

FORM No. 17
PETROPERÚ S.A. - INVESTMENT PROJECT SHEETS
TALARA REFINERY MODERNIZATION

1. Description

The Talara Refinery Modernization Project is an engineering, supply and construction megaproject, which consists of the installation of new process units and facilities aimed at improving the quality of products, increasing the refinery's production capacity and new, more complex, processes with more advanced technology. The economic and socio-environmental benefits are as follows:

- Process heavier and cheaper crudes.
- Improve the octane value of gasoline.
- Reduce the production of residuals.
- Implement new facilities that the Modernized Refinery will require.
- Produce cleaner fuels with higher commercial value.

2. Components of the investment

- Feasibility study.
- Environmental Management.
- Social Management.
- Financial Advisory
- Interest on Financing.
- FEED - EPC.
- PMC - PMO.
- Social Projects
- Complementary Facilities.
- Administrative costs of surety letter.
- Import fees for materials and equipment.
- Improvement of the spent soda treatment.
- Basic services.
- Fixes to operating systems.
- Acquisition of laboratory equipment.
- Auxiliary units.

3. Funding source

The funding structure of the PMRT is as follows:

- Capital Contribution: USD 325 MM
- Bond Issuance (15 and 30 years): USD 2,000 MM
- Financing guaranteed by the Export Credit Insurance Company (CESCE): USD 1,300 MM
- Reopening of Bonds (30 years): USD 1,155.3 MM
- Own Resources: USD 937.7 MM
- Other Long-Term Mechanisms: USD 500 MM (under evaluation)

4. Physical and financial progress to Q IV

Components	Financial Progress (M \$/)				Physical Progress ³ (%)	
	Total Investment ¹	Cumulative execution	Budget Year 2022 ²	Execution Year 2022	Scheduled to Q III	Real al Q III
Project management	444,409	390,230	54,410	34,268	LOE ⁴	LOE ⁴
Financial Consulting	37,471	21,345	6,845	2,152	LOE ⁴	LOE ⁴
FEED Services	47,169	40,802	0	0	LOE ⁴	LOE ⁴
PMC Services	1,274,662	1,230,615	142,735	137,096	LOE ⁴	LOE ⁴
Technologies and Licenses	98,351	56,517	45,673	9,735	LOE ⁴	LOE ⁴
PMRT Social Projects	72,637	52,461	14,344	6,024	LOE ⁴	LOE ⁴
Acquisition of real estate in Talara	30,227	27,674	2,374	18	LOE ⁴	LOE ⁴
Interest on Financing	3,316,839	3,287,063	847,477	779,091	LOE ⁴	LOE ⁴
EPC Phase - PMRT - USD	5,819,598	5,591,871	93,488	-6,874		
EPC phase - PMRT - EUR	2,759,651	2,651,558	61,585	23,941		
EPC Phase - PMRT - YEN	147,824	142,304	4,566	46		
Variations Approved by PO	860,794	800,729	400,508	184,617		
EURO 6 impact on EPC Process Units	72,386	72,190	46,308	267		
PMRT Integration Jobs for Process Units	63,973	48,121	72,043	25,277	100.00%	99.73%
Amount for longer term of execution EPC (Agreement of Principles: P&M, EoT, Risks, Vendors)	1,708,472	1,749,132	205,942	502,015		
Complementary PMRT Facilities	156,389	138,921	1,051	771.63066	LOE ⁴	LOE ⁴
EPC Bond Letter Costs	129,308	119,051	54,202	47,113	LOE ⁴	LOE ⁴
PMO Services	114,708	114,707	0	0	LOE ⁴	LOE ⁴
Fees for materials and equipment	9,687	3,999	2,640	10	LOE ⁴	LOE ⁴
Sanitation of operating systems	79,063	95,484	1,168	0	LOE ⁴	LOE ⁴
New buildings technical area	183,316	180,580	0	-2,736	100.00%	95.70%
Complementary Works	467,650	361,672	27,156	-29,333	100.00%	95.70%
Basic services TR Camps	10,265	2,818	3,521	133	LOE ⁴	LOE ⁴
Access control	10,956	8,246	1,308	327	LOE ⁴	LOE ⁴
Exec. Auxiliary Units	2,619,597	2,441,903	136,899	52,248	100.00%	95.70%
El Faro Hill	47,594	44,279	0	1	100.00%	100.00%
Services and Supplies for Commissioning	186,001	193,216	112,512	114,873	LOE ⁴	LOE ⁴
PMRT Integration Work for Auxiliary Units	21,155	14,949	10,170	11,618	LOE ⁴	LOE ⁴
Agreements of Principles - Cobra	235,722	75,674	26,012	10,851	(*)	(*)
Change Orders - Cobra	402,941	277,506	278,871	49,403	(*)	(*)
O&M Services for COM and Start-up	16,488	0	14,314	0	LOE ⁴	LOE ⁴
Acquisition of PMRT Vehicles	330	330	0	0	LOE ⁴	LOE ⁴
Demolition and Construction of Villarreal School Buildings	14,954	14,036	0	0	100.00%	100.00%
Demolition and Construction of DICAPI Buildings	11,720	159	4,201	159	(**)	(**)
Insurance and Guarantees to be contracted by PETROPERÚ	82,938	57,948	31,482	14,852	LOE ⁴	LOE ⁴
Temporary Utilities for Pre-Commissioning	56,082	46,931	5,562	4,522	LOE ⁴	LOE ⁴
Total	21,611,327	20,355,784	2,709,367	1,973,251	100.0%	98.5%

¹ Corresponds to the update of the Investment Amount of the PMRT approved with D.A. No. 128-PP-2022-PP of 27.12.2022, due to the increase in the component of interest for financing.

² Budget Modification 2022, approved with Directory Agreement No. 118-2022-PP of 07.12.2022.

³ Progress calculated based on the Project Work Breakdown Structure (WBS).

⁴ LOE (Level of Effort) - Level of Effort: Activity that does not produce definitive final products and that is measured over time, that is, it does not generate physical progress. These activities are directly related to the integrated progress of the Project.

(*) Physical progress is reported within Cobra's comprehensive advance.

(**) These data will be reported once the contractor in charge of executing this work presents the contractual execution schedule.

5. Main activities carried out and current situation

- With A.D. No.128-2022-PPdated 27.12.2022, the investment amount of the project was updated, considering the modification of the pre-operational interest component of the project.- The integral progress of the project at the end of December 2022 is 98.50% vs. 100% programmed.

- The Integral progress of the EPC Contract signed with Técnicas Reunidas (Process Units), is 99.73%.

- Engineering progress: 100%.
- Procurement Progress: 100%.
- Construction Progress: 99.78%.
- Commissioning Progress: 93.06%

- The Comprehensive Progress of the EPC Contract with the Cobra SCL UA&TC Consortium is 95.70%.

- Engineering progress: 99.71%.
- Procurement progress: 96.26%.
- Construction Progress: 97.95%.
- Commissioning Progress: 64.10%.

- It should be noted that on 27.12.2022 with A.D. No.126-2022-PP, the Board of Directors of PETROPERÚ S.A. approved the Master Schedule Level III Revision 10 presented by Técnicas Reunidas.

- The total labor force as of December 30, 2022 was 2,416 jobs; the local unskilled labor force had a participation of 97.1% exceeding the minimum established in the EIA (70%). Meanwhile, the local skilled labor force had a participation of 65.0%.