



4Q21 & 2021 Earnings Release

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4Q21 & 2021 Highlights



**Miranga e Remanso Clusters
aquisitions and takeover concluded.
Bahia Asset operations integrated;**

**Reserves certification of Dec'21 with expressive
increase of 126% in PV10 and reserve
replacement ratio (RRR) 2P of 196% in 2021;**

**In Jan'22 start supply of natural gas and its
liquids to 4 distributors, diversifying
customer base.**

**Net Revenue of R\$ 1 Billion in 2021, growth of 32.1%
vs. 2020 and 38.1% 4Q21 vs. 4Q20;**

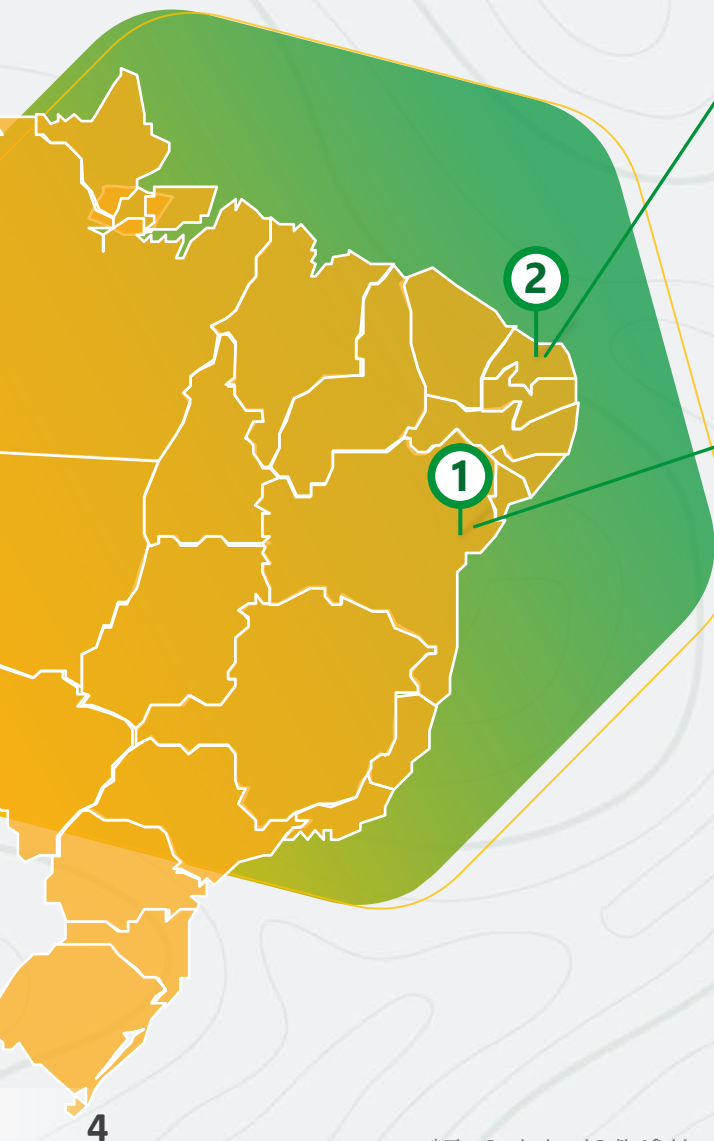
**EBITDA 12.7% higher in 2021 vs. 2020 and 4.6%
higher in 4Q21 vs. 4Q20;**

**Adjusted EBITDA (excluding hedge effect) grew
131.6% in 4Q21 vs. 4Q20 and 85.4% in 2021 vs. 2020;**

**Net income of R\$176.9 million in 2021 and R\$72.3
million in 4Q21;**

**Increase in total production (boed) of 10.9% in 2021
vs. 2020 and 20.8% in 4Q21 vs. 4Q20;**

Operational Performance



POTIGUAR ASSET

Potiguar E&P S.A.

32 operated concessions
1 concession operated by partner.
(PRSA working interest)
1 exploratory block

Riacho da Forquilha Cluster

BAHIA ASSET

PetroRecôncavo S.A.

12 operated concessions
Remanso Cluster

Recôncavo E&P S.A.

5 operated concessions
BTREC Cluster

Remanso
+ BTREC

SPE Miranga S.A.

