RESULTS 2Q17

AUGUST 10, 2017



PRIO3 NOVO MERCADO BM&FBOVESPA
Índice de Governança Corporativa Novo Mercado IGC-NM
Índice de Ações com Tag Along Diferenciado ITAG
Índice de Ações com Governança Corporativa Diferenciada IGC

DISCLAIMER

This presentation contains forward-looking statements. All statements other than statements of historical fact contained in this presentation are forward-looking statements, including, without limitation, statements regarding our drilling and seismic plans, operating costs, acquisition of equipment, expectations of finding oil, the quality of oil we expect to produce and our other plans and objectives. Readers can identify many of these statements by looking for words such as “expects”, “believe”, “hope” and “will” and similar words or the negative thereof. Although Management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. By their nature, forward-looking statements require us to make assumptions and, accordingly, forward-looking statements are subject to inherent risks and uncertainties. We caution readers of this presentation not to place undue reliance on our forward-looking statements because a number of factors may cause actual future circumstances, results, conditions, actions or events to differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking statements and the assumptions underlying the forward-looking statements.

The following risk factors could affect our operations: the contingent resource and prospective resource evaluation reports involving a significant degree of uncertainty and being based on projections that may not prove to be accurate; inherent risks to the exploration and production of oil and natural gas; limited operating history as an oil and natural gas exploration and production company; drilling and other operational hazards; breakdown or failure of equipment or processes; contractor or operator errors; non-performance by third-party contractors; labour disputes, disruptions or declines in productivity; increases in materials or labour costs; inability to attract sufficient labour; requirements for significant capital investment and maintenance expenses which PetroRio may not be able to finance; cost overruns and delays; exposure to fluctuations in currency and commodity prices; political and economic conditions in Brazil; complex laws that can affect the cost, manner or feasibility of doing business; environmental, safety and health regulation which may become stricter in the future and lead to an increase in liabilities and capital expenditures, including indemnity and penalties for environmental damage; early termination, non-renewal and other similar provisions in concession contracts; and competition. We caution that this list of factors is not exhaustive and that, when relying on forward-looking statements to make decisions, investors and others should also carefully consider other uncertainties and potential events. The forward-looking statements herein are made based on the assumption that our plans and operations will not be affected by such risks, but that, if our plans and operations are affected by such risks, the forward-looking statements may become inaccurate.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this presentation are made as of the date of this presentation. Except as required by applicable securities laws, we do not undertake to update such forward-looking statements.

2Q17 HIGHLIGHTS

- Net Revenue of 155.5 million, 50% higher than 2Q16;
- Lifting cost in the Polvo field of US$31.2/bbl in 2Q17 and U$30.9/bbl in 1H17.
- Operational efficiency of 96.9% in the Polvo field, the highest figure since 2015.
- EBITDA of R$ 66.3 million and Net Incomeof R$ 47.1 million in 2Q17;
- Cash position of R$678 million[1], 31% higher than the R$515 million in 2Q16.

PETRORIO

1 – Includes cash, equivalents and oil inventories.

