

PETROBRAS - PETROLEO BRASILEIRO SA  
Form 6-K  
May 18, 2015

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## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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### FORM 6-K

Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16 of the  
Securities Exchange Act of 1934

**For the month of May, 2015**

**Commission File Number 1-15106**

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### PETRÓLEO BRASILEIRO S.A. - PETROBRAS

(Exact name of registrant as specified in its charter)

### Brazilian Petroleum Corporation - PETROBRAS

(Translation of Registrant's name into English)

**Avenida República do Chile, 65  
20031-912 - Rio de Janeiro, RJ  
Federative Republic of Brazil**  
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

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**Petróleo Brasileiro S.A. – Petrobras**

Quarterly Information - ITR

At March 31, 2015 and report on review of

Quarterly Information

(A free translation of the original in Portuguese)

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**Petróleo Brasileiro S.A. – Petrobras**

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*(Expressed in millions of reais, unless otherwise indicated)*

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## **Petróleo Brasileiro S.A. – Petrobras**

Independent auditor's report

### **Report on review of quarterly information**

To the Board of Directors and Shareholders

Petróleo Brasileiro S.A. - Petrobras

### **Introduction**

We have reviewed the accompanying parent company and consolidated interim accounting information of Petróleo Brasileiro S.A - Petrobras, included in the Quarterly Information Form for the quarter ended March 31, 2015, comprising the balance sheet as at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21 (R1), Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 (R1) and International Accounting Standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information. Our responsibility is to express a conclusion on this interim accounting information based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion on the parent**

**company interim information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

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## **Petróleo Brasileiro S.A. – Petrobras**

### **Conclusion on the consolidated**

#### **interim information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

### **Emphasis – Impact of the Lava Jato Operation on the Company’s results**

We draw attention to note 3 of the interim financial information which describes that:

(i) no additional information has been identified through the date of this accounting information which could materially impact the estimation methodology adopted for the write off recorded on September 30, 2014 ; and

(ii) the internal investigations being conducted by outside legal counsel under the supervision of a Special Committee created by the Company and the investigation conducted by the Securities and Exchange Commission – SEC are still on going.

We also draw attention to note 28.2 of the interim financial information which describes legal actions filed against the Company, for which a possible loss, or range of possible losses, cannot be reasonably estimated as they are in their preliminary stages.

Our report is not modified as a result of these matters.

### **Other matters**

**Statements of value added**

We have also reviewed the parent company and consolidated statements of value added for the three-month period ended March 31, 2015. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Rio de Janeiro, May 15, 2015

/s/

PricewaterhouseCoopers

Audidores Independentes

CRC 2SP000160/O-5 "F" RJ

/s/

Marcos Donizete Panassol

Contador CRC 1SP155975/O-8 "S" RJ



**Petróleo Brasileiro S.A. – Petrobras**

## Statement of Financial Position

March 31, 2015 and December 31, 2014 (In R\$ million, unless otherwise indicated)

Assets	Consolidated		Parent Company		Liabilities	Consolidated	
	Note	03.31.2015	12.31.2014	03.31.2015		12.31.2014	Note
<b>Current assets</b>					<b>Current liabilities</b>		
Cash and cash equivalents	6	34,450	44,239	5,986	Trade payables	14	25,068
Marketable securities	6	33,828	24,763	10,732	Finance debt	15	39,675
Trade and other receivables, net	7	20,737	21,167	18,660	Finance lease obligations	16	46
Inventories	8	32,031	30,457	26,019	Income taxes payable	19.1	1,028
Recoverable income taxes	19.1	2,628	2,823	731	Other taxes payable	19.1	10,388
Other recoverable taxes	19.1	7,046	7,300	5,396	Payroll, profit sharing and related charges		6,168
Advances to suppliers		1,146	1,123	905	Pension and medical benefits	20	2,244
Other current assets		5,689	3,138	4,536	Other current liabilities		5,742
		137,555	135,010	72,965			
Assets classified as held for sale	10		13	10			
		137,565	135,023	72,975			90,359
<b>Non-current assets</b>					<b>Non-current liabilities</b>		
Long-term receivables	7	16,010	12,834	12,460	Finance debt	15	360,758
				10,671		16	160

Trade and other receivables, net						Finance lease obligations		
Marketable securities	6	294	290	252	249	Deferred income taxes	19.2	840
Judicial deposits	28	7,613	7,124	6,339	5,927	Pension and medical benefits	20	44,977
Deferred income taxes	19.2	2,937	2,673	–	–	Provisions for legal proceedings	28.1	4,798
Other tax assets	19.2	10,681	10,645	8,952	8,943	Provision for decommissioning costs	18	21,676
Advances to suppliers		7,055	6,398	1,027	1,056	Other non-current liabilities		2,668
Other non-current assets		10,321	10,140	8,180	8,206			435,871
		54,911	50,104	37,210	35,052			526,230
						<b>Shareholders' equity</b>		
Investments						Share capital (net of share issuance costs)	21.1	205,432
Property, plant and equipment	10	15,856	15,282	92,672	82,481	Capital transactions		(646)
Intangible assets	11	611,378	580,990	445,803	437,150	Profit reserves		132,771
	12	12,238	11,976	9,102	9,108	Other comprehensive income		(33,799)
		694,383	658,352	584,787	563,791			303,750
						Non-controlling interests		1,954
		831,948	793,375	657,762	636,405			305,712
								831,948

The Notes form an integral part of these Financial Statements.

