

Petro Rio S.A.

Quarterly information - ITR

March 31, 2022

**Independent Auditors' Report on the Review of
the Quarterly Information**



Independent auditors' report on the review of the quarterly information **Erro! Indicador não definido.**

Balance sheet.....	5
Balance sheet.....	6
Statements of income.....	7
Statements of comprehensive income.....	8
Statements of changes in shareholders' equity.....	9
Statements of cash flows.....	10
Statements of added value.....	11
1. Operations.....	12
2. Basis of preparation and presentation of financial statements.....	16
3. Cash and cash equivalents.....	22
4. Securities.....	22
5. Accounts receivable.....	23
6. Recoverable taxes.....	23
7. Advances to suppliers.....	24
8. Non-current assets classified as held for sale (Consolidated).....	24
9. Investments.....	25
10. Property, plant and equipment (Consolidated).....	28
11. Intangible assets (Consolidated).....	29
12. Suppliers.....	32
13. Labor obligations.....	32
14. Taxes and social contributions payable.....	33
15. Other accounts payable - Acquisition of Wahoo.....	33
16. Loans and financing.....	33
17. Leases CPC 06 (R2) / IFRS 16.....	35
18. Current and deferred income tax and social contribution.....	37
19. Provision for abandonment (ARO).....	38
20. Advances to/from partners in oil and gas operations.....	39
21. <i>Impairment</i>	39
22. Shareholders' equity.....	39
23. Related party transactions (Parent company).....	41
24. Net revenue.....	42
25. Costs of products sold and services rendered.....	42
26. Other revenues and expenses.....	43
27. Financial income (loss).....	43
28. Income tax and social contribution.....	44
29. Segment reporting (Consolidated).....	44
30. Objectives and policies for financial risk management.....	45
31. Insurance (Not audited by independent auditors).....	50
32. Contingencies.....	51
33. Subsequent event.....	52
33,1 Contracting of loans.....	52
33,2 Certification of reserves.....	52
33,3 Acquisition of interest.....	53



Independent auditor's review report on quarterly information

To
Shareholders, Board Members and Management of
Petro Rio S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Petro Rio S.A. for the quarter ended March 31, 2022, comprising the statement of financial position as of March 31, 2022 and the related statements of profit or loss and of comprehensive income, of changes in equity and of cash flows for the three months period then ended, including the explanatory notes.

The executive board is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 - Interim Financial Reporting, and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

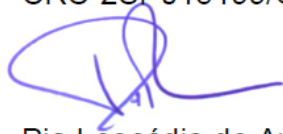
Other matters

Statements of added value

The abovementioned quarterly information includes the individual and consolidated statement of value added (SVA) for the three months period ended March 31, 2022, prepared under Company's executive board responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Rio de Janeiro, May 04, 2022.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6



Pia Leocádia de Avellar Peralta
Accountant CRC-1RJ101080/O-0



Balance sheet

March 31, 2022 and December 31, 2021

(In thousands of reais – R\$)

	Note	Parent company		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Assets					
Current assets					
Cash and cash equivalents	3	14,300	23,581	3,091,614	970,681
Securities	4	-	350	2,352,001	3,680,185
Accounts receivable	5	-	-	845,187	915,033
Oil inventories	25	-	-	183,606	189,477
Inventory of consumables		-	-	97,568	28,059
Financial instruments	30	-	-	-	35,011
Recoverable taxes	6	2,231	2,244	56,077	85,839
Advances to suppliers	7	-	-	91,437	84,013
Advances to partners	20	-	-	54,933	33,216
Prepaid expenses		2,248	53	31,995	9,760
Other receivables		-	-	992	513
		18,779	26,228	6,805,410	6,031,787
Non-current assets classified as held for sale	8	-	-	-	74,508
		18,779	26,228	6,805,410	6,106,295
Non-current assets					
Advances to suppliers	7	-	-	-	-
Deposits and pledges		83	-	10,755	10,645
Recoverable taxes	6	10	-	32,330	8,559
Deferred taxes	18	5,667	18,539	657,698	378,679
Related parties	23	75,148	56,941	-	-
Right-of-Use (Lease CPC 06.R2/IFRS 16)	17	-	-	862,424	425,867
Investments	9	6,836,219	6,766,526	-	-
Property, plant and equipment	10	747	999	3,022,581	3,549,045
Intangible assets	11	-	-	1,471,723	1,742,326
		6,917,874	6,843,005	6,057,511	6,115,121
Total assets		6,936,653	6,869,233	12,862,921	12,221,416

See the accompanying notes to the quarterly information.



Balance sheet

March 31, 2022 and December 31, 2021

(In thousands of reais – R\$)

	Note	Parent company		Consolidated	
		03/31/2022	12/31/2021	03/31/2022	12/31/2021
Liabilities and shareholders' equity					
Current liabilities					
Suppliers	12	169	220	262,789	292,204
Labor obligations	13	19,393	27,321	111,779	131,475
Taxes and social contributions	14	918	829	182,392	183,678
Financial instruments	30	-	-	605	-
Loans and financing	16	-	-	46,928	553
Contractual charges (Leases - IFRS 16)	17	-	-	122,788	105,905
Accounts payable – acquisition of Wahoo	15	-	-	177,668	376,684
		20,480	28,370	904,949	1,090,499
Liabilities directly linked to non-current assets classified as held for sale	8	-	-	-	(4,502)
		20,480	28,370	949,641	1,085,997
Non-current liabilities					
Suppliers	12	-	-	380	400
Loans and financing	16	-	-	3,748,241	3,307,368
Provision for abandonment (ARO)	19	-	-	564,529	692,289
Provision for contingencies	32	500	500	27,933	27,284
Related parties	23	192,727	220,114	-	-
Contractual charges (Leases - IFRS 16)	17	-	-	892,365	487,467
Other liabilities		-	-	1,578	362
		193,227	220,614	5,235,026	4,515,170
Shareholders' equity					
Realized capital	22	5,320,231	5,303,644	5,320,231	5,303,644
Capital reserves		354,036	348,886	354,036	348,886
Profit reserves		255,381	255,381	255,381	255,381
Accumulated translation adjustment		(275,672)	712,338	(275,672)	712,338
Income (loss) for the period		1,068,970	-	1,068,970	-
		6,722,946	6,620,249	6,722,946	6,620,249
Total liabilities and shareholders' equity		6,936,653	6,869,233	12,862,921	12,221,416

See the accompanying notes to the quarterly information.



