

Y 2015 Earnings Call

Company Participants

- Blener B. C. Mayhew, Chief Financial Officer, New Business and Investor Relations

Other Participants

- Albert Sebastian, Analyst
- Mariana Bertoni, Analyst

Presentation

Operator

Good morning, ladies and gentlemen. Welcome to PetroRio's Audio Conference Call for 2015 Results. Thank you for standing by. At this time all participants are in listen only mode. Later, we will conduct a question-and-answer session for analysts and investors. Then further instructions will be provided. (Operator Instructions).

This event is also being broadcasted simultaneously over the Internet and may be accessed through PetroRio's Investor Relations website at www.petroriossa.com.br/ri by clicking on the banner 2015 Earnings Results. As a reminder, this conference is being recorded and the presentation will be available to download shortly or also through PetroRio's Investor Relations website.

Before proceeding, let me mention that forward-looking statements that might be made during this conference call relative to the Company's business perspectives, projections and operating in financial goals are based on the belief and assumptions of PetroRio'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 as they relate to future events and therefore depend on circumstances that may or may not occur industry trends.

Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of PetroRio and it 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. Blener Mayhew, Chief Financial of the New Business Development and Investor Relations Officer of Petro Rio. Mr. Mayhew, please go ahead.

Blener B. C. Mayhew {BIO 19502444 <GO>}

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Thank you, Ashley [ph]. Good morning, everyone. I would like to thank all of you, who are interested in joining our webcast to learn more about our figures and about 2015 results. I would like to begin talking about the macroeconomic scenario. When the current management took over, in the beginning 2015, we wanted to be a company where the breakeven point would be \$45, that was a goal that we had a year and a half ago.

Oil was costing \$110 and the price declined to \$60, \$70. And so we thought that, if we were able to restructure our cost to get to 45, we would still be generating cash. Most of the markets believed that drop would continue in 2015 and that in the end of 2015 oil prices would rally. Unfortunately, that did not happen. The oil price, kind of increased a bit in May to \$50, \$60, \$70, but then after that it started dropping again, until we reached an unimaginable number of \$26 per barrel, and that was a price that really scared everyone in the industry. Many companies, particularly in the U.S. went bankrupt and for us who had a goal of \$45, that \$45 was no longer feasible. We needed to restructure the company to have a cost structure that would give us a price much lower than \$45. We have to readapt to this new reality, and indeed we have to do a second round of negotiations, which started in the second half of 2015, and more precisely in the fourth quarter.

First to be able to generate cash even with the current oil prices at \$35, \$40, which is what we have now. We believe that this is a temporary effect, no one can predict. In the past, people thought that the oil price would last only 12 months, today, we're in the third month of 2016 and the prices remained very low. It's very hard to predict when the prices will recover, but we believe it eventually will. This is a natural economic trend. But still we are preparing for a year of 2016 with depreciated oil prices. In our corporate goals, in our corporate assumptions it will be on average at \$45 for 2016.

Let me now move to the 2015 highlights. We had an operating efficiency of 95%. It is important to mention that we had some problems. We had some shutdowns of the platform in the third quarter of 2015, due to a failure of the boiler that we had at Polvo Field, but even with these drawbacks, we were able to bring forward our maintenance that was initially scheduled early November, and we carried out the maintenance, while the field was stopped given the boiler failure, and still we had a 95% operating efficiency.

We believe that, if it weren't for these mechanical failures, which were not under our control, which were the responsibility of BW, which is the one then operates the FPSO. We believe that our operating efficiency would have been 99%. Another important highlight with the conclusion of the purchase of 48% of the Polvo Field, that belongs to Maersk, not only where we able to close a good deal, which makes sense for PetroRio, but when we acquire the other state, we have the 100% ownership and then we had permission to make investments at the field. Maersk was using their JOA contracts to another group investments as a field. This was their corporate strategy, they were leasing Brazil, they were exiting Brazil, they were divesting from their assets, they didn't want to invest any money in Polvo.

So, we approved the mergers on December 2, 2015 and in the beginning of 2016, we started drilling and re-entry of our reservoirs at Polvo field.

With the cost reduction, compared to what we had in terms of 2013 when BP operated this field to 2014. We were able to reduce costs even further, 30% cost reductions in Polvo operational expenses compared to 2015. Many of the negotiations, many of the contracts that we negotiated in the beginning of 2015 only entered into first in July. So the beginning of 2015, still had the effect of old contracts, which let our cost to around \$808 million.

