

Listing Particulars dated December 4, 2023

PETRORIO LUXEMBOURG HOLDING S.À R.L.
as Issuer

U.S.\$600,000,000 6.125% Senior Secured Notes due 2026

These Listing Particulars (these “**Listing Particulars**”) to the Offering Memorandum dated June 2, 2021 (the “**Offering Memorandum**”) constitutes a supplementary document to the Offering Memorandum and is prepared in connection with the U.S.\$600,000,000 6.125% Senior Secured Notes due 2026 (the “**Notes**”) issued by the Petrorio Luxembourg Trading S.à r.l. (the “**Original Issuer**”). Pursuant to the first supplemental indenture dated October 27, 2023, Petrorio Luxembourg Holding S.à r.l was substituted as issuer of the Notes (the “**Issuer**”), and PRIO Forte S.A. became a new guarantor to the Notes. Terms defined in the Offering Memorandum have the same meaning when used in the Listing Particulars.

The Listing Particulars is supplemental to, and should be read in conjunction with, the Offering Memorandum and any other supplements to the Offering Memorandum issued by the Company.

The purpose of the Listing Particulars is to supplement the Offering Memorandum for the purpose of the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

To the extent that there is any inconsistency between:

- (a) any statement in the Listing Particulars; and
 - (b) any other statement in or incorporated by reference in the Offering Memorandum,
- the statements in (a) above will prevail.

Save as disclosed in the Listing Particulars, no other significant new factor, material mistake or inaccuracy relating to information included in the Offering Memorandum has arisen or been noted, as the case may be, since the publication of the Offering Memorandum.

If documents which are attached to the Listing Particulars themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Listing Particulars except where such information or other documents are specifically incorporated by reference or attached to the Listing Particulars and/or the Offering Memorandum.

SUPPLEMENTAL INFORMATION

The latest Audited Individual and Consolidated Financial Statements of Petro Rio S.A. for the years ended December 31, 2022 and 2021 has been appended as Annex A to the Listing Particulars.

**ANNEX A – AUDITED INDIVIDUAL AND CONSOLIDATED FINANCIAL
STATEMENTS OF PETRO RIO S.A. FOR THE YEARS ENDED DECEMBER 31,
2022 AND 2021**

Petro Rio S.A.

Individual and consolidated financial statements for the year ended December 31, 2022 and Independent auditor's report

Management Report	3
Independent auditors' report on the individual and consolidated financial statements	17
Balance sheet	24
Balance sheet	25
Statements of income	26
Statements of comprehensive income	27
Statements of changes in shareholders' equity	28
Statements of cash flows	29
Statements of added value	30
1. Operations	31
2. Basis of preparation and presentation of financial statements	35
3. Cash and cash equivalents	48
4. Securities	48
5. Accounts receivable	49
6. Inventory of consumables	49
7. Recoverable taxes	49
8. Advances to suppliers	50
9. Non-current assets classified as held for sale (Consolidated)	50
10. Investments	52
11. Property, plant and equipment (Consolidated)	55
12. Intangible assets (Consolidated)	56
13. Suppliers	60
14. Labor obligations	60
15. Taxes and social contributions payable	60
16. Other accounts payable - Acquisition of Wahoo	60
17. Loans and financing	61
18. Local debentures (includes conversion swaps)	63
19. Leases CPC 06 (R2) / IFRS 16	64
20. Current and deferred income tax and social contribution	66
21. Provision for abandonment (ARO)	67
22. Advances to/from partners in oil and gas operations	68
23. <i>Impairment</i>	68
24. Shareholders' equity	68
25. Related party transactions (Parent company)	71
26. Net revenue	72
27. Costs of products sold and services rendered	72
28. Other revenues and expenses	73
29. Financial income (loss)	73
30. Income tax and social contribution	74
31. Segment reporting (Consolidated)	74
32. Objectives and policies for financial risk management	75
33. Insurance (Not audited by independent auditors)	79
34. Contingencies	80
35. Subsequent events	81
35.1. Completion of the merger of Dommo's shares	81
35.2. Acquisition of equity interest in Albacora Leste field	81
35.3. Capital increase	81

Management Report

“2022 was a year marked by important operating and financial achievements. We would like to thank our employees for their dedication, who in yet another year have shown excellence in achieving success in the ambitious projects carried out in 2022.

Last year was also characterized by a global restructuring in the oil market, from a logistical and geopolitical perspective. We experienced great volatility in oil prices, which with a 68% range between the minimum and maximum points of the year, as well as a significant shift in the discounts offered in oil sales. In the global economic scenario, we witnessed a global increase in inflation, which led to higher interest rates, impacting the stock market and capital raising strategies.

We have maintained the highest safety standards both in our operations and in new projects, thus protecting the environment and our employees' health. We celebrated more than 4,300 days without lost-time accidents at our assets at the end of the year and managed to reduce our CO₂ emissions by 15%.

As we have stated in the past, our culture, alongside our employees, allows us to go farther. Therefore, in 2022, we also started a major effort to raise internal awareness of our culture so that the full Company can reflect it more assertively. We consider it essential that the stories and lessons learned from the past be transmitted to the new generations of employees, as the knowledge acquired over the years has defined who PRIO is today. Within our PRIO Culture, we established our fundamental energies, which are People, Results, Non-conformity and Boldness, in addition to the virtues that govern our work. Currently, the majority of our employees are shareholders through the stock options plan, which demonstrates their adherence to the PRIO culture.

We continue implementing our strategy of acquiring and revitalizing mature fields, with a relentless search for greater operational efficiency and lower production costs. Therefore, coupling our strategy to the oil prices achieved throughout the year, we have reached record results in production, sales, revenue, EBITDA and income, while at the same time reducing lifting cost to US\$ 8.6 per barrel, reaching the lowest level in the Company's history. With the volatility in the Brent price experienced this year, ranging from US\$ 128/bbl at the peak to US\$ 76/bbl at the lowest point, we reaffirm our principle that a low lifting cost is the best hedging strategy.

The first phase of the Frade Revitalization Plan, which brought very positive results, represented another operational milestone for PRIO, with the first deep water drilling the Company has undertaken. The first well, ODP4, started producing in July with a production of 15,000 barrels per day, and was implemented at a cost and timeframe below our initial estimates. Then, we drilled another production well that started production with 3.5 thousand barrels per day and two other water injection wells, also with cost and execution time below the original estimates.

With the success of the first phase and already in possession of the necessary equipment, we started the second phase with two further producing wells and an injection well, to be delivered in the first quarter of 2023. After the completion of the second phase and with the data collected during the drillings, we are studying a third phase in the field.

Regarding new acquisitions, we completed the acquisition of Albacora Leste in the first quarter of 2023, adding close to 30,000 barrels of oil per day in production and over 240

million barrels of proven reserves. PRIO took over the asset's operation after a thorough transition program, which ensured the handover of knowledge and information. During 2022, more than 100 PRIO employees have boarded the platform, learning the unit's operational and safety routines. Today, PRIO is ready to implement its management model, culture, and high safety standards, with the technical and operational capacity to take over the field, respecting regulations and best industry practices.

Overall, the Company increased its production (considering its interest in Albacora Leste) by more than 2 times between the first months of 2022 and the beginning of 2023, as a result of the hard work and persistence of our employees, who always strive to achieve these milestones within the highest safety standards.

Also in 2022, we incorporated Dommo, which held economic rights over 5% of the revenue from the Polvo and Tubarão Martelo fields, acquired the remaining 40% of the Itaipu field and acquired Hunter Queen, a sixth-generation semi-submersible drilling rig, which will bring us flexibility and even greater cost control in future drilling campaigns. During the year, we also negotiated the sale of the non-operating 10% interest in the Manati natural gas field, which generated a return of more than 3.4 times the invested capital when we acquired this interest in 2017. Currently, our main focus is on the management of our operated assets, which are the core of our business.

To finance all these initiatives, in addition to the Company's strong cash generation, we issued approximately US\$ 400 million in local debentures, in better conditions than those found in the international market at the time. We swapped this debt, issued in Brazilian Reais, to dollars, eliminating FX risk and bringing this new financing in line with our revenues, costs and other debts, all of which are dollarized. Thus, we lengthened PRIO's debt profile at competitive costs, a goal that continues for 2023.

With respect to the society and the environment, we started a measuring and certifying our CO₂ emissions, which went from 31.4 kgCO₂/bbl in 2021 to 26.8 kgCO₂/bbl in 2022, a decrease of approximately 15%. We will also publish our first Sustainability Report soon, presenting even more information on emissions, water use, waste treatment and presenting our projects focused on the environment and biodiversity.

Our essence is marked by the tireless search for efficiency and safety, reflected in our business model, which seeks to extend the useful life of mature fields. We transformed fields that would be abandoned and no longer contributing to society into fields that, through our investments, can produce for much longer, generating more jobs, taxes, and economic development. In 2022 alone, we invested about \$250 million in our fields, divided between the Frade Revitalization Plan, the start of Wahoo CAPEX, workovers in the Polvo and Tubarão Martelo cluster and refurbishments of our rigs.

As important as looking inside the Company, is looking out and giving back to society. Our initiatives in 2022 continued to focus on social, cultural and environmental contributions, with ever-increasing and broader scopes. The Reação Institute and Todos na Luta Institute, with our support, developed the Reação Offshore program, training 240 people to work in the offshore industry. We also established and maintained partnerships with the Brazilian Symphonic Orchestra, which supports music education centers in the city of Rio de Janeiro, with free symphonic musical instrument classes; the Favela Brass, a free, quality music education program for children and young people from public schools in Rio de Janeiro and created the Paralympic Team PRIO, a sponsorship project to set up a Paralympic team with outstanding practitioners of different sports. We also continue to support other projects, whose information can be seen through the QR Codes at the end of this document.

We also continue fostering programs aimed at engaging our employees in topics related to the environment and social responsibility, such as the Donation Matching, a program that promotes voluntary actions and donations among employees and has reached more than 6 thousand people, the planting of PRIO's Corporate Forest in partnership with the Saving the Amazon NGO, the Hortas no Mar project, initiative aimed at raising the team's awareness about the importance of reconnecting with nature and the implementation of a volunteer program focused on entrepreneurship and financial education, in addition to the usual activities offered within the scope of the health and well-being program, which continue at full speed.

We thank our employees, investors, regulators, and society for supporting us on our path so far, but we know there is still a lot of work ahead. With a robust portfolio of projects in our hands, we must maintain operational and financial discipline to turn our dreams into reality. To add even more value in 2023, we intend to continue challenging conventions and trying new approaches, while maintaining our focus. With this mindset and the support of everyone involved, we are confident that 2023 will be promising and full of possibilities."

OPERATING PERFORMANCE

	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	4Q22 X 4Q21	4Q22 X 3Q22	2022 X 2021
Avg. Brent	\$ 79.66	\$ 72.19	\$ 97.90	\$ 111.70	\$ 97.70	\$ 88.63	\$ 99.04	11.3%	-9.3%	37.2%
Avg. Sales Price	\$ 83.19	\$ 74.19	\$ 110.28	\$ 108.37	\$ 94.36	\$ 85.32	\$ 100.12	2.6%	-9.6%	34.9%
Avg. Exchange Rate	5.59	5.14	5.00	5.11	5.25	5.26	5.17	-5.8%	0.3%	0.4%
Final Exchange Rate	5.58	5.58	5.38	5.35	5.41	5.29	5.29	-5.3%	-2.4%	-5.3%
Offtakes (kbbbl)										
Frade Field (100%)	2,000	5,537	1,649	1,503	2,252	1,495	6,900	-25.3%	-33.6%	24.6%
Polvo + TBMT Cluster (95%) ¹	1,827	5,539	1,149	1,844	1,595	798	5,386	-56.3%	-50.0%	-2.8%
Total PRIO	3,827	11,076	2,798	3,347	3,847	2,293	12,286	-40.1%	-40.4%	10.9%
Production (boepd)										
Frade Field (100%)	15,028	15,363	15,739	14,759	28,006	32,254	22,689	114.6%	15.2%	47.7%
Polvo + TBMT Cluster (95%) ¹	15,347	14,236	17,537	16,762	16,302	14,634	16,309	-4.6%	-10.2%	14.6%
Manati Field (10%)	1,924	2,017	1,913	1,783	1,458	733	1,472	-61.9%	-49.7%	-27.0%
Total PRIO	32,299	31,616	35,189	33,304	45,766	47,621	40,470	47.4%	4.1%	28.0%
Lifting cost (us\$/bbl)										
PRIO	11.8	13.1	11.2	11.1	9.5	8.6	10.7	-27.2%	-9.2%	-18.5%

The main operating highlights for the year include: (i) production, which reached an average of 40.4 kbpd throughout the year and 47.6 kbpd during the fourth quarter, 47.4% and 28% higher compared to the previous year, respectively; and (ii) the lifting cost, which once again reached the lowest level ever recorded, showing a decrease of 18% over the prior year.

