

Petrobras Global Finance B.V.

Form 424B2

March 12, 2019

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**The information in this prospectus supplement and the accompanying prospectus to which it relates is not complete and may be changed. This prospectus supplement and the accompanying prospectus to which it relates are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**Filed Pursuant to Rule 424(b)(2)  
Registration Statement Nos. 333-229096 and 333-229096-01**

**PRELIMINARY PROSPECTUS SUPPLEMENT**

**(SUBJECT TO COMPLETION)**

**DATED MARCH 12, 2019**

**PROSPECTUS SUPPLEMENT**

**(To Prospectus dated March 1, 2019)**

**Petrobras Global Finance B.V.**

**Unconditionally guaranteed by**

**Petróleo Brasileiro S.A. Petrobras**

**(Brazilian Petroleum Corporation Petrobras)**

**U.S.\$ 5.750% Global Notes due 2029**  
**U.S.\$ % Global Notes due 20**

The 5.750% Global Notes due 2029 (the 2029 Notes ) and the % Global Notes due 20 (the 20 Notes and, together with the 2029 Notes, each a series, and collectively, the Notes ), are general, unsecured, unsubordinated obligations of Petrobras Global Finance B.V., or PGF, a wholly-owned subsidiary of Petróleo Brasileiro S.A. Petrobras, or Petrobras. The Notes will be unconditionally and irrevocably guaranteed by Petrobras. The 2029 Notes will mature on February 1, 2029 and will bear interest at the rate of 5.750% per annum. Interest on the 2029 Notes is payable on February 1 and August 1 of each year, beginning on August 1, 2019. The 20 Notes will mature on , 20 and will bear interest at the rate of % per annum. Interest on the 20 Notes is payable on and of each year, beginning on , 2019.

The 2029 Notes will be consolidated, form a single series, and be fully fungible, with PGF's outstanding U.S.\$1,900,000,000 5.750% Global Notes due 2029 issued on February 1, 2018, or the 2029 Original Notes. After

giving effect to this offering, the total amount outstanding of PGF's 5.750% Global Notes due 2029 will be U.S.\$ .

PGF will pay additional amounts related to the deduction of certain withholding taxes in respect of certain payments on the Notes. PGF may redeem, in whole or in part, the Notes at any time by paying the greater of the principal amount of the Notes and the applicable make-whole amount, plus, in each case, accrued and unpaid interest. The Notes will also be redeemable without premium prior to maturity at PGF's option solely upon the imposition of certain withholding taxes. See Description of the Notes Optional Redemption Redemption for Taxation Reasons.

This prospectus supplement has been prepared on the basis that any offer of Notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. The expression Prospectus Directive means Directive 2003/71/EC (as amended), and includes any relevant implementing measure in the Member State concerned.

In connection with the offering, the underwriters are not acting for anyone other than the issuer. Neither the underwriters nor any of their FCA-regulated affiliates will be responsible to anyone other than the issuer for providing the protections afforded to their clients nor for providing advice in relation to the offering.

The 2029 Original Notes are listed on the New York Stock Exchange, or the NYSE under the symbol PBR/29. PGF intends to apply to have the 20 Notes approved for listing on the NYSE.

See **Risk Factors** beginning on page S-16 to read about factors you should consider before buying the Notes offered in this prospectus supplement and the accompanying prospectus.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

Initial price to the public <sup>(1)</sup> : Underwriting discount <sup>(2)</sup> Proceeds, before expenses, to PGF:						
	Per		Per		Per	
	Note	Total	Note	Total	Note	Total
2029 Notes	%	U.S.\$	%	U.S.\$	%	U.S.\$
20 Notes	%	U.S.\$	%	U.S.\$	%	U.S.\$

- (1) Plus accrued interest (i) with respect to the 2029 Notes, from February 1, 2019 to, but not including, the settlement date, in an aggregate amount of U.S.\$ , assuming settlement occurs on , 2019 and (ii) with respect to the 20 Notes, from , 2019, if settlement occurs after that date.

### *Joint Bookrunners*

**ABN AMRO** **BBVA** **COMMERZBANK**  
The date of this prospectus supplement is \_\_\_\_\_, 2019.

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### ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of the Notes that PGF is offering and certain other matters relating to PGF and Petrobras and Petrobras's financial condition. The second part, the accompanying prospectus, gives more general information about securities that PGF and Petrobras may offer from time to time. Generally, references to the prospectus mean this prospectus supplement and the accompanying prospectus combined. If the information in this prospectus supplement differs from the information in the accompanying prospectus, the information in this prospectus supplement supersedes the information in the accompanying prospectus.

We are responsible for the information contained and incorporated by reference in this prospectus supplement and in any related free-writing prospectus we prepare or authorize. PGF and Petrobras have not authorized anyone to give you any other information, and we take no responsibility for any other information that others may give you. Neither PGF nor Petrobras is making an offer to sell the Notes in any jurisdiction where the offer is not permitted.

You should not assume that the information in this prospectus supplement, the accompanying prospectus or any document incorporated by reference is accurate as of any date other than the date of the relevant document.

In this prospectus supplement, unless the context otherwise requires or as otherwise indicated, references to Petrobras mean *Petróleo 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.

**PRIIPs Regulation / Prospectus Directive / Prohibition of sales to EEA retail investors** The 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 European Economic Area (EEA). 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); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, 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 Directive 2003/71/EC (as amended, the Prospectus Directive). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MIFID II product governance / Professional investors and ECPs only target market** Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the 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 Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.



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**FORWARD-LOOKING STATEMENTS**

Some of the information contained or incorporated by reference in this prospectus supplement are 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 prospectus supplement may be identified by the use of forward-looking words, such as believe, expect, estimate, anticipate, intend, plan, aim, will, may, 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;

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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 below under Risk Factors.

For additional information on factors that could cause our actual results to differ from expectations reflected in forward-looking statements, see Risk Factors in this prospectus supplement and in documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

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

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**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

Petrobras is incorporating by reference into this prospectus supplement the following documents that it has filed with the U.S. Securities and Exchange Commission ( SEC ):

- (1) The Petrobras Annual Report on Form 20-F for the year ended December 31, 2017 (the 2017 Form 20-F ) filed with the SEC on April 18, 2018.
- (2) The Petrobras Report on Form 6-K furnished to the SEC on February 28, 2019, containing Petrobras 's financial statements in U.S. dollars as of December 31, 2018 and 2017, and for the years ended December 31, 2018, 2017 and 2016, prepared in accordance with International Financial Reporting Standards ( IFRS ) as issued by the International Accounting Standards Board.
- (3) The Petrobras Report on Form 6-K furnished to the SEC on February 28, 2019, containing a discussion of Petrobras 's financial information and results in U.S. dollars as of December 31, 2018 and 2017, and for the years ended December 31, 2018, 2017 and 2016.
- (4) The Petrobras Report on Form 6-K furnished to the SEC on March 11, 2019, announcing that the rating agency Fitch raised Petrobras 's stand-alone credit profile.
- (5) The Petrobras Report on Form 6-K furnished to the SEC on March 11, 2019, announcing the completion of the sale of its equity interest in the companies Petrobras Paraguay Distribución Limited, Petrobras Paraguay Operaciones y Logística SRL and Petrobras Paraguay Gas SRL.
- (6) The Petrobras Report on Form 6-K furnished to the SEC on March 11, 2019, relating to Petrobras 's Resilience Plan.
- (7) The Petrobras Report on Form 6-K furnished to the SEC on March 11, 2019, in connection with Petrobras 's Vantage arbitration.
- (8) 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 prospectus supplement or the accompanying prospectus.

We will provide without charge to any person to whom a copy of this prospectus supplement is delivered, upon the written or oral request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated herein by reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference in such documents). Requests should be directed to Petrobras 's Investor Relations Department located at Avenida República do Chile, 65 1<sup>st</sup> Floor, 20031-912 Rio de Janeiro, RJ, Brazil, Attn: Larry Carris Cardoso, Finance Department, Loans and Financing Administration General Manager (telephone: +55 (21) 3224-1510/3224-9947; fax: +55 (21) 3224-1401; e-mail: [petroinvest@petrobras.com.br](mailto:petroinvest@petrobras.com.br)).

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**WHERE YOU CAN FIND MORE INFORMATION**

Information that Petrobras files with or furnishes to the SEC after the date of this prospectus supplement, and that is incorporated by reference herein, will automatically update and supersede the information in this prospectus supplement. You should review the SEC filings and reports that Petrobras incorporates by reference to determine if any of the statements in this prospectus supplement, the accompanying prospectus or in any documents previously incorporated by reference have been modified or superseded.

Documents incorporated by reference in this prospectus supplement are available without charge. Each person to whom this prospectus supplement and the accompanying prospectus are 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 19 Floor

20031-912 Rio de Janeiro RJ, Brazil

Attn: Larry Carris Cardoso, Finance Department, Loans and Financing Administration General Manager

Telephone: +55 (21) 3224-1510/3224-9947

Fax: +55 (21) 3224-1401

E-mail: [petroinvest@petrobras.com.br](mailto:petroinvest@petrobras.com.br)

Petrobras is subject to the information requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act ), applicable to a foreign private issuer, and accordingly files or furnishes reports, including annual reports on Form 20-F, reports on Form 6-K, and other information with the SEC. Any filings Petrobras makes electronically will be available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. The information on this website, which might be accessible through a hyperlink resulting from this URL, is not and shall not be deemed to be incorporated into this prospectus supplement.

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### **SUMMARY**

*This summary highlights key information described in greater detail elsewhere, or incorporated by reference, in this prospectus supplement and the accompanying prospectus. This summary is not complete and does not contain all of the information you should consider before investing in the Notes. You should read carefully the entire prospectus supplement, the accompanying prospectus, including Risk Factors and the documents incorporated by reference herein, which are described under Incorporation of Certain Documents by Reference and Where You Can Find More Information.*

*In this prospectus supplement, unless the context otherwise requires or as otherwise indicated, references to Petrobras mean Petróleo 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.*

### **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, which represented 79% of Brazil's total oil production (based on production data issued by the National Petroleum, Natural Gas and Biofuels Agency). 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, as well as exports of ethanol. This segment also includes petrochemical operations, such as extraction and processing of shale and holding interests in petrochemical companies in Brazil;

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*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); 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, including 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.

