

Petro Rio S.A.

Quarterly information in US dollar March 31, 2022

Legal Notice

This report uses the Company's functional currency, the US dollar, as the presentation currency, and was prepared to allow comparison with other companies in the oil sector. For the purpose of comparability, we have converted (i) all assets and liabilities on the Balance Sheet as of December 31, 2021 at the closing exchange rate on December 31, 2021; (ii) all accounts in the income statement, other comprehensive income and cash flows using the average exchange rate prevailing during the applicable period.



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Balance sheet

March 31, 2022 and December 31, 2021

(In thousands of dollars - US\$)

	Note	Parent company		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Assets					
Current assets					
Cash and cash equivalents	3	3.018	4.226	652.542	173.942
Securities	4	-	63	496.433	659.472
Accounts receivable	5	-	-	178.392	163.970
Oil inventories	25	-	-	38.753	33.953
Inventory of consumables		-	-	20.594	5.028
Financial instruments	30	-	-	-	6.274
Recoverable taxes	6	471	402	11.836	15.382
Advances to suppliers	7	-	-	19.299	15.055
Advances to partners	20	-	-	11.595	5.952
Prepaid expenses		474	10	6.753	1.749
Other receivables		-	-	209	92
		3.963	4.701	1.436.406	1.080.869
Non-current assets classified as held for sale	8	-	-	-	13.351
		3.963	4.701	1.436.406	1.094.220
Non-current assets					
Advances to suppliers	7	-	-	-	-
Deposits and pledges		18	-	2.270	1.908
Recoverable taxes	6	2	-	6.824	1.534
Deferred taxes	18	1.196	3.322	138.821	67.858
Related parties	23	15.861	10.204	-	-
Right-of-Use (Lease CPC 06.R2/IFRS 16)	17	-	-	182.030	76.313
Investments	9	1.442.911	1.212.530	-	-
Property, plant and equipment	10	158	179	637.971	635.973
Intangible assets	11	-	-	310.634	312.217
		1.460.146	1.226.235	1.278.550	1.095.803
Total assets		1.464.109	1.230.936	2.714.956	2.190.023

See the accompanying notes to the quarterly information.



Balance sheet

March 31, 2022 and December 31, 2021

(In thousands of dollars - US\$)

	Note	Parent company		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Liabilities and shareholders' equity					
Current liabilities					
Suppliers	12	35	39	55,466	52,362
Labor obligations	13	4,093	4,896	23,593	23,560
Taxes and social contributions	14	194	149	38,497	32,914
Financial instruments	30	-	-	128	-
Loans and financing	16	-	-	9,905	99
Contractual charges (Leases - IFRS 16)	17	-	-	25,917	18,978
Accounts payable - acquisition of Wahoo	15	-	-	37,500	67,500
		4,322	5,084	191,006	195,413
Liabilities directly linked to non-current assets classified as held for sale	8	-	-	-	(807)
		4,322	5,084	191,006	194,606
Non-current liabilities					
Suppliers	12	-	-	80	72
Loans and financing	16	-	-	791,135	592,665
Provision for abandonment (ARO)	19	-	-	119,154	124,055
Provision for contingencies	32	106	90	5,896	4,889
Related parties	23	40,679	39,443	-	-
Contractual charges (Leases - IFRS 16)	17	-	-	188,350	87,352
Other liabilities		-	-	333	65
		40,785	39,533	1,104,948	809,098
Shareholders' equity					
Realized capital	22	953,485	950,389	953,485	950,389
Capital reserves		63,536	62,519	63,536	62,519
Profit reserves		45,763	45,763	45,763	45,763
Accumulated translation adjustment		132,816	127,648	132,816	127,648
Income (loss) for the period		223,402	-	223,402	-
		1,419,002	1,186,319	1,419,002	1,186,319
Total liabilities and shareholders' equity		1,464,109	1,230,936	2,714,956	2,190,023

See the accompanying notes to the quarterly information.



Statements of income

Three-month period ended March 31, 2022 and 2021

(In thousands of dollars – US\$, except earnings/losses per share)

	Note	Parent company		Consolidated	
		03/31/2022	03/31/2021	03/31/2022	03/31/2021
Net revenue	24	-	-	309,676	119,515
Costs of products/services	25	-	-	(91,693)	(43,137)
Gross revenue		-	-	217,983	76,378
Operating revenues (expenses)					
Geology and geophysics expenses		-	-	(1,357)	(1,258)
Personnel expenses		(359)	(1,133)	(3,676)	(4,310)
General and administrative expenses		(18)	(66)	(4,454)	(613)
Expenses with Outsourced Services		(116)	(558)	(2,971)	(2,212)
Taxes and rates		(323)	(52)	(685)	(1,050)
Depreciation and amortization expenses		(21)	(22)	(4,208)	(5,470)
Equity in income of subsidiaries	9	225,211	(7,912)	-	-
Other operating revenues (expenses), net	26	(21)	(13)	(5,075)	(3,694)
Operating income (loss) before financial income (loss)		224,353	(9,756)	195,557	57,771
Financial revenues	27	3,391	445	65,627	9,876
Financial expenses	27	(1,625)	(3,742)	(72,350)	(75,904)
Income before income tax and social contribution		226,119	(13,053)	188,834	(8,257)
Current income tax and social contribution	28	-	-	(24,326)	(14,512)
Deferred income tax and social contribution	28	(2,717)	1,054	58,894	10,770
Income (loss) for the period		223,402	(11,999)	223,402	(11,999)
Basic and diluted earnings per share					
<i>Basic</i>		0.265	(0.015)	0.265	(0.015)
<i>Diluted</i>		0.263	(0.015)	0.263	(0.015)

See the accompanying notes to the quarterly information.



Statements of comprehensive income
Three-month period ended March 31, 2022 and 2021
(In thousands of dollars - US\$)

	Consolidated	
	03/31/2022	03/31/2021
Income (loss) for the period	223,402	(11,999)
Other comprehensive income		
Translation adjustment on investment abroad, net of taxes	132,816	49,533
Other comprehensive income for the period, net of taxes	132,816	49,533
Total other comprehensive income for the period, net of taxes	356,218	37,534

See the accompanying notes to the quarterly information.



Statements of changes in shareholders' equity
 Three-month period ended March 31, 2022 and 2021
 (In thousands of dollars - US\$)

	Capital	Capital reserve	Profit reserve	Accumulated translation adjustment	Retained earnings (losses)	Parent company	Non-controlling interest	Consolidated
Balances at January 1, 2022	950,389	62,519	45,763	127,648	-	1,186,319	-	1,186,319
Paid-up capital	3,096	-	-	-	-	3,096	-	3,096
Stock options granted	-	1,017	-	-	-	1,017	-	1,017
Accumulated translation adjustment	-	-	-	5,168	-	5,168	-	5,168
Income (loss) for the period	-	-	-	-	223,402	223,402	-	223,402
Balances at March 31, 2022	953,485	63,536	45,763	132,816	223,402	1,419,002	-	1,419,002

See the accompanying notes to the quarterly information.



Statements of cash flows

Three-month period ended March 31, 2022 and 2021

(In thousands of dollars – US\$)

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Cash flows from operating activities				
Income (loss) for the period (before taxes)	226,119	(13,053)	188,833	(8,257)
Depreciation and amortization	21	22	31,733	24,064
Financial revenue	(3,157)	(444)	(12,446)	2,956
Financial expenses	1,486	3,710	24,742	71,244
Share-based compensation	1,017	23	1,017	23
Equity in income of subsidiaries	(225,211)	7,912	-	-
Provision for contingencies/losses/R&D	-	-	124	1,106
Amendment of the provision for abandonment / IFRS 16 Contracts	-	-	(3,452)	173
	275	(1,830)	230,551	91,309
(Increase) decrease in assets				
Accounts receivable	-	-	(14,254)	68,863
Recoverable taxes	1	(207)	771	3,646
Prepaid expenses	(459)	(485)	(3,937)	568
Advances to suppliers	-	3	(2,986)	77
Oil inventories	-	-	1,055	(13,751)
Inventory of consumables	(1)	-	(15,565)	(2,076)
Related parties	(3,575)	(1,147)	-	-
Advance to partners in oil and gas operations	-	-	(2,692)	13,651
Deposits and pledges	(16)	176	(23)	927
Other receivables	(12)	-	(76)	(112)
Increase (decrease) in liabilities				
Suppliers	(4)	607	1,526	(18,958)
Labor obligations	(1,517)	(35)	(3,638)	(2,510)
Taxes and social contributions	42	(33)	(20,858)	(9,756)
Related parties	900	(62,294)	-	-
Other liabilities	-	-	265	-
Net cash (invested in) from operating activities	(4,366)	(65,245)	170,139	131,879
Cash flows from investment activities				
(Investment in) redemption of securities	-	415	168,370	(9,230)
(Investment in) redemption of restricted cash	-	-	-	(10,210)
(Investment in) redemption of abandonment fund	-	-	(55)	-
Non-current assets held for sale	-	-	-	(612)
(Purchase) sale of property, plant and equipment	-	(9)	(26,792)	(7,896)
(Purchase) sale of intangible assets	-	-	-	(191)
(Increase) decrease in investments	-	(296,755)	-	-
(Acquisition) of oil and gas assets	-	-	(30,000)	(40,450)
Net cash (invested in) from investment activities	-	(296,349)	111,523	(68,590)
Cash flows from financing activities				
Borrowings	-	-	198,000	5,525
Contractual charges (Leases IFRS 16 - Principal)	-	-	(3,009)	(10,616)
Contractual charges (Leases - IFRS 16) - Interest	-	-	-	(1,757)
Derivative transactions	-	-	(1,850)	-
(Decrease) Paid-up capital	3,096	360,891	3,096	360,891
Interest of non-controlling shareholders	-	-	-	(121)
Net cash (invested in) from financing activities	3,096	360,891	196,237	353,922
Translation adjustment	-	(438)	701	(13,897)
Net increase (decrease) in cash and cash equivalents	(1,270)	(1,142)	478,600	403,314
Cash and cash equivalents at the beginning of the period	4,288	5,288	173,942	155,728
Cash and cash equivalents at the end of the period	3,018	4,146	652,542	559,042
Net increase (decrease) in cash and cash equivalents	(1,270)	(1,142)	478,600	403,314

See the accompanying notes to the quarterly information.



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

1. Operations

Petro Rio S.A. (PetroRio), was established on July 17, 2009. Headquartered in the city of Rio de Janeiro, its main purpose is to hold interests in other companies as partner, shareholder or quotaholder, in Brazil and abroad, with a focus on exploration, development and production of oil and natural gas.

For the purpose of this report, Petro Rio S.A and its subsidiaries are denominated, individually or jointly, as the “Company” or “Group”, respectively.

