August 8, 2018

Quarterly Information

ENEVA S.A.

(Publicly listed company)

June 30, 2018

with Independent Auditors Report

on Quarter Information

1. OPERATING CONTEXT 12
2. LICENSES AND AUTHORIZATIONS 13
3. QUARTERLY INFORMATION PRESENTATION 14
4. CASH AND CASH EQUIVALENTS 18
5. MARKETABLE SECURITIES 18
6. JUDICIAL DEPOSITS 19
7. TRADE RECEIVABLES 20
8. INVENTORIES 21
9. DEFERRED TAXES RECOVERABLE 21
10. INVESTMENTS 24
11. PROPERTY, PLANT AND EQUIPMENT 29
12. INTANGIBLE ASSETS 32
13. RELATED-PARTIES 34
14. LOANS AND FINANCINGS 37
15. DEBENTURES 39
16. BUSINESS COMBINATION 40
17. TAXES AND CONTRIBUTIONS PAYABLE 41
18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT 42
19. PROVISION FOR CONTINGENCIES 47
20. EQUITY 50
21. RESULT PER SHARE 50
22. SHARE-BASED PAYMENT 51
23. SALES AND SERVICES INCOME 54
24. COSTS AND EXPENSES PER NATURE 54
25. FINANCE INCOME/COSTS 56
26. INSURANCE COVERAGE 57
27. SEGMENT REPORTING 58
28. COMMITMENTS 62

Balance sheet

June 30, 2018 and December 31, 2017
(All amounts in thousands of reais) (A free translation of the original in Portuguese)

	Note	Parent Company		Consolidated	
		6/30/2018	12/31/2017	6/30/2018	12/31/2017
Assets					
Current					
Cash and cash equivalents	4	104,569	502,905	585,035	766,884
Marketable securities	5	13,103	43,438	94,175	217,146
Trade receivables	7	-	61	532,104	524,886
Inventories	8	-	-	221,913	170,367
Prepaid expenses		1,542	129	11,734	14,844
Income tax and social contribution recoverable	9	15,352	14,546	87,208	97,063
Other taxes recoverable	9	599	645	29,960	19,247
Derivatives	18	-	-	5,426	106
Sundry advances		3,728	175	20,310	11,324
Dividends receivable		68,403	72,310	-	-
Secured deposits	6	2,124	14,233	2,650	15,159
Advances to suppliers		913	1,480	63,137	38,000
Others		-	-	2,333	2,230
		210,333	**649,922**	**1,655,985**	**1,877,256**
Non-current					
Long-term receivables					
Prepaid expenses		-	-	26	22
Judicial deposits	6	-	4	9,009	76,745
Debentures receivable	13	330,554	306,270	-	-
Commercial operations	13	64,119	57,099	4,298	56,583
Loans	13	512,571	530,311	14,098	284,973
Income tax and social contribution recoverable	9	61,150	60,655	66,795	64,437
Other taxes recoverable	9	-	-	95,135	92,886
Deferred income tax and social contribution	9	79,459	182	421,450	357,815
Other credits		-	-	586	586
		1,047,853	**954,521**	**611,397**	**934,047**
Investments	10	6,199,260	5,434,111	5,089	323,826
Property, plant and equipment	11	13,275	13,632	8,038,722	6,452,811
Intangible assets	12	7,964	8,892	1.491.104	1,319,441
		7,268,352	**6,411,156**	**10,146,312**	**9,030,125**
		7,478,685	**7,061,078**	**11,802,297**	**10,907,381**

Balance sheet - continuing

June 30, 2018 and December 31, 2017
(All amounts in thousands of reais) (A free translation of the original in Portuguese)

	Note	Parent Company		Consolidated	
		6/30/2018	12/31/2017	6/30/2018	12/31/2017
Liabilities					
Current					
Trade account payables		18,157	10,841	409,312	293,198
Loans and financings	14	-	-	620,583	191,151
Debentures	15	-	-	201,194	231,635
Derivatives		-	-	1,454	1,394
Income tax and social contribution payable	17	118	133	82,725	89,438
Other taxes payable	17	617	4,619	25,890	109,638
Social and labor obligations		7,810	7,124	27,173	21,460
Trade payables	13	-	-	-	6,272
Contractual retention		-	-	4,330	4,330
Profit sharing		10,732	24,866	24,692	52,437
Trade payables - electric power sector		-	-	11,430	47,688
Provision for cost due to unavailability		-	-	69,716	57,817
Other payables		33	60	280	331
Research and development program		-	-	56,985	45,218
		37,467	**47,643**	**1,535,764**	**1,152,007**
Non-current					
Trade account payables		2,083	1,968	5,031	881
Loans and financings	14	1,455,292	1,376,101	3,530,508	3,511,609
Debentures	15	-	-	640,367	421,197
Convertible Debentures	13	-	-	82,281	82,281
Trade payables	13	9,518	9,515	28,096	24,575
Provision for uncovered liability	10	36,405	31,479	15	4,273
Provision for contingencies	19	6,937	3,773	18,498	10,779
Provision for decommissioning costs		-	-	66,930	64,055
Provision for cost due to unavailability		-	-	174	1,488
Deferred income tax and social contribution	9	294,029	200,156	269,785	250,257
Other payables		-	-	3,197	8,044
		1,804,264	**1,622,992**	**4,644,882**	**4,379,439**
Total liabilities		**1,841,731**	**1,670,635**	**6,180,646**	**5,531,446**
Equity	20				
Share capital (net of share issuance costs)		8,822,057	8,822,219	8,822,057	8,822,219
Capital reserve		20,849	18,144	20,849	18,144
Legal reserve		4,775	4,775	4,775	4,775
Equity valuation adjustments		(2,391)	(3,595)	(2,391)	(3,595)
Accumulated losses		(3,208,336)	(3,451,100)	(3,208,336)	(3,451,100)
Shareholders' equity attributable to controlling shareholders		**5,636,954**	**5,390,443**	**5,636,954**	**5,390,443**
Interest of non-controlling stockholders		-	-	(15,303)	(14,508)
Total shareholders' equity		**5,636,954**	**5,390,443**	**5,621,651**	**5,375,935**
		7,478,685	**7,061,078**	**11,802,297**	**10,907,381**

Statements of income

For the 6-month periods ended June 30, 2018 and 2017

All amounts in thousands of reais (A free translation of the original in Portuguese)

	Note	Parent Company		Consolidated	
		Six-month period ended 6/30/2018	Six-month period ended 6/30/2017	Six-month period ended 6/30/2018	Six-month period ended 6/30/2017
Sales and services income	23	-	-	1,266,426	930,958
Cost of sales and services	24	-	-	(719,276)	(516,116)
Gross profit		**-**	**-**	**547,150**	**414,842**
Operating costs/income		**340,355**	**(36,402)**	**36,293**	**(148,794)**
General and administrative	24	(42,456)	(55,950)	(150,219)	(138,703)
Other operating income	24	195,951	-	195,049	2,223
Other operating expenses	24	(1,431)	(192)	(2,241)	(2,138)
Equity in the result of investees		188,291	19,740	(6,296)	(10,176)
Result before finance income (costs) and taxes		**340,355**	**(36,402)**	**583,443**	**266,048**
Finance income/costs	25	**(32,328)**	**(15,276)**	**(224,394)**	**(288,340)**
Finance income		58,090	76,073	87,033	70,726
Financial costs		(90,418)	(91,349)	(311,427)	(359,066)
Result before income taxes		**308,027**	**(51,678)**	**359,049**	**(22,292)**
Income tax and social contribution on income	9	**(65,265)**	**-**	**(117,080)**	**(30,372)**
Current		-	-	(24,421)	(30,708)
Deferred		(65,263)	-	(92,659)	336
Profit(Loss) for the year		**242,764**	**(51,678)**	**241,969**	**(52,664)**
Attributed to the owners of the parent company		**242,764**	**(51,678)**	**242,764**	**(51,678)**
Attributed to the non-controlling shareholders		**-**	**-**	**(795)**	**(986)**
Earnings (loss) per share from continuing operations attributable to the owners of the parent during the year (expressed in R$ per share)					
Basic earnings (loss) per share - R$	21	-	-	0.77070	(0.21611)
Diluted earnings (loss) per share	21	-	-	0.77070	(0.21611)

Statements of income

For the quarters ended June 30, 2018 and 2017

All amounts in thousands of reais (A free translation of the original in Portuguese)

	Note	Parent Company		Consolidated	
		Quarter ended 6/30/2018	Quarter ended 6/30/2017	Quarter ended 6/30/2018	Quarter ended 6/30/2017
Sales and services income	23	-	-	756,559	485,522
Cost of sales and services	24	-	-	(431,130)	(295,392)
Gross profit		-	-	**325,429**	**190,130**
Operating costs/income		**300,254**	**(28,709)**	**103,100**	**(81,954)**
General and administrative	24	(24,884)	(23,394)	(83,363)	(71,378)
Other operating income	24	191,951	-	191,951	1,441
Other operating expenses	24	(635)	(112)	(1,429)	(1,981)
Equity in the result of investees		133,822	(5,203)	(4,059)	(10,036)
Result before finance income (costs) and taxes		**300,254**	**(28,709)**	**428,529**	**108,176**
Finance income/costs	25	**(28,938)**	**(11,587)**	**(128,441)**	**(132,649)**
Finance income		23,473	35,091	58,680	38,755
Financial costs		(52,411)	(46,678)	(187,217)	(171,404)
Result before income taxes		**271,316**	**(40,296)**	**300,088**	**(24,473)**
Income tax and social contribution on income	9	**(65,263)**	**-**	**(94,486)**	**(16,357)**
Current		-	-	(17,015)	(17,176)
Deferred		(65,263)	-	(77,471)	819
Profit(Loss) for the year		**206,053**	**(40,296)**	**205,602**	**(40,830)**
Attributed to the owners of the parent company		**206,053**	**(40,296)**	**206,053**	**(40,296)**
Attributed to the non-controlling shareholders		**-**	**-**	**(451)**	**(534)**
Earnings (loss) per share from continuing operations attributable to the owners of the parent during the year (expressed in R$ per share)					
Basic earnings (loss) per share - R$	21	-	-	0.65416	(0.16851)
Diluted earnings (loss) per share	21	-	-	0.65416	(0.16851)

Statements of comprehensive income

For the 6-month periods ended June 30, 2018 and 2017

All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	Six-month period ended 6/30/2018	Six-month period ended 6/30/2017	Six-month period ended 6/30/2018	Six-month period ended 6/30/2017
Profit (Loss) for the period	**242,764**	**(51,678)**	**241,969**	**(52,664)**
Cumulative translation adjustments	(55)	(5,675)	(55)	(5,675)
Equity valuation adjustments	1,259	-	1,259	-
Total comprehensive income	**243,968**	**(57,353)**	**243,173**	**(58,339)**
Comprehensive income (loss) for the period	**243,968**	**(57,353)**	**243,173**	**(58,339)**
Non-controlling interest	-	-	(795)	(986)
Controlling shareholders	243,968	(57,353)	243,968	(57,353)
Total comprehensive income	**243,968**	**(57,353)**	**243,173**	**(58,339)**

Statements of comprehensive income

For the quarters ended June 30, 2018 and 2017

All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	Quarter ended 6/30/2018	Quarter ended 6/30/2017	Quarter ended 6/30/2018	Quarter ended 6/30/2017
Profit (Loss) for the period	206,053	(40,296)	205,602	(40,830)
Cumulative translation adjustments	33	(3,355)	33	(3,355)
Equity valuation adjustments	1,259	-	1,259	-
Total comprehensive income	**207,345**	**(43,651)**	**206,894**	**(44,185)**
Comprehensive income (loss) for the period	**207,345**	**(43,651)**	**206,894**	**(44,185)**
Non-controlling interest	-	-	(451)	(534)
Controlling shareholders	207,345	(43,651)	207,345	(43,651)
Total comprehensive income	**207,345**	**(43,651)**	**206,894**	**(44,185)**

Statements of changes in equity

For the periods ended June 30, 2018 and 2017

All amounts in thousands of reais (A free translation of the original in Portuguese)

	Share capital	Legal reserve	Capital reserve and options granted	Other comprehensive income	Accumulated losses	Net shareholders' equity	Non-controlling shareholder interests	Total shareholders' equity
At December 31, 2016	**8,024,122**	**-**	**10,834**	**1,879**	**(3,543,157)**	**4,493,678**	**(12,870)**	**4,480,808**
Loss for the period	-		-	-	(51,678)	**(51,678)**	(986)	**(52,664)**
Premium paid to the stock options program	-	-	7,590	-	-	**7,590**	-	**7,590**
Fair value of asset instruments	-	-	134	-	-	**134**	-	**134**
Other comprehensive income:								
Equity valuation adjustments	-	-	-	(5,675)	-	**(5,675)**	-	**(5,675)**
At June 30, 2017	**8,024,122**	**-**	**18,558**	**(3,796)**	**(3,594,835)**	**4,444,049**	**(13,856)**	**4,430,193**
At December 31, 2017	**8,822,219**	**4,775**	**18,144**	**(3,595)**	**(3,451,100)**	**5,390,443**	**(14,508)**	**5,375,935**
Profit for the period	-	-	-	-	242,764	**242,764**	(795)	**241,969**
Transactions with shareholders:								
Appropriation of funding cost	(162)	-	-	-	-	**(162)**	-	**(162)**
Fair value of asset instruments	-	-	2,705	-	-	**2,705**	-	**2,705**
Other comprehensive income:								
Translation adjustments for the period	-	-	-	(55)	-	**(55)**	-	**(55)**
Equity valuation adjustments	-	-	-	1,259	-	**1,259**	-	**1,259**
At June 30, 2018	**8,822,057**	**4,775**	**20,849**	**(2,391)**	**(3,208,336)**	**5,636,954**	**(15,303)**	**5,621,651**

Statements of Cash Flows

For the periods ended June 30, 2018 and 2017

All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Cash flows from operating activities				
Result before income taxes	308,027	(51,678)	359,049	(22,292)
Adjustments to reconcile the loss to the cash flows from operating activities:				
Depreciation and amortization	1,537	926	199,472	165,075
Equity in the result of investees	(199,916)	(30,988)	3,622	10,176
Provision for unsecured liability	11,625	11,248	2,674	-
Provision for impairment of trade receivables	-	-	-	10,366
Interest provision for decommissioning cost	-	-	3,881	2,037
Write-off of dry wells and subcommercial areas	-	-	4,866	198
Pis/Cofins credit on depreciation	-	1,460	-	(3,640)
Result in the sale/write-off of investments	-	132	-	-
Asset and liability exchange variation, unrealized	21,534	(943)	(5,825)	3,166
Interest - loans and debentures	57,657	79,865	217,720	304,906
Loans interest	(18,953)	(30,404)	(5,145)	(15,755)
Interest Debentures receivable	(24,285)	(32,464)	-	-
Recovery of Tax Credits	2,019	-	-	-
Financial investment earnings - marketable securities	(8,987)	-	(30,486)	-
Financial instruments	-	-	(3,866)	-
Realization of deferred income tax - added value	1,737	-	-	-
Amortization of funding cost	-	-	7,893	3,581
Contractual monetary update	-	-	(2,182)	(1,446)
Acquisition of subsidiary	(36,967)	-	(36,967)	-
Gain in advantageous purchase	(154,984)	-	(154,984)	-
	(39,956)	**(52,846)**	**559,722**	**456,372**
Increase (decrease) in operating assets / liabilities				
Sundry advances	9,130	(859)	(10,237)	(41,462)
Prepaid expenses	(1,413)	722	5,944	12,172
Trade receivables	-	-	110,165	56,200
Taxes recoverable	(1,255)	11,005	5,572	42,142
Judicial deposits	-	-	80,241	(7,113)
Inventory	-	-	(38,226)	(12,621)
Taxes and contributions	(8,866)	(9,403)	(138,072)	(50,592)
Trade payables	7,430	(3,653)	(23,199)	81,863
Provisions and labor charges	(13,876)	3,668	(26,850)	(20,111)
Loans	29,762	4,629	(466)	(267)
Commercial operations	(6,957)	(54,788)	5,059	(11,336)
Trade payables	-	-	(5,601)	-
Dividends and interest on capital received	-	75,000	-	-
Income tax and interest on capital received	-	4,713	-	-
Other assets and liabilities	6,458	(1,168)	3,233	(19,809)
	20,413	**29,866**	**(32,437)**	**29,066**
Net cash and cash equivalents provided by (used in) operating activities	**(19,543)**	**(22,980)**	**527,285**	**485,438**
Cash flow from investing activities				
Acquisition of properties, plants and equipment and intangible assets	(252)	(2,765)	(309,104)	(133,086)
Write-off of properties, plants and equipment and intangible assets	-	-	11,795	1,233
Capital contribution / Capital decrease	(164,465)	52,000	-	-
Capital transfer to subsidiary	(110,000)	(13,000)	(110,000)	-
Acquisition of subsidiary, net of cash acquired	(160,000)	-	(148,866)	-
Dividends	16,764	-	-	-
Premium to the Stock Options program	-	7,983	-	7,983
Marketable securities	39,322	360	153,457	31,814
Net cash and cash equivalents provided by (used in) the investing activities	**(378,631)**	**44,578**	**(402,718)**	**(92,056)**
Cash flow from financing activities				
Appropriation of funding cost	(162)	-	-	-
Funding	-	-	410,000	-
Amortizations of Principal - Financings	-	-	(611,227)	(219,292)
Interest paid (*)	-	-	(149,412)	(250,928)
Secured deposits	-	(3)	44,223	(48,668)
Net cash and cash equivalents used in (provided by) the financing activities	**(162)**	**(3)**	**(306,416)**	**(518,888)**
Decrease in cash and cash equivalents	**(398,336)**	**21,595**	**(181,849)**	**(125,506)**
Statement of the variation in cash and cash equivalents				
At the beginning of the period	**502,905**	**70,970**	**766,884**	**493,997**
At the end of the period	**104,569**	**92,565**	**585,035**	**368,491**

(*) the Company's management evaluated that the best applicability of the interest paid on loans, financing and debentures is in the cash flows of financings, because the cost of these financial liabilities is intrinsically linked to the funding for the construction of gas generating and production park of Grupo Eneva.

Statements of value added

For the period ended June 30, 2018 and 2017

All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent Company		Consolidated	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Revenue	**-**	**(193)**	**1,397,607**	**1,030,253**
Sales of goods, products and services	-	-	1,397,720	1,030,584
Other income (i)	-	(193)	(113)	(331)
Consumables acquired from third parties (including ICMS and IPI)	**(25,021)**	**(14,244)**	**(511,651)**	**(218,017)**
Materials, electricity, outsourced services and others	(25,021)	(14,244)	(453,030)	(140,730)
Gas contract	-	-	(55,372)	(77,287)
Impairment and recovery of assets	-	-	(3,249)	-
Gross value added	**(25,021)**	**(14,437)**	**885,956**	**812,236**
Depreciation and amortization	(1,537)	(926)	(199,472)	(163,449)
Net value added generated by the entity	**(26,558)**	**(15,363)**	**686,484**	**648,787**
Transferred value added	**272,910**	**86,605**	**(8,347)**	**19,481**
Equity in the result of investees	188,291	19,740	(6,296)	(11,562)
Finance income	8,987	5,995	30,486	36,236
Interest on loan operations and debentures	43,238	63,128	(24,951)	15,755
Provision for loss in investment	(260)	-	(354)	-
Insurance	(425)	-	(1,233)	(11,000)
CCEE Penalty	-	-	(1,437)	-
Costs with exploration and dry well	-	-	(46,931)	(16,438)
Shared services (iv)	29,265	-	26,970	-
Others	3,814	(2,258)	15,399	6,490
Total value added to be distributed	**246,352**	**71,242**	**678,137**	**668,268**
Distribution of value added	**246,352**	**71,242**	**678,137**	**668,268**
Personnel	**37,873**	**30,415**	**113,142**	**109,013**
Direct remuneration	29,018	23,325	86,279	88,050
Benefits	7,037	4,850	22,291	16,605
FGTS and contributions	1,818	2,240	4,572	4,358
Taxes and contributions	**(119,121)**	**8,440**	**70,435**	**147,895**
IR/CSLL	-	-	24,421	30,708
Deferred Income Tax and Social Contribution	65,263	-	92,659	(336)
Federal	(184,473)	8,365	(46,580)	114,553
State (ii)	-	75	(11,725)	(5,561)
Municipal	31	-	116	-
Fees and contributions (iii)	58	-	11,544	8,531
Remuneration of third-parties' capital	**84,836**	**84,065**	**252,591**	**464,024**
Interest and fines paid or earned	1,501	-	19,240	50,193
Rent	21,826	1,922	11,545	118,092
Exchange and monetary variation	60,625	2,035	217,295	23,827
Finance costs	61	80,108	1,993	271,912
Others	823	-	2,518	-
Remuneration of own capital	**242,764**	**(51,678)**	**241,969**	**(52,664)**
Retained earnings/Loss for the period	242,764	(51,678)	242,764	(51,678)
Loss for the year attributed to minority interest	-	-	(795)	(986)

The transactions are as follows:

(i) This refers to the net result of the losses and gains on the disposal of assets;

(ii) This refers to Sudene tax incentive balance held in the Companies Parnaíba I and Parnaíba III;

(iii) This refers to the Research and Development program mandatory for the electric power companies in a minimum percentage of the ROL - 1% of ADOMP and other fees;

(iv) This refers to the reimbursement of the costs related to operating, finance and administrative activities.