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 prospectus supplement.



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**The Offering**

Issuer	Petrobras Global Finance B.V., or PGF.
The 2029 Notes	U.S.\$ aggregate principal amount of 5.750% Global Notes due 2029, or the 2029 Notes.
The 20 Notes	U.S.\$ aggregate principal amount of % Global Notes due 20 , or the 20 Notes.
Issue Price	For the 2029 Notes: % of the aggregate principal amount, plus accrued interest from February 1, 2019 to, but not including, the settlement date, in an aggregate amount of U.S.\$ , assuming settlement occurs on , 2019.
	For the 20 Notes: % of the aggregate principal amount, plus accrued interest from , 2019, if settlement occurs after that date.
Closing Date	, 2019.
Maturity Date	For the 2029 Notes: February 1, 2029.
	For the 20 Notes: , 20 ..
Interest	For the 2029 Notes: The 2029 Notes will bear interest from February 1, 2019, the most recent interest payment date of the 2029 Original Notes, at the rate of 5.750% per annum, payable semi-annually in arrears on each interest payment date.
	For the 20 Notes: The 20 Notes will bear interest from , 2019, the date of issuance of such notes, at the rate of % per annum, payable semi-annually in arrears on each interest payment date.
Interest Payment Dates	For the 2029 Notes: February 1 and August 1 of each year, beginning on August 1, 2019.
	For the 20 Notes: and of each year, commencing on , 2019.
Fungibility	The 2029 Notes will be consolidated, form a single series, and be fully fungible, with PGF's outstanding U.S.\$1,900,000,000 5.750% Global Notes due 2029 issued on February 1, 2018 (ISIN: US71647NAZ24 and CUSIP: 71647N AZ2), or the 2029 Original Notes. After giving effect to this offering, the total amount outstanding of PGF's 5.750% Global Notes due 2029 will be U.S.\$ .
Denominations	PGF will issue the Notes only in denominations of U.S.\$2,000 and integral multiples of U.S.\$1,000 in excess thereof.

Trustee, Registrar, Paying Agent and      The Bank of New York Mellon.  
Transfer Agent

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### Codes

(a) ISIN For the 2029 Notes: US71647NAZ24

For the 20 Notes:

(b) CUSIP For the 2029 Notes: 71647N AZ2

For the 20 Notes:

### Use of Proceeds

PGF intends to use the net proceeds from the sale of the Notes to repurchase its 4.375% Global Notes due May 2023; 5.299% Global Notes due January 2025; 5.375% Global Notes due January 2021; 6.125% Global Notes due January 2022; 6.250% Global Notes due March 2024; 3.750% Global Notes due January 2021; 8.375% Global Notes due May 2021; 4.250% Global Notes due October 2023; 4.750% Global Notes due January 2025; and, 5.875% Global Notes due March 2022, or the Old Notes, in each case that PGF accepts for purchase in the tender offer described below, and to use any remaining net proceeds for general corporate purposes. See Use of Proceeds.

### Tender Offer

Concurrently with this offering, PGF has announced its current intention to make a cash tender offer, or the Tender Offer, on the terms and subject to the conditions included in an offer to purchase, or the Offer to Purchase, that will be made available to eligible holders of Old Notes upon the commencement of the Tender Offer. The Tender Offer for the Old Notes is conditioned upon, among other customary conditions, the closing of the sale of the 2029 Notes and the 20 Notes offered hereby. The underwriters are also acting as dealer managers in the Tender Offer.

Although PGF currently intends to consummate the Tender Offer, it cannot guarantee that the Tender Offer will be consummated on the terms contained in the Offer to Purchase or, if consummated, the number of Old Notes that will be tendered.

This offering is not conditioned on the successful consummation of the Tender Offer.

This prospectus supplement is not an offer to purchase or a solicitation of an offer to sell the Old Notes. The Tender Offer will be made only by and pursuant to the terms of the Offer to Purchase, as may be amended or supplemented from time to time in the sole discretion of PGF.

### Indentures

The 2029 Notes offered hereby will be issued pursuant to an indenture

between PGF and The Bank of New York Mellon, a New York banking corporation, as trustee, dated as of August 29, 2012, as supplemented by the amended and restated twenty-fifth supplemental indenture dated as of the closing date, among PGF, Petrobras and The Bank of New York Mellon, as trustee (the 2029 notes indenture ).

The 20 Notes offered hereby will be issued pursuant to an indenture between PGF and The Bank of New York Mellon, a New York banking corporation, as trustee, dated as of August 28, 2018, as supplemented by the first supplemental indenture dated as of the closing date, among PGF, Petrobras and The Bank of New York Mellon, as trustee (the 20 notes indenture and together with the 2029 notes indenture, the indentures ).

See Description of the Notes.

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Guaranties	The Notes will be unconditionally guaranteed by Petrobras under the guaranties. See Description of the Guaranties.
Ranking	The 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.
	The obligations of Petrobras under the guaranties constitute general senior unsecured obligations of Petrobras that will at all times rank <i>pari passu</i> 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 guaranties.
Optional Redemption	PGF may redeem the Notes at any time in whole or in part by paying the greater of the principal amount of such series of the Notes and the relevant make-whole amount, plus, in each case, accrued and unpaid interest, as described under Description of the Notes Optional Redemption Optional Redemption With Make-Whole Amount for the Notes.
Early Redemption at PGF's Option Solely for Tax Reasons	The 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 Notes Optional Redemption Redemption for Taxation Reasons.
Covenants	
(a) PGF	<p>The terms of the indentures will require PGF, among other things, to:</p> <ul style="list-style-type: none"> <li>pay all amounts owed by it under the indentures and the Notes when such amounts are due;</li> <li>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;</li> <li>ensure that the Notes continue to be senior obligations of PGF;</li> <li>use proceeds from the issuance of the Notes for specified purposes; and</li> <li>replace the trustee upon any resignation or removal of the trustee.</li> </ul> <p>In addition, the terms of the indentures will restrict the ability of PGF and its subsidiaries, among other things, to:</p> <ul style="list-style-type: none"> <li>undertake certain mergers, consolidations or similar transactions; and</li> <li>create certain liens on its assets or pledge its assets.</li> </ul>

PGF's covenants are subject to a number of important qualifications and exceptions. See Description of the Notes Covenants.

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### (b) Petrobras

The terms of the guaranties will require Petrobras, among other things, to:

pay all amounts owed by it in accordance with the terms of the guaranties and the indentures;

maintain an office or agent in New York for the purpose of service of process;

ensure that its obligations under the guaranties will continue to be senior obligations of Petrobras; and

make available certain financial statements to the trustee.

In addition, the terms of the guaranties 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 Guaranties Covenants.

### Events of Default

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

failure to pay principal on the Notes of such series within seven calendar days of its due date;

failure to pay interest on the Notes of such series within 30 calendar days of any interest payment date;

breach by PGF of a covenant or agreement in the indenture for such series of Notes or by Petrobras of a covenant or agreement in the guaranty for such series of the 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 Notes, the indenture or the guaranty for such series of the Notes against PGF or Petrobras; and

Petrobras ceasing to own at least 51% of PGF's outstanding voting shares.

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	The events of default are subject to a number of important qualifications and limitations. See Description of the Notes Events of Default.
Further Issuances	PGF reserves the right, from time to time, without the consent of the holders of the Notes, to issue additional Notes on terms and conditions identical to those of the Notes, which additional Notes shall increase the aggregate principal amount of, and shall be consolidated and form a single series with, the series of Notes offered hereby. PGF may also issue other securities under the indentures which have different terms and conditions from the Notes. See Description of the Notes Further Issuances.
Modification of Notes, Indentures and Guaranties	The terms of the indentures may be modified by PGF and the trustee, and the terms of the guaranties may be modified by Petrobras and the trustee, in some cases without the consent of the holders of the relevant series of the Notes. See Description of the Notes Amendments.
Clearance and Settlement	The Notes will be issued in book-entry form through the facilities of The Depository Trust Company, or 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 Notes held in book-entry form will not be entitled to receive physical delivery of certificated Notes except in certain limited circumstances. For a description of certain factors relating to clearance and settlement, see Clearance and Settlement.
Withholding Taxes; Additional Amounts	Any and all payments of principal, premium, if any, and interest in respect of the 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 indentures, 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 guaranties, 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 Notes Covenants Additional Amounts.
Governing Law	The indentures, the Notes, and the guaranties will be governed by, and construed in accordance with, the laws of the State of New York.
Listing	The 2029 Original Notes are listed on the NYSE under the symbol PBR/29. PGF intends to apply to have the 20 Notes approved for listing on the NYSE.



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Risk Factors

You should carefully consider the risk factors discussed beginning on page S-16, the section entitled "Risk Factors" in Petrobras's 2017 Form 20-F, which is incorporated by reference in this prospectus supplement, and the other information included or incorporated by reference in this prospectus supplement, before purchasing any Notes.

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**RECENT DEVELOPMENTS**

***Recent developments relating to the political environment in Brazil***

In October 2018, a new President and a new Congress were elected in Brazil. The new President took office on January 1, 2019 and the new members of Congress took office in February 2019. Brazilian law requires that the Brazilian federal government own a majority of our voting stock, and so long as it does, the Brazilian federal government will have the power to elect a majority of the members of our board of directors and, through them, all of the executive officers who are responsible for our day to day management. As a result, the Brazilian federal government has guided and may continue to guide certain macroeconomic and social policies through us, pursuant to Brazilian law. Accordingly, we may have our activities guided by the Brazilian federal government to contribute to the public interest, and, as a result, we may make investments, incur costs and engage in transactions with parties or on terms that may have an adverse effect on our results of operations and financial condition.

