Q2 2014 RESULTS

August 15, 2014



DISCLAIMER

This presentation contains forward-looking statements. All statements other than statements of historical fact contained in this presentation are forward-looking statements, including, without limitation, statements regarding our drilling and seismic plans, operating costs, acquisition of equipment, expectations of finding oil, the quality of oil we expect to produce and our other plans and objectives. Readers can identify many of these statements by looking for words such as “expects”, “believe”, “hope” and “will” and similar words or the negative thereof. Although management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. By their nature, forward-looking statements require us to make assumptions and, accordingly, forward-looking statements are subject to inherent risks and uncertainties. We caution readers of this presentation not to place undue reliance on our forward-looking statements because a number of factors may cause actual future circumstances, results, conditions, actions or events to differ materially from the plans, expectations, estimates or intentions expressed in the forward-looking statements and the assumptions underlying the forward-looking statements.

The following risk factors could affect our operations: the contingent resource and prospective resource evaluation reports involving a significant degree of uncertainty and being based on projections that may not prove to be accurate; inherent risks to the exploration and production of oil and natural gas; limited operating history as an oil and natural gas exploration and production company; drilling and other operational hazards; breakdown or failure of equipment or processes; contractor or operator errors; non-performance by third-party contractors; labour disputes, disruptions or declines in productivity; increases in materials or labour costs; inability to attract sufficient labour; requirements for significant capital investment and maintenance expenses which HRT may not be able to finance; cost overruns and delays; exposure to fluctuations in currency and commodity prices; political and economic conditions in Namibia and Brazil; complex laws that can affect the cost, manner or feasibility of doing business; environmental, safety and health regulation which may become stricter in the future and lead to an increase in liabilities and capital expenditures, including indemnity and penalties for environmental damage; early termination, non-renewal and other similar provisions in concession contracts; and competition. We caution that this list of factors is not exhaustive and that, when relying on forward-looking statements to make decisions, investors and others should also carefully consider other uncertainties and potential events. The forward-looking statements herein are made based on the assumption that our plans and operations will not be affected by such risks, but that, if our plans and operations are affected by such risks, the forward-looking statements may become inaccurate.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this presentation are made as of the date of this presentation. Except as required by applicable securities laws, we do not undertake to update such forward-looking statements.

