1Q17 RESULTS

MAY 15, 2017



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.

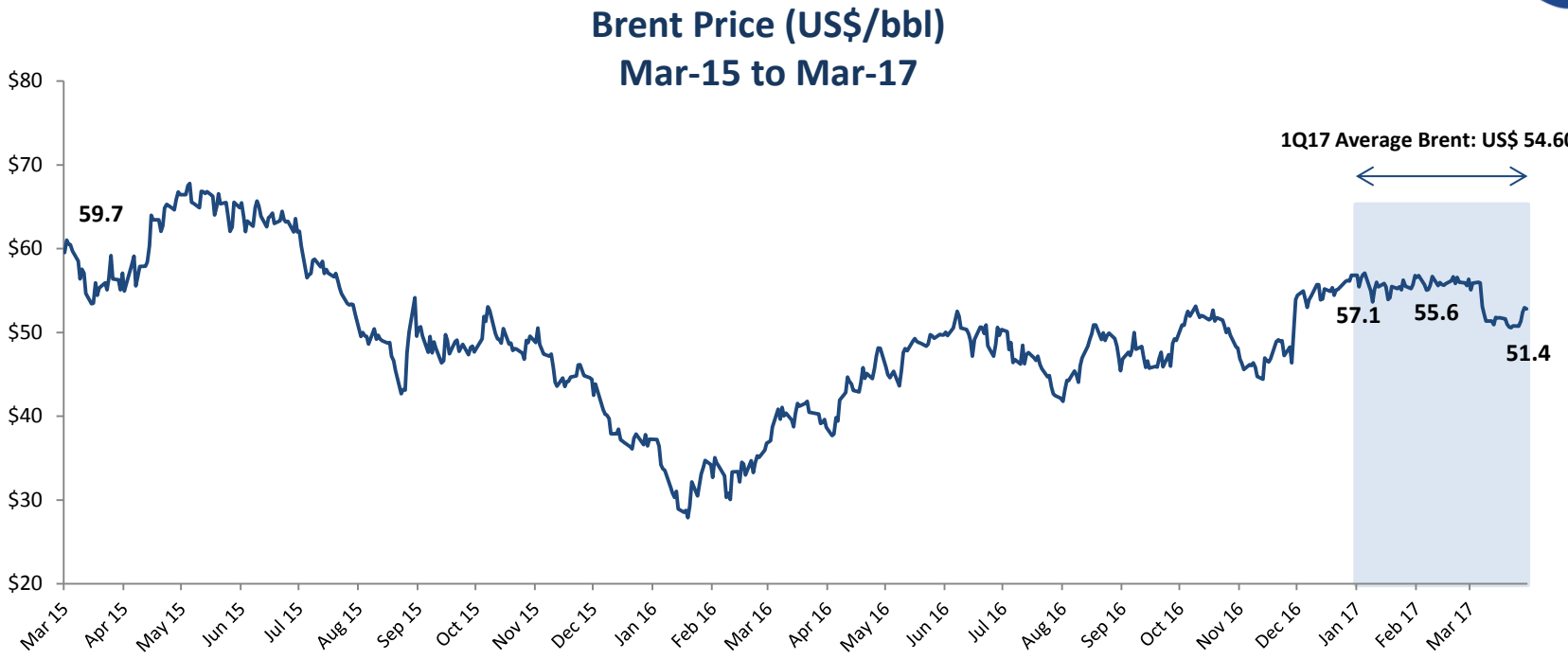
The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this presentation are made as of the date of this presentation. Except as required by applicable securities laws, we do not undertake to update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

1Q17 HIGHLIGHTS

1. Conclusion of the acquisition of 100% of Brasoil on March 20, 2016
2. Oil production of 739,212 barrels in the quarter, 14% higher than 1Q16
3. Lifting cost of US$ 30.63/bbl, 14% lower than 1Q16
4. Operational Efficiency of 95.2%, compared to 80% for the Campos Basin
5. Net Profit of R$ 4.0 million against Loss of R$ 65.4 million in 1Q16

