Earnings Release

4Q18 & 2018

Conference Call 4Q18 & 2018

March 14, 2019
Webcast: ri.petroriosa.com.br

Portuguese
15:00 p.m. (BRA)
Phone: +55 (11) 3193-1001
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Password: PetroRio

English
14:00 p.m. (NYC)
Phone: +1 (646) 828-8246
Toll Free (USA): +1 (800) 492-3904
Password: PetroRio

The conference call will be held in Portuguese with simultaneous translation into English

Investor Relations

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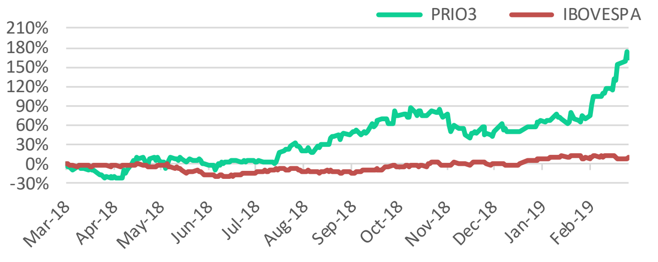
Rio de Janeiro, March 11, 2019 – Petro Rio S.A. ("PetroRio" or "Company") (B3: PRIO3) announces its results for the fourth quarter of 2018 ("4Q18") and 2018 financial year. The financial and operational information below, except if otherwise indicated, is presented on a consolidated basis and stated in Brazilian Reais (R$) according to International Financial Reporting Standards (IFRS), including our direct subsidiaries: Petro Rio O&G Exploração e Produção de Petróleo Ltda., Petro Rio Internacional S.A., HRT América Inc. and their respective subsidiaries and branches.

Stock Information		
Ticker (B3)		PRIO3
Market Cap (03/08/19)	R$	2,372,488,825
Shares Outstanding (#)		135,570,790
Last Price (03/08/19)	R$	17.50
52 week Low - High	R$	5.09 - 18.12
12 month average trading volume	R$	8,200,473

12M Stock Price: PRIO3 x Ibovespa



HIGHLIGHTS FOR THE YEAR

- Net Revenue of R$ 848.9 million, a 59% increase vs. 2017
- Adjusted Ebitda of R$ 278.8 million, an increase of 209% y-o-y
- Net Profit reached R$ 204.9 million, an increase of 303% (2017: R$ 50,9 million)
- Success in Polvo's Drilling Campaign, increasing the asset's production to 10,000 bbl/d
- Acquisition of 70% stake in Frade Field, increasing Company reserves fourfold

MESSAGE FROM MANAGEMENT

"We are pleased to announce our main accomplishments in 2018. With the help of our team, a mind-set that emphasizes excellence, and conviction in our management methods, we are now positioned among the most successful business cases in country's energy industry.

It was a year of record achievements across the board. During the year, we sold almost R$ 850 million in oil and natural gas, an increase of 60% over 2017. We printed the best operational indicators in Company history and recognized R$204 million in net income. The figures are proven success of the turnaround process we've undertaken since 2014.

We concluded the Drilling Campaign in Polvo, increasing reserves by approximately 11 million barrels (2P), having invested only US$ 4 per added barrel. This investment allowed us to extend Polvo's lifespan to 2025 and reduce lifting costs to as low as US$ 25/bbl, providing PetroRio as a less dependent player on oil prices throughout the year. The campaign, which lasted from April to October, is part of a larger project for Polvo, and has given us confidence for future campaigns in years to come.

In the M&A front, the main attributes we look for in assets are: safety and sustainability; growth opportunities with attractive returns; and a good price. To this end, our M&A team worked hard in evaluating the Frade Field. Recently, we've signed SPAs (Share Purchase Agreements) that will give us a 70% stake and operatorship in the Field. Our team is highly enthusiastic about our prospects in Frade for the next few years. With this transaction, PetroRio's total production will more than double, and we will become the largest independent Oil & Gas Company in Brazil. Like Polvo, we aim to once again apply the methods that allowed us to cut costs, increase the Field's production and lifespan.

Along with investments in our assets, we are allocating resources and effort into strengthening our compliance and internal controls, following through on our commitment with the highest standards of Corporate Governance as a pillar for sustainable growth.

In Manati, we are close to reaching two years since the acquisition. We acquired 10% of the Field at a cost of US$ 6.18 per barrel of oil equivalent in 2017, and we are truly satisfied with the returns generated by the project, having an estimated payback of only 2.6 years.

The outcome of such an active period is admirable. Total reserves have gone from 14 million barrels (2P) at the end of 2017 to 83.6 million currently, including Manati, the successful Drilling Campaign in Polvo and the acquisition of 70% of Frade.

It is therefore not surprising that the Company's Market Cap increased as it did during the past three years and PRIO3 entered B3's Small Cap Index in 2018. We also noticed a shift in the profile of investors interested in PetroRio, trending towards shareholders with long term strategies and foreign funds who historically value not only good results, but also good corporate governance. We believe these are early chapters in the long-term story we are building for the Company.

The year also saw an increase in our team's commitment. We've witnessed a strong increase in the number of employees who have opted into converting part of their bonuses into Company shares. The proportion, at 60% in 2017, has risen to 80% of our staff who are now shareholders of PetroRio. It is truly inspiring to see the commitment our team has with the Company's long-term plans. This initiative brings ownership to our team and aligns staff's ambitions with those of our shareholders.

We provide a vibrant and entrepreneurial environment to our staff and future professionals who will undertake this journey with us, partly through growing our business with the acquisition of 70% of Frade and other opportunities. We look for the highest standards and we know high standards are contagious. Being a part of PetroRio's team means never being satisfied with the industry's traditional speed in business. It means striving to achieve your dreams, and no day is gone to waste in the pursuit of our goals.

We started the process to hire 10 interns and received 12,500 candidates. We believe the intense selection process has resulted in a team of future leaders that will help us achieve our most ambitious long-term goals. That is PetroRio's DNA. And we wanted to show this innovative spirit to the market at large with the creation of our new logo in November 2018. The new brand brings to mind the values we have built since the beginning of the turnaround and the growth we envision in the following years.

We also are looking outside of the Company. We believe that companies have an important role in the construction of a socially and economically sustainable society, and we feel responsible for this development. As a result, this year we have intensified our social programs. Our partnership with Instituto Reação is one of the initiatives that give us the most pride, helping in the development and social inclusion of over 300 children, with around 1,300 children having benefitted from the institute.

We have also stepped up our support of Rio de Janeiro's cultural scene, through relaunching Teatro PetroRio das Artes. The project includes the reformation and sponsoring of one of the most important theatres in Brazil.

