2016 RESULTS

MARCH 28, 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.

2016 HIGHLIGHTS

1. Brasoil acquisition, which diversifies our assets portfolio and increase our cash generation
2. *Lifting cost* of US$ 30.7/bbl, 14% lower than 2015 and 29% than 2014
3. *EBITDA* of R$ 329 million and Net Profit of R$ 242 million
4. Extension of Polvo's life span until 2022 and Proven Developed Reserves increased 9.1% when compared to 2015
5. Operational Efficiency of 93.4%, versus the Campos Basin's average of 80%

BRASOIL ACQUISTION



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BRASOIL ACQUISITION

Overview

- Company was founded in 2006 and owns concessions in 2 sedimentary basins:

Camamu-Almada

- 10% of the offshore block BCAM-40 which includes:
  - **Manati:** natural gas field that had procuded 4.9 MMm³/d during 2016
  - **Camarão Norte:** natural gas field at development stage which is located 15km away from Manati

Foz do Amazonas

- Blocks located in the Equatorial Margin, main exploration frontier area in Brazil
  - **FZA-M-539: Pirapema**, natural gas discovery; estimates of 20 billion m³ of gas-in-place
  - **FZA-M-254**





Manati fixed platform

Strategic value

- Secong cash generating asset; BRL revenues indexed by the IGP-M
- Operational risk reduction; better leverage as to the possibility of raising capital
- Revenues are not impacted by the variation of oil price
- G&A spreading; operational and tax synergies

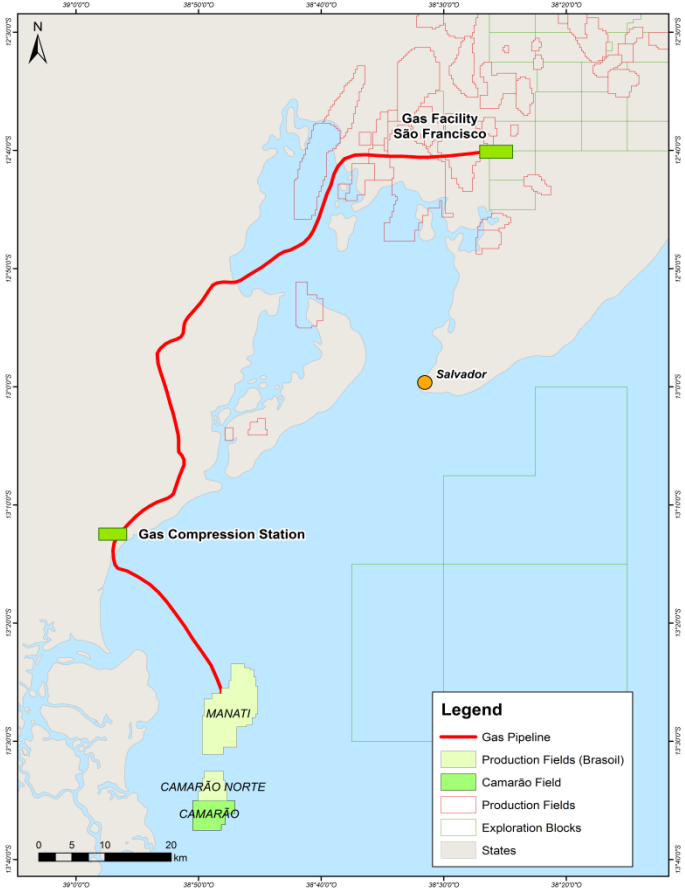
1- ANP production dez/2016; non-associated natural gas

