

# NOTICE TO THE MARKET

## CHANGE OF MATERIAL EQUITY INTEREST

Rio de Janeiro, January 8, 2018 - Petro Rio SA ("Company" or "PetroRio") (B3: PRIO3), in compliance with the provisions of article 12, paragraph 5, of CVM Instruction 358/02 (and its amendments by CVM Instruction 568/15) announces that it has received from Morgan Stanley a letter in which it informs the Company that holds through its subsidiaries 663,702 common shares issued by the Company, corresponding to 5.0% of PetroRio's share capital and does not aim to change the composition of the Company's control or its administrative structure.

Morgan Stanley also reports that it achieved a sold exposure, through derivative financial instruments, referenced in 418,091 common shares of the Company, representing 3.2% of the total number of common shares.

### About 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.petroriosacom.br](http://www.petroriosacom.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 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 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 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; nonperformance by third party contractors; labor disputes, disruptions or declines in productivity; increases in materials or labor costs; inability to attract sufficient labor; requirements for significant capital investment and maintenance expenses which HRT may not be able to finance; cost overruns and delays; exposure to fluctuations in currency and commodity prices; political and economic conditions in Namibia and 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 news release are made as of the date of this news release. Except as required by applicable securities laws, we do not undertake to update such forward-looking statements.

## INVESTOR RELATIONS