Quarterly Financial Information (ITR)

HRT Participações em Petróleo S.A.

September 30, 2013
with Independent Auditor's Review Report on Quarterly Financial Information

HRT Participações em Petróleo S.A.

Quarterly financial information (ITR)

September 30, 2013

Contents

Independent auditor's review report on quarterly financial information 1

Quarterly financial information

Balance sheets (statements of financial position) 3
Statements of operations 5
Statements of comprehensive income (loss) 7
Statements of changes in equity 8
Cash flow statements 9
Statements of value added 10
Notes to quarterly financial information 11

A free translation from Portuguese into English of Independent Auditor's Review Report on Individual Quarterly Financial Information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil, and on Consolidated Quarterly Financial Information prepared in Brazilian currency in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board - IASB, and accounting practices adopted in Brazil

Independent auditor's review report on quarterly financial information

Report on the review of interim quarterly information

The Shareholders, Board of Directors and Officers
HRT Participações em Petróleo S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the interim condensed individual and consolidated financial statements of HRT Participações em Petróleo S.A. ("Company") contained in the Quarterly Financial Information (ITR) for the quarter as of September 30, 2013, comprising the balance sheet at September 30, 2013 and the related statements of income and comprehensive income for the periods of three and nine months then ended, and the statements of equity and cash flows for the nine-month period then ended, and other explanatory notes.

Management is responsible for the preparation of the interim condensed individual financial statements in accordance with CPC 21 - Interim Financial Reporting, and for the preparation of the interim condensed consolidated financial information in accordance with CPC 21 and with the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the standards issued by the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários* - CVM) applicable to the preparation of Quarterly Financial Information (ITR). Our responsibility is to express a conclusion on these interim individual and consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim individual and condensed financial statements included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of quarterly information (ITR), and is presented consistently with the standards issued by the Brazilian Securities and Exchange Commission.

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of quarterly information (ITR), and is presented consistently with the standards issued by the Brazilian Securities and Exchange Commission.

Emphasis of matter

Without qualifying our conclusion, we draw attention to Note 13 to the interim quarterly information which indicates that the Company and its subsidiaries spent significant amounts primarily related to exploration and evaluation costs, the recovery of these assets is subject to the success of its exploration campaigns, that have relevant development in the near future. Investment in significant amounts in the exploration and development of oil and gas reserves may not result in the discovery of economically viable reserves. These conditions indicate the existence of significant uncertainty which may cast significant doubt about the ability of the Company to continue operating. The interim quarterly information does not include any adjustment that would be required if any of the investments does not present the expected results, which depend on the success of its future operations. Management's plans in relation to the Company's consolidated operating activities are described in Note 1.

Report on the review of interim quarterly information -- Continued

Other matters

Interim statements of value added

We have also reviewed the condensed individual and consolidated statements of value added for the nine-month period ended September 30, 2013, prepared under the responsibility of the Company's management, the presentation of which in the interim financial information is required by the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR), and as supplementary information for IFRS, under which there is no requirement to present a statement of value added. These statements have been subject to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they were not presented, in all material respects, in relation to the overall interim condensed individual and interim financial information.

Rio de Janeiro, November 11, 2013

ERNST & YOUNG AUDITORES INDEPENDENTES S.S
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HRT Participações em Petróleo S.A.

Balance sheets (statements of financial position)
September 30, 2013 and December 31, 2012
(In thousands of reais)

	Company		Consolidated	
	09/30/2013	**12/31/2012**	**09/30/2013**	**12/31/2012**
Assets				
Current assets				
Cash and cash equivalents (Note 5)	**12**	130	**11,973**	37,608
	62,824			
Marketable securities (Note 6)		318,197	**144,965**	870,650
Accounts receivable	**36**	36	**1,471**	3,377
Taxes recoverable (Note 7)	**13,559**	20,714	**48,359**	57,706
Advances to partners in oil and gas operations (Note 8)	**-**	-	**80,284**	-
Assets held for sale (Note 9)	**-**	-	**161,001**	-
Advances to suppliers (Note 10)	**101**	151	**21,972**	10,190
Prepaid expenses	**421**	82	**3,759**	2,011
Other receivables	**284**	120	**556**	1,388
Total current assets	**77,237**	339,430	**474,340**	982,930
Non-current assets				
Guarantees and commitments (Note 22)	**-**	-	**450,789**	143,559
Judicial deposits	**4,392**	-	**4,392**	
Related Parties(Note 21)	**6,045**	-	**-**	-
Advances to suppliers (Note 10)	**-**	-	**6,132**	12,706
Investments (Note 11)	**2,422,612**	3,444,337	**-**	-
Property, plant and equipment (Note 12)	**802**	1,036	**139,949**	393,862
Intangible assets (Note 13)	**101**	99	**2,095,530**	2,723,411
Total non-current assets	**2,433,952**	3,445,472	**2,696,792**	3,273,538
Total assets	**2,511,189**	3,784,902	**3,171,132**	4,256,468

See accompanying notes.

HRT Participações em Petróleo S.A.

Balance sheets (statements of financial position)
September 30, 2013 and December 31, 2012
(In thousands of reais)

	Company		Consolidated	
	09/30/2013	**12/31/2012**	**09/30/2013**	**12/31/2012**
Liabilities and equity				
Current liabilities				
Trade accounts payable (Note 15)	**666**	1,129	**196,047**	101,487
Labor liabilities	**8,581**	6,698	**21,591**	20,801
Taxes payable (Note 18)	**4,665**	3,017	**20,944**	35,248
Income tax and social contribution provisions (Note 19)	**-**	209	**112**	311
Loans (Note 16)	**-**	-	**108,632**	1,974
Derivative instruments (Note 24)	**-**	-	**18,347**	1,605
Other liabilities	**189**	219	**13,870**	2,580
Total current liabilities	**14,101**	11,272	**379,543**	164,006
Noncurrent liabilities				
Loans (Note 16)		-	**42,267**	1,260
Accrual for contingencies (Note 27)		-	**300**	-
Deferred income tax and social contribution (Note 19)	**132,463**	114,253	**384,397**	431,825
Total noncurrent liabilities	**132,463**	114,253	**426,964**	433,085
Equity (Note 20)				
Share capital	**3,821,205**	3,817,130	**3,821,205**	3,817,130
Capital reserve	**416,914**	416,914	**416,914**	416,914
Adjustments on equity valuation	**232,595**	161,939	**232,595**	161,939
Accumulated losses	**(2,106,089)**	(736,606)	**(2,106,089)**	(736,606)
Total equity	**2,364,625**	3,659,377	**2,364,625**	3,659,377
Total liabilities and equity	**2,511,189**	3,784,902	**3,171,132**	4,256,468

See accompanying notes.

HRT Participações em Petróleo S.A.