MANATI

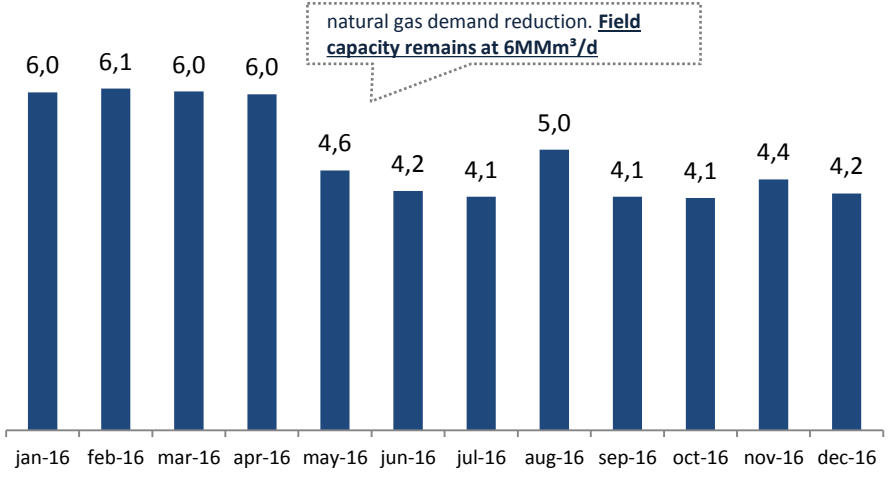
Natual gas field located in the Camamu- Almada basin, 65km away from Salvador-BA

Highlights

- Third largest natural gas field in Brazil[1]
- Proved Reserve of 0,9 Billion m³ (10% Brasoil) – D&M (31/12/2016)
- Predictable and stable cash flow; take or pay contract with Petrobras
- EBITDA margin[2] of ~70% (as of 31/12/2015)
- Possibility of developing Camarão Norte



Historical Production[3]



1- ANP production dez/2016; non-associated natural gas

2- Net revenue/*Ebitda*

3- ANP Production

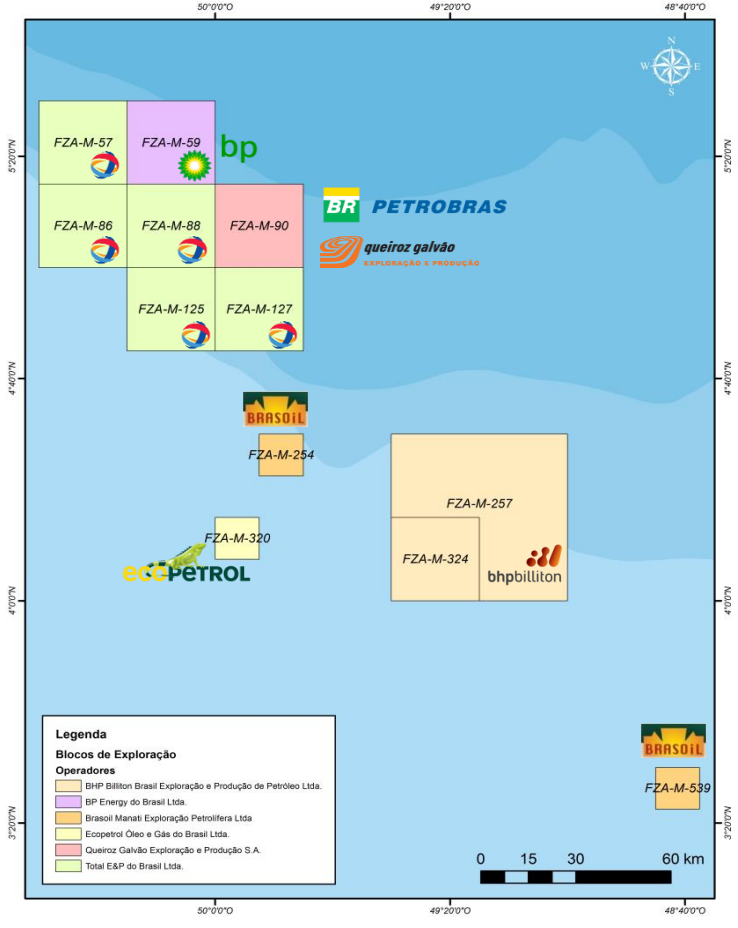
EXPLORATORY AND UNDER DEVELOPMENT ASSETS