Notes to the Quarterly Information

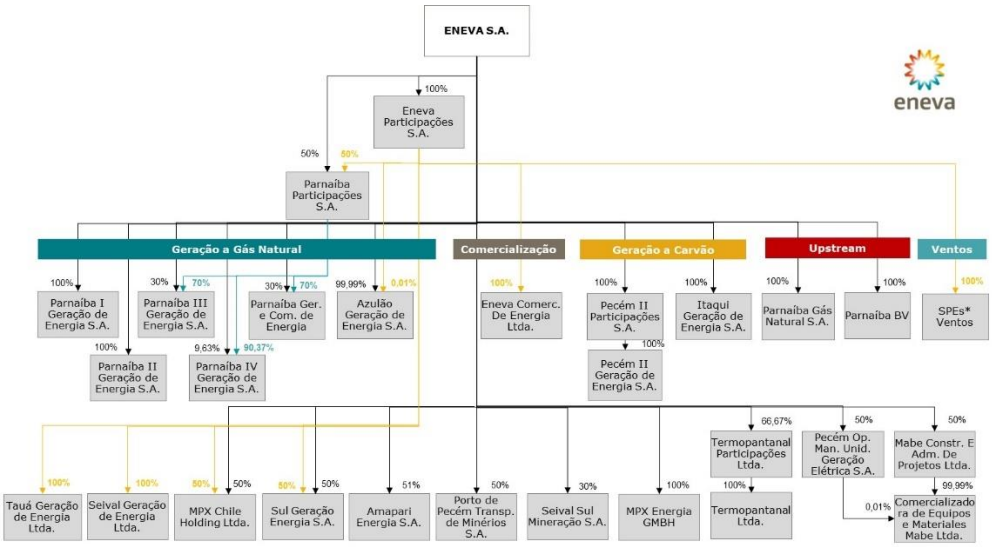
All amounts in thousands of reais except when otherwise indicated

1. Operating context

Eneva S.A. ("Company" or "Group") is a publicly traded company registered in B3 S.A. – Brasil, Bolsa, Balcão, headquartered in the Municipality and State of Rio de Janeiro, which operates in the generation and trade of electric power and in the exploration and production (E&P) of gas in Brazil. ENEVA counts on a thermal power station of 2.2 GW of installed capacity (67% natural gas and 33% mineral coal), equal to 5% of the national installed thermal power capacity, 100% operating since July 2016.

With gas production capacity of 8.4 million m³/day, Eneva is the largest natural gas private operator in Brazil, operating in an area of around 40,000 km² under the concession system for the exploration and production of hydrocarbons, in the Parnaíba Basin, State of Maranhão.

On June 30, 2018, the Company presents the following structure:



The details of the Company's corporate interest is described in Note 10 - Investments.

The summary of the technical specifications of the operating subsidiaries is as follows:

Energy Generation

Venture/ Company	Location	Total capacity	Fuel	Eneva's interest
Parnaíba I	Santo Antônio dos Lopes/MA	676 MW	Natural gas	100%
Parnaíba II	Santo Antônio dos Lopes/MA	519 MW	Natural gas	100%
Parnaíba III	Santo Antônio dos Lopes/MA	176 MW	Natural gas	30%
Parnaíba IV (*)	Santo Antônio dos Lopes/MA	56 MW	Natural gas	100%
Itaqui	São Luís/MA	360 MW	Coal Imported mineral	100%
Pecém II	São Gonçalo do Amarante/CE	365 MW	Imported mineral coal	100%

Tauá	Tauá/CE	1 MW	Solar power source	100%

(*) Indirect subsidiaries, according to interest provided by the chart above and Note 10.

Energy trade

Company	ENEVA's interest
ENEVA Comercializadora de Energia Ltda.	100%

Natural gas

Company	Interest in the Venture	Venture	Location	ENEVA's interest
Parnaíba Gás Natural S.A.	100%	7 natural gas fields, currently with production capacity of 8.4 million m³ per day	MA	100%

Pecém II Participações S.A.

On April 16, 2018, after all the transactions' precedent conditions were met, it was concluded the acquisition of all the corporate interest (50%, the other 50% were already held by Grupo Eneva) of Uniper GmbH in Pecém II Participações S.A., sole shareholder of Pecém II Geração de Energia S.A. The payment for the Shares, in the amount of R$ 160 million, was made by the Company at the same date.

It is worth highlighting that as from April 2018, the balances of Pecém II Participações became part or the consolidated financial statements of Eneva S.A.. On June 30, 2018, the balances of the business combination are allocated as shown in Note 16.

Azulão

On, April 30, 2018, Parnaíba Gás Natural S.A. ("PGN") concluded the acquisition of 100% of the rights and obligations for the exploration and production of hydrocarbons of the concession of the Azulão Field, located in the Amazonas Basin, in the State of Amazonas, of Petróleo Brasileiro S.A. ("Petrobras"). The details of the operation are described in Note 12 – Intangible assets.

2. Licenses and authorizations

The Company permanently monitors the compliance with the conditioners of the environmental licenses and authorizations necessary to the development of its activities, focused on the business sustainability and on the use of the natural resources.

Eneva is always working to improve its health, security, environment and social responsibility management, in order to fully comply with the effective legislation, with the requirements of the government bodies, focused on the improvement of the health, security and environment indicators and on the implementation of social responsibility actions.

During the 2nd quarter of 2018, the Company maintained its commitment to ensure and maintain the effective licenses and other authorizations related to its operations in the E&P and Generation segments. The environmental licensing for the implantation of the Projects of Production, Flow and Treatment of Natural Gas of Gavião Preto Field, for the drilling of wells and enlargement of the infrastructure of the Gavião Azul Field and the environmental licensing proceedings of Azulão project, recently acquired by Company, are going ahead. Furthermore, the proceeding for the license for drilling exploratory wells in blocks acquired in 13th round of ANP bids has begun.

3. Quarterly information presentation

The quarterly information was prepared based on the historical cost, adjusted at realization value, when applicable, excepting certain financial instruments held at fair value. Unless otherwise mentioned, the quarterly information was elaborated based on the same accounting policies, principles, methods and criteria as those adopted for the elaboration of the financial statements for the end of the last year ended December 31, 2017 and, consequently, they should be read together with this information.

The preparation of quarterly information requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. Accounting estimates and judgments are continually evaluated and are based on historical analysis and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As from January 1, 2018, the Group adopted the CPC 47 / IFRS 15, Revenue from Contracts with Customers, and CPC 48 / IFRS 9, Financial instruments, whose main effects are detailed in the Item (c) of this note.

(a) Consolidated financial information

The consolidated financial information was prepared and is being presented according to the pronouncement issued by the Accounting Pronouncement Committee through the CPC 21 (R1) - Interim Financial Reporting, which is equal to IAS 34 - *Interim Financial Reporting* of the international accounting standards (*International Financial Reporting Standards* - IFRS"), issued by the International Accounting Standards Board ("IASB") and it evidences all the material information of the financial statements, which is consistent with the information used by Management in its administration presented in accordance with the standards issued by the Securities Exchange Commission of Brazil ("CVM").

The presentation of the parent company and consolidated statements of value added is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil for listed companies. while it is not required by IFRS. Therefore, the presentation of such statements is considered supplementary information, and not part of the set of financial statements.

(b) Parent company quarterly information

The parent company quarterly information was prepared according to the pronouncement issued by the Accounting Pronouncements Committee - CPC 21 (R1) - Interim Financial Reporting and is disclosed together with the consolidate quarterly information, in accordance with the standards issued by CVM.

In the parent company quarterly information, subsidiaries are recorded based on the equity accounting method, proportionately adjusted to the Group's interest in the contractual rights and obligations.

The issue of this quarterly information was authorized by the Board of Directors on August 8, 2018.

(c) Changes in accounting practices and disclosures

The Group initially adopted CPC 47 / IFRS 15, Revenue from Contracts with Customers, and CPC 48 / IFRS 9, Financial Instruments, as from January 1, 2018. A set of other new standards are effective as from January 1, 2018, but with no material effect in the Group's financial statements.

The interim financial information includes the use of estimates that considered Management's evaluations and judgments, experiences from past and current events, assumptions related to future

events and other objective and subjective factors. The significant items subject to these estimates are:

i. risk analysis of credit for determination of provision for impairment of trade receivables;
ii. Measurement of fair value of financial instruments and possible impairment for the applicable assets;

The settlement of the transactions involving these estimates may result in values diverging from those recorded in the interim financial information due to the inaccuracy inherent to the estimate process. These estimates are periodically reviewed.

CPC 47 / IFRS 15 Revenue from Contracts with Customers

The initial adoption of this pronouncement uses the cumulative and prospective effect method (with no practical expedient). Consequently, the information disclosed in 2017 was not restated and, accordingly, it was previously reported according to CPC 30 / IAS 18, CPC 17 / IAS 11 and related interpretations.

According to the standard, the revenue should be recognized net of the variable consideration. The standard classifies possible discounts, rebates, refunds, credits, price concession, incentives, performance bonus, penalties or other similar items as variable consideration. The Management evaluates its revenue determination and presentation structure and the main effect identified in the Group's result presentation is on the penalties for unavailability (ADOMP) that represent reimbursement to the customers, accounted for as reducing of energy supply revenue and not anymore as operating expense, as provided by Note 22, Operating revenue.

CPC 48 / IFRS 9 *Financial instruments*

CPC 48 / IFRS 9 establishes requirements to recognize and measure financial assets, financial liabilities and some purchase and sale contracts of non-financial items. IFRS 9 also establishes that the impairment is not applicable anymore to equity instruments, as well as it establishes that the understading of expected loss should be constituted to the evaluated items as amortized cost and fair value through other comprehensive income (VJORA). The Group measures the provision for loss in an amount equal to the credit loss expected for the entire life.

The new standard mostly keeps the requirements existing in CPC 38 / IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the old categories of CPC 38 / IAS 39 for financial assets: held to maturity, loans and receivables and available for sale.

Management evaluated its financial assets and identified the following changes with the adoption of the new standard CPC 48 / IFRS 9 related to the classifications:

Financial Asset	Measurement Basis IAS 39	Previous classification IAS 39	Current classification IFRS 9	Justification
Investment funds FICFI RF CP ENEVA	Fair value	Fair value through profit or loss	Fair value through profit or loss	It is a Fund with operations' daily liquidity, usually with securities for trade
Treasury Financial Bills	Fair value	Fair value through profit or loss	Fair value through profit or loss	It is an instrument used for short term cash management
Repurchase Agreements	Fair value	Fair value through profit or loss	Fair value through profit or loss	It is an instrument used for short term cash management

Convertible Debentures	Amortized Cost	Loans and receivables	Fair value through profit or loss	It is a Hybrid Financial Instrument, with structured contracts updated with financial indexes.
Secured deposits	Amortized Cost	Loans and receivables	Amortized Cost	No peculiarity was identified in the operation that could disqualify it in the Solely Payment of Principal and Interest test (SPPI)
Commercial operations	Amortized Cost	Loans and receivables	Fair value through profit or loss	These operations usually do not have specific receipt dates of its cash flows, which may give rise to the disqualification in the Solely Payment of Principal and Interest test (SPPI).
Loans	Amortized Cost	Loans and receivables	Fair value through profit or loss	These operations usually do not have specific receipt dates of its cash flows, which may give rise to the disqualification in the Solely Payment of Principal and Interest test (SPPI).
Trade receivables (Free and Regulated Environment)	Amortized Cost	Loans and receivables	Amortized Cost	No peculiarity was identified in the operation that could disqualify it in the Solely Payment of Principal and Interest test (SPPI).

At each presentation date, Management evaluates whether the financial assets accounted for by the amortized cost and the debt securities measured at VJORA are at recoverability risk.
From this evaluation, the Company considers a financial asset as defaulter when:

i. it is unlikely that the creditor fully pays its credit obligations to the Group, not turning to actions such as realization of guarantees (if any); or

ii. the financial asset is overdue for more than 90 days.

Trade receivables

Management evaluated its receivables and defined applications to the requirements of CPC 48 / IFRS 9 for the recognition of expected loss through the creation of a risk matrix, carrying out a reliable basis for the last five years of trade receivables, verifying the losses historical. The evaluation resulted in:

i. In the trade relations established in the Regulated Contracting Environment ("ACR"), through auctions (Energy trading agreements in the regulated environment (CCEAR)), regulated by ANEEL, the contracts have specific regulations for aspects such as energy price, contract register submarket and effectiveness of supply, which are not liable to bilateral amendments by the agents. Furthermore, the agreements entered into by the Group's Plants in this modality have a bank account ensuring the balance receivable, which is transferred in the case of default. Management understands that, for the involved amounts, the risk of non-receipt is mitigated.

ii. The receivables portfolio in the Free Contracting Environment (ACL) registered with the Electricity Trade Chamber (CCEE), the impairment is intrinsic in the amount issued in the invoice, which considers in the receivables balance the net effect of the credit loss, apportioned by all the market participants.

iii. In the bilateral market, the Group trades energy thrpugh the company Eneva Comercializadora, which holds short and long term contracts.

For the long term contracts, the Group uses payment guarantee through bank warranties and financial investments in CDBs, which guarantee the contract amount of its maturities. In default case, historically evaluated, the Company settles its guarantee papers, applies contractual penalties on its customers, besides the penalties imposed by the regulator agency (ANEEL). Furthermore, it does not register the contract for the customer and transact this energy in the short term market.

For the contracts traded in the short term, the Company used a risk matrix for its financial assets, calculated based on the experience of real credit loss in the last five years, considering all the receivables between 2013 and June 2018. The Group separately calculated the average of the credit losses rates for the default clients in the analysis period, obtaining a percentage to be used as expected loss, and applied the result of this evaluation for the maturity ranges higher than 90 days, as described in Note 2.

Secured deposits

The Company's secured deposits are guarantees granted to the financial institutions for funding from third-parties and payment guarantees for the supply of coal for the Plants of Itaqui and Pecém II Geração and overhaul of the Group's companies.

Management evaluated the deposits and concluded that:

i. The financial institutions in which the Company holds secured deposits are first-tier banks (Itaú and Bradesco), with minor credit risk, with AAA national rating, which indicates strong capacity of payment of financial commitments;

ii. The operations carried out are short term.

Accordingly, material losses are not expected for these financial assets. The balance breakdown is described in Notes 6 and 14.

Business Combination

In the consolidated financial statements, the business acquisitions are accounted for by the acquisition method. The transferred counterparty in a business combination is measured at fair value, which is calculated as follows: the fair values of the assets transferred to the Company plus the liabilities incurred at the acquisition date and due to the acquired company's controlling shareholders plus the interests issued in exchange of the control of the acquired company. In an acquisition of control in steps, the preexisting portion is remeasured at its fair value at the acquisition date and the counterparty recorded in the result, being considered part of the acquisition price.

The assets/liabilities of an acquired subsidiary are measured at the respective fair value at the acquisition date. Any surplus of the acquisition cost on the fair value of the acquired net assets identifiable is recorded as goodwill. When the acquisition cost is lower than the fair value of the net assets of the identified liabilities, the difference is recorded as gain in the advantageous purchase in the result for the year/period in which the acquisition occurs.

The transaction costs, other then those associated to the issue of debt or share interest securities, which the Company incurs in relation to a business combination, are recognized as expenses as they are incurred.

The allocation of the purchase price was carried out on a provisional basis, based on Management's estimate, once the Evaluation Report prepared by the company contracted by the Company has not been finished. As established by CPC 15 (R1) and IFRS 3 (R), the Company has to conclude the allocation of the purchase price within 12 months. As the evaluation is concluded and the transaction measurement is finished, the provisory records will be changed and the effects arising from the final measurement are disclosed.

See more details about the transaction in Note 16.

4. Cash and cash equivalents

		Parent Company		Consolidated	
		6/30/2018	12/31/2017	6/30/2018	12/31/2017
Cash and banks		5	47	8,937	12,172
Investment funds FICFI RF CP ENEVA	(a)	29,204	57,434	204,256	283,763
Investment fund FIC ENEVA RF LP	(b)	-	303,456	-	303,456
CDB/Purchase and sale agreements	(b)	75,360	141,968	371,842	167,493
		104,569	**502,905**	**585,035**	**766,884**

(a) Substantially consist of quotas in investment funds, of high liquidity, readily convertible into a known amount of cash, regardless of asset maturity, and are subject to an insignificant risk of a change in value. This is a share investment fund FI Multimercado Crédito Privado administrated by Banco Itaú and primarily backed by Bank Deposit Certificates - CDBs and securities subject to repurchase agreements issued by first-rate financial institutions and companies, all linked to floating rates and with an average annual yield of 99.7% (nominal rate on the curve) of the DI CETIP rate (Interbank Deposit Certificate - CDI). Securities held under repurchase agreements underlied by debentures represent purchase and sale commitments, registered at CETIP or SELIC, when applicable, and with guarantee of repurchase at a previously established rate from the financial institutions. On June 30, 2018, the balance is comprised by 100% of repurchase agreements, as follows:

	Parent Company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
CDBs	-	24,867	-	160,906
Securities held under repurchase agreements	29,204	32,567	204,256	122,857
	29,204	**57,434**	**204,256**	**283,763**

(b) These represent amounts invested in CDBs and securities held under repurchase agreements issued by first-rate financial institutions all linked to floating rates, with an average annual yield of 100.2% (nominal rate on the curve, with liquidity in up to 90 days and subject to immaterial risk of change in value). The companies that hold these amounts are Itaqui Geração de Energia S.A., Pecém II Geração de Energia S.A., Parnaíba Gás Natural S.A., Parnaíba I Geração de Energia S.A., Parnaíba II Geração de Energia S.A., Parnaíba IIi Geração de Energia S.A., Eneva Participações and the Company itself.

5. Marketable securities

		Parent Company		Consolidated	
		6/30/2018	12/31/2017	6/30/2018	12/31/2017
Treasury Financial Bills (LFTs)	(a)	13,103	43,438	94,175	217,146
		13,103	**43,438**	**94,175**	**217,146**

(a) Treasury Financial Bills (LFTs) are post-fixed securities whose remuneration is based on the variation of the daily SELIC rate recorded between the settlement date and the maturity date. On June 30, 2018, the Company's LFT portfolio holds securities whose maturities are between 2019 and 2022.

6. Judicial deposits

		Parent Company		Consolidated	
		6/30/2018	12/31/2017	6/30/2018	12/31/2017
ICMS Carvão de Itaqui	(a)	-	-	352	75,836
Guarantee - FINEP warrant	(b)	-	12,110	-	12,110
Overhaul reserve account	(c)	-	-	7,692	-
Judicial deposits		2,067	2,067	2,451	2,411
Other secured deposits		57	60	1,164	1,547
		2,124	**14,237**	**11,659**	**91,904**
Current		**2,124**	**14,233**	**2,650**	**15,159**
Non-current		**-**	**4**	**9,009**	**76,745**

(a) The subsidiary Itaqui held judicial deposits balance, under the guarantee of writ of mandamus, regarding ICMS in importation of coal. On 4/3/2018, the Company protocoled the withdrawal of lawsuit in the Court of the State of Maranhão, converting the deposited amounts to the State. As a counterparty, the Company also wrote-off the constituted provisions, on equivalent amount, recorded as Taxes and contributions payable.

