2Q16 RESULTS

AUGUST 12, 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.

2Q16 HIGHLIGHTS

1. Production of 799,333 barrels in the quarter, rebounding to 2Q15 levels; Operational Efficiency of 96.6%

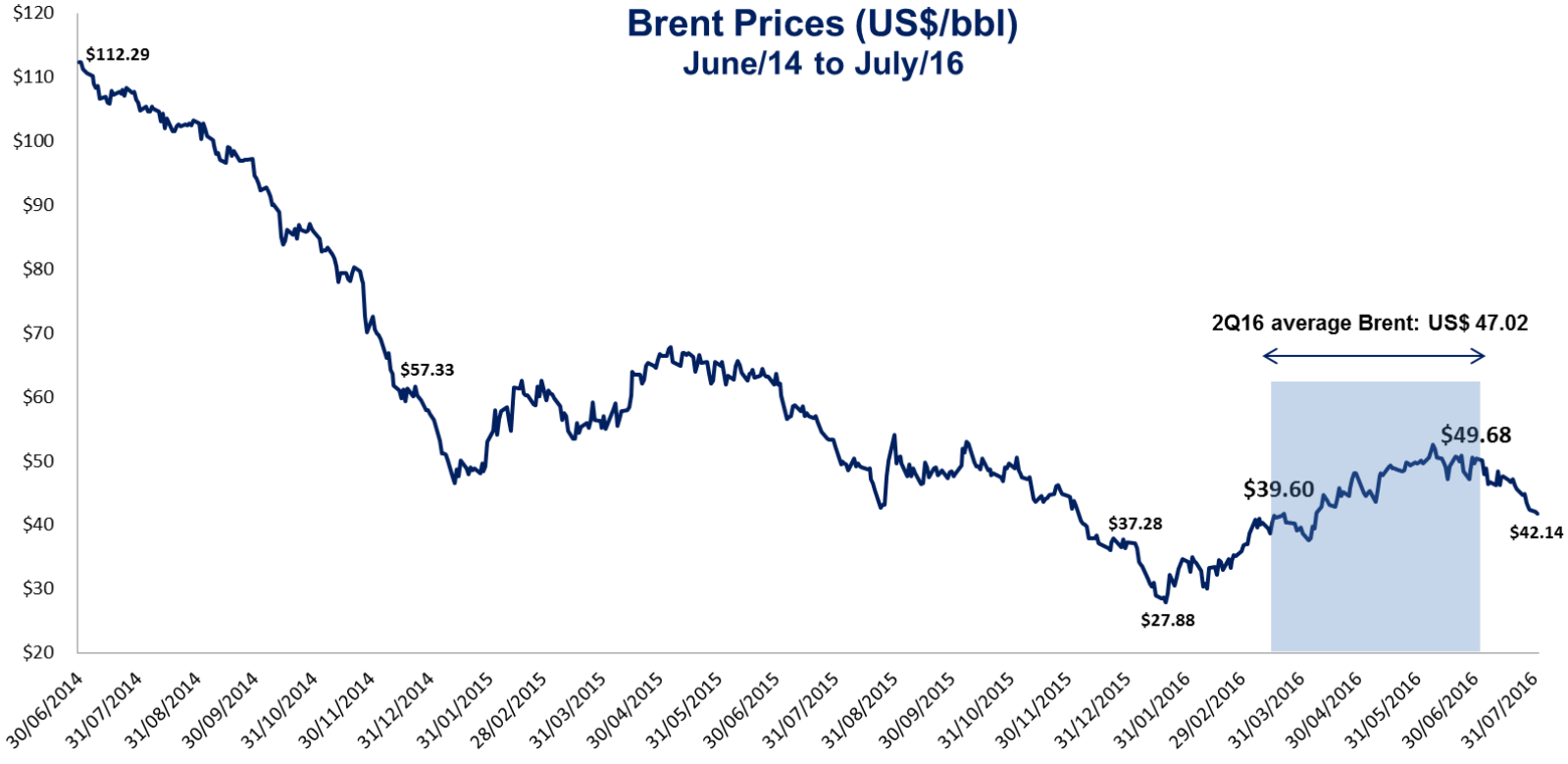
2. Total net revenues of R$ 103.4 million, 149% higher than in 1Q16 and 7% above 2Q15 while EBITDA reached R$ 5.9 million