**Petróleo Brasileiro S.A. – Petrobras**

## Statement of Income

*March 31, 2015 and 2014 (In R\$ million, unless otherwise indicated)*

	<b>Note</b>	<b>Consolidated</b>		<b>Parent Company</b>	
		<b>03.31.2015</b>	<b>03.31.2014</b>	<b>03.31.2015</b>	<b>03.31.2014</b>
Sales revenues	22	74,353	81,545	58,957	63,650
Cost of sales		(51,943)	(62,382)	(41,183)	(50,478)
Gross profit		22,410	19,163	17,774	13,172
Income (expenses)					
Selling expenses		(1,724)	(2,725)	(2,112)	(3,267)
General and administrative expenses		(2,710)	(2,560)	(1,894)	(1,787)
Exploration costs	13	(983)	(1,525)	(878)	(1,476)
Research and development expenses		(564)	(592)	(560)	(589)
Other taxes		(753)	(327)	(454)	(199)
Other expenses, net	23	(2,341)	(3,857)	(2,789)	(3,829)
		(9,075)	(11,586)	(8,687)	(11,147)
Net income before finance income (expense), share of earnings in equity-accounted investments, profit sharing and income taxes		13,335	7,577	9,087	2,025
Net finance income (expenses):	25	(5,621)	(174)	(5,357)	455
Finance income		734	1,042	793	777
Finance expenses		(3,691)	(1,848)	(2,427)	(823)
Foreign exchange and inflation indexation charges		(2,664)	632	(3,723)	501
Share of earnings in equity-accounted investments	10.2	173	522	3,375	4,126
Profit sharing	20.2	(336)	(336)	(297)	(281)

Net income before income taxes		7,551	7,589	6,808	6,325
Income taxes	19.3	(3,023)	(1,803)	(1,478)	(962)
Net income		4,528	5,786	5,330	5,363
Net income attributable to:					
Shareholders of Petrobras		5,330	5,393	5,330	5,363
Non-controlling interests		(802)	393	—	—
		4,528	5,786	5,330	5,363
Basic and diluted earnings per share (in R\$)	21.3	0.41	0.41	0.41	0.41

The Notes form an integral part of these Financial Statements.

**Petróleo Brasileiro S.A. – Petrobras**

## Statement of Comprehensive Income

*March 31, 2015 and 2014 (In R\$ million)*

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>03.31.2015</b>	<b>03.31.2014</b>	<b>03.31.2015</b>	<b>03.31.2014</b>
Net income	4,528	5,786	5,330	5,363
Items that may be reclassified subsequently to the statement of income:				
Cumulative translation adjustments	9,232	(2,114)	–	–
Unrealized gains / (losses) on cash flow hedge - highly probable future exports				
Recognized in shareholders' equity	(28,300)	3,892	(24,959)	3,720
Reclassified to the statement of income	824	470	683	423
Deferred income taxes	9,342	(1,485)	8,254	(1,265)
	(18,134)	2,877	(16,022)	2,878
Unrealized gains / (losses) on cash flow hedge - others				
Recognized in shareholders' equity	(1)	6	–	–
Reclassified to the statement of income	–	2	–	–
Deferred income taxes	–	–	–	–
	(1)	8	–	–
Share of other comprehensive income (losses) in equity-accounted investments	(1,029)	141	5,602	(1,625)
Total other comprehensive income	(9,932)	912	(10,420)	1,253
Total comprehensive income	(5,404)	6,698	(5,090)	6,616
Comprehensive income attributable to:				
Shareholders of Petrobras	(5,090)	6,646	(5,090)	6,616
Non-controlling interests	(314)	52		
Total comprehensive income	(5,404)	6,698	(5,090)	6,616



**Petróleo Brasileiro S.A. – Petrobras**

## Statement of Cash Flows

*March 31, 2015 and 2014 (In R\$ million, unless otherwise indicated)*

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>Jan-Mar/</b>	<b>Jan-Mar/</b>	<b>Jan-Mar/</b>	<b>Jan-Mar/</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from Operating activities</b>				
Net income attributable to the shareholders of Petrobras	5,330	5,393	5,330	5,363
Adjustments for:				
Non-controlling interests	(802)	393	–	–
Pension and medical benefits (actuarial expense)	1,684	1,041	1,553	976
Share of earnings in equity-accounted investments	(173)	(522)	(3,375)	(4,126)
Depreciation, depletion and amortization	8,516	7,123	6,395	5,212
Impairment charges	292	276	1	143
Allowance for impairment of trade receivables	(863)	32	(1,066)	22
Exploratory expenditures written off	576	1,057	484	1,057
Gains / (Losses) on disposal / write-offs of non-current assets, E&P returned areas and cancelled projects	(404)	(524)	(181)	(439)
Foreign Exchange variation, indexation and charges on finance and other operations	6,294	1,417	5,693	319
Deferred income taxes, net	2,044	682	1,478	962
Increase (Decrease) in assets				
Trade and other receivables, net	73	(2,549)	(86)	(1,219)
Inventories	(1,024)	(2,470)	(1,532)	(1,460)
Other assets	(2,920)	(2,088)	(3,138)	(2,087)
Increase (Decrease) in liabilities				
Trade payables	(2,275)	(487)	162	(1,162)
Taxes payable	323	(1,274)	410	(1,276)
Pension and medical benefits	(415)	(335)	(390)	(318)
Other liabilities	171	2,250	571	2,418
Net cash provided by operating activities	16,427	9,415	12,309	4,385
<b>Cash flows from Investing activities</b>				
Capital expenditures	(17,508)	(20,686)	(13,145)	(16,226)
Increase (Decrease) in investments	(181)	(13)	(1,894)	(1,896)
Proceeds from disposal of assets (divestment)	516	869	223	1,255
Divestment (Investments) in marketable securities	(4,167)	(726)	4,772	3,754
Dividends received	9	363	167	1
Net cash provided by / (used in) investing activities	(21,331)	(20,193)	(9,877)	(13,112)

