EXPLORING FRONTIERS AROUND THE WORLD:
FROM BRAZILIAN DEEPWATER TO GULF OF MEXICO

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The presentation may contain forecasts about future events. Such forecasts merely reflect the expectations of the Company's management. Such terms as "anticipate", "believe", "expect", "forecast", "intend", "plan", "project", "seek", "should", along with similar or analogous expressions, are used to identify such forecasts. These predictions evidently involve risks and uncertainties, whether foreseen or not by the Company. Therefore, the future results of operations may differ from current expectations, and readers must not base their expectations exclusively on the information presented herein. The Company is not obliged to update the presentation/such forecasts in light of new information or future developments.

Cautionary Statement for US investors

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation, such as oil and gas resources, that the SEC's guidelines strictly prohibit us from including in filings with the SEC.
proven reserves: 15.01 billion boe (SPE), from which 1.09 billion boe International (Dec 31st 2007)

average oil & gas production
Dec 2007: 2,367 kboed (home 2,143 kboed & abroad 224 kboed)

COMPANY’S WORLDWIDE ACTIVITY

SOURCE: PETROBRAS
E&P BUSINESS SEGMENT STRATEGY

To grow production and oil and gas reserves in a sustainable manner, and to be recognized for excellence in E&P operations

- Increase oil production in a sustainable manner, preserving the country’s self-sufficiency.
- Guarantee access to natural gas reserves and production to ensure domestic supply.
- Expand operations in areas of major E&P potential, where operating, technical and technological skills represent a competitive differential.
- Adopt practices and new technologies into declining fields in order to optimize recovery factors.
- Strengthen the Company’s position in deep and ultra deep water exploration.
- Develop exploratory efforts in new frontiers to ensure a sustainable reserve/production ratio.
- Guarantee a high replacement of reserves, maintaining the annual Reserve Replacement Index (RRI) above 100%.

SOURCE: PETROBRAS STRATEGIC PLAN 2008-2012
Technology as a mean of achieving results...
Petrobras invested US$ 740 million in 2006 and about US$ 800 million in 2007
PETROBRAS’ DEEPWATER TECHNOLOGICAL HISTORY

- **First technological program - PROCAP (1986-1991):** enable production feasibility up to 1,000 m water depth
- **Second version of the program – PROCAP 2000 (1992-1999):** enable production feasibility up to 2,000 m water depth
- **Further technological developments (PROCAP 3000) to provide means to extend the operational scenario to 3,000 m water depth**

SOURCE: AFTER PETROBRAS DOMESTIC E&P RESULTS AND PERSPECTIVES, FEB 2007
OIL PRODUCTION HISTORY
PETROBRAS E&P BRAZIL

FUTURE PRODUCTION
DEEPWATER DRIVEN

Thousand bpd

Year


- 500 1.000 1.500 2.000 2.500

2374 1792

ONSHORE  OFFSHORE <= 300m  OFFSHORE > 300m  TARGET

SOURCE: AFTER PETROBRAS DOMESTIC E&P RESULTS AND PERSPECTIVES, FEB 2007
EXPANSION OF EXPLORATION FRONTIERS

Source: PETROBRAS DOMESTIC E&P RESULTS AND PERSPECTIVES, FEB 2007
TUPI AREA (BMS-11) – light oil (28° API) in a new frontier in the Santos Basin.
Caxaréu Field – light oil (30° API) in the northern part of the Campos Basin
Pirambu Field – light oil (29° API) in the northern part of the Campos Basin
Jubarte Field – light oil in the northern part of the Campos Basin
Well 1-SPS-51 (BMS-21) – in a new frontier in the Santos Basin.
Jupiter (BMS-24) – natural gas and condensate in a new frontier in the Santos Basin

SOURCE: PETROBRAS - MODIFIED FROM "PRE-SALT RESERVOIRS OFFSHORE BRAZIL: PERSPECTIVES AND CHALLENGES" NOV 2007
PRE SALT IN THE SANTOS BASIN

SOURCE: PETROBRAS - MODIFIED FROM "PRE-SALT RESERVOIRS OFFSHORE BRAZIL: PERSPECTIVES AND CHALLENGES" NOV 2007
Objective:
Develop and disseminate technologies to incorporate reserves and to develop the production of the recent discoveries in the pre-sal section.

