4) there shall not have occurred:
  - a. any general suspension of or limitation on prices for trading in securities in the United States securities or financial markets;
  - b. any disruption in the trading of our common stock;
  - c. a material impairment in the general trading market for debt securities;
  - d. a declaration of a banking moratorium or any suspension of payments with respect to banks in the United States; or
  - e. a commencement or significant worsening of a war or armed hostilities or other national or international calamity, including but not limited to, catastrophic terrorist attacks against the United States or its citizens;
- (5) the Cash Offer Completion Condition; and
- (6) the Complete Exchange Condition.

### *Cash Offer Completion Condition*

PGF’s obligation to complete an Exchange Offer with respect to a particular series of Old Notes is conditioned on the timely satisfaction or waiver of all of the conditions precedent to the completion of the corresponding Cash Offer for such series of Old Notes, and PGF’s obligation to complete a Cash Offer with respect to a particular series of Old Notes is subject to various conditions, including that all of the conditions precedent to the completion of the corresponding Exchange Offer are timely satisfied or waived and that the aggregate amount of

cash (excluding any payments of accrued and unpaid interest) that would have to be paid to purchase any and all of the validly tendered Old Notes of such series in such Cash Offer does not exceed the applicable maximum cash amount specified in the Offer to Purchase. The Cash Offer Completion Condition cannot be waived by PGF.

PGF will terminate an Exchange Offer for a given series of Old Notes if it terminates the Cash Offer for such series of Old Notes, and PGF will terminate the Cash Offer for a given series of Old Notes if it terminates the Exchange Offer for such series of Old Notes. The termination of a Cash Offer for a series of Old Notes will not impact the Exchange Offers for any other series of Old Notes. If PGF extends any Cash Offer for a series of Old Notes for any reason, PGF will extend the corresponding Exchange Offer for such series of Old Notes.

#### *Complete Exchange Condition*

PGF's obligation to complete an Exchange Offer with respect to a particular series of Old Notes is conditioned on the aggregate Cash Amount payable for all Old Notes validly tendered in the Exchange Offers not exceeding the Maximum Cash Amount, and on the Maximum Cash Amount being sufficient to pay the aggregate Cash Amount for all validly tendered Old Notes of such series (after paying the applicable Cash Amount for all validly tendered Old Notes having a higher Acceptance Priority Level). For purposes of determining whether the Complete Exchange Condition is satisfied, PGF will assume that all Old Notes tendered pursuant to the Guaranteed Delivery Procedures will be duly delivered at or prior to the Guaranteed Delivery Date and we will not subsequently adjust the acceptance of Old Notes in accordance with the Acceptance Priority Levels if any such Old Notes are not so delivered.

If the Complete Exchange Condition is not satisfied, then PGF will accept in the Exchange Offers all Old Notes of each series tendered in accordance with the applicable Acceptance Priority Level, so long as the Maximum Cash Amount is equal to or greater than the sum of the aggregate Cash Amount for all tendered Old Notes of such series, *plus* the aggregate Cash Amount for all tendered Old Notes of each series having a higher Acceptance Priority Level, as further provided herein. All Old Notes of a series validly tendered having a higher Acceptance Priority Level will be accepted before any Old Notes having a lower Acceptance Priority Level are accepted.

If the Complete Exchange Condition is not satisfied for (i) a series of Old Notes (the "First Non-Covered Old Notes") for which the Maximum Cash Amount is less than the total of (x) the aggregate Cash Amount necessary to exchange all validly tendered Old Notes of such series and (y) the aggregate Cash Amount necessary to exchange all validly tendered Old Notes of all series having a higher Acceptance Priority Level than the First Non-Covered Old Notes, and (ii) all series of Old Notes with an Acceptance Priority Level lower than the First Non-Covered Old Notes (together with the First Non-Covered Notes, the "Non-Covered Notes"), we may, at any time at or prior to the Expiration Date:

- terminate an Exchange Offer with respect to one or more series of Non-Covered Notes for which the Complete Exchange Condition has not been waived and promptly return all validly tendered Old Notes of such series to the respective tendering Eligible Holders; or
- waive the Complete Exchange Condition with respect to one or more series of Non-Covered Old Notes and accept all Old Notes of such series validly tendered.

If the Complete Exchange Condition is not satisfied with respect to a series of Old Notes, we may terminate the Exchange Offer with respect to such series of Non-Covered Old Notes only if we also terminate the Exchange Offer for each series of Non-Covered Old Notes having a lower Acceptance Priority Level, if any.

If the Complete Exchange Condition is not satisfied with respect to a series of Old Notes, we may waive the Complete Exchange Condition with respect to such series of Non-Covered Old Notes only if we also waive the Complete Exchange Condition for each series of Non-Covered Old Notes having a higher Acceptance Priority Level, if any.

**If any Old Notes of a series are accepted for exchange pursuant to the Exchange Offers, all validly tendered Old Notes of that series will be accepted for exchange. No series of Old Notes will be subject to proration pursuant to the Exchange Offers.**



## **Additional Purchases of Old Notes**

After the Expiration Date, Petrobras or its affiliates may from time to time purchase additional Old Notes in the open market, in privately negotiated transactions, through tender offers, exchange offers or otherwise, or PGF may redeem Old Notes pursuant to the terms of the indenture governing the Old Notes. Any future purchases may be on the same terms or on terms that are more or less favorable to Eligible Holders of Old Notes than the terms of the Exchange Offers and, in either case, could be for cash or other consideration. Any future purchases will depend on various factors existing at that time. Any purchase or offer to purchase will not be made except in accordance with applicable law.

## **Procedures for Tendering**

The following summarizes the procedures to be followed by all Eligible Holders in tendering their Old Notes.

All of the Old Notes are held in book-entry form and registered in the name of Cede & Co., as the nominee of DTC. Only Eligible Holders are authorized to tender their Old Notes pursuant to the Exchange Offers. To tender Old Notes that are held through a broker, dealer, commercial bank, trust company or other nominee, a beneficial owner thereof must instruct such nominee to tender the Old Notes on such beneficial owner's behalf according to the procedure described below. **There is no separate letter of transmittal in connection with this Offering Memorandum.** See “—Book Entry Transfer,” “—Other Matters” and “—Transfer Restrictions” for discussions of the items that all Eligible Holders who tender Old Notes in any of the Exchange Offers will be deemed to have represented, warranted and agreed.

For an Eligible Holder to tender Old Notes validly pursuant to the Exchange Offers (other than through the Guaranteed Delivery Procedures), (1) an Agent's Message and any other required documents must be received by the Exchange Agent at its address set forth on the back cover of this Offering Memorandum and (2) tendered Old Notes must be transferred pursuant to the procedures for book-entry transfer described below and a confirmation of such book-entry transfer must be received by the Exchange Agent at or prior to the Expiration Date.

To effectively tender Old Notes, DTC participants should transmit their acceptance through ATOP, for which the Exchange Offers will be eligible, and DTC will then edit and verify the acceptance and send an Agent's Message to the Exchange Agent for its acceptance. Delivery of tendered Old Notes must be made to the Exchange Agent pursuant to the book-entry delivery procedures set forth below.

### *Book-Entry Transfer*

The Exchange Agent will establish an account with respect to the Old Notes at DTC for purposes of the Exchange Offers, and any financial institution that is a participant in DTC may make book-entry delivery of the Old Notes by causing DTC to transfer such Old Notes into the Exchange Agent's account in accordance with DTC's procedures for such transfer. DTC will then send an Agent's Message to the Exchange Agent. The confirmation of a book-entry transfer into the Exchange Agent's account at DTC as described above is referred to herein as a “Book-Entry Confirmation.” Delivery of documents to DTC does not constitute delivery to the Exchange Agent.

The term “Agent's Message” means a message transmitted by DTC to, and received by, the Exchange Agent and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC described in such Agent's Message, stating the aggregate principal amount of Old Notes that have been tendered by such participant pursuant to the Exchange Offers, that such participant has received the Offering Memorandum and that such participant agrees to be bound by and makes the representations and warranties contained in the terms of the Exchange Offers and that PGF may enforce such agreement against such participant.

The tender by an Eligible Holder pursuant to the procedures set forth herein will constitute an agreement between such Eligible Holder and us in accordance with the terms and subject to the conditions set forth herein and in the other Exchange Offer Documents.

By tendering Old Notes pursuant to an Exchange Offer, an Eligible Holder will have represented, warranted and agreed that such Eligible Holder is the beneficial owner of, or a duly authorized representative of one or more such beneficial owners of, and has full power and authority to tender, sell, assign and transfer, the Old Notes tendered thereby and that when such Old Notes are accepted for exchange and the New Notes are issued by us, we will acquire good, indefeasible, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim or right and that such Eligible Holder will cause such Old Notes to be delivered in accordance with the terms of the relevant Exchange Offer. The Eligible Holder by tendering Old Notes will also have agreed to (a) not sell, pledge, hypothecate or otherwise encumber or transfer any Old Notes tendered from the date of such tender and that any such purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect and (b) execute and deliver such further documents and give such further assurances as may be required in connection with such Exchange Offer and the transactions contemplated thereby, in each case on and subject to the terms and conditions of such Exchange Offer. In addition, by tendering Old Notes an Eligible Holder will also have released us and our affiliates from any and all claims that Eligible Holders may have arising out of or relating to the Old Notes.

**Eligible Holders desiring to tender Old Notes pursuant to ATOP must allow sufficient time for completion of the ATOP procedures during normal business hours of DTC.** Except as otherwise provided herein, delivery of Old Notes will be made only when the Agent's Message is actually received by the Exchange Agent. No documents should be sent to us or the Dealer Managers. If you are tendering through a nominee, you should check to see whether there is an earlier deadline for instructions with respect to your decision.

#### *Guaranteed Delivery*

If an Eligible Holder desires to tender Old Notes pursuant to the Exchange Offers and (1) such Eligible Holder cannot comply with the procedure for book-entry transfer by the Expiration Date or (2) such Eligible Holder cannot deliver the other required documents to the Exchange Agent by the Expiration Date, such Eligible Holder may effect a tender of Notes pursuant to a guaranteed delivery (the "Guaranteed Delivery Procedures") if all of the following are complied with:

- such tender is made by or through an Eligible Institution (as defined below);
- at or prior to the Expiration Date, either (a) the Exchange Agent has received from such Eligible Institution at the address of the Exchange Agent set forth on the back cover of this Offering Memorandum, a properly completed and duly executed Notice of Guaranteed Delivery (delivered by facsimile transmission, mail or hand) in substantially the form provided by us setting forth the name and address of the DTC participant tendering Old Notes on behalf of the Eligible Holder(s) and the principal amount of Old Notes being tendered, or (b) in the case of Old Notes held in book-entry form, such Eligible Institution has complied with ATOP's procedures applicable to guaranteed delivery; and in either case representing that the Eligible Holder(s) own such Old Notes, and the tender is being made thereby and guaranteeing that, no later than 5:00 p.m., New York City time, on the Guaranteed Delivery Date, a properly transmitted Agent's Message, together with confirmation of book-entry transfer of the Old Notes specified therein pursuant to the procedures set forth under the caption "Procedures for Tendering," will be deposited by such Eligible Institution (as defined below) with the Exchange Agent; and
- no later than 5:00 p.m., New York City time, on the Guaranteed Delivery Date, a properly transmitted Agent's Message, together with confirmation of book-entry transfer of the Old Notes specified therein pursuant to the procedures set forth under the caption "Procedures for Tendering," and all other required documents are received by the Exchange Agent.

Interest will cease to accrue on the Settlement Date for all Old Notes accepted in the Exchange Offers, including those tendered pursuant to the Guaranteed Delivery Procedures.

The Eligible Institution that tenders Old Notes pursuant to the Guaranteed Delivery Procedure must (i) comply with ATOP's procedures applicable to guaranteed delivery, and (ii) no later than the Guaranteed Delivery Date, deliver the Agent's Message, together with confirmation of book-entry transfer of the Old Notes specified

therein, to the Exchange Agent as specified above. **Failure to do so could result in a financial loss to such Eligible Institution.**

If an Eligible Holder is tendering Old Notes through ATOP pursuant to the Guaranteed Delivery Procedures, the Eligible Institution should not complete and deliver the Notice of Guaranteed Delivery, but such Eligible Institution will be required to agree to be bound by the terms of the Exchange Offers, including the Notice of Guaranteed Delivery, as if it was executed and delivered by such Eligible Institution. Eligible Holders who hold Old Notes in book-entry form and tender pursuant to the Guaranteed Delivery Procedures should, at or prior to the Guaranteed Delivery Date, only comply with ATOP's procedures applicable to guaranteed delivery.

Old Notes may be tendered pursuant to the Guaranteed Delivery Procedures only in Authorized Denominations. No alternative, condition or contingent tenders will be accepted.

### **Other Matters**

Subject to, and effective upon, the acceptance of, and the payment of cash, if any, and the issuance of the applicable series of the New Notes in exchange for, the principal amount of Old Notes tendered in accordance with the terms and subject to the conditions of the applicable Exchange Offer, a tendering Eligible Holder, by submitting or sending an Agent's Message to the Exchange Agent in connection with the tender of Old Notes, will have:

- irrevocably agreed to sell, assign and transfer to or upon our order or our nominees' order, all right, title and interest in and to, and any and all claims in respect of or arising or having arisen as a result of the tendering Eligible Holder's status as a holder of, all Old Notes tendered, such that thereafter it shall have no contractual or other rights or claims in law or equity against us or any fiduciary, trustee, fiscal agent or other person connected with the Old Notes arising under, from or in connection with such Old Notes;
- waived any and all rights with respect to the Old Notes tendered (including, without limitation, any existing or past defaults and their consequences in respect of such Old Notes and the indenture governing the Old Notes);
- released and discharged us and the trustee of the relevant series of Old Notes from any and all claims the tendering Eligible Holder may have, now or in the future, arising out of or related to the Old Notes tendered, including, without limitation, any claims that the tendering Eligible Holder is entitled to receive additional principal or interest payments with respect to the Old Notes tendered (other than as expressly provided in this Offering Memorandum) or to participate in any repurchase, redemption or defeasance of the Old Notes tendered; and
- irrevocably constituted and appointed the Exchange Agent the true and lawful agent and attorney-in-fact of such tendering Eligible Holder (with full knowledge that the Exchange Agent also acts as our agent) with respect to any tendered Old Notes, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) deliver such Old Notes or transfer ownership of such Old Notes on the account books maintained by DTC together with all accompanying evidences of transfer and authenticity, to or upon our order, (b) present such Old Notes for transfer on the register, and (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Old Notes, including receipt of New Notes issued in exchange therefor and the balance of the Exchange Consideration for any Old Notes tendered pursuant to such Exchange Offer with respect to the Old Notes that are accepted by us and transfer such New Notes and such funds to the Eligible Holder, all in accordance with the terms of such Exchange Offer.
- represented, warranted and agreed that:
  - it is the beneficial owner of, or a duly authorized representative of one or more beneficial owners of, the Old Notes tendered hereby, and it has full power and authority to tender the Old Notes;
  - the Old Notes being tendered were owned as of the date of tender, free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind, and PGF will acquire good,

indefeasible and unencumbered title to those Old Notes, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind, when PGF accepts the same;

- it will not sell, pledge, hypothecate or otherwise encumber or transfer any Old Notes tendered hereby from the date of this Offering Memorandum, and any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;
- it is making all representations contained in the Eligibility Letter and it is either (1) a “qualified institutional buyer” as defined in Rule 144A under the Securities Act or (2) a non-U.S. person (as defined in Rule 902 under the Securities Act) located outside of the United States (an Eligible Holder) and is tendering Old Notes for its own account or for a discretionary account or accounts on behalf of one or more persons who are Eligible Holders as to which it has been instructed and has the authority to make the statements contained in this Offering Memorandum;
- it is otherwise a person to whom it is lawful to make available this Offering Memorandum or to make the Exchange Offers in accordance with applicable laws (including the transfer restrictions set out in this Offering Memorandum);
- it has had access to such financial and other information and has been afforded the opportunity to ask such questions of representatives of PGF and receive answers thereto, as it deems necessary in connection with its decision to participate in the Exchange Offers;
- it acknowledges that PGF, the Dealer Managers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and warranties made by its submission of a tender in accordance with the procedures set forth herein, are, at any time prior to the consummation of the Exchange Offers, no longer accurate, it shall promptly notify PGF and the Dealer Managers. If it is tendering the Old Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account;
- in evaluating the applicable Exchange Offer and in making its decision whether to participate in the applicable Exchange Offer by the tender of Old Notes, the Eligible Holder has made its own independent appraisal of the matters referred to in this Offering Memorandum and in any related communications;
- the tender of Old Notes shall constitute an undertaking to execute any further documents and give any further assurances that may be required in connection with any of the foregoing, in each case on and subject to the terms and conditions described or referred to in this Offering Memorandum;
- it is not resident and/or located in the United Kingdom or, if it is resident and/or located in the United Kingdom, it is a person falling within the definition of investment professional (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”)) or within Article 43(2) of the Order, or to whom this Offering Memorandum may lawfully be communicated in accordance with the Order;
- it is outside the Kingdom of Belgium or, if it is located in the Kingdom of Belgium, it is a professional or institutional investor referred to in article 3.2 of the Public Decree, acting on behalf of its own account;
- it is not located or resident in Australia or, if it is located or resident in Australia, it is a professional investor as defined in Section 9 of the Corporations Act or a wholesale client as defined in Section 761 G of the Corporations Act or otherwise a person to whom an offer may be made under Corporations Regulation 7.9.97 under the Corporations Act;

- it is not resident and/or located in The Netherlands or, if it is resident and/or located in the Netherlands, it is a person falling within the definition of qualified investor (*gekwalificeerde belegger*) as defined in the Dutch Financial Supervision Act (*Wet op het Financieel Toezicht*);
- it is not an investor resident in a Member State of the European Economic Area, or, if it is a resident in a Member State of the European Economic Area, it is a qualified investor (as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”)) and not a retail investor. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“MiFID II”); (ii) a customer within the meaning of Directive 2016/97/EU (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation;
- it is outside the Republic of France or, if it is located in the Republic of France, it is a qualified investor or acting directly for the account of a qualified investor (as defined in article L.411-2 of the French Code monétaire et financier and Decree No. 98-888 dated 1 October 1998);
- it is outside the Republic of Italy or, if it is located in the Republic of Italy, it is a qualified investor (as defined pursuant to Article 100, first paragraph, letter a) of the Financial Services Act and Article 34-ter, paragraph 1, letter b) of the Issuers’ Regulation);
- it is not located or resident in Luxembourg, or if it is located or resident in Luxembourg, it is (i) a “qualified investor” as described in points (1) to (4) of Section I of Annex II to Directive 2004/39/EC of the European Parliament and of the Council of April 21, 2004 on markets in financial instruments or (ii) a person or entity who is, on request, treated as professional clients in accordance with Annex II to Directive 2004/39/EC, or recognized as eligible counterparties in accordance with Article 24 of Directive 2004/39/EC and it has not requested that it be treated as non-professional clients;
- it is not located in or resident in Hong Kong, or if it is located or resident in Hong Kong, either (i) it is a professional investor as defined in the Securities and Futures Ordinance of Hong Kong and any rules made under that Ordinance or (ii) its participation in the Exchange Offers will not result in the Offering Memorandum being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong;
- it and the person receiving New Notes have observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from any of them in each respect in connection with any offer or acceptance in any jurisdiction, and that it and such person or persons have not taken or omitted to take any action in breach of the terms of such Exchange Offer or which will or may result in PGF or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with such Exchange Offer or the tender of Old Notes in connection therewith; and
- neither it nor the person receiving New Notes is acting on behalf of any person who could not truthfully make the foregoing representations, warranties and undertakings or those set forth in the Agent’s Message.

**By tendering Old Notes pursuant to an Exchange Offer, an Eligible Holder will have agreed that the delivery and surrender of the Old Notes is not effective, and the risk of loss of the Old Notes does not pass to the Exchange Agent, until receipt by the Exchange Agent of a properly transmitted Agent’s Message. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Old Notes will be determined by us, in our sole discretion, which determination shall be final and binding.**

Notwithstanding any other provision of this Offering Memorandum, payment of the applicable Exchange Consideration, and the applicable Accrued Coupon Payment, if any, with respect to the Old Notes, in exchange for

any Old Notes tendered for exchange and accepted by us pursuant to the Exchange Offers will occur only after timely receipt by the Exchange Agent of a Book-Entry Confirmation with respect to such Old Notes, together with an Agent's Message and any other required documents and any other required documentation. The tender of Old Notes pursuant to the Exchange Offers by the procedures set forth above will constitute an agreement between the tendering Eligible Holder and us in accordance with the terms and subject to the conditions of the applicable Exchange Offer. The method of delivery of Old Notes, the Agent's Message and all other required documents is at the election and risk of the tendering Eligible Holder. In all cases, sufficient time should be allowed to ensure timely delivery.

