

MATERIAL FACT

ACQUISITION OF INTEREST IN THE WAHOO AND ITAIPU FIELDS

Rio de Janeiro, November 19, 2020 - Petro Rio S.A. (the “Company” or “PetroRio”) (B3: PRIO3), following best corporate governance practices, informs its shareholders and the market in general the signing of an agreement with BP Energy do Brasil Ltda. for the acquisition of interests of 35.7% in the BM-C-30 Block (“Wahoo” or “Wahoo Field”) and 60% in the BM-C-32 Block (“Itaipu” or “Itaipu Field”), thus, subject to the necessary approvals, becoming the operator of both pre-salt fields.

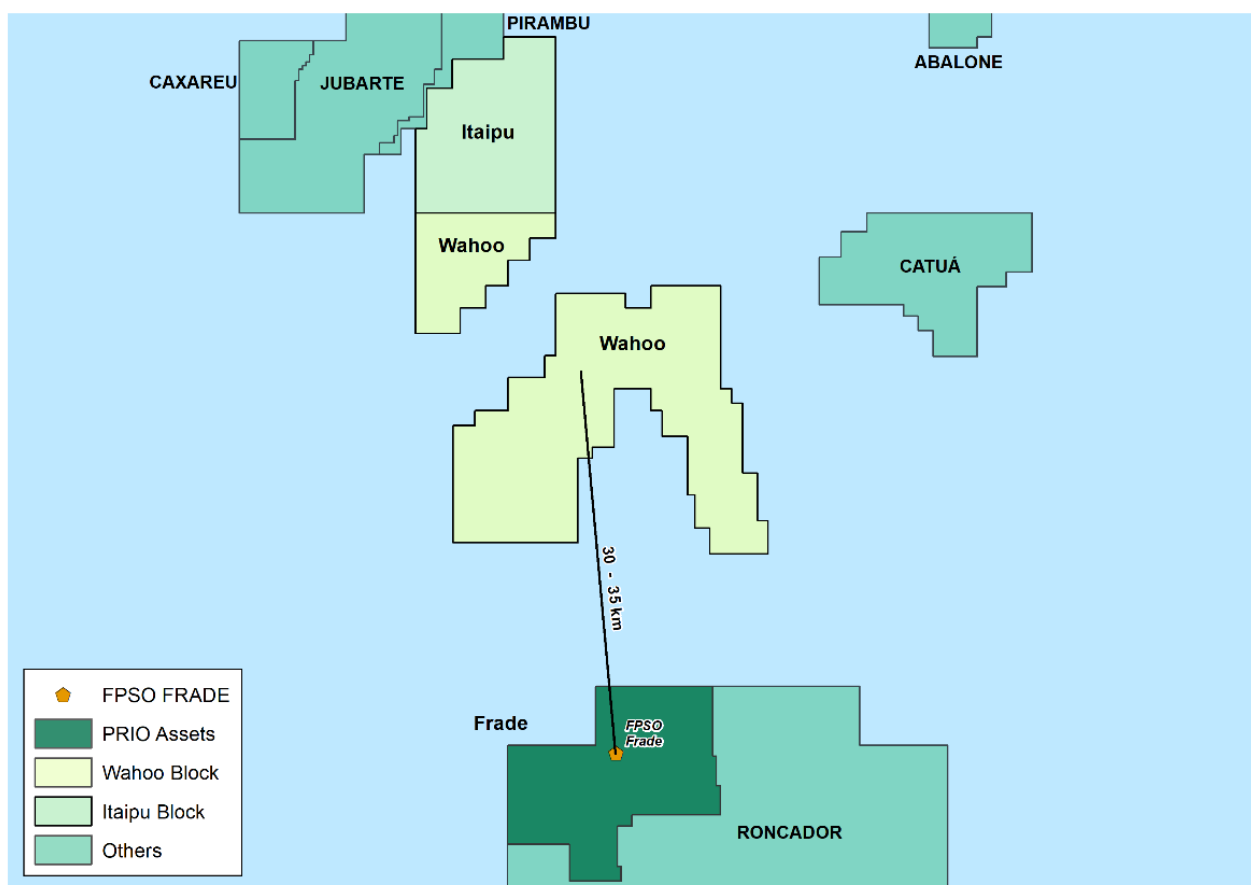
Wahoo, with production potential of over 140 million barrels (100% of Wahoo), had oil discoveries in 2008 and carried out formation tests in 2010, and fits precisely in the Company’s value generation strategy. The Wahoo development will allow the Company to create another production cluster, which will share all infrastructure with Frade Field (including the FPSO), enabling the capture of synergies, resulting in significant and sustainable lifting cost reduction, while maintaining high levels of safety and efficiency.