(b) In March 2018, Eneva S.A. obtained authorization for the cancellation of the promissory note and fiduciary assignment of financial investment, constituted as guarantee to the bank within the scope of the FINEP financing for Parnaíba Gás Natural.

(c) It refers to deposits carried out in the Overhaul reserve account constituted in compliance with the obligations provided by the financing contracts of Parnaíba II. Such resources are monthly provided for the purposes of execution of the overhaul in 2019.

7. Trade receivables

		Consolidated	
		6/30/2018	12/31/2017
Energy trading agreements in the regulated environment (CCEAR):			
Itaqui Geração de Energia S.A.		90,803	127,844
Parnaíba I Geração de Energia S.A.		113,867	162,047
Parnaíba II Geração de Energia S.A.		80,132	42,295
Parnaíba III Geração de Energia S.A.		35,283	55,348
Pecém II Geração de Energia S.A.		92,078	-
	(a)	**412,163**	**387,534**
Energy trading agreements in the free environment:			
Itaqui Geração de Energia S.A.		26,133	13,641
Parnaíba I Geração de Energia S.A.		21,076	38,115
Parnaíba II Geração de Energia S.A.		2,256	45,849
Parnaíba III Geração de Energia S.A.		13,308	20,997
Pecém II Geração de Energia S.A.		6,151	
	(a)	**68,924**	**118,602**
Bilateral energy trading agreements:			
Parnaíba Geração e Comercialização de Energia S.A.	(b)	32,513	19,189
Eneva Comercializadora de Energia Ltda.	(b)	48,885	46,485
Tauá Geração de Energia Ltda.		104	144
		81,502	**65,818**
Estimated loss of impairment of trade receivables			
Provision for impairment of trade receivables	(c)	(30,485)	(47,068)
		532,104	**524,886**

a) The increase is related to the consolidation of Pecém II Geração de Energia S.A., which began in April 2018. The dispatch curve in the period of June 30, 2018 was, average, 25% lower than on December 31, 2017.

b) The electric power trade transactions are traded in the Bilateral market with short and long-term contracts, being the contractual value guaranteed through sureties and investments;

c) The Company evaluated its operations and considering the business nature and the profile of these clients, it constituted Estimated Loss of Impairment of Trade Receivables, as described in Note 3, item C. The main balances are as follows:

	Canabrava Energética S.A (CCEE)	Energias do Brasil S.A.	Total
Balance at: 6/30/2018	10,363	20,122	**30,485**

The maturities of the trade receivables are as follows:

	Consolidated	
	6/30/2018	12/31/2017
Falling due	516,645	516,538
Up to 30 days	13,180	4,674
From 31 to 60 days	2,103	210
From 61 to 90 days	-	123
From 91 to 120 days	-	821
From 121 to 180 days	176	2,520
More than 181 days	30,485	47,068
	562,589	**571,954**

8. Inventories

		Consolidated	
		6/30/2017	12/31/2017
Material, supplies and others	(a)	20,361	24,121
Coal	(b)	87,883	52,776
Electronic and mechanical parts	(c)	105,800	91,621
Lubricant and chemicals	(d)	7,869	1,849
		221,913	**170,367**

(a) Balance comprised by consumables used in one year necessary for the operation of the UTEs and of the UTG.

(b) This comprises the inventory of coal, acquired by the subsidiaries Itaqui Geração de Energia S.A. And Pecém II Geração de Energia S.A., as main input in the generation of electricity and for the formation of security inventory.

(c) This corresponds to electronic and mechanical parts for use and replace in the maintenance operations carried out by the subsidiaries: Pecém II Geração de Energia S.A. (R$ 11,326), Itaqui Geração de Energia S.A. (R$ 24,065), Parnaíba I Geração de Energia S.A. (R$ 10,381), Parnaíba II Geração de Energia S.A. (R$ 19,063), Parnaíba III Geração de Energia (R$ 1,635), Parnaíba IV Geração de Energia (R$ 718) and Tauá Geração de Energia S.A. (R$ 11) and Parnaíba Gás Natural (R$ 38,601);

(d) This refers to chemical material and lubricants used in the maintenance operations carried out by the subsidiaries: Pecém II Geração de Energia S.A. (R$ 474), Itaqui Geração de Energia S.A. (R$ 1,434), Parnaíba I Geração de Energia S.A. (R$ 586), Parnaíba II Geração de Energia S.A. (R$ 547), Parnaíba III Geração de Energia (R$ 188), Parnaíba IV Geração de Energia (R$ 76) and Parnaíba Gás Natural (R$ 4,564).

9. Deferred taxes recoverable

The balance of the income tax and social contributions account recoverable is as follows:

	Parent Company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Income tax - IR	75,937	74,670	134,432	133,578
Social contribution - CSLL	565	531	19,571	27,922
	76,502	**75,201**	**154,003**	**161,500**
Current	**15,352**	**14,546**	**87,208**	**97,063**
Non-current	**61,150**	**60,655**	**66,795**	**64,437**

The other taxes recoverable are as follows:

	Parent Company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
PIS	-	-	20,982	19,177
COFINS	1	47	99,030	90,099
Others	598	598	5,083	2,857
	599	**645**	**125,095**	**112,133**
Current	**599**	**645**	**29,960**	**19,247**
Non-current	**-**	**-**	**95,135**	**92,886**

On June 30, 2018, the Company opened the balances of taxes recoverable between income tax and social contribution recoverable and other taxes recoverable for better presentation of the balances. There was no change in the total of the account groups. The same procedure was consistently realized for the period ended December 31, 2017.

Deferred taxes

Deferred income and social contribution taxes reflect future tax effects attributable to temporary differences between the tax bases of assets and liabilities and their carrying values, as well as on the tax losses for the previous years.

Deferred tax by company and nature is as follows:

	Consolidated 6/30/2018					
	Deferred asset				Deferred liability	Net
	Tax losses/ Negative basis	Temporary differences	Loss (i)	Total	Temporary differences	
ENEVA	-	182	79,277	79,459	(294,029)	(214,570)
Itaqui	124,733	67,458	-	192,191	(649)	191,542
Parnaíba I	-	34,126	-	34,126	(61,654)	(27,528)
Parnaíba III	-	600	-	600	(12,040)	(11,440)
Parnaíba IV	-	-	-	-	(1,857)	(1,857)
Energy trader	21,851	6	-	21,857	-	21,857
Parnaíba II	83,110	5,016	-	88,126	(3,322)	84,804
Eneva Participações	-	187	-	187	-	187
Pecém II Geração	82,939	3,161	-	86,100	(3,554)	82,546
PGN	29,392	11,122	-	40,514	-	40,514
Amapari	-	-	-	-	(1,165)	(1,165)
Seival Geração	-	-	-	-	(11,178)	(11,178)
Termo Pantanal	-	-	-	-	(2,047)	(2,047)
	342,025	**121,858**	**79,277**	**543,160**	**(391,495)**	
Net deferred asset						**421,450**
Net deferred liability						**(269,785)**

	Consolidated 12/31/2017				
	Deferred asset			Deferred liability	Net
	Tax losses/Negative basis	Temporary differences	Total	Temporary differences	
Eneva S.A.	-	182	182	(200,156)	(199,974)
Itaqui	121,803	70,389	192,192	(649)	191,543
Parnaíba I	-	35,028	35,028	(58,659)	(23,631)
Parnaíba III	-	555	555	(10,960)	(10,405)
Parnaíba IV	-	-	-	(1,857)	(1,857)
Energy trader	21,851	7	21,858	-	21,858
Parnaíba II	92,533	5,988	98,521	-	98,521
PGN	31,808	14,085	45,893	-	45,893
Amapari	-	-	-	(1,165)	(1,165)
Seival Geração	-	-	-	(11,178)	(11,178)
Termo Pantanal	-	-	-	(2,047)	(2,047)
	267,995	**126,234**	**394,229**	**(286,671)**	
Net deferred asset					**357,815**
Net deferred liability					**(250,257)**

(i) Deferred assets and liabilities constituted on the loss and added value, which arose from the acquisition of 50% of PECEM II Participações S.A. (Note 16 - Business combinations), as established by CPC 32.

Eneva S.A.		
Deferred asset	**Deferred liability**	**Net**
Loss	**Loss**	
79,277	(32,057)	47,220

The temporary differences by nature as as follows:

	6/30/2018	12/31/2017
Provisions	28,837	32,692
PIS and COFINS - injunction	119	119
Pre-operating expenses - RTT (1)	92,902	93,423
Loss	79,277	-
Assets - temporary differences	**201,135**	**126,234**

(1) Constituted on balance of pre-operating expenses that, due to the Transitional Taxation System, are now controlled in the Part B of the Real Profit Calculation Book (LALUR) and, consequently, comprise the tax losses balance.

	6/30/2018	12/31/2017
Accelerated depreciation	84,240	73,290
Gain with advantageous purchase/Amortization Added Value/AVJ	307,255	213,381
Liability - temporary differences	**391,495**	**286,671**

On June 30, 2018, the taxes calculated on adjusted net income comprise Income Tax (rate of 15% and additional 10%) and Social Contribution (rate of 9%). The conciliation of the expense calculated using the combined statutory tax rate and of the expense of income tax and social contribution expense in the statements of operations is as follows:

	Parent Company		Consolidated	
	Six-month periods ended 6/30/2018	Six-month periods ended 6/30/2017	Six-month periods ended 6/30/2018	Six-month periods ended 6/30/2017
Result for the period before IRPJ/CSLL	308,027	(51,678)	359,049	(22,292)
Nominal rate - %	34%	34%	34%	34%
IRPJ/CSLL at nominal rate	(104,729)	17,571	(122,077)	7,579
Equity in the result of investees	72,475	16,796	-	-
Permanent differences	(12)	-	(164)	(62)
Not constituted tax asset (a)	(32,997)	(34,367)	(23,382)	(55,738)
Benefit reduction	-	-	28,542	17,849
Income tax and social contribution as per statement of operations	**(65,263)**	**-**	**(117,081)**	**(30,372)**
Current income tax and social contribution expenses	-	-	(24,421)	(30,708)
Deferred income tax and social contribution	(65,263)	-	(92,659)	336
Total	**(65,263)**	**-**	**(117,080)**	**(30,372)**

	Parent Company		Consolidated	
	Quarters ended 6/30/2018	Quarters ended 6/30/2017	Quarters ended 6/30/2018	Quarters ended 6/30/2017
Result for the period before IRPJ/CSLL	271,316	(40,296)	300,088	(24,473)
Nominal rate - %	34%	34%	34%	34%
IRPJ/CSLL at nominal rate	**(92,247)**	**13,701**	**(102,030)**	**8,321**
Equity in the result of investees	50,147	2,320	-	-
Permanent differences	(4)	3,560	(3)	3,810
Not constituted tax asset	(23,159)	(19,581)	(9,026)	(37,420)
Benefit reduction	-	-	16,573	8,932
Income tax and social contribution as per statement of operations	**(65,263)**	**-**	**(94,486)**	**(16,357)**
Current income tax and social contribution expenses	-	-	(17,015)	(17,176)
Deferred income tax and social contribution	(65,263)	-	(77,471)	819
Total	**(65,263)**	**-**	**(94,486)**	**(16,357)**

(a) This refers to the installment of deferred taxes of subsidiaries that not recorded due to uncertainties regarding its assessment, considering the current studies of realization of tax credit, with the balances stated as follows:

	Parent Company		Consolidated	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
Tax losses/Negative basis	(18,747)	(18,730)	(59,662)	(41,731)
Temporary differences	(14,250)	(15,637)	36,280	(14,007)
	(32,997)	**(34,367)**	**(23,382)**	**(55,738)**

Based on the estimate of generation of future taxable income, through its subsidiaries, the projection for 2018 and following years is as follows:

	2018	2019	2020	2021	2022	6th to 10th year	Total
Expectation of annual realization of the deferred taxes	42,951	41,314	28,368	23,978	29,324	297,948	**463,883**

10. Investments

10.1 Breakdown of the balances

	Parent Company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Equity interests	6,198,587	5,434,016	4,994	323,731
Advance for future capital increase	578	-	-	-
Future acquisition of investment	95	95	95	95
	6,199,260	**5,434,111**	**5,089**	**323,826**

10.2 Equity interests

	Equity Interest	
	6/30/2018	12/31/2017
Direct subsidiaries		
Amapari Energia S.A.	51.00%	51.00%
Azulão Geração de Energia S.A. (**)	99.00%	-
Eneva Participações S.A.	100.00%	100.00%
Itaqui Geração de Energia S.A	100.00%	100.00%
MPX Energia GMBH	100.00%	100.00%
Parnaíba B.V.	100.00%	100.00%
Parnaíba Gás Natural S.A.	100.00%	100.00%
Parnaíba I Geração de Energia S.A	100.00%	100.00%
Parnaíba II Geração de Energia S.A.	100.00%	100.00%
Pecém II Participações S.A *	100.00%	50.00%
SPE's Ventos	100.00%	100.00%
Termopantanal Participações Ltda.	66.67%	66.67%
Indirect subsidiaries		
Eneva Comercializadora de Energia Ltda.	100.00%	100.00%
Eneva Chile Holding Ltda.	50.00%	50.00%
Parnaíba Geração e Comercialização de Energia S.A.	30.00%	30.00%
Parnaíba III Geração de Energia S.A.	30.00%	30.00%
Parnaíba IV Geração de Energia S.A.	9.63%	9.63%
Parnaíba Participações S.A.	50.00%	50.00%
Pecém II Geração de Energia S.A.	100.00%	100.00%
Seival Geração de Energia Ltda.	100.00%	100.00%
Sul Geração Energia Ltda.	50.00%	50.00%
Tauá Geração de Energia Ltda.	100.00%	100.00%
Termopantanal Ltda.	66.67%	66.67%
Joint ventures:		
MABE Construção e Administração de Projetos Ltda.	50.00%	50.00%
PO&M - Pecém Operação e Manutenção de Geração Elétrica S.A.	50.00%	50.00%
Porto do Pecém Transportadora de Minérios S.A.	50.00%	50.00%
Associates:		
Seival Sul Mineração S.A.	30.00%	30.00%

(*) In April 2018, the precedent conditions stipulated in the operation of purchase of all the shares of this joint-venture were fully met, being its information consolidated by Grupo Eneva S.A. since then.
(**) The block was acquired in April 2018 and its information is disclosed in Note 12 - Intangible assets.

The Company's equity interests include the (direct and indirect) subsidiaries, joint-ventures and the associated companies. On June 30, 2018 and December 31, 2017, the balances of the main accounts groups of the companies in which the Company has equity interests are as follows:

	6/30/2018					
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Result
Subsidiaries (direct and indirect)						
Amapari Energia S.A.	4,896	1,943	32,520	3,972	(29,653)	(1,623)
Azulão Geração de Energia S.A	6	-	-	-	6	-
Eneva Comercializadora de Energia Ltda	49,947	65,877	49,529	9,541	56,754	(8,243)
Eneva Participações S.A.	1,750	184,531.00	11,411	44,145	130,725	(10,624)
Itaqui Geração de Energia S.A.	279,946	2,197,669	212,482	1,002,046	1,263,087	11,237
MPX Energia GMBH	398	-	-	-	398	-
Parnaíba B.V.	15,669	149,032	72,792	-	91,909	(201)
Parnaíba Gás Natural S.A	261,623	2,535,232	329,523	810,434	1,656,898	22,777
Parnaíba Geração e Comercialização de Energia S.A	43,918	10,608	38,396	119,120	(102,990)	(27,073)
Parnaíba I Geração de Energia S.A	285,772	1,097,446	129,008	573,065	681,145	43,029
Parnaíba II Geração de Energia S.A.	276,742	1,282,505	430,458	244,342	884,447	85,343
Parnaíba III Geração de Energia S.A.	155,469	275,304	38,560	281,532	110,681	11,775
Parnaíba IV Geração de Energia S.A.	2,538	273,195	21,930	223,033	30,770	9,625
Parnaíba Participações S.A.	1,919	156,941	(3)	72,230	86,633	(3,061)
Pecem II Geração de Energia S.A	266,295	1,828,993	255,988	906,203	933,097	62,595
Pecém II Participações S.A	496	934,539	499	3,435	931,101	62,562
SPE´s Ventos	3	2,014	62	442	1,513	(408)
Seival Geração de Energia Ltda.	3	-	201	23,781	(23,979)	(48)
Sul Geração de Energia Ltda.	-	13,391	100	1,014	12,277	(24)
Termopantanal Ltda.	10	7,464	1	9,731	(2,258)	-
Termopantanal Participações Ltda.	9	400	1	2,721	(2,313)	-
Tauá Geração de Energia Ltda.	105	7,731	375	1,360	6,101	(679)
Joint ventures						
MABE Construção e Administração de Projetos Ltda.	79,742	9,980	19,985	83,598	(13,861)	(5,314)
PO&M - Pecém Operação e Manutenção de Geração Elétrica S.A.	6,690	290	3,006	4,004	(30)	467
Porto do Pecém Transportadora de Minérios S.A.	16,719	1,165	11,427	1,010	5,447	(457)
Associates						
Seival Sul Mineração Ltda.	6,380	106,477	2,850	102,124	7,883	(4,889)

(i) As shown in the Group's organizational chart, presented in Note 1, Eneva S.A. has a direct interest in these subsidiaries and also indirect interest, through the subsidiary Eneva Participações S.A.. In the tables above we showed 100% interest considering the Company's final interest.

