REINERS DEREK S
Form 4
May 10, 2011

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
REINERS DEREK S
(Last) (First) (Middle)
100 W. FIFTH STREET
(Street)
TULSA, OK 74103
(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
ONEOK INC /NEW/ [OKE]

3. Date of Earliest Transaction (Month/Day/Year)
05/09/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
SVP & Chief Acctg. Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, par value $.0.01	05/09/2011		A (1)		1	A	$ 70.38	580	D	
Common Stock, par value $.0.01								89	I	Profit Sharing Plan
Common Stock, par value $.0.01								331	I	by Thrift Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
REINERS DEREK S 100 W. FIFTH STREET TULSA, OK 74103			SVP & Chief Acctg. Officer	

Signatures

By: Eric Grimshaw, Attorney in Fact For: Derek S. Reiners	05/10/2011
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Share acquired under Issuer's Employee Stock Award Program.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Trade and other receivables

Trade and other receivables, mainly from sales

6,843

−

6,843

8,916

−

8,916

Dividends receivable

1,064

−

1,064

1,595

−

1,595

Intercompany loans

−

251

251

−

266

Explanation of Responses:

266

Capital increase (advance)

−

1,224

1,224

−

1,364

1,364

Amounts related to construction of natural gas pipeline

−

1,068

1,068

−

1,050

1,050

Finance leases

62

893

955

61

873

934

Other operations

572

461

1,033

Explanation of Responses:

637

414

1,051

8,541

3,897

12,438

11,209

3,967

15,176

Liabilities

Finance leases

(1,129)

(5,293)

(6,422)

(1,568)

(5,354)

(6,922)

Intercompany loans

−

(39,551)

(39,551)

−

(51,465)

(51,465)

Prepayment of exports

(18,580)

(102,588)

(121,168)

(18,346)

(109,607)

(127,953)

Accounts payable to suppliers

(13,566)

−

(13,566)

(13,541)

−

(13,541)

Explanation of Responses:

Purchases of crude oil, oil products and others

(7,214)

−

(7,214)

(7,251)

−

(7,251)

Affreightment of platforms

(5,758)

−

(5,758)

(5,778)

−

(5,778)

Advances from clients

(594)

−

(594)

(512)

−

(512)

Other operations

−

(80)

(80)

−

(99)

(99)

(33,275)

(147,512)

(180,787)

(33,455)

(166,525)

(199,980)

Profit or Loss

Jan-Mar/2016

Jan-Mar/2015

Revenues, mainly sales revenues

30,869

35,546

Foreign exchange and inflation indexation charges

(1,940)

(4,095)

Financial income (expenses), net

(2,884)

(967)

26,045

30,484

39

Explanation of Responses:

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

18.1.2. By company (parent company)

	Income (expense)		**03.31.2016**			**12.31.2015**	**03.31.201**
	Jan-Mar/2016	**Jan-Mar/2015**	**Current Assets**	**Non-current Assets**	**Total Assets**	**Total Assets**	**Current Liabilities**
Subsidiaries (*)							
BR	19,922	22,813	2,011	−	2,011	2,608	(271)
Gaspetro	1,899	2,919	800	97	897	1,074	(265)
PNBV	1,001	152	1,861	31	1,892	2,236	(7,811)
Transpetro	219	197	428	213	641	786	(1,146)
PIB-BV Holanda	(96)	150	1,844	126	1,970	2,287	(19,897)
Fundo de Investimento Imobiliário	(88)	(67)	73	−	73	158	(225)
Thermoelectrics	(71)	(50)	14	321	335	455	(123)
Logigas	(66)	−	50	1,068	1,118	1,078	(494)
TAG	15	107	196	893	1,089	1,075	(1,618)
Petroquimica Suape	−	−	30	400	430	290	(1)
CITEPE	−	−	103	537	640	577	−
Other subsidiaries	848	1,532	522	206	728	1,921	(614)
	23,583	27,753	7,932	3,892	11,824	14,545	(32,465)
Structured Entities							
CDMPI	(52)	(15)	−	−	−	−	(324)
PDET Off Shore	(28)	(15)	−	−	−	−	(303)
	(80)	(30)	−	−	−	−	(627)
Associates							
Companies from the petrochemical sector	2,538	2,769	561	−	561	559	(135)
Other associates	4	(8)	48	5	53	72	(48)
	2,542	2,761	609	5	614	631	(183)
	26,045	30,484	8,541	3,897	12,438	15,176	(33,275)

(*) Includes its subsidiaries and joint ventures.

18.1.3. Annual rates for intercompany loans

	Parent Company			
	Assets		Liabilities	
	03.31.2016	12.31.2015	03.31.2016	12.31.2015
Up to 5%	−	−	−	(5,623)
From 5.01% to 7%	80	81	(39,551)	(45,842)
From 7.01% to 9%	115	128	−	−
More than 9.01%	56	57	−	−
	251	266	(39,551)	(51,465)

18.2. Non standardized receivables investment fund

The Parent Company invests in the receivables investment fund FIDC-NP (FIDC-NP and FIDC-P, as of December 31, 2015), which comprises mainly receivables and non-performing receivables arising from the operations performed by subsidiaries of the Petrobras Group. Investments in FIDC-NP and FIDC-P are recognized as marketable securities.

The assignment of performing and non-performing receivables is recognized as current debt within current liabilities.

	Parent Company	
	03.31.2016	12.31.2015
Marketable securities	4,642	7,812
Assignments of non-performing receivables	(17,658)	(20,779)
	Jan-Mar/2016	**Jan-Mar/2015**
Finance income FIDC P and NP	257	155
Finance expense FIDC P and NP	(613)	(416)
Net finance income (expense)	(356)	(261)

18.3. Collateral Granted

Petrobras collateralizes certain financial transactions carried out by its foreign subsidiaries.

Petrobras, based on contractual clauses that support the financial transactions between foreign subsidiaries and third parties, collateralizes the payment of debt service in the event that a subsidiary defaults on a financing agreement.

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

The outstanding balances of financial transactions carried out by these subsidiaries and collateralized by Petrobras are set out below:

	03.31.2016						12.31.2015
Maturity date of the loans	**PGF (*)**	**PGT (**)**	**PNBV**	**TAG**	**Others**	**Total**	**Total**
2016	13,423	1,779	3,506	−	548	19,256	29,089
2017	16,905	−	2,176	−	1,170	20,251	22,132
2018	19,429	8,897	10,807	−	2,324	41,457	45,479
2019	27,513	20,998	8,577	−	658	57,746	63,241
2020	16,789	18,969	2,139	−	7,285	45,182	48,680
2021	21,725	−	890	−	5,862	28,477	30,753
2022 and thereafter	73,626	31,824	8,725	16,139	4,407	134,721	148,579
	189,410	82,467	36,820	16,139	22,254	347,090	387,953

(*) Petrobras Global Finance B.V., subsidiary of PIBBV.
(**) Petrobras Global Trading B.V., subsidiary of PIBBV.

18.4. Investment in an investment fund by subsidiaries abroad

As of March 31, 2016, a subsidiary of PIB BV had R$ 14,442 (R$ 15,623 as of December 31, 2015) invested in an investment fund abroad that held debt securities of Petrobras, of TAG (a subsidiary of Petrobras) and its subsidiaries, and of consolidated structured entities, mainly with respect to the following projects: Gasene, Malhas, CDMPI, CLEP and Marlim Leste (P-53).

18.5. Transactions with joint ventures, associates, government entities and pension funds

The balances of significant transactions are set out in the following table:

	Consolidated Jan-Mar/ 2016			**Jan-Mar/ 2015**		
	Income (expense)	**Assets**	**Liabilities**	**Income (expense)**	**Assets**	**Liabilities**
Joint ventures and associates						

State-controlled gas distributors	1,835	794	229	2,739	996	281
Petrochemical companies	2,501	565	216	2,785	565	174
Other associates and joint ventures	614	470	1,640	591	524	1,768
	4,950	1,829	2,085	6,115	2,085	2,223
Government entities						
Government bonds	132	3,612	−	363	4,352	−
Banks controlled by the Federal Government	(2,933)	10,424	91,760	(3,775)	10,181	95,034
Receivables from the Electricity sector (note 7.4)	966	13,598	−	1,509	13,335	−
Petroleum and alcohol account - receivables from Federal government	4	861	−	2	857	−
Others	249	1,325	845	38	1,190	1,230
	(1,582)	29,820	92,605	(1,863)	29,915	96,264
Pension plans	−	241	202	−	141	431
	3,368	31,890	94,892	4,252	32,141	98,918
Revenues, mainly sales revenues	5,829			7,626		
Foreign exchange and inflation indexation charges, net	(466)			(2,229)		
Finance income (expenses), net	(1,995)			(1,145)		
Current assets		7,930			8,806	
Non-current assets		23,960			23,335	
Current liabilities			13,320			12,683
Non-current liabilities			81,572			86,235
	3,368	31,890	94,892	4,252	32,141	98,918

18.6. Compensation of employees and officers

The total compensation of Petrobras' (Parent Company) key management is set out as follows:

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

	Officers	**Board (members and alternates)**	**Total**	**Officers**	**Board (members)**	**Total**
Wages and short-term benefits	3.5	0.4	3.9	4.1	0.2	4.3
Social security and other employee-related taxes	1.0	0.1	1.1	1.1	0.1	1.2
Post-employment benefits (pension plan)	0.4	−	0.4	0.2	−	0.2
Total compensation recognized in the statement of income	4.9	0.5	5.4	5.4	0.3	5.7
Total compensation paid	4.9	0.5	5.4	5.4	0.3	5.7
Average number of members in the period (*)	8	15	23	8	10	18
Average number of paid members in the period (**)	8	12	20	8	9	17

(*) Monthly average number of members.
(**) Monthly average number of paid members.