**Alternative, conditional or contingent tenders will not be considered valid.** We reserve the right to reject any or all tenders of Old Notes that are not in proper form or the acceptance of which would, in our opinion, be unlawful. We also reserve the right, subject to applicable law, to waive any defects, irregularities or conditions of tender (other than conditions that we have described as non-waivable) as to particular Old Notes, including any delay in the submission thereof or any instruction with respect thereto. A waiver of any defect or irregularity with respect to the tender of one Old Note shall not constitute a waiver of the same or any other defect or irregularity with respect to the tender of any other Old Note. Our interpretations of the terms and conditions of the Exchange Offers will be final and binding on all parties. Any defect or irregularity in connection with tenders of Old Notes must be cured within such time as we determine, unless waived by us. Tenders of Old Notes shall not be deemed to have been made until all defects and irregularities have been waived by us or cured. None of us, the Trustee, the Dealer Managers, the Exchange Agent, the Information Agent or any other person will be under any duty to give notice of any defects or irregularities in tenders of Old Notes or will incur any liability to Eligible Holders for failure to give any such notice.

#### **Acceptance of Old Notes for Exchange; Issuance of New Notes**

Assuming the conditions to the Exchange Offers are satisfied or waived, we will issue the New Notes in book-entry form on the Settlement Date in exchange for Old Notes that are validly tendered and accepted in the Exchange Offers.

We reserve the right, in our sole discretion, but subject to applicable law, to (a) delay acceptance of Old Notes tendered under any Exchange Offer or the issuance of New Notes in exchange for validly tendered Old Notes (subject to Rule 14c-1 under the Exchange Act, which requires that we pay the consideration offered or return Old Notes deposited by or on behalf of the Eligible Holders promptly after the termination or withdrawal of the Exchange Offer) or (b) terminate any Exchange Offer at any time at or prior to the applicable Expiration Date if the conditions thereto are not satisfied or waived by us.

For purposes of the Exchange Offers, we will have accepted for exchange validly tendered Old Notes (or defectively tendered Old Notes with respect to which we have waived such defect) if, as and when we give oral (promptly confirmed in writing) or written notice thereof to the Exchange Agent. We will pay any applicable cash amounts by depositing such payment with the Exchange Agent or, at the direction of the Exchange Agent, with DTC. Subject to the terms and conditions of the Exchange Offers, delivery of the New Notes and payment of any cash amounts will be made by the Exchange Agent on the Settlement Date upon receipt of such notice. The Exchange Agent will act as agent for participating Eligible Holders of the Old Notes for the purpose of receiving Old Notes from, and transmitting New Notes and any cash payments to, such Eligible Holders. With respect to tendered Old Notes that are to be returned to Eligible Holders, such Old Notes will be credited to the account maintained at DTC from which such Old Notes were delivered after the expiration or termination of the relevant Exchange Offer.

If, for any reason, acceptance for exchange of tendered Old Notes, or issuance of New Notes or delivery of any cash amounts in exchange for validly tendered Old Notes, pursuant to the Exchange Offers is delayed, or we are unable to accept tendered Old Notes for exchange or to issue New Notes or deliver any cash amounts in exchange for validly tendered Old Notes pursuant to the Exchange Offers, then the Exchange Agent may, nevertheless, on behalf of us, retain the tendered Old Notes, without prejudice to our rights described under "—Expiration Date; Extensions" and "—Conditions to the Exchange Offers" above and "—Withdrawal of Tenders" below, but subject to Rule 14e-1 under the Exchange Act, which requires that we pay the consideration offered or return the Old Notes tendered promptly after the termination or withdrawal of the Exchange Offers.

If any tendered Old Notes are not accepted for exchange for any reason pursuant to the terms and conditions of the Exchange Offers, such Old Notes will be credited to an account maintained at DTC from which such Old Notes were delivered promptly following the Expiration Date or the termination of the Exchange Offer.

Holders of Old Notes tendered for exchange and accepted by us pursuant to the Exchange Offers will be entitled to accrued and unpaid interest on their Old Notes to, but excluding, the Settlement Date, which interest shall be payable on the Settlement Date. Under no circumstances will any additional interest be payable because of any delay by the Exchange Agent or DTC in the transmission of funds to Eligible Holders of accepted Old Notes or otherwise.

Tendering Eligible Holders of Old Notes accepted in the Exchange Offers will not be obligated to pay brokerage commissions or fees to us, the Dealer Managers, the Exchange Agent or the Information Agent or, except as set forth below, to pay transfer taxes with respect to the exchange of their Old Notes.

### **Withdrawal of Tenders**

Old Notes tendered in the Exchange Offers may be validly withdrawn at any time at or prior to the Withdrawal Date for such series. Old Notes tendered after the applicable Withdrawal Date may not be withdrawn, except in limited circumstances. After the Withdrawal Date for a given series, for example, tendered Old Notes of such series may not be validly withdrawn unless we amend or otherwise change the applicable Exchange Offer in a manner material to tendering Eligible Holders or are otherwise required by law to permit withdrawal (as determined by us in our reasonable discretion). The minimum period during which an Exchange Offer will remain open following material changes in the terms of such Exchange Offer or in the information concerning such Exchange Offer will depend upon the facts and circumstances of such changes, including the relative materiality of the changes. With respect to a change in consideration, any affected Exchange Offer will remain open for a minimum five business day period. If the terms of an Exchange Offer are amended in a manner determined by PGF to constitute a material change, PGF will promptly disclose any such amendment in a manner reasonably calculated to inform Eligible Holders of such amendment, and PGF will extend such Exchange Offer for a minimum three business day period following the date that notice of such change is first published or sent to Eligible Holders to allow for adequate dissemination of such change, if such Exchange Offer would otherwise expire during such time period. In the event that an Exchange Offer is extended, we will allow previously tendered Old Notes to be withdrawn until the tenth business day after the date of commencement of the Exchange Offers. If an Exchange Offer is terminated, Old Notes tendered pursuant to such Exchange Offer will be returned promptly to the tendering Eligible Holders.

For a withdrawal of a tender of Old Notes to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Exchange Agent at its address set forth on the back cover page of this Offering Memorandum at or prior to the Withdrawal Date, by mail, fax or hand delivery or by a properly transmitted "Request Message" through ATOP. Any such notice of withdrawal must:

- (a) specify the name of the Eligible Holder who tendered the Old Notes to be withdrawn and, if different, the name of the registered holder of such Old Notes (or, in the case of Old Notes tendered by book-entry transfer, the name of the DTC participant whose name appears on the security position as the owner of such Old Notes);
- (b) contain the description of the Old Notes to be withdrawn (including the principal amount of the Old Notes to be withdrawn); and
- (c) except in the case of a notice of withdrawal transmitted through ATOP, be signed by such participant in the same manner as the participant's name is listed in the applicable Agent's Message, or be accompanied by evidence satisfactory to us that the person withdrawing the tender has succeeded to the beneficial ownership of such Old Notes.

The signature on a notice of withdrawal must be guaranteed by a recognized participant (a "Medallion Signature Guarantor") unless such Old Notes have been tendered for the account of an Eligible Institution (as defined below). If the Old Notes to be withdrawn have been delivered or otherwise identified to the Exchange Agent, a signed notice of withdrawal will be effective immediately upon the Exchange Agent's receipt of written or

facsimile notice of withdrawal. An “Eligible Institution” is one of the following firms or other entities identified in Rule 17Ad-15 under the Exchange Act (as the terms are defined in such Rule 17Ad-15):

- a bank;
- a broker, dealer, municipal securities dealer, municipal securities broker, government securities dealer or government securities broker;
- a credit union;
- a national securities exchange, registered securities association or clearing agency; or
- a savings institution that is a participant in a Securities Transfer Association recognized program.

Withdrawal of tenders of Old Notes may not be rescinded, and any Old Notes properly withdrawn will thereafter not be validly tendered for purposes of the Exchange Offers. Withdrawal of Old Notes may only be accomplished in accordance with the foregoing procedures. Old Notes validly withdrawn may thereafter be retendered at any time on or before the applicable Expiration Date by following the procedures described under “— Procedures for Tendering.”

We will determine all questions as to the form and validity (including time of receipt) of any notice of withdrawal of a tender, in our sole discretion, which determination shall be final and binding. None of us, the Trustee, the Dealer Managers, the Exchange Agent or the Information Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal of a tender or incur any liability for failure to give any such notification.

If we are delayed in our acceptance for exchange of, or issuance of New Notes in exchange for (together with any applicable cash amounts), any Old Notes or if we are unable to accept for exchange any Old Notes or issue New Notes in exchange therefor pursuant to the Exchange Offers for any reason, then, without prejudice to our rights hereunder, but subject to applicable law, tendered Old Notes may be retained by the Exchange Agent on our behalf and may not be validly withdrawn (subject to Rule 14e-1 under the Exchange Act, which requires that we issue or pay the consideration offered or return the Old Notes deposited by or on behalf of the Eligible Holders promptly after the termination or withdrawal of an Exchange Offer).

### **Transfer Taxes**

We will pay all transfer taxes, if any, applicable to the transfer and exchange of Old Notes to us in the Exchange Offers. If transfer taxes are imposed for any reason other than the transfer and tender to us, the amount of those transfer taxes, whether imposed on the registered holders or any other persons, will be payable by the tendering Eligible Holder. Transfer taxes that will not be paid by us include taxes, if any, imposed:

- if New Notes in book-entry form are to be registered in the name of any person other than the person on whose behalf an Agent’s Message was sent;
- if tendered Old Notes are to be registered in the name of any person other than the person on whose behalf an Agent’s Message was sent; or
- if any cash payment in respect of an Exchange Offer is being made to any person other than the person on whose behalf an Agent’s Message was sent.

If satisfactory evidence of payment of or exemption from transfer taxes that are not required to be borne by us is not submitted with the Agent’s Message, the amount of those transfer taxes will be billed directly to the tendering Eligible Holder and/or withheld from any payments due with respect to the Old Notes tendered by such Eligible Holder.



## **Certain Consequences to Holders of Old Notes Not Tendering in the Exchange Offers**

Any of the Old Notes that are not tendered to us at or prior to the Expiration Date or the Guaranteed Delivery Date pursuant to the Guaranteed Delivery Procedures or are not accepted for exchange will remain outstanding, will mature on their respective maturity dates and will continue to accrue interest in accordance with, and will otherwise be entitled to all the rights and privileges under, the indenture governing the Old Notes. The trading markets for Old Notes that are not exchanged could become more limited than the existing trading markets for the Old Notes. More limited trading markets might adversely affect the liquidity, market prices and price volatility of the Old Notes. If markets for Old Notes that are not exchanged exist or develop, the Old Notes may trade at a discount to the prices at which they would trade if the principal amount outstanding had not been reduced. See “Risk Factors.”

### **Exchange Agent**

Global Bondholder Services Corporation has been appointed the Exchange Agent for the Exchange Offers. All correspondence in connection with the Exchange Offers should be sent or delivered by each Eligible Holder of Old Notes, or a beneficial owner’s custodian bank, depository, broker, trust company or other nominee, to the Exchange Agent at the address and telephone numbers set forth on the back cover page of this Offering Memorandum. We will pay the Exchange Agent reasonable and customary fees for its services and will reimburse it for its out-of-pocket expenses in connection therewith.

### **Information Agent**

Global Bondholder Services Corporation has also been appointed as the Information Agent for the Exchange Offers and will receive reasonable and customary compensation for its services, and we will reimburse it for its out-of-pocket expenses in connection therewith. Questions concerning tender procedures and requests for additional copies of this Offering Memorandum should be directed to the Information Agent at the address and telephone numbers set forth on the back cover page of this Offering Memorandum. Holders of Old Notes may also contact their custodian bank, depository, broker, trust company or other nominee for assistance concerning the Exchange Offers.

### **Dealer Managers**

We have retained Citigroup Global Markets Inc., Credit Agricole Securities (USA) Inc., HSBC Securities (USA) Inc., Mizuho Securities USA LLC, Morgan Stanley & Co. LLC and Santander Investment Securities Inc. to act as the Dealer Managers in connection with the Exchange Offers. We will pay the Dealer Managers a reasonable and customary fee for soliciting tenders in the Exchange Offer. We will also reimburse the Dealer Managers for their reasonable out-of-pocket expenses. The obligations of the Dealer Managers to perform such function are subject to certain conditions. We have agreed to indemnify the Dealer Managers against certain liabilities, including liabilities under the federal securities laws, in connection with their services. Questions regarding the terms of the Exchange Offers may be directed to the Dealer Managers at the addresses and telephone numbers set forth on the back cover page of this Offering Memorandum.

At any given time, the Dealer Managers may trade Old Notes or other of our securities for their own accounts or for the accounts of their customers and, accordingly, may hold a long or short position in the Old Notes. To the extent the Dealer Managers hold Old Notes during the Exchange Offers, they may tender such Old Notes under the Exchange Offers.

From time to time in the ordinary course of business, the Dealer Managers and their affiliates have provided, and may provide in the future, investment or commercial banking services to us and our affiliates in the ordinary course of business for customary compensation.

In addition, in the ordinary course of their business activities, the Dealer Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of Petrobras or its affiliates. If any of the Dealer Managers or their affiliates has a lending relationship with Petrobras or its affiliates,

certain of those Dealer Managers or their affiliates routinely hedge, and certain other of those Dealer Managers or their affiliates are likely to hedge, their credit exposure to Petrobras or its affiliates consistent with their customary risk management policies. Typically, these Dealer Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in Petrobras' or its affiliates' securities. The Dealer Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Affiliates of the Dealer Managers are lenders and arrangers under certain of our debt facilities, and have acted as underwriters in certain of our offerings. The Dealer Managers for the Exchange Offers are also acting as the dealer managers for the Cash Offers. In addition, the Dealer Managers are acting as initial purchasers in the New Notes Offering described elsewhere in this Offering Memorandum.

**None of PGF, Petrobras, the Dealer Managers, the Trustee, the Exchange Agent or the Information Agent makes any recommendation as to whether or not Eligible Holders of the Old Notes should exchange their Old Notes in the Exchange Offers.**

None of the Dealer Managers, the Exchange Agent or the Information Agent assumes any responsibility for the accuracy or completeness of the information concerning us or our affiliates or the Old Notes contained or referred to in this Offering Memorandum or for any failure by us to disclose events that may have occurred and may affect the significance or accuracy of such information.

We will not make any payment to brokers, dealers or others soliciting acceptances of the Exchange Offers other than the Dealer Managers, as described above.

Any questions or requests for assistance or for additional copies of the Exchange Offer Documents may be directed to the Information Agent at one of the telephone numbers provided on the back cover of this Offering Memorandum. Holders may also contact the Dealer Managers at the telephone numbers provided on the back cover of this Offering Memorandum for assistance concerning the Exchange Offers.

#### **Other Fees and Expenses**

Tendering Eligible Holders of Old Notes will not be required to pay any fee or commission to the Dealer Managers. However, if a tendering Eligible Holder handles the transaction through its broker, dealer, commercial bank, trust company or other institution, such Eligible Holder may be required to pay brokerage fees or commissions.

## DESCRIPTION OF THE NEW NOTES

*This section of this Offering Memorandum summarizes the material terms of the New Notes and the indenture governing the New Notes. It does not, however, describe all of the terms of the New Notes and the indenture governing the New Notes and is qualified in its entirety by reference to the provisions of the indenture and the New Notes. We urge you to read the indenture in connection with the New Notes, because it will define your rights as holders of the New Notes. You may obtain copies of the indenture upon written request to the Trustee and, for so long as the New Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the EuroMTF Market of the Luxembourg Stock Exchange, at the office of the paying agent in Luxembourg.*

### **The Indenture**

PGF will issue the New Notes under an indenture to be dated as of the Settlement Date among PGF, Petrobras, the Trustee, and The Bank of New York Mellon SA/NV, Luxembourg Branch, as Luxembourg paying agent, which provides the specific terms of the New Notes offered by this Offering Memorandum, including granting holders rights against Petrobras under the guaranty.

### **The New Notes**

The New Notes will be general, senior, unsecured and unsubordinated obligations of PGF having the following basic terms:

The title of the New Notes will be determined on the Price Determination Date;

The New Notes:

- will be issued in an aggregate principal amount to be determined on the Settlement Date;
- are expected to mature on January 15, 2030;
- will bear interest at a rate per annum to be determined on the Price Determination Date from the Settlement Date until maturity or early redemption and until all required amounts due in respect of the New Notes have been paid;
- will be issued in global registered form without interest coupons attached;
- will be issued and may be transferred only in principal amounts of U.S.\$2,000 and in integral multiples of U.S.\$1,000 in excess thereof; and
- will be unconditionally guaranteed by Petrobras pursuant to a guaranty described below under “—Guaranty.”

All payments of principal and interest on the New Notes will be paid in U.S. dollars;

Interest on the New Notes are expected to be paid semi-annually on January 15 and July 15 of each year (each of which we refer to as an “interest payment date”), commencing on January 15, 2020 and the regular record date for any interest payment date will be the business day preceding that date;

As described under “Registration Rights,” PGF will agree to use its commercially reasonable efforts to file with the SEC a registration statement under the Securities Act, with respect to its offer to exchange the New Notes for an equal principal amount of notes with substantially identical terms. If the exchange offer is not consummated, or if a registration statement is not available for resales of the New Notes, within the time periods described under “Registration Rights,” additional interest will accrue and be payable on the New Notes; and

In the case of amounts not paid by PGF under the indenture and the New Notes (or Petrobras under the guaranty for the New Notes), interest will continue to accrue on such amounts at a default rate equal to 0.5% in excess of the interest rate on the New Notes, from and including the date when such amounts were due and owing and through and excluding the date of payment of such amounts by PGF or Petrobras.

Despite the Brazilian government's ownership interest in Petrobras, the Brazilian government is not responsible in any manner for PGF's obligations under the New Notes or Petrobras's obligations under the guaranty for the New Notes.

### **Guaranty**

Petrobras will unconditionally and irrevocably guarantee the full and punctual payment when due, whether at the maturity date of the New Notes, or earlier or later by acceleration or otherwise, of all of PGF's obligations now or hereafter existing under the indenture and the New Notes, whether for principal, interest, make-whole premium, fees, indemnities, costs, expenses or otherwise. The guaranty will be unsecured and will rank equally with all of Petrobras's other existing and future unsecured and unsubordinated debt including guaranty previously issued by Petrobras in connection with prior issuances of indebtedness. See "Description of the Guaranty."

### **Depositary with Respect to Global Notes**

The New Notes will be issued in global registered form with The Depository Trust Company ("DTC") as depositary. For further information in this regard, see "Clearance and Settlement."

### **Events of Default**

The following events will be events of default with respect to the New Notes:

- PGF does not pay the principal on the New Notes within seven calendar days of its due date and the Trustee has not received such amounts from Petrobras under the guaranty by the end of that seven-day period.
- PGF does not pay interest or other amounts, including any additional amounts, on the New Notes of such series within 30 calendar days of their due date and the Trustee has not received such amounts from Petrobras under the guaranty by the end of that 30-day period.
- PGF or Petrobras remains in breach of any covenant or any other term in respect of the New Notes issued under the indenture or guaranty for 60 calendar days after receiving a notice of default stating that it is in breach. The notice must be sent by either the Trustee or holders of 25% of the principal amount of the New Notes.
- The maturity of any indebtedness of PGF or Petrobras or a material subsidiary in a total aggregate principal amount of U.S.\$200,000,000 (or its equivalent in another currency) or more is accelerated in accordance with the terms of that indebtedness, it being understood that prepayment or redemption by us or a material subsidiary of any indebtedness is not acceleration for this purpose.
- PGF or Petrobras or any material subsidiary stops paying or is generally unable to pay its debts as they become due, except in the case of a winding-up, dissolution or liquidation for the purpose of and followed by a consolidation, spin-off, merger, conveyance or transfer duly approved by the note holders.
- If proceedings are initiated against PGF, Petrobras or any material subsidiary under any applicable bankruptcy, reorganization, insolvency, moratorium or intervention law or law with similar effect, or under any other law for the relief of, or relating to, debtors, and such proceeding is not dismissed or stayed within 90 calendar days.
- An administrative or other receiver, manager or administrator, or any such or other similar official is appointed in relation to, or a distress, execution, attachment, sequestration or other process is levied or

put in force against, the whole or a substantial part of the undertakings or assets of PGF or Petrobras or any material subsidiary and is not discharged or removed within 90 calendar days.