Another highlight for the year, which made us really proud of that with the qualification of an A Operator granted by ANP. That gives us a possibility to operate offshore fields, not just over than it has shallow water depth, but we cannot operate in deep in ultra-deepwater. We were able to achieve this goal, based on the experience of our team, both in Solimoes and in Namibia, we had developed some experience in deepwater, in Namibia. We were able to improve this expertise, so A&B gave us this permission this stand up A Operator. This makes us very proud.

We have a category, a top category of operator, we cannot play at any field. And another highlight was the Solimoes divestment conclusion. We've concluded the sale of the remaining stake or the remaining part just it was enough to duration. They signed a contract in May. The contract was approved by ANP in July, and we received payment of the first installment in 2015 of a \$120 million. We will get paid the second installment in May of 2016, in another \$20 million.

If you saw, the amount of \$55 million, actually there was some adjustments made a pardon of debt, between the companies. But it's a bit complicated, the story of the economic value of the deal was \$40 million. So we got a first installment \$20 million, and the second installment will be of another 20 million.

Now, if we could look a bit about our offtakes we had for us in total. Totaling almost 1.8 million barrels of oil. Our average price was \$49.85. And the last offtake in December, that's when we have to realize a very low price of \$35, and that really negatively impacted our average. We had begun the year above \$50.

Efficiency, as I mentioned before dropped in the third quarter. It was at 98.5, it dropped to 82, then valid to 97, and that 82% was due to that failure of the boiler. BW had to prevent three boilers; one operating, two backup boilers, but BW did not fulfill their contract obligations. And the company and the management is now going after BW asking for compensation for this loss in production. We are in a advanced stage of conversation with them. And we believe that we will able to get some compensation from them given those losses of production.

It is also interesting to mention that when the boiler failed, we were able to bring forward these scheduled maintenance that we do once a year. It was regionally scheduled for November, where we would stop for 12 day, but we've brought it forward to July. So we were not able -- oh, we do not need (inaudible) second time in November. So, if you look at the field, if you look at February, we'd be producing between 7 to 7,000 barrels a day, but with the re-entry, we believe we'll get to 9.5 to 10,000 barrels per day, but I'll speak about that momentarily.

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So getting into more detail about the position of 40% Polvo from Maersk, again the Polvo was in December of 2015. This was a very, very long negotiation, not only with Maersk, but also with the Brazilian oil agency ANP. I would say that the negotiation period with ANP will be even longer. The contract was signed originally in the beginning of 2014, and it was only approved 16 months later, if I'm not mistaken more than a year later. So this was very, very long.

Here was this struggle to be able to acquire the remaining 40% stake from Maersk. ANP was making huge financial requirements given the abandonment cost. It's not something majestic from PetroRio Maersk. They're asking for financial guarantees for abandonment, for everyone in the industry. And that was caused by OGX, that in the end had no money to abandon to borrow also that let a red flag, a red light at ANP and they started asking for these financial guarantees. Then currently, this is very hard, because if have to mention that you have to include \$85 million as a guarantee for a business that is only going to be realized in 2020, 2022. That amount of money can be a lot better used by companies drilling new wells, adopting new technologies and you think that can generate value to shareholders in society by increasing the production of oil. So this negotiation with ANP was very long and difficult.

But in the end the Maersk acquired a letter of credit and they practically paid their part of the guarantee for abandonment. So they sold the field, so they paid for the abandonment that will happen eventually. That letter of credit is not just a guarantee. It will be used when the time comes for abandonment that letter of credit corresponds to 40% of the \$85 million that ANP was requiring for abandonment.

And the purchases with an old negotiation of 2014, with the oil production that's practically paid for the whole price of the assets, so we acquired a 40% at zero cost, we didn't have to pay for anything to acquire the 40% stake. It is important to say that the letter of credit is in a ASCO account. We don't have access to this amount. We only have access to it, when that time comes to abandonment.

And this amount of 34 million and was defined by BP and Maersk in 2010. When Petro Rio became 100% owner of the field in December, we ask for a revision of this amount. Given the cost reductions that we were able to get with platforms and a number of services in pesos and we were able to prove clearly that today we can have this kind of project executed -- kind of project at a much lower price and in the end ANP approved our abandonment project at the value of \$52 million. So with Maersk letter of credit, we are practically guaranteeing more than half of the \$52 million, which gives ANP comfort and give us comfort, because we have almost all of the amount that will be required for abandonment when the right time come.