The acquisition, subject to regulatory approvals and other usual conditions precedent, will have a fixed portion of US\$ 100 million, which will be divided into 5 payments (US\$ 17.5 million split between the signing and the completion of the transaction - closing - once all conditions are met; US\$ 15 million in December 2021; with the balance due in 2022), plus a US\$ 40 million earn-out contingent on Itaipu’s unitization (or first oil).

PetroRio reaffirms its commitment to maintaining conservative indebtedness levels, and estimates that even after incorporating this financing, the Net Debt/EBITDA ratio will remain within normal and acceptable ranges.

Wahoo is located 30-35 km north of Frade, with a water depth of 1,400 m, and has a carbonate reservoir at the pre-salt layer at a depth of 5,000 to 7,000 meters. Wahoo oil is of excellent quality, with 30° API, low viscosity, and associated gas that will be used to generate energy for the Frade FPSO.

Itaipu, which was discovered in 2009 and has 3 pilot wells drilled, is located close to the Whales Park cluster. Preliminary studies indicate that the accretion is potentially shared with the southeast portion of the cluster. Thus, the development of this area may go through a unitization process, before any development definition.



Wahoo History and Tieback Project

In 2008, Anadarko (the operator at the time) concluded the exploration, discovery, mapping and evaluation of Wahoo. Four wells have been drilled in the Wahoo reservoir, outlining it, of which three had oil discovery, with a subsequent formation test. At the time, an independent production system was conceived, with an owned FPSO.

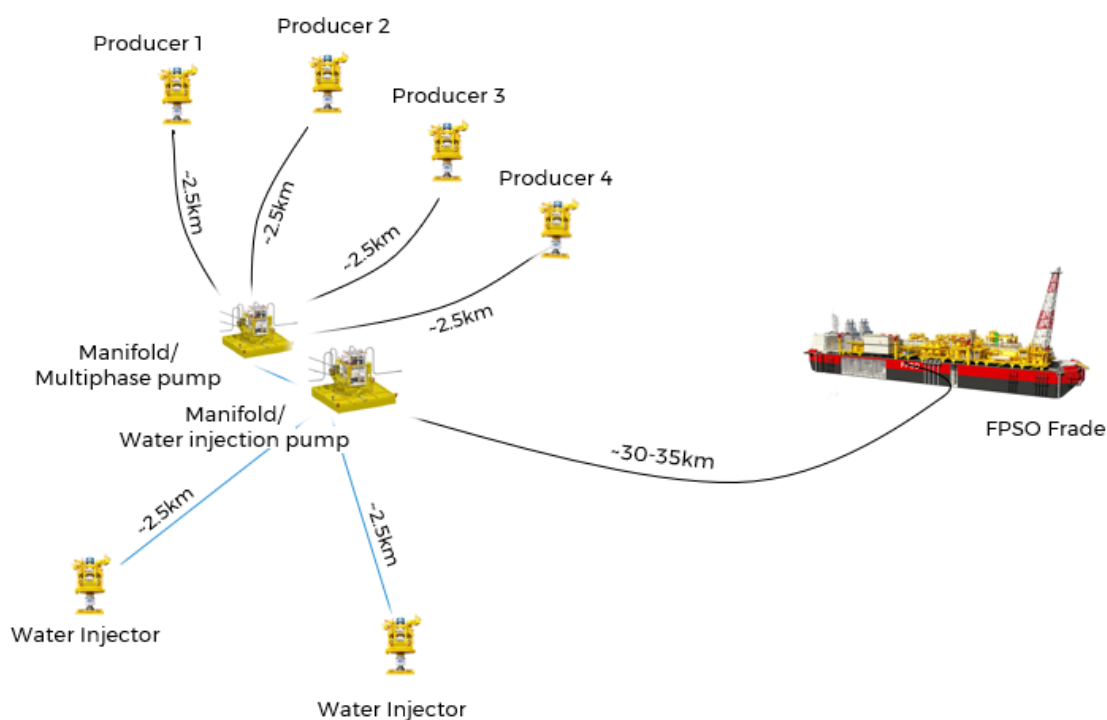
During the evaluation process of the investment opportunity, PetroRio confirmed the possibility of a tieback between Wahoo and Frade and devised a new development project using existing infrastructure, fully aligned with its value generation strategy.



