Petrobras Day - NY
November 30, 2021

Carla Albano:

Good morning, everyone. Welcome to Petrobras' Day 2021 at the New York Stock Exchange. Thank you for being here with us today.

We would like to take this opportunity to watch the presentations and take part in the discussions of our Strategic Plan from 2022 to 2026. After introduction and presentation, we will start the Q&A session.

We would like to inform you that this event is also being broadcast. For those following the transmission on the Internet, you can send us questions at petrobrasinvest@petrobras.com.br.

This event was organized and is being held respecting all health and safety protocols. All executives are fully vaccinated and have tested negative for covid 19.

Today we have here with us Joaquim Silva e Luna, Petrobras' CEO, Claudio Mastella, Chief Trading and Logistics Officer, Fernando Borges, Chief Exploration and Production Officer, Rodrigo Araujo, Chief Financial and Investor Relations Officer, Rodrigo Costa, Chief Refining and Natural Gas Officer, Salvador Dahan, Chief Governance and Compliance Officer, and Rafael Chagas, Head of strategy.

Now, we will watch a short video.

Video:

It looks like fiction. If we tell, maybe no one will believe us. It is already hard enough to imagine how is it possible to extract oil from the deepest reaches in the middle of a vast ocean. It seems impossible, but it is what Petrobras does. It is our daily life. All this because we have a very powerful source of energy: knowledge.

Driven by this force, we discovered pre-salt. We are continuously breaking record after record, generating maximum value and focusing on the business we do best. No wonder we are world leaders in ultradeep waters.

This inventive energy is not only in our new technology. It is a new ways of creating projects, making choices, reaching results, acting responsibly. The choices we make today guarantee our future.

The challenges are many, but we are not intimidated. We are driven by transformation, and we are launching new strategic programs, which will guide our operation until 2030.

They are innovative solutions, which will turn projects into results, the unreachable into achievements, and the impossible into amazing. Come with us to know more and to make history. We are energy for transformation.

Carla Albano:

Now, I will pass the floor to Petrobras CEO, Mr. Joaquim Silva e Luna. Please.

Joaquim Silva e Luna:

Dear investors, good morning. It is a pleasure to be meeting with you today to present Petrobras' Strategic Plan for the 2022-2026 period.

This plan is the result of a lot of work, scenario studies, analyses, and reflections, with productive discussions that involved all of the Company's areas. We will continue to invest responsibly in highly resilient assets.

Portfolio management continues to be fundamental to improve the allocation of capital, as it allows Petrobras to focus on assets and operations that present higher returns and lower risks.

In this Strategic Plan, you will see that the Company will keep focusing on what it does best, which is exploration of assets of oil and gas in deep and ultradeep waters, especially at the pre-salt assets, where Petrobras has competitive edges and is able to generate more value.

With our debt under control and towards a health situation, the Company was able to increase 24% in its investments with a total of US$ 68 billion in the period 2022 to 2026. In this period, we are forecasting 15 new platforms will be launched in six fields.

In the areas of refineries, trading and logistics, we are investing to increase our efficiency and have a more resilient and sustainable operation in order to be present in a more and more competitive market.

In the segment of gas and energy, we strive to maximize thermoelectric park, focused on high consumption and efforts in trading in proprietary gas, besides the commitment with the opening of the market.

To maintain our competitiveness, it is still very important to us. And to that effect, we keep digitally transforming the Company and developing the competencies for a solid, high performance culture and integrity and competitive costs.

We will always be seeking innovative solutions for new challenges. Innovation is present in Petrobras' DNA. In this Strategic Plan, we reinforce the importance of social responsibility, as well as environmental, having a positive impact for society and the environment, strengthening our reputation.

As you know, in September, we published our mission to reach neutrality in gas emissions and greenhouse effect of operations under our control, in a term that is compatible with what the Paris Agreement established. In order to reach that goal, we are investing more in that area to US$ 2.8 billion in areas like reduction and mitigation of emissions.

We will keep improving our governance, and we adopted a model that allows us to balance efficiency and control, focused on a competitive environment, strengthening of the decision-making, process, safety and speed.

The Strategic Plan mirrors the importance of a strong Petrobras that is healthy and generates resources. In the plan horizon, we are forecasting payment of taxes of around US$70 billion, or tributes, which added to our dividends, which will go to the federal government and all the other shareholders, representing over 86% of our operational revenue generation. We want to have more dialog with several stakeholders through active communications that are transparent.

And lastly, we will keep investing with responsibility, trying to be the best energy company in generation of value, focused on oil and gas, sustainability, safety, respect to people and the environment.

Petróleo Brasileiro S.A. - Petrobras, you can trust us.

Carla Albano:

Thank you. As you are probably aware, this presentation may contain forward-looking statements about future events that are not based on historical facts and are not assurance of future results. Such forward looking statements merely reflect the Company's current view and estimates of future economic circumstances, industry conditions, Company performance and financial results. These statements are only projections, estimates or targets and may differ materially from actual future results or events. Please refer to the documents the Company files with the SEC, especially our recent annual report on Form 20-F, which identify important risk factors that could cause our actual results to differ from those contained in the forward-looking statements.

Now I pass the floor to Petrobras' CFO, Rodrigo Araujo. Please, Rodrigo.

Rodrigo Araujo:

Good morning, everyone. Thank you for being with us today. It is a pleasure to be here with you to announce our Strategic Plan 2022-2026.

We are very happy with the Company's current moment and everything we have achieved over the last more than five years. It is a business plan that means a turnaround for the Company's history and a completely different moment. We are very happy with the perspectives of the new plan.

And when we considered the initial message of the plan, first of all, we have achieved our gross debt target of US$60 billion, and we think that is an efficient level of debt for an efficient capital structure. So we do not expect to reduce much of that debt, especially considering that, when we look at our finance debt, it is basically between US$ 35 billion and US$ 40 billion of the overall debt. So we expect to maintain that level and, at the same time, we do expect that having achieved that in more than a year in advance brings opportunity to create more value, and specially to distribute more value, and that is the core message of this business plan.

The Company is highly focused on investing responsibly, and what we mean by investing responsibly is always focusing on assets that are both resilient in terms of environmental impact, carbon footprint and also lower oil price levels. So we expect to maintain our resilience scenario for decision making in terms of CAPEX.

So our projects are resilient to a US$ 35 Brent Price. And as you probably have seen based on what happened in 2020, where we had an average price of US$42 per barrel, the Company was quite resilient to that scenario, and we do expect that our portfolio will be resilient to challenging scenarios in the future.

So we are continuing to be focused on those resilient assets, and at the same time, we are also focused on decarbonizing our operations. So we have announced last September our net zero ambition in the Paris Agreement timeframe alongside with the OGCI. And we have also established a new governance to study for the future potential for profitable diversification.

Of course, Petrobras has a very strong portfolio and very resilient portfolio, so this is something that we are going to look into very carefully for the future. We want to make sure that whatever diversification we choose to do in the future will be as resilient as our current portfolio.

And of course, we do have some capabilities that enable us to focus on certain kind of assets, especially those that involve advanced engineering, advanced technology, large scale projects. This is the kind of scenario where we are best at. But for the current plan, we do not have any CAPEX separated for diversification, but we did put in place a new governance to study those potential opportunities in the future.

We are also highly focused on modernizing our refining plants, especially quality, so that we reduce the carbon footprint of our products, especially diesel that is in a transition in Brazil to 10ppm diesel, and also bio jet fuel, and renewable diesel in Brazil is also a potential future agenda of products that have lower carbon footprint.

We are also focused on continuing the market opening agenda. We are focused on the commitments that we signed with the Brazilian antitrust authorities, both regarding the natural gas market and the refining market as well.

As you are aware, some of the refineries have already been sold and we still have some of them to be sold along the timeframe of the plan. So we continue to be focused on complying with the agreement we have we have with the antitrust authorities in Brazil.

And finally, we do have the Equatorial margin as a potential new frontier. We see positive exploratory prospects, especially when we consider the similarities with the Guyana region, where we have seen other peers have positive results. So we do expect positive results in that area as well, so that will be a potential new frontier for the Company over the timeframe of the plan.

In terms of the targets for 2022, as I mentioned before, of course, value creation is a main target, and we continue with our greenhouse gas emission targets. We have lowered them compared to the previous business plan. We do have an expectation to create US$ 2 billion in economic value added for the year 2022.

You probably have seen that we removed the gross debt as one of the targets of the plan, but we continue with the capital discipline. And to ensure that we maintain the efficient debt level, we have included the gross debt level of US$65 billion as a trigger for the EVA metric, and we do not expect to do that. If our gross debt goes above US$65 billion, the result for the scorecard will be negative.

The first three metrics are part of the Company's scorecards, and we also have an alert limit for total recordable injuries as well. As you know, safety is a main value and priority for us. We do have a zero fatality and a zero oil spill ambition, but we do have targets for both of them, both for injuries and for oil spills as well, part of the executive group targets for 2022.

So this is a general picture of the plan, and I will pass the floor to Salvador, our Chief Governance and Compliance Officer, who will discuss about our ESG agenda. Thank you.

Salvador Dahan:

Good morning, everyone. It is my great pleasure to present our ESG chapter from our Strategic Plan.

The 2022-2026 Strategic Plan defines a very robust commitment to accelerate our ESG agenda, setting a tangible roadmap towards a net zero ambition within a timeframe compatible with the Paris Agreement, aligned with our recent declaration together with other OGCI members.

At the same time, we are developing several initiatives aiming to the energy transition. We also want to maximize Petrobras' contribution to the society by investing with responsibility and transforming the natural resources into value, welfare and dividends.

There is one basic assumption to address climate change discussions and net zero society, which is: be ready to have a sustainable operation, producing oil and gas compatible with accelerated decarbonization expectation, in a scenario where only the most resilient and cost effective products will be accepted.

And this is how Petrobras is positioned. This is our dual resilience, as mentioned by Rodrigo, on cost and quality, by executing a strong operation and financial discipline under a US$ 35 Brent scenario, and by offering a low emission product already positioned in the first quartile in terms of carbon intensity.