3. PetroRio reached the lowest *lifting cost* (US$ 28.17/bbl) since the beginning of its operation, 21% below 1Q16 and 17% lower than 2Q15

4. Well interventions in Polvo Field resulted on productivity gains of approximately 20%

5. 1,500 days without lost-time injuries, a *benchmark* in the Oil & Gas industry

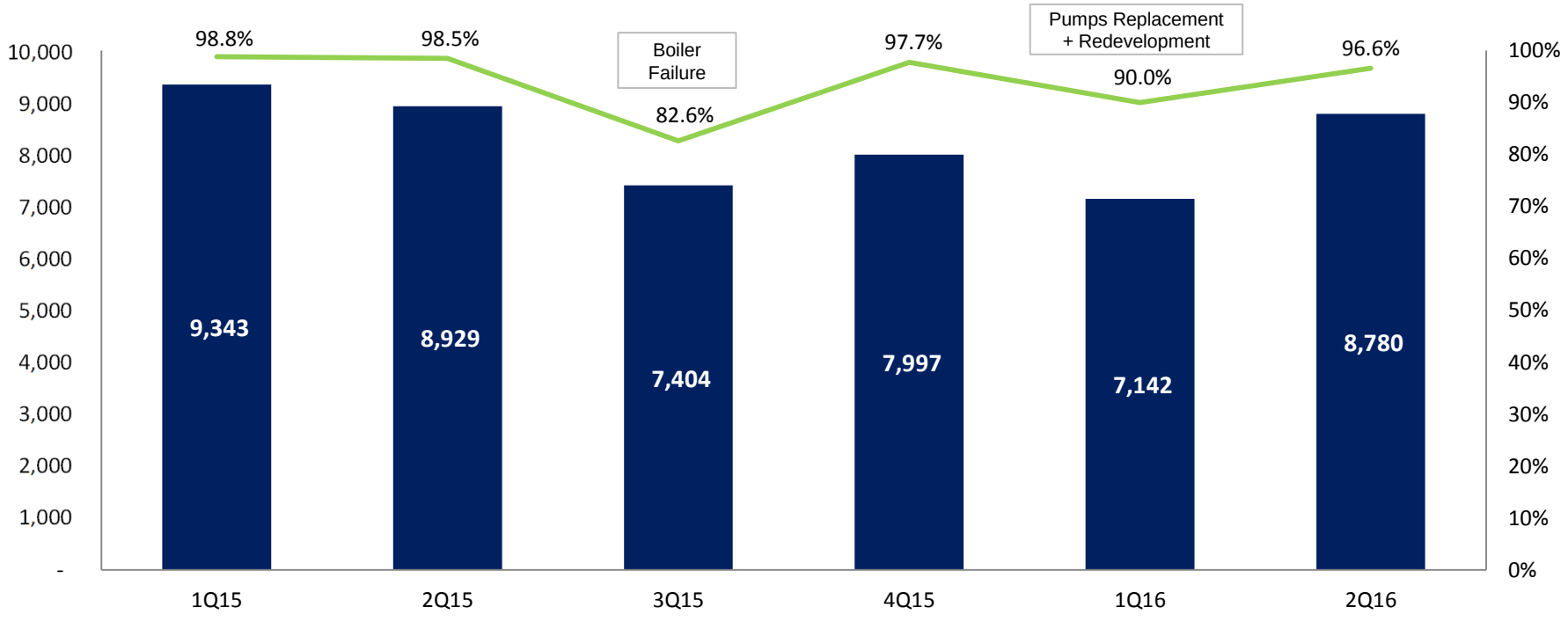
MACROECONOMIC SCENARIO



	2Q15	2Q16	Δ
Brent price on June 30	US$ 63.59	US$ 49.68	-21.9%
Average Brent price in the quarter	US$ 64.01	US$ 47.02	-26.5%
BRL/USD rate on June 30	R$ 3.10	R$ 3.21	3.5%
Average BRL/USD rate in the quarter	R$ 3.04	R$ 3.50	15.1%