The Wahoo base project covers the drilling of four producer wells, two injector wells, the deployment of a subsea manifold with multiphase pumps for the flow of oil and injected water, and the tieback between the manifold and the Frade FPSO. The project may be adjusted, depending on new technologies and conditions found after the beginning of production. For example, if there is aquifer pressure in the Wahoo reservoir, the injector wells may become unnecessary, reducing the total planned investment.

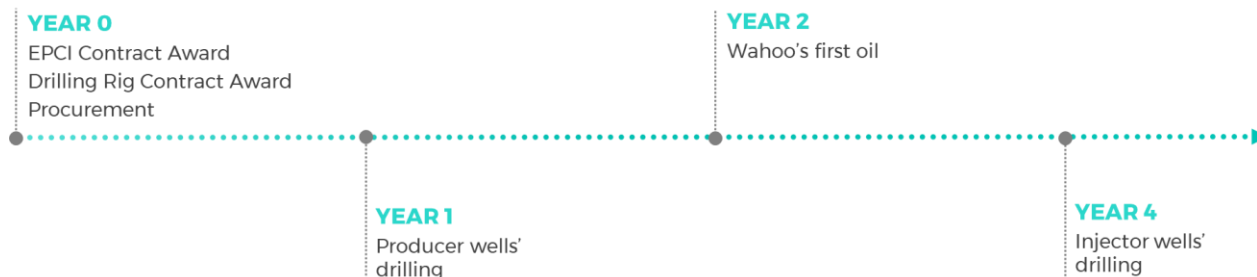
The Company has estimated average initial productivity of more than 10,000 barrels per day per well and a production that might exceed 40,000 barrels per day in Wahoo, based on the formation test made in the pilot well. Such estimates may be changed based on the collection of more information, such as seismic data and more detailed mapping of the reservoir, allowing for the optimization of the location of the planned wells and equipment installation.

In the base project, the CAPEX is composed of US\$ 300 million for the tieback, US\$ 360 million for well drilling, US\$ 100 million for subsea equipment, and US\$ 40 million for adjustments to the Frade FPSO and other items.



Schedule

- 1) Regulatory approvals
- 2) Declaration of Commerciality
- 3) Presentation of the Development Plan and subsequent certification of reserves and contingent resources
- 4) Beginning of drilling and the tieback project
- 5) Wahoo first oil, approximately 2 years after the beginning of the project



Wahoo Consortium

The Company intends to make this investment in Wahoo in partnership with the members of the consortium, taking the legal, regulatory and commercial feasibility into account. Currently, the main options under consideration are:

- (i) Sharing the investment and the resulting production proportionally among the consortium members that state their interest. In this case, the Frade FPSO will be entitled to a per barrel handling fee, since it will be responsible for processing, storing and offloading the oil produced in Wahoo.
- (ii) In case the other consortium members are not capable of participating in the project, PetroRio may undertake the entire execution of the investment, and in return benefit from all the production resulting therefrom (as provided in the Joint Operation Agreement's clauses).

With this acquisition, PetroRio makes another important strategic move, which once again highlights its business model (already established in other countries), which includes the creation of production clusters through tiebacks, fields redevelopment and operational optimization, within the highest efficiency and safety levels.

Finally, PetroRio reaffirms its commitment to disciplined capital allocation, adding reserves to its portfolio at attractive values, and which may be produced at low costs.

Scotiabank acted as financial advisor in this transaction.

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 redevelopment 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.