

Press Release



PETROPERÚ'S NORTH BRANCH PIPELINE AFFECTED BY RIVER FLOOD

Lima, Peru, June 7, 2018 – **Petróleos del Perú S.A. "Petroperú" or "the Company" (OTC:PETRPE)** informed that on May 25, 2018, the Company detected the presence of alleged oil residue in the Pastaza River, near Km. 12 of the North Branch Pipeline (ORN), near the district of "Andoas", "Datem del Marañón" province, "Loreto" region. The Company acted immediately and activated its Contingency Plan suspending pumping operations at ORN and closing the valves located on both banks of the river.

Likewise, the Company has taken immediate actions to carry out the necessary repair works in operational, social and environmental matters. However, due to the negative response from the surrounding communities, these actions were halted. The Company recognizes the seriousness of this incident and is working hard to address it.

In addition, as part of Petroperu's social responsibility policy, the Company will provide free health care, to anyone in need in the form of medical attention and supplies to the surrounding communities.

Petroperú will continue to deploy the necessary efforts to repair the pipeline in the shortest time possible, safeguard the safety of the surrounding communities and protect the environment.

The Company will keep the market informed as to any changes or updates regarding this situation

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.