



CESCON
BARRIEU

ACCESS TO THE EQUATORIAL MARGIN

SEPTEMBER 2026

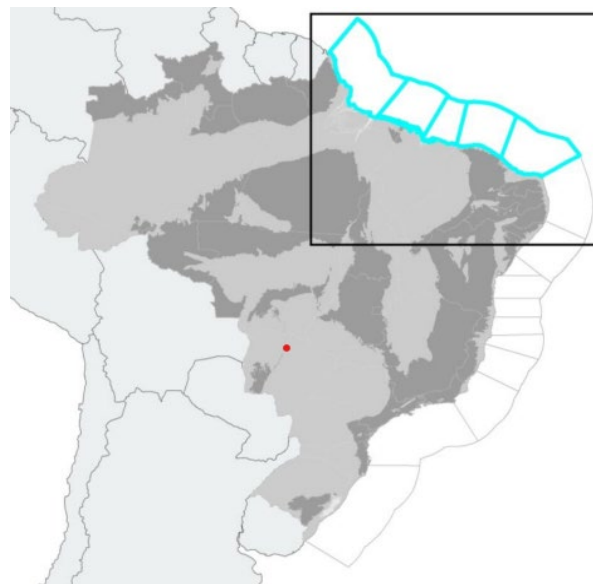
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BRAZILIAN
EQUATORIAL
MARGIN
PERSPECTIVES

PERSPECTIVES

BRAZILIAN EQUATORIAL MARGIN



- The region extends for more than 2,200 km and is located between the northernmost point of the State of Amapá and the coastline of the State of Rio Grande do Norte.
- It comprises 5 offshore basins: Foz do Amazonas, Pará-Maranhão, Barreirinhas, Ceará, and Potiguar.
- The region is believed to share geological similarities with prolific oil provinces in Guyana and Suriname.
- According to the National Agency of Petroleum, Natural Gas and Biofuels (ANP), the Equatorial Margin's oil and gas resource potential is estimated at approximately 30 billion barrels of oil equivalent.
- These potential volumes will be essential to sustain and expand the country's O&G production from the 2030s onward, when a natural decline is expected in pre-salt output, which is currently the country's main producing frontier.
- The region is expected to add up to 1.1 million barrels per day. This volume would correspond to 1/3 of the country's current total production.
- 19 of the 34 blocks awarded in Brazil's 5th Permanent Offer bid round were located in the Foz do Amazonas Basin and were secured by major oil and gas companies such as ExxonMobil, Chevron, CNPC and Petrobras.
- In addition, 28 blocks in the Foz do Amazonas Basin, 9 blocks in the Barreirinhas Basin, 9 in the Potiguar Basin, and 5 in the Pará–Maranhão Basin have already been awarded to companies including Shell, BP, Chevron, Exxon, Enauta, and Petrobras. However, 20 blocks are currently suspended due to delays in the environmental licensing process: 9 in the Barreirinhas Basin, 6 in the Foz do Amazonas Basin, and 5 in the Pará–Maranhão Basin.
- Under the most recent OPC tender, 8 blocks are on offer in the Ceará Basin. The public bidding session is scheduled for October 7, 2026. ANP now lists 416 offshore blocks under study across Foz do Amazonas (212), Pará-Maranhão (95), Barreirinhas (50), Potiguar (45) and Ceará (14).
- Petrobras identified hydrocarbons in the Morpho well in block FZA-M-59 in August 2026. On September 3, 2026, IBAMA amended the block's environmental operating license to authorize 3 additional wells, supporting further evaluation of the discovery's potential and commercial viability. Petrobras' 2026–2030 business plan contemplates USD 2.5 billion of investment in the region over the next 5 years and the drilling of 15 wells.



REGULATORY OVERVIEW

OVERVIEW

MAIN GOVERNMENTAL AGENTS



FEDERAL GOVERNMENT

The Brazilian Federal Government is constitutionally entitled to the ownership of hydrocarbons located underground in the Brazilian territory* and to the monopoly of its exploration and production



MINISTRY OF MINES AND ENERGY (MME)

MME assists in the proposal of domestic policies related to the energy sector



NATIONAL COUNCIL OF ENERGETIC POLICIES (CNPE)

CNPE, headed by the MME, assists the government in proposing guidelines, public policies and actions that intend to develop the energy sector



NATIONAL AGENCY OF PETROLEUM, NATURAL GAS AND BIOFUELS AGENCY (ANP)

ANP is the Brazilian regulatory agency empowered to promote and regulate the economic activities related to the O&G and biofuels sector



BRAZILIAN INSTITUTE OF ENVIRONMENT AND RENEWABLE NATURAL RESOURCES (IBAMA) AND REGIONAL ENVIRONMENTAL AGENCIES

IBAMA is the federal environmental body that supervises the activities that may have environmental impacts. It plays a crucial role in upstream activities as it must approve the exploration and production activities. Regional environmental agencies are active in onshore activities



BRAZILIAN FEDERAL REVENUE OFFICE (RFB)

RFB taxes oil & gas activities and may grant fiscal benefits applicable to E&P, such as REPETRO



EMPRESA BRASILEIRA DE ADMIN. DE PETRÓLEO E GÁS NATURAL S.A. - PRÉ-SAL PETRÓLEO S.A. – (PPSA)

PPSA is a 100% state-owned company that represents the Federal Government in the Production Sharing Contracts, applicable to Pre-salt blocks (not applicable to Equatorial Margin blocks)



PETROBRAS

Petrobras is a listed mixed-capital national oil company (NOC), controlled by the Federal Government and the major upstream player in Brazil. It benefits from certain pre-emptive rights to participate and operate areas under the production sharing regime (not applicable to Equatorial Margin blocks)

OVERVIEW

LEGAL REGIME

CONCESSION REGIME

SCOPE	O&G exploration and production rights
O&G OWNERSHIP	100% owned by the concessionaires
CONSORTIUM	Allowed
OPERATOR	The Concessionaires appoint the operator, which is subject to technical qualification procedure before ANP (minimum 30% PI)
ROYALTIES	Maximum of 10%*
SPECIAL PARTICIPATION	A special payment applies in case of large volumes or high profitability (similar to a windfall profit tax)
BIDDING CRITERIA	The winner shall be the bidder with the highest score, for which ANP considers the offer for signature bonus and for minimum working program**
RESERVES	The Federal Government owns the hydrocarbons until the moment ANP measures the production

* to a minimum of 5%.