- PGF or Petrobras or any material subsidiary voluntarily commences or consents to proceedings under any applicable liquidation, bankruptcy, reorganization, insolvency, moratorium or any other similar laws, PGF or Petrobras or any material subsidiary enters into any composition or other similar arrangement with our creditors under applicable Brazilian law (such as a *recuperação judicial or extrajudicial*, which is a type of liquidation agreement).
- PGF or Petrobras or any material subsidiary files an application for the appointment of an administrative or other receiver, manager or administrator, or any such or other similar official, in relation to PGF or Petrobras or any material subsidiary, or PGF or Petrobras or any material subsidiary takes legal action for a readjustment or deferment of any part of its indebtedness.
- An effective resolution is passed, or any authorized action is taken by any court of competent jurisdiction, directing PGF or Petrobras or any material subsidiary's winding-up, dissolution or liquidation, except for the purpose of and followed by a consolidation, merger, conveyance or transfer duly approved by the note holders.
- Any event occurs that under the laws of any relevant jurisdiction has substantially the same effect as the events referred to in the six immediately preceding paragraphs.
- The New Notes, the indenture, the guaranty or any part of those documents cease to be in full force and effect or binding and enforceable against PGF or Petrobras, or it becomes unlawful for PGF or Petrobras to perform any material obligation under any of the foregoing documents to which it is a party.
- PGF or Petrobras contests the enforceability of the New Notes, the indenture or the guaranty, or denies that it has liability under any of the foregoing documents to which it is a party.
- Petrobras fails to retain at least 51% direct or indirect ownership of the outstanding voting and economic interests (equity or otherwise) of and in PGF.

For purposes of the events of default:

- "indebtedness" means any obligation (whether present or future, actual or contingent and including any guaranty) for the payment or repayment of money which has been borrowed or raised (including money raised by acceptances and all leases which, under IFRS, would be a capital lease obligation).
- "material subsidiary" means, as to any person, any subsidiary of such person which, on any given date of determination accounts for more than 15% of such person's total consolidated assets (as set forth on such person's most recent consolidated financial statements prepared in accordance with IFRS).

## **Covenants**

PGF will be subject to the following covenants with respect to the New Notes:

### ***Payment of Principal and Interest***

PGF will duly and punctually pay the principal of and any premium and interest and other amounts (including any additional amounts in the event withholding and other taxes are imposed in Brazil or the jurisdiction of incorporation of PGF) on the New Notes in accordance with the New Notes and the indenture.

### ***Maintenance of Corporate Existence***

PGF will maintain its corporate existence and take all reasonable actions to maintain all rights, privileges and the like necessary or desirable in the normal conduct of business, activities or operations, unless PGF's board of directors determines that maintaining such rights and privileges is no longer desirable in the conduct of PGF's business and is not disadvantageous in any material respect to holders.

### ***Maintenance of Office or Agency***

So long as the New Notes are outstanding, PGF will maintain an office or agency in the United States where notices to and demands upon it in respect of the indenture and the New Notes may be served. Initially, PGF has appointed Petrobras America Inc., with offices located at 10350 Richmond Ave., Suite 1400, Houston, TX 77042, as its agent. PGF will not change the appointment of the agent without prior written notice to the Trustee and appointing a replacement agent or designating an office, in the United States.

### ***Ranking***

PGF will ensure that the New Notes will at all times constitute its general senior, unsecured and unsubordinated obligations and will rank *pari passu*, without any preferences among themselves, with all of its other present and future unsecured and unsubordinated obligations (other than obligations preferred by statute or by operation of law).

### ***Statement by Managing Directors as to Default***

PGF will deliver to the Trustee, within 90 calendar days after the end of its fiscal year, a directors' certificate, stating whether or not to the best knowledge of its signers thereof there is an event of default in connection with the performance and observance of any of the terms, provisions and conditions of the indenture or the New Notes and, if there is such an event of default by PGF, specifying all such events of default and their nature and status of which the signers may have knowledge.

### ***Provision of Financial Statements and Reports***

In the event that PGF files any financial statements or reports with the SEC or publishes or otherwise makes such statements or reports publicly available in The Netherlands, the United States or elsewhere, PGF will furnish a copy of the statements or reports to the Trustee within 15 calendar days of the date of filing or the date the information is published or otherwise made publicly available. As long as the financial statements or reports are publicly available and accessible electronically by the Trustee, the filing or electronic publication of such financial statements or reports will comply with PGF's obligation to deliver such statements and reports to the Trustee. PGF will provide to the Trustee with prompt written notification at such time that PGF becomes or ceases to be a reporting company. The Trustee will have no obligation to determine if and when PGF's financial statements or reports, if any, are publicly available and accessible electronically.

Along with each such financial statement or report, if any, PGF will provide a directors' certificate stating (i) that a review of PGF's activities has been made during the period covered by such financial statements with a view to determining whether PGF has kept, observed, performed and fulfilled its covenants and agreements under the indenture; and (ii) that no event of default, has occurred during that period or, if one or more have actually occurred, specifying all those events and what actions have been taken and will be taken with respect to that event of default.

Delivery of these reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of any of those will not constitute constructive notice of any information contained in them or determinable from information contained in them, including PGF's compliance with any of its covenants under the indenture (as to which the Trustee is entitled to rely exclusively on directors' certificates).

### ***Appointment to Fill a Vacancy in Office of Trustee***

PGF, whenever necessary to avoid or fill a vacancy in the office of trustee, will appoint a successor trustee in the manner provided in the indenture so that there will at all times be a trustee with respect to the New Notes.

### ***Payments and Paying Agents***

PGF will, prior to 3:00 p.m., New York City time, on the business day preceding any payment date of the principal of or interest on the New Notes or other amounts (including additional amounts), deposit with the Trustee a sum sufficient to pay such principal, interest or other amounts (including additional amounts) so becoming due.

For long as the New Notes are listed on the Official List of the Luxembourg Stock Exchange and trade on the EuroMTF Market of the Luxembourg Stock Exchange, PGF will also maintain a paying agent in Luxembourg.

All payments on the New Notes will be subject in all cases to any applicable tax, fiscal or other laws and regulations in any jurisdictions, but without prejudice to the provisions of “—Additional Amounts.” For the purposes of the preceding sentence, the phrase “applicable tax, fiscal or other laws and regulations” will include any obligation on us to withhold or deduct from a payment pursuant to Section 1471(b) of the Internal Revenue Code of 1986, as amended (the “Code”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations thereunder or official interpretations thereof or any law implementing an intergovernmental approach thereto (collectively, “FATCA”).

### ***Additional Amounts***

Except as provided below, PGF or Petrobras, as applicable, will make all payments of amounts due under the New Notes and the indenture and each other document entered into in connection with the New Notes and the indenture without withholding or deducting any present or future taxes, levies, deductions or other governmental charges of any nature imposed by Brazil, the jurisdiction of PGF’s incorporation (currently The Netherlands) or any jurisdiction in which PGF appoints a paying agent under the indenture, or any political subdivision of such jurisdictions (the “taxing jurisdictions”). If PGF or Petrobras, as applicable, is required by law to withhold or deduct any taxes, levies, deductions or other governmental charges, PGF or Petrobras, as applicable, will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and pay the holders any additional amounts necessary to ensure that they receive the same amount as they would have received without such withholding or deduction. For the avoidance of doubt, the foregoing obligations shall extend to payments under the guaranty.

All references to principal, premium, if any, and interest in respect of the New Notes will be deemed to refer to any additional amounts which may be payable as set forth in the indenture or in the New Notes.

PGF or Petrobras, as applicable, will not, however, pay any additional amounts in connection with any tax, levy, deduction or other governmental charge that is imposed due to any of the following (“excluded additional amounts”):

- the holder has a connection with the taxing jurisdiction other than merely holding the New Notes or receiving principal or interest payments on the New Notes (such as citizenship, nationality, residence, domicile, or existence of a business, a permanent establishment, a dependent agent, a place of business or a place of management, present or deemed present within the taxing jurisdiction);
- any tax imposed on, or measured by, net income;
- the holder fails to comply with any certification, identification or other reporting requirements concerning its nationality, residence, identity or connection with the taxing jurisdiction, if (i) such compliance is required by applicable law, regulation, administrative practice or treaty as a precondition to exemption from all or a part of the tax, levy, deduction or other governmental charge, (ii) the holder is able to comply with such requirements without undue hardship and (iii) at least 30 calendar days prior to the first payment date with respect to which such requirements under the applicable law, regulation,

administrative practice or treaty will apply, PGF or Petrobras, as applicable, has notified all holders or the Trustee that they will be required to comply with such requirements;

- the holder fails to present (where presentation is required) its New Notes within 30 calendar days after PGF has made available to the holder a payment under the New Notes and the indenture, *provided that* PGF or Petrobras, as applicable, will pay additional amounts which a holder would have been entitled to, had the New Notes owned by such holder been presented on any day (including the last day) within such 30 calendar day period;
- any estate, inheritance, gift, value added, Financial Transactions Tax (“FTT”), use or sales taxes or any similar taxes, assessments or other governmental charges; or
- where the holder would have been able to avoid the tax, levy, deduction or other governmental charge by taking reasonable measures available to such holder.

PGF shall promptly pay when due any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies that are imposed by a taxing jurisdiction from any payment under the New Notes or under any other document or instrument referred to in the indenture or from the execution, delivery, enforcement or registration of the New Notes or any other document or instrument referred to in the indenture. PGF shall indemnify and make whole the holders of the New Notes for any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies payable by PGF as provided in this paragraph paid by such holder. As provided in “—Payments and Paying Agents,” all payments in respect of the New Notes will be made subject to any withholding or deduction required pursuant to FATCA, and we will not be required to pay any additional amounts on account of any such deduction or withholding required pursuant to FATCA.

#### ***Negative Pledge***

So long as the New Notes remain outstanding, PGF will not create or permit any lien, other than a PGF permitted lien, on any of its assets to secure (i) any of its indebtedness or (ii) the indebtedness of any other person, unless PGF contemporaneously creates or permits such lien to secure equally and ratably its obligations under the New Notes as is duly approved by a resolution of the holders of the New Notes in accordance with the indenture. In addition, PGF will not allow any of its material subsidiaries, if any, to create or permit any lien, other than a PGF permitted lien, on any of its assets to secure (i) any of its indebtedness; (ii) any of the material subsidiary’s indebtedness or (iii) the indebtedness of any other person, unless it contemporaneously creates or permits the lien to secure equally and ratably its obligations under the New Notes and the indenture or PGF provides such other security for the New Notes and the indenture as is duly approved by a resolution of the holders of the New Notes in accordance with the indenture. This covenant is subject to a number of important exceptions, including an exception that permits PGF to grant liens in respect of indebtedness the principal amount of which, in the aggregate, together with all other liens not otherwise described in a specific exception, does not exceed 20% of PGF’s consolidated total assets (as determined in accordance with IFRS) at any time as at which PGF’s balance sheet is prepared and published in accordance with applicable law.

#### ***Limitation on Consolidation, Merger, Sale or Conveyance***

PGF will not, in one or a series of transactions, consolidate or amalgamate with or merge into any corporation or convey, lease, spin-off or transfer substantially all of its properties, assets or revenues to any person or entity (other than a direct or indirect subsidiary of Petrobras) or permit any person (other than a direct or indirect subsidiary of PGF) to merge with or into it unless such consolidation, amalgamation, merger, lease, spin-off or transfer of properties, assets or revenues does not violate any provision of Dutch financial regulatory laws and:

- either PGF is the continuing entity or the person (the “successor company”) formed by the consolidation or into which PGF is merged or that acquired (through a transfer of assets, a spin-off or otherwise) or leased the property or assets of PGF will assume (jointly and severally with PGF unless PGF will have ceased to exist as a result of that merger, consolidation or amalgamation), by a supplemental indenture, all of PGF’s obligations under the indenture and the New Notes;



- the successor company (jointly and severally with PGF unless PGF will have ceased to exist as part of the merger, consolidation or amalgamation) agrees to indemnify each holder against any tax, assessment or governmental charge thereafter imposed on the holder solely as a consequence of the consolidation, merger, conveyance, spin-off, transfer or lease with respect to the payment of principal of, or interest on, the New Notes;
- immediately after giving effect to the transaction, no event of default, and no default has occurred and is continuing;
- PGF has delivered to the Trustee a directors' certificate and an opinion of counsel, each stating that the transaction, and the supplemental indenture relating to the transaction, comply with the terms of the indenture, and that all conditions precedent provided for in the indenture and relating to the transaction have been complied with; and
- PGF has delivered notice of any such transaction to the Trustee.

Notwithstanding anything to the contrary in the foregoing, so long as no default or event of default under the indenture or the New Notes will have occurred and be continuing at the time of the proposed transaction or would result from the transaction:

- PGF may merge, amalgamate or consolidate with or into, or convey, transfer, spin-off, lease or otherwise dispose of all or substantially all of its properties, assets or revenues to a direct or indirect subsidiary of PGF or Petrobras in cases when PGF is the surviving entity in the transaction and the transaction would not have a material adverse effect on PGF and its subsidiaries taken as a whole, it being understood that if PGF is not the surviving entity, PGF will be required to comply with the requirements set forth in the previous paragraph; or
- any direct or indirect subsidiary of PGF may merge or consolidate with or into, or convey, transfer, spin-off, lease or otherwise dispose of assets to, any person (other than PGF or any of its subsidiaries or affiliates) in cases when the transaction would not have a material adverse effect on PGF and its subsidiaries taken as a whole; or
- any direct or indirect subsidiary of PGF may merge or consolidate with or into, or convey, transfer, spin-off, lease or otherwise dispose of assets to, any other direct or indirect subsidiary of PGF or Petrobras; or
- any direct or indirect subsidiary of PGF may liquidate or dissolve if PGF determines in good faith that the liquidation or dissolution is in the best interests of Petrobras, and would not result in a material adverse effect on PGF and its subsidiaries taken as a whole and if the liquidation or dissolution is part of a corporate reorganization of PGF or Petrobras.

PGF may omit to comply with any term, provision or condition set forth in certain covenants applicable to the New Notes or any term, provision or condition of the indenture, if before the time for the compliance the holders of at least a majority of the principal amount of the outstanding New Notes waive the compliance, but no waiver can operate except to the extent expressly waived, and, until a waiver becomes effective, PGF's obligations and the duties of the Trustee in respect of any such term, provision or condition will remain in full force and effect.

As used above, the following terms have the meanings set forth below:

“indebtedness” means any obligation (whether present or future, actual or contingent and including any guaranty) for the payment or repayment of money which has been borrowed or raised (including money raised by acceptances and all leases which, under IFRS, would be a capital lease obligation).

A “guaranty” means an obligation of a person to pay the indebtedness of another person including, without limitation:

- an obligation to pay or purchase such indebtedness;
- an obligation to lend money or to purchase or subscribe for shares or other securities or to purchase assets or services in order to provide funds for the payment of such indebtedness;
- an indemnity against the consequences of a default in the payment of such indebtedness; or
- any other agreement to be responsible for such indebtedness.

A “lien” means any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance on any property or asset including, without limitation, any equivalent created or arising under applicable law.

A “PGF permitted lien” means any:

- (a) lien arising by operation of law, such as merchants’, maritime or other similar liens arising in PGF’s ordinary course of business or that of any subsidiary or lien in respect of taxes, assessments or other governmental charges that are not yet delinquent or that are being contested in good faith by appropriate proceedings;
- (b) lien arising from PGF’s obligations under performance bonds or surety bonds and appeal bonds or similar obligations incurred in the ordinary course of business and consistent with PGF’s past practice;
- (c) lien arising in the ordinary course of business in connection with indebtedness maturing not more than one year after the date on which that indebtedness was originally incurred and which is related to the financing of export, import or other trade transactions;
- (d) lien granted upon or with respect to any assets hereafter acquired by PGF or any subsidiary to secure the acquisition costs of those assets or to secure indebtedness incurred solely for the purpose of financing the acquisition of those assets, including any lien existing at the time of the acquisition of those assets, so long as the maximum amount so secured does not exceed the aggregate acquisition costs of all such assets or the aggregate indebtedness incurred solely for the acquisition of those assets, as the case may be;
- (e) lien granted in connection with indebtedness of a wholly-owned subsidiary owing to PGF or another wholly-owned subsidiary;
- (f) lien existing on any asset or on any stock of any subsidiary prior to the acquisition thereof by PGF or any subsidiary, so long as the lien is not created in anticipation of that acquisition;
- (g) lien existing as of the date of the original issuance of the New Notes;
- (h) lien resulting from the indenture or the guaranty, if any;
- (i) lien incurred in connection with the issuance of debt or similar securities of a type comparable to those already issued by PGF, on amounts of cash or cash equivalents on deposit in any reserve or similar account to pay interest on those securities for a period of up to 24 months as required by any rating agency as a condition to the rating agency rating those securities as investment grade;
- (j) lien granted or incurred to secure any extension, renewal, refinancing, refunding or exchange (or successive extensions, renewals, refinancings, refundings or exchanges), in whole or in part, of or for any indebtedness secured by liens referred to in paragraphs (a) through (i) above (but not paragraph (c)), so long as the lien does not extend to any other property, the principal amount of the indebtedness secured

by the lien is not increased, and in the case of paragraphs (a), (b) and (f), the obligees meet the requirements of the applicable paragraph; and

- (k) lien in respect of indebtedness the principal amount of which in the aggregate, together with all other liens not otherwise qualifying as PGF permitted liens pursuant to another part of this definition of PGF permitted liens, does not exceed 20% of PGF's consolidated total assets (as determined in accordance with IFRS) at any date as at which PGF's balance sheet is prepared and published in accordance with applicable law.

A "wholly-owned subsidiary" means, with respect to any corporate entity, any person of which 100% of the outstanding capital stock (other than qualifying shares, if any) having by its terms ordinary voting power (not dependent on the happening of a contingency) to elect the board of directors (or equivalent controlling governing body) of that person, is at the time owned or controlled directly or indirectly by that corporate entity, by one or more wholly-owned subsidiaries of that corporate entity or by that corporate entity and one or more wholly-owned subsidiaries.

### **Notices**

For so long as New Notes in global form are outstanding, notices to be given to holders will be given to the Trustee in accordance with its applicable policies in effect from time to time. If New Notes are issued in individual definitive form, notices to be given to holders will be deemed to have been given upon the mailing by first class mail of such notices to holders of the New Notes at their registered addresses as they appear in the registrar's records.

From and after the date the New Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the EuroMTF Market of the Luxembourg Stock Exchange and so long as it is required by the rules of such exchange, all notices to holders of New Notes will be published in English:

- (1) in a leading newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*);
- (2) if such Luxembourg publication is not practicable, in one other leading English language newspaper being published on each day in morning editions, whether or not it shall be published in Saturday, Sunday or holiday editions; or
- (3) on the website of the Luxembourg Stock Exchange, *www.bourse.lu*.

Notices shall be deemed to have been given on the date of publication as aforesaid or, if published on different dates, on the date of the first such publication. In addition, notices will be mailed to holders of New Notes at their registered addresses.

### **Optional Redemption**

PGF will not be permitted to redeem the New Notes before their stated maturity, except as set forth below. The New Notes will not be entitled to the benefit of any sinking fund (we will not deposit money on a regular basis into any separate account to repay your New Notes). In addition, you will not be entitled to require us to repurchase your New Notes from you before the stated maturity.

On and after the redemption date, interest will cease to accrue on the New Notes or any portion of the New Notes called for redemption (unless we default in the payment of the redemption price and accrued and unpaid interest). On or before the business day prior to any redemption date, we will deposit with the Trustee money sufficient to pay the redemption price of and (unless the redemption date shall be an interest payment date) accrued and unpaid interest to the redemption date on the New Notes to be redeemed on such date. If less than all of the New Notes are to be redeemed, the New Notes to be redeemed shall be selected by the Trustee by such method as set forth in the indenture.

### ***Optional Redemption With “Make-Whole” Amount for the New Notes***

PGF will have the right at our option to redeem the New Notes, in whole or in part, at any time or from time to time prior to their maturity, on at least 15 days’ but not more than 60 days’ notice, at a redemption price equal to the greater of (i) 100% of the principal amount of such New Notes and (ii) the sum of the present values of each remaining scheduled payment of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate *plus* the number of basis points to be determined on the Price Determination Date with respect to the New Notes, *plus* in each case accrued and unpaid interest on the principal amount of such New Notes to the date of redemption. The redemption notice may at PGF’s option be subject to the satisfaction of one or more conditions precedent, and such notice may be rescinded or the redemption date delayed in the event that any or all such conditions shall not have been satisfied by the redemption date.

“Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

“Comparable Treasury Issue” means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the New Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such New Notes.

“Independent Investment Banker” means one of the Reference Treasury Dealers appointed by us.

“Comparable Treasury Price” means, with respect to any redemption date (i) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (ii) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“Reference Treasury Dealer” means each of Citigroup Global Markets Inc., HSBC Securities (USA) Inc., Mizuho Securities USA LLC and Morgan Stanley & Co. LLC or their respective affiliates, which are primary United States government securities dealers, and two other leading primary United States government securities dealers in New York City reasonably designated by us in writing; *provided, however*, that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a “Primary Treasury Dealer”), we will substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time on the third business day preceding such redemption date.

On and after the redemption date, interest will cease to accrue on the New Notes or any portion of the New Notes called for redemption (unless we default in the payment of the redemption price and accrued and unpaid interest). On or before the redemption date, we will deposit with the Trustee money sufficient to pay the redemption price of and (unless the redemption date shall be an interest payment date) accrued and unpaid interest to the redemption date on the New Notes to be redeemed on such date. If less than all of the New Notes are to be redeemed, the New Notes to be redeemed shall be selected by the Trustee by such method as set forth in the indenture.