In December 2017, we included the definition of public interest in our bylaws, as required by Brazilian law. We also stated in our bylaws that the Brazilian federal government may direct our activities to pursue the public interest under certain circumstances, which distinguishes us from any other private company, including oil and gas companies. More specifically, the Brazilian federal government may direct us to assume obligations or responsibilities that contribute to the public interest, including the execution of investment projects and the incurrence of certain operating costs, if certain conditions are met. First, the obligations or responsibilities must be clearly defined by law or regulation and established in a contract or agreement with the competent public authority. Second, the investment projects must have their costs and revenues disclosed in a transparent manner. As established in our bylaws, we may request that the Brazilian federal government compensate us for the difference between the amount that we would have received had the obligation been entered into on market terms and the operating result or economic return derived from the obligations assumed by us in each fiscal year.

See Item 3 Risk Factors *The Brazilian federal government, as our controlling shareholder, may pursue certain macroeconomic and social objectives through us that may have a material adverse effect on us* in our 2017 Form 20-F.

***Recent developments relating to thefts of oil and oil products***

In recent months, we suffered a significant increase in acts of intentional interference by third parties in our pipelines, including the theft of oil, gas and oil products, especially in the states of São Paulo and Rio de Janeiro. These occurrences present a risk to people, facilities and the environment near these pipelines and us. In 2018, we reported 228 occurrences of thefts to Brazilian authorities. In case of new occurrences, we may become involved in accidents, such as explosions or oil and oil products spills, resulting in fatalities, damages to the environment or interruptions of our operations. In addition, we may face fines and sanctions imposed by environmental and regulatory agencies for the damages resulting from acts of intentional interference by third parties.

***Recent developments relating to water scarcity in regions where we operate***

We have 455 industrial facilities that demand the use of water, ranging from large users such as refineries to small users like distribution bases and terminals, which are logistically important within our chain. In recent years, several regions of the world, including Brazil, have experienced a shortage of freshwater, including for the consumption by the population. In case of water scarcity, we may be required to reduce or suspend our production activities, since water for the consumption of the population and watering of animals has priority over industrial use. This may jeopardize our operational continuity, as well as generate financial and environmental impacts on us.

***Recent developments relating to the settlement of the SEC and Department of Justice ( DoJ ) investigations***

On September 27, 2018, we announced the settlement of the SEC and DoJ investigations related to our internal controls, accounting records and financial statements for the period of 2003 to 2012. Pursuant to the non-prosecution agreement ( NPA ) with the DoJ, we admitted that certain of our former executives and officers took action that gave rise to violations of books and records and internal controls provisions under U.S. law. As part of the SEC resolution, we settled charges of violations of the U.S. Securities Act of 1933, and the books and records and internal control provisions of the U.S. Securities Exchange Act of 1934 without admitting the SEC allegations. The agreements, subject to the terms thereof, fully resolve the investigations carried out by the DoJ and SEC. Under the terms of the agreements,

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Petrobras paid in the United States U.S.\$85.3 million to the DoJ and will pay U.S.\$85.3 million to the SEC. In addition, the agreements credited Petrobras's remittance of U.S.\$682.6 million to the Brazilian authorities, which were deposited by Petrobras on January 30, 2019 and used under the terms of an agreement signed with the Federal Prosecution Office of Brazil. The SEC also credited the payments Petrobras already made under our previously announced settlement of a securities class action lawsuit in the United States. The amount of U.S.\$853.2 million (R\$3,536 million) was recorded in other operating expenses in the third quarter of 2018. If, during the term of the NPA (three years, unless extended), the DoJ determines that we have committed a felony under U.S. federal law, provided deliberately false or misleading information or otherwise breached the NPA, we could be subject to prosecution and additional fines or penalties, including charges under the Foreign Corrupt Practices Act of 1977.

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**RISK FACTORS**

*Our 2017 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 prospectus supplement and the accompanying prospectus, before making a decision to invest in the Notes.*

**Risks Relating to PGF's Debt Securities**

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

The 2029 Original Notes are listed on the NYSE. The 20 Notes are an issuance of new securities with no established trading market. We intend to apply to list the 20 Notes on the NYSE. We can make no assurance as to the liquidity of or trading markets for the Notes offered by this prospectus supplement. We cannot guarantee that holders of the Notes will be able to sell their Notes in the future. If a market for the Notes does not develop, holders of the Notes may not be able to resell the Notes for an extended period of time, if at all.

*Restrictions on the movement of capital out of Brazil may impair your ability to receive payments on the guaranties 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 guaranties 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 Notes prior to their maturity.

In addition, payments by Petrobras under the guaranties in connection with PGF's 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 guaranties only in reais.*

If proceedings were brought in Brazil seeking to enforce Petrobras's obligations in respect of the guaranties, 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 any of the guaranties executed by it was a fraudulent conveyance could result in the relevant PGF holders losing their legal claim against Petrobras.*

PGF's obligation to make payments on the Notes is supported by Petrobras's obligation under the corresponding guaranties. Petrobras has been advised by its external U.S. counsel that the guaranties are 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 guaranties from being valid, binding and enforceable against Petrobras in accordance with their terms.

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In the event that U.S. federal fraudulent conveyance or similar laws are applied to the guaranties, and Petrobras, at the time it entered into the relevant 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' 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' 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 relevant guaranty on fraudulent conveyance grounds may focus on the benefits, if any, realized by Petrobras as a result of the issuance of the Notes. To the extent that the relevant guaranty is held to be a fraudulent conveyance or unenforceable for any other reason, the holders of the Notes would not have a claim against Petrobras under the relevant 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 relevant guaranty.

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

The credit ratings of the Notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the 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 Notes.

***Interest payments on the 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 low-taxed jurisdiction or a country included on the European Union list of non-cooperative countries. These publications and announcements also suggest 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 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 Notes to account for such withholding taxes. Subject to certain conditions, if PGF is required to pay such additional amounts to holders of the Notes, PGF would be permitted to redeem the Notes at par prior to their stated maturity. If the 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 Notes](#) [Covenants](#) [Additional Amounts](#), and [Description of the Notes](#) [Optional Redemption](#) [Redemption for Taxation Reasons](#).

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**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 Notes will depend on payments made to PGF by Petrobras and other subsidiaries of Petrobras under the loans made by PGF. The 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.

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**USE OF PROCEEDS**

The net proceeds from the sale of the Notes, after payment of underwriting discounts but before expenses, are expected to be approximately U.S.\$                      million.

PGF intends to use the net proceeds from the sale of the Notes to purchase the Old Notes that PGF accepts for purchase in the Tender Offer announced concurrently with this offering, and to use any remaining net proceeds for general corporate purposes.

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**Table of Contents****SELECTED FINANCIAL AND OPERATING INFORMATION**

This prospectus supplement incorporates by reference 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 International Accounting Standards Board.

The selected financial data and operating 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 have been derived from Petrobras' s audited consolidated financial statements. Petrobras' s audited consolidated financial statements as of and for the years ended December 31, 2018 and 2017 were audited by KPMG Auditores Independentes. Petrobras' s audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014 were audited by PricewaterhouseCoopers Auditores Independentes. 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 prospectus supplement.

**Balance Sheet Data**

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

Non-controlling interests	1,631	1,700	771	819	706
Total equity	73,175	81,502	77,550	66,055	116,978
Total liabilities and equity	222,068	251,366	246,983	230,521	298,687

(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).

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**Table of Contents****Income Statement Data**

	<b>For the Year Ended December 31,</b>				
	<b>2018(1)</b>	<b>2017(2)</b>	<b>2016(3)</b>	<b>2015(4)</b>	<b>2014(5)</b>
	<b>(U.S.\$ million, except for share and per share data)</b>				
Sales revenues	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	17,432	11,219	4,308	(1,130)	(7,407)
Net income (loss) attributable to the shareholders of Petrobras	7,173	(91)	(4,838)	(8,450)	(7,367)
Weighted average number of shares outstanding:					
Common	7,442,454,142	7,442,454,142	7,442,454,142	7,442,454,142	7,442,454,142
Preferred	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	1.34	0.86	0.33	(0.09)	(0.57)
Common and Preferred ADS	2.68	1.72	0.66	(0.18)	(1.14)
Basic and diluted earnings (losses) per:					
Common and Preferred shares	0.55	(0.01)	(0.37)	(0.65)	(0.56)
Common and Preferred ADS	1.10	(0.02)	(0.74)	(1.30)	(1.12)
Cash dividends per(6):					
Common shares	0.07				
Preferred shares	0.24				
Common ADS	0.14				
Preferred ADS	0.48				

(1) In 2018, we recognized the effects of the settlement of open matters with the DoJ and the SEC investigation, in the amount of U.S.\$853 million. We also recognized impairment losses of U.S.\$2,005 million.

(2) 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.

- (3) In 2016, we recognized impairment losses of U.S.\$6,193 million.
- (4) In 2015, we recognized impairment losses of U.S.\$12,299 million.
- (5) In 2014, we recognized impairment losses of U.S.\$16,823 million.
- (6) 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.

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**Table of Contents****CAPITALIZATION**

The following table sets out the consolidated debt and capitalization of Petrobras as of December 31, 2018, which is derived from our audited consolidated financial statements for the year ended December 31, 2018, which have been prepared in accordance with IFRS as issued by the IASB, as adjusted to give effect to the issue of the Notes offered hereby (including the underwriting discount indicated on the cover page of this prospectus supplement), but without giving effect to the application of net cash proceeds of this offering. We intend to use the net cash proceeds of this offering to repurchase Old Notes in the Tender Offer announced concurrently with this offering. This amount is subject to the actual number of Old Notes tendered and accepted for purchase in the Tender Offer. See Use of Proceeds.