In the first quarter of 2016 the board members and officers of the Petrobras group received R$ 17.9 as compensation (R$ 15.8 in the first quarter of 2015).

The compensation of the Advisory Committees to the Board of Directors is apart from the fixed compensation set for the Board members and, therefore, has not been classified under compensation of Petrobras' key management.

In the first quarter of 2016, the alternates of Board members which are also members of these committees received the amount of R$ 39 thousand as compensation (R$ 47 thousand including related charges).

19. Provision for decommissioning costs

Non-current liabilities	**03.31.2016**	**12.31.2015**
Opening balance	35,728	21,958

Adjustment to provision (*)	516	16,812
Payments made	(1,113)	(4,149)
Interest accrued	571	753
Others	(98)	354
Closing balance	35,604	35,728

(*) Includes R$ 493 related to assets previously classified as held for sale as of March 31, 2016.

20. Taxes

20.1. Income taxes and other taxes

Income tax and social contribution	**Consolidated**			
	Current assets		**Current liabilities**	
	03.31.2016	**12.31.2015**	**03.31.2016**	**12.31.2015**
Taxes in Brazil	3,714	3,743	943	242
Taxes abroad	86	96	182	168
	3,800	3,839	1,125	410

	Consolidated						
Other taxes and contributions	**Current assets**		**Non-current assets**		**Current liabilities**		**Non-cur (*)**
	03.31.2016	**12.31.2015**	**03.31.2016**	**12.31.2015**	**03.31.2016**	**12.31.2015**	**03.31.20**
Taxes In Brazil:							
Current / Deferred ICMS (VAT)	3,165	3,151	2,383	2,364	3,863	4,081	−
Current / Deferred PIS and COFINS (taxes on revenues)	2,831	2,913	8,074	7,913	1,093	1,902	−
CIDE	94	72	−	−	402	449	−
Production Taxes (Special participation / Royalties)	−	−	−	−	1,003	2,428	−
Withholding income tax and social contribution	−	−	−	−	1,265	1,698	−
REFIS and PRORELIT	−	−	−	−	815	1,068	−
Others	554	585	447	718	688	956	
	6,644	6,721	10,904	10,995	9,129	12,582	−

Taxes abroad	168	172	16	22	549	557	–
	6,812	6,893	10,920	11,017	9,678	13,139	–

(*) The values of other taxes in non-current liabilities are classified in others.

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Explanation of Responses:

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

20.2. Tax amnesty programs – State Tax (*Programas de Anistias Estaduais*)

In 2016, the Company decided to benefit from a State Tax Amnesty Program pursuant to the Decrees 61,625/2015 and 61,788/2016 enacted by the state of São Paulo. As a result of the respective tax settlement, the Company charged to income R$ 51, of which R$ 42 was recognized as other taxes expenses and R$ 9 as finance expenses.

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Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

20.3. Deferred income tax and social contribution - non-current

The changes in the deferred income tax and social contribution are presented as follows:

	Consolidated Property, Plant and Equipment							
	Oil and gas exploration costs	**Others (*)**	**Loans, trade and other receivables / payables and financing**	**Finance leases**	**Provision for legal proceedings**	**Tax losses**	**Inventories**	**Employe benefits**
Balance at January 1, 2015	(36,249)	(595)	10,155	(1,573)	1,397	15,191	1,302	5,371
Recognized in the statement of income for the year	(4,061)	5,894	(1,687)	186	1,712	6,789	74	(612)
Recognized in shareholders' equity	−	−	20,961	−	−	(336)	−	(54)
Cumulative translation adjustment	−	106	2	−	(14)	501	(4)	3
Use of tax credits - REFIS and PRORELIT	−	−	−	−	−	(1,853)	−	−
Others	−	(362)	296	21	(3)	73	7	(27)
Balance at December 31, 2015	(40,310)	5,043	29,727	(1,366)	3,092	20,365	1,379	4,681
Recognized in the statement of income for the period	1,213	(2,164)	(46)	(157)	343	2,448	(309)	19
Recognized in	−	−	(8,470)	−	−	(10)	−	−

shareholders' equity								
Cumulative translation adjustment	−	(31)	11	−	5	(97)	−	(11)
Others	−	−	9	−	−	−	−	−
Balance at March 31, 2016	(39,097)	2,848	21,231	(1,523)	3,440	22,706	1,070	4,689
Deferred tax assets								
Deferred tax liabilities								
Balance at December 31, 2015								
Deferred tax assets								
Deferred tax liabilities								
Balance at March 31, 2016								

(*) Mainly includes capitalized borrowing costs and impairment losses of assets.

The Company recognizes the deferred tax assets based on projections of taxable profits in future periods which are revised annually. The deferred tax assets will be realized in a ten years perspective, in proportion to the realization of the provisions and the final resolution of future events, both of which are based on Business and Management Plan – BMP assumptions.

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

20.4. Reconciliation between statutory tax rate and effective tax expense rate

A reconciliation between tax expense and the product of “income before income taxes” multiplied by the Brazilian statutory corporate tax rates is set out in the table below:

	Consolidated	
	Jan-Mar/2016	**Jan-Mar/2015**
Income (loss) before income taxes	(157)	7,551
Nominal income taxes computed based on Brazilian statutory corporate tax rates (34%)	53	(2,567)
Adjustments to arrive at the effective tax rate:		
Different jurisdictional tax rates for companies abroad	410	659
Brazilian income taxes on income of companies incorporated outside Brazil (*)	(88)	−
Tax incentives	27	14
Tax loss carryforwards (unrecognized tax losses)	(314)	(765)
Non-taxable income (non-deductible expenses), net (**)	(341)	(278)
Others	29	(86)
Income tax and social contribution benefit (expense)	(224)	(3,023)
Deferred income tax and social contribution	1,413	(2,044)
Current income tax and social contribution	(1,637)	(979)
	(224)	(3,023)
Effective tax rate of income tax and social contribution	(142.7)%	40.0%

(*) Relates to Brazilian income taxes on earnings of offshore investees generated during the first quarter of 2016, as established by the 12,973/2014 Law.
(**) Includes results in equity-accounted investments.

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Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

21. Employee benefits (Post-Employment)

21.1. Pension and medical benefits

The Company sponsors defined benefit and variable contribution pension plans in Brazil and abroad, as well as defined-benefit medical plans for employees in Brazil (active and retirees) and their dependents. See note 22 to the consolidated financial statement for the year ended December 31, 2015 for detailed information about pension and medical benefits sponsored by the Company.

Changes in the pension and medical defined benefits to employees are set out as follows:

	Consolidated				
	Pension Plans		**Medical Plan**	**Other**	
	Petros	**Petros 2**	**AMS**	**Plans**	**Total**
Balance at January 1, 2015	20,916	762	23,957	283	45,918
(+) Remeasurement effects recognized in OCI	584	(692)	354	(44)	202
(+) Costs incurred in the year	2,879	207	3,213	89	6,388
(-) Contributions paid	(644)	−	(1,155)	(18)	(1,817)
(-) Payments related to the Term of Financial Commitment (TFC)	(550)	−	−	−	(550)
Others	−	−	−	33	33
Balance at December 31, 2015	23,185	277	26,369	343	50,174
Current	1,438	−	1,111	7	2,556
Non-current	21,747	277	25,258	336	47,618
	23,185	277	26,369	343	50,174
(+) Costs incurred in the period	891	29	1,060	25	2,005
(-) Contributions paid	(155)	−	(271)	(12)	(438)
Others	−	−	−	(30)	(30)
Balance at March 31, 2016	23,921	306	27,158	326	51,711
Current	1,600	−	1,111	6	2,717
Non-current	22,321	306	26,047	320	48,994
	23,921	306	27,158	326	51,711

Pension and medical benefit expenses, net recognized in the statement of income are set out as follows:

Consolidated

	Pension Plans		Medical Plan	Other	
	Petros	**Petros 2**	**AMS**	**Plans**	**Total**
Current service cost	72	19	113	11	215
Net interest cost over net liabilities / (assets)	819	10	947	14	1,790
Net costs for Jan-Mar/2016	891	29	1,060	25	2,005
Related to active employees:					
Included in the cost of sales	219	15	242	3	479
Included in operating expenses	114	10	142	21	287
Related to retired employees	558	4	676	1	1,239
Net costs for Jan-Mar/2016	891	29	1,060	25	2,005
Net costs for Jan-Mar/2015	726	62	875	21	1,684

As of March 31, 2016, the Company had pledged crude oil and oil products totaling R$ 6,539, which are been reviewed, as collateral for the Terms of Financial Commitment (TFC) signed by Petrobras and Petros in 2008 (R$ 6,711 as of December 31, 2015).

In the first quarter of 2016, the Company's contribution to the defined contribution portion of the Petros Plan 2 was R$ 213 (R$ 222 in the first quarter of 2015).

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

21.2. Voluntary Separation Incentive Plan

In January 2014, the Company launched a Voluntary Separation Incentive Plan (PIDV 2014), which was developed within the context of its Productivity Optimization Plan (POP) to contribute to the achievement of the goals set out in the Business and Management Plan.

