Earnings Release

PETROPERÚ[1] Announces Third Quarter 2020 Earnings Results - 3Q20

Lima, Peru, November 02, 2020: Petróleos del Perú - PETROPERÚ S.A. (OTC: PETRPE) announced financial and operating results for the third quarter ("3Q20") period ended September 30, 2020. For a more comprehensive financial analysis please refer to the Intermediate Financial Statements 3Q20[2] available on the *Superintendencia Mercado de Valores del Perú website - SMV* (www.smv.gob.pe).

HIGHLIGHTS

- **Gross Profit** increased from US$ 117 million in 3Q19 to US$ 130 million in 3Q20 (+11% YoY3), as a result of a lower cost of sales due to lower purchases of crude oil and products caused by inventory reductions and lower demand in the fuel market.
- **Total Sales Volume** reached 136 KBPD[4] in 3Q20, lower than the 146 KBPD in 3Q19 (-7% YoY); 91% of sales (123 KBPD) were concentrated in the domestic market.
- **Operating Profit** increased by 4% YoY, from US$ 73 million in 3Q19 to US$ 77 million in 3Q20, mainly due to a higher Gross Margin compared to the same period of the previous year.
- **Net Profit** in 3Q20 was US$ 131 million compared to US$ 30 million in 3Q19 (+335% YoY), despite an Operating Margin improvement that went from 6% in 3Q19 to 10% in 3Q20, a positive effect of deferred income tax (US$ 66 million in 3Q20 vs US$ -34 million in 3Q19).
- **Adjusted EBITDA**[5] increased to US$ 98 million (+28% YoY), mainly due to a higher Gross Margin generated due to the optimization of the Cost of Sales. Adjusted EBITDA Margin went from 6% in 3Q19 to 12% in 3Q20.
- **Total Revenue** for 3Q20 decreased by 33% compared to 3Q19, mainly as a result of the volume decline in national and foreign sales due to lower fuel demand resulting from the measures adopted to face COVID-19 and the lower prices of crude oil and products compared to 2019.
- Final **cash balance** reached US$ 154 million at 3Q20 vs. US$ 261 million at 3Q19, mainly due to a higher investment level and lower cash flow from financing activities.
- **PMRT[6] progress** as of 3Q20 was 90.89%. As of March 2020, a State of Emergency was declared, suspending all construction projects. In mid-June, project work was gradually restarted, in accordance with the protocols approved and established in the respective Plan for Surveillance, Prevention and Control of COVID-19 approved for the project, as well as for the main contractors.

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[1] Petróleos del Perú-PETROPERÚ S.A. (hereinafter "PETROPERÚ" or "the Company").

[2] Intermediate Financial Statements for the Third Quarter 2020. Unless otherwise noted, all financial figures are presented in US$, and references "Dollars" or "US$". Quarterly Financial Statements have been prepared in according with International Financial Reporting Standards (IFRS), as issued by the IASB (International Accounting Standards Board).

[3] Year-over-year (YoY): Compare financial results with those of the same period in the previous year.

[4] KBPD: Thousands of Barrels Per Day

[5] EBITDA is defined as Net Income plus Income Tax plus Workers' Profit Sharing minus Finance Income plus Finance Cost plus Amortization & Depreciation. Adjusted EBITDA is defined as EBITDA minus net other income & expenses, and net exchange differences.

[6] Talara Refinery Modernization Project: which consists of the construction of a new refinery with the highest technological standards and competitivity in the region. The new refinery will completely modify the current production structure of the Talara Refinery, through the incorporation of new refining processes, auxiliary services and related facilities.

- In 3Q20, **Net Refining Margin**[7] reached US$ 12.9/Bbl vs. US$ 6.7/Bbl in 4Q18, mainly due to the greater spread of product prices vs. loading price compared to the same period in 2019.
- PETROPERÚ continued to be a leader in the national fuel market with a 44% share for the January to September 2020 period.
- With respect to the **Nor Peruano Oil Pipeline (ONP)**, in the first days of August 2020, pumping operations were restarted in Sections I and II of the ONP, some third-party events affected the continuous operation.
- Regarding **hydrocarbon exploration and production activities**, in July 2020, Geopark reported its irrevocable decision to withdraw from the License Agreement. Regarding Block 192, Operations in Block 192 were suspended during 2020 due to the State of Sanitary Emergency decreed by the Government and social conflicts.
- In terms of **Environmental Management**, in mid-May, PETROPERÚ approved its Institutional Policy for Biodiversity Management, as part of the Biodiversity Strategy approved in mid-2019.
- Regarding **Social Management**, as of 3Q20, PETROPERÚ has carried out activities that frame responsible actions with society, aimed at the timely management of social risks and opportunities to generate shared value for the Company and its various stakeholders.

1. ANALYSIS

1.1. MACROECONOMIC ENVIRONMENT

At the beginning of 2020, the World Health Organization declared a global health emergency in response to the rapid spread of COVID-19 and concern about the impact it could have in countries with limited health infrastructure. From there, a global crisis was unleashed, generating the economic contraction of various developed and developing economies. Drastic measures were necessary; in many cases, social isolation. The latter caused an abrupt reduction in consumption and the planning of phases to face the pandemic. According to BCRP, this would all imply a global economic contraction of 5% in 2020.

In Peru, in mid-March, the Government declared a national health emergency and established mandatory social isolation and the suspension of all non-essential activities. All of this caused a GDP contraction of 17.4% during the first semester of the year, as a consequence of lower domestic demand. As of May, the Government decided to gradually open the economy through a targeted quarantine, in such a way that economic activities restarted in regions where contagion was advancing in a lesser proportion, together with strong fiscal stimuli, financial conditions facilities, generation of confidence in consumers and companies, the delivery of family bonds that seek to help millions of households in unfavorable economic situations.

In 3Q20, the BCRP continues to seek to promote the proper functioning of the markets, for which it has implemented measures aimed at reducing financial costs, providing liquidity to the financial system and reducing the volatility of long-term interest rates and the exchange rate. As such, for the duration of the pandemic, the Board of Directors of the BCRP has decided to maintain the reference interest rate at 0.25% as an expansionary monetary policy. Due to the aforementioned, a GDP contraction of 12.7% is expected for 2020 and growth of 11% is expected for 2021.

In terms of the variation of the CPI (Consumer Price Index) to September 2020, according to the National Institute of Statistics and Informatics (INEI), this figure was 1.90%. The main variations occurred in the sectors of transportation (3.96%), health (2.72%), alcoholic beverages and tobacco (3.49%), food and non-alcoholic beverages (2.54%), and education (2.17%). Despite the challenges that the country has been facing in 2020, it is demonstrated that the BCRP has been doing a great job to stabilize inflation and keep it within the target range.

[7] Net Refining Margin = ∑Product Sales Revenue – ∑Expenditures for Raw Material and Supplies Purchases – Operative Cost

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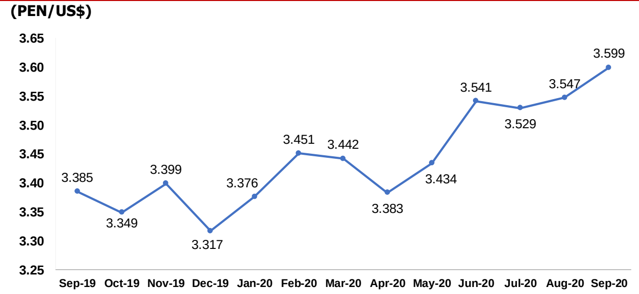
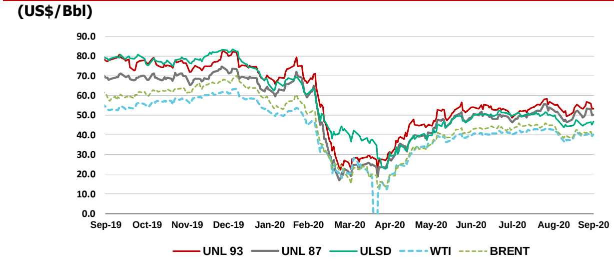
Exchange Rate



	3Q19	4Q19	1Q20	2Q20	3Q20
Exchange Rate	3.385	3.317	3.442	3.541	3.599

Source: SBS

WTI & Other International By-Product Prices



US$/Bl (End of Period)	3Q19	4Q19	1Q20	2Q20	3Q20
UNL 93	78.8	79.9	24.7	53.7	53.2
UNL 87	72.6	71.1	20.3	77.9	50.1
ULSD	82.1	82.0	39.7	79.8	46.8
WTI	58.1	61.1	20.5	58.5	40.2
BRENT	65.0	67.1	17.7	66.8	40.7

Source: Platts

Notes: The UNL87 USGC Regular Gasoline equals a 92-octane gasoline, and the Premium Gasoline UNL 93 USGC is equivalent to a 98-octane gasoline.

