



RESULTS 3Q17

NOVEMBER 10, 2017



Índice de
Governança Corporativa
Novo Mercado

IGC-NM

Índice de
Ações com Tag Along
Diferenciado

ITAG

Índice de
Ações com Governança
Corporativa Diferenciada

IGC

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.

3Q17 HIGHLIGHTS



Net revenue of R\$110MM in the quarter and R\$340MM in the 9M17, 20% higher than 9M16



Operational efficiency in Polvo of 98.4%, the highest figure since 2015



Production of 5.2MM m³ of natural gas in Manati, 30% higher than 3Q16



EBITDA of R\$21MM and Net Income of R\$16.4 million in 3Q17

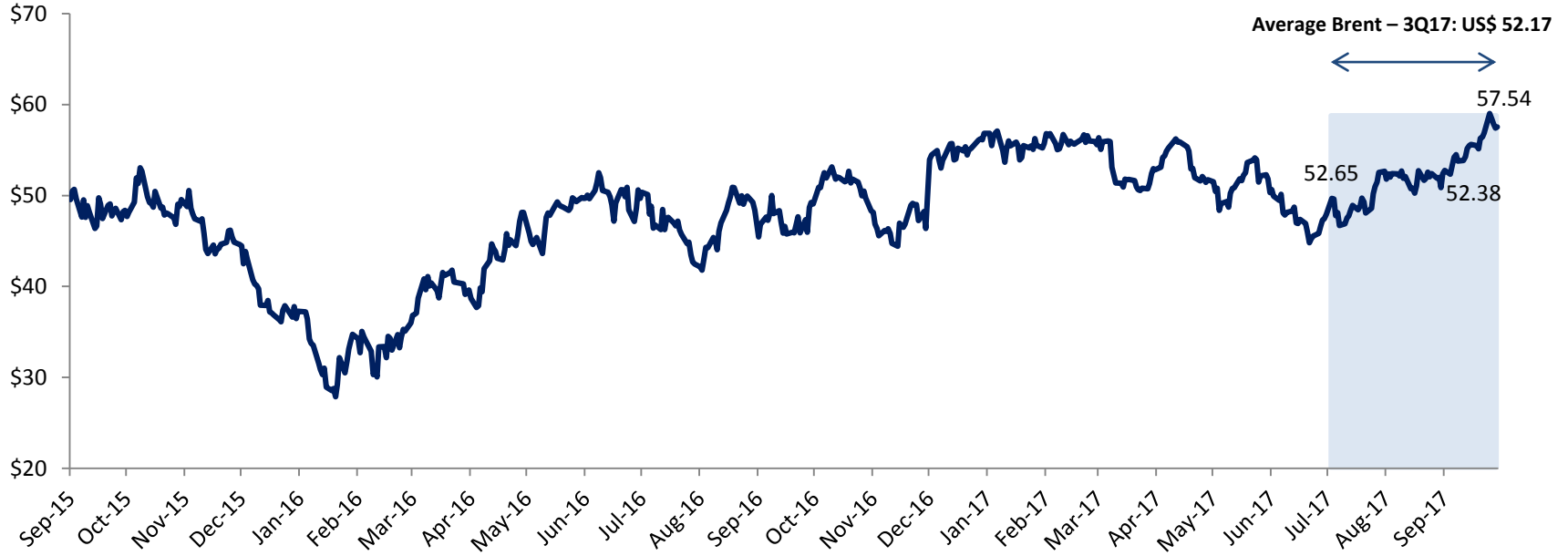


Cash position of R\$751MM*, 33% higher than the R\$562 million in 3Q16