9 operated concessions
Miranga Cluster



Average Gross Production

In Barrels of Oil Equivalent per day - BOED

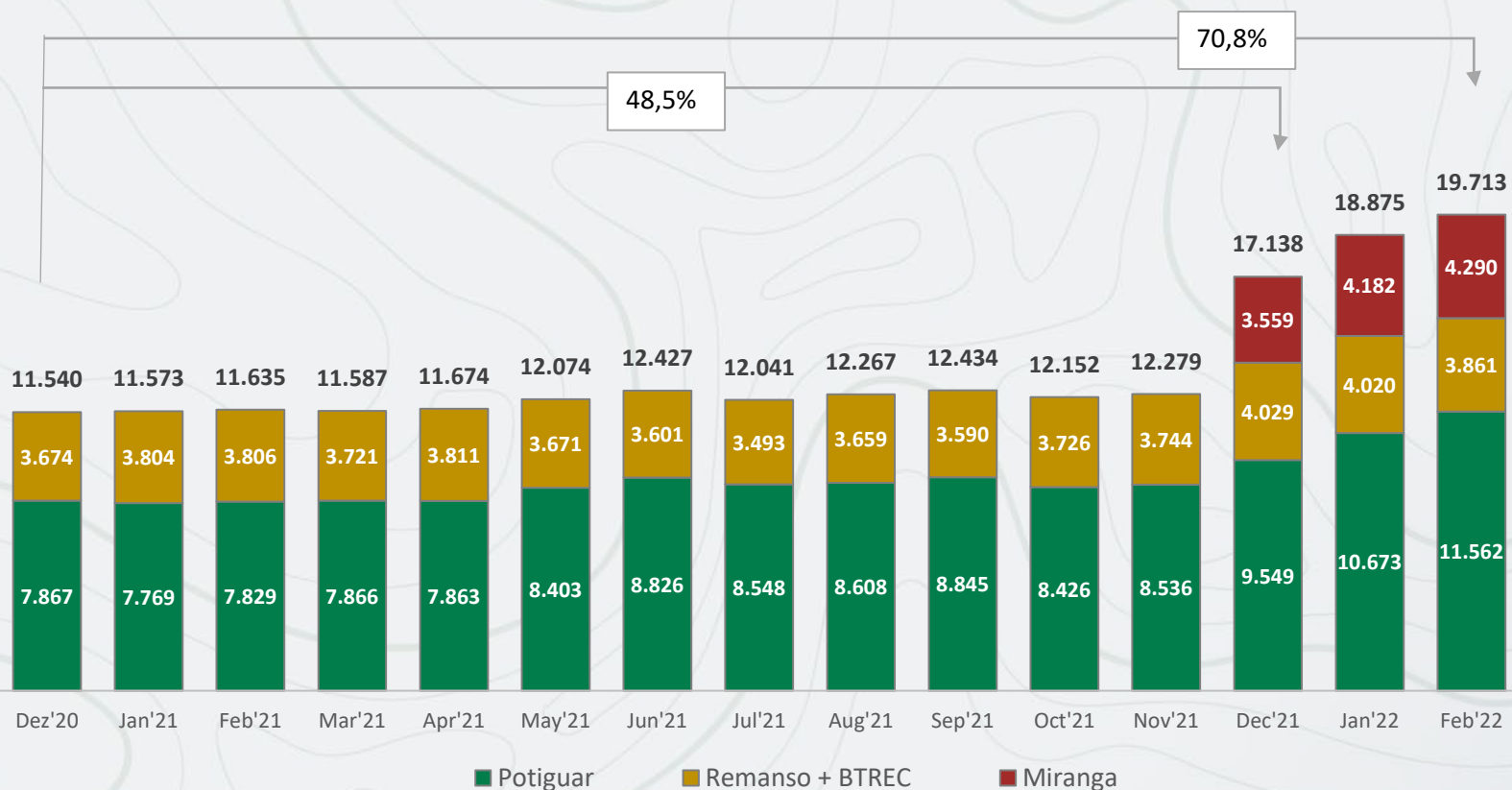
	2021	2020	Δ%
BAHIA ASSET	3,965	4,143	-4.3%
POTIGUAR ASSET	8,426	7,003	20.3%
AVG. GROSS PRODUCTION	12,391	11,146	11.2%

* The Cardeal and Colibri fields operated by Mandacaru Energia (formerly Partex) were merged, forming the Cardeal concession.



Monthly Production by Cluster

Monthly Production by Cluster | average barrels of oil equivalent per day (boed)



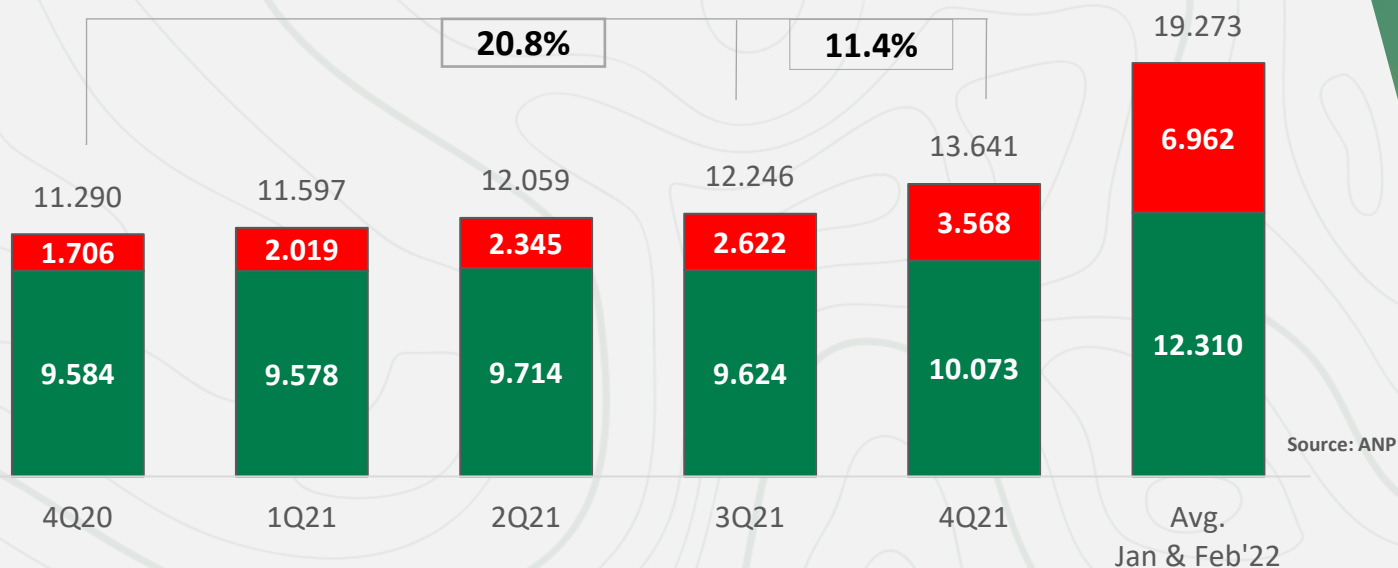
Source: Monthly Production Bulletin



- With the acquisition of Miranga Cluster, the Company had a 48.5% growth in production in Dec'21 vs. Dec 20
- Considering organic growth (Remanso+BTREC Cluster and Potiguar Asset), it grew 17.7% in Dec'21 vs. Dec 20
- Production follows a growth trend as published in the production reports of Jan'22 and Feb'22

Continued production ramp up with an average of 13,641 BOED in 4Q21

Oil Gas

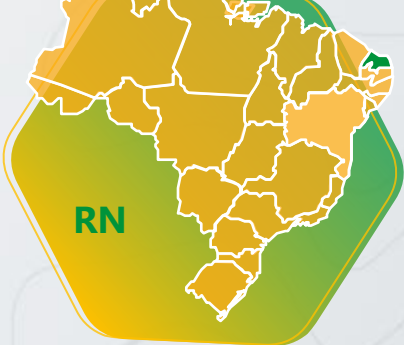


- ✓ Resumption of investments after reduction of activities due to the impact of the pandemic and recovery of Brent
- ✓ Growth of natural gas participation in the product mix, moving from 15.1% in 4Q20 to 26.2% in 4Q21



Potiguar Asset

18.9% Incremental Production in 4Q21 vs 4Q20



Fourth workover rig started to operate in the Asset during 4Q21



Continuation of workover interventions focusing on conventional hydraulic fracturing projects and **completion** of recently drilled wells