Statements of income

Three-month period ended March 31, 2022 and 2021

(In thousands of reais – R\$, except earnings/losses per share)

	Note	Parent company		Consolidated	
		03/31/2022	03/31/2021	03/31/2022	03/31/2021
Net revenue	24	-	-	1,529,995	655,334
Costs of products/services	25	-	-	(462,095)	(236,531)
Gross revenue		-	-	1,067,900	418,803
Operating revenues (expenses)					
Geology and geophysics expenses		-	-	(6,955)	(6,900)
Personnel expenses		(1,850)	(6,211)	(18,842)	(23,634)
General and administrative expenses		(91)	(364)	(22,589)	(3,364)
Expenses with Outsourced Services		(595)	(3,059)	(15,685)	(12,131)
Taxes and rates		(1,587)	(286)	(3,463)	(5,759)
Depreciation and amortization expenses		(119)	(122)	(22,650)	(29,992)
Equity in income of subsidiaries	9	1,075,314	(43,382)	-	-
Other operating revenues (expenses), net	26	(111)	(69)	(27,003)	(20,250)
Operating income (loss) before financial income (loss)		1,070,961	(53,493)	950,713	316,773
Financial revenues	27	16,108	2,438	312,508	54,154
Financial expenses	27	(5,227)	(20,518)	(357,978)	(416,202)
Income before income tax and social contribution		1,081,842	(71,573)	905,243	(45,275)
Current income tax and social contribution	28	-	-	(115,251)	(79,573)
Deferred income tax and social contribution	28	(12,872)	5,781	278,978	59,056
Income (loss) for the period		1,068,970	(65,792)	1,068,970	(65,792)
Basic and diluted earnings per share					
Basic		1.267	(0.084)	1.267	(0.084)
Diluted		1.258	(0.084)	1.258	(0.084)

See the accompanying notes to the quarterly information.



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

	Consolidated	
	03/31/2022	03/31/2021
Income (loss) for the period	1,068,970	(65,792)
Other comprehensive income		
Translation adjustment on investment abroad, net of taxes	(988,010)	271,606
Other comprehensive income for the period, net of taxes	(988,010)	271,606
Total other comprehensive income for the period, net of taxes	80,960	205,814

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 reais – R\$)

	Capital	Capital reserve	Profit reserve	Accumulated translation adjustment	Retained earnings (losses)	Parent company	Non-controlling interest	Consolidated
Balances at January 1, 2021	3,326,899	321,359	-	579,820	(1,077,664)	3,150,414	849	3,151,263
Paid-up capital	2,062,743	-	-	-	-	2,062,743	-	2,062,743
Share issuance costs	(83,870)	-	-	-	-	(83,870)	-	(83,870)
Stock options granted	-	124	-	-	-	124	-	124
Accumulated translation adjustment	-	-	-	271,606	-	271,606	-	271,606
Loss for the period	-	-	-	-	(65,792)	(65,792)	-	(65,792)
Acquisition of minority interest	-	-	-	-	-	-	(849)	(849)
Balances at March 31, 2021	5,305,772	321,483	-	851,426	(1,143,456)	5,335,225	-	5,335,225
Balances at January 1, 2022	5,303,644	348,886	255,381	712,338	-	6,620,249	-	6,620,249
Paid-up capital	16,587	-	-	-	-	16,587	-	16,587
Stock options granted	-	5,150	-	-	-	5,150	-	5,150
Accumulated translation adjustment	-	-	-	(988,010)	-	(988,010)	-	(988,010)
Income (loss) for the period	-	-	-	-	1,068,970	1,068,970	-	1,068,970
Balances at March 31, 2022	5,320,231	354,036	255,381	(275,672)	1,068,970	6,722,946	-	6,722,946

See the accompanying notes to the quarterly information.



Statements of cash flows

Three-month period ended March 31, 2022 and 2021

(In thousands of reais – R\$)

	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)	1,081,842	(71,573)	905,243	(45,275)
Depreciation and amortization	119	122	184,255	131,950
Financial revenue	(14,967)	(2,432)	(60,003)	16,210
Financial expenses	4,550	20,343	131,611	390,652
Share-based compensation	5,150	124	5,150	124
Equity in income of subsidiaries	(1,075,314)	43,382	-	-
Provision for contingencies/losses/R&D	-	-	645	6,067
Amendment of the provision for abandonment / IFRS 16 Contracts	-	-	(20,484)	946
	1,380	(10,034)	1,146,417	500,674
(Increase) decrease in assets				
Accounts receivable	-	-	29,089	377,597
Recoverable taxes	10	(1,133)	4,798	19,992
Prepaid expenses	(2,195)	(2,659)	(22,238)	3,117
Advances to suppliers	11	14	3,369	424
Oil inventories	-	-	5,612	(75,403)
Inventory of consumables	-	-	(80,613)	(11,385)
Related parties	(18,606)	(6,288)	-	-
Advance to partners in oil and gas operations	-	-	(22,017)	74,854
Deposits and pledges	(83)	963	(117)	5,082
Other receivables	-	-	(362)	(613)
Increase (decrease) in liabilities				
Suppliers	(118)	3,329	41,468	(103,950)
Labor obligations	(7,924)	(192)	(19,630)	(13,765)
Taxes and social contributions	86	(181)	(117,376)	(53,494)
Related parties	4,394	(341,575)	-	-
Other liabilities	-	-	1,366	-
Net cash (invested in) from operating activities	(23,045)	(357,756)	969,766	723,130
Cash flows from investment activities				
(Investment in) redemption of securities	350	2,275	877,006	(50,613)
(Investment in) redemption of restricted cash	-	-	-	(55,987)
(Investment in) redemption of abandonment fund	-	-	(259)	-
Non-current assets held for sale	-	-	-	(3,354)
(Purchase) sale of property, plant and equipment	-	(52)	(136,629)	(43,295)
(Purchase) sale of intangible assets	-	-	-	(1,050)
(Increase) decrease in investments	-	(1,627,196)	-	-
(Acquisition) of oil and gas assets	-	-	(190,646)	(221,799)
Net cash (invested in) from investment activities	350	(1,624,973)	549,472	(376,098)
Cash flows from financing activities				
Borrowings	-	-	1,013,211	30,296
Contractual charges (Leases IFRS 16 - Principal)	-	-	(16,132)	(58,209)
Contractual charges (Leases - IFRS 16) - Interest	-	-	(9,477)	(9,632)
Derivative transactions	-	-	(11,290)	-
(Decrease) Paid-up capital	16,587	1,978,872	16,587	1,978,872
Interest of non-controlling shareholders	-	-	-	(666)
Net cash (invested in) from financing activities	16,587	1,978,872	992,899	1,940,661
Translation adjustment	(3,173)	-	(391,204)	88,065
Net increase (decrease) in cash and cash equivalents	(9,281)	(3,857)	2,120,933	2,375,758
Cash and cash equivalents at the beginning of the period	23,581	27,480	970,681	809,273
Cash and cash equivalents at the end of the period	14,300	23,623	3,091,614	3,185,031
Net increase (decrease) in cash and cash equivalents	(9,281)	(3,857)	2,120,933	2,375,758

See the accompanying notes to the quarterly information.