Regarding our responsibility with the environment, we have continued our Environmental Monitoring Project in the Polvo Field, which consists of monitoring environmental changes through water and sediment samples at the fixed platform and the FPSO, and monitoring animals in the surroundings of the Field. In an internal initiative, we started the 1st Solidarity Contest with the help of the corporate and operations teams, and brought dozens of staff to Jardim Gramacho, in Rio de Janeiro, to aid in building a sustainable garden for the region. In 2019, we will have the opportunity to once again give back to society with even more ambitious initiatives.

We end this letter with an enormous thank you to our staff and business partners, who have trusted in our strategy and business model, and we will continue to think outside of the box to create as much value as possible to our shareholders."

Nelson Queiroz Tanure (CEO)
Blener Mayhew (CFO, DRI e Novos Negócios)
Roberto Monteiro (COO)
PetroRio S.A.

OPERATING RESULTS

POLVO FIELD – 100% PETRORIO

In 2018, the asset produced 3.15 million barrels of oil at a daily average rate of 8,626 barrels. The production level, up 10.4% from 2017 is attributed to new wells from the 2018 Drilling Campaign entering production. In the fourth quarter, Polvo produced a daily average of 10.055 barrels, representing an increase of 17.1% against 4Q17, while returning to production levels recorded in 2014.

PetroRio performed seven offtakes during the year, with a total 3.06 million barrels sold. The gross selling price of US$ 69,70 was 28.8% higher than in 2017. Importantly, the volume sold was below the amount produced during the year, allowing the Company to close the period with 348 thousand barrels in its inventory, equivalent to approximately R$ 85 million in today's Brent prices.

Offtakes 2018								
Quarter	**1Q18**	**2Q18**		**3Q18**		**4Q18**		**2018**
Month	March	May	June	August	September	November	December	**Total**
Volume (kbbl)	463.3	461.0	330.8	461.3	231.8	689.4	418.3	**3,055.9**
Gross selling price (US$/bbl)	64.7	77.0	75.8	73.8	79.1	66.6	57.7	**69.7**

With the purpose of preserving margins and the Company's strong cash flow from operations, PetroRio's treasury and trading team worked together to take advantage of the increase in oil prices in May 2018 (then US$ 80/barrel) and hedged the equivalent of 700,000 barrels for the 4Q18 using a collar structure. In early October 2018 prices reached US$ 85/barrel and the Company's team added 150,000 barrels to this coverage.

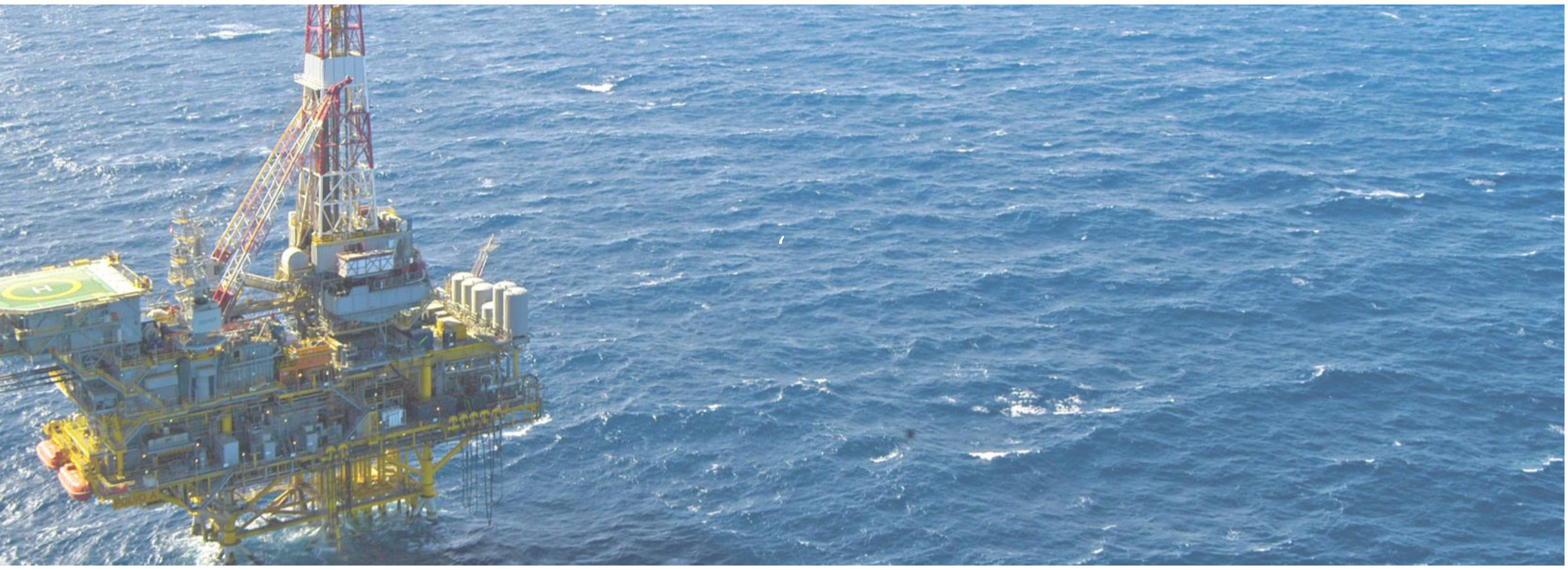
The year was marked by an interruption in the increase of Brent prices. After rising almost 20% in 2016 and 10% in 2017, Brent closed 2018 with a 10% decline compared to the previous year's closing. However, this does not accurately illustrate price behavior throughout the year. During the first three quarters of 2018, oil prices accumulated an increase of almost 30%, until the beginning of October when it reached US$ 86/barrel, a figure not seen since October 2014. The rising prices during the first three quarters occurred with perception of the market of a more balanced supply and demand for oil, as global demand remained heated. On the supply side, problems with Shale throughput in the Permian basin, in addition to declining production in Venezuela and Iran kept the supply of oil at healthy levels.

In spite of these, during the last quarter of 2018, market perception of global financial health changed significantly. A number of global asset indexes dove into negative territory in the latter stages of the year, including the S&P 500 and MSCI World indexes which closed the quarter with a drop of approximately 14%. The Bloomberg Commodity also ended the year with a 10% drop. Finally, the Brent price accumulated in the quarter a drop of 35%.

The oil price’s negative performance in this period began with the slowdown in global stock markets and was accentuated by a more cautious perception of the agents with increased supply and a possible decline in demand for oil, coupled with pressure from US President Donald Trump on Saudi Arabia to force a reduction in oil prices.

