1Q16 RESULTS

MAY 13, 2016



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.

READY TO GROW

PetroRio has a defined growth strategy, comfortable liquidity position and counts on a team prepared and motivated to achieve its goals.

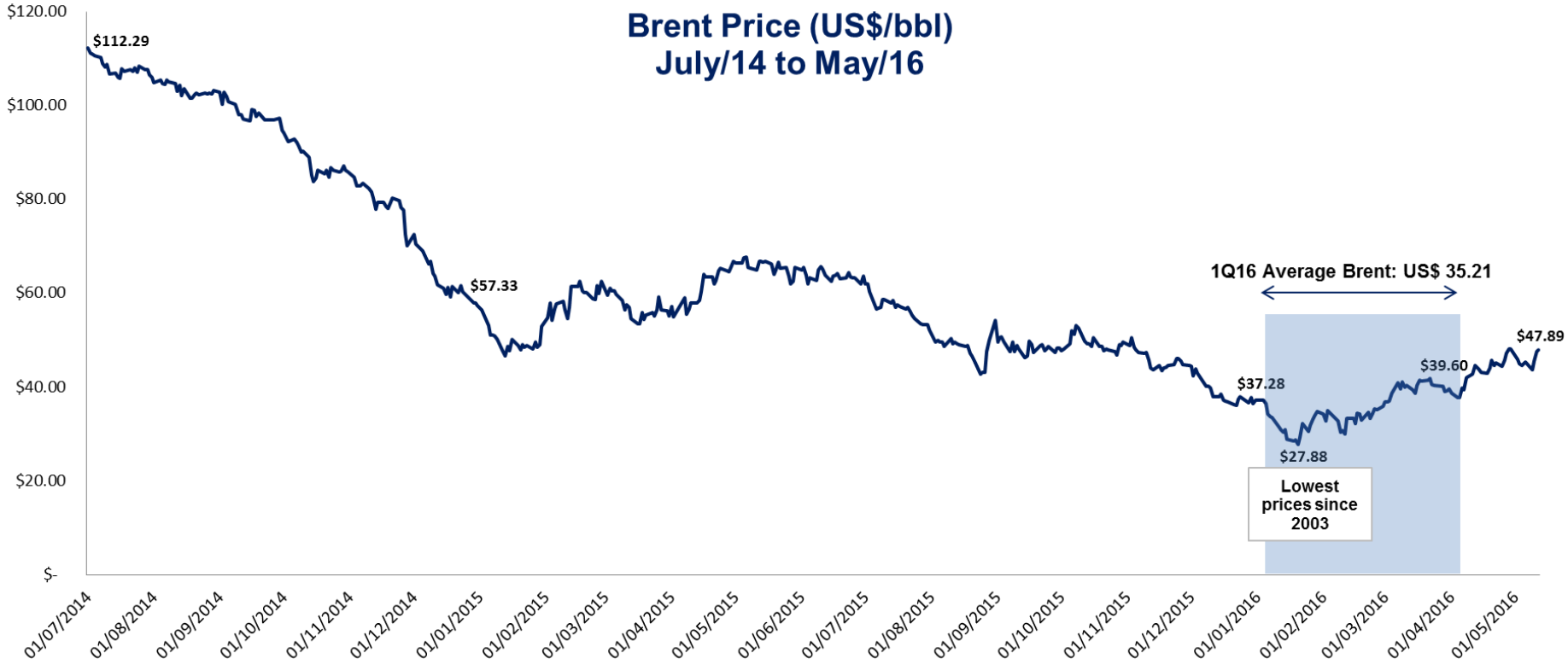
Growth strategy:

- **Acquisition of producing fields – scale gains**
- **Redevelopment – addition of new reserves and extension of the field's economic life: replicate Polvo Field case**





MACROECONOMIC SCENARIO



	1Q15	1Q16	Δ
Brent price on March 31	US$ 55.11	US$ 39.60	-28.1%
Average Brent price in the quarter	US$ 55.25	US$ 35.21	-36.3%
BRL/USD rate on March 31	R$ 3.21	R$ 3.59	11.8%
Average BRL/USD rate in the quarter	R$ 2.87	R$ 3.90	35.9%