Its significant operations are carried out by means of subsidiaries Petro Rio O&G Exploração e Produção de Petróleo Ltda. (“PetroRioOG”), Brasoil Coral Exploração Petrolífera S.A. (“Coral”) and Petro Rio Jaguar Petróleo Ltda. (“Jaguar”) and Petro Rio Sardinha Participações Não Operadas Ltda (“Sardinha”) are the production of oil and natural gas, operating in Campos Basin - RJ (PetroRioOG, Jaguar and Sardinha) and in Camamu Basin - BA (“Coral”).

Polvo Field - 100%

PetroRioOG is the operator and holds 100% of the Polvo Field concession contract, acquired from BP Energy do Brasil Ltda. (“BP”) - 60% in 2014 and from Maersk Energia Ltda. (“Maersk”) - 40% in 2015.

The Polvo Field is in the southern portion of the Campos Basin (offshore) some 100 km east of the city of Cabo Frio in the state of Rio de Janeiro. The license covers an area of approximately 134 km² with several prospects for future exploration. Average daily output during the first quarter of 2022 was of roughly 7.2 thousand barrels (8.1 thousand barrels for the first quarter of 2021).

Manati Field - 10%

In March 2017, PetroRioOG concluded the transaction for the acquisition of 100% of the shares of Brasoil do Brasil Exploração Petrolífera S.A. (“Brasoil”). Brasoil is a holding company, indirectly holding a 10% interest in the rights and obligations of the Manati Field concession contract, in the production phase, in addition to a 10% interest in the Camarão Norte Field, under development, which is under return process by the consortia to National Agency of Petroleum, Natural Gas and Biofuels (ANP) and a 100% interest in the concessions of Blocks FZA-Z-539 and FZA-M-254, both in the exploration phase.

The Manati Field is located in the Camamu Basin, on the coast of the State of Bahia. The license covers an area of approximately 76 km². Average daily output during the first quarter of 2022 was of roughly 3 million cubic meters of natural gas (3.3 thousand cubic meters of natural gas for the first quarter of 2021).



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

On November 5, 2020, the Company signed an agreement with Gas Bridge S.A. ("Gas Bridge"), for the sale of the 10% interest held by the Company in Manati Field. Since then, the Company started treating related assets and liabilities in accordance with CPC 31, as Non-current assets classified as held for sale.

As the precedent conditions of the agreement were not fulfilled within the stipulated period, and with the recent change in the gas market scenario, the Company formally communicated the termination of the disposal agreement to Gas Bridge S.A. on April 19, 2022.

Following the procedures of CPC 31, the Company valued the related assets, considering the lower of their carrying amount before the asset was classified as held for sale, adjusted for any depreciation, which would have been recognized if the asset had not been classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell. As a result, the related assets are once again presented as if there had been no sales agreement, and the depreciation, which was no longer calculated since the sale was announced, was recalculated and recorded in the Company's results.

Frade Field – 100%

On March 25, 2019 and October 01, 2019, after complying with the precedent conditions and obtaining the necessary approvals, the Company completed the acquisition of 51.74% and 18.26%, respectively, of interest in the concession of Frade Field, in the operational assets of the Field, and assumed the operation of the Field.

Furthermore, on November 28, 2019, the Company signed a purchase and sale agreement with Petrobras for the acquisition of the remaining 30% interest in the Field, increasing its interest in Frade Field to 100%. The completion of this transaction took place on February 5, 2021, according to Note 12c.

The Frade Field is in the northern region of the Campos Basin, about 120 kilometers from the coast of the State of Rio de Janeiro. The license covers an area of approximately 154 km², with an average water depth of 1,155 m. The Field produced approximately 16 thousand bbl of oil per day in the first quarter of 2022 (17 thousand barrels of oil per day in the first quarter of 2021).

FPSO Bravo (formerly "OSX-3") and Tubarão Martelo – 80%

On February 3, 2020, the Company entered into a contract for the acquisition of the FPSO Bravo vessel (Floating, Production, Storage and Offloading – FPSO), built in 2012 with a processing capacity of 100 thousand bbl of oil per day and storage capacity of 1.3 million bbl. Currently, the FPSO operates in the Tubarão Martelo and Polvo Fields, through a connection with the Polvo A Fixed Platform, which took place in July 2021.



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

As of August 3, 2020, the Company completed the acquisition of 80% of the Tubarão Martelo Field, fully owned by Dommo Energia, and took over the operation of that Field.

The Tubarão Martelo Field is located in the south of the Campos Basin, approximately 86 kilometers off the coast of the State of Rio de Janeiro. The license covers an area of approximately 32 km², with an average water depth of 110m. The Field produced approximately 11 thousand bbl of oil per day in the first quarter of 2022 (8 thousand barrels of oil per day in the first quarter of 2021).

Connection between the Polvo and Tubarão Martelo fields

On July 14, 2021, the Company concluded the interconnection (“tieback”) between the Polvo and Tubarão Martelo fields.

The interconnection project between Polvo-A Platform and FPSO Bravo, which lasted a total of 11 months, enabled a reduction in operating costs corresponding to the leasing value of FPSO Polvo, chartered to the field and operated by BW Offshore, in addition to expenses with maintenance and diesel.

The reduction in the absolute costs of the new cluster will allow more oil to be recovered from the reservoirs, for a longer period, considerably increasing the recovery factor of the fields.

After the connection, PetroRio currently has the right to 95% of the Polvo + TBMT oil up to the first 30 million barrels of oil produced, which will rise to 96% of the oil at the pole after 30 million barrels are produced. All new investments and the field abandonment will be the Company’s responsibility, with the costs being shared for the adequacy of the participation of each party in the cluster.

Wahoo Field (64.3%) and Itaipu Field (60%)

On November 19, 2020, a contract was signed with BP Energy do Brasil Ltda. for the acquisition of shares regarding a 35.7% interest in Block BM-C-30 (“Wahoo Field” or “Wahoo”), and a 60% interest in Block BM-C-32 (“Itaipu Field” or “Itaipu”). On June 17, 2021, the ANP - Brazilian National Agency of Petroleum approved the transfer of assets, and on July 1, 2021, after all the conditions precedent of the purchase and sale agreement were concluded, the certificate of completion of the acquisition operation was signed, with PetroRio becoming the operator of both pre-salt fields and increasing proven developed reserves by approximately 132 million barrels.

Additionally, on March 4, 2021, the Company signed an agreement with Total E&P do Brasil Ltda. for the acquisition of an additional 28.6% interest in Wahoo, approved by the ANP on July 08, 2021.



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

In addition to the Wahoo portion acquired from BP, PetroRio's interest the concession will increase to 64.3%. The Company formalized a proposal for the acquisition of the remaining 35.7% interest for the current holders of said interest, which showed interest in the sale, but have not proceed with the proposal.

Concurrently, the Company has been following the development plan for the Field, and, as of December 22, 2021, filed the Statement of Commercial Feasibility for the Wahoo discovery and the Development Plan under an exclusive operation regime with the National Agency of Petroleum, Natural Gas and Biofuels ("ANP").

The Wahoo Field, with the discovery of oil in 2008 and formation test carried out in 2010, fits into the Company's value creation strategy. With the development of the field, the Company will form another production cluster, and will share the entire infrastructure with Campo de Frade (including the FPSO), thus enabling the capture of several synergies, resulting in yet another strong and sustainable reduction in lifting cost, striving to always maintain the highest standards of safety and efficiency. Itaipu is an exploratory block located close to the Parque das Baleias cluster and preliminary studies carried out indicate that the accumulation is potentially shared with the southeast region of the cluster and before defining development, a unitization process may be necessary. More details of the acquisition in Note 11.

COVID-19

The Company constantly reviews its business plan to adjust the scenario of uncertainty and volatility related to the spread of COVID-19, in addition to adopting several monitoring and prevention measures, that remain in force and will be maintained as long as the pandemic scenario persists.

Among them, we highlight the reduction of POB (People on Board) in the platforms where the Company operates, keeping only the personnel required for the Company's core activities in a safe manner; the intensive availability of personal (facial masks) and collective protective equipment; greater frequency of disinfection and sanitization of onshore and offshore units, especially in areas with a higher probability of contagion; intensive communication of prevention measures for all employees and third parties working in the production units, including incentives for the national vaccination campaign; adoption of rapid antigen test and monitoring protocol at the airport, with the assistance of a nurse, for people who board the Company's platforms; weekly rapid immunological type tests of all onshore employees.

The Management of the Company and its subsidiaries continue to monitor the possible impacts of the COVID-19 pandemic on their operations and constantly assess the effectiveness of the protective measures adopted by the Company and its subsidiaries to mitigate said risks.



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

2. Basis of preparation and presentation of financial statements

2.1. Statement of conformity

The individual and consolidated quarterly information in US dollars was prepared based on the quarterly information - ITR filed with the Brazilian Securities and Exchange Commission - CVM.

The Management confirms that all relevant pieces of information characteristic of quarterly information are being evidenced and correspond to those used by Management.

2.2. Basis of preparation

The individual and consolidated quarterly information was prepared based on the historical cost, except for derivative those measured at fair value, when indicated.

2.3. Basis of consolidation and investments in subsidiaries

The consolidated quarterly information includes quarterly information of the Company and its subsidiaries. Control is achieved when the Company has the power to control financial and operating policies of an entity to gain benefits from its activities.

The income of the subsidiaries acquired, sold or merged during the period are included in the consolidated income and comprehensive income information from the effective date of acquisition, disposal or merger, as applicable.

In the individual quarterly information of the Company, the quarterly information of the direct and indirect subsidiaries is recognized under the equity method.

When necessary, subsidiaries' quarterly information accounting policies are adjusted to those of the Group. All transactions, balances, revenues and expenses among the Group's companies are fully eliminated in consolidated quarterly information.

The Company's consolidated quarterly information comprises:



Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

Fully consolidated companies		Interest			
		03/31/2022		12/31/2021	
		Direct	Indirect	Direct	Indirect
Petro Rio O&G Exploração e Produção de Petróleo Ltda.	"PetroRioOG"	100.00%	-	100.00%	-
Petrório USA Inc.	"PrioUSA"	100.00%	-	100.00%	-
Petro Rio Internacional S.A.	"PrioIntl"	1.23%	98.77%	1.23%	98.77%
Petrório Luxembourg Holding Sarl	"Lux Holding"	-	100.00%	-	100.00%
Walvis Petroleum (Pty) Ltd.	"Walvis"	-	100.00%	-	100.00%
Petrório Luxembourg Trading Sarl	"Lux Sarl"	-	100.00%	-	100.00%
Kunene Energy (Pty) Ltd.	"Kunene"	-	100.00%	-	100.00%
Orange Petroleum Ltd.	"Orange"	-	100.00%	-	100.00%
Petro Rio OPCO Exploração Petrolífera Ltda.	"Opco"	-	100.00%	-	100.00%
Petro Rio Coral Exploração Petrolífera Ltda.	"Coral"	-	100.00%	-	100.00%
Petro Rio Energia Ltda.	"PrioEnergia"	-	100.00%	-	100.00%
Brasoil Finco LLC	"Finco"	-	100.00%	-	100.00%
Petro Rio Jaguar Petróleo Ltda	"Jaguar"	-	100.00%	-	100.00%
Petro Rio Sardinha Participações Não Operadas Ltda.	"Sardinha"	-	100.00%	-	100.00%

2.4. Accounting policies adopted

We hereby declare that the accounting policies adopted in the preparation of this quarterly information are consistent with those used in the most recent annual financial statements (year ended December 31, 2021). Thus, this quarterly information should be read together with information disclosed in financial statements for the year ended December 31, 2021.