	12/31/2017					
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Result
Subsidiaries (direct and indirect)						
Amapari Energia S.A.	6,883	1,749	32,923	3,738	(28,029)	(3,343)
Eneva Comercializadora de Energia Ltda	54,049	70,180	51,635	7,597	64,997	(8,277)
Eneva Participações S.A.	3,265	248,972	10,484	44,729	197,024	2,329
Itaqui Geração de Energia S.A.	291,244	2,362,267	330,682	1,378,679	944,150	(70,372)
MPX Energia GMBH	398	-	-	-	398	-
Parnaíba B.V.	13,603	126,196	61,563	-	78,236	186
Parnaíba Gás Natural S.A	436,733	2,335,246	449,645	688,321	1,634,013	77,628
Parnaíba Geração e Comercialização de Energia S.A	45,007	16,628	70,447	67,104	(75,916)	(16,503)
Parnaíba I Geração de Energia S.A	328,381	1,134,132	196,279	628,203	638,031	131,379
Parnaíba II Geração de Energia S.A.	163,976	1,371,230	60,123	675,979	799,104	86,173
Parnaíba III Geração de Energia S.A.	172,485	276,501	52,976	150,126	245,884	60,533
Parnaíba IV Geração de Energia S.A.	7,187	251,412	18,294	219,161	21,144	3,445
Parnaíba Participações S.A.	1,949	253,601	4,312	53,309	197,929	33,518
SPE´s Ventos	41	2,063	29	477	1,598	(719)
Sul Geração de Energia Ltda.	-	13,391	348	1,035	12,008	(1,050)
Termopantanal Participações Ltda.	9	400	1	2,726	(2,318)	-
Tauá Geração de Energia Ltda.	358	7,875	445	1,614	6,174	(1,147)
Joint ventures						
MABE Construção e Administração de Projetos Ltda.	78,918	9,341	19,994	76,813	(8,548)	(7,103)
Pecém II Participações S.A.	473	655,166	555	3,471	651,613	(37,622)
PO&M - Pecém Operação e Manutenção de Geração Elétrica S.A.	6,895	271	3,322	3,839	5	897
Porto do Pecém Transportadora de Minérios S.A.	18,148	704	11,418	934	6,500	507
Associates						
Seival Sul Mineração Ltda.	5,597	96,817	4,769	84,873	12,772	(13,504)

Investments

Equity interests in the investment group is as follows:

	Parent Company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Investments - equity value (a)	5,663,149	4,745,848	5,089	323,826
Assets' added value (b)	552,383	471,470	-	-
Concession right (c)	213,663	216,793	-	-
Loss (d)	(229,935)	-	-	-
	6,199,260	**5,434,111**	**5,089**	**323,826**

(a) Changes in investment - equity value

Investments	%	At 12/31/2017	Transfer of unsecured liability	Acquisition of interest	Capital payment	Share capital decrease	Equivalence	Advance for future capital increase	Dividends and interest on capital - Stated*	Equity Valuation Adjustments:	Realization of deferred income tax and social contribution - added value	At 6/30/2018
Azulão Geração de Energia S.A.	99%	-	-	-	1	-	-	5	-	-	-	6
Eneva Participações S.A.	100%	261,411	-	-	-	(56,000)	(10,624)	281	-	-	-	195,068
Future acquisition of investment	-	95	-	-	-	-	-	-	-	-	-	95
Itaqui Geração de Energia S.A.	100%	944,150	-	-	307,701	-	11,237	-	-	-	-	1,263,088
MPX ENERGIA GMBH	100%	398	-	-	-	-	-	-	-	-	-	398
Parnaíba B.V.	100%	79,513	-	-	-	-	(201)	-	-	451	-	79,763
Parnaíba Gás Natural S.A.	100%	1,516,652	-	-	-	-	22,777	-	-	1,259	(3,447)	1,537,241
Parnaíba I Geração de Energia S.A.	100%	638,032	-	-	-	-	43,029	-	-	-	-	681,061
Parnaíba II Geração de Energia S.A.	100%	799,104	-	-	-	-	85,343	-	-	-	-	884,447
Parnaíba III Geração de Energia S.A.	30%	73,989	-	-	-	(32,973)	3,533	-	(11,120)	-	-	33,429
Parnaíba IV Geração de Energia S.A.	10%	1,969	-	-	-	-	927	-	-	-	-	2,896
Parnaíba Participações S.A.	50%	100,703	-	-	-	(54,263)	(1,531)	145	(1,739)	-	-	43,315
Pecém II Participações S.A.	50%	316,745	-	333,438	220,000	-	60,933	-	-	-	-	931,116
Porto do Pecém Transportadora de Minérios S.A.	50%	3,250	-	-	-	-	(527)	-	-	-	-	2,723
Seival Sul Mineração Ltda.	30%	3,831	-	-	-	-	(1,467)	-	-	-	-	2,364
Sul Geração de Energia Ltda.	50%	6,004	-	-	-	-	(12)	147	-	-	-	6,139
Pecém Oper. e Manutenção de Ger. Elétrica S.A.	50%	2	(2)	-	-	-	-	-	-	-	-	-
		4,745,848	**(2)**	**333,438**	**527,702**	**(143,236)**	**213,417**	**578**	**(12,859)**	**1,710**	**(3,447)**	**5,663,149**

*Changes in Dividends and interest on capital at June 30, 2018:

Dividends and Interest on Capital (JSCP) declared	12,859
Dividends and Interest on Capital (JSCP) received in the year	(12,859)
Dividends and Interest on Capital (JSCP) receivable	-

b) Breakdown of the amortizable intangible assets

	Parent Company	
	6/30/2018	12/31/2017
Parnaíba Gás Natural S.A. (i)	461,330	471,470
Pecém II Participações S.A *	92,240	-
	553,570	**471,470**

(i) This refers to the concession agreement for exploration, devolopment and prodution of oil and natural gas. The right of use has a defined useful life of 24 years and its amortization is of 4.0812% per year. In the quarter ended June 30, 2018, amortization of R$ 5,070 was determined.
(ii) This refers to the added value generated in the acquisition of 50% of Pecém II Participações S.A. (See Note of Business combination), when the values of the plant's machinery and equipment were reassessed. Its useful life is defined and its amortization is of 7.00% per year.

b.1) Breakdown of the non-amortizable intangible assets

	Parent Company	
	6/30/2018	12/31/2017
Pecém II Participações S.A. (i)	1,813	-
Pecém II Participações S.A *	(3,000)	-
	(1,187)	**-**

i. Value added generated in the acquisition of 50% of Pecém II Participações S.A. refers to indemnity assets not accounted

for. Its useful life is undefined, and accordingly not amortized, just tested once a year or whenever there are hints of impairment.

ii. This refers to value added generated in the acquisition of 50% of Pecém II Participações S.A., when the contingent liability was underestimated, and accordingly had an increase of R$ 3,000.

c) Breakdown of the amortizable right of use

	Parent Company	
	6/30/2018	12/31/2017
Itaqui Ger. de Energia S.A. (i)	12,871	13,127
Parnaíba III Ger. de Energia S.A. (ii)	33,449	35,436
Parnaíba IV Geração de Energia S.A (ii)	11,548	11,786
Parnaíba Gás Natural S.A. (iii)	29,409	30,058
Eneva Participações S.A. (iv)	126,386	126,386
	213,663	**216,793**

(i) The right of use was generated in the exchange of 50% of the shares of Porto do Pecém Geração de Energia for 100% of the shares of Itaqui Ger. de Energia. The transaction took place in 2008 with EDP Energias do Brasil. The right of use is realized in the same proportion of the useful life of CCEAR Itaqui. Its useful is of 30 years, and amortization is of 3.3048% per year.

(ii) The generated right of use arose from the acquisition of 30% of Parnaíba III, Parnaíba Geração e Comercialização de Energia and Parnaíba IV Geração de Energia S.A. during the capital increase occurred in November 2015, according to the Judicial Recovery Plan. The right of use related to the acquisition of Parnaíba III is associated to CCEAR, accordingly, the goodwill is characterized by its defined useful life, therefore, it is amortized and tested at least once a year or whenever there are hints of impairment. Its useful life is of 11 years, giving rise to an annual amortization of 9.0226% per year.

(iii) The right of use arisen from the acquisition of 100% of the concession for exploration, development and production of oil and gas by the subsidiary BPMB Parnaíba S.A. that occurred in November 2015. The balance will be amortized over 33 years (Amortization rate of 0.328947%). As a consequence of the Company's corporate restructure, all the assets of BPMB Parnaíba S.A. were paid up in the subsidiary Parnaíba Gás Natural and will be object of evaluation of the recoverability of the assets at least once a year.

(iv) The right of use on Eneva Participações S.A. was generated in the acquisition of a 50% interest during the capital increase held on November 2015. The right of use has indefinite useful life. Accordingly, it is not amortized but tested at least once a year or whenever there are hints of loss in its recoverable value, according to technical pronouncement CPC01.

d) Breakdown of Loss

	Parent Company	
	6/30/2018	12/31/2017
Pecém II Participações S.A. (i)	(229,935)	-
	(229,935)	**-**

i. The Loss arose from the acquisition of 50% of Pecém II Participações S.A. (See Note of Business Combination), when some assets and liabilities were reassessed at fair value, as follows: Coal inventory (3,573), Liabilities P&D 3,233 and Buildings and Improvements (229,594)

e) Breakdown of Equity in the Results of Investees:

	Breakdown of Equity in the Results of Investees	
	6/30/2018	6/30/2017
Equity in the result of investees	213,417	49,401
Result of Unsecured Liability	(11,625)	(11,248)
Amortization of intangible assets	(13,501)	(18,413)
	188,291	**19,740**

f) Breakdown of non-controlling interest

On June 30, 2018, the non-controlling stockholders' interest in equity and in the result of the investees is as follows:

				Attributed to the non-controlling stockholders			
				6/30/2018	6/30/2018	12/31/2017	6/30/2017
Investments	**Interest**	**Equity**	**Result**	**Equity**	**Result**	**Equity**	**Result**
Amapari Energia S.A.	49%	(29,653)	(1,623)	(14,530)	(795)	(13,735)	(986)
Termopantanal Participações	33%	(2,313)	-	(773)	-	(773)	-
Total				**(15,303)**	**(795)**	**(14,508)**	**(986)**

Unsecured liability

On June 30, 2018 and December 31, 2017, the balance of investment with subsidiaries of Grupo Eneva is classified as non-current assets under unsecured liability, considering the negative equity of some companies, characterized as constructive obligation for the Company. The balance for the period as follows:

	Parent Company		Consolidated	
	6/30/2018	**12/31/2017**	**6/30/2018**	**12/31/2017**
Unsecured liability (a)	(47,579)	(42,885)	(15)	(4,273)
Assets' added value (*)	11,174	11,406	-	-
	(36,405)	**(31,479)**	**(15)**	**(4,273)**

(*) This arose from the business combination operation, which occurred in November 2015, for the independent production of energy between the companies Parnaíba IV Geração de Energia S.A. and Parnaíba Comercialização e Geração de Energia S.A..

(a) Changes in Unsecured Liability

Company	**At 12/31/2017**	**Provision for unsecured liability**	**Transfer for loans (a)**	**At 6/30/2018**
Amapari Energia S.A.	(14,291)	(831)	-	(15,122)
MABE Construção e Administração de Projetos Ltda	(4,273)	(2,658)	6,931	-
Parnaíba Geração e Comercialização de Energia S.A.	(22,775)	(8,122)	-	(30,897)
Pecém Operação e Manutenção de Geração Elétrica S.A.	-	(15)	-	(15)
Termopantanal Participações Ltda	(1,546)	1	-	(1,545)
	(42,885)	**(11,625)**	**6,931**	**(47,579)**

Company	**At 12/31/2016**	**Provision for uncovered liability**	**At 12/31/2017**
Açu II Geração de Energia S.A.	(279)	279	-
Amapari Energia S.A.	(12,586)	(1,705)	(14,291)
Eneva Desenvolvimento	(350)	350	-
Eneva Investimentos	(10)	10	-
MABE Construção e Administração de Projetos Ltda	(722)	(3,551)	(4,273)
Parnaíba Geração e Comercialização de Energia S.A.	(17,824)	(4,951)	(22,775)
Parnaíba IV Geração de Energia S.A.	(5,008)	5,008	-
Pecém Operação e Manutenção S.A.	(447)	447	-
Seival Participações S.A.	(11,985)	11,985	-
Termopantanal Participações Ltda	(1,546)	-	(1,546)
UTE Porto do Açu Energia S.A.	(200)	200	-
	(50,957)	**8,072**	**(42,885)**

(a) The balance was reclassified to loan held between Eneva and the joint-venture Mabe, being an investment extension and in compliance with the technical standards IAS 28 (CPC 18 (R2) - Investment in Associate, Subsidiary and Joint-venture).

11. Property, plant and equipment

(a) Breakdown of balances - PPE in service

	Consolidated 6/30/2018									
	Land	Buildings, Civil Constructions, Improvements	Machinery and Equipment	Computer equipment	Vehicles	Furniture and utensils	PPE E&P	Provision for impairment	PPE in course	Total
Depreciation rate %		4	7	17	20	10	DUP			
Cost										
At 12/31/2017	**10,575**	**2,959,698**	**2,778,075**	**8,723**	**2,972**	**12,737**	**2,919,116**	**(528,553)**	**76,169**	**8,239,512**
Additions	-	129	1,553	204	183	161	10,060	-	98,940	111,230
Additions Pecém II	-	1,000,743	1,595,409	1,280	63	952	-	-	40,958	2,639,405
Changes MTM	-	-	-	-	-	-	-	-	(6,126)	(6,126)
Added Value Additions - Pecém II	-	-	94,052	-	-	-	-	-	-	94,052
Write-offs	-	(16)	(11,773)	-	-	(6)	-	-	-	(11,795)
Loss write-off – Pecém II	-	(229,594)	-	-	-	-	-	-	-	(229,594)
Dry well	-	-	-	-	-	-	-	-	(4,866)	(4,866)
Capitalized interest	-	-	-	-	-	-	-	-	416	416
Costs Azulão	-	-	-	-	-	-	-	-	2,969	2,969
Supplier prepayment	-	-	-	-	-	-	-	-	(20)	(20)
Provision for abandonment	-	-	-	-	-	-	(2,679)	-	(841)	(3,520)
PIS/COFINS	-	-	-	-	-	-	-	-	(1,323)	(1,323)
PPE Reserve	-	-	(229)	-	-	-	-	-	20,862	20,633
Translation	-	-	-	-	-	-	22,700	-	-	22,700
Transfers	-	1,122	29,503	988	40	225	29,560	-	(61,438)	-
Decommissioning	-	-	(572)	-	-	-	-	-	-	(572)
At 6/30/2018	**10,575**	**3,732,082**	**4,486,018**	**11,195**	**3,258**	**14,069**	**2,978,757**	**(528,553)**	**165,700**	**10,873,101**
Depreciation										
At 12/31/2017	**-**	**(386,931)**	**(490,302)**	**(5,075)**	**(1,215)**	**(5,548)**	**(921,904)**	**24,274**	**-**	**(1,786,701)**
Additions	-	(50,488)	(70,542)	(1,022)	(199)	(431)	(44,780)	-	-	(167,462)
Pecém II	-	(63,185)	(826,417)	(631)	(1,019)	(126)	-	-	-	(891,378)
Write-offs	-	-	11,315	-	-	3	-	-	-	11,318
Acquisition resulting from business combinations	-	-	(156)	-	-	-	-	-	-	(156)
At 6/30/2018	**-**	**(500,604)**	**(1,376,102)**	**(6,728)**	**(2,433)**	**(6,102)**	**(966,684)**	**24,274**	**-**	**(2,834,379)**
Carrying amount										
At 12/31/2017	**10,575**	**2,572,767**	**2,287,773**	**3,648**	**1,757**	**7,189**	**1,997,212**	**(504,279)**	**76,169**	**6,452,811**
At 6/30/2018	**10,575**	**3,231,478**	**3,109,916**	**4,467**	**825**	**7,967**	**2,012,073**	**(504,279)**	**165,700**	**8,038,722**

	Consolidated 12/31/2017									
	Land	Buildings, Civil Constructions, Improvements	Machinery and Equipment	Computer equipment	Vehicles	Furniture and utensils	PPE E&P	Provision for impairment	PPE in course (c)	Total
Depreciation rate %		4	7	17	20	10	DUP			
Cost										
At 12/31/2016	**10,575**	**2,947,780**	**2,735,562**	**7,776**	**2,618**	**11,639**	**2,568,478**	**(528,553)**	**212,029**	**7,967,904**
Additions	-	-	687	112	-	831	122,096	-	178,724	302,450
Write-offs	-	-	(3,636)	(151)	(187)	(17)	-	-	(123)	(4,114)
Dry well	-	-	-	-	-	-	(32,712)	-	-	(32,712)
Provision for abandonment	-	-	-	-	-	-	5,984	-	-	5,984
Transfers	-	11,918	45,462	986	541	283	255,271	-	(314,461)	-
At 12/31/2017	**10,575**	**2,959,698**	**2,778,075**	**8,723**	**2,972**	**12,736**	**2,919,117**	**(528,553)**	**76,169**	**8,239,512**
Depreciation										
At 12/31/2016	**-**	**(293,878)**	**(381,682)**	**(3,505)**	**(1,066)**	**(4,575)**	**(779,413)**	**24,274**	**-**	**(1,439,845)**
Additions	-	(93,053)	(108,775)	(1,570)	(323)	(981)	(137,602)	-	-	(342,304)
Write-offs	-	-	155	-	174	8	-	-	-	337
Acquisition resulting from business combinations	-	-	-	-	-	-	(4,889)	-	-	(4,889)
At 12/31/2017	**-**	**(386,931)**	**(490,302)**	**(5,075)**	**(1,215)**	**(5,548)**	**(921,904)**	**24,274**	**-**	**(1,786,701)**
Carrying amount										
At 12/31/2016	**10,575**	**2,653,902**	**2,353,880**	**4,271**	**1,552**	**7,064**	**1,789,065**	**(504,279)**	**212,029**	**6,528,059**

At 12/31/2017	**10,575**	**2,572,767**	**2,287,773**	**3,648**	**1,757**	**7,188**	**1,997,213**	**(504,279)**	**76,169**	**6,452,811**

The balances presented in the chart above show the effects of the consolidation of Pecém II Participação, as described in Note 1 - Operations.

Machinery and Equipment

These basically refer to the plant's equipment, transmission line and substation. Asset depreciation is based on the concession term and calculated by the straight line method at the rates determined by Normative Resolution 474 issued February 7, 2012 by the National Electric Energy Agency - ANEEL.

Buildings, Civil Constructions and Improvements

Basically relates to the UTEs Itaqui and Parnaíba I, which came into operation in February 2013 and October 2013 respectively. Depreciation follows the same procedure and criteria described in the item Machinery and equipment.

Property, plant and equipment in course

The balances recorded as PPE in course, on June 30, 2018, refer to the reserve PPE in the amount of R$ 93,138 and construction in progress of R$ 72,562, amounting R$ 165,700. The expenditures with Construction in Progress refer mainly to the stops programmed for maintenance of the thermal plants (Overhaul) and to the revitalization program of the Itaqui plant, in the amount of R$ 48,951 and R$ 15,573, respectively.

Impairment

At least once a year, the Company assesses whether there are evidences of a possible impairment of property, plant and equipment. On June 30, 2018, the Management identified no evidence that the value in use of property, plant and equipment could be impaired.

(b) Depreciation of PPE E&P

The E&P property, plant and equipment is depreciated as from the declaration of commerciality and beginning of the production by the produced units method.

Annually, the volume of 2P reserves of each field is certified by international class company, and based on this information, the Company maintains its depreciation records for produced units.

It is as follows:

Campo Gavião Real	6/30/2018	12/31/2017
Recoverable amount in billions m³ (*)	9.6300	8.7980
Field's accumulated production in billions of m³	6.2965	6.2080
Total	**3.3335**	**2.5900**
Gavião Vermelho field	**6/30/2018**	**12/31/2017**
Recoverable amount in billions m³ (*)	2.2400	2.1230
Field's accumulated production in billions of m³	0.7868	0.7420
Total	**1.4532**	**1.3810**
Gavião Branco field	**6/30/2018**	**12/31/2017**
Recoverable amount in billions m³ (*)	6.9290	6.1760
Field's accumulated production in billions of m³	1.6081	1.4190
Total	**5.3209**	**4.7570**
Gavião Branco field	**6/30/2018**	**12/31/2017**
Recoverable amount in billions m³ (*)	4.7190	4.1550
Field's accumulated production in billions of m³	0.1431	0.0660
Total	**4.5759**	**4.0890**
Gavião Branco field	**6/30/2018**	**12/31/2017**
Recoverable amount in billions m³ (*)	0.9680	0.9360
Field's accumulated production in billions of m³	0.0071	0.0060
Total	**0.9609**	**0.9300**

(*) Numbers unaudited by our independent auditors.

