

Operator: Good day ladies and gentlemen, thank you for waiting. At this time, we would like to welcome everyone to Enauta's third quarter 2020 earnings conference call.

Today we have here with us Mr. Décio Oddone, CEO, Ms. Paula Costa Côte-Real, CFO and IRO, Mr. Danilo Oliveira, Production Director, and Mr. José Milton Mendes, Exploration Superintendent.

We would like to inform you that this event is being recorded and that all participants will be in listen-only mode during the company's presentation. After Enauta's remarks are over, there will be a Q&A session, when further instructions will be provided. Should any participant need assistance during this conference call, please dial star 0 to reach the operator.

Before proceeding, let me mention that forward-looking statements that might be made during this conference call relative to Enauta's business perspectives, projections and operating and financial goals are based on the beliefs and assumptions of Enauta's management and on information currently available to the company.

Forward looking statements are not a guarantee of performance, they involve risks, uncertainties, and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur. Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of Enauta and could cause results to differ materially from those expressed in such forward-looking statements.

Now I will turn the conference call over to Ms. Paula Costa Côte-Real, CFO and IRO, who will start the presentation.

Ms. Côte-Real, you may begin.

Ms. Paula Costa Côte-Real: Good day everyone and thank you for joining us on this conference call to discuss third quarter 2020 results, a quarter of important changes for Enauta.

Let's begin on slide two with the highlights for the quarter. Enauta continues to have a very strong cash position of R\$1.7 billion, which added to short-term receivables related to M&A deals and net of our Capex commitments still totals more than R\$2 billion.

From the operational standpoint, we had a rather challenging environment with reduced production at Atlanta Field and increased production at a Manati field, resulting from higher demand for gas.

Starting with Atlanta, operational issues with the FPSO continue to impact the field's operations. For that reason, we revised down the forecast of average daily production estimate for the field at 20,000 barrels per day in 2020 and to 16,000 barrels per day in 2021, plus or minus 10%.

It is worth highlighting that the low sulfur oil from Atlanta continues in high demand and the average a discount to Brent in this quarter was below US\$5 per barrel including logistics costs.

At Manati, production more than doubled quarter on quarter although the natural depletion of the field has led to a production decline in the annual comparison. In 2020, or for 2020, we maintained our forecast of financial compensation in Manati equivalent to an average daily production of 2.3 million cubic meters.

As we announced, in August, we decided to sell our 45% working interest in this asset to Gas Bridge for R\$560 million, a price which could increase depending on some regulatory conditions. The deal is still subjective to a series of conditions precedent and we expect the deal to be concluded by the end of 2021.

More recently, following third quarter-end, we received a notice of withdrawal from Barra Energia, our partner at Atlanta field – a matter that we will discuss later in the presentation.

With all that plus the postponed drilling of the first well in Sergipe-Alagoas to the second half of 2021, we reduced our plan to Capex by around 25% for the 2020-2021 period.

Slide three brings the performance of our producing assets, Manati and Atlanta. In the third quarter, Atlanta recorded an average daily production of 14,000 barrels of oil, down 37% in the yearly comparison due to operational problems in the FPSO.

In Q2 20, we had commented on some problems related to water. In September, we solved the issue of a wastewater treatment for discharge, but soon after, faults were found in the oil heaters due to corrosion, which led us to again reduce production to allow for repair work.

Currently, the field continues to operate with only one well and the return of the second well is estimated for November, this month. The third well is expected to resume operations only in the beginning of next year.

Altera is working to repair the FPSO so as to adapt it to contract specifications. Meanwhile, the units charter and operational and maintenance costs are reduced, reflecting the availability of the FPSO. However, this cost reduction is way lower than the revenue loss to Enauta, due to lower production.

At Manati, once again, we had a complete quarter of production at the field, and in September we could already see a demand equivalent to the field's production

capacity. This contributed to boost third quarter results, which increased 146% quarter on quarter.

When compared with the same in 2019, the field's natural depletion led to a lower average daily production in the quarter.

