



CORPORATE REORGANIZATION AND BUSINESS COMBINATION BETWEEN 3R AND PETRORECONCAVO

CONFIDENTIAL | January 2024

Global Context

- The oil and gas industry emerged as a prime hub for **multibillion-dollar mergers and acquisitions** over the last **12 months**. Some of the world's largest oil companies engaged on a competitive sprint to **secure oil reserves**, essential for the coming decades
- Transactions are unfolding on a magnitude seldom witnessed since the **mega-mergers** of the 1990s and early 2000s, which formed the **E&P giants**
- Given the finite nature of oil, those companies are seeking to gain **relevance, scale** and secure the **best assets** in an attempt to produce these barrels with the greatest **efficiency**, and lowest **cost** and **emissions**

Brazil Repercussions

- In the Brazilian context, particularly following Petrobras' divestment program, **consolidation** emerges as an even more compelling and **essential trajectory**
- This is evident in the **synergies inherent** in the existing fields of 3R and PetroReconcavo in Rio Grande do Norte and Bahia and their associated **infrastructure**

We have a strong view that the stock market currently does not properly appreciate the **intrinsic value** of neither **3R Petroleum** nor **PetroReconcavo** and that there are **enormous opportunities** to be captured by both companies **together**

PROPOSED TRANSACTION STRUCTURE

- 1** Segregation of 3R Petroleum's **onshore oil concessions**, their **associated midstream and downstream assets** and its debt and **contribution into another** sizeable onshore player (Carve-Out)

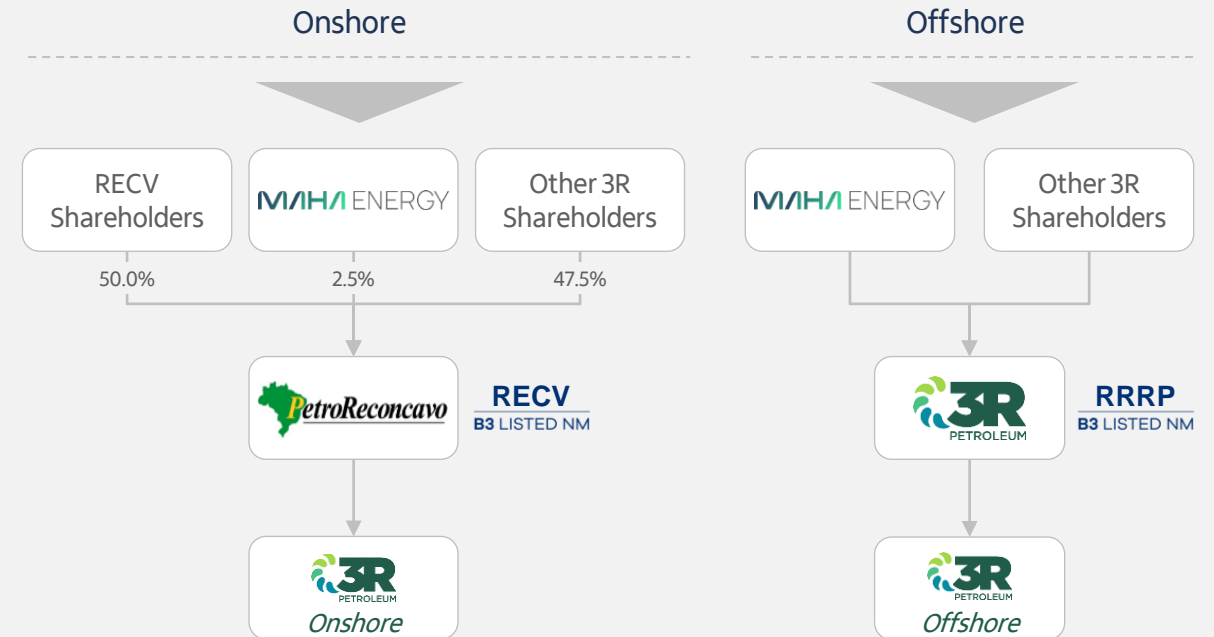
 - We see **PetroReconcavo** ("RECV") as the natural candidate for the Transaction, given the extensive existing **synergies**