On March 31, 2014, the Company recognized a provision for the estimated charges. The amounts are subject to changes resulting from employees who cancel their requests for voluntary separation, impacts of Collective Bargaining Agreements, which might increase salaries before separation, inflation-indexation of the floor and the cap based on the Brazilian Consumer Price Index (IPCA), as well as variable additional incentives earned by employees.

On October 13, 2015, Petrobras Distribuidora S.A. launched a Voluntary Separation Incentive Plan (PIDV BR 2015), aligning the expectations of its employees. The enrollment period ended on December 30, 2015 with 345 employees enrolled.

From November 30, 2015 to December 18, 2015, the Company re-opened the plan for eligible employees, achieving 374 additional enrollees.

As of March 31, 2016, 6,946 and 201 separations were made for voluntary separation of employees who enrolled in the in PIDV 2014 and in PIDV BR 2015, respectively.

Changes in the provision during the first quarter of 2016 are set out as follows:

	Consolidated
Balance as of December 31, 2015	777
Revision of provision	1
Separations in the period	(229)
Balance as of March 31, 2016	549
Current	390
Non-current	159

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

22. Shareholders' equity

22.1. Share capital

As of March 31, 2016, subscribed and fully paid share capital was R$ 205,432, represented by 7,442,454,142 outstanding common shares and 5,602,042,788 outstanding preferred shares, all of which are registered, book-entry shares with no par value.

Preferred shares have priority on returns of capital, do not grant any voting rights and are non-convertible into common shares.

22.2. Other comprehensive income

In the first quarter of 2016, the Company recognized the following charges mainly as a result of an 8.9% appreciation of the Brazilian real against the U.S. dollar:

- Cumulative translation adjustment of R$ 8,477, resulting from the translation of financial statements of subsidiaries with functional currencies other than the Brazilian Real;

- Foreign exchange variation gains of R$ 16,443 (after taxes and amounts reclassified to the statement of income) recognized in the Company's shareholders' equity during the first quarter of 2016, as a result of its cash flow hedge accounting policy. The cumulative balance of foreign exchange variation losses as of March 31, 2016 was R$ 41,848 (after taxes), as set out in note 31.2.

22.3. Earnings (losses) per share

	Consolidated	
	Jan-Mar/2016	**Jan-Mar/2015**
Net income (loss) attributable to Shareholders of Petrobras	(1,246)	5,330
Weighted average number of common and preferred shares outstanding	13,044,496,930	13,044,496,930
Basic and diluted earnings (losses) per common and preferred share (R$ per share)	(0.10)	0.41

23. Sales revenues

	Consolidated	
	Jan-Mar/2016	**Jan-Mar/2015**

Gross sales	89,895	93,065
Sales taxes (*)	(19,558)	(18,712)
Sales revenues (**)	70,337	74,353
Diesel	22,802	23,956
Automotive gasoline	14,704	13,363
Jet fuel	2,294	2,579
Liquefied petroleum gas	2,489	2,175
Naphtha	1,521	1,643
Fuel oil (including bunker fuel)	1,131	2,204
Other oil products	2,794	2,624
Subtotal oil products	47,735	48,544
Natural gas	4,023	4,874
Ethanol, nitrogen products and renewables	3,466	2,888
Electricity, services and others	2,768	4,281
Domestic market	57,992	60,587
Exports	5,121	5,683
Sales abroad (***)	7,224	8,083
Foreign market	12,345	13,766
Sales revenues (**)	70,337	74,353

(*) Includes, mainly, CIDE, PIS, COFINS e ICMS.
(**) Sales revenues by business segment are set out in note 28.
(***) Sales revenues from operations outside of Brazil, other than exports.

24. Other expenses, net

Consolidated

	Jan-Mar/2016	Jan-Mar/2015

Explanation of Responses:

Unscheduled stoppages and pre-operating expenses	(2,051)	(941)

Pension and medical benefits (retirees)	(1,239)	(947)

Gains / (losses) related to legal, administrative and arbitration proceedings	(1,146)	(833)

Impairment (losses) / reversals	(294)	(3)

Institutional relations and cultural projects	(238)	(381)

Health, safety and environment	(79)	(71)

Gains / (losses) on disposal/write-offs of assets	(98)	406

Reimbursements from E&P partnership operations	546	141

Others	334	(48)

(4,265)	(2,677)

Explanation of Responses:

Explanation of Responses:

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Explanation of Responses:

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

25. Costs and Expenses by nature

	Consolidated	
	Jan-Mar/2016	**Jan-Mar/2015**
Raw material and products for resale	(18,161)	(24,987)
Materials, third-party services, freight, rent and other related costs	(15,852)	(14,858)
Depreciation, depletion and amortization	(12,649)	(8,516)
Employee compensation	(7,609)	(7,754)
Production taxes	(2,433)	(4,554)
Unscheduled stoppages and pre-operating expenses	(2,051)	(941)
(Losses) / Gains on legal, administrative and arbitration proceedings	(1,146)	(833)
Exploration expenditures written-off (includes dry wells and signature bonuses)	(579)	(576)
Allowance for impairment of trade receivables	(503)	863
Other taxes	(542)	(753)
Impairment (losses) / reversals	(294)	(3)
Institutional relations and cultural projects	(238)	(381)
Health, safety and environment	(79)	(71)
Gains / (losses) on disposal/write-offs of assets	(98)	406
Changes in inventories	45	1,604
	(62,189)	(61,354)
In the Statement of income		
Cost of sales	(49,329)	(51,943)
Selling expenses	(3,751)	(1,724)
General and administrative expenses	(2,652)	(2,710)
Exploration costs	(1,147)	(983)
Research and development expenses	(503)	(564)
Other taxes	(542)	(753)
Other expenses, net	(4,265)	(2,677)
	(62,189)	(61,354)

26. Net finance income (expense)

	Consolidated	
	Jan-Mar/2016	**Jan-Mar/2015**
Debt interest and charges	(6,779)	(4,627)

Foreign exchange gains (losses) and inflation indexation charges on net debt (*)	(4,132)	(2,533)
Income from investments and marketable securities	456	503
Financial result on net debt	(10,455)	(6,657)
Capitalized borrowing costs	1,476	1,448
Gains (losses) on derivatives	28	(11)
Interest income from marketable securities	17	6
Other foreign exchange gains (losses) and indexation charges, net	683	(170)
Other finance expenses and income, net	(442)	(237)
Finance income (expenses), net	(8,693)	(5,621)
Income	886	734
Expenses	(6,146)	(3,691)
Foreign exchange gains (losses) and inflation indexation charges, net	(3,433)	(2,664)
	(8,693)	(5,621)

(*) Includes debt raised in Brazil (in Brazilian reais) indexed to the U.S. dollar.

27. Supplemental information on statement of cash flows

	Consolidated	
	Jan-Mar/2016	**Jan-Mar/2015**
Amounts paid / received during the period		
Income tax and social contribution paid	180	621
Withholding income tax paid on behalf of third-parties	1,180	1,091
Capital expenditures and financing activities not involving cash		
Purchase of property, plant and equipment on credit	90	9
Provision for decommissioning costs	22	68

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

28. Segment information

The Extraordinary General Meeting held on April 28, 2016 approved adjustments to the Company's organization structure and governance and management model, aiming to align the organization with the new conditions faced by the oil and gas industry and to prioritize profitability and capital discipline. The new model does not propose discontinuing operations, however, it does consider merge of operations.

Accordingly, the Company may reassesses its current business segment information structure in order to improve management business analysis, as well as decision-making regarding investments and resources allocation.

Consolidated assets by Business Area - 03.31.2016

	Exploration and Production	**Refining, Transportation & Marketing**	**Gas & Power**	**Biofuels**	**Distribution**	**Corporate**	**Eliminations**	**T**
Current assets	15,454	32,691	8,306	194	9,314	92,491	(12,207)	1
Non-current assets	459,375	142,003	64,986	2,032	11,702	34,106	(1,287)	7
Long-term receivables	25,369	9,357	4,882	12	3,539	25,608	(1,150)	6
Investments	6,339	4,264	1,796	1,667	127	23	−	1
Property, plant and equipment	419,329	127,749	57,092	353	7,233	7,605	(137)	6
Operating assets	303,533	111,594	48,928	351	6,152	6,503	(137)	4
Under construction	115,796	16,155	8,164	2	1,081	1,102	−	1
Intangible assets	8,338	633	1,216	−	803	870	−	1
Total Assets	474,829	174,694	73,292	2,226	21,016	126,597	(13,494)	8

Consolidated assets by Business	**Exploration and Production**	**Refining, Transportation & Marketing**	**Gas &**	**Biofuels**	**Distribution**	**Corporate**	**Eliminations**	**T**

Area - 12.31.2015			**Power**				
Current assets	14,215	35,247	10,398	176	8,979	112,715	(12,149)
Non-current assets	469,181	142,384	65,625	1,709	11,609	41,350	(1,304)
Long-term receivables	25,250	9,309	5,303	12	3,355	32,792	(1,142)
Investments	7,054	3,431	1,781	1,339	134	33	−
Property, plant and equipment	428,447	128,982	57,300	358	7,296	7,610	(162)
Operating assets	310,761	112,470	47,611	317	6,175	5,798	(162)
Under construction	117,686	16,512	9,689	41	1,121	1,812	−
Intangible assets	8,430	662	1,241	−	824	915	−
Total Assets	483,396	177,631	76,023	1,885	20,588	154,065	(13,453)

