

Y 2019 Earnings Call

Company Participants

- Francilmar Fernandes, Chief Operations Officer
- Nelson Queiroz Tanure, Chief Executive Officer
- Roberto Monteiro, Chief Financial Officer
- Unidentified Speaker

Other Participants

- Unidentified Participant

Presentation

Operator

Good day, ladies and gentlemen. Welcome to Petro Rio's conference call to discuss fourth quarter and full year 2019 results. Thank you for standing by. (Operator Instructions) This event is also being broadcast simultaneously over the Internet and may be accessed through Petro Rio's Investor Relations website at www.petroriosa.com.br/ir by clicking on the banner Q4 '19 Earnings Release.

As a reminder -- before proceeding, let me mention that forward-looking statements that might be made during this conference call, relative to the Company's business perspective, projections and operating and financial goals are based on the beliefs and assumptions of Petro Rio's management and on information currently available to the company. Forward-looking statements are not a guarantee of success. They involve risks, uncertainties and assumptions that they are related to future events and therefore depend on circumstances that may or may not occur in the future. Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of Petro Rio and could cause results to differ materially from those expressed in such forward-looking statements.

I would now like to turn the conference over to Mr. Nelson Queiroz Tanure, CEO. Mr. Francilmar Fernandes, COO; Mr. Roberto Monteiro, CFO. Mr. Tanure,, please go ahead.

Nelson Queiroz Tanure {BIO 20365123 <GO>}

Good afternoon everyone and thank you very much for joining us on this earnings conference call. And as always, I can see a lot of Petro Rio's employees listening to the call and folks this always makes me very happy, you are also owners of this Company, almost everyone who works here is a shareholder. You are the ones that create all this value when you're building something very beautiful. So that makes me very happy.

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Just to give you little about 2019, we had a very positive year the first point to highlight is safety. We had very high operating safety and operating efficiency at Polvo Field and at Frade field, which we acquired in March of last year together with Manati all operating at a very high safety level in safety of everything. I mean, environmental safety, occupational safety and health, these are our central pillars not negotiable with many others, but this is the top priority and we grew the company we acquired Frade field, we had a drilling campaign at Polvo Field to beginning in the second half of '19 but we also many investments at Frade field which brought positive results and we continue to grow.

Recently, we announced that the acquisition of Tubarao Martelo field, TBNT, but this was already in 2020 and some other macro level comments the evolving culture instance of a owner ship operating, discipline, financial discipline of Petro Rio focus on attracting talented people and give them greater challenges with high expectations regarding where they can produce. This is very important for our company to continue to grow sustainably. And the quick reflection now that we have a look at our 2019 numbers Roberto will get into more details, as well as transfer mark.

But it is worth pointing out that the median Brent price in 2018 was \$73. All of the results we will show now that we are positive and improving compared to 2018 happened with a Brent price of \$63. So we were able to grow the Company improving creating value improving our margins in a more challenging environment with \$10 less in the price of our Brent oil. So this is a good context in which to analyze certain numbers. In terms of safety, as I mentioned, safety is very important for the operated with operating efficiency and safety indicators, which was very high satisfactory and that achieved our expectations.

Frade field as well. We took over the operation in March. Chevron had done very solid work in terms of safety and best practices. So, we could learn a lot from what they did at the field and apply them at Polvo, as well as [ph]apply many of our own Polvo best practice in Frade that led to many improvements in the already very positive indicators of the field and these improvements become even more expressive when we consider all the investments made to rationalize costs at Frade field and to improve our Reservoir Management to consequently have better production is Frade field. And Manati operated by Petrobras continues to be operated with very high end satisfactory safety level.

Along those lines it is with a quick reminder of Petro Rio's business model and how we create value. This is what we call CRP model, essentially, it is a strong focus to rationalize costs and to have efficient costing, together with a very efficient reservoir management. That means the thorough analysis of seismic and geological data production systems and to maximize the field production in a sustainable fashion. An easy way to understand this, is that every barrel is important to us. This was true when the company produced 6,000 barrels. It was true in the end of 2019, when we were producing close to a 30,000 barrels and will remain true as we grow every barrel counts for us.

And in terms of efficiency and timely response time and focus this also generates good benefit for the environment both in Frade field when operated separately had a much greater impact in terms of emissions. Then what they have today is open funding with all the synergies derived from a joint operation have a much more positive environmental

impact can be for us. So in addition to all positive effect if patients in synergies we have a much more positive environmental impact.

