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Petrobras CEO
May 3rd, 2011

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DISCLAIMER

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NON-SEC COMPLIANT OIL AND GAS RESERVES:

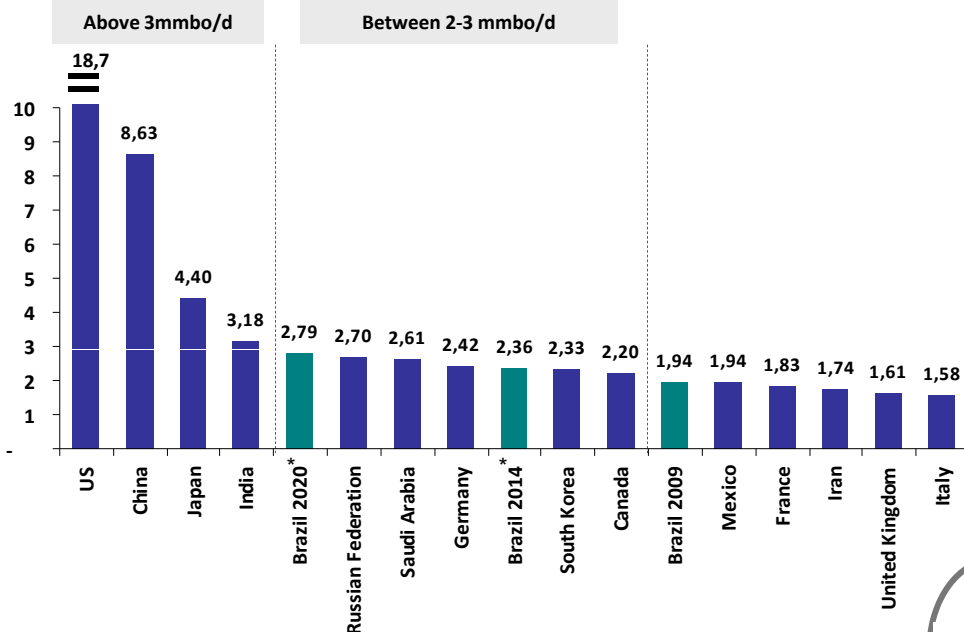
CAUTIONARY STATEMENT FOR US INVESTORS

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

BRAZIL AS A LARGE AND GROWING EMERGING MARKET



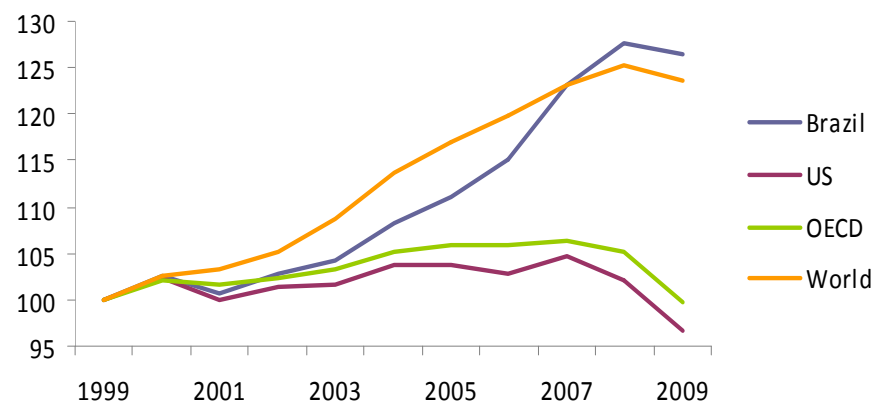
2009 Total Oil Consumption by Country (mmbo/d)



- Brazil is world's tenth-largest oil consumer.

- Brazil oil consumption growing at 2.38% p.a;
- OECD oil consumption growing at - 0.04% p.a.

Total Oil Consumption mb/d (index)



EMERGING MARKETS INCREASE THEIR NECESSITIES OF INVESTING IN DOWNSTREAM

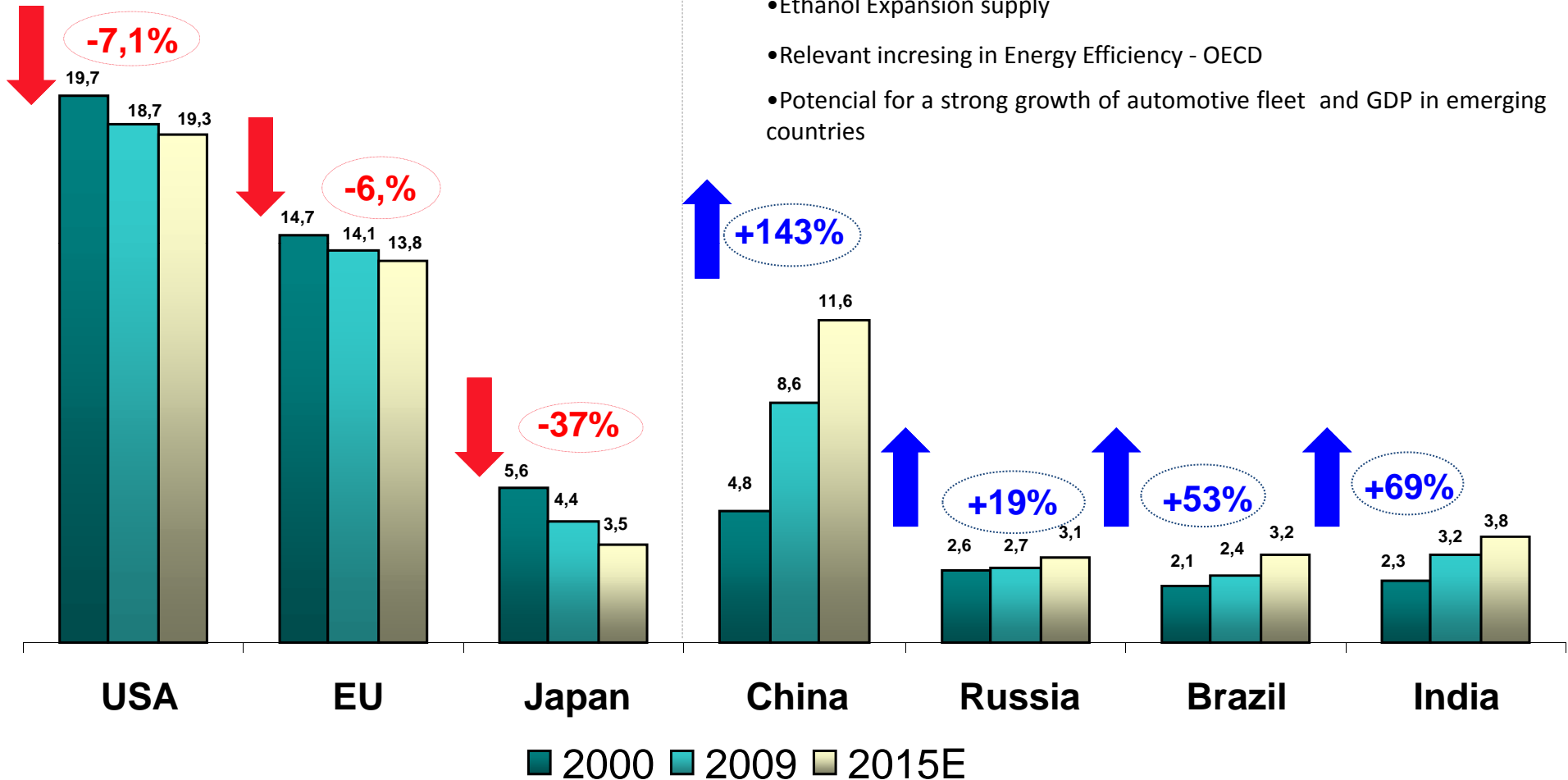


Oil demand evolution (MMbpd)

Developed & Emerging

○ Δ 2000 - 15

- Ethanol Expansion supply
- Relevant increasing in Energy Efficiency - OECD
- Potential for a strong growth of automotive fleet and GDP in emerging countries