This slide about the expansion of the economic life of Polvo is interesting, we are present in other previous, but where we had when we acquired the from field from BP. When the field, when we entered into the contract in 2013, and we started operating the field in 2014, the production number we had were still in the field would be abandoned in 2016. So the lifespan for BP and for PetroRio, when we acquired over would be just three years. But here with all of the improvements we made both to reduce costs and to improve the management of their reservoirs with more technology.

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And the way we responded to daily things that happened in the operation, we were able to extend the lifespan of the field in up to four years. And we see that in 2016, when BP was expecting to have 1,900,000 barrels, today we already have 2.438 million. So this comes to show that it is important to reduce costs, but that's not enough. You need to have a good management of the reservoirs, because that will help you recover more oil from that reservoir. So we recovered another 6.4 [ph] million barrels.

The economic life of the field extends to 2020, and we can see the increment in reserves. And we expect this to improve even further, because we are now reentering over the field. We are having a revitalization project for Polvo, and we haven't included these expectations here. Once we complete the revitalization project, we will present our new reserves report, which will for sure would be better, even this one and we will expand economic life until 2020. We will definitely be doing and be able to expand economic life even beyond 2020.

Talking about the redevelopment program, this is for the revitalization of Polvo. This is a project that the company has had for a while, but we were not able to implement. Given this negative approach by Maersk, they didn't want to spend any money, to invest any money in Polvo, but now we are redeveloping the field.

We have three new horizons. I like to use an analogy to help you understand what a reentry is. I mentioned half a glass, a Coca-Cola glass, which is tilted and have a straw to drink your Coca-Cola. But when the glass, when the glass is tilted, the Coca-Cola will end [ph], you will drink everything and you will hear that sound, that Coca-Cola is not there. But with the reentry, it's almost like you tilting the glass a little further. So we can have, you can drink the rest of the Coke that is still in the glass. So again we're reentering the field, because we know that the oil is there, but it was not being accessed. We also using polymer injection and we have an impact with polymers; they tend to reduce the water production in the reservoirs. The field produces a certain ratio of oil, gas and water, but with less water, but with this inflection in pressure you can produce more oil. We estimate that we will increase 1.7 million barrels with the three reentry, the CapEx of \$11 million, and we believe the production at the end of all that will be close to 9,500 to 10,000. And I'd like to remind you that we currently have 7,000, which is a natural depletion of the field.

Another interesting thing about reentry is that we were able to access on reservoirs in concern. And the reservoirs have always been small; they improve the potential for new prospects. So we might be looking depending on the geological pipe where we see, we can have new prospects, new wells in the second half of 2016. Now it's too early to say how many prospects we will have, what volume, how much more we would be producing. But I just wanted to keep in mind that our best, the production well, when drilled started producing 8,000 barrels per day, but this is the potential, the size of the potential of one single new well at Polvo.

Talking a little bit about PetroRio lean operation and talking about cost reduction. I think, that we did an excellent job here, not only to renegotiate contracts, but also to make the company more rational. We implemented a down-sizing program. We reduced the headcount of the company, the size of the company to adapt it to its new reality. It is the

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production company, not an exploration company. So we closed down our offices in Namibia. We had offices in (inaudible) in the USA and in Canada.

All of these subsidiaries were closed; we considered the headcount dropped markedly. We were able zero our Solimoos and Namibia costs. We have received \$4 million of expenses in the year, an 88.8% decline compared to 2014, and this is close to zero now. So we don't have any more cash burn in Solimoos or in Namibia. G&A expenses were also markedly decreased. So this shows the Company's commitment to be more responsible cost wise with financial discipline and particularly its common sense. Today, the company is smaller, it is, but I would say it is the more responsible or more profitable company and one which is undoubtedly prepared to grow.

Here we have a history of the company's listing cost. It is the listing cost of Polvo. The top chart shows the field of production since BP times to date, and we have the lifting costs from BP till now. Now this equation for lifting costs is simply is two parameters; lifting [ph] cost and new production. So when you look at 2013, production was much higher 13,000 [ph] or close to 14,000 [ph] barrels when BP had a field, fairly it's only natural, but the cost per barrel will not be so bad with the oil prices of that \$110. So the moment the production starts declining and nothing is done and your cost remain fixed. Your cost per barrel increases exponentially.