To continue and to quickly mention some tangible 2019 data, we started 2019 with two field as our primary revenue stream: Manati and Frade fields. And we had a production of approximately 12,000 barrels a day. We ended 2019 with more than 30,000 barrels and we proceeded to have three assets generating revenue.

In Frade field in addition to the safe transition as I previously mentioned gain with an FPSO there we have been operating since the beginning of last year and very safely, so the company becomes more and more solid and is getting ready to face bigger challenges such as the acquisition of Tubarao Martelo which just like Frade comes with an FPSO which will belong to Petro Rio. And that will be operated by ourselves. So this is very positive.

And with many of the synergies and the way we operate these fields with the CRP model, a very summarized way to see the value created is analyzing our listing cost. Petro Rio lifting cost on the beginning of 2019 was approximately \$30 per barrel. We ended 2019 with the lifting cost of approximately \$19. So this is very summarized way to see how we create value. Well, this was a company that cost -- that used to cost the whole company, not just the fields but the whole company, we used to cost approximately \$30 per barrel. But the company is -- so it's cost we're just seeing more than one-third while growing and this is indeed the best hedging strategy that an oil and gas company can have are using very efficient with very low costs with very high production all resulting in a very low lifting cost. This is our hedging strategy.

To end, two more points I'd like to mention. As the company grows delivering positive results with solid performance and a solid culture, we can also give back to the society and contribute to the communities where we operate. So the company is very engaged in social cultural philanthropic and sports initiative. Here in the state of Rio de Janeiro mainly in the city of Rio there are way too many initiatives to list right now. But these activities are very important to Petro Rio. They make us very proud to be able to contribute to the communities where we operate. We want to be an example company in terms of how we operate and how we behave and helping those who need help. So thank you all of you who work here, and thank you to our investors and now I turn the floor to Francilmar. Thank you.

Francilmar Fernandes {BIO 21185801 <GO>}

Thank you, Nelson. Good afternoon, everyone. Let us move to our operating highlights. We can see in 2019, the 64.6% increase in production year-on-year. A very representative result mainly due to the operation starting at Frade yield. We had a significant reduction in our lifting cost, which reached \$19.7 per barrel, which is what we were pursuing all along 2019. Production at Frade increased 15% compared to our own estimates in the beginning of the assets transition process. Our operating efficiency in the quarter was 99.7% at Frade field maintaining excellent level of performance at the field.

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Still 97% reduction in our lost time incident rates. So all of these items here confirm the company's capacity and we're very happy to have handled the transition of the asset in record time in around four months only, we were able to complete the whole transition and to take full control of the operation. The FPSO the Subsea system and the whole operation. In addition, in the end of the year, we had the acquisition of Tubarao Martelo field, which will bring significant synergy gains to the company.

Now, speaking a bit more about the performance of our assets, it is worth pointing out that Polvo Field had a 2.3% drop in production in the yearly comparison. And this was mainly due to the natural decline of the field. As a reminder, in 2018, we did not drill any additional wells, we did not add any new producing well and only now we see the effect of new wells. Manati's production had a more substantial reduction 26% mainly due to the natural decline of the field. Then after a flat production for many years strategy show more (inaudible) production decline.

Talking more about lifting cost, we can see the evolution along there in the chart, the top chart showing considerable 30% reduction from 2018 reaching \$22.9 per barrel in 2019. And this considering the state of production at Frade in April, 50% stake from Chevron plus the impacts stake more towards the end of the year, so in 2020 we should see an even more pronounced reduction in lifting costs in the bottom graph, we see the evolution with a 30% working interest from Petrobras along this year we should expect even more reduction and with (inaudible) it's a drop even more. The numbers are just still under review. And we should see better numbers in the future.

On the following slide, we will analyze our operating performance. We see the graph related to Frade field showing production evolution as of this [ph]derivative transition from Chevron to PetroRio initiative is more towards the end of 2018 and along 2019, the set of initiatives which were implemented to increase production to offset the natural decline of the field. So all of our day-to-day actions some short-term actions that have been completed. Some more complicated action which require a little more time, and they are at their final stage of preparation and should take place in the coming months such as well stimulation through assets and that certification process that we should perform most likely between March and April and some polymer injection operation to reduce over-production at the well.