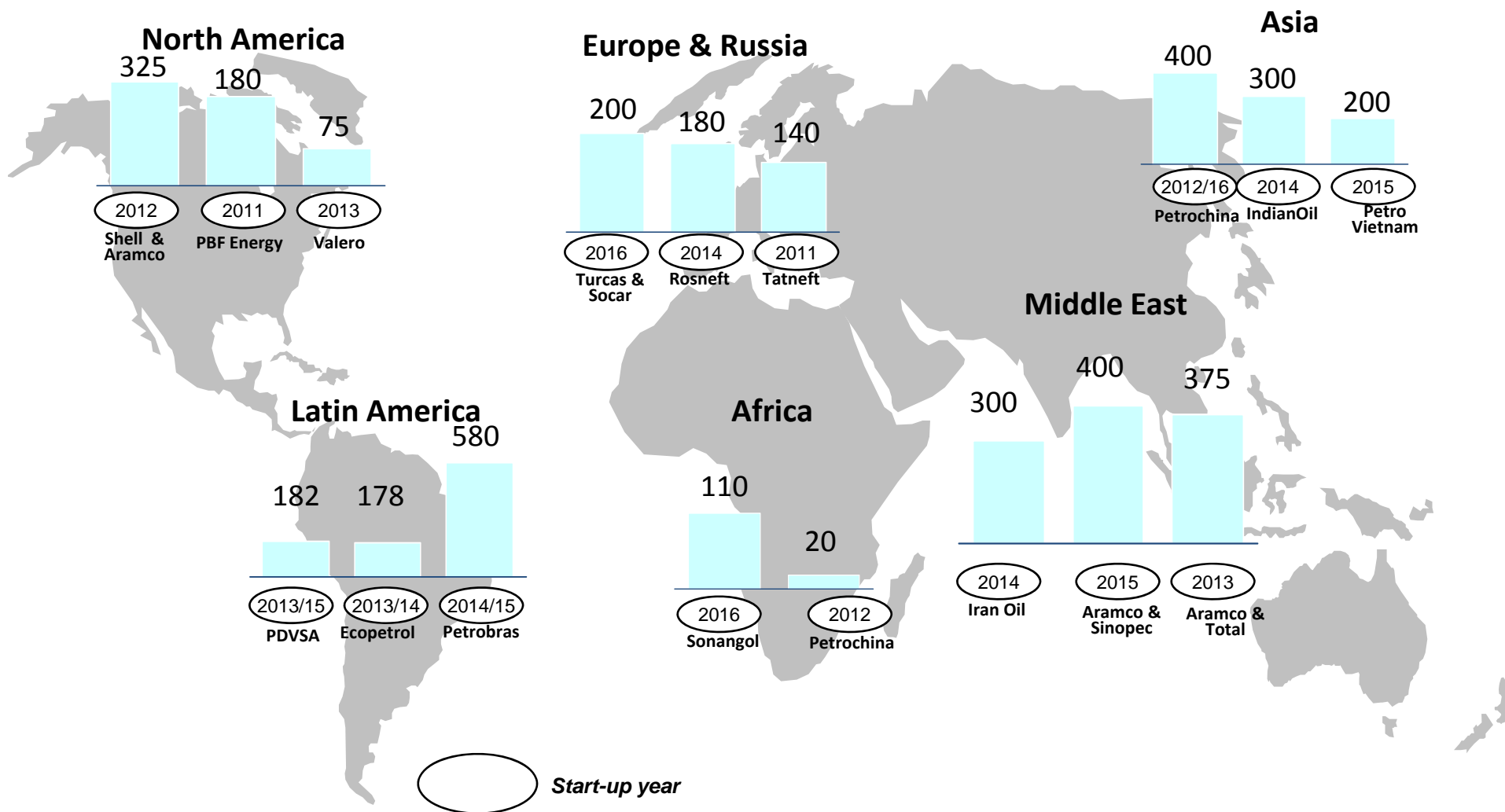


Source: BP Statistical Review, IEA, 2010

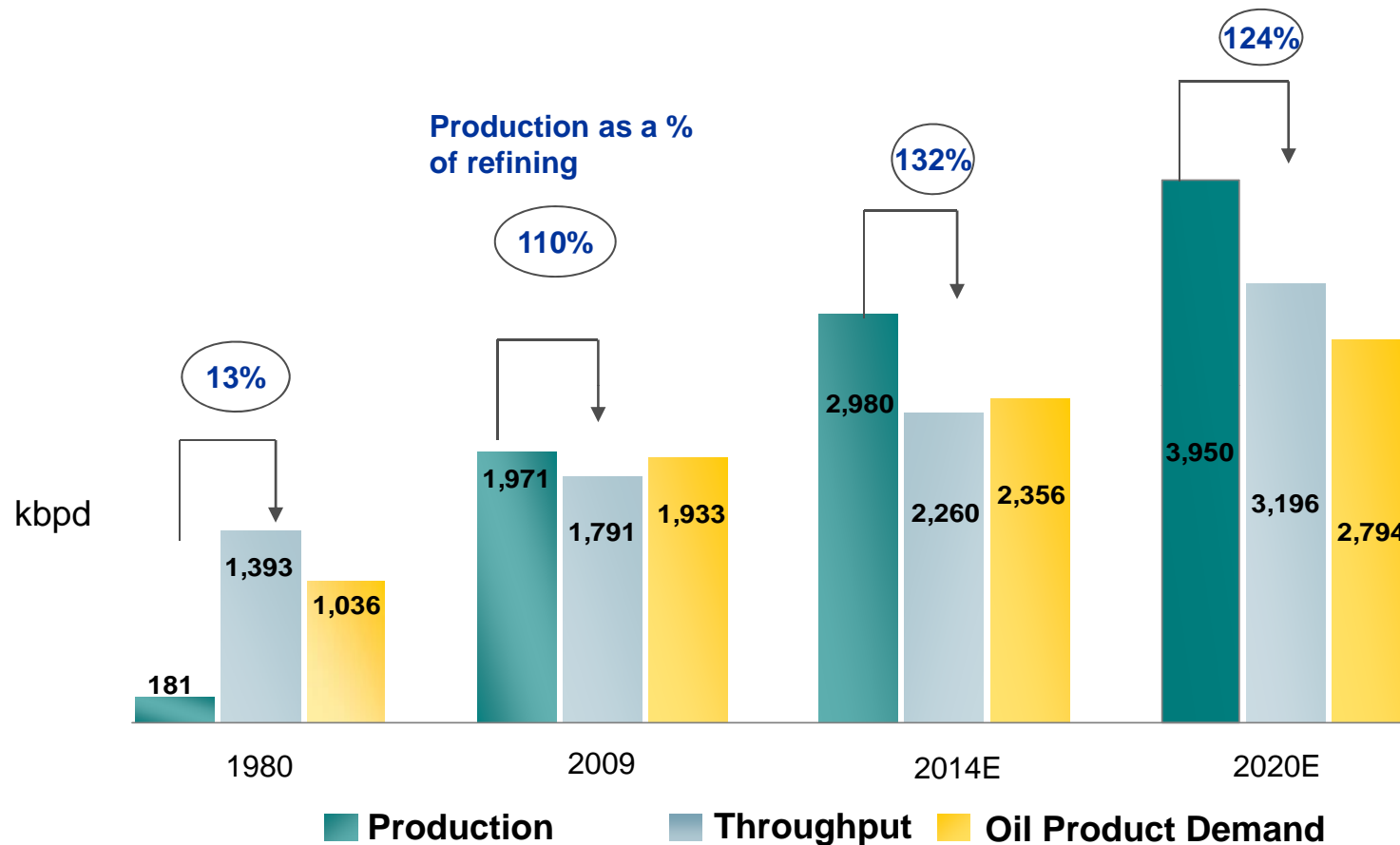
ALTHOUGH THE MAIN EXPECTED REFINING PROJECTS IN THE WORLD ARE EXPORT-ORIENTED, IN LATIN AMERICA AND IN ASIA, THE LARGEST PROJECTS ARE ORIENTED TO THE DOMESTIC MARKET.



Main projects to expand capacity in the world 2011 – 2016 (kbpd)



FROM A DOWNSTREAM COMPANY, PETROBRAS BECAME AN INTEGRATED AND BALANCED COMPANY

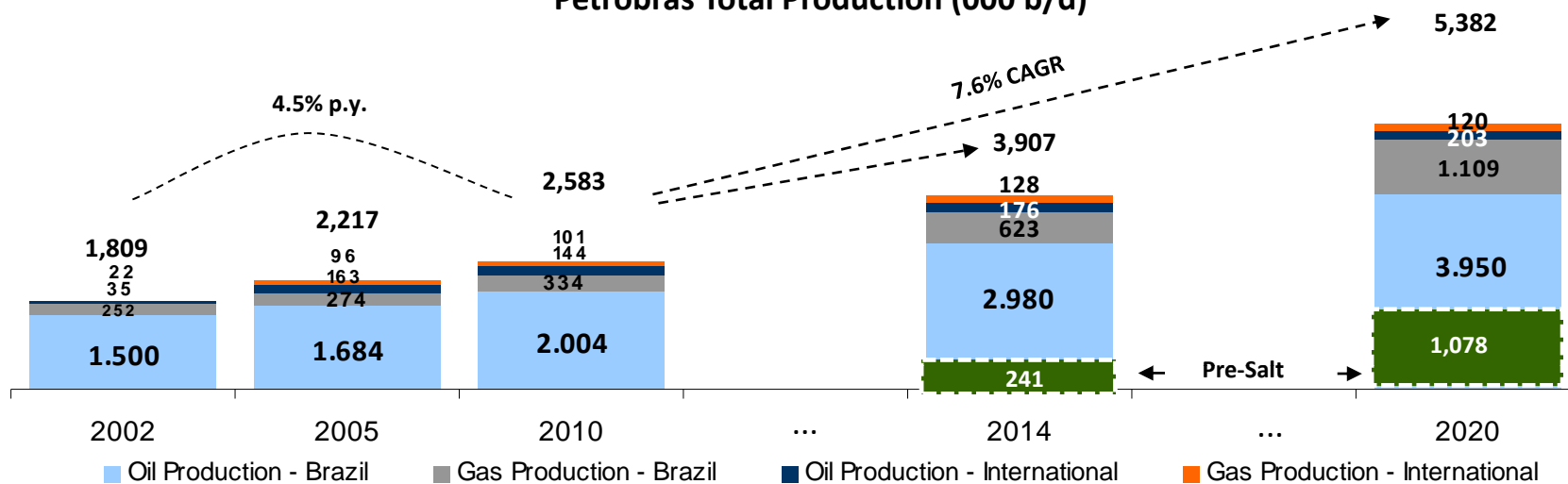


- The oil Production and the Brazilian market demand currently exceed refining capacity
- By 2014, exports are projected to reach nearly 1 million bpd, even as refining capacity is expanded to process Brazilian production to meet demand

GROWING PRODUCTION FULLY SUPPORTED BY DISCOVERIES

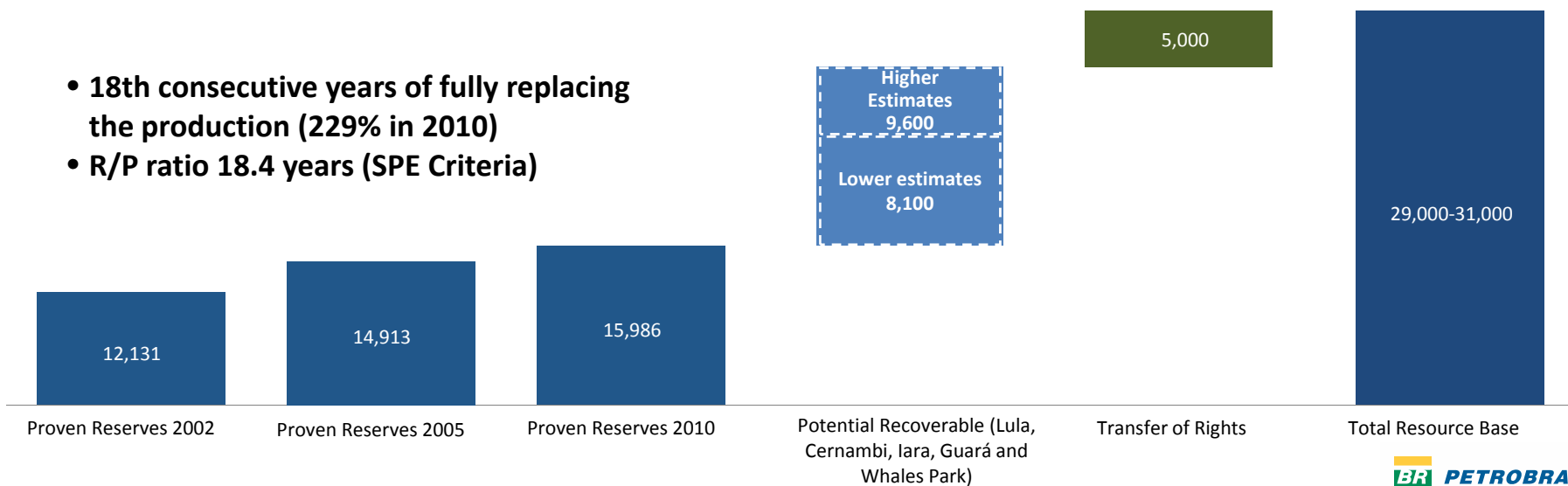


Petrobras Total Production (000 b/d)



Petrobras Total Reserves (bln boe) - SPE Criteria

- 18th consecutive years of fully replacing the production (229% in 2010)
- R/P ratio 18.4 years (SPE Criteria)



BUSINESS PLAN 2010-14: INCREASED INVESTMENT FOR INTEGRATED OPERATIONS IN BRAZIL



Petrobras' Corporate Strategy to 2020

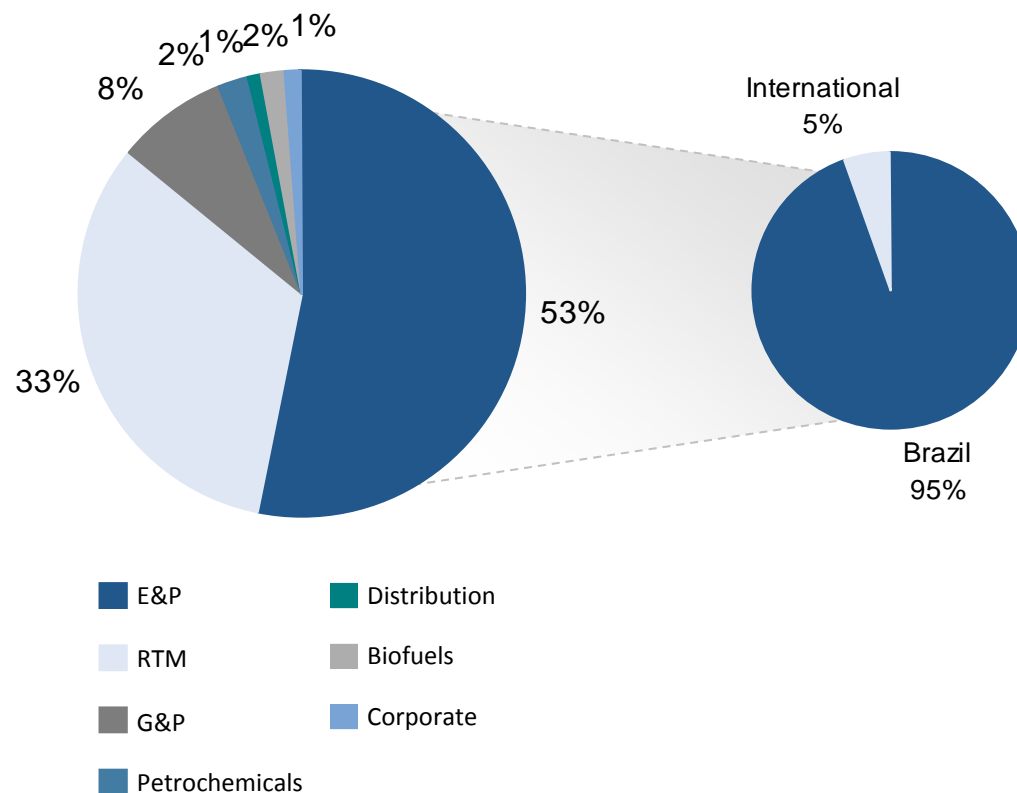
Integrated Growth, Profitability and Sustainability

- ✓ Oil & gas production growth in a sustainable manner that will approximately double our production in the next 10 years
- ✓ Focus in oil, oil products, petrochemicals, gas & energy, biofuels, refining and distribution with an integrated and sustainable business model
- ✓ Consolidate leadership in the Brazilian market of natural gas, electricity generation and gas chemicals