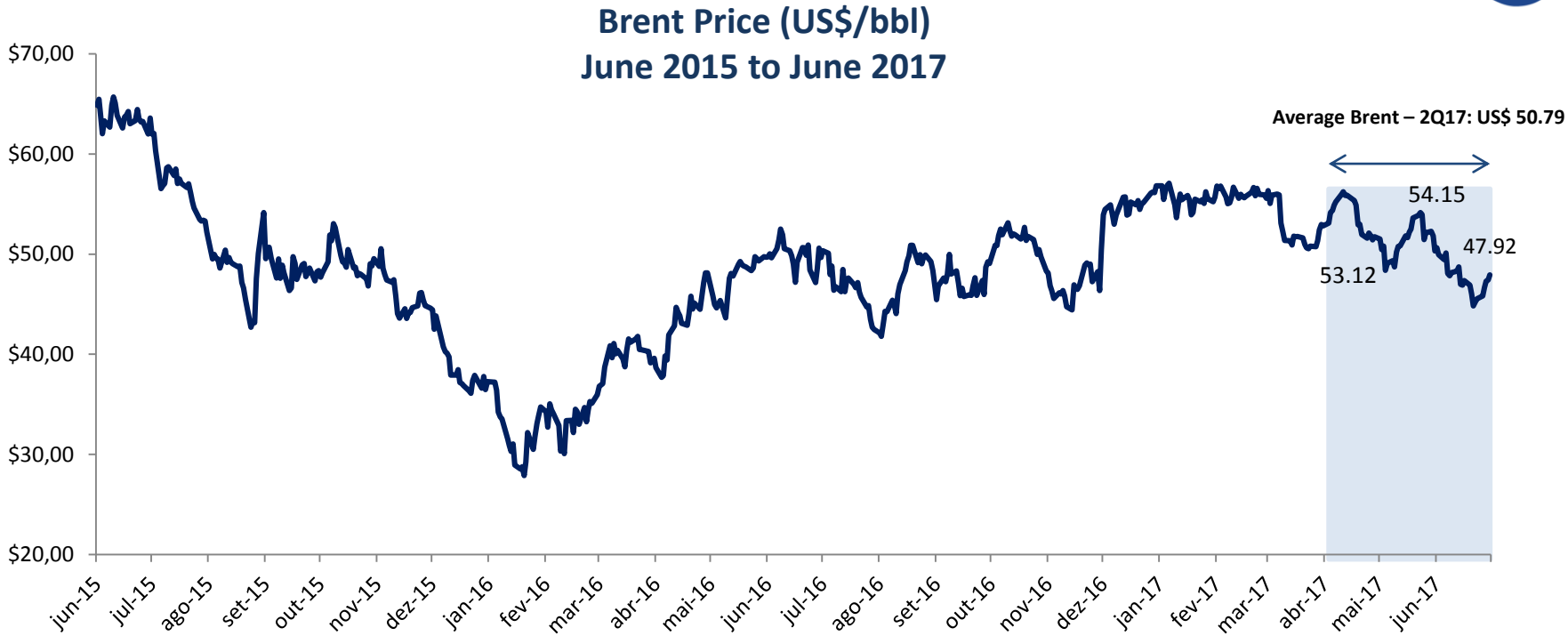
ASSETS PORTFOLIO



ASSETS

Field	Interest	Production
POLVO	**100%**	**8,100 bbl/d**
MANATI	**10%**	**3,000 boe/d**
FZA-M-254	100%	Exploratory
FZA-M-539	100%	Development
CAMARÃO NORTE	10%	Development