### ***Redemption for Taxation Reasons***

We have the option, subject to certain conditions, to redeem the New Notes in whole at their principal amount, plus accrued and unpaid interest, if any, to the date of redemption, if and when, as a result of a change in, execution of, or amendment to, any laws or treaties or the official application or interpretation of any laws or

treaties, we would be required to pay additional amounts related to the deduction of certain withholding taxes in respect of certain payments on the New Notes. See “—Covenants—Additional Amounts.”

The optional tax redemption set forth in this Offering Memorandum shall apply with the reincorporation of PGF being treated as the adoption of a successor entity. Such redemption shall not be available if the reincorporation was performed in anticipation of a change in, execution of or amendment to any laws or treaties or the official application or interpretation of any laws or treaties in such new jurisdiction of incorporation that would result in the obligation to pay additional amounts.

### **Further Issuances**

The indenture by its terms does not limit the aggregate principal amount of securities that may be issued under it and permits the issuance, from time to time, of additional notes (also referred to as add-on New Notes) of the same series as those offered under this Offering Memorandum. The ability to issue add-on New Notes is subject to several requirements, however, including that (i) no event of default under the indenture or event that with the passage of time or other action may become an event of default (such event being a “default”) will have occurred and then be continuing or will occur as a result of that additional issuance, (ii) the add-on New Notes will rank *pari passu* and have equivalent terms and benefits as the New Notes offered under this Offering Memorandum except for the price to the public and the issue date and (iii) any add-on New Notes shall be issued under a separate CUSIP or ISIN number unless the add-on New Notes are issued pursuant to a “qualified reopening” of the original series, are otherwise treated as part of the same “issue” of debt instruments as the original series or are issued with no more than a *de minimis* amount of original discount, in each case for U.S. federal income tax purposes. Any add-on New Notes with respect to the New Notes will be part of the same series as such New Notes that PGF is currently offering and the holders will vote on all matters in relation to the New Notes as a single series.

### **Covenant Defeasance**

We can make the same type of deposit described below and be released from all or some of the restrictive covenants (if any) that apply to the New Notes. This is called “covenant defeasance.” In that event, you would lose the protection of those restrictive covenants but would gain the protection of having money and securities set aside in trust to repay the New Notes. In order to achieve covenant defeasance, we must do the following:

- We must irrevocably deposit in trust for the benefit of all direct holders of the New Notes a combination of money and non-callable U.S. government or U.S. government agency debt securities or bonds that, in the opinion of a nationally recognized firm of independent accountants, will generate enough cash without reinvestment to make interest, principal and any other payments, including additional amounts, on the New Notes on their various due dates.
- We must deliver to the Trustee a legal opinion of our counsel confirming that under then current U.S. federal income tax law we may make the above deposit without causing you to be taxed on the New Notes any differently than if we did not make the deposit and just repaid the New Notes ourselves.

If we accomplish covenant defeasance, the following provisions of the indenture as it applies to the New Notes and of the New Notes would no longer apply:

- Any covenants applicable to the New Notes described under “—Covenants.”.
- The events of default relating to breach of those covenants being defeased and acceleration of the maturity of other debt, described under “—Events of Default.”

If we accomplish covenant defeasance, you can still look to us for repayment of the New Notes if there were a shortfall in the trust deposit. In fact, if any event of default occurred (such as our bankruptcy) and the New Notes become immediately due and payable, there may be such a shortfall. Depending on the event causing the default, you may not be able to obtain payment of the shortfall.

## ***Modification and Waiver***

There are three types of changes we can make to the indenture and the New Notes.

***Changes Requiring Your Approval.*** These are changes that cannot be made to the New Notes without the specific approval of each holder of New Notes. These are the following types of changes:

- change the stated maturity of the principal, interest or premium on the New Notes;
- reduce any amounts due on the New Notes;
- change any obligation to pay the additional amounts described under “—Covenants—Additional Amounts;”
- reduce the amount of principal payable upon acceleration of the maturity of the New Notes following a default;
- change the place or currency of payment on the New Notes;
- impair any of the conversion or exchange rights of the New Notes;
- impair any right to sue for payment, conversion or exchange;
- reduce the percentage of holders of New Notes whose consent is needed to modify or amend the indenture;
- reduce the percentage of holders of New Notes whose consent is needed to waive compliance with various provisions of the indenture or to waive specified defaults; and
- modify any other aspect of the provisions dealing with modification and waiver of the indenture.

***Changes Requiring a Majority Vote.*** These are changes to the indenture and the New Notes that require a vote of approval by the holders of New Notes that together represent a majority of the outstanding principal amount of the New Notes. Most changes fall into this category, except for clarifying changes, amendments, supplements and other changes that would not adversely affect holders of the New Notes in any material respect. For example, this vote would be required for us to obtain a waiver of all or part of any covenants applicable to the New Notes or a waiver of a past default. However, we cannot obtain a waiver of a payment default or any other aspect of the indenture or the New Notes listed under “Changes Requiring Your Approval” unless we obtain your individual consent to the waiver.

***Changes Not Requiring Approval.*** These changes do not require any vote by holders of New Notes. This type is limited to curing any ambiguity, defect or inconsistency, making changes to conform the provisions contained in the indenture to the description of the New Notes and the guarantee contained in this Offering Memorandum and making changes that do not adversely affect the rights of holders of New Notes in any material respect, such as adding covenants, additional events of default or successor trustees.

When taking a vote and deciding how much principal amount to attribute to the New Notes, New Notes that we, any of our affiliates and any other obligor under the New Notes acquire or hold will not be counted as outstanding when determining voting rights. In addition, New Notes will not be considered outstanding, and therefore will not be eligible to vote, if we have deposited or set aside in trust for you money for their payment or redemption.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding New Notes that are entitled to vote or take other action under the indenture. In limited circumstances, the Trustee will be entitled to set a record date for action by holders. If we or the Trustee set a record date for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are holders of outstanding New Notes of that series on the record date and must be taken within 180 days following the

record date or another period that we or, if it sets the record date, the Trustee may specify. We may shorten or lengthen (but not beyond 180 days) this period from time to time.

**Street name and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the indenture or the New Notes or request a waiver.**

### **Conversion**

The New Notes will not be convertible into, or exchangeable for, any other securities.

### **Listing**

PGF intends to apply to have the New Notes listed on the Official List of the Luxembourg Stock Exchange and to trading on the EuroMTF Market of the Luxembourg Stock Exchange. We cannot assure you that this application will be accepted. Following the issuance of the New Notes, PGF will use its commercially reasonable efforts to obtain and maintain such admission to listing and trading; provided that if PGF is unable to list the New Notes on the Official List of the Luxembourg Stock Exchange and/or the New Notes do not trade on the EuroMTF Market of the Luxembourg Stock Exchange, or if as a result of any applicable rule, requirement or legislation, PGF would be required to publish financial information either more regularly than it otherwise would be required to or according to accounting principles which are materially different from the accounting principles which Petrobras would otherwise use to prepare its published financial information, PGF may delist the New Notes in accordance with the rules of the Luxembourg Stock Exchange and it will use its commercially reasonable efforts to list and maintain a listing of the New Notes on a different section of the Luxembourg Stock Exchange or on such other listing authority, stock exchange and/or quotation system inside or outside the European Union as PGF may decide.

### **Currency Rate Indemnity**

PGF has agreed that, if a judgment or order made by any court for the payment of any amount in respect of any New Notes is expressed in a currency (the “judgment currency”) other than U.S. dollars (the “denomination currency”), PGF will indemnify the relevant holder and the Trustee against any deficiency arising from any variation in rates of exchange between the date as of which the denomination currency is notionally converted into the judgment currency for the purposes of the judgment or order and the date of actual payment. This indemnity will constitute a separate and independent obligation from PGF’s other obligations under the indenture, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted from time to time and will continue in full force and effect notwithstanding any judgment or order for a liquidated sum or sums in respect of amounts due in respect of the relevant Note or under any judgment or order described above.

### **The Trustee and the Paying Agent**

The Bank of New York Mellon, a New York banking corporation, is the trustee under the indenture and has been appointed by PGF as registrar, paying agent and transfer agent with respect to the New Notes. The address of the Trustee is 240 Greenwich Street, 7E, New York, New York 10286. PGF will at all times maintain a paying agent in New York City until the New Notes are paid. The Bank of New York Mellon (Luxembourg) S.A. has been designated paying agent in Luxembourg with respect to the New Notes.

Any corporation or association into which the Trustee or any agent named above may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Trustee or any agent shall be a party, or any corporation or association to which all or substantially all of the corporate trust business of the Trustee or any agent may be sold or otherwise transferred, shall be the successor Trustee or relevant agent, as applicable, hereunder without any further act.

## DESCRIPTION OF THE GUARANTY

### General

In connection with the execution and delivery of the indenture and the New Notes offered by this Offering Memorandum, Petrobras will guarantee the New Notes (the “guaranty”) for the benefit of the holders.

The guaranty will provide that Petrobras will unconditionally and irrevocably guarantee the New Notes on the terms and conditions described below.

The following summary describes the material provisions of the guaranty. You should read the more detailed provisions of the guaranty, including the defined terms, for provisions that may be important to you. This summary is subject to, and qualified in its entirety by reference to, the provisions of the guaranty.

Despite the Brazilian government’s ownership interest in Petrobras, the Brazilian government is not responsible in any manner for PGF’s obligations under the New Notes, or Petrobras’s obligations under the guaranty.

### Ranking

The obligations of Petrobras under the guaranty will constitute general unsecured obligations of Petrobras which at all times will rank *pari passu* with all other senior unsecured obligations of Petrobras that are not, by their terms, expressly subordinated in right of payment to the obligations of Petrobras under the guaranty.

In addition, Petrobras’s obligations under the guaranty of the New Notes rank, and will rank, *pari passu* with its obligations in respect of outstanding and future guaranty of indebtedness issued by PGF.

### Nature of Obligation

Petrobras will unconditionally and irrevocably guarantee (by way of a first demand guarantee) the full and punctual payment when due, whether at the maturity date of the New Notes, or earlier or later by acceleration or otherwise, of all of PGF’s obligations now or hereafter existing under the indenture and the New Notes, whether for principal, interest, make-whole premium, fees, indemnities, costs, expenses, tax payments or otherwise (such obligations being referred to as the “guaranteed obligations”).

The obligation of Petrobras to pay amounts in respect of the guaranteed obligations will be absolute and unconditional (thus waiving any benefits of order set forth under Brazilian law, including those established in articles 827, 834, 835, 838 and 839 of the Brazilian Civil Code, under article 794, caput, of the Brazilian Civil Procedure Code) upon failure of PGF to make, at the maturity date of the New Notes or earlier upon any acceleration or otherwise of the New Notes in accordance with the terms of the indenture, any payment in respect of principal, interest or other amounts due under the indenture and the New Notes on the date any such payment is due. If PGF fails to make payments to the Trustee in respect of the guaranteed obligations, Petrobras will, upon notice from the Trustee, immediately pay to the Trustee such amount of the guaranteed obligations payable under the indenture and the New Notes. All amounts payable by Petrobras under the guaranty will be payable in U.S. dollars and in immediately available funds to the Trustee. Petrobras will not be relieved of its obligations under the guaranty unless and until the Trustee receives all amounts required to be paid by Petrobras under the guaranty (and any related event of default under the indenture has been cured), including payment of the total non-payment overdue interest.

### Events of Default

There are no events of default under the guaranty. The indenture, however, contain events of default relating to Petrobras that may trigger an event of default and acceleration of the New Notes. See “Description of the New Notes—Events of Default.” Upon any such acceleration (including any acceleration arising out of the insolvency or similar events relating to Petrobras), if PGF fails to pay all amounts then due under the New Notes and the indenture, Petrobras will be obligated to make such payments pursuant to the guaranty.



## **Covenants**

For so long as any of the New Notes are outstanding and Petrobras has obligations under the guaranty, Petrobras will, and will cause each of its subsidiaries, as applicable, to comply with the terms of the following covenants:

### ***Performance Obligations under the Guaranty and Indenture***

Petrobras will pay all amounts owed by it and comply with all its other obligations under the terms of the guaranty and the indenture in accordance with the terms of those agreements.

### ***Maintenance of Corporate Existence***

Petrobras will maintain in effect its corporate existence and all necessary registrations and take all actions to maintain all rights, privileges, titles to property, franchises, concessions and the like necessary or desirable in the normal conduct of its business, activities or operations. However, this covenant will not require Petrobras to maintain any such right, privilege, title to property or franchise if the failure to do so does not, and will not, have a material adverse effect on Petrobras taken as a whole or have a materially adverse effect on the rights of the holders of the New Notes.

### ***Maintenance of Office or Agency***

So long as the New Notes are outstanding, Petrobras will maintain an office or agency in the United States where notices to and demands upon it in respect of the guaranty may be served. Initially, Petrobras has appointed Petrobras America Inc., with offices located at 10350 Richmond Ave., Suite 1400, Houston, TX 77042, as its agent. Petrobras will not change the appointment of the agent without prior written notice to the Trustee and appointing a replacement agent or designating an office, in the United States.

### ***Ranking***

Petrobras will ensure at all times that its obligations under the guaranty will be its general senior unsecured and unsubordinated obligations and will rank *pari passu* with all other present and future senior unsecured and unsubordinated obligations of Petrobras (other than obligations preferred by statute or by operation of law) that are not, by their terms, expressly subordinated in right of payment to the obligations of Petrobras under the guaranty.

### ***Provision of Financial Statements and Reports***

Petrobras will provide to the Trustee, in English or accompanied by a certified English translation thereof, (i) within 90 calendar days after the end of each fiscal quarter (other than the fourth quarter), its unaudited and consolidated statement of financial position and statement of income prepared in accordance with IFRS, and (ii) within 120 calendar days after the end of each fiscal year, its audited and consolidated balance sheet and statement of income calculated in accordance with IFRS. As long as the financial statements or reports are publicly available and accessible electronically by the Trustee, the filing or electronic publication of such financial statements or reports will comply with Petrobras's obligation to deliver such statements and reports to the Trustee. The Trustee will have no obligation to determine if and when Petrobras's financial statements or reports, if any, are publicly available and accessible electronically.

Along with each such financial statement or report, if any, Petrobras will provide an officers' certificate stating that a review of Petrobras's and PGF's activities has been made during the period covered by such financial statements with a view to determining whether Petrobras and PGF have kept, observed, performed and fulfilled their covenants and agreements under the guaranty and the indenture, as applicable, and that no event of default has occurred during such period.

In addition, whether or not Petrobras is required to file reports with the SEC, Petrobras will file with the SEC and deliver to the Trustee (for redelivery to all holders of the New Notes, upon written request) all reports and other information it would be required to file with the SEC under the Exchange Act if it were subject to those

regulations. If the SEC does not permit the filing described above, Petrobras will provide annual and interim reports and other information to the Trustee within the same time periods that would be applicable if Petrobras were required and permitted to file these reports with the SEC.

Delivery of these reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of any of those shall not constitute constructive notice of any information contained in them or determinable from information contained therein, including Petrobras's compliance with any of its covenants in the guaranty (as to which the Trustee is entitled to rely exclusively on officer's certificates).

### ***Negative Pledge***

So long as the New Notes remain outstanding, Petrobras will not create or permit any lien, other than a Petrobras permitted lien, on any of its assets to secure (i) any of its indebtedness or (ii) the indebtedness of any other person, unless Petrobras contemporaneously creates or permits the lien to secure equally and ratably its obligations under the guaranty or Petrobras provides other security for its obligations under the guaranty and the indenture as is duly approved by a resolution of the holders of the New Notes in accordance with the indenture. In addition, Petrobras will not allow any of its material subsidiaries, if any, to create or permit any lien, other than a Petrobras permitted lien, on any of Petrobras's assets to secure (i) any of its indebtedness, (ii) any of the material subsidiary's indebtedness or (iii) the indebtedness of any other person, unless Petrobras contemporaneously creates or permits the lien to secure equally and ratably Petrobras's obligations under the guaranty and the indenture or Petrobras provides such other security for its obligations under the guaranty as is duly approved by a resolution of the holders of the New Notes in accordance with the indenture.

As used in this "Negative Pledge" section, the following terms have the respective meanings set forth below:

A "guaranty" means an obligation of a person to pay the indebtedness of another person including without limitation:

- an obligation to pay or purchase such indebtedness;
- an obligation to lend money, to purchase or subscribe for shares or other securities or to purchase assets or services in order to provide funds for the payment of such indebtedness;
- an indemnity against the consequences of a default in the payment of such indebtedness; or
- any other agreement to be responsible for such indebtedness.

"Indebtedness" means any obligation (whether present or future, actual or contingent and including, without limitation, any guaranty) for the payment or repayment of money which has been borrowed or raised (including money raised by acceptances and all leases which, under generally accepted accounting principles in the country of incorporation of the relevant obligor, would constitute a capital lease obligation).

A "lien" means any mortgage, pledge, lien, hypothecation, security interest or other charge or encumbrance on any property or asset including, without limitation, any equivalent created or arising under applicable law.

A "project financing" of any project means the incurrence of indebtedness relating to the exploration, development, expansion, renovation, upgrade or other modification or construction of such project pursuant to which the providers of such indebtedness or any trustee or other intermediary on their behalf or beneficiaries designated by any such provider, trustee or other intermediary are granted security over one or more qualifying assets relating to such project for repayment of principal, premium and interest or any other amount in respect of such indebtedness.

A “qualifying asset” in relation to any project means:

- any concession, authorization or other legal right granted by any governmental authority to Petrobras or any of Petrobras’s subsidiaries, or any consortium or other venture in which Petrobras or any subsidiary has any ownership or other similar interest;
- any drilling or other rig, any drilling or production platform, pipeline, marine vessel, vehicle or other equipment or any refinery, oil or gas field, processing plant, real property (whether leased or owned), right of way or plant or other fixtures or equipment;
- any revenues or claims that arise from the operation, failure to meet specifications, failure to complete, exploitation, sale, loss or damage to, such concession, authorization or other legal right or such drilling or other rig, drilling or production platform, pipeline, marine vessel, vehicle or other equipment or refinery, oil or gas field, processing plant, real property, right of way, plant or other fixtures or equipment or any contract or agreement relating to any of the foregoing or the project financing of any of the foregoing (including insurance policies, credit support arrangements and other similar contracts) or any rights under any performance bond, letter of credit or similar instrument issued in connection therewith;
- any oil, gas, petrochemical or other hydrocarbon-based products produced or processed by such project, including any receivables or contract rights arising therefrom or relating thereto and any such product (and such receivables or contract rights) produced or processed by other projects, fields or assets to which the lenders providing the project financing required, as a condition therefore, recourse as security in addition to that produced or processed by such project; and
- shares or other ownership interest in, and any subordinated debt rights owing to Petrobras by, a special purpose company formed solely for the development of a project, and whose principal assets and business are constituted by such project and whose liabilities solely relate to such project.

A “Petrobras permitted lien” means a:

- (a) lien granted in respect of indebtedness owed to the Brazilian government, *Banco Nacional de Desenvolvimento Econômico e Social* or any official government agency or department of Brazil or of any state or region of Brazil;
- (b) lien arising by operation of law, such as merchants’, maritime or other similar liens arising in Petrobras’s ordinary course of business or that of any subsidiary or lien in respect of taxes, assessments or other governmental charges that are not yet delinquent or that are being contested in good faith by appropriate proceedings;
- (c) lien arising from Petrobras’s obligations under performance bonds or surety bonds and appeal bonds or similar obligations incurred in the ordinary course of business and consistent with Petrobras’s past practice;
- (d) lien arising in the ordinary course of business in connection with indebtedness maturing not more than one year after the date on which that indebtedness was originally incurred and which is related to the financing of export, import or other trade transactions;
- (e) lien granted upon or with respect to any assets hereafter acquired by Petrobras or any subsidiary to secure the acquisition costs of those assets or to secure indebtedness incurred solely for the purpose of financing the acquisition of those assets, including any lien existing at the time of the acquisition of those assets, so long as the maximum amount so secured will not exceed the aggregate acquisition costs of all such assets or the aggregate indebtedness incurred solely for the acquisition of those assets, as the case may be;
- (f) lien granted in connection with the indebtedness of a wholly-owned subsidiary owing to Petrobras or another wholly-owned subsidiary;

- (g) lien existing on any asset or on any stock of any subsidiary prior to its acquisition by Petrobras or any subsidiary so long as that lien is not created in anticipation of that acquisition;
- (h) lien over any qualifying asset relating to a project financed by, and securing indebtedness incurred in connection with, the project financing of that project by Petrobras, any of Petrobras's subsidiaries or any consortium or other venture in which Petrobras or any subsidiary has any ownership or other similar interest;
- (i) lien existing as of the date of the original issuance of the New Notes;
- (j) lien resulting from the indenture, the New Notes and the guaranty, if any;
- (k) lien incurred in connection with the issuance of debt or similar securities of a type comparable to those already issued by Petrobras, on amounts of cash or cash equivalents on deposit in any reserve or similar account to pay interest on such securities for a period of up to 24 months as required by any rating agency as a condition to such rating agency rating such securities investment grade, or as is otherwise consistent with market conditions at such time;
- (l) lien granted or incurred to secure any extension, renewal, refinancing, refunding or exchange (or successive extensions, renewals, refinancings, refundings or exchanges), in whole or in part, of or for any indebtedness secured by any lien referred to in paragraphs (a) through (k) above (but not paragraph (d)), *provided that* such lien does not extend to any other property, the principal amount of the indebtedness secured by the lien is not increased, and in the case of paragraphs (a), (b), (c) and (g), the obligees meet the requirements of that paragraph, and in the case of paragraph (h), the indebtedness is incurred in connection with a project financing by Petrobras, any of Petrobras's subsidiaries or any consortium or other venture in which Petrobras or any subsidiary have any ownership or other similar interest; and
- (m) lien in respect of indebtedness the principal amount of which in the aggregate, together with all liens not otherwise qualifying as Petrobras permitted liens pursuant to another part of this definition of Petrobras permitted liens, does not exceed 20% of Petrobras's consolidated total assets (as determined in accordance with IFRS) at any date as at which Petrobras's balance sheet is prepared and published in accordance with applicable law.