In the quarter, PRIO sold 2.3 million barrels, two in Frade Field and two in the Polvo and TBMT cluster, which resulted in sales of 12.3 million barrels in the year, with an average gross sales price of US\$ 100.12, 35% above that recorded in 2021, mainly due to the rise in Brent prices and reduced marketing costs in the first semester of the year.

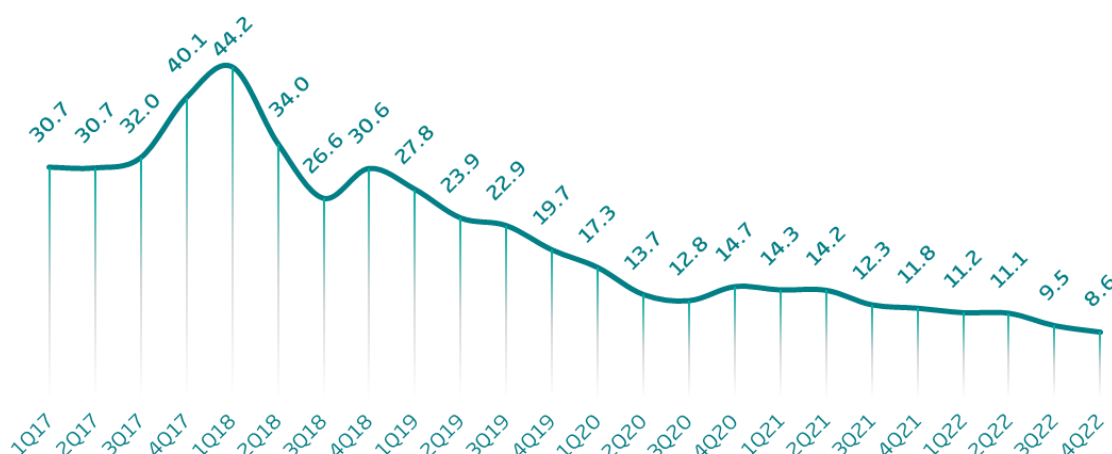
The volume produced in the Frade Field increased 115% over 4Q21 and 48% compared to the previous year. The increase is mainly explained by the start of production at the

ODP4 well, as a result of the Frade Revitalization Plan, which went into production in July and practically doubled the field's production.

In the Polvo and TBMT cluster, the volume produced in the year was 15% higher than that recorded in the prior year, due to the high operational efficiency throughout the year. The 15% decrease in 4Q22 compared to 3Q22 can be explained by failures in the TBMT-4H and TBMT-8H wells, in November and December, respectively.

Since the beginning of the Company's turnaround, which consolidated its growth strategy through the acquisition and development of production assets, PRIO has been working to increase its production levels and rationalize its costs, always maintaining excellence levels in environmental responsibility, safety and operational efficiency. PRIO truly believes that the best protection against Brent volatility is the reduction of its lifting cost, and this will continue to be a pillar for current and future projects. The Company presents the evolution of its lifting cost since the beginning of 2017 below.

PRIO Lifting Cost (US\$/bbl)



The lifting cost in 4Q22, the lowest ever recorded by the Company, accounts for a decrease of approximately 27% when compared to the same quarter of the previous year and 9% lower than in the 3Q22. The positive result is mainly due to the fact that the first full quarter that counts with the production of the well OPD4, main well drilled in the 1st phase of the Frade Field Revitalization Plan, which added 15 kbpd to the field production, doubling the field production without incurring additional costs to the asset's OPEX. The Frade Revitalization Plan represents another operational milestone for PRIO, which has successfully completed its first deep water drilling.

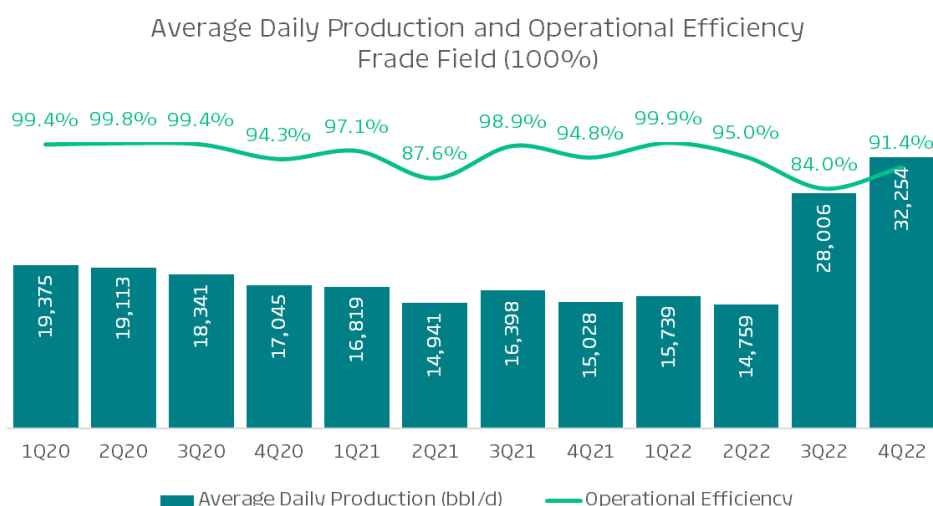
Trading

In the last quarter of the year, the Company witnessed a significant increase in the discount applied to oil sales (trading costs), composed of two factors: (i) the quality of the oil in relation to density and sulfur level, and (ii) the cost of freight to deliver the cargo to the buyer.

Considering the significant increase in the cost of maritime freight generated mainly by the redesign of Russian oil sales flows, the Company decided to sell a volume significantly lower than its production for the quarter. Therefore, the number of barrels sold, despite being 11% higher than in the previous year, does not reflect the full sales potential for the year. To store a large part of the oil produced in December, PRIO contracted external storage capacity for 2 million barrels in the US Virgin Islands, which will be sold in the first quarter of 2023, with better discount conditions than those presented in December, but still considered non-standard by the Company.

Frade Field

The field's average production in the quarter was 32.2 kbpd, accounting for an increase of 15% over the previous quarter, due to the start of production at ODP4 and MUP3A wells, which, in turn, presented a premature completion failure, slightly reducing the field's normal average operational efficiency levels. The chart below illustrates the history of average daily production and operational efficiency in recent quarters:



The ODP4 well, implemented in July, has a production of approximately 15,000 barrels of oil per day, well above initial forecasts. Considering the success of the first phase of the Frade Revitalization Plan, both in terms of production and cost optimization, PRIO decided to bring forward the second phase of the plan and started, during the quarter, drilling two additional production wells and expected to be completed still in the first quarter and then another injection well.

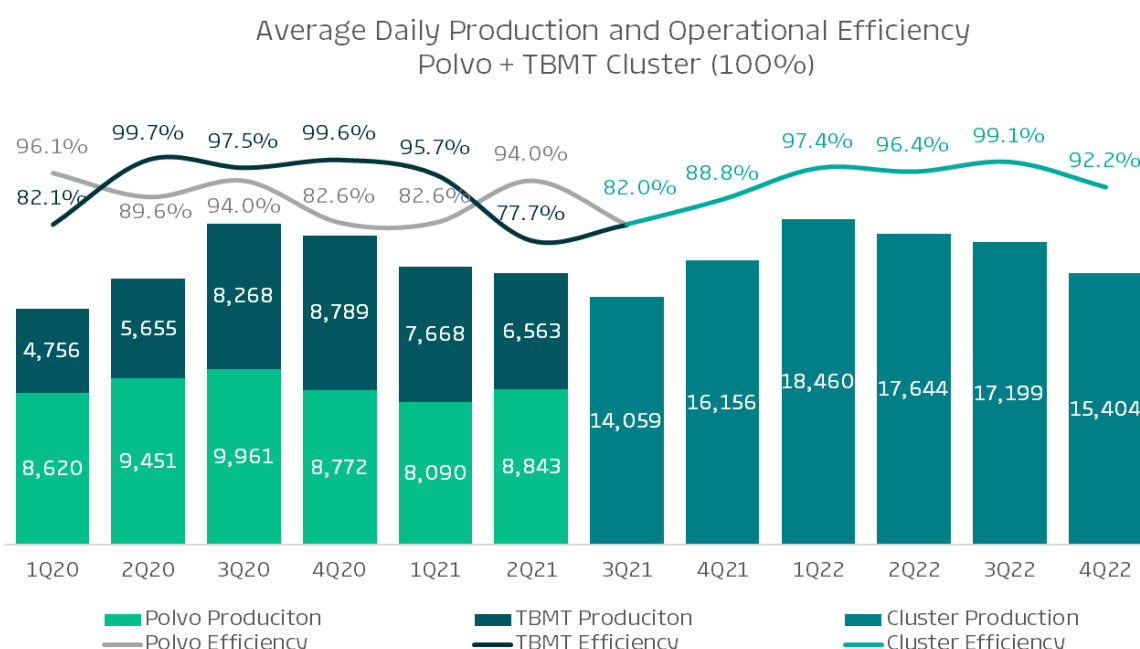
Furthermore, after the completion of the second phase and with the data collected during the execution, PRIO is studying a third phase of the Frade Revitalization Plan.

The Frade Field Revitalization Plan seeks to increase the asset's recovery factor and meets the ANP's conditions for the extension of the concession until 2041, as disclosed in the ANP's approval of the Field Development Plan.

Polvo and TBMT Cluster

In 4Q22, the Polvo and TBMT cluster showed an average daily production 10% lower than that recorded in prior quarter due to interruptions in two wells: (i) TBMT-4H well, which had its production interrupted due to a failure in the Electric Submersible Pump (ESP), in which a workover is being carried out, and (ii) TBMT-8H well, which had its production interrupted by a electrical failure in the subsea system. In the annual comparison, the cluster presented an average production 15% higher than the previous year, due to the high operational efficiency achieved in the first three quarters of the year.

The operational efficiency of the cluster for the quarter was approximately 92% due to fails in wells aforementioned. The chart below illustrates field production and efficiency as of 2020:



On January 9, 2023, PRIO merged Dommo Energia S.A. (“Dommo”), which was entitled to 5% of the revenue from the Polvo and Tubarão Martelo cluster. As of this date, PRIO has the right to 100% of the cluster’s revenue.

Wahoo Field

On June 17 and July 8, 2021, PRIO announced the closign of acquisitions of 35.7% and 28.6% interests in the Wahoo Field, respectively.

With the transactions, PRIO currently holds 64.3% of the Field, and aims to create a second production cluster through the tieback from Wahoo to Frade, thus continuing the strategy of operational optimization of its assets. The first Wahoo oil is planned for early 2024.

Wahoo, with oil discovery in 2008 and formation test performed in 2010, has the potential to produce approximately 126 million 1P barrels (100% of the field), according

to the DeGolyer & MacNaughton (“D&M”) Reserve Certification Report. The Company estimated an initial average productivity of approximately 10,000 barrels per day per well, and a total production that will reach 40,000 barrels per day, according to the results of the formation test performed in an exploratory well.

The Wahoo base project covers the drilling of four production wells and two injection wells, as well as the connection of these wells to the 35km tieback between the field and FPSO Valente. The initially estimated CAPEX for the whole project is broken down into US\$ 300 million for the tieback, US\$ 310 million for well drilling and completion, US\$ 150 million for subsea equipment and US\$ 40 million for adjustments to the Valente FPSO to receive the production of new field.

On December 22, 2021, PRIO filed the Declaration of Commerciality of the Wahoo discovery (located in Block C-M-101) and the Development Plan under an exclusive operation regime with the ANP, which are currently under analysis.

Currently, PRIO is focused on completing the acquisition of equipment necessary for the project, reinforcing the expediting of the manufacturing, import and delivery processes, in-depth technical reviews of the flow analysis and tieback specifications, as well as on establishing the project assumptions to the scopes of wells, topside and subsea, aiming to comply with the schedule of the first Wahoo oil in the first semester of 2024.

Finally, the next steps in Wahoo’s development are as follows:

- 1) Approval of the environmental licensing for drilling and production in the Wahoo Field;
- 2) Beginning of the drilling campaign;
- 3) Beginning of preparation activities for subsea launching and construction;
- 4) Subsea construction of interconnection between the Wahoo field and the FPSO Valente;
- 5) 1st Wahoo oil.

