Webcast – 1st Quarter Results 2026
May 12th, 2026

Eduardo De Nardi:

Good morning, and welcome to Petrobras' webcast for investors and analysts about our results for the 1Q26. It's a pleasure to be here with you today.

This event will be held in Portuguese and English. You can access the links to both languages on our Investor Relations website.

All participants will be in listen-only mode during the Company’s presentation, and after that we will have a question and answer session.

We have with us today Magda Chambriard, CEO of Petrobras; Angélica Laureano, Executive Logistics and Commercialization Director; Clarice Coppetti, Executive Director for Corporate Affairs; Fernando Melgarejo, Executive Director and Investor Relations, Flavio Bretanha Freire representing the Engineering Technology and Innovation Director; Ricardo Wagner, Governance and Compliance Executive Director; Sylvia Anjos, Exploration and Production Director; and William França, Industrial Processes and Products and Temporary Energy Transition and Sustainability Director.

To start us off, we will begin with the CEO, Magda, who will make her opening remarks. Go ahead, ma'am.

Magda Chambriard:

Thank you, Eduardo. Good morning, ladies and gentlemen. It's a pleasure to be here with you to present our good results once again for Petrobras.

I would like to greet Fernando Melgarejo, our Financial Director; Clarice Coppetti, Corporate Affairs; Flavio Bretanha representing Renata, Engineering; Sylvia Anjos, Exploration and Production; Angélica Laureano, Logistics and Trade; William França, Industrial Processes and Refinement; Eduardo De Nardi, Investor Relations, who just started us off, and all the investors joining us today for this earnings call for the 1Q26. And the press, as well as all the other executives who are here with us, who will support us in answering your questions.

I would like to greet all of them and congratulate all of our employees for the results that they delivered this quarter, which have made us so proud.

So I would like to welcome you once again. We are happy once more to present this quarter's results, which have been marked by operational records. Our oil and gas production has reached unprecedented levels, which is the result of the exceptional effort we have made and a strong partnership between all the different areas of Petrobras. This is what has allowed us to reach these results and overcome the several challenges we faced.

I would like to highlight two of the main milestones we reached in oil exploration and production in the 1Q. Our average production was 2.58 million barrels of oil per day, of which 2.18 million barrels were directly produced from the pre-salt layer. We are very proud of this result because it was much higher than last year's average.

However, this has already been surpassed in April. So it was a production of 2.58 million on average last year, which has already been surpassed as we reached a milestone of 2.73 million barrels per day in April, up 6% versus the average we had in the 1Q.

As I said, every day, Petrobras has been overcoming and surpassing its own results. So when we see these results, it might seem like reaching these records has been simple. But this is due to a joint effort from our teams, like I mentioned before. It's a highly complex job with high levels of technology, involving capacity expansion projects, managing our reservoir operational efficiency and using all the opportunities that we have to offer our investors from the government or from the private sector, increasingly more oil and gas and byproducts. At the end, we are providing energy in general with safety first.

Since we are talking about surpassing our own results, I would like to remind you that Petrobras has been doing this also in capacity. When we remember that FPSO Almirante Tamandaré, the biggest one we had was an oil rig designed to produce 225,000 barrels of oil per day. It was the biggest in Brazil, and we were able to expand its capacity to reach 270,000 barrels a day.

We have simply increased in this platform our production by 45,000 barrels of oil per day. In the future, we have 3 more rigs which are exactly like this that will be delivered and are being built in Singapore. And we will have a total of 4 with this capacity expansion of 45,000 barrels of oil per day beyond their original design.

So 45,000 x 4 is 180,000. So as a result of this capacity expansion. And as we overcome the challenges we have in Petrobras, we will deliver 180,000 barrels a day rig in addition to what we already have. So this is all the result of the excellent work we have done in the Company.

But I would like to say that beyond the technical excellence of our teams in developing these opportunities, we are also counting on surprising productivity from the pre-salt wells. So when we say that we are expanding by 45,000 barrels a day of oil at Almirante Tamandaré and that we have 3 other rigs that can do that, in these 4 rigs, we will add 180,000 barrels of oil a day, and that's because this can only happen due to the exceptional production capacity of the pre-salt layer that we have in our hands.

Currently, we have the biggest deepwater oil field in the world, which is the Búzios field, a giant field that produces a little over 1 million barrels of oil per day, which will soon reach 1.5 million. And we might be able to deliver a field some time from now that will produce 2 million barrels of oil per day. Now we have 2 fields that have surpassed the milestone of 1 million barrels per day, which is Búzios and Tupi.

And going back to Búzios, now we have 8 platforms in operation in Búzios. On May 1, the P-79 platform, the eighth platform of the Búzios field started production 3 months before the scheduled start of operations. We expect to reach the capacity of 180,000 barrels of oil per day with only 3 to 4 wells.

As a reminder, the original project was based on 4 wells, and we will be able to reach the capacity of the platform with 3 or 4 wells, which is amazing, both in terms of our productivity and the productivity of the pre-salt area.

But when it comes to project capacity, we also need to say that Petrobras is delivering more than what was initially designed. And we are looking at this platform of 180,000 barrels per day. I am telling the team that, well, now you have spoiled us. Now we need 200,000 barrels per day. And the teams are working on that and making it possible. As I said, we are overcoming challenges every day.

Recently, we also took a very important step for the production of oil and gas in the Northeast of Brazil. Due to the increased prices in the international oil market, we decided to expedite the possibility to fund the Sergipe deepwater project.

