MANAGEMENT OF PDVSA AD HOC AND CITGO DURING 2024

The Ad Hoc Administrative Board of PDVSA reiterates its commitment to defending Venezuela's assets abroad, fulfilling its mandate to safeguard PDVSA's assets. In 2024, the Board has faced claims exceeding $20 billion, primarily stemming from expropriations and debts incurred under the negligent regimes of Hugo Chávez and Nicolás Maduro.

Since 2018, the District Court of Delaware has imposed a lien on PDVSA's shares in PDV Holding (PDVH), the indirect owner of the CITGO refinery, initiating a complex legal process under the supervision of Federal Judge Leonard Stark. This process remains active in the stage of a forced share sale, which is entangled in numerous unresolved procedural and commercial matters, including objections and the potential for appeals by Venezuelan entities.

Given the judicial complexities, PDVSA Ad Hoc remains open to cooperating with alternative mechanisms that may be proposed by the parties involved to fulfill financial obligations and avoid the forced sale, contingent on achieving a democratic transition in Venezuela. In this context, CITGO remains a fundamental and highly valuable asset for PDVSA.

Additionally, the Ad Hoc Administrative Board of PDVSA affirms its commitment to utilizing all available legal resources in line with its dedication to justice, transparency, and adherence to the law, working to benefit the company's interests.

CITGO CONTINUES TO OPERATE WITH POSITIVE RESULTS

In the second quarter of this year, CITGO Petroleum Corporation implemented a major maintenance and modernization program across its entire refining system. These deferred plans, caused by the negligent management of Hugo Chávez and Nicolás Maduro, had previously resulted in significant damage to the facilities, reduced operational efficiency, increased risks of accidents and environmental harm, and a loss of asset value.

These maintenance activities required complete plant shutdowns for several weeks. Regarding the average crude oil and other refining stream processing capacity, from early January to late September 2024, the figure reached 787,000 b/d, representing a reduction of 20,000 b/d compared to the same period in 2023.

However, thanks to strategic and intelligent investment in corrective and preventive maintenance across its three refineries (Lake Charles, Corpus Christi, and Lemont), the company achieved very positive results in the third quarter. Crude oil processing capacity reached 774,000 b/d, equivalent to approximately 96% operational efficiency relative to its nominal capacity of 807,000 b/d. During this quarter, an additional 37,000 b/d of other refinery streams were also processed.

In October, a significant increase in the total volume of crude oil and other streams processed was recorded. Crude capacity reached 769,000 b/d, while other feedstocks amounted to 125,000 b/d, resulting in a total processed volume of 894,000 b/d.

Nonetheless, revenues were impacted during the second and third quarters by external factors affecting crude oil prices and fuel markets in various geographic regions, particularly in the Gulf Coast and Midwest states of the United States. Refining margins decreased by approximately 40% during the second and third quarters compared to the first quarter of 2024.

At the close of 2024, it can be categorically affirmed that CITGO remains a strategic asset of PDVSA.

December 30, 2024