3Q19 Conference Call

November 4, 2019

PetroRio

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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.

OPERATIONAL HIGHLIGHTS

- Quarterly production at 20,348 bbl/d. Operated production at 27,136 bbl/d
- Company lifting cost reduced to US$ 22.9/bbl, 14% lower than 3Q18 (US$ 26.6/bbl)
- Polvo's operational efficiency at 98.5% and Frade's at 98.9%
- Land and air logistics synergies achieved between Frade and Polvo, sea logistics synergies ongoing
- Start of Polvo 2019 Drilling Campaign

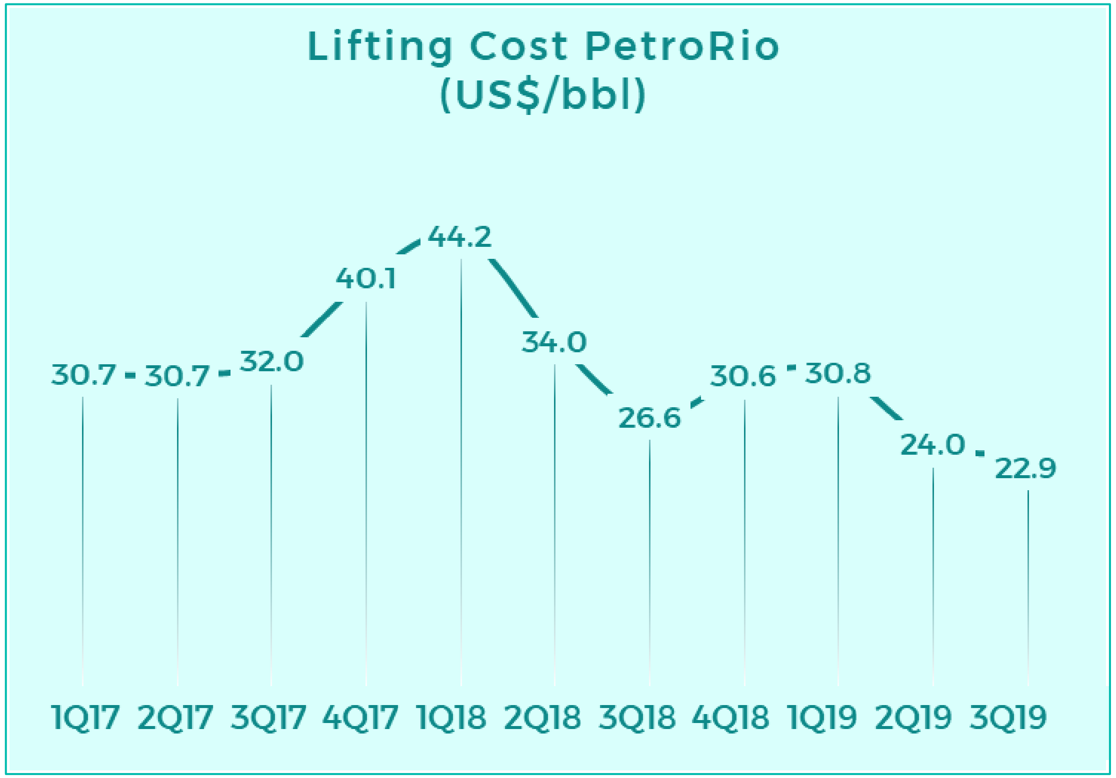
ASSET PERFORMANCE

	3T18	4T18	1T19	2T19	3T19	3T19 x 3T18	3T19 x 2T19
Avg. Brent	$ 75.84	$ 68.60	$ 63.83	$ 68.47	$ 62.03	-18.2%	-9.4%
Avg. Sales Price	$ 75.60	$ 63.23	$ 64.40	$ 68.61	$ 62.31	-17.6%	-9.2%
Avg. Exchange Rate	3.95	3.81	3.77	3.92	3.97	0.5%	1.3%
Final Exchange Rate	4.00	3.87	3.90	3.85	4.16	3.8%	8.0%
Offtakes (bbl)							
Frade Field (52%)	n/a	n/a	n/a	975,322	995,052	n/a	2.0%
Polvo Field (100%)	693,126	1,107,774	544,610	1,025,350	508,034	-26.7%	-50.5%
Production (boepd)							
Frade Field (52%)	8,545	10,400	9,843	9,824	9,865	15.4%	0.4%
Polvo Field (100%)	10,081	10,055	9,567	8,523	8,070	-19.9%	-5.3%
Manati Field (10%)	3,291	3,025	2,033	1,776	2,413	-26.7%	35.9%
Total PetroRio	13,372	13,080	12,191	20,123	20,348	52.2%	1.1%
Lifting Cost (US$/bbl)							
PetroRio	26.6	30.6	30.8	24.0	22.9	-13.8%	-4.6%

