CONFERENCE CALL 1Q18

MAY 11, 2018



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.

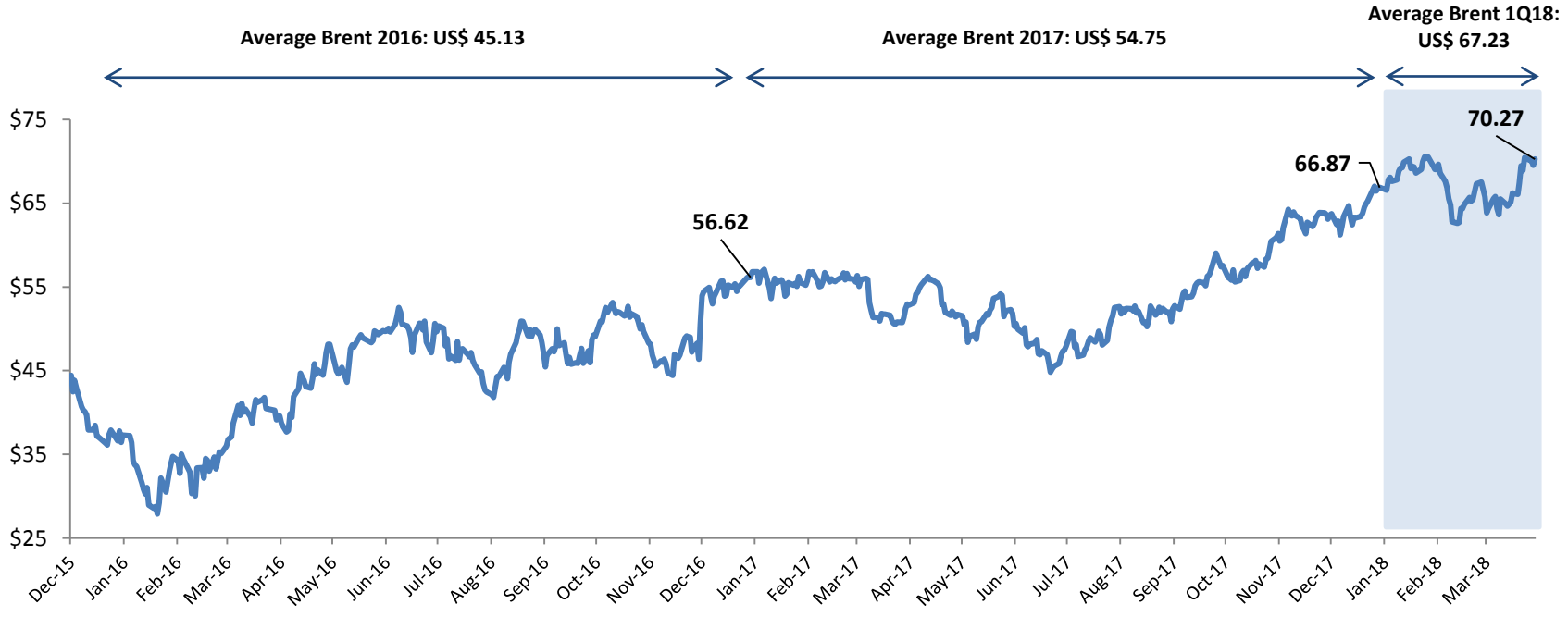
1Q18 HIGHLIGHTS

- Net revenue of R$ 117 million, 56% higher than 1Q17
- Gross selling price of US$ 64.7 in 1Q18, against US$ 52.5 in 1Q17
- EBITDA of R$ 14.8 million in 1Q18 (R$ 0.4 million in 1Q17)
- Operating Efficiency in Polvo of 84.8% (excluding the scheduled shutdown: 94.6%)