Be recognized as a benchmark among integrated energy companies

Total Capital Investment Plan 2010-2014

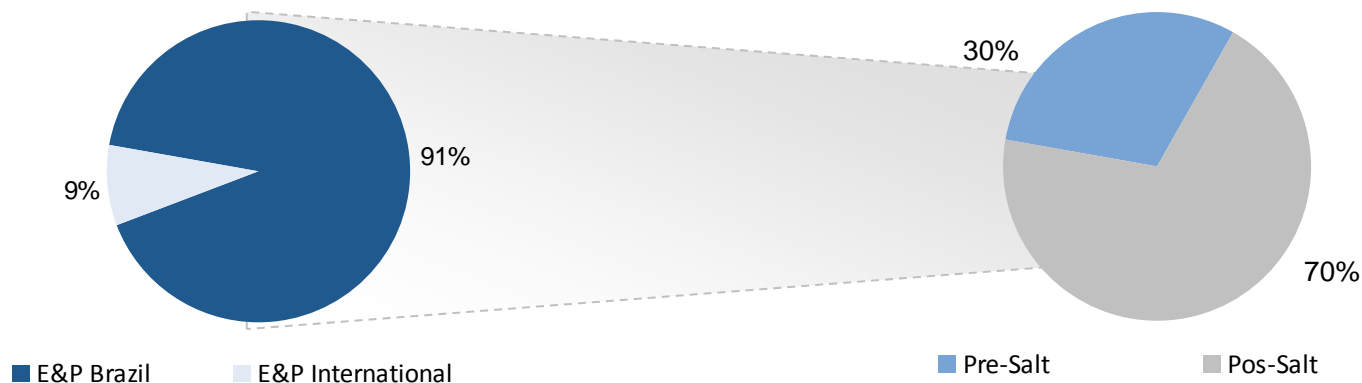
US\$ 224.1 billion



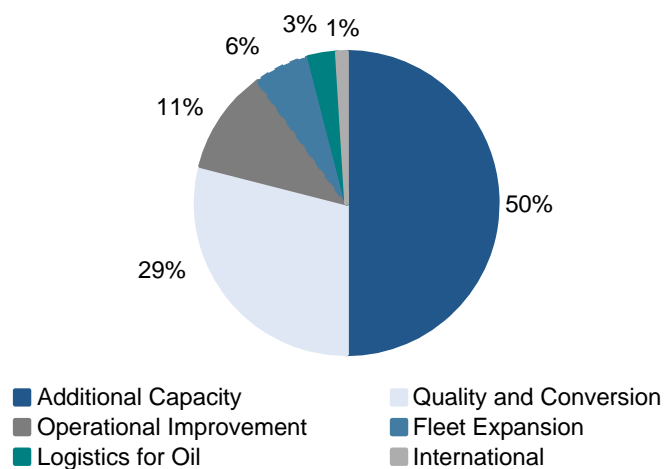
**90% OF DOWNSTREAM CAPEX FOR EXPANSION, QUALITY AND OPERATIONAL IMPROVEMENT.
MORE THAN 90% OF E&P CAPEX IN BRAZIL**



**Total E&P Investment
\$118.8 billion (2010-2014)**

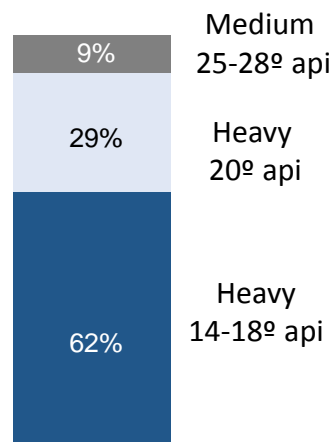


**Total RTM Investment
\$73.6 billion (2010-2014)**
Total Investment: US\$ 73.6 billion

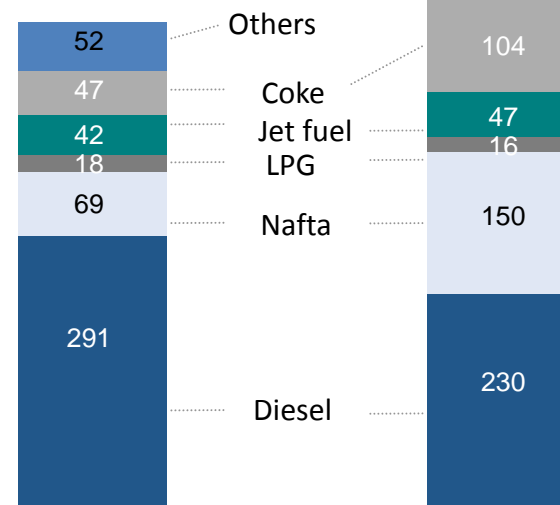


First 2 Refineries Planned to Replace Projected Imports

**Throughput
(451 TBPD)**



Output



**Brazil projected imports by
2014 with no additional
refining capacity**

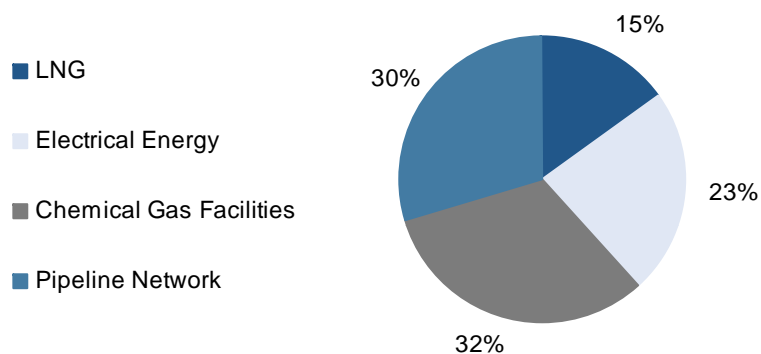
- Mainly products Brazil imports
- No additional gasoline production

INSTALLATION OF NATURAL GAS TRANSPORT AND PROCESSING INFRASTRUCTURE IN BRAZIL

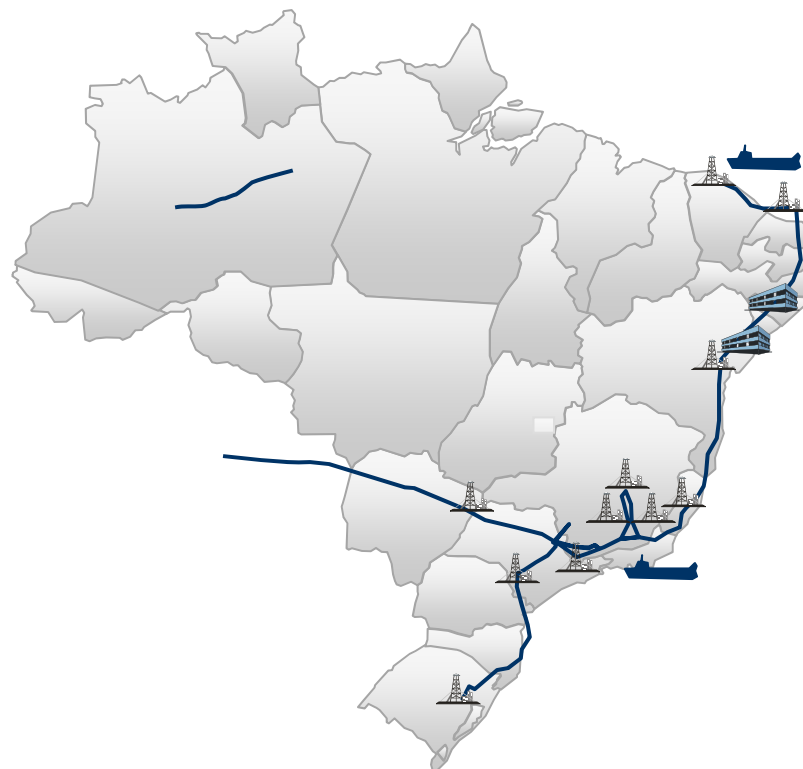


**Gas and Power Total Investment:
US\$ 17.8 billion (2010-14)**

- 5th largest country in the world in total area (8.5 mln km²)
- More than 9,000 km of coast



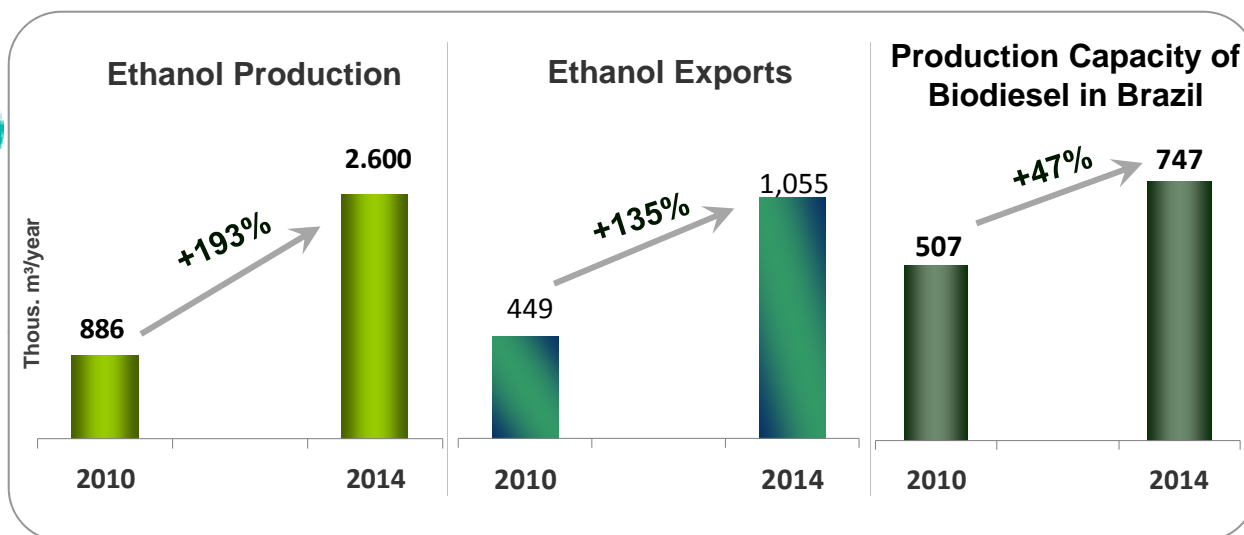
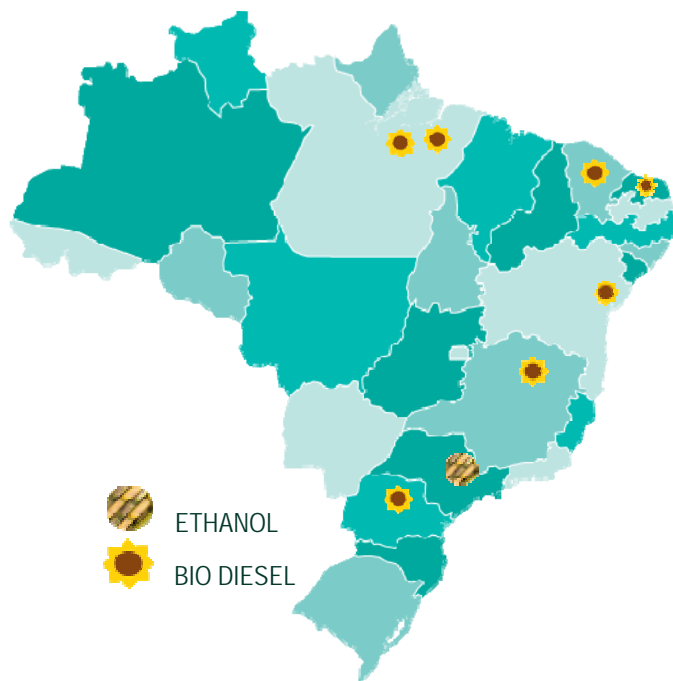
- Complete natural gas transport and processing infrastructure
- Consolidate investments in power generation
- Invest in LNG
- Increase flexibility by converting natural gas to fertilizers



- NG Pipeline
- Fertilizer
- Thermo Power Plant
- LNG Terminal

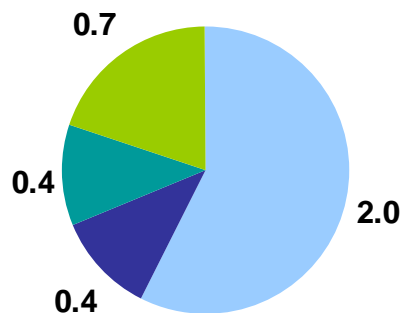
BIOFUEL TARGETS AND INVESTMENTS 2010-2014

Continued expansion and integration with oil products



INVESTMENTS 2010-2014:

US\$ 3.5 Billion



■ Ethanol
 ■ Biodiesel
 ■ R&D
 ■ Logistics

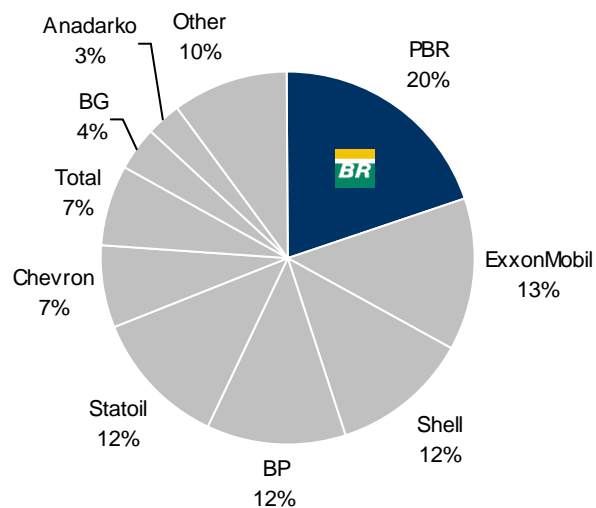
Strategy

Act globally, on biofuels production, with relevant participation in biodiesel and ethanol business

LONG HISTORY OF TECHNOLOGICAL AND OPERATIONAL LEADERSHIP IN DEEPWATER

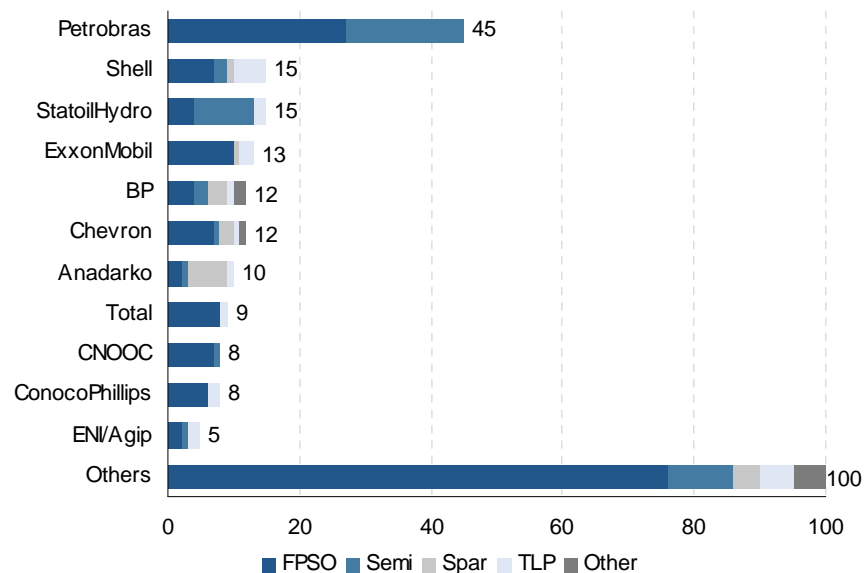


**Deepwater Production
2009 Gross Global Operated¹**



Petrobras operates 20% of global deepwater production

Offshore Production Facilities



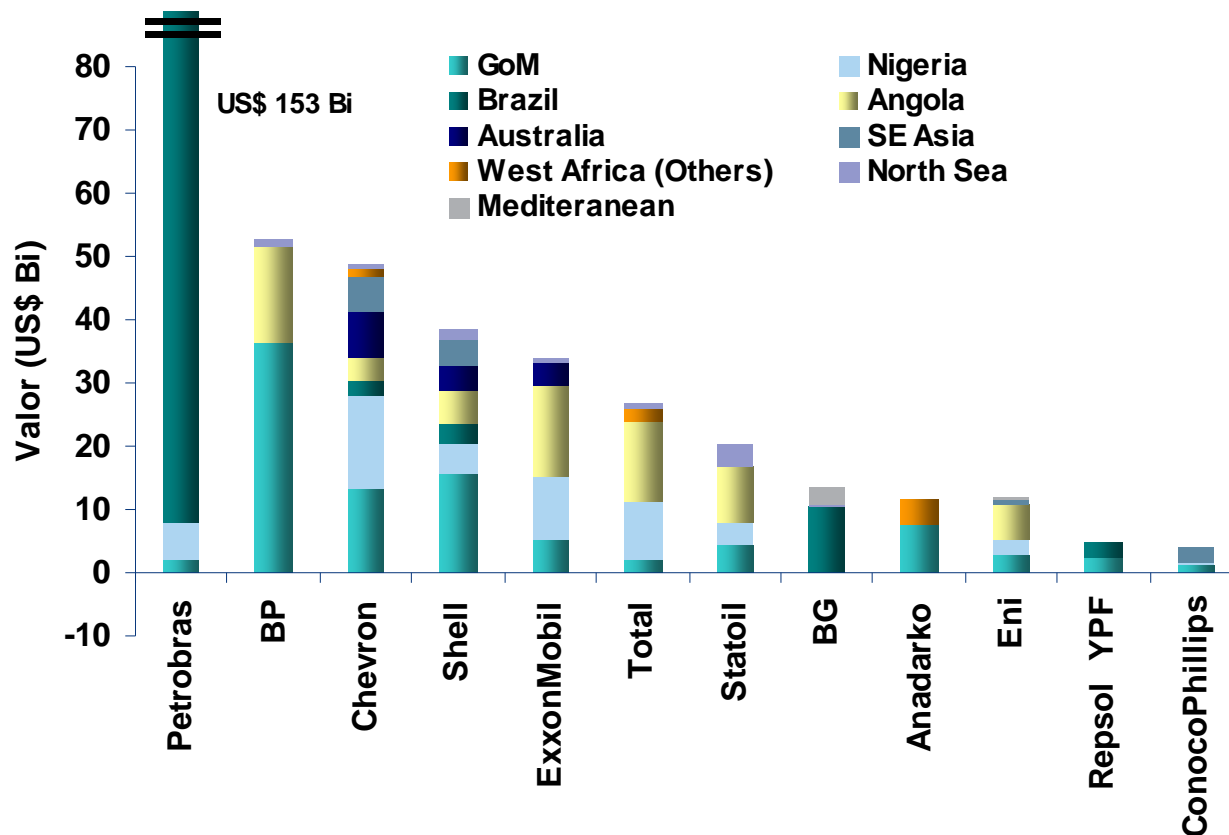
Source: PFC Energy

Note: (1) These 15 operators account for 98% of global deepwater production in 2009. Minimum water depth is 1,000 feet (about 300 meters)

PETROBRAS' PORTFOLIO FOCUSED ON DEEP WATER

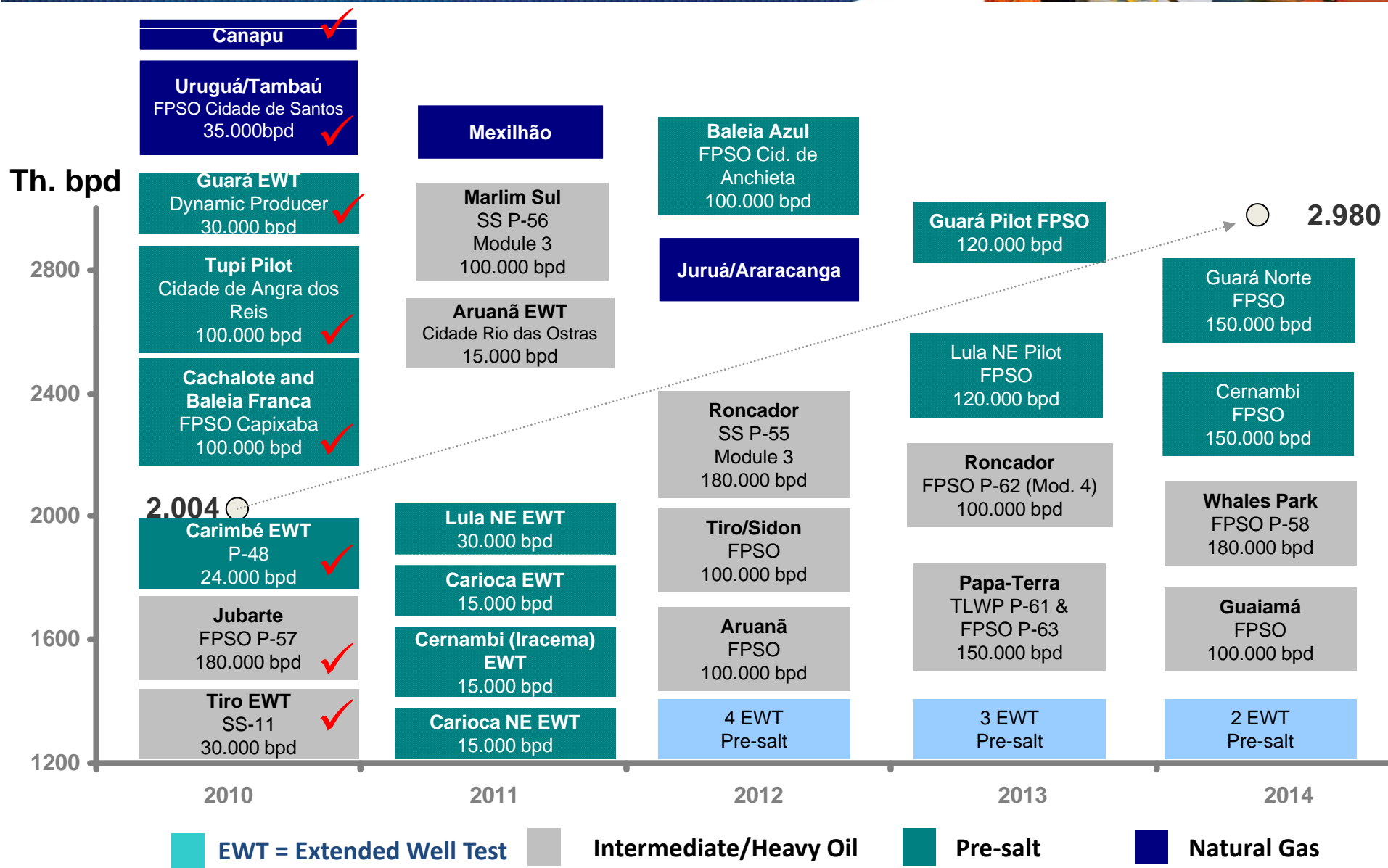


Companies Portfolio Values in deepwater by location



- Petrobras' portfolio represents about 27% of total industry value in deepwater, after the success in Pre-Salt.

MAIN PROJECTS SCHEDULED FOR 2010-2014



PRE-SALT ACCOMPLISHMENTS TIMELINE



2000

BIDs 2 and 3:
Acquisition of Santos
Basin Pre-Salt blocks

2001

2002

Largest seismic acquisition and
interpretation in the world

2003

2004

2005

1st wildcat
well: Parati

2006

2007

Next exploratory results:
Carioca, Tupi (5 to 8 Bi boe) and
Iara (3 to 4 Bi boe)

2008

2009

Tupi Extended Well Test



PHASE 0

2010

Lula Pilot

- 100.000 bopd and 5 M m³/d gas
- CO₂ separation and reinjection
- Wells: 3 injectors and 5 producers

...

2013

PHASE 1a

...

2017

PB > 0.8 M bopd
PB + Partners > 1 M bopd

...