Projects’ Portfolio:
• Well construction for the pre-salt section (drilling fluids, cement resistance, stimulation techniques, geomechanical model, liner drilling, well control in the salt zone, multilaterals).
• Geoscience (chemical stratigraphy, core-log-test integration, geomechanical model and fracture distribution, pre-sal imaging, seismic attributes)
• Reservoir Engineering: Recovery optimization
SANTOS BASIN PRE-SALT SEISMIC SECTION

SOURCE: PETROBRAS - "PRE-SALT RESERVOIRS OFFSHORE BRAZIL: PERSPECTIVES AND CHALLENGES" NOV 2007
E&P Abroad
**Deepwater Tyrona Concession** - from coast line up to 3,000 m water depth (~9,850 feet) 22,500 km² area (2nd phase) Colombian sector of the Caribbean Sea: Petrobras operator 40%; Exxon 40%; and Ecopetrol 20%.

- Petrobras operates exploration and production onshore as well. Proven Reserves (SPE referred to Dec 31st 2006) is 42.3 MMBOe.
- 2007 average production 16,566 boed

**SOURCE:** INTERNATIONAL BUSINESS AREA, PETROBRAS
Petrobras Energia operates exploration and production onshore as well. Proven Reserves (SPE referred to Dec 31st 2006) is 324.1 MMBOe.

2007 average production amounted to 102,012 boed.
Akpo (OML 130): 1st oil 2008, peak of 175 kbopd in 2009 (100%)

Agbami (OML 127): 1st oil 2008, peak of 250 kbopd in 2009 (100%)

Proven Reserves (SPE, 2006): 167.9 MMBO (Petrobras share)

Petrobras share in Akpo and Agbami production: 70 kbopd

SOURCE: INTERNATIONAL BUSINESS AREA, PETROBRAS
Petrobras’ share of Block 2 average production in 2007 = 3,609 bopd

Proven Reserves (31/12/2006) = 7.0 MMBO

SOURCE: INTERNATIONAL BUSINESS AREA, PETROBRAS
DEEPWATER TANZANIA

PETROBRAS 100%

BLOCKS 5, 6 & 8

PLAYING FRONTIER EXPLORATION

300<WD<3,000 meters

985<WD<9,850 ft

SOURCE: INTERNATIONAL BUSINESS AREA, PETROBRAS
PETROBRAS operates Block 18 since March 2005, holding 70% working interest.

SOURCE: INTERNATIONAL BUSINESS AREA, PETROBRAS
PETROBRAS is the operator with 50% working interest on each block, in partnership with TPAO (state owned Turkish company).

The Blocks Kirklarelli and Sinop, are located in the Turkish sector of the Black Sea, at water depth averaging 1,200 m (3,940 ft) and 2,200 m (7,220 ft), respectively.

SOURCE: INTERNATIONAL BUSINESS AREA, PETROBRAS
Petrobras is the operator with 50% working interest on each block, in partnership with Galp Energia, 30%, and Partex, 20%

The Blocks Camarão, Amêijoa, Mexilhão and Ostra are located offshore Peniche Basin, at water depth ranging from 200 to 3,000 meters.

Source: International Business Area, Petrobras
ACTIVITIES IN THE US GULF
US GULF - PETROBRAS A SMALL PLAYER IN 2001

NOT MATERIAL TO PETROBRAS STRATEGIC PLAN

SOURCE: PETROBRAS AMERICA INC
MATERIALIZING STRATEGY INTO ACTIONS

SMALL PLAYER MODEST RESERVES
SHALLOW WATERS

LEADING PLAYER LARGE RESERVES
NEW FRONTIERS

INNOVATION TECHNOLOGY

NATURAL VOCATION AND EXPERIENCE OF PETROBRAS BY CREATING VALUE THROUGH OIL & GAS EXPLORATION AND THE ABILITY TO MATERIALIZE PRODUCTION FROM ONSHORE TO ULTRA DEEPWATER ENVIRONMENTS

RISK MITIGATION
- OPTIONALITY
- MATERIALITY
- REPEATABILITY

SOURCE: PETROBRAS AMERICA INC
PETROBRAS

UNITED STATES

Houston

New Orleans

DEEP SHELF
TD: 27,000-30,000 feet deep

WESTERN GULF
WD: 650-2,300 feet
TD: 16,500-23,000 feet deep

DEEP WATERS
WD: 1,500-2,600 feet
TD: 15,000-25,000 feet deep

ULTRA DEEPWATERS
WD: 6,900-8,800 feet
TD: 27,000-30,000 feet deep

INNOVATION
UNEXPLORERD PROVINCE - TECHNOLOGY EDGE
MATURE PROVINCE - NEW CONCEPTS
INACTIVE PROVINCE - CHALLENGING PARADIGMS