MACROECONOMIC SCENARIO



Brent Price (US\$/bbl)
Sep/15 to Sep/17

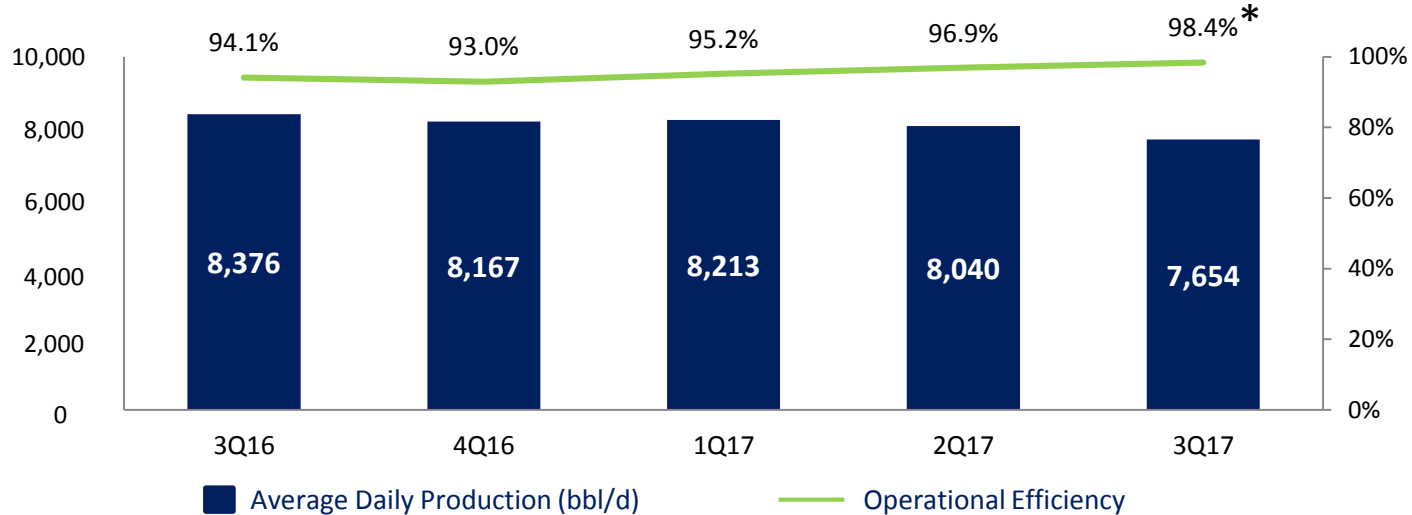


		3Q17	3Q16	Δ
Brent	Last price	US\$ 57.54	US\$ 49.06	17.3%
	Average price	US\$ 52.17	US\$ 46.98	11.0%
USD/BRL	Last price	3.16	3.26	-3.1%
	Average price	3.16	3.24	-2.5%

POLVO: PRODUCTION AND OFFTAKES



Average Daily Production and Operational Efficiency



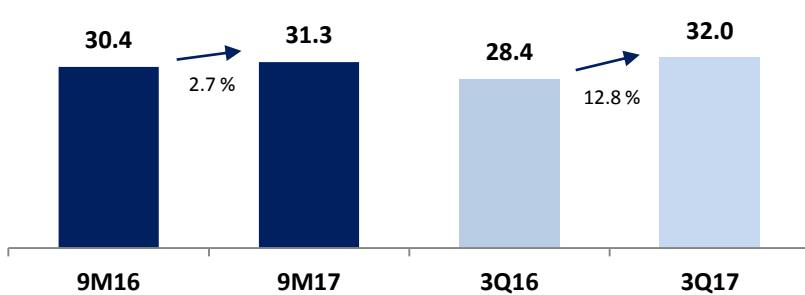
2017 Offtakes	
Quarter	3Q17
Month	August
Volume (kbbbl)	596,880
Gross selling price (US\$/bbl)	51.87

* August recorded 100% operational efficiency. The month of October also recorded 100% after the end of the quarter