**Local content used to be a criterion, but it was excluded as from the 14th Round

OVERVIEW

SALE OF THE PRODUCTION

Overview

- O&G producers have the right to sell or dispose of the petroleum and natural gas they produce. As a general rule, concessions contracts **do not impose restrictions on export rights**
- **Sole exception: Emergency situation.** If the domestic supply of oil, natural gas or their by-products is at risk, if the President of the Republic issues a Decree declaring this situation, then the ANP may require O&G producers to limit their exports
- So far, this exceptional power has **never been used**
- Besides O&G regulatory aspects, general foreign trade requirements (regulated by the Federal Revenue) apply, and are not described herein
- Brazilian transfer pricing rules are governed by Law No. 14,596/2023. With the enactment of this legislation, Brazil adopted the arm's-length principle, aligning its framework with the OECD Transfer Pricing Guidelines (the fixed margins established under the previous law no longer apply).

Crude Oil

- The sale of crude oil in the domestic market does not require prior authorization from ANP
- Export of crude requires: (i) authorization from ANP for the legal entity to engage in foreign trade activities (ANP Resolution 959/2023) and (ii) prior authorization from ANP for crude oil export application, submitted and approved electronically through the Integrated Foreign Trade System (Siscomex). This approval may be individual, time-based or for a batch. No authorization is required if under 35m³

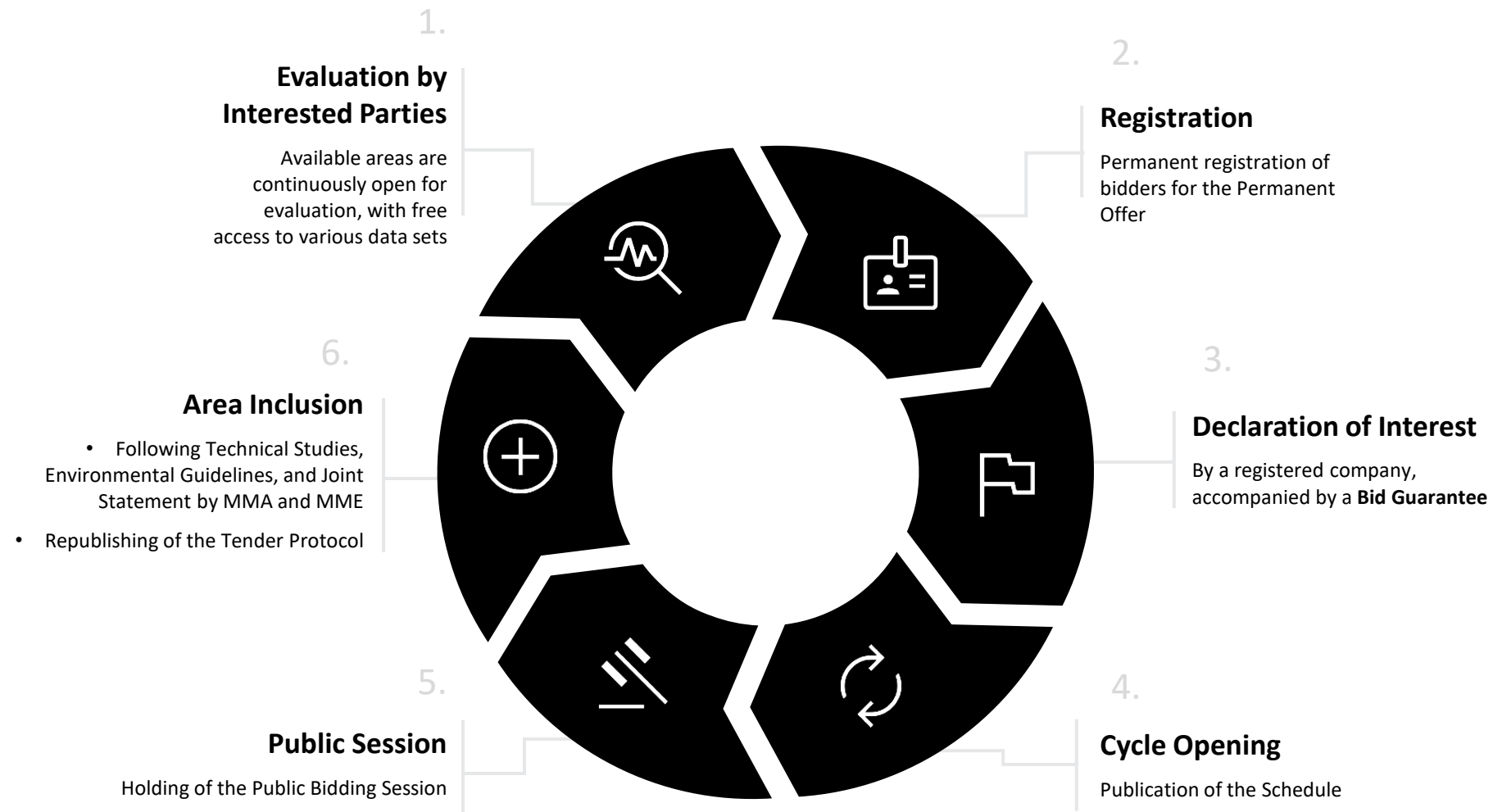
Natural Gas

- Trading of natural gas is regulated at Federal and State levels. At federal level, a gas trading authorization is required (ANP Resolution 52/2011). This varies at State level.
 - Gas producers are also required to obtain the trading license even if gas sales occur at wellhead. GSAs must be submitted to ANP within 30 days of execution. Monthly information on volumes also required.
 - Export of natural gas requires: (i) authorization from ANP for the legal entity to engage in foreign trade activities (ANP Resolution 959/2023) and natural gas exports (Law 14,134/2021); (ii) prior authorization from ANP for natural gas export application, submitted and approved electronically through the Integrated Foreign Trade System (Siscomex). This approval may be individual, time-based or for a batch. No authorization is required if under 35m³
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PERMANENT
OFFER

OPEN ACREAGE

OVERVIEW



OPEN ACREAGE

OVERVIEW

Legal basis: CNPE Resolution No. 17/2017, CNPE Resolution No. 27/2021 and ANP Resolution No. 969/2024.