POLVO: PRODUCTION AND *OFFTAKES*

Average Daily Production and Operational Efficiency



2Q16 Offtakes			
Month	April	May	**Total**
Volume	399,142 bbl	367,593 bbl	**766,734 bbl**
Gross Selling Price	US$ 43.34	US$ 47.65	**US$ 45.41**

Operational Efficiency

Average Daily Production (bbl/d)

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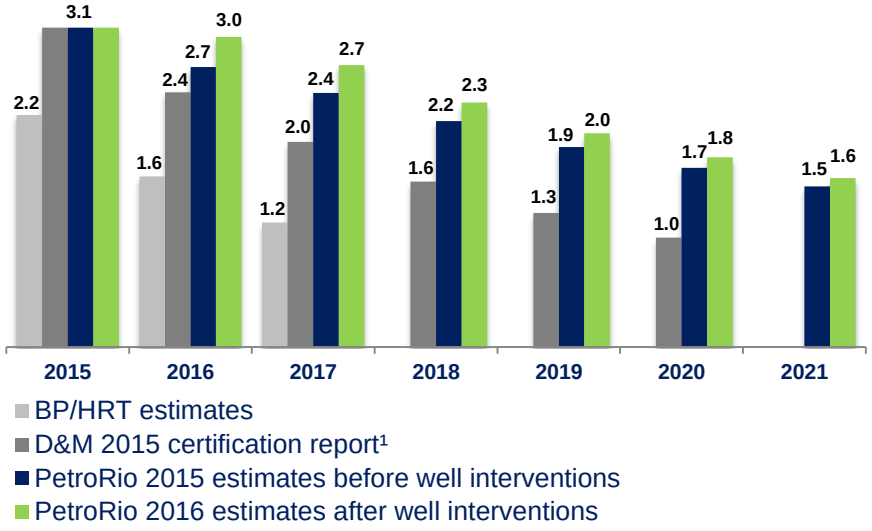
WELL INTERVENTIONS IN POLVO FIELD

Productivity gains of approximately 20%

Results

- New good-quality reservoirs, mainly sandstone, were successfully accessed
- Daily oil productivity gains of 20% (August production stable at ~9.1 kbbl/d vs. previous estimate of 7.5kbbl/d)
- Potential to extend field's life in more than a year and proven reserves' estimate in more than 1 MM bbl
- Expected savings of ~US$ 1MM as a result of lower diesel consumption driven by the higher gas production
- Total investment of US$ 14.4MM (US$ 9.3MM in 2Q16)

Oil estimated production curve (MMbbl)*



Next Steps

- Feasibility study for drilling new wells

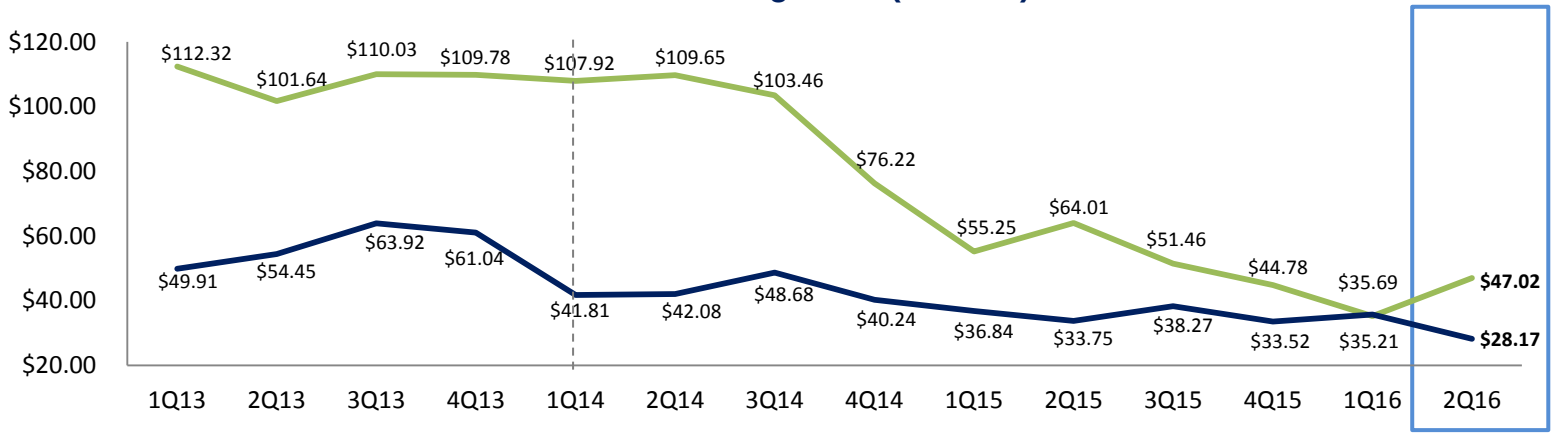
Reserves Estimates (MM bbl)