So what happens here is that, that we continue to reduce costs, but while we reduced fixed costs production is also declining. But in this equation, reducing costs alone is not enough, the company also needs to increase production. And if you look, we closed the fourth quarter of 2015 was lifting costs of \$36 per barrel. And we believe that with the production increase and the results of reentries, we will increase the production and we'll get to a lifting costs of \$28.

Moving to slide 11 please. This is a similar equation, but here we consider all of the company's costs, corporate G&A, lowers everything. It didn't make sense to compare this with 2013, because this was a BP operation, (inaudible) we don't have access to their corporate costs, but we are comparing with our company last year. The breakeven company used to be \$70. Now we have a breakeven at around \$45 with a production increase will get it down to \$33.

I'd like to remind you that there is also a discount for oil quality and the logistics cost of every offtake. Our most recent was about 7.75 a great improvement compared to last year. So when you look at \$45 that we projected for the year, we have to deduct within \$758 of discount. So if we deduct \$8, we would be really close to that number 33. So we are almost at the breakeven points of the company.

Looking at our income statement, we can see the first two lines. This is the natural depletion of the field in 2014, now we produce 2.3 million barrels, in 2015 1.8 million. And this is simply the natural decline, the natural depreciation of the field. It is the well producing less, not only that we produce less, but we had a selling price of which was almost half of that as the prior year. So with less production and less price revenues

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dropped to almost half. So 2015 was indeed a very challenging year for PetroRio, but still we were able to conserve our cash.

And to reach an EBITDA 60%. These other revenues -- a good deal of it comes from the negotiation of Maersk, the letter of credit \$34 million and also seeing that made up the deal. We can see 165 per share and we can see our net income. So, if particularly, we're seeing in prospect of, and if we consider all of the difficulties that the year were production declines and naturally the oil price drops to half, this was a restructuring year, we handle lot of layouts with lot of costs involved in terminating these employees. And if you look at all of that, we had an excellent results compared to 2014, where net income was BRL1 billion negative.

And even if we -- even net of impairment of Solimoes and Namibia still, it would be a shy results within \$88 on average for the oil price. So we are quite happy. This is the first time, the first year that PetroRio has a positive net income of 110 million and the trend is that this net income will start increasing exponentially.

We ended the year, December 31, 2014 with BRL449 million. And I'm not going to get into the details of 2015, but we can see the positive and negative elements and we ended 2015 with BRL497 million. So what are we doing here? We are adding BRL25 million, so we have been close to BRL97 million, which was the deposit that we made it to Bijupira and Salema Fields. But since the deal wasn't done in this amount, it will return to us, will be refunded to us. So we are adding it to our cash and our cash would be BRL619 million.

As since I talked about Bijupira and Salema Fields, we have released the material fact, and I think it is well known to all of you what happened. I'm trying to be very brief, but in a nutshell, a big economic component to make any field feasible the abandonment cost, in other words, how much you'll have to pay, later on when you're going to abandon the field. So you have to have a project to demobilize all of the machine, you have to cement the wells and you have to leave it as close as possible to what the field was like before it was drilled.

ANP estimated that these abandonment projects for Bijupira and Salema would cost \$464 million. Shell had reported from an outsourced company, specialized in abandonment sustained that it would cost \$200 million, and we contracted the same company contracted by Shell in regard to an amount of \$160 million with a slightly different scope compared to off Shell, so we had 160, Shell 200 and ANP 464 million.

So this amount was quite a significant component for the economic value of the field, and it was part of the deal. In other words Shell, well, if it contribute with part of the requirements for abandonment, Shell thought that it wouldn't make any sense. So their percentage of the \$464 million because they believe that abandonment would cost them 200 million. We were very frustrated with ANPs approach, because we work hard for this deal to happen, not only to acquire the deals, but you get approval from ANP and we prepared for the transition of the (inaudible) business, such a big deal.

So both the Shell team and the PetroRio team that participated in these transition workshop was very, very frustrated. But at the end of the day, what really matters is the number. It is the economic return on investment and unfortunately given ANPs position, we could not move ahead with the deal, both Shell and PetroRio agreed.