SCOPE

- Originally, areas that were once subject to a round but were (i) not contracted or (ii) relinquished
- The scope has since been expanded by CNPE Res. 27/2021, allowing **any area**, including pre-salt, strategic zones, and blocks beyond 200 nautical miles, to be included under the Permanent Offer — provided they comply with the applicable regime
- **Today, the Permanent Offer stands as the primary mechanism for awarding E&P areas in Brazil — adopted since 2019 for the concession regime (OPC)**



ENROLLMENT AND BIDDING STRUCTURE

To participate in a cycle of Permanent Offer, a company must at any time register before ANP, by means of:

- Submission of an electronic registration form
- Submission of documents provided by the Tender Protocol (e.g., corporate documents; legal, tax and labor clearance certificates, economic group chart and etc.)
- Submission of a presentation letter, exclusively for new players

A list with the approved companies is published by ANP prior to the beginning of the Permanent Offer procedure. **Being approved at this point does not mean the company is qualified. ANP will only assess the qualification (legal, technical and financial) of winning participants (after bids are judged)**

Market agents are permanently enrolled and trigger the commencement of each new cycle by means of letters of intent to ANP, expressing interest to bid any of the listed areas (by sector under the concession regime), accompanied by a Bid Guarantee. Other players may express intent to bid for the same areas or for different areas listed by ANP under the Permanent Offer. Once the deadline established by ANP is over, the areas to be offered in such cycle are defined and no other areas may be included

OPEN ACREAGE

OVERVIEW



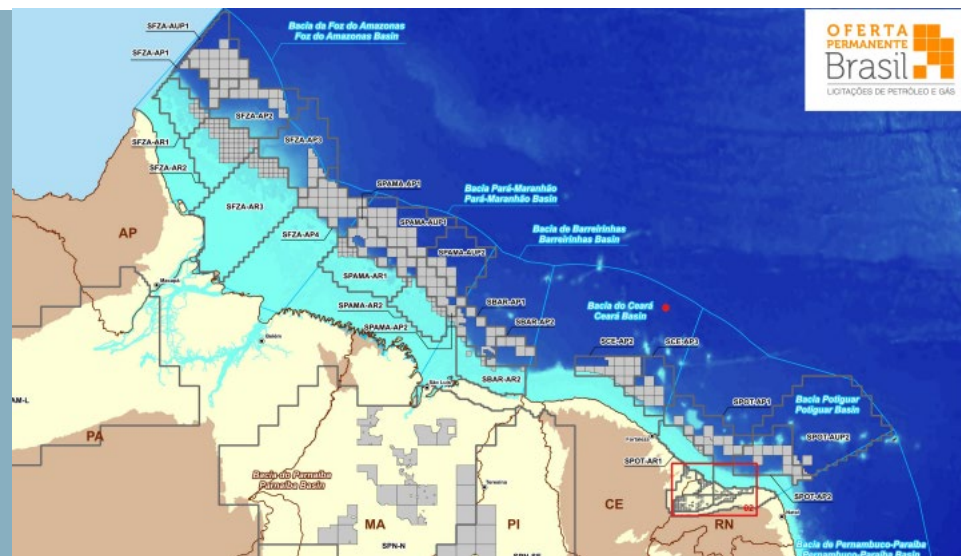
BID EVALUATION CRITERIA DURING THE PUBLIC BID SESSION

- Concession Regime (Equatorial Margin):
 - 80% Signing Bonus
 - 20% Minimum Exploratory Program (MEP)



LISTED AREAS:

- Concession Permanent Offer:
 - Currently, eight Equatorial Margin blocks—all located in the Ceará Basin—are available for bidding. The public bidding session is scheduled for October 7, 2026. In addition, 416 blocks are under evaluation: 212 in the Foz do Amazonas Basin, 95 in the Pará–Maranhão Basin, 50 in the Barreirinhas Basin, 45 in the Potiguar Basin and 14 in the Ceará Basin. We are closely monitoring their potential inclusion in the tender protocol of the Permanent Offer.



CONCESSION REGIME

LATEST BIDDING RESULTS

ROUND	BLOCKS CONTRACTED	SIGNING BONUS	BIDDERS	WINNERS
16 th round	12 blocks	BRL 8.91 B	11	10
17 th round	5 blocks	BRL 37.14 M	2	2
1 st Permanent Offer Cycle	33 exploration blocks / 12 areas with marginal accumulations	BRL 22.30 M	10 exploration blocks / 14 areas with marginal accumulations	10 exploration blocks/ 10 areas with marginal accumulations
2 nd Permanent Offer Cycle	17 exploration blocks / 1 area with marginal accumulations	BRL 56.69 M	7 exploration blocks / 2 areas with marginal accumulations	7 exploration blocks / 1 areas with marginal accumulations
3 rd Permanent Offer Cycle	59 exploration blocks	BRL 422.42 M	14	13
4 th Permanent Offer Cycle	192 blocs/ 1 area with marginal accumulations	BRL 421.71 M / Marginal accumulations: BRL 165k	17 exploration blocks / 2 areas with marginal accumulations	15 exploration blocks / 2 areas with marginal accumulations
5 th Permanent Offer Cycle	34 blocks	BRL 989.26 M	9	9



CONTRACT ASSIGNMENT

(FARM-IN / OUT &
COLLATERAL TO FUNDING)

CONTRACT ASSIGNMENT

OVERVIEW



OVERVIEW

- Contract assignment is the way of obtaining interests in concession agreements already granted
- The intended assignee must meet the technical, financial and legal requirements to qualify as a concessionaire in accordance with the most recent applicable tender protocol. ANP shall assess the assignee's qualification during a specific assignment procedure
- The assignment of rights must be processed in accordance with ANP Resolution No. 785/19 and the Assignment Procedure's Manual