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Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

Consolidated Statement of Income by Business Area

Consolidated Statement of Income per Business Area - 03.31.2016	**Jan-Mar/2016**						
	Exploration and Production	**Refining, Transportation & Marketing**	**Gas & Power**	**Biofuels**	**Distribution**	**Corporate**	**Eliminatio**
Sales revenues	23,675	53,085	9,391	228	25,231	−	(41,273)
Intersegments	22,988	15,557	2,130	219	379	−	(41,273)
Third parties	687	37,528	7,261	9	24,852	−	−
Cost of sales	(20,837)	(39,099)	(7,563)	(248)	(23,291)	−	41,709
Gross profit (loss)	2,838	13,986	1,828	(20)	1,940	−	436
Income (Expenses)	(3,611)	(2,491)	(734)	(118)	(1,987)	(3,992)	73
Selling, general and administrative	(508)	(2,155)	(634)	(25)	(1,691)	(1,481)	91
Exploration costs	(1,147)	−	−	−	−	−	−
Research and development	(209)	(68)	(21)	(2)	−	(203)	−
Other taxes	(62)	(143)	(170)	(2)	(38)	(127)	−
Other expenses, net	(1,685)	(125)	91	(89)	(258)	(2,181)	(18)
Net income (loss) before financial results, profit sharing and income taxes	(773)	11,495	1,094	(138)	(47)	(3,992)	509
Financial income (expenses), net	−	−	−	−	−	(8,693)	−
Share of earnings in equity-accounted investments	(99)	375	56	43	7	6	−
Net Income (loss) before income taxes	(872)	11,870	1,150	(95)	(40)	(12,679)	509
	263	(3,908)	(372)	47	16	3,904	(174)

Income tax and social contribution							
Net income (loss)	(609)	7,962	778	(48)	(24)	(8,775)	335
Net income (loss) attributable to:							
Shareholders of Petrobras	(605)	7,976	757	(48)	(25)	(9,636)	335
Non-controlling interests	(4)	(14)	21	–	1	861	–
	(609)	7,962	778	(48)	(24)	(8,775)	335

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Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

Consolidated Statement of Income per Business Area

Consolidated Statement of Income per Business Area - 03.31.2015	**Jan-Mar/2015(*)**						
	Exploration and Production	**Refining, Transportation & Marketing**	**Gas & Power (**)**	**Biofuels**	**Distribution**	**Corporate**	**Eliminatio**
Sales revenues	27,037	56,115	10,993	156	27,158	−	(47,106)
Intersegments	26,029	18,735	1,689	150	503	−	(47,106)
Third parties	1,008	37,380	9,304	6	26,655	−	−
Cost of sales	(20,006)	(44,670)	(9,249)	(164)	(24,818)	−	46,964
Gross profit	7,031	11,445	1,744	(8)	2,340	−	(142)
Expenses	(1,877)	(2,172)	(131)	(37)	(1,428)	(3,935)	169
Selling, general and administrative	(469)	(1,721)	627	(27)	(1,457)	(1,558)	171
Exploration costs	(983)	−	−	−	−	−	−
Research and development	(220)	(95)	(43)	(6)	(1)	(199)	−
Other taxes	(52)	(184)	(719)	−	(33)	235	−
Write-off - overpayments incorrectly capitalized	−	−	−	−	−	−	−
Impairment of property, plant and equipment, intangible and other assets	−	−	−	−	−	−	−
Other expenses, net	(153)	(172)	4	(4)	63	(2,413)	(2)
Net income (loss) before financial results, profit sharing and income taxes	5,154	9,273	1,613	(45)	912	(3,935)	27
	−	−	−	−	−	(5,621)	−

Financial income (expenses), net							
Share of earnings in equity-accounted investments	20	65	100	(20)	8	−	−
Profit sharing	−	−	−	−	−	−	−
Net Income (loss) before income taxes	5,174	9,338	1,713	(65)	920	(9,556)	27
Income tax and social contribution	(1,752)	(3,153)	(549)	16	(310)	2,734	(9)
Net income (loss)	3,422	6,185	1,164	(49)	610	(6,822)	18
Net income (loss) attributable to:							
Shareholders of Petrobras	3,413	6,183	1,087	(49)	609	(5,931)	18
Non-controlling interests	9	2	77	−	1	(891)	−
	3,422	6,185	1,164	(49)	610	(6,822)	18

(*) For comparative purposes consolidated statement of income by segment as of March 31, 2015 is a
accordance with note 4.2 of the consolidated financial statements as of 31 December, 2015.
(**) For comparative purposes, net income includes VAT expenses related to natural gas aquisitions,
classified in the Corporate segment (R$ 516).

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Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

Breakdown of the activities abroad

	Exploration and Production	**Refining, Transportation & Marketing**	**Gas & Power**	**Distribution**
Assets as of 03.31.2016	28,488	4,756	1,526	2,813
Statement of income - Jan-Mar/2016				
Sales revenues	1,466	2,886	558	3,184
Intersegments	842	2,208	31	2
Third parties	624	678	527	3,182
Gross profit (loss)	480	(118)	101	314
Net income (loss) before financial results, profit sharing and income taxes	268	(219)	84	79
Net income (loss) attributable to shareholders of Petrobras	111	(210)	112	72

	Exploration and Production	**Refining, Transportation & Marketing**	**Gas & Power**	**Distribution**
Assets as of 12.31.2015	31,683	5,459	1,577	3,057
Statement of income - Jan-Mar/2015				
Sales revenues	1,320	3,295	355	3,104
Intersegments	732	834	24	3
Third parties	588	2,461	331	3,101
Gross profit	417	149	58	288
Net income before financial results, profit sharing and income taxes	393	17	41	75
Net income attributable to shareholders of Petrobras	352	5	69	63

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Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

29. Provisions for legal proceedings

29.1. Provisions for legal proceedings, judicial deposits and contingent liabilities

The Company recognizes provisions based on the best estimate of the costs of proceedings for which it is probable that an outflow of resources embodying economic benefits will be required and that can be reliably estimated. These proceedings mainly include:

Labor claims, in particular a review of the methodology by which the minimum compensation based on an employee's position and work schedule (*Remuneração Mínima por Nível e Regime - RMNR*) is calculated and lawsuits concerning remunerated weekly leave;

Tax claims including claims related to alleged failure to pay VAT (*ICMS*) tax on jet fuel sales and to Brazilian federal and state tax credits applied that were disallowed;

Civil claims related to losses and damages proceedings resulting from the cancellation of an assignment of excise tax (IPI) credits to a third party and failure to pay royalties on oil shale extraction; and

Environmental claims regarding fishermen seeking indemnification from the Company for a January 2000 oil spill in the State of Rio de Janeiro.

Provisions for legal proceedings are set out as follows:

	Consolidated	
Non-current liabilities	**03.31.2016**	**12.31.2015**
Labor claims	3,603	3,323
Tax claims	3,640	3,087
Civil claims	2,311	2,069
Environmental claims	233	282
Other claims	11	15
	9,798	8,776

	Consolidated	
	03.31.2016	**12.31.2015**
Opening Balance	8,776	4,091
Additions	1,052	5,294
Use of provision	(163)	(989)
Accruals and charges	204	346
Others	(71)	34

Closing Balance	9,798	8,776

29.2. Judicial deposits

Judicial deposits made in connection with legal proceedings are set out in the table below according to the nature of the corresponding lawsuits:

	Consolidated	
Non-current assets	**03.31.2016**	**12.31.2015**
Tax	4,222	4,076
Civil	2,767	2,693
Labor	2,833	2,670
Environmental	307	305
Others	13	14
	10,142	9,758

29.3. Contingent liabilities

Contingent liabilities for which either the Company is unable to make a reliable estimate of the expected financial effect that might result from resolution of the proceeding, or a cash outflow is not probable, are not recognized as liabilities in the financial statements but are disclosed in the notes to the financial statements, unless the likelihood of any outflow of resources embodying economic benefits is considered remote.

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

The estimated contingent liabilities for legal proceedings as of March 31, 2016, for which the possibility of loss is not considered remote are set out in the following table:

Nature	**Consolidated**
Tax	116,627
Labor	26,143
Civil - General	19,789
Civil - Environmental	5,976
Others	91
	168,626

A brief description of the nature of the main contingent liabilities (tax, civil, environmental and labor) is set out in the following table:

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

Description of tax matters	**Estimate**
Plaintiff: Secretariat of the Federal Revenue of Brazil	
1) Withholding income tax (IRRF), Contribution of Intervention in the Economic Domain (CIDE), Social Integration Program (PIS) and Contribution to Social Security Financing (COFINS) on remittances for payments of vessel charters. Current status: This claim involves lawsuits in different administrative and judicial stages.	32,868
2) Immediate deduction from the basis of calculation of taxable income (income tax - IRPJ and social contribution - CSLL) of crude oil production development costs in 2008 and 2009. Current status: Awaiting the hearing of an appeal at the administrative level.	12,060
3) Requests to compensate federal taxes disallowed by the Brazilian Federal Tax Authority. Current status: This claim involves lawsuits in different administrative and judicial stages.	8,347
4) Deduction from the basis of calculation of taxable income (income tax - IRPJ and social contribution - CSLL) of amounts payed to Petros Plan, as well as several expenses occurred in 2007 and 2008, related to employee benefits and Petros. Current status: Awaiting the hearing of an appeal at the administrative level.	7,630
5) Income from subsidiaries and associates located outside Brazil, from 2005 to 2010, not included in the basis of calculation of taxable income (IRPJ and CSLL). Current status: Awaiting the hearing of an appeal at the administrative level.	6,719
6) Incidence of social security contributions over contingent bonuses paid to employees. Current status: Awaiting the hearing of an appeal at the administrative level.	2,445
7) Collection of Contribution of Intervention in the Economic Domain (CIDE) from March 2002 to October 2003 on transactions with fuel retailers and service stations protected by judicial injunctions determining that fuel sales were made without gross-up of such tax. Current status: This claim involves lawsuits in judicial stages.	2,045
Plaintiff: State of São Paulo Finance Department	