Under development

- **Pirapema**
  - Natural Gas discovery
  - 2 drilled wells
  - ***Gas-in-place***: 20 billion m³ estimated (100% Manati = 33 Billion m³)
  - **Water Depth:** 130m
- **Camarão Norte**
  - Unitization process with Camarão field is being conducted along with ANP
  - Tie-back with Manati facility

Exploratory

- **FZA-M-254**
  - 3D Sismics being processed; Oil asset
- **FZA-M-539** (Pirapema)

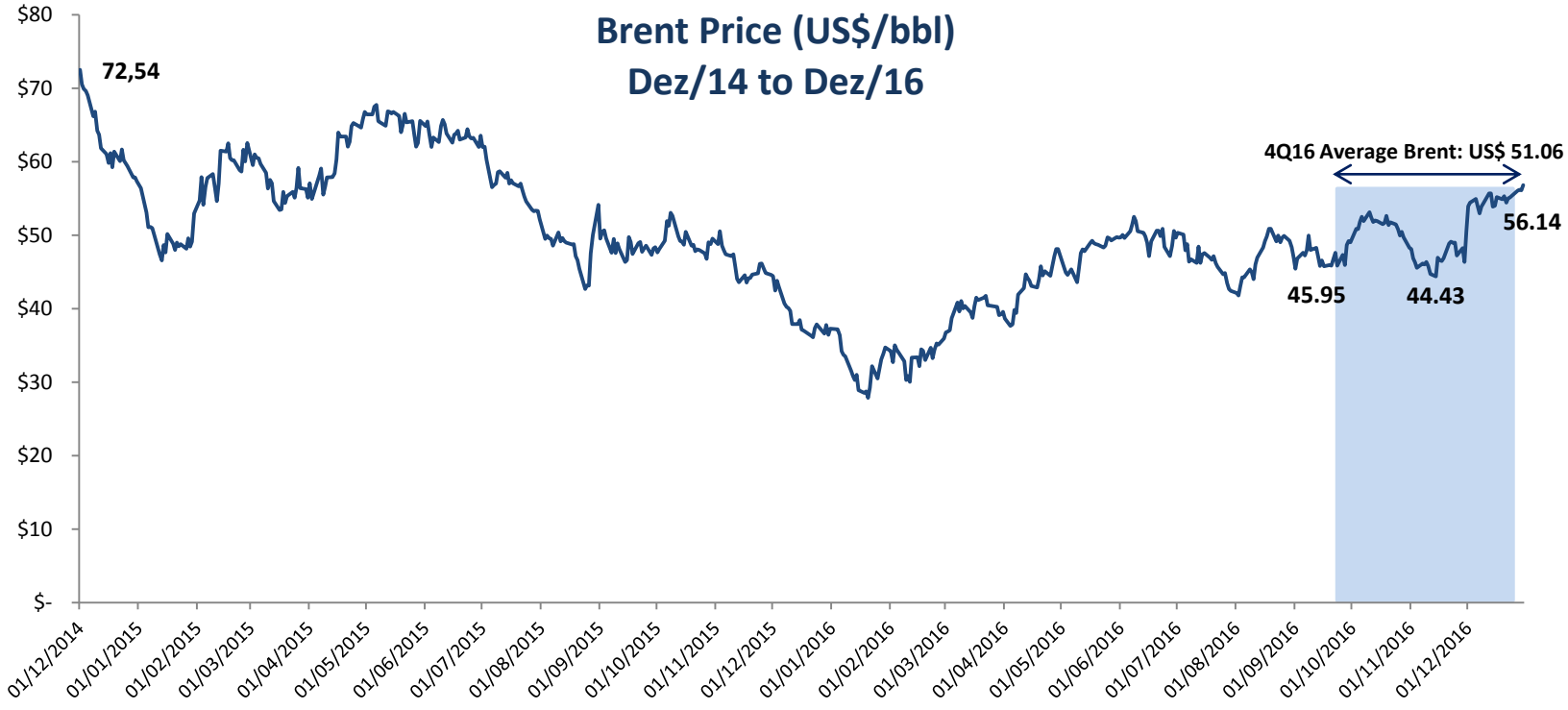


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2016 RESULTS



MACROECONOMIC SCENARIO

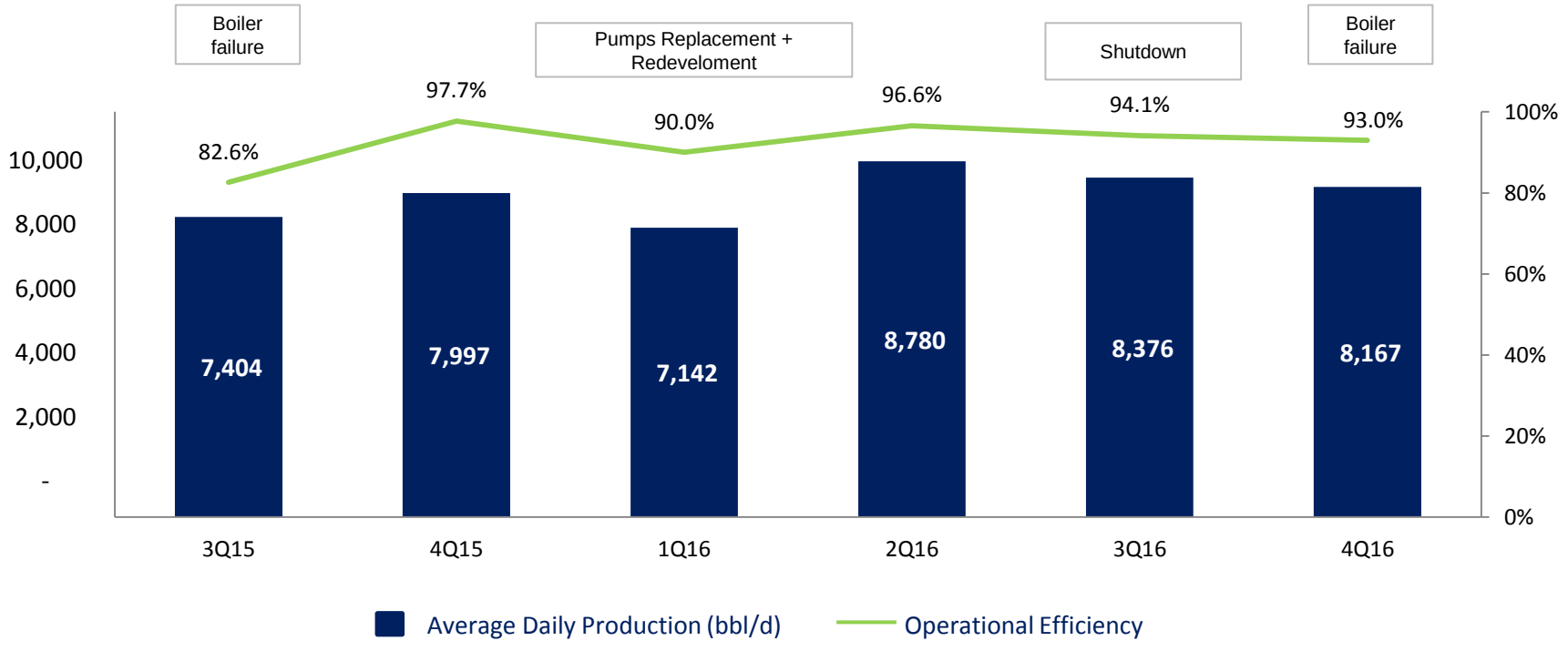


		4Q15	4Q16	Δ
Brent	Last price	US$ 37.28	US$ 56.82	52.4%
	Average price	US$ 44.69	US$ 51.06	14.3%
USD/BRL	Last price	R$ 4.01	R$ 3.25	-19.0%
	Average price	R$ 3.86	R$ 3.29	-14.8%

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POLVO: PRODUCTION AND OFFTAKES