Statements of added value

(supplementary information for IFRS purposes)

Three-month period ended March 31, 2022 and 2021

(In thousands of reais - R\$)

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Revenues				
Oil & Gas sales	-	-	1,529,995	655,334
	-	-	1,529,995	655,334
Inputs and services				
Third party's services and other	(595)	(3,059)	(15,685)	(12,131)
Geology and geophysics expenses	-	-	(6,955)	(6,900)
Costs of services	-	-	(189,809)	(90,720)
Gross added value	(595)	(3,059)	1,317,546	545,583
Retentions				
Depreciation and amortization	(119)	(122)	(174,927)	(137,647)
Net added value	(714)	(3,181)	1,142,619	407,936
Transferred value added				
Net financial income (loss)	10,881	(18,080)	(45,470)	(362,048)
Equity in income of subsidiaries	1,075,314	(43,382)	-	-
Deferred taxes	(12,872)	5,781	278,978	59,056
Rents, royalties and other	(202)	(433)	(169,601)	(61,770)
Added value payable	1,072,407	(59,295)	1,206,526	43,174
Distribution of added value				
Personnel	1,850	6,211	18,842	23,634
Taxes	1,587	286	118,714	85,332
Income (loss) for the period	1,068,970	(65,792)	1,068,970	(65,792)
Distributed added value	1,072,407	(59,295)	1,206,526	43,174

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 was prepared in accordance with technical pronouncement NBC TG 21 - Interim Statement with international standard IAS 34 - Interim Financial Reporting, issued by the Interim Financial Report issued by International Accounting Standards Board, and it is presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information - ITR.

The statements of value added are presented as supplementary information for IFRS purposes.

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)

		Interest			
		03/31/2022		12/31/2021	
		Direct	Indirect	Direct	Indirect
Fully consolidated companies					
Petro Rio O&G Exploração e Produção de Petróleo Ltda.	"PetroRioOC"	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

In compliance with Brazilian legislation, the individual and consolidated quarterly information is presented in reais, translated from the quarterly information prepared in the Company's functional currency, which on January 1, 2022 was changed to the US dollar, as highlighted below:

- Assets and liabilities are translated into reais at the exchange rate on the reporting date (closing rate);
- Statements of income, comprehensive income, cash flows and added value are translated at the exchange rate on the date of operations (daily rate); and
- Shareholders' equity is translated at the historical rate

Foreign exchange differences resulting from said translation are accounted for separately in shareholders' equity, in comprehensive statement of income, in line of "Accumulated translation adjustments".

Functional currency

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



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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 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.

The individual and consolidated quarterly information in the US dollar functional currency, presented as supplementary information, as well as the information translated into the presentation currency, which is the Real, are presented below:

Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

Statement of financial position - supplementary information	March 31, 2022			
	Parent company		Consolidated	
	US\$	R\$	US\$	R\$
Assets				
Cash and cash equivalents	3,018	14,300	652,542	3,091,614
Securities	-	-	496,433	2,352,001
Accounts receivable	-	-	178,392	845,187
Oil inventories	-	-	38,753	183,606
Inventory of consumables	-	-	20,594	97,568
Recoverable taxes	471	2,231	11,836	56,077
Advances to suppliers	-	-	19,299	91,437
Advances to partners	-	-	11,595	54,933
Prepaid expenses	474	2,248	6,753	31,995
Other receivables	-	-	209	992
Current assets	3,963	18,779	1,436,406	6,805,410
Deposits and pledges	18	83	2,270	10,755
Recoverable taxes	2	10	6,824	32,330
Deferred taxes	1,196	5,667	138,821	657,698
Related parties	15,861	75,148	-	-
Right-of-Use (Lease CPC 06.R2/IFRS 16)	-	-	182,030	862,424
Investments	1,371,457	6,836,219	-	-
Property, plant and equipment	158	747	637,971	3,022,581
Intangible assets	-	-	310,634	1,471,723
Non-current assets	1,388,692	6,917,874	1,278,550	6,057,511
Total assets	1,392,655	6,936,653	2,714,956	12,862,921

Statement of financial position	March 31, 2022			
	Parent company		Consolidated	
	US\$	R\$	US\$	R\$
Liabilities and shareholders' equity				
Suppliers	35	169	55,466	262,789
Labor obligations	4,093	19,393	23,593	111,779
Taxes and social contributions	194	918	38,497	182,392
Financial instruments	-	-	128	605
Loans and financing	-	-	9,905	46,928
Contractual charges (Leases - IFRS 16)	-	-	25,917	122,788
Accounts payable - acquisition of Wahoo	-	-	37,500	177,668
Current liabilities	4,322	20,480	191,006	904,949
Suppliers	-	-	80	380
Loans and financing	-	-	791,135	3,748,241
Provision for abandonment (ARO)	-	-	119,154	564,529
Provision for contingencies	106	500	5,896	27,933
Related parties	40,679	192,727	-	-
Contractual charges (Leases - IFRS 16)	-	-	188,350	892,365
Other liabilities	-	-	333	1,578
Non-current liabilities	40,785	193,227	1,104,948	5,235,026
Realized capital	953,485	5,320,231	953,485	5,320,231
Capital reserves	63,536	354,036	63,536	354,036
Profit reserves	45,763	255,381	45,763	255,381
Accumulated translation adjustment	61,362	(275,672)	132,816	(275,672)
Income (loss) for the period	223,402	1,068,970	223,402	1,068,970
Shareholders' equity	1,347,548	6,722,946	1,419,002	6,722,946
Total liabilities and shareholders' equity	1,392,655	6,936,653	2,714,956	12,862,921



Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

	Parent company		Consolidated	
	US\$	R\$	US\$	R\$
Statements of cash flows - supplementary information				
Cash flows from operating activities				
Income (loss) for the period (before taxes)	226,119	1,081,842	188,833	905,243
Depreciation and amortization	21	119	31,733	184,255
Financial revenue	(3,157)	(14,967)	(12,446)	(60,003)
Financial expenses	1,486	4,550	24,742	131,611
Share-based compensation	1,017	5,150	1,017	5,150
Equity in income of subsidiaries	(225,211)	(1,075,314)	-	-
Provision for contingencies/losses/R&D	-	-	124	645
Amendment of the provision for abandonment / IFRS 16 Contracts	-	-	(3,452)	(20,484)
	275	1,380	230,551	1,146,417
(Increase) decrease in assets				
Accounts receivable	-	-	(14,254)	29,089
Recoverable taxes	1	10	771	4,798
Prepaid expenses	(459)	(2,195)	(3,937)	(22,238)
Advances to suppliers	-	11	(2,986)	3,369
Oil inventories	-	-	1,055	5,612
Inventory of consumables	(1)	-	(15,565)	(80,613)
Related parties	(3,575)	(18,606)	-	-
Advance to partners in oil and gas operations	-	-	(2,692)	(22,017)
Deposits and pledges	(16)	(83)	(23)	(117)
Other receivables	(13)	-	(76)	(362)
Increase (decrease) in liabilities				
Suppliers	(4)	(118)	1,526	41,468
Labor obligations	(1,517)	(7,924)	(3,638)	(19,630)
Taxes and social contributions	42	86	(20,858)	(117,376)
Related parties	900	4,394	-	-
Other liabilities	-	-	265	1,366
Net cash (invested in) from operating activities	(4,366)	(23,045)	170,139	969,766
Cash flows from investment activities				
(Investment in) redemption of securities	-	350	168,370	877,006
(Investment in) redemption of abandonment fund	-	-	(55)	(259)
(Purchase) sale of intangible assets	-	-	(26,792)	(136,629)
(Acquisition) of oil and gas assets	-	-	(30,000)	(190,646)
Net cash (invested in) from investment activities	-	350	111,523	549,472
Cash flows from financing activities				
Borrowings	-	-	198,000	1,013,211
Contractual charges (Leases IFRS 16 - Principal)	-	-	(1,010)	(16,132)
Contractual charges (Leases - IFRS 16) - Interest	-	-	(1,999)	(9,477)
Derivative transactions	-	-	(1,850)	(11,290)
(Decrease) Paid-up capital	3,096	16,587	3,096	16,587
Interest of non-controlling shareholders	-	-	-	-
Net cash (invested in) from financing activities	3,096	16,587	196,237	992,899
Translation adjustment	-	(3,173)	701	(391,204)
Net increase (decrease) in cash and cash equivalents	(1,270)	(9,281)	478,600	2,120,933
Cash and cash equivalents at the beginning of the period	4,288	23,581	173,942	970,681
Cash and cash equivalents at the end of the period	3,018	14,300	652,542	3,091,614
Net increase (decrease) in cash and cash equivalents	(1,270)	(9,281)	478,600	2,120,933



Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

Consolidated statement of income Supplementary information	March 31, 2022			
	Parent company		Consolidated	
	US\$	R\$	US\$	R\$
Net revenue	-	-	309,676	1,529,995
Costs of products/services	-	-	(91,693)	(462,095)
Gross revenue	-	-	217,983	1,067,900
Geology and geophysics expenses	-	-	(1,357)	(6,955)
Personnel expenses	(359)	(1,850)	(3,676)	(18,842)
General and administrative expenses	(18)	(91)	(4,454)	(22,589)
Expenses with Outsourced Services	(116)	(595)	(2,971)	(15,685)
Taxes and rates	(323)	(1,587)	(685)	(3,463)
Depreciation and amortization expenses	(21)	(119)	(4,208)	(22,650)
Equity in income of subsidiaries	225,211	1,075,314	-	-
Other operating revenues (expenses), net	(21)	(111)	(5,075)	(27,003)
Operating income (loss) before financial income (loss)	224,353	1,070,961	195,557	950,713
Financial revenues	3,391	16,108	65,627	312,508
Financial expenses	(1,625)	(5,227)	(72,350)	(357,978)
Income before income tax and social contribution	226,119	1,081,842	188,834	905,243
Current income tax and social contribution	-	-	(24,326)	(115,251)
Deferred income tax and social contribution	(2,717)	(12,872)	58,894	278,978
Income (loss) for the period	223,402	1,068,970	223,402	1,068,970

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 reevaluation 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 reevaluation 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 reevaluation 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.



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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	-	-	124	48
Banks	14,300	23,581	3,091,490	970,633
	14,300	23,581	3,091,614	970,681
National	11,297	3,603	785	18,099
Abroad	3,003	19,978	3,090,829	952,582

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)	-	-	75,490	74,462
Time deposit (ii)	-	350	2,192,203	3,070,312
Bond (iii)	-	-	84,308	535,411
Financial assets - fair value through profit or loss	-	350	2,352,001	3,680,185
Total	-	350	2,352,001	3,680,185

- 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.



Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

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)	23,324	20,686
Trafigura (ii)	654,188	-
Repsol (iii)	167,245	430,506
Total Energies (iv)	-	462,857
Other	430	984
Total	845,187	915,033
Total local currency	23,754	21,166
Total foreign currency	821,433	893,867

- (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 R\$ 22,544 are to Manati, R\$ 19 to Jaguar and R\$ 4 to Sardinha and balance referring to amount not withdrawn from June 2020 (take or pay) in the amount of R\$ 757 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, R\$615,346 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)	2,206	2,220	12,741	18,003
PIS and COFINS (ii)	12	2	43,744	42,013
ICMS	-	-	26,652	27,276
Foreign taxes (VAT) (iii)	-	-	1,224	2,327
Other	23	22	4,046	4,779
Total	2,241	2,244	88,407	94,398
Current assets	2,231	2,244	56,077	85,839
Non-current assets	10	-	32,330	8,559



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

- (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	44,871	31,244
Advance to foreign suppliers	46,566	52,769
	91,437	84,013
Total current assets	91,437	84,013

The Company has advances with BW (Prosafe) – US\$ 5,671 (R\$ 26,868) and R\$ 3,717 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.



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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.



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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	R\$ 587
Brazil	Foz do Amazonas	FZA-M-539	Pirapema	Coral	100%	Operator	Exploration	R\$ 10,564
Brazil	Ceará	CE-M-715	-	Jaguar	50%	Operator	Exploration	R\$ 59,200
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.



Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

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	6,782,636	4,345,821
Income (loss) for the period	1,065,656	783,262
Total assets	7,823,946	4,345,852

b) Breakdown of investments

	<u>Parent company</u>	
	<u>03/31/2022</u>	<u>12/31/2021</u>
PetroRioOG	6,782,634	6,715,199
PrioIntl	53,585	51,327
	6,836,219	6,766,526

c) Changes in investment

	<u>PetroRioOG</u>	<u>PTRIntl</u>	<u>PrioUSA</u>	<u>Total</u>
Balance at December 31, 2020	3,602,058	40,143	(39)	3,642,162
Capital increase/decrease	1,627,036	-	372	1,627,408
Equity in income of subsidiaries	1,350,003	9,484	(307)	1,359,180
Conversion adjustments	136,102	1,700	(26)	137,776
Balance at December 31, 2021	6,715,199	51,327	-	6,766,526
Capital increase/decrease	-	-	-	-
Equity in income of subsidiaries	1,065,656	9,658	-	1,075,314
Conversion adjustments	(998,221)	(7,400)	-	(1.005,621)
Balance at March 31, 2022	6,782,634	53,585	-	6,836,219



Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

10. Property, plant and equipment (Consolidated)

a) Breakdown of the balance

	Depreciation rate %	Cost	Petrório depreciation	Translation adjustment	Balance at 03/31/2022	Balance at 12/31/2021
In operation						
Polvo A platform and drilling rig	UOP*	101,740	(108,208)	26,443	19,975	24,596
Oil & gas assets - Manati	UOP*	43,628	(41,348)	-	2,280	-
Oil & gas assets - Frade	UOP*	2,231,518	(603,091)	(244,183)	1,384,244	1,709,986
FPSO Tubarão Martelo		770,158	(161,129)	(91,969)	517,060	635,539
Machinery and equipment	10	8,008	(7,413)	(90)	505	2,404
Furniture and fixtures	10	2,185	(1,091)	(165)	929	1,134
Communication equipment	20	891	(495)	(59)	337	411
IT equipment	20	6,938	(4,801)	(315)	1,822	2,111
Leasehold improvements	4	6,998	(643)	(960)	5,395	6,424
Oil and Gas Assets - Polvo & TBMT	UOP*	876,341	(242,979)	(95,643)	537,719	654,069
Maintenance of wells	3	231,935	(57,148)	(24,671)	150,116	11,125
In progress						
Property, plant and equipment in progress ***		473	-	(32)	441	-
Maintenance of wells ****		6,580	-	(306)	6,274	92,877
Capex wells		159,643	-	(18,633)	141,010	104,496
Spare parts		55,124	-	(4,646)	50,478	59,456
Material for well revitalization/re-entry - Frade**		236,735	-	(32,739)	203,996	243,140
Material for use and consumption (wells)		-	-	-	-	1,277
Total		4,738,895	(1,228,346)	(487,968)	3,022,581	3,549,045

