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 crude oils.
* 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.

1. Investment components - Feasibility Study.

- Environmental Management.

- Social Management.

- Financial Consulting

- Interests for Financing.

- FEED - EPC.

- PMC - PMO.

- Social Projects

- Complementary Facilities.

- Administrative costs of surety letter.

- Fees for materials and equipment.

- Improvement of the spent soda treatment.

- Basic services.

- Sanitation of operating systems.

- Acquisition of laboratory equipment.

- Auxiliary units.

1. Funding Source

* Capital Contribution: USD 325 MM
* Own Resources: USD 671 MM
* Bond Issue I (15 and 30 years): USD 2,000 MM
* Financing guaranteed by the Export Credit Insurance Company (CESCE): USD 1,300 MM
* FIEM loans: USD 148 MM (in the structuring process)
* Bond Issue II: USD 1,155 MM

4. Physical and financial progress to Q IV

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Components | **Financial Progress (MS/)** | | | | Physical Progress2 (%) | |
| Total Investment1 | Cumulative Execution | Budget Year 20214 | Execution Year 2021 | Scheduled to Q IV | Real to Q IV |
| Project Management | 385,613 | 355,962 | 77,867 | 72,477 | LOE 3 | LOE 3 |
| Financial Consulting | 37,371 | 19,192 | 11,627 | 7,013 | LOE 3 | LOE 3 |
| FEED Services | 47,169 | 40,802 | 300 | 175 | LOE 3 | LOE 3 |
| PMC Services | 1'198,113 | 1'093,519 | 136,683 | 136,590 | LOE 3 | LOE 3 |
| Technologies and Licenses | 95,924 | 46,782 | 18,395 | 13,530 | LOE 3 | LOE 3 |
| Social Projects PMRT | 72,495 | 46,437 | 12,310 | 4,933 | LOE 3 | LOE 3 |
| Acquisition of real estate in Talara | 30,226 | 27,656 | 3,746 | 3,283 | LOE 3 | LOE 3 |
| Interest on Financing | 2'501,153 | 2'507,973 | 802,195 | 722,409 | LOE 3 | LOE 3 |
| Phase EPC - PMRT – USD | 5'819,598 | 5'598,745 | 104,025 | 164,296 | 99.84% | 98.75% |
| Phase EPC - PMRT – EUR | 2'798,967 | 2'627,617 | 36,310 | 45,795 |
| Phase EPC - PMRT – YEN | 147,643 | 142,258 | 5,199 | 3,967.86 |
| Variations approved by PO | 633,625 | 616,112 | 445,330 | 429,036 |
| EURO 6 Impact on EPC Process Units | 72,386 | 71,923 | 51,528 | 37,532 |
| Works Assumed by PP by Agreement of Principles | 119,206 | 22,844 | 129,155 | 20,326 |
| Amount for longer term of execution EPC (Agreement of Principles: PyM, EoT, Risks, Vendors) | 1'139,422 | 1'247,117 | 420,938 | 471,943 |
| Complementary PMRT Facilities | 152,538 | 138,149 | 15,000 | 934 | LOE 3 | LOE 3 |
| EPC Bond Letter Costs | 105,897 | 71,937 | 19,600 | 16,958 | LOE 3 | LOE 3 |
| PMO services | 114,708 | 114,707 | 2 | 2 | LOE 3 | LOE 3 |
| Fees for materials and equipment | 9,687 | 3,989 | 2,760 | 27 | LOE 3 | LOE 3 |
| Sanitation of operating systems | 108,642 | 95,484 | 2,500 | 864 | LOE 3 | LOE 3 |
| New buildings technical area | 180,669 | 183,316 | 20,990 | 20,519 | 99.50% | 91.15% |
| Complementary Works | 466,213 | 391,005 | 106,442 | 98,076 | 99.50% | 91.15% |
| Basic Services Camps TR | 10,253 | 2,685 | 2,058 | 376 | LOE 3 | LOE 3 |
| Access control | 10,931 | 7,918 | 1,800 | 1,466 | LOE 3 | LOE 3 |
| Exec. Auxiliary Units | 2'643,640 | 2'392,987 | 149,409 | 244,262 | 99.50% | 91.15% |
| El Faro Hill | 44,274 | 44,278 | 0 | 0 | 100.00% | 100.00% |
| Services and Supplies for Commissioning | 212,068 | 78,343 | 133,892 | 44,610 | LOE 3 | LOE 3 |
| Agreement of Principles – Cobra | 88,022 | 64,823 | 28,389 | 7,611 | (\*) | (\*) |
| Change Orders – Cobra | 292,469 | 228,103 | 304,354 | 217,069 | (\*) | (\*) |
| O&M Services for COM and Startup | 17,092 | 0 | 15,622 | 0 |  |  |
| Acquisition of PMRT Vehicles | 330 | 330 | 0 | 0 | LOE3 | LOE3 |
| Demolition and Construction of Villarreal School Buildings | 14,006 | 13,999 | 0 | 0 | 100.00% | 100.00% |
| Demolition and Construction of DICAPI Buildings | 12,666 | 37 | 137 | 37 | (\*\*) | (\*\*) |
| Insurance and guarantees to be contracted by PETROPERU | 43,344 | 43,095 | 16,000 | 12,244 | LOE3 | LOE3 |
| Temporary Utilities for Pre-commissioning | 55,940 | 42,409 | 18,735 | 11,867 | LOE3 | LOE3 |
| PMRT Contingencies | 0 | 0 | 0 | 0 | LOE3 | LOE3 |
| Total | 19'682,301 | 18'382,533 | 3'093,298 | 2'810,229 | 99.37% | 96.79% |

* On 02.05.2021 with Board Agreement 014-2021-PP, the Investment Amount of the PMRT was approved.

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

* LOE (Level of Effort): Activity that does not produce final 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.
* 2021 Budget Modification, approved with Board Agreement 153-2021-PP of 12.29.2021

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

* (\*\*) This 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

* + To date, the Level 3 Master Schedule Rev. 9 is technically acceptedpresented by Técnicas Reunidas and is in the process of approval by the corresponding levels of PETROPERÚ. For Auxiliary Units, there is an estimate by Cía. Supervisora CPT and is subject to modification when the EPC Cobra-SCL Contractor presents its updated Master Schedule. At the same time, it is necessary to indicate that Rev. 10 of the schedule proposed by Técnicas Reunidas.
* On 11.06.2021, the Framework Agreement II was signed with the contractor Cobra SCL UA&TC, where the delivery dates of the Auxiliary Units are established, as well as the impacts that must be recognized by Petroperú S.A. as a consequence of the effects of the COVID-19 pandemic during the year 2021 and 2022, among others.
* The comprehensive progress of the project is 96.75% vs. 99.35% programmed.
* The comprehensive progress of the EPC Contract signed with Técnicas Reunidas (Process Units) is 98.75%.

• Engineering progress: 100%.

• Procurement progress: 99.98%.

• Construction progress: 98.98%.

• Commissioning progress: 66.79%

'- The Comprehensive Progress of the EPC Contract with the Cobra SCL UA&TC Consortium is 91.15%.

* Engineering progress: 99.71%.
* Procurement progress: 96.26%.
* Construction progress: 89.46%.
* Commissioner progress: 22.30%.
* The total workforce in December 2021 was 4,453 jobs; local unskilled labor had a participation of 96.9% (of a total of 716 Unskilled), exceeding the minimum established in the EIA (70%).