	<b>As of December 31, 2018</b>	
	<b>Actual</b>	<b>As Adjusted</b>
	<b>(U.S.\$ million)</b>	
Finance lease obligations:		
Current portion of finance lease obligations	23	23
Non-current portion	162	162
Total finance lease obligations	185	185
Total debt:		
Current portion of total debt	3,667	
Non-current portion of total debt	80,508	
Total debt:	84,175	
Foreign currency denominated	68,167	
Local currency denominated	16,008	16,008
Total debt	84,175	
Non-controlling interest	1,631	1,631
Petrobras' equity(1)	71,544	71,544
<b>Total capitalization</b>	<b>157,535</b>	

- (1) Comprising (a) 7,442,454,142 shares of common stock and (b) 5,602,042,788 shares of preferred stock, in each case with no par value and in each case which have been authorized and issued.



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**DESCRIPTION OF THE NOTES**

*The following description of the terms of the Notes supplements and modifies the description of the general terms and provisions of debt securities and the indentures set forth in the accompanying prospectus, which you should read in conjunction with this prospectus supplement. In addition, we urge you to read the indentures, the amended and restated twenty-fifth supplemental indenture in connection with the 2029 Notes, and the first supplemental indenture in connection with the 20 Notes, because they will define your rights as holders of the 2029 Notes and the 20 Notes, respectively. If the description of the terms of the Notes in this prospectus supplement differs in any way from that in the accompanying prospectus, you should rely on the information contained in this prospectus supplement. You may obtain copies of the indentures, the first supplemental indenture and the amended and restated twenty-fifth supplemental indenture upon written request to the trustee or with the SEC at the addresses set forth under Where You Can Find More Information.*

**The Amended and Restated Twenty-Fifth Supplemental Indenture and the First Supplemental Indenture.**

PGF will issue the 2029 Notes under an indenture dated as of August 29, 2012 between PGF and The Bank of New York Mellon, a New York banking corporation, as trustee, filed by Petrobras with the SEC in August 2012. This indenture will be supplemented by the amended and restated twenty-fifth supplemental indenture, dated as of the closing date, among PGF, Petrobras and The Bank of New York Mellon, as trustee, which provide the specific terms of the 2029 Notes offered by this prospectus supplement, including granting holders rights against Petrobras under the guaranties.

PGF will issue the 20 Notes under an indenture dated as of August 28, 2018 between PGF and The Bank of New York Mellon, a New York banking corporation, as trustee, filed by Petrobras with the SEC in August 2018. This indenture will be supplemented by the first supplemental indenture, dated as of the closing date, among PGF, Petrobras and The Bank of New York Mellon, as trustee, which provide the specific terms of the 20 Notes offered by this prospectus supplement, including granting holders rights against Petrobras under the guaranties.

Whenever we refer to (i) the 2029 notes indenture in this prospectus supplement, we are referring to the indenture dated as of August 29, 2012, as supplemented by the amended and restated twenty-fifth supplemental indenture, and (ii) the 20 notes indenture in this prospectus supplement, we are referring to the indenture dated as of August 28, 2018, as supplemented by the first supplemental indenture.

**2029 Notes**

The 2029 Notes will be general, senior, unsecured and unsubordinated obligations of PGF having the following basic terms:

The title of the 2029 Notes will be the 5.750% Global Notes due 2029;

The 2029 Notes will:

be issued in an aggregate principal amount of U.S.\$ ; and considering the amount of the 2029 Original Notes outstanding, the aggregate principal amount of this series of notes will be U.S.\$ ;

mature on February 1, 2029;

bear interest at a rate of 5.750% per annum from February 1, 2019, the most recent interest payment date of the 2029 Original Notes, until maturity or early redemption and until all required amounts due in respect of the 2029 Notes have been paid;

be issued in global registered form without interest coupons attached;

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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;

be unconditionally guaranteed by Petrobras pursuant to a guaranty described below under Guaranties and

be consolidated, form a single series, and be fully fungible, with PGF's outstanding 2029 Original Notes. All payments of principal and interest on the 2029 Notes will be paid in U.S. dollars;

Interest on the 2029 Notes will be paid semi-annually on February 1 and August 1 of each year (each of which we refer to as an interest payment date), commencing on August 1, 2019 and the regular record date for any interest payment date will be the business day preceding that date; and

In the case of amounts not paid by PGF under the 2029 notes indenture and the 2029 Notes (or Petrobras under the guaranty for the 2029 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 2029 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 2029 Notes or Petrobras's obligations under the guaranty for the 2029 Notes.

## **20 Notes**

The 20 Notes will be general, senior, unsecured and unsubordinated obligations of PGF having the following basic terms:

The title of the 20 Notes will be the % Global Notes due 20 ;

The 20 Notes will:

be issued in an aggregate principal amount of U.S.\$ ;

mature on , 20 ;

bear interest at a rate of % per annum from , 2019, the date of issuance of the 20 Notes, until maturity or early redemption and until all required amounts due in respect of the 20 Notes have been paid;

be issued in global registered form without interest coupons attached;

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

be unconditionally guaranteed by Petrobras pursuant to a guaranty described below under Guaranties. All payments of principal and interest on the 20 Notes will be paid in U.S. dollars;

Interest on the 20 Notes will be paid semi-annually on and of each year (each of which we refer to as an interest payment date ), commencing on , 20 and the regular record date for any interest payment date will be the business day preceding that date; and

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In the case of amounts not paid by PGF under the 20 notes indenture and the 20 Notes (or Petrobras under the guaranty for the 20 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 20 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 20 Notes or Petrobras's obligations under the guaranty for the 20 Notes.

## **Guaranties**

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

## **Depository with Respect to Global Notes**

The Notes will be issued in global registered form with The Depository Trust Company, or DTC, as depository. For further information in this regard, see Clearance and Settlement.

## **Events of Default**

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

PGF does not pay the principal on the Notes of such series within seven calendar days of its due date and the trustee has not received such amounts from Petrobras under the relevant guaranty by the end of that seven-day period.

PGF does not pay interest or other amounts, including any additional amounts, on the Notes of such series within 30 calendar days of their due date and the trustee has not received such amounts from Petrobras under the relevant 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 Notes of such series issued under the indenture or guaranty for such series 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 such series of the 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 of that series.

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.

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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 of that series.

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 Notes of such series, the relevant indenture, the relevant 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 Notes of such series, the relevant indenture or the relevant 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 Notes of each series:

#### ***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 Notes in accordance with the Notes and the indentures.

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### ***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 Notes are outstanding, PGF will maintain in the Borough of Manhattan, the City of New York, an office or agency where notices to and demands upon it in respect of the indentures and the Notes may be served.

Initially, this office will be located at 570 Lexington Avenue, Suite 2401, New York, New York 10022-6837. PGF will not change the designation of an office or the appointment of an agent without prior written notice to the trustee and designating a replacement office or agent in the same general location.

### ***Ranking***

PGF will ensure that the 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).

### ***Use of Proceeds***

PGF intends to use the net proceeds from the sale of the Notes to repay existing indebtedness and the remainder, if any, for general corporate purposes. See Use of Proceeds.

### ***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 indentures or the 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 indentures; 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.

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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 indentures (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 indentures so that there will at all times be a trustee with respect to the 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 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.

All payments on the 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 Notes and the indentures and each other document entered into in connection with the Notes and the indentures 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 indentures, 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 guaranties.

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

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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 Notes within 30 calendar days after PGF has made available to the holder a payment under the Notes and the indentures, *provided that* PGF or Petrobras, as applicable, will pay additional amounts which a holder would have been entitled to had the 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 Notes or under any other document or instrument referred to in the indentures or from the execution, delivery, enforcement or registration of the Notes or any other document or instrument referred to in the indentures. PGF shall indemnify and make whole the holders of the 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 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 any Notes of a series remains 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 such series of Notes as is duly approved by a resolution of the holders of such series of Notes in accordance with the indenture for such series. 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 such series of Notes and the relevant indenture or PGF provides such other security for such series of Notes and the relevant indenture as is duly approved by a resolution of the holders of such series of Notes in accordance with the relevant 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 Notes of a series;

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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 Notes of the relevant series;

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 each supplemental indenture relating to the transaction, comply with the terms of the relevant indenture, and that all conditions precedent provided for in such 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 Notes of a series 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 a series of the Notes or any term, provision or condition of the indenture for such series, if before the time for the compliance the

holders of at least a majority of the principal amount of the outstanding Notes of such series 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).

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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 2029 Notes, with respect to the 2029 Notes, or the date of the original issuance of the 20    Notes with respect to the 20    Notes;
- (h) lien resulting from the relevant indenture or the relevant 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

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- (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.

## **Optional Redemption**

PGF will not be permitted to redeem the Notes before their stated maturity, except as set forth below. The 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 Notes). In addition, you will not be entitled to require us to repurchase your Notes from you before the stated maturity.

On and after the redemption date, interest will cease to accrue on the Notes or any portion of the 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 Notes to be redeemed on such date. If less than all of the Notes of any series are to be redeemed, the Notes to be redeemed shall be selected by the trustee by such method as set forth in the indentures.

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

PGF will have the right at our option to redeem the Notes, in whole or in part, at any time or from time to time prior to their maturity, on at least 30 days but not more than 60 days notice with respect to the 2029 Notes, or on at least 15 days but not more than 60 days notice with respect to the 20 Notes, at a redemption price equal to the greater of (i) 100% of the principal amount of such 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 50 basis points with respect to the 2029 Notes and plus basis points with respect to the 20 Notes (in each case, the Make-Whole Amount), plus in each case accrued and unpaid interest on the principal amount of such Notes to the date of redemption. The redemption notice with respect to the 20 Notes 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 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 Notes.

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**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 (i) with respect to the 2029 Notes, BNP Paribas Securities Corp., Citigroup Global Markets Inc. and Mizuho Securities USA LLC, or, in each case, their respective affiliates, which are primary United States government security dealers, and (ii) with respect to the 20 Notes, BNP Paribas Securities Corp., Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, HSBC Securities (USA) Inc. and a primary United States government securities dealer selected by Santander Investment Securities Inc., and in each case 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 Notes or any portion of the 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 Notes to be redeemed on such date. If less than all of the Notes of any series are to be redeemed, the Notes to be redeemed shall be selected by the trustee by such method as set forth in the relevant indenture.