Despite increasing 40% our oil and gas production in the last decade, we have reduced our emissions in almost 50% in the same period. When comparing to our major pre-salt fields, the CO2 emission reduction is even more substantial.

We have set a US$ 2.8 billion CAPEX related to decarbonization and energy transition, US$ 1.8 billion to be invested in our operations with emphasis on CO2 separation, methane detection and projects such as HISEP, all electric platform, closed flare, and others, investing US$ 600 million in bio products such as a renewable diesel, bio bunker and bio jet fuel, US$ 130 million in R&D, digital transformation and business diversification.

We are putting together a new and strong governance, with senior executives and experts from different areas. They have been tasked to assess new lines of businesses and products that can be incorporated to boost our long term transition strategy.

We are openly studying a variety of options to diversify Petrobras' portfolio into different energy segments and potentially reduce our exposure and dependance on fossil sources and, at the same time, be profitable, ensuring the Company's long term sustainability.

Furthermore, we understand there are some fundamental conditions, such as large scale, complex engineering and advanced technology that better integrate with our leading business capability and recognized know-how.

We are also creating a US$ 250 million decarbonization fund to incentivize and accelerate new solutions. Projects with lower cost and higher impact on emission reduction will be selected and implemented, bringing greater competitiveness to the

Company to achieve emissions neutrality, not only on scopes one and two, but eventually opportunities related to scope three will also be supported.

In addition, our commitments to sustainability are reconfirmed in the 2022-2026 plan. They are organized in five components: climate change, water resources, biodiversity waste management, and lastly, a more robust social responsibility program. Focusing on human rights, community relationship and social environmental investments, we generate positive impact not only in the locations surrounding our operations, but the society in general.

Petrobras is committed to promote an open and competitive market, and to enhance our corporate governance by balancing efficiency with control, and promoting an environment of ethics, integrity, transparency, also influencing our partners and supply chain network.

We continue to strengthen our governance by establishing three lines of defense framework with independent control bodies and a robust decision making process, with defined roles and responsibilities between the Board of Directors and the Executive Board, by setting formal validation from statutory committees, as well as legal and compliance independent opinion before any decision. In other words, no single person can make any important decision by him or herself.

In addition, Petrobras faces strong supervision by several control bodies and regulators, not only in Brazil, but also abroad. From an investor protection perspective, as a state controlled company, or from an antitrust regulation, Petrobras is under continuous scrutiny and must respond accordingly.

Not only due too many laws and regulations applicable to Petrobras, but also under our Company bylaw, there are several important gatekeepers and statutory protections against management override, political interference and compliance violation, such as appointment and nomination policy, with clear rules, minimum requirement, background checks, barriers of eligibility, mandatory opinion from the Audit Committee and the Minority Shareholders Committee on relevant subjects, Board of Directors with minimum compositions of 40% independent member, which currently there are 70% of independent members, the Chief Governance and Compliance Officer autonomy, authority, veto power and non-retaliation protection, and lastly, the compensation clause in case of any imbalanced obligation to serve the public interests held by the controlling shareholder.

As a result, Petrobras has been recognized for all the recent years efforts. We have returned to the Dow Jones Sustainability Index and the Corporate Sustainability Index from the Brazilian Stock Exchange.

And lastly, the most important milestone of our turnaround journey was the conclusion of the agreement with the US Department of Justice. After three years, we have completed all obligations with a strong and recognized governance and compliance mechanism, closing an important chapter of Petrobras' history, and now ready to move forward to a brighter, solid and long term sustainable result.

Thank you, and now I pass back to Rodrigo.

Rodrigo Araujo:

Giving you an overall perspective in terms of our finance strategy and the financial aspects of our business plan, we have four main pillars that will be the focus of the 2022-2026 period.

And of course, the first of them is maintaining our efficient capital structure. If you consider that over the last five to six years, we were highly focused on reducing the Company's debt and bringing it to a more compatible level when compared to our peers. We were always focused on having a capital structure that is compatible with an investment grade rated company, and that is the kind of focus that we still have.

So maintaining that efficient capital structure that we have achieved is an important pillar of this plan. So all the CAPEX, the distributions and the portfolio management agenda that is behind the plan always considers maintaining this efficient capital structure.

Our focus in the plan is, of course, maximizing value creation, both with the projects that we have already in place and with the 15 units that we have during the Strategic Plan timeframe coming online from 2022 to 2026. The focus will always be on maximizing value creation.

We are also focused on mitigating risks through liability management. And of course, when we look at the liabilities of the Company, we always look at them in a broader perspective. So we are not only focused on the finance debt, but also contingent liabilities as well, finding opportunities to reach agreements and to solve contingent liabilities, pension liabilities as well.

If you look at the 2021 cash flows, we have prepaid certain pension obligations, especially because they were more expensive than the finance debt of the Company. So we look at the Company’s debt in a very broad perspective, and we are always trying to find opportunities to maximize value through reducing debts or managing risks.

We are also committed to the best capital allocation, both in terms of CAPEX and finding resilient projects, and also distributing the returns that we generate from those assets. So I will mention later on, we made improvements to our dividend policy to reinforce our commitment to the best capital allocation and having dividends as an important capital discipline tool as well.

When we look at the Strategic Plan assumptions, of course, the current scenario of more favorable prices when we compare to 2020, we have updated our projections in terms of future prices. But as I mentioned in the beginning, and as you have seen over the last couple of days, we need to be ready for challenging scenarios. So we are always focused on approving projects that can face any kind of price scenario in the future.

Our current perspectives are for a long term price of US$ 55 per barrel. We have improved a little bit compared to 2021-2025, when we had a US$ 50 per barrel future price in the base case scenario of the plan. But when we look at the resilience scenario, we have maintained US$35 as a resilient price for the future.

When we consider the projections of the International Energy Agency, we do think that US$ 35 is a price that can make us competitive, even in a scenario where we see demand going to 50 million barrels per day in the projections of the International Energy Agency.

In terms of foreign exchange, we have seen a devaluation of the BRL over the last year. So our projections for the business plan timeframe is a flatter projection, but a devaluation when we compare to the 2021-2025 timeframe.

This picture summarizes our view in terms of the business plan, both in terms of cash flow generation and of a very balanced distribution of the cash flow that we generate. If you look at the right side of the of the slide, you can see that we are highly balanced between CAPEX investments, dividend payments and debt amortization. We do not expect to reduce the Company's gross debt, but we do have a debt schedule over the timeframe of the plan.

And as our CEO has mentioned in the beginning, we do see a very solid contribution from Petrobras for the Brazilian society as well, both through taxes and through dividend payments to the controlling shareholder, aligning the interests of the controlling shareholders with the minority shareholders as well. On the timeframe of the plan, we do see a potential US$ 85 billion to US$ 95 billion contribution in terms of taxes and dividends.

When we look at the portfolio management part of the plan, we have anticipated some of the transactions that we expected to occur in the future, meaning BR Distribuidora, the follow on of the remaining shares that we had, also the potential for closing RLAM in 2021. So those cash flows were anticipated and some projects were removed from the projections of divestments, especially in Marlim, we are going to talk a little bit about this later on, and natural gas pipelines of the of the pre-salt fields. So those projects were removed from the portfolio management agenda.

But the remaining part of the portfolio management strategy continues pretty much the same, focusing on assets that are very resilient, close to the pre-salt production, both in terms of refining and of oil production. And of course, exploration and production assets that are resilient to very low prices.

In terms of dividends, of course, there has been an important improvement, and I will talk about this later on when we look at the improvements that we made to the dividend policy.

First of all, when we look at the CAPEX projections for the 2022-2026 business plan, we have improved our CAPEX by 24%, but it is still mainly focused on the upstream operations. 84% of the plan is focused on upstream, and close to 70% on pre-salt area, where we have highly productive fields, highly resilient assets, so that is still the Company's focus.

We do have an important improvement in downstream as well, mainly focused on reducing the carbon footprint of our existing refineries and of the refineries that we will continue to reverse after we continue the divestment process, opening up opportunities for hydrotreatment units and units that reduce sulfur level off of the products that we make in those refineries.

One additional information that we included in the 2022-2026 business plan is the level of committed CAPEX. We think that it is an important transparency metrics so that you can follow on for the future and see the level of flexibility that we have, especially in the case of future challenging scenarios in the upcoming years.

So you can see that we start in years one and two of the plan with a substantially committed level, but when we look at the end part of the of the timeframe, you can see that the level of commitment is much lower, and of course, we have much more flexibility to respond to challenging scenarios, if that is the case.

In terms of improvements to our dividend policy, they were mainly focused on three pillars: reinforcing our commitment, simplifying the dividend policy, and creating more frequency and transparency so that we have more predictability in terms of dividend payments.

If you look at the previous document, it was a five page document, so we reduced that to a two page document that is much more straightforward. Some of the metrics we did not align with the financial statements as well, so that it becomes more transparent and easier to follow.

So basically, the CAPEX is pretty much well aligned with the financial statements. We included the signing bonuses as part of the 60% free cash flow formula, and the operating cash flow is also aligned with the financial statement. So it is easier to follow on.

Considering that we achieved the US$ 60 billion debt level almost 18 months in advance to what we expected in the last business plan, we have made some adjustments that were not very clear in the prior version of the policy, especially with respect to timing. We do expect to distribute quarterly dividends after we close the quarters. We expect to announce the quarterly dividends right after we have the quarterly results approved by the Company's Board of Directors.

We have included a minimum annual distribution that we will talk about later on. And of course, we did change the policy to have a certain degree of flexibility with respect to gross debt.

The way we drafted the prior policy, we were focused on reducing that, so we had the target of the US$60 billion debt level as a kind of a fixed target. But when we think about the upcoming future, we do need some flexibility, especially when we have FPSOs getting online, for example, which will increase debt momentaneously. So it does not make sense to stop paying dividends because debt has gone from US$60 billion to US$61 billion, US$62 billion.

So we did include the flexibility to go up to US$65 billion, but it does not change our optimal level of US$60 billion and our commitment to maintain the level of debt on US$60 billion or little bit lower. But we do have some flexibility so that we do not stop distributing dividends just because one of the FPSOs has come online and has improved debt in the short term.

