Management Report 2020

CONFERENCE CALL
Portuguese (simultaneous English translation)
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Enauta

Enauta reports 4Q20 and 2020 results

Rio de Janeiro, March 31, 2021 – Enauta Participações S.A. (B3: ENAT3) announces today its results for the fourth quarter and full year ended December 31, 2020. The financial and operating data in this press release, except where indicated otherwise, are presented on a consolidated basis as per the accounting practices under the International Financial Reporting Standards (IFRS), as described in the financial performance section of this release.

During the preparation of fiscal year 2020 financial statements, Company's Management identified the need to rectify certain line items in the financial statements from previous periods. All retrospective corrections have been made in the financial statements for the fiscal year ended December 31, 2020. For comparison purposes, all affected line items have been restated, in accordance with CPC 26 / IAS 1 – Presentation of Financial Statements and CPC 23 / IAS 8 – Accounting Policies, Changes in Estimates and Error Correction. The figures for 4Q19 and 2019 disclosed in this document are already corrected, as presented in note 2.29 and the respective tables.

Main Figures	4Q20	4Q19 Corrected	Δ% Q/Q	2020	2019 Corrected	Δ% Y/Y
Net Revenue - R$ million	186.9	404.4	-53.8%	945.4	1,111.7	-15.0%
EBITDAX [1] - R$ million	137.3	259.1	-47.0%	796.1	662.0	20.3%
EBITDAX Margin	73.5%	64.1%	9 p.p.	84.2%	59.5%	24 p.p.
Net Income - R$ million	38.2	122.0	-68.7%	124.0	183.9	-32.6%
Net Cash [2] - R$ million	1,747.8	1,657.2	5.5%	1,747.8	1,657.2	5.5%
Realized CAPEX - US$ million	7.2	1.8	300,0%	26.6	50.1	-47.1%
Total Production (Thousand Boe)	1,275.8	2,508.3	-49%	5,636.9	7,255.7	-22%
Oil Production (Thousand Bbl)	333.0	1,324.7	-75%	3,171.2	3,509.7	-10%
Gas Production (Thousand Boe)	945.8	1,183.7	-20%	2,465.7	3,746.1	-34%

[1] EBITDAX: Earnings before taxes and social contributions, net financial results and amortization expenses, plus exploration expenses with sub-commercial and dry wells.
[2] Net Cash: Cash balance (includes Cash and Cash Equivalents and Financial Investments) less Total Loans and Financing.

HIGHLIGHTS

- **Strong cash and cash equivalent position of R$1.7 billion**, with significant short-term receivables.
- Average annual daily production in the quarter and year was affected by the operational issues in the FPSO of the Atlanta Field. **Total production of 1.28 million barrel of oil equivalents (boe) in 4Q20**, equivalent to an average daily production of **13.9 kboe**. In the year, the daily average was **17.2 kboe**.
- **Net income was R$124.0 in 2020**, 32.6% lower than 2019, while in 4Q20 it reached R$38.2 million.
- **Acquisition of a 30% working interest in 4 onshore blocks in the Paraná Basin in ANP's Permanent Offer.**
- **Agreement with Barra Energia to assume a 100% working interest in the Atlanta Field.** The transfer of interest from Barra Energia to Enauta Energia is subject to approval from ANP.
- **Beginning of implementation of the Company's new strategy,** focusing on renewing the portfolio of producing assets and increasing value creation for shareholders.
- **Production resumed in Atlanta in February** and expected return of the other two wells in the Early Production System (EPS) in the second quarter of 2021.
- **Commenced the bidding process for the platform (FPSO) in Atlanta Field's Full Development System,** which considers a unit with capacity for 50 kbbl/day, connected to 6 to 8 producing fields, 3 of which are already in operation in the EPS. The bidding process considers the adaptation of an existing FPSO (OSX-2), secured by a 12-month exclusivity agreement, already signed by Enauta, with an option to purchase at the end of the bidding process.

Message from Management

The year 2020 was marked by great challenges for the oil and gas industry, with significant volatility in the prices of the commodity. The global economy was directly impacted by the COVID-19 pandemic, accelerating the energy transition and the strategic repositioning of companies in the industry. Our financial discipline and focus on profitability provides us with a unique opportunity at this moment to consolidate our strategy for portfolio renewal and business expansion.

We began implementing our new strategy in the last quarter of 2020. Focusing on the acquisition of producing assets, our goal is to build the most diverse portfolio of assets with the highest potential for value creation among independent oil and natural gas companies operating in Brazil. We believe we can combine the predictability of cash-generating assets with a portfolio of high exploratory potential. We ended the year with a cash position of R$1.7 billion, plus approximately R$1.4 billion[1] in receivables from asset sales. We also aim to optimize our capital structure, benefitting from our position as a free cash generating company with potential to diversify the portfolio. Additionally, access to the debt market is another potential lever to create value for our shareholders.

Atlanta continues to play a major role in our long-term strategy. At the end of 2020, we assumed a 100% working interest in the field, firmly believing in this asset's value creation capacity over time. The Early Production System (EPS) provided us with important information for a definitive development through the use of technologies we have already mastered. Resizing the project and gaining operating efficiency made it more robust and resilient to lower oil prices. In the first quarter of 2021, we commenced the bidding process for the production unit. Aligned with the diversification of our portfolio, we will also look for partners for the FDS of the Field.

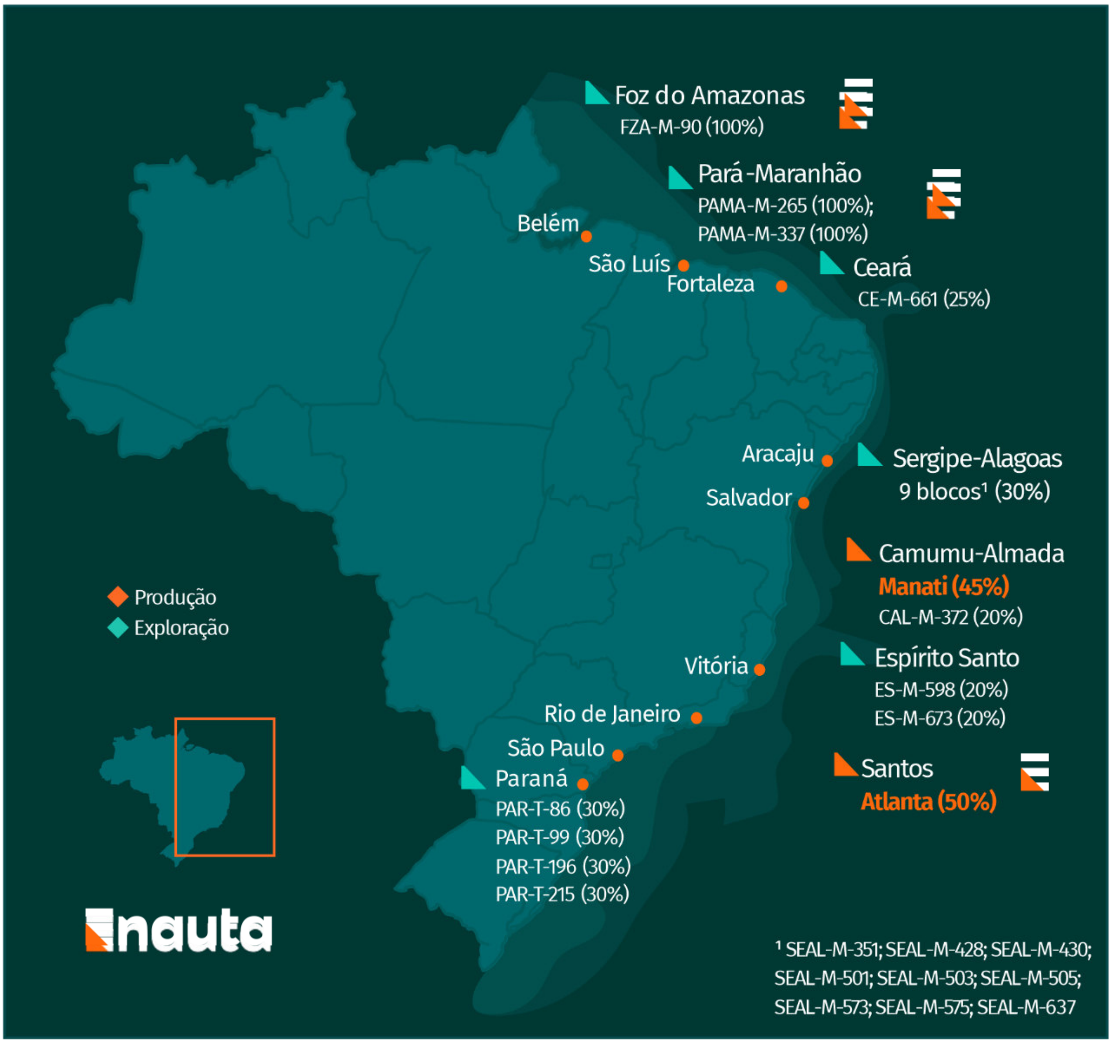
Drilling of the first exploration well in the blocks located in the Sergipe-Alagoas Basin is expected for the second half of this year. These assets are located in a region of high exploratory potential and close to discoveries of around 1.2 billion barrels. In December 2020, in the 2nd Round of the ANP Permanent Offer, we acquired a 30% working interest in four exploration blocks in the Paraná Basin. In case of discovery, the proximity with the gas consumer market will facilitate transportation.

Over the past year, our greatest commitment was ensuring the health and safety of our team. We are still facing an extremely challenging time and continue to adopt measures to contain the spread of the coronavirus and reduce the impact of COVID-19. Since the beginning of the pandemic, we adopted the required protocols to protect the health and integrity of our employees and third parties.

We are part of an industry with multiple avenues of growth. Strategic decisions have always been made with a great sense of commitment towards society and the environment, evaluating risks and capturing the best opportunities to create value for businesses and our stakeholders. This is the time to remain strong, pursuing the best projects to diversify our portfolio. This is Enauta's transformation journey, and we are confident in the outlook for the future.

[1] Gross amount from the sum of (i) R$560 million from the sale of 45% stake in Manati Field, subject to conditions precedent, and (ii) US$144 million from the sale of a 10% working interest in Block BM-S-8, using the exchange rate of March 30, 2021 (R$5.75).

Asset Portfolio



NOTE: The transfer of the 50% interest previously held by Barra Energia in the Atlanta Field has already been authorized by CADE (Brazilian Antitrust Authority) and is currently under approval by ANP. Upon approval Enauta will hold a 100% working interest in the Field.

Economic Scenario

2020 was a challenging year not only for Brazil, but the world. We witnessed the global spread of the Covid-19 pandemic, which advanced trends already underway as well as brought about lifestyle changes. Measures restricting social mobility adopted in various regions of the world, as well as the closing of borders and markets, required intervention from governments in an attempt to mitigate the impacts on the economy and secure people's income.

In this context, global interest rates were reduced to historical levels. In Brazil, the Selic rate reached 2% in the year, the lowest level since the beginning of its monitoring. Over the course of 2020, global investors migrated their assets to historically safer investments, such as the US dollar and gold. As a consequence, currencies depreciated, particularly in emerging countries. In the year 2020, the US dollar appreciated 29% against the BRL, having started the year at R$4.03 and ended it at R$5.19. Currency depreciation accelerated Brazilian exports, specifically commodities, as Brazilian products were cheaper in the international markets.

Not even the high volatility of the Stock Exchange, which dropped by 30% in a month, stopped investors from migrating from fixed income to variable income. As a result, B3 recorded 3 million registered CPFs (individual taxpayer IDs), compared to approximately 1.5 million in

2019. Enauta was part of this movement and had a significant increase in the number of individual investors in its shareholder base.

As a result of the protection measures imposed by Covid-19, unemployment rates rose to historical levels, despite the actions implemented by the Federal Government. At the end of 2020, approximately 13.4 million people were out of work, accounting for an unemployment rate of 13.5%, compared to 11.2% at the end of 2019.

Brazil's Gross Domestic Product (GDP) ended 2020 with a 4.1% contraction, the highest contraction ever recorded in the current historical series of IBGE. Contraction in important economic segments, such as construction (-7%), services (-4.5%) and industrial (-3.5%) were largely responsible for the overall decrease. The only segment recording growth was agribusiness (+2%), due to a favorable environment for commodity exports.

In the second half of 2020, several countries began to vaccinate the population against COVID-19. Gibraltar[2] and Israel are currently the countries with the highest percentage of the population fully vaccinated, approximately 74% and 53%, respectively. With over 45 million individuals vaccinated in each country, the United States and India have vaccinated the most people. In Brazil, approximately 2% of the population was vaccinated with both doses, mainly health professionals and the elderly. At the time of this report, the country is facing a resurgence and much worse pandemic scenario, with the number of COVID cases rising. On the positive side, due to the economic cycles and the advance of vaccination, the economy is expected to recover in the medium term.

Sector Performance

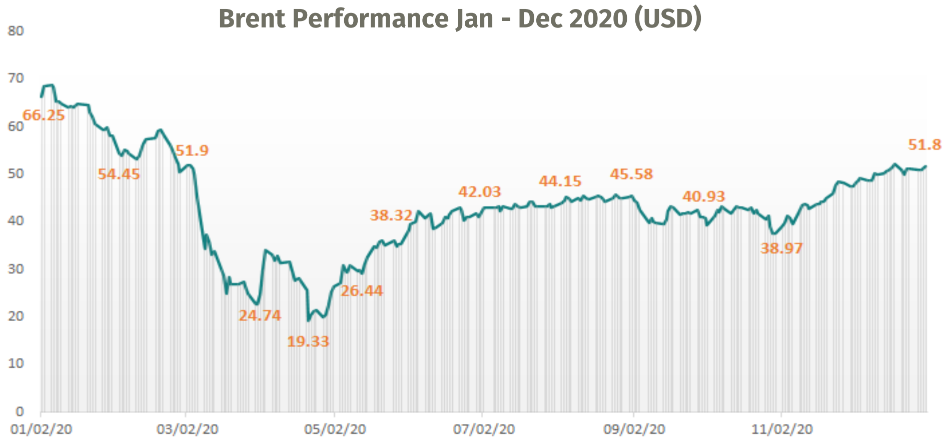
The coronavirus pandemic that dominated the year 2020 led the global economy to one of the worst recessions seen in modern capitalism and an unprecedented decrease in oil prices, as a direct result of a demand decrease due to lockdowns around the world.

Brent, which had already started the year in a downward trend due problems in the Middle East, reached US$19.33 per barrel in April 2020, dropping 71% compared to the end of 2019, while the WTI future oil contract, a reference for oil prices in the US, had negative tradings in April, impacted by storage issues, something unseen in the market so far.

In the second half of the year, Brent price began to recover due to an increase in demand resulting from less strict lockdown measures around the world, the gradual recovery of economic activity, particularly in China, one of the greatest consumers of oil distillate in the world, together with the realignment and control of production by OPEC members and Russia, as well as the lower shale production in the US.

During 4Q20, we observed a slight decrease in oil prices at the beginning of the period (lowest price: US$37.46 on October 30), and then a recovery in the two following months, driven by the lower restriction to global mobility, as vaccinations began against COVID-19, and also the continuity of China's economic recovery. Brent went up 26% sequentially, ending the quarter at US$51.80 per barrel, after starting the period at US$40.95, recovering the majority of losses in the year, but still 20% below prices recorded before lockdown and social distancing measures.

[2] *John Hopkins University Data from 03/26/2021*



OPEC+ countries aim to reduce global inventory levels, which remain high. With commodity prices below US$50, several projects around the world are not economically feasible, which is an important technical factor in the global dynamic of price volatility. Another decision by OPEC+ was the maintenance of production levels, despite the vaccine, as it is believed that physical demand for oil will remain weak because of the pandemic and global lockdowns, especially after confirmation of the second wave of COVID-19. Oil demand is expected to return to 2019 levels only in the second half of 2022.

Despite this adverse environment, Enauta ended 2020 in good shape, thanks to the resilience of its projects, its liquidity, and its oil hedging policy. The commodity and foreign exchange scenario remain uncertain for 2021, affected by the liquidity and stimulus packages by central banks around the world and the confidence in Brazil's fundamentals, mainly due to the success of reforms and tax adjustments. The Company closely monitors the volatility of stock exchange and Brent, and based on its Market Risk Management Policy, operates with the purpose of balancing asset and liabilities accounts in US$ and mitigating changes via derivatives when necessary.

Before 2020, the oil and gas industry was already under pressure due to geopolitical issues and facing challenges such as energy transition and emission restrictions. Companies, particularly in Europe, are establishing global zero net emission targets by 2050, due to pressure from investors and changes in regulation. Still, this should be a long process. As such, for the next decades, a significant portion of global demand for energy will be met by non-renewable sources, such as oil and gas.

Changes in the global market have been affecting company portfolios. Large corporations are carrying out divestments and selling fields and blocks, creating investment opportunities for smaller companies. As companies concentrate their efforts in specific areas, non-priority assets like mature fields currently drive the M&A market and allow companies like Enauta to expand and rebuild their portfolios.

The gas market remains promising in Brazil. The "New Gas" Law is expected to change the regulatory framework for the industry in Brazil, after the bill was passed by the country's House of Representatives in early September and by the Senate in early December 2020. As the approval from senators required revisions to the writing that had been approved by the House, the project was once again examined by representatives and approved on March 16, 2021, maintaining the draft originally approved by the House.

The project replaces the legal framework currently used for the exploration of natural gas transportation services and construction of gas pipelines, replacing concessions with permits. Empresa de Pesquisa Energética (EPE) will be the company in charge of planning and will make way for pre-salt gas, gas imported through gas pipelines, liquified natural gas (LNG) and gas on land.

The new law takes some of the market domain from Petrobras, boosting new strategic projects connected to the production chain, unlocking private investments in transportation gas pipelines, shipments, LNG treatment plants and terminals, attracting competitiveness for the infrastructure industry and reducing input costs. Market estimates reveal that the new law should release investments of over R$40 billion into the country, in addition to reducing gas prices, bringing it closer to international prices.

COVID-19: Protection and Safety Measures

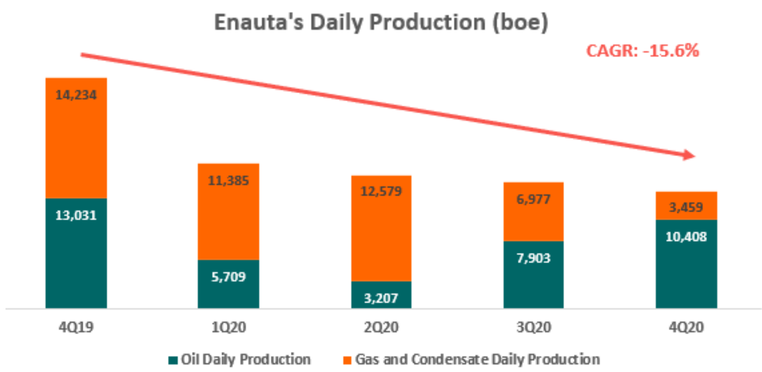
The Company continues to operate under the procedures established by the Crisis Management Team (CMT) since the beginning of the pandemic, in March 2020. Its main purposes include protecting the health of employees and contractors, maintaining the Company's business activities without impacting operational safety or the environment, while also monitoring the developments of the crisis and its potential impacts on the business plan.

The company initially instructed all its employees in corporate headquarters to work under a home-office regime. As from September 15, 2020, volunteers were able to return to their on-site activities, with offices adapted with the protective measures recommended by the CMT such as partitions between workstations, notices, use of masks and hand sanitizer in all of the workspaces, while other employees continued to work from home. In March 2021, on-site activities were once again suspended due to a resurgence of COVID cases in the country.

For activities in the Atlanta Field, operated by Enauta, a Contingency Plan was developed for COVID-19 outlining the necessary measures to ensure the health and safety of professionals as well as maintaining the safe continuity of operations. These measures include health monitoring and pre-boarding tests, screening carried out by health professionals before boarding, and hygiene and cleaning protocols for the FPSO.

Among the actions for social support, the Company joined efforts with Movimento União Rio and donated R$110,000 for the activation of ICU beds and acquisition of protective gear for health professionals in the state of Rio de Janeiro.

Operating Performance



Production: Atlanta Field

Block BS-4; Working interest: 50%

The transfer of the 50% interest previously held by Barra Energia has been authorized by CADE and is currently awaiting approval by ANP.

Atlanta Operating Data	4Q20	4Q19	Δ% Q/Q	2020	2019	Δ% Y/Y
Total Field Production (kbbl)	636.5	2,619.0	-75.7%	6,281.1	6,921.5	-9.2%
Average Daily Production (kbbl/day)	6.9	28.5	-75.7%	17.2	19.0	-9.5%
Production for 50% of the Company (kbbl)	318.3	1,309.5	-75.7%	3,141.0	3,460.8	-9.2%
Offloads, Net Enauta (kbbl)	368.1	1,285.1	-71.4%	3,109.7	3,428.3	-9.3%
Average Exchange Rate (R$/US$)	5.39	4.12	30.8%	5.16	3.84	34.4%
Average Sales Brent (US$ per barrel)	42.7	62.9	-32.11%	42.3	63.9	-33.8%
Total Discount Range (average monthly US$ per barrel)	5-7	8-11	-	5-8	8-15	-

Atlanta Field's Early Production System has three producing wells connected to the FPSO Petrojarl I, with capacity for 30kbbl/day. In mid-2020, operational issues in the oil heating system and the water separation and treatment system significantly reduced the FPSO's operating efficiency, directly affecting the Field's production. At one point in the second half of the year, the field produced over 20 kbbl/day, but faults in the oil heating systems led to shutdowns in the wells. Production was preventively interrupted in November, for the diagnosis and final repairs in the oil heaters.

For these reasons, for a portion of time during 4Q20 the Atlanta Field only had one producing well, and its production was preventively interrupted in mid-November. As a result, average production was 6.9 kbbl/day in the period, representing a 75.7% decrease in the Field's total production compared to the same quarter of the prior year.

Year-on-year, there was a 9.2% decrease in the Field's total production, reflecting the positive impact of the start-up of the third well from the second half of 2019 and the lower production in 2020, due to operating issues.

Over the course of the first half of 2021, production is expected to gradually resume. On January 27, 2021, the Company announced to the market its decision to fully replace the heating tubes. The first well started operating again on February 19, initially producing 10.4 kbbl/day. The second well is expected to return in April, with initial production expected at around 10,000 barrels of oil per day, and the third well is expected to return in the second quarter of 2021. The forecast for average daily production in the Atlanta Field for 2021 is 14 kbbl/day, plus or minus 10%.

The GaffneyCline reserve certification for the Atlanta Field, updated on December 31, 2020, showed that 2P reserves of 100% of the Field totaled 103 million bbl, down 43% from the certification on December 31, 2019, mainly due to (i) 2020 production levels, and (ii) changes in the development plan, which now contemplates 8 wells connected to an FPSO with capacity of 50,000 bbl/day for the economic/financial optimization of the project, compared to the previous plan which consisted of 12 wells.

SALES

All the Atlanta oil is purchased by Shell, through a Crude Oil Sales Agreement (COSA), with a netback price FOB agreement i.e. with all logistics costs already included. The Field's oil is already known and maintains a diversity of clients in the international market, having been destined to clients in the United States and Asia. This type of oil has high quality and low level of sulfur, creating high demand, particularly as a source of fuel oil for energy generation. Therefore, demand tends to increase during cold weather seasons, which is typical of the fourth quarter in the Northern Hemisphere.

In 4Q20, shipments from the Atlanta Field were sent mostly to Singapore, primarily meeting demand for bunker and fuel oils. Production instability in Atlanta contributed to an increase in logistics costs, offset by the lower discount in relation to oil quality. Consequently, in 4Q20 shipments were sold at an average discount to Brent between US$5 and US$7 per barrel including logistics costs, as already mentioned, attesting to the quality of the low-sulfur oil.

LIFTING COSTS[2]

The average daily cost in 4Q20 was US$282.1 thousand per day (100% of the Field), equivalent to US$40.8 per barrel, including FPSO freight, compared to US$473.7 thousand per day in 4Q19, equivalent to US$16.6 per barrel. Despite the decrease in operating costs, lifting cost per barrel increased in 4Q20 due to lower production in the period.

For full year 2020, lifting cost was US$21.7 per barrel, an increase of 5% from the previous year. Daily cost dropped by 4.8% in the period, but production decreased by 9.2%.

	4Q20	4Q19	Δ% Q/Q	2020	2019	Δ% Y/Y
Opex[1] (US$ million)	26.0	43.6	-40.4%	136.4	143.1	-4.7%
Opex[1] (US$ thousand/day)	282.1	473.7	-40.4%	373.0	392.0	-4.8%
Lifting cost[2] (US$/bbl)	40.8	16.6	145.0%	21.7	20.7	5.0%

[1]*Opex: costs to operate and maintain the wells and their equipment, as well as the facilities of the Field, of all oil and gas produced at these facilities after hydrocarbons have been discovered, purchased and developed for production, not considering production taxes (including royalties). This amount differs from operating costs shown in the financial statements.*
[2]*Lifting costs are the Opex amounts divided by production.*

TRANFER OF INTEREST FROM BARRA ENERGIA IN THE BS-4 CONSORTIUM

In November 2020, Enauta received a notice from its partner Barra Energia do Brasil Petróleo e Gás Ltda. (“Barra Energia”), in accordance with the Joint Operating Agreement signed by the parties, communicating its irrevocable decision to withdraw from Block BS-4, which is located in the Atlanta Field. Enauta entered into an agreement in December 2020 to take over a 100% working interest in the block.

The transfer of Barra Energia’s working interest has been approved by the Brazilian Antitrust Agency (CADE), pending approval from the National Agency for Petroleum, Natural Gas and Biofuels (ANP). After approval, Barra Energia will transfer US$43.9 million to the Company as an advance of expenses related to abandonment operations for the three wells and decommissioning of existing facilities in the Field.

BEGINNING OF THE BIDDING PROCESS FOR THE FPSO IN ATLANTA FIELD’S FULL DEVELOPMENT SYSTEM

The bidding process for the FPSO of the Full Development System (FDS) began on March 5th, 2021. The bidding considers an FPSO with capacity to process 50,000 barrels of oil per day, which will be connected to 6 to 8 producing wells, 3 of which are already in operation in the Early Production System (EPS).

Furthermore, the bidding process considers the adaptation of an existing FPSO that has not been used, the OSX-2, enabled by a 12-month exclusivity agreement, signed by Enauta, with an option to purchase at the end of the bidding process.

The companies invited to bid have proven experience in the development of similar projects, and the process is expected to be concluded within 10 to 12 months.

Production: Manati Field

Block BCAM-40; Working interest: 45%

Manati Production	4Q20	4Q19	Δ% Q/Q	2020	2019	Δ% Y/Y
Total Field Production (MMm³)	334.2	418.2	-20.1%	871.1	1,323.5	-34.2%
Average Daily Production (MMm³)	3.6	4.5	-20.1%	2.4	3.6	-34.4%
Production for 45% of the Company (MMm³)	150.4	188.2	-20.1%	392.0	595.6	-34.2%

PRODUCTION

Daily average production in the Manati Field was 3.6 million m³ in 4Q20, a decrease of 20.1% from 4Q19, due to the Field's natural decline and lower gas demand in the period.

For the full year, the decrease was 34%, mainly due to the effects of the pandemic and the suspension of production by Petrobras in the first half of the year. In March 2020, Enauta was notified by Petrobras, the buyer of gas from Manati, that the COVID-19 pandemic was a force majeure event under the gas sale agreement. In its understanding, the pandemic could reduce the market's natural gas consumption and therefore affect its natural gas offtake commitment. In October, the Consortium signed an agreement with Petrobras. The amounts agreed upon have already been received by the Company.

The GaffneyCline reserve certification for the Manati Field, updated on December 31, 2020, revealed that the 2P reserves of 100% of the Field amounted to 3.9 billion m³ of natural gas and 0.31 million barrels of condensate, equivalent to approximately 24.8 million barrels of oil equivalent, in line with the previous certification, considering the decrease in production volume.

SALE OF MANATI FIELD

On August 16, 2020, the Company announced an agreement to sell its entire interest (45%) in the Manati Field to Gas Bridge S.A. The purchase price is R$560 million, which could increase as a result of certain events and conditions of regulation and trade. As part of the agreement, Enauta continued to receive cash flow from the Field until December 31, 2020. After this period, upon conclusion of the transaction, the accounting result of Manati will be subsequently discounted from the total sale amount. The transaction is subject to a series of conditions precedent, and actions required for conclusion of the agreement shall be completed by December 31, 2021.