12. Intangible assets

a) Breakdown of balances - Intangible assets in service

	Consolidated 6/30/2018								
	Computer licenses and software	E&P Intangible assets	Right of use	Awards and CCEARs	Exploration rights agreements	Right of use in the acquisition of investments	Right of authorization	Intangible assets in course	Total
Amortization rate % p.a.	20								
Cost									
At 12/31/2017	**88,532**	**278,755**	**80,169**	**183,448**	**307,081**	**208,914**	**340,996**	**642**	**1,488,537**
Additions	1,006	-	-	-	-	-	-	122	1,128
Additions Subsidiary Acquisition (Pecém II))	1,137								1,137
Additions Campo Azulão	-	197,650	-	-	-	-	-	-	197,650
Cost Round 14	-	-	-	-	-	-	-	2,272	2,272
At 6/30/2018	**90,675**	**476,405**	**80,169**	**183,448**	**307,081**	**208,914**	**340,996**	**3,036**	**1,690,724**
Amortization									
At 12/31/2017	**(24,350)**	**(2,550)**	**(12,473)**	**(49,980)**	**(17,746)**	**(43,681)**	**(18,316)**	**-**	**(169,096)**
Additions	(2,770)	(2,742)	(3,002)	(6,112)	(10,138)	(3,364)	(2,020)	-	(30,148)
Additions Subsidiary Acquisition (Pecém II))	(376)	-	-	-	-	-	-	-	(376)
At 6/30/2018	**(27,496)**	**(5,292)**	**(15,475)**	**(56,092)**	**(27,884)**	**(47,045)**	**(20,336)**	**-**	**(199,620)**
Carrying amount									
At 12/31/2017	**64,182**	**276,205**	**67,696**	**133,468**	**289,335**	**165,233**	**322,680**	**642**	**1,319,441**
At 6/30/2018	**63,179**	**471,113**	**64,694**	**127,356**	**279,197**	**161,869**	**320,660**	**3,036**	**1,491,104**

	Consolidated 12/31/2017								
	Computer licenses and software	E&P Intangible assets	Right of use	Awards and CCEARs	Exploration rights agreements	Goodwill in the acquisition of Investments	Right of authorization	Intangible assets in course	**Total**
Amortization rate % p.a.	20								
Cost									
At 12/31/2016	86,874	34,002	80,169	183,448	531,192	191,119	340,514	642	1,447,960
Additions	1,658	4,299	-	-	-	-	482	-	6,439
Additions (Incorporation - Value Added)	-	-	-	-	-	33,644	-	-	33,644
Additions - MTM	-	1,288	-	-	-	-	-	-	1,288
Transfers (Incorporation)*	-	239,236	-	-	(223,387)	(15,849)	-	-	-
Write-offs	-	(70)	-	-	(724)	-	-	-	(794)
At 12/31/2017	**88,532**	**278,755**	**80,169**	**183,448**	**307,081**	**208,914**	**340,996**	**642**	**1,488,537**
Amortization									
At 12/31/2016	(19,423)	(706)	(7,926)	(36,742)	(5,069)	(8,505)	(14,274)	-	(92,645)
Additions	(4,927)	(1,844)	(4,547)	(13,238)	(12,677)	(1,532)	(4,042)	-	(42,807)
Additions - Added value goodwill	-	-	-	-	-	(33,644)	-	-	(33,644)
Write-offs	-	-	-	-	-	-	-	-	-
At 12/31/2017	**(24,350)**	**(2,550)**	**(12,473)**	**(49,980)**	**(17,746)**	**(43,681)**	**(18,316)**	**-**	**(169,096)**
Carrying amount									
At 12/31/2016	**67,451**	**33,296**	**72,243**	**146,706**	**526,123**	**182,614**	**326,240**	**642**	**1,355,315**
At 12/31/2017	**64,182**	**276,205**	**67,696**	**133,468**	**289,335**	**165,233**	**322,680**	**642**	**1,319,441**

Concession Agreements for the Exploration and Production of Oil and Natural Gas

On June 30, 2018, the wholly-owned subsidiary Parnaíba Gás Natural (PGN) take part in the following concessions:

No.	Block/Contract	ANP Round	Operator	% PGN	% Parnaíba Participações
1	BT-PN-1	9th	PGN	100%	-
2	BT-PN-4	9th	PGN	100%	-
3	BT-PN-5	9th	PGN	100%	-
4	BT-PN-7	9th	PGN	100%	-
5	BT-PN-8	9th	PGN	100%	-
6	PN-T-69_R13	13th	PGN	100%	-
7	PN-T-84_R13	13th	PGN	70%	30%
8	PN-T-87_R13	13th	PGN	100%	-
9	PN-T-101_R13	13th	PGN	100%	-
10	PN-T-103_R13	13th	PGN	100%	-
11	PN-T-146_R13	13th	PGN	100%	-
12	PN-T-163_R13	13th	PGN	100%	-
13	PN-T-117_R14	14ª	PGN	100%	-

14	PN-T-118_R14	14ª	PGN	100%	-
15	PN-T-119_R14	14ª	PGN	100%	-
16	PN-T-133_R14	14ª	PGN	100%	-
17	PN-T-134_R14	14ª	PGN	100%	-
18	BA-3A	-	PGN	100%	-

All the supply operations in natural gas commercial operation and lease of capacity of gas treatment unit (GTU) is carried out with the companies Parnaíba I Geração de Energia S.A., Parnaíba II Geração de Energia S.A., Parnaíba III Geração de Energia S.A., Parnaíba IV Geração de Energia S.A. and Consórcio UTE Parnaíba IV, also subsidiaries of the parent company Eneva.

Right of use in course

This refers to the signature bonus of Parnaíba Gás Natural arising from the acquisition of the concession of the 9th, 13th and 14th rounds blocks. Furthermore, the right of use of the land related to the project of the wind farm is part of the balance.

Azulão

On April 30, 2018, PGN concluded the acquisition of 100% of the rights and obligations for the exploration and production of hydrocarbons of the concession of the Azulão Field, located in the Amazonas Basin, in the State of Amazonas, of Petróleo Brasileiro S.A. ("Petrobras"). The operation was concluded with the payment of around R$ 197 million to Petrobras, made at this date by PGN, after all the precedent conditions and adjustments foreseen in the contract were met. Considering the result, the foreign exchange hedge result carried out for the agreed acquisition amount, the net disbursement of PGN was of R$ 192 million.

On April 27, 2018, PGN received, through the 6th Issuance of simple debentures, non-convertible into shares, for distribution with restrict placement efforts, with cost of 100% of CDI plus 2.85% per year, and maturity on March 22, 2023, a total amount of R$ 250 million, using part of the funds for the payment previously mentioned. The debentures will be amortized in 5 (five) consecutive and six-monthly installments, as from March 2021.

b) Impairment assessment

At least once a year, the Company assesses whether there are evidences of a possible impairment of PPE and intangible assets. On June 30, 2018, the Management identified no evidence that the value in use of these assets could be impaired.

13. Related-parties

The assets and liabilities balances on June 30, 2018 and December 31, 2017 and the operations that influenced the result for the period, related to the Company's transactions with its direct and indirect subsidiaries, associated companies and key management, were carried out according to the conditions agreed upon by the parties.

Stockholders
The Company's main stockholders are Banco BTG Pactual S.A, Cambuhy, Uniper Holding and Itaú Unibanco S.A, which respectively hold 26.8%, 23.0%, 6.1% and 5.9% of the common shares.

Managers
The Company is managed by a Board of Directors and an Executive Board, pursuant to the duties and powers vested by its Bylaws.

Related companies

The Company's main affiliated companies are: Banco BTG Pactual S.A, Cambuhy, Uniper Energy and Itaú Unibanco S.A ans their respective subsidiaries and associates.

On June 30, 2018 and December 31, 2017, the balances of assets, liabilities and effects on income of related-party transactions are as follows:

	Parent Company		Consolidated	
Assets	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**
Loan				
Itaqui Geração de Energia S.A. (a)	143,002	165,585	-	-
MABE da Brasil (b)	11,488	17,881	11,488	17,881
Parnaíba IV Geração de Energia S.A. (c)	82,738	79,523	-	-
Pecém II Geração de Energia S.A. (d)	272,046	264,563	-	264,563
Pecém Operação e Manutenção de Unidades de Geração Elétrica S.A.	2,610	2,529	2,610	2,529
Termopantanal Participações	457	-	-	-
Termopantanal Ltda.	230	230	-	-
	512,571	**530,311**	**14,098**	**284,973**
Commercial operations				
Amapari Energia S.A.	399	642	-	-
ENEVA Comercializadora de Energia S.A.	3,829	3,352	-	-
ENEVA Participações S.A.	6,042	5,996	-	-
Uniper Energy	92	92	93	93
Itaqui Geração de Energia S.A. (a)	14,789	7,966	-	-
MABE do Brasil	22	22	22	22
Parnaíba Gás Natural S.A.	22,673	10,483	-	-
Parnaíba Geração e Comércio de Energia	219	194	-	-
Parnaíba I Geração de Energia S.A.	2,108	5,162	-	-
Parnaíba II Geração de Energia S.A.	5,904	8,278	-	-
Parnaíba III Geração de Energia S.A.	773	2,386	-	-
Parnaíba IV Geração de Energia S.A. (c)	430	1,465	-	-
Parnaíba Participações S.A.	149	179	-	-
Pecém II Geração de Energia S.A. (d)	3,194	7,028	-	49,524
Pecém II Participações S.A.	2,448	2,484	-	2,761
Porto do Pecém Transportadora de Minério S.A	10	10	10	10
PO&M Geração Elétrica S.A	18	18	18	18
SPE´s Ventos	22	40	-	-
Seival Geração de Energia S.A.	307	375	-	-
Seival Sul Mineração Ltda.	10	10	4,155	4,155
Sul Geração de Energia S.A.	357	342	-	-
Tauá Geração Energia	324	575	-	-
	64,119	**57,099**	**4,298**	**56,583**
Debentures				
Parnaíba Gás Natural	330,554	306,270	-	-
	330,554	**306,270**	**-**	**-**
Total long term assets	**907,244**	**893,680**	**18,396**	**341,556**

	Parent Company		Consolidated	
Liabilities	**6/30/2018**	**12/31/2017**	**6/30/2018**	**12/31/2017**

Debentures				
Parnaíba Gás Natural S.A.	-	-	82,281	82,281
	-	**-**	**82,281**	**82,281**
Trade payables				
Amapari Energia S.A.	3	3	-	-
Copelmi Mineração Ltda.	-	-	293	146
Uniper Energy	13	13	26,474	27,987
ENEVA Participações S.A.	3,355	3,355	-	-
Itaqui Geração de Energia S.A	2,188	2,186	-	-
Parnaíba Gás Natural S.A.	3,386	3,387	-	-
Parnaíba I Geração de Energia S.A.	35	35	-	-
Parnaíba II Geração de Energia S.A.	29	29	-	-
Parnaíba III Geração de Energia S.A.	11	11	-	-
Parnaíba IV Geração de Energia S.A.	7	7	-	-
Pecém II Geração de Energia S.A.	45	45	-	2,702
Pecém II Participações S.A.	-	-	-	12
Porto do Pecém Transportadora de Minérios S.A.	-	-	1,329	-
Tauá Geração de Energia Ltda.	446	444	-	-
	9,518	**9,515**	**28,096**	**30,847**
Total long and short terms liabilities	**9,518**	**9,515**	**110,377**	**113,128**

	Parent Company		Consolidated	
Result	**6/30/2018**	**6/30/2017**	**6/30/2018**	**6/30/2017**
Açu II Geração de Energia S.A	-	15	-	-
Açu III Geração de Energia Ltda.	-	15	-	
Amapari Energia S.A.	199	261	-	-
BPMB Parnaíba S.A	-	140	-	-
Eneva Comercializadora de Energia S.A.	880	577	-	-
Eneva Desenvolvimento S.A.	-	15	-	-
Eneva Participações S.A.	179	98	-	-
Eneva Solar Empreendimentos Ltda.	-	15	-	-
Itaqui Geração de Energia S.A. (a)	11,833	12,205	-	-
MABE Construção e Administração de Projetos Ltda. (b)	634	870	634	870
Parnaíba Gás Natural S.A. (e)	29,548	3,169	-	-
Parnaíba Geração e Comercialização de Energia S.A	428	237	-	-
Parnaíba I Geração de Energia S.A.	3,923	2,874	-	-
Parnaíba II Geração de Energia S.A.	2,800	2,343	-	-
Parnaíba III Geração de Energia S.A.	1,442	1,284	-	-
Parnaíba IV Geração de Energia S.A. (c)	4,048	6,797	-	-
Eneva Investimento S.A.	-	13	-	
Parnaíba Participações S.A.	82	(1,869)	-	-
Pecém II Geração de Energia S.A. (d)	13,466	8,942	6,642	11,712
Pecém II Participações S.A	87	2,770	53	-
Pecém Operação e Manutenção de Unidades de Geração Elétrica S.A.	95	130	95	130
Seival Geração de Energia S.A.	44	29	-	-
Seival Participações S.A.	-	22	-	-
SPE's Ventos	59	24	-	-
Sul Geração de Energia S.A.	7	17	-	-
Tauá Geração de Energia Ltda.	157	97	-	-
Tauá II Geração de Energia Ltda.	-	18	-	-
UTE Porto do Açu Energia S.A.	-	15	-	-
	69,911	**41,123**	**7,424**	**12,712**

(a) The balance is as follows: (i) loan agreement entered into, in January 2012, with Eneva (creditor) subject to monthly market interest (104% of CDI) with indefinite maturity. In June 2016, we capitalized as investment the full amount of the principal of this loan, R4 332,095. Therefore, the balance of R$ 143,002 refers just to the interest (R$ 165,585 on December 31, 2017). On June 30, 2018, the effect on result is R$ 5,611 (R$ 18,280 on December 31, 2017), and (ii) reimbursement of operating, finance and administrative activities costs, in the amount of R$ 14,789 (R$ 7,966 on December 31, 2017). At June 30, 2018, the effect on the result is of R$ 6,222 (R$ 9,824 on December 31, 2017).

(b) Loan agreement entered into with Eneva (lender), in January 2013, subject to monthly market interest (105% of CDI, with indefinite maturity, in the amount of R$ 18,419 (R$ 17,881 on December 31, 2017), being R$ 14,614 of principal and R$ 3,805 of interest (R$ 14,710 of principal and R$ 3,171 of interest on December 31, 2017). On June 30, 2018, the effect on consolidated result is R$ 634 (R$ 1,802 on December 31, 2017); On June 30, 2018, the loss for the period calculated by the subsidiary MABE was reclassified for the account loan, according to the item 38 of CPC 18, in the amount of R$ 6,931.

(c) The balance is as follows: Loan agreement entered into with Eneva (lender), in January 2012, subject to monthly market interest (125% of CDI, with indefinite maturity, in the amount of R$ 82,738 (R$ 79,523 on December 31, 2017), being R$ 29,142 of principal and R$ 53,596 of interest (R$ 29,318 of principal and R$ 50,205 of interest on December 31, 2017). On June 30, 2018, the effect on result is R$ 3,391; and (ii) reimbursement of operating, finance and administrative activities costs, in the amount of R$ 657;

(d) The balance is comprised of loan agreement entered into with Eneva (lender)subject to market interest (104% of CDI, with indefinite maturity, in the amount of R$ 272,046 (R$ 264,563 on December 31, 2017), being R$ 221,137 of principal and R$ 50,909 of interest (R$ 222,465 of

principal and R$ 42,098 of interest on December 31, 2017). On June 30, 2018, the effect on result is R$ 8,803; and (ii) reimbursement of operating, finance and administrative activities costs, in the amount of R$ 4,663;

(e) The balance is comprised by the reimbursement of operating, finance and administrative activities costs, in the amount of R$ 22,673 owned to the holding (R$ 10,483 on December 31, 2017). At June 30, 2018, the effect on the result for this transaction is of R$ 5,263 (R$ 8,456 on December 31, 2017). Furthermore, the revenue of R$ 24,285 related to interest on the 3rd and 4th issue of debentures (R$ 59,669 on December 31, 2017);

Compensation of the Board of Directors

and Executive Board members

In accordance with Law No. 6,404/1976 and the Company's Bylaws, the shareholders will establish the managers' overall annual remuneration at the General Meeting. The Board of Directors will distribute the amount among the directors.

The total amounts of quarter compensation of the Company's Executive Board and Board of Directors members for the six-month period and quarter ended June 30, 2018, accounted for on an accrual basis, are as follows:

	Parent Company				Consolidated			
	Quarter ended	Six-month period ended	Quarter ended	Six-month period ended	Quarter ended	Six-month period ended	Quarter ended	Six-month period ended
	6/30/2018		6/30/2017		6/30/2018		6/30/2018	
Short term benefits	3,263	9,850	3,808	6,938	3,755	11,212	4,038	7,917

Furthermore, as described in Note 21, the Company implemented a share-based payments for certain executives.

14. Loans and financings

On June 30, 2018 and December 31, 2017, the loans with financial institutions is as follows:

Company		Creditor	Currency	Interest rates	Maturity	Consolidated 6/30/2018 Funding costs to appropriate	Principal	Interest	Total	Consolidated 12/31/2017 Funding costs to appropriate	Principal	Interest	Total
Itaqui		BNDES (Direct)	R$	TJLP+2.78%	6/15/2026	(6,044)	763,853	2,683	760,492	(6,694)	787,413	2,948	783,667
Itaqui		BNB	R$	10%	12/15/2026	(1,903)	188,634	751	187,482	(1,946)	194,420	825	193,299
Itaqui		BNDES (Indirect)	R$	IPCA+12.13%	6/15/2026	-	-	-	-	(1,507)	140,710	7,588	146,791
Itaqui		BNDES (Indirect)	R$	TJLP+4.8%	6/15/2026	-	-	-	-	(1,279)	156,388	714	155,823
Pecém II	(a)	BNDES (Direct)	R$	TJLP+3.14%	6/15/2027	(3,741)	397,974	1,453	395,686	-	-	-	-
Pecém II		BNDES (Direct)	R$	IPCA+10.59%	6/15/2027	(611)	142,012	9,742	151,143	-	-	-	-
Pecém II		BNB	R$	10%	1/31/2028	(3,412)	214,585	-	211,173	-	-	-	-
Parnaíba I		BNDES (Direct)	R$	TJLP+3.77%	6/15/2027	(23,395)	339,597	1,322	317,524	(24,089)	357,314	1,483	334,708
Parnaíba I		BNDES (Direct)	R$	IPCA+6.67%	7/15/2026	(7,611)	196,881	12,380	201,650	(8,407)	193,340	5,731	190,664
Parnaíba II		Bradesco	R$	CDI+2.50%	1/3/2019	-	40,000	-	40,000	-	40,000	-	40,000
Parnaíba II		Bradesco	R$	CDI+3.00%	1/3/2019	-	334,116	6,671	340,787	-	334,116	7,070	341,186
Parnaíba II		BNDES (Indirect)	R$	TJLP+5.15%	9/15/2027	-	243,145	1,073	244,218	-	250,451	1,179	251,630
PGN		BTGI LLC	R$	CDI+3.50%	6/5/2018	-	-	-	-	-	25,000	172	25,172
PGN		FINEP	R$	TJLP+3.00%	3/15/2025	-	39,851	143	39,994	-	39,724	153	39,877
ENEVA S/A		Banco Itaú BBA	R$	CDI+2.75%	5/15/2028	-	282,642	149,132	431,774	-	282,642	130,294	412,936
ENEVA S/A		Banco BTG Pactual	R$	CDI+2.75%	5/15/2028	-	514,770	271,610	786,380	-	514,770	237,301	752,071
ENEVA S/A		Bullseye I FIDC	R$	CDI+2.75%	5/15/2028	-	55,641	29,358	84,999	-	55,641	25,649	81,290
ENEVA S/A		Bullseye I LLC	US$	LIBOR 6M	5/15/2028	-	132,569	4,627	137,196	-	113,735	3,320	117,055
ENEVA S/A		Banco Credit Suisse	US$	LIBOR 6M	5/15/2028	-	14,439	504	14,943	-	12,388	361	12,749
						(46,717)	3,900,709	491,449	4,345,441	(43,922)	3,498,052	424,788	3,878,918
Secured deposits						-	(194,350)	-	(194,350)	-	(176,158)	-	(176,158)
Net balance of borrowings and financings						(46,717)	3,706,359	491,449	4,151,091	(43,922)	3,321,894	424,788	3,702,760
Current						(5,717)	590,081	36,219	620,583	(4,829)	168,117	27,863	191,151
Non-current						(41,000)	3,116,278	455,230	3,530,508	(39,093)	3,153,777	396,925	3,511,609

(a) In April 2018, the subsidiary Pecém II early settled R$ 220 million of the updated debt balance of its financing contract with BNDES (R$ 162 million at the TJLP cost plus 3.1% a year and R$ 58 million at IPCA cost plus 10.6% a year). At the same period, Pecém II became part of the balance of the consolidated statements of Eneva S.A..

The financial institutions usually do not require guarantees for loans and financings granted to the Parent Company. However, the loans got by the subsidiaries are guaranteed by the assets (machinery and equipment) as well as the billing flow of the subsidiaries' CCEAR contracts. Furthermore, the parent company Eneva S.A. grants endorsement to the subsidiaries.