2.5. Functional currency and presentation currency

Presentation currency

To facilitate comparisons with other companies in the oil and gas sector, we used the US dollar as the presentation currency of this report, the Company's functional currency as of January 1, 2022.

For comparability purposes, we converted:

- Assets and liabilities are translated into reais at the exchange rate on the reporting date (closing rate); and
- Statements of income, comprehensive income and cash flows are translated at the average exchange rate during the applicable period.

Functional currency

The Company's Management periodically monitors the primary and secondary indicators that define the functional currency to be used.

With the gradual increase in the representativeness of operations in dollars, considering the acquisition of new fields, investments in new wells, increasing revenues, debts raised, in addition to other factors analyzed, the evaluation indicated that the US dollar is the most significant currency in the underlying



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

transactions, events and conditions. As a result, the Company changed its functional currency as of January 1, 2022, the date on which the US dollar was defined as the Company's functional currency.

The exchange rate was R\$ 5.5805, and the translation was carried out prospectively, according to item 35 of CPC 02 (R2) - Effects of changes in foreign exchange rates and translation of financial statements. Thus, there is no need to open historical values prior to the date of definition of the functional currency. The amounts resulting from the translation, in the case of non-monetary items, were treated as if they were their historical costs.

Transactions involving monetary assets and liabilities, in currencies other than the functional currency, are translated into the functional currency at the exchange rate prevailing on the settlement date or at the rate prevailing at the end of the reporting period. The exchange variation incurred between the transaction's initial recording date and the settlement date or presentation of the financial statements is recorded in income for the period.

All the Company's subsidiaries had their functional currency translated changed to the US dollar as of January 1, 2022, except for the subsidiary Coral, which did not meet the necessary requirements for the change.

2.6. CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors

Change in accounting estimate

As Note 32.2, the Company, through an independent international certifying agency, DeGolyer and MacNaughton, conducted a reevaluation of reserves at Polvo, Tubarão Martelo, Frade and Manati fields. This reevaluation indicated changes in the reserves and useful lives of some fields and, consequently, changes in the depreciation rates and extension of the terms for calculating the provision for abandonment.

At the Polvo and Tubarão Martelo fields, the revaluation indicated an increase in the useful life of the fields until the end of 2032, with proved reserves developed at approximately 38 million barrels, an increase of approximately 5.3 million barrels compared to the last certification.

At Frade field, the revaluation indicated an increase in the useful life of the field until the end of 2032, with proved reserves developed of approximately 31 million barrels, an increase of approximately 5 million barrels compared to the last certification.

In Manati field, the revaluation indicated an increase in the useful life of the field for the end of 2026, with 385 million m³ in its proved developed reserves, accounting for an increase of 24 million m³.



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2.7. Standards and new and reviewed interpretations already issued

In the preparation of quarterly information, the Company's Management considers, when applicable, new reviews and interpretations of IFRS and technical pronouncements, issued by IASB and CPC. There were no changes affecting the Company's quarterly information for the three-month accounting period ended March 31, 2022.

2.8. Completion of quarterly information

The Company's management authorized the presentation of this quarterly information on May 4, 2022.

3. Cash and cash equivalents

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Cash	-	-	26	9
Banks	3,018	4,226	652,516	173,933
	3,018	4,226	652,542	173,942
National	2,384	9	166	485
Abroad	634	4,915	652,376	144,533

The balance of cash and cash equivalents consists of funds for the purpose of business working capital, applied in highly liquid instruments in Brazil (committed and Bank Deposit Certificates) and abroad (remunerated current account deposits), without risk of significant change of the principal, and yields upon redemption.

4. Securities

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Bank deposit certificates (i)	-	-	15,934	13,343
Time deposit (ii)	-	63	462,704	550,186
Bond (iii)	-	-	17,795	95,943
Financial assets - fair value through profit or loss	-	63	496,433	659,472
Total	-	63	496,433	659,472

- i. Checking account automatically remunerated via Bank Deposit Certificate (CDB) in reais (fixed income investments), with an average yield of 89.5% of the Interbank Deposit Certificate (CDI) rate;
- ii. Time Deposit with remaining terms of up to 180 days, with an average yield of 1.17% p.a.;
- iii. Investments in Bonds of Brazilian banks with AAA rating on the national scale. They have an average remaining term of up to 180 days, with a yield to maturity of 1.33% p.a.



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The Company carries out the risk management of securities through appropriate policy and procedure practices, as described in Note 29.

5. Accounts receivable

	Consolidated	
	03/31/2022	12/31/2021
Petrobras (i)	4,923	3,707
Trafigura (ii)	138,078	-
Repsol (iii)	35,300	77,145
Total Energies (iv)	-	82,942
Other	91	176
Total	178,392	163,970
Total local currency	5,014	3,793
Total foreign currency	173,378	160,177

- (i) Balance receivable related to sales of gas and condensed oil carried out by Manati, Jaguar and Sardinha in February and March 2022, of which US\$ 4,758 are to Manati, US\$ 4 to Jaguar and US\$ 1 to Sardinha and balance referring to amount not withdrawn from June 2020 (take or pay) in the amount of US\$ 160 from Manati.
- (ii) Balance receivable referring to the sale of oil from Polvo, Tubarão Martelo and Frade Fields, made in February and March 2022. Of the balance, US\$ 129.880 was received in April 2022.
- (iii) Balance receivable referring to the sale of oil from Frade Field, made in February 2022.
- (iv) Balance related to the sale of oil in December 2021 from Frade Field, received in February 2022.

The Company assessed the impacts of the COVID-19 and understands that these facts do not affect the balances receivable presented.

6. Recoverable taxes

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Income tax and social contribution (i)	466	398	2,689	3,226
PIS and COFINS (ii)	3	-	9,233	7,529
ICMS	-	-	5,625	4,888
Foreign taxes (VAT) (iii)	-	-	258	417
Other	4	4	855	856
Total	473	402	18,660	16,916
Current assets	471	402	11,836	15,382
Non-current assets	2	-	6,824	1,534



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- (i) Primarily refers to withholding income tax on financial investments and negative balance of IRPJ/CSLL (Corporate Income Tax / Social Contribution on Net Revenue) and prepaid income tax and social contribution.
- (ii) PIS/COFINS credits on inputs used in operation;
- (iii) ICMS recoverable referring to oil loans between Frade Field partners and movement of materials upon acquisition of Polvo.
- (iv) Taxes (VAT) in the process of refund of the Luxembourg subsidiaries.

7. Advances to suppliers

	Consolidated	
	03/31/2022	12/31/2021
Advance to domestic suppliers	9,471	5,599
Advance to foreign suppliers	9,828	9,456
	19,299	15,055
Total current assets	19,299	15,055

The Company has advances with BW (Prosafe) – US\$ 5,671 (R\$ 26,868) and R\$ 3,717 (US\$ 785) refer to contractual commitments and were held as a financial collateral from lease agreements and operation of FPSO Polvo. Upon the end of the contract with BW in July 2021, the amounts shall be released or offset with possible amounts payable.

Other advances derive from the Company's regular transactions.

8. Non-current assets classified as held for sale (Consolidated)

In November 2020, the Company entered into an agreement with Gas Bridge S.A. ("Gas Bridge") for the sale of the 10% interest held by the Company in Manati Field.

The total amount of the transaction was R\$ 144,400 thousand and included the transfer of all the Company's liabilities in the field, including its interest in the abandonment of said Field. The transaction was subject to precedent conditions, among which the success of Gas Bridge in the acquisition of Manati operation from Petrobras.

The contract provided for that, after December 31, 2021, any party could withdraw from the deal free of charge. However, as both parties remain interested in the sale operation and Gas Bridge was still waiting the approval of the sale of Petrobras' interest, the parties were negotiating the terms for an amendment to the contract, changing deadlines, both for effective date and transaction exclusivity.

After three months of waiting for the fulfillment of the conditions precedent, the Company decided not to proceed with the sale agreement and, on April 19, made this communication to Gas Bridge and to the market.



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Despite not ruling out future negotiations, at the moment, the Company has a firm commitment to buy and sell, and consequently will remain with the field operations.

As a result, following the guidelines of CPC 31, the related assets were once again presented as if there was no sale agreement, and the depreciation, which was no longer calculated since the sale was announced, was calculated and recorded in the Company's results.

9. Investments

- **Petro Rio O&G Exploração e Produção de Petróleo Ltda. ("PetroRioOG")**

The subsidiary was created on July 20, 2009, with headquarters in Rio de Janeiro, and engages in: (i) exploration, development and production of oil and natural gas; (ii) import, export, refining, sale and distribution of oil, natural gas, fuel and oil by-products; (iii) generation, sale and distribution of electric power; and (iv) interest in other companies.

PetroRioOG holds 100% of the Polvo Field concession, 80% of the Tubarão Martelo Field concession, and ownership of FPSO Bravo, which from July 14, 2021, started operating both fields, after the conclusion of the TIEBACK operation, which reduces production costs and increases the useful life of the two fields.

Since March 2011, PetroRioOG already operated as Operator B, in shallow waters and, beginning as of October 2015, PetroRioOG was qualified as Operator A by ANP, which permits conduction of activities in land areas, and shallow, deep and ultra-deep waters.

- **Petro Rio Internacional S.A. ("Priointl")**

The subsidiary, headquartered in Rio de Janeiro is engaged in: (i) exploration, development and production of oil and natural gas; (ii) import, export, refining, sale and distribution of oil, natural gas, fuel and oil by-products; (iii) generation, sale and distribution of electric power; and (iv) interest in other companies.

All Group's companies located outside of Brazil, except for PrioUSA, are consolidated under a single corporate structure having Priointl as head office in Brazil.

Currently, the main Companies controlled by Priointl are Lux Holding, a company that has large-sized assets in operation; Coral, which was contributed by PetroRioOG in June 2019 and holds 10% of interest in the concession of Manati field, and Lux Sarl, which as for September 2016 started to trade the oil produced in the Polvo field and currently trades the production of Frade and Tubarão Martelo fields. Lux Holding owns the fixed platform, "Polvo A", and a 3,000 HP drilling rig. Also, under this corporate structure are subsidiaries located in the Republic of Namibia and are under settlement.