Since the end of 2019, the exchange rate has maintained a growing trend, going from S/ 3.317 per dollar in December 2019 to S/ 3.599 per dollar at the end of September 2020. This implies an 8.5% depreciation YTD[8]. This depreciation of the local currency is mainly due to the global uncertainty generated by COVID-19, however, there has been greater volatility in other countries in the region. On the other hand, the Peruvian currency is also affected by the political situation generated by the constant differences between the Executive and Legislative powers. In order to mitigate the downward pressure of the Sol, the BCRP has intervened in the foreign exchange market by placing Certificates of Deposit and selling exchange swap auctions, for a total of S/ 5,680 million and S/ 5,887 million, respectively, during the 3Q20.

With regards to oil prices, the Brent and WTI markers closed at around US$ 41/Bbl and US$ 40/Bbl as of 3Q20, respectively. After the abrupt price fall for Brent and WTI during March, April and May, as a consequence of the pandemic and the lack of storage for the commodity, the price of crude oil has been recovering in 3Q20, maintaining a price average of US$ 41/Bbl in the case of WTI and US$ 43/Bbl. This was mainly due to: i) the commitment between OPEC and Russia to restrict production and withdraw surplus from the market, ii) the reduction in the supply of crude oil and derivatives from large producers global stocks, iii) a decrease in crude stocks in the United States, iv) a slowdown in purchases from China, v) a concern about the slow recovery in world demand due to COVID-19 and vi) the possibility of a return to quarantine measures due to an uptick in the number of infections.

Local market fuel prices are determined considering international prices of these fuels (Import Parity Prices calculated by PETROPERÚ). Prices are expressed in Soles at current exchange rates. It is important to note that between 85%-90% of the ex-plant price (before taxes and margins of wholesale petrol stations) corresponds to international market prices. The Import Parity Pricing structure consists of the USGC value (Platt Price Values Plus Quality Adjustments) plus freight, insurance, import costs (inspections, port fees, financial costs, vessels overdue), performance, distribution costs, margin of profit and OSINERGMIN[9] tariffs.

[8] YTD: Year to Date

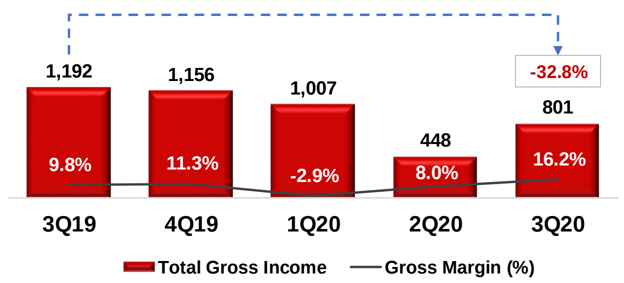
[9] OSINERGMIN: Peru's Supervisory Body of Energy and Mining Investment.

1.2. FINANCIAL RESULTS

1.2.1. INCOME STATEMENT

Quarterly Revenue & Gross Margin

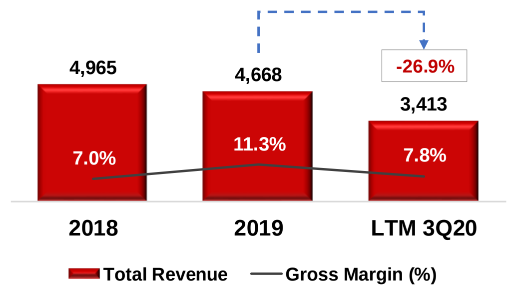
(in millions of US$)



	3Q19	4Q19	1Q20	2Q20	3Q20
Total Sales (US$ million)	1,173	1,119	984	436	779
Volume (MMbbl)	13.4	12.9	12.0	7.5	12.5

Annual Revenue & Gross Margin

(in millions of US$)



	2018	2019	LTM 3Q20
Total Sales (US$ million)	4,884	4,568	3,318
Volume (MMbbl)	55.5	52.4	44.9

Note: For the calculation of the Unit Prices in US$, Total Sales do not include Other Income.

Total Revenue reached US$ 801 million in 3Q20, a decrease of 32.8% YoY, as a consequence of the drop in the total sales volume compared to the same period of 2019 (-7%); this was due to demand reduction for fuels related to the social isolation measures imposed by the Government during the pandemic.

Local sales decreased by 31% from US$ 1,046 million in 3Q19 to US$ 724 million in 3Q20. Exports decreased 57% YoY, from US$ 127 million to US$ 54 million. Sales Revenue (excluding Other Income) decreased by 66% compared to 4Q18.

Gross Margin increased from 9.8% in 3Q19 to 16.2% in 3Q20 Despite the reduction in sales in 3Q20, the lower cost of sales incurred in contrast to 3Q19 has allowed the gross margin to be higher in 2020 vs 2019, due to the lower level of purchases of crude oil and products of the period due to the reduction in demand in the local and international market.

<u>Analysis of the Product Portfolio:</u>

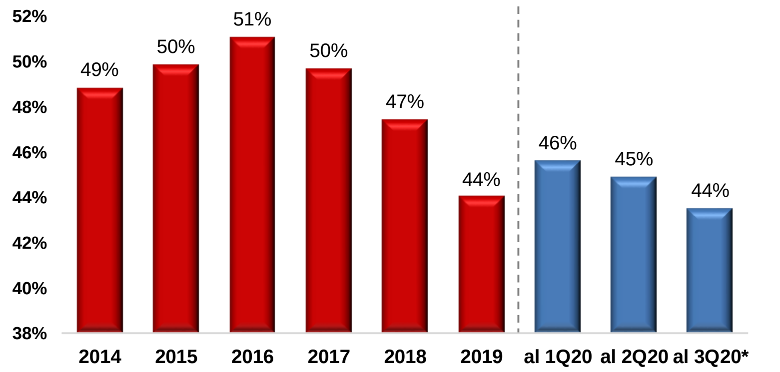
SALES
(In Millions of US$)

SALES	3Q19	3Q20	YoY	Weight on Total Sales
LOCAL SALES				
LPG [1] [2]	28	20	-30%	2.5%
Gasolines/Gasohols [1]	291	169	-42%	21.7%
Turbo A-1	25	5	-78%	0.7%
Diesel B5 [1] [2]	603	386	-36%	49.6%
Industrial Oil [1] [2]	16	10	-41%	1.2%
Bunkers (Marine Residual - IFO + Marine Diesel N°2) [1]	20	8	-59%	1.1%
Asphalt Liquid / Asphalt Solid [1]	21	7	-66%	0.9%
Others [1] [3]	43	120	180%	15.4%
Total Local Sales	**1,046**	**724**	**-31%**	**93.0%**
EXPORTS				
Virgin Naphtha	25	0	-100%	0.0%
N°6 Fuel Oil, Reduced Crude, Industrial Oil 500	54	37	-31%	4.7%
Diesel 2	31	14	-56%	1.8%
Others [4]	16	3	-80%	0.4%
Total Exports	**127**	**54**	**-57%**	**7.0%**
Total Local Sales & Exports	**1,173**	**779**	**-34%**	
Other Operational Income [5]	19	23	17%	
TOTAL REVENUE	**1,192**	**801**	**-33%**	

[1] Discount Included
[2] FEPC Included
[3] Cutting material, Solvents, Gasoline Aviation and Naphthenic Acid.
[4] Turbo A-1, Gasolines, Asphalts, IFO's and Naphthenic Acid.
[5] Includes terminal operation fees, oil transportation by oil pipeline, lease Savia Perú S.A. among others.

During 3Q20, PETROPERÚ had Sales Revenue of US$ 779 million, 34% lower than in 3Q18, with 93% of sales concentrated in the domestic market.