Moving to slide 14, the repetition of what they said, we ended the year. We currently have BRL619 million in cash and cash equivalent. At the end of 2015, we had only 497. Though we have 97 million of which will be the refund from Bijupira and Salema, 70% have been refunded yet with the 38% will be paid within two months and 25 with the oil in inventory, 85 million.

To close, we talked a lot about numbers and the results. Now I would like to speak a little bit about the company's growth plan. We were not able to complete the acquisition of Bijupira and Salema, that would bring us the quantum leap in December production and revenues for the company. But regardless of that we have four other deals that we are considering. We do have a very aggressive goal of growth to mergers and acquisitions. We believe to reach a 100,000 barrels per day in mid-2017, and with these fully comfortable deals that we are looking into it is very likely that we will achieve our goal, but these four deals will -- we'll not necessarily close all four deals, but we are looking at that.

The press mentioned that PetroRio was participating in Petrobras divestment plan, and this is a true fact. We've been in contacted with Petrobras, we were invited for some possible deals that we are at this stage of advanced conversation about one of the assets that they are selling, and we are considering other possible assets for the future. But PetroRio will not be relying exclusively on Petrobras selling their assets.

There are many, many interesting things in the market and the whole market is financially stressed. There are very good opportunities in Brazil in South America we consider in Argentina, Colombia, Peru, Paraguay, there is something in Paraguay too. So we will not be relying only on Petrobras in selling their assets.

So this is a very interesting moment. And in terms of things, that perhaps the deals of Bijupira and Salema not going through, might be a good thing because now we are looking at assets with multiple of reserves per dollar, much higher than what we had for Bijupira and Salema. So with the depreciation of oil prices in the last two months getting to \$26-\$30 which are looking at evaluation of assets had a much more interesting level than a year ago.

So we're quite excited. And we believe that very soon, we will be announcing the conclusion of some deals. Despite M&A, we have a growth potential in our own revitalization plan for Polvo. We are starting, they're drilling up new wells at Polvo, and we can potentially even double production.

(inaudible) that this is what I have to tell you about 2015. I just would like to stress that this was a very challenging year for our employees, our team. I'd like to thank everybody who's listening to this call. The company now is very lean, but people are working long

hours. Everybody has a lot on their plate. And I want to thank my whole team, because these results were not achieved by the new management team; by two, three people. This was a result achieved by the whole team of Petro Rio. So, thank you very much.

Operator

Yeah. And okay. Yeah. Hi. No. It is, is it the before the quarter. Before okay. Okay. On okay. Okay. Okay.

Questions And Answers

Operator

Ladies and gentlemen, we will now begin the question-and-answer session for analysts and investors. (Operator Instructions) Our first question comes from Mariana Bertoni with GBM.

Q - Mariana Bertoni

Good morning. Thank you for the opportunity to ask a question. I would like to congratulate the company for the improvement that you have seen at Polvo. But despite all of this improvement, we see that the company expects a longer and more consistent future. I would like to know what are your M&A expectations for this year? Do you expect to tell us about the new opportunities this year? And what is the production curve for 2020 at Polvo. It might be too early to speak about that, but I imagine that in order to make investments, who probably contacted some studies. So I would like to know what would be the production, expected production curve for Polvo and the oil price you're considering?

A - Blener B. C. Mayhew {BIO 19502444 <GO>}

Thank you, Mariana for the questions. In the first place, while first question was about M&A. We are talking with some companies, but obviously we have a confidentiality agreement with them and we cannot disclose any information at this point. But what I can tell you is that, it's not just Petrobras. Today it is a good moment for acquisitions, because no one is investing anything. No one is buying anything, people are selling. The political outlook in Brazil will also make some companies to rethink their position here in Brazil.

So, I would say that this is a buyers' market. Every -- a lot of people are selling assets, sell good assets, bad assets, but it's not just Petrobras, which is divesting. There are other companies with global product volumes preferring to make their investments elsewhere now, and thinking of selling their assets here. It is also important to mention that the acquisition of Bijupira and Shell [ph] also includes the divestment program of \$30 million and outside them there are many, many good opportunities.

Your second question was about Polvo. Well, we increased the production now with reentries and we were able to improve our cost per barrel to \$28 into extend economic life of the field. We have a very cheap operation now. Still focusing on efficiency and

safety, but with a production increase, if we have one more prospect or we can dilute that cost, it will drop to \$18 per barrel to \$20 per barrel, not to mention the acquisition of the new yield, which will bring us new economies of scale. We can share Polvo resources. We can dilute our corporate costs that we have to access. So I believe that with the revitalization of Polvo and where the new assets in our portfolio.

