

RAÍZEN ENERGIA S.A.
Category B Public Company
Corporate Taxpayer ID (CNPJ/MF): 08.070.508/0001-78

MATERIAL FACT

RAÍZEN ENERGIA S.A. (“Raízen” or “Company”), in compliance with CVM Instruction 358/02, and complementing the Material Fact notice dated April 24, 2018, hereby informs the market that Raízen Combustíveis S.A. and its subsidiary Raízen Argentina Holdings S.A.U, both part of the Raízen Group of companies (“Buyers”), concluded on this date the acquisition of Shell’s downstream business (“DS”) in Argentina by acquiring 100% of the shares issued by Shell Compañía Argentina de Petróleo S.A. and Energina Compañía Argentina de Petróleo S.A. (“Acquired Companies”), all owned by Shell Overseas Investments B.V. and B. V. Dordtsche Petroleum Maatschappij (“Sellers”) (“Transaction”). The Acquired Companies operate in Argentina, mainly in the businesses of oil refining, fuel distribution, among others.

The total amount to be paid by the Buyers to the Sellers for the Transaction, already considering adjustments as established in the Purchase Agreement, is US\$916 million. Of this amount, (i) US\$100 million were advanced as a deposit on April 24, 2018, (ii) US\$370 million were paid on this date and (iii) US\$446 million will be paid on or before December 2019. The total amount is subject to minor price adjustments based on the completion date financial statements.

In compliance with Argentine antitrust laws, the Transaction will be notified to the Argentine antitrust authorities within a week of the date hereof.

DS Shell Argentina

The Shell operation in Argentina has a network of 665 strategically located gas stations with sales of approximately 6 billion liters/year, ranking second in the market with a share of around 20% and significant individual sales volume. The Transaction also includes a refinery in a prime location in Buenos Aires, with processing capacity of 108,000 bbls/day, as well as a lubricant plant, three land terminals, two airport supply terminals and five LPG filling plants.

Rationale for Acquisition

This Transaction represents an important expansion opportunity for Raízen, which will expand and replicate its successful model implemented in Brazil, capturing logistical, marketing and financial synergies.

The conclusion of this operation by Raízen took into consideration the long-term prospects in a structured market, the high-quality asset, the local team expertise and the strength of the Shell brand in the country.

São Paulo, October 1, 2018.

Guilherme José de Vasconcelos Cerqueira
Chief Financial and Investor Relations Officer