You probably remember that in our group of projects with guaranteed funding, one of the Sergipe platforms had undergone a value increase in terms of crude oil. So we can guarantee the funding of 2 of these platforms. So Sergipe has now 2 projects approved that will have the capacity so far to produce 240,000 barrels of oil per day and to process 22 million m^3 of gas per day.

When it comes to natural gas, Petrobras has been consistently investing to expand the capacity to produce natural gas and also to expand its capacity to deliver energy coming from thermal power plants.

So we are going to have a gas pipeline that will be able to produce in this deepwater project to deliver 18 million m^3 of gas in addition to what had been initially planned, which corresponds to half of our supply of natural gas for the 1Q26. And we are also proud to say that we have contracted all of our thermal power plants that had gone out of contract in the last auction that was promoted in Brazil. And with that, with the delivery of another 9 thermal power plant contracts, we are being able to add to Petrobras' annual revenue another R$4.5 billion per year.

When it comes to refining, the team spirit is the same. And the goal to surpass our challenges is equally the same. We are permanently in search of excellence and in search of more and better results.

In March, we reached yet another record in the production of S10 diesel with a lower sulfur content. We are producing 512,000 barrels per day for the S10 diesel, a result that reflects the investments we have been making to modernize our refineries and to increase the supply of greater added value byproducts. Our S10 diesel is our highest added value product.

As a reminder. Last year, we started to operate this new hydro treatment unit at Replan, our refinery, and we completed the modernization of REVAP, which shows that these investments are already creating results in terms of a higher S10 diesel production.

In terms of our refining park, the utilization factor reached 97.4%, which recently due to the war between the U.S. and Iran has now surpassed 100%. As I said, Petrobras does not like limitations. Our goal is to surpass limitations each and every day. And going back to the 97.4% figure, it is the highest level of utilization since 2014, since December 2014, in total safety, a level that we are very proud to have reached, but something that we have already left behind in April and in May.

In addition to the diesel in terms of processing capacity, we have expanded it while keeping the yield profile for diesel and gasoline, also for aviation kerosene. This increase of processing capacity is very important in a scenario of higher prices of oil byproducts, which has been intensified by the recent conflicts in the Middle East, which bring about restrictions to the global supply of products and a higher pressure on our prices.

It's also important to say that Petrobras is constantly asked about price volatility and how we as a company, how we see the increase in international prices, whether we are talking about crude oil or byproducts.

We are proud to say that we are having excellent results in terms of the sales of crude oil to international markets. And we have also been working alongside the Brazilian government in terms of providing funding to sales in the national territory of our byproducts in the domestic market.

Just to give you an idea, in March, up until mid-April, our diesel, which reached a R$0.02 per liter of increase for Brazilian consumers, was funded, which represented an increase in diesel prices of over 46%. These results have not yet been fully seen in the results of the 1Q, but they will appear in the results of the 2Q.

We are also working on the issue of gasoline. And very soon, you are going to hear good news concerning our gasoline. Our efforts towards increasing the production of byproducts for the Brazilian market in a profitable manner has been contributing to mitigate the effects of this global context in Brazil, strengthening the energy security of Brazil and preserving the expected returns for the Company.

The increase in the processing of oil and in the diesel supply is one of the pillars of our refining strategy. We are committed to offering high-quality products and to being the best alternative for our customers.

When we look at the outcome of this war, we see a big opportunity. In our business plan for 2026 to 2030, we expect to supply 85% of the Brazilian demand for diesel. With the results achieved by the Company and due to the confidence of the Brazilian market in Petrobras, we are looking at an opportunity that will probably come with our next business plan, which is to achieve self-sufficiency in the diesel supply for Brazil.

What I am saying is that we are now analyzing projects that will have the capacity not only to produce 85% of the entire demand for diesel in Brazil up until 2030, but once again, to surpass these milestones, this is something that's on our radar every day, with our possibility to surpass milestones and challenges. And we will likely be able to deliver a refining plant that will be able to supply 100% of the Brazilian demand for diesel.

And when we talk about diesel, of course, gasoline always comes in the wake of diesel. So we are talking about supplying 100% of the demand for diesel and gasoline in Brazil. We have increased our processing level. We are committed to these milestones, but even more importantly, we are committed to offering high-quality products and to being the best alternative for our customers.

We keep on monitoring the international scenario, the impacts of volatility on the oil and gas market, and our commercial strategy remains the same. Our governance remains the same. We attempt to compete in a more efficient manner, taking into account our market share, the optimization of our refining assets and the profitability of our Company in an ever sustainable manner.

And since we do not transfer to Brazilian consumers the abrupt price changes, and since we can also rely on the support of the federal government in terms of funding these products so that the price increases due to the war do not impact the Brazilian market, we have been very open to this partnership with the federal government.

After all, the federal government is keen on maintaining Petrobras' capacity to remain stable at difficult times, and also to keep offering products that are accessible to the Brazilian consumers. This is our market. We take good care of it. We make money from it. The Brazilian government has been acknowledging our role in delivering to the Brazilian market accessible products, and this partnership between Petrobras and the Brazilian government has been, I can tell you, very fruitful for Petrobras and for Brazilian society.

These were my operational highlights because they are the foundation of our financial results, especially in a context of high Brent prices. One, where we look forward into the future, and we see every possibility to increase our production and also to increase the capture of the returns of this market to Petrobras. We are now in the midst of a virtuous cycle.