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MACROECONOMIC SCENARIO

Brent Price (US$/bbl)
Dec/15 to Mar/18



		1Q17	1Q18	Δ
Brent	Last price	$ 52.83	$ 70.27	33.0%
	Average price	$ 54.61	$ 67.23	23.1%
USD/BRL	Last price	3.12	3.31	5.9%
	Average price	3.14	3.24	3.1%

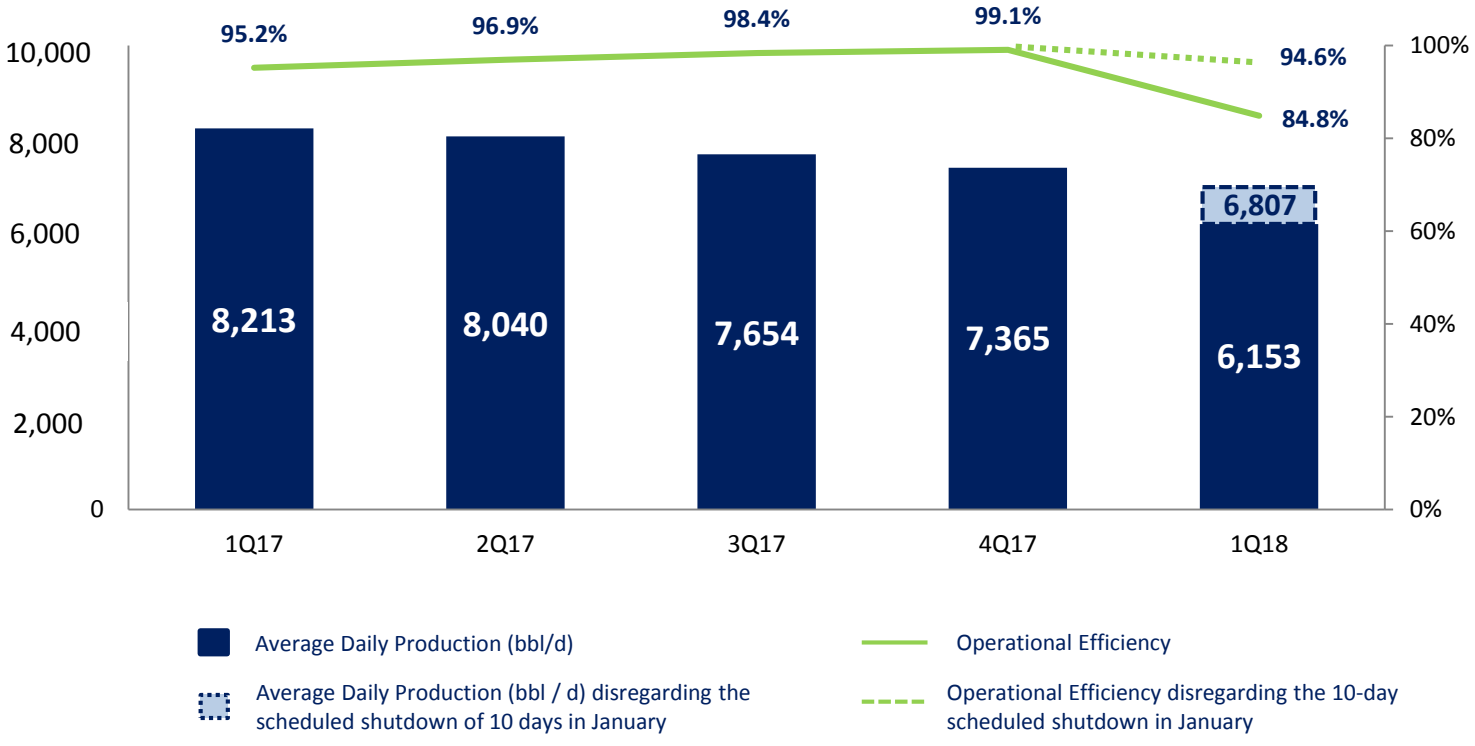
PETRORIO

POLVO: OFFTAKES

OFFTAKES									
Quarter	1Q17	2Q17			3Q17	4Q17		2017	1Q18
Month	March	April	May	June	August	October	December	Total	March
Volume (kbbl)	503.3	300.4	373.8	223.6	596.9	418.9	425.5	**2842.4**	**463.3**
Gross selling price (US$/bbl)	52.5	53.9	50.1	47.6	51.9	56.1	64.1	**54.1**	**64.71**
% of sale in 1Q18	18%	11%	13%	8%	21%	15%	15%	**100%**	**100%**

