

PETROBRAS - PETROLEO BRASILEIRO SA
Form 6-K
May 13, 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 May, 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

Approval of Sale of Petrobras Argentina

Rio de Janeiro, May 12, 2016 – Petróleo Brasileiro S.A. – Petrobras, in accordance with the material facts published on January 20, 2016, March 2, 2016, April 8, 2016, and May 3, 2016, announces that its Board of Directors approved, in a meeting held today, the sale of its entire 67.19% shareholding in Petrobras Argentina (PESA), owned by Petrobras Participaciones S.L. (“PPSL”), to Pampa Energía.

The transaction’s base price is US\$892 million, equivalent to the value of US\$1.327 billion for 100% of PESA. The transaction also included an agreement for subsequent operations for the acquisition of 33.6% of the concession of Rio Neuquen, Argentina, and 100% of Colpa Caranda asset in Bolivia for a total amount of US\$52 million.

The Rio Neuquen and Colpa Caranda assets have strategic value for Petrobras, because they represent a great potential for natural gas production in the Neuquén Basin, where Petrobras estimates to have large unconventional natural gas reserves (tight gas). It is noteworthy that the subsequent operations related to these assets are subject to approval by the appropriate bodies of deliberation of PESA and the relevant regulatory agencies.

The completion of the transaction is subject to certain typical conditions, including the approval by the relevant regulatory agencies.