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As mentioned in Note 1, Petrório, through its subsidiary Lux Holding, entered into purchase and sale agreements for the acquisition of a 18.26% and 51.74% interest on October 26, 2018 and January 30, 2019, respectively, in the Frade Field concession and Field operating assets, through the acquisition of companies Frade Japão Petróleo Ltda, Inpex Offshore North Campos, Ltd., Chevron Brasil Upstream Frade Ltda. and Chevron Frade LLC., becoming the operator of Frade Field, with 70% of interest.

In February 2021, the Company now holds a 100% interest in the asset, after the conclusion of the purchase and sale transaction signed on November 28, 2019 with Petrobrás (Notes 1 and 12).

Additionally, the Company concluded the acquisition of 64.3% interest in the Wahoo Field concession and 60% in the Itaipu Field, as described in note 1.

- **Petrório USA Inc (“PrioUSA”)**

Established on March 4, 2011, former HRT America Inc., incorporated under the laws of the State of Delaware and headquartered in Houston, USA. Subsidiary was basically established to provide geology and geophysics services to other subsidiaries of the Group, mainly to PrioIntl and its subsidiaries. The company was liquidated in the third quarter of 2021.

Portfolio of concessions

The Company's subsidiaries are participants in the following concessions in Brazilian basins:

Country	Basin	Block	Field	Concessionaire	%	Status	Phase	PEM (*)
Brazil	Fields	BM-C-8	Polvo	PetroRioOG	100%	Operator	Production	-
Brazil	Camamu	BCAM-40	Manati (*)	Coral	10%	Non-operator	Production	-
Brazil	Fields	Frade	Frade	Jaguar	100%	Operator	Production	-
Brazil	Fields	C-M-466	Tubarão Martelo	PetroRioOG	80%	Operator	Production	-
Brazil	Camamu	BCAM-40	Camarão Norte	Coral	10%	Non-operator	Development	-
Brazil	Foz do Amazonas	FZA-M-254	-	Coral	100%	Operator	Exploration	\$ 124
Brazil	Foz do Amazonas	FZA-M-539	Pirapema	Coral	100%	Operator	Exploration	\$ 2,230
Brazil	Ceará	CE-M-715	-	Jaguar	50%	Operator	Exploration	\$ 12,495
Brazil	Fields	BM-C-30	Wahoo	Jaguar	64%	Operator	Development	-
Brazil	Fields	BM-C-32	Itaipu	Jaguar	60%	Operator	Exploration	-

The BCAM-40 Block Consortium started and awaits for the process of returning the discovery of Camarão Norte, located in south of the Manati Field, in the Camamu-Almada Basin, to the National Agency of Petroleum, Natural Gas and Biofuels (ANP). The Company has a 10% interest in the discovery of Camarão Norte, which was declared a commercial undertaking in 2009. After evaluating several development plans and potential unitization to the adjacent area, the consortium concluded that the area was not economically feasible and decided to return it.



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The acquisition of Jaguar expanded the concessions portfolio with 100% Frade Field, and with 50% of the Exploratory Block CE-M-715, in Ceará Basin, in partnership with Ecopetrol.

a) Significant information on investees

	<u>PetroRioOG</u>	<u>PrioIntl</u>
Direct interest	100.00%	1.23%
Indirect interest	-	98.77%
Shareholders' equity	1,431,601	917,266
Income (loss) for the period	223,162	166,150
Total assets	1,651,388	917,272

b) Breakdown of investments

	<u>Parent company</u>	
	<u>03/31/2022</u>	<u>12/31/2021</u>
PetroRioOG	1,431,601	1,203,333
PrioIntl	11,310	9,197
	1,442,911	1,212,530

c) Changes in investment

	<u>PetroRioOG</u>	<u>PTRIntl</u>	<u>Total</u>
Balance at December 31, 2021	1,203,333	9,197	1,212,530
Capital increase/decrease	-	-	-
Equity in income of subsidiaries	223,162	2,049	225,211
Conversion adjustments	5,106	64	5,170
Balance at March 31, 2022	1,431,601	11,310	1,442,911



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10. Property, plant and equipment (Consolidated)

a) Breakdown of the balance

	Depreciation rate %	Cost	Petrorio depreciation	Translation adjustment	Balance at 03/31/2022	Balance at 12/31/2021
In operation						
Polvo A platform and drilling rig	UOP*	42,561	(38,344)	-	4,217	4,407
Oil & gas assets - Manati	UOP*	7,817	(7,409)	73	481	-
Oil & gas assets - Frade	UOP*	399,878	(107,708)	-	292,170	306,422
FPSO Tubarão Martelo		138,009	(28,874)	-	109,135	113,886
Machinery and equipment	10	1,436	(1,328)	-	108	431
Furniture and fixtures	10	391	(195)	-	196	203
Communication equipment	20	160	(89)	-	71	74
IT equipment	20	1,244	(860)	-	384	378
Leasehold improvements	4	1,254	(115)	-	1,139	1,151
Oil and Gas Assets - Polvo & TBMT	UOP*	157,036	(43,540)	-	113,496	117,206
Maintenance of wells	3	41,924	(10,241)	-	31,683	1,994
In progress						
Property, plant and equipment in progress ***		93	-	-	93	-
Maintenance of wells ****		1,324	-	-	1,324	16,643
Capex wells		29,762	-	-	29,762	18,725
Spare parts		10,654	-	-	10,654	10,654
Material for well revitalization/re-entry - Frade**		43,058	-	-	43,058	43,570
Material for use and consumption (wells)		-	-	-	-	229
Total		876,601	(238,703)	73	637,971	635,973

*UOP - Units of Production (Unit-of-production depreciation method)

** Materials acquired as a result of the Field Revitalization Plan, which were classified as assets in progress, were reclassified to consumable inventory in current assets.

*** Construction in progress refers basically to expenditures with administrative facilities;

**** Workovers for the resumption and/or improvement of wells.

b) Changes in balance

	Balance at 01/01/2022	Additions	Write-offs	Depreciation	Transfers	Translation adjustment	Balance at 03/31/2022
In operation							
Polvo A platform and drilling rig	4,407	-	-	(190)	-	-	4,217
Oil & gas assets - Manati	-	-	-	(191)	599	73	481
Oil & gas assets - Frade	306,422	-	-	(14,252)	-	-	292,170
FPSO Tubarão Martelo	113,886	-	-	(5,016)	265	-	109,135
Machinery and equipment	431	-	-	(58)	(265)	-	108
Furniture and fixtures	203	-	-	(7)	-	-	196
Communication equipment	74	-	-	(3)	-	-	71
IT equipment	378	44	-	(38)	-	-	384
Leasehold improvements	1,151	-	-	(12)	-	-	1,139
Oil and Gas Assets - Polvo & TBMT	117,206	-	-	(5,215)	1,505	-	113,496
Maintenance of wells	1,994	-	-	(484)	30,173	-	31,683
In progress							
Property, plant and equipment in progress	-	93	-	-	-	-	93
Maintenance of wells	16,643	14,854	-	-	(30,173)	-	1,324
Capex wells	18,725	4,435	(16)	-	6,618	-	29,762
Spare parts	10,654	-	-	-	-	-	10,654
Material for well revitalization/re-entry - Frade	43,570	7,594	-	-	(8,106)	-	43,058
Material for use and consumption (wells)	229	-	-	-	(229)	-	-
Total	635,973	27,020	(16)	(25,466)	387	73	637,971



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11. Intangible assets (Consolidated)

a) Breakdown of the balance

	Amortization rate (%)	Consolidated	
		03/31/2022	12/31/2021
Oil & Gas assets			
Acquisition cost - Polvo	(i)	56,229	56,229
Acquisition cost - Manati *	(i)	55,518	-
Acquisition cost - TBMT	(i)	44,795	42,845
Acquisition cost - Frade	(i)	27,829	35,376
Acquisition cost - Wahoo	(i)	151,560	151,560
Goodwill on acquisition of Brasoil *		5,019	-
Subscription bonus - FZA-M-254	(i)	1,260	1,069
Subscription bonus - FZA-Z-539	(i)	1,693	1,438
Subscription bonus - Frade	(i)	9,112	9,112
Subscription bonus - Ceará	(i)	5,619	5,619
Client portfolio - Manati *	(i)	2,426	-
Capital gain in the acquisition of the Frade concession	(ii)	143,580	143,580
Software and others	20	1,908	1,619
		506,548	448,447
Accumulated amortization		(195,914)	(136,230)
Total		310,634	312,217

* Amounts were being presented in non-current assets held for sale that reverted to intangible assets as detailed in Note 8.

(i) Acquisition costs/subscription bonuses and exploration expenses are amortized by the unit of production method, considering the production of each concession and the volume of reserves when exploration/redevelopment processes will be completed.

(ii) Capital gain related to the acquisition of the concession contract for Frade Field, Jaguar and Sardinha, amortized using the units produced method, monitoring the asset generating the capital gain.

b) Changes in balance

	Balance at 01/01/2022	Additions	Write-offs	Amortization	Transfer	Translation adjustment	Balance at 03/31/2022
Acquisition cost - Polvo	4,403	-	-	(193)	-	-	4,210
Acquisition cost - Manati	-	-	-	(1,804)	5,705	694	4,595
Acquisition cost - TBMT	34,381	1,951	-	(1,596)	-	-	34,735
Acquisition cost - Frade	29,399	-	(7,547)	(1,011)	-	-	20,841
Acquisition cost - Wahoo	151,560	-	-	-	-	-	151,560
Goodwill on acquisition - Brasoil	-	-	-	-	5,019	-	5,019
Subscription bonus - FZA-M-254	1,069	-	-	-	-	190	1,259
Subscription bonus - FZA-Z-539	1,438	-	-	-	-	256	1,694
Subscription bonus - Frade	583	-	-	(27)	-	-	556
Subscription bonus - Ceará	5,619	-	-	-	-	-	5,619
Client portfolio - Manati	-	-	-	(276)	865	-	589
Software and others	50	-	-	-	-	8	58
Capital gain in the acquisition of the Frade concession	83,715	-	-	(3,815)	-	-	79,900
	312,217	1,951	(7,547)	(8,723)	11,589	1,148	310,634



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c) Acquisition of assets

1. Frade - 30%

As of February 5, 2021, the Company concluded the acquisition of 30% interest of Frade Field, through its indirect subsidiaries Jaguar and Lux Holding. Jaguar acquired 30% of the Frade Field concession, FPSO, Submarine Equipment and other assets and liabilities related to the concession, in which it already had 51.74% of the rights and control. Furthermore, Lux Holding acquired 30% of the shares of Frade BV, in which it already held a 51.74% interest and control of the entity.