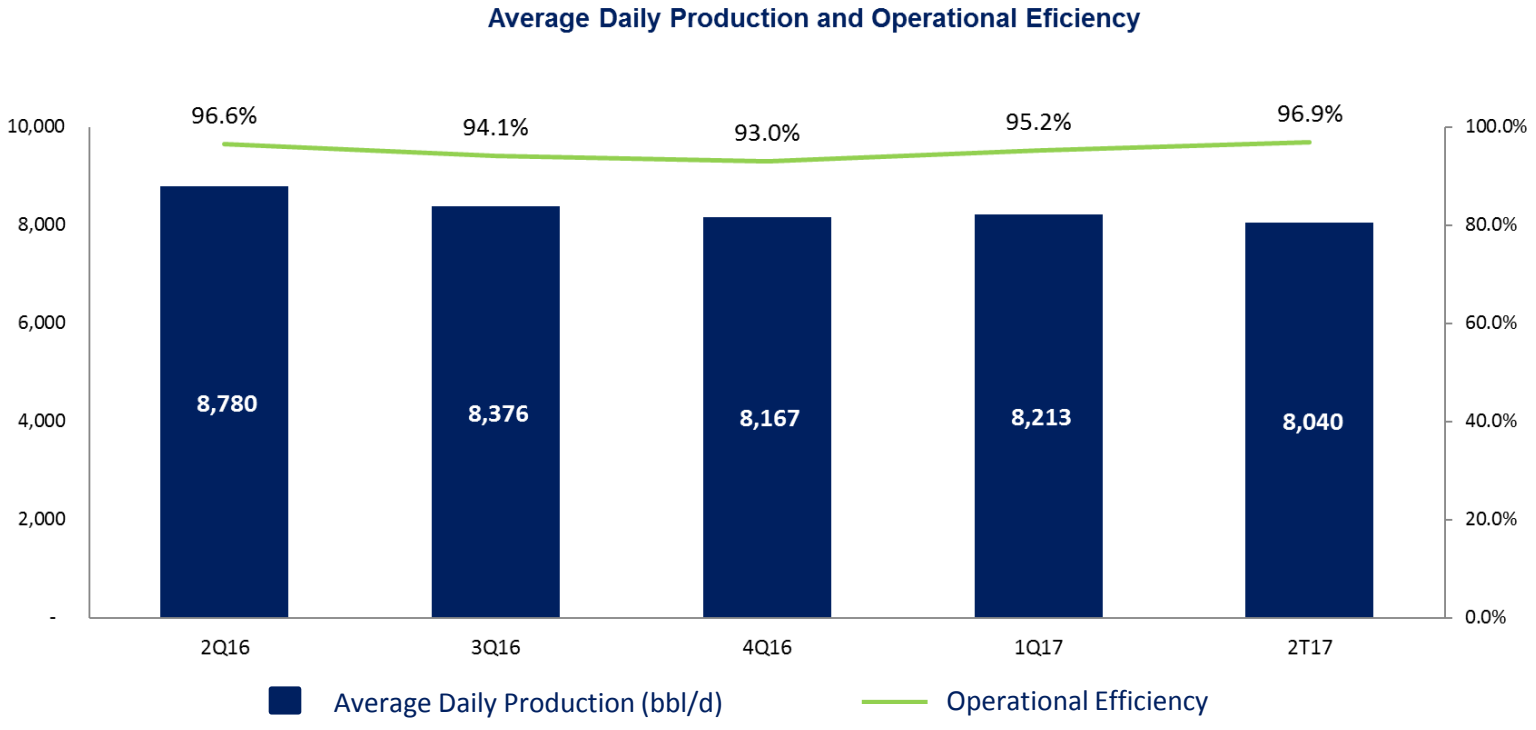
MACROECONOMIC SCENARIO



		2Q16	2Q17	Δ
BRENT	Last Price	US$ 49.68	US$ 47.92	-4%
	Quarter Average	US$ 47.02	US$ 50.79	8%
USD/BRL	Last Price	R$ 3.21	R$ 3.31	3%
	Quarter Average	R$ 3.50	R$ 3.22	-8%

PETRORIO

POLVO: PRODUCTION AND OFFTAKES

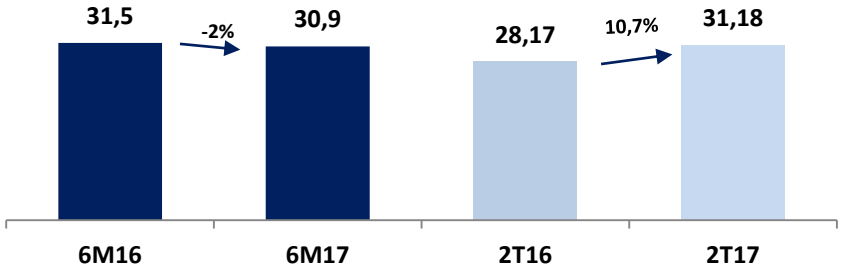


2017 Offtakes				
Quarter	**2Q17**			
Month	April	May	June	**TOTAL**
Volume (kbbl)	300,3	373,8	223,6	897,7
Gross selling price (US$/bbl)	53,88	50,05	47,55	50,71

