


# Conference Call Transcription
# Third Quarter 2010 Results
# November 16, 2010

**Operator:**

Ladies and gentlemen, thank you for standing by and welcome to the Petrobras conference call to discuss the 3Q10 results. At this time all lines are in a listen-only mode. Later there will be a question and answer session and instructions will be given at that time. Should you require assistance during the call, please press *0. As a reminder this conference is being recorded.

Today with us we have Mr. Almir Guilherme Barbassa, Petrobras CFO and Investors Relations Officer, and his staff. At this time I would like to turn the conference over to Mr. Theodore Helms, Investors Relations Executive Manager of Petrobras, who has some additional comments. Please go ahead Mr. Theodore

**Theodore Helms:**

Good afternoon, ladies and gentlemen. Welcome to our conference call to discuss the 3Q10 results. We have a simultaneous webcast on the Internet that could be accessed at the site **www.petrobras.com.br/ri/english**.

Before proceeding, I would like to draw your attention to the slide two. We may make forward-looking statements which are identified by the use of the words “will” “expect” and similar that are based on the beliefs and assumptions of Petrobras’ management and on information currently available to the Company.

Finally, let me mention that this conference call will discuss Petrobras' results prepared in accordance with the International Financial Reporting Standards, IFRS, and Brazilian legislation. At this moment, we are unable to discuss any issues related to US GAAP results.

The conference call will be conducted by our CFO Mr. Almir Guilherme Barbassa. He will comment on the Company’s operating and financial highlights and the main events during this quarter and he will be available to answer any questions you may have. Mr. Barbassa, please begin.

**Almir Guilherme Barbassa:**

Good afternoon. Thank you for joining our conference call to discuss 3Q results. This quarter financial results were characterized by growth in domestic demand, flat realization prices, lower import costs, and a stronger Real.

Operating expense increased largely due to non-recurring items and a charge related to collective bargaining agreement. Production of oil and gas was up 2% for the 9M10 versus the first 9M09, but down 1% from the prior quarter. As a result of these factors, our 3Q EBITDA was down 7%, although our net income showed a modest 2% gain.




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During the 3Q, we completed our public offering for R$120 billion and acquired the rights to an additional 5 billion barrels of oil. The offering deleveraged our balance sheet and has given us the equity cushion we need to continue investing to meet our long-term targets.

Next, please. Upstream highlights since our last call includes the arrival of the Tupi pilot and an important discovery in a frontier area, the deepwater Sergipe-Alagoas basin. In downstream we completed our conversion of the upgrade of the Revap refinery and in our gas and power business we have met record demand for gas and thermoelectric power, validating the result of a multi-year investment plan.

Next. In the first 9M of this year, the total oil and gas production was 2,568,000 barrels of oil equivalent per day, up 2% year over year. From the prior quarter, Brazilian oil production declined 1% largely because of maintenance shutdown in P-35 and P-33. These shutdowns occurred one month earlier than originally planned, reducing production by 21,000 barrels per day during the month.

Next. The next slide is a review of units that have been or will be installed in 2010 and 2011. Most of the production increase came from the FPSO Capixaba. For the remainder of the year and the next, we will install another 420,000 barrels of oil per day of capacity.

The next unit to begin production will be FPSO Cidade de Angra dos Reis, better known as Tupi Pilot. In the pre-salt, we continue to progress with results meeting or exceeding our expectation.

Next slide, please, yes. We acquired the rights to produce up to 5 billion barrels of oil in the block not previously under license. In this new area, from now until 2014, we expect to invest between US$6 billion and US$8 billion in exploratory work and initial development spending. We will give more specific guidance regarding investments and production from this acquisition when we update our business plan, which will most likely be in March or April of next year.

I have already mentioned the startup of the 100,000 barrels per day Tupi Pilot. It is worth noting that we have put into place the first commercial system of the Santos pre-salt only three years from discovery. We will be concluding an additional five wells in the pre-salt area by the end of 2010 bringing to 16 the number of wells drilled in Santos pre-salt this year.

Delivery of deepwater rigs ordered between 2005 and 2008 are ongoing, with two additional rigs still to arrive this year. This will increase our pre-salt rig fleet to 10. The Guará extended well test is scheduled to start up by the end of November, with the FPSO dynamic producer already in Brazil.