**Cash flows from financing activities**

Acquisition of non-controlling interest	396	(109)	–	–
Proceeds from long-term financing	3,735	53,907	15,433	24,661
Repayment of principal	(8,441)	(6,135)	(16,186)	(8,684)
Repayment of interest	(5,600)	(3,771)	(1,018)	(757)
Net cash provided by / (used in) financing activities	(9,910)	43,892	(1,771)	15,220
Effect of exchange rate changes on cash and cash equivalents	5,025	(1,819)	–	–
Net increase / (decrease) in cash and cash equivalents in the year	(9,789)	31,295	661	6,493
Cash and cash equivalents at the beginning of the year	44,239	37,172	5,325	7,917
Cash and cash equivalents at the end of the period	34,450	68,467	5,986	14,410

The Notes form an integral part of these Financial Statements.



**Petróleo Brasileiro S.A. – Petrobras**

## Statement of Changes in Shareholders' Equity

March 31, 2015 and December 31, 2014 (In R\$ million, unless otherwise indicated)

	Share capital (including share issuance costs)	Capital transactions	Accumulated other comprehensive income				Profit reserves	
			Cumulative translation adjustment	Actuarial gains (losses) on pension plans	Cash hedge - highly probable future exports	Other comprehensive income (loss) and deemed cost	Legal	Statutory
Balance as of December 31, 2013	205,411	1,048	5,196	(3,516)	(8,376)	(548)	16,524	4,503
Capital increase with reserves						(7,244)		
Realization of deemed cost of associates						(3)		
Change in interest in subsidiaries		(95)						
Net income								
Other comprehensive income (loss)			(1,773)		2,885	141		
Distributions:								
Dividends								
Balance as of March 31, 2014	205,411	953	3,423	(3,516)	(5,491)	(410)	16,524	4,503
	205,411	953				(5,994)		
Balance as of December 31, 2014	205,432	(430)	9,959	(14,545)	(17,601)	(1,189)	16,524	4,503
Realization of deemed cost of	205,432	(430)				(23,376)		
						(3)		

associates							
Change in interest in subsidiaries							
Net income							
Other comprehensive income (loss)			8,744		(18,135)	(1,029)	
Balance as of March 31, 2015	205,432	(430)	18,703	(14,545)	(35,736)	(2,221)	16,524
	205,432	(430)				(33,799)	4,503

The Notes form an integral part of these Financial Statements.

**Petróleo Brasileiro S.A. – Petrobras**

## Statement of Added Value

*March 31, 2015 and 2014 (In R\$ million, unless otherwise indicated)*

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>Jan-Mar/2015</b>	<b>Jan-Mar/2014</b>	<b>Jan-Mar/2015</b>	<b>Jan-Mar/2014</b>
<b>Income</b>				
Sales of products, services provided and other revenues	96,536	101,009	79,715	81,510
Provision for impairment of trade receivables	863	(32)	1,066	(22)
Revenues related to construction of assets for own use	17,193	20,152	13,862	17,260
	114,592	121,129	94,643	98,748
<b>Inputs acquired from third parties</b>				
Materials consumed	(24,987)	(36,618)	(18,337)	(27,575)
Materials, power, third-party services and other operating expenses	(22,621)	(22,474)	(18,343)	(20,720)
Tax credits on inputs acquired from third parties	(4,095)	(6,500)	(5,016)	(6,051)
Impairment	(292)	(276)	(1)	(143)
Inventory write-down to net realizable value (market value)	–	–	–	–
	(51,995)	(65,868)	(41,697)	(54,489)
Gross added value	62,597	55,261	52,946	44,259
Depreciation, depletion and amortization	(8,516)	(7,123)	(6,395)	(5,212)
Net added value produced by the Company	54,081	48,138	46,551	39,047
<b>Transferred added value</b>				
Share of profit of equity-accounted investments	173	522	3,375	4,126
	734	1,042	1,628	716

Finance income - including  
indexation and foreign  
exchange variation charges

Rents, royalties and others	83		126		216		197	
	990		1,690		5,219		5,039	

Total added value to be  
distributed

55,071	49,828	51,770	44,086
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## Distribution of added value

### Personnel and officers

Direct compensation

Salaries	4,746	7%	4,458	9%	3,609	7%	3,637	8%
Profit sharing	336	1%	336	1%	297	1%	281	1%
	5,082	8%	4,794	10%	3,906	8%	3,918	9%

### Benefits

Short-term benefits (**)	311	1%	2,702	5%	229	0%	2,411	5%
Pension plan	1,002	2%	613	1%	923	2%	573	1%
Medical plan	1,016	2%	694	1%	930	2%	646	1%
	2,329	5%	4,009	7%	2,082	4%	3,630	7%
FGTS	343	1%	326	1%	304	1%	287	1%
	7,754	14%	9,129	18%	6,292	13%	7,835	17%

### Taxes

Federal (*)	14,784	26%	15,030	30%	12,491	24%	13,325	30%
State	12,476	23%	11,180	23%	7,918	15%	6,856	16%
Municipal	180	0%	112	0%	108	0%	73	0%
Abroad (*)	1,534	3%	1,279	2%	—	0%	—	0%
	28,974	52%	27,601	55%	20,517	39%	20,254	46%

