

Carla Albano:

Good afternoon, everyone. Welcome to Petrobras Webcast with Analysts and Investors about the 2Q Results. It is great to have you join us today.

We would like to inform you that all participants will follow the transmission by Internet as listeners. After the introduction, a Q&A session will begin. You can send those questions by mail at petroinvest@petrobras.com.br.

Today, we have with us Claudio Mastella, Chief Trading and Logistics Officer; Fernando Borges, Chief Exploration and Production Officer; Joao Henrique Rittershaussen, Chief Production Development Officer; Juliano Dantas, Chief Digital Transformation and Innovation Officer; Rafael Chaves, Chief Institutional Relations and Sustainability Officer; Rodrigo Araujo, Chief Financial and Investor Relations Officer; Rodrigo Costa, Chief Refining and Natural Gas Officer; and Salvador Dahan, Chief Governance and Compliance Officer.

To initiate, I will pass the floor to Petrobras CFO, Rodrigo Araujo. Mr. Rodrigo, go ahead.

Rodrigo Araujo:

Thank you, Carla. Thanks, everyone, for being with us today in this afternoon. We had a very solid quarter in which our solid operational results translated into solid financial results as well. So, I am very glad to be here with you today to talk about our results for the 2Q22.

So next slide, please, which is remind of our disclaimer about future projections and expectations.

So, with respect to safety, as you know, we have safety as a very strong value for the Company, and we are very concerned about improving our overall safety in our metrics. And we are glad that we can see the trajectory of the total recordable injuries over time, and especially, that we have been able to maintain a level that is below our acceptable limit of 0.7%. So, we reached 0.52% in the 2Q22.

Of course, our ambition is to have zero fatalities and our main concern is to make sure that we can achieve that ambition. Unfortunately, we had three fatalities during the year, but we maintain our focus on improving our safety levels and making sure that our operations are always running as safely as possible.

Talking about our ESG agenda, in the 2Q, we highlight the Living Forest initiative, which is the initiative of match funding from the Brazilian Development Bank, BNDES, to restore 33,000 acres and capture 9 million tons of carbon. Petrobras is investing R\$50 million in a 5-year time frame to support that initiative. We think that it is a very important step towards de-carbonization and supporting the reforestation agenda in Brazil.

This is going to go through a public selection process for the managing partner and for the execution, alongside with the Brazilian biodiversity front, FunBio. So, we are very glad to be part of that initiative alongside with the Brazilian Development Bank.

Looking at our emissions in the quarter, we can see that both in the upstream and downstream segment, our results were pretty solid and within the targets that we set for

the year. For the upstream, I highlight the levels of emission for Buzios and Tupi, both of them below 10 kilos of CO₂ per barrel of oil equivalent, which is about half the industry average. So we reinforce our positioning as a low-carbon low-cost company, and the results of our operations are continually back in our assumption of being a very solid player in that sense.

With respect to the intensity in the refining segment, we can see that the refineries that are part of our RefTOP program that is program-focused on energy intensity in a group of refineries has been performing pretty well. So we are below the target set for the year and when we look at certain refineries like RPBC, RECAP, REPLAN, REVAP, and REDUC, we are even below that. So we had the best historical result for us semester, and we keep a very high focus on reducing the intensity in the refining segment as well.

Looking at the absolute emissions, it is important to remember that in the 2H21, we had a very high level of thermal power dispatch in Brazil, so thermoelectricity being produced in Brazil in the second half. So our total emissions increased in the 2H21. But when we look at the overall figures, we can see that the downward trajectory in 2022, our results have come back to a normal level and to a normal trajectory of reducing emissions over time. Looking at oil and gas operational emissions, it reinforces our commitment to decarbonize our operations and reduce our emissions in the upstream and downstream operations. So we had very solid results in the 1H22.

In terms of carbon capture, as you know, we have the largest carbon capture program offshore in the world and we continue to deliver solid results in that sense. In the first half of 2022, we have already re-injected more than what we re-injected in the entire year of 2019 in terms of CO₂. We have a target of re-injecting 40 million tons by 2025, and we continue to be highly committed to the target.

During the quarter we also signed our first Sustainability-Linked Loan as a transaction of US\$1.25 billion maturing in July '27 is our first financial commitment with ESG KPIs mainly focused on greenhouse gas intensity in the upstream and downstream segment as well as Emissions Intensity. So from our perspective, we think that is a very solid step towards moving from just commitments to actually reinforcing towards Sustainability-Linked Loan our desire to deliver on those targets. Basically, the contracts will become less expensive as we deliver on the lower emission targets that we have. So it reinforces our focus and commitment to deliver those targets.