On the next slide, slide four, we can see a summary of our earnings in Q3 20 compared with the same year-ago period. In this quarter, despite the lower production in our two producing assets combined with the hedge exercise more than offset the decline in average oil selling prices, so we had a 17.5% increase in operational profit, and this impacts the positive effect of the hedging and our operating control.

Net income dropped 6% mainly due to the better financial result in the quarter. Ebitdax was 18% lower and impacted by higher administrative expenses and other operating expenses, still maintaining an Ebitdax margin of 69%.

As you can see, the share of producing assets in the company's revenues oscillated greatly in the last 12 months on the back of diverse events happening in different quarters. In this quarter, Atlanta accounted for 63% of our revenues and Manati field 37%.

Please, go to slide five, where we discuss our cash and debt positions. Enauta ended the third quarter with a cash balance of R\$1.7 billion, our debt of R\$224 million is 100% denominated in Brazilian reals and it's mostly comprised of long-term maturities. Our net debt over Ebitdax ratio remains negative at 1.7 times.

We have short-term receivables amounting to US\$144 million related to the sale of block BM-S-8 to Equinor, waiting the definition of the unitization areas, and we have Manati receivables of R\$560 million, which, upon completion of the deal, will be received by 2021 year-end.

As regards the Capex, we will end at the year having invested US\$27 million, 12 million expected for the fourth quarter 20, and we are forecasting a total Capex of US\$55 million for 2021 including drilling of the fourth well at Atlanta and drilling the first well in Sergipe-Alagoas.

In other words, these numbers give Enauta a rather comfortable liquidity, allowing us to seek new opportunities to expand our asset portfolio.

Slide six shares information on the hedge contract for oil protection in Atlanta. In recent months, when Brent price returned to a US\$40 range, we decided to buy more put options, thus hedging a greater share of our production. The current hedge amounts to 47% of the company's production expected for Q4 2020 and first quarter 2021.

530,000 barrels were contracted in the fourth quarter of 2020, an average strike rate of US\$44 per barrel. Please note that in Q3 the net impact from hedge on our revenues totaled R\$13 million, an amount recognized in our operating revenue line.

Considering hedging, breakeven expectation for operating cash generation at Atlanta in Q4 2020 will reduce from US\$31 to US\$13.00 per barrel. In Q121, the effects of the hedging operations already contracted reduce the breakeven expectations for operating cash generation from US\$28 per barrel to US\$20.8 per barrel.

On slide seven, we will give you more color on the Atlanta field. Like I said, we've been facing operational problems in the FPSO in June due to issues involving water separation, which led us to reduce our production for troubleshooting and repair purposes. The volatility in production has a direct impact on lifting cost. Despite reductions in chartering costs, the lifting cost has a direct relationship with the amount in barrels produced in the quarter, increasing this indicator by 43.5%.

2020 was a year to rethink the design of the Full Development System in the Atlanta field. At the end of the first quarter, even before we started request for proposals and contracting for this project, the pandemic and the dramatic reduction in oil prices made us review all our plans searching for options that are profitable and resilient to the new reality of oil prices.

The good news is that we did not take on any additional commitments to the final project yet, which gives us the necessary leeway to make the most adequate decision for the company.

The analysis of different scenarios for Atlanta's development was accelerated in the beginning of the month after Barra Energia's decision to withdraw from the project. Our top priority, as we speak, is to decide whether to take Barra's working interest and carry on the project or to move towards a joint withdrawal.

It is important to remind you all that should we decide to join the withdraw, it would not occur immediately. The Early Production System would continue to operate for as long as it were economically feasible, and the final withdraw would only occur after conclusion of the require proceedings with the appropriate authorities.

On slide eight we highlight our exploration assets at Sergipe-Alagoas basin. The consortium plans to drill the wildcat well in the second half of 2021. ExxonMobil, the operator, submitted an EIA/RIMA to IBAMA and final seismic data processing was concluded last quarter. The Capex expected for this drilling amounts to US\$15 million.

Now I will turn the floor over to Décio, who will share the company's strategic vision in this moment of transformation.