2020

PHASE 1b

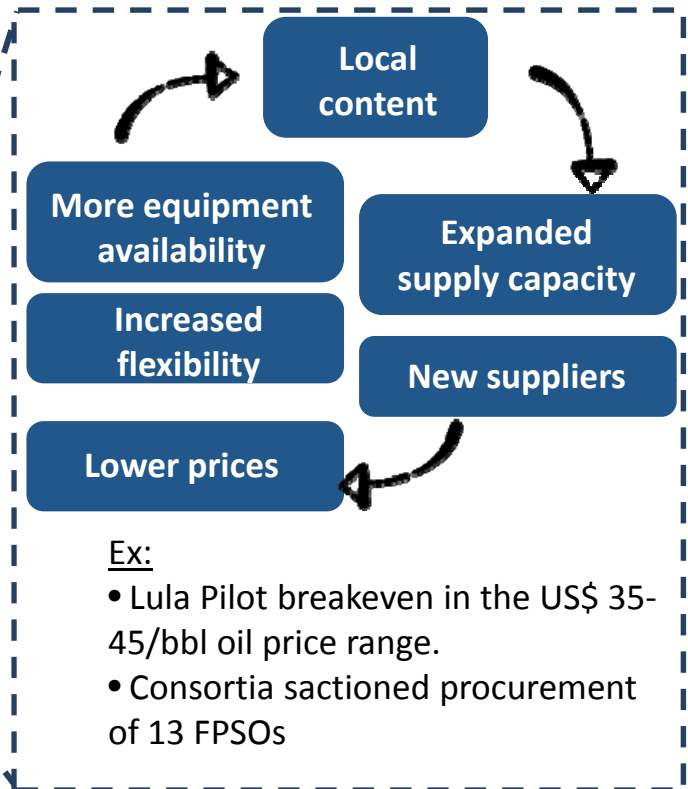
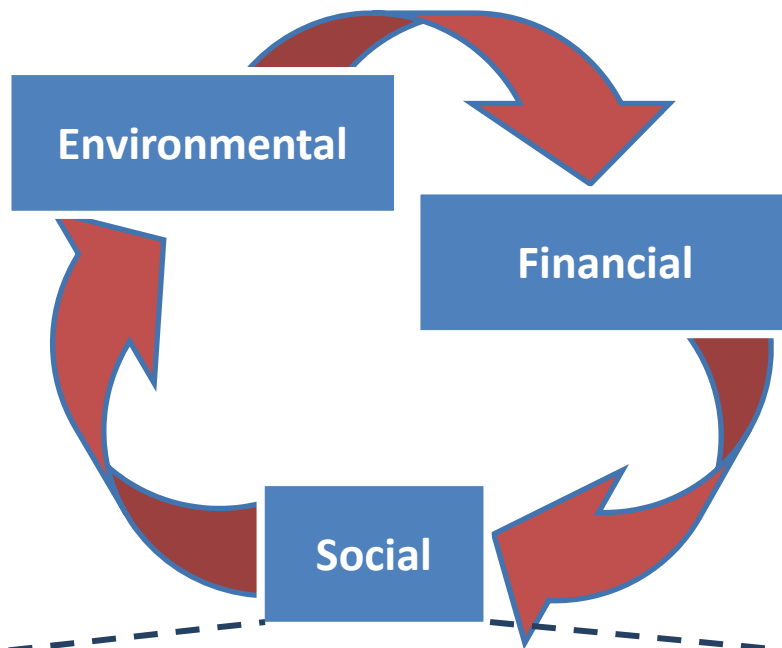
2nd phase of definitive development

- Significant production increase
- Innovation acceleration
- Massive use of new technologies specially tailored for Pre-Salt conditions

Pre-Salt Sustainability



Ex: Commitment to give environmental friendly destination to the carbon dioxide produced from Pre-Salt reservoirs, ...



Ex:

- Lula Pilot breakeven in the US\$ 35-45/bbl oil price range.
- Consortia sanctioned procurement of 13 FPSOs



PRE-SALT - SANTOS BASIN



2010 Accomplishments

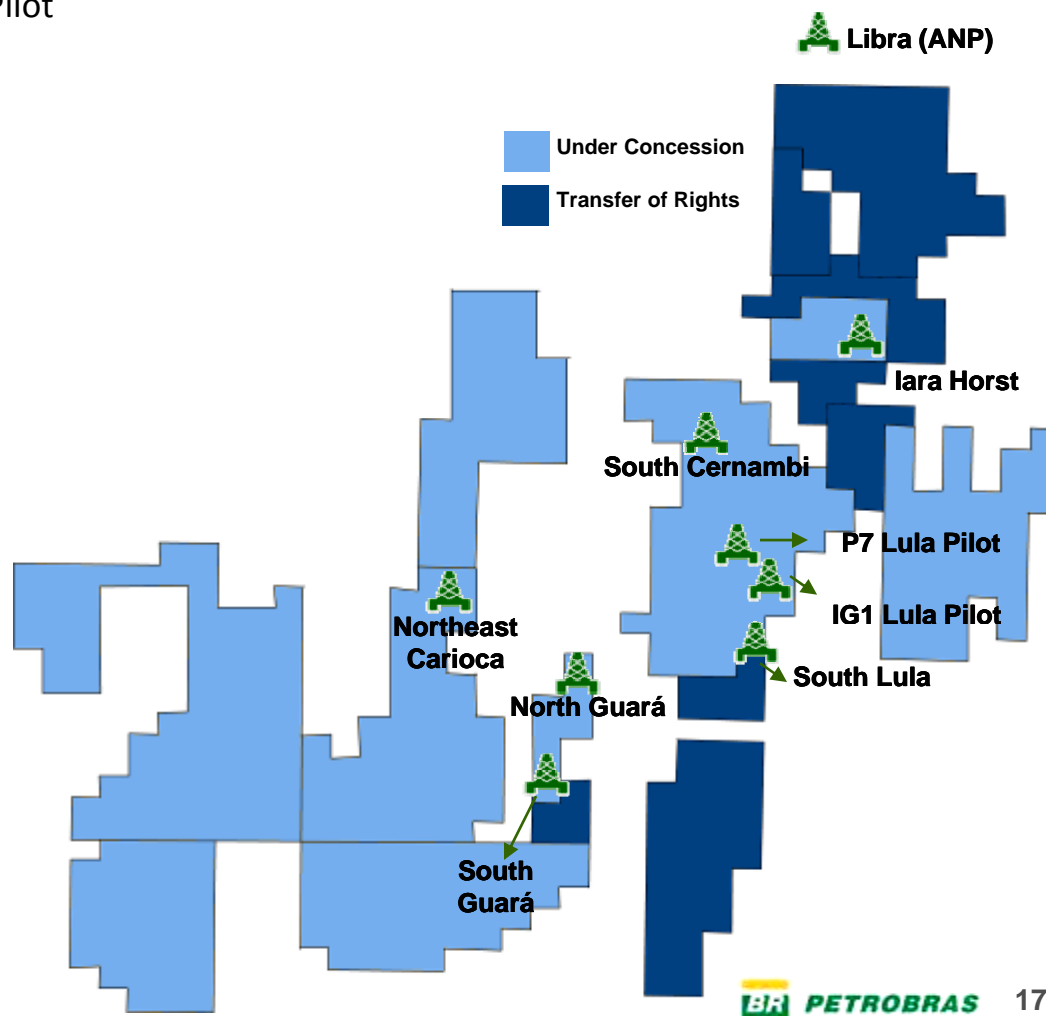
- Transfer of rights to produce 5 billion boe in specific areas of the pre-salt that are not under concession.
- Start up of FPSO Cidade de Angra dos Reis in Lula (Pilot Project) and Guara Extended Well Test.
- 8 more wells drilled, in a total of 20 wells drilled.



** Wells Petrobras: Drilling or completion or test.

2011 Activities

- 9 rigs currently operating in the Pre-Salt Cluster, up to 3 new rigs to arrive.
- 4 new wells with drilling concluded, up to 20 additional wells to be drilled.
- Start-up:
 - Northeast Lula Early Production System : first semester 2011
 - Northeast Carioca Extended Well Test: mid 2011
 - South Cernambi Early Production System: Late 2011



PRE-SALT SUPERGIANTS DISCOVERIES: LOGISTICAL SYNERGIES



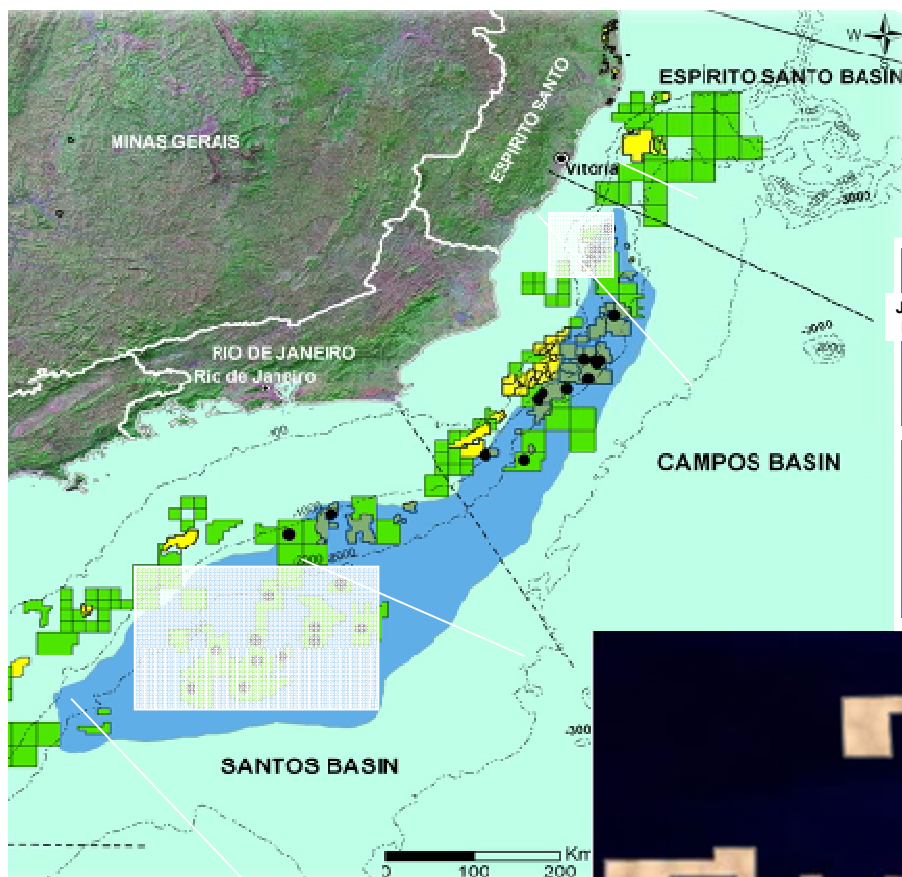
Logistical Synergies:
Pre-salt giant oil fields discovered close
to the market



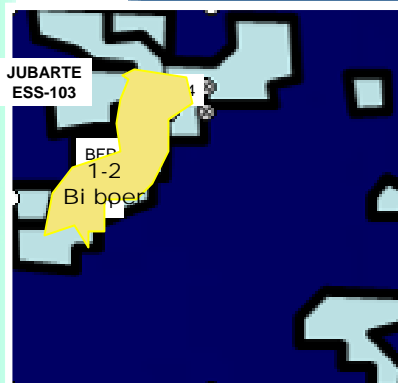
Logistical Synergies:
Analogy with the U.S.



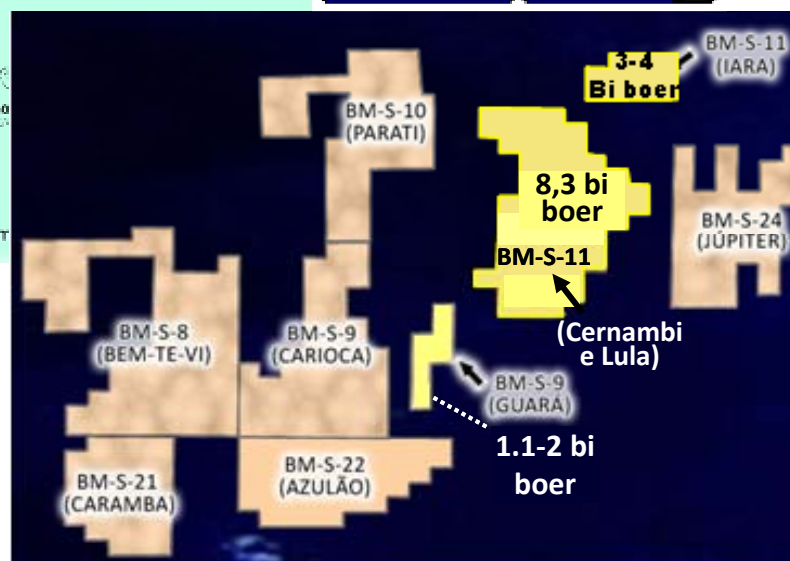
PRE-SALT JOINT VENTURES



- Total Area: 149,000 km²
- Area Under Concession: 41,772 km² (28%)
- Area Not Under Concession: 107,228 km² (72%)
- Area With Petrobras Interest: 35,739 km² (24%)