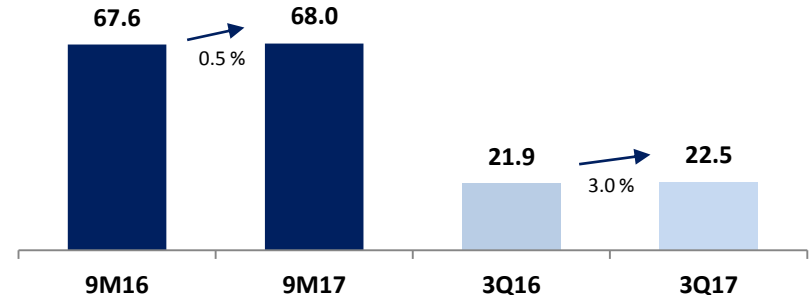
POLVO: LEAN OPERATION



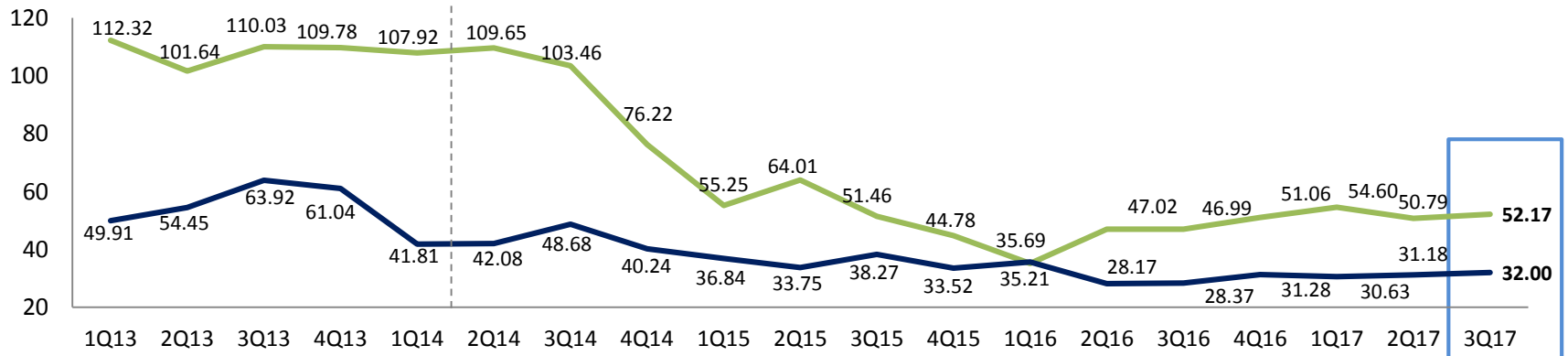
Lifting Cost - Polvo Field (US\$/bbl)



Operational Costs - Polvo Field (US\$ million)



Brent x Lifting Cost* (US\$/bbl)