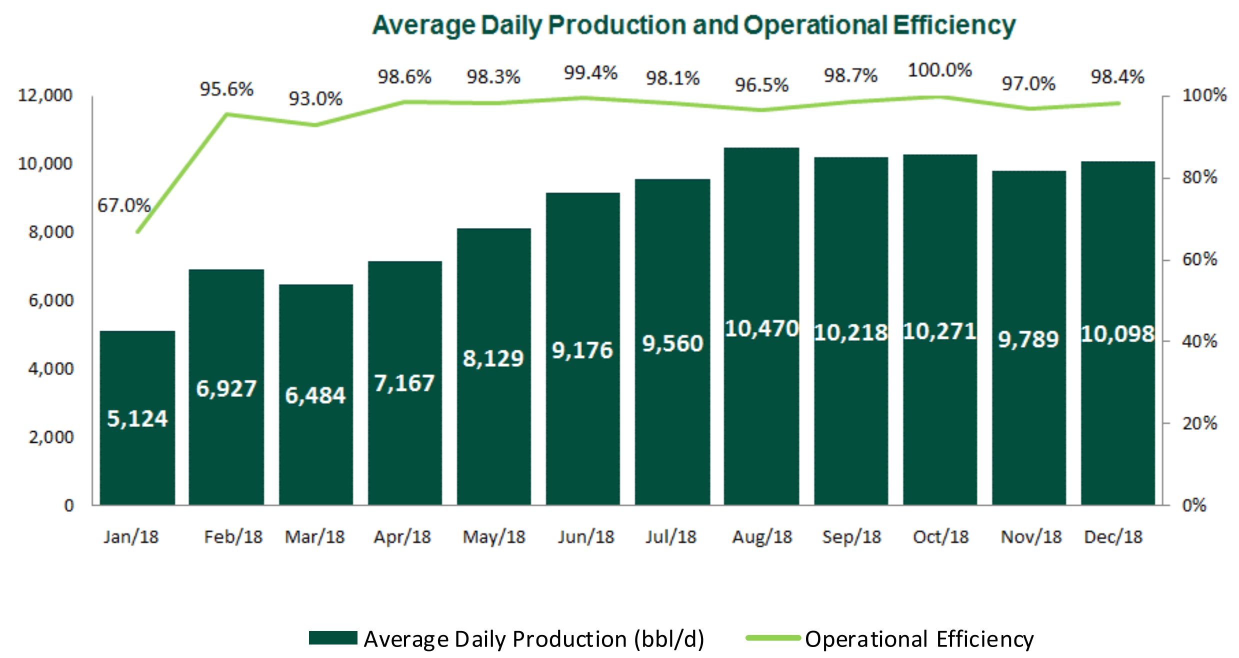
Two factors affected oil supply more significantly. Total output from OPEC member countries increased by 1.3 million bbl/d between May and November over fears of US sanctions against Iran causing oil shortages worldwide. In addition, US production increased by 0.8 million bbl/day between late October and early November, according to data from the US energy agency. The combination of an excess two million barrels a day in the market coupled with American relief over Iranian sanctions and a more negative outlook on the global economy contributed to the collapse of oil prices during the last quarter of 2018.

From the US$ 50/bbl reached in late December to the release of this report, prices have recovered more than 30%, and OPEC production - according to data from February 2019 - is at the lowest level since early 2015, showing a clear reaction of member countries to the sharp drop during 4Q18.



Polvo Field's operational efficiency ended the year with an average of 95%, highlighted by a 100% rate in October 2018, while presenting strong recovery from the scheduled shutdown which occurred early in the year. The decrease against the previous year is mainly due to the 10-day scheduled shutdown in January 2018 which is estimated to have impacted the field's annual production in 64 thousand barrels. The Company quickly returned its high performance observed in the remainder of the year. Additionally, there are no scheduled shutdowns for Polvo in 2019.

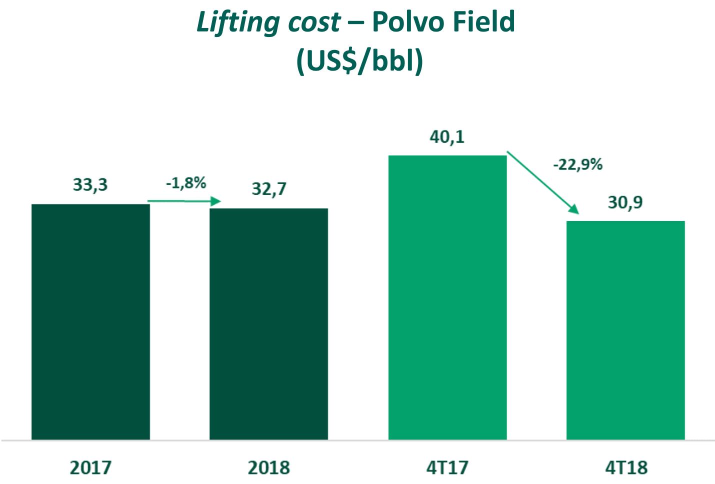
The graph below shows the average daily production in 2018 as well as the respective operational efficiency rates:

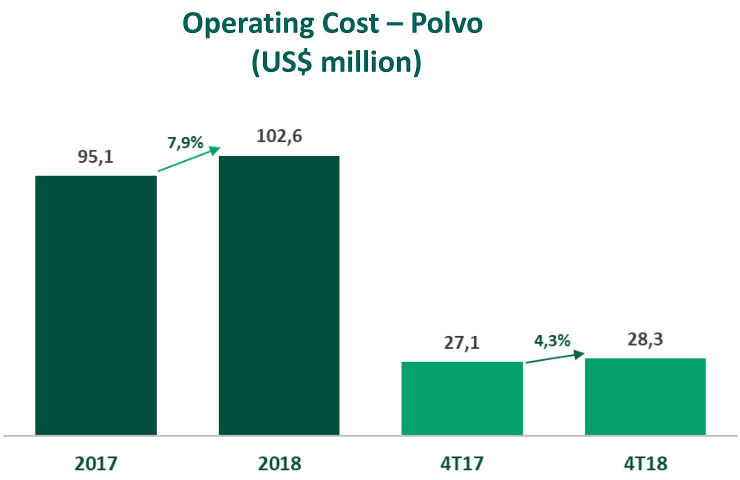


The Company registered a lifting cost of US$ 32.7/bbl in 2018, having reached the level of US$ 25/bbl in August 2018. For the quarter, lifting cost was of US$ 30.9/bbl, 23% lower than the US$ 40.1/bbl recorded in the same period last year. The drop is mainly due to the increase in production (+35.2% vs. 4Q17), as a result of the success in the 2018 Drilling Campaign having new wells entering production. The increase in production offset the rise of 4.3 % in operating costs.

Operating costs in Polvo Field, in absolute terms, increased in relation to the previous year due to an increase in fuel costs and FPSO daily rates, both a result of rising Brent prices as indexed by the supplier agreements. Polvo's costs reached US$ 102.6 million in 2018, 7.9% higher than the annual comparative.