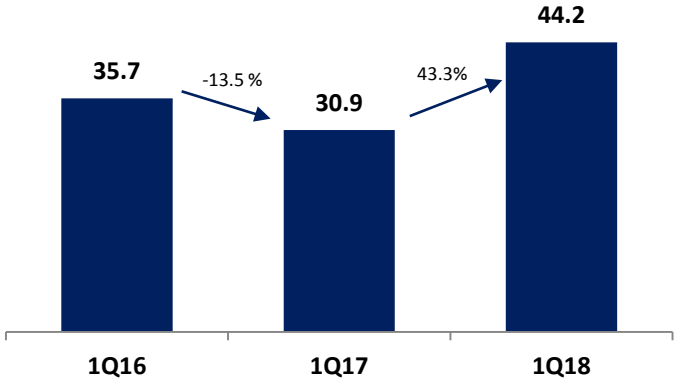
POLVO: PRODUCTION AND OPERATIONAL EFFICIENCY

Average Daily Production and Operational Efficiency

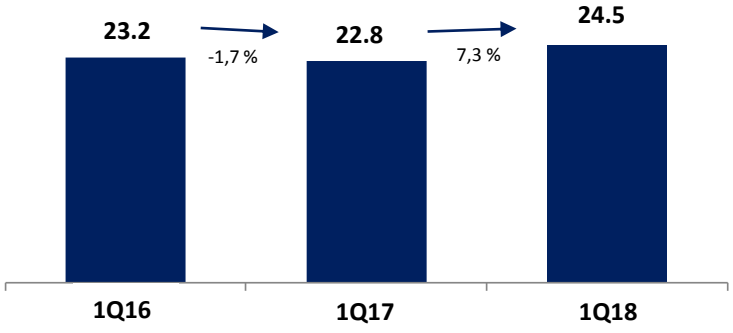


POLVO: LEAN OPERATION

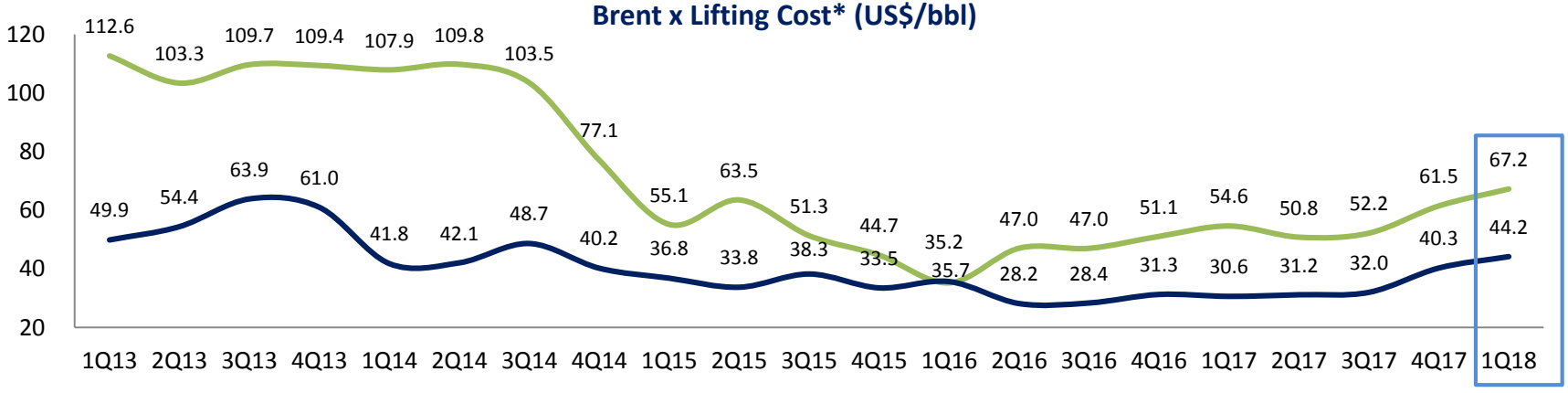
Lifting Cost - Polvo Field (US$/bbl)