And in the long-term the drilling campaign this should happen by year-end or next year. On the bottom chart, we can see the production curve, we are very happy to see a 15% production increase compared to our own initial estimates which were already higher than what the previous operator had estimated in their production program, which has the potential of the field and the result of our great work. In the following slide, we see both of fuels operating performance with a more significant reduction in operating efficiency in Q4 '19. A lot coming from a reduced efficiency of the Polvo FPSO it had some unscheduled stoppages for emergency maintenance and that led to reduced efficiency. Couple with that we had failure of ABCS pump in the beginning up the drilling campaign. So we had more than downtime at the well. And we have the recompletion of one well. We ended up spending a little more time on this well. Which has helped drive production at the field with the well producing around 700 barrels, which helped drive the fields production up again in January.

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Speaking about the drilling campaign of 2019, with one well, we were able to test three targets. The two primary targets were Ipanema and Leblon carbonate reservoirs, similar to what we already produced at the field, and there was a secondary target a sandstone reservoir. The results of the reservoirs were positive. We collected fluid samples and these flow regionally showed a higher level of this [ph]coverage and while we have been producing at the field. So we need to perform technical and laboratory analysis to choose the best process to improve the profile of the oil with some kind of Discovery reducing agent. This is being analyzed and we should have an answer in the next steps. So we can just find our next -- in the next days, so we can define our next steps.

Now speaking about the drilling campaign, At Frade we are at an advanced stage of market procurement and talking to suppliers, we had a final stage of preparation for the subsea part. We should drill four producing wells and three injector wells, drilling should begin along the second half of the year. We have a lot in our inventories. So, we have an estimated CapEx for this first well of \$17 million. And I mean should extend through 2021 and adjusted the results and we will adjust our results along the way. I would like to thank the whole corporate team, all the team, the M&A, legal, financial, HR management everyone who provides support, so we can achieve these great results. So that we can make the engine run smoothly in so little time. Thank you Roberto and his team, William and his team, thank you, Nelson. Thank you, everyone. So, I'll pass it to the operator.

Roberto Monteiro {BIO 16616322 <GO>}

Thank you. Francimar. I'll go over the Petroleo's financial highlights for 2019. And as you could expect the first number to be highlighted is our net revenue of BRL1.6 billion for 2019 a historical mark another all-time high mark is our EBITDA close to BRL800 million with an EBITDA margin of 48% also an all-time high. A cash generation of BRL570 million along 2019, so all of the indicators are very strong.

Now getting into M&A, we had the Frade deal the remaining 30% working interest of Frade during Q4 '19. And in the first quarter of 2020 as a subsequent fact the acquisition of Tubarao Martelo field, as well as the \$65 per barrel hedging, covering approximately 70% of sales at the first half of the year.

Well, moving to the next slide, Slide 11, I will highlight only our 2019 EBITDA ex IFRS 16 of BRL791 million and I would just like to note that this EBITDA takes into account Polvo and Manati Field. This EBITDA includes Frade field 50% as of March, 12% as of October, which is this stake from impacts, but it does not include any Petrobras stake of 30% and obviously it does not include any input from Tubarao Martelo TBMT. What I mean by that is that we started 2020 with strong quote-unquote contracted growth for our EBITDA.

And now, I will focus more on our M&A. On Slide 12, you can see our trajectory starting in 2014, strong M&A deals activities in 2019 we had three M&A deals considering actually 2018 and '19, so three M&A deals referring Frade, Chevron impacts and then Petrobras much towards the end of the year. In 2020 we've started with the TBMT acquisition and OSX-3 FPSO and I'll focusing on 2020 Tubarao Martelo and OSX-3, I'd like to show you on slide 13 the current snapshot of these two fields operating independently.

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We have one FPSO at Tubarao Martelo field, one FPSO at Polvo Field. We have the logistic base in Niteroi belonging to Delmo, the logistic base at ASU port belonging to Petro Rio. We have the support supply vessels. We operate at Frade and Polvo with three supply vessels; Delmo has its own vessel; helicopters, we have our own helicopters. Delmo has its own helicopter; talked about the separate base. So, this is the current snapshot, the current situation. When we think about a tie back between the two fields in addition to increasing production of the fields will add production from both fields we have a huge cost rationalization as we can see on Slide 14. We can consolidate our operations as if we were dealing with one single fields Tubarao Martelo plus Polvo they will be operated as a cluster. So the logistic space will be unified supply vessels will be rationalized we won't need so many, the same goes for the helicopters. And finally, the FPSO, will be able to operate the cluster and both the fields with only one FPSO.

