



## MATERIAL FACT

### OPTION PERIOD - PROCEDURES & CLOSING DATE

**Rio de Janeiro, December 16, 2022** – Petro Rio S.A. (“Company” or “PRIO”) (B3: PRI03), following the Material Fact disclosed on the 1<sup>st</sup> of September, 3<sup>rd</sup> and 24<sup>th</sup> of October and December 8 of 2022, informs the procedures to be observed by the shareholders and subscription warrant holders of Dommo Energia S.A. (“Dommo”) for the choice of the asset, and the date of delivery of the asset, to be received in the scope of the merger of all common shares of Dommo into Petro Rio OPCO Exploração Petrolífera S.A. (“OpCo”), a subsidiary of the Company (“Merger of Shares”):

- Between **December 19 and December 26, 2022, holders of common shares issued by Dommo (DMMO3)** may appoint their choice on which assets they wish to receive in connection with the Merger of Shares (“Option Period”), between:

<u>Asset</u>	<u>Asset Characteristics</u>	<u>Replacement ratio</u>
<b>Class “A” Preferred Shares issued by OpCo (“Option 1”)</b>	PNA Shares: preferred shares automatically and compulsorily redeemable immediately after their issuance, upon delivery, to their holders, of <b>(a)</b> a fraction of shares issued by PRIO corresponding to 0.0375 (three hundred and seventy-five tenths of a thousandth) of a common share issued by PRIO, to be delivered upon the redemption; and <b>(b)</b> R\$ 0.4625, to be paid in Brazilian currency, to its holders, being certain that from this amount the Income Tax Withheld at the Source (“ <u>IRRE</u> ”) due by non-resident shareholders as a result of the Merger of Shares may be withheld.	1 DMMO3 for 1 PNA Share
<b>Class “B” preferred shares issued by OpCo (“Option 2”)</b>	PNB shares: preferred shares automatically and compulsorily redeemable immediately after their issuance, upon the constitution of a credit, in the amount of R\$ 1,85 (one real and eighty-five cents), to be paid in Brazilian currency, to their holders, within 90 (ninety) days from the Closing Date, plus the accumulated variation of 100% (one hundred percent) of the CDI between the date of the Dommo’s Extraordinary Shareholders Meeting that approved the Merger of Shares and the date of the effective payment of the redemption value, being certain that from this amount the IRRF due by non-resident shareholders as a result of the Merger of Shares may be withheld.	1 DMMO3 for 1 PNB Share



The Dommo shareholders who **do not appoint their choice during the Option Period will receive Opção 1.**

Shareholders who **wish for Option 2 shall expressly state their intention** by means of the instructions given, as the case may be, to Itaú Corretora de Valores S.A., as the bookkeeping agent for Dommo's shares ("**Bookkeeping Agent**"), or to B3 S.A. – Brasil, Bolsa, Balcão ("**B3**"), through their respective custody agents, until December 26, 2022, subject to the deadlines, rules and operating procedures established by B3, the custody agents and the Bookkeeping Agent, as the case may be.

After December 26, 2022 **it will not be possible (a)** for a Dommo shareholder who has not yet expressed its intention to receive Option 2 under the Merger of Shares; nor **(b)** for a Dommo shareholder who has expressed its intention to receive Option 2 under the Merger of Shares to **reverse its decision.**

Dommo shareholders who express their intention to receive Option 2 in connection with the Merger of Shares shall have their **position in common shares issued by Dommo (DMM03) blocked.** Such blocking shall commence on the trading session immediately following the shareholder's declaration of his intention to receive Option 2 in connection with the Merger of Shares and shall last until the date of redemption of the PNB Shares.

Shareholders who do not manifest during the Option Period, and similarly, shareholders who have reversed any manifestation of intention to receive Option 2 until December 26, 2022, **may freely trade with their common shares issued by Dommo (DMM03)** until the date of the consummation of the Merger of Shares.