Statements of operations
Nine-month periods ended September 30, 2013 and 2012
(In thousands of reais)

	Company		Consolidated	
	09/30/2013	**09/30/2012**	**09/30/2013**	**09/30/2012**
Service revenue, net	**-**	-	**5,406**	3,795
Cost of services	**-**	-	**(1,832)**	(2,495)
Gross profit	**-**	-	**3,574**	1,300
Operating income (expenses)				
Geological and geophysical expenses	**-**	-	**(46,480)**	(105,386)
Personnel expenses	**(80,473)**	(55,415)	**(135,438)**	(164,593)
General and administrative expenses	**(4,623)**	(4,768)	**(61,698)**	(27,387)
Expenses with third-party services	**(6,280)**	(18,657)	**(23,192)**	(72,938)
Taxes and fees	**(1,293)**	(804)	**(5,387)**	(26,925)
Depreciation and amortization charges	**(147)**	(113)	**(15,164)**	(31,248)
Dry hole write-offs (Note 13)	**-**	-	**(584,146)**	-
Impairment (Note 14)	**-**	-	**(616,159)**	-
Equity results (Note 11)	**(1,309,866)**	(104,963)	**-**	-
Financial expenses	**(43)**	(684)	**(73,151)**	(16,011)
Financial income	**11,104**	47,872	**107,020**	129,823
Other operating income, net	**2,272**	13	**(9,321)**	(384)
Property, plant and equipment disposals	**-**	-	**-**	-
Profit from divestiture of Solimões	**-**	-	**-**	186,515
Profit/(loss) before income tax and social contribution	**(1,389,349)**	(137,519)	**(1,459,542)**	(127,234)
Income tax and social contribution (Note 19)				
Current	**-**	-	**-**	(14,694)
Deferred	**19,866**	-	**90,059**	4,409
Profit/ (loss) for the period	**(1,369,483)**	(137,519)	**(1,369,483)**	(137,519)
Basic and diluted earnings/(loss) per share (Note 18)				
Basic	**(0.005)**	(0.023)	**(0.005)**	(0.023)
Diluted	**(0.005)**	(0.023)	**(0.005)**	(0.023)

HRT Participações em Petróleo S.A.

Statements of operations (Continued)
Three-month periods ended September 30, 2013 and 2012
(In thousands of reais)

	Company		Consolidated	
	09/30/2013	**09/30/2012**	**09/30/2013**	**09/30/2012**
Service revenue, net	**-**	-	**2,411**	657
Costs of services	**-**	-	**(731)**	(502)
Gross profit	**-**	-	**1,680**	155
Operating income (expenses)				
Geological and geophysical expenses	**-**	-	**(19,508)**	(38,548)
Personnel expenses	**(9,856)**	(23,911)	**(14,379)**	(76,965)
General and administrative expenses	**(1,189)**	(2,728)	**(48,374)**	585
Expenses with third-party services	**(2,924)**	(9,399)	**12,760**	(40,949)
Taxes and fees	**(554)**	(437)	**2,927**	4,015
Depreciation and amortization charges	**(46)**	(48)	**(682)**	(17,742)
Dry hole write offs (Note 13)	**-**	-	**(133,908)**	-
Impairment (Note 14)	**-**	-	**(616,159)**	-
Equity results (Note 11)	**(734,055)**	(111,260)	**-**	-
Financial expenses	**(7)**	(362)	**(32,076)**	1,076
Financial income	**2,250**	7,945	**35,122**	29,839
Other operating income, net	**2,273**	(1)	**(2,760)**	(415)
Property, plant and equipment disposals				
Loss before income tax and social contribution	**(744,108)**	(140,201)	**(815,357)**	(138,949)
Income tax and social contribution (Note 19)				
Current	**-**	-	**-**	(5,661)
Deferred	**19,866**	-	**91,115**	4,409
Loss for the period	**(724,242)**	(140,201)	**(724,242)**	(140,201)
Basic and diluted loss per share (Note 18)				
Basic	**(0.002)**	(0.024)	**(0.002)**	(0.024)
Diluted	**(0.002)**	(0.024)	**(0.002)**	(0.024)

See accompanying notes.

HRT Participações em Petróleo S.A.

Statements of comprehensive income (loss)
Nine-month periods ended September 30, 2013 and 2012
(In thousands of reais)

	09/30/2013	09/30/2012
Profit/ (loss) for the period	**(1,369,483)**	(137,519)
Other comprehensive income (loss)	**43,686**	2,635
Exchange variation on foreign investments, net of taxes	**-**	(7,881)
Loss on derivatives, net of taxes		
Other comprehensive income/(loss) for the period, net of taxes	**43,686**	(5,246)
Total comprehensive income/(loss) for the period, net of taxes	**(1,325,797)**	(142,765)
Attributable to		
Company's shareholders	**(1,325,797)**	(142,765)

See accompanying notes.

HRT Participações em Petróleo S.A.

Statements of changes in equity
Nine-month periods ended September 30, 2013 and 2012
(In thousands of reais)

	Capital	Capital reserve	Adjustments on equity valuation	(Accumulated losses)	Total
Balances at January 1, 2012	3,809,535	416,914	104,310	(459,040)	3,871,719
Capital contribution in cash	6,450	-	-	-	6,450
Stock options exercised	21	-	-	-	21
Exchange variation on foreign investments, net of taxes	-	-	2,635	-	2,635
Loss on derivatives	-	-	(7,881)	-	(7,881)
Share-based payment	-	-	(13,077)	-	(13,077)
Profit for the period	-	-	-	(137,519)	(137,519)
Balances at September 30, 2012	3,816,006	416,914	85,987	(596,559)	3,722,348
Balances at January 1, 2013	**3,817,130**	**416,914**	**161,939**	**(736,606)**	**3,659,377**
Stock options exercised	**4,075**	**-**	**-**	**-**	**4,075**
Exchange variation on foreign investments, net of taxes	**-**	**-**	**43,686**	**-**	**43,686**
Share-based payment	**-**	**-**	**26,970**	**-**	**26,970**
Loss for the period	**-**	**-**	**-**	**(1,369,483)**	**(1,369,483)**
Balances at September 30, 2013	**3,821,205**	**416,914**	**232,595**	**(2,106,089)**	**2,364,625**

See accompanying notes.

HRT Participações em Petróleo S.A.

Cash flow statements
Nine-month periods ended September 30, 2013 and 2012
(In thousands of reais)

	Company		Consolidated	
	09/30/2013	09/30/2012	09/30/2013	09/30/2012
Cash flows from operating activities				
Pre-tax profit/ (loss) for the period	**(1,389,348)**	(137,519)	**(1,459,542)**	(127,234)
Adjustments for				
Depreciation and amortization	**147**	113	**15,164**	31,248
Financial income	**(11,104)**	(47,872)	**(107,020)**	(129,823)
Financial expenses	**43**	684	**73,150**	16,011
Share-based payment	**26,970**	(13,078)	**26,970**	(13,078)
Equity results	**1,309,866**	104,963	**-**	-
Deferred income tax accrual	**(19,866)**	-	**(90,059)**	-
Accrual for contingencies	**-**	-	**300**	-
Dry hole write-offs & acquisition bonus on relinquished blocks	**-**	-	**584,146**	-
Provision for "impairment"	**-**	-	**616,159**	-
	(83,292)	(92,709)	**(340,732)**	(222,876)
(Increase) decrease in assets				
Accounts receivable	**-**	(45)	**1,906**	-
Taxes recoverable	**7,155**	(7,600)	**9,347**	(7,209)
Prepaid expenses	**(339)**	68	**(1,748)**	2,612
Advances to suppliers	**50**	(53)	**(5,208)**	(4,330)
Advances to partners in oil and gas operations	**-**	-	**(80,284)**	-
Judicial deposits	**(4,392)**	-	**(4,392)**	-
Other receivables	**(176)**	(147)	**(3,561)**	(1,149)
(Increase) decrease in liabilities				
Trade accounts payable	**(463)**	166	**94,560**	15,564
Labor liabilities	**1,883**	2,858	**791**	1,584
Taxes and social contributions	**1,439**	334	**(61,932)**	7,199
Transactions with related parties	**(6,064)**	155	**-**	-
Other liabilities	**-**	(297)	**11,292**	(2,216)
Net cash used in operating activities	**(84,199)**	(97,270)	**(379,961)**	(210,821)
Cash flows from investing activities				
Redemption of marketable securities	**294,075**	645,316	**456,715**	434,605
Deposit given in guarantee	**-**	-	**-**	(60,918)
Disposal of asset held for sale	**-**	-	**131,670**	265,440
Purchase of property, plant and equipment	**108**	(236)	**(2,754)**	(93,415)
Purchase of intangible assets	**(23)**	13,237	**(399,787)**	(343,331)
Capital contribution in subsidiary	**(214,154)**	(569,983)	**-**	-
Net cash used in investing activities	**80,006**	88,334	**185,844**	202,381
Cash flows from financing activities				
Loans	**-**	-	**147,665**	3,226
Capital contribution	**4,075**	6,471	**4,075**	6,471
Derivative transactions	**-**	-	**16,742**	(7,881)
Net cash provided by financing activities	**4,075**	6,471	**168,482**	1,816
Exchange variation		2,635		2,635
	-		**-**	
Net increase/(decrease) in cash and cash equivalent	**(118)**	170	**(25,635)**	(3,989)
Cash and cash equivalents at beginning of period	**130**	18	**37,608**	25,167
Cash and cash equivalents at end of period	**12**	188	**11,973**	21,178
Net increase in cash and cash equivalents	**(118)**	170	**(25,635)**	(3,989)

See accompanying notes.