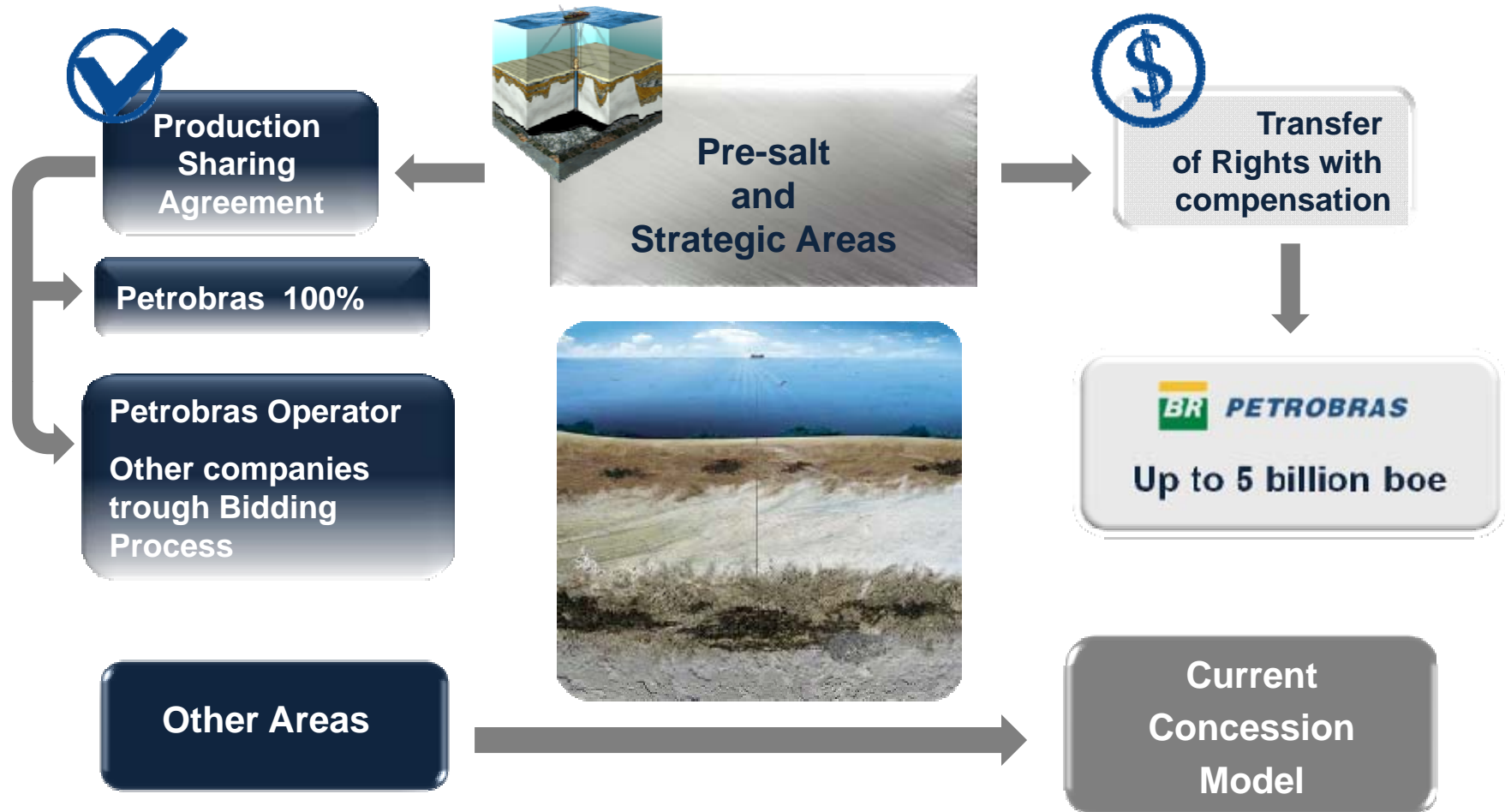
Blocks	Consortium
BC-60	BR (100%) Jubarte Cachalote Balía Franca Baleia Azul Baleia Anã



Blocks	Consortium
BMS-8	BR (66%), SH (20%) e PTG (14%)
BMS-9	BR (45%), BG (30%) e RPS (25%)
BMS-10	BR (65%), BG (25%) e PAX (10%)
BMS-11	BR (65%), BG (25%) e PTG (10%)
BMS-21	BR (80%), PTG (20%)
BMS-22	EXX (40%), HES (40%) e BR (20%)
BMS-24	BR (80%), PTG (20%)

Shore Distance = 300 km
Total Area = 15.000 km²

NEW REGULATORY MODEL



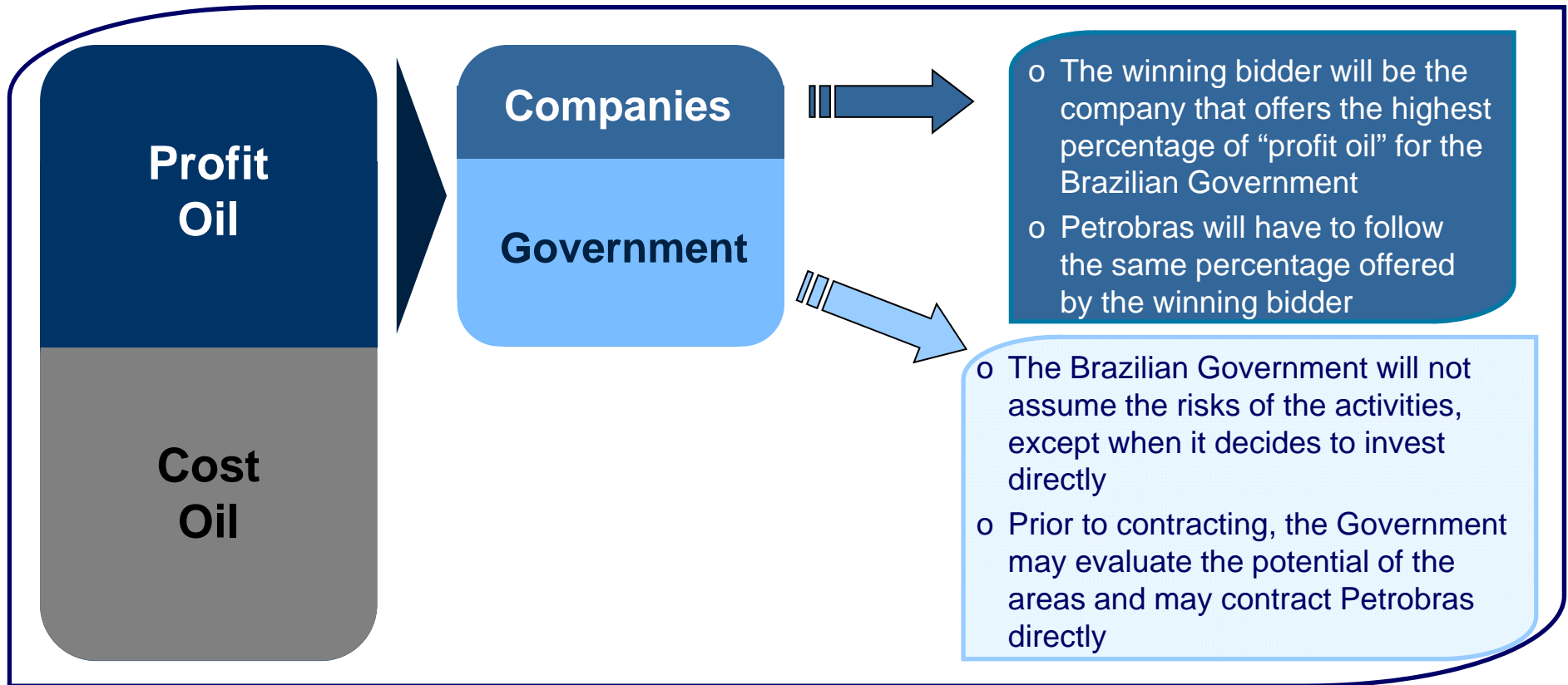
There will be no regulatory changes in the areas under concession, including the pre-salt area already granted

PRODUCTION SHARING AGREEMENTS



Production sharing agreements

- Petrobras will operate all blocks under this regime, with a minimum stake of 30%
- Consortium between Petrobras, Petro-sal and the winning bidder will be managed by the Operational Committee
- Petrobras will be able to participate in the bidding process to increase its stake

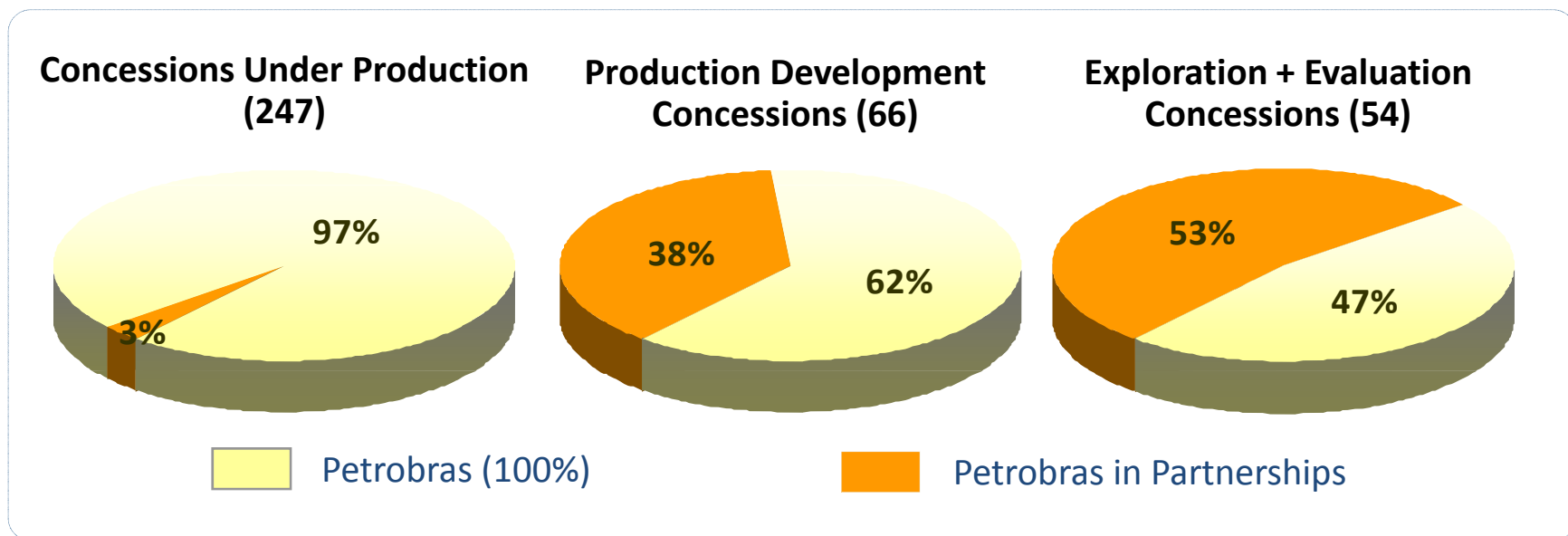


Graphs are showing only hypothetical values

INCREASE IN THE NUMBER OF FIELDS AND BLOCKS HELD WITH PARTNERS



- o Petrobras' current domestic production comes mainly from concessions (97%) owned by the company alone
- o For the areas under development, the percentage of concession held without partners falls to 62%
- o More than half (53%) of the blocks under exploration or appraisal are joint ventures

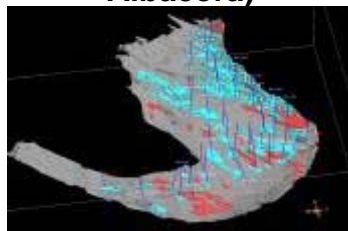


35 Oil and Gas Companies (2010)

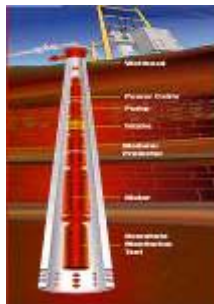
NEW TECHNOLOGIES TO INCREASE RECOVERY FACTOR



4D Seismic
(Marlim; Marlim Sul;
Albacora)



ESP in a skid on the sea-bed
(Espadarte-Fase III)



Vertical Annular Separation and Pumping System
(Congro; Malhado; Corvina)



(Parque dos
Temperos;)
Bonito

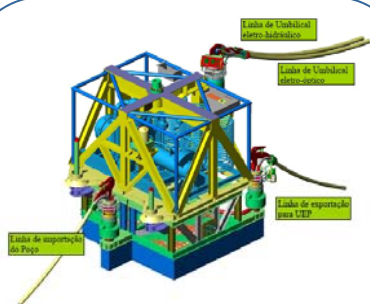


2009

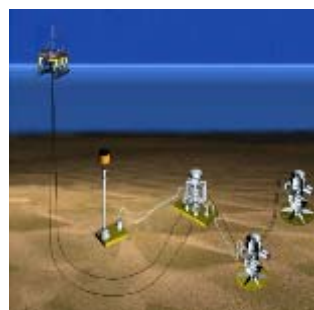
2010

2011

2012



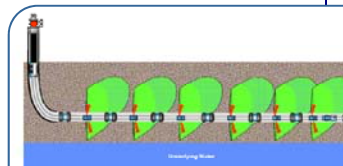
**SBMS - Subsea
Multiphase Pumping
System**
(Marlim)