Décio Oddone: Good day ladies and gentlemen, it is a pleasure to be here with you in my first earnings conference call with Paula, Danilo and Mendes.

Like Paula said, Enauta has been going through an interesting time: in recent times, three years ago, the company sold Carcará, we still have some receivables to come in, and more recently Manati. And this stems from this evaluation that these were good strategies for the Company.

But just as we sold two significant assets, we have the possibility now and the opportunity to revisit the company's portfolio and reshape this portfolio, and that's what we are placing our efforts on, in addition to address Atlanta.

The company has cash enough and it will be used in a responsible manner, also in the exploration campaign in a very diligent manner. We need to work on the company's portfolio recomposition, and what we see in the world is an acceleration of the energy transition, a change to the portfolio by companies that are accelerating the divestment of assets, and it brings opportunities to companies like Enauta, which can buy assets that are in the market.

So, that's a move that is happening in Brazil as well, it started a little bit later this process to sell assets of producing fields, it started a while ago in other countries that are producing for a while, like the Gulf of Mexico, the North Sea, we have the transfer of assets. So, we keep an eye on opportunities an Enauta will pursue these opportunities because this is structure, we have a competent, well-known technical body skilled enough so that, once we acquire a new asset, we can generate value to shareholders.

So, we will be very responsible when it comes to capital allocation or in pursuing profitability and generation of value.

So, this concludes our presentation, and I ask the operator to open the floor for questions.

Question and answer session

Operator: Ladies and gentlemen, we will now begin the question and answer session. If you want to ask a question, please press star one on your touchtone phone now. If at any time you would like to remove yourself from the questioning queue, please press star two.

Our first question comes from Luiz Carvalho, with UBS BB.

Luiz Carvalho: Hello, Décio, Paula. I have three questions. Décio mentioned and based on the presentation and with today's foreign exchange, you would have almost to 3 billion worth of receivables considering of the rest of Carcará and receivables from Manati.

I would like to understand: what is the company thinking? I think Décio spoke a little about this regarding rebuilding the portfolio. Is there any possibility of thinking about paying extraordinary dividends?

And Décio, you just mentioned an energy transition process. Could it be expected, or could we imagine that Enauta could be looking at other sectors, other than just exploration and production, something related to gas maybe, or something related to thermal generation? Something along those lines or do you think that the portfolio revisiting is strictly related to oil and gas?

My second question has to do with breakeven close to US\$30 in Atlanta. Of course, you had some projections, Paula mentioned another well starting to operate again in 2021. So, I would like to get a sense of what you are thinking about the field and when could we expect a final decision? Perhaps you could give us some color regarding your hedging strategy. Thank you.

Décio Oddone: Hello, Luiz, it is always a pleasure talking to you. So, ok, so let's start to answer your questions. On the strategy, initially, our idea is to rebuild the company's portfolio geared to production of oil and gas, we already have an exploration portfolio, I know we are assessing acquisitions in the area of oil and gas that might have some relationship with the gas sector if that acquisition involves the production of natural gas. We don't have any advanced-stage deals in the pipeline yet, but these things happen very quickly.

So, our first objective in the short term is to rebuild our portfolio, later, when we have a new portfolio – we want this to be a more diversified portfolio by the way –, that's when we will think about energy transition.

Any company who wants to remain in this business for the long run will have to eventually turn their eyes to this. We understand that now we are prioritizing the rebuilding of our portfolio of E&P, of oil and gas, and when the situation is more balanced, later on we will focus on energy transition.

Regarding dividends, we have a dividend payout policy, it is our goal to abide by it. Now regarding additional dividends, it requires surplus of cash and accumulated net income. Again, our goal right now is to rebuild our portfolio. That's our top priority.

Regarding Atlanta field, even before my join in the company and now this process is being accelerated, the company was revisiting the project considering this new post-pandemic world we are living in, which is a world with lower oil prices. So, we had already started working on a more robust and resilient project, a project that would give us a lower breakeven, and that's when we got that notice of withdrawal from Barra Energia to leave the project.