HRT Participações em Petróleo S.A.

Statements of value added
Nine-month periods ended September 30, 2013 and 2012
(In thousands of reais)

	Company		Consolidated	
	09/30/2013	**09/30/2012**	**09/30/2013**	**09/30/2012**
Revenues				
Sale of services	**-**	-	**5,406**	5,080
Other revenues	**-**	-	**-**	1,821,700
	-	-	**5,406**	1,826,780
Inputs and services				
Third-party services and other	**(4.008)**	(18,641)	**(32.513)**	(74,605)
Geology and geophysics expenses	**-**		**(46,480)**	(105,386)
Costs of services	**-**	-	**(1,832)**	(2,495)
Dry hole write-off	**-**	-	**(584,146)**	-
Impairment		-	**(616,159)**	-
Other costs - farm-out (Note 9)	**-**	-	**-**	(1,635,185)
Gross value added	**(4,008)**	(18,641)	**(1,275,724)**	9,109
Retentions				
Depreciation and amortization	**(147)**	(113)	**(15,164)**	(31,248)
Net value added	**(4,155)**	(18,754)	**(1,290,888)**	(22,139)
Value added received in transfer				
Net financial income	**11,061**	47,188	**33,869**	113,812
Equity results	**(1,309,866)**	(104,963)	**-**	-
Rent, royalties and other	**(4,6234)**	(4,769)	**(61,698)**	(27,387)
Unpaid value added	**(1,307,583)**	(81,298)	**(1,318,717)**	64,286
Payment of value added				
Personnel	**80,473**	55,415	**135,438**	164,593
Taxes	**(18,573)**	804	**(84,672)**	37,210
Profit (losses) attributable to the Company's shareholders	**(1,369,483)**	(137,517)	**(1,369,483)**	(137,517)
Paid value added	**(1,307,583)**	(81,298)	**(1,318,717)**	64,286

See accompanying notes.

1. Operations

HRT Participações em Petroleo S.A. (Company or HRTP) was established on July 17, 2009 through the transformation of BN 16 Participações Ltda. into a corporation under that name. The Company is headquartered in the city of Rio de Janeiro - State of Rio de Janeiro, Brazil and it is engaged in: (1) holding interest in other companies as an owner, shareholder or member, regardless of its activities, whether domestic or foreign; and (2) (i) providing advisory and survey services in the following areas: environment, oil, natural gas, mining, as well as professional advisory services to companies in the following areas: collection, chemical analyses (both organic and inorganic) and interpretation of geological, geochemical and geophysical data as well as the remote sensing of such data, and foreign trade advisory services ; (ii) exploration, development and production of oil and natural gas; (iii) import, export, refining, sale and distribution of oil, natural gas, fuel and oil by-products; and (iv) generation, sale and distribution of electric power.

The HRT Group activities are currently focused on the exploration and production of oil and natural gas, operating in the Solimões Sedimentary Basin, State of Amazonas and in Namibia, West coast of Africa.

In its portfolio, the Group holds 34 onshore and offshore blocks, out of which 19 are onshore blocks in the Solimões Basin, in which the Group holds 55% interest in exploration rights. Also in Brazil, the Group holds 10% interest in exploration rights in 3 blocks in onshore basins, located in the Recôncavo (State of Bahia), Espírito Santo (State of Espírito Santo) and Rio do Peixe (State of Paraíba) basins. In Namibia, HRT's subsidiary, called HRT Africa, operates 10 offshore blocks in the Walvis and Orange basins. It also holds non-controlling interest in 2 blocks located in the Namibia Basin. Detailed information on the operations carried out by the Company and its subsidiaries are disclosed on Notes 11, 12 and 13.

Either directly or through its subsidiaries, the Company has been making the required investments to comply with its exploratory program and obtain access to reserves sufficient for the success of its future operations.

Continuing its exploration campaign in Namibia and Solimões, the Company intends to raise funds by means of new partnerships and reducing its working interest in the exploration blocks (processes known as farm-down and farm-out in the oil and gas industry), as well as it plans to diversify its portfolio adding new production assets.

2. Basis of preparation and presentation of quarterly financial information

a) Statement of compliance with IFRS and BR GAAP

The individual and consolidated quarterly financial information for the quarter ended September 30, 2013 is presented as follows:

Consolidated quarterly financial information

The consolidated quarterly financial information was prepared and is presented in accordance with accounting practices adopted in Brazil, including the provisions of Corporation Law and accounting standards and procedures issued by the Brazilian Securities and Exchange Commission (CVM) and Brazilian FASB (CPC), which are in compliance with the international accounting standards issued by International Accounting Standards Board (IASB).

The statements of value added are presented as supplementary information for IFRS purposes.

Individual quarterly financial information

The individual quarterly financial information was prepared and is presented in accordance with accounting practices adopted in Brazil, which include the provisions of Corporation Law and accounting standards and procedures issued by the Brazilian Securities and Exchange Commission (CVM) and the Brazilian FSAB (CPC) and for the Company, differ from international accounting standards issued by the International Accounting Standards Board (IASB) with regard only to the valuation of investments in subsidiaries, affiliates and jointly-controlled subsidiaries by the equity method as required by ICPC 09, whereas for purposes of International Financial Reporting Standards (IFRS), this would be at cost or fair value.

b) Basis of measurement

The individual and consolidated quarterly financial information was prepared based on historical cost, except for financial instruments measured at fair value through profit or loss and derivative financial instruments, which were measured at fair value.

2. Basis of preparation and presentation of quarterly financial information (Continued)

c) Functional and reporting currency

The individual and consolidated quarterly financial information is presented in Brazilian Reais, which is the Company's functional currency. The Company established that its functional currency is the Brazilian Real, while the functional currency of its foreign subsidiaries is the US Dollar, due to their business plan and especially as a result of their operating costs. All financial information presented in Brazilian Reais was rounded to thousands of Brazilian Reais, unless otherwise stated.

d) Use of estimates and judgments

The preparation of individual and consolidated quarterly financial information in accordance with IFRS and CPC standards requires that management make judgments and estimates and adopt assumptions that affect the application of accounting policies and the amounts disclosed referring to assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on a continuous basis. Reviews relating to accounting estimates are recognized in the period when performed and in any subsequent periods affected.

Information on assumptions and estimates which could result in adjustments in the following financial year is included in the following notes:

- Note 13 - Intangibles, principally as it refers to the write off and impairment of Oil & Gas properties.
- Note 19 - Deferred income and social contribution taxes.
- Note 20 - Stock option plan.
- Note 24 - Financial Instruments.
- Note 27 - Accrual for contingencies.