Company's Estimated Reserves (Mboe)

Reserves	Frade (52%)	Polvo (100%)	Manati (10%)	Total
Proved (1P)	30	14	3	47
Proved+Probable (2P)	46	21	3	70
Proved+Probable+Possible (3P)	62	30	3	96

LIFTING COST PER BARREL



- Lower lifting cost from synergies between Frade and Polvo, and land logistics contract renegotiations
- Total lifting cost to potentially reach US$ 20/bbl as of December/19

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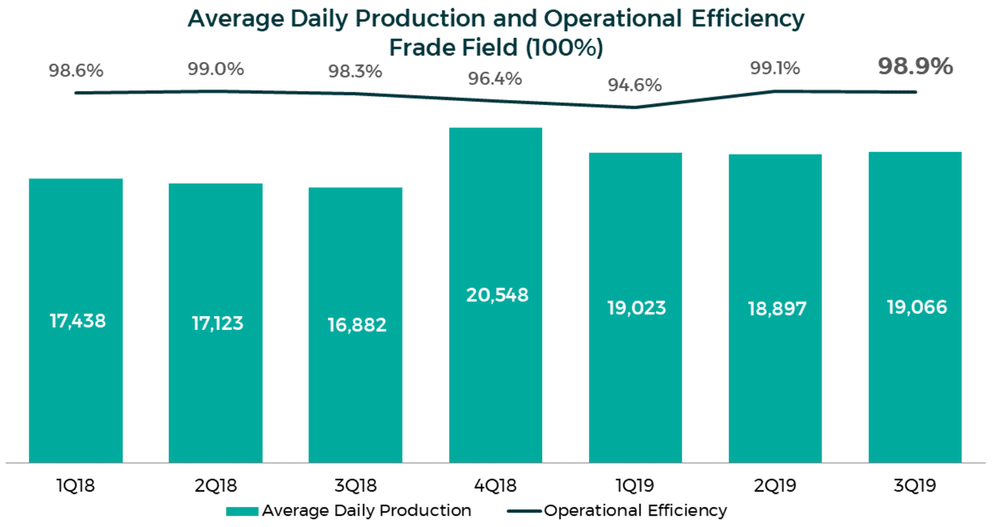
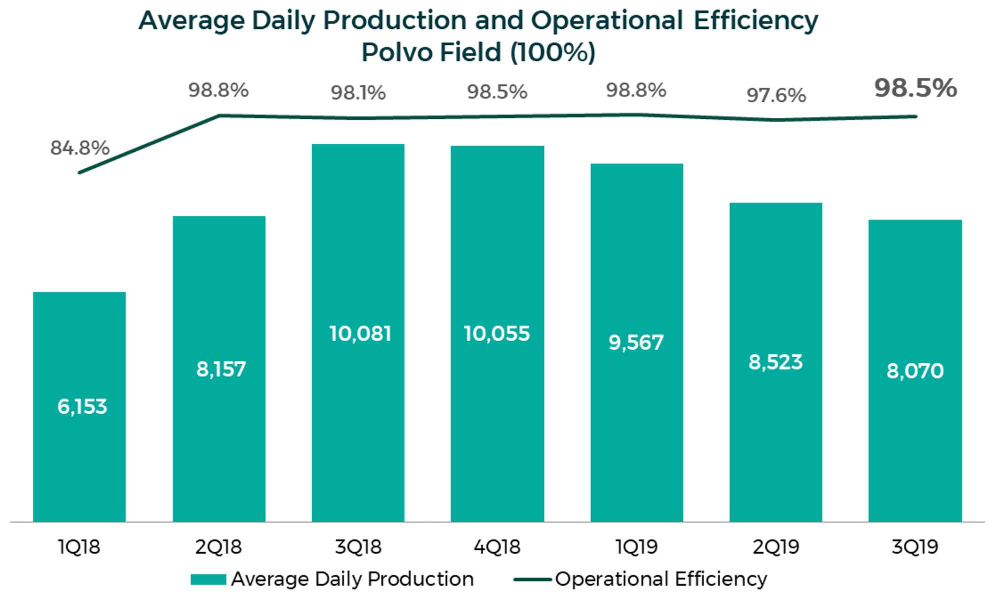
OPERATIONAL EFFICIENCY OF OPERATED FIELDS