Exploration Portfolio: SERGIPE-ALAGOAS BASIN

Working interest: 30% in 9 blocks

The blocks located in the Sergipe-Alagoas Basin are high-prospect assets. The main oil system in this region is similar to other discoveries made in French Guyana and the coast of West Africa. Enauta holds a 30% working interest in these blocks, while operator ExxonMobil Exploração Brasil Ltda. holds 50% and Murphy Brasil Exploração e Produção de Petróleo, a wholly-owned subsidiary of Murphy Oil Corporation, holds the remaining 20%.

Over the course of 2020, the Consortium evaluated the 3D seismic data of the first six blocks – data processing was concluded in the second quarter of 2020. The first exploration well to be drilled in the region is the Cutthroat prospect, located in the Block SEAL–M-428. The request for an environmental license for the drilling operation in the region is underway, as the EIS/EIR was already submitted by the Operator to IBAMA. Due to a term negotiated with partners as a result of the farmout process, Enauta is expected to invest approximately US$8 million in this well. Drilling should commence before the end of 2021.

In addition to this prospect, Enauta has already identified several other opportunities with considerable potential production volume. Market estimates show that deep-water discoveries in the region have over 1.2 billion boe.

Exploration Portfolio: EQUATORIAL MARGIN

Working Interest: 100% in blocks FZA-M-90, PAMA-M-265 and PAMA-M-337

3D seismic data acquisition and processing have been completed for the blocks FZA-M-90, PAMA-M-265 and PAMA-M-337 in 2020 and the interpretation of this data is in advanced progress. The processes of obtaining environmental licenses from IBAMA are still in progress.

Exploration Portfolio: EAST MARGIN

Working Interest: 20% in blocks ES-M-598, ES-M-673 and CAL-M-372

Enauta has working interest in two concessions located in ultra-deep waters in the Espírito Santo Basin, in partnership with Petrobras. 3D seismic data were already processed, covering 100% of the blocks. The fluid expected in the region is mainly light oil, which is Enauta's production and sale expertise. There is a commitment with ANP to drill an exploratory well in Block ES-M-598.

After conducting comprehensive studies, the Consortium decided to return Block CAL-M-372, due to low economic appeal. Enauta recognized the provision for the write-off of this asset in the financial statements in 2020.

Exploration Portfolio: PARANÁ BASIN

Working interest: 30% in blocks PAR-T-196, PAR-T-215, PAR-T-86 and PAR-T-99

On December 4, Enauta acquired four blocks in the Paraná Basin in partnership with Eneva S.A., during the second round of the Permanent Offer promoted by the National Agency for Petroleum, Natural Gas and Biofuels (ANP). The consortium comprises Enauta, with a 30% working interest, and Eneva with a 70% interest, with a total signature bonus of R$2.11 million. Of this amount, Enauta will be responsible for disbursing R$633 thousand. The companies commit to a minimum exploratory investment of R$45.3 million in the four blocks. The Concession Agreement is expected to be signed in April of this year.

The studies already carried out in the acquired blocks, located in the states of Mato Grosso do Sul and Goiás, reveal good outlooks of accumulation of natural gas and, in case of discovery, proximity to the gas consuming market will make it easier to transport production.

If successful, the consortium will examine the reservoir-to-wire (R2W) model, in which the gas found is used to generate electricity, sent to the National Interconnected System (SIN) through the nearby transmission network. This model is already successfully adopted by Eneva in other projects.

Restatement in Lease and Stock Option Plan balances

During the preparation of fiscal year 2020 financial statements, Company's Management identified the need to rectify certain line items in the financial statements from previous periods. All retrospective corrections have been made in the financial statements for the fiscal year ended December 31, 2020. For comparison purposes, all affected line items have been restated, in accordance with CPC 26 / IAS 1 – Presentation of Financial Statements and CPC 23 / IAS 8 – Accounting Policies, Changes in Estimates and Error Correction. The abovementioned topics were the following:

1) Foreign exchange variation unduly capitalized as right-of-use asset

The Company recognized the foreign currency difference of lease liabilities denominated in foreign currency as right-of-use assets instead of financial expenses in the statement of income for the year ended December 31, 2019. As a result, the financial expenses in the statement of income for the year ended on that date is understated. As a consequence, the Company is applying the requirements of CPC 02/IAS 21 – The Effects of Changes in Foreign Exchanges Rates to translate the lease liability to the functional currency at the exchange rate at the reporting date, and to recognize the foreign currency differences in this year's statement of income.

2) Tax credits (PIS and Cofins) included at leases initial measurement

According to Brazilian TAX Authority (RFB no 1.889), the Company is entitled to a tax credit benefit regarding the amount of PIS and Cofins taxes charged on leases. However, the Company recognized the full amount of PIS and Cofins tax credit at the beginning of the lease agreement as part of the right-of-use of the assets. The amendment seeks to eliminate the effects of amortization and interest in the period, which were overstated.

3) Stock options unduly reversed in 2019

When determining the results for 2019, the Company unduly reversed amounts previously recognized as equity-settled share-based payment expenses during the vesting periods, related to options not exercised by its employees, and also recognized, when determining the results for 2019 and 2018, that the expenses with stock options were overstated. As such, the Company is restating the statement of income for fiscal year 2019 to include these expenses and credits back in the 2019 result.

Furthermore, the quarterly information for the periods ended on March 31, June 30 and September 30, 2020 will be voluntarily and spontaneously restated by April 14th, 2021 due to the adjustments recognized on the opening balance of December 31, 2019, which impacted fiscal year ended December 31, 2020:

I) Foreign exchange variation unduly recognized

The exchange difference of lease payments denominated in foreign currency was recognized in the quarterly interim periods of 2020 on a cash basis instead of on an accrual basis. As a result, financial expenses in the statement of income for the quarterly interim periods ended are understated. As a consequence, the Company is applying the requirements of CPC 02/IAS 21 – The Effects of Changes in Foreign Exchanges Rates to translate the lease liability to the functional currency and to recognize the foreign exchange currency differences in the statement of income.

II) Stock options unduly reversed in 2020

On the statement of income for the quarterly interim period ended on March 31, 2020, the Company unduly reversed the amount previously recognized as expense an equity-settled share-based payment during the vesting periods, related to options not exercised by its employees, and also recognized, in the results for 2020, expenses with stock options that were overstated.

The aforementioned adjustment had no effect on the Company's balance of cash and cash equivalents and have no impact on current taxes.

Management informs that the restatement of these accounting procedures was made on a voluntary basis aiming for a better alignment with both the accounting practices adopted in

Brazil and the International Financial Reporting Standards (IFRS), and does not change the dividend amounts paid in the fiscal year ended December 31, 2019.

Income Statement (R$ MM)	2019 Corrected	2019	Δ	9M20 Corrected	9M20	Δ
Net Revenue	**1.111.7**	**1.117.7**	**-**	**758.5**	**758.5**	**-**
Costs	(751.2)	(757.0)	5.9	(492.5)	(548.5)	56.0
Gross Profit	**360.5**	**354.6**	**5.9**	**266.0**	**210.0**	**56.0**
Operating income (expenses)	**(153.1)**	**(140.5)**	**(12.6)**	**68.6**	**74.1**	**(5.5)**
G&A expenses	(58.5)	(45.9)	(12.6)	(49.2)	(43.6)	(5.5)
Equity income	1.8	1.8	0.0	16.4	16.4	-
Exploration Expenses	(81.7)	(81.7)	-	(46.0)	(46.0)	-
Other net operating expenses	(14.7)	(18.6)	3.9	147.3	147.3	-
Operating income (loss)	**207.4**	**214.1**	**(6.7)**	**334.6**	**284.1**	**50.4**
Net Financial Result	(7.3)	31.2	(38.5)	(227.1)	60.7	(287.8)
Profit before income tax and social contribution	**200.0**	**241.4**	**(41.4)**	**107.5**	**344.8**	**(237.4)**
Income tax and social contribution	(16.2)	(25.9)	9.8	(21.7)	(100.8)	79.2
Net Income for the period	**183.9**	**215.5**	**(31.6)**	**85.8**	**244.0**	**(158.2)**

Financial Performance

NET REVENUE

Revenues (R$ MM)	4Q20	4Q19 Corrected	Δ% Q/Q	2020	2019	Δ% Y/Y
Atlanta Field	76.8	275.6	-72.1%	659.3	707.4	-6.8%
Manati Field	110.1	128.8	-14.5%	286.2	404.2	-29.2%
TOTAL	**186.9**	**404.4**	**-53.8%**	**945.4**	**1,111.7**	**-15.0%**

Revenue in 4Q20 decreased 53.8% compared to 4Q19, mainly due to the lower production in the Atlanta Field. In 4Q20, production came from one well over the course of 60 days and was interrupted in the remaining days. Revenue from the Field was also impacted by the decrease in the price of the commodity, partially offset by the positive effect of exchange gains.

Compared to the previous year, revenue dropped by 15.0%, mainly due to the lower production in Manati Field, as a result of the Field's natural decline. The decrease in revenue from the Atlanta Field in 2020 was due to the average Brent sale price in the period, which decreased 33.8% from 2019, an effect that was offset by an appreciation of the average U.S. dollar by 34.4% in the same period, changing from an average R$4.00 over the course of 2019 to R$5.20 in the same period of 2020. Also in 2020, the Company recorded R$71.5 million from the exercise of put options, compared to a negative R$2.2 million in the same period of the prior year.

OPERATING COSTS

Atlanta Field (R$ MM)	4Q20	4Q19 Corrected	Δ% Q/Q	2020	2019 Corrected	Δ% Y/Y
Production Costs	(27.4)	38.0	-172.2%	62.9	122.5	-48.6%
Maintenance Costs	0.0	3.2	-100%	0.1	65.7	-99.8%
Royalties	5.6	20.5	-72.8%	40.5	54.9	-26.1%
Depreciation & Amortization	115.9	118.1	-1.9%	402.1	365.3	10.1%
TOTAL	94.0	179.8	-47.7%	505.7	608.4	-16.9%

Manati Field (R$ MM)	4Q20	4Q19 Corrected	Δ% Q/Q	2020	2019 Corrected	Δ% Y/Y
Production Costs	12.1	10.6	14.0%	41.3	45.1	-8.4%
Maintenance Costs	4.8	0.7	635.0%	6.7	2.3	-186.0%
Royalties	8.4	10.0	-16.1%	21.9	31.3	-29.8%
Special Interest	0.2	0.9	-81.4%	0.2	1.8	-90.6%
Research & Development	1.0	1.1	-4.1%	1.0	2.1	-50.5%
Depreciation & Amortization	26.9	18.2	47.5%	63.1	60.1	5.0%
TOTAL	53.4	41.5	28.6%	134.2	142.7	-5.9%

Total (R$ MM)	4Q20	4Q19 Corrected	Δ% T/T	2020	2019 Corrected	Δ% A/A
Total Operating Costs	147.4	221.3	-33.4%	639.8	751.1	-14.8%

Atlanta operating costs decreased 47.7% in 4Q20 compared to 4Q19, primarily reflecting the lower cost of payment for the FPSO lease agreement, due to the processing plant shutdown in accordance with the contractual terms. For the full year, the decrease was 16.9%, with a reduction in production, maintenance and royalties costs, partially offset by the higher depreciation and amortization.

In Manati, operating costs were 28.6% higher than in 4Q19, due to the increase in maintenance costs and depreciation in the period. For the full year, costs remained in line with 2019, when these were R$ 134.2 million, reflecting a decrease of 5.9%.

As a result, Enauta's total operating costs were R$147.4 million in 4Q20, 33.4% lower than 4Q19. For the full year, total operating costs were 14.8% lower than 2019 due to the drop in production and maintenance costs in Atlanta and royalties in Manati, partially offset by the increase in depreciation and amortization costs in both fields.

EXPLORATION EXPENSES

Exploration costs amounted to R$24.2 million in 4Q20, in line with the R$22.5 million reported in 4Q19. In 4Q20, two events to highlight were: (i) geochemical and special studies of the Sergipe-Alagoas blocks, amounting to R$3.3 million; and (ii) the surety bond provision for Block CAL-M-372, in the amount of R$7.3 million. After conducting comprehensive studies, the Consortium comprising Petrobras and Enauta decided to return Block CAL-M-372, due to low economic appeal.

For the full year, explorations costs were R$70.1 million, a decrease of 14.2% from the previous year. In 2019, the Company recorded R$27.0 million provision to account for a fine imposed due to non-compliance with the amounts established in the concession agreement related to local content of blocks BM-CAL-5 (majority) and BM-S-76. In 2020, exploration costs were mostly linked to studies carried out at the Blocks located in the Sergipe-Alagoas Basin.

GENERAL AND ADMINISTRATIVE EXPENSES

G&A Expenses	4Q20	4Q19 Corrected	Δ% Q/Q	2020	2019 Corrected	Δ% Y/Y
Personnel Expenses	(18.1)	(28.0)	-35.2%	(78.2)	(77.8)	0.6%
Allocation of E&P Projects	11.0	13.2	-16.6%	48.4	50.8	-4.7%
Other Administrative Expenses	(12.9)	(8.7)	47.8%	(39.4)	(31.5)	25.1%
TOTAL	**(20.0)**	**(23.5)**	**-14.5%**	**(69.2)**	**(58.5)**	**18.4%**

General and administrative expenses (G&A) decreased R$3.4 million or 14.5% from 4Q19, due to the lower profit sharing (PLR). As a percentage of total revenue, G&A expenses in the quarter were 10.7%, 493 basis points higher than the 5.8% reported in the same period of the prior year.

In 2020, G&A expenses increased R$8.8 million equivalent to 18.4% compared to 2019. The main drivers were (i) expenses with legal advisors for the arbitration of Block BS-4, and (ii) reduction in profit sharing (PLR). As a percentage of total revenue, G&A expenses in the twelve-month period were 7.3%, 206 basis points higher than the 5.3% reported in the year-ago period.

OTHER OPERATING INCOME (EXPENSES)

Other operating income (expenses) in 4Q20 were an income of R$0.2 million, compared to an expense of R$12.2 million in 4Q19. This change of R$12.4 million is mainly driven by the lower taxes on other revenue.

For the full year, the net amount of other operating income (expenses) had a positive impact of R$147.5 million, driven by: (i) R$121.0 million referring to the incorporation of a 20% interest in Atlanta Field B.V. ("AFBV") previously held by Dommo; and (ii) R$39.6 million referring to tax credits from the favorable decision to exclude ICMS from the PIS and Cofins calculation basis.

PROFITABILITY

EBITDA & EBITDAX	4Q20	4Q19 Corrected	Δ% Q/Q	2020	2019 Corrected	Δ% Y/Y
EBITDA[(1)]	**129.5**	**259.7**	**-50.2%**	**787.9**	**634.7**	**24.1%**
Oil and gas exploration expenditure[(2)]	7.9	(0.6)	-1,501.9%	8.2	27.3	-69.8%
EBITDAX[(3)]	**137.3**	**259.1**	**-47.0%**	**796.1**	**662.0**	**20.3%**
EBITDA Margin[(4)]	69.3%	64.2%	5.0 p.p.	83.3%	57.1%	26.2 p.p
EBITDAX Margin[(5)]	73.5%	64.1%	9.4 p.p	84.2%	59.5%	24.7 p.p

(1) EBITDA calculation considers earnings before income tax, social contribution, financial result and amortization expenses. EBITDA is not a financial measure under Brazilian GAAP and IFRS, nor should it be considered in isolation or as an alternative to net income as an indicator of operating performance, or as an alternative to operating cash flow as a measure of liquidity. Other companies may calculate EBITDA differently from Enauta. Furthermore, as a measure of the Company's profitability, EBITDA has limitations because it does not consider certain costs inherent to the business that may significantly affect net income, such as financial expenses, taxes, and amortization. Enauta uses EBITDA as a complementary indicator of its operating performance.
(2) Exploration expenses related to sub-commercial wells or non-operating volumes. Includes contractual penalties for non-compliance with the minimum ratios required for local content.
(3) EBITDAX is a measure used by the oil and gas industry calculated as follows: EBITDA + exploration expenses with dry or sub-commercial wells.
(4) EBITDA divided by net revenue.
(5) EBITDAX divided by net revenue.

EBITDAX in the period was R$137.3 million, 47.0% lower than 4Q19, impacted by the lower revenue, but still maintaining an EBITDAX margin of 73.5%. For the full year, EBITDAX was R$796.1 million, with margin of 84.2% due to the positive impact of R$147.5 million in other net operating income.

FINANCIAL RESULT

In 4Q20, net financial expense was R$49.2 million, compared to a net financial expense of R$16.0 million in 4Q19, mainly explained by the foreign exchange variation on leases in foreign currency. In 2020, financial income was R$177.9 million, compared to R$7.3 million in 2019, due to: (i) financial charges on lease agreements, and (ii) a decrease in the Selic rate in the period, impacting the profitability of financial investments.

NET INCOME

	4Q20	4Q19 Corrected	Δ% Q/Q	2020	2019 Corrected	Δ% Y/Y
EBITDA[1]	**129.5**	**259.7**	**-50.2%**	**787.9**	**634.7**	**24.1%**
Amortization	(143.1)	(136.8)	4.7%	(467.0)	(427.3)	9.3%
Financial Result	49.2	16.0	207.3%	(177.9)	(7.3)	2,326.4%
Income Tax and Social Contribution	2.7	(17.0)	-115.7%	19.0	(16.2)	17.7%
Net Income	**38.2**	**122.0**	**-68.7%**	**124.0**	**183.9**	**-32.6%**

[1] EBITDA calculation considers earnings before income tax, social contribution, financial result and amortization expenses. EBITDA is not a financial measure under Brazilian GAAP and IFRS, nor should it be considered in isolation or as an alternative to net income as an indicator of operating performance, or as an alternative to operating cash flow as a measure of liquidity. Other companies may calculate EBITDA differently from Enauta. Furthermore, as a measure of the Company's profitability, EBITDA has limitations because it does not consider certain costs inherent to the business that may significantly affect net income, such as financial expenses, taxes, and amortization. Enauta uses EBITDA as a complementary indicator of its operating performance.

In the fourth quarter of the year, due to the exchange rate impact on lease contracts denominated in foreign currency, the Company recorded net income of R$ 38.2 million, down 68.7% compared to the 4Q19.

In the annual comparison, net income for 2020 decreased by 32.6%, totaling R$124.0 million, mainly due to: (i) reduction in revenue; (ii) exchange rate variation, mainly on lease contracts, offset by the positive impacts on other operating income; (iii) incorporation of Dommo's 20% interest in Atlanta Field B.V. (“AFBV”) and (iv) tax credits from the favorable decision to exclude ICMS from the PIS and Cofins calculation basis.

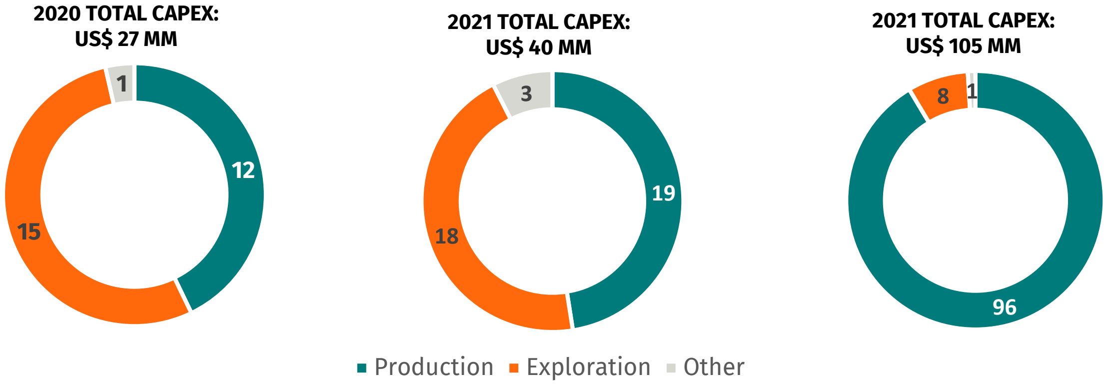
Capital Expenditures (Capex)

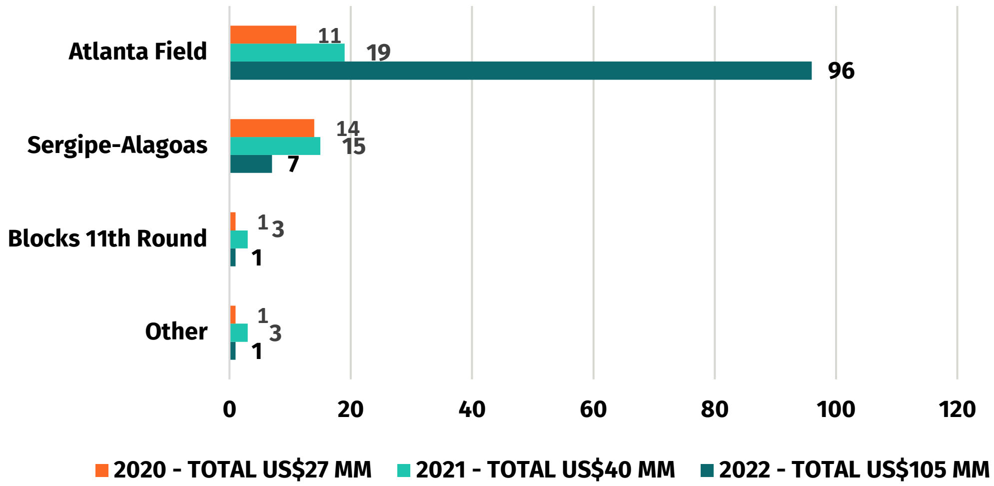
CAPEX in the fourth quarter amounted to US$7.6 million, mainly allocated to the Atlanta Field and blocks of the Sergipe-Alagoas Basin. Total CAPEX in 2020 was US$27 million, in line with the guidance disclosed by the Company.

For 2021, the Company estimates total CAPEX of US$40 million, with US$19 million allocated to the Atlanta Field, including possible investments in a fourth well. From the total investment of US$18 million in exploration, US$15 million is allocated to the blocks of the Sergipe-Alagoas basin, since drilling of an exploratory well is expected to commence in the second half of 2021.

For 2022, the Company estimates total CAPEX of US$105 million. Of this, US$96 million will be allocated to the initial investments in underwater systems and drilling of new wells in the Full Development System of the Atlanta Field.

NET CAPEX FOR THE COMPANY (US$ MILLION)





Other Balance Sheet and Cash Flow Highlights

CASH POSITION (CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES)

On December 31, 2020, the Company recorded cash and cash equivalents of R$1.7 billion, 3.5% higher than in 3Q20 and 5.8% higher than the balance recorded on December 31, 2019.

Currently, much of the Company's funds are invested in Brazilian real-denominated instruments considered of conservative profile. On December 31, 2020, the average annual return of these investments was 92.49% of the CDI, and 81% of the funds had daily liquidity.

FUNDS FROM THE SALE OF BLOCK BM-S-8

In July 2017, the Company received and accepted an unsolicited offer from Equinor to purchase its 10% working interest in Block BM-S-8 for US$379 million. Under the terms of the sale, fifty percent of the total purchase price was paid at closing upon receipt of ANP and other regulatory approvals. Through the end of 2019, the Company had received R$234.5 million from Equinor for the first and second installments of the transaction. The remaining payment amounting to US$144.0 million is due to the Company upon the approval of the Production Individualization Agreement, or Unitization of areas.

INDEBTEDNESS

	4Q20	4Q19 Corrected	Δ% Q/Q
Total Debt	217.1	251.9	-13.8%
Cash Balance	1,712.5	1,704.3	0.5%
Total Net Debt	(1,495.5)	(1,452.4)	3.0%
Net Debt/EBITDAX	(1.9x)	(2.2x)	0.3x

The Company's debt is comprised of financing raised with FINEP (Financing Agency for Studies and Projects) and credit facilities from Banco do Nordeste do Brasil. As of December 31, 2020, total debt was R$217.1 million, compared to R$251.9 million in the same period of the prior year, reflecting the repayment of the FINEP debt which commenced in September 2016 and payments of BNB's debt which commenced in October 2019.

Funds from FINEP are part of a financing package aimed at supporting the development of the Atlanta Field EPS and consists of two credit lines, one at a fixed rate of 3.5% per year, and another at a floating rate linked to TJLP. Both have a grace period of three years and a repayment period of seven years. Total funds disbursed stood at R$252.8 million as of December 31, 2020. The BNB financing, by contrast, is directed to exploration investments of two of the Company's assets in Northeast Brazil. The loan carries an interest rate of 4.71% per year with a grace period of five years which started in October 2014. The amount disbursed totaled R$117.9 million as of December 31, 2020.

ABANDONMENT PROVISION

On December 31, 2020, the Company recorded an abandonment provision of R$485.6 million, 72.8% higher than the balance recorded on December 31, 2019. This increase reflects the foreign exchange gains in the period and changes in cost estimates.

OPERATING CASH FLOW

Operating cash flow totaled R$232.6 million in 4Q20, compared to R$192.7 million in 4Q19.

For full year 2020, the operational cash flow totaled R$827.4 million, compared to R$663.6 million in 2019. In 2020 the accounts receivable was reduced by R$145.9 million, due to a higher collection of receivables, thus explaining much of the variation in operating cash flow. This cash generation was partially offset by the payment of income tax and contribution in 2020 of R$32.7 million, a payment which in 2019 was offset with taxes and contributions to offset.

Financial Strategy

HEDGE OPERATIONS

The Company contracted a Brent price hedge for approximately 47% of its share of production in the Atlanta Field, based on a production curve for the last quarter of 2020, for the amount of US$3.0 per barrel. This hedge only covers the commodity's price, not including the spread, due to the quality of this oil and associated logistics.

Hedge Data	**4Q20**	**4Q19**
Contracted instrument	**Asian PUT (quarterly average)**	**Asian PUT (quarterly average)**
Barrels equivalent (kbbl)	530	303.5
Price per barrel (US$)	2.9	3.2
Average strike (US$)	43.9	57.5
Exercise of the option		
Barrels equivalent (kbbl)	130	0
Price per barrel (US$)	10.9	0
Result (R$ million)	7.3	0

4Q20 net results were positively impacted by R$7.3 million, with the exercise of a put option for 130,000 barrels of oil at a price of US$10.9 per barrel. These amounts were recognized as operating income, along with the premium paid for these options maturing in the quarter, in the amount of R$5.4 million, for a positive net impact of R$1.9 million on revenue. The financial result line was negatively impacted at R$2.3 million by the settling of the put option premium of 211,000 barrels at a price of US$2.1 per barrel.

Forecasts

	Guidance 2020	**Real 2020**
Atlanta's Average Daily Production (kbbl/day)	$18.0 \leq \Delta \leq 22.0$	17.2
Financial Compensation equivalent to Manati's Production (MMm³/day)	$2.1 \leq \Delta \leq 2.5$	2.4

Atlanta: The Company estimates average production of 14,000 barrels per day in 2021. Forecasts considers a plus or minus 10% variation when the daily average is verified on an annual basis.

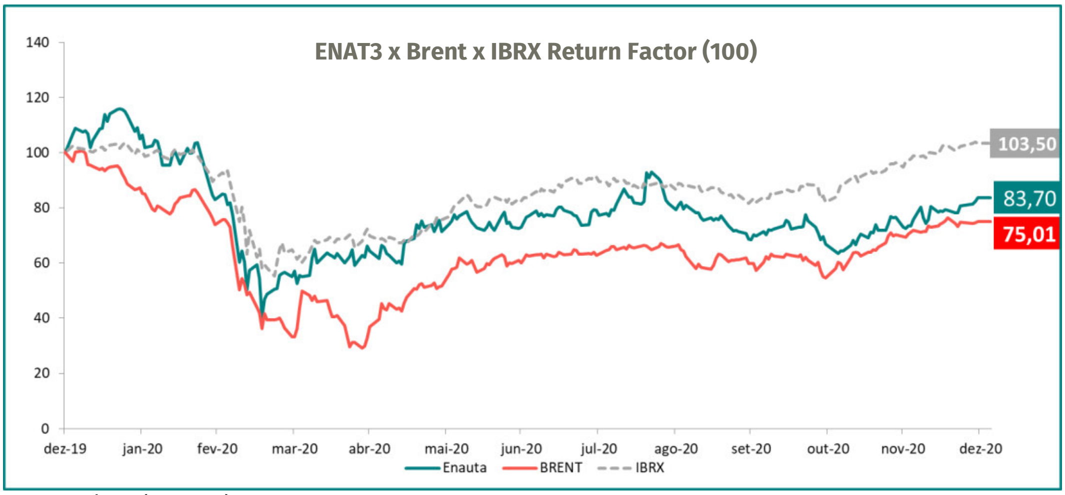
Capex: Investments in exploration, development, and production of around US$40 million for 2021 and US$105 million for 2022. These forecasts have a variation margin of plus or minus 20%.