### Financial institutions and suppliers

Interest, and exchange and indexation charges	7,803	14%	3,452	7%	8,207	16%	2,334	5%
Rental and affreightment expenses	6,012	11%	3,860	8%	11,424	22%	8,300	19%
	13,815	25%	7,312	15%	19,631	38%	10,634	24%

### Shareholders

Non-controlling interests	(802)	(1)%	393	1%	—	0%	—	0%
Retained earnings	5,330	10%	5,393	11%	5,330	10%	5,363	13%
	4,528	9%	5,786	12%	5,330	10%	5,363	13%

Added value distributed 55,071 100% 49,828 100% 51,770 100% 44,086 100%

(\*) Includes government holdings.

(\*\*) In March 2015, include R\$ 26 in the Consolidated and in the parent company, related to spending on Voluntary Separation Incentive Plan - PIDV (R\$ 2,396 in the consolidated and R\$ 2,231 in the Parent Company in March 2014). For further information on PIDV see note 20.3.

The Notes form an integral part of these Financial Statements.

## **Petróleo Brasileiro S.A. – Petrobras**

Notes to the financial statements

*(In millions of reais, except when indicate otherwise)*

### **1. The Company and its operations**

Petróleo Brasileiro S.A. - Petrobras is dedicated, directly or through its subsidiaries (referred to jointly as “Petrobras” or “the Company” or “Petrobras Group”) to prospecting, drilling, refining, processing, trading and transporting crude oil from producing onshore and offshore oil fields and from shale or other rocks, as well as oil products, natural gas and other liquid hydrocarbons. In addition, Petrobras carries out energy related activities, such as research, development, production, transport, distribution and trading of all forms of energy, as well as other related or similar activities. The Company’s head office is located in Rio de Janeiro – RJ, Brazil.

### **2. Basis of preparation of interim financial information**

The consolidated interim financial information has been prepared and is being presented in accordance with IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB) and also in accordance with the accounting practices adopted in Brazil for interim financial reporting (CPC 21 - R1).

The individual interim financial information has been prepared and is being presented in accordance with the accounting practices adopted in Brazil for interim financial reporting (CPC 21 - R1) and does not differ from the consolidated information. The noncurrent deferred charges account was fully amortized at December 31, 2014. The reconciliation between the parent company’s and the consolidated shareholders’ equity and net income is presented in Note 4.1.

This interim financial information presents the significant changes which occurred in the period, avoiding repetition of certain notes to the financial statements previously reported, and presents the consolidated information, considering Management’s understanding that the consolidated information provides a comprehensive view of the Company’s financial position and operational performance, along with some individual information of the parent company. Hence it should be read together with the Company’s annual financial statements for the year ended December 31, 2014, which include the full set of notes.

The Company reclassified some values of December 31, 2014, understood to be the most appropriate classification, consistent with market practices. This reclassification does not impact retroactively or prospectively the net income for the period.

This interim financial information was authorized for issue by the Company’s Board of Directors in a meeting held on May 15, 2015.

## **2.1. Accounting estimates**

The preparation of interim financial information requires the use of estimates and assumptions for certain assets, liabilities and other transactions. These estimates include: write-off of overpayments improperly capitalized, oil and gas reserves, pension and medical benefits liabilities, depreciation, depletion and amortization, decommissioning costs, impairment of assets, hedge accounting, provisions for legal proceedings, fair value of financial instruments, present value adjustments of trade receivables and payables from relevant transactions, and income taxes (income tax – IRPJ and social contribution on net income – CSLL). Although our management uses assumptions and judgments that are periodically reviewed, the actual results could differ from these estimates.

## **3. The “Lava Jato (Car Wash) Operation” and its effects on the Company**

In the third quarter of 2014, the Company wrote off R\$ 6,194 (R\$ 4,788 in the Parent Company) of capitalized costs representing amounts that Petrobras overpaid for the acquisition of property, plant and equipment in prior years. For further information see note 3 to the Company’s December 31, 2014 audited consolidated financial statements.

**Petróleo Brasileiro S.A. – Petrobras**

Notes to the financial statements

*(Expressed in millions of reais, unless otherwise indicated)*

In preparing its financial statements for the first quarter of 2015, the Company carefully considered all available information and does not expect that new developments in the investigations related to the “Lava Jato” (Car Wash) Operation by the Brazilian authorities, by the independent law firms conducting an internal investigation, or by newly set up internal commissions (or a review of the results of previous internal investigations) could materially impact or change the methodology adopted to recognize the write-off described above. Notwithstanding this expectation, the Company will continuously monitor the investigations for additional information and, as of March 31, 2015, has not identified any necessary adjustment based on existing information.

On May 13, 2015, the Company received R\$ 157 representing the first portion of amounts recovered from Pedro José Barusco Filho, a former executive manager of the Services area, who previously entered into a plea agreement with Brazilian authorities. This amount will be recognized as other income in the second quarter of 2015 (amounts recovered – “overpayments incorrectly capitalized”). To the extent that any of the proceedings resulting from the Lava Jato investigation involve leniency agreements with cartel members or plea agreements with individuals pursuant to which they agree to return funds, Petrobras may be entitled to receive a portion of such funds.

See note 28 for information about class actions and the Company’s other material legal proceedings.

**4. Basis of consolidation**

The consolidated interim financial information includes the quarterly information of Petrobras, its subsidiaries, joint operations and consolidated structured entities.