Operational Costs - Polvo Field (US$ million)



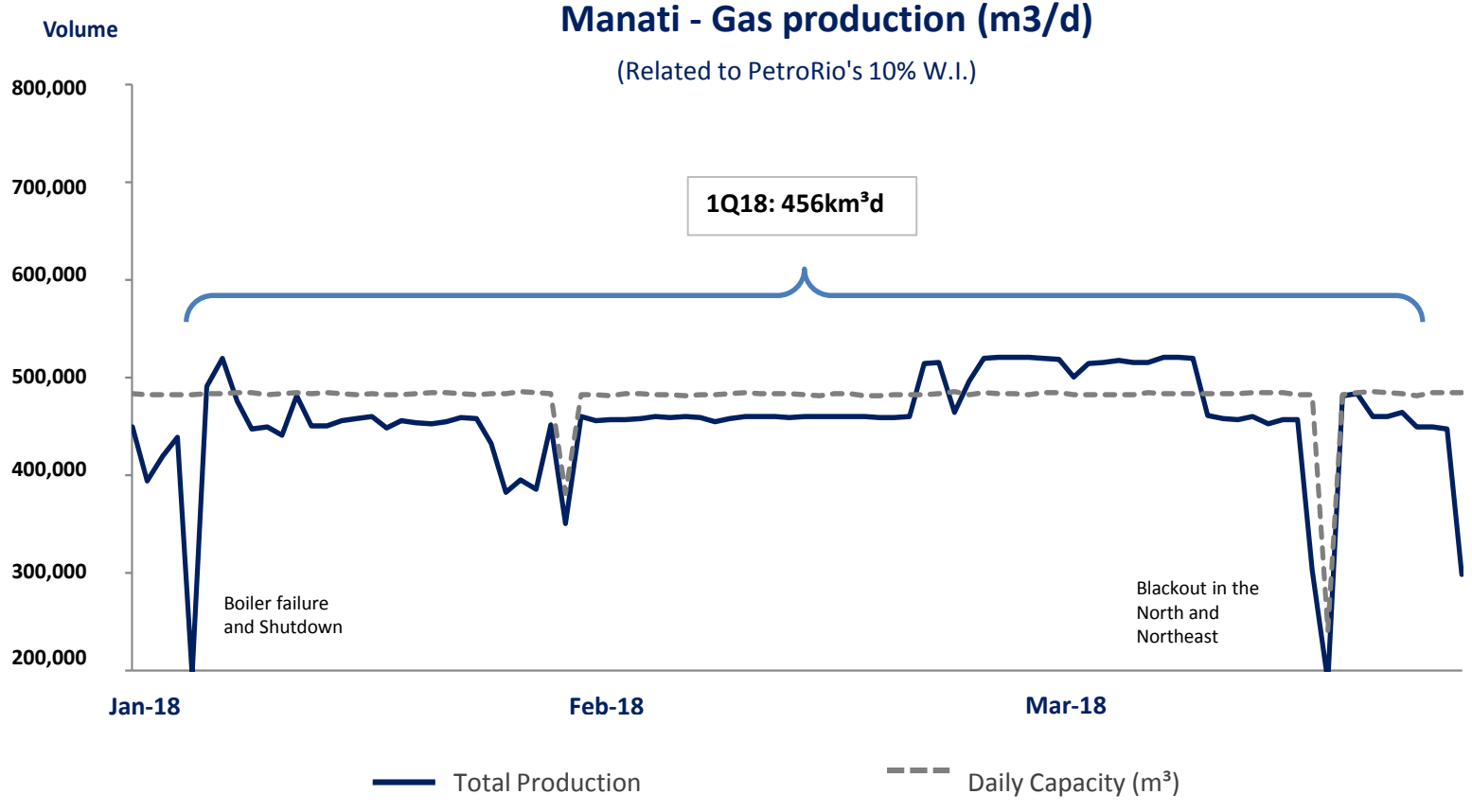
Brent x Lifting Cost* (US$/bbl)