It is important to understand that Barra's motivations are not necessarily the same as Enauta's motivations, we are different players. We are an E&P company, Barra, well, they have investors, private equity funds, so not always are the motivations the same.

Now clearly with a more robust and resilient project, that's the goal for everyone in the business, but there are other objectives that might have driven the decision by Barra to withdraw. I'm not going to discuss that, it's their decision.

But in light of our own motivations, we will now look in depth at this project, we have until November 28th according to the JOA (joint operating agreement) that we have with Barra Energia. So, until November 28th, we have the position ourselves whether we're going to go for joint withdrawal or whether we are going to keep 100% of the asset at 0 cost for us. This is the rule established, and if we do that, of course, we will continue to pursue one or more partners.

But we will only do that if the project is feasible. If it's feasible for us, it's very likely it will be feasible to others as well. If we continue with Atlanta, we will continue with Atlanta in a scenario of players on board.

And as for hedging, I will turn the floor to Paula because she will be able to answer that better than I.

Paula Côte-Real: Hi, Luiz, how are you? To add to what Décio said regarding breakeven, the breakeven of US\$30 is the average for 2021, so clearly, it starts at a lower level with a higher production in the beginning of the year, and as production naturally declines over the year, the breakeven increases. On average, it will be at around US\$30.

As our hedge policy, the concept of the policy is unchanged regardless of what happens to Atlanta. But with abandonment of the field or withdrawal from the field, we are no longer exposed to the commodity and it doesn't make any sense to buy put options for the oil.

Today, we have hedge contracted until the second half of 2021, until the second half of next year, and we are more protected for the fourth quarter 2020 and first quarter 2021 because that's when we can expect greater volatility in oil prices because of the winter time in the northern hemisphere and the second COVID-19 wave.

For the fourth quarter, we have about 60% of production hedged, for the first quarter 2021 around 40% of production hedged, and for the second quarter of next year, it is a lower percentage, but the trend is that this decision of Atlanta will impact the hedge volume that we need to contract, and it's not the core of the policy itself because the core of the hedge policy will remain, as we are exposed to the commodity, we would continue to work with the same instruments, the put options.

Another good thing about this instrument is that, regardless of our production, it never puts us in a speculation position because I have a put option at a certain price. I don't have any commitment for additional payments regardless of producing or not, in addition to the premium that we pay in the beginning when we buy the put option. So, it's independent of our decision, and we're not going to be at a speculative position regarding the contracted hedge.

Luiz Carvalho: Thank you. If I can have a follow-up regarding Atlanta. If you decide to remain in the field, does Barra have to do something regarding decommissioning of the field because they are leaving now or the moment that you take over the field Enauta on its own would this be under Enauta's responsibility only?

Décio Oddone: Luiz, the shareholders agreement, the partnership for exploration and production determines the players' responsibilities. If we withdraw together with Barra, we take on the responsibilities and the rights at that moment. All rights and duties set forth at the moment of withdraw will be respected.

So, if Barra leaves and we stay, we take on responsibilities from the moment that we have 100% working interest. Barra's responsibilities remain regarding the 50% that they had until that moment.

So, regarding abandonment, what was a compulsory withdrawal abandonment until the moment that Barra withdrew continues to be responsibility of Barra. What happens after that will be Enauta's responsibility or the responsibility of the new consortium formed.

For example, if we withdraw together with Barra, if we decide on that to do it by the end of next year, until the end of next year, both revenues and obligations will belong to both of us. If we stay and then Barra will not withdraw immediately, they will withdraw along 2021.

Until the formal withdrawal, which depends on ANP authorization and other agencies authorizing, that's when this scenario will change, but everything related to responsibilities, obligations that exist today they will be taken on by Barra. Only new obligations, new responsibilities will be in the hands of the new player.

Luiz Carvalho: It is clear, thank you.

Operator: Our next question comes from Guilherme Levy, with Morgan Stanley.

Guilherme Levy: Hello everyone, thank you for taking my questions. My first question has to do with the cash which the company has in reals historically. But because of the Brazilian currency depreciation, the company lost a lot of its firing power regarding a new acquisition, even if the deal happens in Brazil, the assets are normally dollar-denominated.

