



## MATERIAL FACT

### ACQUISITION OF INTEREST IN THE ALBACORA LESTE FIELD

**Rio de Janeiro, April 28, 2022** – Petro Rio S.A. (“Company” or “PRIO”) (B3: PRIO3), hereby informs its shareholders and the market in general that it has signed today a Sale and Purchase 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 1<sup>st</sup>, 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, as presented in the table below:

	2023			Total	2024		Total
Brent (US\$/bbl)	70	80	90	-	65	70	-
Payment (US\$ MM)	10	45	45	100	75	75	150

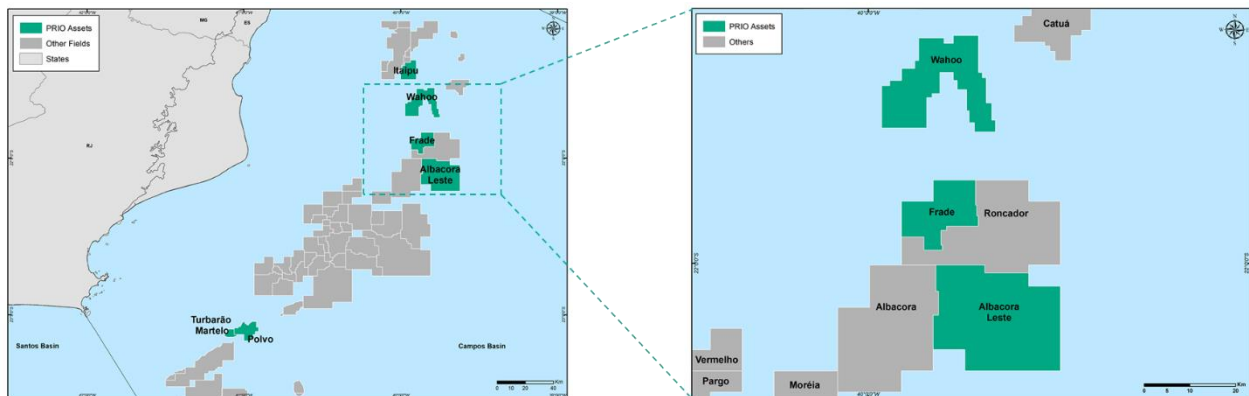
Albacora Leste has water depth of 1,200 meters, and is located in the north of the Campos Basin, 23 km from the Frade Field.

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. Leverage levels will remain within healthy and conservative ranges of less than 1,0x Net Debt/EBITDA, as already widely disclosed.

## About Albacora Leste Field

Discovered in 1986, the Albacora Leste Field had its first oil in 1998 and currently has a production of approximately 30 kbbl/d in March, with 19° API oil and low-sulphur content, produced through its 17 production wells and 15 injection wells. The Field comprises an area of 511 km<sup>2</sup>.



Production in the Field is carried out through the P-50 FPSO, with an oil processing capacity of 180 kbbl/d and 6 MMm<sup>3</sup>/d of gas, while the Field's artificial lift system is carried out by gas lift.



P-50 FPSO



## About PRIO's Business Plan for Albacora Leste Field

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During the first 18 months of operation, the Company will focus on the following fronts:

- Investments of approximately US\$ 150 million in the P-50 FPSO to ensure high levels of integrity, increasing safety and operational efficiency to the standards of its other operations;
- Synergy capture and implementation of its operating methodology to reach operating cost levels compatible with the P-50 FPSO, at close to US\$ 90 million per year.

Subsequently, the Field's redevelopment campaign will begin, encompassing the connection or drilling of 17 production wells and 5 injection wells over 5 years, with an estimated CAPEX of US\$ 70 to US\$ 75 million per well (for 100% of the Field).

Like in Frade and Wahoo, the development will be divided into two phases:

- The first, covering the connection of 3 production wells already drilled, 8 new production wells and 1 injection well, which may increase the Field's production to levels above 50kbpd (also for 100% of the Field) for up to 2 or 3 years.
- The second, with 6 more new producing and 4 injectors wells, to be carried out afterwards.

PRIO will also carry out the early decommissioning of 5 producing and 1 injector wells, already included in the acquisition price. The Company estimates decommissioning CAPEX of approximately US\$ 15 million per well. The final abandonment of the Field, scheduled for after 2050, is estimated at US\$ 800 million.

The reserve report for the Albacora Leste field will be published in due course.

PRIO was advised by Morgan Stanley and Safra, and by the law firm Tauil & Chequer.

Lastly, the Company thanks Petrobras for the opportunity to be a part of the asset sale process and for the commitment during the contract negotiation.

### About PRIO

PRIO is the largest independent Company in the oil and gas production in Brazil. The Company's corporate culture seeks to increase production through the acquisition of new production assets, the redevelopment of assets, increased operational efficiency and reduction of production costs and corporate expenses. PRIO's main objective is to create value for its shareholders with growing financial discipline and preserving its liquidity, with full respect for safety and the environment. For further information, please visit the Company's website: [www.petroriosa.com.br](http://www.petroriosa.com.br).

### Disclaimer

This news release contains forward-looking statements. All statements other than statements of historical fact contained in this news release are forward-looking statements, including, without limitation, statements regarding our drilling and seismic plans, operating costs, acquisitions of equipment, expectations of finding oil, the quality of oil we expect to produce and our other plans and objectives. Readers can identify many of these statements by looking for words such as "expects", "believe", "hope" and "will" and similar words or the negative thereof. Although management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. By their nature, forward-looking statements require us to make assumptions and, accordingly, forward-looking statements are subject to inherent risks and uncertainties. We caution readers of this news release not to place undue reliance on our forward-looking statements because a number of factors may cause actual future circumstances, results, conditions, actions or events to differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking statements and the assumptions underlying the forward-looking statements.