Albacora Leste Field

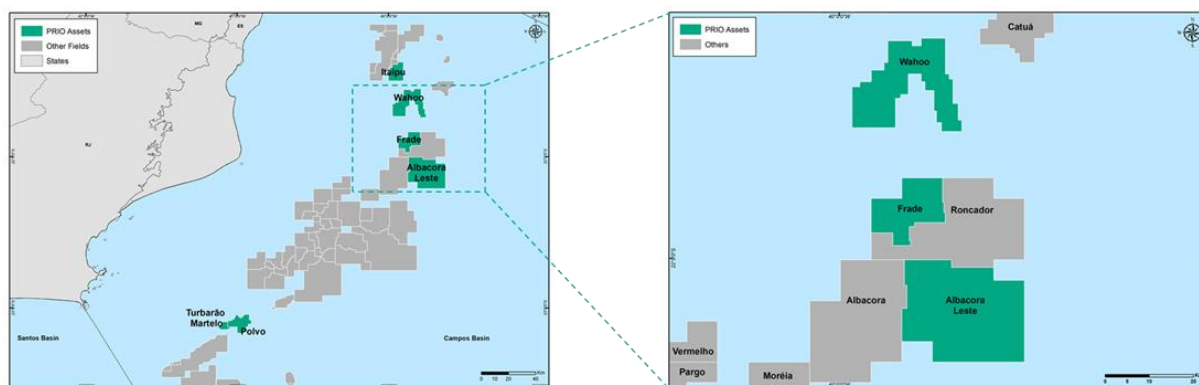
On April 28, 2022, PRIO signed a Purchase and Sale Agreement with Petróleo Brasileiro S.A. (“Petrobras”) for the acquisition of a 90% interest and operation of Albacora Leste Field. On January 26, 2023, after fulfilling the precedent conditions, PRIO took over the asset’s operation, after a meticulous transition program carried out by a multidisciplinary team made up of the previous operator’s professionals and PRIO employees. Since the signing of the transaction, 16 working groups have enabled the handover of information and knowledge. During this period, more than 100 PRIO employees have embarked on the platform, learning the unit's operational and safety routines.

The fixed price of the transaction totaled \$1,951 million, of which \$293 million was paid upon the signing of the agreement on April 28, 2022, and the remainder paid on the closing date, corrected by applicable price adjustments. Additionally, earnout payments totaling up to US\$ 250 million can be made, depending on future oil prices, as described in the Material Fact of April 28, 2022.

Albacora Leste is located at a water depth of 1,200 meters, in the north of the Campos Basin, 23 km from the Frade field. Discovered in 1986, the Field had its first oil in 1998 and currently has a production of approximately 32 kbbld (last 30 days average), of which

27,2 kbbl/d net for PRIO, with 19° API oil and low-sulphur content, produced through its 10 production wells and 6 injection wells currently operating.

According to Certification of Reserves requested by PRIO and prepared by DeGolyer & MacNaughton (“D&M”) on the base date of October 2022, the field had an economically recoverable reserve (1P) of approximately 280 million barrels with a net reserve of over 240 million barrels for PRIO, expected to be abandoned after 2050. Estimates consider a long-term price of US\$ 60 per barrel of oil.



Manati Gas Natural Field

The volume of liquid gas sold in 4Q22 was 733 boepd, 62% lower than in the same quarter of 2021 and 50% lower than in 3Q22. The lower production is due to the sale of PRIO’s interest in the asset, whose effective date was December 1, 2022. The operating cost, composed of direct costs, net of depreciation, was US\$ 726 thousand in 4Q22, referring to the months of October and November.

On November 3, 2022, PRIO announced the signing of an agreement with Gas Bridge Storage S.A. for the sale of its 10% interest in Manati Field. The total value of the transaction is R\$ 124 million, 10% of which paid upon signature and the remainder upon completion of the transaction. Completion is subject to the usual precedent conditions, such as approval by CADE and the ANP. Unlike the previous transaction, signed on November 05, 2020 and which was not completed, this one does not depend on any transaction by the counterparty with other consortium members. The effective date of transaction was on December 1, 2022. Until the conclusion of the transaction, PRIO will continue to receive revenue and contribute to the costs of the asset. Such amounts will be used as a price adjustment in the final payment upon closing.

The interest in the Manati Field was acquired in 2017 for R\$ 140 million, generated R\$ 350 million in cash to date and, at the conclusion of the transaction, will have returned 3.4 times the capital invested.

This initiative is part of the Company’s value generation strategy, through dynamic management of its asset portfolio and reinforces PRIO’s focus on the operated assets that make up its core business.

Environment

PRIO took an important step in 2022 in its sustainability journey and started a structure in favor of the ESG agenda. With full involvement of the top leadership and in partnership with NINT, the largest ESG consulting firm in Latin America, PRIO made a diagnosis of its ESG practices and a perception study with the different stakeholders that led to a deep understanding of the company's current ESG moment, as well as the positioning of its peers, trends, risks, and market opportunities.

The company also defined a materiality matrix in accordance with recognized frameworks, such as the GRI and SASB, and underwent a maturity assessment on these material topics, which enabled defining an action plan to continue improving PRIO's ESG journey. Some of the actions in this plan have already been carried out, such as the carbon emissions inventory prepared in 2022 by Witt O'Brien's and later certified by KPMG.

The material topics were identified and integrated across the business model, leading PRIO to a new definition and development process that will guide the company's strategy and communication for the next reporting cycle. The company is guided by the balance and transparency of the information in this publication as a way to evolve in view of the performance of its priority material themes. The result of this study will be presented in the PRIO Sustainability Report.

Social

2022 was also important due to the positive result of the Reação Offshore project, developed by Reação and Todos na Luta institutes, in partnership with SENAI, which over four months trained 240 people in Mechanics, Electrics and QSEH, as well as other topics relevant to offshore work and socio-emotional content throughout the program. At the end of the training program, 81 people were hired by PRIO to work in basic offshore positions.

Still in the social area, believing in the power of return to society, the Company supports several projects such as Casa Irmã Dulce, Neojiba Orchestra, the Favela Brass project and the restoration of Umberto Primo Hospital, in addition to Instituto Todos na Luta, an NGO which teaches boxing classes to children and young people in vulnerable situation, reinforcing PRIO's belief in the transformational power of education and sports in the training of future professionals.

Internally, PRIO continues to encourage its employees to participate in its extensive Health and Wellness program, stressing, every quarter, the offer of activities, such as participation in street races (Circuito das Estações, Corrida Juntos), PRIO Trekking (group hikes on the nature trails of Rio de Janeiro), stretching and physiotherapy sessions, meditation and yoga classes, as well as shiatsu sessions (both in the office and on the platforms), improvements to the offshore wellness facilities, in addition to the telenutrition program and online psychology.

Financial Performance

PRIO presents the financial performance with and without the impact of the changes in IFRS 16 below, as well as representations of non-cash and non-recurring accounting entries and their impacts on the financial statements when presented in Dollars.

Income (loss) for the period (In thousands of US\$)

	Ex-IFRS 16			Accrued - Ex-IFRS16			Accrued - Inclui IFRS 16		
	4Q21	4Q22	Δ	2021	2022	Δ	2021	2022	Δ
Net Revenue	318,352	184,492	-42%	810,882	1,249,659	54%	810,882	1,249,659	54%
Commercialization Expenses	-	(9,795)	n/a	-	(9,795)	n/a	-	(9,795)	n/a
Net Revenue - FOB	318,352	174,697	-45%	810,882	1,239,864	53%	810,882	1,239,864	53%
Cost of goods sold	(62,414)	(30,595)	-51%	(187,258)	(191,544)	2%	(148,217)	(168,902)	14%
Royalties	(22,748)	(15,098)	-34%	(59,376)	(97,188)	64%	(59,376)	(97,188)	64%
Operating Income	233,190	129,004	-45%	564,248	951,133	69%	603,289	973,775	61%
General and administrative expenses	(11,984)	(12,204)	2%	(38,847)	(50,888)	31%	(37,780)	(49,385)	31%
Other operating income (expenses)	(1,593)	51,885	n/a	(12,075)	26,885	n/a	(12,075)	26,885	n/a
EBITDA	219,613	168,685	-23%	513,325	927,129	81%	553,434	951,275	72%
EBITDA margin	69%	97%	+28 p.p.	63%	74%	+11 p.p.	68%	77%	+9 p.p.
Depreciation and amortization	(48,643)	(25,165)	-48%	(135,585)	(129,892)	-4%	(163,099)	(145,355)	-11%
Financial Results	(22,636)	(1,445)	-94%	(102,796)	(40,040)	-61%	(114,453)	(44,007)	-62%
Financial Income	27,887	(6,734)	n/a	177,477	176,741	0%	177,477	176,741	0%
Financial Expenses	(50,523)	5,289	n/a	(280,273)	(216,781)	-23%	(291,930)	(220,748)	-24%
Income and social contribution taxes	11,761	47,745	306%	(32,068)	(45,656)	42%	(32,068)	(45,656)	42%
Income (loss) for the period	160,095	189,819	19%	242,877	711,542	193%	243,814	716,257	194%
	4Q21	4Q22	Δ	2021	2022	Δ	2021	2022	Δ
Adjusted* EBITDA	221,206	116,801	-47%	525,401	900,244	71%	565,509	924,389	63%
Adjusted EBITDA margin	69%	67%	-2 p.p.	65%	73%	+8 p.p.	70%	75%	+5 p.p.

*Adjusted EBITDA is calculated similarly to EBITDA, excluding the line with non-recurring effects "Other Revenues and Expenses".

**For comparative purposes, results prior to January 1, 2022, when the Company's Functional Currency was replaced by the US dollar, were translated using the average quarterly exchange rate.

	4Q22	PRIO	Dommo
Offtakes - MMbbl	2,336	2,233	103
Total Revenue	174,697	163,678	7,367
Cost of goods sold	(30,595)	(22,661)	(7,093)
Royalties	(15,098)	(14,839)	-
Operating Income	129,004	126,178	274
G&G and G&A	(12,204)	(12,204)	-
Adjusted EBITDA margin	67%	70%	4%

*The table above shows PRIO's income excluding the effects of the purchase of oil for resale by Dommo, since Dommo has a 20% interest in the Tubarão Martelo Field and the financial agreement between PRIO and Dommo provides for that PRIO is entitled to 95% of the cluster revenue.

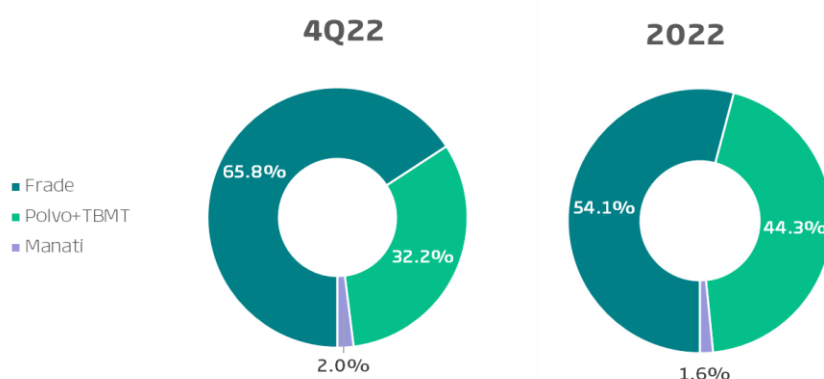
Oil Stock	4Q21	3Q22	4Q22	4Q22 X 4Q21	4Q22 X 3Q22
Balance (barrels)	1,287	970	3,109	141.6%	220.5%
Frade Field	687	287	675	-1.7%	135.2%
Polvo and TBMT cluster	600	683	439	-26.8%	-35.7%
Storage in US Virgin Islands	-	-	1,995	n/a	n/a
Stock cost (US\$ thousand)	189,477	27,741	344,727	81.9%	1142.7%
Frade Field	79,852	7,666	44,570	-44.2%	481.4%
Polvo and TBMT cluster	109,625	20,075	72,387	-34.0%	260.6%
Storage in US Virgin Islands	-	-	227,770	n/a	n/a

In the year, the main factor that impacted PRIO's financial performance was the increase in revenue, consequence of the increase in production and sales, and the increase in oil prices, which grew 37% in the comparison of annual averages. As a result, PRIO recorded net revenue of US\$ 1.2 billion in the year, accounting for an increase of 54% and an Adjusted EBITDA (ex-IFRS-16) of US\$ 900 million, 71% higher, both reflecting growth in oil prices and offtakes.