HIGHLIGHTS

Q2 14 AND SUBSEQUENT PERIOD

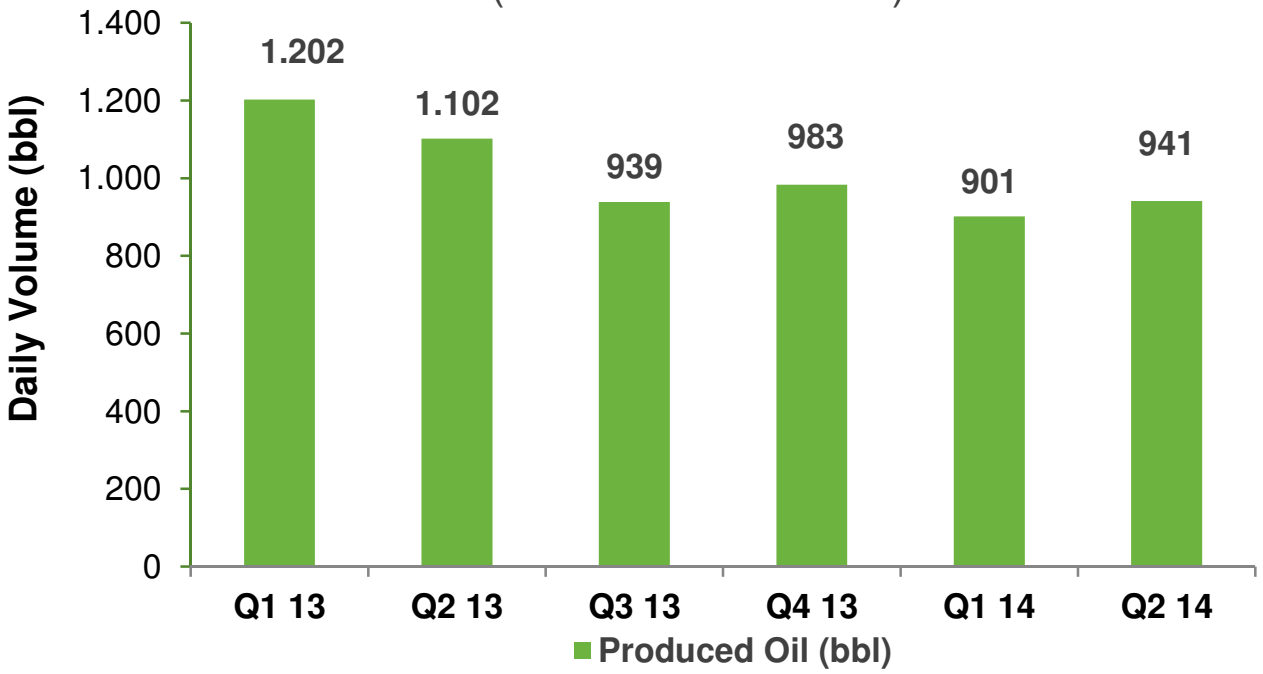
- Net Revenues of R$138 million, Gross Income of R$55 million, EBITDA of R$34 million with Margin of 25% and Net Income of R$10 million;
- Oil and gas production in the Polvo Field without stoppage and workover underway to enhance the production in well previously abandoned;
- Approval of the Reverse Split process;
- Effectiveness of the Provisional Presidential Decree 651/14 that refers to the exemption of income tax on the sale of shares of small and medium-sized companies;
- Signing of an agreement with Maersk for the acquisition of a 40% WI in the Polvo Field, turning HRT the holder of a 100% WI;
- ANP's approval of the request for reconsideration filed by HRT O&G on the extension of the second period of the exploration phase for Block SOL-T-195, in Solimões. A decision on blocks 148 and 149 is expected for Q3 14;
- ANP's approval of the assignment of a 6% WI and the transfer of operation activities in the Solimões Sedimentary Basin from HRT to Rosneft Brasil, jointly with the sale of 4 onshore rigs;
- Signing of a Memorandum of Understanding for the study of alternatives to the Solimões' Gas Monetization with HRT, Rosneft and Petrobras.

POLVO FIELD

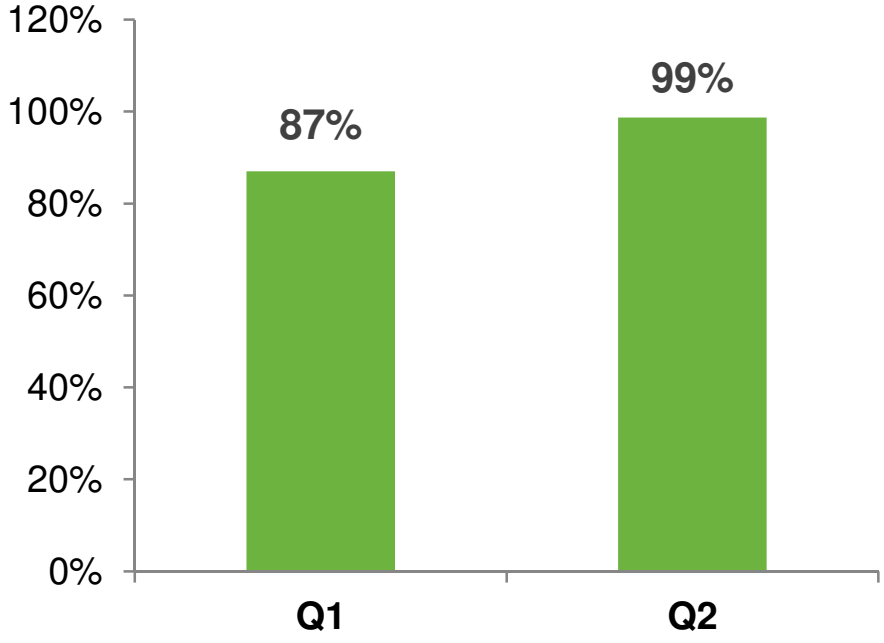
Crude Oil Production

CRUDE OIL PRODUCED IN THE FIELD

(thousand of barrels)