- Also during the Option Period (between December 19 and 26, 2022), the **holders of subscription warrants issued by Dommo (DMM011)** may appoint their choice on which asset they wish to receive in connection with the Merger of Shares, between:

<b><u>Asset</u></b>	<b><u>Description</u></b>	<b><u>Replacement ratio</u></b>
<b>PNA Shares ("Option A")</b>	PNA Shares: preferred shares automatically and compulsorily redeemable immediately after their issuance, upon delivery, to their holders, of <b>(a)</b> a fraction of shares issued by PRIO corresponding to 0.0375 (three hundred and seventy-five tenths of a thousandth) of a	1 DMM011 to 0.20 PNA Share <sup>1</sup>

<sup>1</sup> Considering that (1) each Subscription Warrant (DMM011) held by the hold which choses Option A will be replaced by 0.20 PNA Share; and (ii) each PNA Share will be redeemed upon the delivery, to its holders, of (ii.a) 0.0375 common share issued by PRIO; and (ii.b) R\$0.4625, the holders of Subscription Warrants which chose Option A shall receive (1) 0.0075 common share issued by PRIO and (2) R\$0.0925 for each Subscription Warrant they hold.



common share issued by PRIO, to be delivered upon the redemption; and **(b)** R\$ 0.4625, to be paid in Brazilian currency, to its holders, being certain that from this amount the IRRF due by non-resident shareholders as a result of the Merger of Shares may be withheld.

**PNB Shares  
("Option B")**

PNB shares: preferred shares automatically and compulsorily redeemable immediately after their issuance, upon the constitution of a credit, in the amount of R\$ 1,85 (one real and eighty-five cents), to be paid in Brazilian currency, to their holders, within 90 (ninety) days from the Closing Date, plus the accumulated variation of 100% (one hundred percent) of the CDI between the date of the Dommo's Extraordinary Shareholders Meeting that approved the Merger of Shares and the date of the effective payment of the redemption value, being certain that from this amount the IRRF due by non-resident shareholders as a result of the Merger of Shares may be withheld.

1 DMM011 for 0.20 PNB Share<sup>2</sup>

**PRIO Call  
Options  
("Option C")**

PRIO Call Option, or similar instrument, granted by OpCo in connection with the Merger of Shares, each of which will entitle its holder to acquire 1 (one) PRIO share at a price of R\$ 685.78 (six hundred eighty-five reais and seventy-eight cents), being understood that the exercise term and other conditions of the PRIO Call Option will be, to the extent possible, similar to those of the subscription warrant – provided that the PRIO Call Options will not be admitted for trading in any market.

1 DMM011 for 0.05794041 PRIO Call Option

Holders of subscription warrants issued by Dommo who **do not manifest themselves during the Option Period will receive Option A.**

Subscription warrant holders who **wish to receive Option B or Option C must expressly manifest their intention** by means of instructions given, as the case may be, to the Bookkeeping Agent or to B3, through their respective custody agents, **until December 26, 2022**, subject to the deadlines, rules and operating procedures established by B3, the custody agents and the Bookkeeping Agent, as the case may be.

After December 26, 2022 **it will not be possible (a)** for a Dommo subscription warrant holder who has not yet expressed an intention to receive Option B or Option C under the Merger of Shares to express their intention; nor **(b)** for a Dommo subscription warrant holder who has expressed an

<sup>2</sup> Considering that (i) 1) each Subscription Warrant (DMM011) held by the hold which choses Option B will be replaced by 0.20 PNB Share; and (ii) each PNB Share will be redeemed upon the creation of a credit in its favor in the amount of R\$0.037 per each Subscription Warrant to which it holds, subject to currency adjustment as provided in the protocol of the Merger of Shares.



intention to receive Option B or Option C under the Stock Merger, **to reverse his or her decision.**

The Company points out that the PRIO Call Options **will not be admitted for trading**, either on the stock exchange or over-the-counter market and the subscription warrants will be compulsorily removed from the B3 Central Depositary (*Central Depositária da B3*) and will be the Company's responsibility.

Holders of subscription warrants issued by Dommo who express their intention to receive Option B in the context of the Merger of Shares **will have their position in subscription warrants issued by Dommo (DMM011) blocked**. The blocking will begin on the trading session immediately following the expression by the warrant holder of his/her intention to receive Option B within the scope of the Merger of Shares, and will last until the date of redemption of the PNB Shares.

Holders of subscription warrants that do not manifest themselves during the Option Period and, likewise, holders of warrants that have reversed any manifestation of intention to receive Option B or Option C, **may freely trade their warrants issued by Dommo (DMM011)** until the date of delivery of PNA Shares and their respective redemption.

- The delivery, to the shareholders and holders of subscription warrants issued by Dommo, of the assets to which they will be entitled in the scope of the Merger of Shares, according to the respective choice, subject to the procedures described above and the deadlines, rules and operating procedures established by B3, the custody agents and the Bookkeeping Agent, as the case may be, will take place 10 business days after the end of the Option Period - as agreed between the managements of the Company, OpCo and Dommo - **on January 9, 2023 ("Closing Date")**.
- Fractions of shares or other assets, if any, will receive the following treatment under the Merger of Shares:
  - I)** Fractions, if any, of common shares issued by PRIO due to the shareholders or the holders of subscription warrants issued by Dommo as a result of the redemption of the PNA Shares to be delivered in the Merger of Shares will be grouped into whole numbers and then sold in the market managed by B3 after the Closing Date. The amounts earned in said sale will be made available, net of fees and any taxes, to the shareholders or the holders of warrants issued by



Dommo that hold the respective fractions, proportionally to their interest in each share sold, on a date to be informed in due course.