A "wholly-owned subsidiary" means, with respect to any corporate entity, any person of which 100% of the outstanding capital stock (other than qualifying shares, if any) having by its terms ordinary voting power (not dependent on the happening of a contingency) to elect the board of directors (or equivalent controlling governing body) of that person is at the time owned or controlled directly or indirectly by that corporate entity, by one or more wholly-owned subsidiaries of that corporate entity or by that corporate entity and one or more wholly-owned subsidiaries.

A "material subsidiary" means a subsidiary of Petrobras which on any given date of determination accounts for more than 15% of Petrobras's total consolidated assets (as set forth on Petrobras's most recent balance sheet prepared in accordance with IFRS).

***Limitation on Consolidation, Merger, Sale or Conveyance***

Petrobras will not, in one or a series of transactions, consolidate or amalgamate with or merge into any corporation or convey, lease, spin-off or transfer substantially all of its properties, assets or revenues to any person or entity (other than a direct or indirect subsidiary of Petrobras) or permit any person (other than a direct or indirect subsidiary of Petrobras) to merge with or into it unless:

- either Petrobras is the continuing entity or the person (the "successor company") formed by such consolidation or into which Petrobras is merged or that acquired (through a transfer of assets, a spin-off or otherwise) or leased such property or assets of Petrobras will assume (jointly and severally with Petrobras unless Petrobras will have ceased to exist as a result of such merger, consolidation or amalgamation), by an amendment to the guaranty, all of Petrobras's obligations under the guaranty;

- the successor company (jointly and severally with Petrobras unless Petrobras will have ceased to exist as part of such merger, consolidation or amalgamation) agrees to indemnify each holder against any tax, assessment or governmental charge thereafter imposed on such holder solely as a consequence of such consolidation, merger, conveyance, spin-off, transfer or lease with respect to the payment of principal of, or interest on, the New Notes;
- immediately after giving effect to the transaction, no event of default, and no default has occurred and is continuing; and
- Petrobras has delivered to the Trustee an officers' certificate and an opinion of counsel, each stating that that such merger, consolidation, sale, spin-off, transfer or other conveyance or disposition and the amendment to the guaranty comply with the terms of the guaranty and that all conditions precedent provided for in the guaranty and relating to such transaction have been complied with.

Notwithstanding anything to the contrary in the foregoing, so long as no default or event of default under the indenture or the New Notes, as applicable, has occurred and is continuing at the time of such proposed transaction or would result therefrom and Petrobras has delivered notice of any such transaction to the Trustee:

- Petrobras may merge, amalgamate or consolidate with or into, or convey, transfer, spin-off, lease or otherwise dispose of all or substantially all of its properties, assets or revenues to a direct or indirect subsidiary of Petrobras in cases when Petrobras is the surviving entity in such transaction and such transaction would not have a material adverse effect on Petrobras and its subsidiaries taken as whole, it being understood that if Petrobras is not the surviving entity, Petrobras will be required to comply with the requirements set forth in the previous paragraph;
- any direct or indirect subsidiary of Petrobras may merge or consolidate with or into, or convey, transfer, spin-off, lease or otherwise dispose of assets to, any person (other than Petrobras or any of its subsidiaries or affiliates) in cases when such transaction would not have a material adverse effect on Petrobras and its subsidiaries taken as a whole;
- any direct or indirect subsidiary of Petrobras may merge or consolidate with or into, or convey, transfer, lease or otherwise dispose of assets to, any other direct or indirect subsidiary of Petrobras; or
- any direct or indirect subsidiary of Petrobras may liquidate or dissolve if Petrobras determines in good faith that such liquidation or dissolution is in the best interests of Petrobras, and would not result in a material adverse effect on Petrobras and its subsidiaries taken as a whole and if such liquidation or dissolution is part of a corporate reorganization of Petrobras.

### **Amendments**

The guaranty may only be amended or waived in accordance with its terms pursuant to a written document which has been duly executed and delivered by Petrobras and the Trustee, acting on behalf of the holders of the New Notes. Because the guaranty forms part of the indenture, it may be amended by Petrobras and the Trustee, in some cases without the consent of the holders. See "Description of the New Notes —Modification and Waiver."

Except as contemplated above, the indenture will provide that the Trustee may execute and deliver any other amendment to the guaranty or grant any waiver thereof only with the consent of the holders of a majority in aggregate principal amount of the New Notes.

### **Governing Law**

The guaranty will be governed by the laws of the State of New York.

## **Jurisdiction**

Petrobras has consented to the non-exclusive jurisdiction of any court of the State of New York or any U.S. federal court sitting in the Borough of Manhattan, The City of New York, New York, United States and any appellate court from any thereof. Petrobras has appointed Cogency Global Inc., with offices at 10 East 40<sup>th</sup> Street, 10<sup>th</sup> floor, New York, NY 10016 (Attention: Process Agent Department), as its authorized agent upon which process may be served in any action or proceeding brought in such New York State federal court sitting in New York City. The guaranty will provide that if Petrobras no longer maintains an office in New York City, then it will appoint a replacement process agent within New York City as its authorized agent upon which process may be served in any action or proceeding.

## **Waiver of Immunities**

To the extent that Petrobras may in any jurisdiction claim for itself or its assets immunity from a suit, execution, attachment, whether in aid of execution, before judgment or otherwise, or other legal process in connection with the guaranty (or any document delivered pursuant thereto) and to the extent that in any jurisdiction there may be immunity attributed to Petrobras, PGF or their assets, whether or not claimed, Petrobras has irrevocably agreed with the Trustee, for the benefit of the holders, not to claim, and to irrevocably waive, the immunity to the full extent permitted by law.

## **Currency Rate Indemnity**

Petrobras has agreed that, if a judgment or order made by any court for the payment of any amount in respect of any of its obligations under the guaranty is expressed in a currency (the “judgment currency”) other than U.S. dollars (the “denomination currency”), Petrobras will indemnify the relevant holder and the Trustee against any deficiency arising from any variation in rates of exchange between the date as of which the denomination currency is notionally converted into the judgment currency for the purposes of the judgment or order and the date of actual payment. This indemnity will constitute a separate and independent obligation from Petrobras’s other obligations under the guaranty, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted from time to time and will continue in full force and effect.

## REGISTRATION RIGHTS

*The following description of the Registration Rights Agreement is a summary only and is qualified in its entirety by reference to all the provisions of the Registration Rights Agreement. A copy of the form of the Registration Rights Agreement is available upon request to us at our address set forth under “Where You Can Find More Information.”*

Pursuant to the Registration Rights Agreement, PGF and Petrobras will agree to use their respective commercially reasonable efforts to file with the SEC a registration statement (the “Exchange Offer Registration Statement”) on an appropriate form under the Securities Act with respect to its offer to exchange any of the New Notes for A/B Exchange Notes. Upon the effectiveness of the Exchange Offer Registration Statement, PGF will offer to the holders of the New Notes who are able to make certain representations the opportunity to exchange their New Notes for A/B Exchange Notes. The A/B Exchange Notes will have terms identical to the New Notes, except that the A/B Exchange Notes will not contain (i) the restrictions on transfer that are applicable to the New Notes or (ii) any provisions for additional interest.

The Registration Rights Agreement will provide that: (i) unless the Exchange Offer would not be permitted by applicable law or SEC policy, PGF will use its commercially reasonable efforts to (a) file an Exchange Offer Registration Statement with the SEC on or before July 31, 2020, (b) have the Exchange Offer Registration Statement declared effective by the SEC on or before August 31, 2020, and (c) commence promptly after such declaration of effectiveness, and in any case issue, on or before September 30, 2020, A/B Exchange Notes in exchange for all New Notes tendered prior to the expiration of the A/B Exchange Offer, and (ii) if obligated to file the Shelf Registration Statement (as defined below) with the SEC or amend or supplement an existing Registration Statement, PGF will use its commercially reasonable efforts to file the Shelf Registration Statement or amend or supplement an existing Registration Statement prior to the later of September 30, 2020 or 30 days after such filing obligation arises and PGF will use its commercially reasonable efforts to have such Shelf Registration Statement declared effective by the SEC on or prior to the 60th day after such filing was required to be made; *provided* that PGF shall not be required to file a Shelf Registration Statement or supplement an existing Shelf Registration Statement during any statutory or self-imposed blackout or quiet period. PGF will use its commercially reasonable efforts to keep such Shelf Registration Statement continuously effective, supplemented and amended until the first anniversary of the effective date of the Shelf Registration Statement or such shorter period that will terminate when all the Registrable Securities (as defined below) covered by the Shelf Registration Statement have been sold pursuant thereto or may be sold pursuant to Rule 144(d) under the Securities Act if held by a non-affiliate of PGF; *provided* that PGF shall not be obligated to keep the Shelf Registration Statement effective, supplemented or amended during any statutory or self-imposed blackout or quiet period.

If (i) PGF is not permitted to file the Exchange Offer Registration Statement with the SEC or to consummate the A/B Exchange Offer because the A/B Exchange Offer is not permitted by applicable law or SEC policy, (ii) the A/B Exchange Offer is not consummated by September 30, 2020, or (iii) any holder of New Notes notifies PGF within a specified time period that (a) due to a change in law or SEC policy it may not resell the A/B Exchange Notes acquired by it in the A/B Exchange Offer to the public without delivering a prospectus and the prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such holder, (b) it is a purchaser and owns New Notes acquired directly from PGF or an affiliate of PGF or (c) the holders of a majority in aggregate principal amount of the New Notes may not resell the A/B Exchange Notes acquired by them in the A/B Exchange Offer to the public without restriction under applicable blue sky or state securities laws, then PGF will use its commercially reasonable efforts to (1) file with the SEC or amend or supplement an existing shelf registration statement (the “Shelf Registration Statement”) to cover resales of all Registrable Securities by the holders thereof and (2) have the applicable registration statement declared effective by the SEC on or prior to 60 days after such filing was required to be made; *provided* that PGF shall not be obligated to file the Shelf Registration Statement with the SEC, or to cause such Shelf Registration Statement to remain effective, during any statutory or self-imposed blackout or quiet period. For purposes of the foregoing, “Registrable Securities” means each New Note until (i) the date on which such New Note is exchanged by a person other than a broker-dealer for an A/B Exchange Note in the A/B Exchange Offer, (ii) following the exchange by a broker-dealer in the A/B Exchange Offer of a New Note for an A/B Exchange Note, the date on which such A/B Exchange Note is sold to a purchaser who receives from such broker-dealer on or prior to the date of such sale a copy of a prospectus, (iii) the date on which such New Note is effectively registered under the Securities Act and disposed of in accordance with a Shelf Registration Statement, (iv) the date on

which such New Note is freely transferable pursuant to Rule 144 under the Securities Act (or any similar provision then in force, but not Rule 144A), (v) the date on which such New Note is otherwise transferred by the holder thereof and a new Note not bearing a legend restricting further transfer is delivered by PGF in exchange therefor or (vi) the date on which such New Note ceases to be outstanding.

Each holder of New Notes that wishes to exchange New Notes for A/B Exchange Notes in the A/B Exchange Offer will be required to make certain representations, including representations that (i) any A/B Exchange Notes to be received by it will be acquired in the ordinary course of its business, (ii) it has no arrangement with any person to participate in a distribution of the A/B Exchange Notes and it does not intend to participate in any such distribution and (iii) it is not an “affiliate,” as defined in Rule 405 under the Securities Act, of PGF, or if it is an affiliate, it will comply (at its own expense) with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

If the holder is a broker-dealer that will receive A/B Exchange Notes for its own account in exchange for New Notes that were acquired as a result of market-making activities or other trading activities, it will be required to acknowledge that it will deliver a prospectus in connection with any resale of such A/B Exchange Notes.

If (i) the Exchange Offer Registration Statement (or a Shelf Registration Statement in lieu thereof) is not filed with the SEC on or before July 31, 2020, (ii) the Exchange Offer Registration Statement (or a Shelf Registration Statement in lieu thereof) is not declared effective by the SEC on or before August 31, 2020, (iii) the Exchange Offer is not consummated on or before September 30, 2020, (iv) a Shelf Registration Statement required to be filed with the SEC is not filed on or before the date specified above for such filing, (v) a Shelf Registration Statement otherwise required to be filed with the SEC is not declared effective on or before the date specified above for effectiveness thereof or (vi) a Shelf Registration Statement is declared effective but thereafter, subject to certain exceptions, ceases to be effective or usable in connection with resales of Registrable Securities during the periods specified in the Registration Rights Agreement (each such event referred to in clauses (i) through (vi) above, a “Registration Default”), then, with respect to any New Notes, in the case of a Registration Default referred to in clause (i), (ii) or (iii) above, the interest rate on all New Notes, or, in the case of a Registration Default referred to in clause (iv), (v) or (vi) above, the interest rate on the New Notes to which such Registration Default relates, will increase by 0.25% per annum with respect to each 90-day period that passes until all such Registration Defaults have been cured, up to a maximum amount of 1.00% per annum; *provided* that any such additional interest on the New Notes will cease to accrue on the later of (i) the date on which the New Notes become freely transferable pursuant to Rule 144 under the Securities Act and (ii) the date on which the Barclays Capital U.S. Aggregate Bond Index is modified to permit the inclusion of freely transferable securities that have not been registered with the SEC. Following the cure of any Registration Default, the accrual of such additional interest related to such Registration Default will cease, and the interest rate applicable to the affected New Notes will revert to the original rate.



## TRANSFER RESTRICTIONS

The Exchange Offers and the issuance of New Notes have not been registered under the Securities Act or any other applicable securities laws and, unless so registered, the New Notes may not be offered, sold, pledged or otherwise transferred within the U.S. or to or for the account of any U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws. The Exchange Offers are being made, and the New Notes are being offered and issued, only to the following:

- (a) holders of the Old Notes that are “qualified institutional buyers” as defined in Rule 144A under the Securities Act, in a private transaction in reliance upon the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof (such New Notes, the “144A Notes”); or
- (b) outside the United States, to holders of the Old Notes other than “U.S. persons” (as defined in Rule 902 under the Securities Act) and who are not acquiring New Notes for the account or benefit of a U.S. person, in offshore transactions in compliance with Regulation S under the Securities Act, and who are also “non-U.S. qualified offerees” (as defined below) (such New Notes, the “Regulation S Notes”).

Each participating Eligible Holder of Old Notes, by submitting or sending an Agent’s Message to the Exchange Agent in connection with the Tender of Old Notes, will have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

- (1) You are a holder of Old Notes.
- (2) You are not an “affiliate” (as defined in Rule 144 under the Securities Act) of PGF, you are not acting on behalf of PGF and you (a) (i) are a “qualified institutional buyer” (as defined in Rule 144A under the Securities Act) and (ii) are acquiring New Notes for your own account or for the account of one or more qualified institutional buyers (each, a “144A Acquirer”); or (b) (i) outside the United States, are not a U.S. person (as defined in Regulation S under the Securities Act), are not acquiring New Notes for the account or benefit of a U.S. person and are acquiring New Notes in an offshore transaction pursuant to Regulation S and (ii) are a non-U.S. qualified offeree (each, a “Regulation S Acquirer”). You understand that the New Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act.
- (3) You understand and acknowledge that (a) the New Notes have not been registered under the Securities Act or any other applicable securities law, (b) the New Notes are being offered in transactions not requiring registration under the Securities Act or any other securities laws, including transactions in reliance on Section 4(a)(2) under the Securities Act, and (c) none of the New Notes may be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities law, pursuant to an exemption therefrom or in a transaction not subject thereto and, in each case, in compliance with the applicable conditions for transfer set forth in paragraph (4) below.
- (4) You are acquiring New Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent and, in the case of a 144A Acquirer, are acquiring New Notes for investment and, in the case of any Eligible Holder, are acquiring New Notes not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell the New Notes pursuant to any exemption from registration available under the Securities Act.

- (5) You also agree that:
- (a) if you are a 144A Acquirer, you agree, on your own behalf and on behalf of any investor account for which you are acquiring New Notes, and each subsequent holder of such New Notes by its acceptance thereof will agree, to offer, sell, pledge or otherwise transfer such New Notes only (i) for so long as such New Notes are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A and which takes delivery of New Notes in the form of the Rule 144A Global Note, (ii) pursuant to an offer and sale to a non-U.S. person that occurs outside the United States within the meaning of Regulation S under the Securities Act, (iii) to us or any of our affiliates, (iv) pursuant to a registration statement which has been declared effective under the Securities Act, or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to (1) all applicable requirements under the Indenture and (2) any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and to compliance with any applicable state securities laws. In addition, you further acknowledge that PGF and the Trustee for the New Notes reserve the right prior to any offer, sale or other transfer of 144A Notes pursuant to clause (a)(ii) or (a)(v) above prior to the Resale Restriction Termination Date of the New Notes to require the delivery of certifications and/or other information, and an opinion of counsel, in each case satisfactory to PGF and the Trustee; or
  - (b) if you are a Regulation S Acquirer, you agree on your own behalf and on behalf of any investor account for which you are acquiring New Notes, and each subsequent holder of the Regulation S Notes by its acceptance thereof will agree, to offer, sell, pledge or otherwise transfer such New Notes prior to the expiration of the applicable “distribution compliance period” (as defined below) only (i) for so long as such notes are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A and which takes delivery of New Notes in the form of the Rule 144A Global Note and which has furnished to the Trustee for the New Notes or its agent a certificate representing that the transferee is purchasing the New Notes for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a “qualified institutional buyer” within the meaning of Rule 144A and is aware that the sale to it is being made in reliance on Rule 144A and acknowledging that it has received such information regarding PGF as such transferee has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing representations in order to claim the exemption from registration provided by Rule 144A, (ii) pursuant to offers and sales to non-U.S. persons that occur outside the United States within the meaning of Regulation S under the Securities Act, (iii) to us or any of our affiliates, (iv) pursuant to a registration statement which has been declared effective under the Securities Act or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to (1) all applicable requirements under the indenture governing the New Notes and (2) any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and to compliance with any applicable state securities laws. The foregoing restrictions on resale will not apply subsequent to the expiration of the applicable “distribution compliance period.” The “distribution compliance period” means the 40-day period following the later of the date on which the New Notes are offered to persons other than distributors (as defined in Regulation S under the Securities Act) and the Settlement Date for the New Notes.

(6) You acknowledge that none of PGF, Petrobras, the Dealer Managers, the Exchange Agent, the Information Agent or any person representing PGF or the Dealer Managers has made any representation to you with respect to PGF, the Exchange Offers or the New Notes, other than by PGF with respect to the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the New Notes. You acknowledge that the Dealer Managers make no representation or warranty as to the accuracy or completeness of this Offering Memorandum. You have had access to such financial and other information concerning PGF and Petrobras as you deemed necessary in connection with your decision to acquire the New Notes, including an opportunity to ask questions of, and request information from, PGF and the Dealer Managers.

(7) You also acknowledge that:

(a) PGF and the Trustee for the New Notes reserve the right to require in connection with any offer, sale or other transfer of New Notes under paragraph (4)(a)(ii) and paragraph (4)(a)(v) above the delivery of an opinion of counsel, certifications and/or other information satisfactory to PGF and the Trustee; and

(b) each Rule 144A Global Note will contain a legend substantially to the following effect:

“THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE OR ANY OTHER SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES THAT THIS NOTE OR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO US, (2) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”), TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A) IN ACCORDANCE WITH RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER APPLICABLE JURISDICTION. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, REPRESENTS AND AGREES THAT IT WILL NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. AS USED HEREIN, THE TERMS “OFFSHORE TRANSACTION” AND “UNITED STATES” HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

The foregoing legend may be removed from this Note only with the consent of the issuer.”

(c) each Regulation S Global Note will contain a legend substantially to the following effect:

“THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES THAT NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE FOREGOING LEGEND MAY BE REMOVED FROM THIS NOTE AFTER 40 DAYS BEGINNING ON AND INCLUDING THE LATER OF (A) THE DATE ON WHICH THE NOTES ARE OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN

REGULATION S UNDER THE SECURITIES ACT) AND (B) THE ORIGINAL ISSUE DATE OF THIS NOTE.”