So, my question is: do you think that it would make sense to protect the cash, which is currently in Brazilian reals, from the real volatility perhaps having assets in dollars?

And the second question has to do with Atlanta. If the company decides to withdraw jointly with Barra, I understand that you might incur some fines given the early termination of some contracts.

So, I would like to understand what would be an order of magnitude for these fines? And how much would decommissioning cost? Would Enauta have to pay for everything that has been done so far with Barra? These are my questions, thank you.

Décio Oddone: Guilherme, regarding dollars, well, the company's currency is the Brazilian currency, so I will ask Paula to explain the rationale regarding that.

Paula Côte-Real: Hello, Guilherme, this is Paula is speaking. As Décio mentioned, our functional currency is the Brazilian real. Until now, our hedge policy or our market risk policy aimed to protect for and exchange exposure if we have the obligations taken on in dollars. But when we bought assets that were dollarized, like BM-S-8 and 4, when we took on that commitment, we immediately dollarized that part of the Capex, but our functional currency is the Brazilian currency.

Indeed, we are discussing internally whether we should change that in the future, particularly if we don't have production from Manati, which was an important income stream for the company and it was denominated in reals, and if we understand that our business works more in dollars. But this is a future discussion.

Today, indeed, the functional currency of Enauta is the Brazilian real. We are protected because we have an estimated planned Capex and the flow of the commodity from Atlanta, once it is hedged with oil put options, it's also considered in a dollarized flow stream.

And although we do have a strong cash position in reals, we also have significant receivables from Equinor, US\$144 million, and that is dollarized, and it's not taken into account in our market risk policy. The main reason to maintain most of our cash in reals is our functional currency.

Décio Oddone: To answer the second part of your question regarding Atlanta, in the case of joint withdrawal, some contracts do entail fines, and the more we advance in time, there is a fine regarding the FPSO platform.

Regarding decommissioning, we have a provision for abandonment and these are resources that we provision for in case of abandonment, and now in this evaluation process we are trying to quantify what the abandonment cost will be, but part of this cost is already provisioned for.

Guilherme Levy: Thank you.

Operator: The next question is from Leonardo Marcondes, with Itaú BBA.

Leonardo Marcondes: Good afternoon, thank you for taking my questions. I have two questions. The first question is about the strategic vision of the Company. You are considering more mature assets as well, but I'd like to know if you could give us

more color on the significant or attractive characteristics to you or things that you would have to find in these assets to be in a possible acquisition process.

My second question is about Atlanta. I would like to understand if you know if in this process was anyone interested in buying the working interest, and if there was, what is your opinion and why is it this possible acquisition did not move forward?

And just to check if I got that correctly with Luiz's question, should you decide to stay with the field, would the idea be to have a partner to Atlanta as well? Thank you.

Décio Oddone: Leonardo, Enauta has been characterized in the past as well by focusing more strongly on exploration and development of discoveries, an example is Manati and also Atlanta, Carcará and exploration blocks that we have in our portfolio, but a lot of this strategy stems from opportunities available at that time.

When the strategy was first implemented, there were no opportunities to acquire production assets in Brazil, that is something more recent, for the last couple of years. So, opportunities to acquire assets, production assets in Brazil were not available, and since the IPO, Enauta had a very responsible management of cash, preserving cash so today we have opportunities when opportunities arise to go for an acquisition.

So, we would be keeping an eye on assets, we don't have a volume goals, but our goal is value generation, so we try to find assets which gives us opportunities to generate value owing to the company's knowledge, technical skills, and this asset or these assets may be in any environment, not only deep waters – this is where the company has been operating more recently, in addition to Manati.

So, it can be shallow water, deep water, onshore. What really matters is to pinpoint opportunities to have value generation.

Now second question, we are aware of the move for Barra's working interest in Atlanta. We had contact with many interested parties, the deal did not happen, and I believe that we have to try to understand the motivations by every company. Like I said during this call, Barra is a company with a different characteristic compared to Enauta, and I believe this may have an influence in the process, in the sale process preventing it from happening.