Average Daily Production and Operational Eficiency

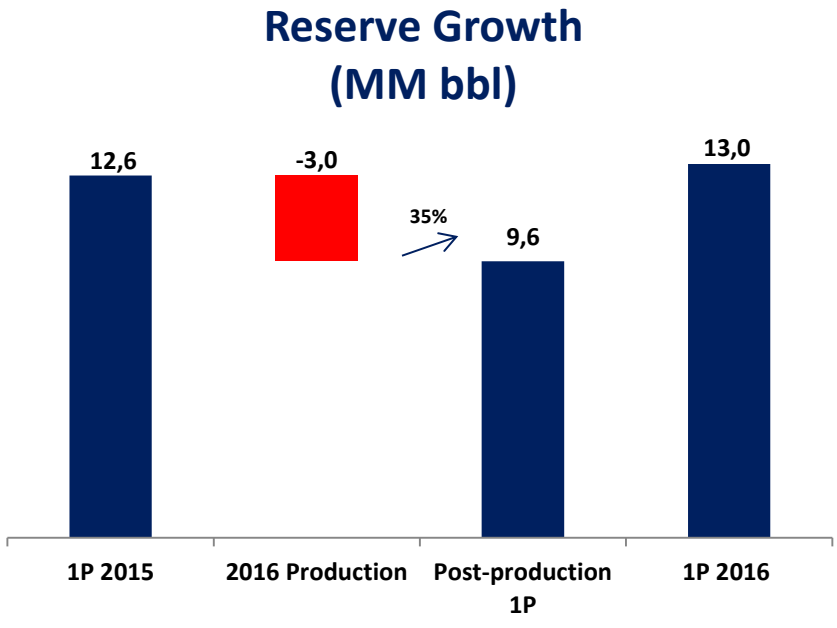


2016 Offtakes								
Quarter	*1Q16*	*2Q16*		*3Q16*		4Q16		2016
Month	March	April	May	July	September	November	December	**Total**
Volume (kbbl)	380.3	399.1	367.6	305.4	751.4	299.1	477.0	**2,980**
Gross selling price (US$/bbl)	36.29	43.34	47.65	46.53	51.39	47.08	54.88	**47.55**

RESERVES REPORT

Reserve Certification – DeGolyer and MacNaughton

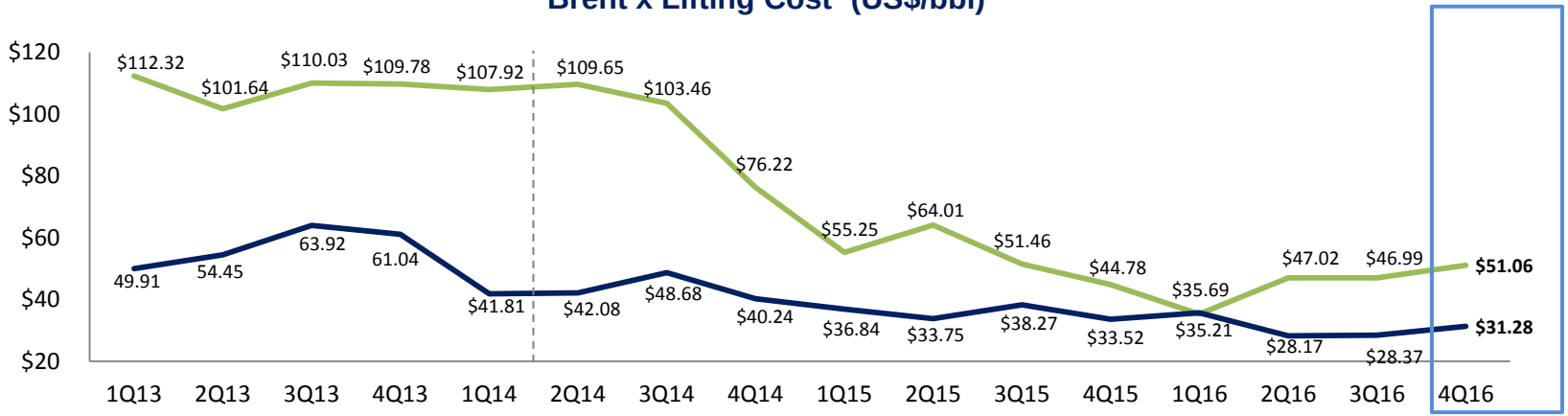
	2015		2016	
	Reserve (MM bbl)	**NPV 10% (MM USD)**	**Reserve (MM bbl)**	***NPV* 10% (MM USD)**
Proved Developed	8.3	47.9	9.1	135.0
Proved Undeveloped	4.3	12.,5	3.9	140.8
Total Proved	**12.6**	**176.4**	**13.0**	**275.9**
Probable Reserves	6.8	158.4	2.3	67.8
2P	19.4	334.8	15.4	343.6
3P	25.0	473.4	21.2	476.7