PETROPERÚ Market Share Evolution



Real: January/June (MINEM)
Estimated: July/September (PETROPERÚ)

PETROPERÚ maintained leadership in the national fuel market with a 44% share for the January-September 2020 period, information calculated by PETROPERÚ based on the information published on the Ministry of Energy and Mines' website (MINEM) at the date of this report.

Income Breakdown

(in millions of US$)

	LTM 3Q20
LOCAL REVENUE	
LPG (1) (2)	98
Gasolines/Gasohols (1)	804
Turbo A-1	39
Diesel B5 (1) (2)	1,704
Industrial Oil (1) (2)	50
Bunkers (Marine Residual - IFO + Marine Diesel N°2) (1)	46
Asphalt Liquid / Asphalt Solid (1)	34
Others (1) (3)	267
Total Local Revenue	**3,041**
EXPORTS	
Virgin Naphtha	11
N°6 Fuel Oil, Reduced Crude, Industrial Oil 500	172
Diesel 2	53
Others (4)	41
Total Exports	**277**
TOTAL REVENUE	**3,318**

% Participation	
4 Products	**80%**
Diesel B5 (1) (2)	51%
Gasolines/Gasohols (1)	24%
LPG (1) (2)	3%
Turbo A-1	1%
2 Products	**76%**
Diesel B5 (1) (2)	51%
Gasolines/Gasohols (1)	24%
Local Revenue	**92%**
Exports	**8%**

(1) Discount Included
(2) FEPC Included
(3) Cutting material, Solvents, Gasoline Aviation and Naphthenic Acid.
(4) Turbo A-1, Gasolines, Asphalts, IFO's and Naphthenic Acid.

PETROPERÚ maintains a network of 662 affiliated service stations as of September 2020, which are distributed across the 24 regions of the country. Its products reach the highest quality standards, according to customer opinions and the quality certificates granted as a result of compliance with national and international standards. Additionally, PETROPERÚ's most representative products, that reflect the greatest income during the last twelve months, are Diesel B5 (Includes Diesel B5 S-50) and gasolines/gasohols, that have a market share of 52% and 24%, respectively.

LOCAL MARKET

Domestic Sales Revenue reached US$ 724 million in 3Q20, decreasing 31% YoY or US$ 322 million, mainly due to lower sales of Diesel and gasoline, which amounted to around 1.3 MMBbls.

Local sales level declines were due to the State of Emergency declared by the Peruvian State as a measure to stop the spread of COVID-19, which generated a strong negative impact between March and May 2020.

However, thanks to the partial measures for the resumption of economic activities in phases, the levels of fuel sales in the domestic market have been increasing since May, which allowed the Company to generate higher income levels in 3Q20 compared to the previous quarter.

EXTERNAL MARKET

Export Sales Revenues of US$ 54 million represented 7% of Total Sales Revenue in 3Q20. The Company exported a volume of 13 KBPD, 42% lower compared to the same period of 2019 (22 KBPD). The lower volume of exports also influenced lower revenues compared to the same period of 2019, mainly to a lower volume of exports of Diesel 2 high sulfur, Virgin Naphtha, No. 6 Fuel Oil and marine residual (IFO).

SUPPLY CHAIN

In September, we recorded a total of 84 days of port closings, compared to the 70 days corresponding to the same period of 2019. The accumulated number of port closing days at September 2020 was 617 days versus 682 days, with respect to the same period of the previous year.

In 3Q20, progress rates for the construction of new Plants and Terminals were as follows:

1. Terminal Ilo: 24.6% construction progress. It should be noted that the works were paralyzed in mid-2019, currently the service of complementary development and integration of the Detailed Engineering is being executed, which will allow the management of the contracting of the new procurement and construction service.
2. Pasco - Ninacaca Supply Plant: 73.4% construction progress. The advance of civil works remains at 61%, as well as metalworking works at 62% and electrical works at 55%.
3. Puerto Maldonado Supply Plant: 49.3% progress. The earthwork works culminated in September, so the delivery of the work is being coordinated. On the other hand, the use of the right of way to access the plant is at 95%, and is in the process of review and approval by PROVIAS.

PETROPERÚ continues with its Safe Transport Plan aimed at achieving zero accidents with the land transport units which are outsourced to various companies across the various supply routes to our Plants.

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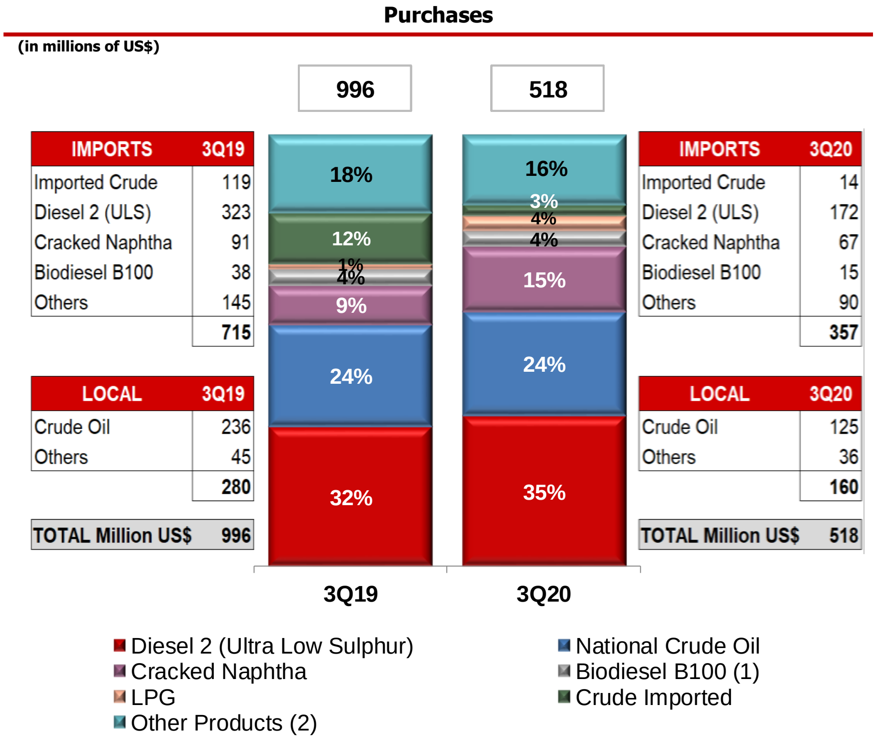
Earnings Release

PURCHASES



IMPORTS	3Q19
Imported Crude	119
Diesel 2 (ULS)	323
Cracked Naphtha	91
Biodiesel B100	38
Others	145
	715

LOCAL	3Q19
Crude Oil	236
Others	45
	280
TOTAL Million US$	996

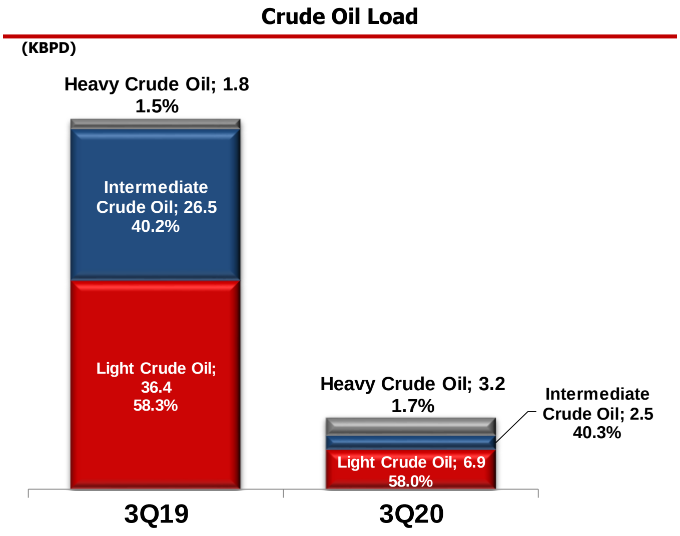
IMPORTS	3Q20
Imported Crude	14
Diesel 2 (ULS)	172
Cracked Naphtha	67
Biodiesel B100	15
Others	90
	357

