



NOTICE TO THE MARKET

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 1,499,770 (one million four hundred and ninety-nine thousand, seven hundred and seventy) Company ordinary Shares and (b) the subsequent approval of the increase of the Company's Share Capital to R\$ 3,463,530,244.12 (three billion, four hundred and sixty-three million, five hundred and thirty thousand, two hundred and forty-four reais and twelve centavos), split into 144,685,660 (one hundred and forty-four million, six hundred and eighty-five thousand, six hundred and sixty) Company ordinary Shares. In compliance to Art. 30 of the Instruction 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\$ 10,489,129.87 (ten million, four hundred and eighty-nine thousand, one hundred and twenty-nine reais and eighty-seven centavos based on the share capital re-ratified on November 26, 2019 (R\$ 3,453,041,114.25), resulting in R\$ 3,463,530,244.12 (three billion, four hundred and sixty-three million, five hundred and thirty thousand, two hundred and forty-four reais and twelve centavos).

III – Amount of issued shares

1,499,770 ordinary, nominative Shares with no face value. 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

568,940 shares were issued at R\$ 5.47. Another 220,530 shares were issued at R\$ 4.862. Another 546,210 were issued at R\$ 8.627. Another 164,090 were issued at R\$ 9.706.

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;

	2017	2018	2019
min	2.33	5.09	10.36
med	4.34	8.34	17.66
max	8.18	12.28	34.34

b) Minimum, average and maximum price of each quarter for the last 3 (three) years;

2019				
	1T	2T	3T	4T
min	10.36	15.45	14.44	16.00
med	7.81	17.58	17.18	21.70
max	10.23	19.81	19.26	34.34
2018				
	1T	2T	3T	4T
min	5.90	5.09	6.71	9.31
med	7.81	6.50	8.42	10.78
max	10.23	7.35	11.10	12.28
2017				
	1T	2T	3T	4T
min	2.33	3.44	3.42	4.62
med	3.30	3.91	4.16	6.08
max	4.70	4.72	4.82	8.18

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

2019						
	Jul	Aug	Sep	Oct	Nov	Dec
min	15.67	14.44	16.65	16.00	18.82	23.08
med	17.63	16.56	17.36	17.25	20.03	28.77
max	19.26	17.80	18.25	18.50	23.26	34.34

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

The average price for the last 90 days was R\$ 21.70.

VI) - Percentual potential dilution due to the issuance

The potential dilution factor, considering the capital raise, could reach 1.05%.

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.

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.