Capital Markets

The Company's stock (B3: ENAT3) ended 2020 quoted at R$11.85, corresponding to a market value of R$3.15 billion, depreciating 16.3% compared to the price recorded on December 31, 2019 and appreciating 16.1% compared to September 30, 2020. This decrease was higher than the decreases reported by both the Bovespa Index and the Brent price in the same period, primarily reflecting the impacts from the COVID-19 pandemic.

ENAT3	**December 31, 2020**
Market Cap (R$ billion)	3.15
Total shares issued	265,806,905
Price variation 52 weeks (%)	-16.3%
Opening share price 2020 (R$/share)	14.15
Opening share price in 4Q20 (R$/share)	9.68
Closing share price in 4Q20 (R$/share)	11.85

Average daily trading volume (R$ million) in 4Q20	19.5
Average daily trading volume (R$ million) in 2020	19.9



Source: Bloomberg and Enauta

Dividends

Enauta has a supplementary dividend payment policy ("Dividends Policy"), which exceeds the minimum mandatory dividend set forth in the Company's Bylaws.

The payment of supplementary dividend relies on the existence of profits or profit reserves. Furthermore, proposals for allocation of the Company's net income are subject, in each case, to the approval at the Annual General Meeting, and can be reviewed at any time, by the Board of Directors, based on the Company's plans and needs, considering at that time, among others, relevant acquisitions and investments, restrictive covenants in agreements with creditors, and compliance with regulatory requirements.

The supplementary dividend may, exceptionally, no longer be paid in the fiscal year when the Company's Management bodies notify the Annual General Meeting that it is not compatible with the Company's financial condition.

Considering the Dividends Policy mentioned above, as well as the provisions of Law No. 6.404/76, as amended of the Brazilian Securities and Exchange Commission Rules, and the Bylaws, Enauta adopts the following rules and practices in relation to the distribution of dividends from the allocation of net income for the year:

(i) 5% of the net income for the year shall apply to set up a legal reserve until it reaches 20% of the capital stock, and its setup may be waived in the year when its balance, plus capital reserves, exceeds 30% of the capital stock;
(ii) after setup of the legal reserve, the remaining balance of the net income for the year shall be primarily earmarked to the payment of a supplementary dividend corresponding to R$0.15 per share. This amount already includes the mandatory dividend of 0.001% of net income, as provided for in the Company's Bylaws. If, in certain fiscal year, the adjusted net income is not sufficient to pay the supplementary dividend, Management may propose to partially or fully reverse the statutory profit reserves, so that to enable the payment of dividend; and
(iii) after allocations of previous items, the remaining amount, as proposed by the Board of Directors, may be fully or partially set aside to the "Investments Reserve". The maximum limit of this reserve is up to 100% of the capital stock, noting that the balance of this reserve, added to the balance of other profit reserves, except for unrealized profit reserves, reserves for contingencies and for tax incentives, cannot exceed 100% of the capital stock amount.

For 2020, Management proposed total dividends of R$51 million, or approximately R$0.19 per share. This proposal will be submitted by the Board members to the General Admission in Abril 30th, 2021, respecting the minimum mandatory value set forth in the Company's Bylaws.

For fiscal year 2020, Management proposed total dividends of R$ 51.0 million, equivalent to approximately R$ 0.19 per share. This proposal will be submitted by the Board of Directors to the Annual Shareholders' Meeting on April 30, 2021 and includes the minimum mandatory dividend as defined in the Company's bylaws.

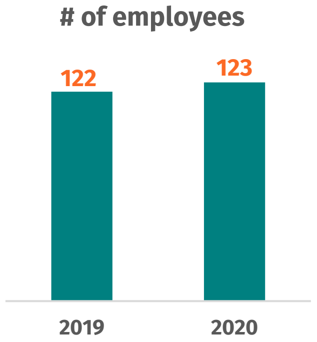
Payment of Dividends – Real and Expected

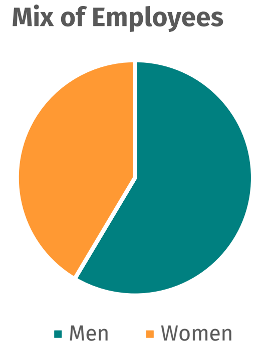
Payment Type	Year	Approval Date	Payment Date	Total (R$)	Stock Price (R$/Stock)
Dividends	2020	04/30/2021	05/11/2021	50,000,000.00	0.19387463654*
Dividends	2019	04/16/2020	04/28/2020	300,000,000.00	1.142781227
Dividends	2018	04/18/2019	04/30/2019	500,000,000.00	1.912244960
Dividends	2017	04/11/2018	04/20/2018	400,000,000.00	1.536326930
Dividends	2016	04/19/2017	05/11/2017	38,677,840.95	0.150000000

**Dividend per share may change due to the number of treasury shares on the date of the Annual Shareholders' Meeting.*

Human Resources

Enauta's headcount includes experienced executives, professionals, and technicians with vast local, regional and global experience in the oil & gas industry. Professionals are specialists in the geophysics, reservoir engineering, production, drilling, finance, management, information technology, safety, environmental areas, among others. Various team members held senior positions at Petrobras and other companies in the industry and performed significant roles in key discoveries and project developments in many Brazilian basins and in other countries. All the Company's operations are conducted in accordance with the highest safety standards.





92% of the Company's employees have undergraduate degrees, of which 47% have graduate degrees. Employees attend external and internal training courses, in pursuit of their professional development.

In 2020, the Company adapted very well to remote work. All employees were kept safe, working from home or in a hybrid model, if volunteered, throughout 2020. Due to the COVID-19 pandemic, the CMT - Crisis Management Team was activated with the participation of officers and various managers who came together weekly to monitor the pandemic and align the measures to be taken by the Company. A workplace physician and a consulting firm were at the disposal of employees to provide the support required for them and their families.

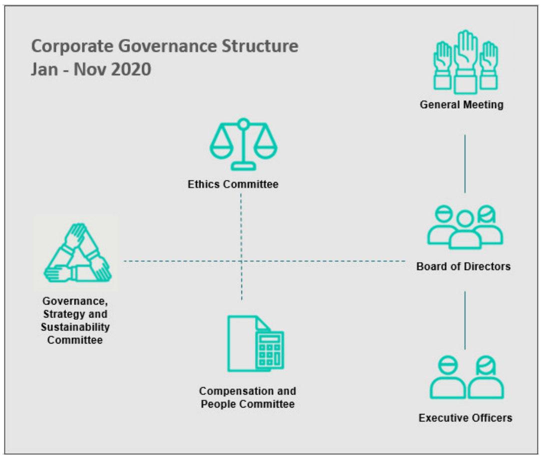
Another initiative undertaken by the Company was E+Encontro, a weekly virtual get-together with all of Enauta's employees. In these meetings, all participants have access to information about the pandemic, company divisions and various other topics. Consultants and physicians were present at these meetings to address various current topics, such as well-being and personal care. This initiative played a key role in promoting healthy communication between the company and its employees.

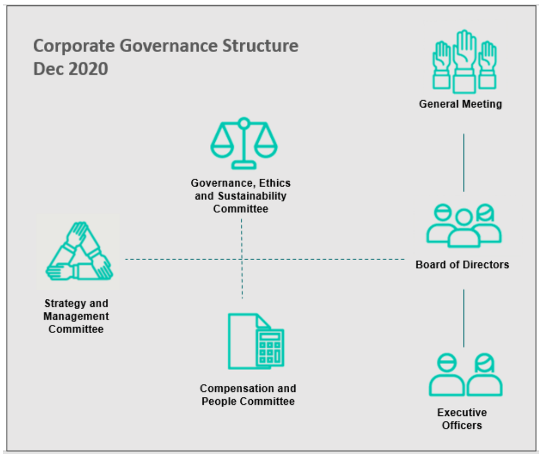
Enauta also carried out a work environment survey with GPTW (Great Place To Work), focusing on the perception of employees regarding the impacts of the COVID-19 pandemic on their day-to-day lives. Results revealed that the Company was on the right track, as participant employees clearly acknowledged the company's efforts towards keeping employees safe.

Environmental, Social & Governance (ESG)

Along with operational and financial achievements, the Company made progress with its ESG initiatives. In a male-dominated industry, Enauta currently, has one of the highest gender diversity indexes in the Oil & Gas industry among the Latin American listed companies, with women comprising 42% of the total workforce, and 35% of women employees holding managerial positions.

Over the course of 2020, the Company relied on a Governance, Strategy and Sustainability Committee, whose main objective was to assist the Board of Directors with the Company's strategic planning analysis, governance structure, the Company's policies, as well as business plans and guidelines. In December 2020, the Company approved a new governance structure, creating a Committee to focus on Strategy and Management, reflecting the Company's new strategy and a detailed follow-up on its execution.





Over the last quarter of 2020, the Company developed an integrated risk management project with the support of a specialty consulting firm, to implement the processes, procedures and policies required for better risk management in 2021. In 2021, Enauta prepares for the commencement of the Statutory Audit Committee.

Furthermore, the Ethics Committee sponsored actions to maintain the Compliance Program, improving the tools required to guarantee integrity in all of its relationships. Within the scope of the program, the Company offered training programs to all employees to strengthen conduct commitments, and also began to establish the role of internal controls to further guarantee the integrity of its processes. In addition, Enauta's conflict of interests policy was also reviewed, broadening its scope to specifically avoid potential conflicts when hiring related parties.

The Compliance Program establishes rules for all relevant hirings or corporations representing the Company in interactions with government officials to be critically evaluated through documents and other types of evidence proving their compliance and ethics. Over the course of 2020, periodic monitoring of additional diligence from all suppliers that were being commissioned on an emergency basis because of the pandemic was undertaken.

In the year 2020, the Company accepted an invitation to join the Action Against Corruption Platform by the Brazil Network of the Global Compact, with the purpose of promoting education, constructive dialogue, and exchange of experiences in anticorruption and integrity promotion in Brazil. The Network promotes Principle 10 of the Global Compact - fighting corruption in all of its forms - and the Sustainable Development Goals (SDGs), as part of the 2030 UN Agenda. Enauta had the opportunity to actively participate in the collective action initiative in 2020 and will continue to work on that in 2021.

Enauta acknowledges the challenges arising from climate change and works to identify and mitigate risks associated with greenhouse gas emissions into the atmosphere, concentrating efforts in adaptation measures. The gradual transition to a global energy matrix that includes a higher share of renewable resources and biofuels will be supported by coexisting with fossil sources, such as oil and natural gas.

Since 2012, the Company submits an emissions inventory every year to the Carbon Disclosure Project (CDP), an international non-profit organization that provides the greatest and most comprehensive global system for emissions disclosure. In 2020, Enauta was graded B in performance and management of the impact from activities, higher than the industry's average. In addition, since 2016 Enauta is a member of the GHG Protocol, with the purpose of promoting transparency in the disclosure of greenhouse gas inventories.

In order to keep improving its ESG practices, in February 2021 Enauta's Board of Directors approved its Sustainable Development Policy. In addition to supporting the strategic, tactical and operational planning, guiding relationships with stakeholders in all of the activities conducted, the document formalizes the commitment to social and economic prosperity while securing environmental preservation through operations, investments and partnerships.

Enauta remains focused on the long term, valuing operational efficiency, respect for people, and environmental protection. The Company's tenth Annual Sustainability Report, based on the Global Reporting Initiative (GRI) guidelines, was published on together with this document, and the document is now available on the Company's website.

QUALITY

After renewing the certifications ISO 14001 (Environmental Management) and ISO 45001 (Health and Safety Management) in October 2020, another major step was taken towards continued improvement.

On January 15, the Company received a recommendation for certification under the international standard ISO 9001 (Quality Management Systems). The external audit, which focused on the management of hydrocarbon production and sale activities, was carried out between January 11 and 15, 2021, by certification firm American Bureau of Shipping (ABS).

During the process, the following strengths were identified:

- Interaction between different divisions of Enauta regarding the Quality Management System;
- Availability, commitment and technical qualification of interviewees;
- Automated and controlled Asset Integrity Process; and
- Well-developed Risk Assessment Studies.

RELATIONSHIP WITH INDEPENDENT AUDITORS

The Company's policy regarding its relationship with external auditors in the provision of services unrelated to external auditing is rooted in principles that safeguard their independence. These principles are based on the idea auditors should not audit their own work, nor exercise managerial functions, advocate for their clients or provide any services that could be considered restricted under current regulations.

KPMG Auditores Independentes ("KPMG") was hired by Enauta Participações S.A. to render external auditing services referring to the review of the financial statements of the Company and its subsidiaries for the fiscal year ended on December 31, 2020. Pursuant to the Brazilian standards of preserving the independence of the external auditor, Enauta's independent auditors did not provide other professional services rather than those of independent audit of the financial statements of the Company and its subsidiaries.

STATEMENT FROM THE BOARD OF EXECUTIVE OFFICERS

Pursuant to CVM Instruction No. 480/09, the Board of Executive Officers declares that it has discussed and reviewed the Financial Statements for the fiscal year ended on December 31, 2020 and agreed with the opinions expressed in the Independent Auditors' Report.

ACKNOWLEDGEMENT

We would like to express our gratitude and acknowledgment to all employees, suppliers and partners. We also thank the representatives of public authorities and other stakeholders for their support and confidence in our Company.

Rio de Janeiro, March 31, 2021.
The Management

Appendix I | Income Statement

Income Statement	4Q20	4Q19 Corrected	Δ% Y/Y	2020	2019 Corrected	Δ% Y/Y
Net Revenue	**186.9**	**404.4**	**-53.8%**	**945.4**	**1.111.7**	**-15.0%**
Costs	(147.4)	(221.4)	-33.4%	(639.9)	(751.2)	-14.8%
Gross Profit	**39.5**	**183.0**	**-78.4%**	**305.5**	**360.5**	**-15.2%**
Operating income (expenses)						
G&A expenses	(20.0)	(23.5)	-14.5%	(69.2)	(58.5)	18.4%
Equity income	(9.2)	(1.8)	416.1%	7.2	1.8	303.1%
Exploration Expenses	(24.2)	(22.5)	7.2%	(70.1)	(81.7)	-14.2%
Other net operating income (expenses)	0.2	(12.2)	-101.4%	147.5	(14.7)	-1101.8%
Operating income (loss)	**(13.7)**	**122.9**	**-111.1%**	**320.9**	**207.4**	**54.7%**
Net Financial Result	49.2	16.0	207.3%	(177.9)	(7.3)	2326.4%
Profit before income tax and social contribution	**35.5**	**138.9**	**-74.4%**	**143.0**	**200.0**	**-28.5%**
Income tax and social contribution	2.7	(17.0)	-115.7%	(19.0)	(16.2)	17.7%
Net Income (Loss)	**38.2**	**122.0**	**-68.7%**	**124.0**	**183.9**	**-32.6%**
Net cash generated from operating activities	**232.6**	**192.7**	**20.7%**	827.4	663.6	24.7%
EBITDAX[(1)]	**137.3**	**259.1**	**-47.0%**	**796.1**	**662.0**	**20.3%**

[(1)] EBITDAX is a measure used by the oil and gas industry calculated as follows: EBITDA + exploration expenses with dry or sub-commercial wells.

IFRS16 replaces existing leasing standards. including CPC 06 (IAS 17) - Leasing and ICPC 03 - Additional Aspects of Leasing Operations. The rule applies to annual periods starting on or after January 1. 2019. and the Company did not choose early adoption. On December 31. 2018. the Company disclosed its early estimate on IFRS16 effects.

To facilitate the analysis. the Company opted for releasing the figures without the adjustment of IFRS 16 indicated as "ex-IFRS" in the table below. This information is not included in the Company's financial statements.

Income Statement	4Q20 Ex-IFRS	4Q19 Ex-IFRS Corrected	Δ% Y/Y	2020 Ex-IFRS	2019 Ex-IFRS Corrected	Δ% Y/Y
Net Revenue	**186.9**	**404.4**	**-53.8%**	**945.4**	**1.111.7**	**-15.0%**
Costs	(183.0)	(239.6)	-23.6%	(779.6)	(775.4)	0.5%
Gross Profit	**3.9**	**164.7**	**-97.6%**	**165.8**	**336.3**	**-50.7%**
Operating income (expenses)						
G&A expenses	(19.9)	(23.4)	-15.3%	(68.3)	(57.4)	19.0%
Equity income	(9.1)	(3.5)	161.6%	6.0	0.0	100%
Exploration Expenditures	(24.2)	(22.5)	7.2%	(70.1)	(81.7)	-14.2%
Other net operating income (expenses)	(2.2)	(12.2)	-82.4%	141.9	(18.6)	-863.0%
Operating income (loss)	**(51.4)**	**103.0**	**-149.9%**	**175.3**	**178.6**	**-1.8%**
Net Financial Result	13.1	10.6	23.0%	119.5	93.1	28.4%
Profit before income tax and social contribution	(38.3)	113.7	-133.7%	294.8	271.7	8.5%
Income tax and social contribution	28.1	(8.4)	-432.7%	(70.6)	(40.5)	74.3%
Net Income (Loss)	**(10.2)**	**105.2**	**-109.7%**	**224.2**	**231.2**	**-3.0%**

EBITDAX	4Q20	4Q19 (Restated)	Δ% Y/Y	2020	2019 (Restated)	Δ% Y/Y
Net Income	27.4	122.0	-77.5%	124.0	183.9	-32.6%
Amortization	143.1	136.8	4.7%	467.0	427.3	9.3%
Financial Income/(Expenses)	(49.2)	(16.0)	207.3%	177.9	7.3	2326.4%
Income tax and social contribution	(3.0)	17.0	-117.7%	19.0	16.2	17.7%
EBITDA	**118.4**	**259.7**	**-54.4**	**787.9**	**634.7**	**24.1%**
Exploration expenditure with subcommercial and dry wells	7.9	(0.6)	-1501.9%	8.2	27.3	-69.8%
EBITDAX	**126.2**	**259.1**	**-51.3%**	**796.1**	**662.0**	**20.3%**
EBITDA Margin	63.3%	64.2%	0.009	83.3%	57.1%	0.262
EBITDAX Margin	67.5%	64.1%	0.0345	84.2%	59.5%	0.247

Appendix II | Balance Sheet

(R$ Million)	4Q20	4T19 Corrected	Δ%
Current Assets	**1.891.9**	**2.075.9**	**-8.9%**
Cash and cash equivalents	103.2	51.3	101.3%
Investments	1.609.3	1.653.0	-2.6%
Trade accounts receivable	87.7	0.0	0.0%
Credits with Partners	46.8	233.6	-62.5%
Inventory	1.0	57.6	-18.9%
Recoverable taxes and contributions	16.3	9.5	-89.9%
Derivative financial instruments	1.5	0.0	0.0%
Other	26.1	23.0	-29.2%
Non-current Assets	2.455.8	2.425.0	1.3%
Restricted cash	581.7	432.1	34.6%
Recoverable taxes	60.4	4.3	1303.8%
Deferred income tax and social	66.5	43.5	52.6%
Investments	27.1	177.3	-84.7%
Property. plant and equipment	929.1	697.7	33.2%
Intangible assets	389.5	399.6	-2.5%
Leases	398.2	669.5	-40.5%
Other non-current Assets	3.2	0.8	290.2%
TOTAL ASSETS	**4.347.6**	**4.500.8**	**-3.4%**
Current Liabilities	**524.2**	**539.4**	**-2.8%**
Suppliers	155.5	125.2	24.2%
Leases	208.8	200.7	4.1%
Taxes and contributions payable	17.0	42.8	-60.2%
Remuneration and social obligations	14.4	17.6	-18.1%
Payables- related parties	18.5	60.2	-69.2%
Borrowings and Financing	56.1	47.1	18.9%
Provision for research and development	1.8	3.0	-38.6%
Provision for fines	32.5	26.4	23.1%
Other	19.5	16.3	-25.1%
Non-Current Liabilities	**1.067.9**	**1.084.9**	**3.6%**
Leases	356.2	540.5	-34.1%
Tax Obligations Payable	7.3	0.8	826.4%
Borrowings and financing	161.0	204.8	-21.4%
Provision for abandonment	485.6	280.9	72.8%
Other accounts payable	57.9	57.9	0.0%
Shareholders' Equity	**2.755.5**	**2.876.5**	**-4.2%**
Capital Stock	2.078.1	2.078.1	0.0%
Other comprehensive income	102.1	50.8	101.0%
Profit Reserve	442.6	784.4	-43.6%
Capital Reserve	42.8	29.6	44.7%
Treasury Shares	(33.2)	(36.5)	-8.8%
Net income for the period	123.1	(29.9)	100.0%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4.347.6**	**4.500.8**	**-3.4%**

Appendix III | Cash Flows

(R$ Million)	4Q20	4Q19 Corrected	Δ%	2020	2019 Corrected	Δ%
CASH FLOW OF OPERATING ACTIVITIES						
Net income for the period	**38,2**	**122,0**	**-68,7**	**124,0**	**183,9**	**-32,6%**
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Equity Income	9.2	1.8	416.1%	- 7.2	- 1.8	303.1%
Exchange variation over investment	177.4	11.9	1396.6%	-	-	0.0%
Amortization of the exploration and development expenditures	59.4	104.9	-43.4%	300.0	285.2	5.2%
Amortization of the exploration and development – IFRS 16	83.2	41.6	99.8%	181.4	164.4	10.4%
Deferred income tax and social contribution	3.7	-4.0	-192.1%	- 22.9	- 40.7	-43.7%
IFRS 16 financial charges	-266.3	-7.1	3668.6%	62.6	94.8	-34.0%
Exchange variation IFRS 16	227.9	-	100.0%	227.9	-	100.0%
Favorable tax court decision	56.5	-	100.0%	-	-	-
Investment acquisition	-	-	-	- 121.0	-	-
Financial charges and exchange rate (gain) loss on borrowings and financing	2.7	-	100%	11.2	-	100.0%
Capitalized interest	-	3.4	-100%	-	13.6	-100.0%
Surety bond provision	-	-	-	-	-	-
Write-off of fixed assets	-	-	-	-	-	-
Reductions of the period	-	-	-	-	-	-
Exercise of stock option	-5.3	0.1	-5051.9%	-	0.9	-100.0%
Provision for stock option plan	1.1	-10.6	-215.3%	- 0.5	-	0.0%
Provision for income tax and social contribution	-6.7	-0.1	5409.5%	41.9	- 5.4	-874.0%
Provision for research and development	0.6	20.9	-97.1%	- 1.2	56.8	-102.0%
(Increase) decrease in operating assets:	**(50.6)**	**2.8**	**-1921.2%**	**133.8**	**- 59.2**	**-326.1%**
Increase (decrease) in operating liabilities:	**(98.1)**	**(93.1)**	**5.4%**	**- 102.7**	**- 24.9**	**311.8%**
Net cash inflows from operating activities	**232.6**	**192.7**	**20.9%**	**827.4**	**663.7**	**24.7%**
CASH FLOW FROM INVESTING ACTIVITIES						
Net cash from (used in) investing activities	**(53.0)**	**(143.9)**	**-63.1%**	**(178.1)**	**33.8**	**-626.6%**
CASH FLOWS FROM FINANCING ACTIVITIES						
Net cash inflows from (used in) financing activities	**(124.1)**	**(59.9)**	**107.3%**	**(655.6)**	**(715.1)**	**-8.3%**
Total exchange variation on cash and cash equivalents	(39.8)	(5.8)	583.0%	**58.3**	**8.8**	**559.1%**
Increase (decrease) in cash and cash equivalents	**15.4**	**(16.9)**	**-193.2%**	**52.0**	**(8.8)**	**-693.3%**
Cash and cash equivalents at the beginning of the period	**87.4**	**68.2**	**28.1%**	**51.2**	**60.0**	**-14.6%**
Cash and cash equivalents at the end of the period	**103.2**	**51.2**	**101.4%**	**103.2**	**51.2**	**-101.5%**

Increase (decrease) in cash and cash equivalents	**38.2**	**122.0**	**-68.7%**	**124.0**	**183.9**	**-32.6%**

Appendix IV | Glossary

ANP	National Agency of Petroleum. Natural Gas and Fuel
Deep water	Water depth of 401 – 1.500 meters.
Shallow water	Water depth of 400 meters or less.
Ultra-deep water	Water depth of 1.501 meters or more.
Basin	A depression in the Earth's crust in which sediments have accumulated that could contain oil and/or gas. associated or not.
Block(s)	Part(s) of a sedimentary basin with a polygonal surface defined by the geographic coordinates of its vertices and undefined depth where oil and natural gas exploration or production activities are carried out.
"Boe" or Barrel of oil equivalent"	A measurement of gas volume converted to barrels of oil using a conversion factor whereby 1.000 m^3 of gas equals 1 m^3 of oil/condensate and 1 m^3 of oil/condensate equals 6.29 barrels and (energy equivalence).
Concession	A grant of access by a country to a company for a defined area and period of time that transfers certain rights to any hydrocarbons that may be discovered from the country in question to the concessionaire.
Discovery	In accordance with the Petroleum Law. a discovery is any occurrence of petroleum. natural gas or other hydrocarbons. minerals and. in general terms. mineral reserves located in a given concession. independently of quantity. quality or commercial viability that are confirmed by at least two detection or evaluation methods (defined in the ANP concession agreement). To be considered commercially feasible. a discovery must present positive returns on investment under market conditions for development and production.
E&P	Exploration and Production
Farm-in and Farm-out	Process of partial or complete acquisition of concession rights held by another company. The company acquiring the concession rights is said to be in the farm-in process and the company selling concession rights is in the farm-out process.
Field	An area covering a horizontal projection of one or more reservoirs containing oil and/or natural gas in commercial quantities.
FPSO	A floating production. storage and offloading (FPSO) unit is a floating vessel used by the offshore oil and gas industry for the processing of hydrocarbons and for oil storage.
Free on Board (FOB)	Distribution of responsibilities. rights and costs between buyer and seller in the trade of goods. In the FOB modality. the exporter is responsible for the transportation and insurance costs of the cargo only until it is shipped on the ship. From this point on. the importer becomes responsible for the payment of the transport and insurance.
kbbl/d	One thousand barrels per day
Netback Price Mechanism	This mechanism consists of considering the oil revenue. deducting all costs associated with transporting the oil from its production site to its final destination.
Operator	A company legally appointed to conduct and execute all operations and activities in the concession area. in accordance with the terms of the concession agreement signed by the ANP and the concessionaire.
"Type A" Operator	Qualification of the ANP to operate onshore. offshore in shallow to ultra-deep waters
Exploratory Prospect(s)	A prospect is a potential accumulation mapped by geologists or geophysicists where there is a probability of a commercially viable accumulation of oil and/or natural gas that is ready to be drilled. The five necessary elements for the existence of an accumulation (generation. migration. reservoir. seal. and entrapment) must be present and the lack of any of the five means there is either no accumulation or accumulation that is not commercially viable.
Reserves	Quantities of petroleum expected to be commercially recoverable by applying development projects to known accumulations as of a given date and under defined conditions.
Reserves 1P	Sum of proven reserves.
Reserves 2P	Sum of proven and probable reserves.

Reserves 3P	Sum of proven. probable and possible reserves.
Possible Reserves	Quantities of petroleum which analysis of geoscience and engineering data indicate are less likely to be recovered than probable reserves.
Proven Reserves	Quantities of petroleum. which by analysis of geoscience and engineering data. can be estimated with reasonable certainty to be commercially recoverable as of a given date from known reservoirs and under defined economic conditions. operating methods and government regulations.
Probable Reserves	Quantities of petroleum. according to geoscience and engineering data. are estimated to have the same chance (50%/50%) of being achieved or exceeded.

Investor Relations

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About Enauta

Enauta is one of the leading private companies in the oil and gas sector in Brazil. The Company has a balanced asset portfolio spread through the Brazilian coast. and two producing assets: its 45%-owned Manati Field. one of the main suppliers of gas to the Northeast region of Brazil; and the Atlanta Field. located in the deep waters of the Santos Basin. where it is the operator. with a 50% ownership stake. Listed on the Novo Mercado of B3 since 2011. under the ticker symbol QGEP3. Enauta is committed to the sustainability of its operations. investing responsibly and adhering to best practices in the areas of governance and compliance. For more information. visit us at www.enauta.com.br.

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Independent auditors` report on the individual and consolidated financial statements

To The Stockholders, Board of Directors and Management of

Enauta Participações S.A.

Rio de Janeiro - RJ

Opinion

We have audited the individual and consolidated financial statements of Enauta Participações S.A. ("the Company"), identified as Parent Company and Consolidated, respectively, which comprise the balance sheet as of December 31, 2020, and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising significant accounting policies and other explanatory information.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the individual and consolidated financial position of Enauta Participações S.A. as of December 31, 2020, and of its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS), as issued by the *International Accounting Standards Board* (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the individual and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements of Ethics Standards Boards for Accountants and Professional Standard issued by Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of the restatement of the corresponding amounts

As described in note 2.28, due to the errors identified for the corresponding amounts, individual and consolidated, the balance sheet as of December 31, 2019, and the statements of income, comprehensive income, changes in equity, cash flows and value added (supplementary information) for the year ended December 31, 2019, presented for comparison purposes, have been adjusted and are being restated in accordance with CPC 23/ IAS 8 - Accounting Practices, Changes in Estimates and Error Correction and CPC 26(R1)/IAS 1 – Presentation of Financial Statement. Our opinion does not contain modification related to this matter.