The graphs below illustrate the year-over-year comparison between lifting and operating costs:





2018 DRILLING CAMPAIGN AND RESERVE REPORT

In October 2018, PetroRio concluded Phase 2 of the Company's Revitalization Plan, consisting in the 2018 Drilling Campaign. During the campaign, PetroRio maintained the highest levels of safety and respect for the environment.

The 2018 Drilling Campaign cost approximately US$ 42 million. The Company estimates that its payback period is less than six months, proving it to be profitable and a valuable use of Company resources.

In addition, PetroRio hired DeGolyer & MacNaughton ("D&M") to certify the updated reserves on December 31, 2018, as illustrated in the table below.

Reserves	D&M Report Dec-17	D&M Report Dec-18	Δ
Proved (1P)	10.8	14.1	3.3
Proved + Probable (2P)	12.9	20.5	7.6
Proved + Probable + Possible (3P)	17.1	30.1	13.0

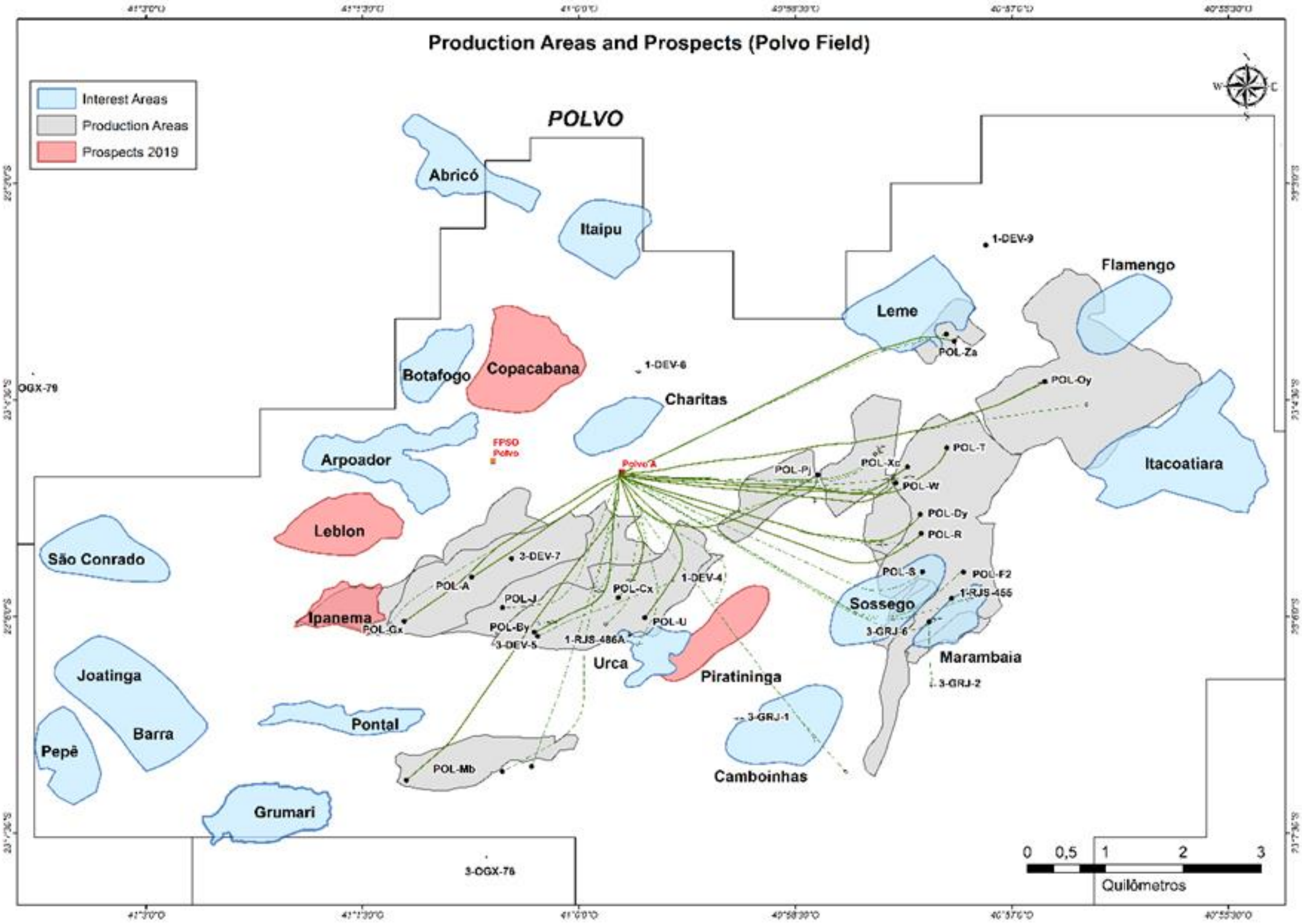
In millions of barrels of oil

Regarding the useful life of the Field, there was an extension to 2025 when considering 1P reserves, 2028 when considered 2P, and 2032 for the 3P reserves. The full report can be found at ri.petroriosa.com.br.

The Company also informs that the results obtained in the recently concluded Drilling Campaign reinforce the remaining new prospects in the Field, that will substantiate future drilling campaigns.

2019 DRILLING CAMPAIGN

Using relevant information gathered during its successful 2018 Drilling Campaign, the Company has defined the targets for Phase 3 of the Revitalization Plan, which consists of a new drilling campaign in 2019. For this Campaign, 22 (twenty-two) targets with oil potential were mapped and ranked, of which up to 4 (four) will be selected for drilling and 18 (eighteen) kept for future campaigns, as per the following illustration:



The 2019 Drilling Campaign will be launched between 2Q19 and 3Q19, after investments on the Company's drilling rig - which is part of the fixed platform in Polvo (Polvo-A) – are completed during the first semester of 2019. Each well will take approximately 2 months from drilling to completion and production.

PetroRio estimates that the four wells in total will cost between US$ 30 million and US$ 60 million, depending on the success of each well.

FUNDING

Pre-Payment Export Agreement ("PPE") – PetroChina/ICBC

PetroRio has signed a pre-payment export agreement with ICBC, to access a US$ 60 million loan with a term of four years. The cost of Libor + 3% p.a. includes a Marketing Agreement with PetroChina, allowing the Company to sell Polvo's production for the duration of the agreement. The facility also includes a further US$ 60 million line of credit, depending on the outcome of the 2019 Drilling Campaign.

FINEP

As part of the Company's efforts to revitalize the Polvo Field, PetroRio has also signed a line of credit of up to R$ 90 million with a 10-year term, including a 2.5-year grace period. The cost of TLP + 1.5% p.a. ensures low cost of capital for projects in Polvo.