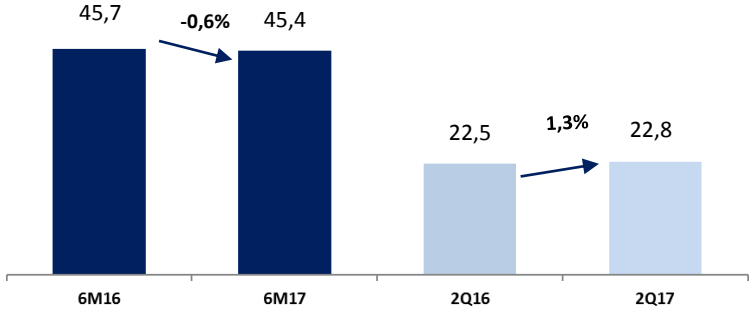
PETRORIO

LEAN OPERATION

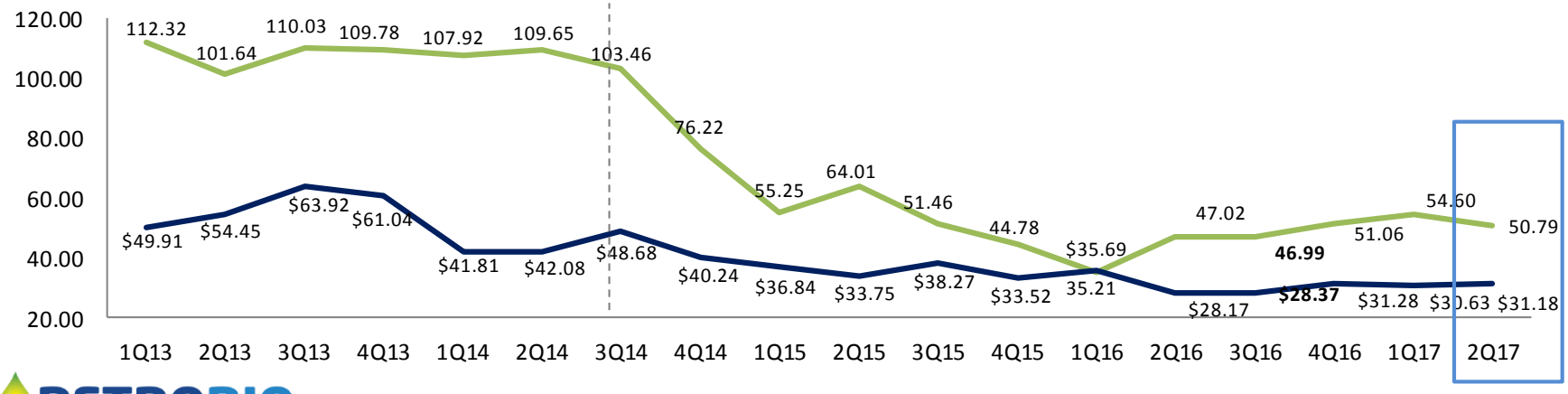
Lifting Cost (US$/bbl) Polvo Field



Operational Costs (US$ million) Polvo Field



Brent x Lifting Cost* (US$/bbl)