OPERATING EFFICIENCY*



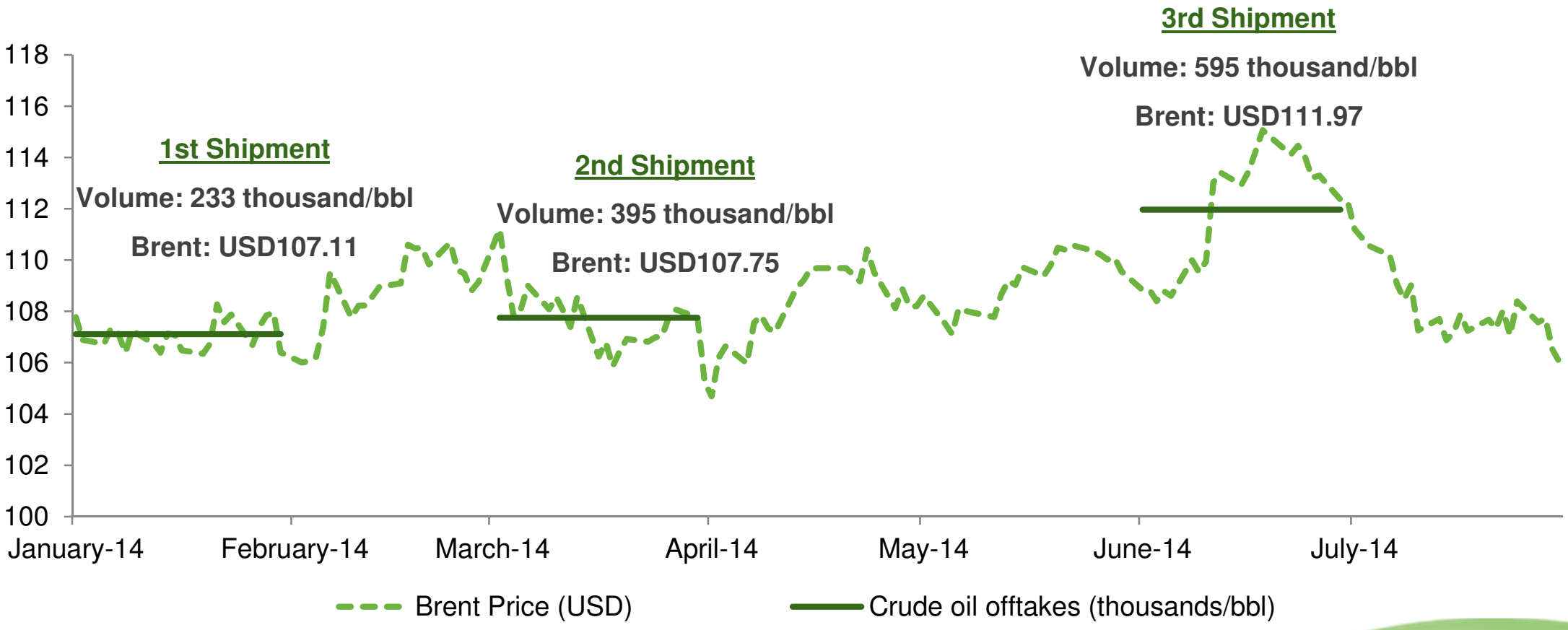
*** = (1 – loss of production in the period) / production in the period x 100**

- **Q2 14 Highlights:**
  - Crude oil production: Operating Efficiency of 99%;
  - Preparedness for workover in well POL-Gx to return the production;
  - Restructuring the Workers' Environmental Education Project (PEAT);
  - Gas use in the field energy source generation - use of 93%