Management authorized conclusion of this quarterly financial information on November 11, 2013.

2. Basis of preparation and presentation of quarterly financial information (Continued)

2.1. Accounting pronouncements issued by the IASB

IFRS pronouncements which are not effective at September 30, 2013

We list below standards issued that had not yet become effective as of the date of issue of Company's financial statements: This list of standards and interpretations issued includes those that the Company reasonably expects to have an impact on disclosures, financial position, or performance upon application thereof in the future. The Company intends to adopt such standards when they become effective.

- IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) - These amendments explain the meaning of "currently have a legally enforceable right of set-off". The amendments also explain the adoption of the offset criteria of IAS 32 for the settlement systems (such as the clearing house systems), which apply gross mechanisms of settlement that are not simultaneous. These amendments shall not have an impact on the Company's financial position, performance or disclosures effective for annual periods beginning on or after January 1, 2014.

3. Summary of significant accounting practices

The accounting practices adopted in the preparation of the consolidated quarterly financial are consistent with those adopted by the Company for the year ended December 31, 2012. Therefore, the quarterly financial statement for the quarter ended September 30, 2013, shall be read along with the financial statement for the year ended December 31, 2012.

4. Consolidation procedures

The consolidated quarterly financial information for the six-month period ended September 30, 2013 includes the financial information of the Company and its subsidiaries HRT O&G Exploração e Produção de Petróleo Ltda. ("HRTOG"), Integrated Petroleum Expertise Company Ltda. ("IPEX"), HRT Africa S.A. ("HRTAF"), and HRT America Inc. ("HRTA").

4. Consolidation procedures (Continued)

The subsidiaries are fully consolidated from the date HRT has obtained the control until the date that this control no longer exists. The quarterly financial information of subsidiaries is prepared for the same reporting period of the parent company, using consistent accounting policies.

The consolidation process of balance sheet and P&L accounts of subsidiaries corresponds to the horizontal sum of balances of assets, liabilities, revenues and expenses, according to their nature, together with the following eliminations: (a) assets and/or liabilities balances between consolidated companies; (b) elimination of investments against the respective equity of the subsidiary; and (c) elimination of revenues and expenses from transactions between the consolidated companies.

5. Cash and cash equivalents

	Company		Consolidated	
	09/30/2013	**12/31/2012**	**09/30/2013**	**12/31/2012**
Cash	**1**	-	**34**	187
Banks	**11**	130	**11,939**	37,421
	12	130	**11,973**	37,608

6. Marketable securities

	Company		Consolidated	
	09/30/2013	**12/31/2012**	**09/30/2013**	**12/31/2012**
For trading	**62,824**	318,197	**144,965**	870,650
	62,824	318,197	**144,965**	870,650

Short-term investments mainly comprise Bank Deposit Certificates (CDBs) and repurchase agreements backed by debentures issued by first-tier banks. In Brazil, they are remunerated based on the Interbank Deposit Certificate (CDI) variation while abroad by reference to LIBOR.

In addition, as described in Note 22, the Company has the amount of US$202,146 (which is equivalent to R$450,789) recorded as guarantees in noncurrent assets.

6. Marketable securities (Continued)

Summarized below are the investments by type of financial instrument:

a) For trading

Bank	Maturity	Remuneration	Company		Consolidated	
			09/30/2013	12/31/2012	09/30/2013	12/31/2012
Bank Deposit Certificate (CDB)						
Banco do Brasil	May/2014	CDI	**-**	-	**-**	18,126
BTG Pactual	Apr/14 to May/14	CDI	**-**	-	**-**	210,290
Votorantim	Jan/14	CDI	**-**	74,668	**-**	128,636
			-	74,668	**-**	357,052
Bradesco	May/2013	CDI	**-**	-	**-**	102,563
Itaú BBA	August/15	CDI	**9,374**	136,955	**9,374**	159,669
Santander	Nov/13 to Abr/15	CDI	**53,450**	106,574	**60,090**	193,568
Votorantim	Dec/2014	CDI	**-**	-	**-**	-
			62,824	243,529	**69,464**	455,800
JP Morgan	N/A	*Libor*	**-**	-	**75,134**	49.654
Others			**-**	-	**367**	8.144
Total investments for trading			**62.824**	318.197	**144,965**	870.650

7. Taxes recoverable

	Company		Consolidated	
	09/30/2013	12/31/2012	09/30/2013	12/31/2012
Income tax and social contribution	**13,559**	20,714	**35,428**	38,453
Service Tax	**-**	-	**50**	329
Social Security Tax (INSS)	**-**	-	**350**	5,369
VAT	**-**	-	**7,636**	7,356
Other	**-**	-	**4,895**	6,199
	13,559	20,714	**48,359**	57,706

8. Advances to partners in Oil and Gas operations

Solimões

	09/30/2013
Account receivables	
Total Cash Calls issued - receivables	**114,159**
Differences from Billing Statements - payables	**(6,790)**
Net balance – accounts receivable	**107,369**

In 2011, HRTOG entered into a FOA (Farm-out agreement) with Rosneft Brasil E&P Ltda., referring to 19 blocks of Solimões consortium, whereby HRTOG undertook to defray the investments in the exploration program of Solimões consortium without proportional interest of Rosneft, corresponding to a total disbursement of US$175 million.

In March of 2013, the agreed total disbursement of US$ 175 million has ended and the Rosneft Brasil E&P Ltda. now has obligation to contribute with 45% of the expenditure incurred.

Until September 30, 2013, Rosneft Brasil E&P Ltda. did not make any payment of cash calls issued. During the months of October and November of the fiscal year, 2013, meetings were held with the management of both companies, HRTP and Rosneft, for purposes of discussing the status of the gas monetization project, as well as the settlement of the due cash calls. For further details see Note 28 of subsequent events.

Namibia

On November 26, 2012, through its Namibia-based subsidiaries, HRT entered into a FOA with Galp Energia, whereby it transferred 14% interest held in exploration rights regarding 3 Petroleum Exploration Licenses (PEL 23, 24 and 28). This transaction was approved by the Ministry of Mines and Energy (MME) on January 24, 2013.

Under the terms of the contract, Galp Energia undertook to defray part of HRT's transaction costs up to an agreed limit. These charges start on the beginning of drilling services in the respective well.

8. Advances to partners in Oil and Gas operations (Continued)

Up to September 30, 2013 HRT had received three contributions from GALP in the amounts of US$76,271 (equivalent to R$170,085) related to the drilling of Wingat , Murombe and Moosehead wells. The amounts received have been allocated to the respective projects.

	US$	R$
PEL 23		
Cash calls	(50,847)	(113,389)
Billing statements	49,076	109,440
Balance on September 30, 2013	(1,771)	(3,949)
PEL 24		
Cash calls	(25,424)	(56,696)
Billing statements	14,751	32,895
Balance on September 30, 2013	(10,673)	(23,801)
Total	(12,444)	(27,750)

In addition the Company has a receivable balance of cash calls paid to Cowan regarding the onshore exploration blocks in the amount of R$ 665.

Below is describe the accounts receivable balance by partner:

Accounts Receivable – JV Partners	**09/30/2013**
Rosneft	107,369
Galp	(27,750)
Cowan	665
Net balance (Cash Calls vs. Billing Statements)	**80,284**

9. Assets held for sale

On September 30, 2013, the Company has the intention to divest the activities related to air logistics. For this reason, all of its aircraft engaged in the respective segment are available for sale.