There were no significant changes in the consolidated entities in the three-month period ended March 31, 2015.

The main disposal of assets and legal mergers are set out in note 9.

**4.1. Reconciliation between shareholders’ equity and net income for the parent company and consolidated**

	<b>Shareholders' equity</b>		<b>Net income</b>	
	<b>03.31.2015</b>	<b>03.31.2014</b>	<b>Jan-Mar2015</b>	<b>Jan-Mar2014</b>
Consolidated - IFRS	305,712	310,722	4,528	5,786
Non-controlling Interests	(1,954)	(1,874)	802	(393)
Deferred Expenses, Net of Income Tax (*)	–	–	–	(30)



Parent company - Brazilian Accounting Standards (CPC)	303,758	308,848	5,330	5,363
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(\*) Deferred expenses were fully amortized by December 31, 2014.

## **5. Accounting policies**

The same accounting policies and methods of computation were followed in these consolidated interim financial statements as those followed in the preparation of the annual financial statements of the Company for the year ended December 31, 2014.

**Petróleo Brasileiro S.A. – Petrobras**

Notes to the financial statements

*(Expressed in millions of reais, unless otherwise indicated)***6. Cash and cash equivalents and Marketable securities**

<b>Cash and Cash Equivalents</b>	<b>Consolidated</b>	
	<b>03.31.2015</b>	<b>12.31.2014</b>
Cash at bank and in hand	2,226	1,884
Short-term financial investments		
- In Brazil		
Single-member funds (Interbank Deposit) and other short-term deposits	5,009	5,311
Other investment funds	125	107
- Abroad	5,134	5,418
Time deposits	12,998	23,110
Automatic investing account	7,266	8,226
Other financial investments abroad	6,826	5,601
	27,090	36,937
Total short-term financial investments	32,224	42,355
Total cash and cash equivalents	34,450	44,239

Short-term financial investments in Brazil comprise investments in exclusive (single-member) funds, mainly holding Brazilian Federal Government Bonds. Short-term financial investments abroad are comprised of time deposits, highly-liquid automatic investing accounts and other short-term fixed income instruments from highly-rated financial institutions with maturities of three months or less.

<b>Marketable securities</b>	<b>Consolidated</b>	
	<b>03.31.2015</b>	<b>12.31.2014</b>
Trading securities	4,930	7,146
Available-for-sale securities	37	56
Held-to-maturity securities	29,155	17,851
	34,122	25,053
Current	33,828	24,763
Non-current	294	290

Trading securities refer mainly to investments in Brazilian Government Bonds and held-to-maturity securities are mainly comprised of time deposits with highly-rated financial institutions abroad.

These financial investments have maturities of more than three months and are classified as current assets due to their maturity or the expectation of their realization in the short term.

**Petróleo Brasileiro S.A. – Petrobras**

Notes to the financial statements

*(Expressed in millions of reais, unless otherwise indicated)***7. Trade and other receivables****7.1. Trade and other receivables, net**

	<b>Consolidated</b>	
	<b>03.31.2015</b>	<b>12.31.2014</b>
Trade receivables		
Third parties	28,140	26,620
Related parties (Note 17)		
Investees	2,039	2,293
Receivables from the electricity sector	8,982	7,879
Petroleum and alcohol accounts - receivables from Federal Government	845	843
Other receivables	5,149	5,322
	45,155	42,957
Provision for impairment of trade receivables	(8,408)	(8,956)
	36,747	34,001
Current	20,737	21,167
Non-current	16,010	12,834

**7.2. Changes in the allowance for impairment of trade receivables**

	<b>Consolidated</b>	
	<b>03.31.2015</b>	<b>12.31.2014</b>
Opening balance	8,956	3,293
Additions	601	5,801
Write-offs (*)	(1,465)	(323)
Cumulative translation adjustment	316	185
Closing balance	8,408	8,956
Current	4,198	3,845
Non-current	4,210	5,111

(\*) Includes R\$ 1,295 related to the electric sector at March 31, 2015, (see note 7.4).

**7.3. Trade receivables overdue - Third parties**

	<b>Consolidated</b>	
	<b>03.31.2015</b>	<b>12.31.2014</b>
Up to 3 months	2,376	2,186
From 3 to 6 months	1,164	472
From 6 to 12 months	765	480
More than 12 months	5,316	4,866
	9,621	8,004

**Petróleo Brasileiro S.A. – Petrobras**

Notes to the financial statements

*(Expressed in millions of reais, unless otherwise indicated)***7.4. Trade receivables - electricity sector (isolated electricity system in the northern region of Brazil)**

	<b>Consolidated 03.31.2015</b>			<b>12.31.2014</b>		
	<b>Not yet due</b>	<b>Overdue</b>	<b>Total</b>	<b>Not yet due</b>	<b>Overdue</b>	<b>Total</b>
Clients						
Eletrobras Group (note 17.5)	6,753	2,229	8,982	6,736	1,143	7,879
Companhia de Gás do Amazonas (CIGÁS)	3,244	993	4,237	3,364	442	3,806
Others	105	1,115	1,220	63	1,046	1,109
	10,102	4,337	14,439	10,163	2,631	12,794
(-) Allowance for impairment of trade receivables	(1,639)	(1,735)	(3,374)	(2,895)	(1,650)	(4,545)
Total	8,463	2,602	11,065	7,268	981	8,249
Related parties	6,588	1,601	8,189	6,569	437	7,006
Third parties	1,875	1,001	2,876	699	544	1,243

As of March 31, 2015, the Company had receivables from the isolated electricity system in the northern region of Brazil related to fuel oil, natural gas and other products sold to thermoelectric power plants (which are subsidiaries of Eletrobras), state-owned natural gas distribution companies and independent electricity producers (Produtores Independentes de Energia – PIE) located in the northern region of Brazil, in the amount of R\$ 14,439 (R\$ 12,794 as of December 31, 2014), of which R\$12,351 were classified as non-current assets.

