PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

CONDENSED INTERIM FINANCIAL STATEMENTS
AS OF JUNE 30, 2024, DECEMBER 31, 2023, AND JUNE 30, 2023

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USD = US Dollar
S/ = Peruvian Sol
EUR = Euro

PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.
CONDENSED INTERIM FINANCIAL POSITION STATEMENT

ASSET	Note	As of June 30, 2024	As of December 31, 2023	LIABILITY AND EQUITY	Note	As of June 30, 2024	As of December 31, 2023
		USD 000	USD 000			USD 000	USD 000
Current asset				**Current liabilities**			
Cash and cash equivalents	8	57,550	41,147	Other financial liabilities	14	1,140,540	2,062,428
Trade accounts receivable	9	241,587	279,226	Trade accounts payable	15	1,411,960	1,903,813
Other accounts receivable	10	389,358	467,043	Accounts payable to related entities	16	1,711,036	958,649
Inventories	11	729,808	854,410	Other accounts payable		157,540	169,337
Other assets		1,209	2,543	Other provisions	17	77,416	73,330
Total current assets		1,419,512	1,644,369	Lease liabilities		41,883	19,260
				Total current liabilities		4,540,375	5,186,817
Non-current assets				**Non-current liabilities**			
Other accounts receivable	10	980,934	956,394	Other financial liabilities	14	3,880,385	3,085,690
Property, plant, and equipment	12	6,979,738	7,117,703	Other provisions	17	12,503	12,521
Investment properties		2,724	2,729	Lease liabilities		37,049	17,199
Intangible assets	13	128,668	85,173	**Total non-current liabilities**		3,929,937	3,115,410
Right-of-use assets		77,512	35,790	**Total liabilities**		8,470,312	8,302,227
Deferred tax assets		17,047	48,011				
Total non-current assets		8,186,623	8,245,800				
				Equity	18		
				Shareholder equity		2,675,209	2,675,209
				Additional capital		-	-
				Legal reserve		8,724	8,724
				Accumulated results		(1,548,110)	(1,095,991)
				Total equity		1,135,823	1,587,942
TOTAL ASSET		9,606,135	9,890,169	**TOTAL LIABILITIES AND EQUITY**		9,606,135	9,890,169

The accompanying notes on pages 6 to 41 are part of the condensed interim financial statements.

PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

CONDENSED INTERIM COMPREHENSIVE INCOME STATEMENT

	Note	**For the three-month period ended June 30,**		**For the six-month period ended June 30,**	
		2024	**2023**	**2024**	**2023**
		USD 000	**USD 000**	**USD 000**	**USD 000**
Ordinary activities income	19	856,827	934,293	1,776,482	1,831,150
Other operating income		17,323	15,037	37,025	29,543
Total income		874,150	949,330	1,813,507	1,860,693
Sales cost	20	(988,295)	(1,082,489)	(1,952,617)	(2,084,530)
Gross profit		(114,145)	(133,159)	(139,110)	(223,837)
Selling and distribution expenses	21	(15,093)	(15,954)	(31,022)	(32,257)
Administration expenses	22	(32,357)	(37,869)	(70,371)	(71,254)
Other income	24	8,818	7,332	19,332	12,544
Other expenses	24	(16,229)	(11,614)	(16,247)	(12,354)
Total operation costs		(54,861)	(58,105)	(98,308)	(103,321)
Profit from operating activities		(169,006)	(191,264)	(237,418)	(327,158)
Financial income		950	944	2,173	2,752
Financial expenses		(107,647)	(59,664)	(200,337)	(117,025)
Net exchange difference		19,197	15,837	18,090	22,150
Profit before income tax		(256,506)	(234,147)	(417,492)	(419,281)
Income tax	25	(12,306)	11,886	(34,627)	38,973
Net income for the period and comprehensive income		(268,812)	(222,261)	(452,119)	(380,308)
Basic and diluted earnings per share	27	(0.018)	(0.042)	(0.047)	(0.070)

The accompanying notes on pages 6 to 41 are part of the condensed interim financial statements.

PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

CONDENSED INTERIM EQUITY CHANGES STATEMENT
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024, AND 2023

	Number of shares	Social capital	Additional capital	Legal reserve	Accumulated results	Total equity
		USD 000	USD 000	USD 000	USD 000	USD 000
Balance as of January 1, 2023	5,572,168,000	1,660,586	1,014,623	8,724	(31,610)	2,652,323
Comprehensive income:						
Net income for the year	-	-	-	-	(380,308)	(380,308)
Total comprehensive income	-	-	-	-	(380,308)	(380,308)
Transactions with shareholders:						
Capital contribution						
Transfer to additional capital and legal reserve	-	-	-	-	-	-
Transfer from additional capital to capital stock	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	(380,308)	(380,308)
Balance as of June 30, 2023	5,572,168,000	1,660,586	1,014,623	8,724	(411,918)	2,272,015
Balance as of January 1, 2024	9,572,168,000	2,675,209	-	8,724	(1,095,991)	1,587,942
Comprehensive income:						
Net income for the year	-	-	-	-	(452,119)	(452,119)
Total comprehensive income	-	-	-	-	(452,119)	(452,119)
Transactions with shareholders:						
Capital contribution						
Transfer to additional capital and legal reserve	-	-	-	-	-	-
Transfer from additional capital to capital stock	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	(452,119)	(452,119)
Balance as of June 30, 2024	9,572,168,000	2,675,209	-	8,724	(1,548,110)	1,135,823

The accompanying notes on pages 6 to 41 are part of the condensed interim financial statements.

PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

CONDENSED INTERIM CASH FLOW STATEMENT

		For the six-month period ended June 30,	
	Note	**2024**	**2023**
		USD 000	**USD 000**
OPERATING ACTIVITIES			
Net cash provided by operating activities		(238,213)	283,154
Interest payment	14	(157,982)	(25,496)
Payment of income tax		(15,682)	(21,993)
Net cash provided by (applied to) operating activities		(411,877)	235,665
INVESTMENT ACTIVITIES			
General sales tax related to investment activities		(537)	(38,972)
Payment for the purchase of property, plant and equipment		(175,937)	(97,863)
Capitalized interest paid		(1,888)	(99,459)
Payment for the purchase of intangible assets		(13,594)	(1,225)
Net cash applied to investment activities		(191,956)	(237,519)
FINANCING ACTIVITIES			
Loans received from financial institutions	16	809,287	1,172,766
DU Loan No. 010-2022		757,942	-
Payment of loans to financial institutions	13	(930,078)	(1,116,214)
Payment of lease liabilities		(16,246)	(7,786)
Net cash (applied to) provided by financing activities		620,905	48,766
Net decrease in cash and cash equivalents		17,072	46,912
Effect of exchange rate variation on cash		(669)	5,815
Cash and cash equivalents at the beginning of the period		41,147	88,746
Cash and cash equivalents at the end of the period		57,550	141,473
TRANSACTIONS FROM FINANCING AND INVESTMENT ACTIVITIES THAT DID NOT GENERATE CASH FLOWS			
- Unpaid accrued interest	14	11,207	(9,353)
- Work in progress payable		15,430	1,370
- Right-of-use assets and lease liabilities		58,794	281
- Reclassification of property, plant and equipment to intangible assets		-	

The accompanying notes on pages 6 to 41 are part of the condensed interim financial statements.

PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

CONDENSED INTERIM CASH FLOW STATEMENT

	Note	For the six-month period ended June 30, 2024 USD 000	2023 USD 000
Net income for the year		(452,119)	(380,308)
Adjustments to reconcile net income for the year to cash provided from operating activities:			
Provision for contingencies	17	249	1,028
Provision for plugging and environmental remediation		16,219	11,608
Depreciation of property, plant and equipment and investment property	12	139,837	96,624
Allowance for impairment of trade receivables		-	71
Provision for retirement pensions		4	-
Amortization		4,473	1,632
Depreciation of right-of-use assets		12,844	6,751
Property, plant and equipment and investment property retirement and adjustments		30	743
Deferred income taxes		30,965	(39,169)
Provision for severance pay		(7)	-
Effect of unrealized foreign exchange difference adjustment		670	(5,815)
		(246,835)	(306,835)
Net changes in operating assets and liabilities:			
Trade accounts receivable		37,639	209,735
Other accounts receivable		84,646	(42,258)
Inventories		124,601	208,648
Other assets		-	-
Expenses contracted in advance		1,333	5,716
Trade accounts payable		(350,268)	75,082
Other accounts payable and provisions		110,671	133,066
Net cash provided by (applied to) operating activities		(238,213)	283,154

The accompanying notes on pages 6 to 41 are part of the condensed interim financial statements.

PETRÓLEOS DEL PERÚ - PETROPERÚ S.A.

CONDENSED INTERIM FINANCIAL STATEMENTS
AS OF JUNE 30, 2024, DECEMBER 31, 2022, AND JUNE 30, 2023

1 IDENTIFICATION AND ECONOMIC ACTIVITY

a) Identification:

Petróleos del Perú - PETROPERÚ S.A. (hereinafter, the Company), was incorporated on July 24, 1969, under Decree Law No. 17753.

The Company is a state company under private law that carries out its activities in the energy and mining sector, and the hydrocarbon subsector. The Company is organized and operates as a public limited company in accordance with the provisions of Legislative Decree No. 043, Law of the Company Petróleos del Perú - PETROPERÚ S.A. published on March 4, 1981 and its amendments, which establish that the Peruvian State is the owner of all the representative shares of the Company's capital stock, and Article 12 of the Regulations of Law No. 28840 provides that each member of the General Meeting of Shareholders, will represent the number of shares of the Company's capital stock that results from dividing the total of the shares by the number of members appointed in representation of the Peruvian State.

The Company is registered with the *Superintendencia de Mercados de Valores* (Superintendency of Securities Markets (SMV).

The Company's main offices are located at Av. Enrique Canaval y Moreyra No. 150, San Isidro, Lima, Peru.

By provision of Law No. 28840 - Law of Strengthening and Modernization of the Company Petróleos del Perú - PETROPERÚ S.A., the Company was expressly excluded from the scope of the *Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado* (National Fund for the Financing of State Business Activity) - FONAFE and the *Sistema Nacional de Inversión Pública* (National Public Investment System) - SNIP. In addition, with the second final provision of Law No. 28840, Supreme Resolution No. 290-92-PCM was repealed, which included the Company in the process of promoting private investment, as well as any provision that opposed the Law No. 28840.

The Company is governed by its Organic Law approved by Legislative Decree No. 043, its Statute, Law No. 28840 - Law of Strengthening and Modernization of the Company Petróleos del Perú - PETROPERÚ S.A. (its Regulations, approved by Supreme Decree No. 012-2013-EM, on April 27, 2013) and additionally by the General Law of Companies, being subject only to the control of the *Contraloría General de la República* (Comptroller General of the Republic) (CGR), supervisory entities (Superintendence of Securities Markets – SMV) and regulatory entities (OSINERGMIN, OEFA, SUNAT, SUNAFIL, among others).

Likewise, in accordance with the provisions of the third final provision of Legislative Decree No. 1031, which promotes the efficiency of the state’s business activity dated June 23, 2008, section 9.3 of Article 9 and Article 12 of said Legislative Decree No. 1031 are applicable. In the first case, the financial statements are audited annually by independent external auditors appointed by the General Shareholders’ Meeting, and in the second case, by resolution of the General Shareholders’ Meeting, the minimum level of registration of its capital stock in the Public Registry of the Stock Market will be determined, subject to the provisions issued by the SMV.