So, in the end Polvo plus Tubarao Martelo as the cluster will be very similar to what we have at Frade today. We are going to have an increase if or why of at least ten years. So we are talking about the (inaudible) by 2035 where we had 14 million barrels worth of reserves according to our estimates and we are going to have a production cost below \$15 per barrel. So, perhaps this will be the biggest revitalization project for PetroRio in recent years.

So, now moving to Slide 15, details with the financial performance of the company, we can see that we continue with an excellent financial solidity. We have a net debt over EBITDA ratio of 1.1 time and I'd like to make note of one point, this 1.1 times ratio does not take into account cash referring to sales in the month of December of '19 because in December as we can see in the balance sheet, we ended the year with accounts receivable at any typical level of 374 million BRL. So when we calculate net debt, we don't take into account, accounts receivable it's not in our cash. But 374 million were in our cash in January.

If we were to consider these 374 million. If they were out of accounts receivable and if they were posted in cash, our net debt over EBITDA ratio would have reached to 0.4 times. So, we have excellent financial solidity we have firing power. We have a lot of momentum to continue to grow. Moving to the next slide, Slide 16. It has to do with funding. Our debt albeit a short-term debt, which is something we will try to address now in the coming quarters. So, albeit a short-term debt. We have very attractive loans and funding. We can see the all of the loan rates. They are LIBOR plus 2% per annum or lower. So, the company continues very financially disciplined with financial solidity and basically this is all I have to point out about our funding in Financial.

I would like to make another comment I would like to thank my financial team. I took over as CFO in the middle of 2019 leaving the operational department, so I'd like to thank my whole financial team for the whole work that they did. We worked hard at all fronts in terms funding, accounting, M&A deal, trading all of these financial areas.

So, I would like to particularly thank the financial team and the operational team and the legal and administrative team, because they gave me a lot of support regarding the M&A process. And they still provide a lot of support to our operation now integrating this new asset, to make it work, to make the necessary and relevant cost reductions and so on and

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so forth. So I would like to congratulate the whole company for the work done in 2019. Thank you very much.

Questions And Answers

Operator

(Operator Instructions) We have a question from the webcast from (inaudible). The media has been saying that PetroRio is negotiating the acquisition of part of the green field, right. Can you give us an update on the negotiations with the Norwegians and the Chinese. What about (inaudible) interest in Petro Rio in the negotiations with Shell to acquire the price best conscience complex.

A - Unidentified Speaker

Hello, Rodrigo. Thank you for the question. As always, we cannot make any comments about our M&A pipeline. What I can tell you though is that we are interested in considering many fields which are close to Polvo Field, close to Frade field, and yes, we are very active in all of these processes by Petrobras. So we're interested in assessing (inaudible) and so on and so forth, but for now that's all I can give you about M&A possible deals.

Operator

Next question also from Rodrigo Sequeira [ph] on the webcast platform, what is the status of these 30% stake acquisition from Petrobras at Frade. What is the status of the drilling campaign of Frade any expected date for the closing.

A - Unidentified Speaker

Well, Rodrigo, again regarding the acquisition of Petrobras 30% stake we are awaiting approval from ANP, the Brazilian oil agency. We cannot give you a date for approval. We expect that this will follow the regular process, there is no reason for the process to be different than the regular ANP process. So, we normally allow something between six and nine months since we submit the protocol to ANP, in other words, since the acquisition date. And regarding the Frade drilling campaign, as Francilmar said, we intend to picking the drilling campaign in 2020 drilling the first well most likely in the second half of the year. This in the company's plan, this is what we are structuring for Frade.

Operator

Our next question from Christian Audi [ph] with Santander.

Q - Unidentified Participant

Thank you, Nelson Tanure and Roberto. My question is this capital use dynamic as you mentioned, you have many M&A opportunities that you are looking into, at the same time you have very interesting campaign such as the Frade drilling campaign. And given the recent deal with Tubarao Martelo, what are you thinking? Are you thinking we've had two recent M&A, so let's focus more on campaign, or vice versa. That's my first question. My

second question, has to do with corporate governance. I know that you are very focused on a continuous improvement in terms of adding more board members, so perhaps you could give us more color in terms of [ph]what other actions are implementing to improve corporate governance. And finally my third question, what about the TBMT campaign. I don't know whether you can share any ideas with us in terms of what kind of production could we expect from TBMT. Thank you.