Next. During the quarter, we also concluded the upgrade and conversion of the Revap refinery at a cost of US$2.5 billion. With the completion of the new coking unit, we will process an additional 18,000 barrels per day of our own domestic crude oil, while converting an additional 30,000 barrels per day of heavy fuel into 55% diesel, 5% LPG, 20% coke, and 20% of cracker unit. This production is then hydro treated, creating our S-50 products that reduce importing high quality diesel while exporting fuel oil.




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The Suape petrochemical plant representing an investment of R$1.3 billion is now pre-operational. This plant has the capacity to produce 700,000 tons per year of naphtha-based petrochemical to produce polyester materials.

The Abreu e Lima refinery construction is fully under way and will be centrally contracted with basic engineering for the Premium refineries.

Next, please. We continue to make progress not only with our upstream and downstream operation, but also with our investment in technology and research. These investments ultimately lead to a greater productivity and higher return. We completed the expansion of our research center CENPES, more than doubling its size. Over the past year we have had many companies announcing plans to establish research centers in Brazil as they recognize the Country's long-term opportunities.

As you can see, Schlumberger, FMC, Baker Hughes have already established centers here. Halliburton, GE, IBM, and others are in the process of doing so. In addition we are partnering with more than 120 Brazilian universities; all of this is creating one of the greatest concentrations of energy research in the world.

Next, please. Let me turn now to volumes and prices, which are the key determinants of our results. As one can see from the graph in the left, the average price of Brent and our own heavy oil declined slightly quarter to quarter. The light oil differential is still at historical low levels, which hurts our downstream profitability while increasing our upstream returns.

From the graph on the right, one can see that the average realization price for products remains flat, with most of the increase in price related to the strengthening of the Real. The gap between Gulf coast price and Brazilian realization price widened during the quarter as a result of a slightly lower international product price, a stronger Real and a stable price in Brazil.

Next, please. Lifting costs before government take increased by 8% quarter over quarter, largely as a consequence of the charge related to the annual collective bargaining agreement and volumes negotiated in the 3Q, which was responsible for 70% of the increase. Increase in well interventions in our major basins fields in the Campos basin also added to higher lifting costs.

Next, please. Accelerated Brazilian GDP growth is reflected in higher product sales. Year-over-year sales are up 11%, reflecting the exceptional growth of the Brazilian economy. Of note is growth in jet fuel, up 18% year over year as growing income and the stronger Real stimulated air travel.

Gasoline consumption increased 16% year over year as the higher price of sugar reduced ethanol supply causing the flex fuel fleet to consume more gasoline. Quarterly changes to refinery output are largely a matter of the timing and duration of programmed maintenance of distillation units in our refineries. Diesel and other products recovered from lower throughputs level in the 2Q when the Replan distillation unit was halted for 90 days for programmed maintenance and expansion.




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Next, please. Last year was characterized by a recovering economy and abundant rainfall. This year the opposite occurred, a rapidly growing economy and reduced rains. As a result Brazil's system operator called upon Petrobras to generate electricity from its gas-fired thermoelectric plants. Generation increased from virtually nothing one year ago to as much as 6,200 MW in October. Due to this thermoelectric demand, natural gas consumption in Brazil nearly doubled from year ago levels, reaching 80 million $m^3$ per day.

The increased utilization reflects the near completion of our natural gas system. Petrobras now has the resources to meeting thermal demand from domestic production, Bolivian imports and LNG, with the infrastructure to supply and distribute gas molecules when and where needed.

Next, please. Turning to financial results, net revenue were higher largely because of growing sales volume in Brazil. The higher demand was met largely with incremental imports, which costs less than the prior quarter because international price were approximately 2% lower and because of the average appreciation of the Real by 2%. The reduction in costs from lower imports price was partially offset during the quarter by the effect of inventory averaging, which added R$580 million of costs in comparison with the 2Q.

The higher revenues partially offset by higher costs of goods sold increased gross income by 1% over the 2Q. Operating expenses increased by 27% from the prior quarter due to the costs associated with annual negotiation of collective bargaining agreement. The termination of Barracuda project finance and miscellaneous items added some costs too. The combination result of these factors led to a 13% decrease in operating income when compared to the 2Q, while EBITDA of R$14.7 billion was 7% lower.