APPROVALS

- **Antitrust authority:** CADE's prior approval is a condition precedent to the assignment procedures, unless the parties meet the antitrust law exemptions, such as maximum turnover threshold. Gun jumping is forbidden regardless of the need of CADE's approval
- **JOA:** Depending on the JOA, assignments may be subject to other JV members' right of first refusal or preemptive rights
- **Regulatory Approval (ANP):**
 - **Concession Regime:** ANP's prior approval is a condition precedent to the execution of the amendment to the Concession Agreement that formalizes the transfer of interests
- **Other Licenses:** if the assignor is the operator, licenses issued by other governmental bodies must be transferred to the assignee (e.g., environmental licenses); although not a mandatory condition precedent, such transfer must be well coordinated



EQUITY INVESTMENT

- Relevant to financial and strategic equity investors and other oil companies interested in partly financing the equity necessary for acquisitions
- Usually, **offshore structures with local private equity investment funds (FIPs)** – restrictions to equity holding apply to ensure beneficial tax treatment
- Change in control and anti-flipping clauses in SPAs need to be carefully negotiated to ensure the ability to seek equity investment without triggering restrictions that require additional payments to Seller
- In case of change in control, concessionaire shall notify ANP within 30 days of any change in its direct corporate control or its exit from its original corporate group. The notification must include corporate documents reflecting the change, a detailed corporate chart and financial statements, and the CADE approval decision (or justification for its absence).

CONTRACT ASSIGNMENT / COLLATERAL TO FUNDING

\$ FUNDING

ANP Resolution 785/19 regulates the assignment of E&P concession contracts (farm-in/out), change in control & replacement of parent company guarantees (corporate deals), and the taking & enforcement of collateral over E&P contracts (RBL deals)

- Concession contracts interests, including the contractual position itself, may be given as collateral, subject to some restrictions – broadly speaking, the O&G company must remain in control of the operations and of the E&P contract and, as long as no default occurred, lenders may only monitor the performance of the contract
- No restrictions to structures where an offshore bankruptcy remote SPV borrows the funds while the Brazilian E&P company grants collateral for the benefit of the SPV
- ANP requirements:
 - **Subsequent notice:**
 - perfection of security interests over E&P contracts
 - change in control of contractors that (a) do not have parent company guarantees or (b) do not require a change in the parent guarantor (i.e., no “breach” of the chain of control granting the PCG)
 - **Prior approval:**
 - transfers of working interest in E&P contracts, including as a result of security foreclosure
 - mergers and spin-offs where the corporate restructuring results in the change of the contractor
 - change in the operator
 - exemption or replacement of parent company guarantees (i.e., “breach” of the chain of control granting the PCG)
- No ANP notice/approval needed: For security over shares/equity interests, oil & gas production, oil & gas sales contracts/ proceeds, bank accounts, or relevant contracts or assets
- Foreclosure of E&P contracts requires ANP prior approval and contract amendment. Lenders may act on behalf of the debtor if authorized, but must notify ANP and consortium members, and act carefully to avoid liability for misuse of rights or environmental damage

CONTRACT ASSIGNMENT

SOME RBL
ALTERNATIVES



SECURED PRODUCTION FINANCING

- Project finance or project-based corporate loan with security over all project assets
- Security over (i) working interest in the E&P contract, (ii) oil produced, (iii) oil sales agreements and its proceeds, (iv) centralized bank account, (v) SPV shares. Same kind of collateral possible in other structures
- Risk segregation: SPV may be created, subject to regulatory approval



PRE-EXPORT FINANCING (PEF)

- Concessionaire sells future oil production to a foreign buyer, which pre-pays the exports. Concessionaire has a commercial debt, which shall be repaid upon export of the products sold
- Foreign buyer may be a bankruptcy remote SPV used to raise funds to pay for the export pre-payment. The export prepayment is repaid mainly through the exportation of the oil produced
- Concessionaire grants its assets as collateral to SPV's lenders. SPV grants its pre-export contract (and shares and other assets) as collateral
- Tax advantage of PEF: no withholding tax (IRRF) on interests or tax on financial transactions (IOF), provided product is exported. Transaction may have to be converted into a regular financing and lose tax advantages of a pre-export payment if product is not exported