The core operation was the acquisition of 30% of the assets related to the concession for the final net adjusted value of R\$ 221,799 thousand (US\$ 41,162 thousand), paid in the form of an advance in November 2019, upon signature of the contract, in the amount of R\$ 40,065 thousand (US\$ 7,500 thousand), and the remaining balance, in the amount of R\$ 181,734 thousand (US\$ 33,662 thousand) on February 5, 2021, the completion date, through a payment by Jaguar of R\$ 1,396,656 (US\$ 259,197 thousand) and a receipt by Lux Holding of R\$ 1,214,922 (US\$ 225,470 thousand).

The form of the acquisition was through two separate purchase and sale agreements, with different prices and parts.

The amounts paid and received, as well as the allocations of assets and liabilities, are distributed as follows:

Allocation of price	Jaguar	Lux Holding	Total	
	In thousands of reais		US\$ thousand	
Initial consideration	107,768	431,072	538,840	100,000
Price adjustment	1,332,463	(1,645,994)	(313,531)	(58,186)
Final consideration paid (received)	1,440,231	(1,214,922)	225,309	41,814
Concession (intangible assets)	472,803	(435,322)	37,481	6,956
FPSO and subsea equipment (PP&E)	692,812	(587,821)	104,991	19,485
Petroleum stock (current assets)	141,553	(120,102)	21,451	3,981
Field revitalization material (PP&E)	89,281	(75,751)	13,530	2,511
Advances to the consortium/suppliers (current assets)	48,576	-	48,576	9,015
TAC provision (non-current liabilities)	(4,794)	-	(4,794)	(890)
Frade BV shares (investment)	-	183	183	34
Advances to the consortium (current assets)	-	3,891	3,891	722

Moreover, a provision for abandonment was recorded, proportional to the 30% acquisition, in the amount of R\$ 159,937 (US\$ 29,682), recorded in the "Concession" account under intangible assets, against the provision for abandonment, in liabilities (note 19).

2. Wahoo Field (64.3%) and Itaipu Field (60%)

On July 1, 2021, the Company concluded the purchase of 35.7% of the Wahoo Field with BP and, on July 28, 2021, the purchase of 28.6% of the same field, belonging to Total. Along with the portion acquired from BP, a 60% interest in the Itaipu Field was also purchased.



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Wahoo, the focus of the purchase operation, is an exploratory block in the Campos Basin with the potential to produce over 140 million barrels in the pre-salt layer (100% of the field). It discovered oil in 2008 and a formation test was carried out in 2010. Wahoo is located 30-35km north of Frade, with a water depth of 1,400m, and has a carbonate reservoir at a depth of 5,000 to 7,000 meters.

Itaipu is an exploratory block in the Campos Basin and had 3 pilot wells drilled. It is located close to Parque das Baleias cluster and preliminary studies performed indicate that the accumulation is potentially shared with the southeast region of the cluster. Before any development definition, the area must go through a unitization process.

Both fields are in the exploration phase, with Wahoo moving into the development phase. Only the concessions were transferred in the purchase and sale process. The two fields have already carried out the minimum exploratory programs and have no provision for abandonment, which is only formed during the development period.

Following the guidelines expressed in Technical Pronouncement CPC 15 (R1) - Business Combinations, the company performed the Optional Test to identify the concentration of fair value described in item B7, to determine whether the transaction in question is a business combination.

We conclude that, as the full amount is concentrated in a single identifiable asset, in this case the concession, since there are no other identifiable assets and liabilities, such as cash and cash equivalents, deferred tax assets or any other type of asset, the company determined that the acquisition is not a business combination, with no need for additional valuations.

With this, the acquisitions of the Wahoo and Itaipu fields were treated as acquisitions of intangible assets, following the guidelines of Technical Pronouncement CPC 04 (R1) - Intangible Assets, which establishes that the cost of the acquired intangible asset must be the amount paid in the acquisition plus costs initially incurred for such acquisition (items 18 and 27).

12. Suppliers

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Domestic suppliers	8	39	17,324	5,450
Foreign suppliers	27	-	38,222	46,984
	35	39	55,546	52,434
Total current liabilities	35	39	55,466	52,362
Total non-current liabilities	-	-	80	72



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13. Labor obligations

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Salary	35	15	828	653
Provision for bonus	3,774	4,835	18,672	20,354
Charges	265	27	1,490	529
Vacation / 13th salary	19	19	2,603	2,024
	4,093	4,896	23,593	23,560

14. Taxes and social contributions payable

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
IRPJ and CSLL payable	-	-	25,985	22,636
PIS/COFINS/CSLL	12	2	1,727	1,933
IRRF on services	135	102	1,173	567
ICMS	12	10	471	103
Taxes on Equity	-	-	-	271
Royalties	-	-	8,668	6,382
Other	35	35	473	1,022
	194	149	38,497	32,914

15. Other accounts payable - Acquisition of Wahoo

In the negotiation for the acquisition of a 35.7% interest in Wahoo Field with BP Energy do Brasil Ltda, the payment of the acquisition amount in installments was agreed. Of the total price of US\$ 100 million, US\$ 17.5 million was paid up to the closing date, July 1, 2021. The first installment, in the amount of US\$ 15 million (R\$ 87,596) was paid as of December 23, 2021, the second one in the amount of US\$ 30 million (R\$ 151,833) was paid on February 24, 2022 and the remainder, US\$ 37.5 million (R\$ 177,668 thousand as of March 31, 2022) will be paid, without interest, on May 31, 2022.



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16. Loans and financing

		Additions		Payments		Allocation	Foreign exchange	Translation adjustment	03/31/2022
		12/31/2021	Principal	Interest	Principal				
Citibank	(i)	-	100,000	301	-	-	-	-	100,301
CCB	(ii)	-	28,000	20	-	-	-	-	28,020
BTC	(iii)	-	70,000	420	-	-	-	-	70,420
Subtotal		-	198,000	741	-	-	-	-	198,741
BOND	(iv)	602,246	-	9,085	-	-	-	-	611,331
Funding costs	*	(9,482)	-	-	-	450	-	-	(9,032)
Total		592,764	198,000	9,826	-	450	-	-	801,040
Current									9,905
Non-current									791,135

* Costs with banks, lawyers, and consultants for issuing the BOND.

(i) In March 2022, Petro Rio Jaguar contracted an Export Prepayment Agreement (PPE) with Banco Citibank in the amount of US\$ 100 million, with full amortization at maturity, at the rate of 4.71% p.a., semi-annual interest payments and final maturity in 36 months.

This contract has financial covenants linked to the leverage ratio. The ratio is calculated by dividing the net debt for the period by the Adjusted EBITDA of the last 12 months (EBITDA minus other revenues and expenses). The maximum limit of the ratio is 2.5x. However, any non-compliance with this index results in a restriction on taking on new debts. The measurement of this ratio will be carried out quarterly, and on March 31, 2022, the calculated indicator was below the established limit, complying with the contract clause.

(ii) In March 2022, Petro Rio Jaguar contracted an Advance on Exchange Contract (ACC) with China Construction Bank (CCB) in the amount of US\$ 28 million, with total amortization and interest at maturity, rate of 4.30% p.a. and maturing in 24 months.

(iii) In February 2022, Petro Rio contracted an Export Prepayment Agreement (PPE) with Banco Citibank in the amount of US\$ 70 million, with full amortization at maturity, at the rate of 4.15% p.a., semi-annual interest payments and final maturity in 18 months.

This contract has financial covenants linked to the leverage ratio. The ratio is calculated by dividing the net debt for the period by the Adjusted EBITDA of the last 12 months (EBITDA minus other revenues and expenses). The maximum limit of the ratio is 2.5x. However, any non-compliance with this index results in a restriction on taking on new debts. The measurement of this ratio will be carried out quarterly, and on March 31, 2022, the calculated indicator was below the established limit, complying with the contract clause.

(iv) On June 9, 2021, the Company issued debt in the international capital market in the amount of US\$ 600 million at a cost of 6.125% p.a. and a final term of 5 years, with a repurchase option as of the 3rd year. The principal will be repaid on maturity, June 9,



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2026, while interest will be repaid semiannually, and the first amortization took place in December 2021.

This contract has financial covenants linked to the leverage ratio. The ratio is calculated by dividing the net debt for the period by the Adjusted EBITDA of the last 12 months (EBITDA minus other revenues and expenses). The maximum limit of the ratio is 2.5x. However, any non-compliance with this index results in a restriction on taking on new debts. The measurement of this ratio will be carried out quarterly, and on March 31, 2022, the calculated indicator was below the established limit, complying with the contract clause.

17. Leases CPC 06 (R2) / IFRS 16

The right-of-use assets represent the following underlying assets:

Right-of-use assets	Cost	Amortization	Balance
FPSO	57,081	(57,081)	-
Support Vessels	158,240	(14,940)	143,300
Helicopters	11,109	(2,741)	8,368
Buildings/Support Bases	20,893	(4,828)	16,065
Equipment	18,269	(3,972)	14,297
Total	265,592	(83,562)	182,030

To calculate the amount of the cost, the terms when the assets are necessary for the operation and surcharge on loans at the time of contracting the equipment rental. Since the beginning the contracts in Dollar were discounted with rates of 5.63% p.a., recalculated to 5.90% p.a. when the useful life of Polvo Field increased. Contracts in Reais are discounted at the rate of 10% p.a. For a contract in Dollar that entered in 2020 the discount rate used was 8.95% p.a. and for two contracts that beginning the first quarter of 2022, both in Dollar, the rate used was 4.45% p.a., average of loans contracted in the period.

The depreciations of the right of use, when related to assets used for the operations, are firstly recognized in inventory and then transferred to income when disposed. Administrative assets are directly recorded in the statement of income, both under the straight-line method, observing the periods when they are used.

Exchange-rate change and inflation adjustment are recorded directly in the Company's statement of income.



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The effects presented in the year were:

	Assets	Liabilities
Balance at December 31, 2021	76,313	(106,330)
Additions/Reversals	109,116	(105,663)
Currency adjustment	-	(3,284)
Price-level restatement	-	(1,999)
Payments made	-	3,009
Amortization	(3,399)	-
Translation adjustment	-	-
Balance at March 31, 2022	182,030	(214,267)
Current	-	(25,917)
Non-current	182,030	(188,350)

In the first quarter of 2022, two vessels supporting the operation were replaced by more modern vessels with greater capacity, but at a higher cost. This change, with the increase in the useful life of the fields, increased the Company's liabilities by US\$ 105,663, with an increase of US\$ 109,116 in assets and the difference recorded in the result, in the line of other operating income and expenses.