The provisions of Law No. 30130 published on December 18, 2013, which was called “Law that declares of public necessity and national interest the priority execution of the modernization of the Talara Refinery to ensure the preservation of air quality and public health and adopts measures to strengthen the Corporate Governance of Petróleos del Perú - PETROPERÚ S.A.”, also apply to it, which provides that the Company execute the *Proyecto de Modernización de la Refinería de Talara* (Talara Refinery Modernization Project) (hereinafter, PMRT), as well as its Regulations, approved by Supreme Decree No. 008-2014-EM, published on March 24, 2014. According to Article 5 “Approval of guarantees’ granting” of Law No. 30130 it is approved the granting of guarantees by the National Government up to an amount of USD 200 million annually, up to a cumulative total of USD 1,000 million in support of the financial obligations derived from the financing contracted by the Company to execute the PMRT, in case the Company does not reach the financial flows to assume said obligations. As of December 31, 2023, and June 30, 2024, the use of said guarantees has not been required.

Additionally, on December 30, 2016, Legislative Decree No. 1292 was published, declaring the safe operation of the North Peruvian Pipeline to be of public necessity and of national interest and it provides the reorganization and improvement of the Company’s Corporate Governance. On August 15, 2019, Law No. 30993 was published, which declared the preparation and execution of the *Proyecto de Afianzamiento y Modernización del Oleoducto North Peruvian* (North Peruvian Pipeline Strengthening and Modernization Project) to be of national interest, in order to guarantee the operation and efficient maintenance of the North Peruvian Pipeline, expand its extension, increase its transport capacity and profitability, safeguard the conservation of the environment and complement the Talara Refinery Modernization Project, as well as guarantee an adequate participation by way of taxes, fees and royalties in favor of the State.

By means of Emergency Decree No. 023-2022, published on October 25, 2022, it was approved the capital contribution of the State in favor of the Company for the amount of S/ 4,000’000,000 (four billion and 00/100 Peruvian soles), as well as the short-term debt operation, under the modality of granting a guarantee from the National Government, for up to USD 500’000,000 (five hundred million and 00/100 US dollars) for its operations of importing crude oil, fuels, other hydrocarbon derivatives and biofuels. In addition, the Emergency Decree established that the Company should hire a specialized international consulting firm to present a restructuring plan to be submitted to the General Shareholders’ Meeting within a maximum term not to exceed July 31, 2023.

b) Economic activity:

With Law No. 28244 of June 2, 2004, the Company was authorized to negotiate agreements with PERUPETRO S.A. in exploration and/or exploitation and operations or oil services according to law.

Law No. 28840, the Law of Strengthening and Modernization of the Company Petróleos del Perú - PETROPERÚ S.A., published on July 23, 2006, establishes that the Company will act with economic, financial, and administrative autonomy and in accordance with the annual and five-year objectives approved by the Ministry of Energy and Mines of Peru. The acts and agreements that it subscribes in the fulfillment of its corporate purpose will be subject to what is established in: i) Legislative Decree No. 043 and its amendments, ii) its Statute, iii) its internal regulations, iv) the agreements of its Board of Directors, v) the Standards of the National Control System and vi) the specific regulations for the Company.

The foreign trade operations carried out by the Company are governed by generally accepted international trade customs and traditions and by the generally accepted rules of International Law and the hydrocarbon and energy industry.

As part of its corporate purpose, the Company carries out activities provided for in Law No. 26221, Organic Law that regulates Hydrocarbon's activity in the National Territory. These activities include all phases of the oil industry and trade, its derivatives, basic and intermediate petrochemicals, and other forms of energy.

With Law No. 29970, law that strengthens Energy Security and promotes the development of the petrochemical pole in the south of the country, the participation of the Company, individually or in association, is provided in the development of the petrochemical pole referred to in said law.

Law No. 30130 authorizes the Company to sell or issue shares to be placed on the Stock Market. In this process, the State may incorporate a private participation of up to 49% of its outstanding capital stock. Likewise, it is established that the Company may carry out investment activities and projects, as long as they do not generate firm or contingent liabilities for the Company, present or future, do not affect the guarantees of the Talara Refinery Modernization Project (PMRT) and do not demand resources from the Public Treasury, which does not limit those projects that allow the Company to maintain its operations once the law enters into force. These restrictions will cease when the Company generates sufficient flows to guarantee the payment of the indebtedness to be contracted for the investments related to the PMRT and a private participation of at least 40% has been incorporated in its outstanding capital stock.

Nort Peruvian Pipeline:

Legislative Decree No. 1292, published on December 30, 2016, declared the safe operation of the North Peruvian Pipeline of public necessity and of national interest, providing the reorganization of the Company and the improvement of its corporate governance, granting a term of 720 calendar days from the date of publication of said Legislative Decree, for the elaboration of a plan that regulates, among others, the modification, execution of agreements and contracting of services related to the business units of the Company; the Company's participation in hydrocarbon exploration and exploitation agreements; the possibility of the Company to participate in social responsibility actions under the mechanism of works for taxes; the application of the capital increase referred to in section 8.1 of Article 8 of Law No. 29970 for the execution of the Talara Refinery Modernization Project and, the modification of Article 4 and the second complementary provision of Law No. 28840 - Law of Strengthening and Modernization of the Company Petróleos del Perú - PETROPERÚ S.A. to implement Legislative Decree No. 1292, approved by the Board of Directors. Said plan was approved by the Board of Directors with Agreement No. 067-2018-PP dated August 6, 2018 (Note 1-h). In this regard, the Company has been making disbursements for remediation work, crude oil recovery, soil monitoring and other services related to spills (Note 17).

Block 64:

With Supreme Decree No. 031-2016-MEM of December 1, 2016, the assignment of the contractual position in the License Agreement for the Exploration and Exploitation of Hydrocarbons in Block 64 was approved by the Company in favor of Geopark Perú S.A.C., the latter being designated as the operator of the aforementioned agreement. Likewise, on December 2, 2016, the Public Deed of the aforementioned assignment was signed. In August 2020, the Company decided to accept the assignment of the 75% stake in the License Agreement for Block 64, held by Geopark Perú S.A.C., because in July 2020 it notified the Company that it irrevocably chose to exercise the option to withdraw the License Agreement. On September 28, 2021, through Supreme Decree No. 024-2021-EM, the assignment of Geopark Perú S.A.C.'s interest in Block 64 in favor of the Company was approved. In this way, the Company assumed 100% of the rights and obligations of the exploration and exploitation of hydrocarbons. On June 16, 2024, the Company received notification of the approval of the terms of reference (TDR) and the citizen participation plan (PPC) from the *Servicio Nacional de Certificación Ambiental para las Inversiones Sostenibles* (National Environmental Certification Service for Sustainable Investments) (SENACE) for the beginning of the detailed environmental impact study. As of June 30, 2024, the Development Environmental Impact Study (EIS) is being prepared with ERM consulting company.

As of June 30, 2024, and December 31, 2023, investments made in Block 64 amount to USD 34,892 thousand and USD 33,802 thousand, respectively.

Block 192:

By means of Law No. 30357, published on November 6, 2015, the Fourth Final Complementary Provision was incorporated to Law No. 30130, authorizing PERUPETRO S.A. to enter into the hydrocarbon exploitation contract for Block 192 with the Company, after evaluation and through direct negotiation.

On February 28, 2023, the Company and PERUPETRO signed the License Agreement for the Exploitation of Block 192, with an extension of 30 years being approved by Supreme Decree No. 009-2022-EM published on July 25, 2022.

On February 3, 2024, Supreme Decree No. 005-2024-EM was published in the official gazette El Peruano, which approved the modification of the License Agreement for the Exploitation of Hydrocarbons in Block 192, in order to reflect the assignment of the contractual position of 61% of participation in the Contract by the Company in favor of Altamesa Energy Perú S.A.C.

As of June 30, 2024, and December 31, 2023, the investments made in Block 192 amount to USD 25,182 thousand and USD 12,895 thousand, respectively.

Block X:

Through Supreme Decree No. 008- 2024- EM, published on May 19, 2024, the Company and the consortium formed by OIG PERU S.A.C, Aguaytía Energy del Perú S.R.L. and Termoselva S.R.L. signed with PERUPETRO S.A. the License Agreement for the Exploitation of Hydrocarbons in Block X (Talara), for a term of 30 years. The License Agreement came into effect on Monday, May 20. PETROPERÚ has a 40% participation in the block, designating OIG PERU S.A.C. as operator.

Other blocks:

With Supreme Decree No. 022-2023-EM, published on October 21, 2023, the License Agreement between the Company and PERÚPETRO S.A. was approved for the Exploitation of Hydrocarbons in Block I, for a period of 2 years, and was signed on October 21, 2023. Also, on October 21, 2023, the Company and PERUPETRO S.A. signed the License Agreement for the Exploitation of Hydrocarbons in Block VI, with an extension of 2 years being approved by Supreme Decree No. 023-2023-EM published on October 21, 2023.

By means of Supreme Decree No. 027-2023-EM, published on November 13, 2023, the License Agreement between the Company and PERÚPETRO S.A. for the Exploitation of Hydrocarbons in Block Z-69 was approved for a period of 2 years, being subscribed on November 15, 2023.

Also, on October 21, 2023, the Company and PERUPETRO signed the License Agreement for the Exploitation of Hydrocarbons in Block VI, with an extension of 2 years being approved by Supreme Decree No. 023-2023-EM, published on October 21, 2023.

c) Regulatory framework for the Company's sales prices -

Article 77 of the Organic Hydrocarbons Law establishes that activities and prices related to crude oil and its derivative products are governed by supply and demand.

- The Company's fuel price policy approved by its Board of Directors establishes the following:

- The prices of liquid fuels and specialties are determined according to supply and demand, in compliance with the provisions of the Organic Hydrocarbons Law and regulations that modify or replace it.
- The list prices of liquid fuels and specialties will be approved by the Executive Prices Committee chaired by the General Manager and made up of the Corporate Finance Manager, Corporate Supply Chain Manager, Corporate Operations Manager and Corporate Commercial Manager or whoever assumes their duties.
- The determination of the prices of liquid fuels and specialties that the Company sells in the local market will consider the opportunity cost and will be set at prices that allow the Company to compete in the market and at the same time achieve its strategic and budget goals. In the case of liquid fuels, the opportunity cost corresponds to the Import Parity Price calculated with the methodology defined by the Company in its guidelines.
- The Company's list prices of liquid fuels must be competitive with respect to other economic agents, producers and importers, in the Sales Plants of the country where there is commercial operation, provided that there is commercial benefit.
- In case of events or developments in the international market that significantly impact the prices of liquid fuels and specialties strongly upwards or downwards, that negatively affect the reputational image of the Company or put it in a potentially risky economic situation, the Executive Prices Committee may decide to gradually transfer them to customers or leave without effect the variations presented in a conjunctural manner that occur for a very short time until the local or international market stabilizes, taking into account the financial sustainability of the Company.

- Fund for the stabilization of prices of petroleum derived fuels (hereinafter, the Price Stabilization Fund).

The Price Stabilization Fund was created by the Peruvian Government by Emergency Decree No. 010-2004, regulatory and amending standards. By this norm the Peruvian State constitutes a contingent fund to avoid that the volatility of the prices of the hydrocarbons is transferred to the final consumers; however, the Ministry of Energy and Mines (MEM) will compensate the Company for the spreads not transferred to customers.

In accordance with these regulations, the *Dirección General de Hidrocarburos* (General Directorate of Hydrocarbons) (DGH) of the Ministry of Energy and Mines establishes a price band for each fuel product that is marketed in the country. Article 6 of Supreme Decree No. 133-2010-EF (dated June 23, 2010) establishes that the *Organismo Supervisor de la Inversión en Energía y Minería* (Supervisory Agency of Investment in Energy and Mining) - OSINERGMIN will update and publish every two months, in the Official Gazette *El Peruano*, the bands of each of the products on the last Thursday of the second month, counted from the effective date of the last update.