POLVO FIELD

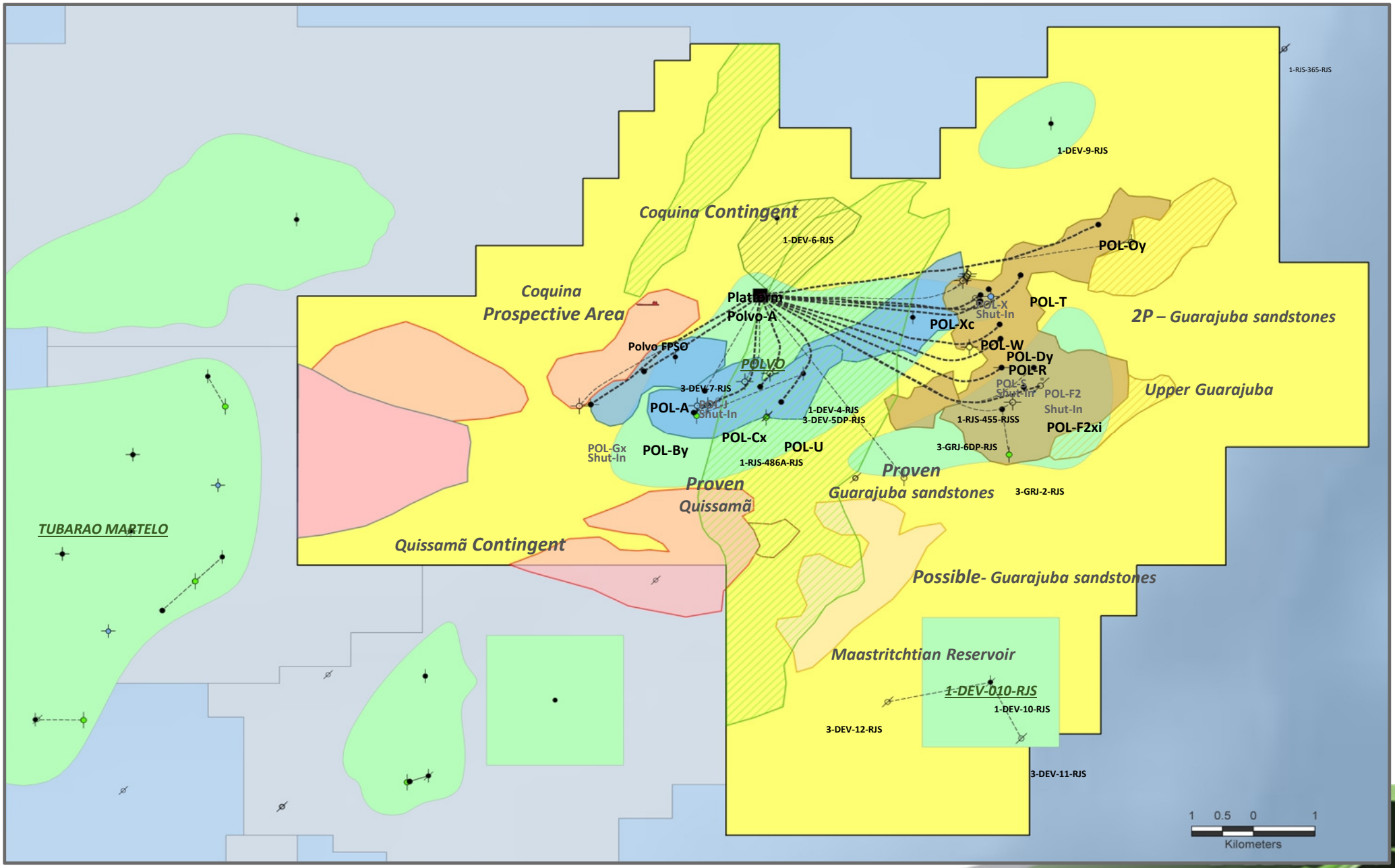
Crude Oil Shipments and Price

- Average oil price Q1 14 = USD96.2 and average oil price Q2 14 = USD102.7 (+6.8%)
- -5.3% offtake volume and revenue in USD increased in 1.2%, vis-à-vis the Q1



