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PETROBRAS - PETROLEO BRASILEIRO SA

Form 424B2

March 10, 2014

Filed pursuant to Rule 424(b)(2)

Registration Statement Nos. 333-183618 and 333-183618-01

**(SUBJECT TO COMPLETION)
DATED MARCH 10, 2014**

**PROSPECTUS SUPPLEMENT
(To Prospectus dated August 29, 2012)**

Petrobras Global Finance B.V.

Unconditionally guaranteed by

Petróleo Brasileiro S.A.—Petrobras

(Brazilian Petroleum Corporation—Petrobras)

U.S.\$ % Global Notes due 20

U.S.\$ % Global Notes due 20

U.S.\$ % Global Notes due 20

U.S.\$ % Global Notes due 20

U.S.\$ Floating Rate Global Notes due 20

U.S.\$ Floating Rate Global Notes due 20

The % Global Notes due 20 (the “20 Notes”), the % Global Notes due 20 (the “20 Notes”), the % Global Notes due 20 (the “20 Notes”), the % Global Notes due 20 (the “20 Notes” and together with the 20 Notes, 20 Notes and 20 Notes, the “Fixed Rate Notes”), the Floating Rate Global Notes due 20 (the “20 Floating Rate Notes”) and the Floating Rate Global Notes due 20 (the “20 Floating Rate Notes” and together with the 20 Floating Rate Notes, the “Floating Rate Notes”) (each a “series” and collectively the “notes”) are general, unsecured, unsubordinated obligations of Petrobras Global Finance B.V., or “PGF,” a wholly-owned subsidiary of Petróleo Brasileiro S.A.-Petrobras, or “Petrobras.” The notes will be unconditionally and irrevocably guaranteed by Petrobras. The 20 Notes will mature on , and will bear interest at the rate of % per annum. Interest on the 20 Notes is payable on and of each year, beginning on . The 20 Notes will mature on , and will bear interest at the rate of % per annum. Interest on the 20 Notes is payable on and of each year, beginning on . The 20 Notes will mature on , and will bear interest at the rate of % per annum. Interest on the 20 Notes is payable on and of each year, beginning on . The 20 Notes will mature on , and will bear interest at the rate of % per annum. Interest on the 20 Notes is payable on and of each year, beginning on . The 20 Floating Rate Notes will mature on , and will bear interest at a floating rate equal to the three-month U.S. dollar LIBOR plus %. The interest rate payable on the 20 Floating Rate Notes will be reset quarterly, and interest is payable on , , and of each year,

beginning on . The 20 Floating Rate Notes will mature on , and will bear interest at a floating rate equal to the three-month U.S. dollar LIBOR plus % . The interest rate payable on the 20 Floating Rate Notes will be reset quarterly, and interest is payable on , , and of each year, beginning on .

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

ANY OFFER OR SALE OF NOTES IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC, AS AMENDED, (THE “PROSPECTUS DIRECTIVE”) MUST BE ADDRESSED TO QUALIFIED INVESTORS (AS DEFINED IN THE PROSPECTUS DIRECTIVE).

PGF intends to apply to have the notes approved for listing on the New York Stock Exchange, or the “NYSE.”

See “Risk Factors” on page S-18 to read about factors you should consider before buying the notes offered in this prospectus supplement and the accompanying prospectus.

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

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

- (1) Plus accrued interest from March , 2014, if settlement occurs after that date.
-

The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company and its direct and indirect participants, including Clearstream Banking, *société anonyme*, and Euroclear S.A./N.V., as operator of the Euroclear System, against payment in New York, New York on or about March , 2014.

Joint Bookrunners

**Bank of China BB Securities Bradesco BBI
Morgan Citigroup HSBC J.P.**

Co-managers

Banca IMI Scotiabank

March , 2014

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ABOUT THIS PROSPECTUS SUPPLEMENT

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

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

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

In this prospectus supplement, unless the context otherwise requires or as otherwise indicated, references to "Petrobras" mean Petróleo Brasileiro S.A.-Petrobras and its consolidated subsidiaries taken as a whole, and references to "PGF" mean Petrobras Global Finance B.V., a wholly-owned subsidiary of Petrobras. Terms such as "we," "us" and "our" generally refer to both Petrobras and PGF, unless the context requires otherwise or as otherwise indicated.

References herein to "*reais*" or "R\$" are to the lawful currency of Brazil. References herein to "U.S. dollars" or "U.S.\$" are to the lawful currency of the United States. References herein to "euros" or "€" are to the lawful currency of the member states of the European Monetary Union that have adopted or will adopt the single currency in accordance with the Treaty Establishing the European Community, as amended by the Treaty on European Union.

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FORWARD-LOOKING STATEMENTS

Some of the information contained or incorporated by reference in this prospectus supplement are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), that are not based on historical facts and are not assurances of future results. Many of the forward-looking statements contained, or incorporated by reference, in this prospectus supplement may be identified by the use of forward-looking words, such as “believe,” “expect,” “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;
- our 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;

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- 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 prospectus supplement and in documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

All forward-looking statements attributed to us or a person acting on our behalf are expressly qualified in their entirety by this cautionary statement, and you should not place undue reliance on any forward-looking statement included in this prospectus supplement or the accompanying prospectus. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

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

- (1) The Petrobras Annual Report on Form 20-F for the year ended December 31, 2012, filed with the SEC on April 29, 2013.
- (2) The Petrobras Report on Form 6-K furnished to the SEC on February 26, 2014, containing audited consolidated financial statements as of December 31, 2013 and 2012 and January 1, 2012 and for the years ended December 31, 2013, 2012 and 2011, in U.S. dollars, prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (the “Audited Financial Statements”), and our related amendment on Form 6-K/A, furnished to the SEC on March 10, 2014.
- (3) The Petrobras Report on Form 6-K furnished to the SEC on February 26, 2014, announcing Petrobras’ 2030 Strategic Plan and Business Plan for 2014-2018.
- (4) The Petrobras Reports on Form 6-K furnished to the SEC on the dates indicated below, concerning other recent developments in our business:
 - Report furnished on March 7, 2014 announcing Petrobras’ discovery of oil in the Transfer of Rights area.
 - Report furnished on March 7, 2014 containing management’s report on internal control over financial reporting.
 - Report furnished on March 7, 2014 announcing Petrobras’ proved reserves of oil, condensate and natural gas in 2013 according to SEC criteria.
 - Report furnished on March 6, 2014 announcing Petrobras’ oil and natural gas production in January 2014.
 - Report furnished on March 6, 2014 announcing 2013 operating results highlights.
 - Report furnished on March 3, 2014 announcing names of candidates appointed by Petrobras’ controlling and non-controlling shareholders to its Board of Directors and Fiscal Council in connection with the election to take place at Petrobras’ general and extraordinary shareholders meeting to be held on April 2, 2014.