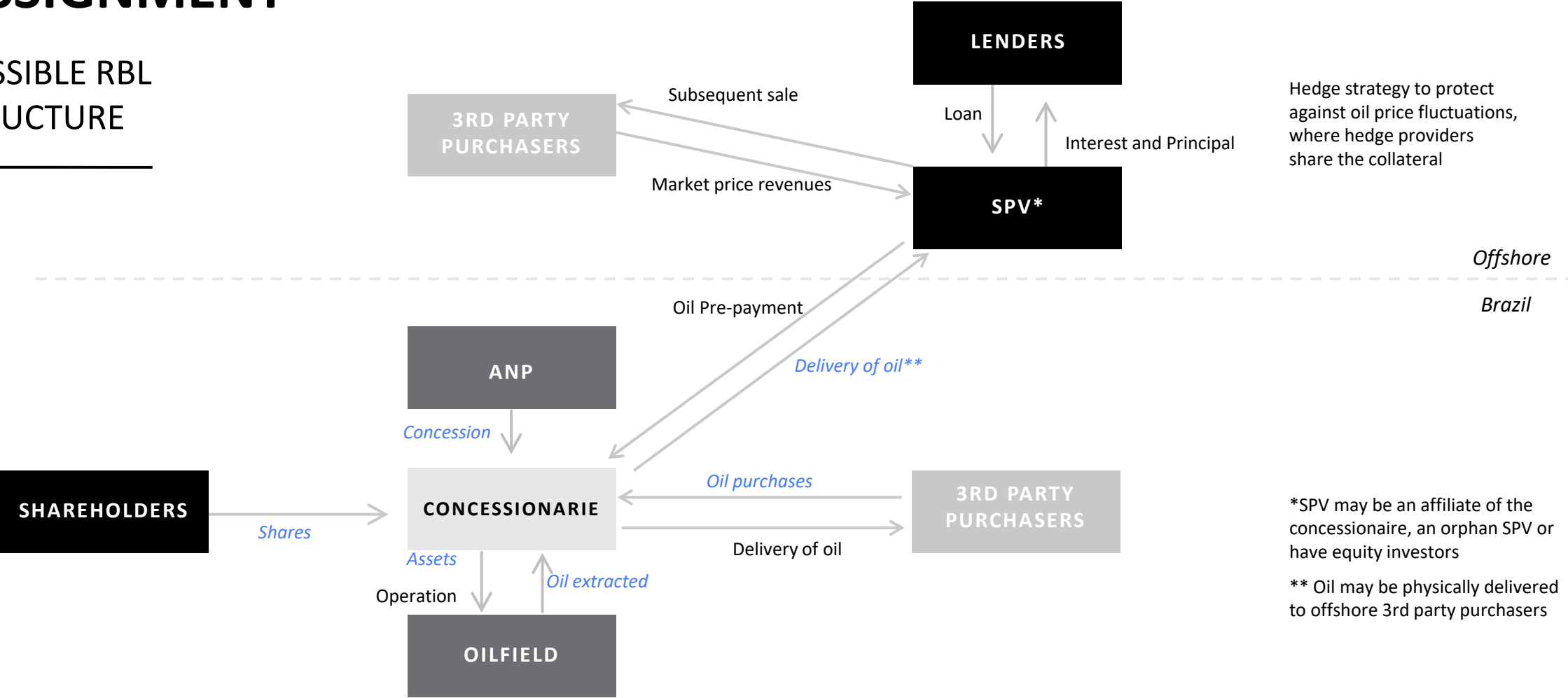


DCM INSTRUMENTS WITH TAX BENEFITS

- Tax benefit only for **natural gas projects**. Law 12,431/2011, Law 14,801/2024 and Decree 11,964/2024 allow tax benefits to local debentures or international bonds issued by E&P concessionaires in relation to projects for the implementation, expansion, recovery, adaptation or modernization of infrastructure for the exploration, development, production, outflow, transfer and transportation, treatment and processing, underground storage, compression, liquefaction, and regasification of dry or associated natural gas
 - DCM instruments may be secured by the same collateral as above, but caution is advised to covenants and other potential waiver requirements in case the instruments are placed with retail investors, due to increased complexity
-

CONTRACT ASSIGNMENT

POSSIBLE RBL STRUCTURE



Hedge strategy to protect against oil price fluctuations, where hedge providers share the collateral

*SPV may be an affiliate of the concessionaire, an orphan SPV or have equity investors

** Oil may be physically delivered to offshore 3rd party purchasers

Collateral package



ANP QUALIFICATION REQUIREMENTS

ANP QUALIFICATION

REQUIREMENTS



OVERVIEW

- The qualification procedure comprises the analysis of the relevant documentation to evidence legal, tax, labor, economic, financial, and technical capacity of the bidders. Qualification requirements are those set forth in the most recent version of the tender protocol for the Permanent Offer, as approved by ANP's Board of Officers



MOMENT TO OBTAIN THE QUALIFICATION

- During contract assignment procedure or during a bidding round (pre-qualification is not possible)
- After the public offering session, there will be a qualification phase for the winning bidders, with a deadline for submitting documentation, as previously established in the official cycle schedule published by ANP. ANP will only assess the qualification documentation of the winning bidders. The qualification documentation must be submitted individually by each consortium member



LOCAL ENTITY REQUIREMENT

- E&P concession contracts with state can only be entered into by Brazilian companies
 - Foreign investors may incorporate a new entity in Brazil or acquire an existing one in order to meet such criteria
 - Incorporation of a new entity is estimated to take 7 days from filing of documentation plus additional time to enroll with certain government bodies that do not jeopardize the bid but are required for assessment of the legal qualification. One should allot one month of preparation
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ANP