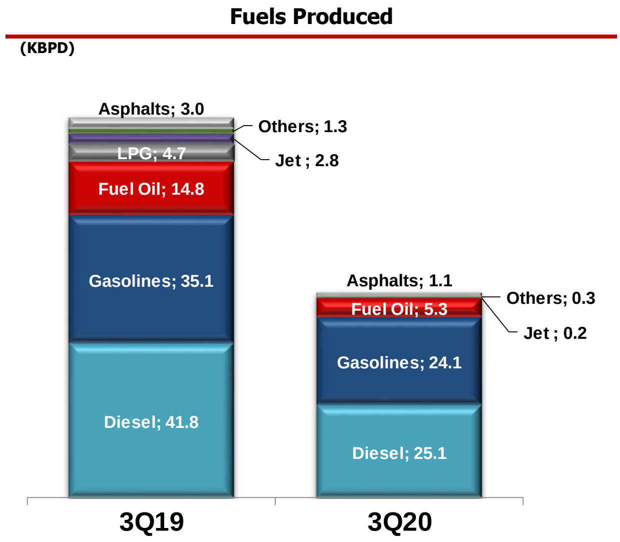
LOCAL	3Q20
Crude Oil	125
Others	36
	160
TOTAL Million US$	518

(1) Inputs for formulation of Diesel B5
(2) Includes: HOGBS, Gasoline Aviation, Alcohol Fuel, Natural Gas Condensate and Turbo A1

Crude oil processed at our refineries is either local or imported. Local crude oil comes mainly from the Talara area and is purchased in accordance with the average oil prices basket. Local crude oil (from the Northwestern region of Peru) during 4Q20 represented 24% of total purchases.

In 3Q20, oil imports as a percent of total purchases by our refineries decreased to 3% (compared to 12% in 3Q19).





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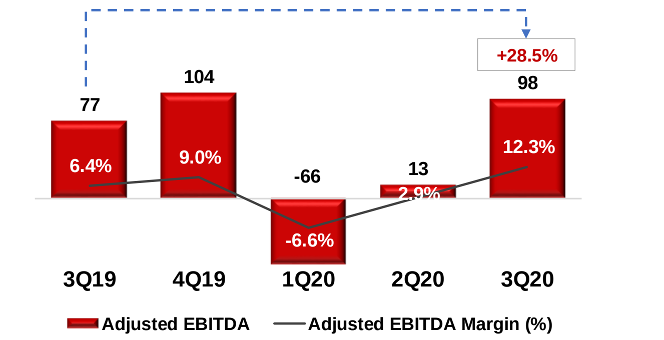
EBITDA

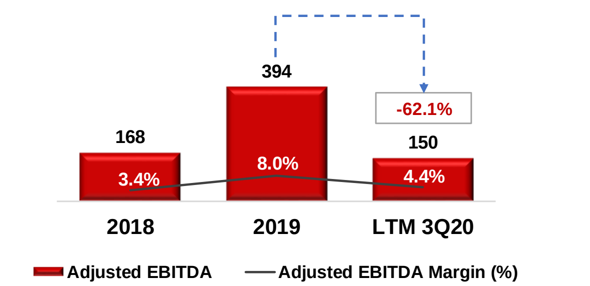
Quarterly Adjusted EBITDA & Adjusted EBITDA Margin

(in millions of US$)



Annual Adjusted EBITDA & Adjusted EBITDA Margin

(in millions of US$)



Adjusted EBITDA was US$ 98 million in 3Q20, compared to US$ 77 million in 3Q19. This increase in Adjusted EBITDA was mainly due to a higher Gross Margin of 3Q20 (16%) vs Operating Margin of 3Q19 (10%).

Operating expenses per business unit are as follows:

OPEX: Operating Expenses

(in thousands of US$)

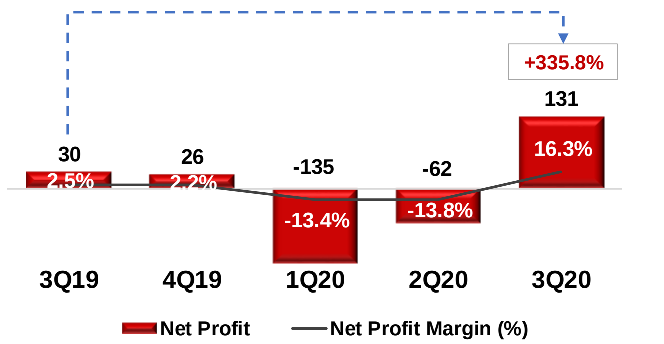
Business Unit	Executed on 2019	Executed as of September 2020 (1)
Refining	287,133	139,601
Transportion through ONP	66,922	45,244
Distribution & Comercialization	175,013	96,132
Others	83,653	55,307
Total	**612,721**	**336,283**

(1) Includes other expenses such as: Administrative penalties, OSINERGMIN tax, Contingencies, ITF, among others.

The Refining business unit represented the highest operating expenses among all the business units (42% at September 2020 and 47% of total OPEX in 2019); as of September 2020, Conchán and Iquitos are in operation. Considering that as of January 2020 the Talara refinery stopped operating until the start-up of the New Talara Refinery Distribution & Commercialization is the business unit with the second-highest operating expenses; this encompasses Supply Plants and Storage Tanks throughout the country, as well as the ONP business unit.

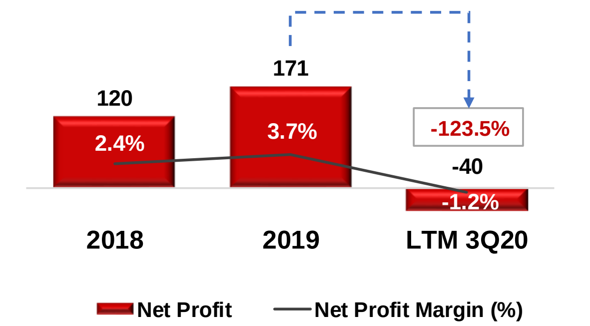
Quarterly Net Profit & Net Profit Margin

(in millions of US$)



Annual Net Profit & Net Profit Margin

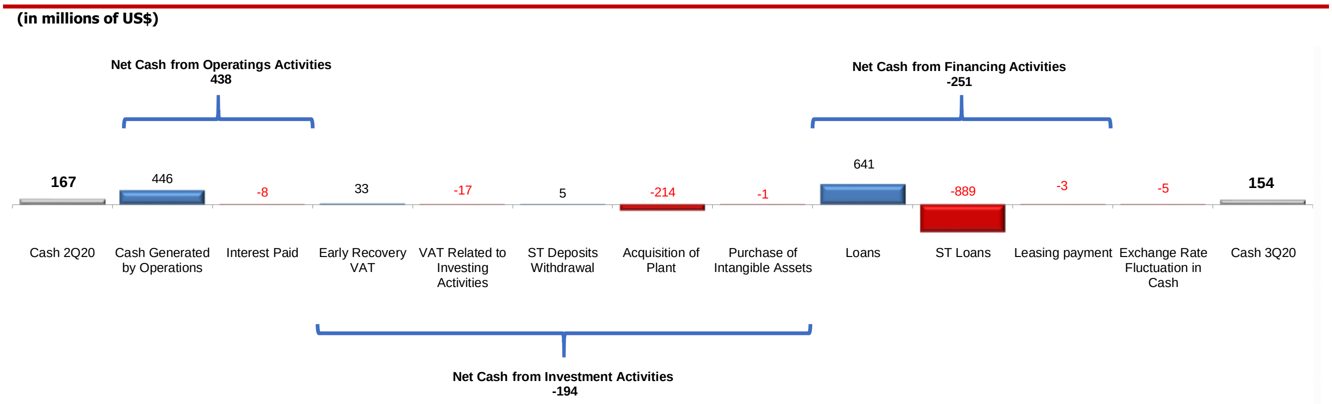
(in millions of US$)



Net Profit in 3Q20 was US$ 131 million compared to US$ 30 million in 3Q19. This result was due to the higher Gross Margin (16% vs. 10%), mainly, due to a reduction in the cost of sales due to lower purchases of crude oil and products in 3Q20, as well as lower net financial expenses during 3Q20 vs. 3Q19 and to a greater extent due to a positive income tax of US$ 66 million vs. US$ -33 million in 3Q19.

1.2.2. CASH FLOW STATEMENT

Cash Flow Analysis 3Q20



PETROPERÚ recorded a cash balance of US$ 154 million at the end of 3Q20, compared to US$ 261 million in 3Q19. As of 3Q20, there was a lower Cash Flow from Operating Activities due to lower cash collected from operating activities as a result of lower sales in 2020 due to the pandemic.