Weekly, the Supervisory Agency of Investment in Energy and Mining - OSINERGMIN publishes for each fuel product marketed in the country a referential price called *Precio de Paridad de Importación* (Import Parity Price) (PPI). When the PPI is greater than the upper limit of the band, the difference constitutes the Compensation Factor and when the PPI is less than the lower limit of the band, the difference constitutes the Contribution Factor.

At the beginning of 2022, the Price Stabilization Fund began to apply, up to date, to industrial oil 6, Diesel BX and LPG-E. With Supreme Decree No. 002-2022-EM, published on March 28, 2022, up to December 31, 2022, Gasoline of 84 and 90 octane, Gasohol of 84 octane, Liquefied Petroleum Gas for bulk use (LPG-G) and Diesel 2 for vehicle use were added. By Supreme Decrees No. 033-2023-EM dated December 28, 2023, and No. 007-2024-EM, LPG-E was extended as a product subject to the FEPC until March 28, 2024, and June 27, 2024, respectively.

As of June 30, 2024, the Price Stabilization Fund represented 0.03% of the Company's revenue (-2.03% of revenue as of June 2023).

d) Approval of financial statements -

The interim financial statements for the six-month period ended June 30, 2024, have been approved by the Company's General Management on July 31, 2024. The audited financial statements as of December 31, 2023, were approved by the General Shareholders' Meeting on July 24, 2024.

2 BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The condensed interim financial statements for the six-month period ended June 30, 2024, have been prepared in accordance with the International Accounting Standard No. 34, "Interim Financial Reporting" (IAS 34) issued by the International Accounting Standards Board (IASB).

The information in the statement of financial position as of December 31, 2023, and the corresponding notes are derived from the financial statements as of that date.

The unaudited condensed interim financial statements arise from accounting records and are prepared on a historical cost basis, with the exception of derivative financial instruments that are measured at fair value. The condensed interim financial statements are presented in thousands of United States dollars, except when a different monetary expression is indicated. The accounting policies applied are consistent with those of the 2023 year and the comparative interim period.

The condensed interim financial statements do not include all the information and disclosures required for the annual financial statements and should be read together with the financial statements for the year ended December 31, 2023, which were prepared in accordance with IFRS issued by the IASB.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in the applicable regulations as of January 1, 2024

New standards and amendments effective for financial statements for annual periods beginning on January 1, 2024, have been evaluated and applied by the Company.

- Amendments to IAS 1: Classification of liabilities as current or non-current.
- Amendments to IFRS 16: Sale and leaseback.
- Amendments to IAS 7 and IFRS 7: Supplier financing arrangements.
- Amendments to IAS 21: Lack of interchangeability.
- IFRS 18: Presentation and disclosure in financial statements.
- IFRS 19: Non-publicly accountable subsidiaries and disclosures.

The amendments to the standards and interpretations listed above have had no impact on the Company's financial statements of prior or current years; likewise, they are not expected to have a material impact on the financial statements of future years.

3.2 Significant accounting policies:

The accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2023, as described therein, except for the accounting treatment of income tax in interim periods, which are accounted for using the tax rate that would be applicable to the total expected annual profit or loss (see Note 4). Income tax expense is recognized in each interim period according to the best estimate of the expected effective annual income tax rate for the full year. The Company's Management considers that the amount accrued for income tax expense in an interim period may have to be adjusted in a later interim period of that same year if the estimate of the annual effective income tax rate changes.

4 ESTIMATES AND CRITICAL ACCOUNTING CRITERIA

The preparation of the condensed interim financial statements requires Management to make judgments, estimates and assumptions that may affect the application of accounting policies and the balances of assets and liabilities, income, and expenses. Actual results could differ from those estimates.

In preparing the condensed interim financial statements, the relevant judgments and estimates made by Management in the application of the Company's accounting policies and in the critical information for estimating uncertainties were the same as those applied in the financial statements by the year ended December 31, 2023, except for changes in estimates that are required to determine the provision for income tax.

Income tax:

To determine income tax in interim periods, Management uses the effective tax rate that would be applicable to the total expected annual profit or loss (see Note 3.2 and Note 25), which requires Management's judgment to determine the expected results for tax purposes.

The Company performed a sensitivity analysis of the income tax expense in the interim periods based on the estimate of the effective income tax rate at the end of the year.

If the effective income tax rate had been +/- 1% different from Management's estimates, the Company would need to increase/decrease the income tax expense by USD 346 thousand in the six-month period ended on June 30, 2024 (USD 390 thousand in the six-month period ended June 30, 2023).

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors:

The Company's activities expose it to a variety of financial risks: market risks (mainly exchange rate risk, interest rate risk and oil price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all the financial risk management information and disclosure required in the annual financial statements; they should be read along with the Company's annual financial statements as of December 31, 2023, as there have been no changes in the related assessments of financial risks since the end of the year.

5.2 Liquidity risk:

Management manages its liquidity risk by ensuring that it has sufficient credit lines at all times and that its working capital is solvent with cash flows from operating activities and, in exceptional cases, with the financial support of its shareholder, the Peruvian government. The Company is also implementing a Restructuring Plan, one of the objectives of which is to ensure the financial sustainability of its operations.

During 2024 and 2023, the Company presented liquidity limitations as a result of the delay in the repayment of the amounts owed by the Fuel Price Stabilization Fund, which represented a lower liquidity to continue with the inventory replenishment cycle through imports of crude and products, the acquisition of crude stock for the progressive start-up of the NRT and the completion of the investment made in the Refinery.

The Company has sufficient credit capacity to have access to credit lines with the best rated financial institutions (institutions with no history of default and of local standing) in terms of market. In addition, the Company is developing new banking relationships in order to have adequate funds available at all times.

As of June 30, 2024, the Company has short-term revolving credit lines granted by local and foreign banks for up to approximately USD 4,712,200 thousand, of which approximately USD 2,024,287 thousand are used for crude oil and refined product purchases in the country and in foreign markets and other obligations related to working capital. These credit lines have no maintenance cost requirements and do not require collateral. It should be noted that in June 2024, the auditing firm Gaveglio Aparicio y Asociados SCRL - PWC, completed the audit of the 2023 financial statements, within the framework of strengthening the Company's Good Corporate Governance.

The Company's Corporate Finance Management supervises the cash flow projections made on liquidity requirements to ensure that there is sufficient cash to meet operational needs while maintaining sufficient margin for unused credit lines, so that the Company does not default on borrowing limits on any credit lines. Cash surpluses and balances more than that required for working capital management are invested in interest-bearing instruments, choosing instruments with appropriate maturities or sufficient liquidity, and are immediately available.

The table below analyzes the Company's financial liabilities grouped on the basis of the remaining period as of the date of the financial position statement until due date. The amounts disclosed in the table are the undiscounted cash flows:

	Carrying value cash flows	**Undiscounted cash**	**Less than 1 year**	**More than 1 year**	**More than 2 years**
	USD 000	**USD 000**	**USD 000**	**USD 000**	**USD 000**
Other financial liabilities	5,020,925	8,573,211	1,891,821	1,033,890	5,647,500

5.3 Capital risk:

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern in order to generate returns to its shareholder, benefits to other stakeholders and to maintain an optimal structure to reduce the cost of capital.

The Company monitors its capital based on the leverage ratio, which is calculated by dividing its net debt by its total capital. Net debt corresponds to total financial obligations (including current and non-current) minus the balance of cash and cash equivalents. Total capital corresponds to equity as shown in the statement of financial position plus net debt.

As of June 30, 2024, Fitch Ratings issued its report on the downgrade to "CCC+" from "BB+" of PETROPERÚ as issuer of long-term debt in local and foreign currency, in addition to downgrading the stand-alone credit profile (SACP) to "cc" from "ccc-" and finally assigning the negative outlook aligned to the sovereign's outlook. On May 28, 2024, S&P Global Ratings downgraded PETROPERÚ's long-term debt rating to "B" from "B+" and its stand-alone credit profile (SACP) to "ccc" from "ccc+", placing PETROPERÚ on CreditWatch Negative.

As of June 30, 2024, and December 31, 2023, the leverage ratios were as follows:

	2024	**2023**
	USD 000	**USD 000**
Other financial liabilities	5,020,925	5,148,118
Accounts payable to related parties	1,711,036	958,649
Cash and cash equivalents	(57,550)	(41,147)
Net debt (A)	6,674,411	6,065,620
Total equity (B)	1,135,823	1,587,942
Total capital (A) + (B)	7,810,234	7,653,562
Ratio (A/(A+B)	0.85	0.79

As of June 30, 2024, the leverage ratio increased to 0.85, explained by the loan of S/ 2,908 thousand (equivalent to USD 758 thousand) for working capital, received from April to June 2024 from the State, within the framework of the Emergency Decree No. 004-2024; as well as by the decrease in equity, with the loss of USD 452 thousand, generated as of June 2024.

6 INFORMATION BY SEGMENTS

a) Description of the main segments and activities

The highest authority in making operating decisions (General Management), examines the performance of the Company in three strategic divisions, which correspond to its operating segments that must be reported on. These divisions offer different products and services and are managed separately since they require different business strategies, both commercial and financial.

The Company's segments are evaluated based on the activity of the following business segments: (i) Production and commercialization, (ii) Pipeline operations, (iii) Rented and privatized units and (iv) Exploitation of blocks.

Based on what is established by IFRS 8, the reportable operating segment due to its representativeness over income is: "Production and commercialization". However, on a voluntary basis, the Company has decided to report all its operating segments as detailed in this Note.

The following summary describes the operations of each reportable segment:

Reportable segment	**Operations**
Production and commercialization	Exploration, exploitation, refining and commercialization of crude oil and petroleum products and operations of Block I
Pipeline operations	Transfer and custody service of crude oil from the northern jungle of the country
Rented and privatized units	Assets that generate cash inflows derived from rentals
Exploitation of blocks	Exploitation of hydrocarbons in operations with License Agreements

The General Management of the Company reviews the internal management reports of each segment on a quarterly basis.

There are different levels of transactions between the production and commercialization and pipeline operations segments. These transactions include transfers of oil or some transportation products and services, respectively.

b) Statement of financial position by segment:

	Production and commercialization (*)	Pipeline operations	Rented and privatized units	Exploitation of blocks (**)	Total
	USD 000	USD 000	USD 000	USD 000	USD 000
As of June 30, 2024					
Assets:					
Current	990,806	209,899	42,377	176,430	1,419,512
Non-current	7,724,596	252,260	167,949	41,818	8,186,623
Total Assets	8,715,402	462,159	210,326	218,248	9,606,135
Liabilities:					
Current	4,127,914	304,640	31,212	76,609	4,540,375
Non-current	3,912,372	17,337	228	-	3,929,937
Total Liabilities	8,040,286	321,977	31,440	6,609	8,470,312

(*) It includes refineries, a service station, commercial area, and main office.

(**) The Exploitation of blocks segment includes the following exploitation blocks:

	Block I (New contract)	Block VI	Block Z 69	Total
	USD 000	USD 000	USD 000	USD 000
As of June 30, 2024				
Assets:				
Current	5,169	21,363	149,898	176,430
Non-current	-	-	41,818	41,818
Total Assets	5,169	21,363	191,716	218,248
Liabilities:				
Current	3,653	11,873	61,083	76,609
Non-current	-	-	-	-
Total Liabilities	3,653	11,873	61,083	76,609

Production and commercialization (*)	Pipeline operations	Rented and privatized units	Exploitation of blocks (**)	Total

	USD 000	USD 000	USD 000	USD 000	USD 000
As of December 31, 2023					
Assets:					
Current	1,479,723	79,155	39,924	45,566	1,644,368
Non-current	7,875,039	157,695	168,569	44,498	8,245,801
	9,354,762	236,849	208,493	90,064	9,890,169
Liabilities:					
Current	4,964,019	76,213	120,948	25,637	5,186,817
Non-current	3,097,991	17,419	-	-	3,115,410
	8,062,010	93,632	120,948	25,637	8,302,227

(*) It includes refineries, a service station, commercial area, and main office.