Contract maturity		Pis/Cofins
Maturity of installments	Amount R\$	Amount R\$
2022	30,103	2,784
2023	24,515	2,268
2024	24,578	2,274
2025	24,519	2,268
2026	24,519	2,268
2027	24,519	2,268
2028	24,579	2,274
2029	24,520	2,268
2030	24,520	2,268
2031	24,520	2,268
2032	26,406	2,442
Undiscounted amounts	277,298	25,650
Embedded interest	(63,031)	
Lease liability balance	214,267	



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18. Current and deferred income tax and social contribution

Companies	Tax loss		Tax credit	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
PetroRio	39,199	32,696	13,327	11,117
PrioIntl	3,128	2,655	1,063	903
PetroRioOG	223,122	201,139	75,862	68,387
Jaguar	263,308	235,310	89,525	80,006
Sardinha	168,884	146,613	57,421	49,849
Coral	17,837	15,382	6,065	5,230
Lux Holding	722,251	613,186	180,130	152,929
Lux Trading	145,457	123,492	36,277	30,799
	1,583,186	1,370,473	459,670	399,220

The Company has tax loss carry forwards and negative social contribution tax generated in Brazil and abroad, which may be offset against future taxable profit, limited to 30% every year in Brazil, and without offset limit in Luxembourg. As detailed below, and based on the projected results of the companies, Management recognized and recorded the amounts proportional to future income, as well as the amount related to the negative goodwill recorded in the acquisition of the Polvo Field and the total amount of deferred liabilities recorded in Luxembourg, related to negative goodwill recorded in the acquisition of Frade Field. Other credits, which will be recognized as the future taxable income is being generated. Of the total available tax credits, US\$ 320,628 has not yet been recognized in the Company's balance sheet.

The provision for deferred income and social contribution tax is as follows:

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Negative goodwill/surplus in business combination	-	-	28,721	25,548
Temporary differences	(1,196)	(3,322)	(10,740)	(10,704)
Temporary differences - Translation adjustments *	-	-	(71,454)	-
Tax losses	-	-	(85,348)	(82,702)
Net balance of (Assets) Liabilities	(1,196)	(3,322)	(138,821)	(67,858)

Realization estimate	Consolidated									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Negative goodwill/surplus in business combination	5,423	4,652	4,005	3,431	2,953	2,541	2,196	1,889	1,631	28,721
Temporary differences	(10,740)	-	-	-	-	-	-	-	-	(10,740)
Temporary differences - Translation adjustments	(13,581)	(9,774)	(8,586)	(7,535)	(6,653)	(5,903)	(5,273)	(4,702)	(9,448)	(71,455)
Tax losses	(27,499)	(18,949)	(16,464)	(10,762)	(3,417)	(2,541)	(2,196)	(1,889)	(1,631)	(85,348)

* Changes in the exchange rate gave rise to temporary differences that resulted in a deferred tax asset, which was credited to income as per item 38 of CPC 32.



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19. Provision for abandonment (ARO)

Changes in the balance of provision for abandonment of wells in the Polvo, Tubarão Martelo, Manati and Frade Field are shown below:

	Polvo	Manati	Tubarão Martelo	Frade
Balance at December 31, 2021	31,391	9,781	33,978	91,988
Increase (decrease)	1,918	(464)	1,951	(9,046)
Currency adjustment	-	(1,430)	-	-
Price-level restatement	743	222	668	1,351
Translation adjustment	-	1,685	-	-
Balance at March 31, 2022	34,052	9,794	36,597	84,293
(-) Maersk's guarantee / Manati's abandonment fund	(33,545)	(12,037)	-	-
Net balance of liabilities	507	(2,243)	36,597	84,293
Total consolidated balance				119,154

With the acquisition of the complementary 30% of the Frade field in February 2021, as described in notes 1 and 11, a supplement was made to the provision for abandonment of the field, in the amount of US\$ 29.682, proportional to the amount previously recorded in the company, of 70%.

For the Polvo, Tubarão Martelo and Frade Fields, with abandonment forecast for the same year, the abandonment estimates, both in dollars, are discounted to present value at the rate of 7.65% per annum, while Manati Field uses a rate of 7.39% per annum for the estimated portion in Dollars and 10.16% per annum for the amount in Reais. The inflation rates used, when necessary, are an average of 2.1% per annum for amounts in Dollars and 3.61% per annum for the portion in Reais.

As highlighted in Note 2.6, there was a change in the present values of the provisions for abandonment of the Fields, due to the change in the useful life. The total reduction of US\$ 5.641 affected intangible assets by US\$ 5.596 and the remainder was recorded in income statement, US\$ 45.



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20. Advances to/from partners in oil and gas operations

	Consolidated	
	03/31/2022	12/31/2021
Operated blocks		
Blocks operated (GALP - PEL 23 Namibia)	-	(115)
Dommo - TBMT	(11,255)	(5,887)
Total - Wahoo/Itaipu	(145)	(70)
IBV - Wahoo	(183)	120
Manati - Ecopetrol - Ceará	(8)	-
Total operated blocks	(11,591)	(5,952)
Petrobras - Coral/Cavalo Marinho/Manati	(3)	(1,153)
Total non-operated blocks	(11,594)	(7,105)
Liabilities associated with non-current assets held for sale	-	1,154
Total advances to/from partners	(11,594)	(5,951)

21. Impairment

The Company periodically monitors changes in economic and operating expectations that may indicate impairment loss of assets. If such evidence is identified, calculations are performed to verify whether the net book value exceeds the recoverable value and, in such case, a provision for devaluation is recorded adjusting the book value to the recoverable value.

With the current scenario of the oil market, with prices above those practiced in recent years, the Company did not assess that there were no indications of impairment that would result in the need to carry out calculations to verify the recoverable value of the assets against the amounts recorded in the period.

22. Shareholders' equity

22.1 Capital

The Company's subscribed and paid-in capital is US\$ 993,411 and is represented by 882,646,385 nominative, book-entry shares with no par value.

The Company maintains US\$ 39,926 referring to share issuance costs in a capital reducing account and which comprise the balance shown of US\$ 953,485.

Shareholder	Number of common shares	% of interest
Aventti Strategic Partners LLP	167,937,200	19%
Truxt Investimentos	66,511,733	8%
Blackrock, INC.	44,229,389	5%
Other Shareholders	603,968,063	68%
Total	882,646,385	100%

*According to information disclosed in reference form.



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The Company's Capital underwent changes in January 2022, with an increase of US\$ 3,096 through the issuance of shares upon the exercise of stock options granted to employees, as described in Note 22.2.

The Company maintains the balance of Petro Rio S.A. common shares in Treasury Shares account, rectifying Shareholders' Equity, in the amount of 39,077,565 shares at acquisition cost of US\$ 7,324.

22.2 Share-based remuneration plan

The Board of Director, within the scope of its duties and in accordance with the stock option plan, approved the grant of preferred stock option to Company's employees. Stock options fair value was estimated on concession date, using the Black-Scholes pricing model. The dates of Board of Directors' meetings and the assumptions used in the pricing model are listed below:

	Program IV	Program VI	Program VII	Program VIII
Grant date by Board of Directors	11/05/2018	02/28/2019	02/28/2019	03/20/2020
Total stock options granted	122,923	84,129	64,220	440,705
Share price on granting date	118.00	150.98	150.98	12.40
Strike Price	54.7	86.27	97.06	17.36
Weighted fair value on concession date	69.06	77.29	81.97	3.52
Estimated volatility of share price	72.41%	53.09%	69.46%	77.01%
Risk-free rate of return	8.75%	7.78%	8.25%	5.60%
Option validity (in years)	4	3	4	2

	Program IX	Program X	Program XI
Grant date by Board of Directors	03/20/2020	05/03/2021	05/03/2021
Total stock options granted	995,235	271,935	638,670
Share price on granting date	12.40	91.86	91.86
Strike Price	19.53	35.27	39.68
Weighted fair value on concession date	4.49	62.03	65.92
Estimated volatility of share price	66.17%	92.13%	73.64%
Risk-free rate of return	7.65%	6.41%	7.86%
Option validity (in years)	4	2	4

The Company has a balance recorded in shareholders' equity under "income (loss) from share-based remuneration", the amount of US\$ 51,329, and the counterparty is in the statement of income as personnel cost since the grant.

Out of the options granted, 1,280,509 options were exercised on January 1, 2022, with the full payment of US\$ 3,096 in the Company's capital.

22.3 Earnings per share

Pursuant to CPC 41 (IAS 33), the Company presents some information on earnings per share for the three-month periods ended March 31, 2022 and 2021. Basic earnings per share are calculated by dividing net income for the year attributed to

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the Company's common and preferred shareholders by the weighted average number of common and preferred shares available in the period.

Diluted earnings per share are calculated by dividing income/loss attributable to Parent company's common shareholders by the weighted average number of common shares available for the period, plus the weighted average number of common shares that would be issued on conversion of all potential diluted common shares into common shares, excluding treasury shares.

The tables below show data of income and shares used in calculating basic and diluted earnings per share during the periods:

Basic and diluted earnings per share	01/01/2022 to 03/31/2022	01/01/2022 to 03/31/2022
Numerator (in thousands of reais)		
Income (loss) for the period attributable to Group's shareholders	223,402	(11,999)
Denominator (in thousands of shares)		
Weighted average of number of common shares for basic earnings per share (*)	843,569	783,153
Basic earnings per share	0.265	(0.015)
Diluted earnings per share	0.263	(0.015)
Potentially dilutive shares in future periods with profit	6,189	6,243

* Number of shares' weighted average considers the effect of treasury share changes' weighted average during the period.

23. Related party transactions (Parent company)

	Parent company	
	03/31/2022	12/31/2021
Loan Petrório S.A x Petrório International	-	-
Accounts payable - Petrório O&G x Petrório S.A (i)	10,872	7,143
Service agreement Petrório x Lux Holding (ii)	180	180
Apportionment of Brasoil's administrative expenses	603	351
Apportionment administrative expenses Frade	3,226	2,530
Loan - Petrório S.A vs. Petrório Luxembourg Sarl (iii)	(39,752)	(39,443)
Accounts payable Petrório Jaguar x Petrório S.A.	53	-
	(24,818)	(29,239)
Total non-current assets	15,861	10,204
Total non-current liabilities	(40,679)	(39,443)

- (i) Balance of share-based remuneration plan between PetroRio and PetroRioOG.
- (ii) Refers to contract entered into by PetroRio and Petrório Lux Energy S.à.r.l. (subsequently merged by Lux Holding), which established that Petrório Lux Energy S.à.r.l. should reimburse PetroRio of all expenses incurred for management of its assets (platform), such as salaries, rent of physical space and equipment, telephone, Internet and software.



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- (iii) Balance referring to loan contracts executed into since the second semester of 2019 by PetroRio and Lux Sarl, with indefinite period and Libor interest rate + 2.9% p.a., which will be settled upon distribution of dividends by Lux Sarl itself.