BP/HRT estimates:	5.0MM
1P developed reserves (D&M /Dec-2015)¹ :	8.3MM
Total 1P reserves (D&M /Dec-2015)¹:	12.7MM
PetroRio 2015 estimates before interventions:	15.2MM
PetroRio 2016 estimates after interventions:	16.5MM

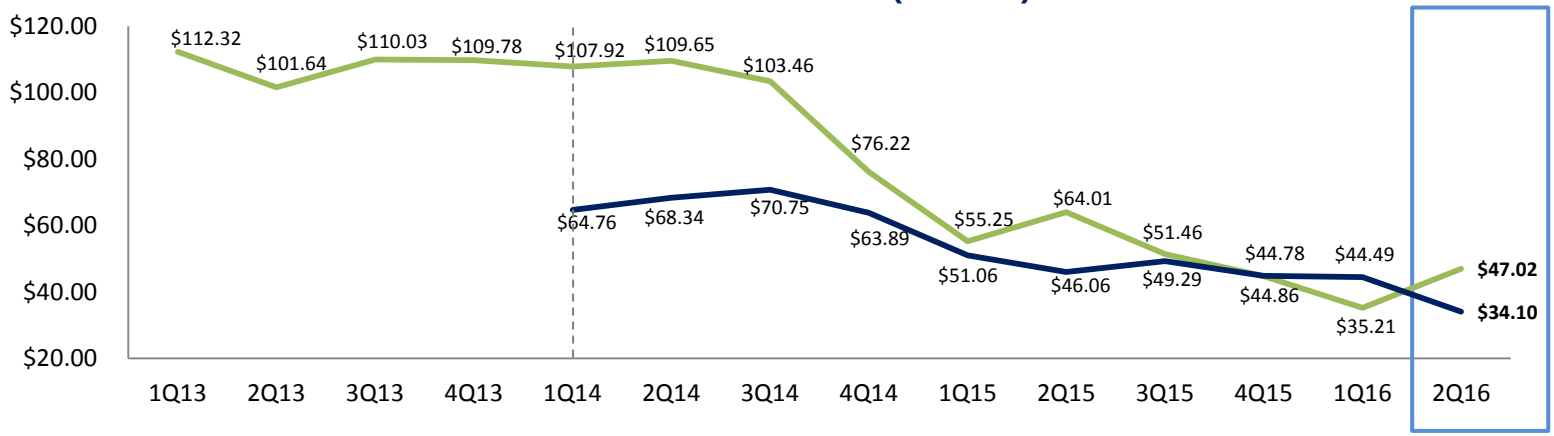
1. D&M Certification report as of December 31, 2015. It does not include the results of Polvo redevelopment

COSTS X BRENT

Brent x Lifting Cost* (US$/bbl)



Brent x Total Costs (US$/bbl)