Key audit matter

Key audit matter is the matter that, in our professional judgment, was of the most significance in our audit of the current year. This matter was addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Impairment - Individual and Consolidated financial statements

As per Notes 2.9, 12 and 13 to the individual and consolidated financial statements.

Key audit matter	How our audit conducted this matter
As of December 31, 2020, consolidated financial statements presents property plant and equipment (PP&E) and intangible of R$ 982 million and R$ 390 million, respectively. Due to the observation of indicators on the devaluation of the accounting balances of these assets, the Company estimated the recoverable value of its cash-generating units ("CGUs"), to which these assets are allocated, based on the value in use. The determination of the value in use is based on estimated future cash flows, discounted to present value, which involves the use of assumptions such as: (i) volume of gas and oil, (ii) commodities price (gas and Brent), (iii) royalty rate, research and development (R&D), (iv) projective period in relation to the Manati and Atlanta fields useful life, and (v) discount rate. We consider this matter to be significant in our audit due to the relevance of the amounts involved of property, plant and equipment and intangible assets and the uncertainties related to the assumptions used to estimate the value in use of cash-generating units that have a significant risk of resulting in a material adjustment of property, plant and equipment and intangible assets accounts in the consolidated financial statements..	Our procedures included, among others, the following: • Evaluation of the Company's procedures to identify situations in which property, plant and equipment and intangible assets may be devalued and, if there is any indication, the preparation of an estimate of the recoverable value of the asset; • Evaluation, with the assistance of our Corporate Finance specialists: (i) whether the estimated value in use was prepared consistently with the valuation practices and methodologies normally used in cash flows and in estimating the discount rate; (ii) whether the main assumptions considered in the projection (volume of gas and oil, commodities price (gas and Brent), royalty rate and research and development (R&D), projective period, and discount rate) are based on historical data and / or market and are consistent with the budget approved by the Company's Management; (iii) recalculating the discount rate based on the WACC methodology and market assumptions; (iv) whether the mathematical calculations are adequate, and (v) confirmation of technical data with Management. • Assessment whether the disclosures in the individual and consolidated financial statements

	consider the relevant information. Based on the evidence obtained through the summarized procedures above, we considered acceptable the balances presented for property, plant and equipment and intangible assets, as well as the respective disclosures in the footnotes, in the context of the individual and consolidated financial statements taken as a whole, for the year ended December 31, 2020.

Other Information - Statements of Added Value

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2020, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS purposes, were submitted for the auditing procedures jointly with audit of the Company's financial statements. For the purposes of forming our opinion, we evaluate whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria as defined in Technical Pronouncement CPC 09 - Statement of Added Value. In our opinion, these statements of value added have been properly prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Management is responsible for the other information, which comprises the Management report.

Our opinion on the individual and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Management Report, we are required to report that fact. We have nothing to report regarding this matter.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS), as issued by the *International Accounting Standards Board* (IASB) , and for such internal control as management determines is necessary to enable the preparation of individual and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual and consolidated financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the individual consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter, or, when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rio de Janeiro, March 31, 2021

KPMG Auditores Independentes
CRC SP-014428/O-6 F-RJ

Original report in Portuguese signed by
Bernardo Moreira Peixoto Neto
Accountant CRC RJ-064887/O-8

Enauta Participações S.A.

Individual and Consolidated Financial statements for the year ended December 31, 2020

(A Free Translation of the original report in Portuguese as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with the accounting practices adopted in Brazil, rules of the CVM and of the International Financial Reporting Standards - IFRS)

ENAUTA PARTICIPAÇÕES S.A.

BALANCE SHEET AT DECEMBER 31, 2020
(In thousands of Brazilian reais - R$)

	Note	Parent Company			Consolidated		
ASSETS		12/31/2020	12/31/2019 (Corrected)	31/12/2018 (Corrected)	12/31/2020	12/31/2019 (Corrected)	31/12/2018 (Corrected)
CURRENT ASSETS							
Cash and cash equivalents	4	371	245	118	103.248	51.278	60.038
Short-term investments	5	2.660	14.004	37.875	1.609.277	1.653.023	1.870.202
Accounts receivable	6	-	-	-	87.719	233.643	134.424
Inventories	8	-	-	-	959	9.513	12.768
Recoverable taxes	11.1	435	732	542	16.277	23.005	34.450
Related parties	9	-	123	-	171	25.166	40.681
Dividends receivable	12.2	16.150	85.000	-	-	-	-
Credit to partners	7	-	-	-	46.761	57.643	49.777
Financial instruments	27	-	-	-	1.469	4.338	19.912
Others		-	39	4	25.975	18.276	18.850
Total current assets		19.616	100.143	38.539	1.891.856	2.075.885	2.241.102
NONCURRENT ASSETS							
Restricted cash	10	-	-	-	581.748	432.125	379.808
Recoverable taxes	11.1	-	-	-	60.430	4.305	3.767
Deferred income tax and social contribution	11.4	-	-	-	66.478	43.549	2.846
Others non current assets		-	-	-	3.182	815	2.914
Investments	12.2	2.749.257	2.791.327	3.161.351	27.138	177.289	167.888
Property, plant and equipment	13	-	-	-	929.105	697.749	738.423
Intangible	14	-	-	-	389.479	399.591	406.785
Leases - rights of use	15	-	-	-	398.224	669.529	-
Total noncurrent assets		2.749.257	2.791.327	3.161.351	2.455.784	2.424.952	1.702.431
TOTAL ASSETS		2.768.873	2.891.470	3.199.890	4.347.640	4.500.837	3.943.533
LIABILITIES AND NET EQUITY							
CURRENT LIABILITIES							
Suppliers		134	101	106	155.478	125.201	75.065
Leases - rights of use	15	-	-	-	208.814	200.669	-
Borrowings and financing	16	-	-	-	56.054	47.149	38.875
Taxes payable	11.2	1.815	14.754	71	17.036	42.845	29.593
Payroll and related taxes		55	61	56	14.395	17.577	15.280
Related party transactions	9	11.383	-	-	18.526	60.189	43.498
Dividends - payment		1	8	6	1	-	7
Provision for research and development		-	-	-	1.848	3.010	6.880
Consortium obligation	19	-	-	-	7.324	-	10.850
Penalties - Provision	22	-	-	-	32.524	26.413	-
Other obligations		5	9	64	12.217	16.313	5.594
Total current liabilities		13.393	14.933	303	524.217	539.366	225.642
NONCURRENT LIABILITIES							
Leases - rights of use	15	-	-	-	356.162	540.500	-
Provision for retirement obligations - ARO	18	-	-	-	485.566	280.942	208.999
Borrowings and financing	16	-	-	-	161.019	204.785	250.950
Consortium obligation	19	-	-	-	57.922	57.922	57.922
Taxes payable					7.274	785	433
Total noncurrent assets		-	-	-	1.067.943	1.084.934	518.304
SHAREHOLDERS' EQUITY							
Paid-in capital	28	2.078.116	2.078.116	2.078.116	2.078.116	2.078.116	2.078.116
Capital reserve	28	30.084	29.588	31.884	30.084	29.588	31.884
Investment reserve	28	578.445	784.397	1.068.930	578.445	784.397	1.068.930
Other comprehensive income		102.080	50.797	63.111	102.080	50.797	63.111
Shares held in treasury	29	(33.245)	(36.452)	(44.139)	(33.245)	(36.452)	(44.139)
Net profit for the year		-	(29.909)	1.685	-	(29.909)	1.685
Total shareholders' equity		2.755.480	2.876.537	3.199.587	2.755.480	2.876.537	3.199.587
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2.768.873	2.891.470	3.199.890	4.347.640	4.500.837	3.943.533

The accompanying notes are an integral part of the financial statements.

ENAUTA PARTICIPAÇÕES S.A.

STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019
(In thousands of Brazilian reais - R$)

	Note	Parent Company		Consolidated	
		01/01/2020 a 12/31/2020	01/01/2019 a 12/31/2019 (Corrected)	01/01/2020 a 12/31/2020	01/01/2019 a 12/31/2019 (Corrected)
NET REVENUE	20	-	-	945.446	1.111.670
COSTS	21.1	-	-	(639.914)	(751.186)
GROSS PROFIT		-	-	305.532	360.484
OPERATING INCOME (EXPENSES)					
General and administrative expenditure	21.2	(6.180)	(5.775)	(69.216)	(58.462)
Equity method	12	134.426	218.117	7.220	1.791
Oil and gas exploration expenditure	22	-	-	(70.111)	(81.731)
Others, net	23	-	-	147.459	(2.676)
INCOME FROM OPERATIONS BEFORE FINANCIAL INCOME		128.246	212.342	320.884	219.406
Yields from short-term investments	24	131	1.365	79.335	117.400
Other financial revenues and expenses	24	(1.792)	(9.326)	(257.255)	(136.775)
FINANCIAL INCOME, NET		(1.661)	(7.961)	(177.920)	(19.374)
INCOME BEFORE INCOME TAX SOCIAL CONTRIBUTION		126.585	204.381	142.964	200.032
Deferred Income tax and social contribution	11.3	(2.632)	(20.507)	(41.927)	(56.791)
Current Income tax and social contribution	11.3	-	-	22.916	40.634
NET INCOME FOR THE YEAR		123.953	183.874	123.953	183.874
NET INCOME PER SHARE - BASIC AND DILUTED	28	0,47	0,70		

The accompanying notes are an integral part of the financial statements.

ENAUTA PARTICIPAÇÕES S.A.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019
(In thousands of Brazilian reais - R$)

	Note	Parent Company		Consolidated	
		01/01/2020 a 12/31/2020	01/01/2019 a 12/31/2019 (Corrected)	01/01/2020 a 12/31/2020	01/01/2019 a 12/31/2019 (Corrected)
Net income for the year		123.953	183.874	123.953	183.874
Other comprehensive income					
Financial instruments		(6.991)	(21.155)	(6.991)	(21.155)
Comprehensive income of investees recognized by the equity method	12	58.273	8.841	58.273	8.841
Total comprehensive income for the period		175.235	171.560	175.235	171.560

The accompanying notes are an integral part of the financial statements.

ENAUTA PARTICIPAÇÕES S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019
(In thousands of Brazilian reais - R$)

			Capital reserves	Income Reserve						
	Note	Capital stock	Stock options	Legal reserve	Investment reserve	Other comprehensive income	Aditional dividends proposed	Shares held in treasury	Acumulated Profit/Loss	Total
BALANCE AT JANUARY 1, 2019 (Original)		2.078.116	33.569	82.940	485.994	63.111	499.996	(44.139)	-	3.199.587
Recomposition of stock option plan reserve	2.28	-	(1.685)	-	-	-	-	-	1.685	-
BALANCE AT JANUARY 1, 2019 (Corrected)		2.078.116	31.884	82.940	485.994	63.111	499.996	(44.139)	1.685	3.199.587
Cumulative translation adjustments	12	-	-	-	-	8.841	-	-	-	8.841
Financial instruments		-	-	-	-	(21.155)	-	-	-	(21.155)
Dividends - payment		-	-	-	-	-	(499.996)	-	-	(499.996)
Stock option plan	28	-	74	-	-	-	-	-	-	74
Stock option - exercised	28	-	(2.372)	-	-	-	-	7.687	-	5.315
Profit for the year	26	-	-	-	-	-	-	-	183.874	183.874
Legal reserve		-	-	10.773	-	-	-	-	(10.773)	-
Investmnent reserve		-	-	-	(95.310)	-	95.310	-	-	-
Proposed additional dividends		-	-	-	-	-	204.688	-	(204.688)	-
BALANCE AT DECEMBER 31, 2019 (corrected)		2.078.116	29.586	93.713	390.684	50.797	299.998	(36.452)	(29.909)	2.876.538
Dividends - payment		-	-	-	-	-	(299.998)	-	-	(299.998)
Cumulative translation adjustments	12	-	-	-	-	58.273	-	-	-	58.273
Financial instruments		-	-	-	-	(6.991)	-	-	-	(6.991)
Stock option - exercised	28	-	501	-	-	-	-	3.207	-	3.708
Profit for the year	28	-	-	-	-	-	-	-	123.953	123.953
Legal reserve	28	-	-	4.700	-	-	-	-	(4.700)	-
Investmnent reserve	28	-	-	-	38.344	-	-	-	(38.344)	-
Mandatory minimum dividend	28	-	-	-	-	-	-	-	(1)	(1)
Proposed additional dividends	28	-	-	-	-	-	50.999	-	(50.999)	-
BALANCE AT DECEMBER 31, 2020		2.078.116	30.087	98.413	429.028	102.080	50.999	(33.245)	-	2.755.480

The accompanying notes are an integral part of the financial statements.

ENAUTA PARTICIPAÇÕES S.A.

STATEMENTS OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019
(In thousands of Brazilian reais - R$)

	Note	Parent Company		Consolidated	
		01/01/2020 a 12/31/2020	01/01/2019 a 12/31/2019 (Corrected)	01/01/2020 a 12/31/2020	01/01/2019 a 12/31/2019 (Corrected)
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the year		123.953	183.874	123.953	183.874
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Equity method	12.2	(134.426)	(218.116)	(7.220)	(1.791)
Depreciation, amortization	13/14	-	-	299.983	285.178
Depreciation, amortization - IFRS 16	15	-	-	181.442	164.399
Deferred income tax and social contribution	11.4	-		(22.916)	(40.703)
Financial charges - IFRS 16	15	-	-	62.618	63.864
Exchange variation IFRS 16	15	-	-	227.897	30.943
Investment acquisition	12	-		(120.982)	-
Financial charges and exchange rate (gain) loss - Loans	16/1	-	-	11.217	13.643
Reduction of fixed assets and intangibles	13/14	-	-	113	879
Stock option plan	28	-	-	(501)	(5.416)
Provision for income tax and social contribution	11.3	2.632	(20.507)	41.927	56.791
Provision for research and development		-	-	(1.162)	(3.870)
(Increase) decrease in operating assets:					
Trade accounts receivable	6	-	-	145.924	(99.219)
Recoverable taxes	11.1	297	(190)	(49.397)	10.907
Related parties	9	123	-	24.995	15.515
Financial instruments		-	-	2.869	15.574
Other assets		39	(34)	9.370	(1.942)
Increase (decrease) in operating liabilities:					
Suppliers		33	(5)	30.277	50.136
Taxes payable	11.2	(12.939)	14.683	(19.320)	(43.187)
Related parties	9	11.383	-	(41.663)	16.684
Consortium obligation	19	-	-	7.324	(10.850)
Other liabilities		(13)	(53)	(1.596)	10.927
Interest paid	16	-	-	(7.074)	(13.190)
Provision for asset retirement obligation	18	-	-	(27.895)	(35.468)
Income tax and social contribution paid		-	-	(42.779)	-
Net cash provided by (used in) operating activities		(8.918)	(40.348)	827.402	663.678
CASH FLOWS FROM INVESTING ACTIVITIES					
Restricted cash	10	-	-	(149.623)	(52.317)
Short term investments	5	11.344	23.871	43.746	217.179
Payment of property, plant and equipment	13	-	-	(71.002)	(128.085)
Payment of intangible	14	-	-	(1.214)	(2.956)
Dividends receivable		294.493	508.913	-	-
Net cash provided by (used in) investing activities		305.837	532.784	(178.093)	33.821
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment of financing	16	-	-	(39.003)	(38.344)
Shares held in treasury - sales	29	3.207	7.687	3.207	10.805
Payment of dividends		(300.000)	(499.996)	(300.000)	(499.996)
Leases - rights of use - payments	15	-	-	(319.816)	(187.565)
Net cash provided by (used in) financing activities		(296.793)	(492.309)	(655.613)	(715.100)
Effect of exchange variation on cash and cash equivalents		-	-	58.273	8.841
Increase (decrease) in cash and cash equivalents		126	127	51.970	(8.760)
Cash and cash equivalents at beginning of year		245	118	51.278	60.038
Cash and cash equivalents at end of year		371	245	103.248	51.278
Increase (decrease) in cash and cash equivalents		126	127	51.970	(8.760)

ENAUTA PARTICIPAÇÕES S.A.

STATEMENTS OF VALUE ADDED FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019
(In thousands of Brazilian reais - R$)

	Notes	Parent Company		Consolidated	
		01/01/2020 a 12/31/2020	01/01/2019 a 12/31/2019 (Corrected)	01/01/2020 a 12/31/2020	01/01/2019 a 12/31/2019 (Corrected)
REVENUES		-	-	1.213.962	1.248.709
Oil and gas sales	20	-	-	1.006.192	1.200.853
Other revenues		-	-	161.645	21
Revenues related to own assets of construction		-	-	46.125	47.835
INPUTS ACQUIRED FROM THIRD PARTIES (including Tax - ICMS, IPI, PIS and COFINS)		(1.947)	(1.454)	(227.252)	(349.638)
Gas production and service costs		-	-	(171.558)	(310.871)
Material, energy and other service		(1.947)	(1.454)	(55.694)	(35.163)
Others		-	-	-	(3.604)
GROSS VALUE-ADDED		(1.947)	(1.454)	986.710	899.071
DEPRECIATION, AMORTIZATION AND DEPLETION	13/14	-	-	(467.007)	(427.302)
NET VALUE-ADDED PRODUCED BY THE ENTITY		(1.947)	(1.454)	519.703	471.769
VALUE-ADDED RECEIVED IN TRANSFER		132.803	210.212	187.003	222.288
Equity income and dividends	12.2	134.426	118.118	7.220	1.791
Financial income	24	(1.623)	92.089	95.896	205.459
Others		-	5	83.887	15.038
TOTAL VALUE-ADDED TO BE DISTRIBUTED		130.856	208.758	706.706	694.057
VALUE-ADDED DISTRIBUTION					
PERSONEL:					
Personnel		3.390	3.456	54.104	54.495
Benefits		164	161	7.637	7.812
Charges and fees		-	-	3.128	3.080
Others		2	-	28	136
		3.556	3.617	64.897	65.523
TAXES:					
Federal		3.310	21.210	59.585	67.739
State		-	-	37.046	48.233
Municipal		-	-	62.770	88.060
		3.310	21.210	159.401	204.032
PAYMENT OF THIRD PARTY CAPITAL:					
Interest		-	-	13.855	113.228
Rentals		-	-	753	756
Bank charges		30	51	73.674	77.653
Monetary restatement/Exchange variation		7	6	270.173	48.991
		37	57	358.455	240.628
SHAREHOLDERS					
Net income for the year	28	123.953	183.874	123.953	183.874
		123.953	183.874	123.953	183.874
DISTRIBUTION OF VALUE ADDED		130.856	208.758	706.706	694.057

The accompanying notes are an integral part of the financial statements.

1. OPERATIONS

Legal structure:

Enauta Participações S.A. (“Enauta”, "the Company" or “Group” when referring to consolidated) its stated corporate object is to hold equity interests in companies primarily engaged in the exploration for and production and sale of oil, natural gas and their byproducts, either as a partner or shareholder, or through other forms of association, with or without separate legal personality.

The Company is a society publicly-held corporation headquartered in Avenida Almirante Barroso 52, sala 1301 (parte), Rio de Janeiro, its securities are traded on the São Paulo Stock Exchange - B3 S.A. - Brazil - “Novo Mercado” category.

In line with its strategic objectives, the Company acts in association with other companies in joint operations in Brazil as holder of exploration and production rights for oil and natural gas in the concession and production sharing regimes.

As of December 31, 2020, the company holds interests in 23 consortiuns, being operator in 1 in the production phase (19 consortiuns and operator in 1 in the production phase on December 31, 2019).

Blocks under productions are as follows:

<u>BS-4 block – Atlanta field</u>

Atlanta field has the production started in May 2018. The oil is produced from the FPSO Petrojarl 1, and is sold to Shell, which has contracted to purchase of all the oil from the Advanced Production System (“SPA”) of the field.

Dommo Energia S.A (“Dommo”) historical default with its financial contribution obligations in the BS-4 block consortium, Barra Energia do Brasil Petróleo e Gás Ltda. (“Barra Energia”) exercised on October 11, 2017 the rights of forfeiture of Dommo as per consortium documentation.

The Arbitral Tribunal which holds litigation referring BS-4 Block with Enauta and Barra Energia partners, on the other side, Dommo, has already issued the final decision about validity of the notice of withdrawal of the Dommo of the consortium with retroactive effect since October 11, 2017. The Arbitral Tribunal issued on July 20, 2020, final of sentence, declare that there is no breach of contract by Enauta, both as operator and as a member of the consortium.

Based on the documents of the consortium, the National Agency for Petroleum, Natural Gas and Biofuels (“ANP”) Board of Directors on September 19, 2019 approved the assignment of Dommo's total rights, ownership and interests in block BS-4 to (i) the Company's subsidiary Enauta Energia SA (“Enauta Energia”), and (ii) Barra Energia, in proportion to their respective shares, holding each one 50% of shares in the block after the decision.

Dommo filed a preliminary injunction in the Federal Court to suspend the effects of this decision, and the judge dismissed the request for interim relief, maintaining the decision and assignment of the ANP. Dommo requested an arbitration based on the concession agreement, questioning ANP for the approval of assignment, as well as the request for this assignment by Enauta Energia e Barra, but left this arbitration in January 2021.

Dommo's subsidiary, Dommo Netherlands B.V., also requested an arbitration based on a Atlanta filed BV shareholder agreement against the Company's affiliate, QGEP Netherlands B.V.. This arbitral tribunal is formed and the Company's affiliate is evaluating and taking appropriate action.

On November 3, 2020, Enauta Energia received a Notice of Withdrawal from Barra Energia pursuant to the Joint Operating Agreement executed by the parties informing the Company of its irrevocable decision to withdraw from Block BS-4, where the Atlanta field is located.

On December 21, 2020, Enauta Energia S.A. has entered into an agreement with Barra Energia to acquire 100% of the working interest in block BS-4.

The transfer of ownership from Barra Energia to Enauta Energia is subject to approval by the National Agency for Petroleum, Natural Gas and Biofuels (ANP) and Brazil’s Antitrust Agency (CADE) and to additional usual conditions, therefore, no amount related to this transaction was recognized in the financial statements of 2020.

After approval from ANP, Barra Energia will transfer US$43.9 millions to the Enauta Energia related to the abandonment operations of the three wells and decommissioning of existing facilities at the field.

The Company is classifying and designating assets and liabilities received based on the contractual terms, economic conditions, its accounting and operating policies, as per in paragraph 15 of Technical Pronouncement (“CPC”) 15 - Business Combination and no fair value has been attributed to these assets and liabilities until up to this date. ”

BCAM-40 block –Manati field

On August 14th, 2020, its subsidiary Enauta Energia executed an agreement for the sale of its entire stake (45%) in the Manati field to Gas Bridge S.A. The deal is subject to some conditions precedent which until the date of preparation of these financial statements had not been completed. After met all conditions, the Company shall be entitled to an amount of R$560 million.

Coronavirus – Covid-19

The Company continues to operate following the rules defined by the Crisis Management Committee (CMT).

Business Plan:

The Group has always been guided by disciplined financial management, funding its investment needs internally and maintaining a cash position to support its commitments. On December 31, 2020, the Company had a cash balance of R$1.7 billion.

The Company has its long-term debt denominated in Brazilian reais amounted to R$224,4 million on December 31, 2020. Adittionally, the Company also has receivables from the sale of Block BM-S-8 amounting to US$144.0 million (equivalent to R$748,325 on December 31, 2020), which will depend on the acquirer to be able to sign the Production Individualization Agreement. The group is still waiting the agreement to be signed to register this operation.

With the combination of the sharp drops and high volatility in the Brent Crude price in 2020 and the global impact of the Covid-19 pandemic, Enauta implemented measures aimed at maintaining liquidity and reducing its costs and expenses. Among these measures we highlight:

- analysis of going concern risk – Until now, the Company has faced the Covid-19 with a limited impact on its business. The current uncertainties related to Covid-19 and the decrease in oil prices worldwide do not result in events or conditions that may cast significant doubts on the Group’s ability to continue as a going concern.

- the Company reviewed the assumptions of the annual impairment test and concluded that, based on the criteria of standard CPC 01 (Impairment), there are no indications of impairment for the assets, concluding that the cost of these reflects the best assessment of them on the date basis of December 31, 2020.
- analysis of possible credit losses, and
- evaluation of the relevant estimates used in the preparation of the financial statements.

Due to the high volatility in Brent's economic scenario and prices, the consortium began the process of reassessing the Atlanta Field Definitive System (“SD”) in an effort to make the field more resilient at lower commodity prices.

The consortium is also in the process of evaluating the drilling of the fourth well, which had been suspended.

Blocks’ acquisition:

On December 4th, 2020, Enauta Energia acquired a 30% stake in the onshore blocks PAR-T-196, PAR-T-215, PAR-T-86 and PAR-T-99 in the Paraná Basin in the second bidding round of the Permanent Offer held by Brazil’s National Agency of Petroleum, Natural Gas and Biofuels (ANP). The consortium is operated by Eneva S.A, with a 70% stake. The signature bonus for these blocks totals R$2,100, R$633 net for Enauta. Until December 31, 2020, the Company did not record this asset in its financial statements as it is awaiting approval of the acquisition by the ANP. The Minimum Exploratory Program (MEP) to be carried out within six years.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the individual and consolidated financial statements comprise the following:

2.1. Statement of conformity

All relevant information in the financial statements, are being disclosed, and correspond to those used by Management in its management.

2.2. Basis of preparation

The individual and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards" ("IFRS") issued by the International Accounting Standards Board ("IASB") and accounting practices adopted in Brazil ("BRGAAP").

The accounting policies adopted encompass those set out in Brazilian Corporation Law and the pronouncements, guidance, and interpretations issued by the Brazilian Accounting Pronouncements Committee ("CPC") and approved by the Federal Accounting Council ("CFC") and the Brazilian Securities Commission ("CVM").

The financial statements have been prepared using the historical cost, except for certain financial instruments measured at fair value.

The summary of the significant accounting policies adopted by the Enauta Group is described below:

2.3. Basis of consolidation and investments in subsidiaries

The consolidated financial statements include the financial statements of the Company and its subsidiaries.

The profit or loss of subsidiaries acquired, sold or merged during the period is included in the consolidated income statement and statement of comprehensive income beginning the actual acquisition, sale and merger date, as applicable.

In the Company's individual financial statements, the financial information on direct and indirect subsidiaries is recognized under the equity method.

When necessary, the subsidiaries' financial statements are adjusted to conform their accounting policies to those of the Group. All intragroup transactions, balances, revenue and expenses are fully eliminated upon consolidation of financial statements, except for the investment in its joint venture.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

Company's participation in subsidiaries

As of December 31, 2020 and 2019, the Company's financial statements include the financial information of its direct and indirect subsidiaries, using the same base date, as listed below:

			Percentage of interest	
	Country of operation	Control	12/31/2020	12/31/2019
Enauta Energia S.A.	Brazil	Direct	100%	100%
QGEP B.V.	Netherlands	Indirect	100%	100%

Enauta Energia is a privately held corporation and the main corporate object is the exploration of areas in the search for new oil and gas reserves, production, sale and industrial processing of oil, natural gas and by products, as well as holding stakes in companies that are substantially devoted to related activities, either as a partner or shareholder, or through other forms of association, with or without separate legal personality by concession or authorization of the competent authorities.

QGEP Netherlands B.V. ("QGEP B.V."), which maintains its registered offices in Rotterdam, in the Netherlands and its object is to constitute, manage and supervise companies, to engage in all types of industrial and commercial activities and perform any and all things related to such activities.

Company interests in investment funds

The financial statements of investment funds in which the Company and its subsidiaries are exclusive shareholders are consolidated from the date of acquisition of control and until this control is extinguished, which are:

Investment Fund	CNPJ
Fenix Multimercado Fundo de Investimento em cotas de Fundos de Investimento Crédito Privado	11.961.068/0001-53

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

2.4. Interests in joint ventures

A joint venture is a contractual agreement whereby a company and other parties undertake an economic activity that is subject to joint control. Joint control exists when the strategic financial and operating decisions relating to the joint venture's activity require the unanimous consent of the joint venture partners sharing the control.

Joint venture arrangements that involve the establishment of a separate entity in which each joint venture partner holds an interest are called jointly controlled entities.

Indirect subsidiary QGEP B.V. presents in its financial statements the interest held in a joint venture using the equity method.

