

PETROBRAS - PETROLEO BRASILEIRO SA  
Form 20-F  
April 29, 2013

**As filed with the Securities and Exchange Commission on April 26, 2013**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 20-F  
ANNUAL REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**for the fiscal year ended December 31, 2012**

**Commission File Number 001-15106**

**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)**

**The Federative Republic of Brazil**

**(Jurisdiction of incorporation or organization)**

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**Avenida República do Chile, 65**

**20031-912 - Rio de Janeiro - RJBrazil**

**(Address of principal executive offices)**

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20031-912 - Rio de Janeiro - RJBrazil**

**(Name, telephone, e-mail and/or facsimile number and address of company contact person)**

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**Securities registered or to be registered pursuant to Section 12(b) of the Act:**

Title of each class:	Name of each exchange on which registered:
Petrobras Common Shares, without par value* Petrobras American Depositary Shares, or ADSs	New York Stock Exchange*
(evidenced by American Depositary Receipts, or ADRs), each representing two Common Shares	New York Stock Exchange
Petrobras Preferred Shares, without par value*	New York Stock Exchange*
Petrobras American Depositary Shares  (as evidenced by American Depositary Receipts), each representing two Preferred Shares	New York Stock Exchange
2.875% Global Notes due 2015, issued by PifCo	New York Stock Exchange
6.125% Global Notes due 2016, issued by PifCo	New York Stock Exchange
3.875% Global Notes due 2016, issued by PifCo	New York Stock Exchange
3.500% Global Notes due 2017, issued by PifCo	New York Stock Exchange
5.875% Global Notes due 2018, issued by PifCo	New York Stock Exchange
7.875% Global Notes due 2019, issued by PifCo	New York Stock Exchange
5.75% Global Notes due 2020, issued by PifCo	New York Stock Exchange
5.375% Global Notes due 2021, issued by PifCo	New York Stock Exchange
6.875% Global Notes due 2040, issued by PifCo	New York Stock Exchange
6.750% Global Notes due 2041, issued by PifCo	New York Stock Exchange

\* Not for trading, but only in connection with the registration of American Depositary Shares pursuant to the requirements of the New York Stock Exchange.

**Securities registered or to be registered pursuant to Section 12(g) of the Act: None**

**Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:**

**TITLE OF EACH CLASS:**

9.125% Global Notes due 2013, issued by PifCo

7.75% Global Notes due 2014, issued by PifCo

8.375% Global Notes due 2018, issued by PifCo

4.875% Global Notes due 2018, issued by PifCo

3.25% Global Notes due 2019, issued by PGF

5.875% Global Notes due 2022, issued by PifCo

4.25% Global Notes due 2023, issued by PGF

6.250% Global Notes due 2026, issued by PifCo

5.375% Global Notes due 2029, issued by PGF

**The number of outstanding shares of each class of stock as of December 31, 2012 was:**

7,442,454,142 Petrobras Common Shares, without par value

5,602,042,788 Petrobras Preferred Shares, without par value

**Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act.**

Yes  No

**If this report is an annual or transitional report, indicate by check mark if the registrant is not required to file reports pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934.**

Yes  No

**Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.**

Yes  No

**Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).**

Yes  No

**Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" in**

**Rule 12b-2 of the Exchange Act. (Check one):**

**Large accelerated filer**  **Accelerated filer**  **Non-accelerated filer**

**Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:**

**U.S. GAAP**  **International Financial Reporting Standards as issued by the International Accounting Standards Board**  **Other**

**If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.**

**Item 17**  **Item 18**

**If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).**

**Yes**  **No**

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**TABLE OF CONTENTS**

	<u>Page</u>
<u>Forward-Looking Statements</u>	3
<u>Glossary of Petroleum Industry Terms</u>	5
<u>Conversion Table</u>	7
<u>Abbreviations</u>	8
<u>Presentation of Financial and Other Information</u>	9
<u>Presentation of Information Concerning Reserves</u>	10
<u>PART I</u>	11
<u>Item 1. Identity of Directors, Senior Management and Advisers</u>	11
<u>Item 2. Offer Statistics and Expected Timetable</u>	11
<u>Item 3. Key Information</u>	11
<u>Selected Financial Data</u>	11
<u>Risk Factors</u>	14
<u>Item 4. Information on the Company</u>	23
<u>History and Development</u>	23
<u>Overview of the Group</u>	23
<u>Exploration and Production</u>	25
<u>Refining, Transportation and Marketing</u>	34
<u>Distribution</u>	39
<u>Gas and Power</u>	40
<u>International</u>	48
<u>Biofuels</u>	53
<u>Corporate</u>	54
<u>Organizational Structure</u>	54
<u>Property, Plants and Equipment</u>	55
<u>Regulation of the Oil and Gas Industry in Brazil</u>	55
<u>Health, Safety and Environmental Initiatives</u>	59
<u>Insurance</u>	62
<u>Additional Reserves and Production Information</u>	63
<u>Item 4A. Unresolved Staff Comments</u>	71
<u>Item 5. Operating and Financial Review and Prospects</u>	71
<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	71
<u>Overview</u>	72
<u>Sales Volumes and Prices</u>	72
<u>Effect of Taxes on Our Income</u>	74
<u>Inflation and Exchange Rate Variation</u>	74