As I mentioned before, we are committed to the best capital allocation, so we have strongly reinforced the commitment of the 60% free cash flow formula being a strong commitment and something that we will comply on starting as of 2022.

And finally, of course, we do expect you have a reputation of a company that distributes its earnings.

In terms of minimum dividends, I have already mentioned, but it is a US$ 4 billion minimum payment when we have scenarios of Brent prices above US$40 per barrel. We have maintained the possibility of extraordinary payments depending on the scenario, and potentially capturing price upsides when we do have them.

And of course, all the parameters of our dividend policy, considering that the distribution cannot jeopardize the Company's financial sustainability in the future. But we consider that, given the level of debt that we have now, we have a very solid condition to distribute dividends and not jeopardize the Company's investments and future conditions.

In terms of capital structure I have already mentioned, but we do expect to maintain that level around US$ 60 billion, especially considering that between 40% and 60% of that is finance leases that are part of the Company's operations.

We do expect to continue actively assessing the markets to improve the maturity and reduce cost of the remaining portion of the finance debt as well. So we expect to continue to be active in debt capital markets to improve the portfolio of the finance debt that continues to us in the future.

In terms of portfolio management, as I mentioned before, we continue to be focused on the pre-salt assets and the refining assets that are close to our oil production and that have integrated logistics in the Southeast part of Brazil. So the portfolio management strategy is continuing to be focused on divesting onshore in shallow water assets, international assets as well, complying with the agreements that we have with the antitrust authorities in Brazil, both with respect to natural gas and to refining assets.

And we do expect an impact in terms of oil and gas production of 250,000 barrels per day coming from the potential divestments. But when we look at the business plan timeframe, we expect to have a portfolio that, even though has a little bit of less volume, has more value added to that portfolio, especially considering the improvements in the pre-salt production.

In terms of risk management, of course, we do run several sensibilities so that we are comfortable that our financiability is sustainable with a US$35 Brent price, and we are comfortable with the current capital allocation strategy. We look at both liquidity and the potential to generate value even in challenging scenarios.

Of course, we continue to be focused on cost reductions. The commodity is highly volatile, so we are going to always be focused on reducing cost and making sure that our cash flow supports low price levels.

Of course, we have a zero tolerance for misconduct. We have a code of ethical conduct and we are focused on completely complying with all the regulations as well, and we do have a significant part of the business plan analysis that is focused on operational risks and making sure that we have a high level of safety and integrity in our operations.

And finally, in terms of the procurement strategy, this is something that we are quite focused on as well. You have seen that we have 15 large sized units coming online over the business plan timeframe, most of them have already been contracted, but we are focused on early engaging with the market and making sure that we have incentives aligned with the supply chain so that we can deliver on the ambitious CAPEX off the plan, and not have relevant delays, as we did have in the past. So we do expect to be able to deliver the CAPEX within the timeframe of the plan, so that we extract most of the value of the new projects.

We are also focused on having more predictability and standardization of the projects. You probably have seen that we are continually standardizing the units and trying to make sure that we can deliver them as standardized as possible, so that we make sure that we can always have them on time within the business plan.

Another important agenda of the procurement area is that, of course, we are focused on decarbonizing our operations. So it is very important for us that we do engage the supply chain in reducing direct carbon footprint as well. So more and more, we are engaging in programs to make sure that not only the supply chain follows our codes of conduct and all the governance part, but they also follow our ambitions in terms of reducing emissions in our operations.

We have cash flows that are resilient to much lower prices than the ones that we see now, especially when we consider the year 2022, if you look at the US$ 40 price, alongside the current exchange rate of R$ 5.50, we would have substantial positive free cash flow even in that scenario. So as I mentioned before, we are committed to delivering the business plan and to being very resilient to low prices.

So I pass the floor to Fernando, our Chief Upstream Officer, who will talk about the perspectives in terms of the upstream business. Thank you.

Fernando Borges:

Good morning, everyone. Now we are going to zoom in the upstream area. As already said by Rodrigo, we have a growth strategy based on our deep and ultradeep water assets in Brazil, exiting from onshore and shallow water assets. They are based on double resiliency, the economic and environmental.

In economic resilience, our assets have sustainability of US$ 35 per barrel in the Brent value in the long run, as already said, as we have high productivity, as our assets have very low emissions in their production phase, and we have others, improving operational efficiencies and lowering the energy consumption in our operations.

We have a very significant amount of investments in the next five years, US$ 57 billion dedicated to the upstream area, mainly in the pre-salt, 67% dedicated to pre-salt assets, 62% in development production in Búzios, Tupi, Sépia, Atapu and other important fields in Brazil, and we have 26% of the investment dedicated to Campos Basin, which holds important assets like Marlim, Marlim Sul, Roncador. And we have a new frontier in ultradeep waters in Sergipe, Northeast of Brazil, and we have 10% of our investment dedicated to exploration.

Another aspect is that, in the portfolio management, we are increasing the numbers of assets that are resilient to US$ 35 per barrel in Brent, and in terms of carbon emissions, too.

When we take a look at the variation of amount of investment in the upstream, we are increasing 23%. Part of it was balanced by a foreign exchange rate, the selling of 5% of the production share, part of Búzios field. We are increasing the participation of owned FPSO in our portfolio, mainly in Búzios field. We have some reprioritization of projects like Sergipe ultradeep waters, and the Marlim revitalization is one that we are holding 100% of that asset.

And we had some impact of covid postponing some investment from this year to the next year, like Mero I project. So it amounts to US$ 57 billion for the next five years in E&P area.

Looking at exploration, it amounts to US$ 5.5 billion. It is directed to 79 exploration blocks in Brazil, which we forecast to drill up to 70 wells, exploratory and appraisal. 58% of this is dedicated to our Southeast basin, like pre-salt areas mainly, and we have the Equatorial margin dedicated 38%, almost US$ 2 billion in our 16 blocks in the Equatorial margin. That is a very important new frontier, with high potential, since the very successful exploration production in Guyana and Suriname. And so, we expect to start drilling in the 2Q22, and we have up to 14 wells to drill in the next five years in this region, all of them dedicated to deep waters.

Looking to the future, we are trying to take more of our fields. We have a strategic program called RES20 that envisages, in the next two years, to incorporate 20 billion barrels in our operating fields, in 100% working interest view. And just to size this amount of oil, in our 68 years of existence of Petrobras, we produced 23 billion barrels.

How to access this? They are leveraged by a very strong high-resolution seismic acquisition, which we are going to dedicate 2.5 billion, granting a very defined view of our reservoirs. And with our advanced technology and using tools like artificial *(inaudible)*.

We are committed to develop the best reservoir models of the industry, and that grants us a very important way to leverage recovery factors. We are being capable to see the waterfront in the water injection areas, we can see the gas displacement with this technology. So we are committed to have the best reservoir models in order to improve recovery effect in all the very good assets in pre-salt.

This is our production profile for the next five years. We are increasing our production from a total of. 2.7 million barrels per day, next year, up to 3.2. million barrels per day of oil equivalent, even considering the divestment we have planned.

The participation of pre-salt in this production growth is relevant, today it represents 70%, going up to 79%. We have 15 projects to come on stream to sustain this just growth, we are going to see next.

These are the 15 new FPSOs that are scheduled to come on stream on six fields. We are a leader in the world in number of FPSO projects. 12 out of them are already contracted and under construction; three of them, those in 2026, are under contract and strategy, in contracting process; six of them are going to Búzios field, which is one of the main motors of our production growth.

Here, we highlight next year Mero I coming on stream in the 1H22, and all the *(inaudible)* of these FPSOs are being seen very closely by our team. And here, we can see the first FPSO for Sergipe ultradeep waters. The contract process is already on the market.

Taking a look at Petrobras' production history, we can see all the phases, and if we take a look at the last ten years, the blue zones are consistent by the pre-salt production, taking each time more space in our investment. And in the last three years, we can see the Búzios participation in our production. And with those 16 units that are under construction, two of them contracting, we are gong to reach in 2026 33% of our production coming from Búzios, and the most part of them, all of them in the pre-salt.

Showing the relevance of Búzios, we reached the production of 600,000 per day in two years. When you look back to the last, it was Tupi reaching this milestone. It took us six years in Tupi to reach these 600,000 barrels per day of oil equivalent production. And going back, in Marlin, it took us 11 years.

So we can see here an acceleration in developing this project based on our deep knowledge in pre-salt, and in the lessons learned in all this process.

Just an example of the beauty of Búzios, one of the wells reached 70,000 barrels per day of oil equivalent production last year, and eight out of the ten, the most productive wells in the pre-salt are in Búzios.

Búzios is the main investment. In this plan, we have allocated US$ 23 billions to development of Búzios. Up to now, we have approved ten projects. The first four are already in production and we have six more to come. We have increased the production capacity of these FPSOs. The next generation is 180,000 barrels per day, and in the last three we are going to reach to 225,000 barrels per day of oil production capacity.

And we are aggregating new technologies like an eight inch production in injection lines, which would deliver higher productivity in injectivity, new rising systems to improve and lower the amount of investment related to subsea systems, and we are decreasing the cost of the wells, bringing more productivity, and we are applying alternate gas as a recovery system, the fulfill in Búzios.

If you consider the production capacity in the field, nowadays we have 6,000 barrels per day, and we are going to reach 1.7 million barrels per day of production capacity in our production units.

Mero is another star in our portfolio. We have all the four platforms under construction. Mero I is about to leave, to sail away from Dubai to Brazil. We expect to start producing metal in the definite system in the 1H22. It is a 180,000 barrels per day oil capacity FPSO, full reinjection.

These are on a place where we are going to introduce of a new technology, which is HISEP separation. It is a technology that we are going to separate high concentrated CO_2 gas in the seabed direct to a gas injector well, and that is going to be a breakthrough in terms of the bottleneck in the production units. And for sure, it is a technology that could open other opportunities in some finds of oil in Brazil that has around 70% of CO_2 in the gas.

That is going to be an enabler for some of these discoveries that we have already done, and we are going to test in Mero III project. We are going to the market with this system up until the end of this year, and we forecast implementing it in 2024 in the Mero III project.