Our investments are being converted into more production and higher added value products available on the market as well as higher revenue for the Company. More revenue for the Company, more taxes for society in addition to increasingly more profitable projects in the Company's portfolio. This cycle results in the creation of more job positions and a greater economic development for Brazilians as well as a wider and deeper presence of Petrobras abroad. We have been reiterating our interest in producing oil for international customers.

The Atlantic margin of Africa has been one of our goals in addition to possibilities in other countries as well. You probably heard that a while ago, we were in Mexico. We now have a delegation going to Mexico soon to analyze new business opportunities. And we remain persistent in our search for increasingly better results for the Company and for expanding our business portfolio, always maintaining our focus on return and tax discipline.

And to give you details about the excellent operational performance that was reflected in the financial results for the 1Q26, I would like to give the floor to our Financial Officer, Fernando Melgarejo. I would like to thank you for your presence and remind you of what we have been saying, if you place your bets against Petrobras, you are going to lose money. We are very proud to say that.

Fernando Melgarejo:

Thank you. Thank you for joining us, and good morning to all here in this room. And we are going to present our results for the 1Q26. We are very pleased with our operational performance as well as our strategic position. These are strong points that are highlights for this company's management.

We are going to start on slide 3, talking about production. Last year, we discussed CAPEX frequently on our webcast, always emphasizing our focus on executing the business plan and delivering on projects often ahead of schedule. That goes for deliveries and for production.

So the chart on the left-hand side shows the results of this strategy, a rising production curve. In the 1Q26, we produced 2.58 million barrels of oil per day. And in April, we significantly produced 2.73 million barrels of oil per day, a new monthly record for Petrobras.

And this is the result of our focus and commitment. If we compare the first column on the left, which represents 2024, where we produced 2.152 million of barrels per day with April 2026, this is a 30% growth, which is truly significant.

Three factors have sustained this production growth: more projects to increase capacity such as new oil rigs; increased operational efficiency, which has strengthened the stability of our operations; and an efficient reservoir management. This shows that we are more efficient in managing our reservoirs better.

Here on this slide, we have some concrete examples of this strategy. In the Búzios field, platforms P-78 and P-79 have come online. Both have a capacity of 180,000 barrels per day.

Let's continue on slide 4. Petrobras invested US$5 billion in the 1Q, with nearly 90% going to E&P projects. Our CAPEX is focused on high return projects.

On the right-hand side, you can see the evolution of investments in wells, subsea activities, oil rig construction and others. We increased our investments into wells by 11%, 75% in subsea activities and 22% in rigs. All of these investments have been focused on production.

We also increased the number of physical deliveries. We recently delivered P-78 and 79 with their related investments already completed, and our focus is now on the well interconnection campaign and the construction of P-80, 82 and 83. These 3 rigs will have a capacity of 225,000 barrels per day each. And all of them, it's important to highlight, are owned by us and are no longer chartered as was our previous strategic model before Alexandre de Gusmão and Almirante Tamandaré.

On slide 5, we can see that in the 1Q, we increased both our oil production and our fuel production. Our refineries produced 1.8 million barrels of byproducts per day, with S10 diesel production hitting a record high of 512,000 barrels per day in March.

Another highlight is our utilization factor, which went up by 6 p.p. in the quarter and in March exceeded 97%, the highest level since 2014. And we did this safely and profitably with a 68% yield of diesel, gasoline and QAV. As a result, we have more fuel for the Brazilian market with fewer imports.

I would like to emphasize the importance of this increase in processing capacity in the current scenario of global supply constraints and price pressures. Producing more refined products helps mitigate the effects of geopolitical conflicts on the domestic market.

Petrobras is demonstrating once again that it is fundamental to the country's energy security. We are self-sufficient in gasoline and, as we heard before, in the future, we will also be self-sufficient in diesel. It's a matter of time.

Let's move on to slide 6. Now we highlight the key figures for our financial results. We achieved an EBITDA excluding onetime items of US$11.7 billion, driven mainly by higher production volumes. Our net income, excluding onetime items, reached US$4.5 billion, and our operating cash flow stood at US$8.4 billion in the 1Q.

There are 2 important points here. First, the rise in Brent prices is not reflected in the 1Q results because the price surge began in March and exports recognized this month are mostly priced in February, when they are traded and shipped from Brazil to their destinations. So all the prices we got in March, or most of them, were still priced before these higher oil prices, and we will start seeing this increase in the 2Q26.

Furthermore, the record production levels had virtually no impact on earnings because we had a backlog of exports amounting to around 80,000 barrels per day, which is another important point that will sustain our results for the 2Q. This inventory will be monetized at a higher price than it would have been in the 1Q.

Let's continue on slide 7. Looking now at gross debt. We remain within the limit set out in our business plan below US$75 billion. We closed the quarter with US$71.2 billion in gross debt, a slight increase, but the trend is downward. I reiterate our expectation of convergence to US$67 billion in 2026 and US$65 billion by the end of the plan. It may be even lower than that.

As stated in our business plan, our priority is using cash to invest in the profitable projects in our plan that were left out of the approved budget due to a scenario that was very different from the current one and our responsibility to the Company's capital discipline.

When we made this plan, it was a different moment and a different scenario. But we laid out some flexibility in this plan, which allowed us to include our projects or postpone them, what we call base and target CAPEX.

We have to emphasize that over 60% of the total debt comes from leases that, under accounting standards, must be recognized as debt. These amounts are associated with assets that generate production and consequently, revenue for the Company. We have an efficient and flexible capital structure even in more challenging scenarios, and we remain committed to capital discipline and the efficient allocation of resources.