POLVO REDEVELOPMENT

Extension of economic life by increasing production from proved undeveloped reserves (1P) and probable reserves (2P), with estimated growth of 1.7 MM bbl in proved reserves

First stage:

- **Started in Jan/16**
- **Temporary impact on production**
- **Interventions in three wells: POL-A e POL-T in production, POL-Gx abandoned since 2008**
- **Recompletions: access to unexplored areas**
- **Enhanced Oil Recovery (EOR): polymer injection aiming to reduce water production**
- **Capex: US$ 12.5 MM total; US$ 5.1 MM in 1Q16**

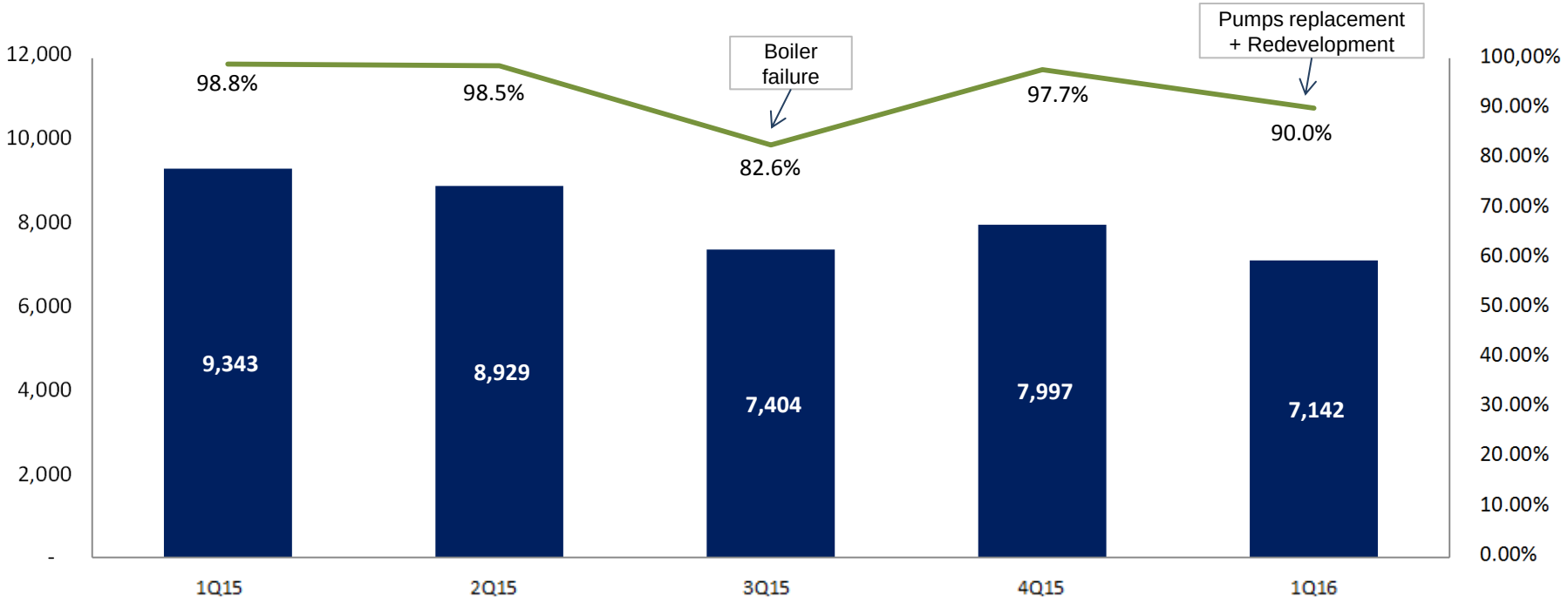
Next steps:

- **Evaluation of results**
- **Analysis of new wells, feasibility study for drilling new wells**