8) Penalty for the absence of a tax document while relocating a rig to an exploratory block, and on the return of this vessel, as well as collection of the related VAT (ICMS), as a result of the temporary admission being unauthorized, because the customs clearance has been done in Rio de Janeiro instead of São Paulo. Current status: This claim involves lawsuits in judicial stages.	5,259
9) Deferral of payment of VAT (ICMS) taxes on B100 Biodiesel sales and the charge of a 7% VAT rate on B100 on Biodiesel inter-state sales, including states in the Midwest, North and, Northeast regions of Brazil and the State of Espírito Santo. Current status: This claim involves lawsuits at administrative level.	2,490
Plaintiff: States of RJ and BA Finance Departments	
10) VAT (ICMS) on dispatch of liquid natural gas (LNG) and C5+ (tax document not accepted by the tax authority), as well as challenges on the rights to this credit. Current status: This claim involves lawsuits in different administrative and judicial stages.	3,875
Plaintiff: Municipal governments of the cities of Anchieta, Aracruz, Guarapari, Itapemirim, Marataízes, Linhares, Vila Velha and Vitória	
11) Alleged failure to withhold and pay tax on services provided offshore (ISSQN) in favor of some municipalities in the State of Espírito Santo, under the allegation that the service was performed in their "respective coastal waters". Current status: This claim involves lawsuits in administrative and judicial stages.	3,130
Plaintiff: States of SP, RS and SC Finance Departments	
12) Collection of VAT (ICMS) related to natural gas imports from Bolivia, alleging that these states were the final destination (consumers) of the imported gas. Current status: This claim involves lawsuits in different administrative and judicial stages, as well as three civil lawsuits in the Federal Supreme Court.	2,586
Plaintiff: States of RJ, RN, AL, AM, PA, BA, GO, MA and SP Finance Departments	
13) Alleged failure to write-down VAT (ICMS) credits related to exemption or non-taxable sales made by the Company's customers. Current status: This claim involves lawsuits in different administrative and judicial stages.	2,235
Plaintiff: States of RJ, SP, PR, RO and MG Finance Departments	
14) Additional VAT (ICMS) due to differences in rates on jet fuel sales to airlines in the domestic market. Current status: This claim involves lawsuits in different administrative and judicial stages.	3,079

Plaintiff: States of PR, AM, BA, ES, PA, PE and PB Finance Departments	
15) Incidence of VAT (ICMS) over alleged differences in the control of physical and fiscal inventories.	
Current status: This claim involves lawsuits in different administrative and judicial levels.	1,758
Plaintiff: States of RJ, SP, ES and BA Finance Departments	
16) Misappropriation of VAT tax credit (ICMS) on the acquisitions of goods that, per the tax authorities, are not related to property, plant and equipment.	
Current status: This claim involves lawsuits in different administrative and judicial stages.	1,713
Plaintiff: State of Pernambuco Finance Department	
17) Alleged incorrect application of VAT (ICMS) tax base with respect to interstate sales of natural gas transport through city-gates in the State of Pernambuco destined to the distributors in that State. The Finance Department of the State of Pernambuco understands that activity as being an industrial activity which could not be characterized as an interstate sale transaction (considering that the Company has facilities located in Pernambuco), and consequently charging the difference on the tax levied on the sale and transfer transactions.	
Current status: This claim involves lawsuits in different administrative and judicial stages.	1,506
Plaintiff: States of RJ, SP, SE and BA Finance Departments	
18) Use of VAT (ICMS) credits on the purchase of drilling rig bits and chemical products used in formulating drilling fluid.	
Current status: This claim involves lawsuits in different administrative and judicial stages.	1,290
Plaintiff: States of SP, CE, PB, RJ, BA and PA Finance Departments	
19) VAT (ICMS) and VAT credits on internal consumption of bunker fuel and marine diesel, destined to chartered vessels.	
Current status: This claim involves several tax notices from the states in different administrative and judicial stages.	1,250
20) Other tax matters	14,342
Total for tax matters	116,627

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

Description of labor matters	Estimate
Plaintiff : Sindipetro of ES, RJ, BA, MG, SP, PE, RN, PR, SC and RS.	
1) Class actions requiring a review of the methodology by which the minimum compensation based on an employee's position and work schedule (Remuneração Mínima por Nível e Regime - RMNR) is calculated. Current status: The Company filed its collective bargaining agreement with the Superior Labor Court and, on October 19, 2015, the Court ruled in favor of the Company and notified the Regional Labor Courts of its understanding of the matter.	12,179
Plaintiff : Sindipetro of ES, RJ, BA, MG, SP, PR, CE, SC,SE, PE and RS (*).	
2) Class Actions regarding wage underpayments to certain employees due to alleged changes in the methodology used to factor overtime into the calculation of paid weekly rest, allegedly computed based on ratios that are higher than those established by Law No. 605/49. Current status: The collective and individual lawsuits about the matter, that not yet to be passed down in res judicata, are in analysis and awaiting judgment by the Superior Labor Court. The Company has filed an appeal in the Superior Labor Court to overturn a decision with respect to the claim filed by Sindipetro Norte Fluminense (NF) and awaits judgment.	4,956
Plaintiff : Sindipetro of Norte Fluminense – SINDIPETRO/NF	
3) The plaintiff claims Petrobras failed to pay overtime for standby work exceeding 12-hours per day. It also demands that the Company respects a 12-hour limit per workday, subject to a daily fine. Current status: Awaiting the Superior Labor Court to judge appeals filed by both parties.	1,129
4) Other labor matters	7,879
Total for labor matters	26,143

Description of civil matters	Estimate

Plaintiff: Agência Nacional de Petróleo, Gás Natural e Biocombustíveis - ANP	
1) Proceedings challenging an ANP order requiring Petrobras to unite Lula and Cernambi fields on the BM-S-11 joint venture; to unite Baúna and Piracicaba fields; and to unite Baleia Anã, Baleia Azul, Baleia Franca, Cachalote, Caxaréu, Jubarte and Pirambu, in the Parque das Baleias complex, which would cause changes in the payment of special participation charges. Current status: The claims are being disputed in court and in arbitration proceedings. As a result of judicial decisions, the arbitrations have been suspended. On the Lula and Cernanbi proceeding, for the alleged differences on the special participation, the Company made judicial deposits. However, with the cancellation of the favorable injunction, currently the payment of these alleged differences have been made directly to ANP, until a final judicial decision is handed down. On the Baúna and Piracicaba proceeding, Petrobras made court-ordered judicial deposits. On the Baleia Anã, Baleia Azul, Baleia Franca, Cachalote, Caxaréu, Jubarte and Pirambu, in the Parque das Baleias complex proceeding, as a result of a judicial decision and of a Chamber of Arbitration ruling, the collection of the alleged differences has been suspended.	5,138
2) Administrative proceedings challenging an ANP order requiring Petrobras to pay special participation fees and royalties (government take) with respect to several fields and alleged failure to comply with the minimum exploration activities program, as well as alleged irregularities in platform measurement systems Current status: This claim involves lawsuits in different administrative and judicial stages.	5,035
Plaintiff: Refinaria de Petróleo de Manguinhos S.A.	
3) Lawsuit seeking to recover damages for alleged anti-competitive practices with respect to gasoline, diesel and LPG sales in the domestic market. Current status: This claim is in the judicial stage and was ruled in favor of the plaintiff in the first stage. The Company is taking legal actions to ensure its rights. The Brazilian Antitrust regulator (CADE) has analyzed this claim and did not consider the Company's practices to be anti-competitive.	1,696
Plaintiff: Vantage Deepwater Company e Vantage Deepwater Drilling Inc.	
4) Arbitration in the United States for unilateral termination of the drilling service contract tied to ship-probe Titanium Explorer. Current status: The process is in phase of discovery and choice of the chairman of the arbitration panel, where the Company seeks its rights and presents documents to prove the author delinquent in contractual obligations.	1,424
5) Other civil matters	6,496

Total for civil matters	19,789

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Explanation of Responses:

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

Description of environmental matters	**Estimate**
Plaintiff: Ministério Público Federal, Ministério Público Estadual do Paraná, AMAR - Associação de Defesa do Meio Ambiente de Araucária and IAP - Instituto Ambiental do Paraná	
1) Legal proceeding related to specific performance obligations, indemnification and compensation for damages related to an environmental accident that occurred in the State of Paraná on July 16, 2000. Current status: The court partially ruled in favor of the plaintiff, however both parties (the plaintiff and the Company) filed an appeal.	2,513
Plaintiff: Instituto Brasileiro de Meio Ambiente - IBAMA and Ministério Público Federal.	
2) Administrative proceedings arising from environmental fines related to exploration and production operations (Upstream) contested because of disagreement over the interpretation and application of standards by IBAMA, as well as a public civil action filed by the Ministério Público Federal for alleged environmental damage due to the accidental sinking of P-36 Platform. Current status: Defense trial and the administrative appeal regarding the fines are pending, and, when it comes to the civil action, the Company appealed the ruling that was unfavorable in the lower court and monitors the use of the procedure that will be judged by the Regional Federal Court.	1,141
3) Other environmental matters	2,322
Total for environmental matters	5,976