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

We have the option, subject to certain conditions, to redeem each series of the Notes in whole at their principal amount, plus accrued and unpaid interest, if any, to the relevant 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 such series of the Notes. See **Description of Debt Securities Special Situations Optional Tax Redemption** in the accompanying prospectus.

The Optional Tax Redemption set forth in the accompanying prospectus 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.

### **Amendments**

See **Description of Debt Securities Special Situations Modification and Waiver** in the accompanying prospectus.

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### ***Changes Not Requiring Approval of Holders of 2029 Notes***

Changes to the 2029 notes indenture and the 2029 Notes that do not require approval of holders are limited to clarifications of ambiguities, omissions, defects and inconsistencies, amendments, supplements and other changes that would not adversely affect holders of the 2029 Notes in any material respect, such as adding covenants, additional events of default or successor trustees.

### **Further Issuances**

The indenture for each series 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 Notes) of the same series as those offered under this prospectus supplement. The ability to issue add-on Notes is subject to several requirements, however, including that (i) no event of default under the relevant 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 Notes will rank *pari passu* and have equivalent terms and benefits as the Notes offered under this prospectus supplement except for the price to the public and the issue date and (iii) any add on Notes shall be issued under a separate CUSIP or ISIN number unless the add on 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 *de minimis* amount of original discount, in each case for U.S. federal income tax purposes. Any add-on Notes with respect to any series of the Notes will be part of the same series as such Notes that PGF is currently offering and the holders will vote on all matters in relation to the applicable Notes as a single series.

### **Covenant Defeasance**

Any restrictive covenants of the indentures may be defeased as described in the accompanying prospectus.

### **Conversion**

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

### **Listing**

The 2029 Original Notes are listed on the NYSE under the symbol PBR/29. PGF intends to apply to have the 2029 Notes approved for listing on the NYSE.

### **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 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 indentures, 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, Paying Agent and Transfer Agent**

The Bank of New York Mellon, a New York banking corporation, is the trustee under the indentures and has been appointed by PGF as registrar, paying agent and transfer agent with respect to the 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 Notes are paid.

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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.

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**DESCRIPTION OF THE GUARANTIES**

**General**

In connection with the execution and delivery of the first supplemental indenture and the amended and restated twenty-fifth supplemental indenture and the Notes offered by this prospectus supplement, Petrobras will guarantee the 2029 Notes and the 20 Notes (the guaranties) for the benefit of the holders.

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

The following summary describes the material provisions of the guaranties. You should read the more detailed provisions of the applicable 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 applicable 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 Notes, or Petrobras's obligations under the guaranties.

**Ranking**

The obligations of Petrobras under the guaranties will constitute general unsecured obligations of Petrobras which at all times will rank *pari passu*, without any preferences among themselves, 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 guaranties.

In addition, Petrobras's obligations under the guaranties of the Notes rank, and will rank, *pari passu* with its obligations in respect of outstanding and future guaranties 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 Notes, or earlier or later by acceleration or otherwise, of all of PGF's obligations now or hereafter existing under the indentures and the 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 Notes or earlier upon any acceleration or otherwise of the applicable Notes in accordance with the terms of the indentures, any payment in respect of principal, interest or other amounts due under the applicable the indenture and series of the 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 indentures and the Notes. All amounts payable by Petrobras under the guaranties will be payable in U.S. dollars and in immediately available funds to the trustee. Petrobras will not be relieved of its obligations under any guaranty unless and until the trustee receives all amounts required to be paid by Petrobras under such guaranty (and any related event of default under the relevant indenture has been cured), including payment of the total non-payment overdue interest.

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### **Events of Default**

There are no events of default under the guaranties. The first supplemental indenture and the amended and restated twenty-fifth supplemental indenture, however, contain events of default relating to Petrobras that may trigger an event of default and acceleration of the 2029 Notes or the 20 Notes. See Description of the 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 2029 Notes or the 20 Notes, as applicable, and the relevant indenture, Petrobras will be obligated to make such payments pursuant to the relevant guaranty.

### **Covenants**

For so long as any of the 2029 Notes or the 20 Notes, as applicable, are outstanding and Petrobras has obligations under the guaranties, Petrobras will, and will cause each of its subsidiaries, as applicable, to comply with the terms of the following covenants:

#### ***Performance Obligations under the Guaranties and Indentures***

Petrobras will pay all amounts owed by it and comply with all its other obligations under the terms of the relevant guaranty and the relevant 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 Notes.

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

So long as a series of the Notes is outstanding, Petrobras will maintain in the Borough of Manhattan, The City of New York, an office or agency where notices to and demands upon Petrobras in respect of the guaranty for such series may be served.

Initially, this office will be located at 570 Lexington Avenue, Suite 2401, New York, New York 10022-6837. Petrobras will not change the designation of an office or the appointment of an agent without prior written notice to the trustee and designating a replacement office or agent in the same general location.

### ***Ranking***

Petrobras will ensure at all times that its obligations under the guaranties 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 guaranties.

#### ***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 balance sheet and statement of income calculated 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

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electronically by the trustee, the filing or electronic publication of such financial statements or reports will comply with the Petrobras' obligation to deliver such statements and reports to the trustee. The trustee will have no obligation to determine if and when Petrobras' 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' 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 guaranties and the indentures, 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 Notes, upon written request, of the 2029 Notes or the 20 Notes, as applicable) 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' compliance with any of its covenants in the guaranties (as to which the trustee is entitled to rely exclusively on officer's certificates).

### ***Negative Pledge***

So long as any Note of a series remains 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 guaranties or Petrobras provides other security for its obligations under the relevant guaranty and the relevant indenture as is duly approved by a resolution of the holders of each series of the Notes in accordance with the relevant 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' 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' obligations under the relevant guaranty and the relevant indenture or Petrobras provides such other security for its obligations under the relevant guaranty and the relevant indenture as is duly approved by a resolution of the holders of each series of the Notes in accordance with the relevant 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.

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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;

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- (c) lien arising from Petrobras' obligations under performance bonds or surety bonds and appeal bonds or similar obligations incurred in the ordinary course of business and consistent with Petrobras' 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' 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 2029 Original Notes, with respect to the 2029 Notes, or the date of the original issuance of the 2010 Notes with respect to the 2010 Notes;
- (j) lien resulting from the relevant indenture or the relevant 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.

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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 applicable guaranty, all of Petrobras's obligations under such 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 2029 Notes or the 20 Notes, as applicable;

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 applicable guaranty comply with the terms of the applicable guaranty and that all conditions precedent provided for in such 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 2029 Notes indenture or the 2029 Notes, or the 20 Notes or the 20 notes indenture, 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;

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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 guaranties may only be amended or waived in accordance with their 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 2029 Notes or the 20 Notes, as applicable. Because the guaranties form part of the indentures, they may be amended by Petrobras and the trustee, in some cases without the consent of the holders of the applicable Notes. For more information on amendments to the guaranty with respect to the 20 Notes, see **Description of Debt Securities Special Situations Modification and Waiver** in the accompanying prospectus. For more information on amendments to the guaranty with respect to the 2029 Notes, see **Description of the Notes Amendments**.

Except as contemplated above, the indentures will provide that the trustee may execute and deliver any other amendment to the guaranties or grant any waiver thereof only with the consent of the holders of a majority in aggregate principal amount of the 2029 Notes or the 20 Notes then outstanding, as applicable.

## **Governing Law**

The guaranties 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. Service of process in any action or proceeding brought in such New York State federal court sitting in New York City may be served upon Petrobras at Petrobras's New York office located at 570 Lexington Avenue, Suite 2401, New York, New York 10022-6837. The guaranties 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 guaranties (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 guaranties 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 guaranties, 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.

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**CLEARANCE AND SETTLEMENT**

**Book-Entry Issuance**

Except under the limited circumstances described in the accompanying prospectus, all Notes will be book-entry Notes. This means that the actual purchasers of the Notes will not be entitled to have the Notes registered in their names and will not be entitled to receive physical delivery of the Notes in definitive (paper) form. Instead, upon issuance, all the Notes will be represented by one or more fully registered global Notes.

Each of the Notes will be represented by one or more global notes. Each global note will be deposited directly with The Depository Trust Company, a securities depository, and will be registered in the name of DTC's nominee. Global Notes may also be deposited indirectly with Clearstream, Luxembourg and Euroclear, as indirect participants of DTC. For background information regarding DTC and Clearstream, Luxembourg and Euroclear, see The Depository Trust Company and Clearstream, Luxembourg and Euroclear below. No global note representing book-entry Notes may be transferred except as a whole by DTC to a nominee of DTC, or by a nominee of DTC to another nominee of DTC. Thus, DTC will be the only registered holder of the Notes and will be considered the sole representative of the beneficial owners of the Notes for purposes of the indentures. For an explanation of the situations in which a global note will terminate and interests in it will be exchanged for physical certificates representing the Notes, see Legal Ownership Global Securities in the accompanying prospectus.

The registration of the global notes in the name of DTC's nominee will not affect beneficial ownership and is performed merely to facilitate subsequent transfers. The book-entry system, which is also the system through which most publicly traded common stock is held in the United States, is used because it eliminates the need for physical movement of securities certificates. The laws of some jurisdictions, however, may require some purchasers to take physical delivery of their Notes in definitive form. These laws may impair the ability of beneficial holders to transfer the Notes.

In this prospectus supplement, unless and until definitive (paper) Notes are issued to the beneficial owners as described in the accompanying prospectus, all references to registered holders of Notes shall mean DTC. PGF, Petrobras, the trustee and any paying agent, transfer agent, registrar or other agent may treat DTC as the absolute owner of the Notes for all purposes.

**Primary Distribution**

***Payment Procedures***

Payment for the Notes will be made on a delivery versus payment basis.

***Clearance and Settlement Procedures***

DTC participants that hold securities through DTC on behalf of investors will follow the settlement practices applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement System. Notes will be credited to the securities custody accounts of these DTC participants against payment in the same-day funds, for payments in U.S. dollars, on the settlement date.