So we will continue to invest to generate value, always maintaining our debt level. And we maintain a robust liquidity position. We closed the 1Q26 with US$9.1 billion in cash and cash equivalents. Our minimum cash is US$6 billion.

On slide 8, we show the status of some indicators in relation to our targets for the 2026-2030 plan. Oil production reached 2.6 million barrels per day in the 1Q, therefore, within the upper range of the target for the year. We highlight the continued ramp-up of the new production systems, P-78 and P-79, in addition to complementary projects.

Efficiency in reservoir management and improvements in asset integrity and management were also key to our excellent operational performance. We are working to deliver production above the midpoint of the target and the 1Q26 results indicate that we are on the right track. This is not a promise, but rather a pursuit of greater operational efficiency. We are maintaining our guidance while making every effort to produce even more.

We invested R$4.5 billion in the quarter out of a total of R$16.9 billion projected for 2026. We continue to strictly adhere to capital discipline, prioritizing projects that create value and accelerating deliveries whenever possible. Our commitment is delivering value.

Operating expenses totaled US$5.6 billion for the quarter. It's worth noting that the exchange rates, transportation costs and increased production all impact this metric. For the year, we are maintaining our forecast of US$20.2 billion.

As for lease cash flow, US$2.4 billion in the 1Q26 compared to US$10 billion for the year, also in line with expectations. It is under control from our perspective. In summary, our projections remain unchanged, even though we are working to accelerate projects and exceed our production targets.

We continue on slide 9. Here, we present our contribution through tax payments. It was R$72.4 billion total for the 1Q, of which R$27.3 billion were paid in federal taxes, R$29 billion to the states, R$700 million to municipality and nearly R$15 billion in government royalties.

On this last slide , we have a few final remarks. Oil prices have risen, but we remain committed to the same goals set out in our business plan, a focus on capital discipline and responsible investment execution. We also remain focused on increasing our production through operational efficiency and the proper management of all our assets. Last but not least, our commitment to governance, an essential pillar for value creation in the Company.

Thank you once again, and I will be available along with the other directors to answer any questions you may have. I will now hand it over to Eduardo, who will begin the Q&A.

Eduardo De Nardi:

Thank you, Fernando. Thank you, Magda. We will now begin the question-and-answer session.

Leonardo Marcondes, Bank of America:

Good afternoon. Thank you for taking my question. I would like to hear your perspective on the downstream market. What can you tell us about the market and prices in a broader sense? Can you tell us about what the supply dynamics are like in Brazil right now? And if you can tell us if there's any risk of shortages. And considering the recent price increases, how do you assess the need for adjustments in diesel and gasoline prices? Thank you.

Magda Chambriard:

Thank you, Marcondes. I will start answering your question, and then I will hand it over to Angélica and William. So we are keeping track of prices, and we also know that when things are set in the press, oil goes up, and then we hear something else in the press, and it goes even higher. So sometimes you see a difference of US$15 per barrel within a single day.

Our governance and our price policies is not passing this volatility on. So we are reducing the anxiety that we see in international prices when we set prices for Brazilian consumers, even though we are following the market in general, and we have a tendency to follow international prices.

So this is what we have done. The war broke out on February 28. So in March, exactly on the 12th, we had a subvention from the federal government about diesel prices. So within 12 days of the war, we got a R$0.70 subvention. After 15 days, we also got another one with an additional R$0.80. So the domestic market currently has a subvention of R$1.50. And there's also one for imports, which has been approved and is being applied retroactively.

So when it comes to diesel prices, we are keeping track of it accompanying it, and we understand that we are 100% compliant to our pricing policy as international prices change.

Gasoline is a little bit more complicated because not only is it affected, but it competes with Brazilian ethanol. So we are looking at gasoline prices internationally hiking up. But at the same time, we know that here in Brazil, we have ethanol, which competes with gasoline and in Brazil, we also have a flex fuel fleet. Most passenger vehicles in Brazil allow drivers to decide between gasoline and ethanol in every station, so they can choose between gasoline or ethanol, whatever has the lowest price.

As gas prices go up, and you heard me say about a potential price increase for gasoline. We are always keeping track of that in comparison to ethanol prices in the Brazilian market. About 15 days ago, ethanol prices were going down significantly in the Brazilian market. It is a competitor for us. So we are always keeping track of our market share and how the international market is changing as well as the ethanol market in Brazil. There will be a gas price increase, but we have to be sure that this market is still partly ours.

We also had an increase in QAV prices. As you know, QAV is a product that follows parametric formulas for its prices with signed contracts. So airlines and distribution companies had trouble with QAV. So we had to extend deadlines, and the Financial Director will explain it to you better, but we diluted prices for payment in the 2H of the year. It's as if we were financing higher QAV prices, guaranteeing that this will be passed on, but with an extension financed by Petrobras.

We recently had an increase in natural gas prices. And again, this is compliant to our current contracts, and we are looking at figures for August to see if this increase will also require something from us.

We might need to support these price increases with extended payment dates. But as I am seeing here, we are always analyzing how prices are changing in the international market, and our policy is not to pass this volatility to consumers. The most important thing is that we are maintaining the Company's market share in the Brazilian market. We understand that this is our market, and we are not willing to let go of it.

Angélica will now talk about the price evolution, and França will also tell you how we are going to increase the production of byproducts.