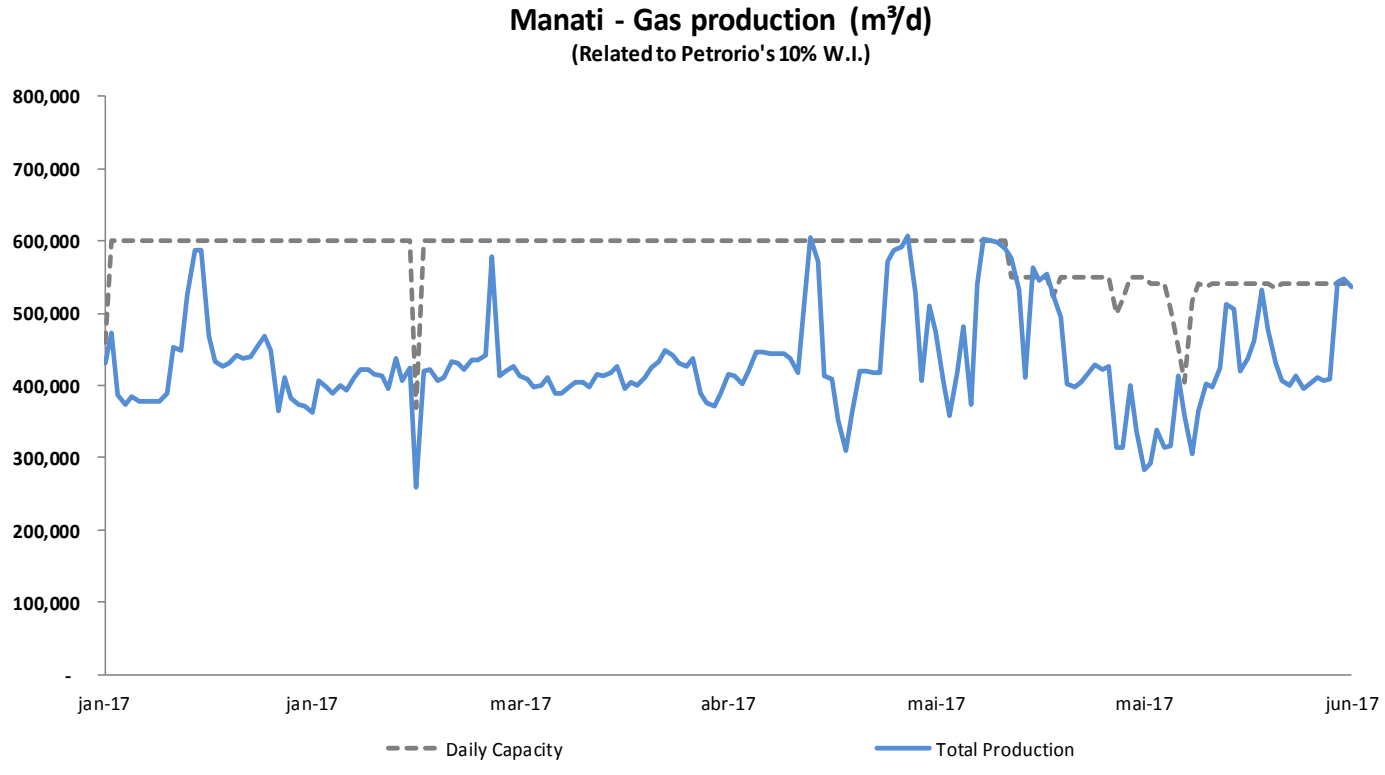


PETRORIO

Average Brent — Lifting Cost — PetroRio becomes operator

* 100% of the Field (Excluding amortization, depreciation and royalties)