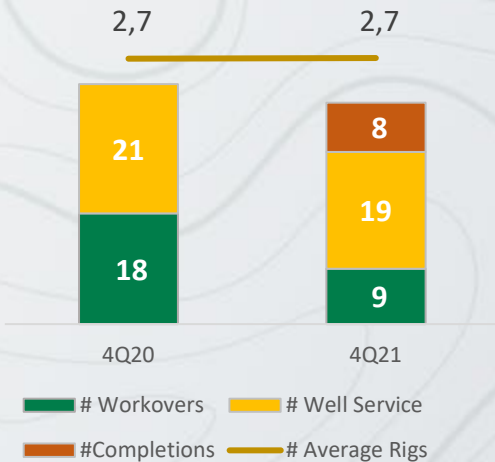


Increase in the production of **natural gas** aligned with the improvement in commercialization conditions



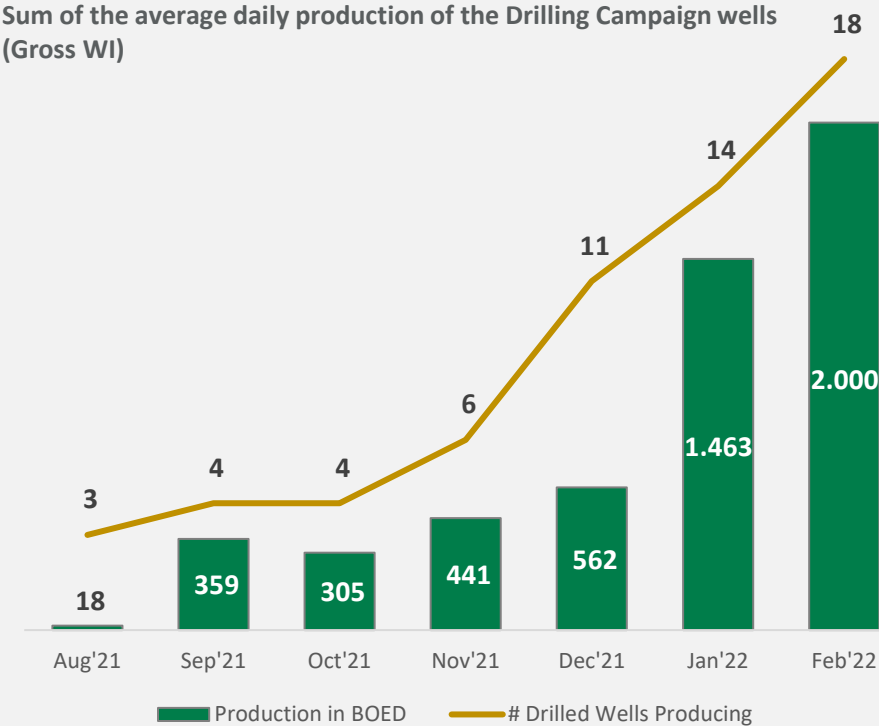
Internalized **drilling mud services** and **cementing of wells**

Avg. Gross Production Potiguar E&P	In Barrels of Oil Equivalent per day - BOED		
	4T21	4T20	Δ%
Oil	6,689	6,204	7.8%
Gas	2,151	1,229	75.0%
Avg. Gross Production	8,840	7,433	18.9%

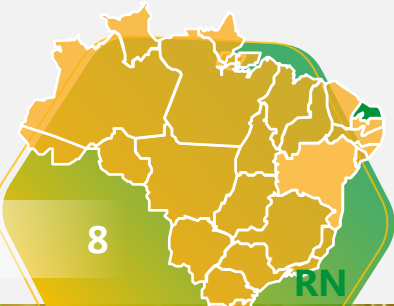


Potiguar Asset

Drilling campaign with 20 wells drilled,
18 wells already producing



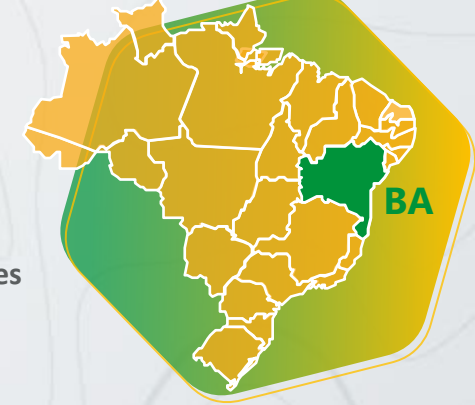
Source: Monthly Production Bulletin



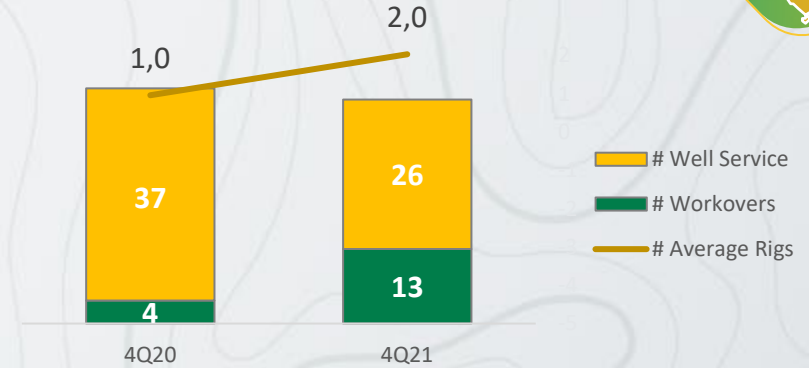


Bahia Asset

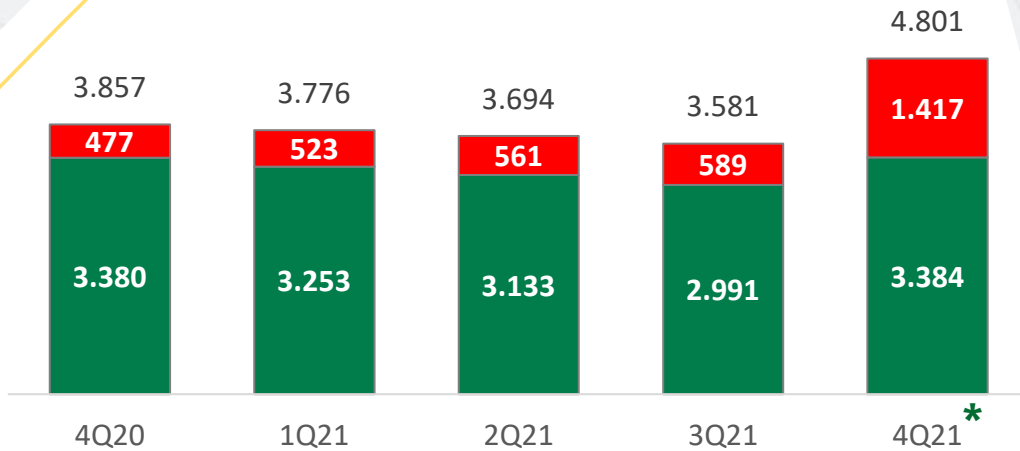
4Q21 production 24.5% higher than in 4Q20