- 2** Maha's proposal envisions the Carve-Out to be carried out on along the lines of a **50/50 business combination**

- 3** After the Carve-Out, 3R Petroleum's shareholders would also **hold RECV's shares**. Meanwhile, the current PetroReconcavo team will remain in **charge** of running the **onshore** business, with such team **strengthened** by the highly-**talented** 3R Petroleum's operational staff

- 4** 3R Offshore's assets – namely its indirect stakes in Papa Terra and Peroá – would **remain under an independent 3R Petroleum**, which will continue to be led by its existing management team and listed on B3

RESULTING SHAREHOLDING STRUCTURE



ONSHORE ASSETS | KEY TRANSACTION MERITS



458 million barrels of 1P reserves and **604 million barrels** of 2P reserves¹



2024 combined production of around **80,000 boe/d¹**, with potential to generate **~USD 2.1 billion in revenues²** and **~USD 1.1 billion in EBITDA²**, pre-synergies



Integration of critical infrastructure, including the NGPU, the Guamaré Terminal, and the Clara Camarão Refinery into PetroReconcavo's operation, **avoiding the need for substantial investments**, maximizing output, efficiency and operational reliability



Increased production scale resulting in more favorable terms with primary suppliers and leading to a substantial reduction of SG&A, operational costs and ultimately driving down lifting costs to single-digit levels

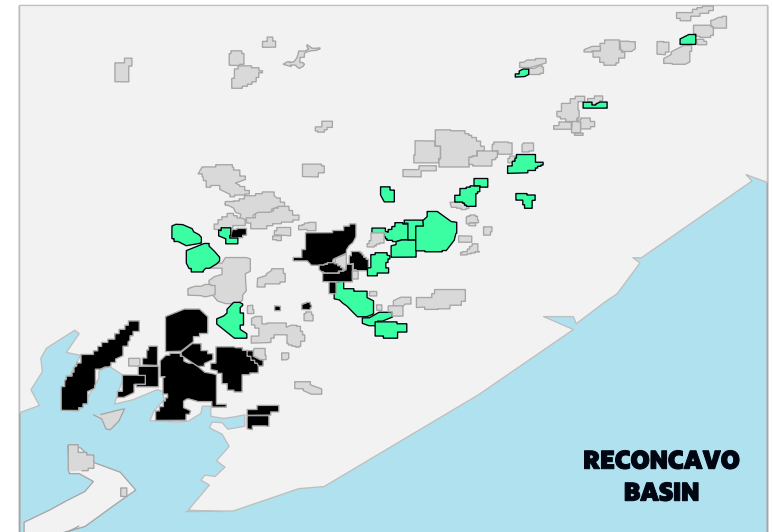
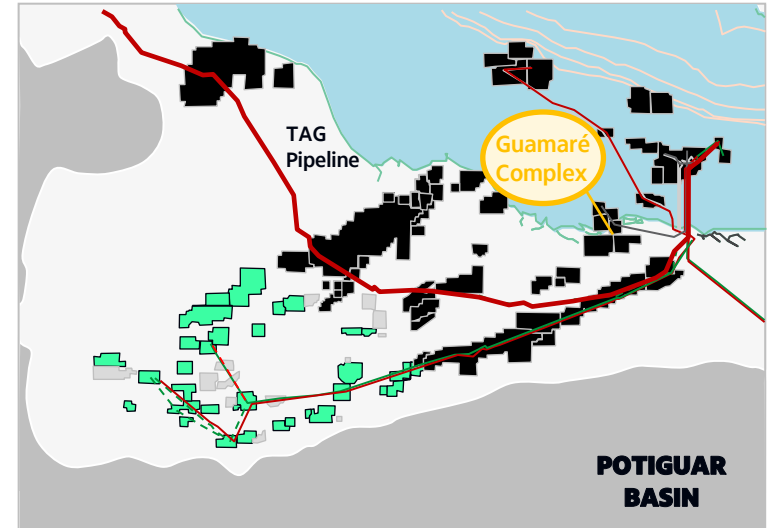