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A - Unidentified Speaker

Christian [ph], could you repeat the final part of the question regarding Tubarao Martelo, that was a sound cut for us.

Q - Unidentified Participant

Yes, of course my question was, could you share whether perhaps what kind of production level you are expecting once you finish the revitalization campaign, what kind of production, could we have at (inaudible).

A - Unidentified Speaker

I'm going to answer the first question and the last. And the -- part on the Board, I'll give the floor to Nelson. Regarding the first part of your question, it had to do with, focusing on M&A, capital allocation and so on and so forth. So, well we continue to be very active in M&A, you will see many opportunities arising in Brazil in terms of mature fields and producing fields, it is a different department. The department that executes the drilling the engineering team that a separate team now of course they do how us in terms of assessing a possible M&A deal but project execution is very separate from M&A activities. So, we have sufficient muscles to work on both front.

Now the Company is keen to maintain a net debt over EBITDA ratio that make sense it is at 1.1 time now we believe the company should run between 1 and 1.5 times. So that we can maintain our financial performance and our hiring power. So, while we may do in the future to maintain net debt over EBITDA ratio. Well, the first thing it would be to work on our debt. Our debt is concentrated in the short-term debt. The rates are very good, but they are short term. So perhaps we could have an issuance to elongate the debt profile, it doesn't change the net debt over EBITDA ratio, but it does release cash flow in the short term. And another possibility is to have some treasury shares perhaps think about it [ph]follow one depending on the magnitude of the opportunities that we might have.

So, this is our mindset, we want to keep our net debt over EBITDA ratio that mix sense a very controlled indebtedness level as is the current situation. Regarding Tubarao Martelo's TBMT what we are doing at TBMT well TBMT is producing about 5,800 barrels per day. And what's happening at Tubarao Martelo's field is the campaign. I'm not sure I should call it revitalization campaign it's not such revitalization. What's happening is the connection of a new well the Tubarao Martelo we will remember that Tubarao Martelo has three producing wells and there are three wells not producing. One of these wells that are not producing had (inaudible) failure. So it's in downtimes and there are two wells left that never produced anything. But these two, one of them will start producing and this field

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ESP will be replaced there will be a production increase our expectation is that we will see a production increase.

I think it's too early to say what the production will be, but it will definitely improve from 5,800 barrels a day. That well that had be (inaudible) [ph] failure produce if I'm not mistaken 700 barrels a day, so when it starts up again it will produce more than that because it's fit a long time and downtime. And then the new producing well that's the unknown. We expect that it will begin with a similar production to the other producing wells, but it's kind of difficult to give you an accurate number. In the event we have well 10, the last well. It should be connected when we connect the Polvo FPSO to the Tubarao Martelo FPSO the [ph] all accessory FPSO. I'll turn the floor to Nelson, in order to speak about the Board of Directors and about governance.

A - Nelson Queiroz Tanure {BIO 20365123 <GO>}

This is Nelson. About governance, we have a Board that has been for while contributing a lot to this [ph] story of value creation. So, they've been contributing a lot. The mandate of the Current Board will end soon in the next shareholders' meeting. So, when we have anything on that we will communicate to market, but, (inaudible) that we are tuned to the best practices and we are open to suggestions on many fronts actually. So, shareholders and investors can make their own suggestions, we're always very open to suggestions and when we have something more tangible on this, we'll will communicate to the market. Thank you.

Q - Unidentified Participant

Thank you, for the answers. And I have one last question, going back to M&A. We see the Brazilian market with the Brazilian BRL depreciating, the stock exchange increase, that's [ph] a very interesting dynamic for the Brazilian market, considering the Latin America dynamic. Do you feel (inaudible) M&A opportunities, are better [ph] -- are increasing, are getting better now compared to the middle of last year. How do you see competition for these opportunities?

As you mentioned, you mentioned mature producing field. Do you think that the opportunities are increasing but perhaps there is more competition for those assets. How do you see this dynamic in terms of M&A opportunities and competitors competing for these assets. Thank you.

