TAL OIL & GAS

Peru: Macroeconomic Stability and Energy Opportunities

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Financial Strength and Investment Grade

Peru maintains a **solid fiscal and financial position**, with manageable levels of public debt and a framework of fiscal discipline recognized by international agencies. Moody's Ratings has assigned the country a **Baa1 rating with a Stable outlook**, reflecting the economic resilience that offsets internal political challenges. This **investment grade** confirms that Peru is a reliable destination for long-term capital, especially in strategic sectors such as energy.

Macroeconomic Stability

Prudent monetary policy and the technical autonomy of the **Central Reserve Bank of Peru (CRBP)** have allowed for the control of inflation and the protection of the economy against external shocks. This stable macroeconomic environment provides security for investors and ensures predictability in the management of large-scale projects.

Oil Exploration Opportunities

Tal Oil & Gas SRL is ideally positioned to lead new investments in hydrocarbon exploration and production in three key areas:

• **Talara Basin (onshore)**: A region with a long history of oil production and potential for reserve recovery through new technologies.

• **The Peruvian Amazon (onshore):** An area with still largely unexplored resources, offering expansion opportunities in a growing energy market.

• **The Peruvian Sea (offshore):** A maritime zone with high discovery potential, aligned with the global trend of energy diversification.

Call for Strategic Partners

At Tal Oil & Gas SRL, we seek **alliances with world-class oil companies** that share our vision of sustainable growth and responsible energy development. Peru's economic framework, supported by its investment grade rating and macroeconomic stability, offers the ideal environment for joint projects that will boost regional energy security and generate attractive returns for investors.

Macroeconomic Outlook 2026: Moderate Growth, Energy Potential

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Between January and May 2026, **Peru's Gross Domestic Product (GDP) grew by 3.5%,** a performance considered moderate compared to the current favorable terms of trade, even surpassing those recorded during the 2006–2011 boom, when the country achieved average annual growth of 8% despite the global financial crisis.

In May 2026, **the hydrocarbons sector showed a year-on-year increase of 3.2%,** driven by higher production of natural gas liquids and natural gas. **However, in the cumulative period from January to May, the sector registered a decline of 13.5%,** reflecting the inherent volatility of the industry and the need for new investments to strengthen productive capacity and reduce dependence on external cycles.

Implications for Energy Investment

This scenario demonstrates that, although overall growth remains positive, **the hydrocarbons sector requires fresh capital and strategic alliances to reverse the negative trend and fully capitalize on favorable international conditions.** Without investment in exploration, there is no possibility of reversing the negative trend in oil production and reserves in Peru.

Tal Oil & Gas SRL identifies a **unique window of opportunity** here:

• **Onshore exploration in the Talara Basin and the Peruvian Amazon**, with potential for underexploited reserves.

• **Offshore exploration in the Peruvian Sea**, aligned with global energy diversification.

Message to Global Investors

Peru maintains its **investment grade rating (Baa1, Stable outlook),** guaranteeing legal and financial security for long-term projects. The combination of macroeconomic stability, monetary autonomy, and fiscal discipline creates a reliable environment for the development of large-scale energy projects.

At **Tal Oil & Gas SRL**, we are prepared to **build alliances with international oil companies** that wish to participate in this new cycle of energy expansion, generating shared value and contributing to regional energy security.

This section complements the initial article with concrete data on growth and the hydrocarbons sector, reinforcing the argument that **the current situation demands strategic investment in exploration.**

Financial Strength and International Reserves

As of July 20, 2026, Peru has **USD 100.534 billion in Net International Reserves**, equivalent to **26.12% of the projected nominal GDP of USD 380.9 billion (IMF and Worldometer estimates).** This level of reserves is a pillar of confidence that guarantees liquidity and exchange rate stability in the face of external shocks.

The foreign exchange position stands at **USD 68.781 billion**, reflecting the country's capacity to support the currency and maintain financial stability.

Peru's Gross Domestic Product (GDP) closed at over **USD 340 billion at the end of 2025**, driven by 3.4% growth, and maintains a projected economic expansion of 3.4% for 2026, according to the Central Reserve Bank.

Quarterly growth: GDP in the first quarter of 2026 registered an increase of 3.5%, marking 24 consecutive months of monthly expansion through March (3.2%).

Leading sectors: The construction sector led the growth with 15.7%, followed by trade (4.1%) and services (2.8%) at the beginning of 2026.

Peru's nominal GDP has shown sustained long-term growth, reaching approximately USD 380.9 billion in 2026, according to the **International Monetary Fund (IMF).** This figure reflects a recovery after the 2020 decline due to the pandemic and consolidates Peru as the 46th largest economy in the world.

Furthermore, **the projected nominal GDP per capita for 2026 reaches USD 10,960 per person,** positioning Peru competitively within emerging markets and confirming the growth potential of domestic consumption and energy demand.

Implications for the Energy Sector

These macroeconomic indicators strengthen Peru's attractiveness as an investment destination:

• **Solid financial backing** that reduces exchange rate and macroeconomic risks.

• **Capacity to absorb external shocks**, key for long-term hydrocarbon projects.

• **Expanding domestic market,** with growing GDP per capita driving energy demand.