Aircrafts

Aircraft cost	**151,639**
Accumulated depreciation of aircraft	**(31,516)**
Aicrafts write-off	**(51,225)**
Exchange rate variation	**11,824**
Net amount of aircraft	**80,722**

Rigs

Rig cost	**115,108**
Impairment	**(43,803)**
Exchange rate variation	**8,974**
Market value	**80,280**
Total	**161,001**

On September 3, 2013, the Company transferred its subsidiary Air Amazonia to Erickson, in addition to six (6) helicopters, out of which four (4) were owned by HRT BV and the other two (2) by HRT O&G, amounting to US$ 26 million. The amount of US$ 23 million has already been received and the remaining US$ 3 million will be received within 12 months.

Through the same transaction, the signing of an one-year aerial service agreement was concluded, so that services are provided to support HRT`s operations in the Solimões Basin, with an option of annual renewal for an additional four-year period. Additionally, the company has granted Erickson the right of first refusal to purchase the remaining fleet of eight (8) helicopters and on the support service to be provided in HRT`s future operations in other regions.

HRT has also concluded the sale of the first airplane, and has received the amount of US$ 1.8 million.

10. Advances to suppliers

	Company		Consolidated	
	09/30/2013	**12/31/2012**	**09/30/2013**	**12/31/2012**
Current				
Geoquasar	**-**	-	**9,422**	-
Queiroz Galvão Óleo & Gás	**-**	-	**9,864**	8,174
Other	**101**	151	**2,686**	2,016
	101	151	**21,972**	10,190
Noncurrent				
Queiroz Galvão Óleo & Gás	**-**	-	**6.132**	12,706
	-	-	**6,132**	12,706
	101	151	**28,104**	22,896

The amount paid in advance to Queiroz Galvão refers to clause 24,2 of the agreements of Rigs QG-VIII and QG-IX, which should be deducted from the monthly billing of the above-mentioned rigs as from May 2013. As a result of a negotiation in this regard, the advances relating to rig QG-IX started to be deducted from October 2012.

11. Investments

At September 30, 2013, the Company presented the following direct ownership:

- **IPEX - Integrated Petroleum Expertise Company Serviços em Petróleo Ltda, ("IPEX")**

  This subsidiary was set up on July 31, 2004 under the corporate name High Resolution Technology & Petroleum Ltda., to provide geological and geophysical research services within the oil exploration activity in Brazil. In 2009, the corporate name of the subsidiary was changed to Integrated Petroleum Expertise Company - Serviços em Petróleo Ltda.

11. Investments (Continued)

- **HRT O&G Exploração e Produção de Petróleo Ltda, ("HRTOG")**

  This subsidiary was organized on July 20, 2009, with headquarters in Rio de Janeiro, and is engaged in: (i) the exploration, development and production of oil and natural gas; (ii) import, export, refining, sale and distribution of oil, natural gas, fuel and oil by-products; (iii) generation, sale and distribution of electric power; and (iv) holding interest in other companies.

  HRTOG currently holds 55% of the rights to explore two Consortia (BT-SOL 4 and BT-SOL 4A), encompassing a total of 19 blocks in the Solimões Basin.

  At September 30, 2013, HRTOG holds 7,91% interest in HRTAF's capital.

  Since 2011, the subsidiary was qualified by ANP as "Operator B", i.e., it is authorized to operate in both onshore and offshore blocks up to 400 meters deep, and as operator "A" since April of 2013, enabling OG to operate in deep-water and ultra-deep-water environments.

- **HRT America Inc ("HRTA")**

  On March 4, 2011, HRT America Inc, (HRTA) was incorporated in Delaware, with head office in Houston, in the United States. The subsidiary was incorporated primarily to provide geological and geophysical services to the affiliates, mainly to HRTAF and its subsidiaries.

11. Investments (Continued)

- **HRT Africa ("HRTAF")**

  The subsidiary initially named Labrea Petroleo S,A, had its new corporate name approved on March 30, 2011 by the Rio de Janeiro State Commercial Registry and its corporate purposes are: (i) the exploration, development and production of oil and natural gas; (ii) import, export, refining, sale and distribution of oil, natural gas, fuel and oil by-products; (iii) generation, sale and distribution of electric power; and (iv) holding interest in other companies.

  On September 17, 2011, a subsidiary of HRT Africa was organized in Namibia.

  In the course of 2012, HRTP carried out an ownership restructuring, streamlining the Group's ownership structure and centralizing assets located in the Republic of Namibia in Namibian subsidiaries incorporated for this purpose.

  As part of this restructuring, HRT Canada Inc (HRTC) was contributed to HRT Africa, and two more Namibian companies were incorporated: HRT Walvis and HRT Luderitz, Accordingly, the assets in which the Group holds an exploration license in the Republic of Namibia were consolidated under one single ownership structure, having Brazil-based HRTAF as the parent company.

  In August, 2013, the Company incorporated its wholly-owned company HRT Netherlands into HRT Africa.

  HRTAF holds interest in two Blocks in Recôncavo Basin, one block in Rio do Peixe Basin and one Block in Espírito Santo Basin.

11. Investments (Continued)

Concession portfolio

At September 30, 2013, the Company's subsidiaries were part in the following concessions in Brazilian basins and had the following Petroleum Exploration Licenses (PEL) in Namibian basins:

Country	Basin	Block	Operator	HRT %
Brazil	Solimões	SOL-T-169	HRTOG	55%
Brazil	Solimões	SOL-T-168	HRTOG	55%
Brazil	Solimões	SOL-T-170	HRTOG	55%
Brazil	Solimões	SOL-T-191	HRTOG	55%
Brazil	Solimões	SOL-T-148	HRTOG	55%
Brazil	Solimões	SOL-T-149	HRTOG	55%
Brazil	Solimões	SOL-T-192	HRTOG	55%
Brazil	Solimões	SOL-T-214	HRTOG	55%
Brazil	Solimões	SOL-T-215	HRTOG	55%
Brazil	Solimões	SOL-T-216	HRTOG	55%
Brazil	Solimões	SOL-T-217	HRTOG	55%
Brazil	Solimões	SOL-T-172	HRTOG	55%
Brazil	Solimões	SOL-T-194	HRTOG	55%
Brazil	Solimões	SOL-T-195	HRTOG	55%
Brazil	Solimões	SOL-T-151	HRTOG	55%
Brazil	Solimões	SOL-T-174	HRTOG	55%
Brazil	Solimões	SOL-T-197	HRTOG	55%
Brazil	Solimões	SOL-T-196	HRTOG	55%
Brazil	Solimões	SOL-T-218	HRTOG	55%
Brazil	Espírito Santo	ES-T-400	HRTAF	10%
Brazil	Recôncavo	REC-T-158	HRTAF	10%
Brazil	Rio do Peixe	RIOP-T-75	HRTAF	10%
Namibia	Orange	PEL028	HRT Luderitz	77.2%
Namibia	Orange	PEL024	Kunene	86%
Namibia	Orange	PEL022	Orange	95%
Namibia	Walvis	PEL023	HRT Walvis	86%

(*) The expiration date of the exploration period as well the activities provided are described in note 20