Tupi is our largest field nowadays. We have already produced 2.6 billion barrels. Today, only the Petrobras share is 800,000 barrels per day, the total production is 1.2 million barrels per day. It has a large potential to implement and to offer recovery of volumes.

We are strengthening our strategy of the taking care of the integrity of the system already implemented, stressing efficiencies in these systems, and we have an estimate of 4.7 billion, only the Petrobras part, in terms of extend water alternate gas throughout the systems already implemented, and that is going to, for sure, keep it very resilient in terms of low oil price.

Campos Basin remains as a strategic area for our investment. It is an area that we have a huge knowledge. We are revitalizing fields like Marlim. We have two units already in construction, scheduled to come on stream in 2023.

We have plans to drill more than 100 wells in the deep water fields in Campos Basin. We are committed to invest US$16 billion, and for the production forecasting in our plan, we estimate 600,000 barrels per day of production coming from this new project.

The third system is scheduled to Jubarte. That is another very good field we have. That is an important part in the strategic area for us, Campos Basin. Not only Santos Basin with the pre-salt, we have some pre-salt in Campos Basin, too.

Looking at the new frontier for our production develop system, we have Sergipe ultradeep water. The first system, which we call SEAP 1, stands for Sergipe Deep Water 1, is schedule to come on production at the end of these five years, 2026.

It is a field with very good quality of oil and gas, with gas and spit oil. The first FPSO, the contacting process is already in the market in a built-in model, and we are starting a second phase for SEAP 2 in the coming years.

Our lessons learning in pre-salt have a very value generation. Once we have FPSOs much more complex in order to handle higher production like 180,000 barrels per day or 225,000 barrels per day, the complexity of this system has increased, but it could be possible to maintain the whole investment in the production system between US$4 billion to US$6 billion, considering our owned FPSO, because, on the other hand, we have saved a lot of investments in the subsea systems investment and efficiency, and the wells investment demand on these systems.

Just an example here, comparing our previous plan to this plan, we are having a 5% reduction in wells cost construction and 9% cost reduction in the subsea systems because of the lessons learned we are having, and capable to have more complex systems in the same budget.

Another aspect of our portfolio is that we are very competitive in terms of lifting cost. In the previous five years, we had US$ 8 per barrel of lifting cost, and now we are forecasting US$ 4.8 of lifting cost. That is for sure leveraged by the efficiency of the pre-salt area that is going to deliver just US$ 3.5 per barrel of lifting costs. But on the other hand, if we look at the total cost of oil produced in this new plant, we are forecasting US$ 29 per barrel, composed by these US$ 5 of lifting, US$12 of government intake, and another US$ 12 of DD&A. And if we take a prospective view of our portfolio, we have a breakeven of US$ 20 per barrel considering just as a forward position.

And the last, considering the integrative margin program of our flexible pipelines, which was a concern two or three years ago, we have developed it a lot. The results are being very good in terms of engineering models, in order to extend the lifetime of more flexible pipelines.

We have developed new technologies in terms of inspections, and we are investing in developing new products and new flexible lines that could be resistant to SCC-CO2, which is the stress corrosion crack that affects those flexible lines. And all the new projects are using reject lines that does not have this worry that we faced it some years ago.

Thank you.

Rodrigo Costa:

Good morning, everyone. Now we are talking about the refinery and natural gas area. Our strategy here is based on the transformation of our portfolio, focused on the assets that we have, synergy and integration with our upstream segment.

In this plan, we endorse this direction, incorporating the strategic program that we call RefTOP. This program aims to position Petrobras amongst the best refineries in the world in energy and operational efficiency, giving even more resilience to our assets.

In this direction, we are increasing our capital investments in the target refining portfolio, seeking to adapt our assets to produce high quality products with lower carbon emissions, following the evolution of our market.

In natural gas area, we are advancing in the commercial models, seeking to adapt to the evolution of our market, and we are trying to capture opportunities in the integration of gas and power segment.

In the next slides, we can share our view of this transformation that our team is fully committed to delivering in the coming years.

So in the next slide, we can see this transformation of our portfolio we are taking towards our optimal configuration. Our goal is to be integrated to oil and gas production and close to the largest consumer markets in Brazil, aiming to maximize the processing of pre-salt fields.

We will proceed with our optimization of the refining portfolio by our divestment process. And talking about this, in some units, we were not able to reach a sales agreement. Now, we will carry out a new process in terms and conditions to be formally defined and agree with Brazilian Antitrust Authority.

Relating to the natural gas assets, the startup of Itaboraí gas facilities will provide us with a higher increase in our processing capacity. It is almost 20 million m^3 per day, two trains by 10.5 m^3 per day each train.

Also, the regasification assets provide flexibility to our commercial strategy, while in power generation, our clear focus is on natural gas integration with higher efficiency plants.

Moving to the next slide, here we can see the program that I mentioned called RefTOP. This program, which has the goal to position us amongst the best refineries in the world in terms of energy efficiency and operational performance, and our benchmark, we aim to be at the first quartile of the U.S. market comparisons on base.

In this program, we have planned US$ 300 million in investments, totaling about 148 projects. Of this amount, around 67 projects are of energy efficient. This is one of the main pillars of this program.

We forecast a 21% reduction in the energy consumption by 2025, due to natural gas, steam and power optimization in our process. As a consequence, our greenhouse gas emissions will be reduced 16% until 2025, and 30% until 2030.

Our goal is to surpass around 97% of operational availability by focusing on failure prediction and increased productivity in scheduled maintenance, having digital transformation as one of the main tools of this program.

Moving to the next slide, here we can see in this plan that we are getting more maturity in investments for our refining units adequation. In this plan, we will invest around US$ 2.6 billion, offering products specially designed to market demands and aligned with energy transition.

We will be prepared to produce 100% of low sulfur diesel in the Southeast refining portfolio. For that, we are investing in new hydrotreatment unit at Replan and upgrades in hydrotreatment units at REDUC, in Rio de Janeiro, and Revap, other refinery in the São Paulo state.

This way, we will have 132,000 barrels per day of additional low sulfur diesel production capacity, with an investment around US$ 500 million in this business plan timeframe.

Polo Gaslub will be integrated with REDUC, which is our refinery in Rio de Janeiro, and in this site we will have the first advanced based oil lubricants in Brazil, a product that we see a high growth in this timeframe of our plan.

Additionally, this project will increase the performance of the conversion of REDUC, and we will increase the capacity of low sulfur diesel and jet fuel in around 93,000 barrels per day.

At RNEST, our refinery in Pernambuco, we are planning to proceed with the revamp of train 1 and the conclusion of train 2, expanding the processing capacity of 145,000 barrels per day. Our understanding here with this action is that, continuing this project, we will increase maturity and the reduce risk, and add value to the divestment process with these units.

On the next slide, we can see our strategy for biorefining. In this business plan, we intend to invest around US$ 600 million, and we are trying to reach a potential capacity of 30,000 barrels per day in renewable fuels. By processing soil oil on hydrotreatment units, and using already existing technology and hardware, we have projects able to produce diesel. We are renewable content between 5% and 7% now.

In the first phase, we successfully conclude industrial tests at our refinery in Paraná, with a potential production of 2,300 barrels per day. Now our challenge is to put these products in our commercial portfolio.

We included in our future plans, the upgrade of units at Replan and Cubatão refineries for coprocessing renewable feedstocks with a total capacity of 10,000 barrels per day. In these units, we have a spare capacity of hydrogen that we can take this advantage.

Besides coprocessing, we have a dedicated facility project for production of renewable diesel that can also produce sustainable aviation fuel, with a capacity around 17,000 barrels per day. But the implementation of those projects depends on the regulatory improvements and the introduction of renewable diesel in the mandatory biodiesel blend in Brazil.

Moving to the next slide, here we can see our action plan to the gas market. We maintain our commitment with the opening of the market as we agree with the Brazil Antitrust Authorities. We are anticipating full compliance with our exit from the natural gas transportation system and distribution business.

New natural gas traders will be part of the internal market due to access of our processing capacity. This, we can see now at the beginning of 2022, with new producers offering their volumes to the market.

We are prepared to compete in a market with a new dynamic. We have focused lines on the commercialization of our own gas, and offer new products with different indexation and new time horizons, from medium and long term contracts, and new forms of relationship with our clients.

In summary, our business plan to refineries and natural gas, we will invest around US$ 7.1 billion until 2026, and we will be ready to capture opportunities in energy transition, and to deliver products with lower carbon footprint, according to market specifications.

In refinery, the ongoing projects will add processing capacity of 145,000 barrels per day to our refining, and increase 320,000 barrels per day of low sulfur diesel and jet fuel production capacity.

We will have developments in biorefining driven by regulatory evolution, with a coprocessing project followed by a dedicated facility that helps us get ready to meet the decarbonization goals in aviation. Investments with RefTOP and in operation availability and efficiency will lead us to be at the first quartile, according to U.S. refiners benchmark. We also have a 20 million m^3 per day increase in our pre-salt gas processing capacity, and we are preparing to the competitive market.

Now, I invite Mastella, our Director of Commercial and Logistics Area, to complement the downstream strategy.

Cláudio Mastella:

Good morning. The area of Trading and Logistics was created recently, joining the downstream and upstream logistics with the trading area, domestic and global. Our role extends from the beginning of the supply chain, supporting exploration and production of oil, bringing materials, equipment and people to our production units, until the selling and delivering of our oil products in Brazil and worldwide, connecting, synchronizing, optimizing upstream and downstream movements, with focus on Company's results. That is, optimizing costs and revenues.

In the marketing and logistics area, we operate seeking maximum competitiveness, with safety and efficiency, establishing partnerships with suppliers and customers, targeting increased efficiencies in the supply chain. We constantly monitor domestic and global markets, searching for the best alternatives, especially for our crude oils, ensuring maximum value capture.

We diversify transport models to better reach markets, we develop new markets and customers for crude oil and products, we focus on the needs of our customers, either internal, talking about upstream and refining, and external, which, by the way, the essential actors, as they are the source of revenue.

We are applying digital transformation in our processes, and thereby gaining more agility and better service levels. We optimize the use of logistics resources by making the best choice between own and hired assets. We focus on reducing emissions, both to operations and the use of more efficient assets, as well as through the development of new products with lower associated emissions.