Measures taken to contain natural decline in 2019

Short-term (completed)

1) Gas injection

2) Well re-opening with hydrates

3) Initiatives to improve reservoir management and drainage

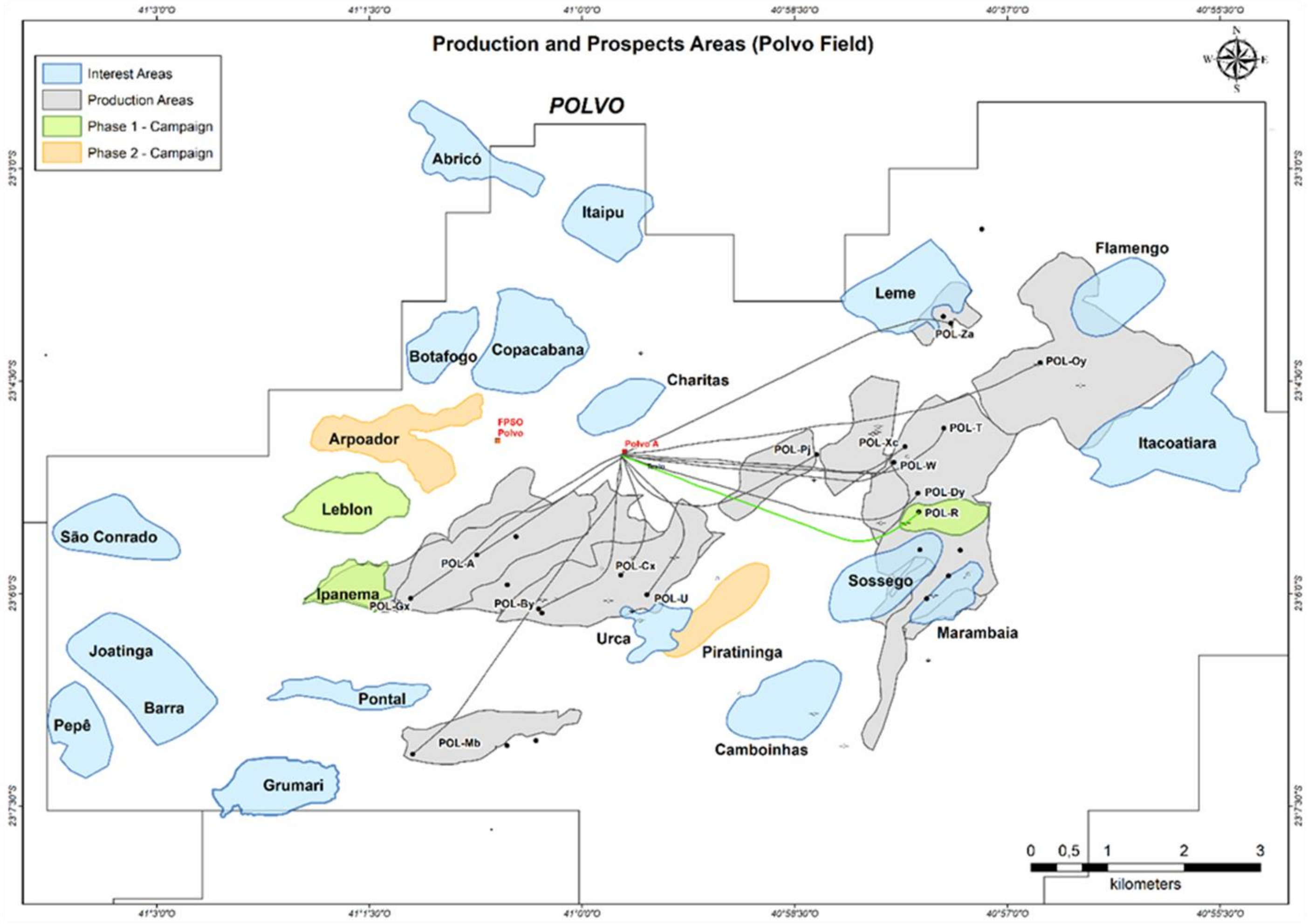
Medium-term (ongoing)

3) Water Shutoff / RPM

4) Well stimulation

Current production levels are **18%** higher than that estimated by the Company, according to the Field's expected decline curve.