The changes in loans are as follows:

	Parent Company	Consolidated
At December 31, 2017	**1,376,101**	**3,702,760**
(+) Interest incurred	57,657	187,528
(+/-) Exchange variation Interest	648	648
(+/-) Exchange variation Principal	20,886	20,886
(-) Payment of interest	-	(117,115)
(-) Payment of principal	-	(395,837)
(+) Amortization of funding cost	-	7,021
(-) Contractual monetary update	-	(2,182)
(-) Secured deposits	-	(44,223)
Pecém II Geração de Energia S.A. (*)	-	791,605
At June 30, 2018	**1,455,292**	**4,151,091**

(*) effect due to the consolidation of Pecém II Participações.

	Parent Company	Consolidated
At December 31, 2016	**1,228,617**	**4,097,298**
(+) Interest incurred	145,514	466,603
(+/-) Exchange variation Interest	106	106
(+/-) Exchange variation Principal	1,864	1,864
(-) Payment of interest	-	(340,197)
(-) Payment of principal	-	(542,952)
(+) Disbursement of loan	-	39,625
(+) Amortization of funding cost	-	3,964
(-) Contractual monetary update	-	(2,878)
(-) Secured deposits	-	(20,673)
At December 31, 2017	**1,376,101**	**3,702,760**

The installments of the loans and financings classified as non-current liabilities on June 30, 2018 have the following payment schedule:

	Consolidated 2018
Maturity year	
2019	136,796
2020	256,665
2021	294,770
2022 up to the last maturity	3,036,627
	3,724,858
Secured deposits	(194,350)
	3,530,508

Financial covenants

The financial agreements of the operating subsidiaries have non-financial covenants clauses, usual in the market, which on June 30, 2018 are fully met, as follows:

- Obligation to periodically submit financial statements to creditors.
- Creditor rights to inspect and visit facilities.
- Obligation to keep up with tax, social security and payroll obligations.
- Obligation to maintain materially important contracts for its operations in force.
- Comply with environmental legislation and keep any operating licenses necessary in force.
- Contractual restrictions on related-party transactions and sales of assets outside the normal course of business.
- Restrictions on the change of share control, corporate restructuring and material changes to the core activities and Articles of Association of the borrowers.
- Restrictions on debt ratios and the procurement of new debt.

The financing contracts relating to the ventures Itaqui Geração de Energia S.A., Parnaíba I Geração de Energia S.A., Parnaíba III Geração de Energia S.A., Pecém II Geração de Energia S.A. and Parnaíba Gás Natural S.A. have financial covenants specific clauses, as follows:

Company	Description Financial covenants	Position on 6/30/2018
Parnaíba I	Own capital index of at least 25%	Met
Parnaíba I	Debt coverage index of at least 1.20	Met
Parnaíba III	Net debt of no more than 3.0 times the EBITDA	Met
Itaqui	Relation Equity x Proportional debt proportional at 25/75	Met
Itaqui	Relation Equity x Total assets of at least 20%	Met
Pecém II	Debt coverage index of at least 1.20	Met
PGN	Net debt of no more than 2.0 times the EBITDA	Met
PGN	Debt coverage index of at least 1.30	Met

As presented above, it was not identified situations of noncompliance of financial and non-financial covenants clauses up to June 30, 2018.

15. Debentures

					Consolidated							
					6/30/2018				12/31/2017			
Company	Creditor	Currency	Interest rates	Maturity	Cost to appropriate	Principal	Interest	Total	Cost to appropriate	Principal	Interest	Total
Parnaíba III	Bradesco	R$	CDI + 2,95%	12/5/2024	(5,517)	260,000	1,696	256,179	(5,612)	100,000	419	94,807
PGN	2Nd issue (Bradesco/Citibank)	R$	123% CDI	2/28/2020	(3,270)	330,780	8,570	336,080	(3,968)	496,170	15,438	507,640
PGN	2Nd issue (Bradesco/Citibank)	R$	CDI + 2,85%	2/25/2018	(4,569)	250,000	3,871	249,302	-	50,000	385	50,385
					(13,356)	**840,780**	**14,137**	**841,561**	**(9,580)**	**646,170**	**16,242**	**652,832**
Current					-	187,057	14,137	201,194	3	215,390	16,242	231,635
Non-current					(13,356)	653,723	-	640,367	(9,583)	430,780	-	421,197

On April 27, 2018, PGN received, through the 6th Issuance of simple debentures, non-convertible into shares, for distribution with restrict placement efforts, with cost of 100% of CDI plus 2.85% per year, and maturity on March 22, 2023, a total amount of R$ 250 million. The debentures will be amortized in 5 (five) consecutive and six-monthly installments, as from March 2021.

The changes in debentures are as follows:

	Consolidated
At December 31, 2017	**652,832**
(+) Interest incurred	30,192
(-) Payment of interest	(32,297)
(-) Payment of principal	(215,390)
(+) New fundings	410,000
(+) Amortization of funding cost	793
(-) Cost of fundings (New fundings)	(4,569)
At June 30, 2018	**841,561**

	Consolidated
At December 31, 2016	**845,962**
(+) New fundings	100,000
(+) Interest incurred	83,372
(-) Payment of interest	(107,898)
(-) Payment of principal	(265,846)
(+) Amortization of funding cost	(2,758)
At December 31, 2017	**652,832**

16. Business combination

On April 16, 2018, after all the transactions' precedent conditions were met, it was concluded the acquisition of all the corporate interest (50%) of Uniper GmbH in Pecém II Participações S.A., sole shareholder of Pecém II Geração de Energia S.A.

Before the operation was concluded, the control of this subsidiary was shared between Eneva S.A. and Uniper Holding (50% interest for each company).

This operation was driven by the execution of the debts prepayment plan described in the prospect of the public offer of primary and secondary distribution of shares concluded on October 20, 2017. Consequently, Pecém II early settled R$ 220 million of the updated debt balance of its financing contract with BNDES (R$ 162 million at the TJLP cost plus 3.1% a year and R$ 58 million at IPCA cost plus 10.6% a year).

The decrease of the indebtedness allowed the statement of Financial and Operating Performance of Pecém II by BNDES, and consequently the release of all the bank guarantees of the financing (whose cost accounted by Pecém II in 2017 was of R$ 28 million).

The transferred consideration was carried out by the Company on April 16, 2018 in the total amount of R$ 160 million, comprised by R$ 50 million of payment made to the counterparty related to the negotiation for the acquisition of the control and other 110 million of capital transfer made by Eneva S.A. to Pecém II (50% of the amount of the anticipated settlement of the BNDES financing mentioned above), complying with transfer obligation that initially was of Uniper Holding GmbH).

The acquisition of the assets and liabilities of the subsidiary mentioned above was recorded using the acquisition method, as established by the CPC 15 (R1) and IFRS 3 (R), considering the fair value of the assets and liabilities estimated at the acquisition date. The assets acquired net of the liabilities, at the transaction date, based on the best estimate available up to the moment, were as follows:

1- Fair value of the main identified assets and liabilities (amounts at 100%):

	Accounting balance at the acquisition date	Fair value adjustment	Accounting balance after adjustments
Available funds	37,958	-	37,958
Trade receivables	98,294	-	98,294
Coal inventory	77,529	(3,573)	73,956
Indemnification asset	-	2,406	2,406
Property, Plant and Equipment	1,739,711	(137,354)	1,602,357
Supplier	92,797	-	92,797
loans and financings	702,530	-	702,530
P&D	-	3,233	3,233
Liability contingencies	-	(3,000)	(3,000)
Asset deferred tax:	-	47,220	47,220
Equity (A)	868,355	(91,068)	777,287
2- Remeasure of the interest held and calculation of the advantageous purchase			
Consideration transferred (50%)			160,000
Fair value of the interest previously held (50%)			462,303
Consideration's fair value paid - (B)			**622,303**
Gain in the advantageous purchase (C = A-B)			**154,984**
Fair value of the interest previously held - (D)			462,303
Carrying amount of the interest previously held - (E)			425,336
Gain in the remeasure of the interest previously held - (F=D-E)			**36,967**
Total impact estimated of the business combination through gain or loss - (G=C+F)			**191,951**

The Company contracted specialized company for the elaboration of report of the fair value of the assets acquired and liabilities took for effects of determination of the allocation of the purchase price. Considering that the independent appraiser is still working, the allocation of the purchase price above was provisionally carried out and, as established by CPC 15 (R1) and IFRS 3 (R1), the Company's term to conclude the appraisal is 12 months. Accordingly, the Company will carry out the adjustment in the allocation provisionally presented above in so far as it concludes the appraisal and measure of the transaction.

The Company calculated the advantageous purchase above because it estimated that the market value of the acquired business overcomes the consideration effectively paid.

17. Taxes and contributions payable

The balance of Income tax and Social Contribution payable is as follows:

	Parent Company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Income tax - IR	118	133	68,724	64,031
Social contribution - CSLL	-	-	14,001	25,407
Current	**118**	**133**	**82,725**	**89,438**

The group's companies are taxed on the Taxable Profit system, monthly prepaying Income Tax and Social Contribution on Income, according to effective legislation.

	Parent Company		Consolidated	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017
Value-added Tax on Sales and Services (ICMS)	14	3	115	81,262
PIS, COFINS and IOF	559	3,866	21,630	23,136
Importation IPI	-	-	40	40
Importation tax	-	-	122	122
Others	44	750	3,983	5,078
Current	**617**	**4,619**	**25,890**	**109,638**

18. Financial instruments and risk management

The management of these financial instruments is done through operating strategies and internal controls, aimed at liquidity, profitability and security. Our control policy consists of permanently monitoring contract rates versus market rates. The Company and its subsidiaries do not invest in derivative financial instruments or any other risky assets on a speculative basis. This is a determination of the financial investment policy.

The estimated realization values of the financial assets and liabilities of the Company and its subsidiaries were determined through information available in the market and appropriate valuation methodologies. However, considerable judgment was required in the interpretation of the market data to estimate the most adequate realization value. Consequently, the estimates below do not necessarily indicate the values that could be realized. The use of different market methodologies may have a material effect on the estimated realizable values.

The description of the consolidated carrying amounts of financial instruments included in the balance sheets as well as the fair value hierarchy classification are presented below:

	Parent Company	
	6/30/2018	12/31/2017
Assets		
Amortized Cost	**332,678**	**320,507**
Secured deposit	2,124	14,237
Debentures receivable	330,554	306,270
Fair value through profit or loss	**694,362**	**1,133,753**
Cash and cash equivalents	104,569	502,905
Marketable securities	13,103	43,438
Commercial operations	64,119	57,099
Loans	512,571	530,311
Liabilities		
Amortized Cost	**1,485,050**	**1,398,425**
Trade payables	20,240	12,809
loans and financings	1,455,292	1,376,101
Trade payables	9,518	9,515

	Consolidated	
	6/30/2018	12/31/2017
Assets		
Amortized Cost	**543,763**	**616,790**
Trade receivables	532,104	524,886
Secured deposit	11,659	91,904
Fair value through profit or loss	**697,606**	**1,325,586**
Cash and cash equivalents	585,035	766,884
Marketable securities	94,175	217,146
Commercial operations	4,298	56,583
Loan	14,098	284,973
Liabilities		
Amortized Cost	**5,533,132**	**4,814,817**
Trade payables	414,343	294,079
loans and financings	4,151,091	3,702,760
Debentures	841,561	652,832
Convertible Debentures	82,281	82,281
Trade payables	28,096	30,847
Contractual retentions	4,330	4,330
Trade payables - electric power sector	11,430	47,688

Fair value of financial instruments

The concept of fair value states that assets and liabilities should be valued at market prices, in the case of liquid assets, or by using mathematical pricing methods, in other cases. The hierarchy level of the fair value gives priority to unadjusted prices quoted on an active market. A part of the Company's accounts has the fair value equal to book value, these accounts include cash equivalents, payables and receivables, bullet debts and short-term. Financial investments are being presented at fair value, due to their classification under fair value through profit or loss.

Derivatives, hedge and risk management

Derivatives assigned as fair value hedge offer protection against the exposition to the changes in the fair value of recognized assets or liabilities, solid commitment not recognized or the identified portion of the asset.

In the initial recognition of a hedge relation, the subsidiaries Parnaíba Gás Natural (PGN) and Parnaíba I Geração de Energia formally classify and document the hedge relations as well as the Management's objective and strategy of risk management to give effect to the hedge. The documentation includes the identification of the hedge instrument, the item or transaction object of hedge, the nature of the risks object of hedge, the nature of the risks excluded from the hedge relation, the forward-looking statement of the hedge relation efficiency and the way PGN and Parnaíba I will evaluate the efficiency of the hedge instrument in order to offset the exposure to changes in the fair value of the item object of hedge. Regarding the fair value hedge, the demonstration of a character to a particular risk in the transaction foreseen in the object of hedge, as well as the periods foreseen to transfer the gains or losses arising from the hedge instruments through profit or loss are also included in the documentation of the hedge relation. It is expected that these hedges are highly efficient to offset the changes in the fair value, being permanently evaluated to verify whether they were effectively efficient during all the base periods for which they were intended.

In December 2017 and January 2018, the Company contracted derivative instruments, called Non Deliverable Forward ("NDFs") in order to mitigate the foreign exchange exposition arising from the following transactions: (i) acquisition by Parnaíba Gás Natural together with Petrobras of 100% of the rights and obligations for the exploration and production of hydrocarbon of the concession of the Azulão Field and (ii) purchase of equipment to be used in the maintenance operating cycle of the plant by Parnaíba I Geração de Energia S.A.. The contractual amount of the outstanding operation is of USD 56.260 and USD 11.126 respectively.

The Company evaluated the hedge object and classified the operation as an asset fair value derivative. Therefore, the determined Market to Market (MtM) net amounts, on June 30, 2018, were of R$ 5,426 in gains and R$ 303 in gains to Parnaíba I Geração de Energia.

In April 2018, with the conclusion of the acquisition process of the Azulão land field, the Company calculated a positive result in the hedge operation of R$ 5,140, allocated in the asset cost.

Market risk

Risk of variation in the prices of commodities, foreign exchange rates and interest.

18.1 Risk of price variation (commodities)

In the case of Eneva, this risk is exclusively associated to the price of the coal, which forms the inventories necessary for the generation of energy in the thermoelectric plants.

The price of the coal in inventory is fixed and will be converted into income by the remuneration of the energy generation according to the Power Purchase Agreement rules. The period between the purchase of the load and its use for the energy generation is set as the risk of price variation taken by the thermoelectric plant. The projection of risk and sensitivity of the average amounts for the periods ended June 30, 2018 and 2017 is as follows:

Itaqui	**Market value**	**API2 / CIF ARA**	**API2 / CIF ARA**
6/30/2017 (R$)		**(25% increase)**	**(50% increase)**
Variable income (Ccomb)	14,100,182	17,625,228	21,150,273
Variable cost (Coal)	(13,863,520)	(17,329,400)	(20,795,280)
Variable result	**236,662**	**295,828**	**354,993**
6/30/2018 (R$)			
Variable income (Ccomb)	238,112,114	297,640,143	357,168,171

Variable cost (Coal)	(262,783,988)	(328,479,985)	(394,175,982)
Variable result	**(24,671,874)**	**(30,839,842)**	**(37,007,811)**

(ª) ARA: Areas of Amsterdam-Rotterdam-Antwerp - a port and refining area in the Belgian-Dutch region. A load or barge of a refined product traded on an ARA basis of cost, insurance and freight (CIF) means that the ports within this area are covered by the cost.

(*) For the calculation of the cost for 2018, the ICMS on the coal was calculated on a 18% rate.

Assumptions (unaudited)	**6/30/2018**	**6/30/2017**
Electric power generation - MWh	*1,590,532*	111,000
Coal consumption (Ton)	*700,321*	51,374
CIF ARA	*88.10*	77.46
API2	*88.10*	77.46
Award	*6.50*	7.4
Factor i	*0.5228*	0.5157
FX	*3.25*	3.18
Being:		
*Ccomb = CIF ARA * Factor i * FX*		
Coal cost = API2 + award		
API2 ~ CIF ARA		

The change presented above refers solely to the dispatch level of the Itaqui Plant that was substantially lower than that presented in the same period of the previous year.

18.2 Foreign exchange rate risk

Risk of fluctuation in the foreign exchange rates to which the Company's assets and liabilities may be associated:

a) Coal inventory

In forming the coal inventory for the thermal power plant, the Company acquires the commodity that is referred to the international trading prices of imported mineral coal, quoted in US dollars. Accordingly, the acquisition price in local currency will be also influenced by the foreign exchange rate BRL/USD. As the monetization of the inventory will occur by the reference price for the thermal power ventures driven by mineral coal, regarding the month that the unit is producing on a dispatched way, a possible mismatch between the inventory acquisition price and its monetization price may rise. Accordingly, the Company evaluates the need to hire protection mechanisms against the market risks associated to the purchase of coal that preserve the protection of its cash flow. Due to this appraisal, in May 2018, the Company contracted a protection mechanism for the inventory existing in its subsidiary Itaqui in order to neutralize the commodity's price variation and the U.S. Dollar floatation up to its monetization. The Company calculated negative result in the operation in the amount of R$ 1,502.

b) Loans and financings

The Company has foreign exchange exposure on its financial liabilities, arising from transactions in US dollars by its subsidiaries. The projection of risk and sensitivity of the outstanding current amounts.

		Amount Future	**Amount Future**	**Amount Future**
	Risk	**Market**	**(25% increase)**	**(50% increase)**
Cash flow risk:	U.S. Dollar valuation			
Liabilities indexed to the U.S. Dollar|Libor USD		152,139	190,174	228,209
Outstanding (principal + interest)		**152,139**	**190,174**	**228,209**
Increase in finance costs			**38,035**	**76,070**

The valuation does not denote the total exposure in the currency or the overall loss posed by this exposure.
Reference rate: PTAX 800 Sale (3,8558 on 6/29/2018) of the Brazilian Central Bank
Scenario I: adverse change of 25% (increase in foreign exchange rate to generate loss in a short position)

Scenario II: adverse change of 50% (increase in foreign exchange rate to generate loss in a short position)
Source: Bloomberg.

18.3 Interest rate risk

Risk of shifting of the interest structure that could be associated with the payment flows of the debt principal and interest.

(a) Cash flow risk related to floating interest rates

More than 97% of the Company and its subsidiaries' liabilities are indexed to floating interest and inflation in the interbank deposit segment (DI), in the inflationary segment with restatement according to the IPCA price index and by the TJLP economic index.

The BNDES facilities restated by the IPCA and TJLP price indexes - which also contain a strong inflation component - are part of a special credit segment posing low volatility and therefore a low probability of abrupt changes in rates. The assets of the Company and its subsidiaries, represented by their income, will also be updated by the same rates, which substantially decreases the mismatch between the assets and liabilities.

The current debt has a principal of R$ 4,547,139 and the total balance of R$ 4,992,653 on 6/30/2018. From this total, approximately 16% has short term maturity. In order to verify the sensibility of the debts indexers to which the Company was exposed, 3 different scenarios were defined. As probable scenario, the Company used market projections to estimate what would be the gross financial expenses for the next 12 months. As alternative scenarios, the Company calculated what would be the financial loss for the next 12 months should the TJLP, CDI and IPCA curves be displaced in 25% and 50% respecting the payment term of each line.