In terms of engagement of our supply chain, we have started a broad survey of the supply chain to engage and collect data from our suppliers. We expect to collect data from about 25% to 30% of our suppliers by the end of 2022, so that we can monitor not only their level of emissions, but also the maturity that they have in terms of programs to reduce emissions. So this is what we expect for 2022, and start working on that data as well.

And looking at the training of our workforce, we have delivered online programs for more than 35,000 people in the Company. We have 2 different modules. The second module already 10,000 people in the Company have been trained with respect to climate change and the Company's position in terms of the energy transition scenario. So we are very happy to reinforce the commitment internally as well with our workforce.

In terms of governance, we have been focused on automating our internal controls, and we have announced recently this week, an improvement in terms of the governance of our pricing policy, bringing an additional layer of supervision by the Board of Directors. It does not change the Company's pricing policy. It brings another layer of supervision.

And also, we have made public our general guidance for the Company's pricing strategy. We think that is very important, that step to make public, pricing guideline document that reinforces the Company's commitment to practicing market prices and being a market price player supporting the market opening scenario. So I think that is very important the fact that we have disclosed at the document publicly.

And finally, with respect to our contribution, we paid R\$77.3 billion in taxes over the 2Q. More than half of our cash generation is returned to the Brazilian society. So we are very glad with the results and with the fact that the Company is a substantial contributor to the Brazilian society.

Next. Entering to our financial results, we had a very solid quarter, not only in the upstream segment, but also in the downstream segment. We broke monthly records in Buzios. We topped up the production of P-68. We had production started at FPSO Guanabara and the sailing to Brazil Anna Nery and Almirante Barroso as well. We had important results confirming the productivity of the f Alto de Cabo Frio Central area in our exploration segment, very happy with the prospects of that area.

We also had the beginning of the production sharing contract for Atapu and Sepia. This impacted our production in the quarter. It reduced our production in the quarter, given that our working interest in the area has reduced. But of course, we have received cash in advance for that contract as well. So we have been compensated for the deferral of the NPV of the project.

So we anticipated cash and de-risked part of the project. It is interesting to highlight not only the high utilization level of our refineries close to 90% in the quarter, 97% at the end of June, but also the level of integration of our operations and how well our entire supply chain has been working from the upstream segment to the downstream segment.

A general picture, we usually work with 2% to 3% miss ratio for the planning that versus what we produce over time. And this ratio was 0.1% in the 2Q22. So you can see that we have been able to deliver what we have said in terms of planning for the entire supply chain. So this translated into more production and the more financial results as a consequence. We started on a pilot basis producing bio jet fuel at REPAR. We also had monthly record sales of low sulfur 10-ppm diesel. And as I mentioned before, lower intensity by our refining segment, our commitment with the RefTOP program is very solid and is already starting to deliver results.

So looking at the financial metrics, we had US\$20 billion of recurring EBITDA at the quarter US\$14.5 billion operating cash flow, free cash flow of US\$12.8 billion. Our gross debt has reduced to US\$53.6 billion. Our net income was US\$11 billion in the quarter. So basically, looking at the solid financial results and the Company's financial situation, we were able to approve the anticipated dividend of R\$6.73 per share. It is a commitment that we set for the quarter. It does not jeopardize the application of our 60% of the free cash flow formula for the upcoming quarters.

As you know, the way we model this, we look at the results, we apply the 60% formula, we model what we expect to happen and make a risk analysis for the next 12 to 24 months, and this payment is compatible with what we expect in terms of future scenarios, compatible with maintaining the application of the dividend policy for the next 24 months.

So we are very comfortable with the dividends that were approved. Our net debt to EBITDA is 0.6x, it is very solid and very consistent. And as I mentioned before, we paid R\$77.3 billion in taxes in the form.

With respect to the external environment, we saw higher Brent prices in period and an appreciation of the BRL for the average of the quarter. When we look at the period end exchange rate, we had a negative impact in our net income because of the depreciation of the period end exchange rate. As you know, it is not something that impacts cash flow or it is not an economic impact. It is an accounting impact. It does not mean any impact on cash flows or future prospects of the Company but impacted negatively the net income for the period.

Okay. So looking at the future prospects for 2023 and 2024, we can see that most of the contracting that has to be done for 2023 and 2024 is already concluded. So we expect 5 units to come online in 2023 and 3 to come online in 2024. So we are very glad about the fact that we have been able to anticipate the contracting, not only with respect to FPSOs, but with the drilling wells, the drilling campaigns and also the subsea equipment.

So you can see that we are working strongly to make sure that we secure all the contracting so that we have the projects coming online on time more than 90% of the value of the projects come from making right decisions in terms of investment on the way to explore the different fields and also making sure that we deliver the projects on time. So we have a very strong commitment to deliver those projects on time, and we expect to deliver everything that is set for 2023 and 2024 on time.