POLVO FIELD

Producing reservoirs and development opportunities



SUMMARY OF CONSOLIDATED RESULTS

2nd Quarter and 1st Half of 2014

(in millions of BRL)

	3 months		6 months	
CONSOLIDATED FINANCIAL STATEMENT	**Q2 13**	**Q2 14**	**H1 13**	**H1 14**
Net Revenues	**1**	**138**	**3**	**281**
(-) COGS	-1	-50	-1	-135
(-) Royalties	0	-12	0	-24
(-) Amortization	0	-20	0	-43
Gross Income	**0**	**55**	**2**	**78**
Gross Margin	**29%**	**40%**	**63%**	**28%**
(-) Operational Expenses	-113	-42	-212	-52
(-) Depreciation & Amortization	-8	-3	-14	-5
(-) Dry well write-off and Impairment	-450	0	-450	0
Net financial expenses (revenue)	26	-2	31	-9
Operating Result	**-545**	**9**	**-644**	**12**
Income Tax and social contribution	-1	1	-1	-1
Net Income (Loss)	**-546**	**10**	**-645**	**11**
Net Margin	**-**	**7%**	**-**	**4%**
EBITDAX*	**-113**	**34**	**-210**	**70**
Margin EBITDAX	**-**	**25%**	**-**	**25%**
EBITDA**	**-563**	**34**	**-661**	**70**
Margin EBITDA	**-**	**25%**	**-**	**25%**

*Operating Results excluding the impacts of amortization, depreciation, financial results and well write-off & impairment

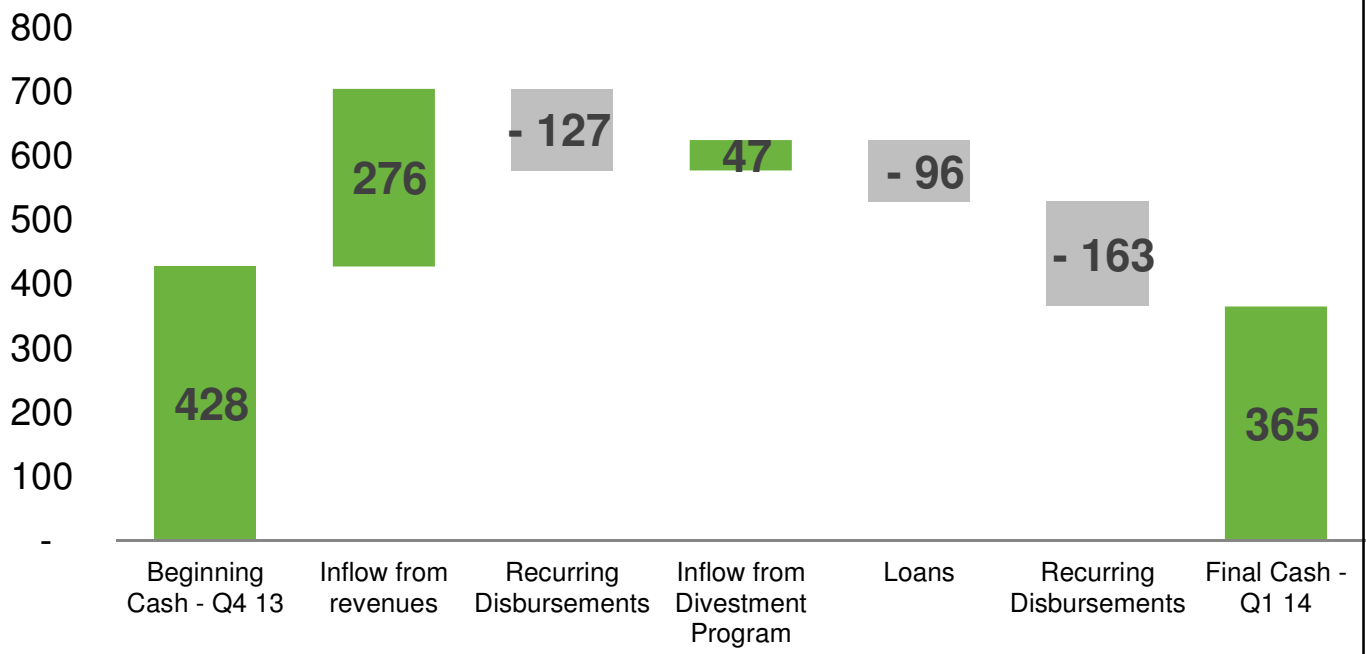
**Operating Results excluding the impact of amortization, depreciation and financial results