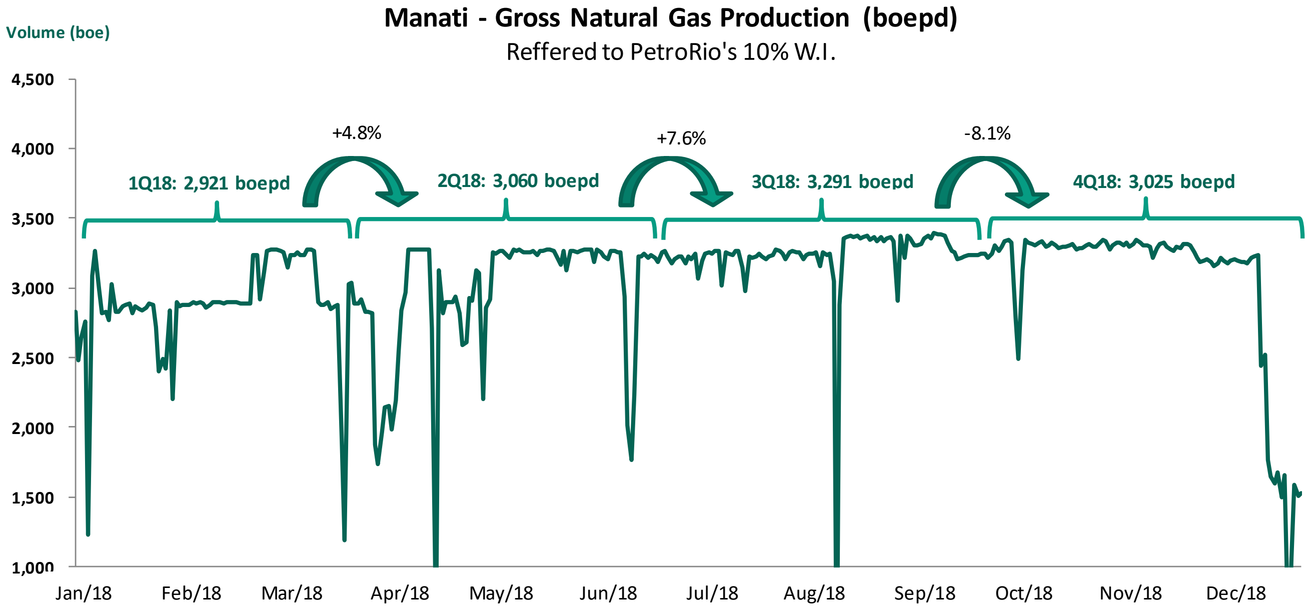
PetroRio expects to implement EOR (Enhanced Oil Recovery) techniques in the Polvo Field, including use of polymer flooding, well acidizing and multilateral well drilling, among others, to improve well productivity, increase oil recovery rates, and extend Polvo's economic lifespan.

The Company believes both financing agreements are essential to fund the Field's revitalization plan, thus allowing PetroRio to deploy cash towards ongoing and future acquisitions. Furthermore, the financing agreements allow the Company to move closer to an optimal capital structure and mark PetroRio's debut in long-term debt financing. The Company will keep the Market informed of any development on the Campaign and funding.

MANATI NATURAL GAS FIELD – 10% PETRORIO

Production in Manati reached 1.1 million barrels of oil equivalent for the year, an average of 3,030 boe per day, in line with the annual comparative, despite the natural decline in the take-or-pay contract with Petrobras. On the quarterly comparative, the asset increased production over 4Q17 due to the client's increased demand for natural gas, which benefited from: (1) lower volume of gas transported from the Southeast to the Northeast of the country due to increased demand from Southeastern thermoelectric plants for gas produced in the region, thereby increasing the demand for gas from Manati, and (2) prices from Manati becoming more competitive since the contract with Petrobras is priced in Reais and the local currency dropped 14.7% against the dollar during the period. In December, a strong decline on the client's demand was a result of lower utilization of the of thermoelectric companies, although which was reestablished in the second week of January 2019.

The chart below illustrates the Field's production during the year:



The net volume of gas sold in 2018 was 1.06 million boe, 27.1% higher than the same period of 2017, due to the incorporation of the asset's result at the end of March 2017, while 2018 benefited from full year results. Quarterly, there was a decrease of 3.9% vs 4Q17 due to a reduction of demand by Petrobras in the end of December, subsequently compensated by the take-or-pay contract with the concession. Operating costs – consisting of direct costs excluding depreciation – reached R$ 20.6 million, 2% lower than the RS 21.1 million registered on the same period of 2017, as a result of PetroRio's efforts to reduce Manati costs, despite contract escalations. A further R$ 10.6 million were paid as royalties for the asset's exploration rights.

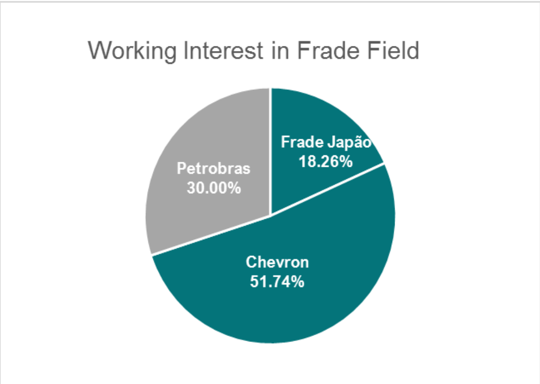
PetroRio

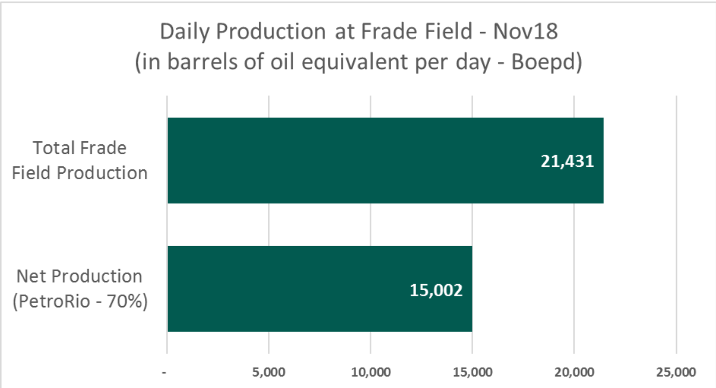
Through its experience as an operator in Oil & Gas fields, PetroRio actively contributed in the renegotiations of contracts with suppliers and helped lead cost reduction initiatives for Manati during the 18 months.