Synergy gains from **optimizing rig usage among both companies**, reducing idleness and overlaps





Significantly stronger balance sheet, characterized by more favorable leverage ratios (**1.4x EBITDA 24E³** pro-forma), better ratings and ultimately likely resulting in a reduction in debt costs

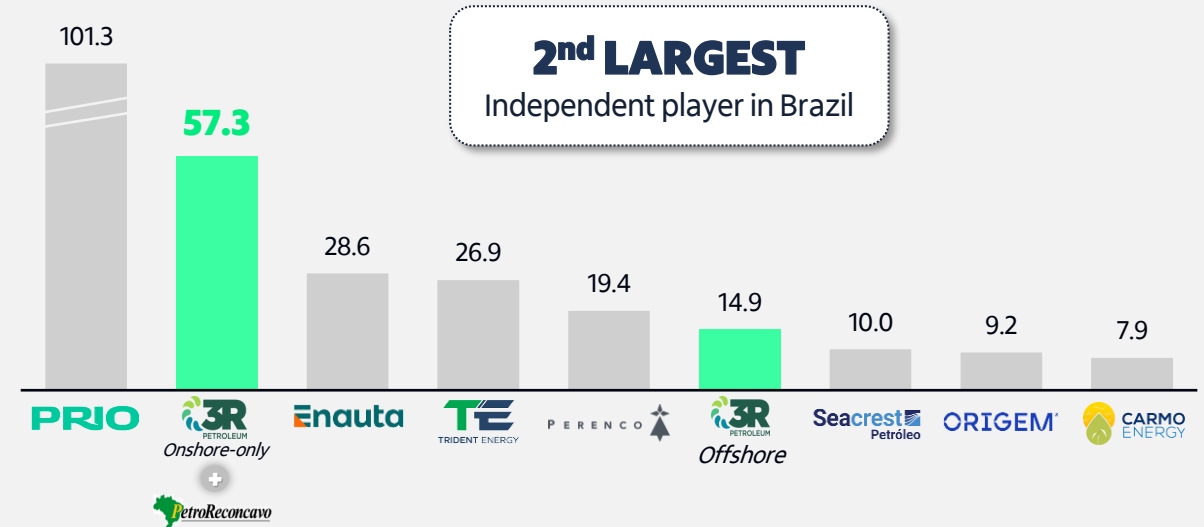
NATURAL PROGRESSION IN THE PURSUIT OF SHAREHOLDER VALUE



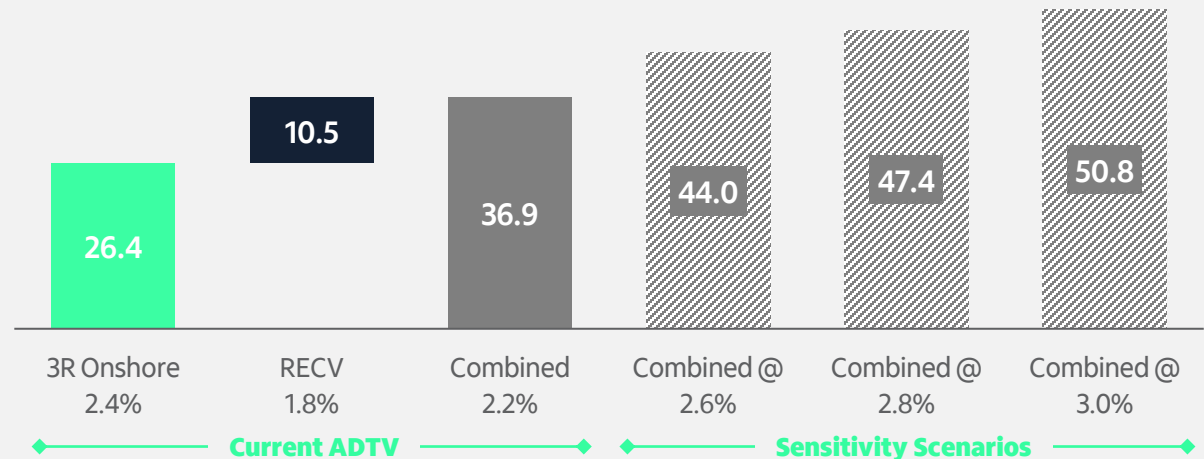
ONSHORE ASSETS | CREATING A LEADING LOCAL INDEPENDENT PRODUCER

	 3R PETROLEUM <i>Onshore-only</i>	 PetroReconcavo	Combined
Net Revenue 2024E¹ (US\$mm)	1,232	865	2,097
EBITDA 2024E¹ (US\$mm)	616	493	1,109
1P Reserves (MMboe)	304	154²	458
2P Reserves (MMboe)	410	194²	604
Current Production⁵ (boe/d)	34,362	22,985²	57,347
Production 24E³ (boe/d)	50,620	33,434	84,054
Production 25E³ (boe/d)	63,400	40,212	103,612