- (8) If you are a Regulation S Acquirer, you are an acquirer in an exchange that occurs outside the United States within the meaning of Regulation S under the Securities Act, you acknowledge that until the expiration of such “distribution compliance period” any offer, sale, pledge or other transfer of the New Notes shall not be made by you to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902(k) of the Securities Act.
- (9) If you are a Regulation S Acquirer, you acknowledge that until the expiration of the “distribution compliance period” described above, you may not, directly or indirectly, offer, sell, pledge or otherwise transfer a New Note or any interest therein except to a person who certifies in writing to the applicable transfer agent that such transfer satisfies, as applicable, the requirements of the legends described above and that the New Notes will not be accepted for registration of any transfer prior to the end of the applicable “distribution compliance period” unless the transferee has first complied with the certification requirements described in this paragraph and all related requirements under the indenture.

By submitting the Agent’s Message, you also acknowledge that the foregoing restrictions apply to holders of beneficial interests in such New Notes as well as to holders of such New Notes. In addition:

- (1) You acknowledge that the registrar will not be required to accept for registration of transfer any New Notes acquired by you, except upon presentation of evidence satisfactory to PGF and the registrar that the restrictions set forth herein have been complied with.
- (2) You acknowledge that:
  - (a) PGF, the Dealer Managers and others will rely upon the truth and accuracy of your acknowledgments, representations and agreements set forth herein and you agree that, if any of your acknowledgments, representations or agreements herein cease to be accurate and complete, you will notify PGF and the Dealer Managers promptly in writing; and
  - (b) if you are acquiring any New Notes as a fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:
    - (1) you have sole investment discretion; and
    - (2) you have full power to make, and make, the acknowledgments, representations and agreements contained in “Transfer Restrictions.”
- (3) You agree that you will give to each person to whom you transfer such New Notes notice of any restrictions on the transfer of such New Notes.
- (4) The acquirer understands that no action has been taken in any jurisdiction (including the United States) by PGF, Petrobras or the Dealer Managers that would permit a public offering of the New Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to PGF, Petrobras or the New Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the New Notes will be subject to the selling restrictions set forth herein.

For purposes of the Exchange Offers, “non-U.S. qualified offeree” means:

- (1) in relation to each member state that has implemented the Prospectus Regulation (each, a “Relevant Member State”), to the extent implemented in that Relevant Member State:
  - (a) any legal entity which is a qualified investor as defined in Article 2(1)(e) of the Prospectus Regulation; or

- (b) any other entity in any other circumstances falling within Article 3(2) of the Prospectus Regulation,

provided that no such offer of the New Notes shall require PGF or the Dealer Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation,

- (2) in relation to each member state of the European Economic Area, a retail investor. For the purposes of this provision the expression “retail investor” means a person who is one (or more) of:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation,
- (3) in relation to an investor in the U.K., a “relevant person” (as defined above), (4) in relation to an investor in The Netherlands, qualified investors (*gekwalificeerde beleggers*) as defined in Article 1:1 of the Dutch Act on Financial Supervision (*Wet op het Financieel Toezicht*), or
- (5) any entity outside the U.S. and the European Economic Area to whom the offers related to the New Notes may be made in compliance with all other applicable laws and regulations of any applicable jurisdiction.

## TAXATION

The following discussion summarizes certain U.S. federal income, Brazilian and Dutch tax consequences of the Exchange Offers that may be relevant to a beneficial owner of Old Notes. This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax advisors about the tax consequences of holding the Old Notes or New Notes, including the relevance to your particular situation of the considerations discussed below, as well as of any other tax laws. There currently are no income tax treaties between Brazil and the United States. Although Brazilian and U.S. tax authorities have had discussions that may culminate in such a treaty, we cannot make any assurances regarding whether or when such a treaty will enter into force or how it will affect holders of the Old Notes and New Notes.

### **Certain U.S. Federal Income Tax Consequences**

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a beneficial owner of Old Notes. The summary does not address tax considerations applicable to investors that may be subject to special tax rules, such as banks or other financial institutions, tax-exempt entities, partnerships (or entities or arrangements treated as partnerships for U.S. federal income tax purposes) or partners therein, insurance companies, dealers in securities or currencies, traders in securities electing to mark to market, persons that will hold the Notes as a position in a “straddle” or conversion transaction, or as part of a “synthetic security” or other integrated financial transaction or persons that have a “functional currency” other than the U.S. dollar, and nonresident alien individuals present in the United States for 183 days or more during the taxable year. This discussion assumes that the Old Notes and New Notes are held as “capital assets” by the holder for U.S. federal income tax purposes. In addition, the discussion does not address the alternative minimum tax, the U.S. federal estate and gift tax, the Medicare tax on net investment income or other aspects of U.S. federal income or state and local taxation that may be relevant to a holder of Old Notes or New Notes. For purposes of this discussion, a “U.S. Holder” is a beneficial owner of an Old Note that is, for U.S. federal income tax purposes, a citizen or resident of the United States, a domestic corporation or an entity otherwise subject to U.S. federal income taxation on a net income basis in respect of the Old Notes or the New Notes received in exchange for the Old Notes. A “Non-U.S. Holder” is a beneficial owner of an Old Note that is not a U.S. Holder.

This summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), existing, proposed and temporary U.S. Treasury regulations and judicial and administrative interpretations thereof, in each case as of the date hereof. All of the foregoing are subject to change (possibly with retroactive effect) or to differing interpretations, which could affect the U.S. federal income tax consequences described herein.

**INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE EXCHANGE OFFER AND THE OWNERSHIP AND DISPOSITION OF THE NEW NOTES, INCLUDING THE APPLICATION TO THEIR PARTICULAR CIRCUMSTANCES OF THE U.S. FEDERAL INCOME TAX CONSIDERATIONS DISCUSSED BELOW, AS WELL AS THE APPLICATION OF U.S. FEDERAL ESTATE, GIFT AND ALTERNATIVE MINIMUM TAX LAWS, THE MEDICARE TAX ON NET INVESTMENT INCOME, U.S. STATE AND LOCAL TAX LAWS AND FOREIGN TAX LAWS.**

U.S. Holders that use an accrual method of accounting for tax purposes (“accrual method holders”) generally are required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements (the “book/tax conformity rule”). The application of the book/tax conformity rule thus may require the accrual of income earlier than would be the case under the general tax rules described below. It is not entirely clear to what types of income the book/tax conformity rule applies, or, in some cases, how the rule is to be applied if it is applicable. However, recently released proposed regulations generally would exclude, among other items, original issue discount and market discount (in either case, whether or not de minimis) from the applicability of the book/tax conformity rule. Although the proposed regulations generally will not be effective until taxable years beginning after the date on which they are issued in final form, taxpayers generally are permitted to elect to rely on their provisions currently. Accrual method holders should consult with their tax advisors regarding the potential applicability of the book/tax conformity rule to their particular situation.

## **Tax Consequences of the Exchange to U.S. Holders**

The U.S. federal income tax consequences of the Exchange for U.S. Holders will depend on whether the Exchange is treated as a Significant Modification, as defined below, and if so, whether it is treated as a recapitalization.

U.S. Holders who do not exchange their Old Notes for New Notes pursuant to the Exchange Offers will not recognize any gain or loss for U.S. federal income purposes.

### *Deemed Exchange Rules*

The exchange of a debt instrument for a new debt instrument constitutes a deemed exchange for U.S. federal income tax purposes if the newly issued instrument differs materially either in kind or in extent from the original debt instrument (a “Significant Modification”). A modification or exchange of a debt instrument that is not a Significant Modification does not create a deemed exchange.

The exchange of a debt instrument for a new debt instrument is a Significant Modification if, based on all the facts and circumstances and taking into account all modifications of the original debt instrument collectively (other than modifications that are subject to special rules), the legal rights or obligations that are altered and the degree to which they are altered are “economically significant.” A change in the timing of payments on a debt instrument is a Significant Modification if the change in timing of payments results in the material deferral of scheduled payments either through an extension of the final maturity or through deferral of payments due prior to maturity. The materiality of the deferral depends on all the facts and circumstances, including the length of the deferral, the original term of the instrument, the amounts of the payments that are deferred, and the time period between the modification and the actual deferral of payments. Pursuant to a safe harbor rule, a deferral of a scheduled payment for a period equal to the lesser of 50% of the original term of the instrument and 5 years from the original due date of the first payment that is deferred is not treated as a material deferral. Additionally, a change in yield of a debt instrument is a Significant Modification if the yield of the new instrument (determined taking into account any accrued interest and any payments made to the holder as consideration for the modification) varies from the yield on the exchanged instrument (determined as of the date of the exchange) by more than the greater of 0.25% of the “adjusted issue price,” or 5% of the annual yield of the exchanged instrument. The yield of the exchanged instrument is calculated based on the adjusted issue price, and may differ from the yield at which the instrument is trading in the market. Under these rules, the exchanges of Old Notes for New Notes pursuant to the Exchange Offers will be Significant Modifications that constitute deemed exchanges of Old Notes for New Notes for U.S. federal income tax purposes.

### *Exchanges of Old Notes for New Notes*

The U.S. federal income tax consequences of deemed exchanges of Old Notes for New Notes will depend on whether the exchanges constitute recapitalizations. An exchange of old securities for new securities by the same corporate issuer generally qualifies as a tax-free recapitalization for U.S. federal income tax purposes. Whether a debt instrument constitutes a “security” is determined based on all the facts and circumstances, but most authorities have held that the length of the term of a debt instrument is an important factor in determining whether the instrument is a security for U.S. federal income tax purposes. The Internal Revenue Service (“IRS”) has taken the position that an instrument with a term of less than five years generally is not a security, but that longer-term debt instruments generally qualify as securities.

Consequently, based on the IRS position, the Company will treat all of the Old Notes and the New Notes exchanged therefor as securities.

Recapitalizations generally do not result in the recognition of gain or loss, subject to certain exceptions. However, U.S. Holders will recognize gain equal to the lesser of (i) any cash amount received (but not including any amounts received in respect of accrued and unpaid interest on the Old Notes, which will be taxed as such), plus the fair market value of the “excess principal” amount received (collectively, “boot”) and (ii) the gain realized by the U.S. Holder. The excess principal amount is the excess of the principal amount of New Notes received over the principal amount of Old Notes surrendered for those New Notes. The gain realized by a U.S. Holder is equal to the excess of (i) the issue price, as described below under “*Tax Consequences to U.S. Holders of Holding and Disposing*”

*of New Notes—Issue Price of the New Notes,”* of the New Notes received in exchange for Old Notes, plus any cash received (not including any amounts received in respect of accrued and unpaid interest on the Old Notes) over (ii) the U.S. Holder’s adjusted tax basis in the Old Notes surrendered in the exchange. Any cash received in exchange for Accrued Coupon Payment will be subject to tax as ordinary interest income to the extent not previously included in income.

Any cash received in exchange for accrued and unpaid interest will be subject to tax as ordinary interest income to the extent not previously included in income.

A U.S. Holder’s initial tax basis in the portion of New Notes that are not treated as boot will be the same as the U.S. Holder’s tax basis in the Old Notes allocated thereto, increased by the amount of gain recognized by the U.S. Holder in the exchange, if any, and decreased by the amount of boot that is received by the U.S. Holder. A U.S. Holder’s holding period for this portion of the New Notes will include its holding period for the Old Note surrendered therefor. The portion of the New Notes treated as boot will have an initial tax basis in a U.S. Holder’s hands equal to the fair market value of those New Notes and will have a holding period that begins the day after the consummation of the Exchange Offers. Therefore, a U.S. Holder exchanging Old Notes for New Notes may have split basis and holding periods in its New Notes.

In the case of a U.S. Holder that purchased Old Notes with market discount, as described below under “*Tax Consequences to U.S. Holders of Holding and Disposing of New Notes—Sale, Exchange, Redemption or Other Disposition of New Notes,*” and has not elected to include market discount in income on a current basis, gain recognized by the U.S. Holder under the rules described above will be treated as ordinary income to the extent of the market discount that has accrued at the time when those Old Notes are exchanged for New Notes. Any accrued market discount on the Old Notes that is not recognized as described in the preceding sentence will carry over to the New Notes, other than the portion of the New Notes treated as boot, and will be subject to the rules described below under “*Tax Consequences to U.S. Holders of Holding and Disposing of New Notes—Sale, Exchange, Redemption or Other Disposition of New Notes.*”

## **Tax Consequences to U.S. Holders of Holding and Disposing of New Notes**

### *Issue Price of the New Notes*

The issue price of the New Notes will be their fair market value on the date of the deemed exchange if they are “traded on an established market.” Debt instruments are considered to be traded on an established market if, at any time during the 31-day period ending 15 days after the date of the deemed exchange there is a sales price for the debt or there are one or more firm or indicative quotes for the debt instrument. We expect that the New Notes will be treated as traded on an established market, and will have an issue price equal to their principal amount. If we conclude that either of those is not the case, within 90 days of the issuance of the New Notes we will make available on our website our determination that the New Notes are not considered publicly traded or the issue price of the New Notes, as applicable.

### *Stated Interest on the New Notes*

Payments of interest on the New Notes (which may include additional amounts) generally will be taxable to a U.S. Holder as ordinary interest income when such interest is accrued or received, in accordance with the U.S. Holder’s regular method of accounting for U.S. federal income tax purposes. We expect, and the rest of this discussion assumes, that the New Notes will not be issued with original issue discount (“OID”) for U.S. federal income tax purposes. If the New Notes are issued with OID, U.S. Holders generally must accrue OID in gross income over the term of the New Notes on a constant yield to maturity basis, regardless of their regular method of tax accounting or when they receive cash attributable to that income.

Interest income (including additional amounts) in respect of the New Notes generally will constitute foreign-source income for purposes of computing the foreign tax credit allowable under the U.S. federal income tax laws. The limitation on foreign income taxes eligible for credit is calculated separately with respect to specific classes of income. Such income generally will constitute “passive category income” for foreign tax credit purposes for most U.S. Holders. The calculation and availability of foreign tax credits and, in the case of a U.S. Holder that elects to deduct all foreign income taxes for that taxable year, the availability of such deduction involves the



application of complex rules that depend on the U.S. Holder's particular circumstances. In addition, foreign tax credits generally will not be allowed for certain short-term or hedged positions in the New Notes.

U.S. Holders should consult their own tax advisors regarding the availability of foreign tax credits or deductions in respect of foreign taxes and the treatment of additional amounts.

#### *Sale, Exchange, Redemption or Other Disposition of New Notes*

Upon the disposition of a New Note by sale, exchange, redemption or otherwise, a U.S. Holder generally will recognize gain or loss equal to the difference between the amount realized on the disposition (less any accrued interest, which will be subject to tax as such) and the holder's adjusted tax basis in the New Note at the time of the disposition. A U.S. Holder's adjusted tax basis in a New Note will generally be its initial tax basis (as described above under "*Tax Consequences of the Exchange to U.S. Holders—Exchanges of Old Notes for New Notes*"), increased by any market discount included in income and reduced by any bond premium amortized during the U.S. Holder's holding period for the New Note. Subject to the market discount discussion below, any gain or loss generally will be U.S. source capital gain or loss. Any capital gain or loss recognized upon disposition of a New Note will be long-term capital gain or loss if the U.S. Holder's holding period for the New Note exceeded one year at the time of the disposition. Certain non-corporate U.S. Holders are eligible for preferential rates of U.S. federal income taxation in respect of long-term capital gains. The ability of a U.S. Holder to deduct a capital loss is subject to limitations under the Code.

As described above under "*Tax Consequences of the Exchange to U.S. Holders—Exchanges of Other Old Notes for New Notes*," a U.S. Holder that purchased Old Notes with market discount may have market discount on the New Notes, under the rules applicable to recapitalizations. A U.S. Holder has market discount on the Old Notes if it purchased them for an amount significantly less than their respective issue prices, subject to a *de minimis* threshold. Generally, a U.S. Holder may elect to include market discount in income on a current basis as it accrues (on either a ratable or constant-yield basis), in lieu of treating the portion of any gain realized on a sale of a New Note attributable to accrued market discount as ordinary income. In addition, a U.S. Holder would be required to defer the deduction of a portion of any interest paid on any indebtedness incurred or maintained to purchase or carry the New Note unless the U.S. Holder elects to include market discount on a current basis. Any such election, if made, applies to all market discount bonds acquired by the taxpayer on or after the first day of the first taxable year to which such election applies and is revocable only with the consent of the IRS.

If a U.S. Holder's adjusted tax basis in an Old Note is greater than the stated principal amount of the New Notes exchanged therefor, the U.S. Holder will be considered to have acquired the New Note with "amortizable bond premium." A U.S. Holder may elect to amortize the premium (as an offset to interest income), using a constant-yield method, over the remaining term of the New Note. This election, once made, generally applies to all bonds held or subsequently acquired by the U.S. Holder on or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS. A U.S. Holder that elects to amortize bond premium must reduce its tax basis in a New Note by the amount of the premium amortized during its holding period. With respect to a U.S. Holder that does not elect to amortize bond premium, the amount of bond premium will be included in the U.S. Holder's tax basis when the New Note matures or is disposed of by the U.S. Holder. Therefore, a U.S. Holder that does not elect to amortize such premium and that holds the New Note to maturity generally will be required to treat the premium as capital loss when the New Note matures. U.S. Holders should consult their own tax advisors about the election to amortize bond premium.

Gain or loss recognized by a U.S. Holder generally will be U.S.-source gain or loss. Consequently, if any such gain is subject to foreign withholding tax, a U.S. Holder may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to the applicable limitation) against tax due on other income treated as derived from foreign sources. U.S. Holders should consult their own tax advisors as to the foreign tax credit implications of a disposition of the New Notes.

## **Tax Consequences to Non-U.S. Holders**

### *Exchange of Old Notes for New Notes*

Subject to the discussions below under “*Information Reporting and Backup Withholding*,” a Non-U.S. Holder generally will not be subject to U.S. federal income tax on gain recognized on an exchange of Old Notes for New Notes.

### *U.S. Tax Consequences of Holding New Notes*

Subject to the discussions below under “*Information Reporting and Backup Withholding*,” a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on interest income earned in respect of New Notes or gain recognized on a sale, exchange, or other disposition of New Notes.

## **Specified Foreign Financial Assets**

Certain U.S. Holders that own “specified foreign financial assets” with an aggregate value in excess of US\$50,000 are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. “Specified foreign financial assets” include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the New Notes) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or in part. Prospective investors should consult their own tax advisors concerning the application of these rules to their ownership of the Old Notes or the New Notes, including the application of the rules to their particular circumstances.

## **Information Reporting and Backup Withholding**

Payments of interest on the Old Notes or the New Notes and proceeds from the sale or other taxable disposition (including a retirement or redemption) of the New Notes that are paid within the United States or through certain U.S.-related financial intermediaries are subject to information reporting, and may be subject to backup withholding, unless the U.S. Holder (i) is a corporation (other than an S corporation) or other exempt recipient, and demonstrates this fact when so required, or (ii) provides a correct taxpayer identification number, certifies that it is not subject to backup withholding and otherwise complies with applicable requirements of the backup withholding rules. The amount of any backup withholding collected from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder’s U.S. federal income tax liability, and may entitle the U.S. Holder to a refund, *provided that* certain required information is timely furnished to the IRS.

Although Non-U.S. Holders generally are exempt from backup withholding, a Non-U.S. Holder may, in certain circumstances, be required to comply with certification procedures to prove entitlement to this exemption.

## **Brazilian Tax Considerations**

The following discussion is a summary of the Brazilian tax considerations relating to an investment in the New Notes by a non-resident of Brazil. This discussion is based on the tax laws of Brazil as in effect on the date of this Offering Memorandum and is subject to any change in Brazilian law that may come into effect after such date. The information set forth below is intended to be a general discussion only and does not address all possible tax consequences relating to an investment in the New Notes.

**PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE CONSEQUENCES OF INVESTING IN THE NEW NOTES, INCLUDING, WITHOUT LIMITATION, THE CONSEQUENCES OF THE RECEIPT OF INTEREST AND THE SALE OR OTHER DISPOSITION OF THE NEW NOTES OR COUPONS.**

### ***Payments in Respect of the New Notes, and Sale or Other Disposition of New Notes***

Generally, an individual, entity, trust or organization that is domiciled for tax purposes outside Brazil (a “Non-Resident”) is subject to income tax in Brazil only when income is derived from a Brazilian source or when the transaction giving rise to such earnings involves assets located in Brazil. Therefore, based on the fact that PGF is considered to be domiciled abroad for tax purposes, any interest, gains, fees, commissions, expenses and any other income paid by PGF in respect of the New Notes it issues to Non-Resident holders should not be subject to withholding or deduction in respect of Brazilian income tax or any other taxes, duties, assessments or governmental charges in Brazil, provided that such payments are made by PGF with funds held outside of Brazil.