POLVO: PRODUCTION AND OFFTAKES

Average Daily Production and Operational Efficiency



1Q16 Offtakes
March
380,255 bbl
US$ 36.29

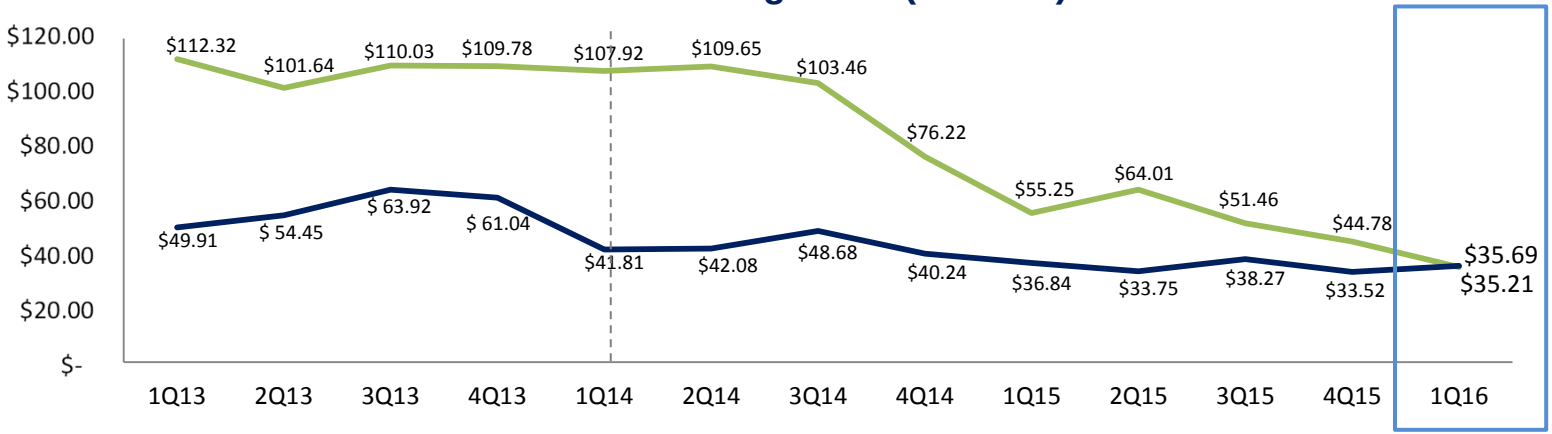
Operational Efficiency

Average Daily Production (bbl/d)

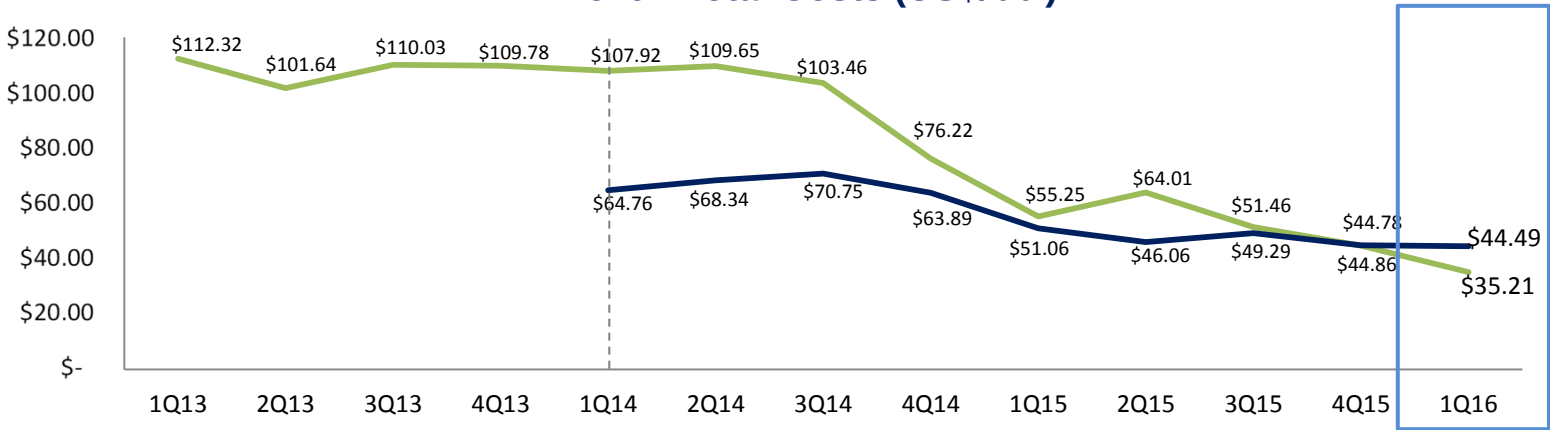
PetroRio revised its calculation methodology for operational efficiency.
The information presented above are already revised according to the new methodology.