So looking at the quarter results, as I mentioned before, US\$20 billion EBITDA for the quarter, better results, not only in the upstream and downstream segment, but also natural gas had lower volumes of LNG imports in the quarter that also supported our results for the 2Q22.

So upstream was, of course, favored by higher Brent prices. Downstream results, as I mentioned before, the level of integration and the higher industry planning also supported as delivered solid results. Even when we look at EBITDA replacement cost, it was a very solid quarter for the refining segment as well. And for the natural gas at the gas power segment after 2 quarters with challenging scenarios, given the high level of LNG imports and high prices in the international market. We have been working strongly on renewing contracts on changing the contractual dynamics to support better results. And of course, the fact that we had lower LNG imports was also accretive to the quarter. So we had positive results for the Gas & Power segment as well in the 2Q.

So looking at the cash flow generation, we come from a US\$20 billion EBITDA to US\$14.5 billion operating cash flow, US\$1.7 billion CAPEX. We had divestments and the co-participation agreements of the Sepia and Atapu fields, resulting in US\$19.6 billion free cash flow after divestment. This was basically used to maintain our leverage within the optimal range and also pay dividends over the quarter, so the cash balance has not changed substantially from 1Q to 2Q.

In terms of our leverage, as I mentioned, we are below the optimal range, below the 55% lower end of the range, but we are comfortable with that level, especially because, as you know, we have 5 units coming online in 2023, which is going to bring the leverage upwards again. So we are comfortable with running it a little bit less than the 55%. And we expect the trajectory to bring it back upwards.

Of course, part of this was because of the conditions of the capital markets, where we had favorable open market repurchase and tender offer conditions in the market. So we have done a lot of repurchases and have not had good conditions to issue new debt. So that is why we brought leverage a little bit down. We also signed a sustainability link. So basically, on a net basis, if we include the US\$854 million from the tender offer with the

he US\$1.25 billion Sustainability-Linked Loan, it averages out on a positive basis. So we will try to continue to maintain leverage closer to the optimal range.

In terms of cash levels, very solid cash levels, we also have the revolving credit facilities that we can use. Of course, the cash level at the end of the quarter does not take into account the dividend payments that occurred after the end of the quarter and the new dividend announcements that we made.

So we continue to try to bring the cash levels closer to the optimal range of US\$8 billion to US\$10 billion. In terms of the debt maturity in the schedule profile, we are very comfortable with the current levels and with the profile for the next 5 years. You can see that in terms of financing, the level of maturity over time is very comfortable compared to the Company's cash flow generation. So it is a very comfortable situation in terms of liquidity and of the next 5 years as well.

With respect to portfolio management, we have signed and closed 6 different transactions in 2022, US\$3.6 billion of cash flows already occurred up to July 2027. As we included in our earnings release, we have around US\$5 billion of transactions that were signed but not closed yet. So we are focused on closing those transactions and moving fast towards closing those transactions, and we continue to be very committed to the portfolio management strategy of the Company and deliver on the business plan.

All of this translated in a net income of US\$11 million for the quarter, as I mentioned, the one-off is the negative impact of the devaluation of the BRL, period end, it impacted negatively net income, but it does not change the operational performance and the cash flow and economic situation of the Company, so a very solid quarter, very solid operational results.

And finally, as I mentioned, keeping all the setting in the Company's financial situation, we approved the dividend of R\$6.73 per share to be paid in 2 installments. Basically, as you know, we always look at the 60% of free cash flow formula to make sure that we can comply with the dividend policy. And then we look at the next 12 to 24 months and our expected cash generation eventually inflows coming from either divestments or, for example, the Buzios participation and co-participation agreement. And it allows us to propose extraordinary dividends.

Of course, whenever we propose extraordinary dividends, we take into account the need to continue to comply with the dividend policy over the next 24 months. So it is something that is very solid for the Company and does not jeopardize delivery on the dividend policy in the future.

So that was my last slide. Again, very solid quarter, very happy with the results. I will pass the floor back to you, Carla, so we can jump in the Q&A session. Thanks, everyone, for being with us today.

Frank McGann, Bank of America Merrill Lynch (via webcast):

Rafael, has the changing global energy environment over the last couple of quarters changed how the Company is looking at the energy transition? Might it not be a good idea for the Company to consider increasing exposure to renewables or invest in some technologies that could enable the Company to start to have more exposure to business that could prosper over the medium- and long-term? If not, why?

Rafael Chaves:

Hi, everyone. Thank you for being with us today. Frank, are we changing our approach to energy transition? Not at all. Brent can be volatile, local exchange rates can be volatile, but our business plan is consistent and stable. We are keeping our last-standing main strategy with oil and gas projects, with positive NPV value under very low prices at US\$35 per barrel, characterized by low carbon, high energy assumptions. We operate with efficiency in our projects and low greenhouse gas emissions. So very low, I would say, comparing to other fossil alternatives. So we keep our strategy.