- Report furnished on March 3, 2014, convening Petrobras' general and extraordinary shareholders meeting to be held on April 2, 2014.
- Report furnished on February 27, 2014 announcing the approval by Petrobras' Board of Directors of the merger of Termoçu S.A., Termoçar Ltda. and Companhia Locadora de Equipamentos Petrolferos – CLEP into Petrobras.
- Report furnished on February 20, 2014 announcing the operation of a new well in the Sapinho field, located in the Santos Basin.
- Report furnished on January 31, 2014 announcing Petrobras' oil and gas production in December 2013 and its 2013 production reported to the *Agncia Nacional de Petrleo, Gs Natural e Biocombustveis* (National Petroleum, Natural Gas and Biofuels Agency, or the “ANP”).
- Report furnished on January 27, 2014 announcing Petrobras' voluntary separation incentive plan.

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- Report furnished on January 23, 2014 announcing the approval of the working and investment plan of the Libra field, located in the ultradeep waters of the Santos Basin.
- Report furnished on January 8, 2014 announcing the operational performance of Petrobras' refining park between January and November 2013.
- Report furnished on January 2, 2014 announcing the start of the platform P-55 strategic project in Campos Basin's Roncador field.
- Report furnished on December 30, 2013 announcing the conclusion of the sale of Petrobras' 35% stake in the offshore project known as Parque das Conchas (BC-10) for U.S.\$1.636 billion.
- Reports furnished on December 19, 2013 announcing the submission to the ANP of (i) the declaration of commerciality of the oil discoveries in the Carioca field, located in the Santos Basin pre-salt and (ii) the declaration of commerciality of the oil and gas discoveries in the Franco and *Sul de Tupi* fields (South of Tupi), both located in the Santos Basin pre-salt.
- Report furnished on December 19, 2013 announcing the confirmation of the extension of the gas and light oil discovery on concession BM-SEAL-10 in the Moita Bonita area, located in the ultra-deep waters of the Sergipe-Alagoas Basin.
- Report furnished on December 17, 2013 announcing the discovery of an oil accumulation on concession BM-POT-17, located in the deep waters of Potiguar Basin in the state of Rio Grande do Norte.
- Report furnished on December 17, 2013 containing the minutes and resolutions of Petrobras' extraordinary general meeting held on December 16, 2013 approving (i) the merger of Refinaria Abrea e Lima S.A. - RNEST and Companhia de Recuperação Secundária - CRSec into Petrobras and (ii) the partial spin-off of certain assets and liabilities of Petrobras International Finance Company S.A. ("PifCo"), with the subsequent merger of the spun-off portion into Petrobras.
- Reports furnished on December 4, 2013, November 29, 2013, October 30, 2013 and October 28, 2013, announcing (i) Petrobras' pricing policy, as prepared by Petrobras' Board of Executive Officers and approved by its Board of Directors and (ii) the increase of gasoline and diesel prices at the refinery gate beginning on November 30, 2013.
- Report furnished on November 29, 2013, announcing Petrobras' acquisition, on its own behalf and through partnerships, of 49 blocks offered in the 12th bid round held by the ANP.
- Reports furnished on November 19, 2013 and November 13, 2013, announcing the completion of the drilling of one additional well in the Franco area and the drilling and test of the fifth exploratory well at Iara area, both in the Santos Basin pre-salt area.
- Report furnished on November 13, 2013, announcing the execution of an agreement to sell 100% of the shares issued by Petrobras' subsidiary Petrobras Energia Peru (PEP) to China Petroleum Corporation for U.S.\$2.6 billion.
- Report furnished on November 13, 2013, announcing the approval by Petrobras' Board of Directors of (i) the merger of CRSEC into Petrobras and (ii) the partial spin-off of certain assets and liabilities of PifCo, with the

subsequent merger of the spun-off portion into Petrobras.

- Report furnished on November 12, 2013, announcing the commencement of production of Platform P-63 at the Papa Terra field.

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- Report furnished on October 28, 2013, announcing the approval by Petrobras' Board of Directors of the merger of Refinaria Abreu e Lima S.A into Petrobras.
- Report furnished on October 22, 2013, announcing that in a public auction a consortium including Petrobras was awarded the rights and obligations to operate and explore the Libra field.
- Reports furnished on October 18, 2013 and August 12, 2013, announcing the confirmation of formation tests and drilling potential of the Farfan area in the ultradeep waters of the Sergipe Basin.
- Reports furnished on October 10, 2013 and October 1, 2013, containing the minutes and resolutions of Petrobras' extraordinary general meeting held on September 30, 2013 approving (i) the sale of Petroquímica Innova S.A. to Videolar S.A. for R\$870 million, (ii) the merger of certain entities into Petrobras, and (iii) the waiver granted by Petrobras' Board of Directors on its preemptive right to subscribe debentures convertible into shares to be issued by Sete Brasil Participações S.A.
- Report furnished on October 7, 2013, announcing that Petrobras' Board of Directors approved the sale of certain Petrobras' assets in Uruguay to Shell.
- Report furnished on September 13, 2013, announcing that Petrobras' Board of Directors approved the sale of 100% of the shares issued by Petrobras Colombia Limited (PEC) to Perecen for U.S.\$380 million.
- Reports furnished on August 26, 2013 and May 28, 2013, announcing the payments of interest on capital related to Petrobras' 2012 fiscal year earnings.
- Report furnished on August 19, 2013, announcing drilling results and potential of the Muriú area in the ultradeep waters of the Sergipe Basin.
- Report furnished on August 19, 2013, announcing the approval by Petrobras' Board of Directors of the sale of (i) 100% of Petroquímica Innova S.A. shares to Videolar S.A. for R\$870 million and (ii) a 35% stake held by Petrobras in block BC-10, known as Parque das Conchas, to the Sinochem Group for U.S.\$1.54 billion, among other divestments.
- Report furnished on August 12, 2013, announcing the redomiciliation of its wholly owned finance subsidiary PifCo to Luxembourg, as a Luxembourg public company limited by shares (*société anonyme*).
- Reports furnished on August 7, 2013 and May 8, 2013, announcing a new discovery of oil reserves in the Santos Basin pre-salt area.
- Report furnished on July 25, 2013, announcing the completion of drilling and test of the fourth exploratory well at Iara area, in the Santos Basin pre-salt area.
- Report furnished on July 11, 2013, announcing the adoption of cash flow hedge accounting by Petrobras on its exports.
- Report furnished on June 19, 2013, announcing the execution of a non-binding letter of intent with SINOPEC for the development of joint studies in connection with the Premium 1 Refinery Project, located in the state of Maranhão, Brazil.