Our downstream asset portfolio, as Rodrigo already showed, is focused on the Southeast of Brazil, seeking resilient operations close to oil production and the largest Brazilian markets, with an integrated and efficient logistics based on terminals and refineries connected by pipelines to key markets.

The concentration of assets does not limit us in our performance. Maritime terminals and the modern fleet of ships, as well as transshipping facilities, allow us access to various markets, including the most recent ones in Brazil and worldwide. With this, we are competitive. In Brazil and globally, offering the best options in prices, quality and service level to our customers.

Our overseas offices access the main oil and products markets. This global reach, together with an efficient maritime logistics, allow us to always choose the best value alternatives for our products, to export or import.

We have transshipment facilities in Brazil, both owned and operated by third parties. We use our own fleet of ships hired with our own subsidiary Transpetro, as well as with other shipowners, always seeking flexibility, efficiency and competitive prices.

Talking about the upstream logistics, we continue to improve our performance in maritime, land and warehouse segments. Recently, we have updated a benchmarking survey with a group of big upstream companies, the results are shown in the slide, and the result was a very good one. In the maritime services to upstream, we climbed from third to second quarter. We have reached the first quartile in the air transport of offshore passengers in Brazil, where we are a reference in oil and gas industry. We moved this year around 52,000 passengers per month, to and from oil platforms. We stayed in the first quartile in the land logistics for material and equipment, these all thanks to the continuous optimization of our process and the use of modern and safe equipment.

Our search for reduction in emissions in the transportation segment is being implemented with the optimization of routes and speed of the vessels, increasingly efficient vessels, and soon with the use of hybrid vessels in partnership with our suppliers.

In the area of planning and inventory management of materials and equipment, we are implementing new processes of material management, as well as in partnership with the teams of upstream and procurement, stimulating the improvement of demand planning and acquisition of materials and equipment, focusing on inventory optimization.

Going back to downstream, we are continuously removing logistical bottlenecks in search of increasingly efficient operations. Of course, with the premise of safety as a value.

To this end, we invest in the increase of operational capacity and flexibility of our terminals and pipelines. We are also adding dolphins to some of our terminals, gaining even more agility in logistics, especially important in oil exports, which is expected to grow in the coming years.

And finally, at the right part of this slide, we continue acting against illegal tappings on our pipelines, and our actions have proven effective, although, of course, it remains a permanent point of attention.

Finally, our investments in this plan amounted to about US$1.8 billion, shared between maintenance and diversification of modals to greater agility and efficiency, allowing our Company to reach markets with greater competitiveness. Additionally, part of the investments are allocated to operational safety, mainly with replacement of some pipelines and expansion of transshipment facilities, as I have already commented.

That is what I have for you today. Thank you a lot.

Carla Albano:

Thank you, Mastella. Now we will begin our Q&A session. We have two microphones in the room. Please raise your hands to ask your question and state your name.

Bruno Montanari, Morgan Stanley:

Good morning. Thanks for hosting the event and taking the questions. I have a couple questions, the first one on governance. I think you have done a tremendous job in protecting the Company from outside influence. Just wondering if there is anything else you can include in the bylaws or internal policies that would further insulate the Company from intervention in the future. I know this is not the case today, but always good to add some layer of protection.

And then, second question is on cash management. I think you have been moving your view on minimum cash, increasing from US$5.5 billion to US$8 billion, despite counting on a robust amount of RCFs. Any specific reason for the increase in minimum cash position?

Salvador Dahan:

Thank you for the question. I think this is a natural process improvement that we have to continuously find out alternatives and solutions to protect the Company in better ways.

The examples I mentioned are some of them for another Rodrigo mentioned by boosting our dividends policies, it is another one. And of course, we will continue to find out using not only our internal knowledge, but external auditors and external regulators to make sure we are putting the best in place to protect our governance.

Rodrigo Araujo:

Thank you for the question, Bruno. In terms of cash management, we still see somewhere around US$5 billion and US$6 billion as a minimum cash level, but we do consider the US$8 billion to be the optimal for managing the daily operations of the Company.

We have recently updated both the cash management perspective and the target level off our debt, so we see the optimal level of the gross debt to be between 55 and 65, and the optimal cash level to be around US$8 billion, but it is something that we are continuously monitoring and, depending on the scenario, we may update. But this is what we view now as optimal, especially considering the units that are coming online and the upcoming scenario for the next years.

Bruno Montanari:

If I can make a third one, perhaps to Fernando. We have seen some perhaps initial declines at Tupi. I know you mentioned some initiatives you are implementing at the field. Is the idea now to control this initial decline, or can we potentially see production increasing again and maximizing production out of the area?

Fernando Borges:

Bruno, all the producing fields face the decline, since you have put the maximum production capacity on the field. What we are doing is, at Tupi, we have the production maintaining tools that can be implemented, like second wave of wells in some systems to face the decline. We have to extend the water alternate gas injection that was not considering in the first systems. We have high definition seismic acquisitions to seek for the oil that was not sweep from the reservoir.

So we have lots of reservoir management initiatives to face the natural decline. If we do nothing in one of these pre-salt like Tupi, we could face a range of 5% to 10% of decline. But as it is in an initial phase, we have room for several reservoir management initiatives to tackle and to hold this decline.

Christian Audi, Santander:

I have a few quick questions. President Luna, as we enter a 2022, which is going to be a presidential election year in Brazil, how comfortable are you with the Company's ability to defend and protect this very solid and ambitious plan you just announced?

The second question, Rodrigo Araujo, can you talk about, particularly now that we are experiencing a downturn in oil prices, how safe is your dividend policy in an environment that can become potentially more difficult?

The third question was for Rodrigo Costa. I just want to clarify, when you talked about refineries, that now it is your plan to do the second train for RNEST, in order to potentially improve the chances of selling it, but it is a decision that you have made that you will spend that money on that project.

And then the last question for Mastella, again, we are seeing a change in the oil price dynamic. You have made several price adjustments upwards recently. Now that we are seeing downward pressure on oil, should we expect downward price adjustments as quickly? Or will you wait to see if this oil price movement is merely noise and therefore not worth adjusting prices so quickly? Thank you.

Joaquim Silva e Luna:

Thank you for the question. Regarding the issue to build up this plan to ensure that the Strategic Planning between 2022-2026 will be implemented, the Company has full control over its destinations in what regards the Company and the government.

Our Company is very solid, has been built up a long time. I had the opportunity here to present really quick, but I would like to say this. Petrobras is a state-owned company with an indirect management. In other words, all the officials are elected. It starts with the shareholders, then goes to the Board, then they make their choices. And lastly, it is a mixed economy society where today we have 63% of financial capital in the hands of private investors.

We have control organs that constant monitor and understand the dynamics within the Company, and we have total comfort and liberty to run this planning.

Of course, election year has repercussions anywhere in the world. The moment as well, and the economy still reflects the covid pandemic, part of it, but we do not see any risk of not delivering. On the contrary, we are offering a lot of security from the moment that we have reached a level of debt that we wanted one year before the deadline.

So we are assuming a commitment with our investors. This is something that we have conditions to deliver. Thank you very much.

Rodrigo Araujo:

With respect to the second question about dividend policy, one of the slides showed that we are considering the sensitivity analysis for lower prices. When we consider what the Company did in 2020 and the positioning of our portfolio for the upcoming years, we are quite comfortable that we can comply with the dividend policy even in more challenging scenarios.

As I mentioned during the presentation, we are focused on implementing projects that are resilient to even lower prices than the ones that we saw last year. So this is an important part of our of our commitment.

If you if you consider what we delivered in terms of free cash flow in 2020, we were either positioned probably as the best or one of the best cash flow generators, even in a very challenging year.

So we are comfortable that we can comply with the dividend policy, even in a more challenging scenario. This is how we see now. And at least for the short term, we may see lower prices, but we do not expect something as dramatic as we saw in 2020. But we would still be ready to deliver on the policy, even in a more challenging scenario.

Thank you for the questions. I will let Rodrigo and Mastella answer their ones.

Rodrigo Costa:

Regarding RNEST, we keep our commitment to fully comply with our obligations with CADE, the Brazilian Antitrust Authority. So we keep our focus on selling RNEST. But we received a feedback in the process that we run that the potential buyers see some risks to completion of this project.

So we understand that we can make it different in a new bid round of offering. So we will try to complete these this project, but run in parallel with the divestment process. We must consider that the second train and the revamp of the train 1 has a very good completion. The distillation unit is almost 90% complete, the coke unit is around 80%, and the other facilities around 70%.

So we are thinking that, running this in parallel with the new process of divestment, we can add value and full comply with the divestment obligation that we have with Brazilian Antitrust Authority. So this is our strategy in this business plan.

I think that you asked if we will put money tomorrow. No, we run the governance, we have a very strong governance to approve any kind of projects, we can demonstrate that this project must be resilient in the three scenarios that the Company has. So now we are running this process to agree with CADE a new schedule to sell RNEST.

Claudio Mastella:

Talking about price, we have been experiencing a very volatile scenario. So as we have been doing in the last year or so, we are very cautious about putting the prices up or down on the first signs of change.

And looking at the scenario today, probably my crystal ball is as clouded as yours. I think we are observing a little bit more and moving as we moved in the past: cautiously, but keeping us competitive to the market.

Regis Cardoso, Credit Suisse:

Thank you for hosting us. I have a couple questions. First one is for Silva e Luna, so I will switch to Portuguese. I think that should be fine. Thank you for the opportunity. It has been a great lesson how Petrobras has been able to transmit a clearer message about its role in society and how to give back the value that it generates.

A very quick math here, if you add the income tax and profits up before taxes and participation of the government, that is almost 85% of the profits of the Company. It does not need direct interferences in the price so that society can see the value that is generated by the Company. And this year alone, over R$23 billion in dividends were distributed, and even more than that in taxes.

So with all this introduction, actually, my question is this how do you imagine this difficult mission of passing on to society the message that the best way to give back value is not necessarily interfering with markets in a way that eliminates other participants. At the same time, the market is so big, an incentive of $0.30 in the fuel and the program costs the same as an income transfer program like the ones in existence or the ones that are planned to increase. So this is my first question, and then I have a few others for all the other officials. Thank you very much.