**RWI – Raw
Water Injection**
(Albacora)

**Subsea Christmas
Tree.
“Piggy-back”**
(Marimbá; Barracuda)

**Oil Water
Subsea
Separation**
(Marlim)



Multifractured Well
(Bonito)



TLWP
(Papa-terra)

INVESTING IN TECHNOLOGY PARTNERSHIPS



Expansion of CENPES makes it one of the largest research center in the world



Petrobras's partnerships with 120 universities and research centers has created one of the greatest concentrations of energy research in the world

In the Technological Park of the Rio de Janeiro Federal University, four R&D centers for major equipment and services suppliers is currently under construction :

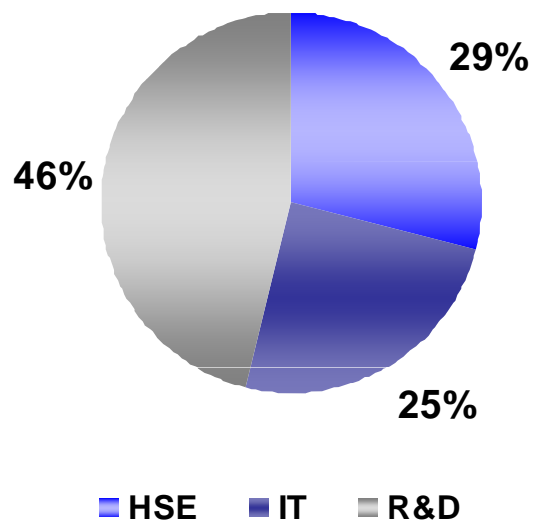
- Schlumberger
- Baker Hughes
- FMC Technologies
- Usiminas

Others companies are schedule to come to Brazil to develop technological centers:

- Cameron
- General Electric
- Halliburton
- IBM
- Technip
- TenarisConfab
- Vallourec & Mannesman
- Weatherford
- Wellstream

Petrobras Investments in HSE, IT and R&D (2010-14)

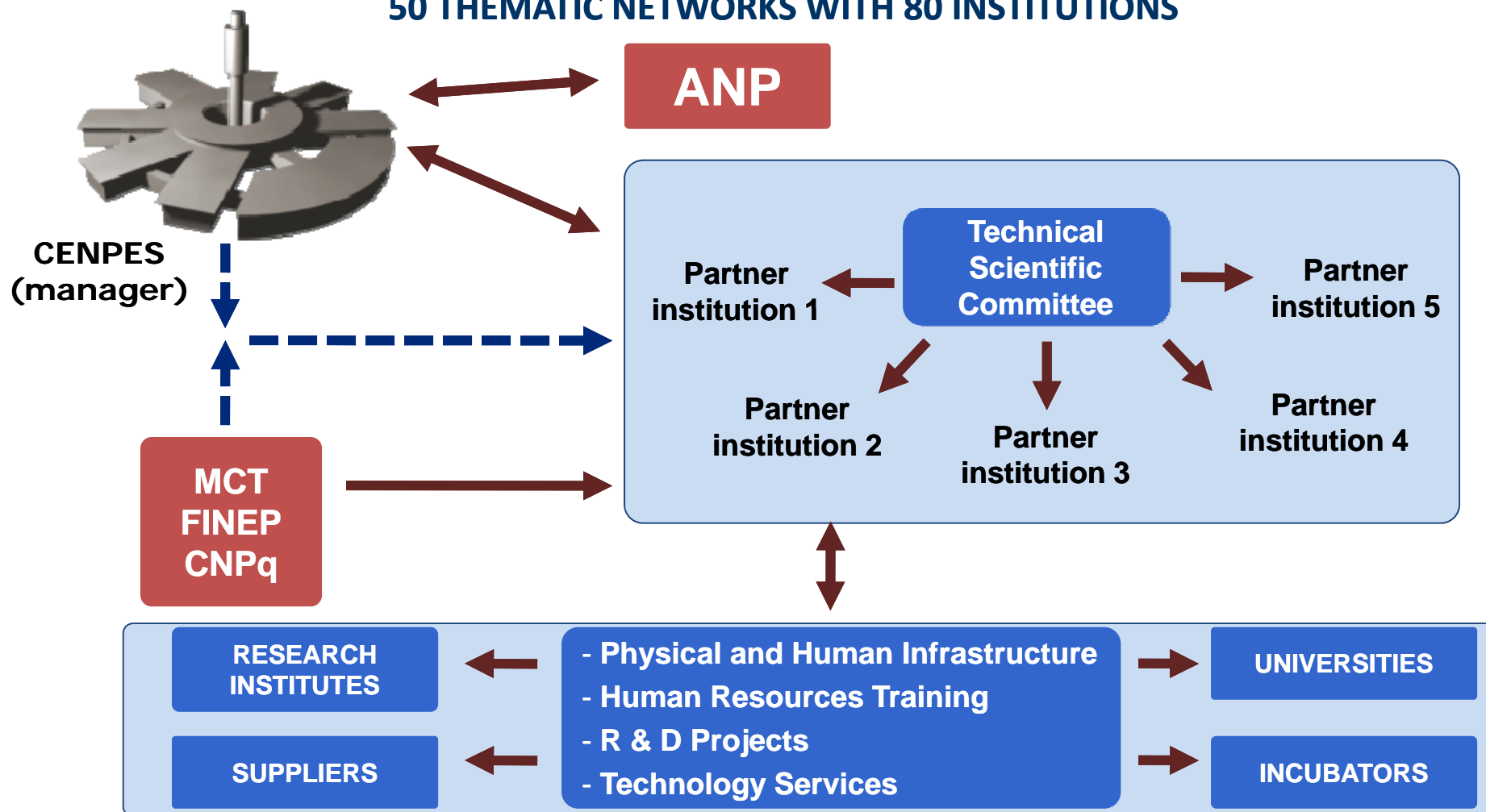
US\$ 11.4 Billion



STRATEGIC PARTNERSHIPS



50 THEMATIC NETWORKS WITH 80 INSTITUTIONS

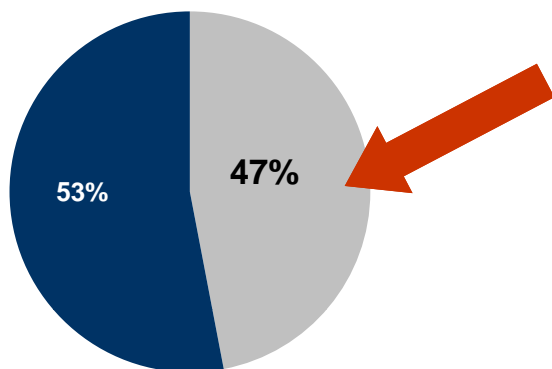


PETROBRAS "BACKLOG"



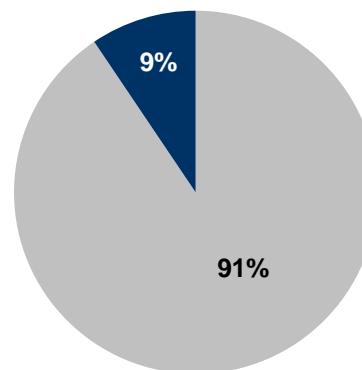
FLOATING RIGS (SEMI-SUBMERSIBLE AND DRILLING SHIP)

World



■ Petrobras ■ Other Operators

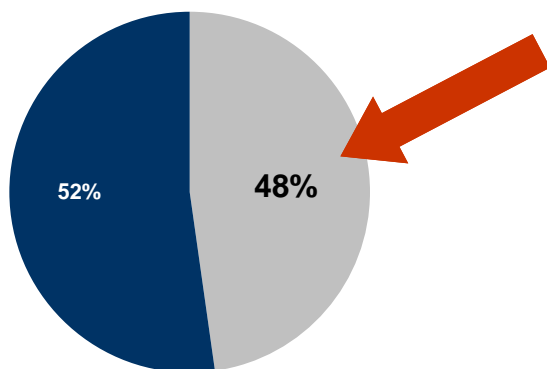
Brazil



■ Petrobras ■ Other Operators

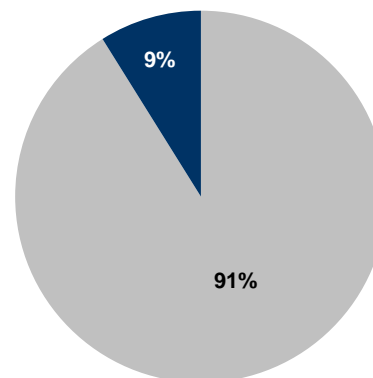
DRILLING RIGS ABOVE 2,280M (7,500')

World



■ Petrobras ■ Other Operators

Brazil



■ Petrobras ■ Other Operators

Position in 09/12/2010 – Source: ODS-Petrodata

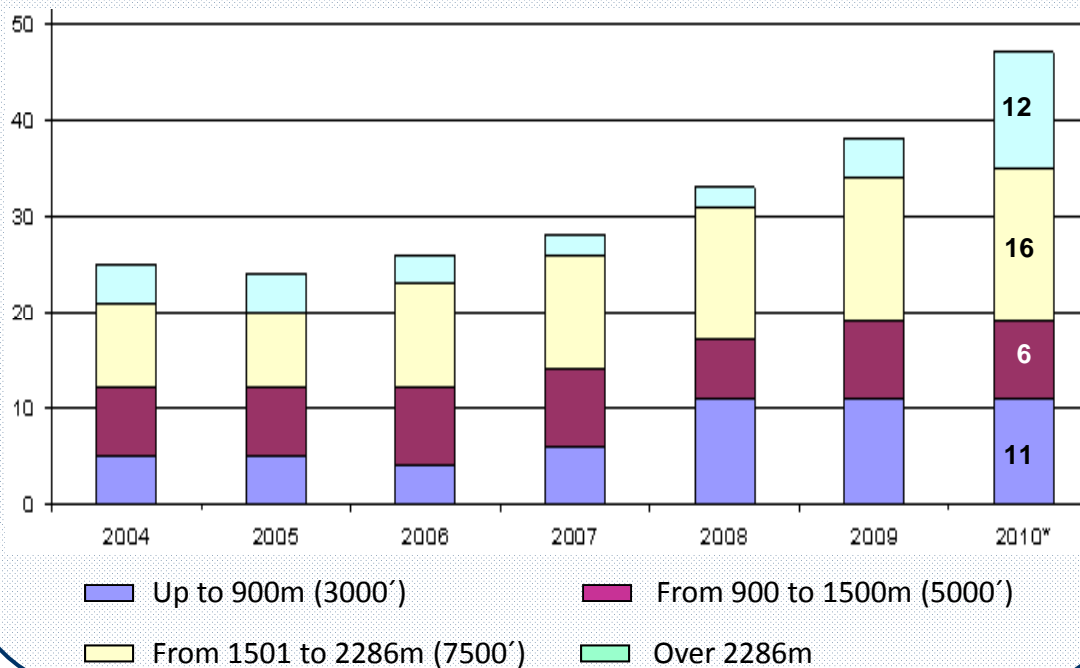
DRILLING RIGS



- o Approval for procurement/charter of the first round of 7 rigs to be constructed in Brazil:
 - o Deliveries beginning in 2015
 - o Local content specification of 65%



Petrobras fleet (units operating by year)



- o 14 rigs scheduled for 2011: 12 to operate in a water depth equal or greater than 2.000 m, with the fleet totaling 60 units;
- o Bidding process for 28 units still under way;
- o 7 rigs to start-up in 2012

NEW VESSELS AND PURCHASE OF NEW EQUIPMENTS



Critical Resources	Current Situation (Dec/10)	Delivery Plan (to be contracted) Accumulated Value		
		By 2013	By 2015	By 2020
Drilling Rigs Water Depth Above 2.000 m	15	34	32 ⁽¹⁾	53 ⁽²⁾
Supply and Special Vessel	254	465	491	504
Production Platforms SS e FPSO	44	53	63	84
Others (Jacket and TLWP)	79	81	83	85



Supply Vessel



Drilling Rigs



Production
Platform (FPSO)



26 rigs contracted, 28 more to be built by 2020:

- Until 2013: 13 rigs contracted before 2008 and 1 rig relocated from international operations*; +12 new rigs contracted in 2008 , through international bidding;
- 2013-2020: Bidding process in progress, to contract 28 rigs to be built in Brazil. EAS won the bid for the first package - construction and chartering of seven drilling rigs to be built in Brazil

(1) The rig reallocated from international operations, expire in 2015, so it is not considered in the 2020 accumulated value

(2) The demand for long-term (2020) will be adjusted as new demand assessments are made.