11. Investments (Continued)

a) Breakdown of investments

	Company	
	09/30/2013	**12/31/2012**
HRT O&G Exploração e Produção de Petróleo Ltda,	**1,317,601**	1,820,451
Integrated Petroleum Expertise Company Serviços em Petróleo Ltda, IPEX	**(1,830)**	(4,303)
HRT Netherlands B,V,	**-**	211,023
	1,093,333	
HRT Africa		1,468,334
HRT America	**13,508**	13,334
Air Amazonia	**-**	(64,502)
	2,422,612	3,444,337

b) Changes in investments

	HRTOG	IPEX	HRT BV	HRT AFRICA	HRT AMERICA	AIR AMAZONIA	Total
Balances at January 1, 2013	**1,820,451**	**(4,303)**	**211,023**	**1,468,334**	**13,334**	**(64,502)**	**3,444,337**
Capital increase	**-**	**-**	**-**	**214,154**	**-**	**2,612**	**216,766**
Equity pickup	**(511,405)**	**(5,256)**	**(2,060)**	**(787,593)**	**(1,079)**	**(2,473)**	**(1,309,866)**
Cumulative translation adjustment	**8,555**	**-**	**-**	**55,733**	**1,253**	**-**	**65,541**
Incorporation of HRT BV by HRT Africa	**-**	**-**	**(183,126)**	**183,126**	**-**	**-**	**-**
Intercompany transactions	**-**	**7,729**	**(25,837)**	**-**	**-**	**71,327**	**53,219**
Divestiture	**-**	**-**	**-**	**-**	**-**	**(6,964)**	**(6,964)**
Impairment				**(40,421)**			**(40,421)**
Balances at September 30, 2013	**1,317,601**	**(1,830)**	**-**	**1,093,333**	**13,508**	**-**	**2,422,612**

	HRTOG	IPEX	HRT BV	HRT AFRICA	HRT AMERICA	HRT CANADA	AIR AMAZONIA	Total
Balances at January 1, 2012	1,375,143	5,350	175,007	52,671	3,545	1,660,099	(1,922)	3,269,893
Capital increase	484,360	-	61,870	106,034	1,836	-	1,015	655,115
Acquisition of UNX by HRT Africa (*)	-	-	-	1,253,569	-	(1,253,569)	-	-
Deferred income tax on the acquisition (**)	-	-	-	89,676	-	(406,530)	-	(316,854)
Derivative operations	(9,393)	-	-	-	-	-	-	(9,393)
Equity results	(31,645)	(1,924)	4,150	(84,029)	7,072	-	7,733	(98,643)
Result from transactions with related parties	-	(7,729)	(49,008)	-	-	-	(71,328)	(128,065)
Cumulative translation adjustment	1,986	-	19,004	50,413	881	-	-	72,284
Balances at December 31, 2012	1,820,451	(4,303)	211,023	1,468,334	13,334	-	(64,502)	3,444,337

(*) Goodwill determined on the acquisition of HRT Canada (former UNX) comprises two amounts: (i) R$1,195,677 referring to the difference between fair value and the Company's net book assets; and (ii) R$406,530 referring to deferred income tax on goodwill,

(**) Due to the restructuring carried out in the second quarter, the portion of goodwill and deferred tax liability originated from it upon acquisition of HRT Canada (old UNX), relating to the effect of the difference between accounting and tax bases of assets acquired applied to effective tax rate in Canada of 26,5% was pushed down to subsidiary HRT Africa, The 7,5% additional taxation to be levied in Brazil, arising from the difference in Brazilian and Canadian tax rates (34% vs, 26,5%) remains in the parent, as well as the corresponding goodwill based on future profitability,

11. **Investments** (Continued)

c) Significant information on investees

	HRTOG	IPEX	HRT AFRICA	HRT AMERICA
Direct interest	99,99%	99,99%	8%	100%
Indirect interest	-	-	92%	-
Equity	1,317,601	(1,830)	1,419,743	13,508
Income (loss) for the year	(511,405)	(5,256)	(830,664)	(1,079)
Total assets	1,642,198	6,457	1,906,950	15,414

12. Property, plant and equipment

a) Balance breakdown

		Consolidated				
	Depreciation rate (%)	Cost	Depreciation	Exchange variation	Balance 2013	Balance 2012
In operation						
Aircraft	10	-	-	-	-	133,838
Sculptures		26	-	-	26	26
Vessels	10	694	(133)	-	561	613
Machinery and equipment	10	12,241	(3,198)	-	9,083	9,788
Furniture and fixtures	10	6,215	(1,770)	332	4,777	4,826
Communication equipment	20	542	(251)	-	291	359
Vehicles	20	10,016	(4,064)	537	6,489	7,362
IT equipment	20	10,383	(5,757)	781	5,407	6,589
Leasehold improvements	4	68,336	(10,207)	74	58,203	60,394
Facilities	10	8,848	(1,261)	(620)	6,967	8,786
In progress						
Material for use and consumption (wells)		41,989	-	-	41,989	39,446
Advances for acquisition of cranes		-	-	-	-	5,641
Advances for acquisition of drill rigs		-	-	-	-	115,108
Cranes		6,156	-	-	6,156	-
Rigs		-	-	-	-	-
Other						1,086
		165,446	26,601	1,104	139,949	393,862

12. Property, plant and equipment (Continued)

b) Changes in balances

	Balance at 01/01/2013	Additions	Write off	Depreciation	Exchange variation	Impairment	Transf.	Balance at 09/30/2013
In operation								
Aircraft	**133.838**	**-**	**(47,434)**	**(8,026)**	**2,344**		**(80,722)**	**-**
Sculptures	**26**	**-**	**-**	**-**	-		**-**	**26**
Vessels	**613**	**-**	**-**	**(52)**	**-**		**-**	**561**
Machinery and equipment	**9.788**	**112**	**-**	**(817)**	**-**		**-**	**9,083**
Furniture and fixtures	**4.826**	**69**	**-**	**(450)**	**332**		**-**	**4,777**
Communications equipment	**359**	**-**	**-**	**(68)**	**-**		**-**	**291**
Vehicles	**7.362**	**43**	**-**	**(1,453)**	**537**		**-**	**6,489**
IT equipment	**6.589**	**-**	**-**	**(1,963)**	**781**		**-**	**5,407**
Leasehold improvements	**60.394**	**-**	**-**	**(2,265)**	**74**		**-**	**58,203**
Facilities	**8.786**	**-**	**-**	**(1,200)**	**(619)**		**-**	**6,967**
In progress								
Material for use and consumptio (wells)	**39.446**	**2,543**	**-**	**-**	**-**		**-**	**41,989**
Cranes	**5.641**	**-**	**-**	**-**	**515**		**-**	**6,156**
Rigs	**115.108**	**13,501**		**-**	**(4,529)**	**(43,801)**	**(80,279)**	**-**
Other	**1.086**	**-**	**-**	**-**	**-**		**(1,086)**	**-**
Total	**393.862**	**16,268**	**(47,434)**	**(16,294)**	**(565)**	**(43,801)**	**(162,087)**	**139,949**

	Balance at 01/01/2012	Additions	Depreciation	Exchange variation	Balance at 12/31/2012
In operation					
Aircraft	131,460	15,488	(22,884)	9,774	133,838
Sculptures	26	-	-	-	26
Vessels	682	26	(95)	-	613
Machinery and equipment	7,631	3,174	(1,017)	-	9,788
Furniture and fixtures	5,231	344	(845)	96	4,826
Communications equipment	460	24	(125)	-	359
Vehicles	9,254	1,013	(2,981)	76	7,362
IT equipment	6,002	3,580	(3,124)	131	6,589
Leasehold improvements	62,965	-	(2,687)	116	60,394
Facilities	7,888	1,198	(533)	233	8,786
In progress					
Material for use and consumption (wells)	36,534	2,912	-	-	39,446
Advances for acquisition of cranes	2,136	3,314	-	191	5,641
Advances for acquisition of drill rigs	52,986	57,385	-	4,737	115,108
Other	13	1,073	-	-	1,086
Total	323,268	89,531	(34,290)	15,354	393,862

