

## **SEACREST PETROLEO BERMUDA LIMITED: COMMENCEMENT OF ARBITRATION PROCEEDING AGAINST PETROBRAS**

**Rio de Janeiro, Brazil/Hamilton, Bermuda, 6 January 2025: Seacrest Petroleo Bermuda Limited ("Seacrest Petroleo" or the "Company") refers to the injunction obtained from a court in Rio de Janeiro, announced on 27 December 2024, preventing Petr leo Brasileiro S.A. - Petrobras ("Petrobras") from taking action for 30 days in respect of the non-payment by the Company's subsidiaries SPE Cricar  and SPE Norte Capixaba of an aggregate of approximately US\$71 million of post-closing consideration due to Petrobras on 31 December 2024 for the acquisitions of the Cricar  and Norte Capixaba Clusters. The Company announces that SPE Cricar  and SPE Norte Capixaba (the "Claimants") filed overnight a Request for Arbitration with the International Court of Arbitration of the International Chamber of Commerce (ICC), thereby commencing an arbitration proceeding against Petrobras.**

In the arbitration, the Claimants are seeking, among other things, (i) an order that Petrobras indemnify the Claimants for all damages caused to the Claimants as a result of Petrobras' continued failure to successfully complete the repair works on the Terminal Norte Capixaba ("TNC") subsea pipelines in accordance with the requirements of the Norte Capixaba purchase and sale agreement, which are essential for the logistics of the offtake of production from the Cricar  and Norte Capixaba Clusters, as well as (ii) the suspension of the enforceability of the post-closing payments due to Petrobras as consideration installments under the Norte Capixaba and Cricar  purchase and sale agreements. Under the Brazilian Civil Code, a party that is in default of its own obligations is not entitled to demand performance of a counterparty's obligations. For that reason, the Claimants did not pay to Petrobras on 2 January 2025, the approximate US\$71 million of consideration installments due under the Cricar  and Norte Capixaba purchase and sale agreements.

The basis for the Claimant's Request for Arbitration is the ongoing failure of Petrobras to fulfil its contractual obligations to complete the subsea pipeline repairs at the TNC, which has resulted in US\$71.2 million of direct cumulative damages to the Company to date. As part of the sale and purchase agreement for the Norte Capixaba Cluster, Petrobras undertook to complete the repairs, but during the 20 month period since the April 2023 closing has repeatedly failed to do so. The repairs are necessary to allow the Company to transport heavy oil through the pipelines and realize Very Light Sulphur Fuel Oil (VLSFO)-spec pricing for its production. Petrobras' failure to perform its obligations and restore the pipelines to the temperature and pressure specifications for which they were designed has, during that 20 month period, forced the Company to sell an off-spec blend of its production at significant discounts to Brent, which has severely impacted the Company's revenue, profitability and reputation.

On 16 April 2024, SPE Norte Capixaba sent an indemnity claim letter to Petrobras in respect of the damages incurred by the Company as at that date, which totaled US\$38.78 million. On 13 December 2024, SPE Norte Capixaba sent Petrobras an updated indemnity claim letter, describing direct cumulative damages that now total US\$71.2 million.

For further information, please contact:

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This information is subject to the disclosure requirements in article 17 of the Regulation EU 596 /2014 (the EU Market Abuse Regulation) and section 5-12 of the Norwegian Securities Trading Act.

### **About Seacrest Petroleo**

Seacrest Petroleo is an independent oil and gas production company with an integrated portfolio of onshore producing oil fields and export infrastructure onshore in Espírito Santo, Brazil. The fields have estimated oil and gas in place volumes of 1.2 billion barrels of oil equivalents and certified 2P reserves of 144 million barrels of oil equivalents. The Company has exclusive control over its infrastructure, continuously from field production to offshore tanker loading terminal, allowing for cost-effective operations, and enabling direct access to markets for its premium grade products. The Company has offices in Bermuda, Norway and Brazil.

### **Important information**

Matters discussed in this press release may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "anticipate", "believes", "continue", "estimate", "expect", "intends", "may", "should", "will" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this release speak only as at the date of this release and are subject to change without notice.



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*This information has been submitted pursuant to the Securities Trading Act § 5-12 and MAR Article 17. The information was submitted for publication at 2025-01-06 07:00 CET.*