(**) The Exploitation of blocks segment includes the following exploitation blocks:

	Block I	Block VI	Block Z 69	Total
	USD 000	USD 000	USD 000	USD 000
As of December 31, 2023				
Assets:				
Current	18,418	12,820	14,328	45,566
Non-current	-	-	44,498	44,498
	14,418	12,820	58,826	90,064
Liabilities:				
Current	6,135	5,783	13,720	25,637

c) Statement of comprehensive income by segment:

	Production and commercialization (*)	Pipeline operations	Rented and privatized units	Exploitation of blocks (**)	Total
	USD 000	USD 000	USD 000	USD 000	USD 000
For the six-month period ended June 30, 2024					
Ordinary activities income	1,764,982	91	-	11,409	1,776,482
Other operating income	22,789	4,471	9,765	-	37,025
Total income	1,787,771	4,562	9,765	11,409	1,813,507
Sales cost	(1,839,043)	(25,414)	(8)	(88,152)	(1,952,617)
Transfers	(121,097)	12,119	-	108,978	-
Gross profit	(172,369)	(8,733)	9,757	32,235	(139,110)
Selling and distribution expenses	(27,613)	(1)	(3,408)	-	(31,022)
Administration expenses	(54,697)	(5,264)	-	(10,410)	(70,371)
Other income and expenses	19,047	(15,957)	(5)	-	3,085

Profit (loss) from operating activities	(235,632)	(29,955)	6,344	21,825	(237,418)
Financial, net	(181,670)	722	543	331	(180,074)
Profit before income tax	(417,302)	(29,233)	6,887	22,156	(417,492)
Income tax expense	(30,584)	(133)	(247)	(3,663)	(34,627)
Net result of the year	(447,886)	(29,366)	6,640	18,493	(452,119)

(*) It includes refineries, a service station, commercial area, main office, and Block X.

(**) The Exploitation of blocks segment includes the following exploitation blocks:

	Block I (New contract)	**Block VI**	**Block Z 69**	**Total**
	USD 000	**USD 000**	**USD 000**	**USD 000**
For the six-month period ended June 30, 2024				
Ordinary activities income				
Ordinary activities income	1,299	1,659	8,450	11,409
Total income	**1,299**	**1,659**	**8,450**	**11,409**
Sales cost	(6,496)	(16,298)	(65,358)	(88,152)
Transfers	8,047	28,528	72,403	108,978
Gross profit	**2,850**	**13,889**	**15,495**	**32,235**
Administration expenses	(1,220)	(2,522)	(6,667)	(10,410)
Profit (loss) from operating activities	**1,630**	**11,367**	**8,828**	**21,825**
Financial, net	167	-	164	331
Profit before income tax	**1,797**	**11,367**	**8,992**	**22,156**
Income tax expense	(281)	(1,877)	(1,505)	(3,663)
Net result of the year	**1,516**	**9,490**	**7,487**	**18,493**

	Production and commercialization (*)	**Pipeline operations**	**Rented and privatized units**	**Block I**	**Total**
	USD 000	**USD 000**	**USD 000**	**USD 000**	**USD 000**
For the six-month period ended June 30, 2023					
Ordinary activities income	1,829,305	94	-	1,751	1,831,150
Other operating income	18,011	33	11,499	-	29,543
Total income	1,847,316	127	11,499	1,751	1,860,693
Sales cost	(2,052,373)	(24,564)	(2,688)	(4,905)	(2,084,530)
Transfers	(13,275)	6,892	-	6,383	0
Gross profit	(218,332)	(17,544)	8,811	3,229	(223,837)
Selling and distribution expenses	(29,073)	-	(3,184)	-	(32,257)
Administration expenses	(63,386)	(5,403)	-	(2,465)	(71,254)
Other income and expenses	10,957	(10,767)	-	-	190
Profit (loss) from operating activities	(299,834)	(33,715)	5,627	764	(327,158)
Financial, net	(92,422)	(366)	665	-	(92,123)
Profit before income tax	(392,256)	(34,081)	6,292	764	(419,281)
Income tax expense	39,214	(3)	(41)	(197)	38,973
Net result of the year	(353,042)	(34,084)	6,251	567	(380,308)

(*) It includes refineries, a service station, commercial area, and main office.

d) Geographic income information:

As of June 30, 2024, and 2023, revenue from ordinary activities by segment is based on the geographical location of the clients:

	2024 USD 000	2023 USD 000
Peru	1,531,595	1,650,506
Other countries	281,912	210,187
	1,813,507	1,860,693

7 SIGNIFICANT CHANGES IN THE CURRENT PERIOD

The Company's financial position and performance were particularly affected by the following factors during the six-month period ended June 30, 2024:

- The decrease in indebtedness with direct suppliers, whose debt has been amortized with the loan of S/ 2,908 thousand (equivalent to USD 758 thousand), received from April to June 2024 from the State, within the framework of the Emergency Decree No. 004-2024.
- High operating expenses, which are maintained basically to: i) continue with the consumption of purchased materials, having the need to continue purchasing energy from third parties, a situation that will be overcome with the integral operation of the entire new Talara refinery, at which time it will generate its own energy, ii) higher maintenance and depreciation expenses of the units that have already been put into operation.
- Higher financial expenses paid for the payment of the semiannual coupons for the interest generated by the Bonds issued and the CESCE loan, taken to finance the PMRT, which, since the construction of most of its assets has been completed, are no longer part of the cost of the assets but of the financial expense.

8 CASH AND CASH EQUIVALENT

As of June 30, 2024, and December 31, 2023, this heading comprises:

	2024 USD 000	2023 USD 000
Current accounts (*)	57,537	41,135
Fixed funds	13	12
	57,550	41,147

(*) The Company maintains cash deposited in financial institutions in the form of current accounts in national currency and in foreign currency. As of June 30, 2024, the funds in these accounts are freely available and earn preferential interest rates of 4.85% in Peruvian soles and 4.30% in US dollars (7.40% in Peruvian soles and 5.50% in US dollars, as of December 31, 2023).

9 COMMERCIAL ACCOUNTS RECEIVABLE

As of June 30, 2024, and December 31, 2023, this heading comprises:

	2024 USD 000	2023 USD 000

Wholesale distributors	46,369	75,823
Mining sector	40,557	58,857
Fuel marketers	18,092	22,423
Oil companies	38,387	31,899
Armed Forces and National Police of Peru	11,335	16,045
Construction sector	8,798	11,529
Foreign market	23,050	9,221
Aviation business	806	2,522
Electricity sector	1,285	977
Transport sector	966	691
Fishing sector	-	258
Industrial sector	8,375	22
Different customers	895	1,039
Doubtful collection accounts	13,144	13,532
	212,059	244,838
Price Stabilization Fund - MEM (Note 1-c)	42,672	47,920
	254,731	292,758
Minus: Expected loss of trade receivables	(13,144)	(13,532)
	241,587	279,226

Trade accounts receivable balances correspond to invoices denominated in Peruvian soles and US dollars, mainly originated from the sale of refined products. Accounts receivable from the Armed Forces and the National Police of Peru have an expiration of 45 and 25 days, respectively. Accounts receivable from wholesale distributors and other customers have maturities between 7 and 45 days. Accounts receivable, in accordance with the Company's internal policies, are mostly guaranteed with letters of guarantee or with other instruments of the national financial system in accordance with the credit policy approved by the Board of Directors.

Fuel Price Stabilization Fund - Ministry of Energy and Mines -

The total amount receivable from the General Directorate of Hydrocarbons (DGH) as of June 30, 2024, and December 31, 2023, amounts to USD 57,795 thousand and USD 63,548 thousand, respectively, generated by compensation and contribution operations. These amounts include, as of December 31, 2023, the Amparo Claim recorded in a Claims account for USD 15,123 thousand (USD 15,628 thousand as of December 31, 2023), classified as other long-term accounts receivable (Note 9-d).

As of June 30, 2024, and December 31, 2023, the movement of the total balance of the Price Stabilization Fund heading is explained as follows:

	2024 USD 000	2023 USD 000
Opening balance	47,920	213,386
Price compensation	(8,017)	54,122
Price contribution	7,475	(50,202)
Net (charged) credited to income from ordinary activities (note 19)	(542)	3,920
Compensation generated by importation of products	-	2,976
Contribution generated by importation of products	-	(5,642)
Collection and payments of compensation and/or contribution	(4,586)	(167,558)
Exchange rate difference	(1,204)	838
Final balance receivable (payable)	42,672	47,920

Expected loss of trade receivables -

To measure expected credit losses, the Company has classified its customers according to homogeneous risk characteristics that represent the payment capacity of each customer segment for the amounts owed. This classification has been made on the basis of segments that represent specific risks: wholesale sector, industrial sector, commercial sector and Armed Forces.

The Company considers it appropriate to exclude accounts receivable from wholesalers and commercial companies due to their high liquidity and the fact that there has been no historical loss incurred.

Expected loss rates are based on payment profiles for sales over a twelve-month period prior to June 30, 2024, and December 31, 2023, and historical credit losses are adjusted to reflect current and prospective information of macroeconomic factors affecting the ability of customers to settle trade receivables.

On that basis, the provision for losses as of June 30, 2024, and December 31, 2023, was determined as follows:

	2024			**2023**		
	Expected loss rate	**Gross carrying amount**	**Expected loss**	**Expected loss rate**	**Gross carrying amount**	**Expected loss**
	%	**USD 000**	**USD 000**	**%**	**USD 000**	**USD 000**
In force	0.59	198,794	1,173	0.02	230,643	40
1 to 30 days	0.72	68	-	0.73	153	1
31 to 60 days	4.85	122	6	0.76	23	-
61 to 360 days	22.23	326	72	0.85	-	-
More than 360 days	95.00	12,749	11,892	95.25	14,019	13,491
Total (*)		212,059	13,144		244,838	13,532

(*) Does not include the Price Stabilization Fund.

As of June 30, 2024, and December 31, 2023, the movement of the estimate of the expected loss of trade accounts receivable was as follows:

	2024	**2023**
	USD 000	**USD 000**
Opening balance	13,532	13,109
Expected loss	-	71
Exchange rate	(388)	352
Closing balance	13,144	13,532

In Management’s opinion, the estimate for doubtful accounts recognized in the financial statements and the guarantees requested are sufficient to cover any eventual risk in the recovery of trade accounts receivable as of the date of the statement of financial position.

Past due but not impaired trade accounts receivable are related to independent customers with whom letters of guarantee are maintained and/or whose debt has been reconciled and is expected to be collected in the short term.