Average Number of Active Rigs, Workovers and Well Services

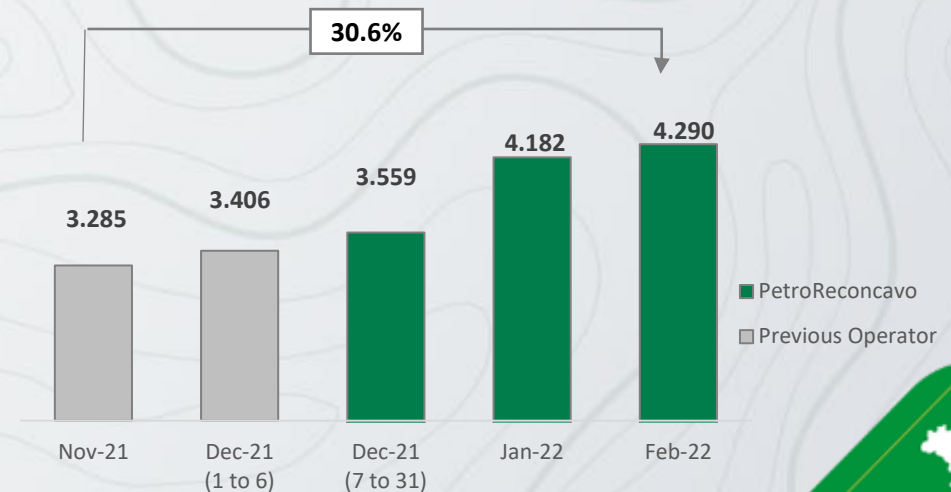


Oil Gas



* 4Q21 Production on Bahia Asset includes 25 days of production of Miranga Cluster

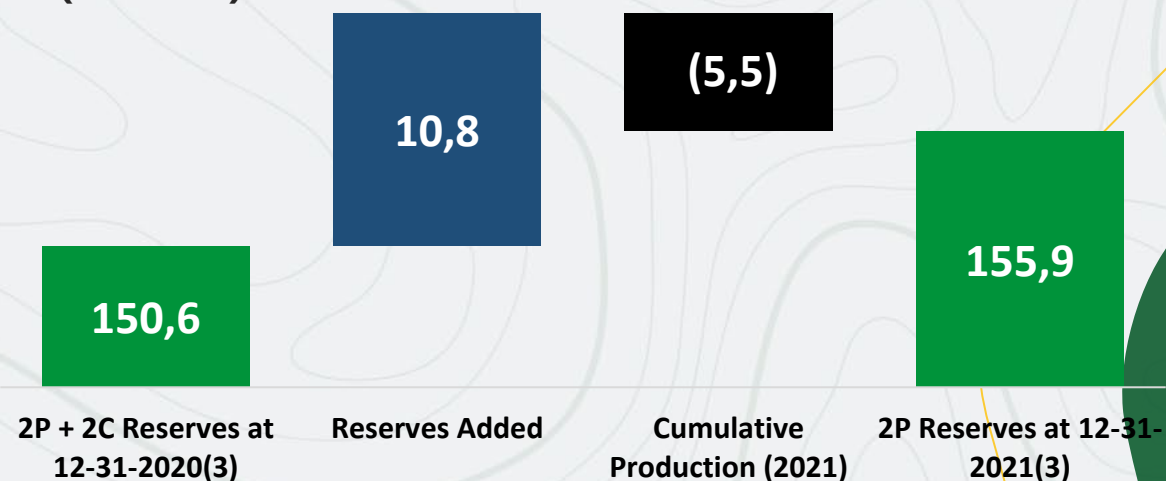
Miranga Cluster | Average Production after takeover of operations (boed)



Dec-21 Reserves Report in a Nutshell

PetroReconcavo's WI Reserves and Production

(MMboe)



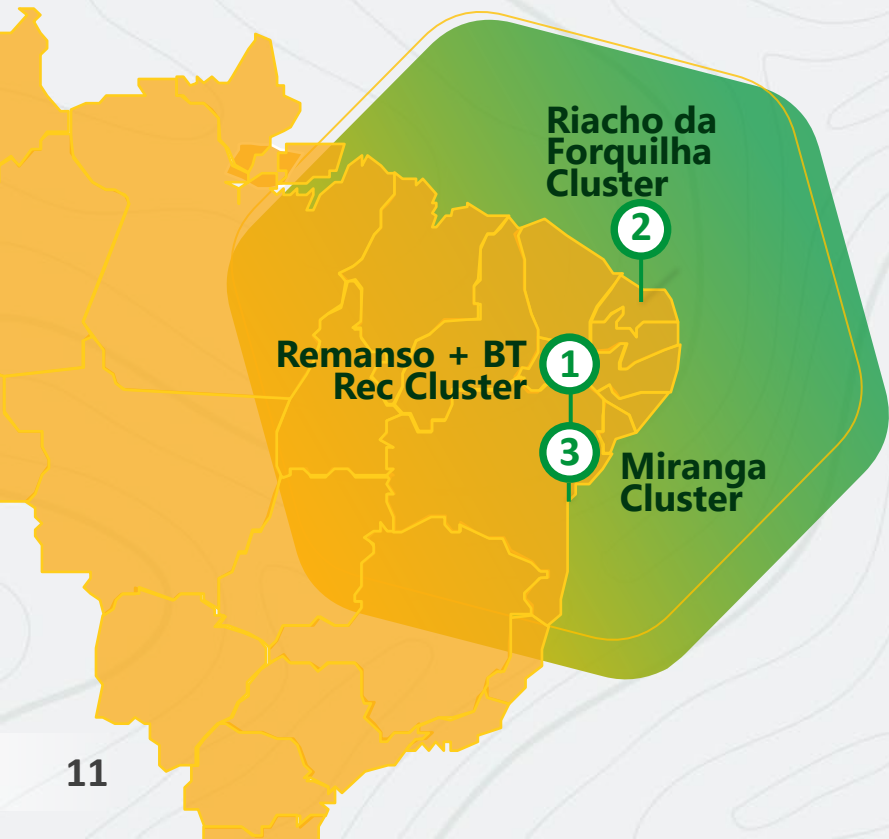
2P Reserves PV(10) ¹ :	2,246 MMUSD
2P PV(10)/share ² :	~R\$39/share
2P Reserves added:	10.8 MMboe
2P Reserves net increase:	5,3 Mmboe
Reserves Replacement Ratio ³ :	196%
Reserves to Production Ratio ⁴ :	28.3 years
Reserves Replacement Cost ⁵ :	5.59 USD/boe
1P/2P reserves ratio ⁶ :	79%
Gas reserves/total reserves ⁷ :	39%