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MACROECONOMIC SCENARIO

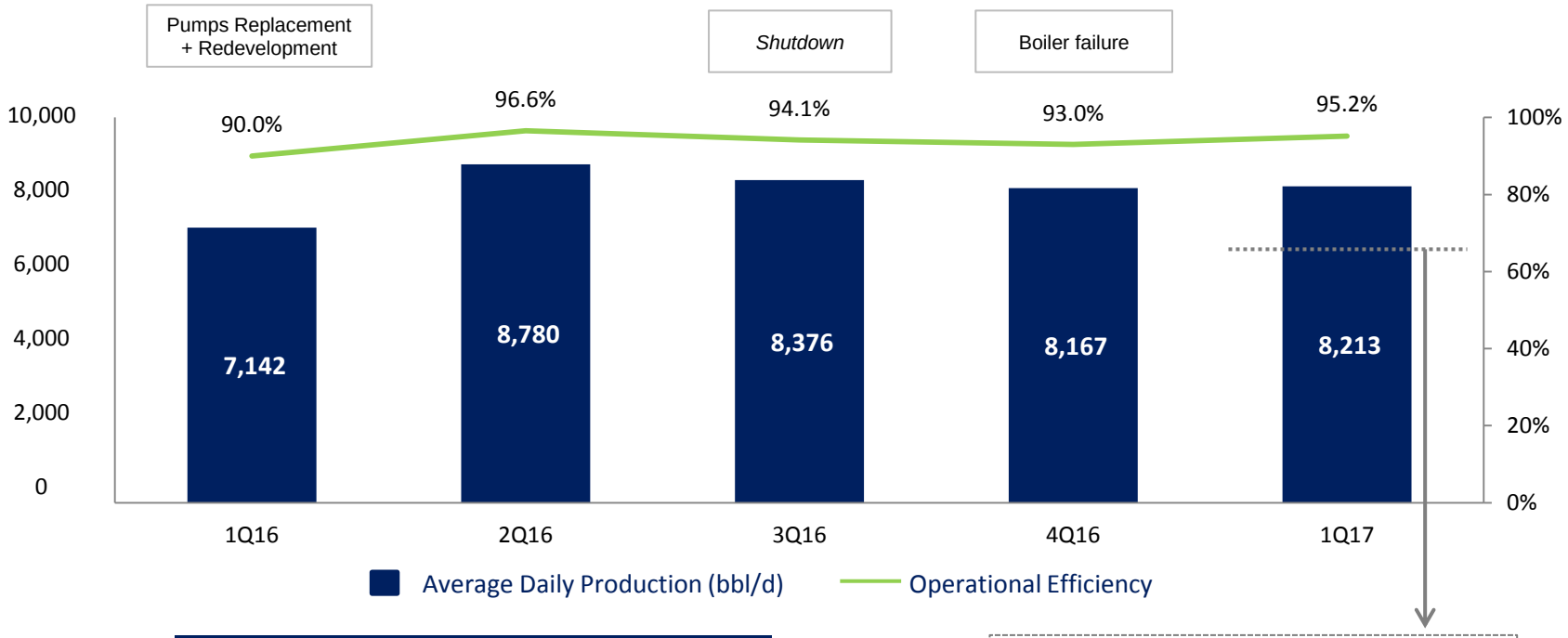


		1Q16	1Q17	Δ
Brent	Last price	US$ 39.60	US$ 52.83	33.4%
	Average price	US$ 35.20	US$ 54.60	55.1%
USD/BRL	Last price	R$ 3.59	R$ 3.12	-13.1%
	Average price	R$ 3.89	R$ 3.14	-19.3%

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POLVO: PRODUCTION AND OFFTAKES

Average Daily Production and Operational Eficiency



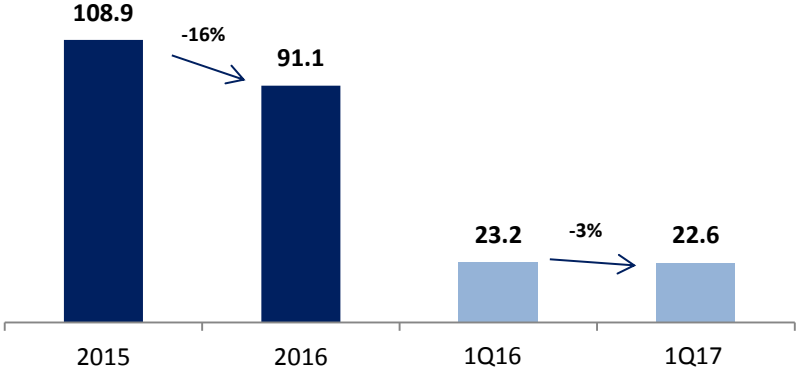
2017 Offtakes	
Quarter	1Q17
Month	March
Volume (kbbl)	503.3
Gross selling price (US$/bbl)	52.54

Redevelopment:

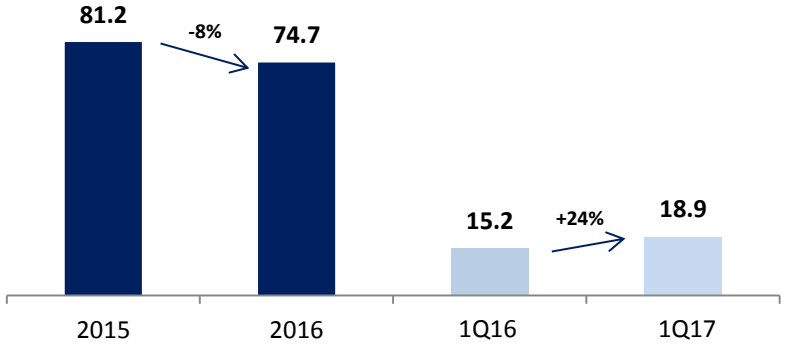
✓ Without workover operations the estimated production would be **6.7 kbbl/d**, 18% lower.