Call to Global Investors

At Tal Oil & Gas SRL, we emphasize that the combination of robust international reserves, fiscal discipline, and macroeconomic stability creates a **secure and profitable ecosystem for strategic partnerships.** We invite international oil companies to participate in onshore exploration projects in **Talara and La Selva**, as well as offshore projects in the **Peruvian Sea**, contributing to sustainable energy development and generating attractive returns in a reliable environment.

Peru's Country Risk stood at 104 basis points.

From July 8 to 21, Peru's country risk, as measured by the **EMBIG Peru** spread, decreased by 4 points to **104 basis points**, while the **EMBIG Latin America** spread stood at **266 basis points.**

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Peru maintains a **solid investment grade** rating from the world's three major credit rating agencies, which underscores international investor confidence in its economy.

The following are Peru's current sovereign ratings:

1. **Fitch Ratings: BBB** rating with a stable outlook. This rating highlights responsible fiscal management, inflation control, and the low level of public debt.

2. **Standard & Poor’s (S&P): BBB-** rating with a stable outlook. The agency bases its rating on a long track record of prudent macroeconomic policies and low fiscal deficits.

3. **Moody’s Ratings: Baa1** rating. It maintains its **Investment Grade** rating thanks to the country's solid financial position with a stable outlook, indicating that the risk of default on its financial obligations is low to moderate.

The yield on Peruvian 10-year sovereign bonds fell 12 basis points between July 8 and 21, reaching **5.7%**, and remains one of the lowest in the region.

The US Treasury yield stood at 4.63%:

From July 8 to 21, the yield on the 10-year US Treasury bond rose 5 basis points to 4.63%. US inflation data, resulting from the cost of the war in the Middle East and the consequent fiscal pressure, is generating expectations of a restrictive monetary policy from the Fed.

The Lima Stock Exchange indices are rising.

The Lima Stock Exchange (BVL) general index, with a base of December 1991 = 100, stands at 57,575 basis points as of July 21, 2026.

From July 15 to 21, the Lima Stock Exchange General Index (**MSCI Nuam Peru General**) and the selective index (**MSCI Nuam Peru Select**) rose **0.8** and **0.2** percent respectively, in a context of increased copper and zinc prices.

Strengths supporting the rating (Baa1)

Solid financial and fiscal position: Peru stands out for maintaining manageable levels of public debt and a conservative and disciplined fiscal framework.

Macroeconomic stability: There is a consistent track record of prudent economic policies and a highly autonomous and technically sound **Central Reserve Bank (CRBP)**, which helps control inflation and protect the economy from external shocks.

Weaknesses and Risks Observed

Political and Institutional Fragility: The main limitation to improving the rating is political instability, polarization, and weak government institutions, which often generate friction and hinder the implementation of structural reforms.

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Vulnerability to External and Climate Shocks: The country is exposed to adverse climate events (such as El Niño) that can put pressure on public finances and economic activity.

What does a "Stable" outlook mean?

A stable outlook indicates that, according to Moody's Ratings, no imminent changes to the credit rating are expected in the short term. The agency believes that the country's economic resilience adequately offsets political tensions and fiscal challenges.

Peru's Total Gross External Debt

Peru's total gross external debt is around US$105 billion. To better understand its magnitude, it is essential to break it down as a percentage of Gross Domestic Product (GDP) and compare it with the rest of the region:

Percentage of GDP: Peruvian public debt represents approximately **33.5% of its GDP.**

Position in Latin America: Peru has one of the lowest public debt levels in the region, well below the **Latin American average of around 70% of GDP.**

Debt Service by 2026: The government's payment obligations total approximately US$6.689 billion for external debt and US$5.628 billion for domestic debt.

Financial Backing: The country has international reserves managed by the Central Reserve Bank of Peru (BCRP) exceeding **US$100 billion**, which serves as a solid financial buffer.

This information reflects the level of fiscal responsibility and economic stability of the country in the face of international markets.

According to published official statistics, **Peru's total gross external debt stood at US$157.79 billion.**

This figure is distributed as follows between the public and private sectors:

1. Public External Debt

This represents the largest portion of the country's external debt and corresponds to the obligations assumed by the Peruvian State (including global sovereign bonds held by non-residents and multilateral loans).

Approximate amount: The outstanding balance of public sector external debt totals S/ 157,790 million (equivalent to approximately **US$ 42,000–US$ 43,000 million**, depending on the exchange rate used by the central bank).

Recent trends: Reports from the Central Reserve Bank of Peru (BCRP) indicate that medium- and long-term public external debt decreased by US$ 1,693 million compared to the end of the previous year. This was due to strategic liability management operations and scheduled amortizations.

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Private External Debt

This corresponds to the financial obligations abroad assumed by corporations in key sectors (such as mining, energy, and infrastructure) and local commercial banks.

Approximate Amount: This represents the remaining difference from total gross external debt, ranging from **US$114 billion to US$115 billion.**

Recent Trends: Although medium- and long-term debt, both public and private, fell by approximately US$2.454 billion at the beginning of the year, the private sector continues to demonstrate significant dynamism in international financing to sustain the rebound in private investment and imports.

Sustainability Context

Despite the total volume, macroeconomic indicators from the Central Reserve Bank of Peru (BCRP) and the Ministry of Economy and Finance (MEF) project that Peru's total public debt will remain stable at around **32.0% of GDP**. This positions Peruvian public debt as one of the lowest and most stable in Latin America.