13. Intangible assets

a) Balance breakdown

	Amortization rate (%)	Consolidated 09/30/2013	Consolidated 12/31/2012
Oil and gas assets			
Subscription bonus - Solimões Basin	(*)	**142,695**	167,095
Subscription bonus – Walvis Basin	(*)	**21,982**	53,854
Subscription bonus – Orange Basin	(*)	**1,130,291**	1,278,703
Exploration expenditures	(*)	**471,464**	810,270
Software and other	**20**	**10,390**	11,018
Goodwill	(**)	**322,318**	406,530
		2,099,140	2,727,470
Accumulated amortization		**(3,610)**	(4,059)
Total		**2,095,530**	2,723,411

b) Changes in balances

	01/01/2013	Additions	Write-offs	Amortization	Impairment	Exchange variation	09/30/2013
Oil and gas assets							
Subscription bonus - Solimões Basin	**167,095**	**-**	**(20,445)**	**-**	**(3,955)**	**-**	**142,695**
Subscription bonus – Walvis Basin	**53,854**	**-**	**-**	**-**	**(31,872)**	**-**	**21,982**
Subscription bonus – Orange Basin	**1,278,703**	**-**	**(2,790)**	**-**	**(262,323)**	**116,701**	**1,130,291**
Exploration expenditures	**810,270**	**436,149**	**(584,146)**	**-**	**(190,809)**	**-**	**471,464**
Software and other	**6,959**	**-**		**(179)**		**-**	**6,780**
Goodwill	**406,530**	**-**	**(813)**	**-**	**(83,399)**	**-**	**322,318**
	2,723,411	**436,149**	**(608,194)**	**(179)**	**(572,358)**	**116,701**	**2,095,530**

	01/01/2012	Additions	Write-offs	Amortization	12/31/2012
Subscription bonus - Solimões Basin	167,095	-	-	-	167,095
Subscription bonus - acquisition of HRTAF	53,854	-	-	-	53,854
Subscription bonus - acquisition of HRTC	1,222,485	-	-	-	1,222,485
Subscription bonus - acquisition of interest of Vienna in companies	56,218	-	-	-	56,218
Exploration expenses	279,428	574,957	(44,115)	-	810,270
Software and other	5,232	3,043	-	(1,316)	6,959
Goodwill	406,530	-	-	-	406,530
	2,190,842	578,000	(44,115)	(1,316)	2,723,411

(*) Subscription bonus and exploration expenses will be amortized based on the units of production method, considering production of each concession and the volume of reserves, If hydrocarbon reserves that are economically feasible are not identified, these expenses will be posted to the income statement,

(**) This goodwill originated from the acquisition of HRT Canada,

13. Intangible assets (Continued)

b) Changes in balances (Continued)

Set out below is the subscription bonus referring to each block:

Blocos	12/31/2012	Write-off / Impairment	Exchange rate variation	09/30/2013
Onshore				
SOL-T-148	664	-	-	**664**
SOL-T-149	3,966	-	-	**3,966**
SOL-T-168	10,492	-	-	**10,492**
SOL-T-169	5,802	-	-	**5,802**
SOL-T-170	7,019	(3,009)	-	**4,010**
SOL-T-191	9,903	-	-	**9,903**
SOL-T-192	10,561	-	-	**10,561**
SOL-T-214	9,892	-	-	**9,892**
SOL-T-215	10,553	-	-	**10,553**
SOL-T-216	10,553	-	-	**10,553**
SOL-T-217	10,553	-	-	**10,553**
SOL-T-151	8,593	-	-	**8,593**
SOL-T-172	3,304	(946)	-	**2,358**
SOL-T-174	10,567	-	-	**10,567**
SOL-T-194	8,049	-	-	**8,049**
SOL-T-195	4,400	-	-	**4,400**
SOL-T-196	5,940	-	-	**5,940**
SOL-T-197	10,561	-	-	**10,561**
SOL-T-218	5,278	-	-	**5,278**
SOL-T-219	9,892	(9,892)	-	**-**
SOL-T-220	10,553	(10,553)	-	**-**
Total Solimões	167,095	(24,400)	-	**142,695**
ES-BT-400	100	-	-	**100**
RIOP-T-75	3	-	-	**3**
REC-T-158	51	-	-	**51**
REC-T-240	11	-	-	**11**
Total others *onshore* no Brasil	165	-	-	**165**
Total bonus *onshore*	167,260	(24,400)	-	**142,860**
Offshore				
PEL 0023	53,689	(31,872)	-	**21,817**
PEL 0028	47,312	(9,151)	4,318	**42,479**
PEL 0024	1,118,865	(253,172)	102,115	**967,808**
PEL 0022	109,968	-	10,036	**120,004**
PEL 0017	2,558	(2,790)	232	**-**
Total bonus *offshore*	1,332,392	(296,985)	116,701	**1,152,108**
Total bônus de assinatura	1,499,652	(321,385)	116,701	**1,294,968**

13. Intangible assets (Continued)

b) Changes in balances (Continued)

In 2012, the Company commenced a divestment process of non-core assets. This process includes the sale of a remaining fleet of helicopters, the wholly-owned company IPEX and the helitransportable drilling rigs, in addition to the sale of its wholly-owned subsidiary, Air Amazonia, and part of the fleet of aircraft, which was completed this quarter.

Recently, the Company notified ANP the intention of relinquishing the blocks BT-SOL 219 and BT-SOL-220, mainly due to difficulties in conducting geophysical surveys and obtaining environmental permits. So, the bonus acquisition was reclassified to the Company result in the amount of R$ 20,445.

Additionally, the drilling costs of the wells Wingat and Murombe, located in Namibia and the well 1-HRT-11 located in Solimões Basin totaling R$ 584,146 were transferred to Company income statement as it did not identify economically viable resources.

For the other blocks in the Solimões Basin, the Company managed to extend the deadlines for exploratory blocks SOL-T-151, SOL-T-174, SOL-T-192, SOL-T-196, SOL-T-197, SOL- T-214, SOL-T-215, SOL-T-216, SOL-T-217 and SOL-T-218 increasing the period in 4 years. The Company's strategy is to conduct a farm-out of part of its participating interest in this project, as an alternative for funding of investments. Furthermore, a study was conducted for the monetization of gas discoveries and ther implementation alternatives are ongoing with the current partner of these assets (Rosneft) and other potential partners for the development of these assets.

For Namibia project, the drilling costs of wells Wingat, Murombe and Moosehead were transferred to the income statements in compliance with the best accounting practices. This reclassification reflects the tests results of the geological structures of the wells drilled and will not be developed in the future.

On September 30, the Company performed impairments test, through which determined a loss of R$ 616,159. Although the negative result, at present, HRT does not intent to relinquish any of its exploration blocks, except for those already relinquished, since it intends to continue its exploration program.

14. Impairment

Annually, the Management reviews the net book value of assets for purposes of identifying events or changes in economic and operational circumstances that can identify and impairment of its recoverable value. If such evidences are identified and the net book value exceeds the recoverable value, it is constituted the allowance for impairment adjusting the book value to the recoverable value.

On September 30, 2013, the Company carried out the impairment test on the recoverable value of its assets and it was determined a total loss of R$ 616,159.

Assets transferred to held for sale

The historical book value of the Company's four drilling rigs that were included in the investment program is R$ 124,081. The recoverable amount was US$ 36 million (equivalent to R$ 80,280) from the net sales value, which is based on market value, with reference to recent transactions for similar assets as well as the ongoing negotiations for sale the asset. As a result, it was transferred to the income statements the amount of R$ 43.801 under the allowance for impairment.