- Reports furnished on June 17, 2013, announcing (i) the restructuring of Petrobras' petrochemical portfolio, (ii) a favorable injunction in connection with its dispute over withholding income tax (IRRF) over remittances abroad for the payment of vessels charters, (iii) the execution of an agreement for the sale of common shares held by Petrobras in Brasil PCH S.A. to Cemig Geração e Transmissão S.A. for R\$650 million and (iv) the execution of a binding agreement between Petrobras and Banco BTG Pactual S.A. to establish a joint venture for oil and gas exploration and production in Africa.

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- Report furnished on June 10, 2013, announcing the execution of a non-binding letter of intent with GS Energy Corporation for the development of a joint study in connection with Premium 2 Refinery Project, located in the state of Ceará, Brazil.
- Report furnished on June 6, 2013, announcing the start of production of FPSO Cidade de Paraty in the Santos Basin pre-salt area.
- Reports furnished on May 28, 2013, announcing that, based on the proposals presented, Petrobras' board of executive officers did not approve the sale of its assets in Argentina.
- Report furnished on May 28, 2013, relating to Standard & Poor's Rating Services report assigning "strong" rating to Petrobras' management and governance.
- Report furnished on May 24, 2013, announcing that Petrobras Tanzania, Ltd. signed a farm-out agreement for the sale of a 12% participation in Block 6 offshore Tanzania to Statoil Tanzania AS.
- Report furnished on May 24, 2013, announcing that Petrobras completed drilling and testing oil quality in the Florin section of the Santos Basin pre-salt area.
- Report furnished on May 16, 2013, announcing Petrobras' acquisition of 34 blocks located in the Foz do Amazonas, Espírito Santo and Barreirinhas Basins offered in the 11th bid round held by the ANP.
- Report furnished on May 1, 2013, relating to the sale of certain exploratory blocks in the Gulf of Mexico.
- Report furnished on April 30, 2013, containing the minutes of Petrobras' ordinary and extraordinary general meetings held on April 29, 2013, including the election of members of its Board of Directors and Fiscal Council.

(5) Any future filings of Petrobras on Form 20-F with the SEC after the date of this prospectus supplement and prior to the completion of the offering of the securities offered by this prospectus supplement, and any future reports of Petrobras on Form 6-K furnished to the SEC during that period that are identified in those forms as being incorporated into this prospectus supplement or the accompanying prospectus.

We will provide without charge to any person to whom a copy of this prospectus supplement is delivered, upon the written or oral request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated herein by reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference in such documents). Requests should be directed to Petrobras' Investor Relations Department located at Avenida República do Chile, 65 — 10th Floor, 20031-912—Rio de Janeiro, RJ, Brazil (telephones: 55-21-3224-1510 or 55-21-3224-9947).

WHERE YOU CAN FIND MORE INFORMATION

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

Documents incorporated by reference in this prospectus supplement are available without charge. Each person to whom this prospectus supplement and the accompanying prospectus are delivered may obtain documents incorporated by reference herein by requesting them either in writing or orally, by telephone or by e-mail from us at the following address:

Investor Relations Department
Petróleo Brasileiro S.A.-Petrobras
Avenida República do Chile, 65 — 4th Floor
20031-912 — Rio de Janeiro — RJ, Brazil
Telephone: (55-21) 3224-1510/3224-9947
Email: petroinvest@petrobras.com.br

In addition, you may review copies of the materials Petrobras files with or furnishes to the SEC without charge, and copies of all or any portion of such materials can be obtained at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the Public Reference Room. Petrobras also files materials with the SEC electronically. The SEC maintains an Internet site that contains materials that Petrobras files electronically with the SEC. The address of the SEC's website is <http://www.sec.gov>.

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SUMMARY

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

*In this prospectus supplement, unless the context otherwise requires or as otherwise indicated, references to “Petrobras” mean *Petróleo Brasileiro S.A.-Petrobras* and its consolidated subsidiaries taken as a whole, and references to “PGF” mean *Petrobras Global Finance B.V.*, a wholly-owned subsidiary of Petrobras. Terms such as “we”, “us” and “our” generally refer to both Petrobras and PGF, unless the context requires otherwise or as otherwise indicated.*

PGF

PGF is a wholly-owned finance subsidiary of Petrobras, incorporated under the laws of The Netherlands as a private company with limited liability on August 2, 2012. PGF is an indirect subsidiary of Petrobras, and all of PGF’s shares are held by Petrobras’ Dutch subsidiary Petrobras International Braspetro B.V. PGF’s business is to issue debt securities in the international capital markets to finance Petrobras’ operations. PGF does not currently have any operations, revenues or assets other than those related to the issuance, administration and repayment of its debt securities. All debt securities issued by PGF are fully and unconditionally guaranteed by Petrobras. PGF was incorporated for an indefinite period of time.

Since 2001, Petrobras has used its subsidiary PifCo as its vehicle to issue securities in the international capital markets. Petrobras now uses PGF as its main vehicle to issue securities in the international capital markets. PGF’s first offering of notes fully and unconditionally guaranteed by Petrobras occurred in September 2012. Petrobras does not expect to use PifCo as a vehicle to issue securities in the capital markets in the future.

PGF’s registered office is located at Weenapoint Toren A, Weena 722, 3014 DA Rotterdam, The Netherlands, and its telephone number is 31 (0) 10 206-7000.