Risk	Probable Scenario	Scenario I (25% increase)	Scenario II (50% increase)
Cash flow risk:	Increase in the interest Rate		
Liabilities indexed to TJLP	163,570	204,463	245,355
Liabilities indexed to CDI	234,711	293,389	352,067
Liabilities indexed to IPCA	38,580	48,225	57,870
Expected Financial Costs	**436,861**	**546,077**	**655,292**
Increase in finance costs	-	**109,216**	**218,431**

Methodology: parallel displace above the interest curves in 25% and 50%.
IPCA for the next 12 months: 4.46% (Source: Boletim Focus)
TJLP for the next 12 months: 7.00% (Source: National Monetary Council)
Average CDI for the next 12 months: 7.13% (Source: Market Projection)

(b) Liquidity risk

The Company and its subsidiaries monitor their liquidity levels, based on expected cash flows versus the amount of cash and cash equivalents on hand. Managing the liquidity risk means maintaining cash, sufficient securities and capacity to settle market positions. The amounts recognized on June 30, 2018 approximate to the
settlement amount of the operations, including the estimate of future payment of interest. The undiscounted flows are as follows:

	Consolidated 6/30/2018					
	Up to 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Liabilities						
Trade payables	-	409,312	5,031	-	-	414,343
Trade payables	-	-	28,096	-	-	28,096
Convertible Debentures	-	-	82,281	-	-	82,281

Loans and financings	264,246	587,927	628,332	2,031,667	3,685,173	7,197,345
Debentures	34,987	228,270	287,546	515,939	75,375	1,142,117
Contractual retention	-	4,330	-	-	-	4,330
	299,233	**1,229,839**	**1,031,286**	**2,547,606**	**3,760,548**	**8,868,512**

	Consolidated					
	12/31/2017					
	Up to 6 months	**From 6 to 12 months**	**From 1 to 2 years**	**From 2 to 5 years**	**Over 5 years**	**Total**
Liabilities						
Trade payables	-	293,198	881	-	-	294,079
Related-parties	-	6,272	24,575	-	-	30,847
Convertible debentures	-	-	82,281	-	-	82,281
Loans and financings	183,264	213,883	853,427	1,771,252	3,576,762	6,598,588
Debentures	242,931	18,327	217,549	251,864	39,264	769,935
Contractual retention	-	4,330	-	-	-	4,330
	426,195	**536,010**	**1,178,713**	**2,023,116**	**3,616,026**	**7,780,060**

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure of the Group, management can make, or may propose to the stockholders when their approval is required, adjustments to the amount of dividends paid to stockholders, return capital to stockholders, issue new shares or sell assets to reduce, for example, debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio corresponds to the net debt expressed as a percentage of total capital. Net debt is calculated as total loans (including current and non-current loans as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated balance sheet plus net debt.

The gearing ratios at June 30, 2018 and December 31, 2017 were as follows:

	Consolidated	
	6/30/2018	**12/31/2017**
Total loans, financings and debentures (Notes 14 and 15)	4,992,652	4,355,592
Less: cash and cash equivalents (Note 4)	(585,035)	(766,884)
Net debt	**4,407,617**	**3,588,708**
Total shareholders' equity	**5,621,651**	**5,375,935**
Total capital	**8,822,057**	**8,822,219**
Gearing ratio - %	**0.50**	**0.41**

Capital is managed considering the consolidated position, not only the parent entity.

19. Provision for contingencies

The Company and its subsidiaries are a party in civil (indemnity), tax, environmental and labor lawsuits, as well as regulatory administrative proceedings, assessed by its legal advisors.

The Company constitutes a provision when there is present obligation, arisen from past events, and that it is probable that a cash disbursement will occur for its ending. The consolidated balance of the provision for contingencies in the period ended June 30, 2018 is presented, as follows:

		Consolidated					
		12/31/2017	6/30/2018				
		Accumulated balance	Additions	Reversal	Write-off	Update	Accumulated balance
Civil	(a)	1,300	-	-	-	3,000	4,300
Labor	(b)	9,479	1,354	-	(480)	3,656	14,009
Tax	(c)	-	40	-	-	-	40
Environmental		-	149	-	-	-	149
Total Provisions		**10,779**	**1,543**	**-**	**(480)**	**6,656**	**18,498**

a) Civil risks

Ordinary lawsuit filed by RIP Serviços e Industriais S.A. against the subsidiary Itaqui, requiring the payment of invoices in the total amount of R$ 4,959, from which R$ 1,000 is considered as probable.

The effect of the update of R$ 3,000 was driven by the acquisition operation of Pecém II Participações S.A. presented in Note 16 - Business combination.

b) Labor risks

These encompass claims from former employees and employees of third-party companies that pled severance funds, recognition of employment relationship, additional due to transfer, among other reasons employment relationship with the Company and later leveling of rights to its employees or funds eventually not paid by its companies. The labor lawsuits are pulverized, with no material individual suit.

c) Tax risks

Tax assessment notice filed by the City Hall of Santo Antônio dos Lopes against the subsidiary Parnaíba I, due to the supposed non-payment of Service tax regarding the services taken by the supplier, in the amount of R$ 40.

Possible risk contingencies (unrecorded)

The Grupo Eneva is a party in tax, civil, labor and environment lawsuits, which are not provided for, because they involve risk management and its lawyers and legal advisors classified as possible, which amount approximately to R$ 320,261 on June 30, 2018 (R$ 325,335 on December 31, 2017). The liabilities contingencies are as follows:

		Consolidated	
		6/30/2018	12/31/2017
Environmental	(a)	22,323	21,762
Civil	(b)	197,509	234,568
Electoral		1,537	1,539
Regulatory	(c)	12,883	161
Labor	(d)	48,075	37,876
Tax	(e)	37,934	29,429
		320,261	**325,335**

The material lawsuits whose legal advisors estimate the loss probability as possible and do not require constitution of provision are as follows:

a) Environmental

Subsidiary Parnaíba I Geração de Energia S.A.

The subsidiary was reported by SEMA - Environment Secretariat of the State of Maranhão because it did not meet the condiotioners established by the environmental license and did not monthly present the air quality monitoring data. On June 30, 2018, the amount involved is R$ 16,476 (R$ 15,975 on December 31, 2017).

b) Civil

Subsidiary Mabe Construção e Administração De Projetos LTDA

The subsidiary has civil demands in which it appears as defendant, being a demand filed by Montcalm S.A. Montagens Industriais requiring the payment of R$ 19,213 and R$ 41,782 due to the industrial assembly services, as well as devolution of the amounts withheld and indemnities for the damages caused to it. On June 30, 2018, the amount involved is R$ 95,123 (R$ 124,585 on December 31, 2017).

Another demand involves amounts due within the scope of the service agreements signed by the subsidiary and AG Logistics for the dispatch, transport, delivery and custom clearance of products related to the construction of Pecém I, II and Itaqui. On June 30, 2018, the amount involved is R$ 21,341 (R$ 20,732 on December 31, 2017).

Subsidiary Amapari Energia S.A.

The subsidiary is involved in monition action grounded on debt confession contract signed by Petrobras and supposedly impaired by Amapari. On June 30, 2018, the amount is of R$ 29,403 (R$ 27,410 on December 31, 2017).

Subsidiary Eneva Comercializadora de Energia S.A.

The subsidiary is a defendant in action for annulment filed by Compania de Petróleo e Energia S.A. - COPEN, which claims the annulment of arbitration decision favourable to the claims filed by Eneva Comercializadora in the arbitration proceeding against COPEN. On June 30, 2018, the amount involved is R$ 38,000 (R$ 37,990 on December 31, 2017).

Other subsidiaries

The remaining amounts are divided into lawsuits involving civil claims that individually do not represent material financial risk, but that are described in the possible loss prognostic report.

c) Regulatory administrative proceedings

Subsidiary Parnaíba I Geração de Energia S.A.

The sanctioning proceeding is ruled by the National Electric Energy Agency ("ANEEL"). The penalties occurred due to the lack of fuel in the UTE Maranhão III between the months January 2015 and January 2016. The amount involved in the administrative proceeding was deposited in the Electricity Trade Chamber (CCEE), so the amount on June 30, 2018 is of R$ 12,710 (R$ 12,710 in December 2017).

d) Labor risks

The labor lawsuits are pulverized, with no material individual suit.

e) Tax

Income Tax Withheld at Source

Subsidiary Mabe Construção e Administração De Projetos LTDA.

In 2013, the Brazilian Federal Revenue filed tax assessment due to supposed lack of payment of Income Tax Withheld at Source (IRRF) on the payment of two invoices issued on 12/23/08 by the company Tecnimont from Italy, for service provision. On June 30, 2018, the amount involved in this suit is of R$ 22,674 (R$ 22,263 on December 31, 2017).

Special Appeal - Aneel

Subsidiary Pecém II Geração de Energia S.A.

The subsidiary Pecém II Geração filed suit, claiming anticipation of the effects of the custody, claiming the right to receive the fixed income provided by the Energy Trading Agreements in the Regulated Environment (CCEAR), entered into in new energy auction, as from July 2013, period in which the Company was already duly commissioned and able to generate energy and, consequently, comply with the commitments entered into. ANEEL justified that the delay in the construction of implantation of the substation of Transmissora Delmiro Gouveia S.A. (TDG), necessary for the outflow of the generated energy, would constitute unforeseeable circumstances or force majeure and it did not pay the fixed income, just excluding the Company from the penalties foreseen for the failure in the supply of energy.

In November 2014, the Company obtained favorable decision from the Federal Court of Federal District, which confirmed the anticipation of the custody effects, and the decision was confirmed by the Federal Regional Court of the 1st Region ("2014 of 1st Region"). Within this context, with the court of appeals judgment, it was recognized the right of Pecém II to receive the payment of the Fixed Income arising from the CCEARs and it was determined the immediate compliance with the decision. ANEEL filed amendment of judgment with TRF of 1st Region, which was rejected on May 11, 2018. Therefore, on May 30, 2018, exhausted the discussion in TRF of 1st Region and with a court order for immediate compliance with the decision, CCEE paid to Pecém II the amount of R$ 59,326, corresponding to the due fixed income. The Company became aware of special appeal filed by ANEEL, but it has not been summoned yet to present counter arguments. This appeal will be appreciated by the Superior Court of Justice, if accepted by the TRF of the 1st Region, reason why there is no final decision yet.

20. Equity

On June 30, 2018 and December 31, 2017, the Company's capital was of R$ 8,822,057 and R$ 8,822,219, respectively. The distribution of the Company's shares is as follows:

	Parent Company			
	6/30/2018		12/31/2017	
	Common shares		Total	
	Number	%	Number	%
Shareholder				
Banco BTG Pactual	84,370,481	26.79%	84,370,481	26.79%
Cambuhy	72,410,101	22.99%	72,410,101	22.99%
Uniper Holding	19,217,333	6.10%	19,217,333	6.10%
Itaú Unibanco	18,530,085	5.88%	18,530,085	5.88%
Others	120,462,499	38.24%	120,462,499	38.24%
Total	**314,990,499**	**100%**	**314,990,499**	**100%**

No shareholder holds more than 50% (fifty percent) of the shares issued by the Company; and there is no shareholders' agreement filed in the Company's headquarter (according to the Article 118 of the Law No. 6,404/76).

On October 20, 2017, it was ended the public offer of primary and secondary distribution of book-entry common shares, nominative with no par value, issued by the Company, free and unencumbered of any burden or obligation, which took place in Brazil, with effort to place the shares abroad, comprising: (i) the primary distribution of 75,862,069 shares issued by the Company ("Primary Offer"); and (ii) secondary distribution of shares issued by the Company and held by the Seller Shareholders, within the scope of the placement of the shares of the Complementary Lot, which corresponded to the distribution of 3,793,103 shares ("Secondary Offer"), within the authorized capital limit provided by the company's bylaws, for the price of R$ 11.00 per share, amounting: R$ 876,207, being R$ 834,483 related to the primary offer and R$ 41,724 related to the secondary offer, with a funding cost of R$ 36,386.

21. Result per share

The diluted and basic result per share was calculated by the division of the result for the period attributable to controlling and non-controlling stockholders of the Company on June 30, 2018 and 2017 and the respective weighted average of shares outstanding during the same period, as follows:

	Consolidated			
	Six-month periods ended		Quarters ended	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
	Common	Common	Common	Common
Result for the year				
Numerator				
Profit (Loss) attributable to stockholders	242,764	(51,678)	206,053	(40,296)
Denominator				
Weighted average of shares	314,990,499	239,128,430	314,990,499	239,128,430
Profit (Loss) per share (R$) - basic	**0.77070**	**(0.21611)**	**0.65416**	**(0.16851)**

	Consolidated			
	Six-month periods ended		Quarters ended	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017
	Common	Common	Common	Common
Result for the year				
Diluted numerator				
(Loss)/Profit attributable to the controlling stockholders from continuing operations	242,764	(51,678)	206,053	(40,296)
Diluted denominator				
Weighted average of shares	314,990,499	239,128,430	314,990,499	239,128,430
Profit (Loss) per share (R$) - diluted	**0.77070**	**(0.21611)**	**0.65416**	**(0.16851)**

22. Share-based payment

In RCA on August 10, 2016, an Option Plan for Purchase or Subscription of Shares was approved. New options for the purchase of shares were granted to Company's contributors within the new Plan, which will be settled with equity instruments

a) Stock options awarded by the Company

The Company awarded stock option plans for its own stock to beneficiaries providing services to it.

The Options Program consists of the right to acquire a certain amount of Company shares, awarded to the program's beneficiary, at a given strike price per share - or purchase price per share - which has to be exercised in a period or by a deadline.

According to the regulation, the plan is managed by the Company's Board of Directors, which should determined the number of shares to be awarded and price of the shares subscription. However, the members of the Board of Directors will only be designated as beneficiaries of the Plan upon previous approval by the Shareholders' General Meeting, in this sense.

At the date of the exercise of the right, the shares sold to the beneficiary of the plan should be object of a new subscription or should be in treasury.

The other shareholders of the Company have no subscription right on the shares for the options plans. Accordingly, the Company's capital dilution occurs proportionally to the number of new subscribed shares.

The options will represent the maximum of 4% (four percent) of the Company's total shares at the options issue date. For this limit effect, it will be considered the sum of all the shares issued by the Company, including the shares that come to be issued by the Company due to options awarded within the scope of the Options Plan.

Each awarded option was divided into 5 (five) annual lots, each one equal to 20% (twenty percent) of the total number of shares.

The options' strike price is updated by the IPCA-IBGE plus 3% per year.

The requirement for the acquisition of the purchase right is that the beneficiary of the plan concludes a specified minimum period providing services.

At the shares acquisition date, the participant may use its variable remuneration for the payment of the strike price, less 20% (twenty percent) of the strike price.

The stock options awarded by the Company are as follows:

Plan	Date Awarded	Award term (years)	Initial date of maturity	Date rights expire	Original amount awarded	Original strike price (a)	Strike price restated by IPCA + 3% p.a.
2016	4/3/2017	5	4/3/2018	8/1/2022	3,288,094	15.00	16.31
2016	5/10/2017	5	5/10/2018	9/7/2022	1,333,333	15.00	16.19
2016	8/3/2017	5	8/3/2018	12/1/2022	710,301	15.00	16.03

The changes in the options plan in the period are as follows:

Plan awarded by the Company - number of share options	Number of options	Weighted average strike price of options
Strike price of the options on December 31, 2017	**5,331,728**	**15.61**
Exercised	-	-
Cancelled	-	-
Awarded	-	-
Expired	-	-
Strike price of the options on June 30, 2018	**5,331,728**	**16.25**

The Company is not able to measure the fair value of the services received by the participants, therefore, it decided to measure their respective fair values, based on the fair value of equity instruments awarded.

To determine the fair value of the options the Merton model (1973) [1], was used, which is a variant of the Black & Scholes (1973) [2], model which considers dividend payments. A number of assumptions were made for the model's entry variables such as:

- The share price at the measurement date;
- The instrument's strike price;
- The expected volatility;
- Expected dividends;
- The instruments' term; and
- Risk-free interest rate.

To calculate the expected volatility, the continuous returns from the price history of the share were used (based on the past volatility, adjusted for changes expected due to information publicly available). The time window for estimating the expected volatility was the same as the option's term, or the longest term available, when the trading history of the company's share was shorter than the expected term.

The risk-free interest rate was based on public securities and interest rate curves published by the sock exchange B3.

Service conditions and performance conditions outside the market inherent to the transactions are not taken into account when determining fair value.

It is based on the assumption that the participant will use its variable remuneration for the payment of the strike price, less 20% at the acquisition date of the shares.

The table below shows the assumptions made to calculate the fair value of the options awarded by the Company:

Fair value assumptions	Plan 2016
Number of exercisable options (matured)	924,285
Average outstanding term (years)	4.16
Updated fair value of the options – in R$ (a)	2.00
Weighted average fair value of the options awarded for the period – in R$ (a)	-
Price of the share in R$ (b)	11.90
Strike price of the options in R$ (c)	16.25
Expected dividends	-
Average expected volatility (per annum) (d)	78.53%
Risk-free interest rate (per annum) (e)	5.34%
Effects on the result for the (quarter) of (R$ thousand)	592
Intrinsic value in R$ k (f)	-

(a) Calculation of the options' fair value based on the Merton model (1973)
(ᵇ) The closing price of the share ENEV3
(ᶜ) Strike prices of the options restated by the IPCA price index + 3% p.a.
(ᵈ) To calculate the volatility of the share the continuous returns from the price history of the share ENEV3 were used.
(*) Reference rate with IPCA coupon, disclosed by B3

[1] MERTON, R. Theory of Rational Option Pricing. *Bell Journal of Economics and Management Science,* 4 (Spring 1973), 141-83

[2] BLACK, F.; SCHOLES, M. The pricing of options and corporate liabilities. *Journal of Political Economy*, Chicago, v. 81, p. 637-654, 1973

(f) A value of zero is used when the options' intrinsic value is negative. The exercise price, for the calculation of the intrinsic value, considers a 20% discount,

Furthermore, on July 12, 2018, the Shareholders' General Meeting re-ratified the Company's incentive plan of long term share-based remuneration for the managers and employees, originally approved by Extraordinary General Meeting of March 27, 2018. The plan became effective on as from July 2018.

On July 13, 2018, 428,057 Restrict Performance Units (Units) were granted, which will be converted into shares when the conditions and requirements established by the Plan are reached.

The objective of the plan is to give to managers and employees the opportunity to become shareholders of the Company and its direct and indirect subsidiaries. The settlement of the plan will occur just with the transfer of Company's shares, after all the conditions and requirements provided by the regulation are met.

23. Sales and services income

The reconciliation between the gross revenue and the net revenue recorded in the income statement for the year is as follows:

				Consolidated
	Six-month periods ended 6/30/2018	Six-month periods ended 6/30/2017	Quarters ended 6/30/2018	Quarters ended 6/30/2017
Gross revenue	1,405,472	1,030,584	844,150	539,427
Taxes on sales and services	(131,293)	(99,626)	(80,073)	(53,905)
Penalties for unavailability (ADOMP)	(7,753)	-	(7,518)	-
Total net revenue	**1,266,426**	**930,958**	**756,559**	**485,522**

24. Costs and expenses per nature

On June 30, 2018, the costs and expenses per nature are as follows:

	Parent Company		Consolidated	
	Six-month periods ended 6/30/2018	Six-month periods ended 6/30/2017	Six-month periods ended 6/30/2018	Six-month periods ended 6/30/2017
Depreciation and amortization	(1,537)	(926)	(199,472)	(161,691)
Personnel expenses	(42,962)	(38,781)	(135,784)	(115,188)
Outsourced services	7,271	(11,992)	(34,861)	(76,823)
Rental expenses	(1,501)	(1,921)	(6,446)	(12,118)
Provision for loss in investment	(260)	-	(28,472)	-
Downtime cost	-	-	-	406
Regulatory costs	-	(23)	(58,564)	(49,969)
Consumption material	(402)	21	(18,193)	(12,425)
Operating and administrative insurance	(425)	(469)	(12,377)	(12,198)
Environmental expenses	(186)	(4)	(3,901)	(2,394)
Other income (expenses)	447	(1,687)	25,839	(7,696)
Investment Evaluation - Pecém II (e)	36,967	-	36,967	-
Gain with advantageous purchase (e)	154,984	-	154,984	-
Loss in the disposal of goods	-	-	(113)	-
Generation inputs (b)	-	-	(138,058)	(40,154)
Government interests	-	-	(19,340)	(14,511)
Taxes and contributions	(332)	(200)	(1,520)	(1,830)
Electric power for resale (a)	-	(160)	(190,445)	(131,705)
Costs with exploration and dry well (c)	-	-	(46,931)	(16,438)
	152,064	**(56,142)**	**(676,687)**	**(654,734)**
Classified as:				
Cost of sales and services	-	-	(719,276)	(516,116)
General and administrative expenses	(42,456)	(55,950)	(150,219)	(138,703)
Other operating income (expenses)	194,520	(192)	192,808	85

	Parent Company		Consolidated	
	Quarters ended 6/30/2018	Quarters ended 6/30/2017	Quarters ended 6/30/2018	Quarters ended 6/30/2017
Depreciation and amortization	(776)	(663)	(104,953)	(75,137)
Personnel expenses	(36,699)	(9,922)	(88,780)	(58,549)
Outsourced services	15,267	(8,887)	467	(44,883)
Rental expenses	(701)	(1,697)	(6,368)	(8,810)
Provision for loss in investment	(64)	-	(28,276)	-
Downtime cost	-	-	-	406
Regulatory costs	-	(23)	(32,875)	(25,988)
Consumption material	(263)	26	(11,076)	(8,463)
Operating and administrative insurance	(134)	(469)	(7,297)	(6,123)
Environmental expenses	45	(4)	(2,276)	(903)
Other income (expenses)	(1,969)	(1,619)	25,414	(5,286)
Investment Evaluation - Pecém II (e)	36,967	-	36,967	-
Gain with advantageous purchase (e)	154,984	-	154,984	-
Loss in the disposal of goods	-	79	(113)	199
Generation inputs (b)	-	-	(112,673)	(35,609)
Government interests	-	-	(9,754)	(3,965)
Taxes and contributions	(225)	(167)	(695)	(846)
Electric power for resale (a)	-	(160)	(109,971)	(80,724)
Costs with exploration and dry well (c)	-	-	(26,696)	(12,629)
	166,432	**(23,506)**	**(323,971)**	**(367,310)**
Classified as:				
Cost of sales and services	-	-	(431,130)	(295,392)
General and administrative expenses	(24,884)	(23,394)	(83,363)	(71,378)
Other operating income (expenses)	191,316	(112)	190,522	(540)

(a) The variation refers to the higher volume of energy purchase, which occurred in the subsidiary that trades energy.
(b) The variation is due to the increase in the coal acquisition costs, the volatility of the foreign currency (U.S. dollar) together with a higher dispatch average of Itaqui in the first six-month period of 2018.
(c) The variation refers to expenses with acquisition of geophysical data and expenditures with research in new fields.
(d) The variation is due to the apportionment of the shared services.
(e) According to acquisition of the control of Pecém II. The transaction is described in Note 16 - Business combination.