Management remuneration

Company's Management remuneration for the three-month period March 31, 2022 was US\$ 85 (US\$ 923 on March 31, 2021) as detailed below:

	03/31/2022	03/31/2021
Short-term employee benefits	85	85
Share-based payment	-	838
	85	923

24. Net revenue

Net revenue for the respective years is broken down as follows:

	03/31/2022				03/31/2021			
	Polvo/TBMT	Manati	Frade	Total	Polvo/TBMT	Manati	Frade	Total
Gross revenue	128,286	7,099	175,682	311,067	52,830	6,059	61,712	120,601
Deductions	-	(1,391)	-	(1,391)	-	(1,086)	-	(1,086)
Total	128,286	5,708	175,682	309,676	52,830	4,973	61,712	119,515

25. Costs of products sold and services rendered

	Consolidated	
	03/31/2022	03/31/2021
Logistics	(6,211)	(2,398)
Consumables	(3,853)	(4,393)
Operation and maintenance	(10,086)	(4,844)
Personnel	(6,485)	(2,493)
Purchase of oil for resale	(11,798)	(3,912)
Other costs	(3,873)	(440)
Royalties and special interest	(23,533)	(6,063)
Amortization CPC 06 (R2)	(2,835)	(4,532)
Depreciation and amortization	(23,019)	(14,062)
Total	(91,693)	(43,137)



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Oil stock (unaudited quantity by independent auditors)

	03/31/2022		12/31/2021	
	Amount	Barrels (thousand)	Amount	Barrels (thousand)
Polvo	10,124	467	11,048	361
Tubarão Martelo	16,252	519	8,596	239
Frade	12,377	453	14,309	687
Total	38,753	1,439	33,953	1,287

26. Other revenues and expenses

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Increase/decrease in the provision for abandonment (rate/curve change)	-	-	233	(173)
Reversal (Provision) for labor contingencies	-	-	17	(1,079)
Reversal (Provision) for tax contingencies	-	-	(140)	(14)
Reversal (Provision) for civil contingencies	-	-	(1)	(14)
Tax credits (PIS and COFINS/INSS/ICMS)	-	-	395	179
Labor indemnities from previous years	-	(45)	-	(581)
Decommissioning - Tubarão Azul	-	-	(90)	4,756
Indirect Overhead - Frade	-	-	(69)	32
Tieback - BW Demobilization	-	-	(8,116)	-
Withholding income tax (IRRF) on subsea lease	-	-	-	(4,642)
Maintenance of the Valente FPSO keel	-	-	-	(1,842)
Reduction of liabilities - IFRS 16 (CPC 06)	-	-	3,453	-
Depreciation expense of Manati (asset held for sale)	-	-	(1,671)	-
Other revenues (expenses)	(21)	32	914	(316)
Total of continuing operations	(21)	(13)	(5,075)	(3,694)

27. Financial income (loss)

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Financial revenues	3,391	445	65,627	9,876
Revenue from realized financial investment	5	2	4,444	2,974
Revenue from exchange-rate change (*)	3,384	442	60,379	6,595
Other financial revenues	2	1	804	307
Financial expenses	(1,625)	(3,742)	(72,350)	(75,904)
Loss on realized financial investment	-	-	(6,306)	-
Expense on foreign exchange rate (*)	(1,308)	(3,525)	(42,324)	(65,886)
Interest on loans	-	(96)	(10,276)	(7,043)
Commission on bank guarantees	-	-	-	(245)
Marked at fair value - Derivatives	-	-	2,753	-
Loss in realization of derivatives	-	-	(10,876)	(1,512)
Fair value loss - Bond	-	-	(771)	-
Expenses with interest on leases	-	-	(1,991)	(1,673)
Other financial expenses	(317)	(121)	(2,559)	455

(*) With the change in the functional currency to the US dollar, foreign exchange variation revenues and expenses refer to amounts recorded in currencies other than the US dollar, which vary with the change in the rate, such as bank balances, recoverable taxes, suppliers and taxes payable.



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28. Income tax and social contribution

Taxes on income of the Company differ from the theoretical value that would be obtained using the applicable tax rate, as shown below:

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Income before income tax and social contribution	226,119	(13,053)	188,834	(8,257)
Tax rate according to the current legislation	34%	34%	34%	34%
Income tax and social contribution expense based on the current rate	76,880	(4,438)	64,204	(2,807)
Non-deductible expenses/non-taxable revenue, net:				
Permanent differences	8	(9)	158	627
Temporary differences	(2,691)	-	(19,461)	5,024
Equity in income of subsidiaries	(76,417)	2,690	-	-
Other additions (exclusions)	-	-	-	(156)
Deduction / Tax benefits	-	-	(625)	(836)
(Use of) Previously unrecognized tax losses	-	-	(23,229)	1,871
Unrecognized tax losses	(186)	703	(185)	-
Effect of reduced tax rates in the USA and Luxembourg	-	-	(4,704)	803
Difference of tax base - functional currency	5,122	-	(50,729)	-
Adjustment related to taxes	-	-	3	(784)
Total	2,717	(1,054)	(34,568)	3,742
Income tax and social contribution	-	-	24,326	14,512
Deferred income tax	2,717	(1,054)	(58,894)	(10,770)
Net expenses (revenues) from income tax and social contribution in income (loss)	2,717	(1,054)	(34,568)	3,742
Effective rate on pre-tax profit	1.20%	8.08%	-18.31%	-45.32%

29. Segment reporting (Consolidated)

PetroRio is active in one sole operating segment, i.e. oil and gas exploration and production (E&P) in Brazil and overseas.

Segment reporting for continued operations:

	03/31/2022	12/31/2021
Current assets		
Brazil	115,650	725,237
Abroad	1,320,756	355,632
Non-current assets		
Brazil	400,580	949,258
Abroad	877,970	146,543
Revenue	03/31/2022	03/31/2021
Brazil	5,708	4,973
Abroad	303,968	114,542



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30. Objectives and policies for financial risk management

The main financial liabilities of PetroRio refer to trade accounts payable to suppliers for goods and services to be used in its hydrocarbon exploration and production operations, debentures convertible into shares, and the financial security agreements. On the other hand, cash and cash equivalents are recorded in assets, as described in Notes 3 and 4.

The Company is exposed to market (interest and exchange rates), credit and liquidity risks, and its strategy is to make a portion of its investments in fixed and variable income assets, foreign exchange transactions, interest, swaps, derivatives, sundry commodities and other financial instruments for speculative purposes in various industries in Brazil and abroad in the short, medium and/or long term, to maximize the profitability and seek a higher return to its shareholder. By adopting this strategy, the Company is exposed to the risks inherent to such investments, and to fluctuations in the prices of these assets, which may negatively impact the Company's cash position.

The Board of Directors reviews and establishes policies for the management of each of these risks, which are summarized below.

Market risk

Market risk is the possibility of losses arising from the effect of the fluctuation of market values of financial instruments and commodities. The company constantly monitors the market and, when necessary, contracts derivative transactions to neutralize the impacts of these commodity price oscillations.

Derivative financial instruments - Hedge

The Company entered into derivative agreements aim at hedging against the risk of volatility in oil prices for sales of 2022.

Basically, the transactions protect the Company, which obtained minimum price (floor) per barrel as the chart below:



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Operation	Type	Maturity	Settlement	Strike	Quantity	Price	Position	
						Engagement	US\$'000	R\$'000
Purchase	PUT	31/01/22	31/01/22	74.00	1,860	2.690	-	-
Purchase	PUT	28/02/22	28/02/22	73.00	483	3.640	-	-
Purchase	PUT	31/03/22	31/03/22	72.00	527	4.300	-	-
Purchase	PUT	30/04/22	-	72.00	503	5.198	775	(605)
Purchase	PUT	31/03/22	31/03/22	75.00	893	2.070	-	-
						4,266	775	(605)

Interest rate risk

Available funds are invested in securities issued by first-tier financial institutions at variable rates, mostly with daily liquidity, in compliance with prudential concentration limits.

Interest rate sensitivity

The table below shows the sensitivity to a possible change in interest rates, income and Company's equity before taxation, where all other variables are kept constant.

Operation	Risk	Probable scenario	Scenario (I) 25%	Scenario (II) 50%
Impact on the securities	Decrease in CDI	49	(33)	(115)

For the earnings from financial investments and securities the CDI projections disclosed by BM&FBOVESPA for the nine-month period as from March 31, 2021 were taken into account under the probable scenario (CDI 12.31%), a 25% reduction in the projected CDI was taken into account under scenario I and a 50% reduction was taken into account under scenario II, both in relation to the probable scenario.

Exchange risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and net investments in foreign subsidiaries. The table below shows the sensitivity to a change that may occur in the exchange rate and the impact on the Company's income and equity before taxation.

Operation	Risk	Probable scenario	Scenario (I) 25%	Scenario (II) 50%
Impact on financial investments	USD decrease	4,403	(24,104)	(48,209)
Provision for abandonment (ARO)	USD increase	5,810	31,802	63,605

For calculation of the amounts included in the above scenarios the average exchange rate projection disclosed by BM&FBOVESPA for the nine-month period as from March 31, 2022 (US\$ 1/R\$ 4.9542). Under scenario I, this projection was increased by 25% and under scenario II, the curve was increased by 50%, both against the probable scenario.

Credit risk



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The Company is exposed to credit risk in its operating activities and bank and/or financial institution deposits, foreign exchange transactions and other financial instruments. In order to mitigate such risks, the Group adopts a conservative management by investing short-term funds with day-to-day liquidity and post-fixed rates in first-class banks, bearing in mind ratings by the key risk agencies and respecting prudential concentration limits.

As for the credit risk of its sales transactions, the Company is analyzing the financial and equity position of its customers together with the service provider (trader), which also intermediates the oil sale transactions. During the three-month period ended on March 31, 2022 oil net sales were decentralized, with sales to clients Trafigura and Repsol and gas sales in other client (Petrobras); however, they present an irrelevant credit risk, considering that its background does not show any delays or defaults.

Liquidity risk

Prudent management of risk implies maintaining cash consistent with the disbursement needs to cover its obligations, in accordance with the Company's business plan.