Petrobras

Petrobras is one of the world’s largest integrated oil and gas companies, engaging in a broad range of oil and gas activities. Petrobras is a *sociedade de economia mista*, organized and existing under the laws of Brazil. For the years ended December 31, 2012 and 2013, Petrobras had sales revenues of U.S.\$144.1 billion and U.S.\$141.5 billion, gross profit of U.S.\$36.6 billion and U.S.\$33.2 billion, and net income attributable to Petrobras’ shareholders of U.S.\$11.0 billion and U.S.\$11.1 billion, respectively. Petrobras engages in a broad range of activities, which cover the following segments of its operations:

- *Exploration and Production (E&P)*. This segment encompasses exploration, development and production activities in Brazil, sales and transfers of crude oil in domestic and foreign markets, transfers of natural gas to the Gas and Power segment and sales of oil products produced at natural gas processing plants. According to the ANP, as of December 31, 2013, we were responsible for approximately 90.9% of Brazil’s total production of oil and natural gas.

- *Refining, Transportation and Marketing (RTM)*. This segment comprises refining, logistics, transportation, export and the purchase of crude oil, as well as the purchase and sale of oil products and ethanol. Additionally, this segment includes the petrochemical division, which comprises investments in domestic petrochemical companies and also extraction and processing of shale. RTM purchases crude oil from E&P and imports oil to blend with Petrobras' domestic oil. Additionally, RTM purchases oil products in the international markets to meet excess product demand in the domestic market. As of December 31, 2013, according to the ANP, we operated substantially all of Brazil's total refining capacity.

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- *Distribution.* This segment comprises the oil products, ethanol and compressed natural gas distribution activities conducted in Brazil by Petrobras' wholly-owned subsidiary Petrobras Distribuidora S.A. — BR (“Petrobras Distribuidora”). Petrobras Distribuidora is the largest oil products distributor in Brazil, with a market share of 37.5% as of December 31, 2013, according to the ANP. As of December 31, 2013, Petrobras Distribuidora had 7,710 service stations in Brazil.
- *Gas and Power.* This segment covers activities that include transportation and trading of natural gas produced in or imported into Brazil, transportation and trading of liquefied natural gas (LNG), generation and trading of electric power, as well as corporate interests in local natural gas distribution companies, natural gas transportation companies and thermoelectric power stations in Brazil. The Gas and Power segment also includes results from our fertilizer operations.
- *Biofuel.* This segment covers activities that include production of biodiesel and its co-products and ethanol activities, through equity investments, production and marketing of ethanol, sugar and the excess electric power generated from sugarcane bagasse.
- *International.* This segment comprises Petrobras' activities in 17 countries other than Brazil as of December 31, 2013, which include exploration and production, refining, transportation and marketing, distribution and gas and power.
- *Corporate.* This segment comprises financing activities and other activities not attributable to other segments, including corporate financial management, corporate overhead and other expenses, including expenses related to Petrobras' pension and medical benefits for inactive participants and their dependents.

Petrobras' principal executive office is located at Avenida República do Chile, 65 20031-912 - Rio de Janeiro RJ, Brazil, and its telephone number is (55-21) 3224-4477.

The Offering

Issuer	Petrobras Global Finance B.V., or “PGF.”
The 20 Notes	U.S.\$ aggregate principal amount of % Global Notes due 20 , or the “20 Notes.”
The 20 Notes	U.S.\$ aggregate principal amount of % Global Notes due 20 , or the “20 Notes.”
The 20 Notes	U.S.\$ aggregate principal amount of % Global Notes due 20 , or the “20 Notes.”
The 20 Notes	U.S.\$ aggregate principal amount of % Global Notes due 20 , or the “20 Notes” (and together with the 20 Notes, the 20 Notes and the 20 Notes, the “Fixed Rate Notes”).
The 20 Floating Rate Notes	U.S.\$ aggregate principal amount of Floating Rate Global Notes due 20 , or the “20 Floating Rate Notes.”
The 20 Floating Rate Notes	U.S.\$ aggregate principal amount of Floating Rate Global Notes due 20 , or the “20 Floating Rate Notes” (each of the Fixed Rate Notes, the 20 Floating Rate Notes and the 20 Floating Rate Notes, a “series,” and collectively, the “notes”).
Issue Price	For the 20 Notes: % of the aggregate principal amount. For the 20 Notes: % of the aggregate principal amount. For the 20 Notes: % of the aggregate principal amount. For the 20 Notes: % of the aggregate principal amount. For the 20 Floating Rate Notes: % of the aggregate principal amount. For the 20 Floating Rate Notes: % of the aggregate principal amount.
Closing Date	, 2014.
Maturity Date	For the 20 Notes: For the 20 Notes: For the 20 Notes: For the 20 Notes: For the 20 Floating Rate Notes: For the 20 Floating Rate Notes:
Interest	For the 20 Notes: The 20 Notes will bear interest from , the date of original issuance of the notes, at the rate of % per annum, payable semi-annually in arrears on each interest payment date.

For the 20 Notes: The 20 Notes will bear interest from , the date of original issuance of the notes, at the rate of % per annum, payable semi-annually in arrears on each interest payment date.

For the 20 Notes: The 20 Notes will bear interest from , the date of original issuance of the notes, at the rate of % per annum, payable semi-annually in arrears on each interest payment date.

For the 20 Notes: The 20 Notes will bear interest from , the date of original issuance of the notes, at the rate of % per annum, payable semi-annually in arrears on each interest payment date.

For the 20 Floating Rate Notes: The 20 Floating Rate Notes will bear interest from , the date of original issuance of the notes, at a floating rate equal to the three-month U.S. dollar LIBOR plus %, calculated on the basis of the actual number of days in the relevant interest period divided by 360, reset quarterly, and interest payable on , , and of each year.

For the 20 Floating Rate Notes: The 20 Floating Rate Notes will bear interest from , the date of original issuance of the notes, at a floating rate equal to the three-month U.S. dollar LIBOR plus %, calculated on the basis of the actual number of days in the relevant interest period divided by 360, reset quarterly, and interest is payable on , , and of each year.

LIBOR

LIBOR will be determined by the calculation agent as provided under “Description of the Notes—Floating Rate Notes.”

Interest Payment Dates

For the 20 Notes: and of each year, commencing on .

For the 20 Notes: and of each year, commencing on .

For the 20 Notes: and of each year, commencing on .

For the 20 Notes: and of each year, commencing on .

For the 20 Floating Rate Notes: On , , and of each year, commencing on .

For the 20 Floating Rate Notes: On , , and of each year, commencing on .

Denominations

PGF will issue the notes only in denominations of U.S.\$2,000 and integral multiples of U.S.\$1,000 in excess thereof.