*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	24,596	-	-	(957)	-	(3,664)	19,975
Oil & gas assets - Manati	-	-	-	(1,066)	3,346	-	2,280
Oil & gas assets - Frade	1,709,986	-	-	(81,559)	-	(244,183)	1,384,244
FPSO Tubarão Martelo	635,539	-	-	(27,989)	1,479	(91,969)	517,060
Machinery and equipment	2,404	-	-	(330)	(1,479)	(90)	505
Furniture and fixtures	1,134	-	-	(40)	-	(165)	929
Communication equipment	411	-	-	(15)	-	(59)	337
IT equipment	2,111	235	-	(210)	1	(315)	1,822
Leasehold improvements	6,424	-	-	(69)	-	(960)	5,395
Oil and Gas Assets - Polvo & TBMT	654,069	-	-	(29,107)	8,400	(95,643)	537,719
Maintenance of wells	11,125	-	-	(2,691)	166,353	(24,671)	150,116
In progress							
Property, plant and equipment in progress	-	473	-	-	-	(32)	441
Maintenance of wells	92,877	80,056	-	-	(166,353)	(306)	6,274
Capex wells	104,496	18,301	(82)	-	36,928	(18,633)	141,010
Spare parts	59,456	-	-	-	-	(8,978)	50,478
Material for well revitalization/re-entry - Frade	243,140	38,830	-	-	(45,235)	(32,739)	203,996
Material for use and consumption (wells)	1,277	-	-	-	(1,277)	-	-
Total	3,549,045	137,895	(82)	(144,033)	2,163	(522,407)	3,022,581



Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

	Balance at 01/01/2021	Frade Acquisition - 30%	Additions	Write- offs	Depreciation	Transfers	Translation adjustment	Balance at 12/31/2021
In operation								
Platform and Drilling rig - Polvo	23,834	-	-	-	(4,742)	3,478	2,026	24,596
Oil & gas assets - Frade	1,986,129	104,990	1,098	-	(389,012)	6,781	-	1,709,986
FPSO Bravo (Tubarão Martelo)	718,235	-	-	-	(82,696)	-	-	635,539
Machinery and equipment	4,633	-	-	(1,062)	(2,645)	1,478	-	2,404
Furniture and fixtures	1,354	-	-	-	(220)	-	-	1,134
Communication equipment	320	-	-	-	(126)	217	-	411
IT equipment	2,382	-	-	-	(946)	675	-	2,111
Leasehold improvements	6,367	-	-	-	(230)	287	-	6,424
Development expenditures	204,176	-	1,814	-	(67,825)	515,904	-	654,069
Maintenance of wells	27,203	-	-	-	(16,078)	-	-	11,125
In progress								
Property, plant and equipment in progress	237	-	725	-	-	(962)	-	-
Maintenance of wells - Polvo	29	-	92,848	-	-	-	-	92,877
Development/Tieback expenditures	93,485	-	550,264	(9,109)	-	(530,623)	479	104,496
Spare parts	54,261	-	-	-	-	4,244	951	59,456
Material for well revitalization/re-entry - Frade	234,304	13,530	-	(4,694)	-	-	-	243,140
Material for use and consumption (wells)	2,064	-	1,278	(586)	-	(1,479)	-	1,277
Total	3,359,013	118,520	648,027	(15,451)	(564,520)	-	3,456	3,549,045

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)	266,402	313,787
Acquisition cost - Manati *	(i)	263,035	-
Acquisition cost - TBMT	(i)	212,232	239,095
Acquisition cost - Frade	(i)	131,850	197,418
Acquisition cost - Wahoo	(i)	718,061	845,781
Goodwill on acquisition of Brasoil *		23,778	-
Subscription bonus - FZA-M-254	(i)	5,968	5,968
Subscription bonus - FZA-Z-539	(i)	8,022	8,022
Subscription bonus - Frade	(i)	43,172	50,850
Subscription bonus - Ceará	(i)	26,623	31,358
Client portfolio - Manati *	(i)	11,494	0
Capital gain in the acquisition of the Frade concession	(ii)	680,253	801,248
Software and others	20	9,033	9,033
		2,399,923	2,502,560
Accumulated amortization		(928,200)	(760,234)
Total		1,471,723	1,742,326

* 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.



Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

b) Changes in balance

	Balance at 01/01/2022	Additions	Write-offs	Amortization	Transfer	Translation adjustment	Balance at 03/31/2022
Acquisition cost - Polvo	24,572	-	-	(1,080)	-	(3,548)	19,944
Acquisition cost - Manati	-	-	-	(10,068)	31,839	-	21,771
Acquisition cost - TBMT	191,865	10,887	-	(8,908)	-	(29,272)	164,572
Acquisition cost - Frade	164,060	-	(42,115)	(7,145)	-	(16,061)	98,739
Acquisition cost - Wahoo	845,781	-	-	-	-	(127,720)	718,061
Goodwill on acquisition - Brasoil	-	-	-	-	28,007	(4,229)	23,778
Subscription bonus - FZA-M-254	5,968	-	-	-	-	-	5,968
Subscription bonus - FZA-Z-539	8,022	-	-	-	-	-	8,022
Subscription bonus - Frade	3,255	-	-	(153)	-	(468)	2,634
Subscription bonus - Ceará	31,358	-	-	-	-	(4,735)	26,623
Client portfolio - Manati	-	-	-	(1,306)	4,825	(729)	2,790
Software and others	274	-	-	-	-	-	274
Capital gain in the acquisition of the Frade concession	467,171	-	-	(19,651)	-	(68,973)	378,547
Total	1,742,326	10,887	(42,115)	(48,311)	64,671	(255,735)	1,471,723

	Balance at 01/01/2021	Acquisition - Wahoo	Frade Acquisition - 30%	Additions	Write- offs	Amortization	Transfer	Translation adjustment	Balance at 12/31/2021
Acquisition cost - Polvo	29,826	-	-	-	-	(5,254)	-	-	24,572
Acquisition Cost - Tubarão Martelo	277,922	-	-	-	58,315)	(27,742)	-	-	191,865
Acquisition cost - Frade	-	-	157,353	-	-	(33,358)	40,065	-	164,060
Acquisition cost - Wahoo	-	412,954	-	-	-	-	432,827	-	845,781
Subscription bonus - FZA-M-254	5,968	-	-	-	-	-	-	-	5,968
Subscription bonus - FZA-Z-539	8,022	-	-	-	-	-	-	-	8,022
Subscription bonus - Frade	3,999	-	-	-	-	(743)	-	-	3,256
Subscription bonus - Ceará	31,358	-	-	-	-	-	-	-	31,358
Capital gain in the acquisition of the Frade concession	534,538	-	-	-	-	(103,461)	-	36,093	467,170
Software and others	274	-	-	-	-	-	-	-	274
Advance for acquisition of asset	64,959	-	-	416,066	(8,133)	-	(472,892)	-	-
Total	956,866	412,954	157,353	416,066	(66,448)	(170,558)	-	36,093	1,742,326

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).