And out of fossil, yes, we have some actions and investments. For example, in forest we are going to invest more than US\$20 million in the next years, including the project that Rodrigo Araujo presented with BNDES.

And also, we are discussing the possibility of new business, non-fossil alternative to be appraised by the new Board and by directors, and eventually to be announced in the next strategic plan; if we can include, we have another possibility for diversification. So thank you, everybody, again, for being with us today.

Frank McGann:

Rodrigo, the Company recently confirmed that Braskem continues to be in its divestment portfolio. Has the Company considered going in a different direction and buying the Novonor stake to take full control of Braskem and expand in petrochemicals?

Rodrigo Araujo:

Yes, you are right. The Company continues to have Braskem as one of its divestment assets. We do not think it is the best for the Company to have a financial interest in the Company, even though we think that there are good prospects for the petrochemical segment, but not via financial interest in a petrochemical company. So we continue to be committed to the divestment. At the moment, we do not consider taking control of Braskem or any kind of M&A transaction that increases our share in Braskem. So this is what we have now. We continue to be looking for potential M&A opportunities to divest from the interest that we have. Thank you for the question.

Luiz Carvalho, UBS (via webcast):

I would like to start by congratulating the Company's executives and teams for the outstanding results and continue executing our company's plan while maintaining a healthy corporate governance that was improved in recent years.

The new pricing guideline is clear in the focus given to value creation for the Company. Could Petrobras provide more details on how it expects this to translate into pricing decisions? Could you also provide more color on the role of the Board in supervising the policy?

Salvador Dahan:

Thanks for your question, Luiz. Basically, we are putting a new layer in our governance. This is part of our continuous improvement process. We understand that part of the natural responsibility of the Board of Directors is to monitor and supervise the execution of all the strategies and all the Company policies. We are now formalizing this new guideline to confirm the Board responsibility over the supervision of how the management is observing and is executing the pricing policy.

So basically, is monitoring an oversight responsibility. No changes at all in the execution, how to conduct the pricing policies is still under the authority of the Executive Committee and also it is important to mention that by keeping these two layers of responsibility, increase our governance with a more robust transparent and more balanced process. So our expectation and our visibility with this new guideline is just to ensure the roles and responsibilities for the Board specifically, maintaining the competence for the Executive Directors to execute the pricing policy.

Claudio Mastella:

Just to emphasize really the pricing policies and the Company bylaws have absolutely not been changed. It is still working right the same.

Luiz Carvalho:

Thinking specifically of diesel, several agents in the industry have become more vocal on challenges to find diesel volumes in the international market and an unfavorable scenario for imports to Brazil. How is the Company seeing the supply, and how are preparations for an eventual challenge in supplying the country?

Claudio Mastella:

Thank you for the question. We are still working with some caution for the coming months scenario, in particular with respect to diesel, mainly due to seasonal increase in world demand in the 2H22, lower availability of Russian refining products that affects the whole market, in addition to scheduled maintenance shutdowns at refiners in Brazil, and eventually, some unavailability of refineries in the United States or the Caribbean with the hurricane season from June to November.

But we are constantly evaluating market opportunities, and we are not really, at the moment, at least, facing difficulties in acquiring cargoes from the traditional suppliers in Asia, India or U.S.A., where we already do business on a regular basis.

We are all the time concerned and ensuring that our customers are well supplied. Taking that all into account, we reviewed our planned inventory levels for the 2H22 and anticipated some diesel purchases to provide the best service level possible for them.

In this scenario of uncertainty, the prices of our traders in our international offices allow us to monitor the flow of oil products, crude oil of course, inventories, gradual demands and other agents' movements. That allow us to position ourselves in a competitive position. I hope I made it clear.

Christian Audi, Santander (via webcast):

I would like to congratulate on the very strong operational results and the ability of the Company to continue to positively surprise shareholders on the dividend front. On the pricing policy front, although the new guidelines keep the decision of making price changes in the hands of management, how does the Company benefit from having the Board of Directors formally overseeing the process on a quarterly basis?

Salvador Dahan:

As I mentioned, by having this new layer in our governance, we are putting this supervisory responsibility under the Board of Directors. Basically, the executive

management should report on a quarterly basis, how we are performing and giving full visibility to the Board on our results. At the same time, we expect, as I mentioned before, this will strengthen our governance by offering more robustness and visibility and transparency in our directions. The guideline also emphasized that the executive committee duty is to seek and preserve the value generation of the Company and the keep the competitive prices in the local market. And the reason of putting this policy, as I mentioned before, is basically to continuously improving our governance, our internal mechanisms of controls. And basically, this is another step towards this direction.

Claudio Mastella:

Nothing to add. I think Salvador made it very clear.

Christian Audi:

How is inflation impacting our operations? What are you doing, and what can be done to minimize its impact?