Notes

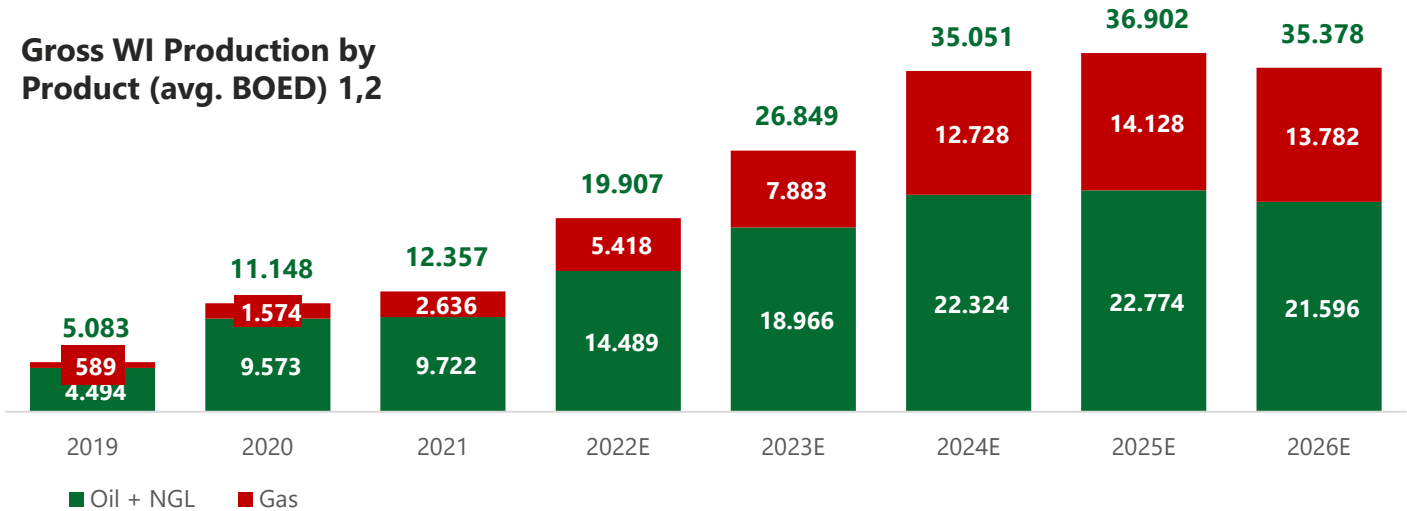
- (1) All multiples calculated based on gross working interest reserves.
- (2) Net future revenue of 2P reserves discounted at a 10% annual rate (as per reserves report) minus estimated deduction of income taxes and net debt as of 31-Dec-21 divided by the number of shares in circulation.
- (3) 2P Reserves added in the period (boe) divided by the cumulative production in the same period (boe).
- (4) 2P Reserves (boe) divided by the cumulative production in the period (boe/year).
- (5) Total capital expenditure (USD) divided by incremental reserves (2P minus PDP Reserves ,boe) according to reserves report.
- (6) 1P reserves divided by 2P reserves, gross working interest.
- (7) 2P Gas reserves (boe, considering conversion 6.0 kcf = 1 boe) divided by total 2P reserves (gas+ oil, in boe)

Reserves Report Production Overview

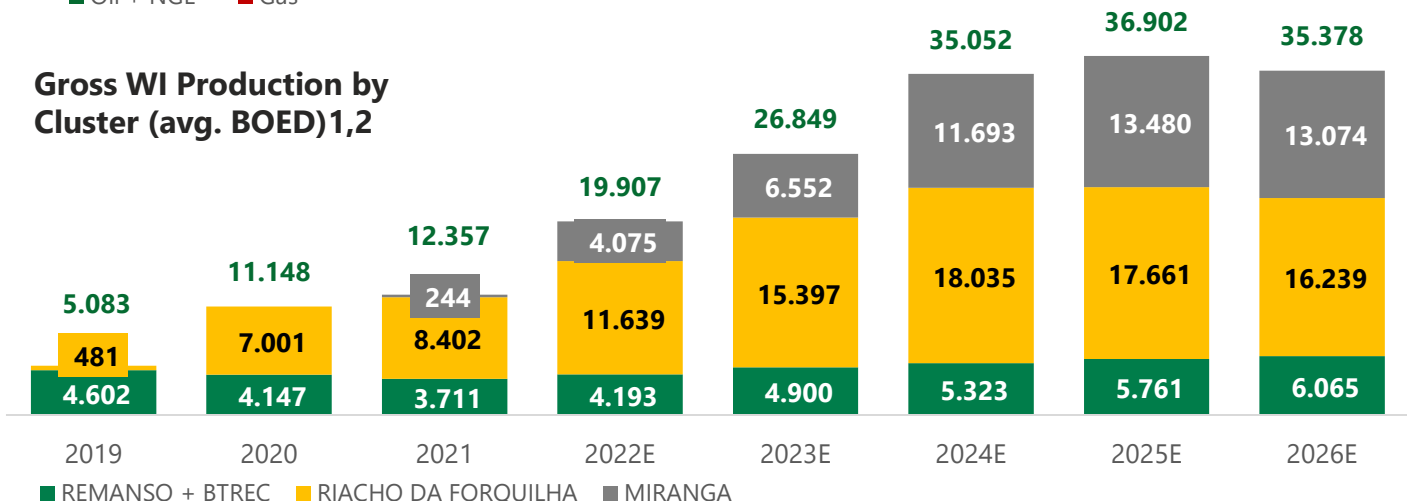
Average Jan-Feb'22 production has already reached 97% of the average volumes expected for 2022 ahead of time