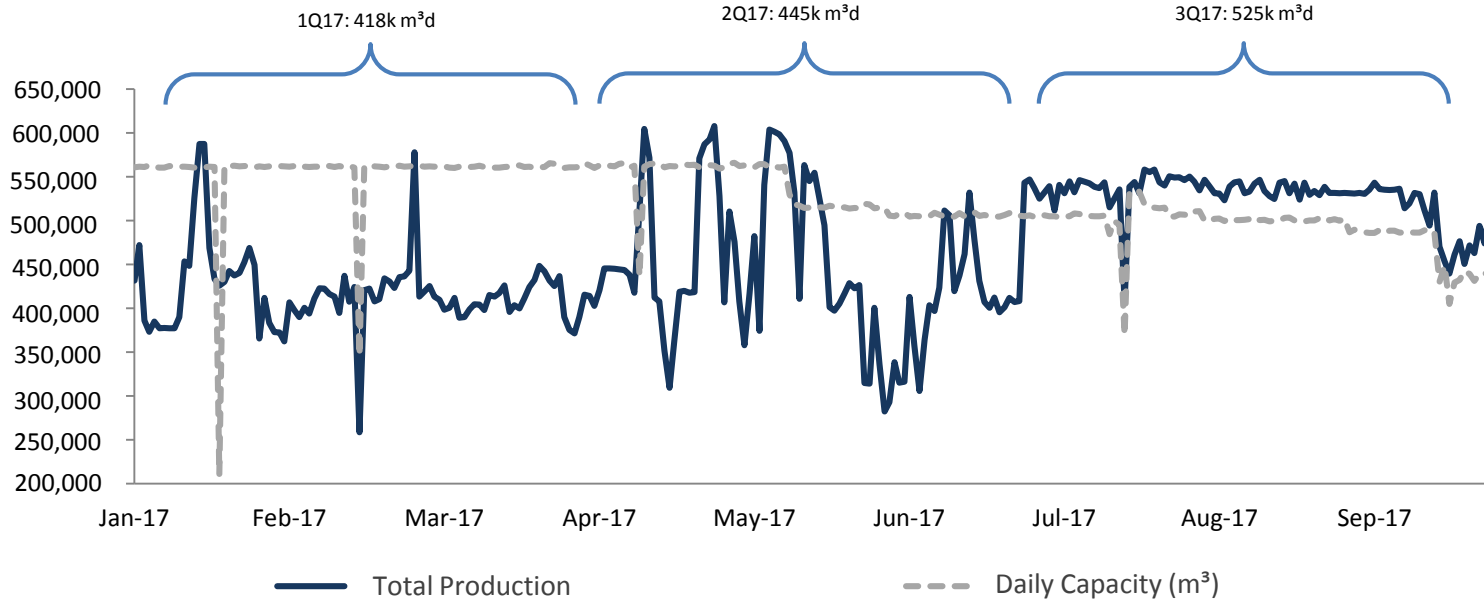


MANATI: PRODUCTION



Manati - Gas production (m³/d)

(Related to PetroRio's 10% W.I.)



Average Volume – Petrório 10% Interest (m ³ /d)			
July	August	September	3Q17
535,547	535,477	506,322	525,994

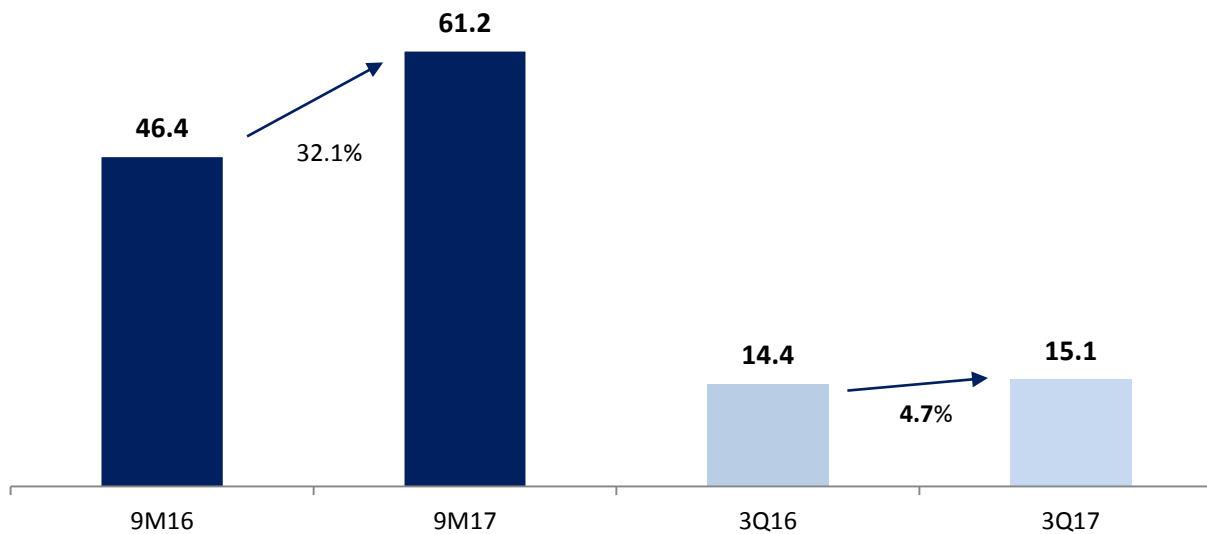
QUARTER RESULTS

(in thousands of R\$)



FINANCIAL PERFORMANCE	3Q17	3Q16	Δ	9M17	9M16	Δ
Revenues	110,014	139,242	-21%	340,307	284,133	20%
Costs of products/services	(62,058)	(96,048)	-35%	(199,099)	(231,267)	-14%
Royalties	(10,028)	(13,081)	-23%	(33,054)	(25,896)	28%
Results of Operations	37,928	30,113	26%	108,154	26,970	301%
G&A, G&G and Project expenses	(15,090)	(14,438)	5%	(61,234)	(44,700)	37%
Other revenues/expenses	(1,849)	(16,333)	-89%	40,582	(8,236)	-
EBITDA	20,989	(658)	-	87,502	(25,967)	-
EBITDA Margin	19.1%	-0.5%	20.p.p.	25.7%	-9.1%	35.p.p.
Depreciation and amortization	(21,495)	(15,448)	39%	(61,603)	(48,429)	27%
Financial results	14,224	109,994	-87%	46,518	51,898	-10%
Income tax and social contribution	2,664	(22,417)	-	(4,910)	(22,441)	-78%
Profit (loss) for the period	16,382	71,471	-77%	67,507	(44,938)	-