POLVO DRILLING CAMPAIGN - 2019



REVITALIZATION PLAN
PHASE 3

- Increase in scope for first stage: 1 workover; 1 recompletion; 2 wells
- 2 months for each well drilled
- Initial investment of approximately US$ 20 million for the first stage

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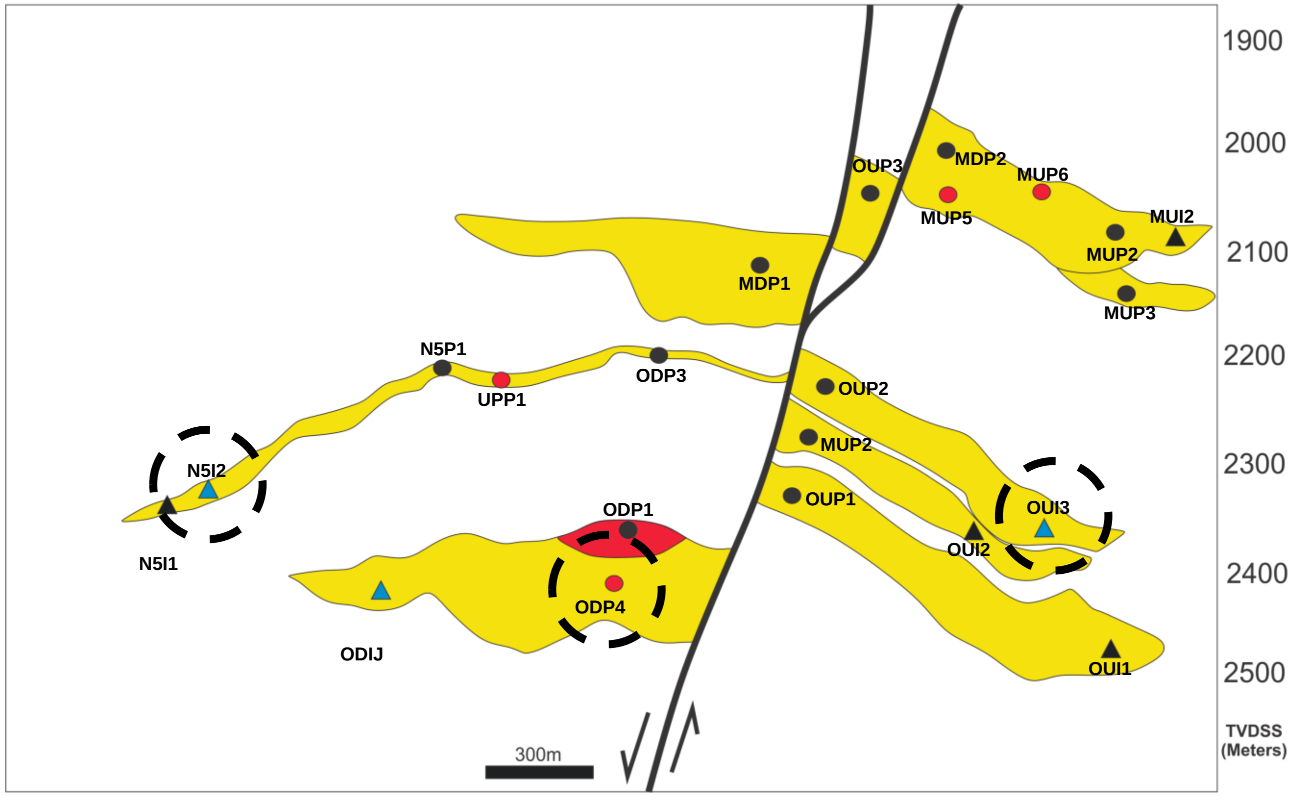
FRADE DRILLING CAMPAIGN - 2020/2021



- Current producers
- Current injectors (disabled)
- Scheduled producers
- Scheduled injectors