29.4. Class action and other U.S. actions

29.4.1. Class action and other related individual actions

Between December 8, 2014 and January 7, 2015, five putative securities class action complaints were filed against the Company in the United States District Court for the Southern District of New York (SDNY). These actions were consolidated on February 17, 2015 (the “Consolidated Securities Class Action”). The Court appointed a lead plaintiff, Universities Superannuation Scheme Limited (“USS”), on March 4, 2015. USS filed a consolidated amended complaint (“CAC”) on March 27, 2015 that purported to be on behalf of investors who: (i) purchased or otherwise acquired Petrobras securities traded on the NYSE or pursuant to other transactions in the U.S. during the period January 22, 2010 and March 19, 2015, inclusive (the

“Class Period”), and were damaged thereby; (ii) purchased or otherwise acquired during the Class Period certain notes issued in 2012 pursuant to a registration statement filed with the SEC filed in 2009 , or certain notes issued in 2013 or 2014 pursuant to a registration statement filed with the SEC in 2012 , and were damaged thereby; and (iii) purchased or otherwise acquired Petrobras securities on the Brazilian stock exchange during the Class Period, who also purchased or otherwise acquired Petrobras securities traded on the NYSE or pursuant to other transactions in the U.S. during the same period.

The CAC alleged, among other things, that in the Company’s press releases, filings with the SEC and other communications, the Company made materially false and misleading statements and omissions regarding the value of its assets, the amounts of the Company’s expenses and net income, the effectiveness of the Company’s internal controls over financial reporting, and the Company’s anti-corruption policies, due to alleged corruption purportedly in connection with certain contracts, which allegedly artificially inflated the market value of the Company’s securities.

On April 17, 2015, Petrobras, Petrobras Global Finance - PGF and the underwriters of notes issued by PGF (the “Underwriter Defendants”) filed a motion to dismiss the CAC.

On July 9, 2015, the judge presiding over the Consolidated Securities Class Action ruled on the motion to dismiss, partially granting the Company’s motion. Among other decisions, the judge dismissed claims relating to certain debt securities issued in 2012 under the Securities Act of 1933, as time barred by the Securities Act’s statute of repose and ruled claims relating to securities purchased on the Brazilian stock exchange must be arbitrated, as established in the Company’s bylaws. The judge rejected other arguments presented in the motion to dismiss the CAC and, as a result, the Consolidated Securities Class Action continued with respect to other claims.

As allowed by the judge, a second consolidated amended complaint was filed on July 16, 2015, a third consolidated amended complaint was filed on September 1, 2015, among other things extending the Class Period through July 28, 2015 and adding Petrobras America, Inc. as a defendant, and a fourth consolidated amended complaint (“FAC”) was filed on November 30, 2015. The FAC, brought by lead plaintiff and three other plaintiffs – Union Asset Management Holding AG (“Union”), Employees’ Retirement System of the State of Hawaii (“Hawaii”), and North Carolina Department of State Treasurer (“North Carolina”) (collectively, “class plaintiffs”) – brings those claims alleged in the CAC that were not dismissed or were allowed to be re-pleaded under the judge’s July 9, 2015 ruling.

On December 7, 2015, Petrobras, PGF, Petrobras America, Inc. and the Underwriter Defendants filed a motion to dismiss the FAC.

On December 20, 2015, the judge ruled on the motion to dismiss the FAC, partially granting the motion. Among other decisions, the judge dismissed the claims of USS and Union based on their purchases of notes issued by PGF for failure to plead that they purchased the notes in U.S. transactions. The judge also dismissed claims under the Securities Act of 1933 for certain purchases for which class plaintiffs had failed to plead the element of reliance. The judge rejected other arguments presented in the motion to dismiss the FAC and, as a result, the Consolidated Securities Class Action will continue with respect to the remaining claims.

Explanation of Responses:

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

On October 15, 2015, class plaintiffs filed a motion for class certification in the Consolidated Securities Class Action, and on November 6, 2015, Petrobras, PGF, Petrobras America, Inc. and the Underwriter Defendants opposed the motion. On February 2, 2016, the judge granted plaintiffs' motion for class certification, certifying a Securities Act Class represented by Hawaii and North Carolina and an Exchange Act Class represented by USS.

In addition to the Consolidated Securities Class Action, to date, 29 lawsuits have been filed by individual investors before the same judge in the SDNY (two of which have been stayed), and one has been filed in the United States District Court for the Eastern District of Pennsylvania, consisting of allegations similar to those in the Consolidated Securities Class Action. On August 21, 2015, Petrobras, PGF and underwriters of notes issued by PGF filed a motion to dismiss certain of the individual lawsuits, and on October 15, 2015, the judge ruled on the motion to dismiss, partially granting the motion. Among other decisions, the judge dismissed several Exchange Act, Securities Act and state law claims as barred by the relevant statutes of repose. The judge denied other portions of the motion to dismiss and, as a result, these actions will continue with respect to other claims brought by these class plaintiffs.

On October 31, 2015, the judge ordered that the individual lawsuits before him in the SDNY and the Consolidated Securities Class Action shall be tried together in a single trial that will not exceed a total of eight weeks.

On November 5, 2015, the judge ordered that the trial shall begin on September 19, 2016, and on November 18, 2015, the judge ordered that any individual action filed after December 31, 2015 will be stayed in all respects until after the completion of the scheduled trial.

These actions are in their early stages and involve highly complex issues that are subject to substantial uncertainties and depend on a number of factors such as the novelty of the legal theories, the information produced in discovery, the timing of court decisions, discovery from adverse parties or third parties, rulings by the court on key issues, analysis by retained experts, and the possibility that the parties negotiate in good faith toward a resolution.

In addition, the claims asserted are broad, span a multi-year period and involve a wide range of activities, and the contentions of the plaintiffs in the Consolidated Securities Class Action and the individual additional actions concerning the amount of alleged damages are varied and, at this stage, their impact on the course of the litigation is complex and uncertain.

The uncertainties inherent in all such matters affect the amount and timing of the ultimate resolution of these actions. As a result, the Company is unable to make a reliable estimate of eventual loss arising from the litigation.

Depending on the outcome of the litigation, we may be required to pay substantial amounts, which could have a material adverse effect on the Company's financial condition, its consolidated results of operations or its consolidated cash flows for an individual reporting period.

The Company has engaged a U.S. firm as legal counsel and intends to defend these actions vigorously.

29.4.2. EIG claim involving Sete Brasil

On February 23, 2016, EIG Management Company (EIG) and affiliates filed a complaint against Petrobras before the federal court in Washington, DC, alleging that the Company had committed fraud by inducing plaintiffs to invest in Sete Brasil Participações SA ("Sete"), through communications that failed to disclose the alleged corruption scheme in which the Company and Sete were allegedly involved and that plaintiffs’ investments in Sete allowed Petrobras to perpetuate and expand the corruption scheme. This action is at an early stage, and the allegations and claims in the complaint are being evaluated by Petrobras. The Company intends to engage a U.S. firm as legal counsel to defend this action.

30. Collateral for crude oil exploration concession agreements

The Company has granted collateral to the Brazilian Agency of Petroleum, Natural Gas and Biofuels (*Agência Nacional de Petróleo, Gás Natural e Biocombustíveis - ANP*) in connection with the performance of the Minimum Exploration Programs established in the concession agreements for petroleum exploration areas in the total amount of R$ 7,710, of which R$ 4,721 were still in force as of March 31, 2016, net of commitments undertaken. The collateral comprises crude oil from previously identified producing fields, pledged as collateral, amounting to R$ 4,068 and bank guarantees of R$ 653.

Notes to the financial statements

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31. Risk management

The Company is exposed to a variety of risks arising from its operations, including price risk (related to crude oil and oil products prices), foreign exchange rates risk, interest rates risk, credit risk and liquidity risk. Corporate risk management is part of the Company's commitment to act ethically and comply with legal and regulatory requirements of the countries where it operates. To manage market and financial risks the Company preferably takes structuring measures through an adequate capital and leverage management. The Company takes account of risks in its business decisions and manages any such risk in an integrated manner in order to enjoy the benefits of diversification.

A summary of the derivative financial instruments positions held by the Company and recognized in other current assets and liabilities as of March 31, 2016, as well as the amounts recognized in the statement of income and other comprehensive income and the guarantees given is set out following:

	Statement of Financial Position				
			Fair value		
	Notional value		**Asset Position (Liability)**		**Maturity**
	03.31.2016	**12.31.2015**	**03.31.2016**	**12.31.2015**	
Derivatives not designated for hedge accounting					
Future contracts (*) - total	(8,453)	(5,694)	4	149	
Long position/Crude oil and oil products	37,655	53,735	−	−	2016
Short position/Crude oil and oil products	(46,108)	(59,429)	−	−	2016
Options (*) - total	100	123	−	38	
Call/Crude oil and oil products	100	−	−	−	2016
Put/Crude oil and oil products	−	123	−	38	2016
Forward contracts - total			(6)	24	
Long position/ Foreign currency forwards (ARS/USD) (**)	USD 0	USD 0	−	−	2016
Long position/ Foreign currency forwards (BRL/USD) (**)	USD 218	USD 217	(6)	23	2016
Short position/Foreign currency forwards (BRL/USD) (**)	USD 0	USD 50	−	1	2016

Derivatives designated for hedge accounting					
Swap - total			(33)	(130)	
Foreign currency - Cross-currency Swap (**)	USD 298	USD 298	36	(62)	2016
Interest - Libor / Fixed rate (**)	USD 384	USD 396	(69)	(68)	2017
Total recognized in the Statement of Financial Position			(35)	81	

(*) Notional value in thousands of bbl.
(**) Amounts in USD are presented in million.