<u>Results of Operations</u>	<u>75</u>
<u>Additional Business Segment Information</u>	<u>85</u>
<u>Liquidity and Capital Resources</u>	<u>86</u>
<u>Contractual Obligations</u>	<u>90</u>
<u>Critical Accounting Policies and Estimates</u>	<u>90</u>
<u>Research and Development</u>	<u>93</u>
<u>Trends</u>	<u>95</u>
<u>Item 6. Directors, Senior Management and Employees</u>	<u>96</u>
<u>Directors and Senior Management</u>	<u>96</u>
<u>Compensation</u>	<u>102</u>
<u>Share Ownership</u>	<u>103</u>
<u>Fiscal Council</u>	<u>103</u>
<u>Audit Committee</u>	<u>103</u>
<u>Other Advisory Committees</u>	<u>104</u>
<u>Ombudsman</u>	<u>104</u>
<u>Employees and Labor Relations</u>	<u>105</u>
<u>Item 7. Major Shareholders and Related Party Transactions</u>	<u>107</u>
<u>Major Shareholders</u>	<u>107</u>

## TABLE OF CONTENTS (cont.)

	<u>Page</u>
<u>Item 8.</u>	<u>109</u>
<u>Financial Information</u>	
<u>Consolidated Statements and Other Financial Information</u>	<u>109</u>
<u>Legal Proceedings</u>	<u>109</u>
<u>Dividend Distribution</u>	<u>109</u>
<u>Item 9.</u>	<u>110</u>
<u>The Offer and Listing</u>	
<u>Item 10.</u>	<u>111</u>
<u>Additional Information</u>	
<u>Memorandum and Articles of Incorporation</u>	<u>111</u>
<u>Restrictions on Non-Brazilian Holders</u>	<u>120</u>
<u>Transfer of Control</u>	<u>121</u>
<u>Disclosure of Shareholder Ownership</u>	<u>121</u>
<u>Material Contracts</u>	<u>121</u>
<u>Exchange Controls</u>	<u>128</u>
<u>Taxation Relating to Our ADSs and Common and Preferred Shares</u>	<u>129</u>
<u>Taxation Relating to PifCo's and PGF's Notes</u>	<u>137</u>
<u>Documents on Display</u>	<u>144</u>
	<u>144</u>
<u>Item 11.</u>	<u>147</u>
<u>Qualitative and Quantitative Disclosures about Market Risk</u>	
<u>Item 12.</u>	<u>147</u>
<u>Description of Securities other than Equity Securities</u>	
<u>American Depositary Shares</u>	<u>147</u>
<u>PART II</u>	<u>148</u>
<u>Item 13.</u>	<u>148</u>
<u>Defaults, Dividend Arrearages and Delinquencies</u>	
	<u>148</u>
<u>Item 14.</u>	<u>149</u>
<u>Material Modifications to the Rights of Security Holders and Use of Proceeds</u>	
<u>Item 15.</u>	<u>149</u>
<u>Controls and Procedures</u>	
<u>Evaluation of Disclosure Controls and Procedures</u>	<u>149</u>
<u>Management's Report on Internal Control over Financial Reporting</u>	<u>149</u>
<u>Changes in Internal Controls</u>	<u>149</u>
<u>Item 16A.</u>	<u>150</u>
<u>Audit Committee Financial Expert</u>	
<u>Item 16B.</u>	<u>150</u>
<u>Code of Ethics</u>	
<u>Item 16C.</u>	<u>150</u>
<u>Principal Accountant Fees and Services</u>	
<u>Audit and Non-Audit Fees</u>	<u>150</u>
<u>Audit Committee Approval Policies and Procedures</u>	<u>150</u>
	<u>151</u>
<u>Item 16D.</u>	<u>151</u>
<u>Exemptions from the Listing Standards for Audit Committees</u>	
<u>Audit Committee Approval Policies and Procedures</u>	<u>151</u>

<u>Item 16E.</u>	<u>Purchases of Equity Securities by the Issuer and Affiliated Purchasers</u>	<u>151</u>
<u>Item 16F.</u>	<u>Change in Registrant's Certifying Accountant</u>	<u>151</u>
<u>Item 16G.</u>	<u>Corporate Governance</u>	<u>152</u>
<u>PART III</u>		<u>155</u>
<u>Item 17.</u>	<u>Financial Statements</u>	<u>155</u>
<u>Item 18.</u>	<u>Financial Statements</u>	<u>155</u>
<u>Item 19.</u>	<u>Exhibits</u>	<u>155</u>
<u>Signatures</u>		<u>159</u>
<u>Index to Audited Consolidated Financial Statements</u>		<u>160</u>



## **FORWARD-LOOKING STATEMENTS**

Some of the information contained in this annual report are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or Exchange Act, that are not based on historical facts and are not assurances of future results. Many of the forward-looking statements contained in this annual report may be identified by the use of forward-looking words, such as “believe,” “expect,” “anticipate,” “should,” “planned,” “estimate” and “potential,” among others. 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 petroleum, 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;
- development of additional revenue sources; and
- the impact, including cost, of acquisitions.