Fernando Borges:

The increase in industry costs is not immediately reflected in our operating facilities, as we have several different contracts with different durations, which allow us to remove the effects of change in contract on tariffs and over time.

Some of our current contracts have annual readjustment clause with predefined indicators such as PPI in the U.S., and IGPD in Brazil. We continue to negotiate and seek the best opportunities and contracts, as well as managing contract terms and horizons, avoiding permanent impacts of increased costs, even though it is natural that, as the price of Brent remains at high levels, new contracts will face some impact of inflation, although this impact tends to be partially diluted for the reason already mentioned.

Rodrigo Costa:

Christian, from, the downstream prospective, we have contracts indexed to inflation rates especially in the gas transmission contracts. To minimize these impacts, risk studies for future renewals or new contracts are made considering different scenarios. The Company has three scenarios that we use.

And in addition to the closing of revenues contracts, we link to factors that are also in line with inflation rates, such as the exchange rate. So it is kind of a hedge position for the impacts in the supply contracts, especially for the gas transmission contracts.

Bruno Montanari, Morgan Stanley (via webcast):

Can you clarify what the supervision of the Board of Director means? After the executive officer decided to move price up or down, is there any veto power from the Board?

Salvador Dahan:

Thanks, Bruno. As I mentioned, and this is important to highlight and emphasize, there is no veto power or conflict in terms of authorities and responsibility, right? The policy, the pricing policy, the execution of the pricing policy is under the Executive Committee Authority. And Executive Committee is responsible to execute and to report the results to the Board of Directors, which is the instance responsible to supervise and monitor.

And by the way, that is the reason why we gave full disclosure to this guideline and it is fully available in our website in case you want to check. Very clear definitions around roles and responsibility with these two different layers, as I already mentioned.

Claudio Mastella:

Just to add, this time I would like to talk a little bit. The guidelines, as a matter of fact, give some broader and comprehensive recommendations in directing the Executive Committee in pursuing better results for the Company, and making it clear that the policies, whatever the contracts, whatever the evolution of the market, can evolve with that. That is very important.

Bruno Amorim, Goldman Sachs (via webcast):

What is the best international benchmark for Petrobras gasoline price? Comparing Petrobras' price with Gulf Coast gasoline might be misleading given the difference in quality.

Claudio Mastella:

Thank you, Bruno. This question is pretty interesting. This is a very common misconception, comparing U.S. Gulf gasoline prices directly to Brazilian prices. Gasoline in Brazil, as a matter of fact, by mandate, is a mixture of 27% of hydrous ethanol and 63% of fossil gasoline, which we call Gasoline A in Brazil.

Brazilian gasoline, Gasoline A, has different quality in relation to international standards, mainly octane numbers, due to the blend with ethanol in Brazil. So the transactions have lower liquidity, making it difficult to evaluate and publish these prices of these transactions to Brazil.

But specialized media, like Platts and Argus, for example, have specific publications for prices of Gasoline A delivered through Brazilian imports. One of these publications is available weekly at the ANP, the National Petroleum Agency of Brazil website.

They are proxies of price parity in Brazil, they do not necessarily match Petrobras' view of competitive prices, but they are close. So that is a good estimate for import parity for Brazil. Of course, each player in the market will have their own view of competitive prices, that is common and natural, but the ANP published prices is a very good proxy.

Bruno Montanari:

So the Company has to comply with import parity on average during the calendar year, right? If so, who is responsible for this verification? When does it happen? In December or as you release the 4Q results?

Claudio Mastella:

Thank you, again. This is another common doubt. And as a matter of effect, we pursue competitive prices all the time. It is very important to highlight that we continuously monitor the market, and we are continually pursuing competitive prices, but taking care not to translate the international volatility to the domestic market. That is some learning curve that we evolved during the last years.

Of course, the capitation analysis is done all the time, but at the end of the year, we also compare the average of the prices. As a matter of fact, as we have a plan, we have to

have an estimated percentage of the alignment of prices in Brazil with the international markets, and that is a comparison that goes when you do the business planning for the year.

Of course, at the end of the year and every three months, we show the evolution in the pricing practice to the Board of Directors as a way to show that we are effectively going after this target. But no, we do not wait for the end of the year to align prices, we do that all the time.

Rodolfo de Angele, JPMorgan (via webcast):

Utilization rate in the downstream segment was 89% in the 2Q. At one point, utilization was as high as 97%, but Petrobras has scheduled maintenance for the 3Q. So what should we expect in terms of utilization in the third and 4Qs?

Rodrigo Costa:

Rodolfo, we should expect high utilization rates. For example, in July we expect to close around 94%. For example, yesterday, we almost reached 99% of the utilization rate. And if we see all the 2H, if we consider the refineries that we do not have stoppage, probably we are operating at around 94%. But if we consider the refineries that will have stoppages, we are around 86% on the 2H.