The cost level of the company will be quite reduced. And we will be able to generate the significant cash even at a price of \$35 to \$40, and the oil prices go back to \$60, not 100, but 60, then the cash generation of the company will be in progress.

Q - Mariana Bertoni

Understood. Thank you very much.

Operator

Our next question is in English from Mr. Albert Sebastian, Prospect Advisors.

Q - Albert Sebastian {BIO 1786077 <GO>}

Good morning. First question is on the acquisition of Polvo. Is it my understanding that Maersk essentially paid you \$34 million to take over their 40% of the Polvo Field, the 34 million being associated with the abandonment cost?

A - Blener B. C. Mayhew {BIO 19502444 <GO>}

Yes, it is practically best, Sebastian. Here is what happened. BP and Maersk were already expecting the abandonment of the field in 2016, this was the original plan. So I'm sure that the reserves report that we showed when we acquired the field sets of that. So, Maersk was already considering the economic models budgeted for this abandonment for 2016. But when we wanted to expand the economic life of the field, we're most composed of that position, because they shared the BP's vision that they preferred to abandon the field in 2016 or 2017.

And concentrate on bigger deals, like a business -- because they are much more robust companies than PetroRio, they produce 200,000 or 300,000 barrels per day or 600,000 barrels per day. Their biggest operation is in the Northern Spain and in Qatar.

So it didn't make economic sense to Maersk to continue to invest in Hober [ph] to increase production by 2,000, 3,000, 5,000 barrels. To them that means nothing. And since they have considered in their plan, the abandonment of the field, we said, okay, instead of abandoning the field, you pay for abandonment now. We'll keep this money, this amount for -- when abandonment comes in the future and we'll keep it with our revitalization plan.

So this is the tree and (inaudible) correctly, they pay for abandonment, they prepaid for abandonment because they had budgeted for that anyway. And when the turn comes for abandonment, we have a contribution of \$34 million, which is their part. And this is a

letter of credit of a top tier Bank, if not in Maersk financial instrument, it is the letter of credit a guarantee from a bank, this was approved by in a ANP and by PetroRio.

Q - Albert Sebastian {BIO 1786077 <GO>}

Okay. And with regards to the sale of the Solimoes to what our (inaudible) what, I'm trying to understand what did you sell it for, my understanding it was 55 million, but were there adjustments that lowered the sale price to US\$40 million.

A - Blener B. C. Mayhew {BIO 19502444 <GO>}

That's absolutely was \$55 million, but I'm trying to explain that the economic value is \$40 million. We have to consider the debt and cash calls at the time of exploration that needed to be considered. And so we needed to reinvest [ph] that the amount and that's why we only got -- we will only get \$14 [ph] million. But more important than that is that the \$14 million of the current moment is almost one-third of our cash. And it is an amount of money that will be very welcome for mergers and acquisitions and to acquire new assets, not to mention the cash burn that we had in Solimoes, which we don't have any more, now Rosneft is operating Solimoes.

Q - Albert Sebastian {BIO 1786077 <GO>}

One last question, what is the status of hiring a new CEO for the company?

A - Blener B. C. Mayhew {BIO 19502444 <GO>}

We are currently talking with some candidates. Our CEO left in January, and we're interviewing some candidates. We should introduce a new CEO soon. I would say within two to three months.

Q - Albert Sebastian {BIO 1786077 <GO>}

Thank you.

Operator

(Operator Instructions) This concludes PetroRio's question-and-answer session for analysts and investors. I would like now to invite Mr. Mayhew to proceed with his closing statements. Mr. Mayhew, please go ahead.

A - Blener B. C. Mayhew {BIO 19502444 <GO>}

Well, one and all, I would like to thank all of you for joining us in this conference call, so back to stress. This was a very challenging year. By the way, 2016 will continue to be challenging, but we are prepared, or I should say we are more prepared in 2016, than we were in 2015. We do have a very lean company, a company with cash and prepared to grow. Thank you very much, particularly those who state, we didn't travel before to listen to this webcast, and we hope to hear from you soon. Thank you.

Operator

Thank you. This does concludes PetroRio's conference call for today. Thank you very much for your participation and have a good day.

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