Any capital gains generated outside Brazil as a result of a transaction between two Non-Resident holders with respect to assets not located in Brazil are generally not subject to tax in Brazil. If the assets are located in Brazil, then capital gains realized thereon are subject to income tax, according to Law No. 10,833, enacted on December 29, 2003. Since the New Notes will be issued by a legal entity incorporated outside of Brazil and registered abroad, the New Notes should not fall within the definition of assets located in Brazil for purposes of Law No. 10,833, gains realized on the sale or other disposition of the New Notes made outside Brazil by a Non-Resident holder to another Non-Resident should not be subject to Brazilian taxes. However, considering the general and unclear scope of this legislation and the absence of judicial guidance in respect thereof, we cannot assure prospective investors that such interpretation of this law will prevail in the courts of Brazil. If the income tax is deemed to be due, the gains may be subject to income tax in Brazil, effective as from January 1, 2017, at progressive rates as follows: (i) 15% for the part of the gain that does not exceed R\$5 million, (ii) 17.5% for the part of the gain that exceeds R\$5 million but does not exceed R\$10 million, (iii) 20% for the part of the gain that exceeds R\$10 million but does not exceed R\$30 million and (iv) 22.5% for the part of the gain that exceeds R\$30 million; or 25.0% if such Non-Resident holder is located in a Low or Nil Tax Jurisdiction as it will be further detailed below. A lower rate, however, may apply under an applicable tax treaty between Brazil and the country where the Non-Resident holder has its domicile.

### ***Payments Made by Petrobras as Guarantor***

In the event PGF fails to timely pay any due amount, including any payment of principal, interest or any other amount that may be due and payable in respect of the New Notes, the guarantor will be required to assume the obligation to pay such due amounts. As there is no specific legal provision dealing with the imposition of withholding income tax on payments made by Brazilian sources to Non-Resident beneficiaries under guarantees and no uniform decision from the Brazilian courts, there is a risk that tax authorities will take the position that the funds remitted by the guarantor to the Non-Resident holders may be subject to the imposition of withholding income tax at a general 15% rate, or at a 25% rate, if the Non-Resident holder is located in a Low or Nil Tax Jurisdiction. Arguments exist to sustain that (a) payments made under the guarantee structure should be subject to imposition of withholding income tax according to the nature of the guaranteed payment, in which case only interest and fees should be subject to taxation at a rate of 15%, or 25%, in cases of beneficiaries located in Low or Nil Tax Jurisdictions, as defined by the Brazilian legislation; or (b) payments made under guarantee by Brazilian sources to Non-Resident beneficiaries should not be subject to the imposition of withholding income tax, to the extent that they should qualify as a credit transaction by the Brazilian party to the borrower. The imposition of withholding income tax under these circumstances has not been settled by the Brazilian courts.

If the payments with respect to the New Notes are made by Petrobras as a guarantor, then Non-Resident holders will be indemnified so that, after payment of applicable Brazilian taxes imposed by deductions or withholding with respect to principal or interest payable with respect to the New Notes, subject to certain exceptions, as mentioned in “Description of the New Notes—Covenants—Additional Amounts,” a Non-Resident holder will receive an amount equal to the amount that such Non-Resident holder would have received if no such taxes were imposed. See “Description of the New Notes—Covenants—Additional Amounts.”

### ***Discussion on Low or Nil Tax Jurisdictions***

According to Law No. 9,430, dated December 27, 1996, as amended, a Low or Nil Tax Jurisdiction is a country or location that (i) does not impose taxation on income, (ii) imposes income tax at a maximum rate lower than 20% or (iii) imposes restrictions on the disclosure of shareholding composition or the ownership of the investment.

Additionally, on June 24, 2008, Law No. 11,727/08 created the concept of Privileged Tax Regimes, which encompasses the countries and jurisdictions that (i) do not tax income or tax it at a maximum rate lower than 20%; (ii) grant tax advantages to a Non-Resident entity or individual (a) without the need to carry out a substantial economic activity in the country or a said territory or (b) conditioned to the non-exercise of a substantial economic activity in the country or a said territory; (iii) do not tax proceeds generated abroad or tax them at a maximum rate lower than 20% or (iv) restrict disclosure about the ownership of assets and ownership rights or restrict disclosure about economic transactions carried out.

On November 28, 2014, the Brazilian tax authorities issued Ordinance 488, which decreased, from 20% to 17%, the minimum threshold for certain specific cases. The reduced 17% threshold applies only to countries and regimes aligned with international standards of fiscal transparency in accordance with rules to be established by the Brazilian tax authorities.

We consider that the best interpretation of the current Brazilian tax legislation, especially in regard to the abovementioned Law 11,727/08, should lead to the conclusion that the concept of Privileged Tax Regimes should only apply for certain Brazilian tax purposes, such as transfer pricing and thin capitalization rules. According to this interpretation, the concept of Privileged Tax Regimes should not be applied in connection with the taxation of payments related to the New Notes to Non-Residents. Regulations and non-binding tax rulings issued by Brazilian federal tax authorities seem to confirm this interpretation.

Notwithstanding the fact that such “privileged tax regime” concept was enacted in connection with transfer pricing rules and is also applicable to thin capitalization and cross-border interest deductibility rules, Brazilian tax authorities may take the position that such Privileged Tax Regime definition also applies to other types of transactions.

In the event that the privileged tax regime concept is interpreted to be applicable to transactions such as payments related to the New Notes to Non-Residents, this tax law would accordingly result in the imposition of taxation to a Non-Resident that meets the privileged tax regime requirements in the same way applicable to a resident located in a Low or Nil Tax Jurisdiction. Prospective investors should therefore consult with their own tax advisors regarding the consequences of the implementation of Law No. 11,727, Normative Instruction No. 1,037/2010, as amended, and of any related Brazilian tax laws or regulations concerning Low or Nil Tax Jurisdictions and Privileged Tax Regimes.

### ***Other Tax Considerations***

Brazilian law imposes a Tax on Foreign Exchange Transactions (*Imposto sobre Operações de Crédito, Câmbio e Seguro, ou relativas a Títulos e Valores Mobiliários*), or IOF/Exchange, due on the conversion of reais into foreign currency and on the conversion of foreign currency into reais. Currently, the IOF/Exchange rate for almost all foreign currency exchange transactions is 0.38%. According to Section 15-B of the Decree No. 6,306, as amended, the settlement of exchange transactions in connection with foreign financing or loans, for both inflow and outflow of proceeds into and from Brazil, are subject to IOF/Exchange at a 0% rate. Currently, in the case of the settlement of foreign exchange transactions (including simultaneous foreign exchange transactions), in connection with the inflow of proceeds to Brazil deriving from foreign loans, including those obtained through the issuance of notes in the international market, with the minimum average term not exceeding 180 days, the IOF/Exchange tax rate is 6% (this rate of 6% will be levied with penalties and interest in the case of financings or international bonds with a minimum average term longer than 180 days in which an early redemption occurs in the first 180 days). The Brazilian government is permitted to increase this rate at any time up to 25.0%. Any such increase in rates may only apply to future transactions.

In addition, the Brazilian tax authorities could argue that a Tax on Loan Transactions (*Imposto sobre Operações de Crédito, Câmbio e Seguro, ou relativas a Títulos e Valores Mobiliários*), or IOF/Credit, due on loan transactions could be imposed upon any amount paid in respect of the New Notes by the guarantor under the guarantee given at a rate of up to 1.88% of the total amount paid.

Generally, there are no inheritance, gift, succession, stamp, or other similar taxes in Brazil with respect to the ownership, transfer, assignment or other disposition of the New Notes by a Non-Resident, except for gift and inheritance taxes imposed by some Brazilian states on gifts or bequests by individuals or entities not domiciled or residing in Brazil to individuals or entities domiciled or residing within such states.”

## **Dutch Tax Considerations**

The following describes certain Dutch tax consequences for a Holder of Old Notes or New Notes who is neither a resident nor deemed to be a resident of The Netherlands for Dutch tax purposes in respect of the Exchange Offers, i.e. exchange of the Old Notes for New Notes. For the purpose of this section, “Dutch Taxes” shall mean taxes of whatever nature levied by or on behalf of The Netherlands or any of its subdivisions or taxing authorities. The Netherlands means the part of the Kingdom of The Netherlands located in Europe.

This section is intended as general information only, does not constitute tax or legal advice and it does not purport to describe all possible Dutch tax considerations or consequences that may be relevant to a Holder and therefore should be treated with appropriate caution. Accordingly, each Holder should consult its own tax advisor with regard to the Exchange Offers and the application of Dutch tax laws to its particular situation.

This overview is based on the laws of The Netherlands currently in force and as applied on the date of this Offer to Exchange, which are subject to change, possibly also with retroactive or retrospective effect. PGF has not sought any ruling from the Dutch tax authorities (*belastingdienst*) with respect to the statements made and the conclusions reached in this discussion, and there can be no assurance that the Dutch tax authorities will agree with such statements and conclusions.

For Dutch tax purposes, a Holder of Old Notes or New Notes may include, without limitation:

- an owner of one or more Notes who, in addition to the legal title to such Notes, has an economic interest in such Notes,
- a person or an entity that holds the entire economic interest in one or more Notes,
- a person or an entity that holds an interest in an entity, such as a partnership or a mutual fund, that is transparent for Dutch tax purposes, the assets of which comprise one or more Notes, and
- a person who is deemed to hold an interest in Notes, as referred to under any of the above, pursuant to the attribution rules of article 2.14a, of the Dutch Income Tax Act 2001, with respect to property that has been segregated, for example, in a trust or a foundation.

This section does not describe all the possible Dutch tax consequences that may be relevant to the Holder of the Old Notes or New Notes who receives or has received any benefits from these Notes as employment income, deemed employment income or otherwise as compensation.

### ***Dutch Individual and Corporate Income Tax***

A holder of Old Notes or New Notes is not treated as a resident of The Netherlands by reason only of the holding of a Note or the exchange of Old Notes for New Notes pursuant to the Exchange Offers.

A holder who is not a resident of The Netherlands, nor deemed to be a resident, is not taxable on any gain or income recognized in respect of the exchange of Old Notes for New Notes pursuant to the Exchange Offers or

any gain or income derived from the New Notes and capital gains realized upon the disposal or redemption of the New Notes, except if:

- (i) such Holder derives profits from an enterprise, whether as entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of the enterprise, other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) that is taxable in The Netherlands, to which the Notes are attributable;
- (ii) the Holder is an individual and derives benefits from miscellaneous activities (*overige werkzaamheden*) carried out in The Netherlands in respect of the Notes, including without limitation activities which are beyond the scope of active portfolio investment activities;
- (iii) the Holder is not an individual and is entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in The Netherlands, other than by way of securities, and to which enterprise the Notes are attributable; or
- (iv) if the Holder is an individual and is entitled to a share in the profits of an enterprise that is effectively managed in The Netherlands, other than by way of securities, and to which enterprise the Notes are attributable.

#### ***Dutch Withholding Tax***

All payments of interest and principal by PGF under the Old Notes and New Notes and all payments made by PGF under the Exchange Offers can be made free of withholding or deduction for any taxes of any nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein, except where Notes (i) are issued under such terms and conditions that such Notes are capable of being classified as equity of PGF for Dutch tax purposes or (ii) actually function as equity of the PGF within the meaning of article 10, paragraph 1, letter d, of the Dutch Corporate Income Tax Act 1969 or (iii) that are redeemable in exchange for, convertible into or linked to shares or other equity instruments issued or to be issued by PGF or by any entity related to PGF. These three exceptions do not apply here.

#### ***Other Taxes and Duties***

No other Dutch taxes, including turnover tax and taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable in The Netherlands in respect of the mere exchange of Old Notes for New Notes pursuant to the Exchange Offers.

#### ***Common Reporting Standard***

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. On July 21, 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this includes the Common Reporting Standard (the “CRS”).

As of June 25, 2019, 106 jurisdictions, including The Netherlands, have signed the multilateral competent authority agreement, which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications. More than 40 jurisdictions, including The Netherlands, have committed to a specific and ambitious timetable leading to the first automatic exchanges in 2017 (early adopters). Under CRS, financial institutions resident in a CRS country would be required to report, according to a due diligence standard, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which include trusts and foundations) with tax residency in another CRS country. CRS includes a requirement to look through passive entities to report on the relevant controlling persons.

As of January 1, 2016, CRS and European Union Council Directive 2014/107/EU have been implemented in Dutch law. As a result, PGF will be required to comply with identification obligations (if any) starting in 2016, with reporting set to begin in 2017. Holders of Old Notes or New Notes may be required to provide additional information to PGF to enable it to satisfy any identification obligations under the Dutch implementation of the CRS. Prospective holders of the New Notes are advised to seek their own professional advice in relation to the CRS and European Union Council Directive 2014/107/EU.

## NOTICE TO CERTAIN NON-U.S. HOLDERS

### General

No action has been or will be taken in any jurisdiction that would permit a public offering of the New Notes or the possession, circulation or distribution of this Offering Memorandum or any material relating to us, the Old Notes or the New Notes in any jurisdiction where action for that purpose is required. Accordingly, the New Notes included in the Exchange Offers may not be offered, sold or exchanged, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Exchange Offers may be distributed or published, in or from any such country or jurisdiction, except in compliance with any applicable rules or regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to buy or sell or a solicitation of an offer to sell or buy Old Notes or New Notes, as applicable, in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer or solicitation under applicable securities laws or otherwise.

The distribution of this Offering Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required by us, the Dealer Managers, the Exchange Agent and the Information Agent to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Old Notes or have in their possession, distribute or publish this Offering Memorandum or any other offering material relating to the Old Notes, in all cases, at their own expense. In those jurisdictions where the securities, blue sky or other laws require the Exchange Offers to be made by a licensed broker or dealer and the Dealer Managers or any of their respective affiliates is such a licensed broker or dealer in any such jurisdiction, that Exchange Offers shall be deemed to be made by the Dealer Managers or such affiliate (as the case may be) on behalf of PGF in such jurisdiction.

Each Eligible Holder participating in the Exchange Offers will give certain representations in respect of the jurisdictions referred to below and generally as set out herein. Any tender of Old Notes for exchange pursuant to the Exchange Offers from an Eligible Holder that is unable to make these representations will not be accepted. Each of PGF, Petrobras, the Dealer Managers, the Exchange Agent and the Information Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Old Notes for exchange pursuant to the Exchange Offers, whether any such representation given by an Eligible Holder is correct and, if such investigation is undertaken and as a result PGF determines (for any reason) that such representation is not correct, such tender shall not be accepted.

### European Economic Area

This Offering Memorandum has been prepared on the basis that any offer of New Notes in any Member State of the European Economic Area (“EEA”) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of New Notes. Accordingly, any person making or intending to make an offer in the EEA of New Notes which are the subject of the offers contemplated in this Offering Memorandum may only do so in circumstances in which no obligation arises for PGF, Petrobras or any of the Dealer Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation in relation to such offer. Neither PGF nor Petrobras nor the Dealer Managers have authorized, nor do they authorize, the making of any offer of New Notes in circumstances in which an obligation arises for PGF, Petrobras or the Dealer Managers to publish a prospectus for such offer.

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, (a) a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation (a “Qualified Investor”), and (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to purchase or subscribe for the New Notes. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore



offering or selling the New Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Each person in a Member State of the EEA who receives any communication in respect of, or who acquires any New Notes under, the offers to the public contemplated in this Offering Memorandum, or to whom the New Notes are otherwise made available, will be deemed to have represented, warranted and agreed to and with each Dealer Manager, PGF and Petrobras that it and any person on whose behalf it acquires New Notes is:

- (a) a Qualified Investor; and
- (b) not a “retail investor” as defined above.

Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the New Notes has led to the conclusion that: (i) the target market for the New Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the New Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the New Notes (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the New Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

These selling restrictions are in addition to any other selling restrictions set out in this Offering Memorandum.

### **United Kingdom**

Each Dealer Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the “FSMA”) received by it in connection with this Exchange Offer in circumstances in which Section 21(1) of the FSMA does not apply to PGF or Petrobras; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the New Notes in, from or otherwise involving the United Kingdom.

This Offering Memorandum may only be distributed or caused to be distributed to: (i) persons who are outside the United Kingdom; (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”); (iii) persons falling within Articles 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order; or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (as amended, the “FSMA”)) in connection with the issue or sale of New Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

### **France**

This Offering Memorandum has not been prepared in the context of a public offering of financial securities in the Republic of France (“France”) within the meaning of Article L.411-1 of the French *Code monétaire et financier* and therefore has not been and will not be filed with the *Autorité des marchés financiers* (the “AMF”) for prior approval or submitted for clearance to the AMF. The New Notes may not be, directly or indirectly, offered or sold to the public in France and offers and sales of the New Notes will only be made in France to persons licensed to provide the investment service of portfolio management for the account of third parties (*personnes fournissant le*

*service d'investissement de gestion de portefeuille pour compte de tiers*), and/or qualified investors (*investisseurs qualifiés*) investing for their own account, other than individuals, all as defined in, and in accordance with, Articles L.411-2 and D.411-1 of the French *Code monétaire et financier* and applicable regulations thereunder. Neither this Offering Memorandum nor any other offering material may be released, issued or distributed to the public in France or used in connection with any offer for subscription or sale of the New Notes to the public in France. The subsequent direct or indirect retransfer of the New Notes to the public in France may only be made in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier* and applicable regulations thereunder.

## Italy

None of the Exchange Offers, this Offering Memorandum or any other documents or materials relating to the Exchange Offers have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”), pursuant to applicable Italian laws and regulations.

The Exchange Offers are being carried out in the Republic of Italy as exempted offers pursuant to article 101-bis, paragraph 3-bis of Legislative Decree No. 58 of February 24, 1998, as amended (the “Financial Services Act”) and article 35-bis, paragraph 3 of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the “Issuers Regulation”) and, therefore, are intended for, and directed only at (i) qualified investors (*investitori qualificati*) (the “Italian Qualified Investors”), as defined pursuant to Article 100, paragraph 1, letter (a) of the Financial Services Act and Article 34-ter, paragraph 1, letter (b) of the Issuers’ Regulation.

Accordingly, the Exchange Offers cannot be promoted, nor may copies of any document related thereto or to the Old Notes be distributed, mailed or otherwise forwarded, or sent, to the public in the Republic of Italy, whether by mail or by any means or other instrument (including, without limitation, telephonically or electronically) or any facility of a national securities exchange available in the Republic of Italy, other than to Italian Qualified Investors. Persons receiving this Offering Memorandum or any other document or material relating to the Exchange Offers must not forward, distribute or send it in or into or from the Republic of Italy.

Holders or beneficial owners of the Old Notes that are Italian Qualified Investors resident and/or located in the Republic of Italy can tender the Old Notes through authorized persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of October 29, 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended from time to time) and in compliance with any other applicable laws and regulations and with any requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Old Notes, the New Notes or the Exchange Offers.

## Belgium

Neither the Exchange Offers nor any brochure, material or document related thereto have been, or will be, submitted or notified to, or approved by, the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten*). In Belgium, the Exchange Offers do not constitute public offerings within the meaning of Articles 3, §1, 1° and 6, §3 of the Belgian Law of April 1, 2007 on takeover bids (*loi relative aux offres publiques d'acquisition/wet op de openbare overnamebiedingen*, the “Takeover Law”), nor within the meaning of Article 3, §2 of the Belgian Law of June 16, 2006 on public offering of securities and admission of securities to trading on a regulated market (*loi relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés/wet op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereguleerde markt*, the “Prospectus Law”), each as amended or replaced from time to time. Accordingly, the Exchange Offers may not be, and are not being advertised, and the Exchange Offers as well as any brochure, or any other material or document relating thereto may not, have not and will not be distributed, directly or indirectly, to any person located and/or resident within Belgium, other than those who qualify as “Qualified Investors” (*investisseurs qualifiés/gekwalificeerde beleggers*), within the meaning of Article 10, §1 of the Prospectus Law, as amended from time to time, acting on their own account. Accordingly, the information contained in this Offering Memorandum or in any brochure or any other document or

materials relating thereto may not be used for any other purpose, including for any offering in Belgium, except as may otherwise be permitted by law, and shall not be disclosed or distributed to any other person in Belgium.

## **Ireland**

This Offering Memorandum and any other documents or materials relating to the Exchange Offers must not be distributed and no tender, offer, sale, repurchase or placement of any securities under or in connection with the Exchange Offers may be effected except in conformity with the provisions of Irish laws and regulations including (i) the Irish Companies Act 2014, (ii) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) of Ireland, (iii) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) of Ireland and (iv) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, the European Union (Market Abuse) Regulations 2016 of Ireland and any Central Bank of Ireland rules issued and/or in force pursuant to Section 1370 of the Irish Companies Act 2014.

## **Switzerland**

None of this Offering Memorandum or any offering or marketing material relating to the Exchange Offers constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and none of this Offering Memorandum, or any other offering or marketing material may be publicly distributed or otherwise made publicly available in Switzerland.