***Secondary Market Trading***



We understand that secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules. Secondary market trading will be settled using procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement System. If payment is made in U.S. dollars, settlement will be free of payment. If payment is made in other than U.S. dollars, separate payment arrangements outside of the DTC system must be made between the DTC participants involved.

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### **The Depository Trust Company**

The policies of DTC will govern payments, transfers, exchange and other matters relating to the beneficial owner's interest in the Notes held by that owner. Neither the Trustee, Registrar, Paying Agent and Transfer Agent nor we have any responsibility for any aspect of the actions of DTC or any of their direct or indirect participants. Neither the Trustee, Registrar, Paying Agent and Transfer Agent nor we have any responsibility for any aspect of the records kept by DTC or any of their direct or indirect participants. In addition, neither the Trustee, Registrar, Paying Agent and Transfer Agent nor we supervise DTC in any way. DTC and their participants perform these clearance and settlement functions under agreements they have made with one another or with their customers. Investors should be aware that DTC and its participants are not obligated to perform these procedures and may modify them or discontinue them at any time. The description of the clearing systems in this section reflects our understanding of the rules and procedures of DTC as they are currently in effect. DTC could change its rules and procedures at any time.

DTC has advised us as follows:

DTC is:

a limited purpose trust company organized under the laws of the State of New York;

a member of the Federal Reserve System;

a clearing corporation within the meaning of the Uniform Commercial Code; and

a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes to accounts of its participants. This eliminates the need for physical movement of certificates.

Participants in DTC include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. DTC is partially owned by some of these participants or their representatives.

Indirect access to the DTC system is also available to banks, brokers, dealers and trust companies that have relationships with participants.

The rules applicable to DTC and DTC participants are on file with the SEC.

**Clearstream, Luxembourg and Euroclear**

Clearstream, Luxembourg has advised that: it is a duly licensed bank organized as a *société anonyme* incorporated under the laws of Luxembourg and is subject to regulation by the Luxembourg Commission for the supervision of the financial sector (*Commission de surveillance du secteur financier*); it holds securities for its customers and facilitates the clearance and settlement of securities transactions among them, and does so through electronic book-entry transfers between the accounts of its customers, thereby eliminating the need for physical movement of certificates; it provides other services to its customers, including safekeeping, administration, clearance and settlement of internationally traded securities and lending and borrowing of securities; it interfaces with the domestic markets in over 30 countries through established depositary and custodial relationships; its customers include worldwide securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other professional financial intermediaries; its U.S. customers are limited to securities brokers and dealers and banks; and indirect access to the Clearstream, Luxembourg system is also available to others that clear through Clearstream, Luxembourg customers or that have custodial relationships with its customers, such as banks, brokers, dealers and trust companies.

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Euroclear has advised that: it is incorporated under the laws of Belgium as a bank and is subject to regulation by the Belgian Banking and Finance Commission (*Commission Bancaire et Financière*) and the National Bank of Belgium (*Banque Nationale de Belgique*); it holds securities for its participants and facilitates the clearance and settlement of securities transactions among them; it does so through simultaneous electronic book-entry delivery against payments, thereby eliminating the need for physical movement of certificates; it provides other services to its participants, including credit, custody, lending and borrowing of securities and tri-party collateral management; it interfaces with the domestic markets of several countries; its customers include banks, including central banks, securities brokers and dealers, banks, trust companies and clearing corporations and certain other professional financial intermediaries; indirect access to the Euroclear system is also available to others that clear through Euroclear customers or that have custodial relationships with Euroclear customers; and all securities in Euroclear are held on a fungible basis, which means that specific certificates are not matched to specific securities clearance accounts.

***Clearance and Settlement Procedures***

We understand that investors that hold their Notes through Clearstream, Luxembourg or Euroclear accounts will follow the settlement procedures that are applicable to securities in registered form. Notes will be credited to the securities custody accounts of Clearstream, Luxembourg and Euroclear participants on the business day following the settlement date for value on the settlement date. They will be credited either free of payment or against payment for value on the settlement date.

We understand that secondary market trading between Clearstream, Luxembourg and/or Euroclear participants will occur in the ordinary way following the applicable rules and operating procedures of Clearstream, Luxembourg and Euroclear. Secondary market trading will be settled using procedures applicable to securities in registered form.

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Notes through Clearstream, Luxembourg and Euroclear on business days. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States or Brazil.

Because of time zone differences, the securities account of a Euroclear or Clearstream, Luxembourg participant purchasing an interest in a global note from a participant in DTC will be credited and reported to the relevant Euroclear or Clearstream, Luxembourg participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised us that cash received in Euroclear or Clearstream, Luxembourg as a result of sales of interests in a global note by or through a Euroclear or Clearstream, Luxembourg participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day for Euroclear or Clearstream, Luxembourg following DTC's settlement date.

Clearstream, Luxembourg or Euroclear will credit payments to the cash accounts of participants in Clearstream, Luxembourg or Euroclear in accordance with the relevant systemic rules and procedures, to the extent received by its depository. Clearstream, Luxembourg or the Euroclear, as the case may be, will take any other action permitted to be taken by a registered holder under the indentures on behalf of a Clearstream, Luxembourg or Euroclear participant only in accordance with its relevant rules and procedures.

Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of the debt securities among participants of Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform those procedures, and they may discontinue those procedures at any time.

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Under the terms and subject to the conditions contained in the underwriting agreement dated \_\_\_\_\_, 2019, by and among PGF, Petrobras and Banco Bradesco BBI S.A., BNP Paribas Securities Corp., Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, HSBC Securities (USA) Inc. and Santander Investment Securities Inc., as representatives of the several underwriters, each underwriter has severally and not jointly agreed to purchase, and PGF has agreed to sell to the underwriters, the number of Notes set forth opposite the name of such underwriter below:

<b>Underwriters</b>	<b>Principal Amount of the 2029 Notes</b>	<b>Principal Amount of the 2029 Notes</b>
Banco Bradesco BBI S.A.	U.S.\$	U.S.\$
BNP Paribas Securities Corp.		
Citigroup Global Markets Inc.		
Goldman Sachs & Co. LLC		
HSBC Securities (USA) Inc.		
Santander Investment Securities Inc.		
ABN AMRO Securities (USA) LLC		
BBVA Securities Inc.		
Commerz Markets LLC		
<b>Total</b>	<b>U.S.\$</b>	<b>U.S.\$</b>

Banco Bradesco BBI S.A. is not a broker-dealer registered with the SEC, and therefore may not make sales of any Notes in the United States or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that Banco Bradesco BBI S.A. intends to effect sales of the Notes in the United States, it will do so only through Bradesco Securities Inc. or one or more U.S. registered broker-dealers, or otherwise as permitted by applicable U.S. law.

The underwriting agreement provides that the obligation of the underwriters to pay for and accept delivery of the Notes is subject to, among other conditions, the delivery of certain legal opinions by its counsel. The underwriters are obligated to take and pay for all of the Notes offered by this prospectus supplement if any Notes are taken. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of the non-defaulting underwriters may be increased or the offering of the Notes may be terminated. The Notes will initially be offered at the price indicated on the cover page of this prospectus supplement. After the initial offering of the Notes, the offering price and other selling terms may from time to time be varied by the underwriters. The Notes may be offered and sold through certain of the underwriters' affiliates.

The underwriting agreement provides that PGF and Petrobras will indemnify the underwriters against certain liabilities, including liabilities under the U.S. Securities Act of 1933, as amended, and will contribute to payments the underwriters may be required to make in respect of the underwriting agreement.

PGF has been advised by the underwriters that the underwriters intend to make a market in the Notes as permitted by applicable laws and regulations. The underwriters are not obligated, however, to make a market in the Notes and any such market-making may be discontinued at any time at the sole discretion of the underwriters. In addition, such market-making activity will be subject to the limits imposed by the Exchange Act. Accordingly, no assurance can be

given as to the liquidity of, or the development or continuation of trading markets for, the Notes.

In connection with this offering, the underwriters (or persons acting on their behalf) participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the underwriters (or persons acting on their behalf) may bid for and purchase Notes in the open market to stabilize the price of the Notes. The underwriters (or persons acting on their behalf) may also over-allot this offering, creating a short position, and may bid for and purchase Notes in the open market to cover the short position. These activities if carried out, will be carried out with a view to stabilize, maintain and support the market price of the Notes during the stabilization period above market levels that may otherwise prevail. The underwriters are not required to engage in these activities, and these activities may not necessarily occur.

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Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than 30 days after the date on which the issuer received the proceeds of the issue, or no later than 60 days after the date of allotment of the Notes, whichever is the earlier. Any stabilization action or over-allotment must be conducted by the relevant underwriters (or persons acting on their behalf) in accordance with all applicable laws and rules and will be undertaken at the offices of the underwriters (or persons acting on their behalf) and on the NYSE or the over-the-counter market.

The underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with Petrobras, PGF and their affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the underwriters 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 ours or our affiliates. In particular, certain of the underwriters and/or their affiliates may hold debt securities or other indebtedness issued by PGF, including indebtedness guaranteed by Petrobras, which may be repurchased or repaid with proceeds of this offering. If any of the underwriters or their affiliates has a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these underwriters 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 our securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The underwriters 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.

The underwriters and/or their affiliates may acquire the Notes for their own accounts. Such acquisitions may have an effect on demand for and the price of the Notes.

The expenses of the offering, excluding the underwriting discount, are estimated to be U.S.\$2.0 million and will be borne by PGF. PGF has agreed to reimburse the underwriters up to U.S.\$300,000 for certain of their expenses relating to the offering, including the fees and disbursements of counsel to the underwriters. Such reimbursement is deemed underwriting compensation by the Financial Industry Regulatory Authority Inc. (FINRA).