Platforms Procurement

Under Construction:

P-55: Estaleiro Atlântico Sul – PE (hull) /QUIP- RS (modules)

Recently built platform:

P-57: Brasfels – RJ

- Capacity: 180 thous. boe/day
- Value: US\$ 1,2 billion
- Delivered two months ahead of schedule

Under Construction:

P-56 and P-61: Brasfels (RJ)

P-62: Jurong (ES)

FPSO Cidade de Paraty: Brasfels (RJ)

FPSO Cidade de São Paulo: Brasfels (RJ)

Under Construction:

P-63: QUIP (RS)

8 FPSOs (Pre-salt): Ecovix – Rio Grande (RS)

P-58: Estaleiro Rio Grande –RS , UTC Engenharia S/A – RJ e EBE – RJ.

- o 7 production platforms and 8 hulls under construction;
- o P-57 was delivered in 32 months, two months ahead of schedule and under competitive costs as compared to international prices. Reduction in construction time and cost;
- o Inclusion of 900 new suppliers per year in Petrobras' Corporate Vendor List;
- o 13 new shipyards currently under construction, raising the total number to 50*;
- o **Index of local content rose from 57% in 2003 to 74% in 2010.**

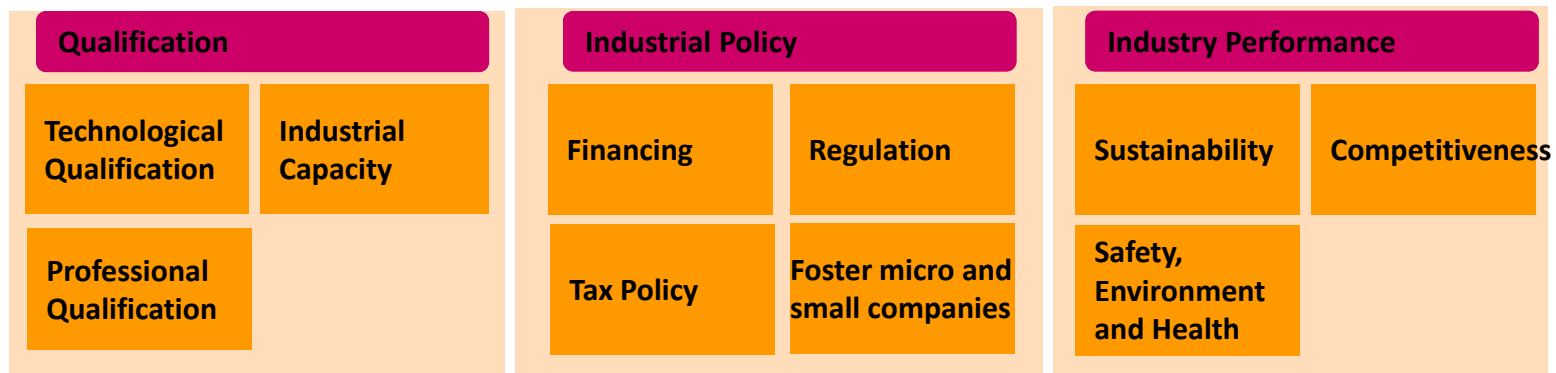
STRATEGIC SUBJECTS



CHALLENGE
Maximize
Local
Content

The local content is part of National Petroleum Agency evaluation

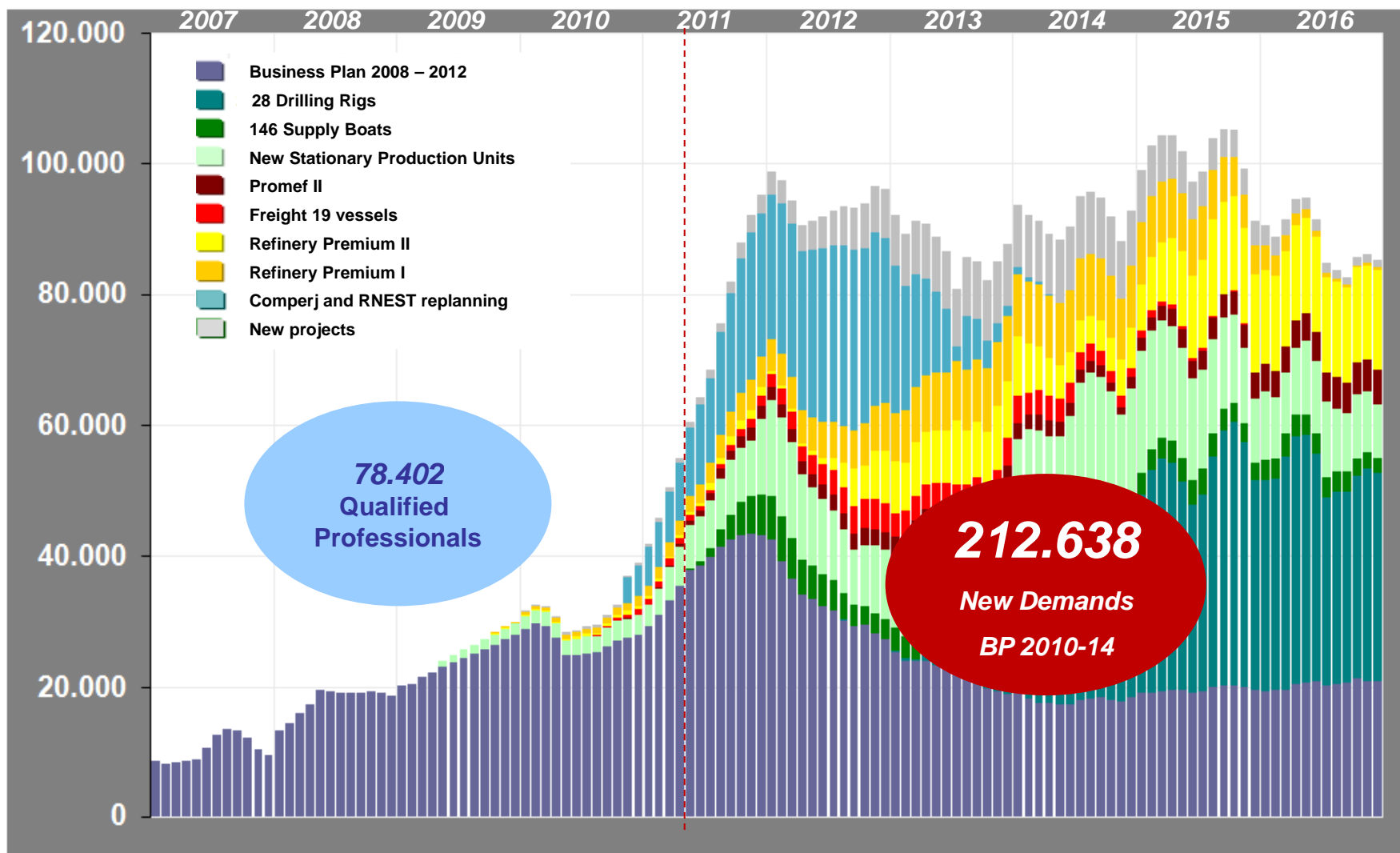
Strategic Subjects



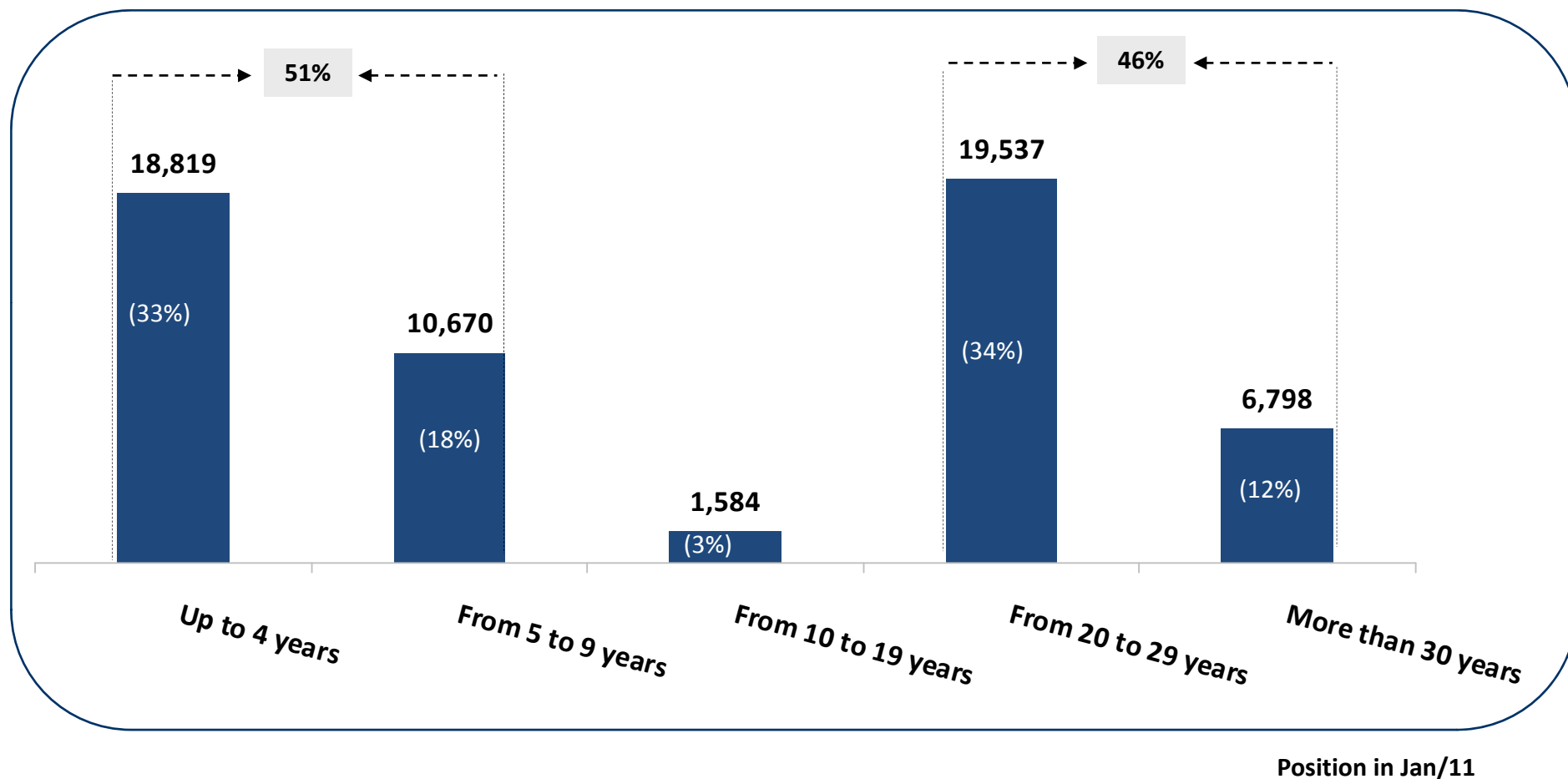
Prominp Projects Portfolio



LONG TERM HR CHALLENGES



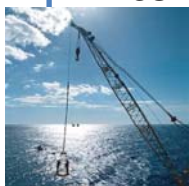
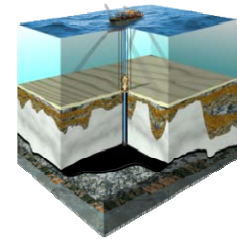
PETROBRAS EMPLOYEES PROFILE



CONCLUSIONS



- Pre-Salt is a major opportunity under evaluation
- Petrobras has a worldwide recognized deepwater knowhow
- Petrobras has a strong portfolio that can sustain Pre-Salt development and drives long-term growth.
- Petrobras is unique in its downstream business since it is almost the sole operator in its fast growing domestic market.
- Petrobras develops technologies aiming to ensure global leadership in biofuel production.
- G&P investments and contracts are focused on both supply and demand gas flexibility in order to mitigate risks associated with volatile thermoelectric demand.
- **There are tremendous opportunities for oil and gas equipment suppliers and service companies**



THANK YOU