= 1st phase (3 wells)

FRADE REVITALIZATION

- Global drilling project – 4 producers and 3 injectors
- Drilling scheduled in two phases:
  - 1st phase – 1 producer and 2 injectors
  - 2nd phase – 3 producers and 1 injector
- 1st phase of investment (proportional to 100% of the Field): US$ 190-200 million

FINANCIAL HIGHLIGHTS

- Net Revenue of R$ 399 MM in the quarter, a 78% increase vs 3Q18
- Adjusted EBITDA (ex-IFRS 16) of R$ 215.9 MM. Highest ever adjusted EBITDA margin (54%)
- Highest ever adjusted EBITDA per barrel (US$ 31.5/bbl)
- Strong decrease of ND/EBITDA (ex-IFRS 16) to 1.2x enables leveraging for acquisitions
- Adjusted bottom line (ex-IFRS 16) heavily impacted by non-cash effects (foreign exchange)

*Adjusted EBITDA (ex-IFRS 16) excludes "Other revenues/expenses" and the effects of IFRS 16, that removes FPSO costs from "Cost of Goods Sold" and adds other componentes to D&A, also impacting interest expenses and exchange rate variations in "Financial Expenses".

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FINANCIAL PERFORMANCE

(R$ thousands)

Includes IFRS 16 from January 1st, 2019 onwards

	3Q18	Ex-IFRS16 3Q19	Δ	9M18	Ex-IFRS16 9M19	Δ	3Q19	9M19
Net revenue	**224,627**	**399,045**	**78%**	**581,187**	**1,086,351**	**87%**	**399,045**	**1,086,351**
Cost of goods sold	(77,316)	(121,214)	57%	(247,754)	(392,459)	58%	(90,028)	(294,439)
Royalties	(17,911)	(32,322)	80%	(45,771)	(95,466)	109%	(32,322)	(95,466)
Operatin income	**129,400**	**245,509**	**90%**	**287,662**	**598,426**	**108%**	**276,695**	**696,446**
General and administrative expenses	(23,000)	(29,635)	29%	(77,292)	(84,674)	10%	(28,304)	(80,807)
Other operating income (expenses)	(15,906)	(26,616)	67%	(19,264)	(58,881)	206%	(26,616)	(58,881)
EBITDA	**90,494**	**189,258**	**109%**	**191,106**	**454,871**	**138%**	**221,775**	**556,758**
EBITDA margin	***40%***	***47%***	***7 p.p.***	***33%***	***42%***	***9 p.p***	***56%***	***51%***
Depreciation and amortization	(22,425)	(90,999)	306%	(66,443)	(135,003)	103%	(119,196)	(226,228)
Financial Results	29,143	(98,427)	n/a	45,812	(163,890)	n/a	(173,711)	(251,921)
Income and social contribution taxes	(25,754)	(728)	-97%	(25,763)	(41,168)	60%	(728)	(41,168)
Income (loss) for the period	**71,458**	**(896)**	**n/a**	**144,712**	**114,810**	**-21%**	**(71,860)**	**37,441**

	3Q18	Ex-IFRS16 3Q19	Δ	9M18	Ex-IFRS16 9M19	Δ	3Q19	9M19
Adjusted EBITDA*	**106,400**	**215,874**	**103%**	**210,371**	**513,752**	**144%**	**248,391**	**615,639**
Adjusted EBITDA margin	***47%***	***54%***	***7 p.p***	***36%***	***47%***	***11 p.p***	***62%***	***57%***