On the other hand, in 3Q19 there was a significant withdrawal of investments in term deposits equivalent to US$ 295 million, which generated a higher Cash Flow from Investing Activities versus US$ 5.3 million in 3Q20.

Likewise, the Cash Flow from Financing Activities went from US$ -187 million to US$ -251 million, mainly due to higher short-term loans obtained in 3Q19 for working capital.

1.2.3. BALANCE SHEET

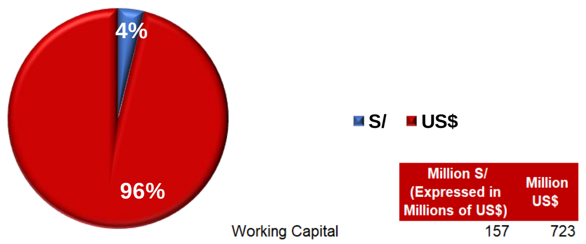
Total Assets amounted to US$ 7,075 million, 2% lower than in 2019, which is mainly explained by Non-Current Assets due to the progress in the construction of the PMRT.

In 3Q20, Working Capital reached US$ -1,003 million compared to US$ 159 million in 3Q19. The negative working capital shows that the Company has been borrowing more in the short term to finance working capital and part of the PMRT. However, there is a sufficient line of credit with local and international banks to face the negative working capital.

The Company manages its liquidity risk by ensuring that it has sufficient lines of credit at all times and covering its working capital with the cash flows of its operating activities.

Foreign Exchange Debt Composition

3Q20

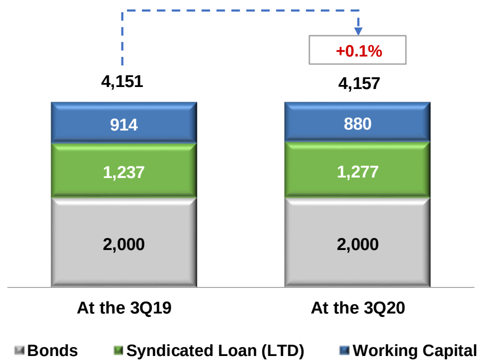


	Million S/ (Expressed in Millions of US$)	Million US$
Working Capital	157	723
Syndicated Loan (LTD)		1,277
Bonds		2,000
TOTAL	**157**	**4,000**

Composition that only considers the debt for the concepts in the table.

Debt Outstanding

(in millions of US$)



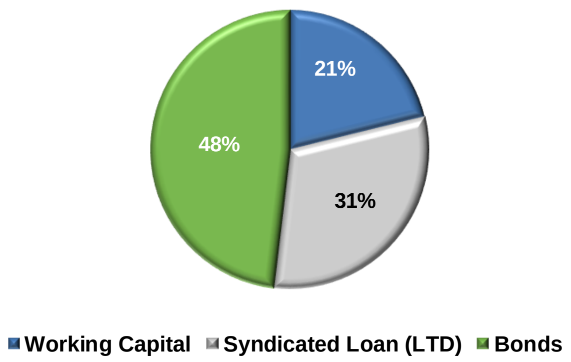
As of 3Q20, Total Debt is broken down as follows: 96% in U.S. dollars and 4% in Peruvian Soles. The average debt duration is 9.01 years for the 15-year bond, and 14.51 years for the 30-year bond. It is important to mention that the contract for the bonds issued does not include the obligation to comply with covenants beyond the delivery of financial information. These bonds do not have specific guarantees.

At the end of 3Q20, PETROPERÚ maintained revolving credit lines granted by local and foreign banks for up to US$ 2.9 billion, of which US$ 1.6 billion are still available. This is sufficient to attend the purchase operations in the national territory and in foreign markets and other obligations related to working capital. These credit lines do not require maintenance costs or collateral commitments.

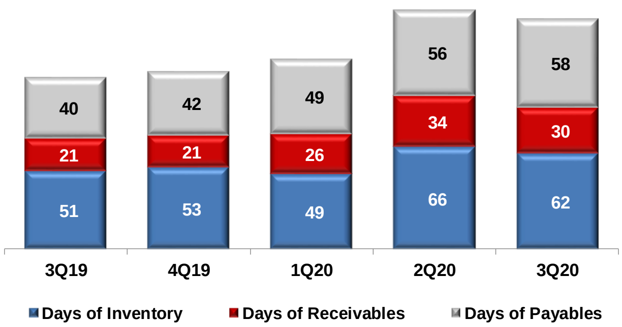
Total debt outstanding is comprised as follows: 48% Bonds, 21% Working Capital and 31% for a long-term Syndicated Loan with CESCE's guarantee.

Debt Composition

3Q20



Cash Conversion Cycle



	3Q19	4Q19	1Q20	2Q20	3Q20
Cash Conversion Cycle[1]	32	32	25	44	34

[1] **Days of Inventory + Days of Receivables – Days of Payable**

The Cash Conversion Cycle (CCE) in 3Q20 reached 34 days, that is, 2 days over 3Q19 (32). The CCE has been gradually improving thanks to the measures taken by the Government to ease quarantine restrictions, which generated a gradual sales volume increase.

Inventory turnover has declined due to higher fuel consumption, thus, the initial impact of lack of liquidity for supplier payments has been offset to a certain extent. Additionally, the facility granted to customers with longer collection periods is normalizing.

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1.2.4. FINANCIAL INDICATORS

Ratios

	2018	2019	LTM 3Q20	3Q19	2Q20	3Q20	YoY	QoQ
EBITDA / Financial Expenses	4.6	16.5	6.5	5.1	4.6	6.5	27%	39%
Debt / Assets	66%	59%	62%	59%	67%	63%	-4%	-1%
EBITDA / Assets (LTM)	2.3%	5.6%	2.1%	3.8%	1.8%	2.1%	-38%	17%
Debt / EBITDA (LTM)	29x	11x	30x	16x	37x	30x	53%	-16%
Current Rate	1.29x	0.81x	0.27x	1.09x	0.57x	0.48x	-84%	3%

The EBITDA / Interest ratio evaluated in the last twelve months increased by 27% in 3Q20 compared to 3Q19, going from 5.1 to 6.5, thus the Company may cancel up to 6.5 times its financial expenses in the last twelve months with the generation of EBITDA during that period. A ratio greater than 5 implies a healthy relationship for the Company.

Regarding the Financial Debt / Assets ratio, as of 3Q20 it decreased by 4% compared to 3Q19, mainly due to the higher level of non-current assets related to the higher value of fixed assets, in accordance with the PMRT progress. In this sense, the EBITDA (LTM) over Assets ratio in 3Q20 was 2.1%, lower than the 3.8% registered in 3Q19, considering that the level of EBITDA (LTM) in 3Q19 was US$ 264 million and in 3Q20 it was US$ 150 million, mainly due to lower income due to the COVID-19 situation and an increase in fixed assets due to the advance of the PMRT.

Considering the aforementioned lines regarding EBITDA and Financial Debt, as of 3Q20 the Company had a Financial Debt/EBITDA (LTM) ratio of 30x, which is 53% higher than 3Q19.

Finally, the Liquidity Ratio decreased to 0.48x in 3Q20 compared to 3Q19, mainly due to the higher Current Liabilities in relation to Current Assets, caused by the reduction of Other Accounts Receivable and Existence versus the same period 2019.

1.3. OPERATING RESULTS

PETROPERÚ focuses on three business lines, the participation of each business with respect to the total revenue of the Company as of 3Q20 is as follows: 1) refining and commercialization, which represented 98%, 2) leasing and privatization of certain units, which represented 1%, and 3) ONP which represented 1%.

1.3.1. PMRT

As of the mid-March, the progress of the projects was affected by the declaration of a State of National Emergency, established by the Government as a measure to slow down the advance of COVID-19, temporarily paralyzing construction activities, including those of the PMRT, whose activities were reduced to what was deemed strictly necessary to maintain the industrial safety of facilities and equipment.

In mid-June, work on the project was gradually restarted, complying with the protocols approved and established in the respective Plan for Surveillance, Prevention and Control of COVID-19 approved for the project, as well as for the main contractors, Técnicas Reunidas (TR) and COBRA SCL UA&TC, which will mean the gradual reincorporation of approximately 5,800 people on site (At the end of 2Q20, 1,921 people were reported on site).