Angélica Laureano:

It's also important to say that there is no indication of any risk of structural shortage on the market, because in Brazil, we have multiple agents and ANP as a regulatory coordinator, and they have been constantly monitoring the volumes available on the market.

Petrobras has been contributing with our production, and also within the safety parameters. We have been monitoring the market constantly in order to define the prices of our products.

William França:

Leonardo, thank you for your question. Concerning refineries, we have entered the quarter at 95%, 97%. We are operating at 102%, 103%. Since yesterday, we have been at 103%. And concerning self-sufficiency, since last year, we added 70 new S10 diesel barrels with Replan’s new diesel HDT and the revamp of the Paraíba Valley refinery.

This year, we started to expand Train 1 at RNEST. We were operating at 85%. Now we are at 140% due to huge efforts by President Magda, and this increase has been achieved within the regulatory safety limits. We are now at 140,000 barrels, and RNEST produces more than 100,000 worth of diesel. Our plants are expecting to achieve another 30,000 barrels of diesel, and we are quite advanced in terms of our plan 2027-2031 to reach 500,000 in terms of barrels of diesel. This is our goal, and this is also our challenge at Petrobras.

Rodrigo Almeida, BTG:

Thank you, and good afternoon. I would like to keep on discussing the fuels, and I would like to dive into more details about the funding. So in terms of working capital, this is possibly what stands out the most looking from an outside perspective. The 1Q had a slight effect due to the funding or subsidies.

So I would like to further understand from you first about the discussions with the government concerning the sharing of invoices and information with ANP so that they can start making payments, and also the current scenario in terms of internal projections concerning the receipts time line. And about diesel and all of the other products such as aviation kerosene and natural gas, what's the impact of these products in terms of working capital for the Company, given that these volumes tend to grow very quickly? Those are my questions. Thank you.

Fernando Melgarejo:

Good afternoon, Rodrigo. Starting with the subsidies in March, they are in accounts receivable. They have been accounted for in our R$740 million results. Now it's only a matter of procedures, and we expect to get paid within this quarter.

As for the other ones, there is still an ongoing operational workflow that needs to be completed before we get paid, and the impacts are reflected in the increased operational cash flow of the Company and the free cash flow that we will be seeing in the next few days, much closer to the current market prices not paid by the end customers.

The end customers are being protected as a result of the efforts made by the government. And part of these revenues come from the end consumers and part of them come from the government. Therefore, the prices will be within our expectations in a few days.

Diesel is still being operationalized. We signed also a subsidy in April, we signed a declaration of adhesion to the subsidy program and that will also have a positive impact in terms of working capital and cash flow for the Company.

Angélica Laureano:

Actually, it's not natural gas, it's liquid gas. And Petrobras is able to receive subsidies, both for imported and domestically produced diesel.

Vicente Falanga, Bradesco:

Good afternoon. Thanks for taking my question. It's about the visit of the committee to Mexico. As President Magda mentioned, that's also related to Braskem. Now that Petrobras has a new shareholders agreement, and probably a few things have already been discussed and decided, my question is, what can Petrobras do to strengthen Braskem in terms of competitiveness, capital structure? I read an article about the committee in the press, and one of the items in the agenda that was the polyethylene plant in Mexico and who's running risk of losing control and et cetera. What can Petrobras do to contribute to petrochemicals and to invest in the Gulf of Mexico?

Magda Chambriard:

Thanks for your question, Vicente. Our trip to Mexico involved multiple goals. One of them was to talk to the President of Mexico about the opportunity of entering a partnership with Pemex to explore the Mexican part of the Gulf of Mexico.

If you look at the Gulf of Mexico, that's been split into 2 parts. You see that the North American part of it is highly developed, and the Mexican portion with very little development especially in the ultra-deepwater environment, which is our specialization at Petrobras.

So this trip to Mexico had the goal of opening up new markets, which is what we are doing, like I said, in Africa, we are also doing it in Mexico, and we will also likely do it in Venezuela. So this is our goal to have a future incorporations of oil and gas reserves.

And in that regard, we think that the Mexican area of the Gulf of Mexico cannot be forgotten. A partnership with Pemex would be beneficial in order for us to assess new possibilities to operate and do new explorations in these areas. The partnership with Pemex is also positive in terms of expanding synergies to use oil and gas that may start to be produced as the result of a partnership between Petrobras and Pemex.

The Mexican Gulf of Mexico has mature fields. It's not restricted to exploration opportunities alone. It also offers opportunities for us to make partnerships in the operation of mature fields. This is also another analysis that we are going to undertake alongside Pemex. And if that's possible, what are we going to do with this oil?

We are thinking about refining it in Mexico itself. So if it's being produced in Mexico, and being refined in Mexico. And if we can use the gas surplus in Mexico, that's the best case scenario. And if we are able to do that to the benefit of the synergies that are possible between exploration, production and refining and the production of gas and gas processing in Mexico that will be the icing on the cake of all of our efforts.

What we have so far in Mexico are the best intentions. They have not yet become a reality though. But since you asked the reason for our trip. Well, that was the reason those were the subjects that we discussed, the possibility to do exploration and production in Mexico and the possibility to increase production in mature fields in Mexico and possibly also using gas surplus and also a synergy with petrochemicals, which should also happen in Brazil. That's what we are working for in Brazil.