Rodolfo de Angele:

The next question also from Rodolfo is for Rodrigo Araujo. Rodrigo, the strong payout observed in the 1H22 could be maintained for the second half as well?

Rodrigo Araujo:

In terms of the framework that we use to decide on dividends, as I have mentioned before, of course, our main focus is to make sure that we are able to comply with the dividend policy over the next 12 to 24 months so to continue to be paying partly the 60% of free cash flow. So that is the main target. And whenever we see and like we did in this quarter, that we have additional inflows that support paying extraordinary dividends, we will do it and we will try to bring the cash balances close to US\$8 billion to US\$10 billion.

That is the optimal level of cash for us. So in terms of payout for the 2H22, of course, it depends on several variables, such as pricing levels over time. Eventually, inflows coming from divestments or, for example, the co-participation agreement for Buzios. So we will monitor this over the course of the second half. But of course, looking at the current price levels, they are, of course, supportive of higher dividend payments, but we will factor all of that into potential payments in the second half.

Pedro Soares, BTG Pactual (via webcast):

Good afternoon to all. Once again, very good to see the Company's results evolving that well in so many different aspects. We saw the refining part utilization rate reaching 97% in June. At the same time, there are some expected maintenance stoppage for REGAP, REPLAN and REPAR. Could you talk about what is the level of idleness expected for the second part of the year, and if there is a possibility of any postponement of these maintenance? If so, it would be interesting to hear about the market conditions that you see as a trigger for that.

Rodrigo Costa:

Pedro, as I told, we expect higher utilization rates on the 2H, especially due to diesel market conditions. We expect between August and the end of September, high volumes of diesel on Brazilian market, and we are capturing these opportunities.

It is important to have been in mind that our utilization rates of our refineries have two main pillars. The first one is the safe conditions of our operations, and the second one is the market conditions and the economic process of our utilities.

So we analyze some possibilities about postponing some stoppages, and at this moment, we decided to postpone a stoppage on REVAP, moved from November to the 1Q23. This stoppage covers replacing catalysts in hydro-treatment units.

Pedro Soares:

Fernando, in the last two months, we have seen some important maintenance stoppage impacting the Company's production. We know that the guidance remains unchanged for the year. But could you give a little more color on how you see the evolution of production in the 2H22, and if you understand, there is an upside for annual production to be closer to the top of the guidance?

Fernando Borges:

Pedro, first of all, I would like to highlight that we operate 60 producing platforms. Our total operated production is, today, 3.6 million BOE per day. So it is a lot of work to be done.

Considering the stoppage for maintenance in the 1H22, we had 22 stops, with an average production loss of around 200,000 barrels per day. And for this 2H22, we expect to have 28 stoppage for maintenance with the same level of production losses around 200,000 barrels per day, BOE.

Considering the opportunities for upsides in production, we have two important ramp-ups. The first one is with FPSO Carioca, in Sepia field, which is expected to reach the maximum production of the unit, 180,000 barrels per day. Today, we are around 150,000. We have the FPSO Guanabara in Mero field, which we expect to reach the maximum capacity of the unit at the end of this year. Today, we are producing around 60,000 barrels per day, and at the end of the year, we hope to have 180,000 barrels per day.

And when we look to Campos and Santos basin, we have planned more 10 wells, which four of them in Roncador Field. So we stick to our forecast of 2.6 million BOE per day in this year, with the range of more or less 4%, and we are targeting the center of this interval.

Pedro Soares:

The FPSO Almirante Barroso has already left the shipyard in China and it seems that it remains on time. Is there any expectation of improvement or possible anticipation of the first oil of this platform?

Joao Henrique Rittershausen

Thank you for the question, Pedro. Yes, it is true. We have informed the market that Almirante Barroso sailed away from COSCO shipyard in July, and we keep the first oil for 2023.

This unit has rigid risers from the wells to the platforms, and we have an EPCI contracted to do our all these connection of the wells. And the two contracts, the charter unit and the EPCI contracts, are with the same date, and we understand that we do not have any room to anticipate the unit due the timeframe that we set for both contracts.

Regis Cardoso, Credit Suisse (via webcast):

Congratulations to our management team and the Company for the extraordinary results. They are, in fact, memorable. LNG prices are still very high in international markets. After the reduction in imports from Bolivia, what is Petrobras' current needs in terms of LNG imports? How does the Company see that evolving going forward?

Rodrigo Costa:

When we see the thermoelectrical market, we see better conditions in water reservoirs. Actually, the current level is around 6% to 8% better than last year. And this impact our needs on import LNG cargoes. When we see the outlook for this year, we are working with around 30 cargoes in port to our operations. This is very decreased number, if we consider the scenario that we had on 2021, which it is around 112 cargoes.