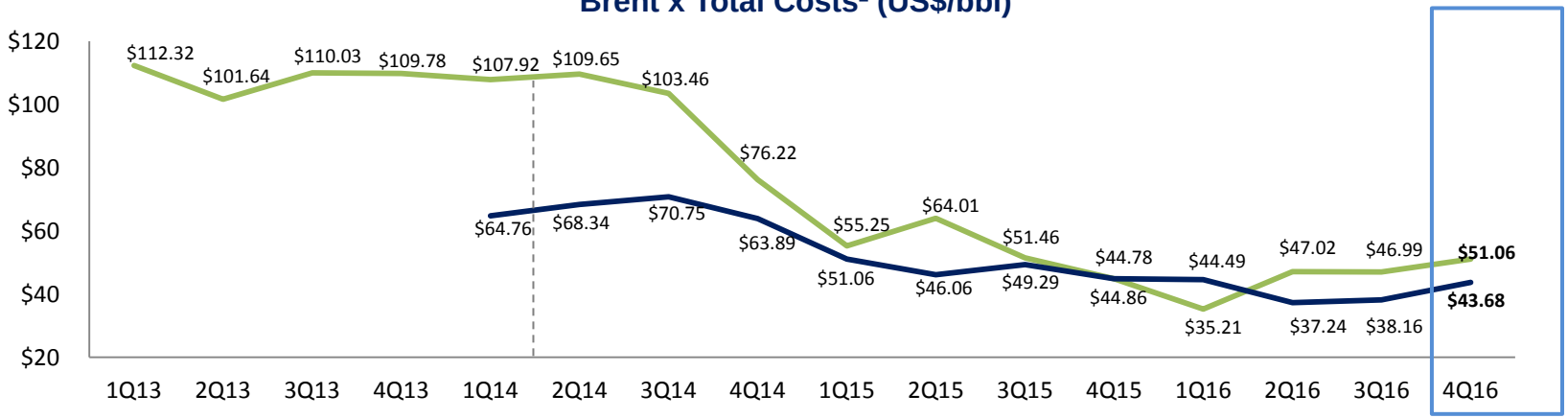
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COSTS X BRENT

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



Brent x Total Costs[2] (US$/bbl)



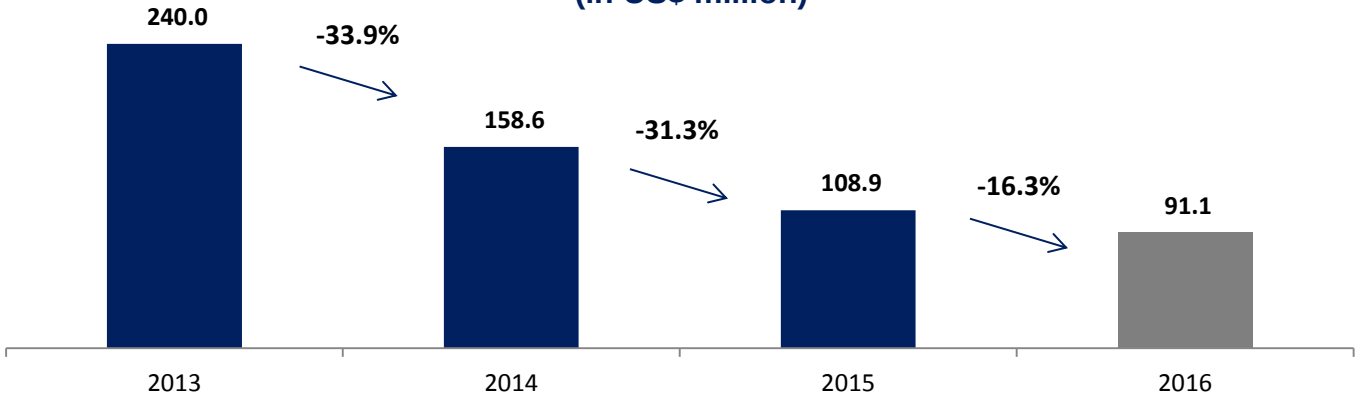
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Average Brent — Lifting Cost/Total Costs - - - Beginning of PetroRio operation