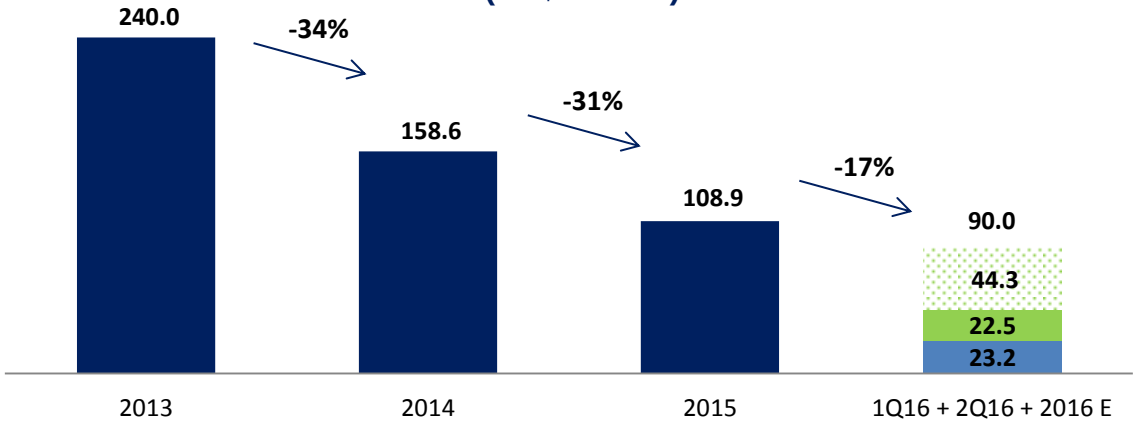
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Average Brent — Lifting Cost/Total Costs - - - Beginning of PetroRio operation

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

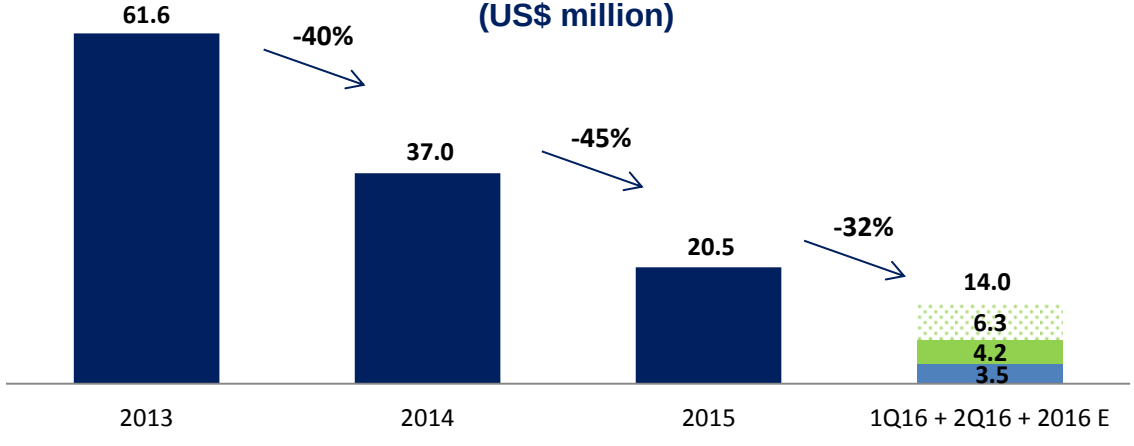
LEAN OPERATION

Operational Costs - Polvo Field (US$ million)



1Q16 + 2Q16 + 2016E: costs of 1H16 + PetroRio estimates for the next semester.

G&A Expenses (US$ million)



1Q16 + 2Q16 + 2016E: expenses of 1H16 + PetroRio estimates for the next semester.