NEW FRONTIER
ULTRA DEEPWATER
DEEP GAS RESERVOIRS
WESTERNMOST GOM

CONTINUATION
IMPROVED DATA QUALITY - DETAILED G&G

ACTIVE PROVINCE
GARDEN BANKS
## LEASE SALE COMPETITION

### Dataset: GULF_MEXICO

<table>
<thead>
<tr>
<th>Seq.</th>
<th>Company</th>
<th>Amount Exposed</th>
<th>Amount Spent</th>
<th>% Spent</th>
<th>Bids</th>
<th>High Bids</th>
<th>Ratio (%)</th>
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<td>SHELL OFFSHORE INC</td>
<td>$649,999,876</td>
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<td>69</td>
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<td>CHEVRON USA INC</td>
<td>$379,701,722</td>
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<td>COBALT INTNL ENGERY LP</td>
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<td>MARATHON OIL CO</td>
<td>$345,094,321</td>
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<td>PETROBRAS AMERICA INC</td>
<td>$279,848,602</td>
<td>$108,107,304</td>
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<td>NEXEN PETROLEUM OFFSH USA</td>
<td>$227,766,865</td>
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<td>BHP BILLITON (DEEPWATER)</td>
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<td>CONOCOPHILLIPS COMPANY</td>
<td>$199,988,870</td>
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<td>LLOG EXPLORATION OFFSHORE</td>
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<td><strong>Average:</strong></td>
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<td><strong>56.74</strong></td>
<td><strong>68.60</strong></td>
<td><strong>30.70</strong></td>
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**OCS Sale = '205' sorted on Amount Exposed**

**Source:** MMS
Lease Sale OCS 204
- 34 blocks
- 13 in shallow waters
- 21 in deep waters
- 20 PBR as operator

Lease Sale OCS 205
- 26 blocks
- 26 in deep waters
- 22 PBR as operator

- 347 blocks offshore
- 148 in shallow waters
- 199 in deep waters
- 186 PBR as operator

SOURCE: PETROBRAS AMERICA INC
Petrobras America operated fields - Water Depth ~ 2,500 meters (8,200 feet)

US regulators approved Petrobras plans to bring first FPSO (*) to the US Gulf of Mexico

Technologies new to US Gulf of Mexico, including disconnectable turret buoy, allowing the vessel to move offsite during hurricanes and transportation via shuttle tanker.

(*) FPSO – Floating, Production, Storage and Offloading facility. Petrobras has an extensive experience in the use of FPSOS under operation offshore Brazil.
CASCADEx CHINOOK FPSO SCOPE

FPSO BW PIONEER
Storage Capacity  500,000 bbls
Production  80,000 bopd

DISCONNECTABLE SWIVEL

SOURCE: PETROBRAS AMERICA INC - AFTER THE DESIGN OF AN FPSO TO OPERATE IN THE US GOM - DOOPS 2007
• Phased Development approach is suitable to deal with the uncertainties of the Lower Tertiary Play in the US GoM;
• FPSO concept is flexible to accommodate uncertainties;
• Disconnectable FPSOs provide means to improve protection of life, environment and assets during GoM hurricanes;
• All critical components of Phase 1, including disconnectable FPSO can be considered field proven.
Investment Plan 2008-2012
Oil prices: Brent curves for Planning

Price curve Business Plan 2008/12

Price curve Business Plan 2007/11
INVESTMENT PLAN BY BUSINESS SEGMENT  2008-2012

US$ 112.4 billion

- US$ 65.1 billion directed to E&P:
  - Exploration: US$ 13.8 billion
  - Production: US$ 51.3 billion

Investment in the US  US$ 4.9 billion
19th WORLD PETROLEUM CONGRESS
A WORLD IN TRANSITION –
DELIVERING ENERGY FOR SUSTAINABLE GROWTH

JUNE 29TH TO JULY 3RD 2008 – MADRID, SPAIN

FORUM 1 – NEW FRONTIER EXPLORATION

WWW.19WPC.COM
INNOVATION, HIGH HSE STANDARDS, TECHNOLOGY AND BIOFUELS EXPERTISE

INVESTMENT GRADE
DOW JONES SUSTAINABILITY INDEX

ROSE TO 6TH IN THE PFC ENERGY 50 RANKINGS OF THE WORLD’S LARGEST LISTED ENERGY COMPANIES

Thank you

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