LEAN OPERATION

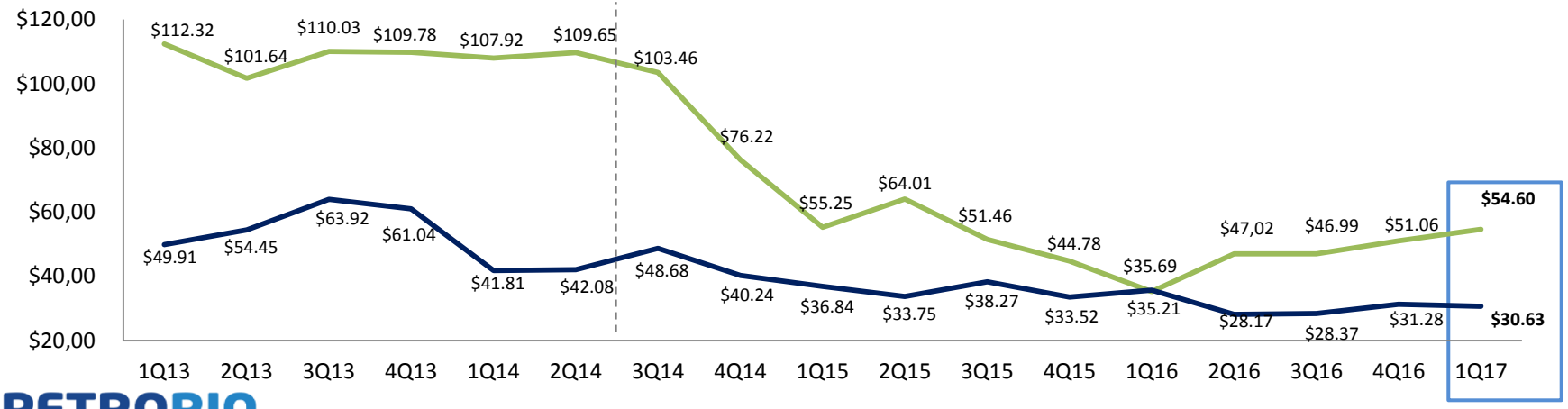
Polvo Field - Operational Costs (US$ million)



G&A expenses (R$ million)



Polvo Field - Brent x Lifting Cost[1] (US$/bbl)



1- 100% of the field (excl. depreciation, amortization and royalties)

ACQUISITION OF BRASOIL

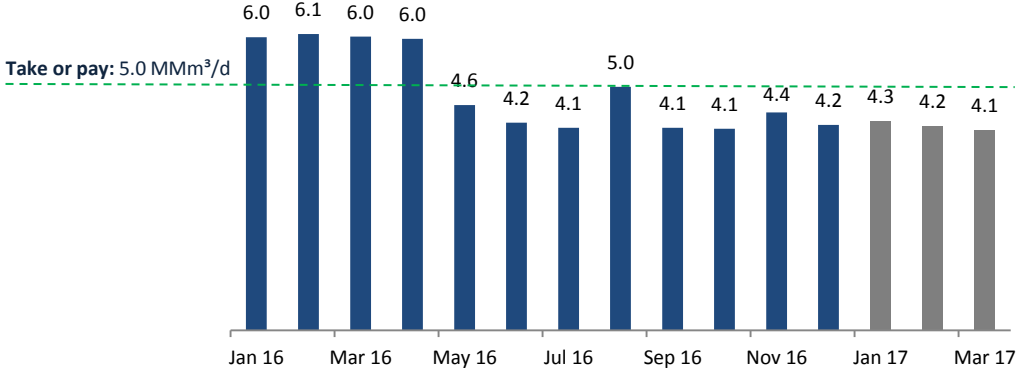
Highlights of the Acquisiton

- ✓ **Cash and Cash Equivalent[1]:** R$ 11.4 million
- ✓ **Total Debt:** R$ 40.7 million with maturity jan-18

Manati[2]:

- ✓ **Net Revenue:** R$ 23.1 million
- ✓ **EBITDA Margin**: ~70%
- ✓ Upside potential in developing Camarão Norte. Unitization process with Camarão field being conducted with ANP

Production (MMm³/d)