In the quarter, PRIO recorded revenue 42% lower than in 4Q21, due to the impact of the lower number of barrels sold in 4Q22 and the 9% decrease in the brent price over the previous quarter. The volume of barrels sold was affected by an increase in the cost of maritime shipping mainly generated by the imposition of the price cap on Russian oil. Thus, in December, the Company decided to sell a volume significantly lower than its production and contracted external storage capacity for 2 million barrels in the US Virgin Islands, which were sold in the first quarter of 2023.

Analyzing the quarterly revenue, the Frade field and the Polvo and TBMT cluster accounted for 66% and 32% of the Company's total revenue, respectively. In turn, the Manati natural gas asset contributed net revenue representing 2% of the total, referring to PRIO's 10% interest in the natural gas consortium. The Frade Field contributed with 54%, the Polvo and TBMT cluster contributed with 44% and the Manati field contributed with 1.6% of the Company's total revenue. The chart below shows the representativeness of each asset in the Company's total net revenue:

Revenue per asset



Cost of Goods Sold (“COGS”) totaled US\$ 192 million in the year, in line with the previous year, despite a higher sales volume in the year, demonstrating a decrease in the unit cost of production. In the quarter, COGS was 51% lower than in 4Q21, due to the lower volume of barrels sold.

The Company recognized an Operating Result (ex-IFRS 16) in the year of US\$ 961 million, 70% higher than that recorded in the prior year, due to higher revenues from Frade and Polvo and TBMT, owing to the increase in oil prices, in production and sales. In the quarterly comparison, the 40% lower result reflects the decrease in revenue for the quarter, impacted by the lower number of offtakes.

General and administrative expenses, which include expenses with M&A, personnel, projects, geology and geophysics were in line with the one recorded in the 4Q21 and accumulated an increase of 31% in the annual comparison, totaling US\$ 51 million, due to the increase in expenses with personnel, sponsorship of social projects and office expansion.

Other operating revenues and expenses totaled US\$ 51 million in the quarter, positively impacted by the decrease in the provision for abandonment of Frade Field due to the increase in its useful life, effect of Frade Revitalization Plan. In the annual result, this line totaled US\$ 27 million, negatively impacted by expenses with the return of the Ceará Block in the second quarter.

The Company recorded the annual adjusted EBITDA (ex-IFRS 16) reached US\$ 900 million, 71% higher compared to the prior year, which was driven by the expressive growth of the operating income. In the quarterly comparison, this indicator resulted in a decrease of 47%, reflecting the lower operating result in the period.

The financial result (ex-IFRS 16) of the Company was negative by US\$ 40 million vs. negative by US\$ 103 million recorded in the previous year, negatively impacted by interest on loans and financing.

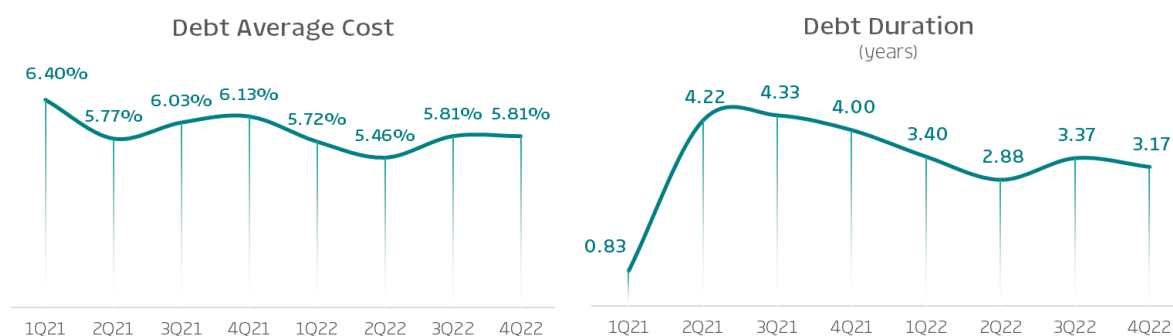
Net income (ex-IFRS 16) for the year was positive by US\$ 711 million, accounting for an increase of 193% versus that recorded in the prior year, driven by higher amount of production, sales and Brent price in the year. In the quarter, despite the revenue reduction, the Company recorded income 19% higher than in 4Q21, strongly impacted by deferred tax, in which tax loss credits were recognized based on the new production curves, since the Frade field production is beyond expectations.

Cash, debt and financing

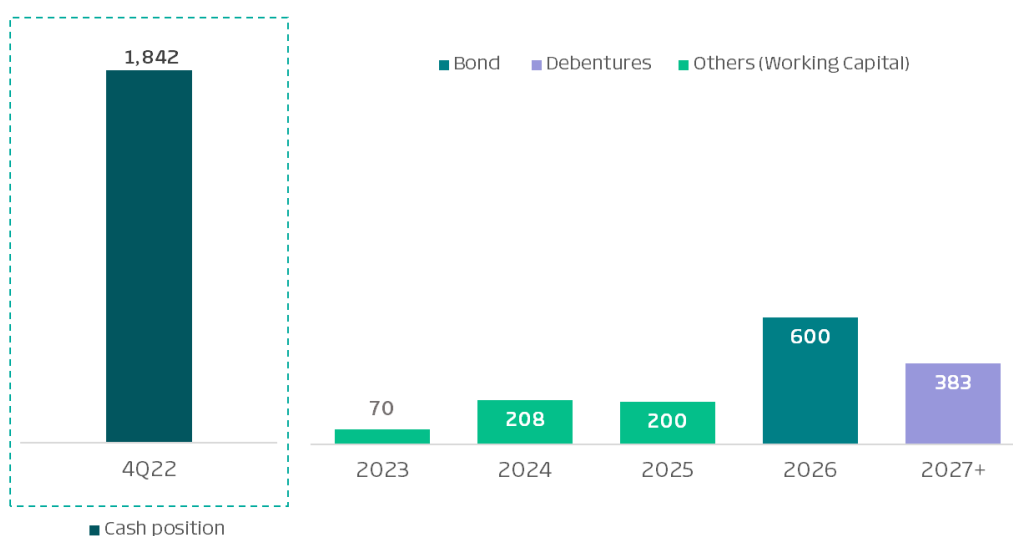
PRIO has been consistently monitoring its liquidity and leverage. In 2022, the Company issued a debenture in the amount of R\$ 2 billion (US\$ 370 million) with a weighted average duration of 5.5 years and an average dollarized cost of 6.8%, in addition to eight new working capital debts in the total amount of US\$ 478 million. The purpose of raising the debenture and working capital debts is to reach a position of greater liquidity, considering the investments necessary for the Frade Redevelopment Plan, the development of Wahoo, the acquisition of Albacora Leste and potential new assets.

PRIO continues to seek to strengthen its cash position and the strength of its capital structure. Debts issued throughout 2022 helped to increase average debt duration,

while keeping the average cost of debt at levels suitable for the Company's future projects. This financial planning strategy makes the Company more prepared for inorganic growth, an important growth pillar. Thus, the Company continues to reinforce its cash position for its future investments.



Amortization schedule (US\$ million)

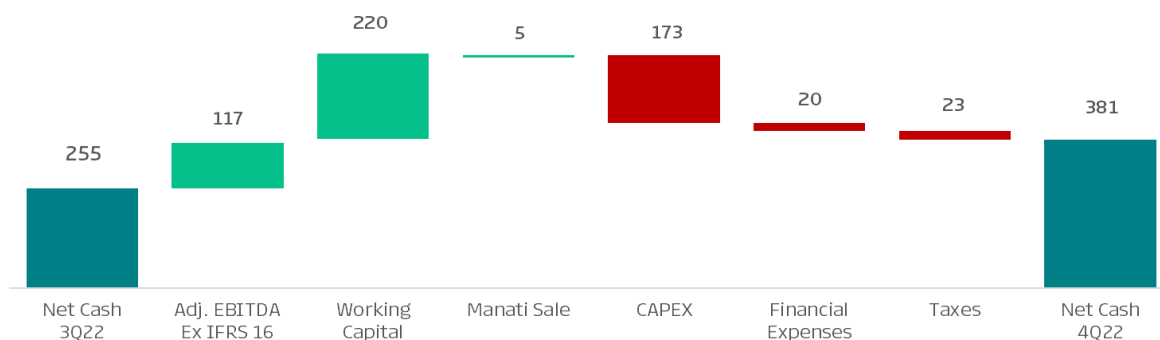


Net cash and leverage

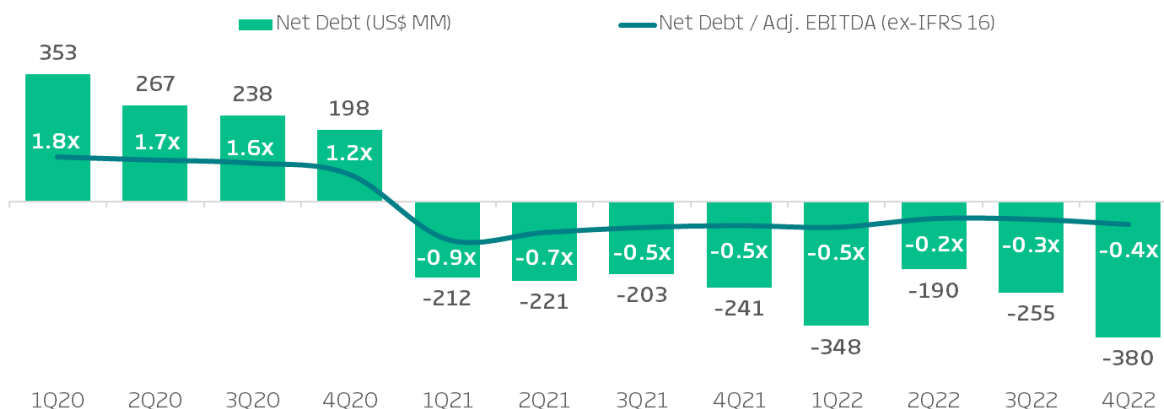
In the fourth quarter of 2022, PRIO's net cash position increased by US\$ 125 million, impacted by the following changes:

- Working Capital referring to the decrease of receivables, increase in suppliers, decrease of consumables and increase in advances for the operation.
- CAPEX: expenses with Frade Revitalization Plan, workover on the Polvo and TBMT cluster and advances to Wahoo.

Changes in net cash (US\$ million)



Net debt cash / Adjusted EBITDA (ex- IFRS 16) (US\$ million)



Independent auditors' report on the individual and consolidated financial statements

To the Shareholders, Board of Directors and Officers of
Petro Rio S.A.
Rio de Janeiro – RJ

Opinion

We have audited the individual and consolidated financial statements of Petro Rio S.A. (the “Company”), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2022, and the statements of profit or loss, of comprehensive income (loss), of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2022, its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the audit of the individual and consolidated financial statements” section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants and the professional standards issued by Brazil’s National Association of State Boards of Accountancy (“CFC”), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide an individual opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the individual and consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment of assets

As disclosed in Notes 11 and 12 to the consolidated financial statements, as at December 31, 2022, the Company records property, plant and equipment and intangible assets in the amounts of R\$4,665,206 thousand and R\$2,833,955 thousand, respectively. As at December 31, 2022, in accordance with CPC 01 (R1) - Impairment of Assets (IAS 36 - Impairment of Assets), the Company assessed the existence of indicators of impairment of the assets in its cash-generating units (“CGUs”) and performed the calculation of the recoverable amount, assessing the need to record impairment. To calculate the recoverable amount of assets, the Company used the discounted cash flow method, which incorporates significant judgments in relation to factors associated with the level of future production, commodity prices, production costs and economic assumptions such as discount rates and exchange rates where the Company operates.

Due to the materiality of the balances of property, plant and equipment and intangible assets and the complexity in determining the assumptions used in the expected future cash flows at each CGU, we consider this to be a key audit matter.

How our audit addressed this matter

Our procedures included, among others, (i) evaluation of the Company’s assumptions to determine the recoverable amount of its assets, including those related to production, production cost, commodity prices, capital investments, discount rates and exchange rates; (ii) evaluation of the definition and identification criteria of the CGUs; (iii) the use of valuation model experts to support us in evaluating and testing the assumptions used to determine the discount rates used by the Company’s executive board; and iv) the performance of an independent calculation affecting the main assumptions used.

Based on the result of the audit procedures performed on the impairment test of assets, which is consistent with the executive board’s assessment, we consider that the criteria and assumptions of the recoverable amount adopted by the executive board, as well as the related disclosures in Notes 11 and 12 are acceptable in the context of the financial statements taken as a whole.