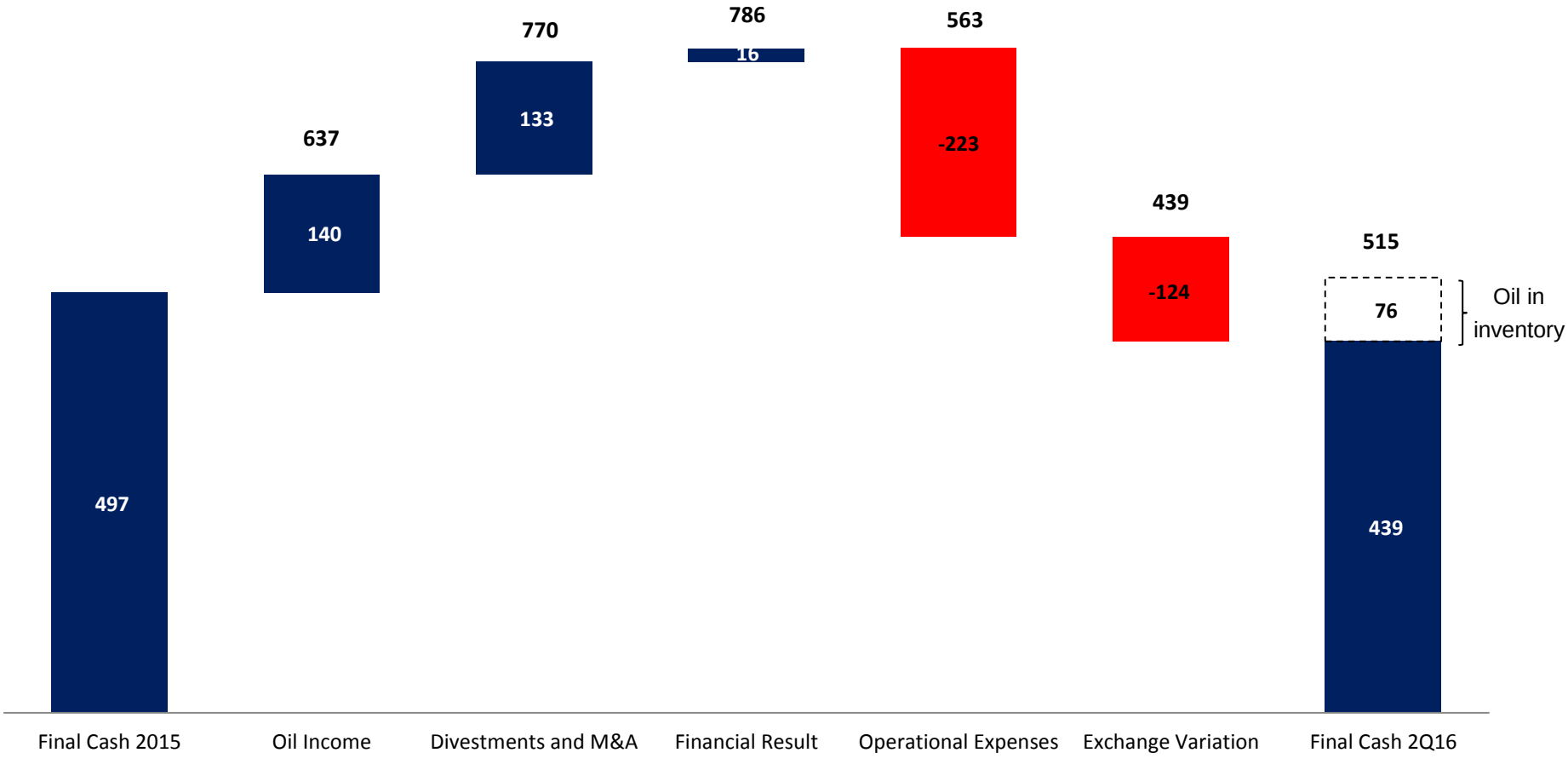
2Q16 RESULTS

R$ million

Proforma Income Statement	2Q15	1Q16	2Q16
Offtakes (bbl)	622,774	380,255	766,734
Gross selling price (US$)	50.52	36.29	45.41
Revenues	96.808	41.509	103.381
Cost of Goods Sold	(63.834)	(50.376)	(84.843)
Royalties	(9.580)	(4.947)	(7.868)
Results of Operations	**23.394**	**(13.814)**	**10.670**
G&A, G&G and Project expenses	(19.000)	(15.245)	(15.017)
Other revenues/expenses	33.024	(2.168)	10.265
EBITDA	**37.418**	**(31.227)**	**5.918**
EBITDA margin	*38.7%*	*-75.2%*	*5.7%*
Depreciation and amortization	(43.684)	(11.581)	(21.399)
Financial income	(12.127)	(22.219)	(35.877)
Income and social contribution	2.158	(0.360)	0.336
Profit (loss)	**(16.235)**	**(65.387)**	**(51.022)**

1H16 CASH FLOW

R$ million*



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* USD/BRL FX Rate on June 30, 2016: R$ 3,21

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