Atlanta Field B.V. ("AFBV"), which also maintains its registered offices in Rotterdam. Its principal corporate object is the acquisition, budgeting, construction, purchase, sale, lease or charter of materials and equipment to be used for exploration and development of the concession for the Atlanta Field area in the Santos Basin of Southeast Brazil. It may further acquire, administer and operate equipment, including the equipment registered to support the Group. On December 31, 2019, AFBV also owns the FR Barra 1S.àr.l. ("FR Barra") as a shareholder with the remaining 50% interest. Until December 31, 2019, AFBV owned Dommo Netherlands BV with a 40% interest and whose interest was transferred to the Company and FR Barra in the proportion of 20% for each, according to note 9.

AFBV was created aiming at the partnership of the aforementioned shareholders with Enauta in the concession of Block BS-4.

When the Company conducts a transaction with a Group venture, the profits and losses resulting from the transaction with the joint venture are recognized in the financial statements only to the extent of the interests in the joint venture that are not related to the Group.

Company interests in joint ventures

	Country of operation	Control	Type of business	Percentage stake 12/31/2020	Percentage stake 12/31/2019
AFBV	Netherlands	Indirect	Joint venture	50%	30%

2.5. Segment information

Management's analysis concluded that Company operates within a single segment: oil and gas exploration and production ("E&P").

2.6. Cash and cash equivalents

Held to meet short-term cash commitments and consist of cash, bank deposits and highly liquid short-term investments subject to an insignificant risk of change in value.

2.7. Accounts receivable

Accounts receivable are recognized at fair value and subsequently measured at amortized cost using the effective interest method.

The Company applies the simplified approach of IFRS 9 (CPC 48) to measure expected credit losses.

2.8. Inventories

inventories are measuredat average production cost and adjusted, when applicable, to their net realizable value, when it is lower than the book value (note 7).

Net realizable value comprises the estimated selling price in the normal way of business, less estimated completion costs and expenses to complete the sale.

2.9. Oil and gas exploration, development and production costs

For purposes of accounting practices adopted in Brazil (BR GAAP), with respect to exploration, development and production costs, the Group uses accounting criteria consistent with IFRS 6 - Exploration for and evaluation of mineral resources.

Material maintenance costs of the production units, which include, but are not limited to, spare parts and assembly services, are recorded in property plant and equipment, if the recognition criteria in IAS 16 (CPC 27) are met. These maintenances occur, on average, every five years and costs are depreciated until the beginning of the next stop and recorded as cost of production.

IFRS 6 allows management to determine the accounting policy for the recognition of exploration assets used to explore mineral resources. The Company's Management has defined the accounting policy for exploration and evaluation of oil and gas reserves considering the criteria that represent the best judgment aspects of business environment and reflect more adequately financial and equity position. The main accounting principles adopted are:

- exploration concession rights and signature bonus are recorded as intangible assets;
- drilling costs from the feasibility studies not yet concluded remain recorded in property, plant and equipment until conclusion. Exploratory costs of all production wells and of successful exploration wells related to economically viable reserves are capitalized while non-viable ("dry hole") ones are recorded directly in income in the account for oil and gas exploration expenditures; and
- other exploration costs not related to the subscription bonus are recorded in the income statement as exploration costs for oil and gas extraction (costs related to the acquisition, processing and interpretation of seismic, drilling campaign planning, licensing studies, area occupation and retention costs, environmental impact, etc.).

Property, plant and equipment represented by natural gas exploration, development and production assets are recorded at cost and amortized under the unit-of-production method, which consists of a ratio between the annual volume produced and the total proved reserve of the producing field. The proven reserves used to calculate amortization (in relation to the monthly production volume) are estimated by in-house geologists and outside petroleum engineers in accordance with international standards, and revised annually or when there is evidence of significant change.

PP&E is stated at cost, plus interest and other charges on borrowings and financing used in the construction of qualifying assets, less accumulated depreciation and amortization.

The gain or loss arising from the disposal or sale of a property, plant and equipment item is determined by the difference between revenue earned, if applicable, and the corresponding residual value of the asset, and is recognized in profit or loss.
The Company and its subsidiaries basically includes in intangible assets the costs on the acquisition of exploration concessions and subscription bonuses corresponding to the bids to obtain oil or natural gas. These are recorded at acquisition cost, adjusted, as applicable, to recoverable value and amortized under the unit of production method in relation to proven reserves.

Management annually assesses its O&G exploration assets on a qualitative basis so as to identify facts and circumstances that indicate that such assets are impaired, as follows:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area/block is neither budgeted nor planned by the Company or its partners;
- exploration for and evaluation of mineral resources have not led to the discovery of commercially viable quantities of mineral resources and Management has decided to discontinue such activities in specific areas/blocks.
- sufficient data exists to indicate that, although development in the specific area/block is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Regarding assets under development and producing assets, the Company evaluates the existence of impairment loss based on future cash flows considering assumptions of remaining useful life. The test consists of comparing the asset's estimated present value with its carrying value. Other assumptions such as reserves, exchange rate, discount rate and oil prices are also considered in the impairment testing model.

The asset retirement obligation (ARO) for a production area is recorded at the time the well is drilled, after the declaration of commercial viability for each field, and as soon as there is a legal or constructive obligation to retire the area and also when costs can be reliably measured as part of related assets' cost (PP&E), as a contra entry to the provision for ARO recorded in liabilities, which supports such future costs (Note 18). The provision for ARO is revised annually by Management by adjusting the assets and liabilities already recorded. Revisions of the calculation basis of the cost estimates are recognized as PP&E costs and the recognition of the passage of time (denominated reversal of discount), considered in the model for calculation of the future obligation, being allocated directly to profit or loss.

2.10. Impairment

The Company periodically monitores changes in expectations and operations that indicate deterioration or loss of the recoverable value of its assets. When the evidence is identified, calculations are performed to verify whether the net book value exceeds the recoverable amount, and if confirmed, an accrual for devaluation is made adjusting the carrying amount to the recoverable amount.

Due to the impacts caused by the Covid-19 pandemic worldwide, the demand for oil oscillated abruptly during the year 2020, impacting the prices practiced in the national and international markets. The relevant reduction in the Brent price, directly related to the Company's revenues, was considered indicative of a possible loss in the recoverable value of the assets.

The Company made calculations to verify the recoverable value of its main exploration and production of oil and production of condensed gas assets, against the values booked, using the most current projections of oil, gas and dollar prices, and did not identify the need to recognize an accrual.
Cash flows are estimated based on the results already realized, the Company's annual budget and considering the maturity of each concession and the expected growth of the market, based on assumptions validated by the reserve certifier, when these are revalued. Those flows are discounted at the most recent average weighted cost of capital of the Company, 8%, using the methodology applied in the oil and gas industry. "

2.11. Expenditures associated with joint E&P operations

In its capacity as operator of concessions for O&G E&P, one of the Company’s obligations is to represent the joint operation with respect to third parties. In this sense, the operator is in charge of contracting and paying the suppliers for such joint operations and, for this reason, the invoices received by the operator consider the total amount of the supplies and services acquired for full concession operation. The impacts on the operator’s individual results, however, only reflects its share in the concession, in that the portions associated with the other partners are charged to them on a monthly basis. The operator estimates the disbursements forecast for the subsequent month, based on the expenditures already incurred or to be incurred, regardless of whether or not they are billed by the suppliers. These expenditures are charged to the partners through cash calls and the rendering of accounts is conducted each month through billing statements.
The Company's E&P operating partnerships are classified as joint operations and recognized in relation to its interests:

i) its assets, including its share of any assets held jointly;
ii) its liabilities, including its share of any liabilities assumed jointly;
iii) its sales revenue corresponding to the proportion of its participation in the production resulting from the joint operation;
iv) its portion of the sales revenue realized directly by the joint operation; and
v) your expenses, including your portion of any expenses incurred together.

Assets, liabilities, income and expenses related to the participation in a joint operation are accounted for in accordance with the specific accounting policies applicable to assets, liabilities, income and expenses.

2.12. Borrowings and financings

Borrowings and financing are initially recognized at their fair values when funds are received, net of transaction costs, where applicable. They are subsequently measured at amortized cost, i.e., including charges, prorated interest and monetary and exchange variations, as contractually prescribed, through the reporting date.

2.13. Derivative financial instruments

The Company uses derivative financial instruments to provide protection against its exposure to changes in oil price risks (Note 27). The derivative financial instruments designated in hedge operations are initially recognized at fair value on the date on which the derivative contract is signed, and are subsequently measured also at fair value. Derivatives are presented as financial assets when the fair value of the instrument is positive; and as financial liabilities when the value is negative. Any earnings or losses resulting from changes in the fair value of derivatives during the year are entered directly in the income (loss) for the year. The Company does not operate with speculative derivative financial instruments.

2.14. Provision for contingent and legal assets and liabilities

Recognition, measurement and disclosure of provisions and contingent assets and liabilities are performed in accordance with the criteria defined in Technical Pronouncement CPC 25 “Provisions, Contingent Liabilities and Contingent Assets” (IAS 37).

Provisions for tax, civil and labor lawsuits are recognized for contingencies when the likelihood of loss is classified as probable, based on the opinion of Management and external legal counsel. Amounts are recorded based on the estimated costs that may arise on the termination of such lawsuits. Contingencies where the likelihood of loss is classified as possible are disclosed by Management but not booked (note 17).

2.15. Legal obligations

The amounts regarding litigations of taxes, civil and labor and other obligations with the same nature are accounted for based onthe likelihood of success. Hence, the amount thereof is fully recognized and/or disclosed in the financial statements.

2.16. Income tax and social contribution

The Brazilian federal corporate income tax (IRPJ) and social contribution (CSLL) are calculated and recognized based on the tax rates prevailing as of the reporting date. Deferred taxes are recognized for temporary differences and tax loss carry forwards, where applicable, only when and up to the amount whose realization is considered probable by Management (according to the business model approved by the latter as well as by the Company’s governance bodies).

2.17. Tax incentives

2.17.1. Federal incentives

Lei do Bem:

Lei do Bem (Law 11.196 / 2005) provides for tax incentives for technological innovation, aiming to promote the acquisition of new knowledge, know-how, encourage technological research and the development of new products and processes in the country. The tax incentives provided in this standard are: deduction of expenditures on technological innovation from 60% to 80% of the calculation base of the IRPJ and CSLL; 50% reduction in IPI and accelerated depreciation.

In 2020 and 2019, Enauta identified expenditures as technological innovation, for purposes of Lei do Bem, in relation to its Early Production System in the Atlanta field - BS4. This incentive made it possible to reduce the IRPJ and CSLL calculation base in the amount of R$ 2,000 (21,000.00 as of of December 31st, 2019..

Superintendência do Desenvolvimento do Nordeste ("SUDENE") – operating profit

As the Company owns the Manati field, located in the region under the jurisdiction of the Northeast Development Authority (SUDENE), it is entitled to income tax relief of 75%, calculated on its operating profit. Enauta has this benefit until December 31, 2025. At the operational investee Enauta, the amount corresponding to the incentive has been recognized in results and subsequently transferred to the revenue reserve - tax incentives, under Shareholders' Equity. This benefit is classified under Investment subsidies, pursuant to the norms set out in article 30 of Federal Law No. 12.973/2014.

2.17.2. State incentives

a) Presumed credit - ICMS

Under State Decree No. 13.844/2012, issued by the Government of Bahia, Enauta Energia enjoys a presumed 20% credit relating to the state value-added tax on circulation of goods and services (ICMS) levied on shipments of natural gas, owing to its investment in a compression unit aimed at making maintenance of production feasible. This benefit is slated to last until 2022.

At operational investee Enauta Energia, this ICMS investment subsidiary is recorded under the caption “Taxes levied on Sales” and subsequently, at year end, is transferred to the revenue reserve - tax incentives, under Shareholders’ Equity, in accordance with article 30 of Federal Law No. 12.973/2014.

2.18. Share-based payment arrangements

The employees’ equity settled share-based payment plan is measured at the fair value of the equity instruments at the grant date, as described in note 28 (iii).

The fair value of the options granted, as determined at the grant date, is recorded as an expense for the year under the accelerated method over their vesting period, based on the Company’s estimates of which options will eventually vest, with a corresponding increase in equity (“Share-based payment arrangements”).

2.19. Treasury stock

These are the Company’s own equity instruments that are bought back and recognized at cost, and deducted from equity. No gain or loss is recognized in the income statement on the purchase, sale, issuance or cancellation of the Group’s own equity instruments. Any difference between the carrying value and the consideration is recognized in other capital reserves.

2.20. Financial instruments

Financial assets and liabilities are recognized when the Group is a party to the underlying contract. The financial statements of the Group were prepared in conformity with CPC 48 (IFRS 9), which contains three main classifications for financial assets: measured at amortised cost, FVOCI (fair value through other comprehensive income) and FVTPL (fair value through profit or loss).

The classification of financial assets under CPC 48 (IFRS 9) is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristic.

2.20.1. Financial assets

The classification of financial assets under CPC 48 (IFRS 9) is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

All regular-way purchases or sales of financial assets are recognized or derecognized on the trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. There was no retrospective change in the adoption of IFRS 9 in relation to IAS 39 for previous years.

Financial assets at FVTPL

These include financial assets held for trading (i.e., acquired primarily for the purpose of sale in the short term), or those designated at FVTPL. Interest, inflation adjustment, foreign exchange changes and changes arising from the adjustment to fair value are recognized in profit or loss under finance income or finance costs, when earned or incurred. The Group has cash equivalents (CDBs and debentures under repurchase agreements), short-term investments and derivatives of oil sales classified in this category.

Amortized costs

The financial asset must be measured at amortized cost if both of the following conditions are: (a) the financial asset is maintained within a business model whose objective is to maintain financial assets in order to receive contractual cash flows; and (b) the contractual terms of the financial asset, on specified dates, to cash flows that exclusively constitute payments of principal and interest on the principal amount outstanding.

The Group has restricted cash and short-term investments classified in this category.

Financial assets measured at fair value through other comprehensive income

Financial assets should be measured at fair value through other comprehensive income if both of the following conditions are met; (a) the financial asset is maintained within a business model whose objective is achieved by both the receipt of contractual cash flows and the sale of financial assets; and (b) the contractual terms of the financial asset give rise, on specified dates, to cash flows that exclusively comprise principal and interest payments on the principal amount outstanding.

Impairment of financial assets

Financial assets are valued using impairment indicators at the end of each reporting period. Impairment losses are recognized if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with an impact on the estimated future cash flows.

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or obligor; or
- breach of contract, in the form of default or delinquency in interest or principal payments; or
- likelihood that the borrower will become bankrupt or file for court-ordered reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties; and
- significant increase of credit risk

For financial assets recorded at cost, the recorded impairment value corresponds to the difference between the carrying amount of the asset and the present value of future estimated cash flows, discounted at the current return rate of a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The financial asset's carrying amount is directly written down by the impairment loss for all financial assets, except for trade receivables, in which case the carrying amount is written down by an allowance account. Subsequent recoveries of amounts previously written off are credited to the provision account. Changes in the carrying amount of the provision are recognized in profit or loss.

2.20.2. Financial liabilities

Financial liabilities are classified either as “financial liabilities at FVTPL” or other financial liabilities”. The Group has no financial liabilities at fair value.

Other financial liabilities

Other financial liabilities (including borrowings and financing) are stated at amortized cost.

The effective interest method is used to calculate the amortized cost of a financial liability and allocate its interest expense to the related period. The effective interest rate is the rate that discounts exactly estimated future cash flows (including fees paid or received that are an integral part of the effective interest rate, transaction costs, and other premiums or discounts) over the expected life of the financial liability or, where appropriate, by a shorter period to the net carrying amount at initial recognition. The Group has borrowings and financings classified in this category.

2.21. Functional currency

The functional currency of Company and its operating Brazilian subsidiary Enauta Energia, used in preparation of the financial statements is the Brazilian currency - Real (“R$”), which best reflects the economic environment in which the Group operates and the way it is actually managed. The indirect subsidiary and the joint venture, both based in the Netherlands, use the United States Dollar (“US$”) as their functional currency. The financial statements of the subsidiaries and joint venture are presented in Reais (“R$”), which is the functional and reporting currency of Company.

2.21.1. Foreign currency translation

The individual and consolidated financial statements are presented in Brazilian Reais (R$), which is the Parent Company’s functional and presentation currency. The assets and liabilities of the foreign subsidiaries are translated into Brazilian Reais based on the exchange rate prevailing at the end of the reporting year and the corresponding income statements are translated using the average monthly exchange rate at the transaction date. Exchange differences arising on such translation are separately recognized in equity, in the statement of comprehensive income, in line item ‘Other comprehensive income - Currency translation adjustments (CTA).

2.22. Statement of Added Value ("SAV")

This statement is intended to disclose the wealth created by the Group and its distribution during a certain period, and is presented by the Company, as required by Brazilian corporate law, as part of its individual financial statementsand as supplemental information to the consolidated financial statement, since it is neither provided for nor mandatory under IFRS.

The SAV was prepared based on information obtained in the accounting records that serve as basis for the preparation of financial statementsand in accordance with the provisions of CPC 09 - Statement of Added Value. The first part of the SAV presents the wealth created by the Company, represented by revenues (gross sales revenue, including taxes levied thereon, other income and the effects of the allowance for doubtful accounts), inputs purchased from third parties (cost of sales and purchases of materials, energy and outside services, including the taxes included upon purchase, the effects of impairment and recovery of assets, and depreciation and amortization) and the value added received from third parties (share of profits (losses) of subsidiaries, finance income and other income). The second part of the SAV presents the distribution of wealth among employees, taxes and contributions, compensation to third parties and shareholders.

2.23. Statement of Cash Flows ("SCF")

This statement is prepared as prescribed by CPC03 (R2)/IAS7, using the indirect method. The Company classifies in line item Cash and cash equivalents the balances of amounts immediately convertible into cash and highly-liquid investments subject to an insignificant risk of changes in value.

2.24. Earnings per share

Basic earnings per share and diluted earnings per share are calculated by dividing the net income for the year by the weighted average number of common shares held by shareholders, less treasury stock during the year.

2.25. New and revised standards and interpretations

The following amended standards and interpretations should not have a material impact on the Company's consolidated financial statements:

• annual improvement cycle for IFRS 2014-2016 - Amendments to IFRS 1 and IAS 28;
• changes to CPC 10 "Share-based payment" (IFRS 2) in relation to the classification and measurement of certain share-based payment transactions;
• transfers of investment property (Amendments to CPC 28 (IAS 40));
• amendments to CPC 36 Consolidated Statements (IFRS 10) and CPC 18 Investments in Associates (IAS 28) in relation to sales or contributions of assets between an investor and its associated company or its jointly controlled enterprise;
• ICPC 21 Transactions in foreign currency and down payment (IFRIC 22); and
• IFRIC 23 Uncertainty about Income Tax Treatments.

The Accounting Pronouncements Committee has not yet issued an accounting pronouncement or amendment to the current pronouncements corresponding to all new IFRS. Therefore, the early adoption of these IFRSs is not permitted for entities that disclose their financial statements in accordance with accounting practices adopted in Brazil.

2.26. Leases

IFRS 16 replaces existing lease standards, including CPC 06 Leasing Operations (IAS 17) and ICPC 03 Complementary Aspects of Leasing Operations (IFRIC 4, SIC 15 and SIC 27). The standart was applied CPC 06 (R2) (IFRS 16) as of January 1, 2019. Group adopted CPC 06 (R2) using the modified retrospective approach, in cumulative effect of the initial application was recognized in the opening balance of retained earnings on January 1, 2019.

IFRS 16 introduces a single model for the accounting of leases in the balance sheet for lessees. A lessee recognizes a right of use asset that represents his right to use the leased asset and a lease liability that represents his obligation to make lease payments. Exemptions are available for short term leases and low value items. The lessor's accounting remains similar to the current standard, that is, lessors continue to classify leases as financial or operating.

In addition, the nature of the expenses related to these leases has now changed. IFRS 16 replaces the operating lease expense of depreciation cost of use rights assets and interest expense on lease obligations.

2.27. Revenue from contract with customer

The Company recognizes its revenue in accordance with CPC 47 / IFRS 15 - Revenue from customer contracts. The effects arising from contracts with customers are only recorded when all the criteria established by the standard are met, including the approval of the contract, the identification of the rights of each party regarding the products to be transferred and, when the payment terms are met. are identifiable and when it is observed that the Company is likely to receive the consideration to which it will be entitled in exchange for the assets to be transferred to the client.

The contract between the parties also evaluates the promised products and the respective performance obligations, as well as determines the transaction price on a contractual basis and its measurement practices that takes into consideration the specified consideration. In this context, revenues related to the extraction of oil and natural gas, among others, are recognized when the product is transferred to the customer and the obligation defined in the contract is satisfied. The aforementioned measurement includes fixed and variable amounts, which are allocated to the transaction price, considering each performance obligation, at the amount that reflects the consideration to which the Company expects to be entitled in exchange for the transfer of the promised products to customers.

Thus, revenue is recognized when the Company meets the performance obligation that occurs when the transfer of the promised good is made to the customer. The asset is considered transferred when it is in the customer's possession, that is, when the customer has control and obtains substantially all the remaining benefits of the asset in question.

2.28. Correction of errors

During 2020, the Group discovered errors that have been corrected by restating each of the affected financial statements line items for prior periods in accordance with CPC 26/IAS 1 – Presentation of Financial Statements and CPC 23/IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The following tables summarize the impacts on the parent and consolidated financial statements:

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

i. Statement of financial position as of December 31, 2019

	Parent Company				Consolidated			
ASSETS	12/31/2019 As previously reported	Adjustments	Ref.	12/31/2019 As restated	12/31/2019 As previously reported	Adjustments	Ref.	12/31/2019 As restated
Total current assets	**100.143**	**-**		**100.143**	**2.075.885**	**-**		**2.075.885**
NON - CURRENT ASSETS								
Leases - rights of use	-	-		-	727.645	(58.116)	(1)(2)	669.529
Deferred income tax and social contribution	-	-		-	33.763	9.786	(1)(2)	43.549
Investments	2.810.324	(18.997)	(1)(2)(3)	2.791.327	177.289	-		177.289
Other non current assets	-	-		-	1.534.584	-		1.534.585
Total non-current assets	**2.810.324**	**(18.997)**		**2.791.327**	**2.473.281**	**(48.330)**		**2.424.952**
TOTAL ASSETS	**2.910.467**	**(18.997)**		**2.891.470**	**4.549.166**	**(48.330)**		**4.500.837**
LIABILITIES AND NET EQUITY								
Leases - rights of use	-	-		-	233.395	(32.726)	(1)(2)	200.669
Other noncurrent liabilities assets	14.933	-		14.933	338.697	-		338.697
Total current liabilities	**14.933**	**-**		**14.933**	**572.092**	**(32.726)**		**539.366**
NONCURRENT LIABILITIES								
Leases - rights of use	-	-		-	537.107	3.393	(1)(2)	540.500
Other noncurrent liabilities assets	-	-		-	544.434	-		544.434
Total noncurrent assets	**-**	**-**		**-**	**1.081.541**	**3.393**		**1.084.934**
SHAREHOLDERS' EQUITY								
Capital reserve	18.676	10.912	(3)	29.588	18.676	10.912	(3)	29.588
Accumulated profit/loss	-	(29.909)	(1)(2)(3)	(29.909)	-	(29.909)	(1)(2)(3)	(29.909)
Other equity captions	2.876.858	-		2.876.858	2.876.858	-		2.876.858
Total shareholders' equity	**2.895.534**	**(18.997)**		**2.876.537**	**2.895.534**	**(18.997)**		**2.876.537**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2.910.467**	**(18.997)**		**2.891.470**	**4.549.167**	**(48.330)**		**4.500.837**

ii. Statement of income for the year ended December 31, 2019

	Parent Company				Consolidated			
	As previously reported	Adjustments	Ref.	As restated	As previously reported	Adjustments	Ref.	As restated
NET REVENUE	-	-		-	1.111.670	-		1.111.670
COSTS	-	-		-	(757.041)	5.855	(2)	(751.186)
GROSS PROFIT	-	-		-	354.629	5.855		360.484
OPERATING INCOME (EXPENSES)								
General and administrative expenditure	(5.775)	-		(5.775)	(45.868)	(12.594)	(3)	(58.462)
Equity method	249.708	(31.591)	(1)(2)(3)	218.117	1.791	-		1.791
Other expenses	-	-		-	(84.407)	-		(84.407)
INCOME FROM OPERATIONS BEFORE FINANCIAL INCOME	243.933	(31.591)		212.342	226.145	(6.739)		219.406
Yields from short-term investments	1.365	-		1.365	117.400	-		117.400
Other financial revenues and expenses	(9.326)	-		(9.326)	(102.137)	(34.639)	(1)(2)	(136.775)
FINANCIAL INCOME, NET	(7.961)	-		(7.961)	15.263	(34.639)		(19.374)
INCOME BEFORE INCOME TAX SOCIAL CONTRIBUTION	235.972	(31.591)		204.381	241.408	(41.378)		200.032
Deferred Income tax and social contribution	(20.507)	-		(20.507)	(56.791)	-		(56.791)
Current Income tax and social contribution	-	-		-	30.848	9.786	(1)(2)	40.634
NET INCOME FOR THE YEAR	215.465	(31.591)	(1)(2)(3)	183.874	215.465	(31.591)	(1)(2)(3)	183.874
NET INCOME PER SHARE - BASIC AND DILUTED	0,82	-		0,70				

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

iii. Statement of cash flow for the year ended December 31, 2019

	Parent Company				Consolidated			
	As previously reported	Adjustments	Ref	As restated	As previously reported	Adjustments	Ref.	As restated
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the year	215.465	(31.591)	(1)(2)(3)	183.874	215.465	(31.591)	(1)(2)(3)	183.874
Adjustments to reconcile net income to net cash provided by (used in) operating activities:								
Equity method	(249.708)	31.591	(1)(2)(3)	(218.116)	(1.791)	-		(1.791)
Depreciation, amortization - IFRS 16		-		-	170.254	(5.855)	(2)	164.399
Deferred income tax and social contribution	-	-		-	(30.917)	(9.786)	(1)(2)	(40.703)
Financial charges - IFRS 16	-	-		-	60.168	34.639	(1)(2)	94.807
Stock option plan	-	-		-	(18.011)	12.595	(3)	(5.416)
Other operating activities	(6.105)	-		(6.107)	268.510	-	(3)	268.510
Net cash provided by (used in) operating activities	(40.348)	-		(40.348)	663.678	-		663.678
Net cash provided by (used in) investing activities	532.784	-		532.784	33.821	-		33.821
Net cash provided by (used in) financing activities	(492.309)	-		(492.309)	(715.101)	-		(715.100)
Effect of exchange variation on cash and cash equivalents	-	-		-	8.841	-		8.841
Decrease in cash and cash equivalents	127	-		127	(8.760)	-		(8.760)
Cash and cash equivalents at beginning of year	118	-		118	60.038	-		60.038
Cash and cash equivalents at end of year	245	-		245	51.278	-		51.278
Decrease in cash and cash equivalents	127	-		127	(8.760)	-		(8.760)

iv. Statement of value added for the year ended December 31, 2019

	Parent Company				Consolidated			
	As previously reported	Adjustments	Ref.	As restated	As previously reported	Adjustments	Ref.	As restated
GROSS VALUE-ADDED	(1.454)	-		(1.454)	899.071	-		899.071
DEPRECIATION, AMORTIZATION AND DEPLETION	-	-		-	(433.157)	5.855	(2)	(427.302)
NET VALUE-ADDED PRODUCED BY THE ENTITY	(1.454)	-		(1.454)	465.914	5.855		471.769
VALUE-ADDED RECEIVED IN TRANSFER	241.803	(31.591)		210.212	218.404	3.884		222.288
Equity income and dividends	149.709	(31.591)	(1)(2)(3)	118.118	1.791	-		1.791
Financial income	92.089	-		92.089	201.576	3.884	(1)(2)	205.460
Others	5	-		5	15.037	-		15.037
TOTAL VALUE-ADDED TO BE DISTRIBUTED	240.349	-		208.758	684.318	9.738		694.056
VALUE-ADDED DISTRIBUTION								
PERSONEL:	3.617	-		3.617	52.929	12.594	(3)	65.523
TAXES:	21.210	-		21.210	213.818	(9.786)	(1)(2)	204.032
PAYMENT OF THIRD PARTY CAPITAL:	57	-		57	202.106	38.522		240.628
SHAREHOLDERS								
Net income for the year	215.465	(31.591)	(1)(2)(3)	183.874	215.465	(31.591)	(1)(2)(3)	183.874
DISTRIBUTION OF VALUE ADDED	240.349	-		208.758	684.318	9.738		694.056

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

Description of the errors:

1) Foreign exchange variation erroneously capitalized as Right-of-use Assets

During 2020, the Group discovered that foreign currency exchange difference of lease payments denominated in a foreign currency were recognized as right-of-use assets instead of financial expenses in the statement of income for the year ended December 31, 2019. As a consequence, the Group is applying the requirements of CPC 02/IAS 21 – The Effects of changes in Foreign Exchanges Rates to translate the lease liability to the functional currency, and recognize the foreign currency exchange differences in the statement of income as follows:

	Parent Company	**Consolidated**
Leases - rights of use	-	(36,877)
Deferred income tax and social contribution	-	10,452
Investments	(20,289)	-
Non-current assets	**(20,289)**	**(26,425)**
Leases - rights of use	-	(6,136)
Current liabilities	**-**	**(6,136)**
Equity method	(20,289)	-
Other financial revenues and expenses	-	(30,987)
Amortization and depreciation		246
Income before income tax and social contributions	**(20,289)**	**(30,741)**
Deferred income tax and social contribution	-	10,452
Net income	**(20,289)**	**(20,289)**

2) **Tax credits (PIS and COFINS) erroneously included at leases initial measurement**

The Company recognized the full amount of PIS and COFINS tax credit, related to RFB no 1.889, at the lease agreement inception as part of the right of use assets. As such, this adjustment is to correct the recognition of the tax credits at the moment when the lease agreement installments are paid as follows:

	Parent Company	**Consolidated**
Leases - rights of use	-	(21,239)
Deferred income tax and social contribution	-	(665)
Investments	1,292	-
Non-current assets	**1,292**	**(21,904)**
Leases - rights of use	-	(26,590)
Current liabilities	**-**	**(26,590)**
	-	3,394

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

Leases - rights of use		
Noncurrent liabilities	**-**	**3,393**
Equity method	1,292	-
Amortization and depreciation	-	5,609
Other financial revenues and expenses	-	(3,652)
Deferred income tax and social contribution	-	(665)
Net income	**1,292**	**1,292**

3) Stock options erroneously reversed in 2019

The Company incorrectly reversed through the 2019 income statement the amount previously recognized as an equity-settled share-based payment expense during the vesting periods related to options not exercised by employees. As such, the Company made the following entries to adjust the statement of income:

	Parent Company	**Consolidated**
Accumulated profit/loss	12,592	12,592
Equity	**12,592**	**12,592**
		-
General and administrative expenditure	(12,592)	(12,592)
Net income	**(12,592)**	**(12,592)**

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF UNCERTAINTY IN ESTIMATES

In applying the Group's accounting policies described in Note 2, Management makes judgments and estimates regarding the carrying amounts of the assets and liabilities reported that are not easily obtained from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from such estimates upon effective realization in subsequent periods.