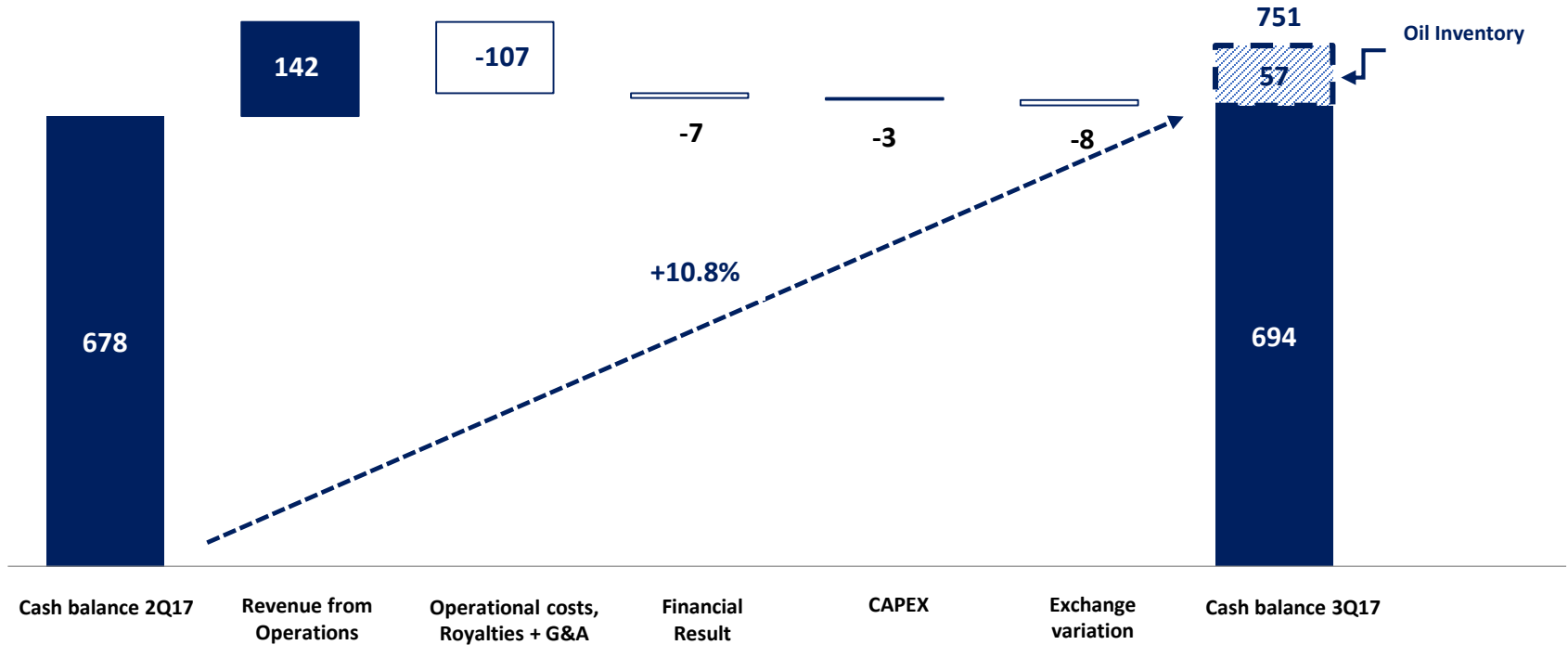
G&A EXPENSES (R\$ MILLION)



CASH FLOW 3Q17



CASH FLOW 3Q17 (R\$ million)



OUTLOOK 4Q17



Request for reduction in Royalties for Polvo , as compensation for new investments in the field



Oil prices to stabilize between the US\$ 55 – 65 range, increasing profit margins substantially due to the large proportion of fixed costs in the asset's total costs.



Improved Cash Generation with the increase in production in Manati



Advancing in negotiations for the aquisições of mature producing fields



Increase in interest in "PRIO3" with the continued expansion of the Company's shareholder base

PETRORIO: BIGGEST INDEPENDENT OIL COMPANY IN BRAZIL