Gross WI Production by Product (avg. BOED) 1,2



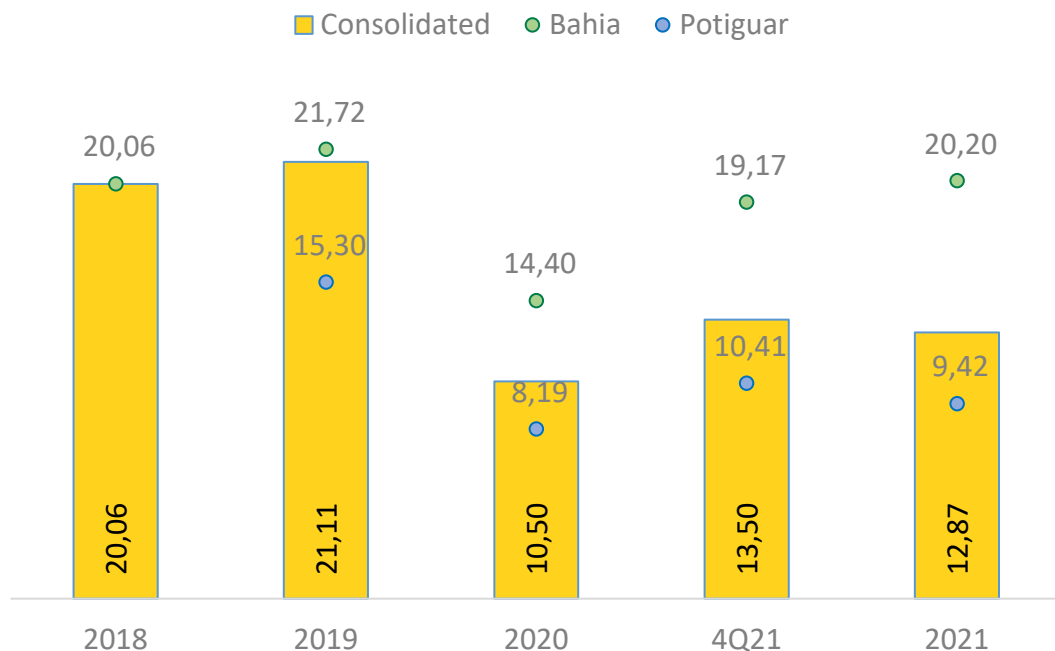
Gross WI Production by Cluster (avg. BOED) 1,2



Notes: 1) Post 2021 numbers based on 2P reserves estimates as presented on Dec 31st, 2021 reserves reports, divided by 365 days (to indicate daily volume); 2) Gas volumes conversion to boe: 6.0 kcf = 1 boe

Average production cost per Boe of \$13.50 on 4Q21 and \$12.86 in 2021

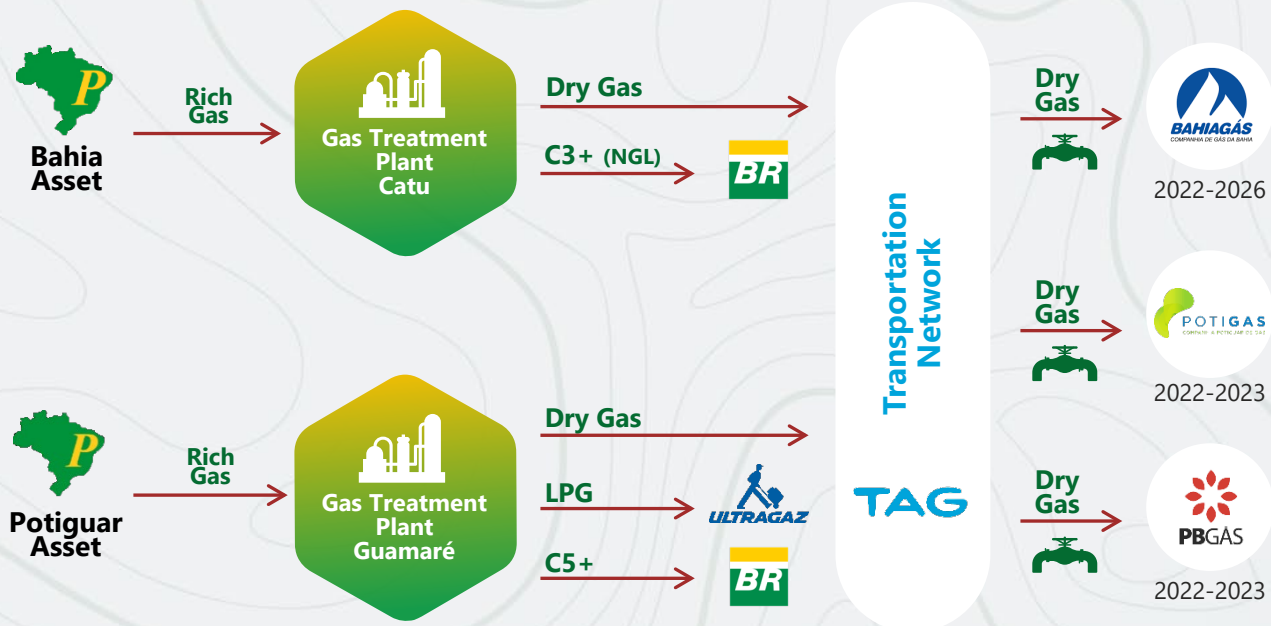
Average Consolidated Production Cost (US\$/boe)



Key Highlights:

- Pre-takeover costs associated with the acquisition of **Remanso and Miranga Clusters**
- Acceleration of **production** with return of high fluid volume wells
- **Maintenance** of recently acquired assets and expansion of the reliability program;
- 9.7% adjustment in salaries (accumulated IPCA of the last 12 months) from Sep'21 (collective agreement)