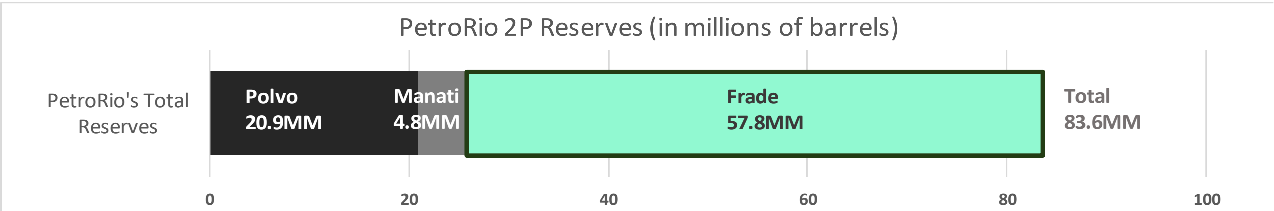
FRADE FIELD – 70% PETRORIO

PetroRio recently informed shareholders about a Share Purchase Agreement for 51.74% of the Frade Field, increasing its working interest in the concession from 18.26% to 70% and become the field's operator, as well as an equivalent interest in assets operating in the field, including the FPSO.

With this transaction, PetroRio's production in the Frade Field will reach 15,000 barrels per day. The acquisition will also contribute to an expressive increase in the Company's total production, reaching approximately 28,000 boepd. In addition, 2P reserves are expected to reach 83.6 million barrels as announced to the market in February 2019 and shown in the following graphs:





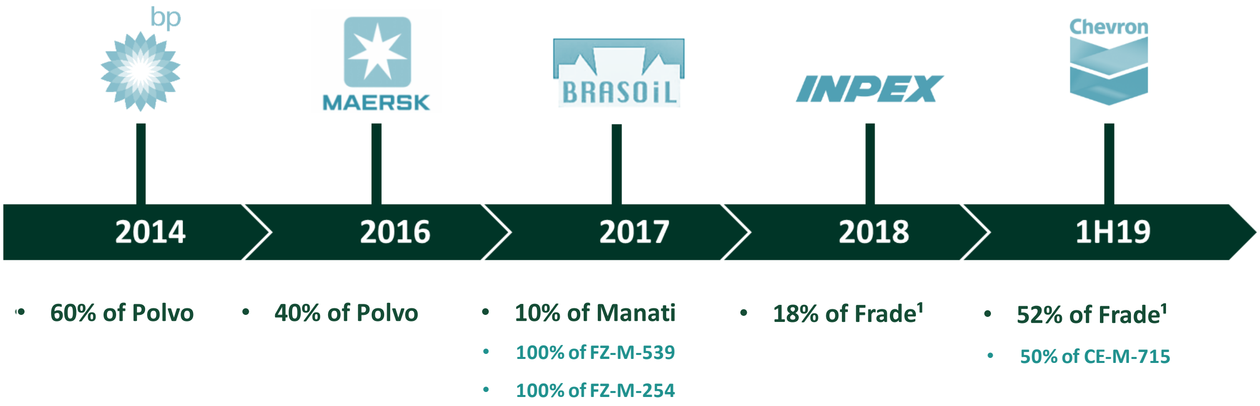


Source:
http://www.anp.gov.br/images/planos_desenvolvimento/Frade.pdf
http://www.anp.gov.br/images/publicacoes/boletins-anp/Boletim_Mensal-Producao_Petroleo_Gas_Natural/Boletim-Producao_novembro-2018.pdf
Company estimates

The transaction also includes a 50% operated interest in the deepwater CE-M715 Block (Ceara Basin). The acquisitions were a result of competitive processes and increase the Company's net production by 120% and oil reserves fourfold. The conclusion of the acquisitions is subject to certain conditions precedent as well as internal and external approvals.

With these transactions, PetroRio reaffirms once more its strategy of growth through acquisitions of producing assets and represents a diversification of its portfolio of revenue generating assets. The Company estimates that the acquisition will provide cost reductions and synergies throughout its land, air and marine operations and will be working with the assistance of PetroRio's Geology, Wells and Reservoirs Engineering teams on a redevelopment plan for Frade Field, which includes drilling and water injection campaigns.

The following figure illustrates the M&A transactions since the start of the turnaround in 2014:



(1) Share Purchase Agreement signature, pending on precedent conditions and internal and external approvals

FINANCIAL PERFORMANCE

(R$ THOUSAND)

Proforma Income Statement	2018	2017	Δ	4Q18	4Q17	Δ
Revenues	848,920	533,922	59.0%	267,733	193,615	38.3%
Cost of products/services	(377,733)	(299,296)	26.2%	(130,066)	(100,197)	29.8%
Royalties	(76,735)	(48,589)	57.9%	(30,889)	(15,535)	98.8%
Gross profit	**394,452**	**186,037**	112.0%	**106,778**	**77,883**	37.1%
G&A, G&G and Project expenses	(115,641)	(95,840)	20.7%	(38,349)	(34,606)	10.8%
Other revenues/expenses	(31,840)	41,467	-	(12,577)	885	-
EBITDA	**246,972**	**131,664**	87.6%	**55,853**	**44,162**	26.5%
EBITDA Margin	29.1%	24.7%	4.4 p.p	20.9%	22.8%	-1.9 p.p
Adjusted EBITDA	**278,811**	**90,197**	**209.1%**	**68,429**	**43,277**	**58.1%**
Adjusted EBITDA Margin	**32.8%**	**16.9%**	**15.9 p.p**	**25.6%**	**22.4%**	**3.2 p.p**
Depreciation and amortization	(76,671)	(89,455)	-14.3%	(10,217)	(27,852)	-63.3%
Financial results	71,076	6,449	1002.1%	25,265	(40,069)	-
Income tax and social contribuition	(36,502)	2,193	-	(10,738)	7,103	-
Profit (loss) for the period	**204,875**	**50,851**	302.9%	**60,162**	**(16,657)**	-

* EBITDA is an auxiliary indicator composed by the earnings before interests, taxes, depreciation and amortization and does not follow the Accountability Practices adopted in Brazil, IFRS or GAAP, therefore, it should not be applied in preference to the systems metrics or compared to other companies' since it may be calculated in a different manner.

Adjusted EBITDA is calculated similarly to EBITDA, excluding the line item **Other Revenue/Expenses.**

PetroRio recorded net revenue of R$ 848.9 million, up 59.2% from the R$ 533.9 million in 2017. From this Revenue, 87% (or R$ 738.2 million) were originated from Polvo Field's oil offtakes, up 66% when compared to the previous year. The strong rise is attributed to the rise in oil prices, higher volumes sold and a more favorable currency.

Manati in turn contributed with R$ 110.7 million in revenues, related to PetroRio's 10% W.I. in the natural gas consortium. The increase of 24,3% is attributed to due to the incorporation of the asset's results at the end of March 2017 (while 2018 benefited from full year results), higher demand from thermoelectric plants during the first half of the year, and to the comparably lower prices as Manati becomes more competitive with the Real depreciation since the contract with Petrobras is priced in Reais and local competition is priced in Dollars.

In the 4Q18, the Company recorded Net Revenue of R$ 267.7 million, 138.3% higher than the same period of 2017, and a record quarter for the Company. Despite lower average Brent prices when compared to the first three quarters of 2018, the Company sold 1.1 million barrels in last quarter, as a result of an increased production capacity stemming from the successful 2018 Drilling Campaign.