10 OTHER ACCOUNTS RECEIVABLE

As of June 30, 2024, and December 31, 2023, this heading comprises:

	2024	2023
	USD 000	USD 000
Current		
Tax credit - General Sales Tax (a) and Income Tax (a)	277,608	322,594
Tax credit - Income Tax (b)	23,283	47,508
Advances granted to suppliers	23,655	20,555
Restricted funds	40,714	57,404
Investment in partnership with GeoPark	-	-
Staff loans	2,820	3,497
Loans to third parties	1,953	2,008
Derivative financial instrument assets	-	-
Miscellaneous	19,325	2,089
Doubtful collection accounts	33,388	33,874
	422,746	500,917
Expected loss on other accounts receivable (f)	(33,388)	(33,874)
Current part	389,358	467,043
Non-current		
Tax credit - General Sales Tax, long term (c)	950,418	925,290
Claims for the Price Stabilization Fund - Ministry of Energy and Mines (Note 1 (c)) - (d)	15,123	15,628
Claims to the Tax Administration Superintendency (e)	8,038	5,577
Other tributes, long term	7,355	9,699
Non-current part	**980,934**	956,394

(a) Tax credit - General Sales Tax, short-term:

As of June 30, 2024, it corresponds to the General Sales Tax on operations of USD 73,959 thousand (equivalent to S/ 283,781 thousand), PMRT General Sales Tax in the amount of USD 109,205 thousand (equivalent to S/ 419,019 thousand) and tax credit for selective consumption tax of USD 94,444 thousand (equivalent to S/ 362,383 thousand).

As of December 31, 2023, this corresponds to the General Sales Tax on operations of USD 60,418 thousand (equivalent to S/224,333 thousand), PMRT General Sales Tax of USD 104,912 thousand (equivalent to S/ 389,538 thousand) and tax credit for selective consumption tax of USD 157,264 (equivalent to S/ 583,920 thousand).

From January to June 2024, SUNAT refunded the General Sales Tax credit for USD 36,067 thousand (equivalent to S/ 135,320 thousand) and during 2023, SUNAT refunded the General Sales Tax credit for USD 100,590 thousand (equivalent to S/ 378,396 thousand), which were requested by the Company through a refund of the balance in favor of the exporter's benefit.

(b) Tax credit - Income tax, short term:

As of June 30, 2024, corresponds to accumulated payments on account of income tax of USD 23,283 thousand (equivalent to S/ 89,337 thousand), which will be applied to the tax payable at the end of the year.

As of December 31, 2023, corresponds to accumulated payments on account of income tax of USD 47,319 thousand (equivalent to S/ 175,695 thousand).

(c) Tax credit - General Sales Tax, long term:

As of June 30, 2024, corresponds to the balance in favor of the General Sales Tax paid for the acquisition of goods and services related mainly to the Talara Refinery Modernization Project amounting to USD 364,493 thousand (equivalent to S/. 1,398,559 thousand) and the General Sales Tax for operations amounting to USD 585,925 thousand (equivalent to S/. 2,248,194 thousand).

As of December 31, 2023, it corresponds to the balance in favor of the General Sales Tax paid for the acquisition of goods and services related mainly to the Talara Refinery Modernization Project amounting to USD 368,256 thousand (equivalent to S/ 1,367,335 thousand) and the General Sales Tax for operations amounting to USD 557,034 thousand (equivalent to S/ 2,068,267 thousand).

This tax credit balance has no expiration date. The Company expects to recover this tax credit through its operations in the long term.

(d) Claim from the Price Stabilization Fund to the Ministry of Energy and Mines:

In April 2010, the DGH issued Directorial Resolution 075-2010-EM/DG where it ordered fuel producers and importers to rectify their weekly affidavits filed since August 2008 and apply, retroactively, the reference values established in said Resolution. Given this, the Company, based on the opinion of Management and its lawyers, filed a Petition for Protection of the Court before the Second Constitutional Court of Lima, considering this resolution unconstitutional. Said action was signed with File No. 21022-2010-0-1801-JR-CI-02.

On November 28, 2018, Resolution No. 16 was issued in which it was resolved to declare the claim inadmissible. By means of Resolution No. 17, the Appeal of the referred Judgment, filed by our party, was granted.

On December 17, 2020, by means of Resolution No. 5, issued by the Third Civil Chamber, Resolution No. 16, which declared the claim inadmissible, was declared NULL and VOID, ordering the Judge of first instance to issue a new resolution in accordance with the above.

On October 28, 2020, through Resolution No. 19, the court of first instance requested:

a. That the defendant complies with submitting a comparative table specifying the contribution and compensation factors that would have corresponded to it during the period August 19, 2008, to April 23, 2019.
b. Likewise, the plaintiff complies with factually and/or legally accrediting why it considers that Directorial Resolution No. 075-2010-EM/DGH is not applicable retroactively.

On March 4, 2021, by means of Resolution No. 20, the Company complies with the reasons why Resolution No. 075-2010-EM/DGH is not applicable retroactively, as requested by Resolution No. 19. On December 29, 2023, the Second Constitutional Court of Lima issued a decision (Resolution No. 21) declaring the lawsuit inadmissible. On April 15, 2024, the appeal was granted with suspensive effect and the proceedings were sent to the Third Civil Court of Lima.

By means of Resolution No. 12 dated September 6, 2023, the Third Civil Court of Lima declared null and void Resolution No. 21, which declared the claim inadmissible and ordered that the affected procedural act be renewed.

By Resolution No. 26 dated May 13, 2024, the Second Constitutional Court declared the claim founded, which was appealed by the Ministry of Energy and Mines. Subsequently, by Resolution No. 27 dated June 4, 2024, the appeal was granted with suspensive effect and is currently pending before the Third Civil Court.

In Management's opinion and based on the reports of our external legal advisors, we estimate that, once the judicial process is concluded in all its instances, the result will be favorable to the Company, and will allow recovering the totality of the registered balance.

e) Claims to the National Superintendency of Customs and Tax Administration (SUNAT):

As of June 30, 2024, and December 31, 2023, this item includes only File No. 17806-2012, which mainly corresponds to claims related to assessments for the product Turbo A-1 (fuel exclusively destined to aeronautical activities) arising from Supreme Decree No. 186-2002-EF, which established the exemption of sales of Turbo A-1 destined to aeronautical activities in general from the Selective Consumption Tax - ISC. In this regard, the Company considers it illegal to restrict them to those sales made by for-profit entities, since they were ultimately destined to aviation companies under private contracts.

According to the opinion of the Company's legal advisors, the sales of Turbo A-1 were made in accordance with the law, so on February 4, 2022, the Management filed a Contentious-Administrative Lawsuit against Resolution No. 09743-4-2021, which is being processed before the 22nd Contentious-Administrative Court, Sub-Specialty Tax Court (File No. 0744-2022-0-1801-JR-CA-22).

In November 2012, the Company paid the amount of USD 8,651 thousand (equivalent to S/ 29,197 thousand), in response to several Determination and Fine Resolutions issued for alleged omissions in the payment of Selective Consumption Tax and General Sales Tax corresponding to Turbo A-1 sales for the year 2007. As of December 31, 2023, and 2022, this lawsuit, which is being processed before the 22nd Contentious-Administrative Court of Appeals (File No. 0744-2022-0-1801-JR-CA-22), is pending resolution. The expectation of the Company and its external legal advisors is that the probability of recovering the claim is high, based on the resolution of other similar claims that were favorable to the plaintiffs.

f) Expected loss of other accounts receivable -

This loss is mainly related to ongoing claims made to municipalities for property taxes and local taxes, whose probability of recovery is low.

With respect to other accounts receivable, the Company considers that the credit risk of the counterparties is low and, therefore, has not recorded an expected loss on these accounts as they are considered immaterial.

As of June 30, 2024, and December 31, 2023, the movement of the provision for the expected loss is as follows:

	2024 **USD 000**	**2023** **USD 000**
Opening balance	33,874	33,466
Exchange difference	(486)	332
Recoveries	-	76
Closing balance	33,388	33,874

11 INVENTORIES

As of June 30, 2024, and December 31, 2023, this heading comprises:

	2024	2023
	USD 000	USD 000
Raw oil	371,470	326,472
Refined products:		
In process	147,286	194,337
Finished	219,229	310,544
Refined products purchased	50,777	62,617
Inventories in transit	31,082	1,692
Supplies	79,483	71,899
Reclassification to property, plant and equipment (*)	(91,325)	(109,109)
	733,838	858,452
Minus - Estimate for devaluation of supplies	(4,030)	(4,042)
	729,808	854,410

As of June 30, 2024, the cost of inventories recognized as an expense and included in cost of sales amounted to USD 1,522,202 thousand (USD 1,859,555 thousand as of June 30, 2023), which is equivalent to cost of sales less production operating expenses (Note 20).

As of June 30, 2024, the price of crude oil had an upward trend, closing at USD 81.54 per barrel (USD 70.71 per barrel as of June 30, 2023). The average price during the month of June 2024 was USD 78.88 per barrel (USD 70.27 per barrel as of June 30, 2023).

(*) Corresponds to the reclassification of the minimum amount of crude oil required for ONP to operate.

As of June 30, 2024, and December 31, 2023, the movement of the provision for impairment of supplies is explained as follows:

	2024	2023
	USD 000	USD 000
Opening balance	4,042	4,142
Impairment of supplies	-	195
Recovery	12	-
Exchange difference	(24)	(295)
Closing balance	4,030	4,042

This provision has been recognized as a result of analyzing the net realizable value of the inventories, taking into account the expectation of net flow that will be obtained from their sale or consumption, also taking into account their physical condition. As of June 30, 2024, and December 31, 2023, the Company considers that the provisioned amount reflects the risk of impairment of all its inventories due to both physical obsolescence and net realizable value.

14 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and other constructions	Machinery and equipment	Transport unit	Furniture and fixtures	Miscellaneous and computer equipment	Tools Replacement Units	Out-of-use equipment	Work in progress	Additional investments	Total
	USD 000	**USD 000**	**USD 000**	**USD 000**	**USD 000**	**USD 000**	**USD 000**	**USD 000**	**USD 000**	**USD 000**	**USD 000**
Cost	217,806	1,225,713	5,112,405	47,998	8,077	326,461	844	12,847	1,522,783	7,022	8,481,956
Accumulated depreciation	-	(143,662)	(700,427)	(24,979)	(6,170)	(69,522)	(16)	(12,847)	-	-	(957,623)
Accumulated impairment	-	-	(406,630)	-	-	-	-	-	-	-	(406,630)
As of December 31, 2023	**217,806**	**1,082,051**	**4,005,348**	**23,019**	**1,907**	**256,939**	**828**	**-**	**1,522,783**	**7,022**	**7,117,703**
2024											
Opening balance of carrying amount	217,806	1,082,051	4,005,348	23,019	1,907	256,939	828	-	1,522,783	7,022	7,117,703
Additions	-	-	-	-	-	-	-	-	51,528	2,527	54,055
Capitalizations	-	153,888	919,059	-	6	38,487	2	-	(1,111,442)	-	-
Withdrawals	-	-	(26)	(181)	(1)	-	-	(1,710)	-	-	(1,918)
Transfers	-	-	(552)	(9)	(8)	(544)	-	1,113	-	-	-
Reclassification of Inventory	-	-	(17,785)	-	-	-	-	-	-	-	(17,785)
Reclassifications of cost	-	-	-	-	-	-	-	-	(34,374)	-	(34,374)
Depreciation of the period	-	(13,128)	(107,303)	(1,050)	(263)	(17,676)	(55)	-	-	-	(139,475)
Depreciation in prior years	-	(15)	(302)	(33)	-	(7)	-	-	-	-	(357)
Depreciation of withdrawals	-	-	25	181	1	-	-	1,710	-	-	1,917
Expenses from discontinued operations of fixed assets	-	-	-	-	-	-	-	(29)	-	-	(29)
Depreciation transfers	-	-	545	9	8	522	-	(1,084)	-	-	-
Adjustments	-	1,411	9,596	214	-	434	-	-	(11,649)	(7)	-
Net cost	**217,806**	**1,224,207**	**4,808,606**	**22,149**	**1,649**	**278,155**	**776**	**(0)**	**416,846**	**9,543**	**6,979,738**
Balance as of June 30, 2024											
Cost	217,806	1,381,013	6,022,698	48,022	8,073	364,838	846	12,249	416,846	9,543	8,481,935
Accumulated depreciation	-	(156,806)	(807,462)	(25,873)	(6,424)	(86,683)	(70)	(12,249)	-	-	(1,095,567)
Accumulated impairment	-	-	(406,630)	-	-	-	-	-	-	-	(406,630)
Net cost	**217,806**	**1,224,207**	**4,808,606**	**22,149**	**1,649**	**278,155**	**776**	**(0)**	**416,846**	**9,543**	**6,979,738**