CASH FLOW – 1ST HALF OF 2014

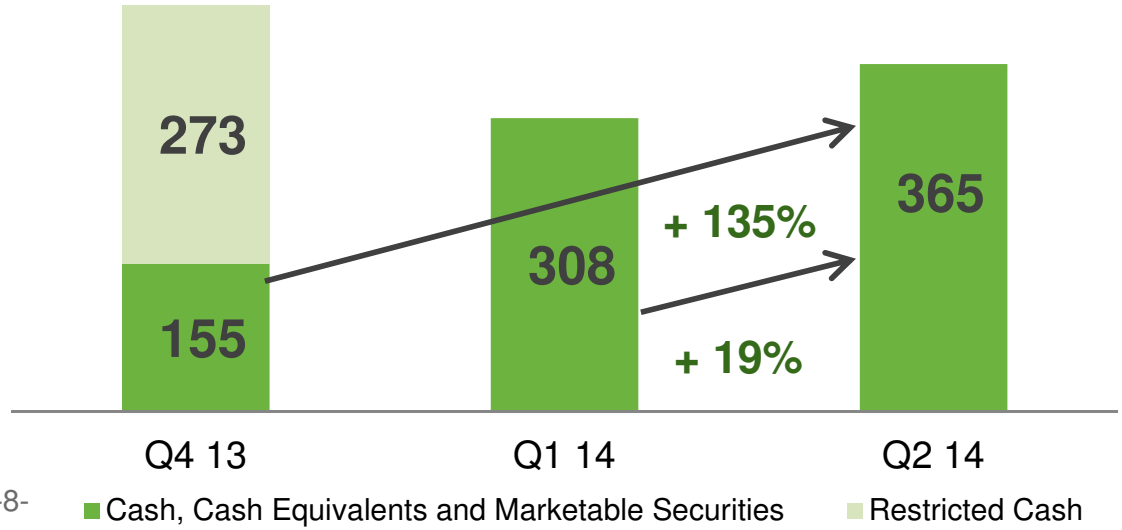
(in millions of BRL)

- Cash generation: + R$149 MM
- Divestment: + R$47 MM
- Loan facility prepayment: - R$96 MM
- Polvo acquisition: - R$161 MM

CASH FLOW IN THE 1ST HALF



EVOLUTION OF CASH BALANCE IN THE 1ST HALF



- Increasing the cash flow in R$57 MM
- 100% free cash

FINAL REMARKS

- Following the results of the prior quarter, HRT has concluded this first half with a free cash flow of R$365 million, closing its accounts with a net revenue of R$281 million, EBITDA of R$70 million, net income of R$11 million, and as a free-debt company;

- The goal of minimum free cash over USD100 million assures the Company to focus on the growth of its businesses sustainably;

- Agreements completed these last months – Rosneft, in Solimões, and Maersk, in the Polvo Field – are the basis of HRT's new philosophy in the coming periods;

- As for Namibia, we keep seeking the farm down, to attract major Global Oil Companies to evaluate our assets. Negotiations underway are concentrated on the reduction of HRT's risk exposure, a detailed assessment and measurement of information and discoveries, as well as obtaining bigger exploration periods in its licenses;

- 2014 strategy has been implemented:
  - Continuous **cost reduction**;
  - Focus on **operating result** and **cash generation**;
  - **Cash protection** and **recovery of investments** in fixed assets (divestments);
  - Search for **strategic partners** in exploration assets;
  - Assessment of **new opportunities of investments** in production assets.

- HRT pursues the strategy of diversification of its portfolio and acquisition of production assets, seeking to increase its production level and the lifespan of the production profile, with consequent enhancement of results and cash generation.

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