MANATI: PRODUCTION

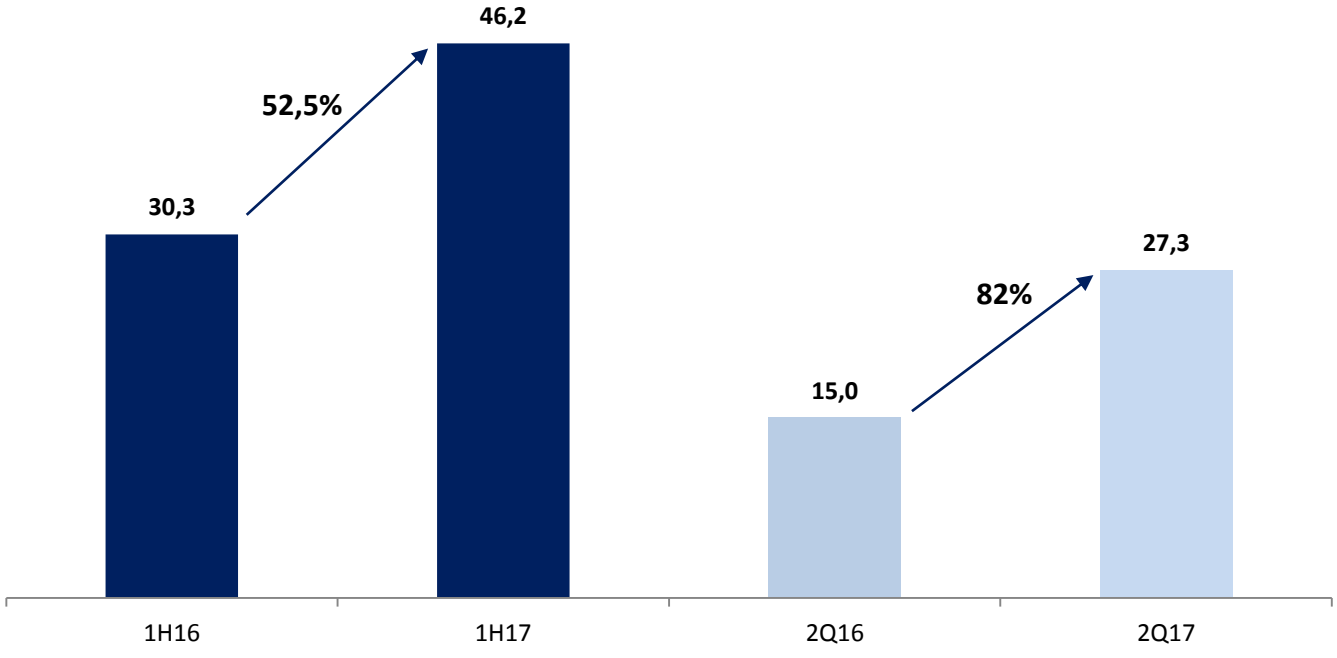


Average Volume – Petrorio 10% Interest (m³/d)			
April	May	June	2Q17
458,015	457,978	419,072	445,164

