



## NOTICE TO THE MARKET

Rio de Janeiro, January 2, 2019 – Petro Rio S.A. (“Company” or “PetroRio”) (B3: PRIO3) announces to its shareholders and the Market in general that the Board of Directors has approved on January 2, 2019 (a) the ratification of the conversion of 221.062 (two hundred and twenty-one thousand, sixty-two) Company ordinary Shares and (b) the subsequent approval of the increase of the Company’s Share Capital to R\$ 3,421,864,092.46 (three billion, four hundred and twenty-one million, eight hundred and sixty-four thousand, ninety-two reais and forty-six centavos), split into 13,557,579 (thirteen million, five hundred and fifty-seven , five hundred and seventy-nine) Company ordinary Shares. In compliance to Art. 30 of the Instrução CVM 480/09, the Company presents the information required on Annex 30-XXXII of the aforementioned document, related to the capital raise, due to the Stock Option Plan, approved by the Board of Directors, as following:

### Information of the Annex 30-XXXII

#### **I – Date of the General Shareholders Meeting on which the Stock Option Plan was has been approved:**

The Extraordinary Shareholders Meeting approved PetroRio S.A.’s Stock Option Plan (“Stock Option Plan”) on December 22, 2017.

#### **II – Amount of the capital raise and new Share Capital total:**

Capital raise of R\$ 12,055,039.88 (twelve million, fifty-five thousand, thirty-nine reais and eighty-eight centavos based on the re-ratified, on July 4, 2018, Share Capital (R\$ 3,409,809,052.58), resulting in R\$ 3,421,864,092.46 (three billion, four hundred and twenty-one million, eight hundred and sixty-four thousand, ninety-two reais and forty-six centavos).

#### **III – Amount of issued shares**

221,062 ordinary, nominative, with no face value Shares. The new Shares will have the same rights and characteristics as the previous Shares outstanding, being subject in its entirety to all the privileges, according to the Company’s Bylaws.

#### **IV – Price of the issued shares**

214,968 shares were issued priced at R\$ 54.70 and 6,094 shares were issued priced at R\$ 48.62.

#### **V – Price of each species and classes of shares, identifying:**

- a) **Minimum, average and maximum price of each year for the last 3 (three) years;**

In BRL	2016	2017	2018
min	6.90	23.30	50.93
average	14.42	43.23	83.44
max	23.90	81.80	122.76

**b) Minimum, average and maximum price of each quarter for the last 2 (two) years;**

2018				
In BRL	1Q	2Q	3Q	4Q
min	59.00	50.93	67.05	93.09
average	78.10	64.96	84.17	107.84
max	102.28	73.50	111.00	122.76
2017				
In BRL	1Q	2Q	3Q	4Q
min	23.30	34.40	34.24	46.20
average	32.47	38.49	40.93	59.79
max	46.99	47.17	48.18	81.80
2016				
In BRL	1Q	2Q	3Q	4Q
min	6.90	13.00	12.75	13.60
average	9.85	16.31	14.07	16.68
max	23.90	19.85	16.15	22.80

**c) Minimum, average and maximum price of each month for the last 6 (six) months;**

2018						
In BRL	Jul	Aug	Sep	Oct	Nov	Dec
min	67.05	78.20	91.00	107.10	93.09	94.00
med	69.98	84.22	99.80	115.26	106.54	100.14
max	80.21	94.53	111.00	122.76	121.80	107.97

**d) Average price for the last 90 (ninety) days;**

The average price for the last 90 days was R\$ 106.06.

## VI) – Percentual potential dilution due to the issuance

The potential dilution factor, considering the capital raise, could reach 1.66%.

### Sedar Profile # 00031536

#### 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.petrوريا.com.br](http://www.petrوريا.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,

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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.