Recoverability of deferred income and social contribution taxes

As disclosed in Note 20 to the consolidated financial statements, as at December 31, 2022, the Company accounted for deferred income and social contribution taxes in the amount of R\$692,076 thousand, established by temporary differences and on income and social contribution tax losses. In accordance with the accounting practices adopted

in Brazil, the Company should annually evaluate the projection of future taxable profits for the purposes of assessing the recoverability of deferred income and social contribution taxes.

This annual test was assessed as one of the key audit matters, considering the magnitude of the amounts involved and the fact that the process of assessing the recoverability of deferred income and social contribution taxes is complex and involves a high degree of subjectivity in the projections of future taxable profits, and it is based on several regularly subjective assumptions, that will be affected by market conditions or future economic scenarios in Brazil, which cannot be estimated accurately.

How our audit addressed this matter

Our audit procedures included, among others, (i) the use of tax specialists to support us in assessing and testing the balance established by the Company, as well as the model used to measure the recoverable amount of deferred income and social contribution taxes and the assumptions, projections and methodology used; (ii) the validation of the information used in the calculations; (iii) conducting a retrospective review of previous projections to identify any inconsistency in the development of estimates in the future; (iv) an independent calculation affecting the main assumptions used; and (v) the review of the adequacy of the disclosures made by the Company on the assumptions used in the recoverability calculations, especially those that had a more significant effect in determining the recoverable amount of deferred income and social contribution taxes.

As a result of the audit procedures performed on the test of the deferred income and social contribution tax balance established by the Company, we identified audit adjustment, indicating the need of a supplement to deferred income and social contribution tax assets, which was recorded by the executive board even considering its immateriality on the financial statements taken as a whole.

Based on the result of the audit procedures performed on the deferred income and social contribution tax balances established by the Company, as well as their recoverability, which are consistent with the executive board's assessment, we consider that the criteria related to their establishment and the assumptions of recoverable amount adopted by the executive board, as well as the related disclosures in Note 20 are acceptable in the context of the financial statements taken as a whole.

Estimate of provisions for abandonment of facilities

As disclosed in Note 21 to the consolidated financial statements, as at December 31, 2022, the Company recorded a provision for abandonment of facilities (ARO) in the amount of R\$ 271,631 thousand. Due to the nature of its operations, the Company will incur obligations to restore and rehabilitate the environment upon the closing of oil and gas production in each corresponding area. The rehabilitation of areas and of the environment is required by both current legislation and the Company's policies. Estimating the costs associated with these future activities requires considerable judgment in relation to factors such as the period of use of a given area, the time needed to rehabilitate it and certain economic assumptions such as discount rate, foreign currency translation rates and the original values that are quoted by specific suppliers.

Due to the materiality of the provision for abandonment of areas and the level of uncertainty for determining its estimate that may impact the amount of this provision in the consolidated financial statements and the investment amount recorded under the equity method in the parent company's individual financial statements, we consider this to be a significant audit matter.

How our audit addressed this matter

Our audit procedures included, among others, (i) evaluation of the procedures related to determining the estimated amount of the provision to restore and rehabilitate oil production assets; (ii) analysis of the expected time for abandonment based on projected outputs and the estimated deadline for the asset's economic feasibility; (iii) with the support of our financial modeling specialists, analysis of the assumptions used, including the base cost of the areas to be abandoned, inflation, discount and risk rates; (iv) analysis of the changes in the provision in the year related to abandoned, restored/rehabilitated areas and the relevant environmental obligation, in order to assess the main inputs, such as costs, inflation and discount rates, as well as the abandonment plan; (v) arithmetic checking of the results of the estimates, tracing them to accounting information and management reports; and (vi) evaluation of the adequacy of the disclosure of the provision of obligations to restore and rehabilitate the environment when abandoning areas.

Based on the result of the audit procedures performed, we consider that the criteria and assumptions, which are consistent with the executive board's assessment, as well as the related disclosures in Note 21, are acceptable in the context of the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated Statements of Value Added (SVA) for the year ended December 31, 2022, prepared under the responsibility of the Company's executive board and presented as supplementary information for purposes of IFRS, were submitted to the same audit procedures conducted together with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria provided for in Accounting Pronouncement NBC TG 09 - Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria provided for in Accounting Pronouncement NBC TG 09 and are consistent with the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the auditor's report

The Company's executive board is responsible for such other information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with the audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or with our knowledge obtained in the audit or otherwise, whether this report appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive board and those charged with governance for the individual and consolidated financial statements

The executive board is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as the executive board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, the executive board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the executive board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board;
- Concluded on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or future conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit and, consequently, for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we may have identified during our audit.

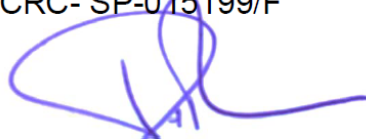
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements,

and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we are required to determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rio de Janeiro, March 01, 2023.

ERNST & YOUNG
Auditores Independentes S.S. Ltda
CRC- SP-015199/F



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

Balance sheet
December 31, 2022 and 2021
(In thousands of reais – R\$)

		Parent company		Consolidated	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Assets					
Current assets					
Cash and cash equivalents	3	17,148	23,581	9,612,961	970,681
Securities	4	-	350	-	3,680,185
Accounts receivable	5	-	-	166,304	915,033
Oil inventories	27	-	-	344,727	189,477
Inventory of consumables	6	-	-	108,698	28,059
Financial instruments		-	-	-	35,011
Recoverable taxes	7	1,575	2,244	76,012	85,839
Advances to suppliers	8	34	-	186,149	84,013
Advances to partners	22	-	-	31,336	33,216
Prepaid expenses		430	53	10,809	9,760
Other receivables		-	-	317	513
		19,187	26,228	10,537,313	6,031,787
Non-current assets classified as held for sale	9	-	-	65,314	74,508
		19,187	26,228	10,602,627	6,106,295
Non-current assets					
Advances to suppliers	8	-	-	242	-
Deposits and pledges		12	-	10,518	10,645
Recoverable taxes	7	-	-	26,923	8,559
Deferred taxes	20	10,970	18,539	692,076	378,679
Related parties	25	96,881	56,941	-	-
Right-of-Use (Lease CPC 06.R2/IFRS 16)	19	-	-	1,470,973	425,867
Investments	10	10,005,199	6,766,526	-	-
Property, plant and equipment	11	520	999	4,665,206	3,549,045
Intangible assets	12	-	-	2,833,955	1,742,326
		10,113,582	6,843,005	9,699,893	6,115,121
Total assets		10,132,769	6,869,233	20,302,520	12,221,416

See the accompanying notes to the financial statements.

Balance sheet
December 31, 2022 and 2021
(In thousands of reais – R\$)

		Parent company		Consolidated	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Liabilities and shareholders' equity					
Current liabilities					
Suppliers	13	218	220	565,926	292,204
Labor obligations	14	18,755	27,321	138,003	131,475
Taxes and social contributions	15	635	829	158,712	183,678
Loans and financing	17	-	-	393,258	553
Local debentures (includes conversion swaps)	18	-	-	40,514	-
Contractual charges (Leases - IFRS 16)	19	-	-	64,547	105,905
Accounts payable – acquisition of Wahoo	16	-	-	-	376,684
Other liabilities		-	-	43,433	-
		19,608	28,370	1,404,393	1,090,499
Liabilities directly linked to non-current assets classified as held for sale	9	-	-	(16,654)	(4,502)
		19,608	28,370	1,387,739	1,085,997
Non-current liabilities					
Suppliers	13	-	-	1,503	400
Loans and financing	17	-	-	5,248,108	3,307,368
Mark-to-market of debenture swaps	18	-	-	89,310	-
Local debentures (includes conversion swaps)	18	-	-	1,950,208	-
Provision for abandonment (ARO)	21	-	-	271,631	692,289
Provision for contingencies	34	500	500	23,350	27,284
Related parties	25	220,644	220,114	-	-
Contractual charges (Leases - IFRS 16)	19	-	-	1,436,811	487,467
Other liabilities		-	-	1,843	362
		221,144	220,614	9,022,764	4,515,170
Shareholders' equity					
Realized capital	24	5,319,674	5,303,644	5,319,674	5,303,644
Capital reserves		377,427	348,886	377,427	348,886
Profit reserves		3,682,453	255,381	3,682,453	255,381
Accumulated translation adjustment		601,773	712,338	601,773	712,338
Equity valuation adjustments	18	(89,310)	-	(89,310)	-
		9,892,017	6,620,249	9,892,017	6,620,249
Total liabilities and shareholders' equity		10,132,769	6,869,233	20,302,520	12,221,416

See the accompanying notes to the financial statements.

Statements of income

Years ended December 31, 2022 and 2021

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

	Note	Parent company		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Net revenue	26	-	-	6,363,475	4,396,003
Costs of products/services	27	-	-	(2,106,303)	(1,883,358)
Gross revenue		-	-	4,257,172	2,512,645
Operating revenues (expenses)					
Geology and geophysics expenses		-	-	(14,859)	(10,262)
Personnel expenses		(22,176)	(5,028)	(120,523)	(114,845)
General and administrative expenses		(105)	(367)	(46,726)	(25,152)
Expenses with Outsourced Services		(3,467)	(5,138)	(61,164)	(47,713)
Taxes and rates		(2,083)	(581)	(11,730)	(6,695)
Depreciation and amortization expenses		(443)	(487)	(112,527)	(110,973)
Equity in income of subsidiaries	10	3,467,061	1,359,180	-	-
Other operating revenues (expenses), net	28	(314)	2,116	26,570	(75,562)
Operating income (loss) before financial income (loss)		3,438,473	1,349,695	3,916,213	2,121,443
Financial revenues	29	219	111	278,680	71,480
Financial expenses	29	(5,750)	(8,028)	(558,099)	(438,669)
Net exchange-rate changes	29	1,866	(13,090)	25,026	(255,133)
Income before income tax and social contribution		3,434,808	1,328,688	3,661,820	1,499,121
Current income tax and social contribution	30	-	-	(545,460)	(344,812)
Deferred income tax and social contribution	30	(7,736)	4,358	310,712	178,737
Income for the year		3,427,072	1,333,046	3,427,072	1,333,046
Basic and diluted earnings per share					
Basic		4.061	1.615	4.061	1.615
Diluted		4.023	1.597	4.023	1.597

See the accompanying notes to the financial statements.



Statements of comprehensive income
Years ended December 31, 2022 and 2021
(In thousands of reais – R\$)

	Consolidated	
	12/31/2022	12/31/2021
Income (loss) for the year	3,427,072	1,333,046
Mark-to-market of local debenture swaps	(89,310)	-
Translation adjustment on investment abroad, net of taxes	(110,565)	132,518
Other comprehensive income for the year, net of taxes	(199,875)	132,518
Total comprehensive income for the year net of taxes	3,227,197	1,465,564

See the accompanying notes to the financial statements.

Statements of changes in shareholders' equity
Years ended December 31, 2022 and 2021
(In thousands of reais – R\$)

	Capital	Capital reserve	Profit reserve / statutory	Accumulated translation adjustment	Equity valuation adjustment	Retained earnings (losses)	Parent company	Non-controlling interest	Consolidated
Balances at January 1, 2021	3,326,900	321,359	-	579,820	-	(1,077,665)	3,150,414	849	3,151,263
Paid-up capital	2,062,743	-	-	-	-	-	2,062,743	-	2,062,743
Share issuance costs	(85,999)	-	-	-	-	-	(85,999)	-	(85,999)
Stock options granted	-	27,527	-	-	-	-	27,527	-	27,527
Translation adjustment on investment abroad	-	-	-	132,518	-	-	132,518	-	132,518
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(849)	(849)
Income (loss) for the year	-	-	-	-	-	1,333,046	1,333,046	-	1,333,046
Legal reserve	-	-	12,769	-	-	(12,769)	-	-	-
Unrealized profit reserve	-	-	60,655	-	-	(60,655)	-	-	-
Investment reserve	-	-	181,957	-	-	(181,957)	-	-	-
Balances at December 31, 2021	5,303,644	348,886	255,381	712,338	-	-	6,620,249	-	6,620,249
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
Share issuance costs	(557)	-	-	-	-	-	(557)	-	(557)
Stock options granted	-	36,008	-	-	-	-	36,008	-	36,008
Translation adjustment on investment abroad	-	-	-	(110,565)	-	-	(110,565)	-	(110,565)
Gain (loss) with financial instruments	-	-	-	-	(89,310)	-	(89,310)	-	(89,310)
Share-based remuneration	-	-	-	-	-	-	-	-	-
Offset of loss	-	-	-	-	-	-	-	-	-
Income in sale of treasury shares	-	10,727	-	-	-	-	10,727	-	10,727
Net income for the year	-	-	-	-	-	3,427,072	3,427,072	-	3,427,072
Legal reserve	-	-	171,354	-	-	(171,354)	-	-	-
Unrealized profit reserve	-	-	33	-	-	(33)	-	-	-
Investment reserve	-	-	3,255,685	-	-	(3,255,685)	-	-	-
Treasury shares	-	(18,194)	-	-	-	-	(18,194)	-	(18,194)
Balances at December 31, 2022	5,319,674	377,427	3,682,453	601,773	(89,310)	-	9,892,017	-	9,892,017

See the accompanying notes to the financial statements.