QUALIFICATION

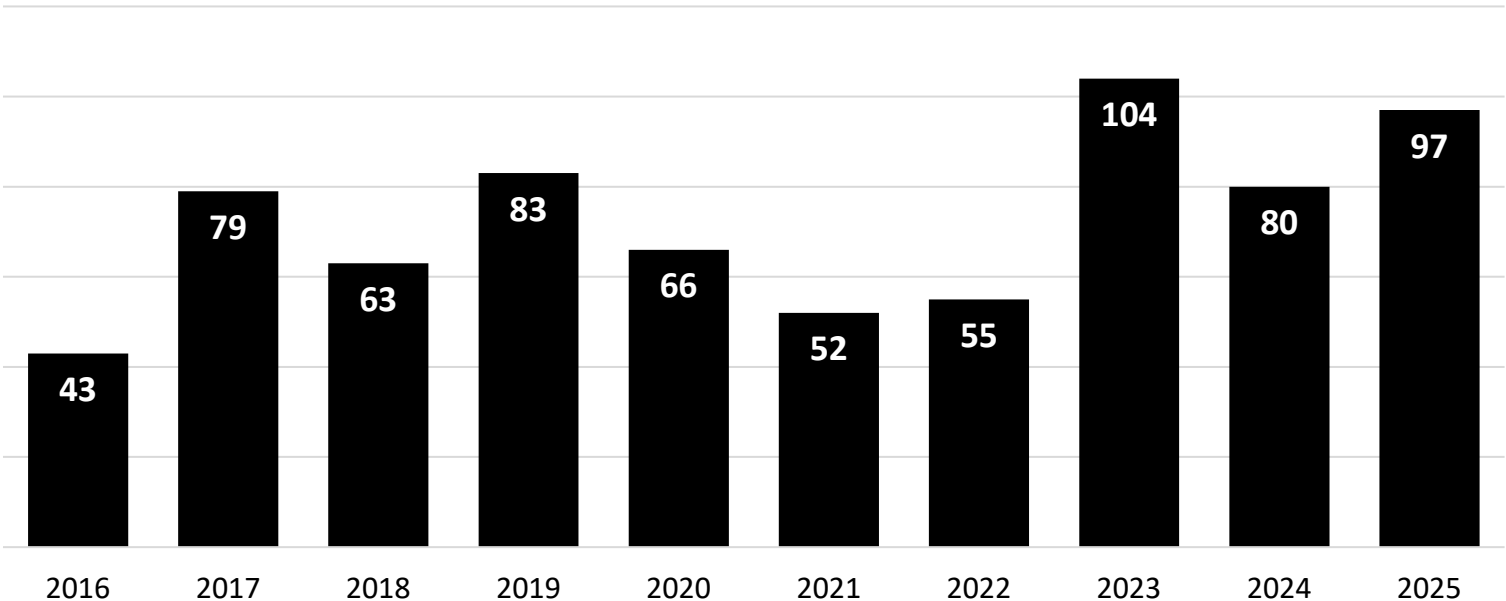
REQUIREMENTS



TIMELINE

- Contract assignment: From 2 to 4 months for farm-in/farm-out deals, depending on factors such as ANP’s caseload, transfer of operatorship, submission of new development plan. Legally, after the submission of all applicable documents, ANP has 90 days to either approve or deny the assignment of concession agreements.
- Bid round: ANP establishes in the tender protocols a specific timeline for each bidding round. The most recent rounds took approx. 2-3 months to confirm the winners’ qualification, and further 2-5 months to reach the execution of the contracts

ANP’S AVERAGE APPROVAL TIME (IN DAYS)
from proper delivery of all required documents



ANP QUALIFICATION

REQUIREMENTS

TECHNICAL QUALIFICATION

Type of operator defines the environment it can operate:

QUALIFICATION LEVEL	OPERATION ENVIRONMENTS
A	Ultra-deep, deep, shallow waters, onshore areas, and areas with marginal accumulations (<u>the latest tender protocol includes exclusively deep and ultra-deep-water blocks in the Equatorial Margin</u>)
B	Shallow waters, onshore areas, and areas with marginal accumulations
C+	Remote and non-remote onshore areas and areas with marginal accumulations
C	Non-remote onshore areas and areas with marginal accumulations
D	Areas with marginal accumulations

- It is possible to **technically** qualify either with the activities and experience of the bidder or of its corporate group or, alternatively, with the experience of its **technical personnel**. If the bidder qualifies with the experience of its technical personnel, it may only qualify up to Operator B
- **Simplified Technical Qualification:**
 - Previous qualification in a bidding round or contract assignment process obtained within 1 year prior to the application
- **Parent company guarantee:** when a qualifying operator applies with the activities and experience of its group, it must provide a parent company performance guarantee
- ANP assesses bidders’ and assignees’ **qualification score** according to information such as:
 - Oil production over the past 5 years
 - Experience in E&P activities
 - Time of experience in E&P operations
 - Investments made over the past 5 years
 - HSE certification and practices
- To be qualified, the bidder must submit to ANP: (i) a **technical summary** form containing the needed information for the qualification (ex: list E&P activities in projects and contracts in force, time of experience in E&P activities, investments made over the past 5 years, etc); (ii) **HSE policy and other HSE documents**

* In order to qualify as Operator A, the bidder must have operatorship experience in an offshore environment, regardless of the score obtained

ANP QUALIFICATION

REQUIREMENTS

FINANCIAL QUALIFICATION

QUALIFICATION LEVEL	OPERATION ENVIRONMENTS	MINIMUM NET WORTH	
		OPERATOR	NON-OPERATOR
A	Ultra-deep, deep, shallow waters, onshore areas, and areas with marginal accumulations (the latest tender protocol includes exclusively deep and ultra-deep-water blocks in the Equatorial Margin)	BRL 301.6 M	BRL 75.4 M
B	Shallow waters, onshore areas, and areas with marginal accumulations	BRL 130.6 M	BRL 32.65 M
C+	Remote and non-remote onshore areas and areas with marginal accumulations	BRL 40 M	BRL 10 M
C	Non-remote onshore areas and areas with marginal accumulations	BRL 11.4 M	BRL 2.85 M
D	Areas with marginal accumulations	BRL 1.5 M	BRL 375k

- Bidders and assignees shall submit financial statements for the past 3 years, with independent auditor’s opinion in order to evidence their financial qualification
- Minimum net worth required is provided in the latest tender protocols (in Brazilian Reais)



For Bidders Established in the Same Fiscal Year as the Tender:

- In addition to complete interim financial statements with an independent audit opinion, they must submit the latest corporate bylaws file with the trade registry in their jurisdiction



For Bidders Increasing their Net Worth in the Same Fiscal Year as the Tender

- Complete interim financial statements with an independent audit opinion
- Latest corporate bylaws filed with the commercial registry in case the increase in the net worth results from changes in capital stock

ANP QUALIFICATION

REQUIREMENTS

LEGAL QUALIFICATION

Bidders and assignees shall submit the following documents and statements in order to evidence their legal qualification

- Up to date corporate documents
- Statement regarding the absence of impediments for signing the contract
- Declaration on relevant legal or judicial pending issues
- Up to date enrollment certificate in the Brazilian national taxpayers' registry*
- Clearance certificates regarding labor, tax, and social security debts
- Declaration listing significant legal or judicial liabilities
- Corporate control chart

Foreign legal entities may participate in the Bid Round if they:

- Commit to incorporate a local entity to execute the E&P contract
- Provide evidence that they are duly organized and in good standing under the laws of their countries

* analyzed by ANP itself through consultation with the agencies that issue these certificates. Bidders must resolve, prior to the expiration of the deadline for submitting qualification documents, established by CEL for each cycle, any issues attributable to them for the issuance of the documents.