Net Debt⁶ and Net Debt/EBITDA 24 (US\$mm / x)	1,417 2.3x	161 0.3x	1,578 1.4x

Total Production Ranking (kboe/d)



Average Daily Trading Volume⁴ and Turnover (US\$ mm and %)



Source: Companies, ANP, Bloomberg and Capital IQ as of January 17th, 2023

Notes: 1. Bloomberg consensus. For 3R Onshore, considers 3R Petroleum consensus estimates and Maha's internal estimates for 3R's offshore assets; 2. Including Tiê and Tartaruga; 3. Considers 2P projections from latest certification report. For RECV, also considers Tiê and Tartaruga's combined current production (2,046 boe/d); 4. 30-day window. For 3R Onshore, considers 3R Petroleum's turnover and 3R Onshore attributed equity value on the proposed transaction; 5. As of December 2023; 6. As of 3Q23, according to companies' releases



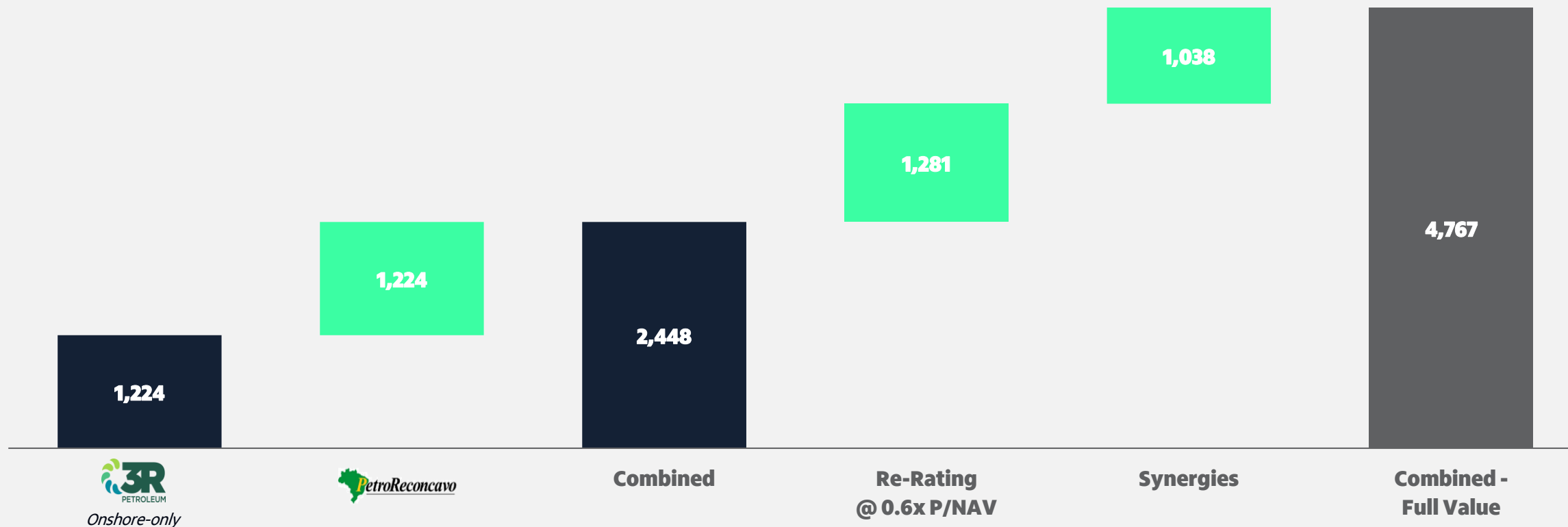
Higher free cash flow per barrel that justify premium to peers