In this sense, at the end of September, the PMRT registered an integral advance of 90.89% (cut-off date September 25, 2020). It should be noted that due to the impacts of the State of National Emergency on the project schedule, the start of operation of the New Talara Refinery is estimated for the second half of 2021.

Engineering, Procurement and Construction (EPC) Contract for the Process Units

With the start of the construction works, activities corresponding to the EPC Contract with TR have been developed with a physical progress as of September 2020 of 95.12%.

The main advances for each component of the service were:

Detail Engineering: Completed and certified.

Procurement: Work progress reached 99.92%. Pending the delivery of certain radioactive measuring instruments, currently in process of acquisition by TR.

Construction: Work progress reached 93.99%. This progress was hampered by the temporary suspension of construction work imposed by the Government as an emergency measure against COVID-19.

Auxiliary Units and Complementary Works

The EPC Contract activities in charge of Consortium COBRA-SCL UA & TC have reached a progress rate of 75.87% at September 2020.

Engineering: Progress rate of 96.07%.

Procurement: Progress rate of 86.35%.

Construction: Progress rate of 66.43%. As in the case of the Processing Units, progress was adversely affected by the temporary suspension in the framework of the State of Health Emergency.

Financing

As a result of the State of National Emergency, the impacts on time and cost are being evaluated with the main contractors. The evaluation is expected to conclude during 4Q20.

To date, different financing alternatives continue to be evaluated to cover 100%. In February, US$ 40 million was received for the balance of the financing with the CESCE guarantee, leaving a balance to be received of US$ 23 million.

Local Labor Recruitment

As of 3Q20, the workforce was over 7.5 thousand jobs, including personnel from both Contractors (TR and Cobra Consortium SCL). Local unskilled labor had a participation exceeding the minimum established by the EIS (70%).

1.3.2. REFINING

As of September 2020, the Refining Margin was higher than the similar period in 2019, mainly for the periods of April 2020 and May 2020, obtaining higher margins of 26 US$/Bbl and 20.7 US$/Bbl, respectively, due to the higher spreads of product prices vs. loads.

The Blending Margin for the current period was higher compared to the similar period of 2019, mainly because in March 2020 and April 2020 higher margins of 24.1 US$/Bbl and 25.1 US$/Bbl were obtained, respectively, due to higher spreads of product prices vs. supplies.

Gasoline/Gasohols of high octane (95, 97 and 98 octane) that is marketed and used nationally, should not be greater than 50 ppm.

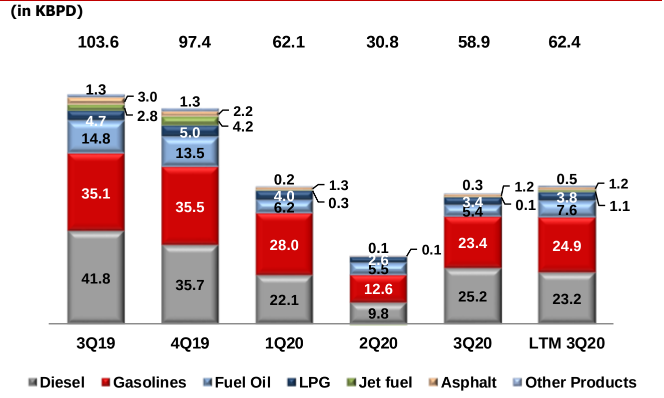
Operating Data

	2018	2019	LTM 3Q20	3Q19	2Q20	3Q20	YoY	QoQ
Refining Capacity (in KBPD) (1)	95	95	44	95	28	28	-71%	0
Refinery Utilization (in KBPD) (2)	67	67	25	69	6	13	-82%	98%
Refined Products (in KBPD) (3)	110	99	38	104	10	22	-79%	109%
Refining Margin (US$/bbl) (4)	0.27	4.64	12.27	6.76	16.78	12.93	91%	-23%
Blending Margin (US$/bbl) (5)	7.08	10.23	12.16	11.29	17.68	6.46	-42.8%	-63%
Net Total Margin (US$/bbl) (6)	2.28	5.93	11.57	7.91	17.24	9.33	-17.9%	-46%
Capacity Utilization Rate (7)	71%	70%	48%	73%	23%	46%	-	-
Volume Sales (in KBPD)	152	144	123	146	83	136	-7%	65%

Notes:
(1) Maximum amount of crude that can be introduced into the second step of refining process, referred to as atmospheric distillation.
(2) Total amount of crude, asphalts reside and diesel reprocess introduced into the second step of the refining process, referred to as atmospheric distillation.
(3) Total amount of refined products produced by one complete cycle of the refining process.
(4) Means the differential between the price of crude oil purchased for our refining operations and the price of our refined products extracted from such crude. Operating costs of refineries are discounted.
(5) Differential between the price of the purchased inputs for the mixing operations carried out in the refineries and the price of the formulated products (Gasolines 97/95 and Diesel B5 S50). The operating costs of the blending activities carried out at the Talara and Conchán Refineries are discounted.
(6) It is the average margin obtained from the refining and blending activities carried out by the Company's refineries.
(7) Defined crude refinery utilization (in thousands of average barrels per day for the period) divided by atmospheric distillation refining capacity.

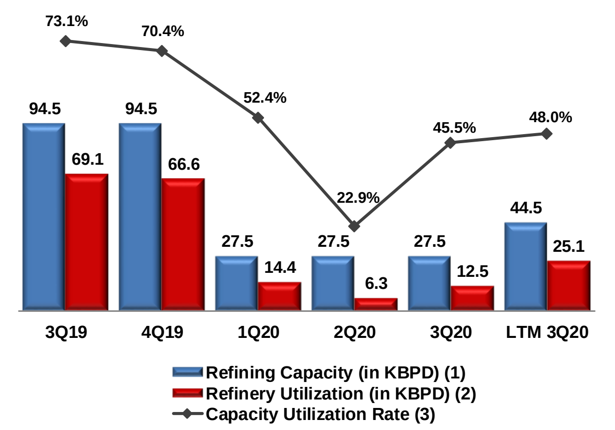
Production was lower compared to the same period of the previous year (59 vs. 104 KBPD), mainly due to lower volume produced of Diesel and Gasolines, as a result of the lower demand for fuels compared to the previous year.

Refined Products



	3Q19	4Q19	1Q20	2Q20	3Q20	LTM 3Q20
Refining Margin (US$/bbl)	6.8	3.8	15.6	16.8	9.6	11.5

Capacity Utilization Rate



(1) Maximum amount of crude that can be introduced into the second step of the refining process, referred to as atmospheric distillation.
(2) Total amount of crude, asphalts reside and diesel reprocess introduced into the second step of the refining process, referred to as atmospheric distillation
(3) Defined as crude refinery utilization (in thousands of average barrels per day for the period) divided by atmospheric distillation refining capacity.

1.3.3. NOR PERUANO OIL PIPELINE (ONP)

The pumped crude oil volumes accumulated as of September 2020 are the following:

SECTION	PUMPED VOLUME AT SEPTEMBER (MB)
SECTION I	1,945.4
SECTION II	2,493.4

SECTION	PUMPED VOLUME AT SEPTEMBER (MB)
ORN	493.2

In the first days of August, crude oil pumping operations were restarted in Sections II and I of the ONP, respectively; However, the continuity of operations was limited as a result of the seizure of the facilities in Station 5, which occurred on August 2, 2020, by residents of the Atahualpa native community and its annexes, who entered abruptly, forcing the operational personnel to suspend all oil pumping and electricity generation activities. On August 15, 2020, after thirteen days of the seizure of Station 5, he station was peacefully liberated.

Subsequently, Section I restarted pumping operations on August 31.2020 and stopped on September 7, 2020. On the other hand, Section II restarted on September 4, 2020 and stopped on September 5, 2020. On September 8, 2020, a contingency was recorded at km 713+163.5 of Section II, which was immediately addressed and remedied. On September 28, 2020, the seizure of Station 5 by residents of native communities in the area was reported; protesters continue at the station awaiting a response to their complaints from the PCM.