Petrobras has been advised by the underwriters that they propose to offer the Notes initially at the public offering price set forth on the cover page of this prospectus supplement and to dealers at that price less a selling concession not in excess of 0.300% of the principal amount of the Notes. After the initial public offering of the Notes, the public offering price and concession and discount to dealers may be changed.

Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes prior to the date that is two business days prior to the delivery of the Notes will be required, by virtue of the fact that the Notes initially will settle in five business days (T+5), to specify alternative settlement arrangements to prevent a failed settlement.

The Notes are offered for sale in the United States and other jurisdictions where it is legal to make these offers. The distribution of this prospectus supplement and the accompanying prospectus, and the offering of the Notes in certain



jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement and the accompanying prospectus come and investors in the Notes should inform themselves about and observe any of these restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

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The underwriters have agreed that they have not offered, sold or delivered, and they will not offer, sell or deliver any of the Notes, directly or indirectly, or distribute this prospectus supplement, the accompanying prospectus or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will, to the best knowledge and belief of the underwriters, after reasonable investigation, result in compliance with the applicable laws and regulations of such jurisdiction and which will not impose any obligations on PGF except as set forth in the underwriting agreement.

Neither PGF nor the underwriters have represented that the Notes may be lawfully sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption, or assumes any responsibility for facilitating these sales.

## **Conflicts of Interest**

The underwriters are acting as dealer managers in connection with the Tender Offer and will receive a commission for also acting in such capacity. See The Offering Tender Offer.

## **General**

No action has been or will be taken in any jurisdiction other than the United States by PGF or any underwriter that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this prospectus supplement or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons outside the United States into whose hands this prospectus supplement comes are required by PGF and the underwriters to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this prospectus supplement or any other offering material relating to the Notes, in all cases at their own expense.

## **Brazil**

Neither the Notes, nor their offer for sale, have been, or will be, registered with the *Comissão de Valores Mobiliários* CVM. The Notes may not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or distribution under Brazilian laws and regulations.

## **Chile**

Pursuant to Law No. 18,045 of Chile (the securities market law of Chile) and Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012, issued by the Superintendency of Securities and Insurance of Chile (*Superintendencia de Valores y Seguros de Chile* or SVS), the Notes may be privately offered in Chile to certain qualified investors identified as such by Rule 336 (which in turn are further described in Rule N°. 216, dated June 12, 2008, of the SVS).

Rule 336 requires the following information to be provided to prospective investors in Chile:

1. the date of commencement of the offer is March 12, 2019. The offer of the Notes is subject to Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012, issued by the SVS;
- 2.

the subject matter of this offer are securities not registered with the Securities Registry (*Registro de Valores*) of the SVS, nor with the foreign securities registry (*Registro de Valores Extranjeros*) of the SVS, due to the Notes not being subject to the oversight of the SVS;

3. since the Notes are not registered in Chile there is no obligation by the issuer to make publicly available information about the Notes in Chile; and
4. the Notes shall not be subject to public offering in Chile unless registered with the relevant Securities Registry of the SVS.

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### *Información a los Inversionistas Chilenos*

*De conformidad con la ley N° 18.045, de mercado de valores y la Norma de Carácter General N° 336 (la NCG 336), de 27 de junio de 2012, de la Superintendencia de Valores y Seguros de Chile (la SVS), los bonos pueden ser ofrecidos privadamente a ciertos inversionistas calificados, a los que se refiere la NCG 336 y que se definen como tales en la Norma de Carácter General N° 216, de 12 de junio de 2008, de la SVS.*

*La siguiente información se proporciona a potenciales inversionistas de conformidad con la NCG 336:*

- 1. La oferta de los bonos comienza el 12 de marzo de 2019, y se encuentra acogida a la Norma de Carácter General N° 336, de fecha 27 de junio de 2012, de la SVS;*
- 2. La oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que tales valores no están sujetos a la fiscalización de esa Superintendencia;*
- 3. Por tratarse de valores no inscritos en Chile no existe la obligación por parte del emisor de entregar en Chile información pública sobre los mismos; y*
- 4. Estos valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente.*

### **Peru**

The Notes and the information contained in this prospectus supplement are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the Notes and therefore, the disclosure obligations set forth therein will not be applicable to the issuer or the sellers of the Notes before or after their acquisition by prospective investors. The Notes and the information contained in this prospectus supplement have not been and will not be reviewed, confirmed, approved or in any way submitted to the Peruvian Superintendency of Capital Markets (*Superintendencia del Mercado de Valores*), or the SMV, and the Notes have not been registered under the Securities Market Law (*Ley del Mercado de Valores*) or any other Peruvian regulations. Accordingly, the Notes cannot be offered or sold within Peruvian territory except to the extent any such offering or sale qualifies as a private offering under Peruvian regulations and complies with the provisions on private offerings set forth therein.

### **European Economic Area**

This prospectus supplement has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. The expression *Prospectus Directive* means Directive 2003/71/EC (as amended), and includes any relevant implementing measure in the Member State concerned.

The 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 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 ); or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, 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 Directive, and the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the PRIIPs Regulation ) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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Each person in a Member State of the EEA who receives any communication in respect of, or who acquires any Notes under, the offers to the public contemplated in this prospectus supplement will be deemed to have represented, warranted and agreed to and with each underwriter, PGF and Petrobras that:

- (a) it is a qualified investor within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive;
- (b) it is not a retail investor as defined above; and
- (c) in the case of any Notes acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Notes acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the underwriters has been given to the offer or resale; or (ii) where Notes have been acquired by it on behalf of persons in any Member State other than qualified investors, the offer of those Notes to it is not treated under the Prospectus Directive as having been made to such persons.

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the 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 Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

## **Republic of Italy**

The offering of the Notes has not been cleared by the Commissione Nazionale per la Società e la Borsa ( CONSOB ) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, directly or indirectly, nor may copies of the Prospectus or of any other document relating to the Notes be distributed or made available in the Republic of Italy, except:

- (i) to qualified investors (investitori qualificati), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the Financial Services Act ) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ( Regulation No. 11971 ); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the Banking Act );
- (b) comply with Article 129 of the Banking Act, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which certain information on the issue or the offer of securities in Italy must be

communicated to the Bank of Italy; and

(c) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy and/or any other Italian authority.

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Any investor purchasing the Notes is solely responsible for ensuring that any offer or resale of the Notes by such investor occurs in compliance with applicable laws and regulations.

### **The Netherlands**

This prospectus supplement has not been and will not be approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) in accordance with Article 5:2 of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*). The Notes will only be offered and subsequently transferred to qualified investors (*gekwalficeerde beleggers*) as defined in Article 1:1 of the Dutch Act on Financial Supervision.

### **United Kingdom**

Each underwriter 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 the issue or sale of the Notes 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 Notes in, from or otherwise involving the United Kingdom.

This prospectus supplement is for distribution only to persons who (i) 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 ), (ii) are persons falling within Article 49(2)(a) to (d) ( high net worth companies, unincorporated associations etc. ) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are 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) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as relevant persons ). This document 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 document relates is available only to relevant persons and will be engaged in only with relevant persons.

### **Switzerland**

This prospectus supplement does not, and is not intended to, constitute an offer or solicitation to purchase or invest in the Notes described herein in Switzerland. The Notes may not be offered, sold or advertised, directly or indirectly, to the public in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this prospectus supplement nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus pursuant to the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this prospectus supplement nor any other offering or marketing material relating to the Notes may be distributed, or otherwise made available, to the public in Switzerland. Each underwriter has, accordingly, represented and agreed that it has not offered, sold or advertised and will not offer, sell or advertise, directly or indirectly, Notes to the public in, into or from Switzerland, and that it has not distributed, or otherwise



made available, and will not distribute or otherwise make available, this prospectus supplement or any other offering or marketing material relating to the Notes to the public in Switzerland.

## **Canada**

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

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Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement and the accompanying prospectus (including any amendment thereto) contains a misrepresentation, *provided that* the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

### **Dubai**

This prospectus supplement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ( DFSA ). This prospectus supplement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for the prospectus supplement. The Notes to which this prospectus supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Notes offered should conduct their own due diligence on the Notes. If you do not understand the contents of this prospectus supplement you should consult an authorized financial advisor.

### **Hong Kong**

The contents of this prospectus supplement have not been reviewed by any regulatory authority in Hong Kong and no action has been taken in Hong Kong to authorize or register this prospectus supplement or to permit the distribution of this prospectus supplement or any document issued in connection with it. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this prospectus supplement, you should obtain independent professional advice.

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong) or an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors in Hong Kong within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the FIEL ) and each underwriter has agreed that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

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### **Singapore**

This prospectus supplement and the accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement, the accompanying prospectus, and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"); (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, notes and units of shares and notes of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

**Singapore Securities and Futures Act Product Classification** Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### **Ireland**

The information in this prospectus supplement does not constitute a prospectus under any Irish laws or regulations and this prospectus supplement has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of Notes in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (the "Prospectus Regulations"). The Notes have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) qualified investors as defined in Regulation 2(1) of the Prospectus Regulations and (ii) fewer than 100 natural or legal persons who are not qualified investors.

### **Taiwan**

The Notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Notes in Taiwan.

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**TAXATION**

The following discussion summarizes certain U.S. federal income, Brazilian and Dutch tax considerations that may be relevant to the ownership and disposition of the Notes acquired in this offering at their original issue price. 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 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 Notes.

**U.S. Federal Income Tax Considerations**

The following is a summary of material U.S. federal income tax considerations that may be relevant to a beneficial owner of the Notes. This summary addresses only investors that purchase Notes at the offering price in this offering, and that hold such Notes as capital assets. 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, persons that have a functional currency other than the U.S. dollar or nonresident alien individuals present in the United States for 183 days or more in a taxable year. 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 an investor. For purposes of this discussion, a U.S. Holder is a beneficial owner of the Notes 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 Notes. A Non-U.S. Holder is a beneficial owner of the Notes that is not a U.S. Holder.

This summary is based on the Internal Revenue Code of 1986, as amended, 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.