Next. The 6% appreciation of the Real from the 2Q to the 3Q and reduced financial results from an expense of R$630 million at the end of the quarter, the 2Q, financial results recorded a gain of Are$1.96 billion in the 3Q. Income from equity participation and minority interest expenses were also affected by the revaluation, also the net result was flat, tax increased as a result of higher operating income. To add at that effect of lower operating earnings and higher financial results was 3% increase in net income.

Next, please. Operating income for the Brazilian E&P was affected by the 1% decline in production by the 2% decline in the international crude oil price. Sales volume was higher due to the sales from inventory. Operating expenses increased largely due to the charge of R$225 million resulting from the collective bargaining agreement and a charge of R$480 million associated with the eliminating of the Barracuda project finance structure.

Next, please. Operating income for our Brazilian downstream segment improved as realization price in Brazil increased relatively to international levels. Cost of goods sold declined due to lower import costs and lower international transfer pricing.

Refining costs increased by R$313 million in the 3Q, as an increase per barrel of 22% during the period from R$7.03 per barrel to R$8.55. Of this increase 8% is attributable to the collective bargaining agreement and programmed maintenance charged to operating expenses.






Next, please. Operating income from gas and power and international were down slightly from the prior quarter, while distribution improved. Gas and power declined due to the lower margin on gas sales to thermoelectric plants. Operating income from power was down to the high acquisition costs, largely offset by generation income. Income was also aggressively affected by several non-recurring items. The international segment earnings declined largely on the basis of R$83 million of exploratory expense and R$127 million of direct holder expenses.

3Q operating income from distribution increased R$526 million from the R$390 million in the prior quarter. Most of the increase was due to the absence of extraordinary tax provision of R$110 million taken in the 3Q.

Next, please. Capital spending increased to R$56 billion during the first 9M10, an 11% increase from the same period of a year earlier. Most of this increase was concentrated in refining, particularly for upgrades, regulatory spending and logistics. Investment in our international segment declined as capital spending remains focused on Brazil. Gas and power investments also declined as the major infrastructure is completed.

Next, please. This slide reconciles resources and the use of cash from our recent offering. As you will see, we raised a total of R$120 billion of which R$5.2 billion came through the exercise of the greenshoe. The greenshoe proceeds are not in our cash balance in the 3Q statements. We paid R$74.8 billion under the assignment agreement, of which R$67.8 billion was paid with the government securities and R$7 billion was paid in cash. The Federal Government, BNDS, and the Sovereign Wealth Fund together purchase shares worth a total of R$8.3 billion, R$5.5 billion above the value of the assignment agreement. Including proceeds from the greenhouse, we will retain R$45.5 billion of cash and government securities.

We ended the quarter with R$58 billion of cash and equivalents, including R$10.7 billion of government securities with a maturity greater than 90 days. The cash portion of the offering has reduced our net debt to net book cap to a comfortable 16% and we will now begin to level up our continued investment plan. The insurance costs of the offering were charged directly to shareholders' equity and did not pass through the income statement.

With that overview we will now be happy to answer any questions. Thank you.

**Marcus Sequeira, Deutsche Bank**:

Thank you very much. I have two questions, quick questions. One about refining, we noted an increase in the use of domestic crude oil during the quarter. I believe it was a function of Revap and also increased light oil production. I would just like to know if we could assume that this level is sustainable going forward. And what kind of levels could we expect within the next 12 months?






And then on Tupi, I just would like to check if the pilot platform will begin to ramp up after the commerciality is declared, so only early next year and how quickly you believe that you can bring that platform to peak production. Thank you.

**Almir Guilherme Barbassa:**

OK, Marcus. Let me have Arlindo helping me in the first question, please.

**Arlindo Moreira:**

Well, with the new investments in Revap, the conditions for having more domestic crudes processed in Brazil, the conditions will be given and so there are the conditions to keep the upper amount for Brazilian domestic crude being processed in our refineries.

**Almir Guilherme Barbassa:**

Molinari, can you?

**Eduardo Molinari:**

Regarding Tupi, we plan to reach the peak production of 100,000 barrels per day in the 2H12. In 2011, the average production will be 50,000 barrels per day and reaching 75,000 by the end of the year.

**Marcus Sequeira:**

Thank you very much. Would it be possible just going back to refinery, if you have an estimate of how much of your, or what is your goal for domestic crude using your refineries within the next 12 months?