**II)** Fractions, if any:

- (i)** Of PNA Shares resulting from the replacement of the subscription warrants issued by Dommo will be grouped into whole numbers of PNA Shares and, once the redemption is completed, any fractions of common shares issued by PRIO will be given the treatment provided for in item "I" above, it being certain that the amounts thus obtained, together with any cash amount resulting from the redemption of the PNA Shares, will be distributed to the former holders of the subscription warrants, proportionally to their interest in each PNA Share redeemed;
  - (ii)** of PNB Shares resulting from the substitution of Dommo subscription warrants will be grouped into whole numbers of PNB Shares and, once the redemption is completed, the amounts thus obtained will be made available, net of fees and any taxes, to the former holders of subscription warrants, in proportion to their holdings in each redeemed PNB Share; e
  - (iii)** of PRIO Call Options resulting from the replacement of subscription warrants issued by Dommo will be grouped into whole numbers and replaced by PNA Shares, it being certain that (a) for this purpose, 0.05794041 PRIO Call Option will correspond to 0.20 PNA Share; (b) the procedures provided in subitem "I" to this item "II" shall apply to the fractions of PNA Shares resulting from the replacement of fractions of PRO Call Options; and (c) the PNA Shares resulting from the grouping of fractions of PRIO Call Options will be given the treatment indicated in item "I" above.
- As indicated above, the implementation of the Merger of Shares will observe the following tentative schedule:

Date	Event
<b>19/12/2022 until 26/12/2022</b>	<u>Option Period</u> : shareholders of Dommo and holders of Dommo subscription warrants must appoint their choice on the assets they wish to receive in connection with the Merger of Shares between December 19 and December 26, 2022.
<b>01/06/2023</b>	<u>Average Acquisition Cost</u> : non-resident Dommo shareholders and holders of Dommo subscription warrants shall sent to Dommo

	<p>the information regarding the average acquisition cost of the shares or subscription warrants issued by Dommo held by such investor, including the respective supporting documentation until January 6, 2023.</p> <p><u>Closing of Trading:</u> trading of Dommo's shares and subscription warrants on the B3 will close on January 6, 2023.</p>
<b>Until 01/09/2023</b>	<p><u>Blocking:</u> the positions in common shares (DMMO3) and in subscription warrants (DMMO11) issued by Dommo of the shareholders and holders of subscription warrants who express their intention to receive PNB Shares or PRIO Call Options in the context of the Stock Merger, as the case may be, will be blocked until January 9, 2023.</p> <p><u>The common shares issued by PRIO to be delivered in light of the redemption of the PNA Shares may be traded in B3.</u></p>
<b>01/09/2023</b>	<p><u>Delivery of Assets:</u> the assets to which the shareholders and holders of subscription warrants issued by Dommo in connection with the Merger of Shares will be entitled, according to their respective choice, will be delivered on January 9, 2023. On the same date, the PNA Shares and PNB Shares will be redeemed.</p>
<b>01/11/2023</b>	<p><u>Crediting of PRIO Shares:</u> common shares issued by PRIO to be delivered as a result of the redemption of the PNA Shares will be effectively credited to the accounts of shareholders and holders of subscription warrants issued by Dommo who receive PNA Shares in connection with the Merger of Shares on January 11, 2023.</p>
<b>Until 04/09/2023</b>	<p><u>Payment of Redemption of PNB Shares:</u> the payment of the redemption value of PNB Shares due to shareholders and holders of Dommo subscription warrants who opt to receive PNB Shares in connection with the Merger of Shares will be made until April 9, 2023.</p>

The shareholders of Dommo and holders of subscription warrants issued by Dommo that are non-residents of Brazil shall observe the procedures provided in the Shareholders' Notice (Aviso aos Acionistas) disclosed by Dommo on this date for the purposes of the calculation of the Income Tax (Imposto de Renda Retido na Fonte) that may be due and for the respective retention by OPCO.



The Company will keep its shareholders and the market in general informed about the relevant developments of the Operation, in accordance with the law and CVM regulations

**About PRIO**

PRIO is the largest independent Company 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. PRIO'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.prio3.com.br](http://www.prio3.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.