When we see the 2H, for the 3Q, we can have an increase in dispatch, but until today, with the information that we have, we do not see a high dispatch on this 1Q, but we have a lot of uncertainty on the 4Q. So the best information that we have until today takes us to this outlook around 40 cargoes this year.

Regis Cardoso:

Fernando, what are your expectations around timing for closing the 5% stake purchase option transaction exercised by CNOOC in Búzios?

Fernando Borges:

The consortium work with the initial expectation for July for us, but we are still waiting for ANP and MME for their approval. So the nowadays expectation of the conclusion of this process is between August and September.

Vicente Falanga, Bradesco BBI (via webcast):

Congratulations on the fast delivery and the maintenance of government's policies. Mastella, how is the gasoline parity today after the two price cuts were announced? What is the management view for Gulf price spreads looking ahead?

Claudio Mastella:

The recent reduction in gasoline prices just follow the view of the international market evolution, which has stabilized at a lower level for gasoline, which is happening abroad also and is consistent with Petrobras' practice of our pricing, which seeks to have prices in balance with the market, while avoiding passing on the volatility caused by local events.

The cracks, in our view, should remain strong in the Gulf as well as worldwide, suffering pressure of the ongoing geopolitical conflict and tighter supply and demand balances, mainly when we talk about diesel. However, higher inflation expectations and stronger monetary policies by the main central banks may raise some recession concerns, easing demand and consequently elevating pressure on cracks that we are observing, but not translated into the practices.

Gabriel Barra, Citi (via webcast):

Rodrigo, considering the latest material fact and recent news about Albacora's divestment could you give us an update for the next steps regarding the sale of the assets? Is there a possibility of trading the assets leaving for earnout or even changing possible earnouts?

Rodrigo Araujo:

First of all, as we announced recently this week, the asset is still under negotiation. I would not have any further updates to give. But with respect to the potential spinoff or cover of the full part of the asset, as you know, if we change the scope from the regional teaser, we do need to restart the process. So the straightforward answer is no. I mean, we are not going to restart everything by spinning part of the asset. Of course, in terms of potential earnouts or potential price discussions earnouts can be and are being discussed with respect to the future prospects of the assets, carving out and changing the scope needs to trigger the need to restart the process. So that is not in our plans for now.

Gabriel Barra:

Regarding the commitment with CADE signed by the Company to carry out divestments of downstream assets, is there any penalty in a scenario in which the Company is not successful in sale of these assets? Is there a possibility of extending the deadline to comply with the terms? If so, does the expansion have a limit?

Rodrigo Araujo:

First of all, out of the eight refineries that the Company agreed to divest, four of them have been already signed. So RLAM has been signed and closed, we have Reman, Lubnor and Six already signed, but not closed. So we are working on closing them as fast as we can. We expect to be able to close them during the timeframe of the year.

But with respect to the agreement with CADE, we do not have any penalties, as long as the Company shows that it is making the best efforts and making everything that is possible to make the transactions occur.

So the trustee that monitors the agreement is continually monitoring the Company with respect to the steps that it takes, for example, the relaunch of the process that we have done recently as part of the agreement in terms of the next steps. It is not a mature penalty, but it is only in the case in which the Company cannot prove that it is on its best efforts and eventually in the case that there is no buyer or just no price agreement, there is no penalty associated as long as the Company can show that it has done everything that it could do to make transactions occur.

Gabriel Barra:

Could you give us more information about the start-up process of FPSO Almirante Barroso? What is the expected date for FPSO's first oil? How can we expect the platform to ramp up?

João Henrique Rittershausen:

Thank you for the question, Gabriel. Almirante Barroso sailed away from COSCO in July, and we expect the first oil in the 1st half of 2023. We have good projections for the ramp-up. The Búzios field have a high weight in wells, we have designed the wells to absorb this potential of the reservoir, and so we understand that we have a good chance to have the peak of the production of the unit with the four wells. So it will be a fast ramp-up. This is our expectation for this unit.

André Vidal, XP (via webcast):

Congratulations on the wonderful results and the creation of another pillar to strengthen corporate governance, which was established with the pricing guideline. Rodrigo, excluding the signing bonus, CAPEX in the 1H22, was US\$4 billion. The business plan foresaw a CAPEX of US\$11 billion, and this is with more depreciated exchange range in addition to cost inflations in the period. Should CAPEX, at the end of the year, be lower than previously forecast? If yes, why?

Rodrigo Araujo:

If we adjust the forecast of the business plan for the Sepia and Atapu bidding round, it will go up to around US\$11.9 billion in expected CAPEX for the year. Our most recent outlook is 11. So that is what we expect to perform throughout the year. Of course, as you know, the 2H22 is usually a ramp up in terms of CAPEX in the second half. So that is what we expect to perform in our most recent outlook.