LOCAL CONTENT REQUIREMENTS

LOCAL CONTENT REQUIREMENTS

LAST BID ROUND:

CONCESSION (5 TH CYCLE)	EXPLORATION PHASE	PRODUCTION DEVELOPMENT PHASE	
Offshore	30%	Construction of Wells	30%
		Collection and transportation system	40%
		Stationary production unit	25%

All E&P concession contracts executed with the winning bidders* under any legal regime provides for local content commitments that shall be fulfilled by the concessionaires, subject to penalties

ANP Resolution No. 726/2018 provided for the following:

- Procedure applicable to the waiver of local content commitments (based in criteria such as lack of national supplier; excessive price; new technology, etc.)
- Amendments to certain E&P concession agreements in order to reflect the latest local content requirements**

Local content certification simplified in Feb. 2020 and in Nov. 2020 local content obligations in unitization of areas and attachment of non-licensed areas was regulated, with the intent of expediting unitization reviews

Oil companies usually impose local content requirements to its main suppliers, with back-to-back penalty provisions

Law No. 15,075/2024 & CNPE Resolution No. 11/2023:

- Enable **transfer of surplus local content across contracts and regimes** (including Round Zero), fostering flexibility and strategic management of regulatory commitments.
- Allow royalty reduction to 5% for Round Zero contracts with investments in UEPs with certified local content
- Grant Differentiated accelerated depreciation quotas for newly built tankers produced in Brazil employed in coastal shipping activities of oil and its derivatives (Decree No. 12,242/2024)

Recent Changes – ANP Resolution No. 979/2025:

- Standardized local content reports (RGT/RCL) for PSC development phase
- Local content certificates accepted as proof of national spending
- Early-phase costs allowed in RGT for development
- New rules apply to Rounds 1–6 (non-amended) contracts. Local content certificate allows partial national classification of goods/services below minimum thresholds

* Round Zero contracts do not have local content requirements

** For such purpose, the concessionaire must renounce (i) any credit that it may have against ANP; and (ii) request for a waiver



ENVIRONMENTAL LICENSING OVERVIEW

ENVIRONMENTAL LICENSING

OVERVIEW

ENVIRONMENTAL LICENSES AND COMPETENT AUTHORITIES

Environmental licensing is the procedure whereby the activities that use natural resources and/or have pollution potential obtain licenses (preliminary license - LP, installation license - LI and operating license - LO) among federal, state or municipal agencies for the location, construction, installation, expansion and operation of their enterprises.

The required environmental studies will depend on the characteristics of the project, such as its size, polluting potential, and location. For O&G activities, an EIA/RIMA is generally required, which is a more comprehensive study and requires a public hearing.

The federal environmental body, IBAMA, is the competent for licensing O&G offshore activities, but state environmental agencies may license active in onshore activities or other related activities.

ENVIRONMENTAL CONDITIONS

The environmental licenses establish technical conditions, restrictions and standard controls, which, if not complied with shall result in fines, embargo, the cancellation or non-renewal thereof. Each license is valid for a specific term, on the expiration of which the license must be renewed. The request for the renewal of LO must be filed 120 days before its expiration date, so that it remains valid until the renewed license is issued.

ACTIVITIES

Generally, an environmental license covers the main activity undertaken at a specific facility and all equipment and production lines. However, potential improvements to facilities can be licensed separately and integrated with the main license when this is renewed. In addition, environmental legislation may also require separate permits related to specific activities connected to the main activity that may have different consequences.