Third question, partner in Atlanta. The answer is yes, we always want to have partners in our operations so we can have a more diversified portfolio. So, if we decided to have Barra's working interest in Atlantic, immediately we will search for partners, or one partner to be the deal.

Leonardo Marcondes: Perfect, Décio, thank you very much.

Operator: The next question is from Fernanda Cunha, with Citibank.

Fernanda Cunha: Hello, good afternoon everyone. Just a quick question about Manati. You just made comments, it was not so clear when you had the operation, so I would like to understand what would trigger this earnout, and if you would give an idea of amount or value about this earnout.

Décio Oddone: Fernanda, our deal entails a number of questions or issues related to confidentiality. I think it was shared in material fact.

Paula, anything to add?

Paula Côte-Real: You're right, Fernanda, at first, we had constraints about the contract, so we are very restricted when it comes to confidentiality in addition to what is already in the material fact.

Fernanda Cunha: Thank you.

Operator: Our next question comes from Mr. Rodrigo Almeida, with Santander.

Rodrigo Almeida: Good afternoon everyone. I have one more question. I would like to understand what you are thinking regarding leverage for possible M&As and even for the Atlanta project if you decide to go forward. You have a good net cash position, but it might be interesting to fund some of these projects taking on debt, not only for profitability reasons, but also to have a possibility to consider more opportunities.

So, I would like to get a sense from you of what the company is thinking regarding that. Thank you very much.

Décio Oddone: Rodrigo, yes, you are right. We are a net cash company, we have the ability to raise capital and equity, so we can look at acquisition opportunities broadly, with an open mind. And, yes, it is possible that we will use third-party capital for one or more acquisitions.

Paula, would you like to add?

Paula Côte-Real: Rodrigo, this is Paula. I think that especially if we're talking about producing, mature fields, I think that there is room for leverage. The company's balance sheet has a lot of liquidity, we have room to optimize our capital structure, we always kept a cash surplus that was high and a low debt, it didn't make sense to increase the debt. But as we use the cash for other investments and if we bring Ebitda and revenue for the company, yes, so there is an opportunity to go to market to improve the capital structure of the company.

This is a good driver to create value in the short-term.

Rodrigo Almeida: Perfect, thank you.

Operator: I'd like to remind you that if you want to ask a question, please dial star one.

Please hold as we collect the questions.

Our next question comes from the webcast:

“Good day. The world tends to migrate to renewable energies. What is Enauta thinking in the short-term regarding that trend?”

Décio Oddone: Well, hello everyone who is joining us on the webcast.

I think I answered in prior questions that our short-term goal is to rebuild our exploration and production portfolio, but that in the future we will consider opportunities related to the energy transition.

In the short-term, we can evaluate possibilities related to oil and gas production, particularly gas that can be somehow connected with energy transition. We are looking at that, it is in our radar, it doesn't mean that we're not going to make any decisions in that direction, but any strategic move of ours in that direction would not happen in the short-term initially, that's our thinking.

Operator: The next question is via webcast:

“Good morning, I am Lucas. My question is about the Atlanta field. Should Enauta decide to have a joint withdrawal with Barra Energia, what about the financial future of Enauta since Manati field is coming to an end and there is no other producing field?”

Décio Oddone: The future of Enauta, Lucas, is assured by the company's cash position. I recall that Manati's sale was an anticipation of future flow that the company would have overtime in order to remain risk-free. So Manati sale had to do with uncertain flow for certain flow at a discount rate which we consider to be attractive, and it allows us to have a fund enough to rebuild the company's production portfolio and start having a constant cash flow again.

With regards to Atlanta, the company's decision to stay or leave will all depend on the attractiveness of the project, it's not related to Barra Energia, it was a process that we're already embarking on. We will only and only approve the contract of the Full Development System in Atlanta should this project generate value to the company.

So, if we were to approve a project that didn't generate value to the company, then we would be putting Enauta's financial future at risk. But we are being very diligent and careful about that.