Statements of cash flows

Years ended December 31, 2022 and 2021
(In thousands of reais – R\$)

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash flows from operating activities				
Income (loss) for the year (before taxes)	3,434,808	1,328,688	3,661,820	1,499,121
Depreciation and amortization	443	487	854,256	881,271
Financial revenue	(5,706)	(27,080)	(38,284)	(323,051)
Financial expenses	10,228	42,626	369,235	856,868
Share-based remuneration	36,008	27,527	36,008	27,527
Equity in income of subsidiaries	(3,467,061)	(1,359,180)	-	-
Provision for contingencies/losses/R&D	(24)	-	38,399	88,418
Amendment of the provision for abandonment/IFRS 16 Contracts	-	-	(329,856)	(153,195)
	8,696	13,068	4,591,578	2,876,959
(Increase) decrease in assets				
Accounts receivable	-	-	731,806	(503,581)
Recoverable taxes	1,028	419	22,309	(8,616)
Prepaid expenses	(507)	287	(3,265)	16,174
Advances to suppliers	(37)	17	(14,629)	(36,849)
Oil inventories	-	-	(142,899)	(30,119)
Inventory of consumables	-	-	(80,116)	(20,914)
Related parties	(37,803)	(48,270)	-	-
Advance to partners in oil and gas operations	-	-	6,614	44,724
Deposits and pledges	(15)	5,355	607	9,680
Other receivables	183	-	584	(513)
Increase (decrease) in liabilities				
Suppliers	(272)	(4,241)	396,785	63,670
Labor obligations	1,251	26,017	11,209	76,468
Taxes and social contributions	(292)	(4,850)	(597,001)	(196,901)
Related parties	6,401	(335,429)	-	-
Contingencies	-	-	-	(105,848)
Other liabilities	-	-	3,577	(598)
Net cash (invested in) from operating activities	(21,367)	(347,627)	4,927,159	2,183,736
Cash flows from investment activities				
(Investment in) redemption of securities	349	(350)	3,554,357	(3,461,400)
(Investment in) redemption of restricted cash	-	-	-	33,476
(Investment in) redemption of abandonment fund	-	-	1,236	(2,782)
Non-current assets held for sale	-	-	-	(2)
(Purchase) sale of fixed assets	-	-	(1,900,535)	(632,296)
(Purchase) sale of intangible assets	-	-	(862)	(368,950)
(Increase) decrease in investments	-	(1,632,666)	-	-
(Acquisition) of oil and gas assets	-	-	(1,830,159)	(311,366)
Net cash (invested in) from investment activities	349	(1,633,016)	(175,963)	(4,743,320)
Cash flows from financing activities				
Borrowings	-	-	2,347,901	4,191,053
Repayment of principal on loans	-	-	-	(2,973,134)
Interest paid on loans	-	-	(230,139)	(267,565)
Contractual charges (Leases IFRS 16 - Principal)	-	-	(65,663)	(138,922)
Contractual charges (Leases - IFRS 16) - Interest	-	-	(56,957)	(45,000)
Funding of debentures	-	-	2,038,922	-
Derivative transactions	-	-	(21,544)	(115,081)
(Decrease) Paid-up capital	16,030	1,976,744	16,030	1,976,744
Shares of the Company itself (held in treasury)	-	-	(18,633)	(666)
Net cash (invested in) from financing activities	16,030	1,976,744	4,009,917	2,627,429
Translation adjustment	(1,445)	-	(118,833)	93,563
Net increase (decrease) in cash and cash equivalents	(6,433)	(3,899)	8,642,280	161,408
Cash and cash equivalents at the beginning of the year	23,581	27,480	970,681	809,273
Cash and cash equivalents at the end of the year	17,148	23,581	9,612,961	970,681
Net increase (decrease) in cash and cash equivalents	(6,433)	(3,899)	8,642,280	161,408

See the accompanying notes to the financial statements.

Statements of added value
(supplementary information for IFRS purposes)
Years ended December 31, 2022 and 2021
(In thousands of reais – R\$)

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Revenues				
Oil & Gas sales	-	-	6,363,475	4,396,003
	-	-	6,363,475	4,396,003
Inputs acquired from third parties				
Third party's services and other	(3,467)	(5,138)	(61,164)	(47,713)
Geology and geophysics expenses	-	-	(14,859)	(10,262)
Costs of services	-	-	(866,189)	(802,152)
Gross added value	(3,467)	(5,138)	5,421,263	3,535,876
Depreciation and amortization	(443)	(487)	(854,256)	(871,087)
Net added value produced by the Entity	(3,910)	(5,625)	4,567,007	2,664,789
Added value received as transfer				
Financial revenue	7,047	34,150	578,070	946,536
Equity in income of subsidiaries	3,467,061	1,359,180	-	-
Deferred taxes	(7,736)	4,358	310,712	178,737
Other revenues	450	5,436	327,820	1,452,776
Total added value payable	3,462,912	1,397,499	5,783,609	5,242,838
Distribution of added value				
Personnel	22,177	5,028	120,523	114,845
Direct remuneration	21,969	4,843	108,424	109,378
Benefits	145	150	10,007	4,706
FCTS	63	35	2,092	761
Taxes, duties and contributions	2,082	581	557,190	351,507
Federal	1,928	581	551,169	347,915
State	-	-	5,303	3,268
Municipal	154	-	718	324
Third-party capital remuneration	11,581	58,844	1,678,824	3,443,440
Interest (Financial expenses)	10,712	55,157	832,463	1,568,858
Rentals	-	-	63,770	1,098
Other (royalties, other expenses)	869	3,687	782,591	1,873,484
Remuneration of own capital	3,427,072	1,333,046	3,427,072	1,333,046
Income (loss) for the year	3,427,072	1,333,046	3,427,072	1,333,046

See the accompanying notes to the financial statements.



Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

1. Operations

Petro Rio S.A. ("Prio"), 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. ("PrioOG"), Brasoil Coral Exploração Petrolífera S.A. ("Coral"), Petro Rio Jaguar Petróleo SA. ("Jaguar") and Prio Bravo Ltda ("Bravo" – formerly Petro Rio Sardinha Participações Não Operadas Ltda are the production of oil and natural gas, operating in Campos Basin - RJ (PrioOG, Jaguar and Bravo) and in Camamu Basin – BA ("Coral").

Polvo Field

PrioOG 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 in 2022 was of roughly 6.6 thousand bbl (8.4 thousand bbl in 2021).

Manati Field

In March 2017, PrioOG 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 in 2022 was of roughly 2.5 million cubic meters of natural gas (3.2 million cubic meters of natural gas in 2021).

As of November 3, 2022, the Company signed an agreement with Gas Bridge S.A. ("Gas Bridge"), for the disposal of its 10% interest in Manati Field.

The total amount of the transaction is R\$ 124 million, 10% of which will be paid upon signature and the remainder upon completion of the transaction. Completion is subject to

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

the usual precedent conditions, such as the approval by CADE and the ANP. The effective date of the sale is December 1, 2022.

The equity interest in the Manati Field was acquired in 2017 for R\$ 140 million, generated R\$ 350 million in cash to date and at the conclusion of the transaction it will have returned 3.4 times the capital invested.

The Company continues to account for this asset in accordance with CPC 31, as non-current assets classified as held for sale, pursuant to Notes 2.10 and 9, due to the intention to sell the asset.

Frade Field

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. In 2022, the Field produced approximately 22.3 thousand bbl of oil per day (16.3 thousand bbl of oil per day in 2021).

FPSO Bravo (formerly “OSX-3”) and Tubarão Martelo

As of 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 (“TBMT”) and Polvo Fields, through a connection with the Polvo A Fixed Platform, which took place in July 2021.

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. In 2022, the Field produced approximately 10.5 thousand bbl of oil per day (7.7 thousand bbl of oil per day in 2021).

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

Connection between the Polvo and Tubarão Martelo fields

As of 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 allow more oil to be recovered from the reservoirs, for a longer period, considerably increasing the recovery factor of the fields.

After the connection, Prio 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 and Itaipu Field

As of 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 Prio becoming the operator of both pre-salt fields and increasing proven developed reserves by approximately 132 million barrels.

Furthermore, on March 4, 2021, the Company signed an agreement with Total E&P do Brasil Ltda. for the acquisition of an additional 28.6% equity interest in Wahoo, whose approval by the National Agency of Petroleum, Natural Gas and Biofuels (ANP) took place on July 8, 2021. Subsequently, as of September 26, 2022, the Company also signed with Total E&P do Brasil Ltda. the acquisition of the remaining 40% of the Itaipu field, still pending ANP approval.

In addition to the Wahoo portion acquired from BP, Prio’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”).

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

The Wahoo Field, with the oil discovery in 2008 and the formation test performed in 2010, fits into the Company's value generation strategy. With the development of the field, the Company will form another production cluster and will share the full infrastructure with Frade Field (including the FPSO), thus enabling the capture of several synergies resulting in another strong and sustainable decrease in the lifting cost, striving to always maintain the highest standards of safety and efficiency. Itaipu is an exploratory block that is located close to the Parque das Baleias cluster and preliminary studies performed indicate that the accumulation is potentially shared with the southeast region of the cluster and before the development definition, a unitization process may be necessary. See further details of the acquisition in Note 12.

Albacora Leste field

On April 28, 2022, the Company signed a Purchase and Sale Agreement with Petróleo Brasileiro S.A. for the acquisition of a 90% interest and operation of Albacora Leste Field, with Repsol Sinopec Brasil as the partner holding the remaining 10%.

As informed in Note 35.2, on January 26, 2023, the acquisition of a 90% interest in Albacora Leste Field ("Field" or "Albacora Leste") with Petróleo Brasileiro S.A. ("Petrobras") was concluded, with the payment of the transaction balance. As of this date, PRIO took over the operation of the asset.

The fixed portion of the transaction was US\$ 1,951 million (R\$ 10,180 million), of which US\$ 293 million (R\$ 1,528 million) was paid upon signature of the agreement in April 28, 2022, and the remainder will be paid on January 26, 2023, restated by due price adjustments. Furthermore, an additional payment (earnout) of up to US\$ 250 million may be made, depending on future Brent oil quotations.

Albacora Leste is located at a water depth of 1,200 meters, in the north of the Campos Basin, 23 km from the Frade field. Discovered in 1986, the field had its first oil in 1998 and currently has a production of approximately 32 kbpd (average of the last 30 days) and net 27.2 kbbld to PRIO, API 19° with low levels of Sulphur, through its 10 production wells and 6 injection wells currently in operation.

According to Certification of Reserves requested by PRIO and prepared by DeGolyer & MacNaughton ("D&M") on April 01, 2022 the field had an economically recoverable reserve (1P) with approximately 280 million barrels with a net reserve of over 240 million barrels for PRIO, expected to be abandoned after 2050. Estimates consider a long-term price of US\$ 60 per barrel of oil.

COVID-19

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 financial statements

December 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 financial statements were prepared and are presented in accordance with accounting practices adopted in Brazil, which include the provisions of Brazilian Corporation Law, Procedures, Guidance and Interpretations issued by Accounting Pronouncements Committee - CPC and approved by the Brazilian Securities Commission - CVM and by the Federal Accounting Council - CFC, which are in conformity with international accounting standards issued by *International Accounting Standards Board - IASB*.

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

The Company's Management authorized the issue of financial statements as of March 01, 2023.

Management considered the guidelines provided for Guideline OCPC 07, issued by CPC in November 2014, in the preparation of its financial statements, so that all material information specific to the financial statements is disclosed and corresponds to what is used in the Company's management.

2.2. Basis of preparation

The individual and consolidated financial statements were 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

Consolidated financial statements include financial statements 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 (loss) of the subsidiaries acquired, sold or merged during the year are included in the consolidated income and comprehensive income information from the effective date of acquisition, disposal or merger, as applicable.

