

MATERIAL FACT

PETRORIO BEGINS PRODUCTION FROM POL-H WELL

Rio de Janeiro, May 28, 2018 - Petro Rio S.A. ("Company" or "PetroRio") (B3 ticker: PRIO3), in addition to the Material Facts disclosed on October 16, 2017 and April 6, 2018 and following best practices of corporate governance, announces to its shareholders and the market in general that it has commenced production in the first well of the drilling campaign, named "POL-H".

As previously announced to the market, drilling of the first well began in April 2018 and is part of the Revitalization Plan of Polvo Field. The project includes drilling three new wells over a six-month period, with the purpose of increasing volumes of recoverable oil, while allowing for the extension of the useful life of the Field.

The drilling of "POL-H" confirmed the presence of oil at the well's main target, in a carbonate reservoir of Quissimã formation in the Macaé Group, with a net pay of 59 meters, average porosity of 15%, and API gravity of 21.5 degrees, similar features to those found in the rest of the Polvo Field. In view of the positive results - which suggested the commercial viability of "POL-H" - PetroRio completed the well and began production through the Field's facilities. The first well began producing 50 days after the start of the drilling campaign, which was within Company estimates.

The initial measured output, after a period of stabilization, is of approximately 2,600 barrels per day, a 35% increase in the Field's total production. The addition of reserves is estimated to exceed 1.5 million barrels of recoverable oil, to be assessed by an independent certifier.

The Company also informs that it has begun drilling the second well, named "POL-Z".

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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.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 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.

INVESTOR RELATIONS