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 factors. These factors include, among other things:

- 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;
- 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;

[Table of Contents](#)

- the cost and availability of adequate insurance coverage; 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, please see “Risk Factors” in this annual report.

All forward-looking statements attributed to us or a person acting on our behalf are qualified in their entirety by this cautionary statement. 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.

The crude oil and natural gas reserve data presented or described in this annual report are only estimates and our actual production, revenues and expenditures with respect to our reserves may materially differ from these estimates.

**GLOSSARY OF PETROLEUM INDUSTRY TERMS**

Unless the context indicates otherwise, the following terms have the meanings shown below:

ANEEL	The <i>Agência Nacional de Energia Elétrica</i> (National Electrical Energy Agency), or ANEEL, is the federal agency that regulates the electricity industry in Brazil.
ANP	The <i>Agência Nacional de Petróleo, Gás Natural e Biocombustíveis</i> (National Petroleum, Natural Gas and Biofuels Agency), or ANP, is the federal agency that regulates the oil, natural gas and renewable fuels industry in Brazil.
API	Standard measure of oil density developed by the American Petroleum Institute.
Barrels	Barrels of crude oil.
Condensate	Light hydrocarbon substances produced with natural gas, which condense into liquid at normal temperature and pressure.
CNPE	The <i>Conselho Nacional de Política Energética</i> (National Energy Policy Council), or CNPE, is an advisory body of the President of the Republic responsible for formulating energy policies and guidelines.
CVM	The <i>Comissão de Valores Mobiliários</i> (Securities and Exchange Commission) of Brazil.
Deep water	Between 300 and 1,500 meters (984 and 4,921 feet) deep.
Distillation	A process by which liquids are separated or refined by vaporization followed by condensation.
EWT	Extended well test.
Exploration area	A region in Brazil under a regulatory contract without a known hydrocarbon accumulation or with a hydrocarbon accumulation that has not yet been declared commercial.
FPSO	Floating Production, Storage and Offloading Unit.
Heavy (crude) oil	Crude oil with API density less than or equal to 22°.
Intermediate (crude) oil	Crude oil with API density higher than 22° and less than or equal to 31°.
Light (crude) oil	Crude oil with API density higher than 31°.
LNG	Liquefied natural gas.
LPG	Liquefied petroleum gas, which is a mixture of saturated and unsaturated hydrocarbons, with up to five carbon atoms, used as domestic fuel.
MME	The federal Ministry of Mines and Energy, or MME.
NGLs	Natural gas liquids, which are light hydrocarbon substances produced with natural gas, which condense into liquid at normal temperature and pressure.
Oil	Crude oil, including NGLs and condensates.



Table of Contents

Pre-salt reservoir	A geological formation containing oil or natural gas deposits located beneath a salt layer.
Post-salt reservoir	A geological formation containing oil or natural gas deposits located above a salt layer.
Proved reserves	<p>Consistent with the definitions in the SEC’s Amended Rule 4-10(a) of Regulation S-X, proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible – from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations. Existing economic conditions include prices and costs at which economic productibility from a reservoir is to be determined. The price is the average price during the 12-month period prior to December 31, 2012, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions. The project to extract the hydrocarbons must have commenced or we must be reasonably certain that we will commence the project within a reasonable time.</p> <p>Reserves which can be produced economically through application of improved recovery techniques (such as fluid injection) are included in the “proved” classification when successful testing by a pilot project, or the operation of an installed program in the reservoir, provides support for the engineering analysis on which the project or program was based.</p>
Proved developed reserves	<p>Proved developed reserves are reserves that can be expected to be recovered: (i) through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and (ii) through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.</p>
Proved undeveloped reserves	<p>Proved undeveloped reserves are reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage are limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.</p> <p>Undrilled locations are classified as having undeveloped reserves only if a development plan has been adopted indicating that they</p>

are scheduled to be drilled within five years, unless the specific circumstances justify a longer time. Proved undeveloped reserves do not include reserves attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir or by other evidence using reliable technology establishing reasonable certainty.

SS	Semi-submersible unit.
Synthetic oil and synthetic gas	A mixture of hydrocarbons derived by upgrading (i.e., chemically altering) natural bitumen from oil sands, kerogen from oil shales, or processing of other substances such as natural gas or coal. Synthetic oil may contain sulfur or other non-hydrocarbon compounds and has many similarities to crude oil.
TLWP	Tension Leg Wellhead Platform.
Total depth	Total depth of a well, including vertical distance through water and below the mudline.