COSTS X BRENT

Brent x Lifting Cost* (US$/bbl)



Brent x Total Costs (US$/bbl)



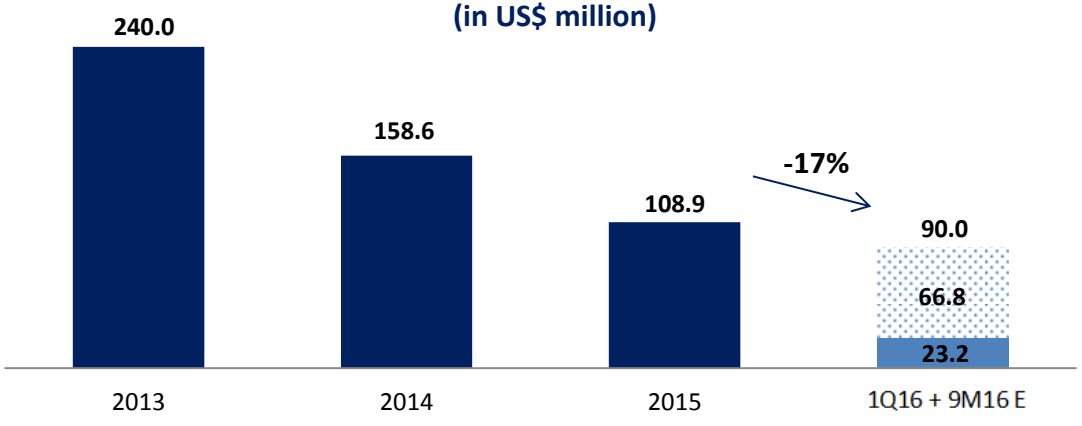
PETRORIO

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

* 100% of the field (without depreciation, amortization and royalties)

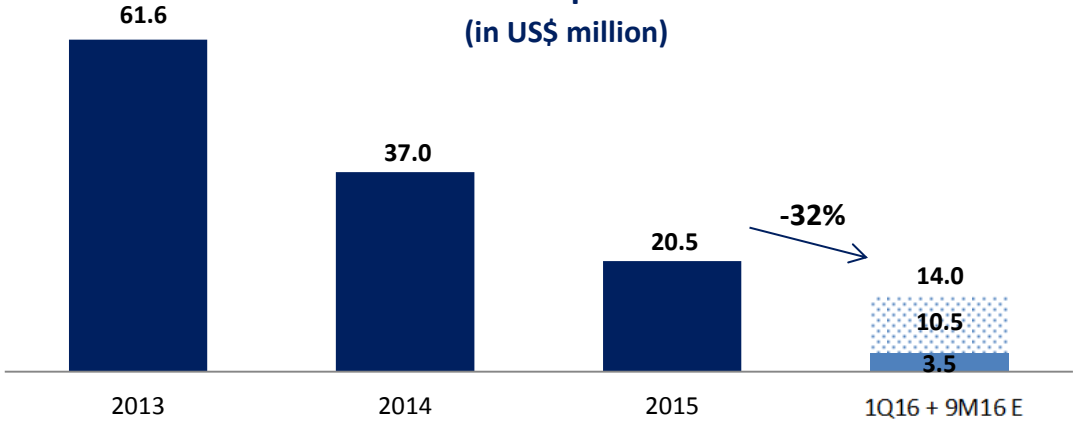
LEAN OPERATION

Operation Costs - Polvo Field
(in US$ million)



2016: 1Q16 costs + PetroRio estimative for the next months

G&A Expenses
(in US$ million)