Consolidated

Year ended March 31, 2022	up to 12 months	1-5 years	Total
Liabilities			
Loans and financing	(9,905)	(791,135)	(801,040)
Suppliers	(55,466)	(80)	(55,546)
Labor obligations	(23,593)	-	(23,593)
Taxes and social contributions	(38,497)	-	(38,497)
Financial instruments	(128)	-	(128)
Provision for abandonment	-	(119,154)	(119,154)
Provision for contingencies	-	(5,896)	(5,896)
Contractual charges (Leases - IFRS 16)	(25,917)	(188,350)	(214,267)
Other liabilities	(37,500)	(333)	(37,833)
	(191,006)	(1,104,948)	(1,295,954)
Year ended December 31, 2021	up to 12 months	1-5 years	Total
Liabilities			
Loans and financing	(99)	(592,665)	(592,764)
Suppliers	(52,368)	(72)	(52,440)
Labor obligations	(23,560)	-	(23,560)
Taxes and social contributions	(32,914)	-	(32,914)
Provision for abandonment	-	(124,055)	(124,055)
Provision for contingencies	-	(4,889)	(4,889)
Contractual charges (Leases - IFRS 16)	(24,690)	(81,633)	(106,323)
Other liabilities	(67,500)	(66)	(67,566)
	(201,131)	(803,380)	(1,004,511)



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Parent company

Year ended March 31, 2022

Liabilities

	up to 12 months	1-5 years	Total
Suppliers and other	(35)	-	(35)
Labor obligations	(4,093)	-	(4,093)
Taxes and social contributions	(194)	-	(194)
Provision for contingencies	-	(106)	(106)
	(4,322)	(106)	(4,428)

Year ended December 31, 2021

Liabilities

	up to 12 months	1-5 years	Total
Suppliers and other	(39)	-	(39)
Labor obligations	(4,896)	-	(4,896)
Taxes and social contributions	(149)	-	(149)
Provision for contingencies	-	(90)	(90)
	(5,084)	(90)	(5,174)

Fair value of financial assets and liabilities

The "fair value" concept provides for the valuation of assets and liabilities based on market prices in the case of liquid assets or based on mathematical pricing models otherwise. The level in the fair value hierarchy gives priority to unadjusted quoted prices in an active market. These financial instruments are grouped in levels from 1 to 3, based on the grade that their fair value is quoted:

- a) Level 1: fair value measurement uses prices quoted (not corrected) in active markets, based on equal assets and liabilities.
- b) Level 2: fair value measurement is derived from other inputs quoted included in Level 1, which are quoted through an asset or liability directly (i.e. as the prices) or indirectly (i.e. derivative of prices).
- c) Level 3: fair value measurement is derived from valuation techniques that include an asset or liability that are not included in an active market.



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(In thousands of reais, unless otherwise indicated)

	03/31/2022				12/31/2021			
	Parent company		Consolidated		Parent company		Consolidated	
	Book value	Fair value	Book value	Fair value	Book value	Fair value	Book value	Fair value
Financial assets								
Amortized cost:								
Accounts receivable (i)	-	-	178,392	178,392	-	-	163,970	163,970
Related parties	15,861	15,861	-	-	10,204	10,204	-	-
Fair value through profit or loss								
Cash and cash equivalents (ii)	3,018	3,018	652,542	652,542	4,226	4,226	173,942	173,942
Securities (ii)	-	-	496,433	496,433	63	63	659,472	659,472
Financial liabilities								
Amortized cost:								
Suppliers (i)	35	35	55,546	55,546	39	39	52,434	52,434
Loans and financing	-	-	801,040	801,040	-	-	592,764	592,764
Contractual charges (Leases - IFRS 16)	-	-	214,267	214,267	-	-	106,330	106,330
Accounts payable - acquisition of Wahoo	-	-	37,500	37,500	-	-	67,500	67,500

Market values ("fair value") estimated by management were determined by level 1 for those financial instruments below, and there were no transfers between measurement levels in the fair value hierarchy for the three-month period ended March 31, 2022.

(i) The amounts related to the balance of accounts receivable and suppliers does not have significant differences in the fair value since receivable/payment turnover of these balances is 60 days on average.

(ii) The fair value measurements are obtained by directly observable variables (as well as prices) or indirectly (derived from prices).



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March 31, 2022

(In thousands of reais, unless otherwise indicated)

31. Insurance (Not audited by independent auditors)

The Company has a policy of taking out insurance plan for the items subject to risks.

The Company is covered against major risks such as P&I to Frade's FPSO, Energy Package, which includes: Physical Damage over offshore assets, Operator's Extra Expenses (OEE - Well Control, Extra Expense/Reboring and Infiltration and Pollution, Cleaning and Contamination) and Offshore Liability (TPL) and Cargo/equipment coverage related to the Polvo and Frade field operations and D&O (Directors & Officers Liability) policy for directors and subordinates.

The insurance policies in force at March 31, 2022 cover the insured amount of US\$ 5,248,620. In addition, the Company also contracts insurance for Operator' Extra Expenses, whose main exposures covered are as follows:

Insurance/Modality	Amount insured
Physical damages (Oil inventories)	178,600
Fixed Platform	182,000
Offshore Platform	22,300
FPSO Frade	740,900
Subsea Equipment	947,715
Offshore property (Pipeline)	29,200
Onshore properties (Pipeline)	11,700
Onshore Treatment Station	17,400
OEE production (Well control)	240,000
Offshore Civil Liability + Surplus	770,000
Cargo (Polvo)	1,055
D&O	8,443
P&I	1,350,000
General liability	1,055
Equity	2,786
Legal guarantee	48,666
Life insurance	981
PEM guarantee insurance - ANP	15,544
Travel Insurance Travel Guard	275
FPSO Bravo Hull and Machine	680,000
Total insured	5,248,620



Notes to the quarterly information

March 31, 2022

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32. Contingencies

Management of the Company and its subsidiaries, based on the opinion of its legal advisors regarding the possibility of success in several lawsuits, believes that the provisions recorded in the balance sheet on March 31, 2022 and December 31, 2021 in the amounts of US\$ 5,896 and US\$ 4,889, respectively, are sufficient to cover losses considered probable and reasonably estimated.

Nature of contingencies recorded

Currently, the Company is party to lawsuits with probable risk, which are basically labor claims that add up to US\$ 3.209, tax claims of US\$ 78, civil claims in the amount of US\$ 2.609 (as of December 31, 2021, US\$ 2.739, US\$ 65 and US\$ 2.085, respectively).

Other suits

According to the Group's legal advisors, risk of loss in other lawsuits is "possible" - US\$ 405.542 (US\$ 346.934 on December 31, 2021), of which US\$ 256.277 is related to tax claims, R US\$ 140.579 is related to civil claims and US\$ 8.686 to labor claims (US\$ 228.617, US\$ 111.352 and US\$ 6.965, respectively, as of December 31, 2021). The lawsuits with the most relevant values are: an assessment from the Brazilian Federal Revenue Service ("RFB"), received in the third quarter of 2021, in the amount of US\$ 141.212, drawn up to demand federal taxes suspended on the temporary admission of the FPSO Polvo and its mooring system, which is found duly challenged and awaiting judgment, still at the administrative stage; from Federação dos Pescadores do Rio de Janeiro ("FEPERJ"), in the amount of US\$ 82.089, requesting reparation for alleged losses suffered by fishermen as a result of the Oil Spills of Frade Field in 2011/2012, when operated by Chevron, which is currently in the knowledge phase; from the Attorney General's Office of the National Treasury in the amount of US\$ 41.996, charging IRPJ and CSLL due to the transfer pricing rules used in Jaguar in 2010, when operated by Chevron, and is awaiting the decision of an Appeal in the higher court; and Lawsuit filed by Geoquasar's bankrupt estate in the amount of US\$ 27.10, requesting compensation due to the termination of the contract for the provision of seismic data collection services in the Solimões Basin, in 2013. The Company awaits the receipt of the records to close the lawsuit, which has a favorable decision for Petrorio O&G. Pursuant to accounting practices adopted in Brazil and IFRS, Management did not form a provision for contingencies for these lawsuits with likelihood of possible and remote loss.



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33. Subsequent event

33.1 Contracting of loans

The Company contracted loans through its subsidiary Petro Rio Jaguar Petróleo LTDA in April 2022 in order to strengthen the Company cash, which disbursed R\$ 1,453,475 (US\$ 293 million) in the signing of the Albacora Leste contract as presented in the table below:

Financial Institution	Amount	Maturity	Rate	Interest payment
Itaú	US\$ 100 million	2 years	4.65% p.a.	Semi-annually
Safra	US\$ 35 million	2 years	4.40% p.a.	At maturity
Santander	US\$ 100 million	3 years	4.90% p.a.	Quarterly
ABC	US\$ 15 million	22 months	4.48% p.a.	At maturity
ABC	US\$ 15 million	23 months	4.48% p.a.	At maturity

33.2 Certification of reserves

On April 29, 2022, the Company, through an independent international certifying agency (DeGolyer and MacNaughton), completed a reevaluation of reserves at Polvo, Tubarão Martelo, Frade and Manati fields. This reevaluation indicated an increase in the useful life of some fields and, therefore, change in the depreciation rates and an extension of the terms for calculating the provision for abandonment.

At Polvo and Tubarão Martelo Fields, the reevaluation indicated the increase of useful life of the fields until the end of 2032, with proven reserves developed in approximately 38 million bbl, with an increase of approximately 5.3 million bbl compared to the last certification.

At Frade Field, the reevaluation indicated the increase of useful life of the field until the end of 2032 with proven reserves developed in approximately 5 million bbl compared to the last certification.

In Manati, the reevaluation showed an increase in the useful life of the field by the end of 2026, with 385 million m³ in its proven reserves developed, with an increase of 24 million m³.



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33.3 Acquisition of interest

On April 27, 2022, the Company has signed a Sale and Agreement with Petróleo Brasileiro S.A. (“Petrobras”) for the acquisition of a 90% interest and the operation of the Albacora Leste Field (“Field” or “Albacora Leste”).

The consortium will then be formed by PRIO, operating the Field with a 90% interest, and Repsol Sinopec Brasil (“RSB”), with a 10% interest. The deal is subject to the usual conditions precedent for this type of operation, such as approval by the National Agency of Petroleum, Natural Gas and Biofuels (“ANP”), approval by the Brazilian antitrust entity (CADE), and a waiver of the preemptive rights by RSB within 30 days.

The transaction will have a fixed price totaling US\$ 1,951 million, of which US\$ 293 million to be paid upon signing of the agreement, and a further US\$ 1,658 million upon closing of the acquisition and transfer of the operation to the Company, subject to adjustments until the closing of the transaction (counted from October 1st, 2022) and to the fulfillment of the conditions precedent.

The deal also includes the possibility of (cumulative) additional payments of up to US\$ 250 million, depending on annual average Brent prices for the years 2023 and 2024.

Albacora Leste is has water depth of 1,200 meters and is located in the north of the Campos Basin, 23 km from the Frade Field.

The Company estimates economically recoverable 1P reserves of approximately 280 million barrels for the Albacora Leste Field, with net reserves of over 240 million barrels net to PRIO and expects the Field to be abandoned after 2050. These estimates consider a long-term price of US\$ 62 per barrel of oil.

All amounts will be paid using the funds already available in PRIO’s accounts, along with the Company’s cash generation up to the closing of the transaction.