A portion of the costs related to the supply of fuel to those thermoelectric power plants located in the northern region of Brazil is borne by funds from the Fuel Consumption Account (Conta de Consumo de Combustível – CCC), which is managed by Eletrobras.

Funds transferred from the CCC to the electricity companies in the northern region of Brazil have not been sufficient for them to meet their financial obligations, and, as a result, some of these companies have experienced financial difficulties and have not been able to pay for the products supplied by Petrobras. The Company entered into a debt acknowledgement agreement with subsidiaries of Eletrobras on December 31, 2014 with respect to the balance

of its receivables as of November 30, 2014. Eletrobras acknowledged being indebted in the amount of R\$ 8.601. This amount is being updated based on the Selic interest rate (Brazilian short-term interest rate) every month. Under the agreement, the amounts started to be paid in 120 monthly installments beginning in February 2015 and R\$ 6,084 were guaranteed by collaterals, as of December 31, 2014.

In 2015, the Brazilian government implemented a new pricing policy for the electricity sector and has already implemented price increases in the first quarter of 2015. The new policy will strengthen the financial situation of the companies in the electricity sector and reduce their insolvency on payables from fuel oil and other products supplied. The Company expects that the impact of the higher electricity prices resulting from the new policy will be more significant after the first quarter of 2015, notably because the funds received from the end customer will be transferred to the CCC and used to refund the electricity generation companies.

The Company recognized an allowance of R\$ 4,511 for impairment of trade receivables in 2014 to cover uncollateralized receivables as of October 31, 2014, including the balances of previous debt acknowledgement agreements and from companies that were not part of the most recent debt acknowledgment agreement with Eletrobras.

On March 31, 2015 the Company recognized a reversal of an allowance for impairment of trade receivables of R\$ 1,295 due to the pledge of additional receivables the CCC has from the Brazilian Energy Development Account (*Conta de Desenvolvimento Energético – CDE*) as security on May 7, 2015, for an additional portion of the debt acknowledgement agreement entered into with Eletrobras in 2014.

**Petróleo Brasileiro S.A. – Petrobras**

Notes to the financial statements

*(Expressed in millions of reais, unless otherwise indicated)***8. Inventories**

	<b>Consolidated</b>	
	<b>03.31.2015</b>	<b>12.31.2014</b>
Crude oil	11,617	10,563
Oil Products	11,695	11,510
Intermediate products	2,248	2,268
Natural gas and LNG (*)	1,089	951
Biofuels	579	398
Fertilizers	125	91
	27,353	25,781
Materials, supplies and others	4,830	4,797
	32,183	30,578
Current	32,031	30,457
Non-current	152	121

(\*) Liquid natural gas

Inventories are presented net of a R\$ 331 allowance reducing inventories to net realizable value (R\$ 399 as of December 31, 2014), mainly due to the decrease in international prices of crude oil and oil products. In the quarter ended March 31, 2015 the Company recognized a R\$ 287 allowance reducing inventories to net realizable value recognized as cost of sales (R\$291 in the quarter ended March 31, 2014).

A portion of the crude oil and/or oil products inventories have been pledged as security for the Terms of Financial Commitment (TFC) signed by Petrobras and Petros in the amount of R\$ 5,795 (R\$ 6,151 as of December 31, 2014), as set out in note 20.

**9. Disposal of assets and legal mergers****9.1. Disposal of assets****Disposal of assets in Argentina**

On March 30, 2015, Petrobras Argentina S.A., PESA, disposed of its interest in assets located in the Austral Basin in Santa Cruz to Compañía General de Combustibles S.A. (CGC) for a lump-sum payment of US\$ 101 million, made on the same date. The Company recognized a US\$ 77 million gain in other expenses, net.



**Innova S.A.**

On August 16, 2013, the Board of Directors of Petrobras approved the disposal of 100% of the share capital of Innova S.A. to Videolar S.A. and its controlling shareholder at a consideration of R\$ 870, subject to certain condition precedent, such as approval by the Brazilian Antitrust Regulator (Conselho Administrativo de Defesa Econômica – CADE).

On October 30, 2014 the transaction was concluded as set out in the sales and purchase agreement and a R\$ 145 gain was recognized in other expenses, net.

On March 31, 2015, a final price adjustment was agreed between the parties and was paid. The Company recognized the additional payment received of R\$ 223, in other expenses, net.

**Petróleo Brasileiro S.A. – Petrobras**

Notes to the financial statements

*(Expressed in millions of reais, unless otherwise indicated)***9.2. Legal mergers**

On January 30, 2015, the Shareholders' Extraordinary General Meeting of Petrobras approved the mergers of the subsidiaries Areambepe Energia S.A. and Energética Camaçari Muricy S.A. into Petrobras, which did not increase share capital.

The objective of these mergers is to simplify the corporate structure of the Company, reduce costs and capture synergies. These mergers did not affect the Company's consolidated financial statements.