	Gains/ (losses) recognized in the statement of income (*)		**Gains/ (losses) recognized in the Shareholders' Equity (**)**		**Guarantees given as collateral**	
	Jan-Mar/2016	**Jan-Mar/2015**	**Jan-Mar/2016**	**Jan-Mar/2015**	**03.31.2016**	**12.31.2015**
Commodity derivatives	20	(42)	−	−	217	36
Foreign currency derivatives	16	38	8	4	−	−
Interest rate derivatives	(8)	(7)	(8)	(5)	−	−
	28	(11)	−	(1)	217	36
Cash flow hedge on exports (***)	(2,900)	(824)	24,913	(27,476)	−	−
	(2,872)	(835)	24,913	(27,477)	217	36

(*) Amounts recognized in finance income in the period.
(**) Amounts recognized as other comprehensive income in the period.
(***) Using non-derivative financial instruments as designated hedging instruments, as set out in note 31.2.

A sensitivity analysis for the different types of market risks, to which the Company is exposed, based on the derivative financial instruments held as of March 31, 2016 is set out following:

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Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

		Consolidated		
Financial Instruments	**Risk**	**Probable Scenario (*)**	**Stressed Scenario (Δ of 25%)**	**Stressed Scenario (Δ of 50%)**
Derivatives not designated for hedge accounting				
Future contracts	Crude oil and oil products - price changes	16	(267)	(551)
Forward contracts	Foreign currency - depreciation BRL x USD	39	(194)	(388)
Options	Crude oil and oil products - price changes	−	(1)	(1)
		55	(462)	(940)
Derivatives designated for hedge accounting				
Swap		(25)	(224)	(373)
Debt	Foreign currency - appreciation JPY x USD	25	224	373
Net effect		−	−	−
Swap		4	(5)	(9)
Debt	Interest - LIBOR increase	(4)	5	9
Net effect		−	−	−

(*) The probable scenario was computed based on the following risks: oil and oil products prices: fair value on March 31, 2016; R$ x U.S. Dollar - a 5.1% depreciation of the Real; Japanese Yen x U.S. Dollar - a 2.3% depreciation of the Japanese Yen; Peso x U.S. Dollar - a 9.6% depreciation of the Peso; LIBOR Forward Curve - a 0.11% increase throughout the curve. Source: Focus and Bloomberg.

31.1. Risk management of price risk (related to crude oil and oil products prices)

Petrobras does not regularly use derivative instruments to hedge exposures to commodity price cycles related to products purchased and sold to fulfill operational needs. Derivatives are used as hedging instruments to manage the price risk of certain short-term commercial transactions.

31.2. Foreign exchange risk management

Petrobras seeks to identify and manage foreign exchange rate risks based on an integrated analysis of its businesses with the benefits of diversification. The Company's short-term risk management involves choosing the currency in which to hold cash, such as the Brazilian Real, U.S. dollar or other currency. The foreign exchange risk management strategy may involve the use of derivative financial instruments to hedge certain liabilities, minimizing foreign exchange rate risk exposure.

a) Cash Flow Hedge involving the Company's future exports

The Company designates hedging relationships to account for the effects of the existing hedge between a portion of its long-term debt obligations (denominated in U.S. dollars) and its highly probable U.S. dollar denominated future export revenues, so that gains or losses associated with the hedged transaction (the highly probable future exports) and the hedging instrument (debt obligations) are recognized in the statement of income in the same periods.

A portion of principal amounts and accrued interest (non-derivative financial instruments), as well as foreign exchange rate forward contracts (derivative financial instruments) have been designated as hedging instruments. Derivative financial instruments expired during the year were replaced by principal and interest amounts in the hedging relationships for which they had been designated.

Individual hedging relationships were designated in a one-to-one proportion, meaning that a portion of the highly probable future exports for each month will be the hedged transaction of an individual hedging relationship, hedged by a portion of the Company's long-term debt. Only a portion of the Company's forecast exports are considered as highly probable.

Whenever a portion of future exports for a certain period for which a hedging relationship has been designated is no longer highly probable, the Company revokes the designation and the cumulative foreign exchange gains or losses that have been recognized in other comprehensive income remain separately in equity until the forecast exports occur.

Whenever a portion of future exports for a certain period for which a hedging relationship has been designated is no longer not considered highly probable, but is also no longer expected to occur, any related cumulative foreign exchange gains or losses that have been recognized in other comprehensive income from the date the hedging relationship was designated to the date the Company revoked the designation is immediately recycled from equity to the statement of income as a reclassification adjustment.

As of March 31, 2016, a portion of future exports for which a hedging relationship had been designated was no longer expected to occur or not occurred, mainly due to the decrease in international oil prices. Therefore, the hedging relationship was revoked and this portion was reclassified to the statement of income in amount of R$ 734 in the first quarter of 2016.

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

The carrying amounts, the fair value as of March 31, 2016, and a schedule of expected reclassifications to the statement of income of cumulative losses recognized in other comprehensive income (shareholders' equity) based on a USD 1.00 / R$ 3.5589 exchange rate are set out below:

Hedging Instrument	**Hedged Transactions**	**Nature of the Risk**	**Maturity Date**	**Principal Amount (US$ million)**	**Carrying amount as of March 31, 2016**
Non-derivative financial instruments (debt: principal and interest)	Portion of highly probable future monthly exports revenues	Foreign Currency – Real vs U.S. Dollar Spot Rate	April 2016 to March 2027	62,827	223,595

Changes in the reference value (principal and interest)	**US$ million**	**R$**
Amounts designated as of December 31, 2015	61,520	240,222
Additional hedging relationships designated, designations revoked and hedging instruments re-designated	3,082	12,296
Exports affecting the statement of income	(479)	(1,901)
Principal repayments / amortization	(1,296)	(5,009)
Foreign exchange variation	−	(22,013)
Amounts designated as of March 31, 2016	62,827	223,595

The ratio of highly probable future exports to debt instruments for which a hedging relationship has been designated in future periods is set out below:

Consolidated

	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024 to 2027**	**Average**
Hedging instruments designated / Highly probable future exports (%)	66	75	80	78	77	61	57	54	52	60

A roll-forward schedule of cumulative foreign exchange losses recognized in other comprehensive income as of March 31, 2016 is set out below:

	Exchange rate	**Tax effect**	**Total**

Balance at December 31, 2015	(88,319)	30,028	(58,291)

Recognized in shareholders' equity	22,013	(7,484)	14,529

Reclassified to the statement of income - occurred exports	2,166	(736)	1,430

Reclassified to the statement of income - exports no longer expected or not occurred	734	(250)	484

Balance at March 31, 2016	(63,406)	21,558	(41,848)

Explanation of Responses:

Additional hedging relationships may be revoked or additional reclassification adjustments from equity to the statement of income may occur as a result of changes in forecast export prices and export volumes following a review in the Company's business plan. Based on a sensitivity analysis considering a US$ 10/barrel decrease in Brent prices stress scenario, when compared to the Brent price projections in our most recent update of the 2015-2019 Business and Management Plan (*Plano de Negócios e Gestão – PNG*), a R$ 783 reclassification adjustment from equity to the statement of income would occur.

A schedule of expected reclassification of cumulative foreign exchange losses recognized in other comprehensive income to the statement of income as of March 31, 2016 is set out below:

	Consolidated									
	2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024 to 2027**	**Total**
Expected realization	(7,183)	(11,245)	(11,626)	(9,225)	(7,345)	(6,819)	(7,189)	(4,394)	1,620	(63,406)

b) Cash flow hedges involving swap contracts – Yen x Dollar

The Company has a cross currency swap to fix in U.S. dollars the payments related to bonds denominated in Japanese yen and does not intend to settle these contracts before the maturity. The relationship between the derivative and the bonds was designated for cash flow hedge accounting.

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(Expressed in millions of reais, unless otherwise indicated)

c) Sensitivity analysis for foreign exchange risk on financial instruments

A sensitivity analysis is set out below, showing the probable scenario for foreign exchange risk on financial instruments, computed based on external data along with stressed scenarios (a 25% and a 50% change in the foreign exchange rates), except for assets and liabilities of foreign subsidiaries, when transacted in a currency equivalent to their respective functional currencies.