Average Brent — Lifting Cost

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

MANATI: PRODUCTION



QUARTER RESULTS

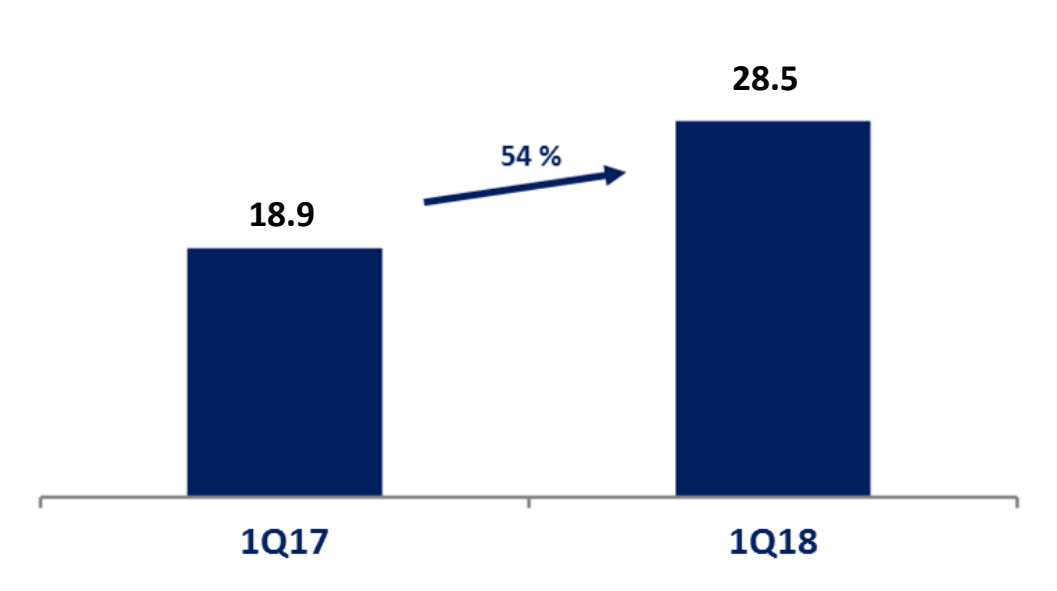
R$ thousand

Proforma Income Statement	1Q17	1Q18	Δ
Sales Volume - Oil (bbl)	**503,311**	**463,323**	**-8%**
Sales Volume - Gas (Mm³)*	**4,505**	**38,520**	**755%**
Revenues	74,786	117,155	57%
Cost of products/services	(47,599)	(66,566)	40%
Royalties	(7,996)	(10,762)	35%
Cost of products/services	**19,190**	**39,827**	108%
G&A, G&G and Project expenses	(18,859)	(28,553)	51%
Other revenues/expenses	106	3,533	3233%
EBITDA	**437**	**14,807**	3288%
EBITDA Margin	0.6%	12.6%	12 p.p.
Depreciation and Amortization	(12,716)	(16,922)	33%
Financial results	21,602	4,493	-79%
Income Tax and Social Contibuition	(5,304)	316	-
Profit (loss) for the period	**4,019**	**2,694**	-33%