Property, plant, and equipment of Block Z-69

Property, plant and equipment includes assets acquired by the Company related to oil fields, in this case referring only to Block Z-69, which are detailed below:

	Land	Buildings and other constructions	Machinery and equipment	Transport unit	Furniture and fixtures	Miscellaneous equipment	Total
	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000
As of December 31, 2023							
Accumulated cost	6,795	419	115,317	664	332	239	123,766
Accumulated depreciation	-	(419)	(77,613)	(664)	(332)	(239)	(79,267)
Net cost	6,795	-	37,703	-	-	-	44,498
2024							
Opening balance of net book cost	6,795	-	37,703	-	-	-	44,498
Depreciation of the period	-	-	(2,680)	-	-	-	(2,680)
Net cost	6,795	-	35,023	-	-	-	41,818
Balance as of June 30, 2024							
Accumulated cost	6,795	419	115,317	664	332	239	123,766
Accumulated depreciation	-	(419)	(80,294)	(664)	(332)	(239)	(81,948)
Net cost	**6,795**	**-**	**35,023**	**-**	**-**	**-**	**41,818**

(*) On November 15, 2023, the License Agreement for Lot Z-69 was signed for a term of 2 years. As a consequence of this contract, the land that was leased to SAVIA until November 14, 2023 and that was presented under Investment Properties, was transferred as of November 15, 2023 to Property, plant and equipment Z-69.

Talara Refinery Modernization Project - PMRT

Its objective is the technological development that involves the construction of new industrial facilities, modernization, and expansion of existing ones to achieve the following:

(i) The production of Diesel and Gasoline with less than 50 parts per million (ppm) of sulfur.
(ii) Increasing the refinery's production capacity from 65 to 95 thousand bpd (barrels per day).
(iii) The processing of heavier and more economical crudes for the production of lighter fuels of higher commercial value.

The status of the project as of June 30, 2024, is detailed below, specifying the contractual advances of the assets and the economic advances for costs incurred:

a) Comprehensive physical progress of the PMRT

With Board of Directors Agreement No. 175-2023-PP dated December 29, 2023, the Board of Directors of PETROPERÚ S.A. approved the update of the amount of pre-operating interests with which the investment amount of the PMRT is updated to USD 6,530.3 million (with pre-operating interests). The amount without pre-operating interest remains as approved by Board of Directors Agreement No. 095-2023-PP of August 11, 2023 (USD 5,538.5 million).

In addition, on Marco 31, 2024, the proposal for change PC 31 of the PMC Contract was approved, with which the supervision and management services are available until December 31, 2024.

Also, on July 1, 2024, the inspection and maintenance of the FCK unit was completed, which is awaiting start-up.

The composition of the Cost (Economic Progress) of the Project, compared to the disbursements incurred as of June 30, 2024, is detailed below:

	As of June 30, 2024		**Total budget**	
	Disbursement	**Percentage of completion**	**Scheduled**	**Total percentage**
	USD 000	**%**	**USD 000**	**%**
Técnicas Reunidas (TR) -				
Process units	3,415,281	99.02	3,449,107	52.82
Cobra SCL Consortium -	906,625	94.44	959,966	
Auxiliary units				14.70
Additional works	390,991	86.68	451,068	6.91
Others -	382,965	99.83	383,626	
Supervision				5.87
Management	265,521	93.78	283,139	4.34
Contingencies	-	-	11,617	0.18
Interest on financing	984,880	99.30	991,793	15.19
	6,346,264	**97.18**	**6,530,315**	**100.00**

b) Progress EPC Process Units – Agreement with Técnicas Reunidas (TR)

As of June 30, 2024, the overall physical progress on the EPC Contract with TR is 99.90% versus 100% scheduled (actual progress of 99.88% versus 100% scheduled progress as of December 31, 2023).

As of June 30, 2024, the cumulative executed amount is USD 3,375 million (USD 3,363 million as of December 31, 2023).

c) Advance EPC Auxiliary Units and Additional Works – Agreement with Cobra SCL UA&TC Consortium

As of June 30, 2024, the comprehensive contractual progress in the execution of the EPC Contract with the Cobra SCL UA&TC Consortium is 98.69% versus 100% as scheduled (an actual progress of 97.78% versus a scheduled progress of 100%, as of December 31, 2023).

As of June 30, 2024, the cumulative executed amount is USD 1,046 million (USD 1,046 million as of December 31, 2023).

d) Management
Financial structure of PMRT

The financial structure of the PMRT is as follows:

- Capital contribution: USD 325 million
- Own resources: USD 1,750 million
- Security issuance (15 and 30 years): USD 2,000 million.
- Financing guaranteed by Compañía de Seguros de Crédito a la Exportación (CESCE): USD 1.3 million
- Security reopening (30 years): USD 1,155.3 million

Social Responsibility and Community Relations

The total workforce as of June 30, 2024, was 319 jobs; local unskilled labor accounted for 89.7% (out of a total of 29 unskilled), exceeding the minimum established in the EIA (70%). Meanwhile, the local skilled labor force had a 70.7% share (out of a total of 290 skilled).

13 INTANGIBLE ASSETS

The changes in this heading as of June 30, 2024, and December 31, 2023, are as follows:

	Intangibles USD 000	Work in progress (a) USD 000	Total USD 000
Cost	63,512	48,046	111,558
Accumulated depreciation	(26,385)	-	(26,385)
As of December 31, 2023	**37,127**	**48,046**	**85,173**
Year 2024			
Opening balance of net book cost	37,127	48,046	85,173
Additions	-	13,594	13,594
Capitalizations	34,374	(34,374)	-
Withdrawals	(237)	-	(237)
Reclassifications of cost	-	34,374	34,374
Depreciation for the year	(4,473)	-	(4,473)
Depreciation of withdrawals	237	-	237
Net cost as of June 30, 2024	**67,028**	**61,640**	**128,668**
Balance as of June 30, 2024			
Cost	97,649	61,640	159,289
Accumulated depreciation	(30,621)	-	(30,621)
Net cost	**67,028**	**61,640**	**128,668**

(a) As of June 30, 2024, intangibles in progress correspond mainly to exploration costs for Block 64 and pre-operating enabling costs for Block 192 of USD 34,892 thousand and USD 25,182 thousand, respectively (USD 33,802 thousand and USD 12,895 thousand, respectively, as of December 31, 2023).

(b) In 2024, the transfers correspond mainly to the capitalization of software for the operation of the NRT.

14 OTHER FINANCIAL LIABILITIES

As of June 30, 2024, and December 31, 2023, this heading comprises:

		2024 USD 000	2023 USD 000
Current liabilities			
Unsecured bank loans (i)		978,086	1,033,457
CESCE loan (iii)		144,444	1,011,111
Accrued interest		18,010	17,860
	A	1,140,540	2,062,428
Non-current liabilities			
Corporate securities (ii)		3,000,000	3,000,000
CESCE loan (iii)		794,444	-
Transaction costs and premium issuance		85,941	85,690
	B	3,880,385	3,085,690
Total financial debt	A + B	5,020,925	5,148,118

(i) Unsecured bank loans:

These correspond to contracts entered into by the Company with local and foreign financial institutions, which were used as working capital. These loans are current maturities, are denominated in Peruvian soles and US Dollars and do not have specific guarantees (see section "a" of this note).

(ii) Corporate securities:

On June 12, 2017, the Company issued bonds in the international market for USD 2,000,000 thousand under Rule 144th and Regulation S, which are exceptions ("Safe-harbors") to the American regulatory framework (US Securities Act - 1933 and US Securities Exchange Act -1934) that allow foreign issuers to offer, place and/or resell securities, without the need to register them with the securities commission of securities registrants in the New York Stock Exchange (SEC). The funds received have been allocated to the PMRT.

Below is a detail of the bonds issued:

- 2032 Notes, main amount of USD 1,000,000 thousand with semiannual coupon payments at a fixed annual rate of 4.750%, for a period of 15 years. Coupons have been paid since December 2017 and main payment will be made on the maturity date of the bonds. Transaction costs amounted to USD 7,558 thousand and at June 30, 2024 the balance amounts to USD 4,714 thousand (USD 5,329 thousand at June 30, 2023).

- 2047 Notes, principal amount of USD 2,000,000 thousand (USD 1,000,000 thousand received in the first issuance in June 2017 and an additional USD 1,000,000 thousand resulting from the bond reopening in February 2021), at a fixed rate of 5.625% per year, for a term of 30 years. Coupons are payable semi-annually since December 2017 and the main payment will take place on the maturity date of the bonds. Transaction costs amounted to USD 9,558 thousand and as of June 30, 2024, the balance amounts to USD 8,608 thousand (USD 8,694 thousand as of June 30, 2023) and the excess amount of the placement over par of the bonds at reopening amounts to USD 135,889 thousand and as of June 30, 2024, the balance amounts to USD 127,573 thousand (USD 134,352 thousand as of June 30, 2023).

The agreement for the securities issued does not contemplate the obligation to comply with financial covenants; however, it requires financial information to be provided to bondholders.

The securities issued do not have specific contractual guarantees; however, Law No. 30130 approves the granting of guarantees from the National Government for up to USD 1,000 million (Note 1-a).

(iii) CESCE Loan:

On January 31, 2018, a syndicated loan agreement was signed, being the administrative agent Deutsche Bank SAE for USD 1,300,000 thousand. The total disbursements related to the loan were received between 2018 and 2021, which were destined to reimburse the different sources of financing used for the payment of PMRT invoices, corresponding to the EPC with Técnicas Reunidas:

Transactional costs amounted to USD 72,478 thousand and as of June 30, 2024, the balance amounts to USD 28,323 thousand (USD 30,566 thousand as of June 30, 2023). Interest and main amount are paid semiannually, beginning in May 2019 and June 2022, respectively. This loan matures in 2030, based on a fixed interest rate of 3.285%.

The loan in question is 99% guaranteed by Compañía Española de Seguros de Crédito a la Exportación (CESCE), for which the Company pays a commission as consideration. This loan has no specific contractual guarantees from the Company or the Peruvian government.

As part of the contract, the Company is obligated to comply with certain covenants, which are as follows:

Financial covenants:

- Debt ratio
- Debt service coverage
- Direct financing for investment in the PMRT

As a result of the audit of the Company's financial statements as of December 31, 2023, the net loss amounted to USD 1,064,381 thousand, with which the financial indebtedness ratio exceeded that established in the loan agreement (which should be less than 3.75), for which reason the non-current financial obligations related to the CESCE loan were reclassified as part of current liabilities in the statement of financial position as of December 31, 2023.

However, the Company took steps to amend the financial indicators of the CESCE loan agreement and, to date, an amendment has been approved by the banks that are part of the syndicated loan, which establishes that as of September 2024 the maximum value of said indicator must be 4.00, thus leaving without effect the compliance with the values set until that date; therefore, as of June 2024, the current financial obligations are reclassified to non-current liabilities.