Trustee, Registrar, Paying Agent,
Transfer Agent and Calculation Agent

The Bank of New York Mellon.

Codes

(a) ISIN

For the 20 Notes:

For the 20 Notes:

For the 20 Notes:

For the 20 Notes:

For the 20 Floating Rate Notes:

For the 20 Floating Rate Notes:

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(b) CUSIP	For the 20 Notes: For the 20 Notes: For the 20 Notes: For the 20 Notes: For the 20 Floating Rate Notes: For the 20 Floating Rate Notes:
Use of Proceeds	PGF intends to use the net proceeds from the sale of the notes to finance Petrobras' planned capital expenditures under its 2014-2018 Business Plan and for general corporate purposes. See "Use of Proceeds."
Indenture	The notes offered hereby will be issued pursuant to an indenture between PGF and The Bank of New York Mellon, a New York banking corporation, as trustee, dated as of August 29, 2012, as supplemented by the fourteenth supplemental indenture in the case of the 20 Notes, by the fifteenth supplemental indenture in the case of the 20 Notes, by the sixteenth supplemental indenture in the case of the 20 Notes, by the seventeenth supplemental indenture in the case of the 20 Notes, by the eighteenth supplemental indenture in the case of the 20 Floating Rate Notes and by the nineteenth supplemental indenture in the case of the 20 Floating Rate Notes, each dated as of the closing date, among PGF, Petrobras and The Bank of New York Mellon, as trustee. When we refer to the indenture in this prospectus supplement, we are referring to the indenture as supplemented by each of the fourteenth supplemental indenture, the fifteenth supplemental indenture, the sixteenth supplemental indenture, the seventeenth supplemental indenture, the eighteenth supplemental indenture and the nineteenth supplemental indenture. See "Description of the Notes."
Guaranties	The notes will be unconditionally guaranteed by Petrobras under the guaranties. See "Description of the Guaranties."
Ranking	The notes constitute general senior unsecured and unsubordinated obligations of PGF that will at all times rank <i>pari passu</i> among themselves and with all other unsecured unsubordinated indebtedness issued from time to time by PGF. The obligations of Petrobras under the guaranties constitute general senior unsecured obligations of Petrobras that will at all times rank <i>pari passu</i> with all other senior unsecured obligations of Petrobras that are not, by their terms, expressly subordinated in right of payment to Petrobras' obligations under the guaranties.
Optional Redemption	PGF may redeem the Fixed Rate Notes at any time in whole or in part by paying the greater of the principal amount of such series of the notes and the relevant "make-whole" amount, plus, in each case, accrued interest, as described under "Description of the Notes—Optional Redemption—Optional Redemption With 'Make-Whole' Amount."
Early Redemption at PGF's Option Solely for Tax Reasons	The notes will be redeemable in whole at their principal amount, plus accrued and unpaid interest, if any, to the relevant date of redemption, at PGF's option at any time only in the event of certain changes affecting taxation. See "Description of the Notes—Optional Redemption—Redemption for Taxation Reasons."

Covenants

(a) PGF

The terms of the indenture will require PGF, among other things, to:

- pay all amounts owed by it under the indenture and the notes when such amounts are due;
 - maintain an office or agent in New York for the purpose of service of process and maintain a paying agent located in the United States;
 - ensure that the notes continue to be senior obligations of PGF;
 - use proceeds from the issuance of the notes for specified purposes;
- and
- replace the trustee upon any resignation or removal of the trustee.

In addition, the terms of the indenture will restrict the ability of PGF and its subsidiaries, among other things, to:

- undertake certain mergers, consolidations or similar transactions; and
- create certain liens on its assets or pledge its assets.

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

(b) Petrobras

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

- pay all amounts owed by it in accordance with the terms of the guaranties and the indenture;
- maintain an office or agent in New York for the purpose of service of process;
- ensure that its obligations under the guaranties will continue to be senior obligations of Petrobras; and
- make available certain financial statements to the trustee.

In addition, the terms of the guaranties will restrict the ability of Petrobras and its subsidiaries, among other things, to:

- undertake certain mergers, consolidations or similar transactions; and
- create certain liens on its assets or pledge its assets.

Petrobras' covenants are subject to a number of important qualifications and exceptions. See "Description of the Guaranties—Covenants."

Events of Default

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

- failure to pay principal on the notes of such series within seven calendar days of its due date;
- failure to pay interest on the notes of such series within 30 calendar days of any interest payment date;
- breach by PGF of a covenant or agreement in the indenture or by Petrobras of a covenant or agreement in the guaranty for such series of the notes if not remedied within 60 calendar days;
- acceleration of a payment on the indebtedness of PGF or Petrobras or any material subsidiary that equals or exceeds U.S.\$200 million;
- certain events of bankruptcy, reorganization, liquidation, insolvency, moratorium or intervention law or law with similar effect of PGF or Petrobras or any material subsidiary;
- certain events relating to the unenforceability of the notes, the indenture or the guaranty for such series of the notes against PGF or Petrobras; and
- Petrobras ceasing to own at least 51% of PGF's outstanding voting shares.

The events of default are subject to a number of important qualifications and limitations. See "Description of the Notes—Events of Default."

Further Issuances

PGF reserves the right, from time to time, without the consent of the holders of the notes, to issue additional notes on terms and conditions identical to those of the notes, which additional notes shall increase the aggregate principal amount of, and shall be consolidated and form a single series with, the series of notes offered hereby. PGF may also issue other securities under the indenture which have different terms and conditions from the notes. See "Description of the Notes."

Modification of Notes, Indenture and Guaranties

The terms of the indenture may be modified by PGF and the trustee, and the terms of the guaranties may be modified by Petrobras and the trustee, in some cases without the consent of the holders of the relevant series of the notes. See "Description of Debt Securities—Special Situations—Modification and Waiver" in the accompanying prospectus.

Clearance and Settlement

The notes will be issued in book-entry form through the facilities of The Depository Trust Company, or "DTC," for the accounts of its direct and indirect participants, including Clearstream Banking, *société anonyme*, and Euroclear S.A./N.V., as operator of the Euroclear System, and will trade in DTC's Same-Day Funds Settlement System. Beneficial interests in notes held in book-entry form will not be entitled to receive physical delivery of certificated notes except in certain limited circumstances. For a description of certain factors relating to clearance and settlement, see "Clearance and Settlement."

