

MATERIAL FACT

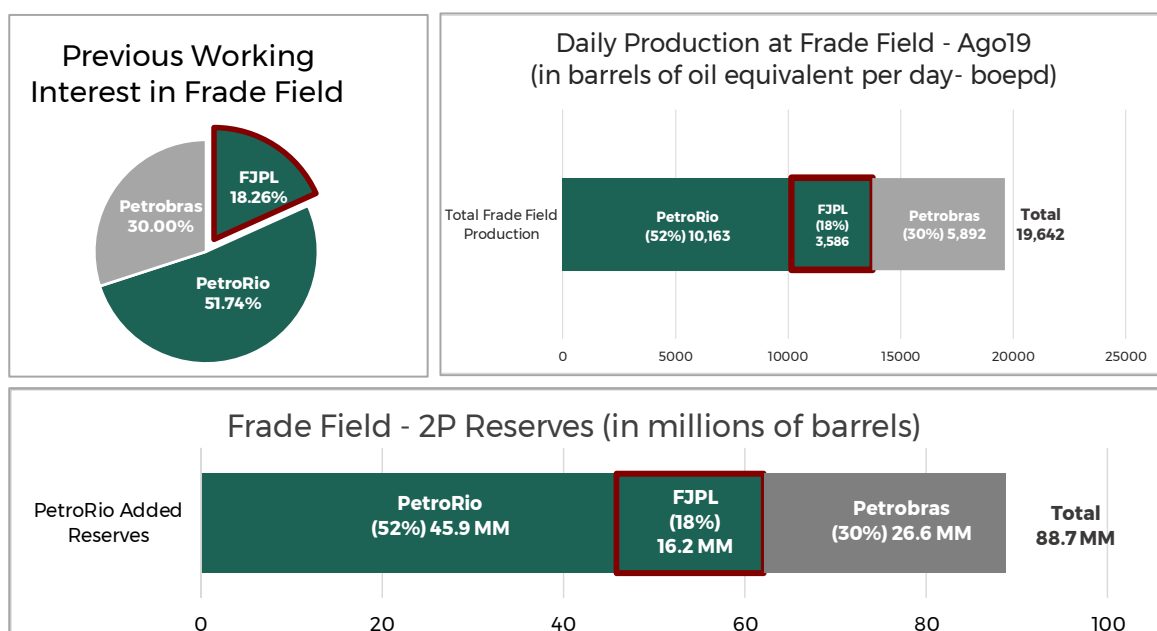
ACQUISITION OF INTEREST IN FRADE

Rio de Janeiro, October 2, 2019 – Petro Rio S.A. ("Company" or "PetroRio") (B3: PRIO3), in accordance with art. 26 of the Novo Mercado Regulation, and in addition to the Material Facts of October 29, 2018, January 30, 2019, February 13, 2019 and March 25, 2019, informs its shareholders, on this date, conditions precedent having been met and necessary approvals granted, the closing of the acquisition of Frade Japão Petróleo Limitada ("FJPL"), holding a 18.26% working interest in Frade, along with a proportional stake in the operating assets of the Field.

From this date, the economic benefit stemming from the 18.26% interest in the Frade Field will be incorporated into PetroRio's financial statements.

The acquisition represents yet another successful step in the execution of PetroRio's growth strategy, through the acquisition and redevelopment of producing fields. PetroRio's 2P reserves will increase by approximately 16 million barrels of oil, and production by 3.5 thousand barrels per day, considering the Field's average production over the past three months.

Since the acquisition of Frade's operatorship, PetroRio has captured part of the significant cost reductions through operational synergies in land, air and sea over the second and third quarters, which will positively impact the Company's financial statements over the second half of 2019. As such, the Company has managed to replicate Polvo Field's success in Frade, thereby increasing the Field's profitability and extending its economic life.



Sources:
http://www.anp.gov.br/images/planos_desenvolvimento/Frade.pdf
 Company estimates

Scotiabank acted as PetroRio's exclusive financial advisor and Mattos Filho Advogados as external legal counsel on this transaction. The Company is also grateful for the work put in by all its employees directly involved in this important acquisition.

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petroriosa.com.br

**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 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, since 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.