Non-financial covenants:

- Preserve and maintain business operations.
- Submit the Company's audited financial statements within 150 days after the close of each fiscal year.
- Use the loan to pay for the acquisition of goods and services, including EPC contract payments.
- Grant the loan the status of *pari passu* (equal terms) in the priority of payment with all its creditors.
- Comply with the procedures established for the purpose of preventing the Company from being used in money laundering activities, financing of terrorist activities, fraud or other corrupt or illegal purposes or practices.

a) Debt repayment terms and schedule:

The terms and conditions of the outstanding loans are as follows:

	Original currency	Nominal interest rate	Expiration	As of June 30, 2024 Nominal value	As of June 30, 2024 Carrying amount	As of December 31, 2023 Nominal value	As of December 31, 2023 Carrying amount
				USD 000	USD 000	USD 000	USD 000
Unsecured bank loans	Peruvian Soles	5.89 - 9.95	2024	-	-	152,737	152,737
Unsecured bank loans	US Dollars	3.16 - 8.85	2023	-	-	880,720	880,720
Unsecured bank loans	Peruvian Soles	5.89 - 9.95	2025	207,432	207,432	-	-
Unsecured bank loans	US Dollars	3.16 - 8.85	2025	770,653	770,653	-	-
CESCE loans	US Dollars	3.29	2031	938,889	910,579	1,011,111	985,378
Corporate securities	US Dollars	4.75	2032	1,000,000	995,286	1,000,000	989,705
Corporate securities	US Dollars	5.63	2047	2,000,000	2,118,965	2,000,000	2,121,718
Accrued interest				-	18,010	-	17,860
				4,916,974	5,020,925	5,044,568	5,148,118

The carrying amount corresponds to the amortized cost of the financial obligations discounted at the effective rate.

b) Movement of financial obligations:

The movement of debt due to financial obligations has been as follows:

	Unsecured bank loans	Corporate securities	CESCE loan	Total
	USD 000	USD 000	USD 000	USD 000
Balance as of January 1, 2024	1,046,070	1,046,070	979,346	5,148,118
New loans	809,287	809,287	-	809,287
Main amount payments	(857,856)	(857,856)	(72,222)	(930,078)
Amortized cost	-	-	2,792	3,013
Share premium	-	-	-	(2,763)
Accrued interest	51,673	51,673	16,792	148,028
Paid interest	(57,888)	(57,888)	(16,792)	(154,680)
Balance as of June 30, 2024	991,286	991,286	909,918	5,020,925

15 COMMERCIAL ACCOUNTS PAYABLE

As of June 30, 2024, and December 31, 2023, this heading comprises:

	2024	2023
	USD 000	USD 000
Foreign suppliers of crude oil and refined products	1,130,932	1,392,252
National suppliers of crude oil and refined products	81,568	158,411
Goods and service suppliers	160,747	310,000
Shipping companies and operators of terminals and sales plants	38,713	43,150
	1,411,960	1,903,813

As of June 30, 2024, the main domestic supplier of crude oil is Petrotal Perú S.R.L., whose balance amounts to USD 34,598 thousand equivalent to S/ 129,780 thousand (USD 37,219 thousand equivalent to S/ 139,969 as of December 31, 2023). The main foreign supplier is Petrochina International (Americ), INC. which is owed USD 362,828 thousand equivalent to S/ 1,362,243 thousand (USD 199,510 thousand equivalent to S/ 756,934 thousand as of December 31, 2023).

As of June 30, 2024, the main service providers are: IMI del Perú S.A.C., whose balance amounts to USD 21,981 thousand equivalent to S/ 82,694 thousand (USD 4,338 thousand equivalent to S/ 16,074 thousand as of December 31, 2023), Técnicas Reunidas de Talara S.A.C., whose balance amounts to USD 12,530 thousand equivalent to S/ 46,431 thousand (USD 94,829 thousand equivalent to S/ 358,102 thousand as of December 31, 2023), OIG Perú S.A.C., whose balance amounts to USD 11,456 thousand equivalent to S/ 43,539 thousand and Aguaytía Energy del Perú S.R.L., whose balance amounts to USD 4,173 thousand equivalent to S/ 15,693 thousand.

This account reflects the Company’s obligations related to the acquisition of crude oil and refined products, transportation services for plant operations and the acquisition of supplies and spare parts. Invoices are issued in US dollars, are current due, do not bear interest and the Company has not provided specific guarantees.

16 ACCOUNTS PAYABLE TO RELATED ENTITIES

As of June 30, 2024, and December 31, 2023, this heading includes:

	2024	2023
	USD 000	USD 000
Loan and interest (a)	1,565,355	812,256
Interest and payment documents (b)	145,681	146,407
	1,711,036	958,649

The movement and composition of this item is shown below:

	Loan	Payment documents	Total
	USD 000	USD 000	USD 000
Balances as of December 31, 2023	812,242	146,407	958,649
New loans	757,942	-	757,942
Accrued interest	21,742	4,060	25,802
Exchange difference	(26,571)	(4,786)	(31,357)
Balance as of June 30, 2024	1,565,355	145,681	1,711,036

By means of Emergency Decree No. 010-2022, issued on May 12, 2022, extraordinary economic and financial measures were established to secure the local fuel market, for which temporary financial support was granted by the Ministry of Economy and Finance (MEF) through the General Directorate of the Public Treasury, by means of the following actions:

a) Financial support through a loan to the Company for an amount in Peruvian soles equivalent to USD 750,000 thousand, destined to meet short-term obligations during 2022, equivalent to S/ 2,785,000 thousand; with original expiration on December 31, 2022, extended to December 31, 2024, through an addendum dated December 29, 2022. This debt bears interest at a rate of 5%.

b) Issuance of payment documents - Public Treasury in favor of the Company, in application of Emergency Decree No. 010-2022, the Company requested the General Directorate of the Public Treasury (DGTP) of the MEF, the issuance of payment documents in favor of the Company, up to the amount of S/ 500,000 thousand, to be used for the payment of customs duties and taxes associated with the purchases of crude oil and fuel products, as well as other taxes for fuel commercialization operations. These payment documents were issued on a monthly basis during 2022, at the Company’s request. As of December 31, 2022, the Company received payment documents for S/ 595,865 thousand (equivalent to USD 157,295 thousand) and amortized S/ 95,868 thousand (equivalent to USD 24,721 thousand), bearing interest at rates between 5% and 6.75%. With Emergency Decree No. 004-2024 the payment term is extended to December 31, 2024.

By means of Emergency Decree No. 004-2024, issued on February 27, 2024, the Short Term Borrowing Operation is approved, under the modality of granting a National Government Guarantee for an amount in Peruvian soles equivalent to USD 800,000 thousand, in support of Petroperu’s obligations, derived from a loan to be granted by Banco de la Nación for working capital necessary to maintain the inventory levels that guarantee the continuity of fuel supply and the development of economic activities at a national level. As of June 2024, S/. 2,908,224 thousand (equivalent to USD 783,521 thousand) have been received.

17 OTHER PROVISIONS

As of June 30, 2024, and December 31, 2023, this heading comprises:

	2024	2023
	USD 000	USD 000
Current		
Provision for environmental improvements (a)	64,069	58,905
Provisions for civil claims (b)	9,165	9,508
Provisions for labor claims	3,487	4,189
Well plugging provision	502	519
Provision for retirement pensions	6	6
Provision of job separation	50	61
Other provisions	137	142
	77,416	73,330
Non-current		
Provision for environmental improvements (a)	12,485	12,504
Provision of job separation	5	5
Provision for retirement pensions	13	12
	12,503	12,521

The movement of the other provisions is as follows:

	Provision for environmental improvements	Provision for civil claims	Provision for labor claims	Provision for well plugging	Provision for retirement pensions	Provision of job separation	Other provisions	Total
	USD 000	USD 000	USD 000	USD 000	USD 000		USD 000	USD 000
Balances as of December 31, 2023	71,409	9,508	4,189	519	18	66	142	85,851
Provisions for the period	16,219	-	249	-	4	-	-	16,472
Payments	(9,625)	-	(633)	-	(3)	(9)	-	(10,270)
Reversal of unused provisions	-	(208)	(160)	-	-	-	-	(368)
Exchange rate difference	(1,449)	(135)	(158)	(17)	-	(2)	(5)	(1,766)
Balance as of June 30, 2024	76,554	9,165	3,487	502	19	55	137	89919

a) Provision for restoration of the environment and plugging of wells:

As of June 30, 2024, 04 significant spills have been recorded and are in the process of being investigated by OSINERGMIN. Containment and recovery work is currently underway. The Company, as part of the application of its Contingency Plan, hired specialized companies to carry out spill containment and environmental remediation work in the affected areas.

The movement of the provision for environmental improvements is detailed below:

	Balance as of January 1	Payments	Provision and update	Balance as of June 30,
	USD 000	USD 000	USD 000	USD 000
Year 2024				
Block 8	2,126	-	-	2,126
Block X	1,962	-	-	1,962
Pampilla	1,537	(9)	-	1,528
Lubricants	118	(72)	-	46
North terminals	341	-	-	341
South terminals	85	-	-	85
Center terminals	1,618	-	-	1,618
Natural gas electric system	20	-	-	20
Total privatized units	7,807	(81)	-	7,726
Talara operations	1,991	-	-	1,991
Conchán operations	729	(74)	-	655
Pipeline operations	57,246	(9,470)	16,219	63,995
Iquitos refinery operations	1,392	-	-	1,392
Commercial operations	603	-	-	603
Exploration and exploitation management	959	-	-	959
Total own units	62,920	(9,544)	16,219	69,595
Total	70,727	(9,625)	16,219	77,321
Exchange rate difference	682			(767)
	71,409			76,554

18 EQUITY

a) Share capital:

As of June 30, 2024, the authorized, subscribed and paid-in capital is represented by 9,572,168,000 common shares (9,572,168,000 as of December 31, 2023), with a par value of one Peruvian sol each. As of June 30, 2024, the composition of the shareholding that participates in the issued capital of the Company is as follows:

Class	Number of shares	Percentage
		%
A	7,657,734,400	80
B	1,914,433,600	20
	9,572,168,000	100

Class "A" shares have the right to vote, but they are indivisible, non-transferable and unattachable shares and may not be subject to a security interest, usufruct or any affectation.

Class "B" shares have voting rights and may be transferred through centralized negotiation mechanisms of the Stock Market.

b) Legal reserve:

In accordance with Article 229 of the General Law of Companies, a legal reserve must be established with the transfer of no less than 10% of the annual net profit until reaching 20% of the paid-in capital. In the absence of undistributed profits or unrestricted reserves, the legal reserve may be applied to offset losses, and must be replaced with profits from subsequent years.

In reference to the regulation, the legal reserve registered as of June 30, 2024, amounts to USD 8,724 thousand.