And as a reminder, we have 46% to 47% of the shares with the right to vote at Braskem, which is the sixth largest petrochemical plant in the world. And as Petrobras, we are totally interested in being more present at Braskem and to make the most out of all synergies resulting from our manufacturing plants, whether in Brazil or abroad, and given that the synergies that are possible to achieve have not yet been fully achieved.

We have a scheduled meeting that will occur on the 13th. A group in charge of refining will go to Mexico and another group in charge of exploration and production will be arriving in Mexico on the 13th to keep having this conversation that was started with our meeting with President Claudia.

William is telling me that you asked about Idesa, if we are going to lose it. I can tell you that our intention is not to lose anything. We just want to win and conquer new things. Our development phase is over. And now, as I used to say, we no longer like to sell. We only like buying and increasing our shares.

Gabriel Barra, Citi:

Thanks for taking my question. I will try to cover something that we did not touch upon about CAPEX and production. I think the week before last, I do not know if I am wrong, but there was an event to talk about Búzios and we had the opportunity to talk about increased production in Búzios, and not only in Búzios, but for the Company as a whole. And now the oil scenario is much stronger than we had imagined during the Company's last investment plan. And to paraphrase a few things that were touched upon during this conference call, the Company has been focusing on increasing production regionally.

So my question is, this plan that we are currently following that was designed last year, how much of it can be modified? P-79 just started in Búzios, P-80 will begin next year. So what can we do in terms of increasing CAPEX given this new oil scenario? Does anything change or it does not change? So my question to try to summarize it is basically related to CAPEX. So what we should think about in terms of CAPEX and if there should be an upside in terms of the numbers we have been working with, given the new oil scenario?

Fernando Melgarejo:

Thanks for your question, Gabriel. Our focus, like we said in our strategic planning, is the same. We still see a very volatile Brent price, we do believe that these prices will increase between now and the end of the year, and this will bring about additional revenues in the short term.

The decision to include new investments do not involve only a short-term perspective. Rather, it's a long-term and it involves identifying the resilience of the assets. Nothing has changed in terms of governance. It still has to undergo the technical assessments of strategic committees of the Executive Board, and depending on how much we are investing, some of them need to be submitted to the administrative council of the Company.

We have just included SEAP 1 and 2 with 240,000 barrels per day, and 22 million m^3. That's the capacity that we are talking about. They were not on our budget, and now we have included them on our budget. They were outside of our base CAPEX. So we are evolving in that regard.

There could be others that have not yet been analyzed. And of course, it's also a matter of opportunity. If we see that there is anything that we can invest in to increase the Company's value, we will do that, of course, always focusing on the long term and not the short term.

The cash surplus, certainly, our main goal is to focus on investments and to anticipate it. We created a certain flexibility on our plan, stating that we could postpone investments, but that was based on the old scenario. And if there are opportunities, we will bring things forward in terms of our 2030 plan.

Sylvia dos Anjos:

Just to add to what he said, we are in the waiting list for Búzios 12 or Albacora, which is something spectacular that can be done much more easily. And yes, it's already on our plan. So the plan gives us the flexibility of having assets and absolutely relevant projects. So it's all about drive. This is our 2026-2030 strategic plan.

Tasso Vasconcellos, UBS:

Thank you. Good afternoon. My question is a follow-up question to the last one, Fernando. Obviously, the Company started the year with a certain plan. Maybe they were budgeting at around US$60 per barrel, but now it's a much more positive scenario in terms of cash generation. I know how difficult it is to predict oil prices, but at the same time, the Company has its own internal plan with a course correction when necessary.

You have talked about not passing on the price volatility to the consumer. You yourself talked about resuming investments in the Sergipe-Alagoas project. So if you can tell us a little bit more about how much course correction you have been talking about, how frequently does the Company talk about this or actually do it when necessary? And what oil scenarios have you been working with for the 2H26?

Fernando Melgarejo:

Thank you for your question, Tasso. I will start with the end part of your question. The Company has been getting prepared to work with a Brent balance of US$59. So this is what we foresee in the Company regardless of our future Brent prices.

We stated this in our strategic plan. We ran the Company last year at around US$81 for a balanced Brent, and we expected it to reduce until the end of 2030 to around US$48 or US$50 regardless of what happens.

And after that, we have prices. What if prices are higher? Our priority is to continue to invest. We can postpone or advance these investments, but this is all being analyzed within the Company and our technical analysis, and we also are always looking at the long term, never the short term. This assumption will facilitate some things, but this is not the decision driver if we have to hedge the project.

The second point is that we are directing additional resources that we might have this year to reduce our debt to converge towards US$65 billion as quick as we can, or even below it. And if we find any excess cash where we do not have any profitable projects for, if we do not have any opportunities that might be an alternative for investments, then our path will always be the same as we have always said. We do not want to work with excess cash.

Our minimum cash is US$6 billion. We are running the Company between US$8 billion and US$10 billion. And if we find an excess, that will not be missed in the future. In any case, our projects are always aiming at the next 20 to 30 years. So if we do not find any then we would consider extraordinary dividends, but we do not believe there's any possibility for that this year.

Lilyanna Yang, HSBC:

Thank you for this opportunity. I would like to get a little bit more color about your appetite for Mexico and Venezuela, and if you can compare this with the Equatorial margin. I would just like to get an understanding if, for example, whether Venezuela and Mexico would be US$1 billion or US$5 billion in the next 2 years or the next 5 years. Thank you.

Magda Chambriard:

Thank you, Lilyanna, but I think you are in a bit of a hurry. Like Sylvia said a short while ago, we are about 1,000 meters from our goal in the Equatorial margin. That is our main goal, the first goal in our explorations.