The main estimates used refer to the recognition of the effects arising on the provision for tax, civil and labor lawsuits, the depreciation and amortization of property, plant and equipment and intangible assets, the assumptions for determining the provision for ARO and decommissioning, the expected realization of tax credits and other assets, the provision for income tax and social contribution and the determination of the fair value of financial instruments.

Estimates and assumptions are reviewed on an ongoing basis. The effects resulting from the revision of accounting estimates are recognized on a forward-looking basis.

3.1. Main judgments in applying accounting policies

3.1.1. Updated at amortizated cost investments

Management has reviewed the Group's financial assets in the light of its capital maintenance and liquidity requirements, and has confirmed the Group's positive intent and ability to hold such assets to maturity. On December 31, 2020 and 2019, the Company do not have investments classified in this category.

3.2. Key sources of uncertainty in estimates

The following are the key assumptions with respect to the future and other key sources of uncertainty in estimates that can lead to significant adjustments to the carrying amounts of assets and liabilities in subsequent year:

3.2.1 Measurement of financial instruments

The Group uses valuation techniques that include the use of inputs that are not based on observable market data to estimate the fair values of certain types of financial instruments. Notes 27 contain detailed information on the main assumptions used to measure the fair values of financial instruments and a sensitivity analysis of such assumptions.

Management believes that the selected valuation techniques and the assumptions used are appropriate to determine the fair values of financial instruments.

3.2.2 Useful lives of fixed and intangible assets

As described in Note 2.10, at the end of each annual reporting period Management reviews the estimated useful lives of PP&E and intangible assets. Management has concluded that the useful lives of fixed and intangible assets are appropriate and no adjustments are required.

3.2.3 Deferred income tax and social contribution

Deferred tax assets resulting from accumulated tax losses (NOL's) for IRPJ purposes and negative CSLL results, as well as temporary differences, are recognized only to the extent that the Group expects to generate sufficient future taxable income for their realization based on projections and forecasts prepared by Management. Such projections and forecasts statements include several assumptions related to foreign exchange rates, production volume, exploration costs, commitments, and other factors that may differ from current estimates.
Under prevailing Brazilian tax legislation, there is no statute of limitations for the utilization of tax loss carry forwards, though they can only be offset against up to 30% of annual taxable income.

3.2.4 Provision for lawsuits

The booking of the provision for tax, civil and labor contingencies of a particular liability on the financial statements is made when the loss amount can be reasonably estimated (note 17). Due to their nature, contingencies will be settled when one or more future events occur or no longer occur. Normally, whether or not these events occur does not rely upon our performance, which prevents the obtaining of accurate estimates as to the precise date on which these events will occur.

The assessment of these liabilities, in particular within the uncertain Brazilian legal environment, and in other jurisdictions, involves significant estimates and judgments by Management as to the outcome of future events.

3.2.5 Estimates of proven and probable reserves (amortization of fixed and intangible assets, provision for ARO and impairment analyses)

The estimates of proven and probable reserves are periodically evaluated and updated. The proven and probable reserves are determined using generally accepted geologic estimation techniques. The calculation of reserves requires the Company to assume positions as to uncertain future conditions, including future oil prices, exchange rates, inflation rates, license availability, and production costs. Changes in any of these assumed positions could have a significant impact on the proven and probable reserves estimated.

The estimated reserve volume is the basis for calculating the portion of amortization and its estimated useful life is a major factor in quantifying the provision for ARO and decommissioning when an item of PP&E is derecognized. Any change in reserve volume estimates and the useful lives on the related assets could have a significant impact on amortization charges recognized in the financial statements as cost of sales. Changes in the estimated useful lives could have a significant impact on the estimated provision for ARO (Note 2.11), its recovery when it is derecognized from fixed and intangible assets and impairment testing of E&P assets.

The methodology for calculating this provision for ARO consists of estimating on the reporting date how much the Group would disburse on the decommissioning of areas under development and production areas.

This provision for ARO is revised annually by Management by prospectively adjusting the assets and liabilities already accounted for. Revisions in the estimates for the ARO provision are prospectively recognized as a cost of PP&E, with the effects of the passage of time (denominated reversal of discount), considered in the model for calculation of the future obligation, being allocated directly to profit or loss (Note 18).

Drilling expenses in the development phase and which did not result in “dry wells” and signing bonuses are capitalized and maintained in accordance with the accounting practice described in note 2.10. The initial capitalization of costs and maintenance thereof is based on the qualitative judgment of Management that their viability will be confirmed by the current exploration activities in progress and the exploration planned by the consortium’s operations committee.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

3.2.6 Accrued profit sharing

Profit sharing paid to employees is based on the attainment of annually set performance individual metrics by the area in which they work internally, and financial indicators. The amount is provisioned monthly and recalculated at the end of the period, based on the best estimate for the goals reached, according to the directives of Federal Law No. 10.101/2000, which regulates employee profit sharing at Brazilian companies.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents

	Parent Company	
	12/31/2020	12/31/2019
Cash and cash equivalents	371	245
Total	371	245

	Consolidated	
	12/31/2020	12/31/2019
Cash and cash equivalents	103,248	51,278
Total	103,248	51,278

On December 31, 2020 and 2019, the Company had only cash and bank deposits to cover scheduled payments.

5. Short-term investments in marketable securities

	Parent Company	
	12/31/2020	12/31/2019
Exclusive multi-market investment fund	2,660	14,004
Total	2,660	14,004
Current	2,660	14,004

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

	Consolidated	
	12/31/2020	12/31/2019
Fair value through profit or loss:		
Repurchase commitments	85,267	74,645
Exclusive multi-market investment fund (i):	1,524,010	1,578,377
CDB (floating rate CDI)	15,942	15,553
Government securities (LFT/NTN)	1,134,872	825,096
Financial notes (ii)	373,196	737,729
Total	1,609,277	1,653,023
Current assets	1,609,277	1,653,023

i. Subsidiary Enauta Energia has an exclusive multi-market investment fund, without prospects for using the funds within 90 days of the date of the investment. This fund, in turn, invests in quotas of exclusive fixed-income funds backed by government securities indexed to the variation in the Selic rate and private securities indexed to the variation in the CDI rate.

ii. Financial notes or bills of the banks operating in Brazil known as, ABC, ABN, Alfa, Bradesco, BNP, Daycoval Safra, Itaú, Volskwagen and Votorantim.

a) Average yields

The average yield of short-term investments were equivalent to 92.49% of the cumulative CDI rate for the year ended December 31, 2020 (98.80% for the year ended December 31, 2019).

6. TRADE ACCOUNTS RECEIVABLE

Enauta Energia entered into a long-term agreement due on June 2030 to supply a minimum annual volume of gas to Petrobras from Manati field, for a price in Brazilian Reais that is adjusted annually based on a Brazilian inflation index, with a take or pay clause.

On July 16, 2015, an amendment to the contract for such agreement between Enauta and Petrobras was signed in relation to the sale of gas from the Manati field. The original contract for sale of gas called for purchase of a volume of 23 billion m³ of gas, with all the other terms and conditions of the original contract being maintained.

Enauta Energia signed a contract with Shell to sell the oil producted at SPA of Atlanta Field. Oil sales will be Free on Board (“FOB”) on FPSO, with a netback price.

The balances of trade accounts receivable of R$87,719 and R$233,643, registred on December 31, 2020 and 2019 respectivelly, refers basically:

- Sale of gas to Petrobras (R$87,719 at December 31, 2020 and R$99,937 at December 31, 2019). Trade accounts receivable comprise only the balances receivable within approximately 40 days, after the invoice be issued.

  On December 31, 2019, Petrobras did not acquire the contracted volume that defines annaul take or pay. Enauta has recorded on this date the amount of R$6,744 receivable and a future obligation to deliver gas as part of the take or pay clause of the contract. Amount fully received in February 2020.

  In Manati, production was suspended from February 22 to May 25, 2020. On March 2020, we were notified by Petrobras that the current Covid-19 pandemic was, in its opinion, a force majeure event, causing a decrease in consumption of natural gas by the market and affecting its withdrawal commitment.

  In October 2020, the consortium concluded the negotiation related to the aforementioned notification and signed an agreement with Petrobras. The agreed amounts have already been fully received by the Company. Accordingly, there is no balance receivable from take or pay on December 31, 2020.

- Sale of oil to from Atlanta Field to Shell (R$127,043 on December 31, 2019) . Average receivable within approximately 45 days, after the invoice be issued. On December 31, 2020, the Atlanta Field operation has a preventive suspension of production, as disclosed in the material fact on November 19, 2020.

On December 31, 2020 and December 31, 2019, there is no provision for non-receipt of accounts receivable balances, as there is historically no default or delay in these contracts.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

7. CREDITS RECEIVABLE AND DEBTS FROM BUSINESS PARTNERS

These credits reflect the expenses incurred on E&P activities that are billed (cash calls) or will be billed to non-operator partners in the related consortiums, or allocated by the operator partners to the Company in the blocks not operated by Enauta.

On December 31, 2020 and 2019, credits with unmatured partners amount to R$46,761 and R$57,643, respectively.

As of December 31, 2020 and 2019, debts with unmatured partners amount to R$89,318 and R$68,267, respectively, of which R$64,077 (R$32,583 on December 31, 2019) refers partner Barra Energy held by the financial institution in the name of the subsidiary Enauta Energia.

8. INVENTORIES

On December 31, 2020 and 2019 inventory amount as follow:

	Consolidated	
	12/31/2020	12/31/2019
Production consumer goods		
Materials and supplies	751	813
Finished products		
Oil	208	8,700
Total	959	9,513
Current assets	959	9,513

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

9. RELATED PARTIES

(i) Transactions with related parties

Balances and transactions between the Company and its subsidiaries, have been eliminated upon consolidation and are not presented in this note.

The balances of the transactions between the Company and other related parties are as follows:

	Parent company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Assets – Current (Accounts receivables)				
Enauta Energia	-	123	-	-
Constellation (a)	-	-	50	14
QGEP B.V.	-	-	121	84
OGX Netherlands (b)	-	-	-	25,068
Total	-	123	171	25,166

	Parent company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Current liabilities (Accounts payable)				
Enauta Energia (e)	-	11,383	-	-
Constellation (a)	-	-	-	48
QGEP B.V.	-	-	18,526	60,141
Total	-	11,383	18,526	60,189

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

	Consolidated	
	01/01/2020 a 12/31/2020	01/01/2019 a 12/31/2019
Income statement		
Shared services (a)	127	(75)
Leasing FPSO Equipament (c)	(139,681)	(105,106)
Leasing Subsea Equipament (c)	(21,139)	(21,481)
Rental (d)	-	(17,915)
Total	(160,693)	(144,937)

(a) On December 31, 2020 and 2019, the amount results from the prorating of specialized human resources from Serviços de Petróleo Constellation S.A ("Constellation"). The expenses incurred were charged through prorating criteria considering the efforts demanded for each corporate activity, with settlement term of 35 days. In the event of delay in payment, there is a monthly interest charge of 1%.

(b) On December 31, 2019, refers an amount to be receivable from OGX Netherlands BV (AFBV' shareholder until 2019) referring to fundings requests for contribution to the AFBV from July 2016 and January 2017 and the amounts referring to OGX was carryed by FR Barra 1 S.à r.l and QGEP Netherlands B.V equally for each company. The amount is based on USD therefore is exposed to foreign exchang and libor 1% per month.

On May 2020, QGEP BV recognized the additional 20% investment on AFBV.

(c) Refers to lease of subsea equipment (maturing quarterly) and the FPSO between Enauta and AFBV. These amounts are paid in USD.

(d) In 2019, the amount refers to the rental and provision of service from the Laguna Star rig for activities in the third well and intervention in the first two producing wells.

(e) Refer to transactions based on stock options between group companies.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

(ii) Guarantees and surety involving related parties

The Company has posted a performance bond with the ANP for all the contractual obligations assumed by Enauta Energia in the Concession Agreements signed in relation to the 11^{th}, 13^{rd}, 14^{th} and 15^{th} Round of Bidding.

Enauta Energia has a surety granted to guarantee the financing contracted from Banco do Nordeste do Brasil (“BNB”), as mentioned in Note 16.

Company guarantees through corporate collateral signatures the borrowings contracted by Enauta Energia from Financiadora de Estudos e Projetos (“FINEP”) and BNB, as mentioned in Note 16.

(iii) Management compensation

Management compensation includes fixed compensation (salaries and fees, vacation pay, 13th salary, and pension fund, as well as other benefits under the collective bargaining agreement with Company employees), payroll taxes (social security contributions - INSS, FGTS, among others), and key management personnel’s variable compensation and stock option plan, as follows:

	Parent company		Consolidated	
	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019
Short-term benefits	4,232	4,308	12,828	10,874
Stock Option				74

The Company does not offer postemployment benefits, other long-term benefits and/or severance benefits, except for the pension plan described in Note 31.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

10. RESTRICTED CASH

	Consolidated	
	12/31/2020	12/31/2019
Short-term investments - guarantors (a)	223,310	168,149
ARO fund (b)	358,438	263,976
Total	581,748	432,125

(a) Guarantee posted for borrowings and financings, as per Note 16.

(b) The ARO fund is represented by short-term investments in marketable securities, which are maintained for the commitment for payment of the ARO provision for the Manati Field and Atlanta Field, which the rules are determined for each consortium and administered by the operators of each consortium.

	Consolidated	
Fields	12/31/2020	12/31/2019
Manati	231,064	198,810
Atlanta (*)	127,374	65,166
Total	358,438	263,976

(*) Enauta's share is R$63,687 (R$32,583 on December 31, 2019).

Yield from Manati fund was 15.87% for the year ended December 31, 2020 and 6.72% for year ended December 31, 2019.

Yield from Atlanta Field was 95% of CDI for the year ended December 31, 2020 and for year ended December 31, 2019.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

11. TAXES AND CONTRIBUTIONS

11.1. Taxes and contributions recoverable

	Parent company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Antecipation of IR and CSLL (b)	382	492	5,038	6,351
IRRF on short-term investments (a)	53	240	9,112	16,639
PIS /COFINS recoverable (c)	-	-	57,099	-
PIS/COFINS credit	-	-	4,694	3,843
ICMS on PP&E	-	-	202	477
Other credits	-	-	292	-
Total	435	732	76,708	27,310
Current	435	732	16,277	23,005
Noncurrent	-	-	60,430	4,305

11.2. Taxes and contributions payable

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
ICMS (d)	-	-	10,234	4,616
PIS/COFINS (e)	1.758	9,253	-	12,102
IRRF over services and salaries	55	64	1,561	1,979
IR and CSLL	-	5,435	-	4,170
Royalties (f)	-	-	2,964	10,790
Special participation (f)	-	-	173	1,401
IRRF in foreign remittance (g)	-	-	4,601	4,735
Other (h)	2	2	4,777	3,052
Total – current	1.815	14,754	24,310	42,845
	-			
Current assets	1.815	14,754	17,036	42,845
Non- current assets	-	-	7,274	-

(a) Basically, these taxes refer to withholding income tax (WIT or IRRF) on credits relating to the semi-annual collection of income tax on yields from investment portfolios, denominated "*come-cotas*" in controlled Company Enauta Energia.

(b) Antecipation of IR and CSLL to compensated in the previous periods.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

(c) PIS and COFINS tax credits monetarily updated by Selic referring to a final court decision on June 26, 2020, in favor of the Company, where the right to exclude ICMS from the basis for calculating contributions to PIS and COFINS (note 17).

(d) These state and federal charges basically refer to the taxes and contributions levied on the sale of natural gas from the operations of the Manati field. As for the state ICMS, this is net of the tax benefits described in Note 20.

(e) On consolidated refers to Government takes on the gas produced in the Manati Field. on December 31, 2020 the Company's balance contained an amount related to PIS and COFINS from interest on equity.

(f) Government takes on the gas produced in the Manati Field and under the oil produced on Atlanta field, as described in Note 25.

(g) The amount refers that the Operator applied to the program established by Federal Law 13.586 / 2017 to waive administrative and judicial actions related to IRRF on foreign remittances due to vessel rental agreements (the amount has not been subject to cash call by the Operator).

(h) Refers mainly to área retention fees and whtholding tax on services rendered.

11.3. Reconciliation of income tax and social contribution in income for the year:

	Parent Company		Consolidated	
	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019 (corrected)	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019 (corrected)
Income before tax	126,585	204,381	142,964	200,031
Combined statutory tax rate	34%	34%	34%	34%
IRPJ and CSLL charge at combined statutory tax rate	(43,039)	(69,490)	(48,608)	(68,011)
Adjustment of charges to effective rate:				
Equity pickup	45,705	74,160	(1,899)	(609)
Tax losses not activated (a)	-	-	113	-
Tax incentives	-	-	31,418	48,483
Unrecognized tax loss carry forwards (a)	1,138	8,799	1,138	8,799
Permanents	(6,436)	(33,976)	(1,173)	(4,818)
Income Tax and CSLL current	(2,632)	(20,507)	(41,926)	(56,791)
Income Tax and CSLL deferred	-	-	22,916	40,634

(a) These amounts refer to IRPJ tax losses and negative CSLL results. As of December 31, 2020, Company has carry forwards relating to IRPJ tax losses and negative CSLL results in the amounts of R$900 (on December 31, 2019 - R$4,247 refers carry forwards relating to IRPJ tax losses and R$4,248 refers negative basis of CSLL), for which no deferred IRPJ and CSLL assets arising from tax loss carry forwards are recorded, as there is no history of taxable income to date and the Company is a holding company being the equity method net of subsidiary taxation.

(b) Refers basically to the tax incentive of the presumed ICMS credit and to the exploration Profit

(c) In June 2020, was recognized for the profits of the company QGEP Holanda.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

11.4. Deferred income tax and social contribution

The balances of deferred IRPJ and CSLL assets arise from temporarily non-deductible provisions recorded in profit or loss of subsidiary Enauta, which will be deducted from IRPJ taxable income and CSLL results in future profitable periods when such provisions are effectively realized.

	Consolidated	
	12/31/2020	12/31/2019 (Corrected)
Breakdown of deferred tax assets		
Amortization of provision for ARO	117,991	92,153
Provision for research and development (R&D)	628	1,023
Leases – IFRS 16	75,984	24,357
Sundry provisions	8,449	8,711
Total	203,051	126,244

	Consolidated	
	12/31/2020	12/31/2019 (Corrected)
Breakdown of deferred tax liabilities		
Taxation on universal bases - QGEP B.V.	(40,739)	-
ICMS exclusion credit PIS and COFINS calculation base	(19,414)	-
Accelerated depreciation	(45,920)	(45,920)
Provision forabandonment	(26,373)	
Others provisions	(4,128)	(36,775)
Total	(136,574)	(82,695)

	Consolidated
Deferred tax assets	
Balance as of December 31, 2019 (corrected)	126,244
Temporary differences generated by provisions and respective reversals:	
Amortization of provision for write-off of wells	25,838
Leases – IFRS 16	51,626
Others provisions - Additions and reversals	(657)
Balance as of December 31, 2020	203,051

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

Deferred tax liabilities	
Balance as of December 31, 2019 (adjusted)	(82,695)
Taxation on universal bases - QGEP B.V.	(40,739)
ICMS exclusion credit PIS and COFINS calculation base	(19,414)
Provision for abandonment	(3,493)
Others provisions	9,767
Balance as of December 31, 2020	136,574
Net deferred tax assets	66,478

To support the deferred tax assets, the Company updated, considering the achievements up to December 31, 2020, the technical feasibility study which is based on projections prepared in 2020 approved by Directors. The study shows recovery viability.

Timetable of expected realization of deferred tax credit as of December 31, 2020:

Deferred assets	
2021	8,253
2022	247
From 2023	194,552
Total	203,052
Deferred liabilities	
2021	(82,952)
2022	(4,078)
From 2023	(49,520)
Total	(136,550)

12. INVESTMENTS

12.1. Breakdown

The following are details on the Company's subsdiaries as of the closing of the year:

Type of Control	Name of subsidiary	Place of establishment and operation	Percentage share of voting and total capital
Direct	Enauta Energia S.A.	Brazil	100%
Indirect	QGEP B.V.	Netherlands	100%
Indirect	Atlanta Field B.V.	Netherlands	50%

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

12.2. Subsidiaries measured under equity accounting method

Below, investments and financial statements for calculation of equity in direct and indirect subsidiaries are broken down as follows (R$):

	12/31/2020		
	Enauta Energia	QGEP B.V.	AFBV
Number of common shares	191,262,711	1,000	5,000
Percentage equity interest	100%	100%	50% (a)
	R$	R$	R$ (*)
Capital stock	2,042,553	2	20
Shareholders' equity	2,749,257	76,112	54,727
Income (loss) for the year	134,426	114,659	16,533
Total assets	4,350,977	82,344	786,664
Total liabilities	1,601,720	6,232	732,387
Net revenues	945,446	-	44,940

(a) On October 25, 2019, a 20% ownership of Dommo BV shares was effectively transferred to QGEP BV, following the Amsterdam Court decision to grant the request from QGEP BV and Barra Luxembourg Sarl. On November 19, 2019, the Rotterdam court granted a judicial control recorded as shares of QGEP BV in the AFBV, a request from Dommo Netherlands BV. On May 13, 2020, Amsterdam court issued a decision without a sense of freedom of the press determined with immediate effect, postponed or requested by QGEP BV and Barra Luxembourg Sarl. For this reason, the additional 20% of AFBV's shares were registered by QGEP BV in May 2020, in the amount of US$29,900 (R$120,982), as provided for in CPC 46 (IFRS 13). This investment was recorded against the income for the year, under "other operating income".

	12/31/2019		
	Enauta Energia (Corrected)	QGEP B.V.	AFBV(*)
Number of common shares	191,262,711	1.000	3.000
Percentage equity interest	100%	100%	30%
	R$	R$	R$ (*)
Capital stock	2,042,553	151,446	20
Shareholders' equity	2,791,327	203,224	590,963
Income (loss) for the year	218,117	(489)	8,954
Total assets	4,484,992	204,126	864,858
Total liabilities	1,693,666	902	841,098
Net revenues	1,111,670	-	48.549

(*) The figures in Brazilian Reais presented refer to the totals for AFBV.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

The changes in Company's investments in the individual and consolidated financial statements, are as follows:

	12/31/2020	
	Parent Company	Consolidated
	Enauta	AFBV
Balances as of December 31, 2019 (corrected)	2,791,327	177,289
Capital stock reduction	-	(20)
Stock option plan	20,629	-
Dividends – payments (a)	(218,500)	(60,212)
Currency translation adjustments	58,273	(218,121)
Change in Shareholding equity	-	120,982
Hedge	(6,991)	-
Adjustments – previous year	(29,909)	-
Equity pick-up	134,426	7,220
Balances as of December 31, 2020	2,749,257	27,138

	12/31/2019	
	Parent Company	Consolidated
	Enauta	AFBV
Balances as of December 31, 2018	3,161,351	167,888
Stock option plan	(5,416)	-
Dividends – payment	(470,408)	-
Additional dividends (c)	(100,000)	-
Currency translation adjustments	8,841	7,610
Hedge	(21,157)	-
Equity pick-up	218,117	1,791
Balances as of December 31 , 2019	2,791,327	177,289

(a) The Company's Management proposed the distribution of additional dividends to JCP in the amount of R $ 19,000. The amount was paid by Enauta Energia to the Company in February 2021.

(b) On April 15, 2020, the Board of Directors approved a proposal for distribution in addition to the dividends specified in item b in the amount of R$218.500 and the dividends were paid on April 28, 2020 to the shareholders identified in the structure on date of approval.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

(c) The Shareholders Meeting on December 27, 2019 was approved the distribution of interest to shareholders equity in the amount of R$100,000 (net of withholding tax of R$85,000), to be included to the mandatory dividend for the year of 2019. The amount were paid by Enauta to Company on April 28, 2020.

13. PROPERTY, PLANT AND EQUIPMENT

	Percentage of Depreciation	Consolidated 12/31/2020		
		Cost	Depreciation	Net
Corporate segment				
Furniture and fixtures	10%	2,915	(2,059)	856
Leassehold improvements	20%	4,107	(4,107)	-
Installations	11%	1,556	(1,058)	498
Computer hardware	20%	4,332	(3,229)	1,103
Real estate properties	3%	6,363	(1,155)	5,208
Lands	-	174	-	174
Total		19,447	(11,608)	7,839
Upstream segment				
Expenditures on exploration of natural resdource in progress (i)	-	16,842	(15,679)	1,163
Expenditures on development of O&G production in progress (ii)		1,370,170	(592,776)	777,394
Expendittures on development of O&G production (ii)		1,073,798	(931,089)	142,709
Subtotal		2,460,810	(1,539,544)	921,266
Total		2,480,257	(1,551,152)	929,105

	Percentage of Depreciation	Consolidated 12/31/2019		
		Cost	Depreciation	Net
Corporate segment				
Furniture and fixtures	10%	2,872	(1,769)	1,103
Leassehold improvements	20%	4,107	(4,107)	-
Installations	11%	1,556	(888)	668
Computer hardware	20%	3,797	(2,846)	951
Real estate properties	3%	6,363	(978)	5,385
Land		174	-	174
Subtotal		18,869	(10,588)	8,281
Upstream segment				
Expenditures on exploration of natural resdource in progress (i)	-	16,844	(15,346)	1,498
Expenditures on development of O&G production in progress (ii)		916,888	(346,532)	570,356
Expendittures on development of O&G production (ii)		1,007,641	(890,027)	117,614

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

	Percentage of Depreciation	Consolidated 12/31/2019		
		Cost	Depreciation	Net
Subtotal		1,941,373	(1,251,905)	689,468
Total		1,960,242	(1,262,493)	697,749

(i) Refers to discovery wells of Manati field which are in the production phase.
(ii) The proven reserves used to calculate amortization (in relation to the monthly production volume) are estimated by external geologists and petroleum engineers in accordance with international standards, and revised annually or when there is evidence of significant change [Note 23(b)]. The effects of changes in reserves as compared to their amortization are recordedon a forward-looking basis, that is, they do not affect previously recognized amounts.