**Arlindo Moreira:**

Well, the estimate of the increase in domestic, the conditions to increase domestic processing, domestic crude processing would be around 15,000 barrels per day. But that will of course depend on the economics of refining and margins of course, but we expect that this amount will be stable.

**Marcus Sequeira:**

Thank you very much.

**Christian Audi, Santander:**

Thank you. A couple of quick questions. First, Almir, do you expect projects or the end of project financing projects like Barracuda, are there any other ones coming up that could impact on a non-

recurring basis for example 4Q results for this year or do you foresee any major projects also potentially impacting 2011?




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**Almir Guilherme Barbassa:**

Christian, this was an exception due to the kind of structure of the project financing. We do not expect to have this happening with other project financing. We just ended the two largest project financing we had beyond the Barracuda, that is Marlim and Nova Marlim and we had no more extra costs in these. We are ending all our project financing structure and for the main ones, the Barracuda-Caratinga was maybe the last big one.

**Christian Audi:**

OK, got it. And then, can you just remind me on the collective agreement, how much above the inflation was salaries increase?

**Almir Guilherme Barbassa:**

Christian, I am looking to my colleagues here. No one knows how much they had of salary increase above the inflation.

**Christian Audi:**

Or just what the overall increase was, Almir, do you have an idea of that, was it 3%, 4%, 5%?

**Almir Guilherme Barbassa:**

I believe the salary increase was in the range of 9% and inflation was in the range of 5%, so there is 4% of productivity here.

**Christian Audi:**

OK, thanks. And then the other question was and this is a question/suggestion, Barbassa, when we look at your profitability and the impact lifting costs and refining costs can have on it, there is often volatility added to it because of planned shutdowns of platforms that impact lifting costs, as well as scheduled maintenance shutdowns of refineries that impact refining costs, and we oftentimes do not have any ability to see these coming on a quarterly basis.

So, I was just wondering going forward if there is any possibility to give us some type of a guidance, for example, of potential quarters where maintenance shutdowns may be particularly heavy in refining or there may be particularly bigger number of platform shutdowns so that we can better assess how lifting costs and refining costs could go up or down and therefore impact your overall EBITDA margin. Is that

something you think will be possible to provide the market going forward so as to better prepare the market for volatility in your EBITDA margin?




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**Almir Guilherme Barbassa:**

Christian, let me have Molinari and Arlindo giving out some information on that.

**Eduardo Molinari:**

Yes, regarding the Ps, we have a shutdown in P-27 in the 4Q of this year. The production loss will be 8,000 barrels per day. And in P-54, it is a partial shutdown for maintenance, it will be five days, around 50,000 barrels per day loss of production in these five days, and maybe P-40 is three days and the shutdown is a partially shutdown, 90,000 barrels per day.

**Christian Audi:**

OK, that is for the 4Q, right?

**Eduardo Molinari:**

Right, for the 4Q.

**Almir Guilherme Barbassa:**

Arlindo, regarding the downstream.

**Arlindo Moreira:**

In the 4Q, we will have shutdown of our cat cracker in Revap and also distillation and hydro equipment in our producing refineries.

**Christian Audi:**

But, Arlindo, are those significant just in terms of like quantity or maybe you can give us a sense of percentage wise how as a result of this, how much your throughput would be down by, would it be a 10% decline in throughput because of these, are you able to give some sense of that for the 4Q?

**Arlindo Moreira:**

OK. This is precisely, I mean, the impact in interrelation of shutdowns of each producing unit and each refinery are very not such straightforward. So that is we do not announce that on a regular basis to the market impact because that is not so straightforward.

What we say is that, regarding that we have more than 10 refineries with more than 10 process units in each refinery, in each period, we will have some specific units shutdown with different impacts. So if we find a relevant one, we will work on it. But that is not the case now.




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**Christian Audi:**

OK, alright. And then, the last question, Almir, is: do you have a sense as it relates to the new strategic plan and when 2011 targets for production and CAPEX would be announced? I know that is a process that takes a while, but what is your best read in terms of when the market should expect some type of an update next year of the plan?

**Almir Guilherme Barbassa:**

Christian, we are working to have this released in the end of the 1Q or April. This is our target now, we are working on the process already, but as you know, a large company to review and reshuffle all these projects, we have more than 608 projects in our five-year plan. We have to review all of them, see which is the priority of each one and how much we have resource available for our investment and we choose the best return we can get from this investment. So, it is a long job. At this moment we expect to have it done by end of 1Q.