Asset Map



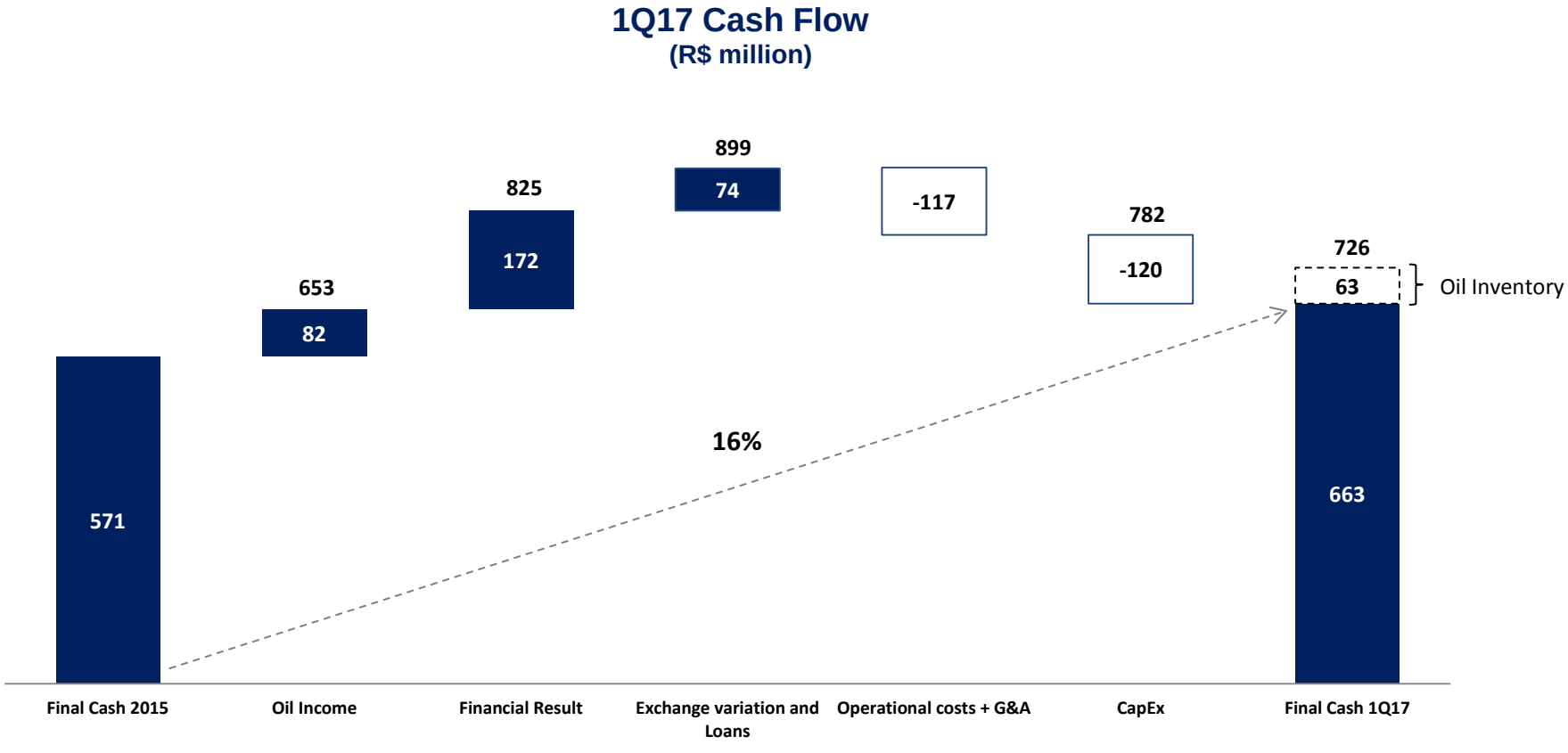
1- Of which R$ 11.1 million commited to debt repayment
2- Applies to the full quarter.

1Q17 RESULTS

R$ thousands

Proforma Income Statement	1Q16	1Q17
Offtakes (bbl)	380,255	503,312
Average selling price (US$/bbl)	28.35	52.54
Revenues	41,509	74,786
Costs of products/services	(50,376)	(48,554)
Royalties	(4,947)	(7,724)
Results of Operations	**(13,815)**	**18,509**
G&A, G&G and project expenses	(15,246)	(18,859)
Other revenue/expenses	(2,167)	106
EBITDA	**(31,228)**	**(245)**
Depreciation and amortization	(11,581)	(12,035)
Financial income	(22,219)	21,602
Income tax and social contribution	(360)	(5,304)
Profit / (loss)	**(65,387)**	**4,019**

1Q17 CASH FLOW



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Investor Relations
ri@petroriosa.com.br
www.petroriosa.com.br
+55 (21) 3721 3810

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