Cost of Goods Sold (COGS) for the year increased 25.6% compared to 2017 and is attributed to the increase in the costs of Polvo. Higher volumes sold, and the Real's depreciation affecting Dollar-denominated costs were the main reasons for the increase. Higher daily rates for the FPSO and fuel costs also contributed to this increase and are a result of rising Brent prices as indexed by the suppliers' agreements.

In 2018, the Company recorded its highest ever gross profit, driven by the recovery of Brent prices, by higher volumes sold, and a more favorable exchange rate, given offtakes are priced in dollars. Results also benefitted from work put in reducing costs and maintaining a lean operation, increasing contribution margins for the assets. The line item accumulated R$ 106.8 million in the quarter, up 37.1% over 4Q17.

General and administrative expenses include projects and geology and geophysics and closed the year at R$ 115.6 million; 20.7% higher than a year earlier. The increase is verified in personnel, considering new hires for the incorporation of acquisitions and provisions; tax adjustments from previous years; change of the Company corporate office and expenses with the acquisition of additional seismic data for Polvo, which will be used for future drilling campaigns. Other revenue and expenses include the write-off of the remaining portion of a payment advance for the acquisition of an asset in 2015 which, after an arbitration decision enforced the counterpart to reimburse 50% of the advance, was fully received by PetroRio in July 2018.

EBITDA was driven by strong operating results. EBITDA totaled R$ 246.9 million in the year, an increase of 87.6% over 2017. If deduced non-recurring items, adjusted EBITDA margin would be 33% for the year, an increase of 16p.p. compared to the 17% of 2017. This is the highest adjusted EBITDA of the Company's history.

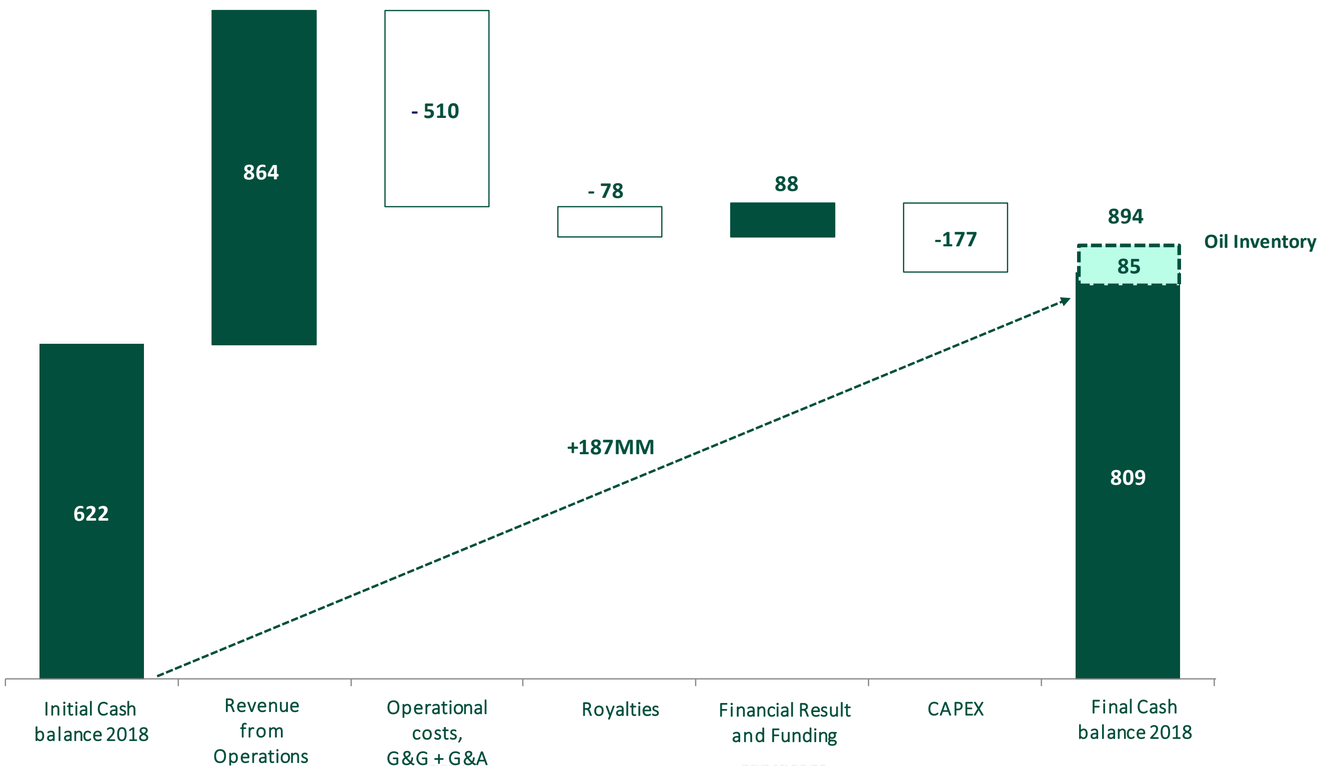
Similarly, Net Income of R$ 204.9 million was significantly higher than the R$ 50.9 million of 2017 and is mainly due to strong operating results. Furthermore, Net Income benefited from a strong financial income, positively impacted by hedge operations and results from cash investments. However, the positive impact was partially offset by Income Tax and Social Contribution given the positive operating results arising from the assets.

TOTAL CASH, CASH EQUIVALENTS[1] AND INVESTMENTS

The Company recorded its largest ever cash flow from operations during the quarter: R$ 278 million. The change in cash position in the year is explained by the following factors:

- Inflow of R$ 864 million related to Polvo offtakes and natural gas sales from Manati;
- Outflow from production costs and operating and administrative expenses of R$ 510 million;
- R$ 78 million related to Royalties and government participations;
- Financial results of negative R$ 88 million. This line item refers to interest payments, new loans, drawdowns and loan payments, interest earned over financial investments, results of Hedges, and exchange variation;
- CAPEX consists of cash outlays for the drilling campaign in Polvo, maintenance in Polvo and Manati fields, reimbursement of an advance for the acquisition of an asset in 2015, and expenses with the first payment of the Frade acquisition of 18.26%. This line item added up to R$ 177 million.