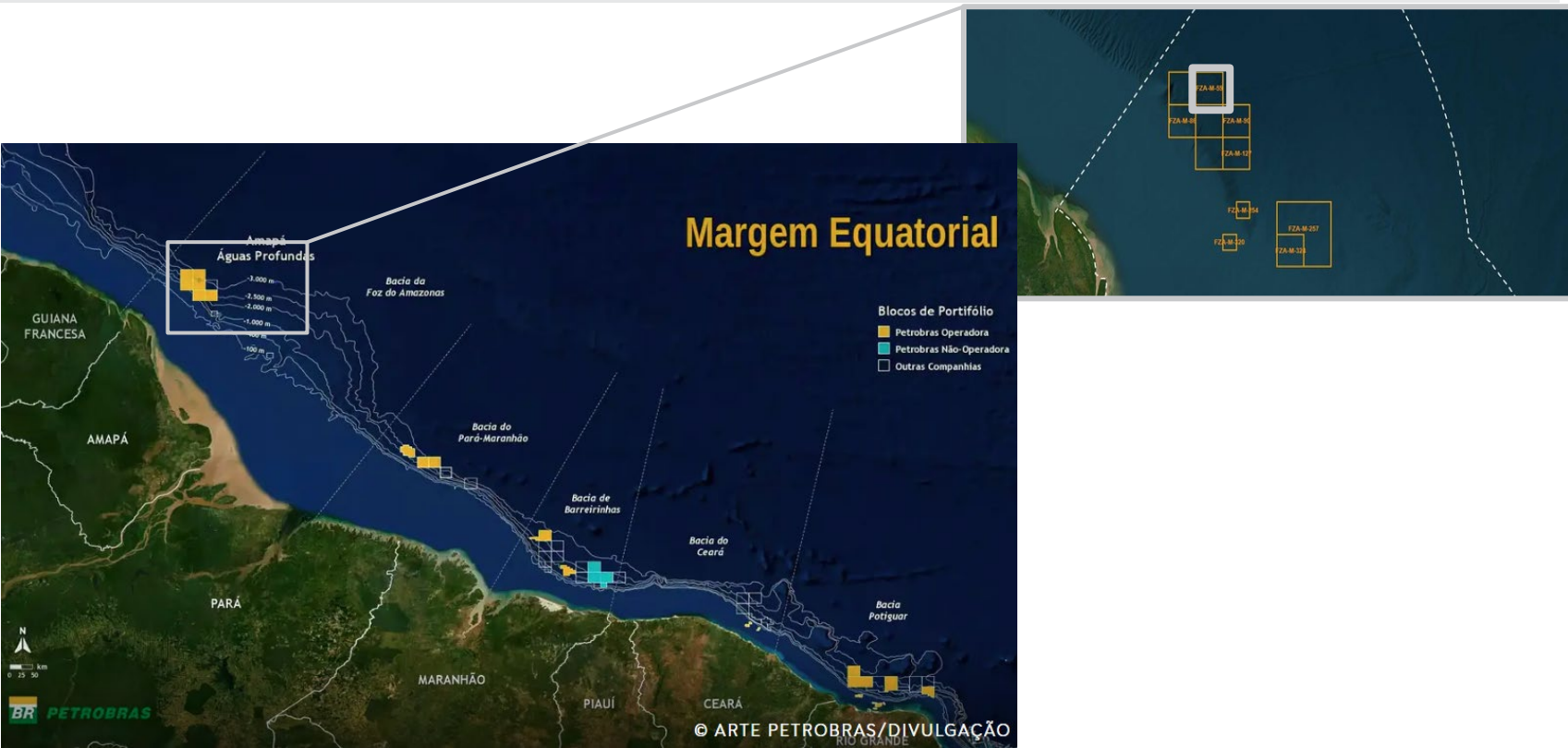
ENVIRONMENTAL LICENSING

LICENSES ISSUED

THREE
ADDITIONAL
WELLS
AUTHORIZED IN
BLOCK FZA-M-59

BLOCO FZA-M-059:

- Environmental Operating License (LO) No. 1,684/2025 was issued in October 2025 for drilling the Morpho well.
 - The entire process up to the issuance of the LO took 10 years. The LO has 28 environmental conditions.
 - An Environmental Impact Study (EIA/RIMA) was prepared, three public hearings were held, and 65 sector-specific technical meetings took place in more than 20 municipalities (Pará and Amapá).
 - After the license request was denied in May 2023, several improvements were made, including: the construction and operation of an additional Rehabilitation and Oil-Removal Center (CRD), the inclusion of three offshore vessels dedicated to oiled wildlife response, four nearshore response vessels.
-
- **Exploration Status:** Hydrocarbons were identified at Morpho in August 2026. Further evaluation is required to establish the discovery's commerciality.
 - **Expanded Scope:** On September 3, 2026, IBAMA amended the license to authorize three additional contingent wells: Manga, Crotalus and Morpho Extensão. This wells were already included in the project's EIA/RIMA and received authorization following the submission of complementary information.



FEDERAL LAW

No 15.190/2025

OVERVIEW

GENERAL ENVIRONMENTAL LICENSING LAW

Deadline for Issuing Licenses

LP: 10 months/EIA and 6 months/other studies

LI, LO, LOC and LAU: 3 months

LP+LI or LI+LO: 4 months

LAE: 12 months

Express Provision for Grouping Licensing Phases or Grouping with Other Authorizations

The procedure may be three-phase (LP + LI + LO), two-phase (LP + LI / LI + LO), single-phase, or even based on adherence of a term of commitment. At the discretion of the licensing authority, the environmental license may include the scope of ASV (Authorization for Vegetation Suppression) and ABIO (Authorization for the Capture, Collection, and Transport of Biological Material).

New Licensing Modality: Special Environmental License (“LAE”)

Applicable to activities or projects considered strategic, as defined by decree based on a biennial proposal from the Government Council shall have priority in the analysis and decision of the environmental licensing requests; and technical team permanently dedicated to this analysis.

Possibility of Technical Support and Use of Previous Studies

The environmental agency may obtain technical support the authority’s decisions. Also new projects may use environmental studies previously conducted in the area by another project (e.g. environmental impact study - fauna survey).

Environmental Conditions

The environmental conditions established in environmental licenses must be related to the environmental impacts of the project. The implementation of environmental conditions may be carried out jointly by projects whose areas of influence are totally or partially overlapped, with shared responsibility.

The environmental conditions established in environmental licenses may be reviewed within a 30-day deadline request.

The modification of any condition by the environmental agency may safeguard acquired rights.



REPETRO TAX REGIME

REPETRO

OVERVIEW

The regime applies to E&P activities in general, without geographic restrictions, which includes new frontiers such as the Equatorial Margin

REPETRO-SPED

- It is a special tax regime applicable to oil and natural gas exploration, development, and production activities in Brazil. It is in force until December 31, 2040, and is primarily regulated by Brazilian Federal Revenue Normative Instruction (IN RFB) No. 1,781/2017.
- The regime aims to reduce CAPEX for E&P activities, bringing Brazil's tax burden closer to international standards and ensuring competitiveness, particularly in higher-risk areas such as the Equatorial Margin.
- Please note that Brazil is undergoing a Tax Reform that will eliminate the following taxes: PIS, COFINS, IPI, ICMS, and ISS. These will be replaced by two new taxes: IBS and CBS. The REPETRO-SPED regime will be maintained under the new system, following the same model currently in place as outlined below.

MAIN MODALITIES AND BENEFITS

- Definitive Importation: suspends Import Duty (II), Tax on industrialized products (IPI), and PIS/COFINS. After five years, the suspension converts into exemption (II and IPI) and a zero rate (PIS and COFINS)
 - Temporary Admission: allows the temporary stay of goods in the country with suspension of federal taxes (II, IPI, PIS, and COFINS)
-

REPETRO

OVERVIEW

STATE TAXES UNDER REPETRO-SPED

- CONFAZ ICMS Agreement No. 3/2018 authorizes states to:
 - Reduce the ICMS tax base so that the effective burden equals 3% on imports and domestic acquisitions of “permanent goods”
 - Grant ICMS exemption on imports of “temporary goods,” provided they are owned by a party domiciled abroad and imported without foreign-exchange coverage
 - Grant ICMS exemption on deemed exports and local sales of “temporary” or “permanent” goods manufactured in Brazil, as well as on prior (upstream) transactions in the domestic supply chain

Note: The Agreement is not self-executing; its applicability depends on the States incorporating its provisions into their legislation. All Equatorial Margin States have complied

REPETRO-INDUSTRIALIZATION

- Extends REPETRO-SPED relief to the domestic natural gas production chain. It is regulated by IN RFB No. 1,901/2019
- Suspends federal taxes (PIS, COFINS, IPI, II) on the import or domestic acquisition of raw materials, intermediate products, and packaging materials used to manufacture final goods for oil and gas E&P activities. The suspension converts into a zero rate or exemption upon the product’s final destination

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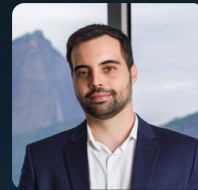
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