Quarterly bottom line affected by foreign exchange impact of R$ 79.4 million

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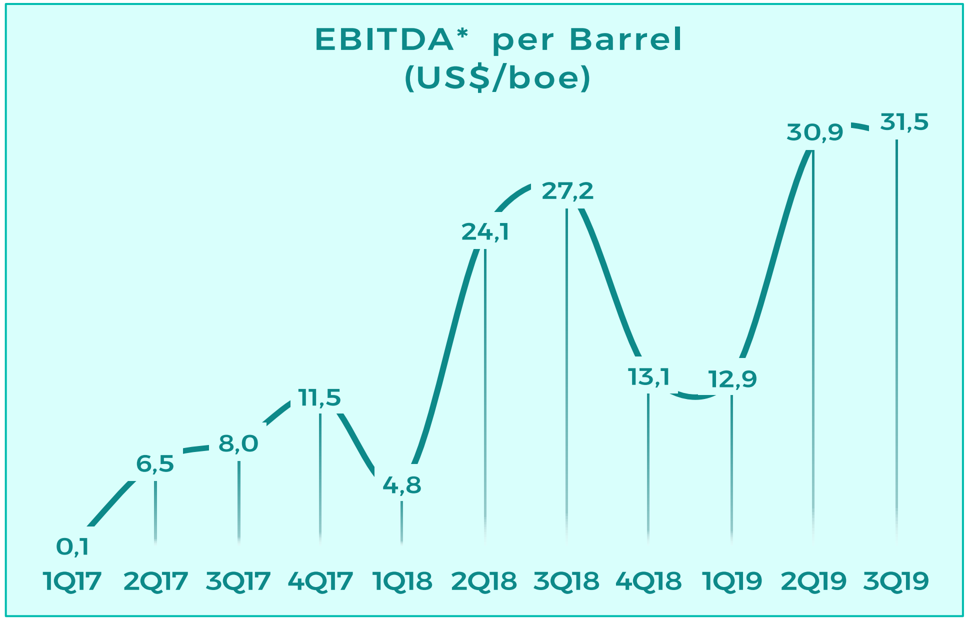
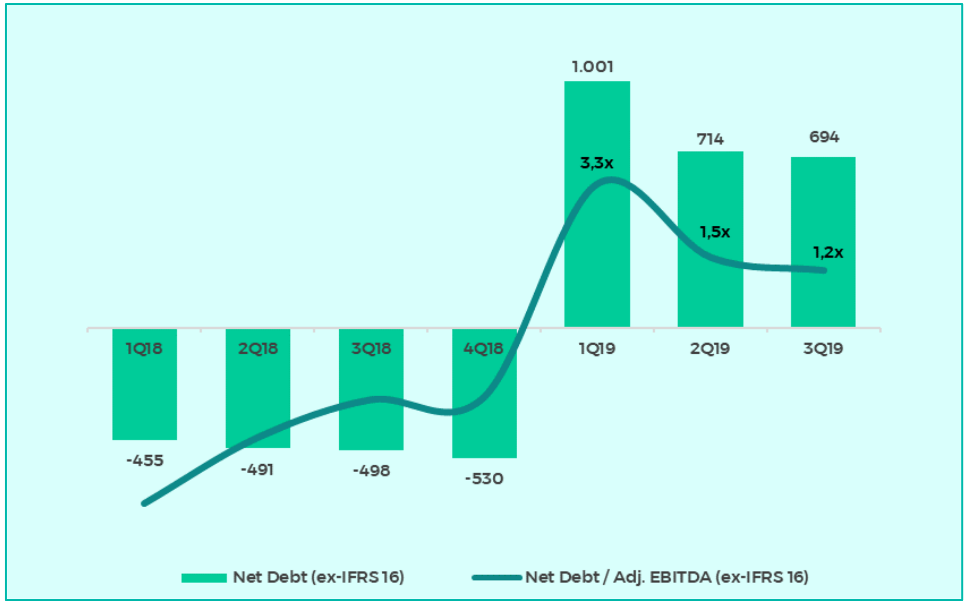
*Adjusted EBITDA excludes “Other revenues/expenses” due to non-recurring items.

FINANCIAL PERFORMANCE





- Highest ever EBITDA* per barrel in Company historys (+15% vs 3Q18), despite lower average Brent prices

- 1.2x leverage takes into account all of the debt incurred with the Frade acquisition, 6 months since Frade's acquisition.

*Adjusted EBITDA (ex-IFRS 16) excludes "Other revenues/expenses" and the effects of IFRS 16, that removes FPSO costs from "Cost of Goods Sold" and adds to D&A, also impacting interest expenses and exchange rate variations in "Financial Expenses".