- ✓ **Diversified production** from multiple wells, yielding high-quality oil and gas
- ✓ **Fully verticalized business model** with ample access to rigs, infrastructure and no dependence from third parties to deliver its business plan
- ✓ **Massive potential synergies** with **scale** to substantially drive down lifting costs
- ✓ **Investor-friendly jurisdiction**, with solid regulatory framework and royalties below 10%
- ✓ **Improvement in oil trading prices** with larger volumes
- ✓ **The most experienced management team** in the industry
- ✓ **Eligibility for SUDENE benefits** given location in Northeast Brazil, resulting in a 75% reduction in income tax rate
- ✓ **Substantial increase** in trading liquidity

ONSHORE ASSETS | RELEVANT VALUE UNLOCKING POTENTIAL

Onshore Assets – Equity Value (\$mm)

P/NAV (x)	0.30	0.57	0.39	0.60	0.66	0.66
NAV (US\$bn) ¹	4.1	2.1	6.2	6.2	7.2 ²	7.2 ²



Source: Companies and Capital IQ as of January 17th, 2024

Note: 1. As per latest reserve certification reports. PetroReconcavo's NAV was adjusted to reflect applicable estimated income taxes and does not include Tiê and Tartaruga assets; 2. Including US\$1 bn in estimated synergies



Pure-play offshore operator with room to grow organically and inorganically



Risk-diversification: high growth with stable production



Mapped upsides within the ring-fence



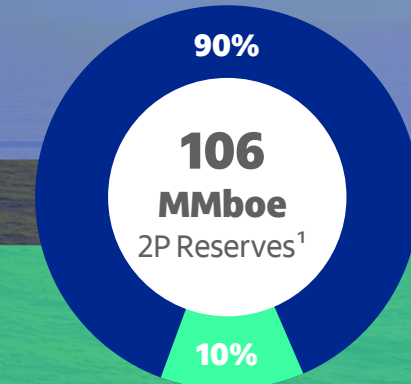
Strong balance sheet and cash position post-transaction



Solid value proposition for future M&A opportunities

PAPA-TERRA

- Massive **upside** potential
- **~2 bn** boe of VOIP
- **~2%** recovered factor
- **Robust** in-place infrastructure



- **Stable** production
- Attractive **take-or-pay contracts**
- Room for growth: **Malombe discovery**
- ILX: **large** gas prospect **with low-cost tieback**

PEROÁ

1

Present a business combination proposal between the onshore assets of 3R Petroleum and PetroReconcavo no later than **February 28th, 2024, and initiate negotiation discussions**

2

Finalize negotiations and execute definite agreements during the **2Q**

3

Proceed to **secure approvals** from relevant authorities and creditors to close the transaction in the **3Q**