

Press Release



PETROPERÚ ANNOUNCES INITIATION OF MODERNIZATION PROCESS FOR NOR PERUANO OIL PIPELINE

Lima, Peru, August 03, 2018 – **Petróleos del Perú S.A. "Petroperú" or "the Company" (OTC:PETRPE)** announced that in order to initiate the Nor Peruano Pipeline (ONP) Modernization process, PETROPERÚ has hired a firm to conduct diagnostic and conceptual engineering consulting services; which will include: the identification of technological gaps and improvements of its infrastructure, and the rehabilitation of facilities and replacement of equipment. This will enable the sustained transportation of crude oil coming from the production of North Jungle blocks, safely and reliably for the next 20 years.

TECHINT SAC has been the company selected to carry out these services. The contract was signed on August 1, 2018, for a period ending on December 24, 2018. It should be noted that this contractor was selected from four specialized international companies that were invited to participate in the bidding process, with TECHINT being the one that presented the most appropriate technical - economic proposal to PETROPERÚ.

To date, some priority activities have been carried out, such as the acquisition of 21 automatic blocking valves to be installed in three sections of the ONP and the installation of 16 pressure transmitters in sections I and the Northern Branch, which will allow the timely detection of faults in the pipeline and minimize the impacts to the environment.

About Petroperú

Established in 1981, Petroperú is the largest hydrocarbon corporate entity in Peru in terms of total sales and the largest enterprise of the Peruvian sovereign (100% owned by Peru). It is also Peru's second largest refiner in terms of refining volume capacity and form a critical part of the country's energy infrastructure and economy. It has the largest distribution network for crude oil and refined products in the country, and it is the sole provider of refined products to certain areas of Peru. It is also the owner and operator of Peru's main oil pipeline, the "Norperuano Pipeline", which links the crude oil production fields in the northern rainforest of Peru with our facilities in the Port Bayovar near our Talara Refinery. Their business is comprised primarily of midstream and downstream petroleum activities, including: the refining and blending of crude and intermediate hydrocarbon products, the distribution and sale of refined products through our wholesale distributors and associated retail service stations and direct sales, the transportation of crude through the Norperuano Pipeline, and the leasing of certain of our facilities to third parties.