**10. Investments****10.1. Investments in subsidiaries, joint ventures, joint operations and associates (Parent Company)**

	<b>03.31.2015</b>	<b>12.31.2014</b>
Subsidiaries:		
PNBV	47,981	36,690
BR Distribuidora	12,239	11,924
Transpetro	5,195	4,738
TAG	4,014	6,490
PB-LOG	3,489	3,398
PIB BV	2,831	1,183
Gaspetro	2,674	2,593
PBIO	2,064	2,209
Liquigás	1,024	1,017
Citepe	940	1,049
Termomacaé	852	813
Araucária Nitrogenados	783	761
PetroquímicaSuape	608	750
Breitener	583	565
5283 Participações	496	215
PBEN	443	432
Termobahia	403	398
Other subsidiaries	487	1,058
Joint operations	218	204
Joint ventures	337	335
Associates		
Braskem	3,698	4,544
Other associates	1,290	1,092
	<b>92,649</b>	<b>82,458</b>

Subsidiaries, joint operations/joint ventures and  
associates

Other investments	23	23
Total investments	92,672	82,481

**Petróleo Brasileiro S.A. – Petrobras**

Notes to the financial statements

*(Expressed in millions of reais, unless otherwise indicated)***10.2. Investments in joint ventures and associates (Consolidated)**

	Investments		Equity	
	03.31.2015	12.31.2014	Jan-Mar/2015	Jan-Mar/2014
<b>Investments measured using equity method</b>				
Braskem S.A.	3,698	4,544	72	128
Petrobras Oil & Gas B.V. - PO&G	5,511	4,554	11	236
Guarani S.A.	1,254	1,377	(8)	(14)
State-controlled Natural Gas Distributors	945	904	43	69
Nova Fronteira Bioenergia S.A.	428	433	(5)	4
Petrowayu S.A.	436	361	–	(1)
Petroritupano S.A.	359	297	–	(2)
Other petrochemical investees	178	174	4	27
UEG Araucária Ltda	210	194	31	27
Petrokariña S.A.	144	119	–	–
Transierra S.A.	–	–	–	6
Others	2,649	2,280	25	42
	15,812	15,237	173	522
Other investees	44	45	–	–
	15,856	15,282	173	522

**10.3. Investments in listed companies**

Company	Thousand-share lot		Type	Quoted stock exchange prices (R\$ per share)		Market value	
	03.31.2015	12.31.2014		03.31.2015	12.31.2014	03.31.2015	12.31.2014
Indirect subsidiary							
Petrobras Argentina S.A.	1,356,792	1,356,792	Common	2.95	1.72	4,003	2,334
						4,003	2,334
Associate							
Braskem S.A.	212,427	212,427	Common	8.10	10.80	1,721	2,294

Braskem			Preferred				
S.A.	75,793	75,793	A	11.00	17.50	834	1,326
						2,555	3,620

The market value of these shares does not necessarily reflect the realizable value upon sale of a large block of shares.

**Braskem S.A. - Investment in publicly traded associate:**

Braskem's shares are publicly traded on stock exchanges in Brazil and abroad. The quoted market value as of March 31, 2015, was R\$ 2,555, based on the quoted values of both Petrobras' interest in Braskem's common stock (47% of the outstanding shares), and preferred stock (22% of the outstanding shares). However, there is extremely limited trading of the common shares, since non-signatories of the shareholders' agreement hold only approximately 3% of the common shares.

In addition, given the operational relationship between Petrobras and Braskem, the recoverable amount of the investment, for impairment testing purposes, was determined based on value in use, considering future cash flow projections and the manner in which the Company can derive value from this investment via dividends and other distributions to arrive at its value in use. As the recoverable amount was higher than the carrying amount, no impairment losses were recognized for this investment.

The main assumptions on which cash flow projections were based to determine Braskem's value in use are set out in note 14 to the Company's audited consolidated financial statements for the year ended December 31, 2014.

**Petróleo Brasileiro S.A. – Petrobras**

Notes to the financial statements

*(Expressed in millions of reais, unless otherwise indicated)***11. Property, plant and equipment****11.1. By class of assets**

	<b>Consolidated</b>				<b>Parent Company</b>	
	<b>Land, buildings and improvement assets</b>	<b>Equipment and other assets</b>	<b>Assets under construction (*)</b>	<b>Exploration and development costs (Oil and gas producing properties)</b>	<b>Total</b>	<b>Total</b>
Balance at January 1, 2014	18,431	211,781	186,840	116,828	533,880	402,567
Additions	71	4,826	71,410	1,394	77,701	59,820
Additions to / review of estimates of decommissioning costs	–	–	–	5,096	5,096	5,316
Capitalized borrowing costs	–	–	8,431	–	8,431	7,793
Write-offs	(23)	(132)	(9,303)	(464)	(9,922)	(9,007)
Write-off - overpayments incorrectly capitalized	(85)	(2,842)	(2,643)	(222)	(5,792)	(4,425)
Transfers (**)	6,517	59,923	(86,189)	54,501	34,752	31,921
Depreciation, amortization and depletion	(1,252)	(17,409)	–	(11,500)	(30,161)	(22,081)
Impairment - recognition (***)	(2,370)	(3,682)	(30,997)	(7,540)	(44,589)	(34,762)
Impairment - reversal (****)	–	45	–	7	52	8
Cumulative translation adjustment	52	7,787	3,078	625	11,542	–
Balance at December 31,	21,341	260,297	140,627	158,725	580,990	437,150

