

PETROBRAS - PETROLEO BRASILEIRO SA
Form 6-K
June 08, 2016

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the month of June, 2016

Commission File Number 1-15106

PETRÓLEO BRASILEIRO S.A. - PETROBRAS
(Exact name of registrant as specified in its charter)

Brazilian Petroleum Corporation - PETROBRAS
(Translation of Registrant's name into English)

Avenida República do Chile, 65
20031-912 - Rio de Janeiro, RJ
Federative Republic of Brazil
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

Oil and natural gas production in May

Rio de Janeiro, June 8, 2016 – Petróleo Brasileiro S.A. – Petrobras announces that its total production of oil and natural gas in May was of 2.83 million barrels of oil equivalent per day (boed), 5% higher than the volume produced in April (2.69 million boed) and 2% higher than the volume produced in May 2015, of which 2.64 million boed were produced in Brazil and 190,000 boed were produced abroad.

The average oil production in May was of 2.24 million barrels per day (bpd), an increase of 6% in comparison with the volume produced in the previous month, which was 2.12 million bpd, and 1% higher than the volume produced in May 2015. Of this total, 2.16 million bpd were produced in Brazil and 85,000 bpd were produced abroad.

The volume produced in Brazil in the month of May was the fifth biggest monthly average production ever recorded by Petrobras. This growth was mainly due to the record in the production of pre-salt, with the entry of new wells connected to the FPSO Cidade de Maricá in the Lula field, and to the operation's return of the platforms that were in scheduled stoppage and in corrective maintenance in April.

The pre-salt production increases 15% when compared to April and achieves a new record

The production of oil and natural gas operated by Petrobras in the pre-salt layer in May had an increase of 15% over the previous month and achieved a new monthly record, with the volume of 1.15 million boed.

The oil production operated by Petrobras in May in that province was also a monthly record, up 16% when compared to the previous month, reaching an average of 928,000 bpd.

It is important to note that the oil production operated in the pre-salt exceeded, last May 8, the level of 1 million bpd for the first time. This mark was reached ten years following the discovery of these deposits and less than two years after reaching the production of 500,000 bpd, with the contribution of 52 producing wells in seven large production systems in the Santos Basin and eight production systems in the Campos Basin.

The average production volume per well in the pre-salt of the Santos Basin is of 25,000 bpd, the most productive being located in the Lula field, with an average daily flow of 36 barrels of oil.

The average cost of extraction of the pre-salt wells totaled less than US\$8 per barrel of oil equivalent and has been gradually decreasing, and the average time to build a well reached 89 days, a reduction of 71% between 2010 and 2016.

www.petrobras.com.br/ir

Contacts:

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**Av. República do Chile, 65 – 10th floor, 1002 – B – 20031-912 – Rio de Janeiro, RJ |
Phone: 55 (21) 3224-1510 / 3224-9947**

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 21E 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," "estimate," "anticipate," "optimistic," "intend," "plan," "aim," "will," "may," "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, 2015, and the Company's other filings with the U.S. Securities and Exchange Commission.

The high productivity of the pre-salt reservoirs, resulting in fewer wells per production system and the improving efficiency in the construction of wells has secured a significant reduction in the investment of projects under implementation in this line and has increased its profitability.

Natural gas production

The natural gas production in the country, excluding the liquefied volume, was of 76.4 million m³/day, up 4% over the previous month (73.5 million m³/day).

The average natural gas production abroad was of 17.9 million m³/d, up 3% over the 17.3 million m³/d achieved in the previous month.

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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, 2015, and the Company’s other filings with the U.S. Securities and Exchange Commission.

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: June 8, 2016

PETRÓLEO BRASILEIRO S.A--PETROBRAS

By:

/s/ Ivan de Souza Monteiro

Ivan de Souza Monteiro
Chief Financial Officer and Investor Relations
Officer

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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.