* Manati's Net Gas Volume refers to PetroRio's 10% stake in the consortium as of the asset's acquisition on March 20, 2017

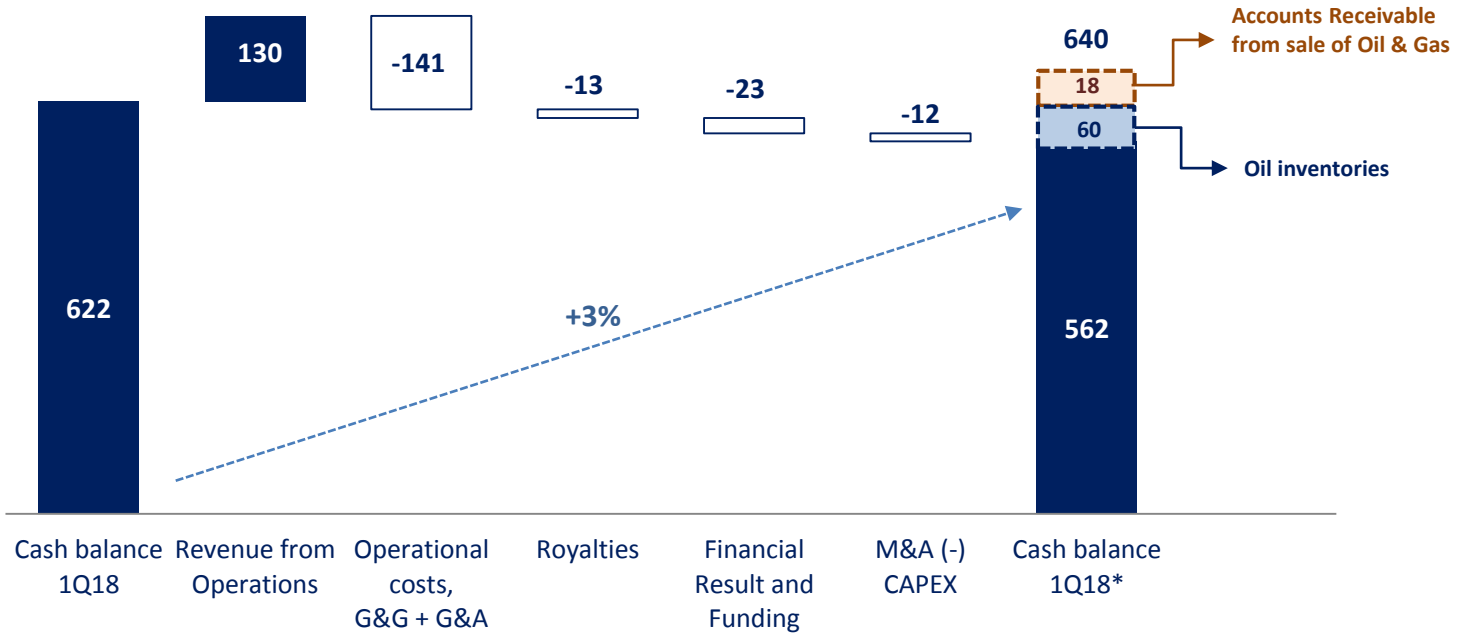
G&A EXPENSES

(R$ MILLION)



CASH FLOW 1Q18

(R$ MILLION)



* Includes cash, cash equivalentes and oil inventory

OUTLOOK 2018

- Oil price recovery improves contribution margin
- Start of the Drilling Campaign in Polvo Field and optimism with the results
- Advancing in negotiatons for the aquisitions of mature producing fields
- Increase in interest in "PRIO3" with the continued expansion of the share’s daily trading volumes

PETRORIO: BIGGEST INDEPENDENT OIL COMPANY IN BRAZIL



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