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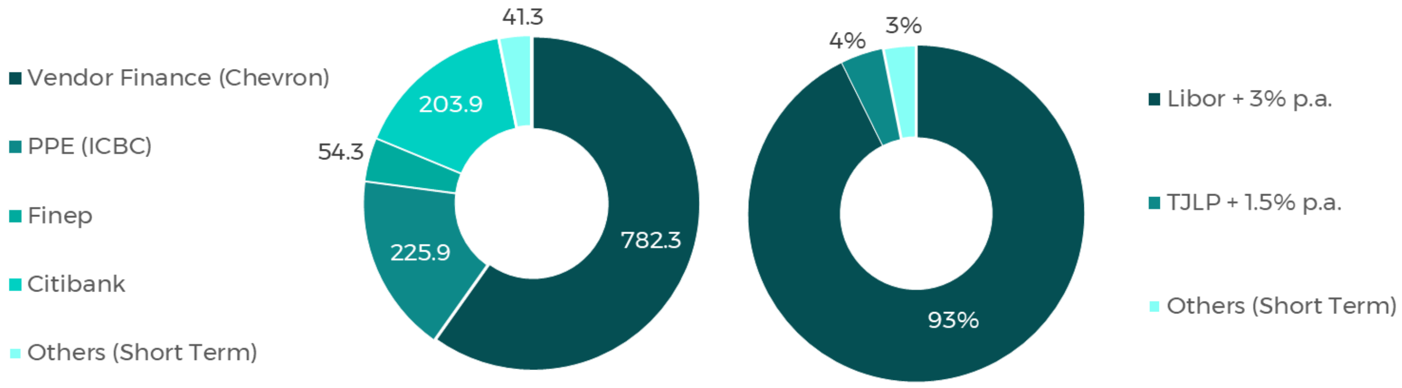
FUNDING

Loans and Funding
(R$ thousand)



Vendor Finance (Chevron)
US$ 224 million
2 year term
Libor + 3% p.a.
Paying for the asset using its own cash flow with vendor finance

PPE (ICBC)
US$ 60 million
4 year term
Libor + 3% p.a.
Guarantees Polvo production sales to PetroChina

Finep
R$ 90 million
2.5 year grace period
10 year term
TJLP + 1.5% p.a.

Citibank
US$ 48 million
4 month term
Libor + 3% p.a.
Working capital

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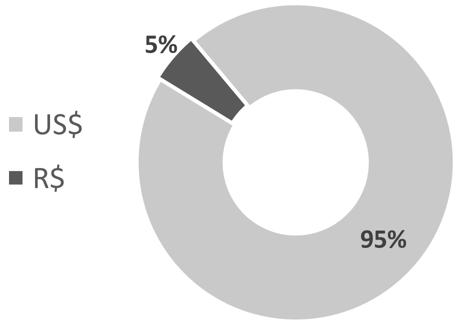
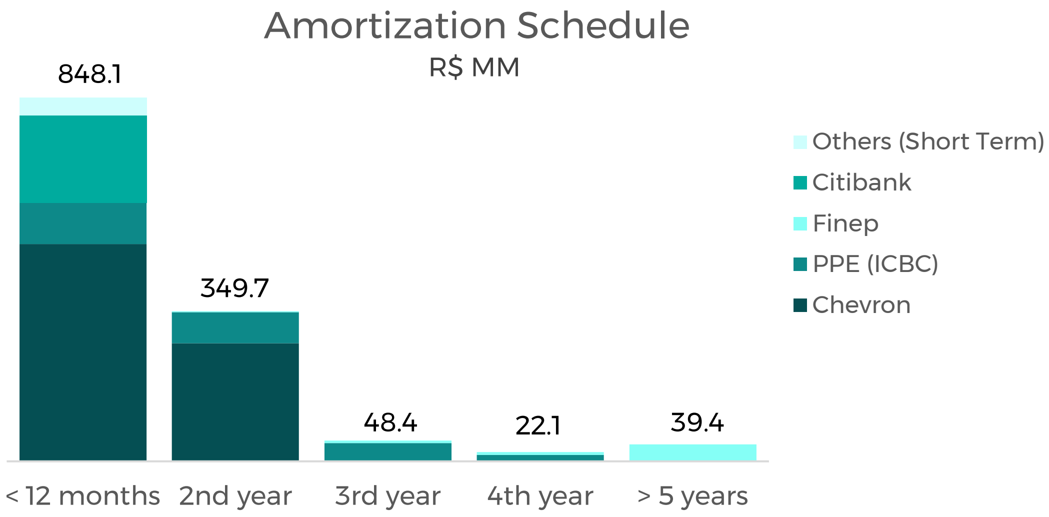
FUNDING

Loans and Funding





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