Regarding the volumes loaded at the Bayóvar Terminal, as of September 2020 there were 513 Mbbl of Primary Residual from PETROPERÚ and 904 Mbbl of Loreto Crude.

The state of the contingencies occurred in **previous** years, were the following:

DATE	LOCATION	SITUATION	% PROGRESS AT SEPTEMBER
Nov 07, 2017	Km 221+046 - ORN	- Repair, cleaning and remediation work 100% completed. - Legal opinion is expected on the feasibility of carrying out complementary sediment work in the area.	95
Feb 27, 2018	Km 20+204 – Section I	- Rewashing will be carried out once the restrictions are lifted by the measures decreed by the Government within the framework of the State of Emergency.	100
Nov 27, 2018	Km 193 - ORN	- Cleaning and remediation work at 85%. - Disruption due to the COVID-19 pandemic. In coordination for the restart of activities according to current conditions.	85
Jan 01, 2019	Km 323+190 - Section II	- Cleaning and Remediation Work at 99%. - The entry of a specialized company is expected to carry out the final monitoring of the water and soil samples.	99
Jun 18, 2019	Km 237+746 - ORN	- Cleaning and Remediation Works at 52%. - Disruption due to the COVID-19 pandemic. In coordination for the restart of activities according to current conditions.	52
Jul 09, 2019	Km 371+734 - Section II	- Cleanup and environmental remediation work was completed. - Pending entry of OEFA to contingency area.	95
Aug 11, 2019	Km 400+710 – Section II	- Cleanup and environmental remediation work was completed. - Pending re-entry of a specialized company to carry out the Environmental Assessment, verification sampling.	100
Dec 21, 2019	Km 548+984 – Section II	- Cleanup and environmental remediation work was completed. - Pending entry of OEFA to contingency area.	95

In relation to the state of the contingencies occurred in the **present** year, we have the following:

DATE	LOCATION	SITUATION	% PROGRESS AT SEPTEMBER
May 19, 2020	Km 609+223 - Section II	- The environmental remediation works were concluded. - The hazardous waste removal service is regularized.	95
Sep 08, 2020	Km 713+163.5 - ORN	- Cleaning and Remediation Works at 95%. - Environmental remediation of the impacted area was carried out and the Split Tee was installed.	95

The prioritized activities were carried out to continue a safe and reliable operation of the transport system, the following advances were reached:

- The acquisition of 21 blocking valves with their respective actuators and solar energy systems (photovoltaic) was made; at the end of July the activities of the main service and supervision were restarted. Welding works are being carried out in Section II and excavations and camping facilities in Section I. At the ORN, the contractor requested to reschedule the works for 2021 due to weather conditions (flooding) and social problems with the surrounding communities.
- The acquisition and installation of Pressure Meters in Section I and ORN was completed.
- A motorized pump was acquired at Station 1. Delivery is estimated for 4Q20, when topographic survey work and precast piles are carried out.
- The acquisition and installation of a Motor Generator was carried out in Station 1; contracting of the shed manufacturing and assembly service was carried out.

1.3.4. EXPLORATION AND PRODUCTION

Block 64

In July 2020, Geopark reported its irrevocable decision to withdraw from the License Agreement. Later, in August 2020, PETROPERÚ accepted the transfer of 75% of Geopark's stake, free of charge and without any compensation.

Geopark and PETROPERÚ are coordinating the conditions for the withdrawal of the Lot, to then initiate the process of modifying the License Agreement that reflects the withdrawal of Geopark and the new 100% participation of PETROPERÚ.

Block 192

As of January 31, 2020, Block 192 had approximately 80 active wells and 108 wells that had been temporarily shut down because of low crude prices, lack of equipment and operational issues. Operations at Block 192 were suspended during 2020 due to the State of Health Emergency decreed by the Government and social conflicts.

Block 192 is under a Service Contract between Perupetro S.A. and Frontera Energy, which is set to expire on February 2021. Pursuant to Law No. 30357, we expect to enter into an Exploitation License Contract with Perupetro S.A., under which we would become the new operators of Block 192 for a period of 30 years. Nowadays, an offer is being worked on to select a strategic operating partner to be included in the License Contractor and the process is expected to be completed in 1Q21.

2. ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

2.1. ENVIRONMENTAL & SOCIAL MATTERS

In relation to environmental management, in mid-May, PETROPERÚ approved the Institutional Policy for Biodiversity Management, this being one of the activities committed as part of the Biodiversity Strategy approved in mid-2019. In this way, the senior administration of the Company has assumed the challenge and commitment to make viable the initiatives and inter-institutional cooperation agreements signed with organizations such as the Service of Protected Natural Areas (SERNANP), Amazon Forever, SERFOR, among others, with the purpose of providing support in research and exchange of technical information that allows to conserve and protect the biodiversity present in the area of influence of the facilities.

On the other hand, in relation to the management process of the impacted sites identified in the Company's facilities, at the end of 3Q20 the approval of twenty-two (22) of the twenty-eight (28) Contaminated Site Identification Reports (IISC) was achieved presented to the General Directorate of Environmental Energy Affairs (DGAAH) of the Ministry of Energy and Mines (MINEM). In this sense, PETROPERÚ decided to continue with the next stage of the process, corresponding to the characterization of the previously identified areas.

To date, the characterization works of impacted sites have been carried out in the Talara and Conchán Refineries, and it is planned to conclude with the field works before the end of 4Q20, and then continue with the investigations in the other facilities of the Company.

On the other hand, at the end of 3Q20, two (02) spills were reported in the ONP pipeline, which occurred at km 609 + 223 (05/16/2020) and km 713 + 197 (09/08/2020) of Section I. Both events were immediately addressed and the affected areas were remedied.

Finally, to date, three (03) remediation works are pending completion in km 323 of Section I and km 193 and km 237 of the ORN, which present a progress of 99.1%, 85.4% and 51.9%, respectively. It should be noted that, as a result of the State of National Emergency declared due to the COVID-19 outbreak, work in the aforementioned areas is temporarily suspended.

On the social management side, as of 3Q20, PETROPERÚ has carried out activities that frame responsible actions with society, aimed at timely managing social risks and opportunities to generate shared value for the Company and its various stakeholders.

In Talara, during the first months of the year, free continuous training initiatives were developed for local women, who were trained with 270 hours of instruction. In line with this, 110 young people completed their technical careers, after three years of training at SENATI, thanks to the 110 Scholarship Program, promoted by the Company. In the health field, PETROPERÚ delivered an ambulance to the Talara II Health Center - Carlos H. Vivanco Mauricio, which will improve the transfer of patients who require specialized care.

In Conchán, supplies for 10 temporary housing modules were delivered to affected families in Villa El Salvador, after the fire caused by the deflagration of a LPG tanker in January 2020. Likewise, medicines and medical supplies were delivered to the National Institute of Child Health in conjunction with the Red Suma Association. On the other hand, the Participatory Socio-Environmental Monitoring Committee of the Conchán Refinery, made up of representatives of eight human settlements in Villa El Salvador and Lurín, successfully completed its surveillance and promotion activities, as well as in the management of solid waste, monitoring of the air and soil quality, among others.

In Ilo, the Rehabilitation of the existing concrete track in Jr. Argentina - Ilo - Moquegua, one of the most important avenues of the city, was delivered in March, carried out in compliance with the commitments assumed in the Dialogue Table.

Finally, the ONP maintains constant work with the management of social risks in each of the environmental contingencies presented, articulating with the different State Institutions and actively participating in meetings with community authorities and State representatives. In addition, since September, the development of native communities has been sought by strengthening municipal management in line with the development of capacities of public officials.

2.2. CORPORATE GOVERNANCE

During 4Q19, the following actions and achievements in Corporate Governance (CG) took place:

1. From January to September 2020, the Board Committees have been meeting regularly, including the new Committee created by the Board, called the Innovation and Business Development Committee.
2. In April 2020, the General Shareholders' Meeting appointed Mr. Eduardo Guevara Dodds as Chairman of the Board, he also went through an Induction process prior to initiating his duties.
3. In May 2020, the Board of Directors approved the 2019 Annual Good Corporate Governance Report.
4. In July 2020, the Report on Compliance with the Code of Good Corporate Governance 2019 was approved, which is part of the Company's Annual Report.
5. PETROPERÚ underwent the validation process of corporate governance practices under the methodology established by the Lima Stock Exchange, for the evaluation of the 2019 period, the Company was validated by the consulting company Mercado de Capitales, Inversiones y Finanzas (MC&F), obtaining a score of 83.73% compliance (out of 100).

