

NOTICE TO THE MARKET

São Paulo, February 17, 2018 - São Martinho S.A., in compliance with article 12 of CVM Instruction 358/02, hereby announces to its shareholders and the market the complete divestment of the 6.593% equity interest held by Petrobras Biocombustível S.A. – PBIO in the Company, totaling twenty-four million (24,000,000) shares, at the price of eighteen reais and fifty-one centavos (R\$18.51) per share at an auction held at the São Paulo Stock Exchange (B3).

With this, PBIO ceased to be a shareholder of São Martinho, as per the Notice to the Market (attached) issued by Petróleo Brasileiro S.A. (Petrobras).

The Company also informs that it acquired six million, five hundred thousand (6,500,000) shares in connection with its 5th Share Buyback Program.

Cordially,

Felipe Vicchiato

Chief Financial and Investor Relations Officer

Aline Reigada

Investor Relations Manager



Petrobras concludes sale of the shares of São Martinho S.A.

Rio de Janeiro, February 16, 2018 – Petróleo Brasileiro S.A. – Petrobras, in continuity to the material fact announced on 02/23/2017, informs that its wholly-owned subsidiary Petrobras Biocombustível SA - PBIO sold on this date, through an auction at B3, 24,000,000 (twenty-four million) shares of São Martinho SA (SMT03) held by the company, at the price of R\$ 18.51 per share.

Petrobras further clarifies that, with the sale of 6.593% stake in the total capital of São Martinho S.A. it no longer holds any participation in this company.

www.petrobras.com.br/ir

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FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 27E of the Securities Exchange Act of 1934, as amended, that are subject to risks and uncertainties. The forward-looking statements, which address the Company's expected business and financial performance, among other matters, contain words such as "believe," "expect," "anticipate," "estimate," "intend," "plan," "aim," "will," "may," "forecast," "could," "would," "likely" and similar expressions. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. There is no assurance that the expected events, trends or results will actually occur. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.

The Company's actual results could differ materially from those expressed or forecast in any forward-looking statements as a result of a variety of assumptions and factors. These factors include, but are not limited to, the following: (i) failure to comply with laws or regulations, including fraudulent activity, corruption, and bribery; (ii) the outcome of ongoing corruption investigations and any new facts or information that may arise in relation to the "Lava Jato Operation"; (iii) the effectiveness of the Company's risk management policies and procedures, including operational risk; and (iv) litigation, such as class actions or proceedings brought by governmental and regulatory agencies. A description of other factors can be found in the Company's Annual Report on Form 20-F for the year ended December 31, 2016, and the Company's other filings with the U.S. Securities and Exchange Commission.