On June 30, 2018, the Company reclassified some items to better present the balances of costs and expenses per nature. There was no change in the total of the account groups. The same procedure was consistently realized for the period ended June 30, 2017.

25. Finance income/costs

	Parent Company		Consolidated	
	Six-month periods ended 6/30/2018	Six-month periods ended 6/30/2017	Six-month periods ended 6/30/2018	Six-month periods ended 6/30/2017
Financial costs				
Debt charges	(57,657)	(79,865)	(187,528)	(254,630)
Exchange variation	(27,261)	(943)	(34,044)	(1,952)
Monetary variation	-	(4,371)	(2,066)	(24,632)
Debentures interest/cost (a)	-	-	(30,192)	(46,828)
Interest between related-party	-	(2,289)	-	(395)
Interest on provision for decommissioning costs	-	-	(3,881)	-
Commission on bank guarantees	(71)	-	(17,164)	-
Others (b)	(5,429)	(3,881)	(36,552)	(30,629)
	(90,418)	**(91,349)**	**(311,427)**	**(359,066)**

	Parent Company		Consolidated	
	Six-month periods ended 6/30/2018	Six-month periods ended 6/30/2017	Six-month periods ended 6/30/2018	Six-month periods ended 6/30/2017
Finance income				
Financial investment	8,987	5,995	30,486	36,231
Earnings from loans	18,953	32,953	5,241	16,150
Exchange variation	5,435	3,481	17,754	6,445
Monetary variation	-	-	17,196	-
Debentures fair value	-	-	-	-
Interest on debentures	24,285	32,464	-	-
Others	430	1,180	16,356	11,900
	58,090	**76,073**	**87,033**	**70,726**
Finance income/costs	**(32,328)**	**(15,276)**	**(224,394)**	**(288,340)**

	Parent Company		Consolidated	
	Quarters ended 6/30/2018	Quarters ended 6/30/2017	Quarters ended 6/30/2018	Quarters ended 6/30/2017
Financial costs				
Debt charges	(29,385)	(37,193)	(101,754)	(125,678)
Exchange variation	(21,202)	(954)	(31,750)	-
Monetary variation	-	(4,371)	-	(14,958)
Debentures interest/cost (a)	-	-	(16,346)	(19,409)
Interest between related-party	-	(2,289)	-	(395)
Interest on provision for decommissioning costs	-	-	(2,681)	-
Commission on bank guarantees	(65)	-	(4,084)	-
Others (b)	(1,759)	(1,871)	(30,506)	(10,964)
	(52,411)	**(46,678)**	**(187,121)**	**(171,404)**

	Parent Company		Consolidated	
	Quarters ended 6/30/2018	Quarters ended 6/30/2017	Quarters ended 6/30/2018	Quarters ended 6/30/2017
Finance income				
Financial investment	1,875	2,923	13,191	15,476
Earnings from loans	9,135	15,543	-	7,899
Exchange variation	-	-	9,895	-
Monetary variation	-	796	23,110	4,949
Debentures fair value	-	-	-	-
Interest on debentures	12,285	15,344	-	-
Others	178	485	12,484	10,431
	23,473	**35,091**	**58,680**	**38,755**
Finance income/costs	**(28,938)**	**(11,587)**	**(128,441)**	**(132,649)**

(a) This refers to the recognition of the interest of debentures of the subsidiary PGN.

(b) On June 30, 2018, the balance comprises basically the debt renegotiation cost of the subsidiary Parnaíba II.

26. Insurance Coverage

It is the policy of the Company and its direct and indirect subsidiaries to take out insurance coverage for the assets subject to risk at amounts considered by management sufficient to cover any incidents, considering the nature of their activity. The policies are in force and the premiums have been paid. The company considers its insurance coverage is consistent with other companies of similar sizes operating in the sector.

At June 30, 2018 and December 31, 2017, the main risks covered are:

	Consolidated	
	6/30/2018	12/31/2017
Material damages	14,841,132	12,734,606
Civil liability	510,000	510,000

The main effective policies are the following:

					Consolidated
					6/30/2018
Insurance company	**Modality**	**Value at risk**	**Maximum Indemnity Limit**	**Effectiveness**	**Award**
	In thousands of reais and thousands of U.S. dollars				
Sompo/Chubb/AXA	Operating risks	USD 3,849,640	USD 500,000	8/1/2017 to 8/1/2018	USD 8,429
Tokio Marine / Swiss	Genera civil liability		135,000	8/1/2017 to 8/1/2018	257
Tokio Marine	Genera civil liability		50,000	7/1/2017 to 7/1/2018	66
AIG	Managers' civil liability		200,000	8/30/2017 to 8/30/2018	592
Tokio Marine	Port operator civil liability		25,000	8/23/2017 to 8/23/2018	29
Sompo	Oil risk	USD 2,172,169	USD 52,168	3/1/2017 to 9/1/2018	USD 162
Tokio Marine / AXA / Fairfax	Insurance Guarantee (13th Round)		108,482	12/22/2015 to 6/20/2020	2,991
AIG	POSI		100,000	10/23/2017 to 10/23/2018	179
Fairfax	Insurance Guarantee (14th Round)		55,350	1/31/2018 to 7/31/2024	2,340
Fairfax	Insurance Guarantee (15th Round)		200	3/28/2018 to 1/30/2019	3

27. Segment reporting

Segment information should be prepared in accordance with CPC 22 (Segment reporting), equivalent of IFRS 8, and should be presented with respect to the Company and its subsidiaries' business that was identified based on its management structure and on internal management reporting, adopted for decision-making purposes.

The Company's management managers its ventures based on five business segments, which are subject to risks and remunerations managed by centered decisions, which are: (i)gas-fired thermal plants, (ii)upstream, (iii)coal -fired thermal plants, (iv)energy trade and (v)holding and others.

The performance of the activities of each segment are evaluated by the Company's Executive Board and reflect the structure of the business model adopted.

Eneva is an integrated energy company with complementary business in electric power generation and exploration and production of hydrocarbons. Its business model is based on the management of the reservoir-to-wire (R2W), which is the generation of thermal energy integrated to the fields that produce natural gas. In the case of Eneva, this model as implemented as a pioneer in Parnaíba Complex.

The segments are described as follows:

Parnaíba Complex
Parnaíba Complex has total capacity installed of 1.4 GW, in which four thermal plants generate energy from the gas produced in the fields it has concession on the Parnaíba Basin, in the State of Maranhão. The complex is interconnected to the North Subsystem of production and transmission of energy of the National Interconnected System (SIN).

Gas-fired thermal plants
In this segment, the Group acts in the electric power and natural gas generation with Energy Trading Agreements in the Regulated Environment (CCEAR) and an energy trading agreement in the free hiring environment (ACL). This segment comprises the subsidiaries (i) Parnaíba I Geração de Energia S.A., (ii) Parnaíba II Geração de Energia S.A., (iii) Parnaíba III Geração de Energia S.A., (iv) Parnaíba IV Geração de Energia S.A. and (v) Parnaíba Geração e Comercialização S.A..

Upstream
In this segment, the Group acts in the exploration and production (E&P) of hydrocarbons in an area under concession of approximately 40,000 km² in the Parnaíba Basin, in the State of Maranhão. Currently, the Company has production capacity of 8.4 million m³ per day, which is totally for the supply of the thermal electrical complex also owned by Eneva. This segment comprises the subsidiaries Parnaíba Gás Natural S.A. and Parnaíba B.V..

Coal -fired thermal plants
In this segment the Group acts in the electric power generation fired by mineral coal imported with Energy Trading Agreement in the Regulated Environment (CCEAR). This segment comprises the subsidiary Itaqui Geração de Energia S.A. and Pecém II Geração de Energia S.A., both with installed capacity of 360 MW and located in the State of Maranhão and State of Ceará, respectively, interconnected to the North Subsystem of production and transmission of energy of the National Interconnected System (SIN).

Energy trade
In this segment, the Group acts in the trade of energy in the Regulated Environment (ACR) and in the Free Hiring Environment (ACL) registered in CCEE. This segment comprises the indirect subsidiary Eneva Comercializadora de Energia Ltda..

Holdings and others
This segment comprises the holdings Eneva S.A. and Eneva Participações S.A., besides companies held for the development of projects, as shown on the Company's organizational chart in Notes 1 and 10.

Management periodically assesses whether its business segmentation is adherent to the Company's decision making and business model.

Equity accounts - 6/30/2018

	Parnaíba Complex									6/30/2018
	Gas-fired thermal plants	*Upstream*	Eliminations	Subtotal Consolidated	Coal -fired thermal plants	Eliminations	Subtotal Consolidated	Energy trade	Holding and others	Eliminations	Total consolidated
Total assets	**3,757,717**	**2,961,563**	**(424,211)**	**6,295,069**	**4,574,842**	**(2,660)**	**4,572,182**	**115,824**	**2,303,802**	**(1,484,580)**	**11,802,297**
Current	766,358	277,298	(99,124)	**944,532**	546,738	-	**546,738**	49,947	183,171	(68,403)	**1,655,985**
Non-current	2,991,359	2,684,265	(325,087)	**5,350,537**	4,028,104	(2,660)	**4,025,444**	65,877	2,120,631	(1,416,177)	**10,146,312**
Total liabilities	**3,757,717**	**2,961,563**	**(424,211)**	**6,295,069**	**4,574,842**	**(2,660)**	**4,572,182**	**115,824**	**2,303,802**	**(1,484,580)**	**11,802,297**
Current	658,349	402,316	(44,044)	**1,016,621**	468,969	-	**468,969**	49,529	86,391	(85,746)	**1,535,764**
Non-current	1,513,321	810,434	(380,167)	**1,943,588**	1,911,683	(2,660)	**1,909,023**	9,541	1,712,360	(929,630)	**4,644,882**
Non-controlling stockholders	-	-	-	-	-	-	**-**	-	-	(15,303)	**(15,303)**
Equity	1,586,047	1,748,813	-	**3,334,860**	2,194,190	-	**2,194,190**	56,754	505,051	(453,901)	**5,636,954**

Equity accounts - 12/31/2017

	Parnaíba Complex							12/31/2017	
	Gas-fired thermal plants	*Upstream*	Eliminations	Subtotal Consolidated	Coal -fired thermal plants	Energy trade	Holding and others	Eliminations	Total consolidated
Total assets	**3,912,449.00**	**2,922,556.00**	**(687,867.00)**	**6,147,138.00**	**2,904,140.00**	**124,229.00**	**2,507,901.00**	**(776,027.00)**	**10,907,381.00**
Current	728,310.00	345,029.00	(102,058.00)	**971,281.00**	291,245.00	23,561.00	666,955.00	(75,786.00)	**1,877,256.00**
Non-current	3,184,139.00	2,577,527.00	(585,809.00)	**5,175,857.00**	2,612,895.00	100,668.00	1,840,946.00	(700,241.00)	**9,030,125.00**
Total liabilities	**3,912,449.00**	**2,922,556.00**	**(687,867.00)**	**6,147,138.00**	**2,904,140.00**	**124,229.00**	**2,507,901.00**	**(776,027.00)**	**10,907,381.00**
Current	492,035.00	516,066.00	(201,560.00)	**806,541.00**	330,202.00	51,635.00	90,184.00	(126,555.00)	**1,152,007.00**
Non-current	1,594,949.00	694,242.00	(416,853.00)	**1,872,338.00**	1,313,043.00	7,597.00	1,688,499.00	(502,038.00)	**4,379,439.00**
Non-controlling stockholders	-	-	-	**-**	-	-	-	(14,508.00)	**(14,508.00)**
Equity	1,825,465.00	1,712,248.00	(69,454.00)	**3,468,259.00**	1,260,895.00	64,997.00	729,218.00	(132,926.00)	**5,390,443.00**

Result accounts - 6/30/2018

	Parnaíba Complex										6/30/2018
	Gas-fired thermal plants	*Upstream*	Eliminations	Subtotal Consolidated	Coal - fired thermal plants	Eliminations	Subtotal Consolidated	Energy trade	Holding and others	Eliminations	Total consolidated
Statement of income											
Net operating revenue	780,651	246,933	(252,685)	774,899	439,943	-	439,943	213,868	106	(162,390)	**1,266,426**
Cost of goods and/or sold services	(531,245)	(103,451)	252,685	(382,011)	(284,333)	-	(284,333)	(215,308)	(48)	162,424	**(719,276)**
Operating costs	(13,545)	(66,198)	-	(79,743)	(10,056)	-	(10,056)	(1,455)	(45,429)	(13,536)	**(150,219)**
Other operating results	(957)	(534)	-	(1,491)	162	-	162	-	194,137	-	**192,808**
Equity in the result of investees	-	-	-	-	-	-	-	-	(6,296)	-	**(6,296)**
Finance income/costs	(77,977)	(45,358)	-	(123,335)	(64,247)	-	(64,247)	(5,348)	(31,464)	-	**(224,394)**
Provision for current and deferred taxes	(35,279)	(8,815)	-	(44,094)	(7,670)	-	(7,670)	-	(65,316)	-	**(117,080)**
Profit (Loss) for the period	**121,648**	**22,577**	**-**	**144,225**	**73,799**	**-**	**73,799**	**(8,243)**	**45,690**	**(13,502)**	**241,969**
Attributed to the owners of the parent company	121,648	22,577	-	144,225	73,799	-	73,799	(8,243)	45,690	(12,707)	**242,764**
Attributed to the non-controlling shareholders	-	-	-	-	-	-		-	**-**	(795)	**(795)**

Result accounts - 6/30/2017

	6/30/2017								
	Parnaíba Complex								
	Gas-fired thermal plants	*Upstream*	Eliminations	Subtotal Consolidated	Coal - fired thermal plants	Energy trade	Holding and others	Eliminations	Total consolidated
Statement of income									
Net operating revenue	680,468	187,443	(199,508)	**668,403**	228,644	108,979	148	(75,216)	**930,958**
Cost of goods and/or sold services	(423,254)	(84,645)	199,508	**(308,391)**	(161,312)	(121,590)	(39)	75,216	**(516,116)**
Operating costs	(16,068)	(16,919)	-	**(32,987)**	(7,970)	(1,807)	(61,074)	(18,428)	**(122,266)**
Other operating results	(17,778)	157	19,476	**1,855**	(65)	-	(1,705)	-	**85**
Costs with exploration and dry well	-	(16,437)	-	**(16,437)**	-	-	-	-	**(16,437)**
Equity in the result of investees	17,874	-	(17,874)	**-**	(10,034)	-	(142)	-	**(10,176)**
Finance income/costs	(120,430)	(80,099)	-	**(200,529)**	(74,006)	1,087	(14,892)	-	**(288,340)**
Provision for current and deferred taxes	(35,844)	5,472	-	**(30,372)**	-	-	-	-	**(30,372)**
				-	-				**-**
Profit (Loss) for the year	**84,968**	**(5,028)**	**1,602**	**81,542**	**(24,743)**	**(13,331)**	**(77,704)**	**(18,428)**	**(52,664)**
Attributed to the owners of the parent company	84,968	(5,028)	1,602	**81,542**	(24,743)	(13,331)	(76,718)	(18,428)	**(51,678)**
Attributed to the non-controlling shareholders	-	-	-	-	-	-	(986)	-	**(986)**

28. Commitments

Minimum Exploratory Program ("PEM")

On October 7, 2015, Parnaíba Gás Natural S.A. bought 6 blocks in the 13th Bid Round carried out by ANP.

The signature bonus of the six blocks amounted to R$ 10,020. Besides the signature bonus, it was considered as the auction judgment criteria, the Minimum Exploratory Program ("PEM") to be used in the blocks, expressed in Work Units, and the content percentages of local content in the exploration and development stages.

The operator Parnaíba Gás Natural S.A. committed to comply with PEM of the first exploratory period with a 2D seismic acquisition campaign.

On December 12, 2016, through procedure of granting of rights and obligations, Parnaíba Gás Natural S.A. took on the 35% interest of GDF Suez E&P Brasil Participações Ltda. in the blocks PN-T-101 and PN-T-103, becoming holder of 100% of the mentioned blocks.

On July 31, 2017, through procedure of granting of rights and obligations, Parnaíba Gás Natural S.A. became holder of 70% of interest and operation of the block PN-T-84, also bought in the 13th Bid Round. The portion was previously held by BPMB Parnaíba S.A. At the same date, Parnaíba Gás Natural S.A. took on the 30% interest of BPMB Parnaíba S.A. in the blocks PN-T-69 and PN-T-87, becoming holder of 100% of the mentioned blocks.

On September 27, 2017, Parnaíba Gás Natural S.A. bought 5 blocks in the 14th Bid Round carried out by ANP and entered as operator in all of them.

On June 30, 2018, the PEM balance related to the 13th and 14th rounds to be met before ANP is as follows:

PEM with guarantee insurance	Work Units	At 12/31/2017	Additions	Write-offs	At 6/30/2018
PN-T-69	3010	13,545	-	-	13,545
PN-T-87	3010	13,545	-	-	13,545
PN-T-84	2061	6,492	-	-	6,492
PN-T-101	7003	31,513	-	-	31,513
PN-T-103	7003	31,513	-	-	31,513
PN-T-146	1010	4,545	-	-	4,545
PN-T-163	1010	4,545	-	-	4,545
PN-T-117	400	-	8,200	-	8,200
PN-T-118	600	-	12,300	-	12,300
PN-T-119	600	-	12,300	-	12,300
PN-T-133	500	-	10,250	-	10,250
PN-T-134	600	-	12,300	-	12,300
Total		**105,698**	**55,350**	**-**	**161,048**

The amounts refer to the guarantee hired directly by Parnaíba Gás Natural S.A., corresponding to its interest percentage in each block.

Board of Directors

Carlos Márcio Ferreira
President

Directors:
Jose Aurélio Drummond Jr.
Edwyn Neves
Marcelo Pereira Lopes de Medeiros
Guilherme Bottura
Renato Antônio Secondo Mazzola
Lavinia Hollanda

Executive Board

Pedro Zinner
CEO and Investor Relations Officer

Lino Lopes Cançado
Executive Officer

Laira Sanui
Executive Board

Andrea Rangel de Azeredo
Executive Board

Controller
Ana Paula Alves do Nascimento
CRC-RJ 086983/O-0

Accountant
Bruno Campelo de Azevedo
CRC-RJ 106648/O-9