Operator: The next question is from Fernanda Cunha, with Citibank.

Fernanda Cunha: Thank you for the follow-up opportunity. I would just like to confirm because we don't have a lot of information or color, but when it comes to Dommo in Atlanta, is it already concluded? I would just like to know if because the field might be returned or because there is no economic feasibility, if that would trigger any additional discussion with Dommo.

Décio Oddone: Dommo is no longer part of Atlanta's consortium, so this withdrawal our potential withdrawal by Barra or ourselves has nothing to do with Dommo.

We have arbitration with Dommo, and the most recent results are positive to the consortium.

Fernanda Cunha: Great, thank you.

Operator: Our next question comes from the webcast:

"What can we expect regarding the Sergipe-Alagoas field? And what about other fields, like Foz do Amazonas? What about the farmout process of the other fields?"

Décio Oddone: Hello. Well, for Sergipe-Alagoas, Foz do Amazonas and other areas, we don't have fields, we have exploration blocks, and we are searching to find natural gas and oil.

The most advanced stage we have is in Sergipe-Alagoas, we expect to drill one well in Sergipe-Alagoas in the second half of next year, so we expect to have good results there, the prospects are good.

Regarding the farm out process, the sale of our working interest in the Equatorial margin Pará-Maranhão and Foz do Amazonas, that is a process that was put on hold given the pandemic, but as soon as the situation normalizes, we will continue to look for partners for these areas, Pará-Maranhão and Foz do Amazonas.

Operator: Our next question comes from Victor Schmidt, with Fourth Sail Capital.

Victor Schmidt: Hello everyone, congratulations on the results. I have a quick question regarding the abandonment of Atlanta, if you opt for that alternative. When we look in the balance sheet, you have 60 million provisioned today for Atlanta's abandonment. Now would like to understand what does it correspond to present value? Is it regarding the Early Production System or the Full Development System? What kind of rate are you considering to get to that value? And what is the time horizon for you to discount this cash flow in the future? Thank you.

Décio Oddone: Victor, we have this amount provisioned for regarding the abandonment of wells in the Early Production System at Atlanta, which is our part. And there is also a part provisioned by Barra Energia. What we are considering now is if we decide to drop the whole project, if that happens, we are calculating the

abandonment cost and the incremental amount that we would need to add to the provisions we already have.

Paula, do you have anything to add to what I said?

Paula Côte-Real: No, this is exactly it. We have a total amount provisioned of 120, 60 is just Enauta's share. This provision happened according to the reserves developed, the EPS system, and it contemplates the three producing wells that we currently have. If we drill other wells and if we have other expenses associated to the removal of equipment, decommissioning and etc., that amount will need to be complemented.

And this is being discussed, this is being analyzed internally regarding abandonment or continuing with the project. So, we are trying to size a little more accurately these two possibilities, and eventually these values might be revisited.

Operator: The next question is via webcast:

"Good morning. Thank you for the presentation. I would like to know more about Alagoas-Sergipe field. What is the expected increase in revenues and profit? And what about startup?"

Second question: Use of proceeds to shareholders in 2020, any expectations about dividends?"

Décio Oddone: Like I said before, what we see in Sergipe-Alagoas is an exploration area, first well to be drilled next year. We don't have an estimate yet about revenues or income because we don't even have a discovery of oil or gas. Should we have a discovery, we should have to reassess and start working on production, and it might take a while, a couple of years at least.

So, that's the scenario in Sergipe-Alagoas. There is no expectation to pay or to have new dividend payout by 2020.

Operator: The next question is via webcast:

"The water volume in Atlanta's well production should it compromise the continuation of the commercial exploration of the field? What is the impairment or loss to the company should this abandonment or withdrawal be confirmed?"

Danilo Oliveira: The easiest part is about the water. Definitely not. Water does not compromise the development of the field. Water is a solution for the fields' production. All heavy oil fields in the world produce and deliver from the energy coming from a water flow. In Brazil, all of them, reaching up to 90% of water in production.