19 INCOME FROM ORDINARY ACTIVITIES

This heading includes:

	For the three-month period ended on June 30,		For the six-month period ended on June 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
National sales	671,466	825,169	1,471,080	1,636,622
Price Stabilization Fund (*) (Note 9)	(6,183)	(23,497)	542	(37,207)
Income related to ordinary activities	22,211	11,120	22,948	21,548
	687,494	812,792	1,494,570	1,620,963
Foreign sales	169,333	121,501	281,912	210,187
	856,827	934,293	1,776,482	1,831,150

As of June 30, 2024, and 2023, sales break down as follows:

	For the three-month period ended on June 30,		For the six-month period ended on June 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
National sales:				
Gasoline	187,423	247,661	392,923	499,148
Turbo A1	41,130	24,666	95,819	43,114
Asphalt	26,566	15,208	47,827	25,915
Industrial Petroleum	29,946	11,897	42,927	25,147
LPG	9,637	17,783	27,473	30,579
Solvents	2,656	3,179	5,490	7,192

Wet gas BLOCK I	590	854	590	1,751
Primary naphtha and others	1,825	1,303	5,315	2,371
Natural gas liquids - PP	4,969	-	9,886	-
Dry gas blocks - PP	699	-	1,524	-
Total national sales	687,494	812,792	1,494,570	1,620,963
Foreign sales				
Industrial petroleum	145,402	120,105	243,502	202,095
Turbo a1	319	601	14,594	7,085
Asphalts and solvents	262	795	466	1,007
Gran Tierra crude oil Block 95	14,729	-	14,729	-
Reduced crude oil	8,621	-	8,621	-
Total foreign sales	169,333	121,501	281,912	210,187
Total	856,827	934,293	1,776,482	1,831,150

20 COST OF SALES

This heading includes:

	For the three-month period ended on June 30,		For the six-month period ended on June 30,	
	2024	**2023**	**2024**	**2023**
	USD 000	**USD 000**	**USD 000**	**USD 000**
Opening inventory of stock	836,915	877,874	893,970	954,356
Purchases of crude oil, refined products, and supplies	649,316	811,850	1,342,830	1,640,778
Production operating expenses (a)	216,662	128,344	430,415	224,975
Closing inventory	(714,598)	(735,579)	(714,598)	(735,579)
	988,295	1,082,489	1,952,617	2,084,530

(a) The composition of production operating expenses is as follows:

	For the three-month period ended on June 30,		For the six-month period ended on June 30,	
	2024	**2023**	**2024**	**2023**
	USD 000	**USD 000**	**USD 000**	**USD 000**
Third-party services (*)	95,693	45,025	191,121	91,022
Depreciation (Note 12)	66,792	59,720	131,380	88,242
Personnel charges (Note 23)	16,147	13,383	33,008	25,527
Insurances	10,689	5,358	18,269	10,182
Depreciation of right-of-use assets	6,230	3,005	12,233	6,074
Different management charges	14,658	1,168	26,377	2,366
Employee participation (Note 23)	381	14	1,213	32
Payment	1,700	64	3,312	127
Other production materials and supplies	3,795	-	12,021	-
Others	577	607	1,481	1,404
	216,662	128,344	430,415	224,975

(*) It includes the following:

	For the three-month period ended on June 30,		For the six-month period ended on June 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Freight and ground transportation expenses	21,528	20,988	41,045	33,363
Maintenance and repair services	21,235	(3,509)	41,955	-
Energy and water	16,191	7,209	34,526	19,855
Other freight	18,471	4,507	37,969	9,837
Product storage	2,195	2,310	5,254	5,307
Product dispatch	2,698	2,253	6,665	4,400
Industrial security and protection	1,615	1,366	4,201	2,431
Food and accommodation	118	498	927	1,359
Advertising	621	2,034	1,810	3,828
Storage and dispatch (PNP – Petrored)	1,031	1,068	2,010	2,043
Freight and sea freight expenses	-	3,799	-	3,799
Miscellaneous	9,990	2,502	14,759	4,800
	95,693	45,025	191,121	91,022

21 SALES AND DISTRIBUTION EXPENSES

This heading includes:

	For the three-month period ended on June 30,		For the six-month period ended on June 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Personnel charges (Note 23)	4,849	5,200	9,933	10,423
Taxes	3,430	3,896	7,651	8,053
Third-party services (*)	2,543	2,337	4,809	5,004
Depreciation	3,182	2,157	5,535	4,332
Insurance	488	1,229	1,427	2,314
Materials and supplies	529	1,017	1,428	1,894
Different management charges	28	-	155	70
Depreciation of right-of-use	44	42	84	85
Expected loss on accounts receivable (Note 8)	-	71	-	71
Employee participation (Note 23)	-	5	-	11
	15,093	15,954	31,022	32,257

(*) It includes the following:

	For the three-month period ended on June 30,		For the six-month period ended on June 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Maintenance and repair services	515	726	1,222	1,964
Miscellaneous third-party services	1,125	721	1,773	1,394
Industrial safety and protection	640	641	1,292	1,168
Rentals	37	38	58	77
Energy and water	112	96	214	209
Travel expenses and transfers	30	38	78	63
Freight and other expenses	49	40	98	61
Food and accommodation	35	37	74	68
	2,543	2,337	4,809	5,004

22 ADMINISTRATION EXPENSES

This heading includes:

	For the three-month period ended on June 30,		For the six-month period ended on June 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Personnel loads (Note 23)	13,965	15,052	27,339	29,859
Third-party services (*)	11,536	12,814	29,489	24,135
Other provisions	182	444	249	1,028
Different management charges	3,246	4,952	4,954	6,259
Depreciation	1,457	2,039	2,922	4,052
Taxes	992	986	2,861	2,811
Amortization	408	753	1,161	1,505
Materials and supplies	170	239	504	513
Depreciation of right-of-use	177	337	526	592
Employee participation	(17)	12	79	26
Insurance	241	241	287	474
	32,357	37,869	70,371	71,254

(*) It includes the following:

	For the three-month period ended on June 30,		For the six-month period ended on June 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Advice, expertise, and audits	731	4,532	3,898	8,650
Banking expenses	1,095	201	7,424	1,972
Maintenance and repair services	2,445	2,780	4,931	3,831
IBM outsourcing services	748	1,609	2,287	2,669
Industrial safety and protection	1,380	1,412	,930	2,391
Freight and other freight	565	603	1,168	1,141
Temporary services	2,994	571	3,619	1,258
Advertising	63	121	186	235
Travel expenses and transfers	76	100	184	191
Medical services	206	158	411	314
Miscellaneous	1,233	727	2,451	1,483
	11,536	12,814	29,489	24,135

23 STAFF LOADS

This heading includes:

	For the three-month period ended on June 30,		For the six-month period ended on June 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Wages and salaries	15,680	14,776	31,153	27,914
Bonuses	6,302	6,225	12,727	11,737
Social contributions	4,732	4,752	8,660	9,692
Gratuities	2,971	2,847	5,950	5,593
Compensation for length of service	1,927	1,943	4,347	4,036
Holidays	1,110	1,145	2,232	2,265
Food	944	928	1,901	1,843
Overtime	624	533	1,147	963
Transport	296	282	567	542
Compensation for remote work	14	-	27	-
Employee participation	364	31	1,292	69
Others	361	233	1,569	1,224
	35,325	33,695	71,572	65,878

24 OTHER INCOME AND EXPENSES

The other income and other expenses include:

	For the three-month period ended on June 30,		For the six-month period ended on June 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Other income				
Claims and/or indemnities (insurance/non-compliances)	7,390	4,530	17,182	7,202
Other income	784	2,783	1,244	5,151
Recovery of provisions	206	-	367	22
Refund from SUNAT - Interest on the balance in favor of the 3rd category income tax	345	-	345	-
Recovery of tariffs for the use of the port of Pucallpa	93	49	194	169
Regularization of provisions	-	(30)	-	-
	8,818	7,332	19,332	12,544

	For the three-month period ended on June 30,		For the six-month period ended on June 30,	
	2024	2023	2024	2023
	USD 000	USD 000	USD 000	USD 000
Other income				
Provision for oil pipeline claims	(16,219)	(11,608)	(16,220)	(11,608)
Net cost of disposal of assets held for sale	(13)	(6)	(30)	(746)
Voluntary separation program	3	-	3	-
	(16,229)	(11,614)	(16,247)	(12,354)

25 INCOME TAX

The income tax expense is recognized in accordance with Management's estimate of the annual income tax rate expected for the full financial year. The estimated annual effective rate used for the years 2024 and 2023 is 8.3% and 15.4%, respectively.

26 CONTINGENCIES

As of June 30, 2024, and December 31, 2023, the Company has pending resolution the following labor, civil, tax and customs claims of a contingent nature considered as possible:

	2024	2023
	USD 000	USD 000
Civil proceedings	85,540	96,756
Tax and customs processes	30,712	31,238
Labor processes	1,931	14,876
	118,183	142,870

The movement of contingencies is detailed below:

	Balance as of January 1	Additions	Deductions	Balance as of June 30
	USD 000	USD 000	USD 000	USD 000
Civil proceedings (a)	96,756	2,912	(14,128)	85,540
Tax and customs processes (b)	31,238	-	(526)	30,712
Labor processes (c)	14,876	183	(13,128)	1,931
	142,870	3,095	(27,782)	118,183

a) As of June 30, 2024, the main civil lawsuits include: Heaven Petroleum Operators for USD 30,082 thousand (equivalent to S/ 115,423 thousand), SIMA for USD 5,403 thousand (equivalent to S/ 21,933 thousand), Pluspetrol Norte for USD 782 thousand (equivalent to S/ 3,000 thousand), AFP's for USD 1,517 thousand (equivalent to S/ 5,819 thousand), JS Industrial for USD 1,070 thousand (equivalent to S/ 4,107 thousand), Rebaza Vigo Percy for USD 1,130 thousand (equivalent to S/ 4,335 thousand), Hispánica for USD 777 thousand (equivalent to S/ 2,981 thousand) and E&A Servicios Afines USD 486 thousand (equivalent to S/ 1,865 thousand), among the main ones. Proceedings with Salazar Fernández Enrique, Public Prosecutor of the Regional Government of Lambayeque, for USD 6,687 thousand (equivalent to S/ 19,527 thousand), Consorcio FCC for USD 4,916 thousand (equivalent to S/ 18,292 thousand), OEFA and OSINERMING for USD 736 thousand (equivalent to S/ 2,800 thousand) were extinguished.

b) As of June 30, 2024, the main processes correspond to those maintained with the Tax Administration (SUNAT) for USD 29,566 thousand (equivalent to S/110,501 thousand), of which one is related to file No. 04315-2020-0-1801-JR-CA-21 for USD 14,594 thousand (equivalent to S/ 56,000 thousand) and another is related to file No. 06304-2019-01801 for USD 14,972 thousand (equivalent to S/ 54,501 thousand). File No. 06305-2019-01801 was extinguished for USD 17,086 thousand (equivalent to S/ 61,665 thousand).

27 BASIC AND DILUTED PROFIT (LOSS) PER SHARE

The calculation of basic and diluted profit per share as of June 30, 2024, and 2023, which are expressed by the same value in the absence of shares with dilutive effect, is presented below:

	Profit USD 000	**Weighted average shares outstanding (in thousands)**	**Profit per share**
As of June 30, 2024			
Basic and diluted profit / (loss) per share	(452,119)	9,572,168	(0.047)
As of June 30, 2023			
Basic and diluted profit / (loss) per share	(380,308)	5,456,055	(0.070)

28 GUARANTEES

Guarantees and letters of guarantee -

As of June 30, 2024, the Company has letters of guarantee issued by local financial institutions in favor of suppliers for S/ 103,385 thousand (equivalent to USD 26,944 thousand) and for USD 86,389 thousand. As of June 30, 2023, the Company had letters of guarantee issued by local financial institutions in favor of suppliers for S/ 126,213 thousand (equivalent to USD 34,740 thousand) and USD 91,955 thousand.

29 RELATED PARTIES

The Peruvian Government owns the capital shares of the Company and is represented by each member of the General Shareholders' Meeting. According to the twenty-third article of the PETROPERU S.A. Statute, the General Shareholders' Meeting is made up of five members representing class "A" and "B" shares owned by the Peruvian State: The Ministry of Energy and Mines, which will preside it, and four members representing the Peruvian State designated by Supreme Decree. Transactions between the Company and the Peruvian government and the Ministry of Energy and Mines are related to transactions with shareholders.

30 SUBSEQUENT EVENTS

After June 30, 2024, and as of the date of approval of the financial statements, no other events have occurred that require adjusting the items of the financial statements or to be disclosed in the notes thereto.