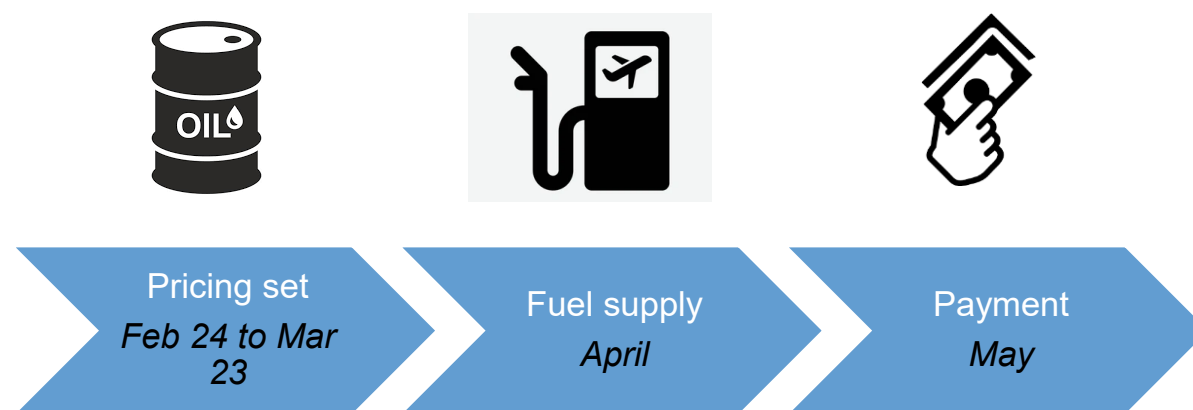


Jet Fuel Pricing Structure in Brazil

- In Brazil, the base jet fuel price is set by Petrobras using an international parity methodology. The calculation works as follows:
 - The ex-refinery price is linked to international jet fuel quotations (mainly US Gulf Coast).
 - Petrobras applies a moving average of international prices from the 24th day of month n-2 to the 23rd day of month n-1.
 - The quotation is converted to reais and adjusted for logistics, import parity and operational costs.
 - Petrobras updates the ex-refinery price once per month.
 - Example: The April ex-refinery price is based on the average quotations from February 24 to March 23.
- Fuel Distributors (Final Price to Airlines) - After Petrobras publishes the ex-refinery price, distributors calculate the final price that airlines pay by adding:
 - A fixed distributor fee, which varies by airport and by the volume sold.
 - Airport fee (for handling, storage and fueling services).
 - VAT taxes (ICMS), which vary significantly by state and may include special tax regimes.
 - Other taxes and financial charges.

Example:



Final Jet Fuel Price = Petrobras ex-refinery price + airport fees + fixed distributor differential + taxes + financial charges