Water is a current problem in the FPSO that we are using, it was contracted with a limitation of separation and treatment of water. As for the future development of the field where we would have a specific FPSO for that, that wouldn't be a problem.

And the second part of the question about the loss in Atlanta, we already made comments on this. We have a study group right now precisely to identify any possible additional cost we might have should we have a joint withdrawal of the field as we speak, but we have no results yet.

So, we cannot answer your question now.

Décio, would you like to add?

Décio Oddone: Right, we had the assessment process and if we abandon the field with Barra, then we would have to take a couple of losses that we are still quantifying as we speak.

Operator: Our next question comes via webcast:

“The Full Development System has it been abandoned?”

Décio Oddone: No. The project hasn't been dropped yet; we are still assessing whether we will continue with the project once Barra Energia leaves the consortium.

Operator: Please hold while we collect more questions.

Our next question comes via webcast:

“The third well in Atlanta will only start reoperating again next year. Is it because of the well conditions or because of the FPSO? And what is the minimum Capex to adopt the Full Development System? The possibility of taking over Barra's share, what will happen after that?”

Décio Oddone: OK, let's try to answer all of the questions. What is limiting production in the three Atlanta wells, actually, is the FPSO. So, the owner is working to repair the problems that are currently restricting production. We don't have the minimum Capex to implement the Full Development System alone, but it would be the same as implementing it with partners.

This is exactly the study that we are conducting now, and this is the goal if there is any possibility that we will take over Atlanta field, and we are talking with potential partners for the Atlanta project and the goal is to have one or more partners for that field.

Operator: “Good afternoon. When does the company intended to acquire new assets? And what about adding average production via these acquisitions?”

Décio Oddone: We are keeping an eye on existing opportunities; we are assessing them before we work on them. I believe nothing will happen in the very short-term. These processes are slow. Should we have any news about it, I believe that start in 2021 only, and we have no volume goals, we don't have an objective or a goal for high volumes. We just want to keep an eye on opportunities to bring more value to our shareholders.

Operator: The next question is via webcast:

“Are you keeping an eye on onshore, ultra-deep water or shallow water possibilities? And why is that?”

Décio Oddone: Like I said before, the company's track record is very successful in the structure and development of reserves. And why is it that we were not open to acquire fields under production? This strategy, this exploration strategy stems from the maturity of assets in Brazil, and it used to show that the main opportunities in exploration were in deepwater or ultra-deepwater. These are characteristics of Brazilian geology, and that's why the company in the exploration area focused on deep water or ultra-deepwater.

Now that we have opportunities to acquire, we are opening our range keeping an eye on exploration assets in deepwater, shallow water, ultra-deepwater searching for value generation. So, that's our goal, we are not limiting ourselves to the environment where the company will turn to, we want to see the right signs to generate value.

Operator: Next question via webcast:

“Hello everyone. If you find a new partner for Atlanta, is there any possibility that you will no longer be the operator?”

Décio Oddone: No. Or we do not consider the possibility of giving up the operatorship at Atlanta because the company has been working on the project for a long time. We have the experience of dealing with this asset, we don't think it would be productive to pass on the operatorship of Atlanta to a partner.

Now, if there is an opportunity that we consider to be very, very attractive, we might do it. but I don't believe that this will be the case.

Operator: Next question via webcast:

“Is there any negotiation to offset the problems caused by the owner of the FPSO?”

Décio Oddone: We are working with the FPSO supplier to improve the unit's conditions. Today, the daily operation rate has been reduced, reflecting the difficulties the FPSO so is posing, and we are always with our suppliers to optimize our costs and to try to optimize our value.

Operator: Wait while we collect more questions.

We are now ending the question answer session. I would like to invite Mr. Décio Oddone to proceed with his closing statement. And Mr. Oddone, go ahead.

Décio Oddone: Well, we would like to thank all of you for participating in this conference call, and I'd like to remind you that the company, through its Investor Relations Department, is always available for further clarification you might need in the coming months until our next conference call.

Have a good day everyone and thank you for your attention.

Operator: This concludes Enauta conference call for today. Thank you very much for your participation, have a good afternoon.