André Vidal:

What is the expectation regarding the lifting costs for both pre-salt and post-salt in the 3Q? Should we expect further cost increases?

Fernando Borges:

André, we expect a lifting cost in the range of US\$6 per barrel during the coming months for the total Petrobras production. In the pre-salt, you will see a lifting cost in the range of US\$3 to US\$4 per barrel, and in the post-salt, we should have something around US\$10 to US\$12 per barrel in the coming months.

But it is very important to stress that the total production costs, considering other expenses such as government participation and depreciation, will be in the range of US\$42 per barrel. That is the real cost.

Monique Greco, Itaú BBA (via webcast):

Congratulations on the results. The team's capacity for generating results is impressive. How is the status of the divestments in the refineries Albacora and also Bahia Terra?

Rodrigo Araujo:

So with respect to the refineries in Albacora, I just answered this question recently. So I am going to focus on Bahia Terra. What we had in Bahia Terra, we had just stopped the process for legal injunction from one of the potential bidders. It is a competitive process.

We have very good prospects. We have other interested bidders on the process. We think we can sign it very fast as soon as we remove the legal barriers that have been imposed on it. It is not related to the Company or to the asset or anything like that. It was an injunction that was upheld by a judge in favor of one of the potential bidders. We expect to be able to revert it soon and right after continuing with the signing and closing of the transaction. That is where we are now.

Monique Greco:

What is the schedule of maintenance stoppage for refiners in the 2H22? And how could this eventually impact production? And how about the stoppage in other platforms? Is there a plan for more stoppage this year?

Joao Henrique Rittershausen:

Monique, for the refineries, we will have a stoppage on Replan on the distillation and coking unit between August and September that will take around 43 days. The other stoppage is on Rnest, on the hydrotreatment unit, between August and September, around 28 days. The next stoppage is on Regap, it is on the hydrotreatment unit also, and we will take 35 days between August and September. And Repar will have works on the distillation and hydrotreatment units, and it will take 31 days in September, and 43 days between October and November. All these stoppages will impact on diesel around 42,000 barrels per day and on gasoline, 20,000 barrels per day. That is our estimation on these impacts.

Fernando Borges:

Considering the platforms, we have a total of six production platforms. For this year, we have planned 50 stoppages for maintenance purposes. In this case of this year, we have some of them that were postponed by pandemic reasons, and the impact in the production was incorporated in our predictions. So, we hope to reach the target of 2.6 million of BOE per day this year.

Monique Greco:

How is the planned CAPEX for this year being carried out? And how will this estimate be impacted by the delay in the Route 3 Project (Projeto Rota 3)?

Joao Henrique Rittershausen:

Monique, in the 1H22, we have our added around 40% of the total CAPEX planned for 2022. We expect an increase of the CAPEX in 2H when compared to the 1H. We have some milestone of the new units that we are building, a lot of wells that will conclude on this time, and we have well connection activities that will include our performance in the 2H22.

Around the Route 3, the impact in the CAPEX of this project is less than 1% of the total CAPEX of Petrobras. It is not relevant for the total amount that we intended to expand for the rest of the year.

Conrado Vegner, Safra (via webcast):

Rodrigo, with regards to the local gas distribution companies that have injunctions to suspend the price increase, has there been a new development? Is there any discussion being done directly with them?

Rodrigo Costa:

Conrado, we had progress on the 2Q. We are on the table with distribution companies that have this legal situation around our contracts, and we expect to close on the 1Q.

Carla Albano:

Thank you all. At this time, the Q&A session is over. And if you have any further questions, you can send them to our Investor Relations team. Rodrigo Araujo will now make his final remarks. Please, Rodrigo, go ahead.

Rodrigo Araujo:

Thank you, Carla. Thanks, everyone, for being here with us today this morning. We are very glad about the solid operational results and of course, with the translation of the results into solid financial results for the Company in the second part of the year. Thank you for your time and for the questions. Please look at our results and our releases in the Company's IR website. We have also released alongside with the earnings release, our financial statements and our tax report for the 2Q22. Thank you for your time, and thank you for being with us. We are very happy with the results of the 2Q.

"This document is a transcript produced by MZ. MZ uses its best efforts to guarantee the quality (current, accurate and complete) of the transcript. However, it is not responsible for possible flaws, as outputs depend on the quality of the audio and on the clarity of speech of participants. Therefore, MZ is not responsible or liable, contingent or otherwise, for any injury or damages, arising in connection with the use, access, security, maintenance, distribution or transmission of this transcript. This document is a simple transcript and does not reflect any investment opinion of MZ. The entire content of this document is sole and total responsibility of the Company hosting this event, which was transcribed by MZ. Please, refer to the Company's Investor Relations (and/or institutional) website for further specific and important terms and conditions related to the usage of this transcript"