

PETROBRAS - PETROLEO BRASILEIRO SA  
Form 6-K  
March 28, 2018

**UNITED STATES**  
**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 March, 2018**  
**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 price hedging to shield operating cash generation**

Rio de Janeiro, March 28, 2018 **Petróleo Brasileiro S.A.** Petrobras informs that it has deployed a hedging strategy for part of its expected oil production in 2018. The transactions were carried out over the months of February and March, in a volume equivalent to 128 million barrels of oil. Put options have been purchased with exercise price referenced to the average price of Brent oil from said months through the end of 2018, with an average cost of US\$3.48 per barrel and average exercise price of around \$65/barrel. The maturity of the options will occur at the end of the year.

The transaction aims to shield part of the operating cash generation projected by the company for 2018, ensuring a minimum price level for the production volume under the transaction without, however, locking the price, should the average price of Brent in the year exceed the reference value. Thus, hedging is achieved in low price scenarios, yet profit from higher prices is nevertheless earned from hike scenarios in the price of Brent.

As reported in the 2017 Financial Statements, Petrobras upholds the preference for exposure to price cycle, but the execution of the occasional hedging strategy with derivatives may be applicable according to the business environment and the achievement prospects for the Business and Management Plan. As such, the transaction executed aims to reduce the negative impact on the company's cash generation in the most adverse price scenarios, increasing the degree of confidence in the deleveraging strategy.

[www.petrobras.com.br/ir](http://www.petrobras.com.br/ir)

#### **Contacts:**

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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 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, should, could, would, likely, and similar expressions 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.**

**SIGNATURES**

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: March 28, 2018.

**PETRÓLEO BRASILEIRO S.A PETROBRAS**

By: /s/ Ivan de Souza Monteiro  
Ivan de Souza Monteiro  
Chief Financial Officer and Investor Relations  
Officer