Cost	Corporate PP&E costs	Expenditures on exploration of natural resources	Expenditures on development of oil and gas production in progress – Atlanta		Expenditures on development of oil and gas production - Manati		Total
Balances as of January 1, 2019	18,233	16,844	715,327		975,380		1,725,784
(+)Additions in the year	636	-	202,332	(a)	32,261	(b)	235,229
(-) Disposals in the year	-	-	(771)	(c)	-		(771)
Balances as of December 31, 2019	18,869	16,844	916,888		1,007,641		1,960,242
(+)Additions in the year	578	-	453,393	(d)	66,157	(e)	520,128
(-) Disposals in the year	-	(2)	(111)	(f)	-		(113)
Balances as of December 31, 2020	19,447	16,842	1,370,170		1,073,798		2,480,257

On December 31, 2019, the main PP&E additions and disposals refer to: (a) expenses with third well, (b) filed development expenses in amount of R$23,789 and R$8,472 related to exchange rates provision for asset retirement obligation and (c) R$771 related to the write-off of Oliva field.

On December 31, 2020, the main PP&E additions and disposals refer to: (d) R$132,510 refering to provision for asset retirement obligation, R$329,127 referring to equipment acquired from AFBV and (e) R$61,158 related to exchange rate provision for asset retirement obligation de Manati and (f) related to the write-off of Oliva field.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

Depreciation and amortization	Depreciation of corporate PP&E	Amortization of expenditures on exploration of natural resources	Amortization of expenses with oil production development - BS-4	Amortization of expenditures on development of O&G production Manati	Total
Balances as of January 1, 2019	(9,755)	(14,824)	(108,022)	(854,760)	(987,361)
(-) Additions in the year	(833)	(522)	(238,510)	(35,267)	(275,132)
(+) Disposals in the year	-	-	-	-	-
Balances as of December 31, 2019	(10,588)	(15,347)	(346,532)	(890,027)	(1,262,494)
(-) Additions in the year	(1,020)	(332)	(246,244)	(41,062)	(288,658)
(+) Disposals in the year	-	-	-	-	-
Balances as of December 31, 2020	(11,608)	(15,679)	(592,776)	(931,089)	(1,551,152)

14. INTANGIBLE ASSETS

	Consolidated			
	Amortization rate	Cost	Amortization	12/31/2020
Acquisition of exploratory concession (i)	-	250,709	(24,228)	226,481
Subscription bonus (ii)	-	162,181	-	162,181
Computer software programs	20%	8,912	(8,095)	817
Total		421,802	(32,323)	389,479

	Consolidated			
	Amortization rate	Cost	Amortization	12/31/2019
Acquisition of exploratory concession (i)	-	250,709	(13,789)	236,920
Subscription bonus (ii)	-	162,110	-	162,110
Computer software programs	20%	8,410	(7,849)	561
Total		421,228	(21,637)	399,591

(i) Refer to the 50% participation rights in Atlanta and Oliva fields, located in the Santos offshore, amounting to R$250,709. These shares starts amortization in May 2018.

(ii) Expenditures on the acquisition of exploration rights in the ANP adtions, which are not being amortized yet, since they refer to concession áreas in the exploratory phase (Note 25).

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

	Consolidated			
Cost and amortization	Acquisition of exploratory concession	Subscription Bonus	Software	Total
Balances as of January 1, 2019	246,740	159,754	291	406,785
(+) Additions (cost)	-	2,356 (a)	600	2,956
(-) write-off (cost)	-	-	(108)	(108)
(-) Additions (amortization)	(9,820)	-	(228)	(10,047)
Balances as of December 31, 2019	236,920	162,110	561	399,591
(+) Additions (cost)	-	633	502	(1.135)
(-) write-off (cost)	-	(562) (b)	-	(562)
(-) Additions (amortization)	(10,439)	-	(246)	(10.685)
Balances as of December 31, 2020	226,481	162.181	817	389.479

(a) R$2,356 refers to the participation rights of 30% of blocks SEAL-M-505, SEAL-M-575 and SEAL-M- 637 and R$633 refers to the participation rights of 30% of blocks PAR - T-86, PAR-T-99, PAR-T-196 and PAR-T-215 acquired in the 2nd Permanent Offer Cycle carried out by ANP (note 1).

(b) Write-off refers to field CAL-M-372 located in Block BM-CAL-12 in the process of being returned to ANP (note 22).

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

15. LEASES

On the years ended December 31, 2020 and 2019, leases amounts are as below:

	Consolidado		
	12/31/2020	Movimentação	12/31/2019 (Corrected)
Equipments	740,890	(90,161)	831,051
PP&E	3,245	298	2,947
Accumulated Amortization	(345,911)	(181,442)	(164,469)
Total of leases – assets	398,224	(271,305)	669,529
Leases payable	973,160	(149,655)	1,122,815
Payments	(507,451)	(319,816)	(187,635)
Exchange variation leasing	250,615	284,169	(33,554)
Adjust to present value	(92,464)	65,382	(157,846)
Exchange variation AVP	(58,884)	(56,273)	(2,611)
Liabilities	564,976	(176,193)	741,169

a) Impacts on year 2020:

Rights amortization of use of goods is accounted in accordance to the term of each contract, respecting the respective periods of use.

Regarding these leases, in accordance to CPC 06 (R2) / IFRS 16, the Company recognized depreciation and interest expenses, rather than operating lease expenses. There were no variable payments related to the recognized leasing contracts. See below:

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

	Consolidated		
Leases – assets	Equipments	Installations	Total
Balance as of January 1, 2019	736,043	3,325	739,368
Amortization	(163,859)	(610)	(164,469)
Contract Additions and Exclusions	37,062	(486)	36,576
AVP recognition (“Accretion”)	57,565	489	58,054
Balance as of December 31, 2019 (corrected)	666,811	2,718	669,529
Amortization	(180,538)	(609)	(181,147)
Contract Additions and Exclusions	(90,158)	-	(90,158)
Balance as of December 31, 2020	396,115	2,109	398,224

	Consolidated		
Leases - liabilities	Leases - payable	NPV	Total
Balance as of January 1, 2019	899,261	(128,621)	770,640
Payments	(187,622)	-	(187,622)
NPV recognition (“Accrediton”)	-	63,864	63,864
Contract Additions and Exclusions	156,436	(93,092)	63,344
Exchange Variation Lease	33,554	-	33,554
NPV Exchange variation	-	(2,611)	(2,611)
Balance as of December 31, 2019 (corrected)	901,629	(160,460)	741,169
Payments	(319,816)	-	(319,816)
Contract exclusions	(149,657)	-	(149,657)
Exchange Variation Lease	284,170	-	284,170
Exchange variation AVP	-	(56,273)	(56,273)
NPV recognition (“Accrediton”)	-	62,618	62,618
Contract Additions and Exclusions	-		
Others	-	2,764	2,764
Balance as of December 31, 2020	716,325	(151,349)	564,976

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

b) PIS and COFINS:

	Consolidated	
	12/31/2020	
	Nominal value	Present value
Lease consideration	789,338	(166,775)
Pis/Cofins 9.25%	(73,014)	15,427

	Consolidated	
	12/31/2019	
	Nominal value	Present value
Lease consideration	993,403	(176,857)
Pis/Cofins 9.25%	(91,890)	16,359

16. BORROWINGS AND FINANCINGS

These are intended primarily to fund evaluation projects and/or the development of oil and natural gas reserves, and capital expenditures normally incurred on drilling and other services related to the Company’s core business, which is the exploration and development of O&G reserves.

			Consolidated		
Brazilian currency (R$)	12/31/2020	12/31/2019	Annual interest charge	Interest payments	Maturity
BNB - Banco do Nordeste (a)	117,533	116,167	4.71% p.a. + 15% bonus for payment on time	Monthly	Sep, 2026
FINEP- Financiadora de Estudos e Projetos: Subloan A	47,210	64,756	Subloan A: 3.5% p.a.	Monthly	Sep, 2023
Subloan B	53,056	72,000	Subloan B: TJLP + (5% p,a, - 6.5% p.a.) (a)	Monthly	Sep, 2023
	100,266	136,756			
Total	217,799	252,924			
Current	56,054	47,149			
Noncurrent	161,745	205,775			
Total before borrowing costs	217,799	252,924			
Borrowing costs (FINEP loan)	(726)	(990)			
Final balance as of 06/30/2019	217,073	251,934			

In december 2020 TJLP was 4.55% anual(5.57% anual in December 2019).

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

(a) The principal of Subloan A is subject to compound interest of 3.5% per year on a prorated basis.

The principal of Subloan B subject to compound interest equivalent to the Brazilian Long-Term Interest Rate (TJLP) plus spread of 5% per year, less equalization equivalent to 6.5% per annum.

(b) Balance is not including the cost of loan funding in the amount of R$726 on December 31, 2020 (R$990 on December 31, 2019). Withheld amount when the credit is released.

Changes in borrowings and financings:

Final balance as of January 1, 2019	291,079
(+) Interest charged	13,379
(-) Principal paid	(38,344)
(-) Interest paid	(13,190)
Total before borrowing costs	252,924
(-) Borrowing costs (Finep loan)	(990)
Final balance as of December 31, 2019	251,934
Total before borrowing costs – January 1, 2020	252,924
(+) Interest charged	10,952
(-) Principal paid	(39,003)
(-) Interest paid	(7,074)
Total before borrowing costs	217,799
(-) Borrowing costs (FINEP loan)	(726)
Final balance as of December 31, 2020	217,073

(a) On April 6, 2020, the Central Bank of Brazil issued Resolution 4.798 suspending for up to 12 months the payment of installments overdue and falling due until December 31, 2020 of the special credit line with resources from the Constitutional Funds Financing of the North and ("FNO"), the Northeast ("FNE") and the Midwest ("FCO"), with possible addition to the final maturity of the operation, for non-rural operations, in arrears or with a delay of up to 90 days in the date of publication of this Resolution.

The noncurrent portion of borrowings and financing matures as follows:

Maturities	12/31/2020

2022	53,570
2023	44,525
2024 to 2026	63,650
Total	161,745

Pursuant to the terms of the loan agreement with Finep, the principal is to be paid back in 85 consecutive monthly installments. The first installment falls due September 15, 2016, and the others fall due on the same day of each subsequent month, with the last one falling due September 15, 2023. The agreement does not contain financial covenants. The borrowing is guaranteed by the collateral corporate signature of the Parent Company.

Under the terms of the BNB loan agreement, the principal is to be paid back in 84 consecutive monthly installments. The first falls due october 20, 2019, and the others fall due in subsequent months, with the last one falling due september 29, 2026. The agreement does not contain financial covenants. Over the entire term of the agreement, the Company will maintain a reserve account for three monthly installments for this operation, covering the principal and interest charges, with the minimum reference being the largest installment due (see Note 10). In the event the three projects involved in the BNB debt are discontinued and returned to the ANP, the agreement calls for acceleration of the amortization of the debt into at least 24 monthly installments, the last of which may not be made later than september 2022.

In december 2020, the Company replaced Citibank's guarantee to the Daycoval Bank for having a lower guarantee charged to the Company. In January 2021, this guarantee was excluded from Banco Citibank.

17. TAX, CIVIL AND LABOR LAWSUITS

Based on the opinion of its external legal counsel and/or the terms of the relevant consortium agreements, as well as on the opinion of the related Block Operator (which is responsible for monitoring each claim). Management has concluded that there are no lawsuits for which the likelihood of an unfavorable outcome for the Company is probable; therefore, no provision has been recognized in the financial statements for the years ended December 31, 2020 and 2019.

17.1. Non recognized lawsuits

The lawsuits assessed as possible losses that have not been provided for the financial statements.

Instituto do Meio Ambiente e Recursos Hídricos ("INEMA")

Tax foreclosure No. 0087249-25,2010,805,0001 resulting from the fine imposed under Tax Assessment Notice No. 2006-007365/TEC/AIMU-0343, issued on november 22, 2006. The alleged offense relates to breach of condition determined by the Environment Institute ("IMA"), resulting in erosion and silting-up of streams, upon installation of the pipeline between the cities of Guaibin and São Francisco do Conde. The updated amount of the fine is R$575 (only for Enauta).

Tax assessment notice No. 2009-014426 / TEC / AIMU0265 was issued due to noncompliance with condition 1 and partial compliance with conditions 2, 6 and 7 established by the Institute of the Environment (IMA) in RA 8050 of March 30 2007 with an object to obtaining the Environmental License to build the pipeline. The updated contingency has a value of R$155 (Enauta).

Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis ("IBAMA")

The administrative notice n°. 02006.001664/2007-46 was issued due to Tax Assessment Notice n°. 409516-D instituted by IBAMA in 2007. This arise from the pipeline dragging of Manati Field over the region called Laje do Machadinho (BA), that would have caused environmental damages in the place. The updated contingency has an amount of R$10,207 (participation of Enauta).

Secretaria de Fazenda do Estado da Bahia – Superintendência de Administração Tributária (“SAT”)

Tax foreclosure N°206983.0004/15-5 was issued by Superintendência de Administração Tributária da SEFAZ/BA, due to following infractions: (i) improper use of ICMS tax credit for goods acquired to integrate the permanent assets of the establishment ; (ii) improper use of ICMS tax credit regarding the acquisition of material for use and consumption of the establishment; (iii) improper use of ICMS tax credit for goods purchased with tax payment for tax substitution; And (iv) failure to provide information related to postings to the EFD. The updated contingency has an amount of R$3,087 (participation of Enauta).

ICMS

The cause is related to a credit accrued by Enauta related to ICMS on fuel used on the chartered vessels on period from 2007 to 2009. The cause is in administrative phase and the Company is verifying the involving amount and the strategy that is under operator responsibility, Petrobras. With respect to the share of Enauta the amount is approximately R$6,596.

IRRF, PIS, COFINS and CIDE taxes and other contributions on charter party operations

These cases involve a series of assessments in relation to the federal taxes, which the government claims should have been levied on remittances made by the Group for payment of charter party operations carried out in 2008 and 2013. The period between 2008 and 2009 it is claiming IRRF and CIDE. The period between 2010 and 2013 is claming IRRF, CIDE, PIS/COFINS. The issues are being handled in administrative proceedings, where the Company is monitoring the defense and strategy being conducted by the party responsible (operator Petrobras). Regarding IRRF, the Operator opted for the special payment provided for in Federal Law 13.586 / 2017, article 3, which resulted in the mandatory (partial) withdrawal of the lawsuits related to the debts of this tax, as described in note 10.2 (f). The proceedings are still in progress to discuss PIS, COFINS and CIDE. With respect to the share of Enauta, as regards the charter operations dating back to 2008 and 2013, the amount potentially at stake is approximately R$61,993 (participation of Enauta).

17.2. Lawsuits - Tax Recovery

Exclusion of ICMS from PIS and COFINS tax basis

In 2014, subisidiary Enauta Energia filed a lawsuit questioning the constitutionality of the inclusion of ICMS in the calculation basis of contributions to PIS and COFINS and claiming the refund of the amount paid.
In March 2017, the Federal Supreme Court (STF) concluded the judgment, with favorable decision to the taxpayers of the leading case (RE 574.706), in order to guarantee the ICMS exclusion rights from the PIS and COFINS tax basis.

In 2018, the Federal Regional Court of the 2nd region (TRF2) approved the arguments presented by the subisidiary Enauta Energia in declaratory action No. 0182458-25.2014.4.02.5101, questioned the constitutionality of the inclusion of the ICMS on the basis of calculation of contributions to PIS and COFINS and to request the refund of amounts collected from December 2009, and based on that decision of STF and legal opinions no longer continue to include ICMS in the bases for calculating contributions to PIS and COFINS from this period.

On June 26, 2020, the favorable decision handed down by the Federal Regional Court of the 2nd Region (TRF2) in Declaratory Action described above. The amount of R$57,100 was recognized by the subsidiary as recoverable taxes on June 30, 2020.

Although the issue of merit has been resolved, the embargoes of declaration opposed by the Federal Union in the leading case of the matter, in the system of general repercussion, where the criterion will still be defined by the STF, remain pending judgment at the Supreme Federal Court. be used for refund purposes (the value of the ICMS highlighted on the invoice or the ICMS actually paid, after calculation - comparison between input / credits and outputs / debits). For this reason, CPC 25 (IAS 37) and the guidelines of OFÍCIO-CIRCULAR / CVM / SNC / SEP / n.º 01/2021, the Company recognized its tax credits , considering the agreement in the Solution Cosit Internal Consultation (SCI) 13/2018, where the IRS expresses that the ICMS to be recovered is the ICMS payable, net of credits. This criterion recognizes the recognition of the right and the reliable measurement of the amount to be refunded.

The Company also points out that in September 2020, due to the final decision issued in its declaratory action, the amount of R $ 6 million was raised, which had been deposited in court for a short period during the process.

The recovery of the amounts unduly collected by Enauta Energia since 2009 will occur through the execution of a sentence (court order).

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

18. PROVISION FOR ASSET RETIREMENT OBLIGATION (ARO)

The estimated costs for ARO, as reported by the by operator, were revised for the year ended December 31, 2020, as described in Notes 2.10 and 3.2.5. As of December 31, 2020, this provision reflects the revision of the estimates of costs to be incurred, including, but not limited to: (i) plugging of wells; and (ii) removing lines and production equipment, and (iii) other costs inherent in meeting such obligation.

The ARO costs have been projeccted based on the average industry inflation rate of 1,41% p.a. (in US$), through the date expected asset retirement or decommissioning, and have been updated to present value at the risk-free rate in US$ for Brazilian assets, which is 3,07% p.a.

Changes in the provision for ARO in the year ended on December 31, 2020 and 2019 were as follows:

	Fields			Consolidated
	Manati	Atlanta		
Balance as of January 1, 2019	158,062	50,937		208,999
Addition to provision	-	23,128	(a)	23,128
Provision update	8,472	4,875		13,346
Adjustment to Present Value	23,923	11,545		35,468
Balance as of December 31, 2019	190,457	90,485		280,942
Addition to provision	-	133,277		133,277
Provision update	63,360	35,822		99,242
Adjustment to Present Value	6,511	(34,406)		(27,985)
Balance as of December 31, 2020	260,328	225,838		485,566

(a) Refers to the third well of Atlanta field in the amount of R$23,128 was recorded with the start of production on June 21, 2019.

Together with its business partners, the Company has remeasured the ARO provision .

The additional reflects the prospective revision of the ARO expenditures in light of the new technologies existing and the new costing threshold for O&G industry service providers.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

19. CONSORTIUM OBLIGATION

	Consolidated	
	12/31/2020	12/31/2019
PEM - payable	65,246	57,922
Total	65,246	57,922
Current liabilies	7,324	-
Non current liabilies	57,922	57,922

On December 31, 2020 and 2019 the amount of R$57,922 refers to payment of the Minimum Exploratory Program received from the partners of PAMA-M-265 and PAMA-M-337 and FZA- 90 blocks. These blocks are temporarily suspended, waiting the license environmental from IBAMA. It is not necessary to upadate the guarantee until IBAMA response.

On December 31, 2020 the amount of R$7,324 refers to payment of the Minimum Exploratory Program of BM-CAL-12 block (note 22).

20. NET REVENUES

	Consolidado	
	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019
Gross revenues	1,006,192	1,200,853
PIS	(5,055)	(7,143)
COFINS	(23,286)	(32,901)
ICMS	(40,506)	(56,918)
Presumed ICMS credit (*)	8,102	11,383
Contractual reductions	-	(3,604)
Total deductions	(60,745)	(89,183)
Net revenues	945.446	1,111,670

(*) State VAT (ICMS) benefit, as described in Note 2.18.2 - Tax incentive reserve.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

21. GENERAL AND ADMINISTRATIVE COSTS AND EXPENSES

21.1. Costs

	Consolidado	
	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019 (Corrected)
Extraction costs	(111,046)	(235,726)
Royalties and special government take	(62,650)	(87,952)
R&D	(1,026)	(2,076)
Amortization and depreciation	(465,192)	(425,432)
Total	(639,914)	(751,186)

21.2. General and administrative (G&A) expenses

	Controladora		Consolidado	
	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019 (Corrected)
Personnel	(4,232)	(4,309)	(78,249)	(77,783)
Outsourced services	(1,329)	(858)	(25,287)	(15,640)
Insurance	-	-	(602)	(462)
Taxes and fees	(222)	(243)	(1,385)	(128)
Announcements and publications	(389)	(327)	(1,030)	(1,865)
Shared services	-	-	127	(75)
Depreciation	-	-	(1,815)	(1,870)
Maintenance	-	-	(3,527)	(3,989)
Rental	-	-	(753)	(757)
Other G&A expenses	(8)	(38)	(5,032)	(6,821)
Allocation of E&P projects (a)	-	-	48,337	50,928
Total	(6,180)	(5,775)	(69,216)	(58,462)

(a) Related to sharing of expenses refers to the blocks operated by Enauta, related to its non-operator business partners

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

22. EXPLORATORY EXPENDITURES ON OIL AND GAS EXTRACTION

	Consolidado	
	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019
Write-off of wells (a)	(8,234)	(894)
Acquisition and processing of seismic	(1,150)	(7,554)
Geological and geophysical expenditures	(347)	(1,099)
General and administrative expenses	(10,971)	(9,345)
Contractual penalties of local content (b)	(6,112)	(26,413)
Safety, environment and health	(639)	(1,012)
Drilling services	(38,370)	(31,472)
Other exploratory expenditures	(4,288)	(3,942)
Total	(70,111)	(81,731)

(a) On year ended on December 31, 2020, the amount of R$7.896 refers to write-off of CAL-M-372 (block BM-CAL-12) due to the impossibility of project continuity,R$223 refers to remaining expenses from Campo de Camarão Norte (BCAM-40) returned to ANP on October 26, 2018 and the amount of R$115 refers to remaining expenses of Campo de Oliva (BS-4) returned to ANP on September 12, 2019.

(b) The Company has received an ANP Official Letter on 10/24/2019, the companies consortium members in the exploratory blockS BM-CAL-5 and BM-S-76 became aware of fines as a penalty for non-compliance with the amounts agreed in the Agreement for Local Content thus provision was made . The Consortiums Operators will file an Administrative Defense with the ANP in due time. Such defense contemplates, among other facts, the suspension of this process, the possibility of a Conduct Adjustment Term (TAC).

Enauta Energia accrued the participation in this fine for the year ended December 31, 2019 the amount of R $ 26,413 related to its participation in the fines (22.46% - BM-CAL-5 and 20% - BM-S-76). For the year ended on December 31, 2020, Enauta accrued R$6,112, referring to the update of the amount recorded in 2019 and is awaiting the conclusion of the Administrative Process.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

23. OTHER NET OPERATIONAL REVENUE (EXPENSES)

	Consolidado	
	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019
Change of participation (a)	120,982	-
ICMS exclusion - PIS/COFINS base (b)	39,758	-
Fines (c)	(9,125)	-
Tax expenses	(4,623)	(2,691)
Others	465	15
Total	147,459	(2,676)

(a) Additional 20% of AFBV's shares were recognized by QGEP BV (note 12) in May 2020 for US$29,900 (R$120,982) as provided for in CPC 46 (IFRS 13).

(b) On December 31, 2020, the amount refers to the main value of the ICMS cause accounting (note 17).

(c) Between February 2020 and May 2020, 03 Suezmax oil-type vessels from Atlanta were exported to Asia, which, due to production problems, due to the commissioning of water treatment equipment at FPSO Petrojal I, remained outside agreed specifications (BSW - water content and salinity). Normal practice in the international market, the additional costs of treatment in tanks or increased time to process this oil incurred by the buyer are charged to the seller through the so-called "Claims". Commercial negotiations that started with estimated values and were later supported by extensive evidential documentation of these costs are being maintained, generating the value of an estimated "Claim" of R$9,478 (equivalent to US$1,680 thousand), referring to Enauta's participation in the Field of Atlanta that were fully provisioned on December 31, 2020.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

24. NET FINANCIAL RESULTS

	Controladora		Consolidado	
	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019 (Corrected)
Yields from short-term investments (a)	131	1,365	79,335	117,400
Other financial revenues and expenses	(1,792)	(9,326)	(257,255)	(136,775)
PIS on financial income	(314)	(1,659)	(1,029)	(2,583)
COFINS on financial income	(1,450)	(7,656)	(5,840)	(13,339)
Interest Liability rights of use-IFRS 16	-	-	(62,618)	(94,806)
Update on tax credits (b)	8	36	23,338	1,686
Exchange variation – positive	-	5	90,877	15,037
Exchange variation – negative	(7)	(6)	(277,164)	(18,048)
Call option	-	-	(2,321)	-
Others	(29)	(46)	(22,498)	(24,722)
Total	(1,661)	(7,961)	(177,920)	(19,374)

(a) Reflect such financial revenues as CDI rate remuneration for private securities, Selic remuneration for government securities and US$ variation for the exchange fund in the first quarter of previous year.

(b) On December 31, 2020, the amount refers to the main value of the ICMS cause accounting (note 17).

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

25. SUPPLEMENTARY INFORMATION ON OIL AND GAS E&P ACTIVITIES

a) Rights and commitments with the ANP

The Group has concessions for the exploration and production of oil and natural gas in the following blocks:

Phase	Basin	Block/field	Concession date	Stakes	%
Production and development	Camamu – Almada	Manati (BCAM-40)	Aug, 6, 1998	Petrobras (operator) Enauta Energia Geopark Brasoil	35 45 10 10
	Santos	Atlanta (BS-4)	Aug, 6, 1998	Barra Energia Enauta Energia (operator)	50 50
Exploration	Camamu - Almada	CAL-M-372	Nov, 24, 2004	Petrobras (operator) Enauta Energia OP Energy	60 20 20
	Foz do Amazonas	FZA-M-90	Aug, 30, 2013	Enauta Energia (operator)	100
	Espírito Santo	ES-M-598	Aug, 30, 2013	Enauta Energia Statoil Brasil (operator) Petrobras	20 40 40
	Espírito Santo	ES-M-673	Aug, 30, 2013	Enauta Energia Statoil Brasil (operator) Petrobras	20 40 40
	Pará-Maranhão	PAMA-M-265	Aug, 30, 2013	Enauta Energia (operator)	100
	Pará-Maranhão	PAMA-M-337	Aug, 30, 2013	Enauta Energia (operator)	100
	Ceará	CE-M-661	Aug, 30, 2013	Enauta Energia Total (operator) Premier	25 45 30
	Sergipe – Alagoas	SEAL-M-351	Dec, 23, 2015	Enauta Energia ExxonMobil Exploração Brasil Ltda (operator) Murphy Brazil Exploração e Produção de Petróleo e Gás Ltda	30 50 20
	Sergipe – Alagoas	SEAL-M-428	Dec, 23, 2015	Enauta Energia ExxonMobil Exploração Brasil Ltda (operator) Murphy Brazil Exploração e Produção de Petróleo e Gás Ltda	30 50 20
	Sergipe – Alagoas	SEAL-M-501	Jan 29, 2018	Enauta Energia ExxonMobil Exploração Brasil Ltda (operator) Murphy Brazil Exploração e Produção de Petróleo e Gás Ltda	30 50 20
	Sergipe – Alagoas	SEAL-M-503	Jan 29, 2018	Enauta Energia ExxonMobil Exploração Brasil Ltda (operator) Murphy Brazil Exploração e Produção de Petróleo e Gás Ltda	30 50 20
	Sergipe – Alagoas	SEAL-M-430	Nov 07, 2018	Enauta Energia ExxonMobil Exploração Brasil Ltda (operator) Murphy Brazil Exploração e Produção de Petróleo e Gás Ltda	30 50 20
	Sergipe – Alagoas	SEAL-M-573	Nov 07, 2018	Enauta Energia ExxonMobil Exploração Brasil Ltda (operator) Murphy Brazil Exploração e Produção de Petróleo e Gás Ltda	30 50 20

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

Phase	Basin	Block/field	Concession date	Stakes	%
	Sergipe - Alagoas	SEAL-M-505	Feb 14, 2020	Enauta Energia ExxonMobil Exploração Brasil Ltda (operator) Murphy Brazil Exploração e Produção de Petróleo e Gás Ltda	30 50 20
	Sergipe - Alagoas	SEAL-M-575	Feb 14, 2020	Enauta Energia ExxonMobil Exploração Brasil Ltda (operator) Murphy Brazil Exploração e Produção de Petróleo e Gás Ltda	30 50 20
	Sergipe - Alagoas	SEAL-M-637	Feb 14, 2020	Enauta Energia ExxonMobil Exploração Brasil Ltda (operator) Murphy Brazil Exploração e Produção de Petróleo e Gás Ltda	30 50 20
	Paraná	PAR-T-196	(*)	Eneva (operator) Enauta Energia	70 30
	Paraná	PAR-T-215	(*)	Eneva (operator) Enauta Energia	70 30
	Paraná	PAR-T-86	(*)	Eneva (operator) Enauta Energia	70 30
	Paraná	PAR-T-99	(*)	Eneva (operator) Enauta Energia	70 30

(*) Awaiting approval of the acquisition by the ANP (note 1).

The terms for concession of the rights to these blocks are 27 years from the date of approval of the development plan. In the exploratory phase, the terms are defined in the respective concession agreement.