Withholding Taxes; Additional Amounts Any and all payments of principal, premium, if any, and interest in respect of the notes will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments, levies, imposts or charges whatsoever imposed, levied, collected, withheld or assessed by Brazil, the jurisdiction of PGF's incorporation (currently The Netherlands) or any other jurisdiction in which PGF appoints a paying agent under the indenture, or any political subdivision or any taxing authority thereof or therein, unless such withholding or deduction is required by law. If PGF is required by law to make such withholding or deduction, it will pay such additional amounts as are necessary to ensure that the holders receive the same amount as they would have received without such withholding or deduction, subject to certain exceptions. In the event Petrobras is obligated to make payments to the holders under the guaranties, Petrobras will pay such additional amounts as are necessary to ensure that the holders receive the same amount as they would have received without such withholding or deduction, subject to certain exceptions. See "Description of the Notes—Covenants—Additional Amounts."

Governing Law

The indenture, the notes, and the guaranties will be governed by, and construed in accordance with, the laws of the State of New York.

Listing

PGF intends to have the notes approved for listing on the NYSE.

Risk Factors

You should carefully consider the risk factors discussed beginning on page S-18 and the other information included or incorporated by reference in this prospectus supplement, before purchasing any notes.

RECENT DEVELOPMENTS

For a discussion of Petrobras' results of operations for the year ended December 31, 2013 and recent developments, see Petrobras' current report on Form 6-K furnished to the SEC on February 26, 2014, which is incorporated by reference in this prospectus supplement, and other reports on Form 6-K listed under "Incorporation of Certain Documents by Reference."

Tax Proceedings

In October 2013, the Secretariat of the Federal Revenue of Brazil issued a new tax assessment (*auto de infração*) against us amounting to approximately R\$2,348 million (U.S.\$1,002 million) in relation to an alleged non-payment of taxes on financial operations (IOF) for intercompany loans with PifCo, Braspetro and BOC in 2009. In November 2013, we presented our defense, and the administrative proceeding for this matter is still pending judgment. We believe that the chances of loss are possible, but not probable, and accordingly we have not established any provision.

In December 2013, the Secretariat of the Federal Revenue of Brazil issued two new tax assessments (*autuações*) against us relating to payments for the affreightment of platforms in 2009, including one amounting to approximately R\$2,347 million (U.S.\$1,001 million) in relation to the Brazilian withholding income tax (IRRF) and one amounting to approximately R\$1,539 million (U.S.\$656.9 million) in relation to the Brazilian contribution of intervention in the economic domain (CIDE). In January 2014, we presented our defense to both tax assessments and those administrative proceedings are still pending judgment. We believe that the chances of loss are possible, but not probable, and accordingly we have not established any provision.

In January 2014, the Secretariat of the Federal Revenue of Brazil issued a new tax assessment (*auto de infração*) against us amounting to approximately R\$1,093 million (U.S.\$466.5 million) in relation to an alleged non-payment of withholding income tax (IRRF) and social contribution (CSLL) in 2009 derived from profits of certain of our subsidiaries domiciled abroad. In February 2014, we presented our defense and the administrative proceeding for this matter is still pending judgment. We believe that the chances of loss are possible, but not probable, and accordingly we have not established any provision.

In January 2014, the Secretariat of the Federal Revenue of Brazil issued a tax assessment (*auto de infração*) against us amounting to approximately R\$1,442.6 million (U.S.\$615.5 million) in relation to an alleged non-payment of social security contributions due over benefits given to certain of our employees and remuneration paid to employees' medical service providers from January 2009 to December 2011. In February 2014, we presented our defense and the administrative proceeding for this matter is still pending judgment. We believe that the chances of loss are remote, and accordingly we have not established any provision.

For more information about our contingent liabilities, see note 31.3 to our Audited Financial Statements.

RISK FACTORS

Our annual report on Form 20-F for the year ended December 31, 2012 includes extensive risk factors relating to our business and to Brazil. You should carefully consider those risks and the risks described below, as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making a decision to invest in the notes.

Risks Relating to PGF's Debt Securities

The market for the notes may not be liquid.

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

The interest rate payable on the floating rate notes will vary.

The 20 Floating Rate Notes and the 20 Floating Rate Notes will bear floating rates of interest that are reset quarterly, and therefore are not a suitable investment for investors who require regular fixed income payments. The interest rate payable with respect to each interest period will be equal to the three-month U.S. dollar LIBOR plus % in the case of the 20 Floating Rate Notes and plus % in the case of the 20 Floating Rate Notes, with the three-month U.S. dollar LIBOR being determined as of the second LIBOR business day (as defined herein) prior to the start of the relevant interest period. The amount of interest payable on the notes with respect to any particular interest period will therefore decrease if such rate is lower than the rate used to calculate the amount of interest payable with respect to the previous interest period.

Restrictions on the movement of capital out of Brazil may impair your ability to receive payments on the guaranties and restrict Petrobras' ability to make payments to PGF in U.S. dollars.

In the past, the Brazilian economy has experienced balance of payment deficits and shortages in foreign exchange reserves, and the government has responded by restricting the ability of Brazilian or foreign persons or entities to convert *reais* into foreign currencies. The government may institute a restrictive exchange control policy in the future. Any restrictive exchange control policy could prevent or restrict our access to U.S. dollars, and consequently our ability to meet our U.S. dollar obligations under the guaranties and could also have a material adverse effect on our business, financial condition and results of operations. We cannot predict the impact of any such measures on the Brazilian economy. In the event that any such restrictive exchange control policies were instituted by the Brazilian government, we may face adverse regulatory consequences in The Netherlands that may lead us to redeem the notes prior to their maturity.

In addition, payments by Petrobras under the guaranties in connection with PGF's notes do not currently require approval by or registration with the Central Bank of Brazil. The Central Bank of Brazil may nonetheless impose prior approval requirements on the remittance of U.S. dollars, which could cause delays in such payments.

Petrobras would be required to pay judgments of Brazilian courts enforcing its obligations under the guaranties only in reais.

If proceedings were brought in Brazil seeking to enforce Petrobras' obligations in respect of the guaranties, including in case of bankruptcy, Petrobras would be required to discharge its obligations only in *reais*. Under Brazilian exchange control regulations, an obligation to pay amounts denominated in a currency other than *reais*, which is payable in Brazil pursuant to a decision of a Brazilian court, may be satisfied in *reais* at the rate of exchange, as determined by the Central Bank of Brazil, in effect on the date of payment. Further authorization by the Central Bank of Brazil would be required for the conversion of such *real*-denominated amount into foreign currency and for its remittance abroad.

