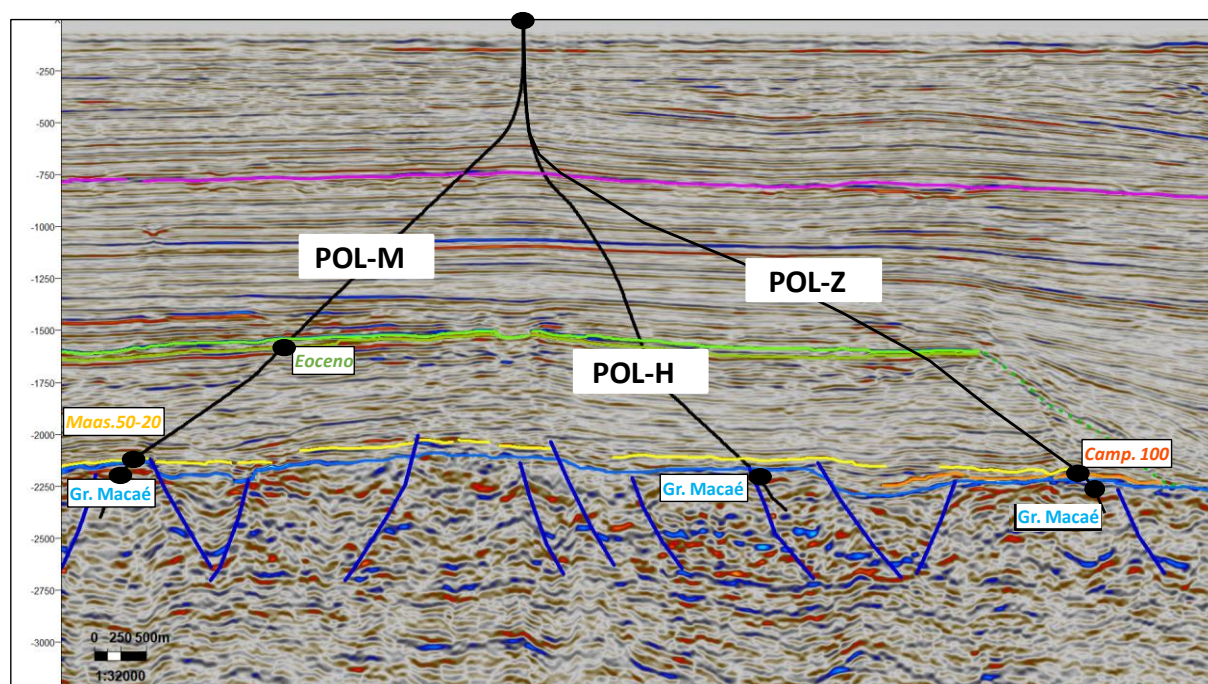


MATERIAL FACT

PETRORIO BEGINS ITS DRILLING CAMPAIGN

Rio de Janeiro, April 5, 2018 – Petro Rio S.A. ("Company" or "PetroRio") (B3: PRIO3), informs its shareholders and the market in general that it has initiated the second phase of its Revitalization Plan for the Polvo Field. Having succeeded in Phase 1, which took place in 1Q2016, and which resulted in 20% increase in production and volumes of reserves of the field, the Company will now invest in Phase 2 of the Revitalization Plan. This phase involves drilling three new wells with initial Capex of USD 20MM and total Capex of approximately USD50MM, depending on the results obtained. The Company will keep the market informed over the period of the Campaign - which is estimated to last six months - and update the market in the case of commercial discoveries in the prospected wells.

The drilling campaign also considers secondary targets which will be used to examine reservoirs with high oil potential. The geological material will be collected, analyzed and after thoroughly studied by our technical team, be used for an eventual Phase 3 of the Revitalization Plan, to be carried out during 2019 depending on the results of the samples taken.



Obs: For illustration purposes only

PetroRio is confident that this phase of the revitalization will yield good results and, depending on the results obtained, can potentially extend the useful life of Polvo for approximately 5 years (into 2026).

The Company will be using its drilling rig, which is part of the fixed platform in Polvo (Polvo-A). It is estimated that the costs of drilling in Polvo are 65% lower than those practiced by local peers, which in some cases must resort to leasing third party drilling rigs.

In light of the new investments in Polvo, PetroRio strengthens its position as an experienced player in Enhanced Oil Recovery, by seeking technical innovations, new technologies, increasing the recovery factor and consequently extending the useful life of mature fields.

INVESTOR RELATIONS

In relation to the application for the reduction of royalties made to ANP, PetroRio is still waiting for definition over the reduction to a 5% rate. The Company has received positive signs from the ANP and the Energy and Mines Ministry of Brazil and understands that the ANP will pronounce itself soon. The claim is based on current legislation and will allow for new investments in mature fields or areas with greater geological risk, making these reserves economically viable. Consequently, incentives will be in place for the development of the oil industry in several regions of the country. The reduction in royalties will also promote the extension of the useful life of producing fields, increase the recovery factor of proven reserves, that would otherwise be left aside and will allow, in the long term, for substantial increases in the collection of royalties by States, municipalities and the Federal Union.

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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.

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; non-performance 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