U.S. Holders that use an accrual method of accounting for tax purposes generally will be required to include certain amounts in income no later than the time such amounts are reflected on certain audited financial statements. The application of this rule thus may require the accrual of income earlier than would be the case under the general tax rules described below. It is not clear to what types of income this rule applies to, or, in some cases, how the rule is to be applied if it is applicable. U.S. Holders that use an accrual method of accounting should consult with their tax advisors regarding the potential applicability of this legislation to their particular situation.

It is anticipated, and this discussion assumes, that the 2029 Notes will be treated as part of the same issue as the 2029 original

notes for U.S. federal income tax purposes under the rules for qualified reopenings.

**INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE 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.**

***Payments of Interest and Additional Amounts***

Payments of interest on the Notes (which may include additional amounts but exclude any pre-issuance accrued interest with respect to the 2029 Notes) 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 (reduced by any amortized premium (as described below)).

Amounts attributable to pre-issuance accrued interest in respect of the 2029 Notes will generally not be includible in income. It is expected, and this discussion assumes, that the Notes will not be issued with more than a de minimis amount of original issue discount (OID). In general, however, if the Notes are issued with more than de minimis OID, a U.S. holder will be required to include OID in gross income, as ordinary income, under a constant-yield method before the receipt of cash attributable to such income, regardless of the U.S. holder's regular method of accounting for U.S. federal income tax purposes.

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Interest income (including additional amounts) in respect of the 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 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.

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 the Notes.

***Premium and Market Discount.***

In the event that a U.S. Holder purchases the Notes at a cost greater than its principal amount, the U.S. Holder will be considered to have purchased the Notes at a premium, and may elect to amortize the premium (as an offset to interest income), using a constant-yield method, over the remaining term of the Notes. Such 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 the premium must reduce its tax basis in the Notes by the amount of the premium amortized during its holding period. Amortization deductions attributable to a period reduce interest payments in respect of that 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 Notes mature or are disposed of by the U.S. Holder. Therefore, a U.S. Holder that does not elect to amortize such premium and that holds the Notes to maturity generally will be required to treat the premium as capital loss when the Notes mature. Due to the fact that the Notes may be redeemed by the Issuer prior to their maturity at a premium, special rules apply that may reduce, defer or eliminate the amount of bond premium that a U.S. Holder may amortize with respect to the Notes.

If a U.S. Holder purchases the Notes at a price that is lower than its principal amount, by at least 0.25% of the principal amount multiplied by the number of remaining whole years to maturity, the Notes will be considered to have market discount in the hands of such U.S. Holder. In such case, gain realized by the U.S. Holder on the disposition of the Notes generally will be treated as ordinary income to the extent of the market discount that accrued on the Notes while held by the U.S. Holder. In addition, the U.S. Holder could be required to defer the deduction of a portion of the interest paid on any indebtedness incurred or maintained to purchase or carry the Notes. In general terms, market discount on the Notes will be treated as accruing ratably over the term of the Notes, or, at the election of the holder, under a constant-yield method.

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 a portion of any gain realized on a sale of the Notes as ordinary income. If a U.S. Holder elects to include market discount on a current basis, the interest deduction deferral rule described above will not apply. 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.

***Sale or Disposition of Notes***



A U.S. Holder generally will recognize capital gain or loss upon the sale, exchange, retirement or other taxable disposition of the Notes in an amount equal to the difference between the amount realized upon such disposition and such U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's tax basis in the Note generally will equal such U.S. Holder's purchase price of the Notes, excluding, if applicable, amounts attributable to accrued interest (and increased by amounts includible in income by the U.S. Holder as market discount and reduced to reflect the amount of amortized premium). Gain or loss recognized by a U.S. Holder on the disposition of a Note generally will be long-term capital gain or loss if, at the time of the disposition, the Note has been held for more than one year. The net amount of long-term capital gain recognized by an individual U.S. Holder generally is subject to tax at a reduced rate. The deductibility of capital losses is subject to limitations.

Capital 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 Notes.

A Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on gain realized on the sale or other taxable disposition of 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 generally are 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 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 investment in the Notes, including the application of the rules to their particular circumstances.

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***Backup Withholding and Information Reporting***

Payments in respect of the 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. Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding. The amount of any backup withholding collected from a payment to a U.S. or non-U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability, and may entitle the holder to a refund, *provided that* certain required information is timely furnished to the IRS.

**Brazilian Tax Considerations**

The following discussion is a summary of the Brazilian tax considerations relating to an investment in the 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 prospectus supplement 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 Notes.

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

***Payments in Respect of the Notes, and Sale or Other Disposition of 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 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 Notes will be issued by a legal entity incorporated outside of Brazil and registered abroad, the 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 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, (as confirmed by Declaratory Act No. 3, of April 27, 2016), 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.

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

In the event the issuer 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 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 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 Notes, subject to certain exceptions, as mentioned in Description of the 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 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 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.

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In the event that the privileged tax regime concept is interpreted to be applicable to transactions such as payments related to the 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 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 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 who is neither a resident nor deemed to be a resident of The Netherlands for Dutch tax purposes in respect of the ownership, acquisition and disposal of the 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. This overview is based on the laws of The Netherlands currently in force and as applied on the date of this prospectus supplement, 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.

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

For Dutch tax purposes, a holder of Notes may include, without limitation:

an owner of one or more Notes who, in addition to the 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 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 Notes will not be treated as a resident of The Netherlands by reason only of the holding of a Note or the execution, performance, delivery and/or enforcement of the Notes.

A holder who is not a resident of The Netherlands, nor deemed to be a resident, is not taxable on income derived from the Notes and capital gains realized upon the disposal or redemption of the 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 (deemed) 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) 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.

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***Dutch Withholding Tax***

All payments of interest and principal by PGF under the Notes 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; (ii) actually function as equity of PGF within the meaning of article 10, paragraph 1, letter d, of the Dutch Corporate Income Tax Act 1969 or (iii) 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. The Notes are not capable of being classified as equity of PGF for Dutch tax purposes if these Notes have a maturity of less than 50 years, do not constitute obligations of PGF that are subordinated to the obligations of PGF vis-à-vis all its ordinary creditors or carry an interest that is not legally or factually dependent on the profits of PGF.

If withholding is required by law, additional amounts may be payable. See Description of the Notes Covenants Additional Amounts.

***Dutch Gift and Inheritance Taxes***

No Dutch gift or inheritance taxes are due in respect of any gift of Notes by, or inheritance of the Notes on the death of a holder, except if:

- (i) at the time of the gift or death of the holder, the holder is a resident, or is deemed to be a resident, of The Netherlands;
- (ii) the holder dies within 180 days after the date of the gift of the Notes and is not, or not deemed to be, at the time of the gift, but is, or deemed to be, at the time of his death, a resident of The Netherlands; or
- (iii) the gift of the Notes is made under a condition precedent and the holder is a resident.

For purposes of Dutch gift and inheritance taxes, among others, a person that holds Dutch nationality will be deemed to be resident in The Netherlands if such person has been resident in The Netherlands at any time during the 10 years preceding the date of the gift or his/her death. Additionally, for purposes of Dutch gift tax, among others, a person not holding Dutch nationality will be deemed to be resident in The Netherlands if such person has been resident in The Netherlands at any time during the 12 months preceding the date of the gift. Applicable tax treaties may override deemed residency

***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 by or on behalf of a holder of the Notes by reason only of the purchase, ownership and disposal of the Notes.

***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 October 29, 2018 104 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,

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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 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 Notes are advised to seek their own professional advice in relation to the CRS and European Union Council Directive 2014/107/EU.

## **The Proposed Financial Transactions Tax (FTT)**

On February 14, 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common FTT in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain, or the participating Member States. However, Estonia has since stated that it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes in certain circumstances. This could, accordingly, affect the market value of your Notes and/or limit your ability to resell your Notes.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, established in a participating Member State in a broad range of circumstances, including (1) by transacting with a person established in a participating Member State or (2) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT remains subject to negotiation between the participating Member States and the legality of the proposal is uncertain. The FTT may therefore be altered prior to any implementation, the timing of which remains unclear. Additional European Union Member States may decide to participate and/or certain of the participating Member States may decide to withdraw.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

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

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, and PGF is a private company with limited liability incorporated under the laws of The Netherlands. A substantial portion of the assets of Petrobras and PGF are located outside the United States, and at any time all of their respective executive officers and directors, and certain advisors named in this prospectus supplement, may reside outside the United States. As a result, it may not be possible for you to effect service of process on any of those persons within the United States. 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.

For further information on potential difficulties in effecting service of process on any of those persons or enforcing judgments against any of them outside the United States, see *Difficulties of Enforcing Civil Liabilities Against Non-U.S. Persons* in the accompanying prospectus.

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**LEGAL MATTERS**

Hogan Lovells International LLP, special Dutch counsel for PGF, will pass upon the validity of the Notes and the indentures for PGF as to certain matters of Dutch law. Ms. Taísa Maciel, Petrobras's general counsel, will pass upon, for PGF and Petrobras, certain matters of Brazilian law relating to the Notes, the indentures and the guaranties. The validity of the Notes, the indentures and the guaranties 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 the validity of the indentures and the guaranties for the underwriters as to certain matters of Brazilian law. Shearman & Sterling LLP will pass upon the validity of the Notes, the indentures and the guaranties for the underwriters as to certain matters of New York law.

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**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The consolidated financial statements as of and for the years ended December 31, 2018 and 2017, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2018 (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus supplement by reference have been so incorporated in reliance on the report of KPMG Auditores Independentes, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements for the year ended December 31, 2016 incorporated in this prospectus supplement by reference have been so incorporated in reliance on the report (which report includes an explanatory paragraph stating that, as discussed in Note 3 to the financial statements, in 2014 Petrobras wrote off U.S.\$2,527 million of overpayments on the acquisition of property plant and equipment incorrectly capitalized according to testimony obtained from Brazilian criminal investigations and contains an adverse opinion on the effectiveness of internal control over financial reporting) of PricewaterhouseCoopers Auditores Independentes, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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