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A finding that Petrobras is subject to U.S. bankruptcy laws and that any of the guaranties executed by it was a fraudulent conveyance could result in the relevant PGF holders losing their legal claim against Petrobras.

PGF's obligation to make payments on the notes is guaranteed by Petrobras. Petrobras has been advised by its external U.S. counsel that the guaranties are valid and enforceable in accordance with the laws of the State of New York.

In addition, Petrobras has been advised by its general counsel that the laws of Brazil do not prevent the guaranties from being valid, binding and enforceable against Petrobras in accordance with their terms. In the event that U.S. federal fraudulent conveyance or similar laws are applied to a guaranty, and Petrobras, at the time it issued the relevant guaranty:

- was or is insolvent or rendered insolvent by reason of its entry into such guaranty;
- was or is engaged in business or transactions for which the assets remaining with it constituted unreasonably small capital; or
- intended to incur or incurred, or believed or believes that it would incur, debts beyond its ability to pay such debts as they mature; and
- in each case, intended to receive or received less than reasonably equivalent value or fair consideration therefor,

then Petrobras' obligations under such guaranty could be avoided, or claims with respect to such guaranty could be subordinated to the claims of other creditors. Among other things, a legal challenge to a guaranty on fraudulent conveyance grounds may focus on the benefits, if any, realized by Petrobras as a result of PGF's issuance of the series of the notes supported by such guaranty. To the extent that either guaranty is held to be a fraudulent conveyance or unenforceable for any other reason, the holders of the series of PGF notes supported by such guaranty would not have a claim against Petrobras under such guaranty and will solely have a claim against PGF. Petrobras cannot assure you that, after providing for all prior claims, there will be sufficient assets to satisfy the claims of the PGF holders relating to any avoided portion of the relevant guaranty.

Holders in some jurisdictions may not receive payment of gross-up amounts for withholding in compliance with the European Council Directive on taxation of savings income.

Austria and Luxembourg have opted out of certain provisions of the European Council Directive regarding taxation of savings income (the "Directive") and are instead, during a transitional period, applying a withholding tax on payments of interest, at a rate of up to 35%, unless the holder opts for exchange of information as required under the Directive.

Neither we nor the paying agent (nor any other person) would be required to pay additional amounts in respect of the notes as a result of the imposition of withholding tax by any member state of the European Union ("Member State") or another country or territory which has opted for a withholding system. For more information, see "Description of the Notes—Covenants—Additional Amounts" and under "Taxation—The Directive" in this prospectus supplement. An investor should consult a tax adviser to determine the tax consequences of holding the notes for such investor.

Risks Relating to PGF

PGF's operations and debt servicing capabilities are dependent on Petrobras.

PGF's financial position and results of operations are directly affected by Petrobras' decisions. PGF is an indirect, wholly-owned finance subsidiary of Petrobras incorporated in The Netherlands as a private company with limited liability. PGF does not currently have any operations, revenues or assets other than those related to its primary business of raising money for the purpose of on-lending to Petrobras and other subsidiaries of Petrobras. PGF's ability to satisfy its obligations under the notes will depend on payments made to PGF by Petrobras and other subsidiaries of Petrobras under the loans made by PGF. The notes and all debt securities issued by PGF will be fully and unconditionally guaranteed by Petrobras. Petrobras' financial condition and results of operations, as well as Petrobras' financial support of PGF, directly affect PGF's operational results and debt servicing capabilities.

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USE OF PROCEEDS

The net proceeds from the sale of the notes, after payment of underwriting discounts but before expenses, are expected to be approximately U.S.\$ million. PGF intends to use the net proceeds from the sale of the notes to finance Petrobras' planned capital expenditures under its 2014-2018 Business Plan and for general corporate purposes.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table contains the consolidated ratios of earnings to fixed charges of Petrobras for the years ended December 31, 2009, 2010, 2011, 2012 and 2013, determined in accordance with IFRS.

	2009	Year ended December 31,			2013
		2010	2011	2012	
		(U.S.\$ million)			
		(Unaudited)			
Net income (loss) before income taxes	22,280	27,274	26,724	14,493	13,410
Share of profit of equity-accounted investments	(120)	(347)	(230)	(43)	(507)
Dividend income on equity-accounted investments	8	61	54	143	146
Add fixed charges as adjusted (set forth below)	3,761	6,859	7,114	8,615	9,331
Less capitalized borrowing costs	(1,657)	(3,156)	(4,403)	(3,807)	(3,921)
Earnings	24,272	30,691	29,259	19,401	18,459
Interest Expense:					
Debt interest and charges	2,448	4,070	4,866	5,152	5,491
Rental interest expense(1)	1,313	2,789	2,248	3,463	3,840
Fixed charges	3,761	6,859	7,114	8,615	9,331
Ratio (earnings divided by fixed charges)	6.45	4.47	4.11	2.25	1.98

(1) One third of operating lease expenses.

RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED DIVIDENDS

The following table contains the consolidated ratios of earnings to fixed charges and preferred dividends of Petrobras for the years ended December 31, 2009, 2010, 2011, 2012 and 2013, determined in accordance with IFRS.

	2009	Year ended December 31, (U.S.\$ million) (Unaudited)			2013
		2010	2011	2012	
Net income (loss) before income taxes	22,280	27,274	26,724	14,493	13,410
Share of profit of equity-accounted investments	(120)	(347)	(230)	(43)	(507)
Dividend income on equity-accounted investments	8	61	54	143	146
Add fixed charges as adjusted (set forth below)	3,761	6,859	7,114	8,615	9,331
Less capitalized borrowing costs	(1,657)	(3,156)	(4,403)	(3,807)	(3,921)
Earnings	24,272	30,691	29,259	19,401	18,459
Interest Expense:					
Debt interest and charges	2,448	4,070	4,866	5,152	5,491
Rental interest expense(1)	1,313	2,789	2,248	3,463	3,840
Fixed charges	3,761	6,859	7,114	8,615	9,331
Dividends declared on preferred shares	2,177	2,937	2,965	2,699	2,313
Fixed charges and preferred dividends	5,938	9,796	10,079	11,314	11,644
Ratio (earnings divided by fixed charges and preferred dividends)	4.09	3.13	2.90	1.71	1.59

(1) One third of operating lease expenses.