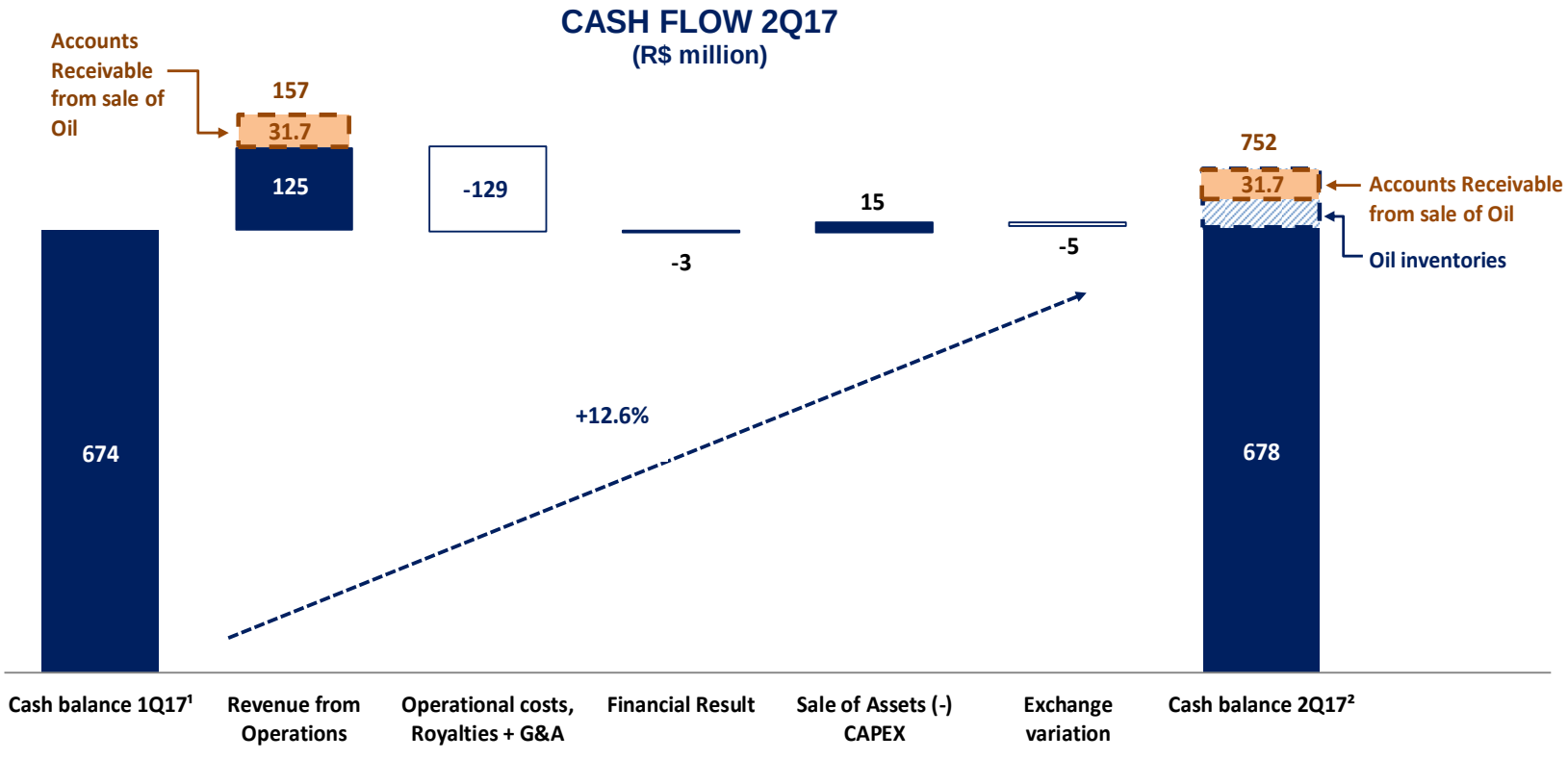
QUARTER RESULTS

	2Q17	2Q16	Δ	1H17	1H16	Δ
Revenues	155,507	103,382	50%	230,293	144,890	59%
Costs of products/services	(89,442)	(84,843)	5%	(137,041)	(135,219)	1%
Royalties	(15,029)	(7,867)	91%	(23,026)	(12,815)	80%
Results of Operations	**51,036**	**10,671**	**378%**	**70,226**	**(3,143)**	**-**
G&A, G&G and Project expenses	(27,285)	(15,017)	82%	(46,144)	(30,262)	52%
Other revenues/expenses	42,325	10,264	312%	42,431	8,097	424%
EBITDA	**66,076**	**5,919**	**1016%**	**66,513**	**(25,309)**	**-**
EBITDA Margin	42%	6%	48.2 p.p	28.9%	-17.5%	46.4 p.p
Adjusted EBITDA	**23,751**	**(4,346)**	**-**	**24,082**	**(33,406)**	**-**
Adjusted EBITDA Margin	15.3%	-4.2%	19.5 p.p	10.5%	-23.1%	33.6 p.p
Depreciation and amortization	(27,391)	(21,400)	28%	(40,108)	(32,981)	22%
Financial results	10,692	(35,877)	-	32,294	(58,096)	-156%
Income tax and social contribuition	(2,270)	336	-	(7,574)	(24)	31013%
Profit (loss) for the period	**47,107**	**(51,022)**	**-**	**51,125**	**(116,409)**	**-**

G&A EXPENSES (R$ MILLION)



FLUXO DE CAIXA



OUTLOOK 2H17

- Drilling two new wells in known reservoirs in the Polvo field. Ongoing negotiations with the National Petroleum Agency (ANP) are underway.
- Petrobras announced it will be selling several mature assets, increasing the local M&A deal flow. PetroRio is the most well positioned Company for M&A during 2H17.
- Improved cash generation capacity coming from the Manati operation will increase the Company's cash position
- Oil prices to stabilize between US$ 50 – 55 range which is profitable for PetroRio
- Petrobras to increase demand for Gas from Manati in 2H17, closer to the Field's capacity in order to reach the minimum annual volume provided by the take-or-pay agreement.

PETRORIO: BIGGEST INDEPENDENT OIL COMPANY IN BRAZIL



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