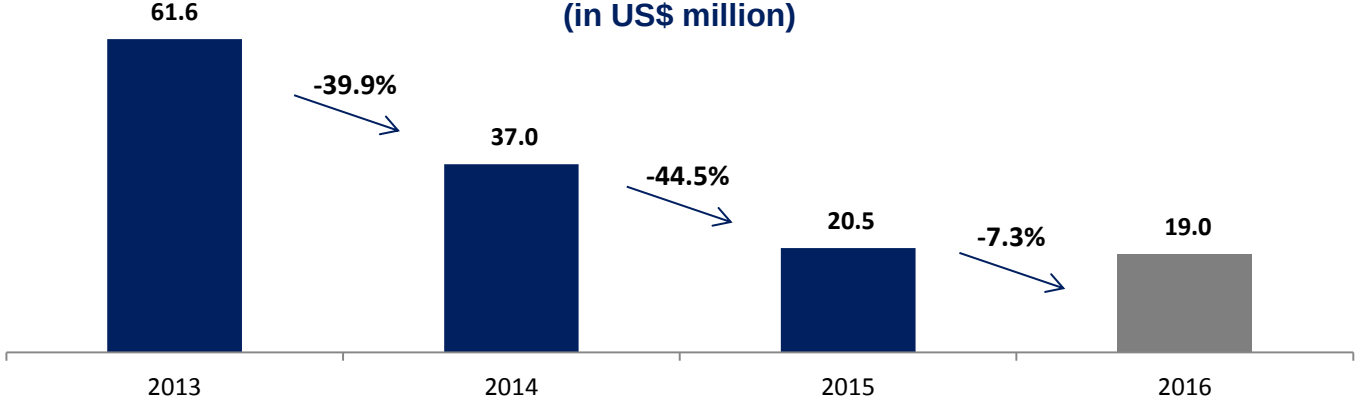
1- 100% of the field (without depreciation, amortization and royalties)
2- It includes G&A expenses, producing costs and *royalties*

LEAN OPERATION

Operational Costs – Polvo Field (in US$ million)



G&A expenses (in US$ million)