Beyond that, we also have efforts. Or let me say it this way, we have much more concrete ongoing efforts on the Atlantic margin of Africa, for example. So we are talking about Côte d'Ivoire, Namibia. We are talking about South Africa, maybe also Ghana. We have projects in Colombia, Peru. So we are focusing on South America and Africa.

Along with that, we also discuss other opportunities. Notice that 10 years ago, we talked about the Golden Triangle which was Africa, Brazil and the Gulf of Mexico. The Mexican part of the Gulf of Mexico is relatively unexplored. So naturally, we would look at it and think what might happen there. But so far, all we have done is visit the Mexican presidency. So there's still a long road ahead before we can quantify any kinds of investments in the Gulf of Mexico.

I hope I can do it. I hope that Petrobras really has a good opportunity to work in the Mexican part of the Gulf of Mexico, but this is still a wish list item.

And Venezuela is a similar case. Venezuela has relevant resources found. They are our neighbor. So naturally, we would want to consider Venezuela. But right now, we still have it just as a wish list item. So I still cannot look at Venezuela, or Mexico to see any investment value, because this is still an initial discussion.

Regis Cardoso, XP:

Good morning. Thank you to the Petrobras' team. If I can ask a specific question about Braskem, I think this is an important milestone from the recent shareholders' agreement being signed. And as the Company's governance changed, Petrobras will have a much more active role over Braskem. And this might be a crucial moment in which Braskem was moving towards a debt restructuring and at the same time, petrochemical spreads improved significantly since March.

So my question is, what changes with this new role for Petrobras? Does Braskem still require debt restructuring? Is there really a greater spread level? I would just like to hear your take on these changes.

Magda Chambriard:

Regis, what we have now is a willingness at Petrobras to work strongly on Braskem. If you look at the last 10 years, Petrobras was basically absent from Braskem. Our understanding is that this was not the right way. Braskem and Petrobras have very relevant synergies, especially with our refinement plants and the Brazilian gas consumption. And Petrobras' participation in Braskem is so relevant that it cannot be absent from this work, and we have to be strong like Petrobras usually is.

So this is what we are saying. We want to be active participants in the Braskem operation. Because if anyone understands about cracking here or this kind of work, it's us. So of course, Petrobras cannot have this refinery infrastructure, this presence in Brazilian refinement and gas production and the share of the gas and byproducts market in Brazil and let all of these discussions run at Braskem, without Petrobras being included as a relevant partner.

So I think that's what changed. It was just the Company's willingness to work with Braskem in a stronger way. And I will let William and Angélica add to my answer.

Fernando Melgarejo:

Just adding to that answer, it's true, since we joined the Company, we had a mission of facing the issues of Braskem. First, so we have the right political power, vis-à-vis the economic capital that Petrobras have there. It took longer than we wanted. We had to experiment with several designs until we got to the current one with IG4 representing banks that hold shares.

Since then, we created a shareholders' agreement reflecting our intention, and we believe that, that's the best for the Company. We are going to focus on the operational issues, as we heard. We know their operation. We know the situation in the petrochemical industry. We are very connected, and we have a lot of synergy between them and oil and gas.

So that's what we did. Right now, the Company is in a transition. And after signing the agreement without the closing, we are already taking greater action. Not fully as we have set out in the shareholders' agreement, but we have advanced significantly.

As soon as the closing happens, this should take place. This is expected for the next 30 to 90 days. So this G4 will also be more active in the Company, and all of the decisions will be made there with their structure. During the transitional period, we are also going to assess and understand the best alternatives we have. And whenever we have a material fact from the Company to Petrobras, we will assess it.

I can say that we do not intend to consolidate debt. We will continue to be a minority in the Company. And all the decisions made within Petrobras will happen according to the best practices for what will be best for our shareholders, always following this concept of investments creating value for shareholders.

William França:

Going into details about this management, we got an important position with IG4. So we are working in a joint manner, assessing their operations, their logistics, their trade, the synergies that we have with our refineries. This is being assessed in work groups with the new IG4. This is expected for the next 30 to 60 days, but we are already doing this together.

That's very important because we have several issues that need to be discussed immediately because of the spread, which is very good with the war, and that will tend to be extended. The Middle East represents 25% of global petrochemical supplies. We know that they had issues because of the war, which is providing us with a better spread.

So this is a part of our discussion. We are speaking to Braskem about the working capital so that they can have the right working capital levels to really capture and monetize this excellent spread that will be longer. So we are doing this together and our expectations are very positive.

As Magda and Fernando said about Braskem, and as a reminder, highlighting what Fernando said, we will continue to have a stake of 40%, 46%. We do not want to consolidate the debt. We want to be partners with Braskem, and that's how it will be. And we are not going to let go of our percentage in Mexico.

Rodolfo De Angele, JPMorgan:

Good afternoon. My question is about the diesel and refinement market. We can see that Petrobras is doing its part, trying to supply the most it can to the market with refinery utilization reaching record levels. So what do you think will happen in the future? And what can you tell us about other levers to help supply the market with sporadic imports? Thank you.

Angélica Laureano:

Rodolfo, we frequently assess our plans and how we are going to supply the market. We are always looking at this from an economic perspective, but also from a physical perspective, how we are doing, how much we are producing.