The table below shows the commitments assumed under the Group's current portfolio of interests in O&G exploration and production projects:

Block/field	Guarantee for PEM (% Enauta) R$ million	Year of contract	Subscrip-tion bonus	Area km^2	Royalties	Retainer fee for the area per km^2 (Amounts in R$) Exploration	Development	Production
Manati	-	2000	-	75.650	7,5%	100	200	1,000.00
CAL-M-372	7,3	2004	562	745.031	10%	239	478	2,390.00
FZA-M-90	108,3	2013	18,945	768.500	10%	63.66	127.32	636.60
PAMA-M-265	1,4	2013	3,020	766.300	10%	218.91	437.82	2189.10
PAMA-M-337	108,4	2013	35,206	769.300	10%	218.91	437.82	2189.10
CE-M-661	27,0	2013	10.116	760,900	10%	656,73	1313,46	6567,3
ES-M-598	40,7	2013	14,182	769.300	10%	95.49	190.98	954.90
ES-M-673	5,2	2013	12,562	507.2	10%	95.49	190.98	954.9
Atlanta (BS-4)	-	1998	-	199.6	7,8%	200	400	2,000.00
SEAL-M-351	-	2015	19,158	756.86	10%	875.73	1,751.46	8,757.30
SEAL-M-428	-	2015	10,843	746.24	10%	875.73	1,741.46	8,757.30
SEAL-M-501	-	2018	18,847	753.799	10%	1,668.11	3,336.22	16,681.11
SEAL-M-503	9,1	2018	14,136	754.598	10%	278.02	556.03	2,780.17
SEAL-M-430	9,1	2018	1,089	755.236	10%	205.36	410.72	1,848.24
SEAL-M-573	5,3	2018	1,089	755.946	10%	205.36	410.72	1,848.24
SEAL-M-505	2,8	2020	810	754,598	10%	752,1	1.504,2	6.768,9
SEAL-M-575	2,7	2020	933	753,946	10%	752,1	1.504,2	6.768,9
SEAL-M-637	3,2	2020	612	753,279	10%	752,1	1.504,2	6.768,9
Total	330,5		162,110					

For the blocks acquired in the ANP's 11th bidding round, there is a commitment to drill wells in the FZA-M-90, EC-M-661, M-PAMA-337 and ES-M-598 blocks, and drilling operations are scheduled to start in 2022.

For the blocks acquired in the ANP's 13th, 14th and 15th Rounds, there are no well-drilling commitments for blocks SEAL-M-351 and SEAL-M-428 SEAL-M-430, SEAL-M-501, SEAL-M-503 and SEAL-M-573, SEAL-M-505, SEAL-M-575 e SEAL-M-637).

Subsidiary Enauta holds 45% of Manati field, which started its production in January 2007 and has decommissioning (ARO) obligations. On August 14, 2020, Enauta Energia signed a contract for the sale of its entire stake (45%) in the Manati field to Gas Bridge S.A. (note 1).

The following payments of government and third-party are expected to be made to Enauta (company that merged Manati upstream):

- Royalties – The referencial price of oil, from January 2018 onward, is regulated by Portaria ANP nº 703/2017, and is calculated based on the physicochemical characteristics of the oil of each área. The value is disclosed in a monthly basis by ANP.The referencial price of gas I regulated by Resolução ANP nº 40/2009 which determine that for consortium exploration model, the price calculation is based in a wheighted average of the coomercialized gas. For Manati, percentage of calculation is 7.5% of the referencial price (condensed) and the wheighted average price of sales (gas), since the beginning of the production. For Atlanta Field, the percentage is 7.8% of teh referencial price for both sold oil or consumed gas. In the year ended December 31, 2020 was accrued R$62.480(R$55,598 on December 31, 2019) from royalties from manati and Atlanta Field in 2019, which R$2,964 (R$10,790 on December 31, 2019) remains in liabilities as of that date. These expenditures are recognized as costs in the income statement.

- Special participation - These are government takes provided for by article 45, paragraph III, of Law 9478/97, which consist of financial compensation due by oil and natural gas production concessionaires, in the case of large production volumes or high profitability, as defined in the regulatory decree of 2.705/98. Such government takes are to be paid for each field in a given concession area as from the quarter in which such field starts production. In the year ended December 31, 2020, Company accrued an amount of R$173 of special participation (R$907 on December 31, 2019) as special participation recognized as costs in the income statement (R$1,401 in the year ended December 31, 2019).

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

- Payment for concession area occupation and retention - During the exploration, development and production stage the Company accrued R$2,729 for the year ended December 31, 2020, recognized in the income statement as operating costs and exploration costs (R$1,739 as of December 31, 2019).

b) Information on reserves

The net gas and oil reserves of subsidiary Enauta were prepared in accordance with the criteria set out by Petroleum Resources Management System ("PRMS") and approved by the Society of Petroleum Engineers, World Petroleum Council, American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers in March, 2007 and revised on June 2018.

These reserves are the estimated quantities of gas and oil, which is based on geological analysis and engineering information, estimated with reasonable certainty under defined economic conditions, established methods of operation and prevailing regulatory conditions.

The estimate of reserves is subject to uncertainties, and therefore changes in such estimates may occur as knowledge is increased based on new information collected.

The estimated gas reserves from Manati field are as follows:

	Total gas volume (millions of m^3) (*)
Proven reserves as of December 31, 2019 (**)	4,010
Production in the first quarter 2020	(871)
Proven reserves as of December 31, 2020	3,139

The estimated oil reserves are as follows:

	Total oil reserves volume (MM bbl) (*)
Proven developed reserves as of December 31, 2019 (**)	16,4
Production in in the first quarter 2020	(6,3)
Proven developed reserves as of December 31, 2020	10,1

(*) not reviewed by independent auditors
(**) estimated by Gaffney, Cline & Associates -GCA

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

c) Guarantees

As of December 31, 2020, the Company has guarantees, in the form of guarantee insurance, filed with the ANP in the total amount of R$330,668 (R$427,185 on December 31, 2019). Such guarantees cover PEM's established in the concession agreements for the exploration areas (R$336,751 on December 31, 2019). On December 31, 2019, The Group had also guarantees for development of the Atlanta field in the amount of R$90,434.

26. COMMITMENTS

As of December 31, 2020, the Group had commitments contracted for supply and operation of materials and equipment, including the leasing of vessel, as well as with suppliers that involve technical advisory services, with various maturities for the exploration and development campaign, as per the following financial timetable:

	Consolidated (*)		
	2020	2021	2022 onwards
Total commitments	264,391	180,573	52,962

(*) The amount represents Enauta's share in the consortiums where it serves as operator.

27. FINANCIAL INSTRUMENTS

a) General considerations

The Company's financial instruments include cash and cash equivalents, short-term investments, restricted cash, trade accounts receivable and payable, related parties, and borrowings and financing and options of oil sales.

The Company does not use derivative financial instruments for speculative purposes, thus reasserting its commitment with the conservative cash management policy, either with respect to its financial liabilities or cash and cash equivalents.

The Company has a Market Risk Management Policy approved by the Board of Directors, whith the objective to mitigate some events that may affect cash generation and financial flexibility.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

According the Policy mentioned above, the Company's management has the option to sell part of the oil production for the next 6 months equivalent to 600 thousands bbl, at US$40 per barrel. The average cost of buying these put options (Asian PUT) was US$3.7 per barrel.

Quarters	Options
01/01/2021 to 03/31/2021	400,000
04/01/2021 to 06/30/2021	200,000
Total	600,000

Recognition of the instrument’s fair value is executed through hedge accounting procedures as management understands this to be the best way to demonstrate operation’s performance.

The income for the year ended December 31, 2020 was positively impacted by an amount of R$5,500, resulting from the exercise of put options equivalent to 100 thousand bbls and strike price US$57/ bbl.

Based on the hedge accounting metrics adopted by the Company, this amount was recognized in the operating revenue line, as were premiums paid for these options in the amount of R$5,900 thus generating a net negative impact on revenues in amount of R$400.

b) Category of financial instruments

	12/31/2020			
	Parent Company		Consolidated	
	Carrying Value	Fair Value	Carrying value	Fair Value
Financial assets				
Held to maturity				
Restricted cash	-	-	581,748	581,748
Cash and banks	371	371	103,248	103,248
Trade accounts receivable (i)	-	-	87,719	87,719
Related parties	-	-	171	171
Fair value through profit and loss				
Short-term investment (ii)	2,66C	2,66C	1,609,277	1,609,277

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

	12/31/2020			
	Parent Company		Consolidated	
	Carrying Value	Fair Value	Carrying value	Fair Value
Financial liabilities				
Amortized cost				
Trade accounts payable (i)	134	134	155,478	155,478
Related parties	11,383	11,383-	18,526	18,526
Loans and financings (ii)	-	-	232,404	217,073

	12/31/2019			
	Parent Company		Consolidated	
	Carrying Value	Fair Value	Carrying value	Fair Value
Financial assets				
Held to maturity				
Restricted cash	-	-	432,125	432,125
Cash and banks	245	245	51,278	51,278
Trade accounts receivable (i)	-	-	233,643	233,643
Related parties	-	-	25,166	25,166
Fair value through profit and loss				
Short-term investment (ii)	14,004	14,004	1,653,023	1,653,023
Financial liabilities				
Amortized cost				
Trade accounts payable (i)	101	101	125,201	125,201
Related parties	85,123	85,123	60,189	60,189
Loans and financings (ii)	-	-	251,934	251,934

CPC 46 / IFRS 13 defines fair value as the value/price that would be received on the sale of an asset or paid on the transfer of a liability in an ordinary transaction between market players as of the measurement date. The standard sets out that the fair value should be based on assumptions used by market players when determining the value/price of an asset or liability and sets a hierarchy that prioritizes inputs used to develop these assumptions.

The fair value hierarchy places higher importance on available market inputs (i,e, observable data) and lower importance to non-transparent data (i,e, unobservable data), Additionally, the standards require that a company should take into consideration all aspects of the nonperformance risk, including its own credit, when measuring the fair value of a liability.

CPC 40 (IFRS 7) establishes a three-level fair value hierarchy to measure and disclose the fair value, The classification in the fair value hierarchy is based on the lowest level of significant input used when measuring fair value, The three-level fair value hierarchy is described below:

Level 1 - Inputs are determined based on prices quoted in active markets for identical assets and liabilities on measurement date, Additionally, a company should be authorized to conduct transactions in such active market and the price cannot be adjusted by the company itself.

Level 2 - Inputs used are the prices quoted in Level 1, which are observable for an asset or liability, either directly or indirectly, Level 2 inputs include prices quoted in an active market for similar assets or liabilities, prices quoted in an inactive market for identical assets or liabilities; or inputs that are observable or can corroborate a market data by means of correlation or other methods for substantially all the asset or liability.

Level 3 - Unobservable inputs are those arising from few or no market activity, These inputs correspond to the best estimate of a company’s management best estimate as to how market players can determine a value/price for these assets or liabilities, Level 3 assets and liabilities are usually measured using pricing models, discounted cash flows or similar methodologies that require significant judgment or estimate.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

The fair values estimated by Management were determined according to Level 2 for these financial instruments:

(i) The amounts related to trade accounts receivable and payable do not differ significantly from their fair values as the receipt/payment term of these amounts does not exceed 60 days;
(ii) Fair value measurements are calculated based on other directly observable variables (that is, prices) or indirectly observable variables (derived from prices).

c) Liquidity risk

The Company manages its liquidity risk maintaining adequate reserves and approved credit facilities it considers appropriate, through the continuous monitoring of expected and actual cash flows, and through the alignment of the maturity profiles of financial assets and liabilities.

The table below shows in detail the maturity of outstanding financial liabilities:

	Parent Company	
	Up to 1 year	Total
Trade accounts payable	134	134
Total	134	134

	Consolidated				
	Up to 1 month,	1-3 months,	Up to 1 year	Up to 10 years	Total
Trade accounts payable	153,982	82	1,414	-	155,478
Related parties	-	-	18,526	-	18,526
Loans and financings	-	-	56,054	161,019	217,073
Total	153,982	82	75,994	161,019	391,077

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

d) Credit risk

The credit risk is minimized by the fact that the Company's sales are basically made to Petrobras (100% in the year ended December 31, 2020, and 45.7% in the year ended December 31, 2019) and Shell (54.2% on December 31, 2019). The risk, represented by the fact that most transactions are conducted with two customers is considered by the Company's management as immaterial, since historically it has no record of defaults or late payments. In the years ended December 31, 2020 and 2019, no losses on receivables from clients were recorded.

The credit risk in transactions with the consortium members and consortiums is described in note 6.

e) Interest rate risk

The Company uses funds raised in the initial public offering and generated by operating activities to manage its operations and ensure its investments and growth. Short-term investments in marketable securities are basically pegged to the floating rate CDI, while part of loans and financings are pegged to the TJLP.

Interest rate sensitivity analysis

Operation	Balance at 12/31/2020	Risk	Probable scenario (a)	Scenario I	Scenario II
Annual CDI rate as of December 31, 2020	1.90%		1.90%	1.43%	0.95%
Cash equivalents and short-term investments (current and noncurrent) – effective		Cut in CDI rate	1,609,277	1,609,277	1,609,277
Estimated annual CDI rate as of December 31, 2021					
Cash equivalents and short-term investments – estimated		Cut in CDI rate	1,639,253	1,632,063	1,624,274
Estimated revenues for year ended December 31, 2021			30,576	22,787	14,998
Effect of reduction in revenues from yields from short-term investments as of December 31, 2021			-	(7,789)	(15,579)

(a) As per the web site of BNDES on February 19, 2021

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

Operation	Balance at 12/31/2020	Risk	Probable scenario (a)	Scenario I	Scenario II
Annual CDI rate as of December 31, 2020	1,90%				
Estimated annual CDI rate as of December 31, 2021			1.90%	1.43%	0.95%
Restricted cash - estimated as of December 31, 2021	490,356	Cut in CDI	499,673	497,299	494,926
Estimated revenues for year ended December 31, 2021			9,317	6,943	4,570
Effect of reduction in revenues from short-term investments in December 31, 2021			-	(2,373)	(4,747)

(a) As per the web site of BNDES on February 19, 2021

Operation	Balance at 12/31/2020	Risk	Probable scenario (a)	Scenario I	Scenario II
TJLP as of December 31, 2020	4.55%				
Loans and financings:					
FINEP	53,056 (b)	Rise TJLP			
Loans and financings:					
Estimated TJLP rate for December 31, 2021		Rise TJLP	4.55%	5.69%	6.83%
Estimated expense as of December 31, 2021			2.414	3.045	3.676
Loans and financings- estimated as of December 31, 2021			55.470	56.101	56.732
Effect of increase in expenses on loans and financings in the year ended December 31, 2021			-	631	1.262

(a) According to the website of the National Bank for Economic and Social Development (BNDES).
(b) Amount refers only to the portion of Subloan B of the FINEP loan

f) Exchange rate risk

This risk is basically due to the reduction in the exchange rate on foreign currency transactions.

Sensitivity analysis for the exchange rate

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

The table below refers to a devaluation of the US dollar against the Real and the impact on US dollar-indexed transactions contracted by the Company.

		Consolidated			
		12/31/2020			
		Probable scenario (a)		Scenario	
	Risk	Balance in USD	Balance in R$	Possible	Remote
Dolar rate on December 31, 2020 (R$5,1967)					
Operation					
Foreign Exchange Fund– Assets	Reducction US$	17,587	91,392	91,392	91,392
Annual Estimated rate on December 31, 2020			5.30	3.98	2.65
Foreign Exchange Fund– Estimated on December 31,2020			93,209	69,907	46,604
Effect in result and net equity on December 31,2020			1,817	(21,485)	(44,788)
Effect of reduction in financial income on December 31,2020			-	(23,302)	(46,604)

(a) Probable exchange rate scenario for the year ending December 31, 2021, according to the Focus report on March 15, 2021, issued by the Central Bank of Brazil.

The table below refers to an appreciation of the US dollar against the Real and the impact on transactions indexed to the US dollar in the Company's lease agreements.

		Consolidated			
		12/31/2020			
		Probable scenario (a)		Scenario	
	Risco	Balance in USD	Balance in R$	Possible	Remote
Dolar rate on December 31, 2020 (R$5,1967)					
Operation					
Lease agreements – Liability	Increase US$		562,621	562,621	562,621
Annual Estimated rate on December 31, 2020			5.30	6.63	7.95
Lease agreements on December 31,2020			573,805	717,256	860,707
Effect in result and net equity on December 31,2020			11,184	154,635	290,086
Effect of reduction in financial income on December 31,2020			-	143,451	286,902

(a) Probable exchange rate scenario for the year ending December 31, 2021, according to the Focus report on March 15, 2021, issued by the Central Bank of Brazil.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

g) Oil price volatility risk

These risks are basically due to changes in oil prices. Derivative operations has the exclusive objective of protecting the expected results of short-term commercial transactions (up to 12 months).

Accordibng the Company's Market Risk Management Policy, which has the objective of mitigating the exposure of Company to the risks of the Oil and Gas Exploration and Production activity, Management has opted to hedge a possible reduction in price of the barrel.

Hedging operation of oil prices (throught the purchase of put options) protects the company to obtaining an average price of USD40 per barrel for part of the Atlanta Field production. On December 31, 2020, the contracts offer coverage for 600,000 thousands barrels to be sold over six months.

The table below relates to a change in the Brent price and the effect on Shareholders' Equity of mark-to-market and settlement of the put option.

		Consolidated			
		12/31/2020			
		Probable scenario (a)		Scenario	
	Risk	USD	R$	Possible	Remote
Brent price on December 31, 2020		51.80			
Operation					
Hedge	Increase of Brent				
Estimated expense as of December 31, 2020				1,001	501
Estimated – Market to Market and liquidation				(6,221)	(6,722)

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

28. SHAREHOLDERS' EQUITY

i. Capital stock

The Company's paid-in capital as of December 31, 2020 is R$2,078,116, represented by 265,806,905 registered common shares without par value, net of R$57,380 in share issuance costs. The breakdown of the capital stock as of December 31, 2020, is set out as follows:

Shareholders	Number of common shares	% equity Interest
Queiroz Galvão S.A.	167,459,291	63.0
FIP Quantum	18,606,588	7.0
Floting shares	76.093.218	28.6
Treasury shares	3.264.525	1.2
Administrators	383,283	0.2
Total	265,806,905	100

ii. Earnings per share

Basic earnings per share are determined by dividing income for the year by the weighted average number of all classes of shares outstanding during the period. Diluted earnings per share are determined including stock options, where applicable, granted to key officers and employees using the treasury stock method when the effect is dilutive.
The equity instruments that will or could be settled with Company shares are included in the calculation only when their settlement has a dilutive impact on earnings per share.

	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019
Basic and diluted earnings per share		
Numerator:		
Net income for the period	123,953	183,874
Denominator (thousands of shares):		
Average weighted number of common shares	262,542	262,227
Basic earnings per share (Reais/cents)	0.47	0.70

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019
Diluted earnings per share		
Numerator:		
Net income for the year	123,953	183,874
Denominator (thousands of shares):		
Average weighted number of common shares	262,740	262,227
Diluted earnings per share (Reais/cents)	0.47	0.70

iii. Stock option plan

The Company's Board of Directors, within the scope of its duties and in conformity with the Company's Stock Option Plan, approved the grant of preferred stock options to the Company's management and key senior executive officers. Twenty per cent of the stock options of the 2011 to 2016 grants become vested in the first year, an additional 30% in the second year, and the remaining 50% in the third year. The stock options under the 2011 to 2016 Plans can be exercised within seven (7) years after the grant date.

The fair value of the stock options was estimated at the stock option grant date using the binomial pricing model and amounts to R$ 1.14 for the 2016 Plan, R$ 1.96 for the 2015 Plan, R$ 2.65 for the 2014 Plan, R$ 4.11 for the 2013 Plan, R$ 5.31 and R$3.87 for the 2012 Plans, and R$9.87 for the 2011 Plan.

The Board of Directors' meetings and the assumptions used in the pricing model are as follows:

	Plan 2016	Plan 2015	Plan 2014
Date of Board meeting	02/23/2016	03/12/2015	02/24/2014
Total stock options granted	2,334,915	2,334,915	2,296,500
Stock option strike price	R$4.88	R$6.36	R$8.98
Fair value on grant date	R$1.14	R$1.96	R$2.65
Estimated share price volatility	33.86%	36.96%	43.36%
Expected dividend	3.59%	2.47%	3.84%
Risk-free rate of return	7.25%	6.39%	6.20%
Duration of option (in years)	7	7	7

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

Changes in the stock options in the past four years, through December 31, 2020, have been as follows:

	Stock options
Options in circulation as of January 01, 2019	8,115,264
Options exercised during 2019	(754,718)
Canceled options during 2019	(4,370,139)
Options in circulation as of Decemeber 31, 2019	2,990,407
Options exercised during 2020	(314,885)
Canceled options during 2020	(1,604,853)
Options in circulation as of December 31, 2020	1,070,669

The strike price range and the average maturity of outstanding options, as well as the strike price range for the exercisable options for the period ended December 31, 2020, are summarized below:

	Options in circulation			Vested options	
Plans	Options in circulation as of 12/31/20	Average remaining maturity in years	Strike price in R$	Vested options as of 12/31/20	Average strike price in R$ (*)
2016 Plan	1,089,164	7	4,88	93,915	5.66
2015 Plan	314,584	7	6,36	314,584	8.13
2014 Plan	1,640,826	7	8,98	1,640,826	12.42

(*) Updated annually according to the Brazilian National Consumer Price Index (INPC).

For the year ended December 31, 2020, the Company booked, since the initial of the stock options plan in shareholders' equity, an accumulated result with share-based remuneration in the amount of R$42,795, of which R$44,778 from stock option granted from 2011 to 2016 and the counterpart during the period as cost of personnel. The balances of stock options reserve as of December 31, 2020 and 2019 amounts to R$30,087 and R$29,586, respectively.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

iv. Net income of year

Company's policies provide for the following appropriation of net income for the year, adjusted in the manner provided by the Brazilian Corporation Law:

	12/31/2020	12/31/2019 (Adjusted)
Net income for the year	123,953	183,874
Prior year adjustments	(29,909)	-
Appropriation to legal reserve (5%)	(4.700)	(10,773)
Mandatory minimum dividends	(1)	(2)
Additional dividends	(50,999)	(204,690)
Investment reserve	(38,344)	-
Investment reserve - reversal	-	(95,310)

The investment earnings reserve was constituted on December 31, 2020 based on the profits remaining after allocations to legal reserve and dividends, which will be submitted for approval at the next Shareholders' Meeting.

29. TREASURY SHARES

The Company has authorized a program for buy-back of common shares of paid in capital that it has issued. All such shares are book-entry, registered shares without par value, to be held in treasury and subsequently cancelled or sold to implement the grant programs under the Stock Option Plans for the years 2011 to 2014.

Plans	Date buy-back was authorized	Volume repurchased
2011 Plan	04/24/2012	1,097,439
2012 Plan	07/09/2012	2,491,517
2013 Plan	05/06/2013	2,120,319
2014 Plan	02/24/2014	2,245,357

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

The changes in the position of treasury stock over the course of the past five years is as follows:

	Ordinary shares (*)	R$thousands
Balance as of January 1, 2019	4.334.128	44.139
Stock options exercised up to December 31, 2019	(754.718)	(7.687)
Balance as of December 31, 2019	3.579.410	36.452
Stock options exercised up to December 31, 2020	(314.885)	(3.207)
Balance as of December 31, 2020	3.264.525	33.245

(*) Number of shares

Historic average acquisition cost of treasury of shares stock (R$per share) was R$10.18.

Market value of treasury shares

The market value of the common shares held as treasury shares as of December 31, 2020, is calculated as follows:

Number of shares in treasury	3,264,525
Quotation for share on Brazilian Stock Exchange (B3)	11.85
Market value (R$ Th)	38,685

Treasury shares are accounted for based on the acquisition cost.

The number of shares held in treasury as of December 31, 2020 represents 1.2% of the total common shares issued by the Company.

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

30. INSURANCE

The main Company assets or interests covered by insurance policies taken out and the respective coverage amounts are as follows:

	Effective coverage term		Amount Insured
Type of insurance	Beginning	Expiration	December 2020
Petroleum and operating risks	12/31/2019	06/30/2021	4,385,228
Property	07/21/2020	07/21/2021	15,976
civil liability – D&O	03/29/2020	03/29/2021	140,000
General and civil liability	02/21/2020	02/21/2021	10,392
Travel insurance	-	-	2,598
Total			4,554,194

31. PENSION PLAN BENEFITS

Direct subsidiary Enauta offers a private pension plan to all employees and directors, It involves a defined contribution plan, of which up to 12% of the monthly salary is contributed by the employee and up to 6,5% by the employer, according to the hierarchical level, The plan is managed by Bradesco Vida e Previdência under two regimes: progressive and regressive. When employees leave the plan before the end of the minimum contribution year, the contributions payable are reduced to the amount already paid by the Company. The only obligation of the Company in relation to the retirement plan is to make the specified contributions.

The total expense is recognized in the consolidated income statement and refers to the contributions paid according to the rates specified by the rules of such plan.

	Parent Company		Consolidated	
	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019	01/01/2020 to 12/31/2020	01/01/2019 to 12/31/2019
Private pension (a)	(99)	(97)	(1,196)	(1,374)
Total	(99)	(97)	(1,196)	(1,374)

(a) The Company used the inomimado fund the pension plan in the amount of approximately R$281 (Company's contribution of the portion related to terminated employees who have not fulfilled the vesting period) to pay off the installments to contribute for the months of April, May and June (partial).

(Amounts expressed in thousands of Brazilian Reais - R$, except as otherwise indicated)

32. SUPPLEMENTARY CASH FLOW INFORMATION

Changes in assets and liabilities not affecting the Company's cash flows are as follows:

	12/31/2020	12/31/2019
Suppliers of property, plant and equipment	1,190	50,940
Fines / Contractual penalties	32,524	26,413

33. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on March 31 , 2021 and authorized to be filed with the Brazilian Securities Commission (CVM) on the same date

34. BOARD OF DIRECTORS

Board of Directors	Directors
Antonio Augusto de Queiroz Galvão	Décio Fabricio Oddone da Costa
Ricardo de Queiroz Galvão	Paula Vasconcelos da Costa Corte-Real
José Augusto Fernandes Filho	Carlos Ferraz Mastrangelo
Leduvy de Pina Gouvêa Filho	
Luiz Carlos de Lemos Costamilan	
José Luiz Alqueres	

Controller and responsible accountant

Ana Glória de Oliveira Nogueira
Fernanda Amaral Rodrigues de Britto

DECLARATION OF THE BOARD OF EXECUTIVE OFFICERS ON THE REPORT OF THE INDEPENDENT AUDITORS - SUBSECTION VI OF ARTICLE 25 § 1º, ITEM VI OF CVM INSTRUCTION 480/09

We declare, as Directors of ENAUTA PARTICIPAÇÕES S.A., based on Avenida Almirante Barroso, nº 52, sala 1301 (parte), Centro, Cidade do Rio de Janeiro, Estado do Rio de Janeiro, registered on number 11.669.021/0001-10 ("Company") pursuant to item VI of paragraph 1 of Article 25 of CVM Instruction 480 edited by the Securities and Exchange Commission on December 7, 2009, that it has reviewed and discussed the content and opinion expressed in the report of the Independent Auditors on the Company's Financial Statements for the year from January 1, 2020 to December 31, 2020.

March 31, 2021.

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Décio Fabricio Oddone da Costa
CEO and Exploration Director

Paula Costa
____

Paula Vasconcelos da Costa Corte-Real
Chief Financial Officer and Investor Relations Officer

____

Carlos Ferraz Mastrangelo
Production Director

STATEMENT FROM THE BOARD OF EXECUTIVE OFFICERS ON THE FINANCIAL STATEMENTS - SUBSECTION VI OF ARTICLE 25 § 1º, ITEM VI OF CVM INSTRUCTION 480/09

We declare, as Directors of ENAUTA PARTICIPAÇÕES S.A., based on Avenida Almirante Barroso, nº 52, sala 1301 (parte), Centro, Cidade do Rio de Janeiro, Estado do Rio de Janeiro, registered on number 11.669.021/0001-10 ("Company") pursuant to item VI of paragraph 1 of Article 25 of CVM Instruction 480 edited by the Securities and Exchange Commission on December 7, 2009, that it has reviewed, discussed and agreed to the Company's financial statements for the year from January 1, 2020 to December 31, 2020, authorizing their conclusion as of this date.

March 31, 2021.

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Décio Fabricio Oddone da Costa
CEO and Exploration Director

Paula Costa
____
Paula Vasconcelos da Costa Corte-Real
Chief Financial Officer and Investor Relations Officer

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Carlos Ferraz Mastrangelo
Production Director