In the Company's individual financial statements, the financial data of direct and indirect subsidiaries are recognized under the equity method of accounting. When necessary, subsidiaries' financial statements 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 financial statements.

The Company's consolidated financial statements include:

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

		Interest			
		12/31/2022		12/31/2021	
		Direct	Indirect	Direct	Indirect
Fully consolidated companies					
Petro Rio O&G Exploração e Produção de Petróleo Ltda.	"PrioOG"	100.00%	-	100.00%	-
Petro Rio Internacional S.A.	"PrioIntl"	0.86%	99.14%	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 TradingTrading"	-	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%
Prio Bravo Ltda.(Petro Rio Sardinha Participações Não Operadas Ltda.)	"Bravo"	-	100.00%	-	100.00%

2.4. Functional and presentation currency

Presentation currency

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

- 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".

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

Functional currency

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

With the gradual increase in the representativeness of operations in dollars, considering the acquisition of new fields, investments in new wells, which increased the billing, debts raised in Dollar, 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 change incurred between the transaction's initial recording date and the date of settlement 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 financial statements in the US dollar functional currency, presented as supplementary information, as well as the information translated into the presentation currency, which is the *reais*, are presented below:

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

Statement of financial position

Assets

Cash and cash equivalents
Accounts receivable
Oil inventories
Inventory of consumables
Recoverable taxes
Advances to suppliers
Advances to partners
Prepaid expenses
Other receivables

Current assets

Non-current assets available for sale

Advances to suppliers
Deposits and pledges
Recoverable taxes
Deferred taxes
Related parties
Right-of-Use (Lease CPC 06.R2/IFRS 16)
Investments
Property, plant and equipment
Intangible assets

Non-current assets

Total assets

December 31, 2022			
Parent company		Consolidated	
US\$	R\$	US\$	R\$
3,287	17,148	1,842,375	9,612,961
-	-	31,873	166,304
-	-	66,069	344,727
-	-	20,833	108,698
302	1,575	14,568	76,012
7	34	35,676	186,149
-	-	6,235	31,336
81	430	2,072	10,809
-	-	60	317
3,677	19,187	2,019,761	10,537,313
-	-	12,291	65,314
-	-	12,291	65,314
-	-	46	242
2	12	2,016	10,518
-	-	5,160	26,923
2,102	10,970	132,640	692,076
18,568	96,881	-	-
-	-	281,920	1,470,973
1,917,550	10,005,199	-	-
100	520	894,111	4,665,206
-	-	543,141	2,833,955
1,938,322	10,113,582	1,859,034	9,699,893
1,941,999	10,132,769	3,891,086	20,302,520

Statement of financial position

Liabilities and shareholders' equity

Suppliers
Labor obligations
Taxes and social contributions
Local debentures (includes conversion swaps)
Loans and financing
Contractual charges (Leases - IFRS 16)
Other liabilities

Current liabilities

Liabilities related to non-current assets held for sale

Suppliers
Loans and financing
Mark-to-market of debenture swaps
Local debentures (includes conversion swaps)
Provision for abandonment (ARO)
Provision for contingencies
Related parties
Contractual charges (Leases - IFRS 16)
Other liabilities

Non-current liabilities

Realized capital
Capital reserves
Profit reserves
Accumulated translation adjustment
Equity valuation adjustments

Shareholders' equity

Total liabilities and shareholders' equity

December 31, 2022			
Parent company		Consolidated	
US\$	R\$	US\$	R\$
42	218	108,463	565,926
3,594	18,755	26,449	138,003
122	635	30,418	158,712
-	-	7,765	40,514
-	-	75,370	393,258
-	-	12,371	64,547
-	-	8,324	43,433
3,758	19,608	269,160	1,404,393
-	-	(2,519)	(16,654)
-	-	(2,519)	(16,654)
-	-	288	1,503
-	-	1,005,828	5,248,108
-	-	17,117	89,310
-	-	373,768	1,950,208
-	-	51,367	271,631
96	500	4,475	23,350
42,288	220,644	-	-
-	-	275,372	1,436,811
-	-	373	1,843
42,384	221,144	1,728,588	9,022,764
953,380	5,319,674	953,380	5,319,674
68,214	377,427	68,214	377,427
762,020	3,682,453	762,020	3,682,453
129,360	601,773	129,360	601,773
(17,117)	(89,310)	(17,117)	(89,310)
1,895,857	9,892,017	1,895,857	9,892,017
1,941,999	10,132,769	3,891,086	20,302,520

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

Statement of cash flows	December 31, 2022			
	Parent company		Consolidated	
	US\$	R\$	US\$	R\$
Cash flows from operating activities				
Income (loss) for the year (before taxes)	717,743	3,434,808	761,913	3,661,820
Depreciation and amortization	79	443	156,955	854,256
Financial revenue	(1,444)	(5,706)	(85,495)	(38,284)
Financial expenses	2,301	10,228	112,821	369,235
Share-based remuneration	6,929	36,008	6,929	36,008
Equity in income of subsidiaries	(723,995)	(3,467,061)	-	-
Provision for contingencies/losses/R&D	(1)	(24)	1,038	38,399
Amendment of the provision for abandonment/IFRS 16 Contracts	-	-	(71,642)	(329,856)
	1,612	8,696	882,519	4,591,578
(Increase) decrease in assets				
Accounts receivable	-	-	132,410	731,806
Recoverable taxes	22	1,028	8,306	22,309
Prepaid expenses	(95)	(507)	(206)	(3,265)
Advances to suppliers	(7)	(37)	(20,668)	(14,629)
Oil inventories	-	-	(32,114)	(142,899)
Inventory of consumables	-	-	(15,804)	(80,116)
Related parties	(7,967)	(37,803)	-	-
Advance to partners in oil and gas operations	-	-	1,519	6,614
Deposits and pledges	(2)	(15)	(453)	607
Other receivables	30	183	440	584
Increase (decrease) in liabilities				
Suppliers	(36)	(272)	70,309	396,785
Labor obligations	566	1,251	(422)	11,209
Taxes and social contributions	(48)	(292)	(117,803)	(597,001)
Related parties	1,932	6,401	-	-
Contingencies	-	-	-	-
Other liabilities	-	-	7,012	3,577
Net cash (invested in) from operating activities	(3,993)	(21,367)	915,045	4,927,159
(Investment in) redemption of securities	63	349	668,486	3,554,357
(Investment in) redemption of abandonment fund	-	-	883	1,236
(Purchase) sale of fixed assets	-	-	(368,797)	(1,900,536)
(Purchase) sale of intangible assets	-	-	(166)	(862)
(Acquisition) of oil and gas assets	-	-	(360,150)	(1,830,159)
Net cash (invested in) from investment activities	63	349	(59,744)	(175,963)
Borrowings	-	-	478,000	2,347,901
Repayment of principal on loans	-	-	-	-
Interest paid on loans	-	-	(44,062)	(230,139)
Contractual charges (Leases IFRS 16 - Principal)	-	-	(12,813)	(65,663)
Contractual charges (Leases - IFRS 16) - Interest	-	-	(11,086)	(56,957)
Funding of debentures	-	-	397,520	2,038,922
Derivative transactions	-	-	6,274	(21,544)
Shares of the Company itself (held in treasury)	-	-	(3,571)	(18,633)
(Decrease) Paid-up capital	2,991	16,030	2,991	16,030
Net cash (invested in) from financing activities	2,991	16,030	813,253	4,009,917
Translation adjustment	-	(1,445)	(121)	(118,833)
Net increase (decrease) in cash and cash equivalents	(939)	(6,433)	1,668,433	8,642,280
Cash and cash equivalents at the beginning of the year	4,226	23,581	173,942	970,681
Cash and cash equivalents at the end of the year	3,287	17,148	1,842,375	9,612,961
Net increase (decrease) in cash and cash equivalents	(939)	(6,433)	1,668,433	8,642,280

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

Consolidated statement of income	December 31, 2022			
	Parent company		Consolidated	
	US\$	R\$	US\$	R\$
Net revenue	-	-	1,249,659	6,363,475
Costs of products/services	-	-	(397,668)	(2,106,303)
Gross revenue	-	-	851,991	4,257,172
Geology and geophysics expenses	-	-	(2,901)	(14,859)
Personnel expenses	(4,303)	(22,176)	(23,248)	(120,523)
General and administrative expenses	(20)	(105)	(9,094)	(46,726)
Expenses with Outsourced Services	(677)	(3,467)	(11,864)	(61,164)
Taxes and rates	(422)	(2,083)	(2,279)	(11,730)
Depreciation and amortization expenses	(79)	(443)	(13,776)	(112,527)
Equity in income of subsidiaries	723,994	3,467,061	-	-
Other operating revenues (expenses), net	(66)	(314)	17,089	26,570
Operating income (loss) before financial income (loss)	718,427	3,438,473	805,918	3,916,213
Financial revenues	42	219	54,317	278,680
Financial expenses	(1,323)	(5,750)	(108,865)	(558,099)
Net exchange-rate changes	597	1,866	10,544	25,026
Income before income tax and social contribution	717,743	3,434,808	761,914	3,661,820
Current income tax and social contribution	-	-	(105,155)	(545,460)
Deferred income tax and social contribution	(1,486)	(7,736)	59,498	310,712
Income (loss) for the year	716,257	3,427,072	716,257	3,427,072

2.5. Cash and cash equivalents

They are maintained for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Comprised of balances in cash, demand bank deposits, and financial investments with immediate liquidity and insignificant risk of change in value.

2.6. Current and non-current assets and liabilities

Current and non-current assets and liabilities are stated at realization and/or collection values, respectively, and contemplate inflation adjustments or exchange-rate changes, as well as earned or incurred earnings and charges, when applicable.

2.7. Oil and gas exploration, development, and production expenditures

For the expenditures on exploration, development and production of oil and gas, the Group – for the purposes of the accounting practices adopted in Brazil – uses accounting criteria in accordance with IFRS 6 – “Exploration for and evaluation of mineral resources.”

Property, plant and equipment: It is recorded at the amortized or construction cost, restated, when applicable, to its recovery value and it is represented mainly by assets associated to stages of exploration and oil and natural gas production development, such as, for example, expenditures on drilling and completion, and E&P equipment. Also includes machinery and equipment and other tangible assets used for administrative purposes, such as furniture, telephone devices, IT equipment. Gains and losses deriving from write-off or disposal of a property, plant and equipment are determined by the difference between earned revenue, if applicable, and respective residual value of the asset, and is recognized in income (loss) for the year.

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

Exploratory concession rights and subscription bonuses: are recorded as intangible asset. The Group substantially presents, in its intangible assets, the expenses with the acquisition of exploratory concessions and the subscription bonuses corresponding to the offers for obtaining a concession for oil or natural gas exploration. They are recorded at acquisition cost and adjusted, when applicable, to their recovery value and are amortized using the produced unit in relation to the total proven reserves when they enter the production phase.

Successful efforts: Expenditures with exploration and development of oil production are recorded in accordance with the successful efforts method. This method determines that the development costs of all production wells and successful exploratory wells, related to economically feasible reserves, be capitalized, while geological and geophysical and seismic costs should be considered as expenses for the year when incurred. Additionally, the dry exploratory well expenditures and those related to non-commercial areas should be recognized in results when identified as such.

Abandonment expenditures: Abandonment expenditures of the oil development and production areas are recorded as intangible assets in contra account to a provision in liabilities.

Depreciation: Expenses with exploration and development of production, as well as FPSOs and subsea equipment, are depreciated beginning as of declaration of commercial viability and start of production, using the units of production method. According to this method, monthly depreciation rate is obtained by dividing monthly production by total estimated reserve balance (proved developed) at the beginning of the month. On an annual basis, the Company reviews total reserve balance. Machinery and equipment are depreciated by the straight-line method based on the rates mentioned in Note 11 that takes into consideration the estimated useful lives of the assets with the respective residual values.

2.8. Business combination

Business combinations are accounted for under the acquisition method. The cost of an acquisition is measured for the consideration amount transferred, valued on fair value basis on the acquisition date, including the value of any ownership interest held by non-controlling shareholders in the acquired company, regardless of their proportion. For each business combination, the buyer must measure the non-controlling interest in the acquired business at the fair value of based on its interest in the net assets identified in the acquired business. Costs directly attributable to the acquisition must be accounted for as expenses when incurred, as well as any contingent consideration to be transferred will be recognized at fair value on the acquisition date.

Goodwill is measured as being the excess of total consideration to net assets acquired (acquired identifiable assets, nets and assumed liabilities). If consideration is lower than fair value of net assets acquired, the difference is recognized as gain in statement of operations.