2016: 1Q16 expenses + PetroRio estimative for the next months

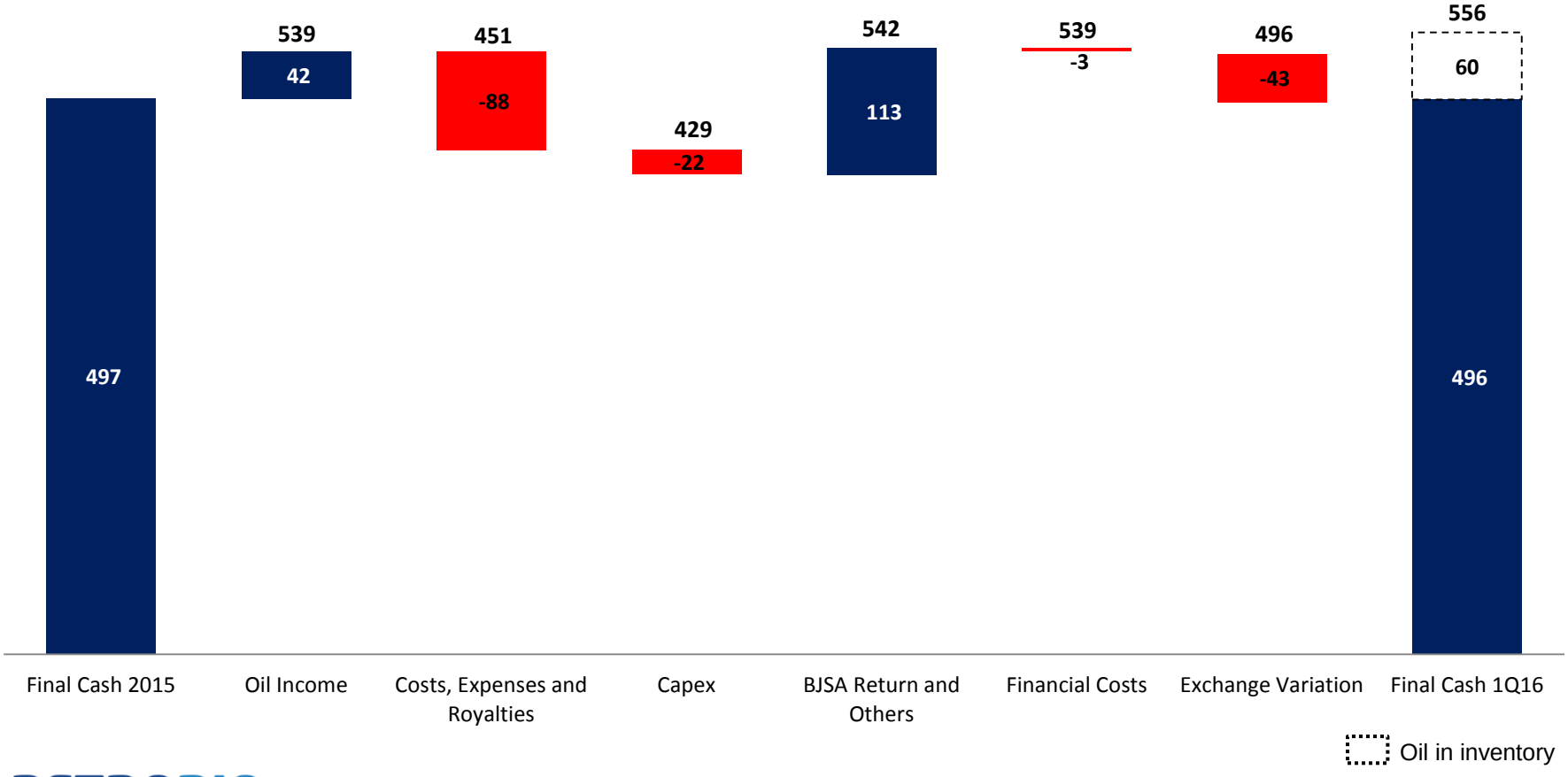
1Q16 RESULTS

R$ million

Proforma Income Statement	1Q15	1Q16
Offtakes	-	380,255
Average selling price (US$)	-	36.29
Revenues	4,853	41,509
Costs of products/services	-	(50,376)
Royalties	-	(4,947)
Results of Operations	**4,853**	**(13,814)**
G&A, G&G and Project expenses	(19,738)	(15,245)
Other revenues/expenses	(18,462)	(2,168)
EBITDA	**(33,347)**	**(31,227)**
Depreciation and amortization	(4,851)	(11,581)
Financial income	(15,804)	(22,219)
Income and social contribution	463	(360)
Profit (loss)	**(53,539)**	**(65,387)**

1Q16 CASH FLOW

In R$ million*



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* BRL/USD rate on March 31, 2016: R$ 3,5922

PETRORIO: LARGEST BRAZILIAN INDEPENDENT OIL & GAS PRODUCER



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