## **Grand Duchy of Luxembourg**

The Offering Memorandum has not been approved as a prospectus for the purposes of the Prospectus Regulation by the *Commission de Surveillance du Secteur Financier* or by the competent authority in the home Member State within the meaning of the Prospectus Regulation. The Exchange Offers may only be made in Luxembourg (i) to “qualified investors” as described in points (1) to (4) of Section I of Annex II to Directive 2004/39/EC of the European Parliament and of the Council of April 21, 2004 on markets in financial instruments, and persons or entities who are, on request, treated as professional clients in accordance with Annex II to Directive 2004/39/EC, or recognized as eligible counterparties in accordance with Article 24 of Directive 2004/39/EC unless they have requested that they be treated as non-professional clients or (ii) otherwise, pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus.

## **Hong Kong**

The Exchange Offers are not being made, and the New Notes are not being offered or sold, in Hong Kong, by means of this Offering Memorandum or any other documents or materials relating to the Exchange Offer other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer or invitation to the public for the purposes of the Securities and Futures Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance. None of PGF, Petrobras, the Dealer Managers, the Exchange Agent or the Information Agent has issued or had in its possession for the purposes of issue, or will issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the New Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

## **The Netherlands**

The Offering Memorandum has not been approved as a prospectus for the purposes of the Prospectus Regulation by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) as a Prospectus. The New Notes will only be offered and subsequently transferred to qualified investors (*gekwalificeerde beleggers*) as defined in Article 1:1 of the Dutch Act on Financial Supervision (*Wet op het Financieel Toezicht*).

## DIFFICULTIES OF ENFORCING CIVIL LIABILITIES AGAINST NON-U.S. PERSONS

### Petrobras

Petrobras is a *sociedade de economia mista* (mixed-capital company), a public sector company with some private sector ownership, established under the laws of Brazil. All of its executive officers and directors and certain advisors named herein reside in Brazil. In addition, substantially all of its assets and those of its executive officers, directors and certain advisors named herein are located in Brazil. As a result, it may not be possible for investors to effect service of process upon Petrobras or its executive officers, directors and advisors named herein within the United States or other jurisdictions outside Brazil or to enforce against Petrobras or its executive officers, directors and advisors named herein judgments obtained in the United States or other jurisdictions outside Brazil. In addition, it may not be possible for you to enforce a judgment of a United States court for civil liability based upon the United States federal securities laws against any of those persons outside the United States.

Ms. Taisa Oliveira Maciel, Petrobras's general counsel, has advised Petrobras that, subject to the requirements described below, judgments of United States courts for civil liabilities based upon the United States federal securities laws may be enforced in Brazil. A judgment against Petrobras or the other persons described above obtained outside Brazil would be enforceable in Brazil, without reconsideration of the merits, only if the judgment satisfies certain requirements and receives confirmation from the Brazilian Superior Court of Justice (*Superior Tribunal de Justiça*). The foreign judgment will only be confirmed if:

- it fulfills all formalities required for its enforceability under the laws of the country where the foreign judgment is granted;
- it is for the payment of a sum certain of money;
- it was issued by a competent court in the jurisdiction where the judgment was awarded after service of process was properly made in accordance with applicable law;
- it is not subject to appeal;
- it must be apostilled by a competent authority of the State from which the document emanates according to the Hague Convention of 5 October 1961 Abolishing the Requirement of Legalisation for Foreign Public Documents or, if such State is not signatory of the Hague Convention, it must be duly authenticated by a competent Brazilian consulate;
- it is authenticated by a Brazilian consular office in the country where it was issued, and is accompanied by a sworn translation into Portuguese, unless an exemption is provided by an international treaty to which Brazil is a signatory; and
- it is not contrary to Brazilian national sovereignty, public policy or good morals.

Notwithstanding the foregoing, no assurance can be given that such confirmation would be obtained, that the process described above could be conducted in a timely manner or that a Brazilian court would enforce a monetary judgment for violation of the U.S. securities laws with respect to any securities issued by Petrobras.

Ms. Taisa Oliveira Maciel has also advised Petrobras that:

- original actions based on the U.S. federal securities laws may be brought in Brazilian courts and that, subject to Brazilian public policy and national sovereignty, Brazilian courts may enforce liabilities in such actions against Petrobras, certain of its directors and officers and the advisors named herein;
- if an investor resides outside Brazil and owns no real property in Brazil, he or she must provide a bond sufficient to guarantee court costs and legal fees, including the defendant's attorneys' fees, as determined by the Brazilian court, in connection with litigation in Brazil, except: (1) when an exemption is provided by an international agreement or treaty that Brazil is a signatory; (2) in the case of claims for collection on a *título executivo extrajudicial* (an instrument which may be enforced in

Brazilian courts without a review on the merits), in the case of the enforcement of a foreign judgment which has been confirmed by the Brazilian Superior Court of Justice; or (3) counterclaims as established, according to Article 83 of the Brazilian Code of Civil Procedure (*Código de Processo Civil*);

- Brazilian law limits an investor's ability as a judgment creditor of Petrobras to satisfy a judgment against Petrobras by attaching its gas and oil reserves, as Petrobras does not own any of the crude oil and natural gas reserves in Brazil. Under Brazilian law, the Brazilian government owns all crude oil and natural gas reserves in Brazil;
- a law has been enacted in Brazil to regulate judicial and extrajudicial reorganization and liquidation of business companies. Such law revoked the previous Brazilian Bankruptcy law. The new law is not applicable to mixed capital companies, such as Petrobras, and does not provide whether the federal government of Brazil is liable for Petrobras's obligations in the event of bankruptcy; and
- certain of Petrobras's exploration and production assets may be subject to reversion to the Brazilian government under Petrobras's concession agreements. Such assets, under certain circumstances, may not be subject to attachment or execution.

### PGF

PGF is duly incorporated as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands. All of the directors of PGF reside outside the United States. PGF has no assets and all or a substantial portion of the assets of PGF's directors are located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States upon PGF or such persons or to enforce, in the United States courts, judgment against PGF or such persons or judgments obtained in such courts predicated upon the civil liability provisions of the federal securities laws of the United States.

PGF has been advised by its special Dutch counsel, Hogan Lovells International LLP, that a judgment rendered by a court in New York, or a "Foreign Court," will not be recognized and enforced by the courts of The Netherlands for the reason that the United States and The Netherlands currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. If a person has obtained a final and conclusive judgment for the payment of money rendered by the Foreign Court which is enforceable in the United States, or a "Foreign Judgment," the person will be required to file its claim with the court of competent jurisdiction in The Netherlands. Such party may submit to the Dutch court the final judgement rendered by the U.S. court. The Dutch court will have discretion to attach such weight to this final judgment as it deems appropriate. The Dutch court can be expected to adjudicate substantial importance to such judgment without full re-examination or full re-litigation of the substantive matters adjudicated thereby (*marginale toetsing*), to the extent (i) the U.S. court had jurisdiction in the matter in accordance with standards which are generally accepted internationally, (ii) the proceedings before such court have complied with the principles proper procedure and fair trial, (iii) the judgment is final and conclusive in such a way that all appeals have been exhausted and no other remedy could be obtained from a competent judicial body, (iv) such judgment does not conflict with the public policy (*openbare orde*) of The Netherlands and (v) such judgment is not incompatible with a judgment given between the same parties by a Dutch Court or with a prior judgment given between the same parties by a foreign court in a dispute concerning the same subject matter and based on the same cause of action, provided such prior judgment is recognisable in The Netherlands. The enforcement in a Dutch court of judgments rendered by a court in the United States is subject to the Dutch rules of civil procedure. Judgments may be rendered in a foreign currency but enforcement is executed in Euro at the applicable rate of exchange. Enforcement of obligations in The Netherlands will be subject to the nature of remedies available in the Dutch courts. The taking of current proceedings in more than one jurisdiction may be disallowed by the Dutch courts, but such courts have the power to stay proceedings if concurrent proceedings are being brought elsewhere.

Subject to the foregoing and service of process in accordance with applicable treaties and rules, investors may be able to enforce in The Netherlands judgments in civil and commercial matters obtained from U.S. federal or state courts. However, no assurance can be given that those judgments will be enforceable and, in particular, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in the Netherlands. In addition, there can be no assurance that a Dutch court would accept jurisdiction and impose civil liability in an original action commenced in The Netherlands and predicated solely upon U.S. federal securities laws.

## **LEGAL MATTERS**

Hogan Lovells International LLP, special Dutch counsel for PGF, will pass upon the validity of the New Notes and the indenture for PGF as to certain matters of Dutch law. Petrobras's general counsel or acting general counsel will pass upon, for PGF and Petrobras, certain matters of Brazilian law relating to the New Notes, the indenture and the guaranty. The validity of the New Notes, the indenture and the guaranty will be passed upon for PGF and Petrobras by Cleary Gottlieb Steen & Hamilton LLP as to certain matters of New York law.

Pinheiro Neto Advogados will pass upon certain matters of Brazilian law relating to the New Notes, the indenture and the guaranty for the Dealer Managers. Shearman & Sterling LLP will pass upon the validity of the New Notes, the indenture and the guaranty for the Dealer Managers as to certain matters of New York law.

## **EXPERTS**

Certain oil and gas reserve data incorporated herein by reference to the 2018 Form 20-F were reviewed by DeGolyer and MacNaughton as indicated therein, in reliance upon the authority of such firm as expert in estimating proved oil and gas reserves.

## **INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

With respect to the unaudited consolidated interim financial information of Petrobras as of June 30, 2019 and for the six-month periods ended June 30, 2019 and 2018, incorporated by reference herein, KPMG Auditores Independientes, an independent registered public accounting firm, reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included in the Petrobras Form 6-K furnished to the SEC on August 5, 2019 and incorporated by reference herein, states that they did not audit and they do not express an opinion on that unaudited consolidated interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The consolidated financial statements of Petrobras as of December 31, 2018 and 2017, and for each of the years in the two-year period ended December 31, 2018, incorporated herein by reference to the 2018 Form 20-F, and the effectiveness of internal control over financial reporting as of December 31, 2018, have been audited by KPMG Auditores Independientes, independent registered public accounting firm, as stated in their report also incorporated by reference herein.

The consolidated financial statements for the year ended December 31, 2016 incorporated in this Offering Memorandum by reference to the 2018 Form 20-F have been audited by PricewaterhouseCoopers Auditores Independientes, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.



**LISTING AND GENERAL INFORMATION**

1. PGF intends to apply to have the New Notes listed on the Official List of the Luxembourg Stock Exchange and to trading on the EuroMTF Market of the Luxembourg Stock Exchange. We cannot assure you that this application will be accepted.
2. PGF expects the New Notes to be accepted for clearance and settlement through DTC, Euroclear and Clearstream at or prior to the Settlement Date. The CUSIP and ISIN numbers for the New Notes are as follows:

	<u>Restricted Global Note</u>	<u>Regulation S Global Note</u>
<b>2030 Notes</b>		
CUSIP.....	71647N BF5	N6945A AL1
ISIN.....	US71647NBF50	USN6945AAL19

3. We have obtained all necessary consents, approvals and authorizations in connection with the issuance and performance of the New Notes. Resolutions of PGF’s board of managing directors, dated September 6, 2019, authorized the issuance of the New Notes. Resolutions of Petrobras’s board of directors, dated December 18, 2018, authorized the execution and delivery of the guarantees.
4. Except as disclosed in this Offering Memorandum, including the documents incorporated by reference herein, since June 30, 2019, there has been no material adverse change (or any development or event involving a prospective change of which we are or might reasonably be expected to be aware) which is materially adverse to Petrobras’s financial condition and that of its subsidiaries taken as a whole.
5. Except as described in this Offering Memorandum, including the documents incorporated by reference herein, there are no pending actions, suits or proceedings against or affecting Petrobras or any of its subsidiaries or any of its respective properties, which, if determined adversely to Petrobras or any such subsidiary, would individually or in the aggregate have an adverse effect on its financial condition and that of its subsidiaries taken as a whole or would adversely affect its ability to perform its obligations under the New Notes or which are otherwise material in the context of the issue of the New Notes, and, to the best of our knowledge, no such actions, suits or proceedings are threatened.
6. KPMG Auditores Independentes has agreed to the incorporation by reference of its limited review report in this Offering Memorandum in the form and context in which it is included.
7. PricewaterhouseCoopers Auditores Independentes has agreed to the incorporation by reference of its audit report in this Offering Memorandum in the form and context in which it is included.
8. The New Notes will be fully and unconditionally guaranteed by Petrobras.
9. PGF’s registered office is located at Weena 762, 3014 DA Rotterdam, The Netherlands, and our telephone number is +31 (0) 10 206-7000. Petrobras’s principal executive office is located at Avenida República do Chile, 65, 10<sup>th</sup> Floor, 20031-912 – Rio de Janeiro RJ, Brazil, and our telephone number is +(55-21) 3224-4477.

**ANNEX A**  
**FORMULA TO CALCULATE THE EXCHANGE CONSIDERATION FOR**  
**EACH SERIES OF OLD NOTES**

- YLD = The Exchange Offer Yield for the applicable series of Old Notes, expressed as a decimal number. The Exchange Offer Yield equals the sum of the applicable Reference Yield and the applicable Fixed Spread.
- CPN = The contractual rate of interest payable on an Old Note, calculated in accordance with the terms of such Old Note, expressed as a decimal number.
- N = The number of semi-annual interest payments on an Old Note, based on the maturity date from (but excluding) the Settlement Date to (and including) the maturity date.
- S = The number of days from and including the semi-annual interest payment date immediately preceding the Settlement Date up to, but excluding, the Settlement Date. The number of days is computed using the 30/360 day-count method.
- / = Divide. The term immediately to the left of the division symbol is divided by the term immediately to the right of the division symbol before any addition or subtraction operations are performed.
- $\sum_{K=1}^N$  = Summate. The term in the brackets to the right of the summation symbol is separately calculated “N” times (substituting for “k” in that term each whole number shown between 1 and N, inclusive), and the separate calculations are then added together.
- Exp = Exponentiate. The term to the left of “exp” is raised to the power indicated by the term to the right of “exp.”
- Old Note Total Exchange Consideration = The price per each U.S.\$1,000 principal amount of Old Notes being priced (excluding accrued interest).
- Old Note Total Exchange Consideration** = 
$$\frac{\$1,000}{(1 + YLD/2)\exp(N - (S/180))} + \sum_{k=1}^N \left[ \frac{\$1,000 \left(\frac{CPN}{2}\right)}{(1 + YLD/2)\exp(k - S/180)} \right] - \$1,000(CPN/2)(S/180)$$

**ANNEX B**  
**HYPOTHETICAL PRICING EXAMPLE FOR**  
**EXCHANGE CONSIDERATION AND NEW NOTES COUPON**

Set forth below is a hypothetical illustration of the Exchange Consideration of the Old Notes (in each case, per U.S.\$1,000 principal amount of Old Notes tendered) and the New Notes Coupon based on hypothetical data. It should, therefore, be used solely for the purpose of obtaining an understanding of the calculation of the Exchange Consideration and the New Notes Coupon as quoted at hypothetical rates and times and should not be used or relied upon for any other purpose.

The information provided in the table below is for illustrative purposes only and we make no representation with respect to the actual consideration that may be paid pursuant to the Exchange Offers or as to the actual New Notes Coupon. The Exchange Consideration, the Accrued Coupon Payment, if any, and the New Notes Coupon may be greater or less than that shown in the table below depending on the yield of the Reference U.S. Treasury Securities, and the New Notes Reference Security, as of the Price Determination Date.

	<b>Old Notes</b>						
	<b>4.375% Global Notes due May 2023</b>	<b>6.250% Global Notes due March 2024</b>	<b>5.299% Global Notes due January 2025</b>	<b>8.750% Global Notes due May 2026</b>	<b>7.375% Global Notes due January 2027</b>	<b>5.999% Global Notes Due January 2028</b>	<b>5.750% Global Notes due February 2029</b>
Maturity Date	May 20, 2023	March 17, 2024	January 27, 2025	May 23, 2026	January 17, 2027	January 27, 2028	February 1, 2029
Reference U.S. Treasury Security	1.250% due 2024	1.250% due 2024	1.250% due 2024	1.625% due 2029	1.625% due 2029	1.625% due 2029	1.625% due 2029
Fixed Spread	140 basis points	173 basis points	178 basis points	243 basis points	249 basis points	269 basis points	281 basis points
Hypothetical Price Determination Date	2:00 p.m. (New York City time) on September 6, 2019	2:00 p.m. (New York City time) on September 6, 2019	2:00 p.m. (New York City time) on September 6, 2019	2:00 p.m. (New York City time) on September 6, 2019	2:00 p.m. (New York City time) on September 6, 2019	2:00 p.m. (New York City time) on September 6, 2019	2:00 p.m. (New York City time) on September 6, 2019
Hypothetical Settlement Date	September 18, 2019	September 18, 2019	September 18, 2019	September 18, 2019	September 18, 2019	September 18, 2019	September 18, 2019
Hypothetical Reference Yield as of Hypothetical Price Determination Date	1.415%	1.415%	1.415%	1.547%	1.547%	1.547%	1.547%
YLD	2.817%	3.146%	3.198%	3.974%	4.042%	4.236%	4.357%
CPN	4.375%	6.250%	5.299%	8.750%	7.375%	5.999%	5.750%
N	8	9	11	14	15	17	19
S	118	1	51	115	61	51	47
<b>Hypothetical Exchange Consideration*</b>	U.S.\$1,053.96	U.S.\$1,129.24	U.S.\$1,102.68	U.S.\$1,277.73	U.S.\$1,209.59	U.S.\$1,122.96	U.S.\$1,106.13
<b>Cash Amount*</b>	U.S.\$526.98	U.S.\$564.62	U.S.\$551.34	U.S.\$638.86	U.S.\$604.79	U.S.\$336.89	U.S.\$331.84
<b>New Notes Amount*</b>	U.S.\$526.98	U.S.\$564.62	U.S.\$551.34	U.S.\$638.87	U.S.\$604.80	U.S.\$786.07	U.S.\$774.29
Accrued Coupon Payment*	U.S.\$14.34	U.S.\$0.17	U.S.\$7.51	U.S.\$27.95	U.S.\$12.50	U.S.\$8.50	U.S.\$7.51

\* Per U.S.\$1,000 principal amount of the applicable series of Old Notes.

Any questions regarding procedures for tendering Old Notes or requests for additional copies of this Offering Memorandum and the Notice of Guaranteed Delivery should be directed to the Information Agent. Copies of the Offering Memorandum and Notice of Guaranteed Delivery are available for Eligible Holders at the following web address: <https://gbsc-usa.com/eligibility/Petrobras>.

### **Exchange Agent and Information Agent**

Global Bondholder Services Corporation

By Regular, Registered or Certified Mail,  
Hand or Overnight Delivery:  
Global Bondholder Services Corporation  
65 Broadway – Suite 404  
New York, New York 10006  
Attention: Corporate Actions

By Electronic Mail:  
Email: [contact@gbsc-usa.com](mailto:contact@gbsc-usa.com)

By Facsimile Transmission:  
(212) 430-3775 (for eligible institutions only)  
To confirm receipt of facsimile by telephone:  
(212) 430-3774

Banks and Brokers call: (212) 430-3774  
Toll-free: (866) 470-3800  
International call: 001-212-430-3774

Questions or requests for assistance related to the Exchange Offers or for additional copies of this Offering Memorandum may be directed to the Information Agent at its telephone numbers and address listed above.

You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offers.

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### *Dealer Managers*

#### **Citigroup Global Markets Inc.**

388 Greenwich Street, 7th Floor  
New York, NY 10013  
United States of America  
Attn: Liability Management Group  
U.S. Toll Free: +1 (800) 558-3745  
Collect: +1 (212) 723-6106

#### **Credit Agricole Securities (USA) Inc.**

1301 Avenue of the Americas, 17th Floor  
New York, NY 10019  
United States of America  
Attn: Debt Capital Markets  
Toll Free: (866) 807-6030  
Collect: (212) 261-7802

#### **HSBC Securities (USA) Inc.**

452 Fifth Avenue  
New York, NY 10018  
United States of America  
Attn: Global Liability Management Group  
Toll Free: +1 (888) HSBC-4LM  
Collect: +1 (212) 525-5552

#### **Mizuho Securities USA LLC**

320 Park Avenue, 12<sup>th</sup> Floor  
New York, NY 10022  
United States of America  
Attn: Liability Management  
Toll-Free: (866) 271-7403  
Collect: (212) 205-7736

#### **Morgan Stanley & Co. LLC**

1585 Broadway  
New York, NY 10036  
United States of America  
Attention:  
Liability Management Group  
Collect: +1 (212) 761-1057  
U.S. Toll-Free: +1 (800) 624-1808

#### **Santander Investment Securities Inc.**

45 East 53rd Street 5<sup>th</sup> Floor  
New York, NY 10022  
United States of America  
Attn: Liability Management  
Toll Free: +1 (855) 404-3636  
Collect: +1 (212) 940-1442  
[liabilitymanagement@santander.us](mailto:liabilitymanagement@santander.us)