**Christian Audi:**

OK. And a very last question, do you have any updates, I know there was some media noise or President-elect Dilma talking about Premium I refinery and Premium THIS, do you have any updates or what is the latest in terms of your expectations of when these refineries could potential come online or their construction potentially begin?

**Almir Guilherme Barbassa:**

We have not changed our targets, but let me hear Arlindo, who is the planning right from the Abast, if he still holds on that.

**Arlindo Moreira:**

The scheduled dates for Premium refineries are Premium I, 2015, and Premium II, 2017.

**Christian Audi:**

In two phases, Arlindo, or all in one phase?

**Arlindo Moreira:**

Premium I has two phases. The first phase of Premium I will be by the end of 2014 so it will be fully productive in 2015, first phase, and the second phase by the end of 2016, it will be fully productive on the 2017. And Premium II is beginning of 2017.

**Christian Audi:**

Right. Thank you.




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**Arlindo Moreira:**

That is what was in the current business plan and no changes.

**Christian Audi:**

Thanks.

**Gustavo Gattass, BTG:**

Yes. Thank you. I had two quick questions. The first one, in the Portuguese call, there was mention of project Varredura, and if I am not mistaken Molinari basically indicated that you guys cannot start up things very, very quickly because of questions regarding oil quality and whether the oil actually fits with the production units that you have on top.

I just wanted to follow up on that question and ask you a follow-up question on the following terms, as of yet do you have conviction that the oil quality is not compatible or is this something that you guys are still testing? That is the first question on that side.

And the second question, just moving back to the reserves and the whole discussion about BG, I just wanted to check one point, BG indicated that they see K-90 reserves of about 5.5 billion barrels on the Tupi structure alone and I frankly was not expecting to see anywhere near that number becoming reserves at the time of commercial declaration. Can you guys comment on that, do you guys think it is possible that it might be that big or is that number a little bit too high?

**Almir Guilherme Barbassa:**

Gattass, I will have Molinari speaking about these two questions, but we had released a note about Tupi and the potential of proved reserves and the volumes there. We still are concluding two important wells and after that we will have some numbers. So, it is difficult to say anything from this point, but let us have Molinari on that.

**Eduardo Molinari:**

OK. Regarding your first question, really one way to find oil with a different quality than the platform which is installed nearby, sometimes we have to adapt the platform. We cannot connect straight the well into the platform. That is the case of Carimbé that will be connected to P-42 and Nautilus to P-48, Barracuda and Caratinga, respectively. We have H2S in these discoveries, so we have to adapt the platform to receive these two wells. In the case of Aruanã, which I mentioned that will start production in the 1H11, we discovered light oil, it is 24 to 28 degrees API, and we are using the FPSO Cidade do Rio das Ostras, which is producing in Siri, which is quite heavy oil. I think it is 14 degrees API. So, it would be very nice to discover oil of the same quality the platform has the capacity to process, but it is not always the case.






Regarding Tupi, we will keep our estimation of 5 billion to 8 billion barrels of oil and gas equivalent and we may book reserves only after declaration of commercial feasibility. And that is what I can tell you.

**Gustavo Gattass:**

OK. Thank you.

**Lilyanna Yang, UBS:**

Hi. Thank you for the opportunity. My question is regarding your CAPEX for the 3Q. Can you let us know how much of that on downstream is for the Comperj and if you had any on Premium I, I suppose no, and if you could give us anymore clarification or insight on the CAPEX estimated for the Premium I, Premium II, and Comperj going forward?

If you had any news about the latest business plan? Just to finalize, would you expect the new business plan to come by March or maybe by June of next year? Thank you.

**Almir Guilherme Barbassa:**

The business plan is March or April, this is when we expect to have it being released next year. So, it will be earlier than this year, and regarding Comperj, I will have Arlindo to explain.

**Arlindo Moreira:**

In 2010 we have so far spent R$2 billion in Rnest and R$700 million in Comperj.

**Lilyanna Yang:**

Yes. The R$2 billion is for what, I am sorry?

**Arlindo Moreira:**

For Rnest, Abreu e Lima refinery.

**Lilyanna Yang:**

OK. And would you give us an overall budget for Comperj, Abreu e Lima and Premium I and II if you can? Thank you.