2.3. ORGANIZATIONAL AND HUMAN RESOURCES MATTERS

The Company continues managing its personnel based on its competences and the new profile necessary for its modernization/ Activities include: performance management, strengthening of organizational culture and work environment, and review of its organizational structure.

In terms of management development, evaluations corresponding to 2019 began in the first quarter of 2020. Currently, the feedback process and preparation of the individual development plan continues. Management continues to consistently evaluation of the Functional Objectives of their respective areas.

Specialized training processes continue throughout the modernization process and the initiation of operations in the New Talara Refinery.

During the third quarter, the voluntary retirement program for personnel continued; this process seeks to renew the composition of the personnel towards a more technical aspect, aimed at new projects, via activities that seek to attract and retain talent within the Company.

The new organizational design of the new refinery has been completed and personnel have been hired with a profile focused on the New Talara Refinery. On the other hand, regarding hiring, priority has been given to people from the area in order to strengthen ties with the Talara community.

3. MEASURES TO DEAL THE ECONOMIC SITUATION OF COVID-19

3.1. CORPORATE ACTION PLAN

As a result of the health emergency declared by the Government with regards to the pandemic, the abrupt drop in the international price of crude oil, and the estimated negative impact during the year, PETROPERÚ prepared an Action Plan to offset the adverse external effects on the profitability and liquidity of the Company. In this sense, certain measures were established such as: the reduction of the operating expenses budget by US$ 80 million, prioritization of the investment budget by US$ 253 million, the review of the supply and production plan, and the postponement and cancellation of non-shipments. These were deemed necessary to meet current and projected demand for the coming months, and product purchase optimization, among others.

Due to an unfavorable economic and financial environment after 1Q20 and 2Q20, the Company continued with a second stage of the Action Plan in order to ensure a sustainable operation, positive cash flow and compliance with financial covenants. Among the main measures in the second stage are an additional reduction in the budget for operating expenses, which to date has been reduced by US$ 112.1 million. However, the identification of expenses concepts to be optimized continues; additional prioritization of the investment budget, which to date has been reduced by US$ 288 million, considering the prioritization of strategic projects that will allow us to preserve the fulfillment of our objectives, prioritizing those of a regulatory nature and linked to maintaining the operation of the business, recovery progressive level of fuel sales in the domestic market, mainly Diesel and Gasoline, plan to optimize the ONP economy, among others.

3.2. SUPPORT TO COMMUNITIES

In order to help control the spread and minimize the risks to which the population is exposed as a result of COVID-19, the Company has carried out various actions to benefit of the communities surrounding the Operations. These include: the delivery of biosecurity kits for native communities and health centers in 16 communities located in the ONP's area of influence; logistical facilities for the commission of authorities of Datem del Marañón for the transfer of Medicine and Medical Supplies donated by the Ministry of Health; Rapid test kits were delivered to the "Carlos Vivanco Mauricio" Health Center II and biosafety kits for its medical staff. Additionally, the construction of a Modular Hospital in Talara is being carried out, donated by PETROPERÚ and will come into operation during 4Q20, it will have 30 beds for moderate patient care and 15 ICU beds for seriously ill patients, this hospital infrastructure will be equipped with state-of-the-art air conditioning equipment and a useful life of 15 years is estimated. On the other hand, in the city of Iquitos, various industrial safety and personal protection products were delivered to the Provincial Municipality of Maynas, which were used to disinfect and sanitize streets, seeking to prevent contamination of surfaces.

Finally, baskets with basic necessities were delivered to families in the most vulnerable areas of our Operations, such as: in the town of Ilo, to the residents of Pampa Inalámbrica. In Conchán, hundreds of families from the beach and metropolitan park of the Villa El Salvador district benefited. In Talara, baskets were delivered to the Municipality to distribute to families located in the following sectors: Southern Cone, Northern Cone, Central Talara and Satellite City. In Pucallpa, baskets were distributed by the Municipality to the families of the Callería district. Finally, in Iquitos, 13 communities in the Refinery's area of influence also received packages filled with basis necessities.

4. FINANCIAL SUMMARY

1.1. INCOME STATEMENT

In Millions of US$	2018	2019	LTM 3Q20	3Q19	2Q20	3Q20	YoY (1)	QoQ(2)
Domestic Sales	4,369	4,098	3,041	1,046	408	724	-31%	78%
Exports	515	471	277	127	28	54	-57%	90%
Other Revenue	81	100	95	19	12	23	17%	85%
Total Revenue	4,965	4,668	3,413	1,192	448	801	-33%	79%
COGS	-4,618	-4,140	-3,147	-1,075	-412	-671	-38%	63%
COGS (% of Revenue)	93%	89%	92%	-90%	-92%	-84%	-	-
Gross Profit	**347**	**528**	**266**	**117**	**36**	**130**	**11%**	**261%**
Gross Margin (%)	7%	11%	8%	10%	8%	16%	-	-
SG&A	-132	-263	-241	-44	-34	-53	22%	58%
SG&A (% of Revenue)	3%	6%	7%	4%	8%	7%	-	-
Operating Profit	**216**	**265**	**26**	**73**	**2**	**77**	**4%**	**3322%**
Operating Margin (%)	4%	6%	1%	6%	0%	10%	-	-
Net Profit	**120**	**171**	**-40**	**30**	**-62**	**131**	**335%**	**-310%**
Net Profit Margin (%)	2%	4%	-1%	3%	-14%	16%	-	-
Adj. EBITDA	**168**	**394**	**150**	**77**	**13**	**98**	**28%**	**648%**
Adj. EBITDA Margin (%)	3%	8%	4%	6%	3%	12%	-	-
Adj. EBITDA (LTM)	**168**	**394**	**150**	**264**	**128**	**150**	**-43%**	**17%**

(1) Year-over-year (YoY): Compare financial results with those of the same period in the previous year.
(2) Quarter-on-quarter (QoQ): Compare financial results with those of the same period in the previous quarter.

1.2. CASH FLOW STATEMENT

In Millions of US$	2018	2019	LTM 3Q20	3Q19	2Q20	3Q20	YoY	QoQ
Initial Balance	**666**	**529**	**261**	**138**	**257**	**167**	**21%**	**-35%**
Operating Cash Flow	-134	646	296	327	-197	438	34%	322%
Capital Expenditures	-1,502	-131	-704	-14	-167	-194	1268%	16%
Cash Flow from Financing	1,501	-668	311	-187	279	-251	-34%	-190%
Final Balance	**529**	**376**	**154**	**261**	**167**	**154**	**-41%**	**-7%**

Final Balance is affected by the exchange rate fluctuation on cash.

1.3. BALANCE SHEET

In Millions of US$	2018	2019	LTM 3Q20	3Q19	2Q20	3Q20	YoY	QoQ
Current Assets	3,016	1,571	561	1,922	1,092	912	-53%	-16%
Non-Current Assets	4,328	5,516	6,680	4,999	5,933	6,163	23%	4%
Total Assets	**7,344**	**7,087**	**7,242**	**6,921**	**7,025**	**7,075**	**2%**	**1%**
Short Term Debt	1,673	1,010	1,311	961	1,474	1,262	31%	-14%
Long Term Debt	3,148	3,154	3,204	3,152	3,199	3,202	2%	0%
Total Debt	4,821	4,164	4,515	4,112	4,673	4,463	9%	-4%
Other Liabilities	786	1,015	859	926	641	770	-17%	20%
Total Liabilities	**5,607**	**5,179**	**5,374**	**5,038**	**5,314**	**5,233**	**4%**	**-2%**
Stockholders´ Equity	1,737	1,908	1,868	1,882	1,711	1,842	-2%	8%
Total Capitalization (Debt + Equity)	**7,344**	**7,087**	**7,242**	**6,921**	**7,025**	**7,075**	**2%**	**1%**
Current Liabilities	2,343	1,935	2,087	1,763	1,932	1,915	9%	-1%
Working Capital	673	-364	-1,525	159	-840	-1,003	733%	19%
Debt / EBITDA (LTM)	29x	11x	30x	16x	37x	30x	91%	-18%