Right now, we have been producing well. This is not the highest seasonal moment for diesel. But right now, we have produced enough volume to comply with our commitments. We believe that probably in the 2H26, we will need to import diesel. In June already, but in the 2H26, without a doubt we will require diesel imports, since that's usually when harvests happen and that has a higher demand.

William França:

We had 2 stops. The war helped us with Brent, and it got us at a very favorable moment because we do not have a lot of programmed downtime. So that allowed us to raise the FUT above 100. We are going to have one stoppage in Cubatão and one in Paraná at the end of the year. So this will be in the middle of the 2H26, and that also helps us to produce more.

We are producing an additional 100,000 barrels of diesel with this increase in the utilization factor and the expansion of RNEST. This is allowing us to reduce and eliminate any need for imports, which is very good.

Angélica Laureano:

Just adding to that, there is no diesel shortage in the market, even in the foreign market. If we need to import, we will do that without any trouble.

William França:

It's important to mention one thing. RNEST had a significant participation in the increased load. We are going from 75,000 to 115,000 after the first engineering assessment. Magda went to CPRH, the Environmental Agency in Pernambuco, ANP. She spoke to the governor.

We are always being supported by our refinery engineers and our engineering directors. So we were able to raise the load to 140,000, and we are testing for 150,000 barrels a day. This was a refinery that was projected for 115,000 and an additional 5,000. We are currently at 150,000 in each train. So we are going from 230,000 to 300,000. So this is a part of our self-sufficiency project for 2030.

Angélica Laureano:

To add to your response, it's also important to say that the R$1.52 subsidy that's being proposed by the government is enough to let us import diesel and supply it to the Brazilian market.

Magda Chambriard:

Importing without any losses, we have to highlight that. Petrobras is not incurring any losses when it comes to any type of action to avoid the volatility of prices for the Brazilian consumers.

Petrobras is making profit, and we intend to continue to make profit. And one thing that I must say is that the generation that preceded my generation used to love oil and gas. And now I must say that our current generation, what we like is money. So please rest assured that what we like is money. We do not want to simply do any social initiatives. Our social initiative is to provide more value to our brand.

Bruno Amorim, Goldman Sachs:

Thanks for taking my question. I have a follow-up on Fernando's comment that there will not be an extraordinary dividends this year. According to my calculations, the Company's cash flow should be above the dividends to be paid according to the policy. So I would just like to confirm if the priority will be given to reducing indebtedness with any additional cash flow, or if you see any extraordinary item in cash flow such as the consumption of working capital that might produce the cash flow to something closer to the dividends defined by the policy.

Fernando Melgarejo:

Bruno, the first thing is that when there is an increase in the working capital that will have an impact on the net cash flow. And automatically, there is an increase in the extraordinary dividends to all shareholders. So 45% of what we see in terms of additional revenue will be made available through ordinary dividends.

Then our priority becomes investments, and that's why we decided to have the base and target CAPEX, so that we can securely add new funding projects there. And we have already added a few, and if there are no additional projects for the period, the next item in the agenda would be to pay the debt, so that we can converge towards R$65 billion or less.

And if we have already paid the debt, yes, the investments this year are already adequate. And as long as this has no negative impact on the next year, we do see the possibility of paying extraordinary dividends.

That's always been our line of thinking. That has not changed. We do not want to operate the Company with a cash flow that's seen as an excessive cash flow. This year, the situation is still pretty cloudy to allow us to say that there will be a surplus that will allow us to pay extraordinary dividends. Right now, I can tell you that the possibilities are quite low so far.

As Magda said, we have seen the Brent go from US$110 to US$90 overnight. US$20 of volatility over the course of 1 day does not make us feel secure enough to make any decisions to distribute dividends. We would be happy to get to the end of the year, with such a high amount of surplus that would allow us to distribute dividends, but I cannot tell you yet that that will be the case. As I said, the situation is pretty cloudy so far. But we have been doing that during the construction of our strategic plan. So we are going to revise it towards the end of the year.

Eduardo De Nardi:

Thank you, Bruno, for the question. And thanks, Fernando, for your answer. I want to thank everybody that participated, and I would like to apologize to those of you that we could not answer on this occasion.

This is the end of our Q&A session. If you have any additional questions, they can be answered through our Investor Relations team. I will now give the floor to President Magda. So please, President Magda, you have the floor.

Magda Chambriard:

I want to thank everybody for patiently listening to us talk about the results of the 1Q and investment priorities for Petrobras. It's very important that we can count on your trust in our operations. After all, it is this mutual trust.

On the one side, Petrobras has the interest of investors in mind, and investors on the other hand, their interests are taken into account. This is what it moves us forward. We can tell you that we are going to continue to deal with the Company with a lot of capital discipline and compliance with all of our governance standards so that we can contribute to the growth of Petrobras in a way that's secure and profitable, catering to the interests of our shareholders, be they governmental, private, or society in general.

So we are certain that we reached a great level during the first 72 years of Petrobras and that we still have a lot to deliver and contribute to Brazil for the next 72 years of Petrobras' existence.

In order for that to happen, we need to be strong, thriving, with a consistent free cash flow. Petrobras is a strong cash generator. I do not have to convince you of that. That's something that you can see even before we can. So we keep on willing to deliver an increasingly strong Petrobras.

Thank you all. Our doors are open. Our investor relations channels are always available. Eduardo is constantly available to all of you, as well as all of us. Thank you.

Eduardo De Nardi:

Thank you, President, Magda. Thanks, everybody. This presentation will be available on our Investor Relations website, and we will also make the audio recording available. Thank you, and have a great day.