Joaquim Silva e Luna:

Thank you for your question. This has been our challenge throughout the year, to try to show society, especially the decision-makers, that the Company has a social responsibility, but it does not create public policy. That has been our challenge.

And we do this through giving back to the investor, which is the government in this case, and shareholders in general. And when we give it back to the government, that is when the government can make these public policies.

So Petrobras, until 1997, it was a fully state-owned company. That phase ended with the so-called monopoly, so it started to compete with the market. In the exploration and production area, which happened immediately since we have over 80 companies already in Brazil, but in the area of refineries, it was smaller. There is a big quantity of importers already.

So people still have this perception. Society still looks at the end of the line, the price of the gas, that Petrobras should still, as a state-owned company, manipulate these prices. So our difficulty is to try to supply, in terms of our National Congress, our executive branch and also society. We have been doing almost like a campaign of social communication so that people can realize that the best way for society to use Petrobras is allowing Petrobras to have its own governance as it is, being a manager, and being a strong company with a consolidated portfolio, such as our planned state.

And we were already going in that direction, flying in that direction before, and characterizing actually as shareholder, directly or indirectly, all Brazilian citizens are Petrobras shareholders. Either they are shareholders because they receive dividends, or they are indirectly because they receive the benefits that the Company allows.

We see that this vision has been possible. We have seen at government level, Congress level, that measures, steps have been taken to mitigate the high prices of oil. And now, as Mastella said, this instability has to be reflected in our prices. These are a structural features, not conjuncture.

And in the case of our fuels, they have a great amount of ethanol like biodiesel. This price should show the participation of other agents. So I would say that, little by little, this mission is not easy to transmit to society, that the Company that is responsible for 4% of the Brazilian GDP needs to be managed very carefully. It needs this freedom to manage its own planning.

Regis Cardoso:

Thank you. That was very clear. Rodrigo, on the dividend policy specifically, some more specific questions. Will the new dividend policy, the 60% formula, apply already for the 4Q21 results, or do they start to apply to fiscal year 2022?

And still on the dividends, what about the divestments? I think they are not explicit in the formula. If you have the additional cash from the divestments, I would assume you either distribute the cash or you reduce your leverage to a suboptimal leverage structure. Should we assume that proceeds from divestments will be distributed as well?

And maybe a second question now to Fernando Borges. One of the aspects of the CAPEX increase, or the main driver in the increase in CAPEX in this plan versus the previous one, seems to be more upfront CAPEX by Petrobras in the FPSO constructions. In the past, the owned FPSOs have delayed. How do you mitigate the risks of delays?

And then, just maybe a last one, also for Fernando, the HYSEP technology, which specific fields do you think would be enabled by that technology? Is that Jupiter? Can you do more of Mero with that particular technology? Thank you.

Rodrigo Araujo:

Thank you for the question, Regis. I will answer the first one, and then I will let Fernando answer to the other ones. With respect to the dividend policy, we expect to start applying the 60% formula as of January 2022. So we expect to apply that for fiscal year 2022, starting quarterly. But of course, we still have the yearend results and we have made some dividend anticipation. So depending on the scenario and the cash flow, we could see some additional distribution for year 2021, depending on the yearend results.

In terms of the formula and the divestments, we have not included the divestments in the formula on purpose. We do want to have our organic cash flow supporting both the CAPEX and the distributions, but we do not want to bring the debt to a suboptimal level, and whenever we have opportunities to make additional distributions, we will do that, or to use the cash flows from divestments to support the maintenance of the policy.

For example, in an year where we have higher prices in the beginning and then lower, that could be used as a buffer for the policy itself. But we want to make sure that we are comfortable with the organic cash flows, and being able to support both the CAPEX and distributions with the organic cash flows.

Fernando Borges:

Regis, concerning the FPSOs strategy, we have a very important learning curve on this process. In Búzios, we have privilege in the last units, more owned ones. We have completely changed the contracting strategy. The former ones that had big delays, there were several contracts that we had to manage for just one FPSO. Once a kind of supplier had a failure, it impacted more than one project.

So now we are contracting under just one integrator for the hull, for the production facilities, and we have incorporated all the operational aspects and design aspects that improve not only carbon efficiency, but production efficiency. They have become more complex.

We have approached the market with a much more mature design, not letting room for project changes, things that were not well defined. We approach the market with a complete 3D model defined, up to 4 inch lines.

And our strategy today, we define if it is a leased one or an owned one project by project. For example, we are approaching market today for Sergipe ultradeep water with a BOT model, and we have just signed the FPSO for Jubarte on a leased mode, and we are approaching Búzios, the complex ones, the last ones, as our owned design. Our policy is a mixture of them individual to balance the few suppliers we have with this capacity to deliver an integrated vessel.

So, as I said, it is very different from the past. And the main driver now is project definition and integrated, capable to deliver it.

And considering your HYSEP question, for sure, it is a system that used subsea to separate the gas with high contamination of CO_2 directly in the sea bottom. We are now implementing it, testing it in Mero, with many other applications in the mind, like, as I said, the high CO_2 content in some of the discoveries we had in the past use. You mentioned one very good example like Jupiter, with wonderful volumes, but with this factor of high CO_2 content in the gas, and HYSEP would be a solution. In fact, we have already tested HYSEP for the fluid of Jupiter, with very good results.

Another aspect could Libra Central, which we have a discovery, but we have 72% of CO_2 in the gas, and it could be a solution to handle with that.

So we are developing this technology envisaging some aspect that we face in pre-salt in Brazil that is one of the reasons of this pre-salt, as this characteristics of high CO_2 contaminating the gas, not the oil. We are very confident that it is going to deliver good results in the future.

Luiz Carvalho, UBS:

I am going to switch to Portuguese, then going back to English. President, this discussion about the fuels, maybe it is not only for Brazil. In the United States, President Biden made some comments within that line that fuel prices, in a way, bother a little bit the American population.

I like the phrase that you just used, saying that Petrobras has a responsibility, a very big social responsibility, but it will not do public policies. But when we look at Brazil, the *(inaudible)* last year about 60 million vessels. If we divide that, about 27% of the population has access, if we consider that every person has access to one vehicle, which is not rational.

How do you see that on the social side? In your position, you have a military career. We see in a way, some kind of a noise, obviously, on top of your prices, which is reasonable, but we do not see that in other commodities. Nobody is complaining about the price of sugar, meat, and as Brazilians, maybe it should be more relevant. When it has to do with the energetic transition, that would contribute to that of fossil fuel. Maybe you could contribute to that with your background. And then I will ask two other questions.

Joaquim Silva e Luna:

You do follow that very close. Brazil. It is a commodity, it cannot behave any different than that. What regulates prices is the demand and supply laws. And as everybody knows in the entire world, commodities were increasing in price, and now there is this shortage in demand with this lower supply. The demand and supply explain that. When you have a greater demand, prices go up.

And then you have to control low gravity law. You have to leave things to flow regularly. In the case of other commodities, particularly, I would say, the foodstuff like soy, coffee, sugar, etc., sometimes we do not perceive it since it is 100% private. But Petrobras has a state part down, it owns to the state, and that is a form of putting some pressure on politics, politicians saying that the government should act with the Company in order to change its behavior, that it cannot change.

That is the way I see it. It is a way of doing politics with something that has nothing to do with politics. This is a market law, and it cannot behave any other way.

The response to that complements itself with a question asked, how can you convey that to society, that the pricing in fuels had the participation of Petrobras? The idea of publicity, not propaganda, but publicity, how can you compose the price in the case of gas? You put R$6, R$7, it was very clear that there are other components that interact.

Petroleum, oil and fossil fuels. Taxes are very high on the prices. You end up having an elevated price, but then we have tried to get over that, to overcome that.

This is the way that we are looking at it. That is the way Brazil is trying to solve it, to find a way to that part of society that is mostly impacted to receive some kind of subsidy, like gas, it was already approved, and in the case of gasoline and diesel.

Today, Brazil has a fleet of vehicles that is very big, more than 80% are *(inaudible)*, they have to use gas or diesel, and ethanol. And in the composition of the gas, you have 27% of ethanol. I have said that I have a flex car and it has been a year I do not put ethanol in it, which is very high. So it is a little bit of that. But the answer would be to *(inaudible)* yourself of a topic that is known, to take political advantage of it.

Luiz Carvalho:

Salvador, this morning, one of the candidates that is going to run for president next year mentioned some comments that he is going to change Petrobras policy if he wins. I think it is important to try to give visibility, how the internal bylaws of the Company works and how the internal committees, you have the divestment committee, you have the investment committee, you have the people committee, you have the price committee. So I am just trying to get a bit more sense from you on how this process work and how 'protected' the Company is in terms of a next president would need to actually call a General Assembly in order to change the bylaws of the Company. If you can give a bit more details, what would be the process and how protected the Company is from external interference?

And maybe the last question, I think it is to Rodrigo Costa, Petrobras was founded 68 years ago, and there was a big responsibility over the years to supply the country, to fulfill with diesel, gasoline and natural gas. And I think that the Company, over the past couple of years, slightly changed the way to see, I would call a 'burden', to be the only supplier, and it is now basically trying to not open room for other players like the trading companies and also few distribution companies. I would like to hear from you how you are seeing this movement that Petrobras nowadays is not able to fulfill the country entirely, as was in the past. The relationship between the Company and other players in the downstream market. Thank you.

Salvador Dahan:

Luiz, thanks for the question. And I think the answer, of course, it is not easy, but at the same time, what private companies may consider bureaucracy, for us, it is important gatekeepers, by having those minority committees, audit committee, people committee, risk management committee. This is an important way to protect the decision making-process of Petrobras.

Of course, it is not easy to say, it is impossible, "it is 100% protected" because there is no 100% protection. However, we do make sure a very accountable and liable decision for each of us here, but also from the Board of Directors members. According to the Brazilian law, we are liable for the decisions we make.

And ultimately, we run stress tests all the time to make sure our internal control environment allows us to early detect in case of any wrongdoings or any potential violations to our Code of Conduct.