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

For impairment testing purposes, goodwill acquired in a business combination is, from the acquisition date, allocated to each cash-generating units of the Group that are expected to benefit by the synergies of combination, regardless of other assets or liabilities of the acquiree being allocated to those units.

2.9. Analysis of Recoverable amount of assets

Pursuant to CPC 01, Property, plant and equipment items, intangible assets and other current and non-current assets are valued on an annual basis to identify evidence of unrecoverable losses, whenever events or significant changes in the circumstances indicate that the book value may not be recoverable.

When there are losses deriving from situations in which the asset book value exceeds its recoverable value, defined as the higher of the asset's value in use and asset's net sales value, they are recognized in income for the year.

2.10. Non-current assets held for sale

The Company classifies a non-current asset as "held for sale" when its book value will be recovered mainly through a sale transaction rather than its continuing use. These non-current assets and held for sale are stated at the lowest value between their book value and the fair value, net of sales expenses. Sales expenses are represented by incremental expenses directly attributable to the sale, except financial expenses and income taxes.

The classification criteria for non-current assets held for sale are met when the sale is highly probable and the asset or group of assets held for sale are available for immediate sale at current conditions, subject only to customary and usual terms for the sale of such assets held for sale.

Property, plant and equipment and intangible assets are not depreciated or amortized when classified as held for sale and they are presented separately as current items in the balance sheet, as well as other related assets and liabilities. Note 9.

2.11. Inventories

Costs incurred to take the product to its location and conditions are measured at weighted acquisition or production average cost. The net realizable amount corresponds to the sales price estimated for the normal course of the businesses, less estimated execution costs and those required for the sale.

2.12. Income tax and social contribution

Such taxes are calculated and recorded considering the tax rates prevailing on the date of the preparation of the financial statements. Deferred taxes are recognized based on inter-temporal differences, tax losses, and social contribution negative basis, when applicable, only when and up to the amount that may be considered as of probable realization by Management (in accordance

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

with business model approved by the Company's Management and governance councils).

2.13. Statement of income

Income (loss) from operations complies with the accrual basis. Sales revenues are recognized upon transfer of ownership and its inherent risks to third parties and recognized only if all performance obligations provided in contracts with clients were complied with and can be reliably measured.

2.14. Transactions involving payment in shares

Share-based remuneration plan for employees, to be settled with equity instruments, is measured at fair value on grant date, as described in Note 242.2.

Granted options fair values determined on grant date are recorded at the straight line basis as expenses in income for the year during the period in which the right is acquired, based on the Company's estimates on which granted options will be possibly acquired, with corresponding increase in shareholders' equity (stock option plan).

The Company reviews its estimates on the number of equity instruments that will be eventually regularly acquired. Review impact on original estimates, if any, is recognized in income for the year as a counterparty to adjustment in shareholders' equity under "Capital reserve".

2.15. Financial instruments

Financial assets and liabilities are recognized when the Group is a party of the contractual provisions of the instruments. Financial assets and liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities are increased or reduced by the fair value of the financial assets or liabilities, when applicable, after initial recognition. Transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are recognized immediately in the statement of income.

2.16. Financial assets

The Group's financial assets are classified into the following categories: (i) fair value through other comprehensive income, and (ii) financial assets at fair value through profit or loss. Classification depends on nature and purpose of financial assets and is determined on initial recognition date.

All regular acquisitions or disposals of financial assets are recognized or written-off based on negotiation date. Regular acquisitions or disposals correspond to financial assets' acquisitions or disposals requiring delivery of assets within term established in a standard or market practice.

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

Financial assets measured at fair value through profit or loss: Include financial assets held for trading (that is, acquired mainly to be sold in the short-term), or assigned at fair value through profit or loss. Any interest, inflation adjustment, exchange-rate change and any changes arising from evaluation at fair value are recognized in income (loss), as financial revenues or expenses, when incurred.

Financial assets at fair value through other comprehensive income: They include equity instruments and debt securities, which are intended to be held for an indefinite period and can be sold to meet liquidity needs or in response to changes in market conditions. After initial recognition, the financial assets available for sale are measured at fair value, with unrealized gains and losses, recognized directly in the available-for-sale reserve within other comprehensive income until the investment is derecognized.

Impairment of financial assets Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Impairment losses are recognized if, and only if, there is objective evidence of the financial asset impairment as a result of one or more events that occurred after initial recognition with impact on this asset's estimated future cash flows.

For all other financial assets, an objective evidence may include:

- Significant financial difficulty of the issuing company or counterparty; or
- Breach of contract, such as default or delay in interest or principal payments; or
- Probability of debtor declaring its bankruptcy or financial reorganization; or
- Extinction of that financial asset active market due to financial problems.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's book and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss recognized for goodwill will not be reversed in subsequent periods.

The book value of the financial asset is directly impaired for all financial assets with the exception of accounts receivable, where the book value is reduced through the use of a provision account. Subsequent recoveries of amounts previously written off are credited to the provision. Changes in book value are recognized in income (loss).

2.17. Loans and financing

When applicable, loans and financing obtained are initially recognized at fair value when funds are received net of transaction costs. Subsequent measurement is made using the amortized cost method; that is, plus charges, interest incurred *pro rata temporis* and Inflation adjustments and exchange-rate changes, as provided for in the contract, incurred up to the date of the individual and consolidated financial statements.

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

2.18. Derivative financial instruments

The Company uses derivative financial instruments to hedge against its exposure to the risk of fluctuations in oil prices (Note 32) and hedge against exchange rate and rate exposure in the non-convertible debentures agreement (Note 18). The derivative financial instruments designated in hedging operations are initially recognized at fair value on the date on which the derivative contract is signed, and are subsequently measured also at fair value. Derivatives are presented as financial assets when the fair value of the instrument is positive; and as financial liabilities when the value is negative.

Any gains or losses arising from changes in the fair value of derivatives during the year are recorded directly in the income (loss) for the year, except when they are designated as a hedge, where gains and losses are accounted for in shareholders' equity until their settlement, when they are transferred to income (loss).

The Company does not operate with speculative derivative financial instruments.

2.19. Statements of cash flows ("DFC")

Statements of cash flows were prepared and presented in accordance with the Technical Pronouncement CPC 03 (R2) - IAS 7 under the indirect method.

The Company classifies the interest paid as a financing activity, as it understands that it represents costs to obtain its financial funds.

2.20. Statements of added value ("DVA")

Statements of added value have been prepared and are presented in accordance with Technical Pronouncement CPC 09.

2.21. Use of estimates and judgments

The preparation of individual and consolidated financial statements according to IFRS and CPC standards requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported values of assets, liabilities, revenues, expenses and notes. Actual results may differ from these estimates.

Estimates and assumptions are reviewed in a continuous manner. Reviews in relation to accounting estimates are recognized in the period in which the estimates are reviewed and in any future periods affected.

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

Information on assumptions and estimates that may result in adjustments within the next financial year are included in the following notes:

- Note 9 – Non-current assets classified as held for sale.
- Note 11 – Property, plant and equipment, primarily those relating to written-off, amortizations and impaired oil & gas assets.
- Note 12 – Intangible assets, primarily those relating to written-off, amortization and impaired oil & gas assets.
- Note 20 – Current and deferred income tax and social contribution.
- Note 19 – Leases, CPC 06 (R2)/IFRS 16.
- Note 21 – Provision for abandonment of facilities.
- Note 24 – Shareholders' equity / Share-based remuneration plan.
- Note 32 – Objectives and policies for financial risk management.
- Note 34 – Contingencies.

2.22. Net earnings per share

Basic/diluted earnings per share is computed by dividing net income by the weighted average of common shares held by the shareholders, excluding treasury shares in the period.

2.23. ICPC 22 / IFRIC 23 - Uncertainty on treatment of income taxes

ICPC 22 clarifies the criteria for recognition, measurement and disclosure of the uncertainties referring to taxes on profit, due to the absence of explanations in this regard by Technical Pronouncement CPC 32 – Income taxes (CPC 32) and differences between the procedures adopted by the companies. The Company evaluated the effects and there is no impact on the financial statements.

2.24. CPC 06 (R2) / IFRS 16 – Lease operations

The Company evaluates all contracts that can be included in the Pronouncement's identification principles of the Technical Pronouncement CPC 06 (R2) / IFRS 16 and does not consider short-term leases maturing within 12 months were not taken into considering, in addition to leases of non-significant amounts, provided that the payments of the leases related to these contracts are recognized as expenses over the term of the contract.

Lease liabilities were measured at present value of the remaining lease payments, using the surcharge rate on the Company's loan at first-time adoption date. The right-of-use asset is recognized based on the value of the lease liability, adjusted for any anticipated or accumulated lease payment related to that lease, recognized in the balance sheet immediately before the date of initial adoption.

2.25. CPC 23 – Accounting Policies, Changes in Accounting Estimates and Errors

Change in accounting estimate

The Company, through its internal geology and reserves area,, estimated the reserves for the Fields in operation projected as of December 31, 2022.

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

For the Polvo, Tubarão Martelo and Manati fields, the Company did not identify any material changes in relation to the reserves certified by D&M in April 2022.

However, for the Frade field, with four wells drilled in 2022, where two of which are producers and two are injectors, the Company estimates a significant increase in proved developed producing reserves (PDP), the basis for field depreciation, and in the useful life of the Field, which is used to calculate both the provision for abandonment and lease agreements under CPC 06 – IFRS 16.

According to the new estimate, the useful life Frade Field would increase until the end of 2041, with proved developed producing reserves of approximately 78 million barrels, accounting for an increase of approximately 47 million barrels compared to the last certification.

2.26. Expenditures associated to Join Operating Agreement (JOA) of Frade Field

The Company, in the capacity of Frade Field operator, is responsible for contracting and paying all suppliers of this concession.

On a monthly basis, disbursements projected for subsequent month are estimated and charged from partners through cash calls, and evidence of expenditures is provided in billing statements.

Therefore, invoices received by the Company contemplate total value of acquired materials and services, but presentation in the Company's statements of income/cost reflects only its interest.

2.27. Standards and new and reviewed interpretations already issued

The new and amended standards and interpretations issued by the IASB and the CPC, as described below, are not yet effective. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they come into force, as of January 1, 2023:

Standards	Description	Mandatory application: years starting on or after
CPC 50	Insurance contracts	January 1, 2023
Amendments to CPC 26	Classification of liabilities as current or non-current	January 1, 2023
Amendments to CPC 23	Definition of accounting estimates	January 1, 2023
Amendments to CPC 10 -Practice statement	Disclosure of accounting policies	(January 1, 2023) - Practice Statement (no effective date or transition requirement)

Notes to the financial statements

December 31, 2022

(In thousands of reais, unless otherwise indicated)

2.28. New or reviewed pronouncements applied for the first time in 2022

The Company adopted certain standards and amendments for the first time, which are effective for annual periods beginning on or after January 1, 2022 (unless when otherwise indicated). These amendments had no impact on the financial statements of the Company. The Company decided not to early adopt any other standard, interpretation or change that has been issued but is not yet effective.

Amendments to standards	Description	Mandatory application: years starting on or after
CPC 37 (R1), CPC 48; CPC 29, CPC 27, CPC 15 (R1)	The amendments to the described pronouncements are due to the annual change related to the cycle of improvements between 2018 and 2020, such as: Onerous Contracts – Costs of Fulfilling a Contract; (2) Property, Plant and Equipment – Proceeds before Intended Use; and (3) References to Conceptual Framework.	January 1, 2022

3. Cash and cash equivalents

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash	-	-	80	48
Banks	17,148	23,581	9,612,881	970,633
	17,148	23,581	9,612,961	970,681
Domestic	3,418	3,603	2,671,858	18,099
Abroad	13,730	19,978	6,941,103	952,582

The balance of cash and cash equivalents consists of funds for the purpose of business working capital and mainly for the settlement of commitments assumed with the acquisition of assets disclosed in Note 35, invested in highly liquid instruments in Brazil (purchase and sale commitments, Bank Deposit Certificates and investment fund) and abroad (remunerated current account deposits), without risk of significant change of principal and yields upon redemption.

4. Securities

	Parent company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Bank Deposit Certificates	-	-	-	74,462
Time Deposit	-	350	-	3,070,312
Bond	-	-	-	535,411
Financial assets - fair value through profit or loss	-	350	-	3,680,185
Total	-	350	-	3,680,185

All investments classified as securities were redeemed in December 2022 to settle the commitments assumed with the acquisition of assets mentioned in the previous note.