SELECTED FINANCIAL AND OPERATING INFORMATION

This prospectus supplement incorporates by reference the Audited Financial Statements, which have been prepared in accordance with IFRS.

The selected financial and operating information presented in the tables below have been derived from Petrobras' audited consolidated financial statements, which were audited by KPMG Auditores Independentes as of and for the years ended December 31, 2011, 2010 and 2009 and by PricewaterhouseCoopers Auditores Independentes as of and for the years ended December 31, 2013 and 2012. The selected consolidated financial data should be read in conjunction with, and are qualified in their entirety by reference to, Petrobras' audited consolidated financial statements and the accompanying notes incorporated by reference in this prospectus supplement.

Balance Sheet Data

	2013	2012 (*)	As of December 31,		2009 (*)
			2011 (*)	2010 (*)	
			(U.S.\$ million)		
Assets:					
Cash and cash equivalents	15,868	13,520	19,057	17,655	16,222
Marketable securities	3,885	10,431	8,961	15,612	77
Trade and other receivables, net	9,670	11,099	11,756	10,845	8,147
Inventories	14,225	14,552	15,165	11,808	11,103
Assets classified as held for sale	2,407	143	–	–	–
Other current assets	6,600	8,049	9,653	7,639	6,629
Long-term receivables	18,782	18,856	18,962	22,637	19,991
Investments	6,666	6,106	6,530	6,957	4,620
Property, plant and equipment	227,901	204,901	182,918	168,104	128,754
Intangible assets	15,419	39,739	43,412	48,937	3,899
Total assets	321,423	327,396	316,414	310,194	199,442
Liabilities and shareholders' equity:					
Total current liabilities	35,226	34,070	36,364	33,577	31,067
Non-current liabilities(1)	30,839	42,976	34,744	30,251	23,809
Long-term debt(2)	106,235	88,484	72,718	60,417	48,963
Total liabilities	172,300	165,530	143,826	124,245	103,839
Shareholders' equity					
Share capital	107,371	107,362	107,355	107,341	33,790
Reserves and other comprehensive income	41,156	53,352	63,961	76,769	60,579
Shareholders' equity attributable to the shareholders of Petrobras	148,527	160,714	171,316	184,110	94,369
Non-controlling interests	596	1,152	1,272	1,839	1,234
Total shareholders' equity	149,123	161,866	172,588	185,949	95,603
Total liabilities and shareholders' equity..	321,423	327,396	316,414	310,194	199,442

(1) Excludes long-term debt.

(2) Excludes current portion of long-term debt.

(*) Amounts restated, as set out in note 2.3 to our Audited Financial Statements. Amounts for 2010 and 2009 have not been restated, as the effects are not material.

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The table below sets forth a reconciliation between amounts for 2012 and 2011 disclosed in our annual report on Form 20-F for the year ended December 31, 2012, filed with the SEC on April 29, 2013 and the amounts restated, as set out in note 2.3 to our Audited Financial Statements:

Statement of Financial Position	As originally presented for December 31, 2012 (*)			As originally presented for December 31, 2011 (*)		
	As originally presented for December 31, 2012 (*)	Impact of IAS 19 amendment and Offsetting Deferred income taxes	As restated for December 31, 2012	As originally presented for December 31, 2011 (*)	Impact of IAS 19 amendment and Offsetting Deferred income taxes	As restated for December 31, 2011
Long-term receivables	23,105	(4,249)	18,856	22,462	(3,500)	18,962
Total Assets	331,645	(4,249)	327,396	319,914	(3,500)	316,414
Non-current liabilities	40,052	2,924	42,976	33,722	1,022	34,744
Total Liabilities	162,606	2,924	165,530	142,804	1,022	143,826
Reserves and other comprehensive income	60,525	(7,173)	53,352	68,483	(4,522)	63,961
Shareholders' equity attributable to Petrobras	167,887	(7,173)	160,714	175,838	(4,522)	171,316
Total Shareholders' equity	169,039	(7,173)	161,866	177,110	(4,522)	172,588
Total Liabilities and Shareholders' equity	331,645	(4,249)	327,396	319,914	(3,500)	316,414

(*) In our annual report on Form 20-F for the year ended December 31, 2012, filed with the SEC on April 29, 2013.

Income Statement Data

	For the Year Ended December 31,				
	2013	2012	2011	2010	2009
	(U.S.\$ million, except for share and per share data)				
Sales revenues	141,462	144,103	145,915	120,452	91,146
Net income before financial results, profit sharing and income taxes	16,214	16,900	27,285	26,372	22,923
Net income attributable to the shareholders of Petrobras	11,094	11,034	20,121	20,055	15,308
Weighted average number of shares outstanding:					
Common	7,442,454,142	7,442,454,142	7,442,454,142	5,683,061,430	5,073,347,344
Preferred	5,602,042,788	5,602,042,788	5,602,042,788	4,189,764,635	3,700,729,396
Net income before financial results, profit sharing and income taxes per:					
Common and Preferred shares	1.24	1.30	2.09	2.67	2.61
Common and Preferred ADS	2.48	2.60	4.18	5.34	5.22
Basic and diluted earnings per:					
Common and Preferred shares	0.85	0.85	1.54	2.03	1.74
Common and Preferred ADS	1.70	1.70	3.08	4.06	3.48
Cash dividends per ⁽¹⁾ :					
Common shares	0.22	0.24	0.53	0.70	0.59
Preferred shares	0.41	0.48	0.53	0.70	0.59
Common ADS	0.44	0.48	1.06	1.40	1.18
Preferred ADS	0.82	0.96	1.06	1.40	1.18

(1) Pre-tax.

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OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion of our financial condition and results of operations together with our Audited Financial Statements, which can be found in our Report on Form 6-K furnished to the SEC on February 26, 2014 and our related amendment on Form 6-K/A furnished to the SEC on March 10, 2014, which are incorporated by reference in this prospectus supplement.

Overview

We earn income from:

- domestic sales, which consist of sales of oil products (such as diesel, gasoline, jet fuel, naphtha, fuel oil and liquefied petroleum gas), natural gas, ethanol, electricity and petrochemical products;
- export sales, which consist primarily of sales of crude oil and oil products;
- international sales (excluding export sales), which consist of sales of crude oil, natural gas and oil products that are purchased,