Gas Processing and Sales Assumptions



- Dry gas sales contracts with local state gas distributors
 - C3+, C5+ prices are adjusted as per sales contracts, with Brent as reference price
 - LPG price used is the market price practiced by Petrobras LCT Guamaré RN price

Financial Statements- Summarized Income Statement

Consolidated Statements of Profit and Loss (in thousands of Brazilian reais – R\$)

	4Q21	4Q20	Δ%	2021	2020	Δ%
Net revenue *	285,362	206,628	38.1%	1,040,604	787,841	32.1%
Costs and expenses	(116,572)	(60,858)	91.5%	(401,818)	(266,571)	50.7%
Royalties	(31,568)	(14,576)	116.6%	(103,980)	(46,865)	121.9%
EBITDA	137,222	131,194	4.6%	534,806	474,405	12.7%
Depreciation, amortization and depletion	(43,107)	(84,347)	-48.9%	(250,200)	(242,585)	3.1%
Operating profit	94,115	46,847	100.9%	284,606	231,820	22.8%
Net financial income (loss)	1,266	46,676	-97.3%	(50,989)	(349,457)	-85.4%
Current taxes	(12,835)	172	n.m.	(46,653)	(15,281)	205.3%
Deferred taxes	(10,249)	(30,599)	-66.5%	(10,065)	51,159	-119.7%
Net income (loss)	72,297	63,096	14.6%	176,899	(81,759)	n.m.

(*) Net Revenue, including the effect of hedges

With a focus on executing a robust investment plan and paying attention to opportunities that can accelerate growth through the acquisition of new assets, the Company's Management will propose to its shareholders the payment of dividends for the year 2021 in the amount of R\$ 40.6 million (R\$0.1633 per share), equivalent to the mandatory minimum dividend.

Hedge Impact on Net Revenue

(R\$69.9)MM in 4Q21 vs R\$41.7 MM in 4Q20 and (R\$126.8)MM in 2021 vs R\$196.9 MM in 2020

Hedging instruments outstanding contracts	Average strike price 12/31/2021	Quantity 12/31/2021	Fair value of hedging instruments 12/31/2021
	US\$/barrel	Barrels	R\$ thousand
Under 3 months	56.61	510,520	(61,145)
From 3 to 6 months	55.56	482,680	(55,997)
From 6 to 12 months	53.71	1,004,217	(113,983)
From 1 to 2 years	52.66	1,796,100	(178,883)
From 2 to 3 years	58.18	1,012,250	(54,676)
Total	54.75 *	4,805,767	(464,684)

* Average strike price of fixed-term contracts not yet settled as of December 31, 2021

In the quarter, hedging contracts with a net volume of 557k barrels of oil were settled at an average price of \$57.82/bbl.

The subsidiary Potiguar E&P obtained on March 21st, 2022 from its lenders a *waiver* to not enter into additional oil hedging contracts during the period beginning on January 1st, 2022, until June 30th, 2022.

The Company shall maintain a portion of its projected net production hedge (1P) for the next 36 months based on its Reserve Report, in the following proportions:

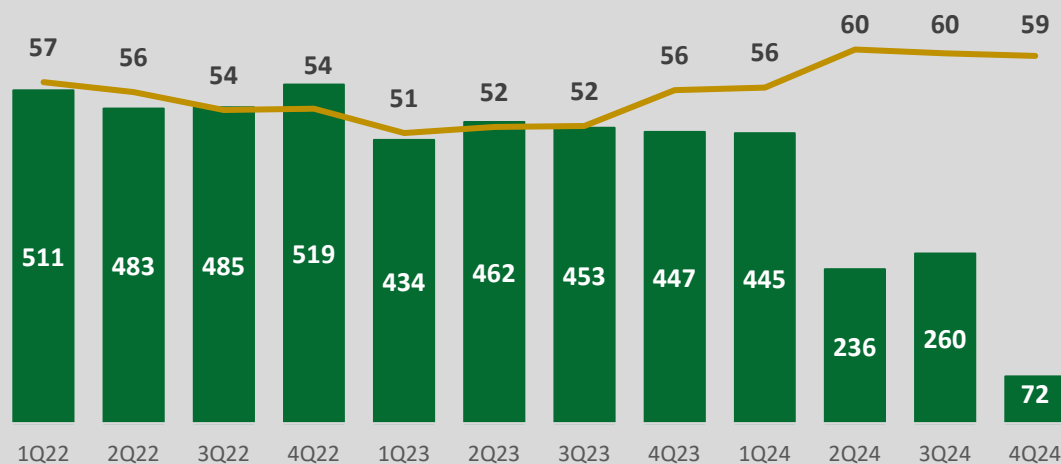
- **80% of production (1P) or 90% of production (PDP)**, the lower number between the 2 options, for the first 12 months;
- **60% of production (1P)** from the 13th to the 24th month;
- **40% of production (1P)** from the 25th to the 36th month.

Oil Hedges

Historical Brent Spot Price x Hedge (US\$/boe)



Hedged Volumes x Contracted Price per Quarter (USD/Barrel)



Average volume hedged for 2022:

- Approximately 5,472 boepd
- Equivalent to 28.4% of average O&G production in Jan and Feb'22 (19,273 boepd)
- Equivalent to 44.5% of average Oil Production in Jan and Feb'22 (12,310 boepd)

Financial Statements - Cash Flow (cont.)

Consolidated statements of cash flows (in thousands of Brazilian reais – R\$)						
	4Q21	4Q20	Δ%	2021	2020	Δ%
Profit (loss) before taxes	95,381	93,523	2.0%	233,617	(117,637)	-298.6%
Depreciation, amortization and depletion	43,106	84,347	-48.9%	250,200	242,585	3.1%
Interest and exchange variations, net	31,943	(62,679)	-151.0%	80,031	305,886	-73.8%
Write-off of property, plant and equipment and leases	60,805	19,222	216.3%	162,240	81,277	99.6%
Other profit adjustments and variations	13,824	10,167	36.0%	10,417	29,361	-64.5%
Asset and liability variation	14,778	19,954	-25.9%	(39,201)	(17,444)	124.7%
Interest paid	(13,545)	(22,527)	-39.9%	(58,405)	(67,929)	-14.0%
Cash generated by operating activities	246,292	142,007	73.4%	638,899	456,099	40.1%
Additions to property, plant and equipment and intangible assets	(522,025)	(109,785)	375.5%	(832,281)	(227,555)	265.7%
Financial investments	177,047	22,435	689.2%	(485,872)	(124,829)	289.2%
Cash used in investment activities	(344,978)	(87,350)	294.9%	(1,318,153)	(352,384)	274.1%