We have an external whistleblower channel that helps us to identify and receive any allegation internally or externally. We also have, as I mentioned, the nomination policy, which is, when you compare Petrobras nomination policy to the standard policy applicable in the private sector, or even on the state controlled companies in Brazil, our requirements are higher, so to avoid political indication, to avoid people related to political parties, to avoid people without the minimum technical knowledge to take over those positions. So there are many elements that help us to deter, or at least to anticipate potential risks.

And I think the last and not less important topic is the transparency. Petrobras is now guided to the market in terms of sharing all the information, balancing the information, of course, what is disclosed to everybody, and the transparency of those situations in case they happen.

As I mentioned before, one of the triggers I mentioned, in case there is any imbalance situation, the controller indicates Petrobras to work on any public policy, Petrobras must be compensated, and this must be disclosed to the market.

So there is a number of protection. I tried to explain some of them here, but of course, as I mentioned before, this is a continuous improvement process.

Rodrigo Araujo:

Luiz, if I just can add to that, from the financial side, of course, all the improvements that we have been doing over the couple of years, both in terms of dividend policy, in terms of transparency, of disclosures, we have been more and more transparent, both in financial statements, earnings release. We keep adding more and more information, trying to be more transparent.

I mentioned during the presentation, for example, the degree of commitment of CAPEX is something that we added for the business plan this year as well, the strong commitment that we made when we changed the dividend policy recently.

In terms of capital allocation, and making sure that capital discipline is continually within the Company, which is also important. We publicly stated the Company optimal debt level. This is also something that we were concerned about, we wanted to make sure that we give transparency to that.

So I think that overall, the financial side also adds to governance in terms of protecting the Company for the future.

Claudio Mastella:

It is interesting, your question about the responsibility of supplying the market. That is something that we have been dealing for many years already. Effectively, we have taken actions to create a competitive market in Brazil.

Especially in diesel and gasoline in Brazil, in the last years, we have been moving actively to attract other players to Brazil. And of course, the basis for this work is a natural pricing of the products, so that it is an attractive market.

And the idea here is to keep going on this, and with the new refineries in Brazil, this is going to be more and more natural, so as to create a demand in Brazil, a market in Brazil with many actors, be them importers, traders, refiners, distributors, which are already important.

If you if you go back some years, you see that for the last at least two, three years, in no time Petrobras has been the sole supplier of the Brazilian market. All the time, there has been other actors importing diesel and gasoline to Brazil.

So this 'burden' as you said, I think it is away at this moment, and I think it is time to see the Brazilian demand more as an opportunity than as a burden.

Ronnie Hawkins, Global Infrastructure Partners:

I have a sort of three questions. One, I think it will be answered by Claudio and Salvador, which is around ship to ship export of crude from the FPSOs. I did see investment in transshipment there from. What is your view when you think about spillage? That is probably one of the big areas of concern in the open ocean ship to ship transfers. Is it a goal to eliminate that as a form of crude export over the life of this period? Or just a quick question on how you are looking to address that.

Claudio Mastella:

We are very careful with our operations. I think you are talking about offloading on the sea of the FPSOs. We do transshipment on the coast also to export, transferring from dynamic position vessels to common vessels, and then to export to China, the U.S. et cetera.

So the first transfer from the FPSO to 1 million barrels vessel, for example, is done by a floating pipeline, and we have not seen accidents with that. The system is pretty safe.

We are really testing some new developments, just changing from these two steps approach, meaning FPSO to dynamic position, to another transshipment, to an export vessel, to another kind of transfer with an intermediate vessel. *(inaudible)* is trying alternative these days, and we are going to test it, which allows the exporter to use common vessel without a dynamic position vessel.

But of course, safety is an issue, leakage is a concern all the time, but we are very careful with that.

Ronnie Hawkins:

Okay. And then a question for Rodrigo, one on gas and one related refining, and maybe also to Fernando Borges, which is, I did not see, maybe I missed the percentage of gas produced that is going to be reinjected versus you produce for commercial purposes. Do you have a vision of that over the next five years?

Rodrigo Costa:

The reinjection of gas is an economic decision. So we manage our reservoirs, Fernando can give you more details about this, but we will always calculate the economic returns against oil versus gas and managing the reservoirs, doing this in a daily basis management.

When we see these five years in the business plan, we can see a balance that we will invert to export parity in Brazil, even if think about 2030. Probably in this horizon, we will keep importing LNG to close the Brazilian balance. I think this is your question.

Ronnie Hawkins:

And then, finally on refining, the remaining, Refap and Repar, is there a sense of timing in terms of those divestitures? I know probably there are still conversations with CADE, the government and others, but would you anticipate that being sort of before elections or afterwards? Do you have any sense of that?

Rodrigo Costa:

We do not agree with any kind of schedule yet with CADE, but we think that next year we will launch this process, probably not asking a binding offer before the elections. But we were all launching again the Refap and Repar processes. RNEST is more complicated because now we are going into our papers to analyze how we can manage the two schedules, agree with CADE and, after that, launch the process

Ronnie Hawkins:

And then, one last question on RNEST, the CAPEX that you are doing there, is that also for the sulfur treatment unit? Has that been done already or is that part of the CAPEX?

Rodrigo Costa:

That is part of it. It is included. We are at the final bidding process for the EPC, and in this business plan, we launch these units in 2023.

Ronnie Hawkins:

Thank you.

Fernando Borges:

Just complimenting the answer about the decision of exporting gas or reinjecting it into the reservoir, the first thing to highlight is that in Brazil, we have much more oil-prone basins than gas-prone basins.

For sure, it is an economical decision for each specific field. We have to account for the CO_2 content, separate it, reinject it into the reservoir. Although it is a contaminant, it is a very efficient oil recovery method to take more oil from our reservoirs. Another aspect that the technology bring to us is the results of the water alternate gas injection to leverage recovery factor, so that it can bring much more oil from the reservoir.

These are the conditions. For example, the pre-salt, when you have CO_2, you have much more gas injection alternate with water. But if you go to Sergipe ultradeep water development, as we have switched, with gas and switch with oil, we are going to have much more gas production than reinjection.

It is a decision taking all the technical and economic aspects off each field. Always trying to maximize value or the Company and for its shareholders.

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

What is your current expectations for additional asset sales in 2022, especially regarding additional refinery sales? Are these now more likely to be completed in 2023 and beyond?

Rodrigo Araujo:

Thank you for the question, Frank. In terms of the overall processes, I will give a broad perspective in terms of asset sales for 2022. We have relevant processes that are ongoing, especially shadow water and onshore assets in the upstream business that we expect to sign and potentially close in 2022. We still have the 5% additional exercise in Búzios from CNOOC that was exercised now at the end part of the year, and we do expect to have that concluded by 2022 as well.

And looking at the refineries transactions, we have already three signings, RLAM, SIX and REMAN. We are very close to closing RLAM, and we see potential to close at least one of the other two in 2022, maybe the two of them in 2022.

And as Rodrigo mentioned before, with respect to the processes that were unsuccessful, that we will relaunch, we are currently discussing with the antitrust authorities so that we have the binding stage of the process closer to the end of the electoral cycle, so that we have more clarity and more transparency to investors. We think that will be accretive in terms of value for the process.

And another thing that we are concerned about is improving competitiveness in the bidding processes as well. So this is another part of the discussion we are having with the antitrust authorities, so that we can maybe have some gap in between the processes with respect to timing, so that we have more competitiveness for each individual refinery. But this is something that is still being discussed with CADE.

Participant:

Taking advantage and asking a couple more questions, first to the CEO, talking about Petrobras' administration, how often is the contact with the government, and what kind of information do they ask for? How is that discussion with government on a daily basis?

You still have, I believe, a number of mothballed FPSOs that have been shut down basically since the beginning of covid. What is the plan for those platforms going forward? Is the idea to shut them down indefinitely? Can they be sold? Can they be repurposed? And if you could mention what would be the liability to "abandon" those group of FPSOs that have been shut down. Thank you very much.

Joaquim Silva e Luna:

Petrobras is linked as a government company to the Minister of Mines and Energy, so the contact is little, but it usually happens on technical levels. Hardly ever they *(inaudible)* of the Company, but there is always an informal contact.

Those are the links that we have with the government. We do not give any privileged information to anybody. We do not give away any information that has been treated only within the governance of the Company.

Fernando Borges:

The covid crisis we had last year and the systems that we shut down, those ones that could be economically feasible to bring back, we have already done that. And some of the shallow water platforms in Sergipe, Alagoas, Rio Grande do Norte, they are still closed and in a divestment process. But if we took in consideration Sergipe, Alagoas shallow waters, we are in process to return them to ANP due to the demobilization and abandonment.

All the FPSOs that were shut down, we are in the process of terminating the contracts As I said, concerning Campos Basin, the first alternative is to divest, which we are in the process in some of the fields. If we do not have success in this process, we are going to engage in a process to return the concessions to ANP.

So our portfolio, for sure, is going to be made with resilient assets only.

Vicente Falanga, Bradesco BBI (via webcast):

Regarding diversification away from fossil fuels, this is not included in the Company's current CAPEX. What level of investment is the Company imagining for the next five years? What seems to be the interests to the Company, wind, solar or hydrogen? Or all of that? Rodrigo, can you can begin?

Rodrigo Araujo:

I will begin, and then I will pass to Rafael. In terms of CAPEX, as we mentioned before, we do not have any CAPEX for that in the business plan timeframe. But of course, we created a new governance that Rafael can give more details.

We do not have a level that we expect in terms of investment for the upcoming years, but we do have certain capabilities that we think that we are best at that could favor certain kinds of businesses, especially large projects, complex engineering, complex technology. This is what we are being continually acknowledged for and this is where we think that we are best at. So any future solution will probably touch on those areas as the areas of expertise that Petrobras works on.

But I will let Rafael continue.

Rafael Chagas:

I think that is very clear that the core of value creation proposed for Petrobras is focused on oil and gas in the longer term. And these questions may be interpreted as “are we going to have a second core of value creation in the medium term?”. And I think that probably the answer is yes.