NET CASH FLOW 2018
(R$ MILLION)



[1] Includes Restricted Cash

BALANCE SHEET
(R$ MILLION)

Assets		
Current assets	**31-dec-2017**	**31-dec-2018**
Cash and cash equivalents	92,445	154,109
Securities	511,863	643,783
Restricted cash	17,965	11,628
Accounts receivable	62,046	34,932
Oil inventories	41,174	56,702
Consumable inventories	-	2,084
Recoverable taxes	59,492	67,011
Advances to suppliers	28,781	37,949
Advances to partners	3,639	2,922
Prepaid expenses	3,106	1,659
Other receivables	828	202
Total Current assets	**821,339**	**1,012,981**
Non-current assets available for sale	**28,316**	**26,581**
	849,655	**1,039,562**
Non-current assets		
Advances to suppliers	12,596	12,596
Deposits and pledges	16,010	19,621
Recoverable taxes	51,669	25,711
Deferred taxes	18,480	8,338
Property, plant and equipment	61,286	45,292
Intangible assets	260,548	385,943
Total non-current assets	**420,589**	**497,501**
Total do Ativo	**1,270,244**	**1,537,063**

Liabilities and shareholders' equity		
Current liabilities	**31-dec-2017**	**31-dec-2018**
Suppliers	70,535	73,258
Labor obligations	9,979	14,923
Taxes and social contributions	20,076	37,010
Loans and financing	75,011	222,437
Debentures	21,621	306
Derivative financial instruments	7,129	6,792
Advances from partners	-	-
Other liabilities	12,500	16,260
Total current liabilities	**216,851**	**370,986**
Non-current liabilities		
Suppliers	13,456	13,413
Debentures	31,391	31,241
Loans and financing	-	25,718
Provision for abandonment (ARO)	74,119	68,713
Provision for contingencies	15,120	17,441
Deferred taxes and social contributions	36,177	2,311
Others	-	644
Total non-current liabilities	**170,263**	**159,481**
Shareholders' equity		
Realized capital	3,265,256	3,273,114
Capital reserves	73,852	58,183
Other comprehensive income	91,800	18,201
Accumulated losses	(2,598,629)	(2,547,777)
Income (loss) for the period	50,851	204,875
Total shareholders' equity	**883,130**	**1,006,596**
Total liabilities and shareholders' equity	**1,270,244**	**1,537,063**

INCOME STATEMENT
(R$ MILLION)

	2017	2018
Net revenues	**533,922**	**848,920**
Cost of products/services	(299,296)	(377,733)
Depreciation and amortization	(87,179)	(74,341)
Royalties	(48,589)	(76,735)
Gross profit	**98,858**	**320,111**
Operating income (expenses)		
Geology and geophysics expenses	(716)	(2,560)
Personnel expenses	(37,901)	(54,478)
General and administrative expenses	(13,186)	(19,305)
Expenses with third party services	(40,393)	(33,751)
Taxes and fees	(3,644)	(5,547)
Depreciation and amortization expenses	(2,276)	(2,330)
Income from transactions with permanent assets	-	(89)
Other operating income (expenses), net	41,467	(31,751)
Financial results	6,449	71,076
Income before income and social contribution taxes	**48,658**	**241,377**
Income and social contribution taxes		
Current	(2,545)	(42,969)
Deferred	4,738	6,467
	2,193	**(36,502)**
Income (loss) from continuing operations	**50,851**	**204,875**
Loss for the year	**50,851**	**204,875**

PetroRio

CASH FLOW STATEMENT
(R$ MILLION)

ABOUT

	2017	2018
Cash flows from operating activities		
Income (loss) for the period (before taxes)	**48,658**	**241,377**
Depreciation and amortization	123,759	76,920
Financial income	(155,919)	(286,925)
Financial expenses	127,367	215,382
Loss/Write-off of non-current assets	-	1,321
Provision for contingencies/losses	(51,451)	14,354
Remuneration based on stock plan	-	17,612
Equity ajustment	-	119
Provision for R&D expenses	-	644
Reduction of provision for Escrow	-	(2,595)
Provision for impairment	-	89
	92,414	**278,298**
(Increase) decrease in assets		
Accounts receivable	(12,303)	18,009
Recoverable taxes	1,903	20,278
Prepaid expenses	589	1,420
Advances to suppliers	(5,731)	(5,928)
Oil inventory	(44,074)	(12,554)
Consumables inventory	-	(2,084)
Advance to partners in oil and gas operations	(2,024)	787
Other receivables	317	262
Increase (decrease) in liabilities		
Suppliers	12,928	(3,613)
Labor obligations	3,320	4,870
Taxes and social contributions	(11,798)	(31,327)
Contingencies	(1,060)	1,109
Advances from partners in oil and gas operations	2,897	(3,171)
Other liabilities	11,709	3,760
Net cash (invested in) from operating activities	**49,087**	**270,116**
Cash flows from investment activities		
(Investment) Redemption of securities	126,036	(141,978)
(Investment) Redemption of restricted cash	(7,553)	18,119
(Investment) Redemption in abandonment fund	(4,732)	(6,805)
(Increase) Decrease in deposits and pledges	(3,396)	(14,752)
Non-current assets held for sale	22,693	6,587
(Increase) Decrease in permanent assets	(130,424)	(199,175)
Net cash (invested in) from investment activities	**2,624**	**(338,004)**
Cash flows from financing activities		
Loans and financing	67,286	171,708
Debentures	(24,105)	(23,163)
Derivative transactions	2,876	(2,024)
(Reduction) Integralization of Share Capital	-	7,709
(Purchase) Sale of shares of the Company (held in treasury)	(32,196)	(33,198)
Net cash (invested in) from financing activities	**13,861**	**121,032**
Translation adjustment	2,080	8,520
Net increase (decrease) in cash and cash equivalents	**67,652**	**61,664**
Cash and cash equivalents at the beginning of the year	24,793	92,445
Cash and cash equivalents at the end of the year	92,445	154,109
Net increase (decrease) in cash and cash equivalents	**67,652**	**61,664**

PETRORIO

PetroRio is one of the largest independent companies in the oil and gas production in Brazil. The Company´s corporate culture seeks to increase production through the acquisition of new production assets, the re-exploration of assets, increased operational efficiency and reduction of production costs and corporate expenses. PetroRio's main objective is to create value for its shareholders with growing financial discipline and preserving its liquidity, with full respect for safety and the environment. For further information, please visit the Company's website: www.petroriosa.com.br.

Disclaimer

This news release contains forward-looking statements. All statements other than statements of historical fact contained in this news release are forward-looking statements, including, without limitation, statements regarding our drilling and seismic plans, operating costs, acquisitions of equipment, expectations of finding oil, the quality of oil we expect to produce and our other plans and objectives. Readers can identify these statements by reading several words such as "estimate, "believe", "expect" and "will" and similar words or their negative. Although management believes that the expectations represented in such statements are reasonable, it cannot ensure that such expectations will be confirmed. By their nature, forward-looking statements require us to make assumptions and, accordingly, said forward-looking statements are subject to inherent risks and uncertainties. We caution readers of this news release 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 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. Such declarations were made on the date hereof. We do not undertake to update such forward-looking statements regarding future events, except as required by applicable securities legislation.