**Arlindo Moreira:**

In this year, in 2010 so far we have spent R$20 billion, R$21 billion roughly, approximately R$21 billion in those downstream investments.




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**Lilyanna Yang:**

OK. Thank you.

**Subhojit Daripa, Morgan Stanley:**

Hi. Guys, two follow-up questions. One is on the production side, the Varredura project, when I look into the slide six and you put out the expected platforms of 40,000 that will be adding production in 2011. I do not see the Varredura project being added here. Could you provide an estimate of how many barrels do you think that you will be adding on average for 2011? All of these prospects are, you know, these prospects that Molinari just mentioned, this is point number one.

Point number two is on the refinery side. I think a few months ago, now I am not sure if it was Gabrielli or someone else was saying that a lot of the cost on the refineries was due to the infrastructure surrounding the refinery, not the refinery per se. So, could you give us an idea of how much would be let us say the extra refinery cost, if it is 30% of the total, 40%, how much is related to the lack of infrastructure of the locations where the refineries are going to be built? Thanks.

**Almir Guilherme Barbassa:**

Regarding the E&P question, the platform you mentioned is Barracuda, the production, Molinari, can you?

**Eduardo Molinari:**

Yes. We have there Aruanã, which will start production in the 1H11 and the production will be 20,000 barrels per day. The other two discoveries, Carimbé and Nautilus that will produce to Barracuda and Caratinga platforms, we are still in the evaluation in the conceptual design phase, because we have H2S

in the gas. So, we have to adapt the platform, I do not have the numbers but they will start production within 2011.

**Subhojit Daripa:**

And Molinari, these are related to marginal fields, so this is related to, I meant, is this the same sort of a reservoir that you are currently drilling or is a deeper objective?

**Eduardo Molinari:**

In the case of Carimbé and Nautilus, if there is connectivity between these two areas, the reservoir may be quite a big, it can reach maybe 300 million barrels of oil equivalent. So, we still you have to collect more data and then start production and see if there is connectivity between these two reservoirs.

In case of Aruanã, it is a separate reservoir, it is in BMC 36, close to Oliva oilfield and we are producing 20,000 barrels per day.






**Subhojit Daripa:**

That is average, right?

**Eduardo Molinari:**

20,000 barrels per day is when we start production, it is not average for the year, it is average for the project. So, it will start in the 1H, I do not know the average for the year. I do not have this number.

**Subhojit Daripa:**

All right, okay. No worries, thanks. About the refineries?

**Almir Guilherme Barbassa:**

Yes, we will have Arlindo answering this.

**Arlindo Moreira:**

The infrastructure investments are around from 10% to 20%, roughly speaking.

**Almir Guilherme Barbassa:**

The cost of CAPEX for the infrastructure.

**Arlindo Moreira:**

Yes, CAPEX of the refineries, depending on the situation and location of the refinery, Pernambuco is one situation, Maranhão is another, so this is a rough number.

**Subhojit Daripa:**

Do you think that by March or by April when you release the new strategic plan you are going to be able to give us a better, let us say a more precise estimate of the CAPEX related to all these refineries? Because up to now, correct if I am wrong, it is still up in the air, right? It is still subject to changes and better accuracy on the estimates.

**Arlindo Moreira:**

Yes, the fact is that we are working hard to reduce the cost of those refineries and so precise information, we hope to have that by when we announce the next business plan.

**Almir Guilherme Barbassa:**

Yes, this is a really hard working we are doing and trying to bring down the costs of this refinery construction. We were very successful in doing that with the platforms P-55 and 57, that when we






received the original proposal was much higher than they ended up costing us. And the experience we had is being applied to other platforms now.

So, all our engineers that are dedicated to building this refinery, they are working with this purpose to reduce the CAPEX cost of these refineries.

**Subhojit Daripa:**

OK, perfect. Thank you.

**Operator:**

Thank you. Ladies and gentlemen this concludes the Q&A session. Mr. Barbassa, please proceed with your closing remarks.

**Almir Guilherme Barbassa:**

Thank you very much for being here with us this time, and we hope to meet again in three months with good results. Thank you. Bye-bye.

**Operator:**

Ladies and gentlemen, your host is making today's conference available for replay starting one hour from now. You may access this replay at the Company's IR website, at www.petrobras.com.br/ri/english. This concludes Petrobras conference call for today. Thank you very much for your participation. You may now disconnect.