Financial Statements - Cash Flow

Consolidated statements of cash flows (in thousands of Brazilian reais – R\$)						
	4Q21	4Q20	Δ%	2021	2020	Δ%
Borrowings	-	-	n.m.	60,479	-	n.m.
Amortization of financing and lease operations	(76,020)	(43,190)	76.0%	(304,104)	(128,979)	135.8%
Capital increase, net of cost of issuance and net effect on share acquisition and sale	(541)	(5,342)	n.m.	1,109,177	(140)	n.m.
Cash generated by (used in) financing activities	(76,561)	(48,532)	57.8%	865,552	(129,119)	770.4%
Increase (decrease) in cash balance	(175,247)	6,125	n.m.	186,298	(25,404)	n.m.



Expected Schedule of Outstanding Acquisition Payments Due to Petrobras (US\$ MM)



Notes: (1) Conditional on the extension of concessions.

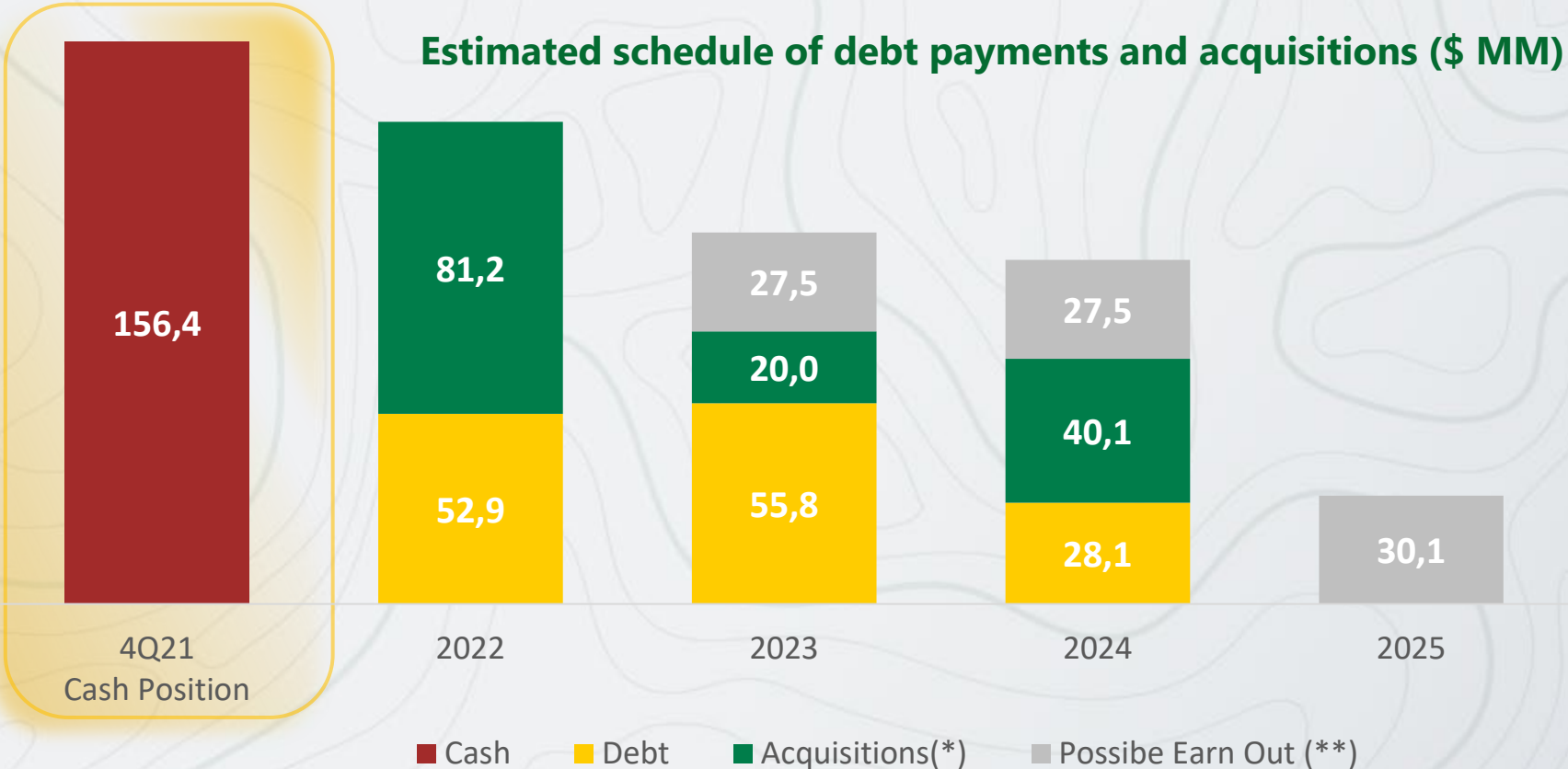
Miranga Earn-outs (US\$ MM)

Average Brent	2022	2023	2024	Total
Below \$50	-	-	-	-
Between \$50 and \$55	10.0	10.0	5.0	25.0
Between \$55 and \$60	15.0	15.0	10.0	40.0
Between \$60 and \$65	20.0	20.0	15.0	55.0
Above \$65	27.5	27.5	30.0	85.0

Contingent payments according to the average value of Dated Brent ICE oil in each year as per table, payable in March of the following year.



The Company has US\$156.4 MM in Cash, Bank Debt of US\$136.8MM and US\$ 226.4 MM payable to Petrobras from acquisitions



(*) 4Q21 Cash Position considers dollar rate of 12/31/2021 (R\$/US\$ 5,5805)
(**) Contingent payments linked to different possible bands of the oil reference price (Brent)



LEADING THE ONSHORE
TRANSFORMATION
IN BRAZIL



Mobilization of more **human and logistics resources** and additional **equipment**;



Acceleration of the investment program to **increase production**, including continued **drilling of new infill wells**;



Preparation of our first **Sustainability Report** and **greenhouse gas inventory**;



Search for new opportunities within the **New Gas Market**; and



Continue to explore and **develop M&A opportunities** with a **long-term vision**.

Next steps