2014						
Cost	29,160	377,259	140,627	233,808	780,854	586,684
Accumulated depreciation, amortization and depletion	(7,819)	(116,962)	–	(75,083)	(199,864)	(149,534)
Balance at December 31, 2014	21,341	260,297	140,627	158,725	580,990	437,150
Additions	16	933	15,516	240	16,705	13,517
Additions to / review of estimates of decommissioning costs	–	–	–	68	68	57
Capitalized borrowing costs	–	–	1,444	–	1,444	1,218
Write-offs	(9)	(45)	(730)	(155)	(939)	(520)
Transfers	710	9,395	(16,610)	7,200	695	688
Depreciation, amortization and depletion	(396)	(4,563)	–	(3,445)	(8,404)	(6,307)
Cumulative translation adjustment	187	13,912	5,156	1,564	20,819	–
Balance at March 31, 2015	21,849	279,929	145,403	164,197	611,378	445,803
Cost	30,346	407,612	145,403	243,577	826,938	601,741
Accumulated depreciation, amortization and depletion	(8,497)	(127,683)	–	(79,380)	(215,560)	(155,938)
Balance at March 31, 2015	21,849	279,929	145,403	164,197	611,378	445,803
Weighted average of useful life in years	40 (25 to 50)	20 (3 to 31)				
	(except land)	(**)		Units of production method		

(\*) See note 27 for assets under construction by business area.

(\*\*) Includes exploration and production assets depreciated based on the units of production method.

(\*\*\*) Includes R\$ 24,419, reclassified from Intangible Assets to Property, Plant and Equipment, as a result of the declaration of commerciality of areas of the Assignment Agreement (note 12.3 to our audited consolidated financial statements for the year ended December 31, 2014).

(\*\*\*\*) For further information see note 14 to the audited consolidated financial statements for the year ended December 31, 2014.

As of March 31, 2015, consolidated and parent company property, plant and equipment includes assets under finance leases of R\$ 192 and R\$ 9,419, respectively (R\$ 192 and R\$ 8,979 at December 31, 2014).

The Company's property, plant and equipment include the amount of R\$ 74,808 related to the acquisition costs of areas in the Assignment Agreement.



**Petróleo Brasileiro S.A. – Petrobras**

Notes to the financial statements

*(Expressed in millions of reais, unless otherwise indicated)***12. Intangible assets****12.1. By class of assets**

	<b>Consolidated</b>				<b>Parent Company</b>	
	<b>Rights and</b>		<b>Softwares</b>			
	<b>Concessions</b>	<b>Acquired</b>	<b>in-house</b>	<b>Goodwill</b>	<b>Total</b>	<b>Total</b>
Balance at January 1, 2014	33,690	332	1,162	937	36,121	33,289
Addition	214	94	279	–	587	478
Capitalized borrowing costs	–	–	19	–	19	19
Write-offs	(219)	(11)	(23)	–	(253)	(229)
Transfers (**)	(24,164)	18	22	(3)	(24,127)	(24,057)
Amortization	(84)	(120)	(312)	–	(516)	(392)
Impairment - recognition	(21)	(1)	–	–	(22)	–
Impairment - reversal	15	–	–	–	15	–
Cumulative translation adjustment	111	3	1	37	152	–
Balance at December 31, 2014	9,542	315	1,148	971	11,976	9,108
Cost	10,633	1,536	3,403	971	16,543	12,051
Accumulated amortization	(1,091)	(1,221)	(2,255)	–	(4,567)	(2,943)
Balance at December 31, 2014	9,542	315	1,148	971	11,976	9,108
Addition	9	13	61	–	83	70
Capitalized borrowing costs	–	–	4	–	4	4
Write-offs	(8)	–	(1)	–	(9)	(9)
Transfers (**)	5	1	10	(2)	14	17
Amortization	(19)	(23)	(70)	–	(112)	(88)
Cumulative translation adjustment	210	5	2	65	282	–
Balance at March 31, 2015	9,739	311	1,154	1,034	12,238	9,102
Cost	10,620	1,611	3,494	1,034	16,759	12,129

Accumulated amortization	(881)	(1,300)	(2,340)	–	(4,521)	(3,027)
Balance at March 31, 2015	9,739	311	1,154	1,034	12,238	9,102
Estimated useful life - years	(*)	5	5	Indefinite		

(\*) Mainly comprised of assets with indefinite useful lives, which are reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment.

(\*\*) Includes R\$ 24,419, reclassified from Intangible Assets to Property Plant and Equipment, as a result of the declaration of commerciality of areas of the Assignment Agreement (note 12.3 to our audited consolidated financial statements for the year ended December 31, 2014).

### 13. Exploration for and evaluation of oil and gas reserves

Exploration and evaluation activities include the search for oil and gas from obtaining the legal rights to explore a specific area to the declaration of the technical and commercial viability of the reserves.

Changes in the balances of capitalized costs directly associated with exploratory wells pending determination of proved reserves and the balance of amounts paid for obtaining rights and concessions for exploration of oil and natural gas (capitalized acquisition costs), are set out in the table below:

**Petróleo Brasileiro S.A. – Petrobras**

Notes to the financial statements

*(Expressed in millions of reais, unless otherwise indicated)*

<b>Capitalized Exploratory Well Costs / Capitalized Acquisition Costs (*)</b>	<b>Consolidated</b>	
	<b>03.31.2015</b>	<b>12.31.2014</b>
Property, plant and equipment		
Opening Balance	18,594	20,619
Additions to capitalized costs pending determination of proved reserves	2,384	10,039
Capitalized exploratory costs charged to expense	(514)	(3,145)