A - Unidentified Speaker

Well, Christian regarding M&A, what we see is, that in the past the beginning the process that happen in 2018. And mean the beginning of the Petrobras divestment program, when they started [ph] putting mature fields for sale we thought that [ph] there perhaps a quote unquote pent-up demand that was there was more competition consequently and then the first three deal happened and (inaudible) and the third one so now the outlook is -- the landscape is competitive, but we don't see a pent-up demand anymore. So, it seems that things are more rational now now from the standpoint of possible M&A opportunities. I'm not going to detail any target specifically but we see good opportunity in various deals and we are excited about -- by many new operators in the [ph] pre-salt in addition to

Petrobras there are many new operators targeting the [ph]pre-sold or the PetroRio does not work with explanation we see this movement with good eyes because of these [ph]aligned companies, they will use their balance sheet, their expertise for exploration purposes. They will find magnificent fields in the pre-salt and most likely the fields they are operating now will possibly be divested, which is a very similar move so, what is happening in the rest of the world so, very similar also to what's happening with Petrobras. So, what we envision is a brighter and brighter future from the macro standpoint.

Q - Unidentified Participant

Thank you, very clear.

Operator

Thank you for the question. (Operator Instructions) Next question is from webcast by (inaudible) Despite the exceptional performance of the company. The debt profile is very much concentrated on the short-term, considering that the company's business model considers M&A opportunities and that you will need a lot of CapEx looking forward. What are the company's plans to change the indebtedness profile of the company?

A - Unidentified Speaker

Good afternoon, Claudio, thank you for the question. I think I tried to address this point when I answered Christian's question, but let me rephrase that. You're right. Our debt is concentrated on the short-term albeit with very attractive interest rate, but yes, the majority of the debt is a short-term debt. So to have CapEx available and to enjoy M&A opportunities to begin, the company has a very strong cash generation in addition to cash generation, we have few other points. So we will recall re-profiling of the debt. In other words, elongating the debt that means issuing bond, it could be a bond with Norwegian law or combined with the US law which would be the traditional 144A and that issuance would refinance the debt. In other words exchanging short-term debt by longer-term debt and then the cash generation of the company which is strong, would become even stronger, because we wouldn't have to serve our debt obligations in the short term. But more towards the long term. So that is one possibility.

The second possibility has to do with equity. With treasury shares today, the company has a lift of 6% of all shares in our treasury. So there is a possibility, and also the possibility of a follow-on depending on the opportunity that presents itself to us. The main point is that we want to keep a net debt over EBITDA ratio close to 1 to 1.5 times which is a level that we believe is ideal for the kind of company that we are that requires CapEx and that means and that has enough muscles to enjoy M&A opportunity.

Operator

Next question also from webcast from Diego [ph] what about the revitalization campaign at (inaudible) that was being conducted by (inaudible) completed are you going to complete it?

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A - Unidentified Speaker

Good afternoon, Diego. The revitalization campaign at (inaudible) it's called as you mentioned the rehabilitation campaign. It's actually a connection of two wells one of the wells used to operating in the past and there was a failure in the pump. So, they're doing a work over. And the second well is one of those two wells that never were put into operation. So that campaign is being done it's being executed by Delmo of course because of the deal. We have been informed of what is happening, along the rehabilitation campaign, but the campaign is being executed by Delmo, the operator of the field, they'll continue to be the operator of the field until we get approval from AMP. So the campaign is ongoing and this oil will be part of the production of these two combined wells.

Operator

We are now closing the question-and-answer session. I would like to invite Mr. Nelson Qureiroz Tanure for his closing remarks. Go ahead, sir.

A - Nelson Queiroz Tanure {BIO 20365123 <GO>}

Well, thank you very much for your interest in the company for your questions on our end we think the 2019 was a very positive year. We overcame challenges we delivered consistent results and we start 2020 on the right footing. I'd like to thank all investors for your trials. I'd like to thank all of our employees you are very important for everything we do. The operational team, the corporate team, we all carry the banner here. We are moved by blood, sweat and tears and we'll continue to be like this. And finally, regarding to (inaudible) deal I would like to thank everyone from Delmo and the X capital in plasma, because they dedicated a lot of time. We worked long hours sometimes overnight, we were very focused to complete this deal that has been very positive for both parties. Thank you very much.

Operator

The does conclude Petro Rio's conference call for today. Thank you very much for your participation and have a good day.

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