Another answer is “we know”, which is no, we do not know yet. The work in the strategic department is about to listen and listen and listen the possibilities. And we have full of possibilities. Hydrogen, nuclear, subsea mining, wind, solar. So right now, we are providing a study and researching about which of these operations could be the best one.

Regis Cardoso, Credit Suisse:

Thanks for taking a second one. I wanted to touch a little bit on the gas markets, a topic we have not discussed so much today. So two topics on my side, and I think it is going to be for Rodrigo Costa and Mastella, probably. What led you to change the strategy regarding the offshore gathering pipelines? How core those assets are? Is that related to the way it operates, or is it more of a market interest in the specific kind of asset?

And still on the natural gas market, that is also one that we are seeing a lot of discussion around pricing mechanisms, and Petrobras has modernized its pricing possibilities with different price references. I guess globally as well, natural gas markets have more diverse types of longer term contracts, fixed price contracts, floating and so on.

How do you see this in Brazil? How do you balance Petrobras’ role with imports of LNG with the fixed demand from the distribution companies, which are now many of them in privatization mode? Do you think there will be sort of yearly auctions, or will it be longer terms? Does Petrobras want to set fixed price for a longer term? So a very broad question, but I wanted to understand how did you see that opening of the natural gas markets in Brazil?

Rodrigo Costa:

In the first one, we decided to review the divestment project because we saw a tax inefficiency in this model. This is one of the main aspects that are making us move a step back in this project.

And the second, the integration with the upstream. This is critical for our operations, and we probably see that we will not find a common value view in this process. So with these two main aspects, we decided to step back with this divestment.

The second question, which is a very good question, because now the market is open in a current way. We offer for the market different perspectives of indexation, but I think that they are not so confident about gas on gas indexation, especially because thevolatile of this indexation.

In my point of view, I was so frustrated because I thought that the response this year would be better with this kind of instruments, but probably in the coming years, they will be more for confident to close this kind of instruments.

I think that they have a challenge to build a new portfolio of contracts, not only with Petrobras. I think that Petrobras can be a kind of a supplier that provides reliability to the client. We are a more stable supplier, and they can match with different kinds of providers, especially LNG, because we saw a lot of projects in the coast that can provide this kind of service to them, and with other partners in pre-salt fields that can add to their portfolio, and they combine different products with different flexibilities, with take-or-pay and ship-or-pay, modeling different conditions in these instruments. I think that this is the future that the market will be facing, especially in the next two and three years.

Our strategy is closing medium and long term contracts to combine with our future of oil production in pre-salt, because we have production with oil, so we need a more stable horizon to combine with our profile.

I think that this is the main aspect of the market.

Luiz Carvalho, UBS:

If I may, two additional questions, maybe to start with Fernando. Fernando, over the past couple of years, the Company performed a kind of a revision in terms of the asset portfolio. You put on sale a large amount of E&P assets, onshore and even offshore fields. Looking forward, when we see the CAPEX split, and also the production outlook, we are probably going to have to 85%, or even a bit more than that of the production of the Company coming from pre-salt.

And pre-salt is really competitive against other basins. You mentioned about the lifting cost potentially going to US$4. So just trying to understand what the other opportunities within the pre-salt are in terms of potentially cost reduction. Other basis like, for example, you mentioned Sergipe and Alagoas, how excited are you in terms of the new opportunities?

And maybe tagging that to Rodrigo, that resilience of the pre-salt fields basically gives the CEO and the CFO the ability to have a good outlook in terms of cash generation, right? I think the Company might be free cash flow breakeven, according to our calculations, close to US$30 to US$35 Brent. So looking at that front, how do you see the EVA metrics that you just put on the plan versus the resilience of the asset portfolio of the Company, even in lower Brent scenarios. Thank you.

Fernando Borges:

Luiz, for sure, pre-salt is the key element of our portfolio. As I mentioned, we have 79 exploratory blocks, 16 of them in the Equatorial margin. We have *(inaudible)* in Campos Basin, Santos Basin. And out of the US$5.5 billion dedicated to exploration, US$2 billion are to the Equatorial margin. We have US$3.5 billion to these blocks in the Southeast Basin.

So not only to complete the development of the fields we are already operating, but the exploratory efforts of the Company have been the way to open new opportunities for the Company. These exploratory blocks are focused on deep waters because of the size of the place we have already studied.

As I had mentioned, Sergipe deep water is another opportunity, not so big, but we have room for two production systems. We can see a very high potential in the Equatorial margin, once we test it in deep water. When you look at the petroleum system, source rocks, the kind of reservoir they have found in the neighboring countries, we can map them happening in our blocks. But we need to test for sure.

In the next five years, we have 15 systems, 12 of them allocated to pre-salt. And if we add more years, for sure, we are going to have other systems in pre-salt. We have the bidding process coming and we have new opportunities in the pre-salt.

We have exploratory drilling in progress nowadays. We are drilling to important prospects in Aram block. We have announced a discovery, we found around 100 m of *(inaudible)* zone with very good quality of oil.

So that is the business of exploration and production. We need to invest the most part in exploratory opportunities in order to make room for the future.

Rodrigo Araujo:

Luiz, with respect to the second question, I will break it down into different parts. The first part is, as I mentioned, we considered the US$35 long term price as the threshold for approving new projects. And when you look at our resilience scenario, that of course, makes sure that we have positive NPV projects even in the lower end price level.

Of course, we look at other metrics such as NPV over investment as well to make the overall portfolio decisions. But we think that the US$35 resilience scenario brings us quite strong projects that are definitely going to be value accretive for the Company in the long term.

When we think about the EVA metric, of course, the year one cash flow is quite important, but the way we implement that EVA in Petrobras, and it is probably a little bit different from other industries, we need to consider the future of the reservoirs so that we do not jeopardize the value of the reservoir over the long run, bringing short term production, destroying value of the reservoir over time. So we do take that into account.

And what we do is, we try to be price neutral for the future years. So we consider the cash flow in year one, but we do not add our expectations of price levels to the upcoming year so that we properly manage the reservoir and not incorporate into the estimates our expectations in terms of prices, making sure that the project is resilient, and not just having positive indicators because of our future price expectations.

Gabriel Barra, Citi (via webcast):

How much of the projected CAPEX increase was due to higher costs as a result of inflation, and how much represents the actual increase? Any increase or reduction from FX impacts compared to last year plan? How much CAPEX will be executed in USD and how much is in BRL?

What level of return does Petrobras expect as a result of the 2022-2026 Strategic Plan?

Given Petrobras' strategic plan and refinement on dividend policy, in the event of a higher than expected cash generation, could we expect dividends above 60% off the difference between operating cash flow and CAPEX? Can extraordinary dividend payments be made throughout the year or just at the end of a fiscal year?

Rodrigo Araujo:

Thank you, Gabriel, for the questions. Regarding the first one, if you look at slide number 30, we do have a breakdown of the FX impact in the upstream portfolio. It is US$3.4 billion and it is 60% of the overall CAPEX USD indexed.

We do not give guidance with respect to individual cost inflation processes, but what I can say about that is that we have a lot of mechanisms in place so that we do deal with some potential cost inflation in the industry.

I think the first one is the fact that we do work with longer term contracts for critical resources, so the critical resources are usually contracted in mid to long term contracts so that we can deal more effectively with potential cost increases in the industry, and we can move the price cycles as well.

Of course, we are focused on early engaging the contracting process, so we have a very strong early engagement process so that we start the contracting we before the project starts so that, as Fernando mentioned before, we can standardize the projects and access the market in advance so that we can deal with potential cost increase.

And also one thing that we have been more and more focused on, especially when we consider the 15 units that are coming, we are working more and more on a portfolio view so that we can make sure that we have either more integrated processes or capture synergies between different projects so that we can streamline the procurement process and add value to the Company.

I will let Fernando talk a little bit about the improvements that we made over the last couple of years with respect to well construction and improving the processes.

Fernando Borges:

The first one I would say is that the out of the 15 units, 12 are already contracted, so with the price closed. Another aspect is the learning curve in terms of efficiency in the subsea systems and in the well construction. It has been a wonderful reduction during the years.

I just presented here the variation in one year, from the last plan to this one, with those decreases of 9% and 5%. But if you look in the perspective longer than this, the learning has been wonderful. The efficiency has been, in some ways, surprising.

So when you pack all these aspects of the main driver for cost and the production already refined, and the combination of the efficiency, high productivity, lowering the number of total wells to come on stream in a first wave, all of them sets us good numbers for this projection.

Rodrigo Araujo:

With respect to the second question, I think I touched on that on Luiz' last questions. So we do give guidance on target returns, but we do have the EVA metric for the 2022 year, and of course, we are focused on the US$35 resilience projects, so we can make sure that all those projects are highly value accretive.

And the last one about the dividend policy, the way we expect you to operate that is distributing the 60% of our free cash during the quarters, and then potentially, at yearend, having either an extraordinary dividend distribution, depending on the scenario, or reaching the minimal level if we do have an unfavorable price scenario.

Carla Albano:

Thank you. So we now finish our Q&A session. You can send us questions to our Investor Relations team. And now I pass the floor to Petrobras' CEO, Mr. Joaquim Silva e Luna, for his final remarks.

Joaquim Silva e Luna:

We are now closing this journey, which is very important to Petrobras. I would like to thank the participation of all of you. Your participation, your presence, your questions, they are stimulating. They help us first identify whether we are answering through our planning to the expectation regarding Petrobras, especially the one that is being raised. And second, incorporate all the questions' information and have a debriefing later with our staff to verify where we need to improve.

We are always learning, and Petrobras has that as part of the culture of the Company. In these 68 years, what we have been doing is learning. Most of the changes that we have been implementing and the deep knowledge we have today as a reference in the area of deep water exploration comes from our learning zeal.

So I would like again to thank you for your participation, and we are available to keep discussing.

And I forgot to say during my short speech that, within the culture of the Company, we need to be more visible, we need to make more contact and talk more. We have verified that even inside Brazil, Petrobras is a great unknown. There is no real perception of the Company in Brazil, so we need to inform what really exists and the potential that we have to keep contributing.

So again, thank you for your participation. Thank you very much.