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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, 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.

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



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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	36	220	82,080	30,412
Foreign suppliers	133	-	181,089	262,192
	169	220	263,169	292,604
Total current liabilities	169	220	262,789	292,204
Total non-current liabilities	-	-	380	400

13. Labor obligations

	Parent company		Consolidated	
	03/31/2022	12/31/2021	03/31/2022	12/31/2021
Salary	165	83	3,921	3,647
Provision for bonus	17,881	26,984	88,466	113,583
Charges	1,257	149	7,059	2,952
Vacation / 13th salary	90	106	12,333	11,294
	19,393	27,321	111,779	131,475

Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

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	-	-	123,114	126,322
PIS/COFINS/CSLL	56	12	8,183	10,786
IRRF on services	638	567	5,556	3,163
ICMS	57	57	2,231	575
Taxes on Equity	-	-	-	1,510
Royalties	-	-	41,068	35,613
Other	167	193	2,240	5,709
	918	829	182,392	183,678

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.

16. Loans and financing

		Additions		Payments		Allocation	Foreign exchange	Translation adjustment	03/31/2022
		12/31/2021	Principal	Interest	Principal				
Citibank	(i)	-	509,030	1,442	-	-	-	(35,266)	475,206
CCB	(ii)	-	133,790	96	-	-	-	(1,132)	132,754
BTC	(iii)	-	370,391	2,010	-	-	-	(38,767)	333,634
Subtotal		-	1,013,211	3,548	-	-	-	(75,165)	941,594
BOND	(iv)	3,360,832	-	41,550	-	-	-	(506,017)	2,896,365
Funding costs	**	(52,911)	-	-	-	2,285	-	7,836	(42,790)
Total		3,307,921	1,013,211	45,098	-	2,285	-	(570,271)	3,795,169
Current		553							46,928
Non-current		3,307,368							3,748,241



Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

	12/31/2020	Additions		Payments		Appropriation	Foreign exchange	Translation adjustment	12/31/2021	
		Principal	Interest	Principal	Interest					
Citibank	41,808	176,258	2,606	(206,973)	(2,784)	-	(10,915)	-	-	
Trafigura	182,202	-	1,902	(201,746)	(2,298)	-	19,940	-	-	
CCB	108,215	150,775	4,159	(257,019)	(7,670)	-	1,540	-	-	
FINEP	57,738	-	1,328	(54,101)	(4,965)	-	-	-	-	
Fibra	20,075	-	335	(21,250)	(431)	-	-	1,271	-	
Bradesco	26,669	55,200	551	(78,763)	(1,273)	-	(2,384)	-	-	
Daycoval	36,705	26,240	951	(64,072)	(1,304)	-	1,480	-	-	
Santander	65,126	282,925	2,334	(317,286)	(6,048)	-	(27,051)	-	-	
C.E.F.	30,961	-	443	(33,100)	(1,828)	-	3,524	-	-	
Chevron	733,129	-	13,726	(668,850)	(89,333)	-	-	11,328	-	
Prisma Capital	539,437	-	20,523	(511,470)	(40,272)	-	-	(8,218)	-	
Safra	23,637	13,630	537	(37,780)	(512)	-	488	-	-	
Banco do Brasil	44,017	-	826	(41,579)	(956)	-	(2,308)	-	-	
BTG	-	275,575	2,821	(246,385)	(2,654)	-	(29,357)	-	-	
ABC	-	80,000	442	(79,448)	(433)	-	(561)	-	-	
Itaú	-	159,965	1,154	(153,312)	(1,149)	-	(6,658)	-	-	
Funding costs	*	-	(7,343)	-	-	6,543	-	800	-	
Subtotal		1,909,719	1,213,225	54,638	(2,973,134)	(163,910)	6,543	(52,262)	5,181	-
BOND	(iv)	-	3,031,980	110,940	-	(103,655)	-	-	321,567	3,360,832
Funding costs	**	-	(54,152)	-	-	-	6,718	-	(5,477)	(52,911)
Total		1,909,719	4,191,053	165,578	(2,973,134)	(267,565)	13,261	(52,262)	321,271	3,307,921
Current		1,519,966								553
Non-current		389,753								3,307,368

* Costs with lawyers and advisors for fundraising from Prisma.

** 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.

Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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, 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	CTA	Balance
FPSO	318,543	(318,543)	-	-
Support Vessels	855,438	(82,471)	(99,260)	673,707
Helicopters	62,251	(15,221)	(6,039)	40,991
Buildings/Support Bases	116,253	(26,802)	(11,487)	77,964
Equipment	102,073	(22,033)	(10,278)	69,762
Total	1,454,558	(465,070)	(127,064)	862,424

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.



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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.

The effects presented in the year were:

	Assets	Liabilities
Balance at December 31, 2020	369,836	(626,100)
Additions/Reversals	181,835	(81,543)
Currency adjustment	-	(35,464)
Price-level restatement	-	(45,000)
Payments made	-	194,735
Amortization	(125,804)	-
Balance at December 31, 2021	425,867	(593,372)
Additions/Reversals	582,098	(562,830)
Currency adjustment	-	(17,026)
Price-level restatement	-	(9,477)
Payments made	-	25,609
Amortization	(18,477)	-
Translation adjustment	(127,064)	141,943
Balance at March 31, 2022	862,424	(1,015,153)
Current	-	(122,788)
Non-current	862,424	(892,365)

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 R\$562,830, with an increase of R\$582,098 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	142,620	13,192
2023	116,146	10,744
2024	116,448	10,771
2025	116,168	10,746
2026	116,168	10,746
2027	116,168	10,746
2028	116,449	10,772
2029	116,170	10,746
2030	116,171	10,746
2031	116,172	10,746
2032	125,101	11,572
Undiscounted amounts	1,313,781	121,527
Embedded interest	(298,628)	
Lease liability balance	1,015,153	



Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

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	185,715	182,459	63,143	62,036
PrioIntl	14,818	14,817	5,038	5,038
PetroRioOG	1,057,108	1,122,454	359,417	381,634
Jaguar	1,247,503	1,313,150	424,151	446,471
Sardinha	800,139	818,175	272,047	278,180
Coral	84,510	85,837	28,734	29,185
Lux Holding	3,421,883	3,421,883	853,418	853,418
Lux Trading	689,146	689,146	171,873	171,873
	7,500,822	7,647,921	2,177,821	2,227,835

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, R\$ 1,519,071 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	-	-	136,075	142,572
Temporary differences	(5,667)	(18,539)	(50,885)	(59,733)
Temporary differences - Translation adjustments *	-	-	(338,536)	-
Tax losses	-	-	(404,352)	(461,518)
Net balance of (Assets) Liabilities	(5,667)	(18,539)	(657,698)	(378,679)

Realization estimate	Consolidated									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Negative goodwill/surplus in business combination	25,693	22,040	18,973	16,257	13,989	12,040	10,405	8,951	7,727	136,075
Temporary differences	(50,885)	-	-	-	-	-	-	-	-	(50,885)
Temporary differences - Translation adjustments	(64,344)	(46,307)	(40,680)	(35,699)	(31,519)	(27,967)	(24,982)	(22,275)	(44,762)	(338,536)
Tax losses	(130,273)	(89,776)	(78,005)	(50,987)	(16,188)	(12,040)	(10,405)	(8,951)	(7,727)	(404,352)

* 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.

Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

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, 2020	232,243	48,995	221,939	357,830
Frade Acquisition (30%)	-	-	-	159,937
Decrease	(84,867)	(2,048)	(58,100)	(66,279)
Currency adjustment	9,180	3,132	13,237	29,155
Price-level restatement	18,624	4,503	12,541	32,696
Balance at December 31, 2021	175,180	54,582	189,617	513,339
Increase (decrease)	10,701	(2,508)	10,887	(51,524)
Currency adjustment	-	(6,776)	-	-
Price-level restatement	3,731	1,103	3,390	7,809
Translation adjustment	(28,279)	-	(30,504)	(70,259)
Balance at March 31, 2022	161,333	46,401	173,390	399,365
(-) Maersk's guarantee / Manati's abandonment fund	(158,931)	(57,029)	-	-
Net balance of liabilities	2,402	(10,628)	173,390	399,365
Total consolidated balance				564,529

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 R\$ 159,937, 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 R\$ 32,444 affected intangible assets by R\$ 31,299 and the remainder was recorded in income statement, R\$ 1,216.



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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)	-	(644)
Dommo - TBMT	(53,326)	(32,850)
Total - Wahoo/Itaipu	(685)	(392)
IBV - Wahoo	(868)	669
Manati - Ecopetrol - Ceará	(39)	(2)
Total operated blocks	(54,918)	(33,219)
Petrobras - Coral/Cavalo Marinho/Manati	(17)	(6,436)
Total non-operated blocks	(54,935)	(39,655)
Liabilities associated with non-current assets held for sale	-	6,439
Total advances to/from partners	(54,935)	(33,216)

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 R\$ 5,543,039 and is represented by 882,646,385 nominative, book-entry shares with no par value.

The Company maintains R\$ 222,808 referring to share issuance costs in a capital reducing account and which comprise the balance shown of R\$ 5,320,231.

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.



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

The Company's Capital underwent changes in January 2022, with an increase of R\$ 16,587 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 R\$ 40,874.

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 R\$ 285,919, 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 R\$ 16,587 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

Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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	1,068,970	(65,792)
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	1.267	(0.084)
Diluted earnings per share	1.258	(0.084)
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	2	2
Accounts payable - Petrório O&G x Petrório S.A (i)	51,507	39,860
Service agreement Petrório x Lux Holding (ii)	854	1,005
Apportionment of Brasoil's administrative expenses	2,857	1,957
Apportionment administrative expenses Frade	15,283	14,117
Loan - Petrório S.A vs. Petrório Luxembourg Sarl (iii)	(188,334)	(220,114)
Accounts payable Petrório Jaguar x Petrório S.A.	252	-
	(117,579)	(163,173)
Total non-current assets	75,148	56,941
Total non-current liabilities	(192,727)	(220,114)

- (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.



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

- (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 R\$ 435 (R\$ 5,060 on March 31, 2021) as detailed below:

	<u>03/31/2022</u>	<u>03/31/2021</u>
Short-term employee benefits	435	466
Share-based payment	-	4,594
	<u>435</u>	<u>5,060</u>

24. Net revenue

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

	<u>03/31/2022</u>				<u>03/31/2021</u>			
	<u>Polvo/TBMT</u>	<u>Manati</u>	<u>Frade</u>	<u>Total</u>	<u>Polvo/TBMT</u>	<u>Manati</u>	<u>Frade</u>	<u>Total</u>
Gross revenue	643,422	35,941	857,660	1,537,023	289,682	33,225	338,387	661,294
Deductions	-	(7,027)	-	(7,027)	-	(5,960)	-	(5,960)
Total	643,422	28,914	857,660	1,529,996	289,682	27,265	338,387	655,334

25. Costs of products sold and services rendered

	<u>Consolidated</u>	
	<u>03/31/2022</u>	<u>03/31/2021</u>
Logistics	(32,866)	(13,150)
Consumables	(19,961)	(24,090)
Operation and maintenance	(52,835)	(26,561)
Personnel	(34,373)	(13,671)
Purchase of oil for resale	-	(21,451)
Other costs	(49,774)	(2,406)
Royalties and special interest	(120,009)	(33,244)
Amortization CPC 06 (R2)	(15,441)	(24,853)
Depreciation and amortization	(136,836)	(77,105)
Total	(462,095)	(236,531)



Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

Oil stock (unaudited quantity by independent auditors)

	03/31/2022		12/31/2021	
	Amount	Barrels (thousand)	Amount	Barrels (thousand)
Polvo	47,966	467	61,655	361
Tubarão Martelo	77,000	519	47,970	239
Frade	58,640	453	79,852	687
Total	183,606	1,439	189,477	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)	-	-	1,216	(946)
Reversal (Provision) for labor contingencies	-	-	80	(5,914)
Reversal (Provision) for tax contingencies	-	-	(720)	(77)
Reversal (Provision) for civil contingencies	-	-	(5)	(76)
Tax credits (PIS and COFINS/INSS/ICMS)	-	-	1,873	984
Labor indemnities from previous years	-	(247)	-	(3,184)
Decommissioning - Tubarão Azul	-	-	(478)	26,080
Indirect Overhead - Frade	-	-	(353)	175
Tieback - BW Demobilization	-	-	(43,693)	-
Withholding income tax (IRRF) on subsea lease	-	-	-	(25,451)
Maintenance of the Valente FPSO keel	-	-	-	(10,098)
Reduction of liabilities - IFRS 16 (CPC 06)	-	-	19,268	-
Depreciation expense of Manati (asset held for sale)	-	-	(9,328)	-
Other revenues (expenses)	(111)	178	5,137	(1,743)
Total of continuing operations	(111)	(69)	(27,003)	(20,250)

27. Financial income (loss)

	Parent company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Financial revenues	16,108	2,438	312,508	54,154
Revenue from realized financial investment	29	11	21,627	16,306
Revenue from exchange-rate change (*)	16,071	2,423	287,676	36,162
Gain in realization of derivatives	-	-	-	-
Marked at fair value of derivatives	-	-	-	-
Other financial revenues	8	4	3,205	1,686
Financial expenses	(5,227)	(20,518)	(357,978)	(416,202)
Loss on realized financial investment	-	-	(31,241)	-
Expense on foreign exchange rate (*)	(5,170)	(19,328)	(212,933)	(361,275)
Interest on loans	1,038	(527)	(49,294)	(38,619)
Commission on bank guarantees	-	-	-	(1,341)
Marked at fair value - Derivatives	-	-	14,490	-
Loss in realization of derivatives	-	-	(55,335)	(8,291)
Fair value loss - Bond	-	-	(4,038)	-
Expenses with interest on leases	-	-	(9,422)	(9,175)
Other financial expenses	(1,095)	(663)	(10,205)	2,499

(*) 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.



Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

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	1,081,842	(71,573)	905,243	(45,275)
Tax rate according to the current legislation	34%	34%	34%	34%
Income tax and social contribution expense based on the current rate	367,826	(24,335)	307,783	(15,394)
Non-deductible expenses/non-taxable revenue, net:				
Permanent differences	37	(49)	758	3,439
Temporary differences	(12,873)	-	(93,291)	27,546
Equity in income of subsidiaries	(365,607)	14,750	-	-
Other additions (exclusions)	-	-	-	(856)
Deduction / Tax benefits	-	-	(2,995)	(4,583)
(Use of) Previously unrecognized tax losses	-	-	(111,357)	10,258
Unrecognized tax losses	(889)	3,853	(889)	-
Effect of reduced tax rates in the USA and Luxembourg	-	-	(22,551)	4,404
Difference of tax base - functional currency	24,378	-	(241,199)	-
Adjustment related to taxes	-	-	14	(4,297)
Total	12,872	(5,781)	(163,727)	20,517
Income tax and social contribution	-	-	115,251	79,573
Deferred income tax	12,872	(5,781)	(278,978)	(59,056)
Net expenses (revenues) from income tax and social contribution in income (loss)	12,872	(5,781)	(163,727)	20,517
Effective rate on pre-tax profit	1.19%	8.08%	-18.09%	-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	565,397	4,047,184
Abroad	6,240,013	1,984,603
Non-current assets		
Brazil	1,897,870	5,297,336
Abroad	4,159,641	817,785
Revenue	03/31/2022	03/31/2021
Brazil	28,914	365,652
Abroad	1,501,081	289,682



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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:



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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 (II)	
			25%	50%
Impact on the securities	Decrease in CDI	215	(147)	(510)

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 (II)	
			25%	50%
Impact on financial investments	USD decrease	19,541	(106,971)	(213,942)
Provision for abandonment (ARO)	USD increase	25,782	141,132	282,265

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



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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	(46,928)	(3,748,241)	(3,795,169)
Suppliers	(262,789)	(380)	(263,169)
Labor obligations	(111,779)	-	(111,779)
Taxes and social contributions	(182,392)	-	(182,392)
Financial instruments	(605)	-	(605)
Provision for abandonment	-	(564,529)	(564,529)
Provision for contingencies	-	(27,933)	(27,933)
Contractual charges (Leases - IFRS 16)	(122,788)	(892,365)	(1,015,153)
Other liabilities	(177,668)	(1,578)	(179,246)
	(904,949)	(5,235,026)	(6,139,975)
Year ended December 31, 2021	up to 12 months	1-5 years	Total
Liabilities			
Loans and financing	(553)	(3,307,368)	(3,307,921)
Suppliers	(292,239)	(400)	(292,639)
Labor obligations	(131,475)	-	(131,475)
Taxes and social contributions	(183,678)	-	(183,678)
Provision for abandonment	-	(692,289)	(692,289)
Provision for contingencies	-	(27,284)	(27,284)
Contractual charges (Leases - IFRS 16)	(137,784)	(455,553)	(593,337)
Other liabilities	(376,684)	(362)	(377,046)
	(1,122,413)	(4,483,256)	(5,605,669)



Notes to the quarterly information March 31, 2022

(In thousands of reais, unless otherwise indicated)

Parent company

Year ended March 31, 2022	up to 12 months	1-5 years	Total
Liabilities			
Suppliers and other	(169)	-	(169)
Labor obligations	(19,393)	-	(19,393)
Taxes and social contributions	(918)	-	(918)
Provision for contingencies	-	(500)	(500)
	(20,480)	(500)	(20,980)

Year ended December 31, 2021	up to 12 months	1-5 years	Total
Liabilities			
Suppliers and other	(220)	-	(220)
Labor obligations	(27,321)	-	(27,321)
Taxes and social contributions	(829)	-	(829)
Provision for contingencies	-	(500)	(500)
	(28,370)	(500)	(28,870)

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.



Notes to the quarterly information March 31, 2022

(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)	-	-	845,187	845,187	-	-	915,033	915,033
Related parties	75,148	75,148	-	-	56,941	56,941	-	-
Fair value through profit or loss								
Cash and cash equivalents (ii)	14,300	14,300	3,091,614	3,091,614	23,581	23,581	970,681	970,681
Securities (ii)	-	-	2,352,001	2,352,001	350	350	3,680,185	3,680,185
Financial liabilities								
Amortized cost:								
Suppliers (i)	169	169	263,169	263,169	220	220	292,639	250,529
Loans and financing	-	-	3,795,169	3,795,169	-	-	3,307,921	1,909,719
Contractual charges (Leases - IFRS 16)	-	-	1,015,153	1,015,153	-	-	593,337	593,337
Accounts payable - acquisition of Wahoo	-	-	177,668	177,668	-	-	376,684	376,684

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).



Notes to the quarterly information

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 R\$ 24,866,919. 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)	846,171
Fixed Platform	862,280
Offshore Platform	105,653
FPSO Frade	3,510,236
Subsea Equipment	4,490,086
Offshore property (Pipeline)	138,344
Onshore properties (Pipeline)	55,432
Onshore Treatment Station	82,438
OEE production (Well control)	1,137,072
Offshore Civil Liability + Surplus	3,648,106
Cargo (Polvo)	5,000
D&O	40,000
P&I	6,396,030
General liability	5,000
Equity	13,200
Legal guarantee	230,571
Life insurance	4,649
PEM guarantee insurance - ANP	73,644
Travel Insurance Travel Guard	1,303
FPSO Bravo Hull and Machine	3,221,704
Total insured	24,866,919



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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 R\$ 27,933 and R\$ 27,284, 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 R\$ 15,205, tax claims of R\$ 369, civil claims in the amount of R\$ 12,359 (as of December 31, 2021, R\$ 15,282, R\$ 365 and R\$ 11,637, respectively).

Other suits

According to the Group's legal advisors, risk of loss in other lawsuits is "possible" - R\$ 1,921,378 (R\$ 1,936,067 on December 31, 2021), of which R\$ 1,214,190 is related to tax claims, R\$ 666,034 is related to civil claims and R\$ 41,154 to labor claims (R\$ 1,275,797, R\$ 621,400 and R\$ 38,870, 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 R\$ 669,036, 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 R\$ 388,920, 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 R\$ 198,968, 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 R\$ 128,433, 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.



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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.



Notes to the quarterly information

March 31, 2022

(In thousands of reais, unless otherwise indicated)

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.