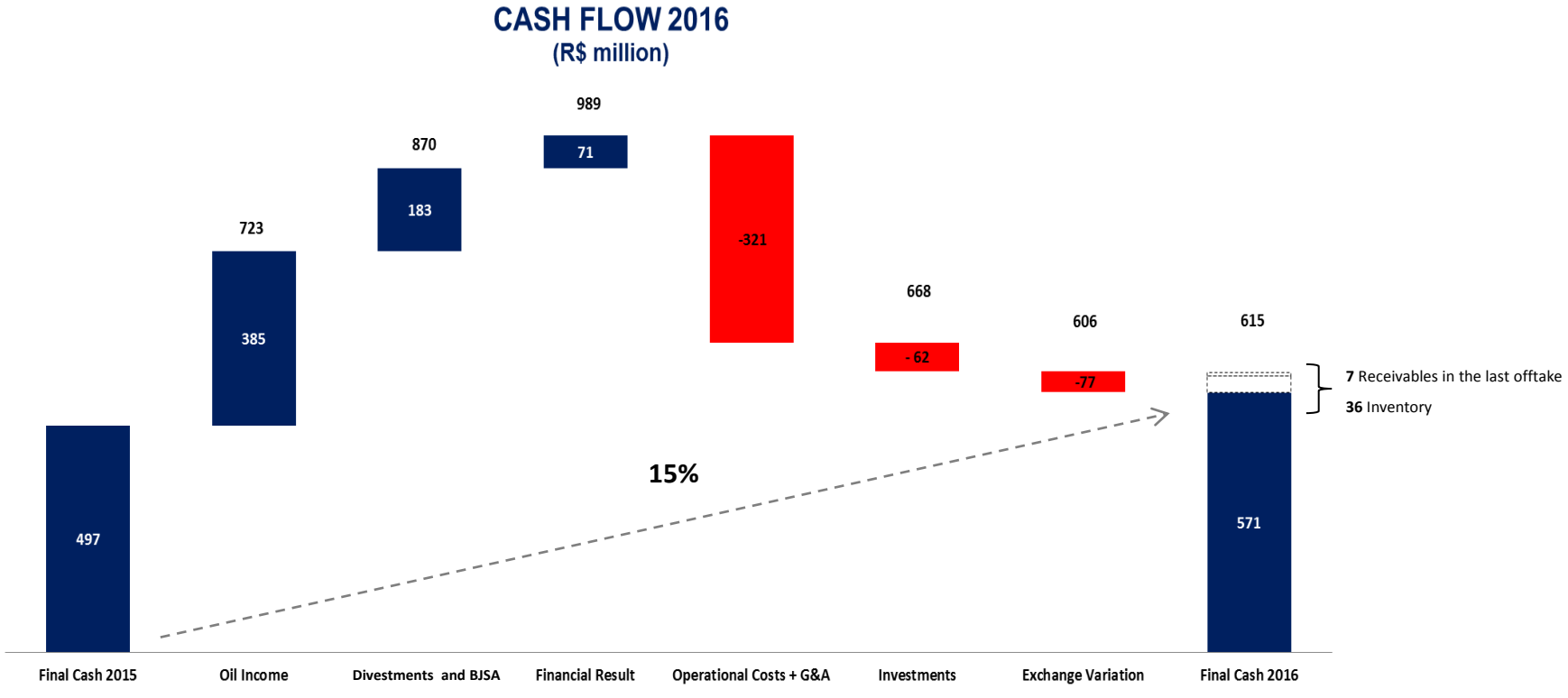


2016 RESULTS

R$ thousands

	Annual			Quarter		
Proforma Income Statement	**Dez/15**	**Dez/16**	**%**	**4T15**	**4T16**	**%**
Offtakes (bbl)	1,798,700	2,979,925	66%	402,503	776,180	93%
Average selling price (US$)	49.85	47.55	-	35.03	51.87	-
Revenues	253,071	397,871	57%	23,469	113,739	385%
Costs of products/services	(205,557)	(303,817)	48%	(51,204)	(72,550)	42%
Royalties	(26,259)	(35,449)	35%	(4,847)	(9,553)	97%
Results of Operations	**21,255**	**58,605**	**176%**	**(32,582)**	**31,636**	**197%**
G&A, G&G and Project expenses	(81,159)	(74,661)	-8%	(27,351)	(29,961)	10%
Other revenues/expenses	209,954	344,709	64%	182,423	352,945	93%
EBITDA	**150,050**	**328,653**	**119%**	**122,490**	**354,620**	**190%**
EBITDA margin	*59.3%*	*82.6%*	-	*521.9%*	*311.8%*	-
Depreciation and amortization	(65,836)	(69,569)	-	37,968	(21,141)	-
Financial income	(42,115)	54,085	-	(7,050)	(51,630)	-
Exchange variation	62,795	(60,218)	-	26,550	(6,401)	-
Income and social contribution	5,527	(11,329)	-	216	11,112	-
Profit (loss)	**110,421**	**241,622**	**119%**	**180,174**	**286,560**	**59%**

2016 CASH FLOW



PETRORIO: LARGEST BRAZILIAN INDEPENDENT OIL & GAS PRODUCER



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