			Consolidated		
Financial Instruments	**Exposure at 03.31.2016**	**Risk**	**Probable Scenario (*)**	**Stressed Scenario (Δ of 25%)**	**Stressed Scenario (Δ of 50%)**
Assets	15,334		780	3,834	7,667
Liabilities	(241,139)	Dollar/ Real	(12,271)	(60,284)	(120,569)
Cash flow hedge on exports	223,596		11,378	55,899	111,798
	(2,209)		(113)	(551)	(1,104)
Liabilities (**)	(2,126)	Yen/ Dollar	50	(531)	(1,062)
	(2,126)		50	(531)	(1,062)
Assets	36		−	9	18
Liabilities	(227)	Euro/ Real	1	(57)	(113)
	(191)		1	(48)	(95)
Assets	31,962	Euro/ Dollar	(1,743)	7,990	15,981
Liabilities	(63,447)		3,459	(15,861)	(31,723)
	(31,485)		1,716	(7,871)	(15,742)
Assets	21	Pound Sterling/ Real	1	5	11
Liabilities	(82)		(3)	(20)	(41)
	(61)		(2)	(15)	(30)
Assets	9,207	Pound Sterling/ Dollar	(122)	2,302	4,604
Liabilities	(18,333)		242	(4,583)	(9,167)
	(9,126)		120	(2,281)	(4,563)
Assets	2,025	Dollar/ Peso	186	506	1,013
Liabilities	(2,079)		(191)	(520)	(1,040)
	(54)		(5)	(14)	(27)
	(45,252)		1,767	(11,311)	(22,623)

(*) On March 31, 2016, the probable scenario was computed based on the following risks: R$ x U.S. Dollar - a 5.1% depreciation of the Real/ Japanese Yen x U.S. Dollar - a 2.3% depreciation of the Japanese Yen/ Peso x U.S. Dollar - a 9.6% depreciation of the Peso / Euro x U.S. Dollar: a 5.2% depreciation of the Euro / Pound Sterling x U.S. Dollar: a 1.3% depreciation of the Pound

Sterling/ Real x Euro - a 0.4% appreciation of the Real / Real x Pound Sterling - 3.8% depreciation of the Real. Source: Focus and Bloomberg.
(**) A portion of the foreign currency exposure is hedged by a cross-currency swap.

31.3. Interest rate risk management

The Company considers that interest rate risk does not create a significant exposure and therefore, preferably does not use derivative financial instruments to manage interest rate risk, except for specific situations encountered by certain subsidiaries of Petrobras.

31.4. Credit risk

Credit risk management in Petrobras aims at minimizing risk of not collecting receivables, financial deposits or collateral from third parties or financial institutions through efficient credit analysis, granting and management based on quantitative and qualitative parameters that are appropriate for each market segment in which the Company operates.

The commercial credit portfolio is broad and diversified and comprises clients from the domestic market and from foreign markets. Credit granted to financial institutions is related to collaterals received, cash surplus invested and derivative financial instruments. It is spread among “investment grade” international banks rated by international rating agencies and Brazilian banks.

31.5. Liquidity risk

Liquidity risk is represented by the possibility of a shortage of cash or other financial assets in order to settle the Company’s obligations on the agreed dates and is managed by the Company based on policies such as: centralized cash management, in order to optimize the level of cash and cash equivalents held and to reduce working capital; a minimum cash level to ensure that cash needed for investments and short-term obligations is met even in adverse market conditions; increasing the number of investors in the domestic and international markets through funding opportunities, preserving a strong presence in the international capital markets and searching for new funding sources, including new markets and financial products, as well as funds under the divestment program.

Notes to the financial statements

(Expressed in millions of reais, unless otherwise indicated)

During 2015, the Company used traditional funding sources (export credit agencies – ECAs, banking market, capital markets and development banks) to obtain the necessary funding to repay debt and fund its capital expenditures. Proceeds from long-term financing amounted approximately US$ 1.1 billion in the first quarter of 2016 and the Company also signed a term sheet with the China Development Bank CDB to obtain US$10 billion through financing agreements that are currently being negotiated.

A maturity schedule of the Company’s finance debt (undiscounted), including face value and interest payments is set out following:

	Consolidated							
Maturity	**2016**	**2017**	**2018**	**2019**	**2020**	**2021 and thereafter**	**03.31.2016**	**12.31.2015**
Principal	36,036	41,912	59,040	82,568	57,131	178,081	454,768	497,289
Interest	17,774	22,567	20,960	17,358	12,708	117,502	208,869	230,531
Total	53,810	64,479	80,000	99,926	69,839	295,583	663,637	727,820

32. Fair value of financial assets and liabilities

Fair values are determined based on market prices, when available, or, in the absence thereof, on the present value of expected future cash flows. The fair values of cash and cash equivalents, short term debt and other non-current assets and liabilities are equivalent or do not differ significantly from their carrying amounts.

The hierarchy of the fair values of the financial assets and liabilities, recorded on a recurring basis, is set out below:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable inputs for the asset or liability.

	Fair value measured based on			
	Level I	**Level II**	**Level III**	**Total fair value recorded**

Assets				
Marketable securities	2,764	−	−	2,764
Commodity derivatives	4	−	−	4
Foreign currency derivatives	−	36	−	36
Balance at March 31, 2016	2,768	36	−	2,804
Balance at December 31, 2015	3,255	24	−	3,279
Liabilities				
Foreign currency derivatives	−	(6)	−	(6)
Interest derivatives	−	(69)	−	(69)
Balance at March 31, 2016	−	(75)	−	(75)
Balance at December 31, 2015	−	(130)	−	(130)

There are no material transfers between levels.

The estimated fair value for the Company’s long term debt as of March 31, 2016,computed based on the prevailing market rates is set out in note 16.1.

33. Subsequent events

33.1. Voluntary Separation Incentive Plan – 2016 PIDV

On April 1, 2016, Petrobras announced a new voluntary separation incentive program (2016 PIDV) designed to contribute to the achievement of the goals set out in our Business and Management Plan.

The 2016 PIDV is open to all employees from April 11, 2016 up to August 31, 2016. Provisions for charges will be recognized through such period according to the enrollment of our workforce to this program. The effective cost to implement the 2016 PIDV will depend on certain variables, for example, number of enrollments and specific conditions of each employee.

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33.2. Sale of Petrobras Argentina

On May 3, 2016, the Company concluded the negotiations with Pampa Energía of the main terms and conditions for the sale the entire interest in Petrobras Participaciones S.L. ("PPSL"), which holds 67,19% interest in Petrobras Argentina (PESA). The base price of the deal is US$ 892, without taking into account the effect of price adjustments and the tax impact.

This transaction is part of the Divestment Program in the Company Business and Management Plan 2015-2019 and its conclusion is subject to the deliberation and approval of its final terms and conditions by the Executive Board and Board of Directors, as well as the appropriate regulatory agencies.

33.3. Sale of distribution assets in Chile

On May 3, 2016, the Company concluded the negotiations with Southern Cross Group of the main terms and conditions for the sale its whole interest in Petrobras Chile Distribución Ltda. (“PCD”), owned through Petrobras Caribe Ltd. The final value of the deal, subject to price adjustments tax impact, is estimated to be US$ 490.

This transaction is part of the Divestment Program in the Company Business and Management Plan 2015-2019 and is still subject to the deliberation and approval of its final terms and conditions by the Executive Board, Board of Directors and the Executive Committee of Southern Cross, as well as the appropriate regulatory approvals.

33.4. Financing contract with China Exim Bank

On May 9, 2016, the Company signed with the China Exim Bank a term sheet containing the main terms and conditions for a financing contract of US$1 billion and the final agreement is under negotiation.

Notes to the financial statements

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34. Correlation between the notes disclosed in the complete annual financial statements as of December 31, 2015 and the interim statements as of March 31, 2016

Notes to the Financial Statements	Number of notes Annual for 2015	Quarterly information for 1Q-2016
The Company and its operations	1	1
Basis of preparation of interim financial statements	2	2
The “Lava Jato (Car Wash) Operation” and its effects on the Company	3	3
Basis of consolidation	(*)	4
Accounting policies	4	5
Cash and cash equivalents and Marketable securities	7	6
Trade receivables	8	7
Inventories	9	8
Assets held for sale	(**)	9
Investments	11	10
Property, plant and equipment	12	11
Intangible assets	13	12
Impairment	14	13
Exploration for and evaluation of oil and gas reserves	15	14
Trade payables	16	15
Finance debt	17	16
Leases	18	17
Related parties	19	18
Provision for decommissioning costs	20	19
Taxes	21	20
Employee benefits (Post-employment)	22	21
Shareholders' equity	23	22
Sales revenues	24	23
Other expenses, net	25	24
Costs and Expenses by nature	26	25
Net finance income (expense)	27	26
Supplementary information on the statement of cash flows	28	27
Segment reporting	29	28
Provisions for legal proceedings, contingent liabilities and contingent assets	30	29
	32	30

Guarantees for concession agreements for petroleum exploration		
Risk management and derivative instruments	33	31
Fair value of financial assets and liabilities	34	32
Subsequent events	35	33

(*) Summary of significant accounting policies
(**) Disposal of assets and legal mergers

The notes to the annual report 2015 that were suppressed in the 1Q-2016 because they do not have significant changes and / or may not be applicable to interim financial information are as follows:

Notes to the Financial Statements	**Number of notes**
Critical accounting policies: key estimates and judgments	5
New standards and interpretations	6
Disposal of assets and legal mergers	10
Petroleum and alcohol accounts - receivables from Federal Government	19.6
Contingent assets	30.5
Commitments to purchase natural gas	31
Capital management	33.4
Insurance	33.7

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 13, 2016

PETRÓLEO BRASILEIRO S.A--PETROBRAS

By: /s/ Ivan de Souza Monteiro

Ivan de Souza Monteiro
Chief Financial Officer and Investor Relations Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act) that are not based on historical facts and are not assurances of future results. These forward-looking statements are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

All forward-looking statements are expressly qualified in their entirety by this cautionary statement, and you should not place reliance on any forward-looking statement contained in this press release. 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.