Exploration Blocks - Namibia

Licence	Subscription Bonus	Impairment	Final Subscription Bonus *	Goodwill	Impairment (Goodwill)	Goodwill final*
PEL 0023	53,689	(31,872)	21,817	-	-	-
PEL 0028	47,312	(9,151)	38,161	15,041	(2,909)	12,132
PEL 0024	1,118,864	(253,172)	865,692	355,714	(80,490)	275,224
PEL 0022	109,968	-	109,968	34,962	-	34,962
PEL 0017	2,557	-	2,557	813	-	813
	1,332,390	(294,195)	1,038,195	406,530	(83,399)	323,131

Exploration Blocks - Solimões

Wells	Subscription Bonus	CAPEX	Total Impairment
HRT-1	(3,009)	(101,439)	(104,448)
HRT-6	(946)	(89,370)	(90,316)
	(3,955)	(190,809)	(194,764)

14. Impairment

As mentioned in note 13 (b), the Company has exploration campaigns in certain prospects by drilling wells Wingat , Murombe and Moosehead , which were concluded as dry or sub-commercial well . As a result, the Company decided to discontinue exploration efforts on these prospects and therefore the subscription bonus and goodwill allocated to the respective prospects totaling R$ 377,594 were written-off to income statements under the allowance for impairment.

Prospects related to wells HRT- 1 and HRT- 6, located in the Solimões Basin, were also included in the impairment allowance, since it was decided not to include these in the gas monetization project in the Solimões Basin.

Recovery of capitalized expenditures in other prospects depends on the success of future exploration campaign. Therefore, the Company has technical staff allocated in the analysis of the prospects and alternatives to monetize them. In this evaluation, is also taken into consideration the alternatives for funding the additional work, as well as the remaining deadline granted by the competent authorities to carry out additional exploration campaigns.

For the prospects still capitalized, the Company believes that has been making necessary efforts to achieve the expected result, and as mentioned in Note 1, is seeking strategic partnerships by reducing their participating interest in order to obtain the necessary resources for additional investments.

For the annual financial statements, the Company will update its database used for evaluation of prospects.

15. Trade accounts payable

Suppliers	**09/30/2013**	**12/31/2012**
Domestic suppliers	**46,733**	94,108
Foreign suppliers	**149,314**	7,379
Total	**196,047**	101,487

On September 30, 2013, the main payable amounts related to Namibia`s operations are Transocean and Schlumberger, in the amount of R$ 76,674 and R$ 21,792 respectively. In respect of operations in Solimões, the most expressive amounts are from Geoquasar and Queiroz Galvao, R$ 15,604 and R$ 12,346

respectively. See Note 10 with the balance of the payments in advance for this two Solimoes suppliers.

16. Loans

	Balance on 09/30/2013	Balance on 12/31/2012
Current		
Credit Suisse	**108,632**	-
Banco Safra	**-**	1,890
Outros	**-**	84
	108,632	1,974
Noncurrent		
Credit Suisse	**42,267**	-
Banco Safra	**-**	1,260
Total	**42,267**	3,234

HRT O&G signed with Credit Suisse a loan agreement in the amount of $75,000 for a period of 24 months. Repayment will be made in 6 installments and the contract will be paid at a fixed rate of 7,25% per year and the variable rate of 1,5% of the estimated production of the asset in the first 12 months and 1,25% of the estimated production between the 13th and 24th month.

This funding was contracted to guarantee the acquisition of Polvo, and the payment of the installments is conditioned upon the completion of the operation and acquisition of the assets by the Group HRT. There is a possibility of the operation not being approved, in which case the funding is returned to Credit Suisse. The due date are as follow:

Installments	Due date	Amount (%)
1	10/15/2013 (*)	53.33
2	04/15/2014	9.33
3	07/15/2014	9.33
4	10/15/2014	9.33
5	01/15/2015	9.34
6	04/15/2015	9.34

(*) Or ANP approval what happen first,

In January 2012, subsidiary HRTOG entered into a financing agreement with Banco Safra in the amount of R$3,011 and effective for 36 months for the acquisition of 1 (one) helicopter AS350. In second quarter, HRTOG prepaid this loan due to the deal with Erickson to sell their helicopters.

17. Operating lease (lessee)

Helitransportable rigs leased from Queiroz Galvão Óleo e Gás S.A.

Queiroz Galvão

Subsidiary HRTOG (lessee) entered into lease and service agreements involving two helitransportable rigs. The agreements were entered into on August 3, 2010, and shall be effective for 4 years as from April 15, 2011.

Minimum future payments discounted to present value are estimated as follows:

Minimum future payments (In US$ thousand)	
Year 1 (up to 06/2014)	14,385
Year 2 (07/2014 to 03/2015)	8,571
	22,956

18. Current taxes payable

	Company		Consolidated	
	09/30/2013	12/31/2012	09/30/2013	12/31/2012
PIS and COFINS on service imports	**-**	-	**-**	1,910
Service Tax (ISS)	**44**	45	**1,413**	3,025
Withholding Income Tax (IRRF) on services	**1,841**	1,322	**4,282**	5,206
Social contribution tax on services	**44**	60	**4,614**	7,698
Social Security Tax (INSS)	**2,415**	1,549	**9,999**	12,067
Unemployment Compensation Fund (FGTS)	**310**	32	**428**	906
Other	**11**	9	**208**	4,436
	4,665	3,017	**20,944**	35,248

19. Income and social contribution taxes

Company	Tax loss		Tax credit	
	09/30/2013	12/31/2012	09/30/2013	12/31/2012
HRTP	**34,882**	23,085	**11,860**	7,849
HRTOG	**599,662**	343,852	**203,885**	116,910
IPEX	**12,365**	7,136	**4,204**	2,426
HRTAF	**8,968**	8,546	**3,049**	2,906
AA	**-**	21,344	**-**	7,257
	655,877	403,963	**222,998**	137,348

Tax loss carry forwards generated in Brazil do not expire and are offset against future taxable profits, capped at 30% thereof for each year. Due to the absence of a history of profitability and uncertainties surrounding the Company's segment, management chose not to recognize deferred tax assets on these tax credits, which will be recognized when offset.

At September 30, 2013 and December 31, 2012, deferred Income and social contribution taxes were as follows:

	Company		Consolidated	
	09/30/2013	12/31/2012	09/30/2013	12/31/2012
Deferred income and social contribution tax liabilities				
Temporary differences on fair value recognized assets on business combinations	**71,100**	89,676	**322,316**	406,530
Temporary differences on exchange variation	**61,363**	24,577	**62,081**	25,295
	132,463	114,253	**384,397**	431,825

At September 30, 2013, the Company had a balance of R$ 322,316, due to deferred income tax deriving from goodwill upon HRT Canada acquisition, since the related goodwill amount is nondeductible under Canadian legislation. The payment of this tax is conditioned to realization of intangible assets related to HRT Canada subsidiaries based in Namibia.

20. Equity

20.1. Capital

At September 30, 2013, the subscribed and paid-in capital in the amount of R$3,957,871 is divided into 297,466,746 common registered book-entry shares, with no par value. The Company's authorized capital is R$10,000,000,000,00 (ten billion reais).

Capital increases were made through issue of shares of the same type, as follows:

Date	Fair value (b)	Number of shares (a)
Total capital at January 1, 2013	**3,953,796**	**295,412,650**
Payment of stock options	**4,075**	**2,054,096**
Total capital at September 30, 2013	**3,957,871**	**297,466,746**

(a) The number of shares already considers share split on a 1/50 basis,

(b) The value of shares does not consider share issue expenses in the amount of R$ 136,666

As previously established, for those shareholders who took part in the Private Placement Memorandum (PPM) concerning the private offering of shares in October and November 2009, equity-type warrants were awarded. These warrants grant their holders the right to subscribe for additional common shares of the Company's issue for a period of up to four years after completion of the initial public offering, which took place in October 2010.

This subscription right, which is equivalent to half of the shares each investor subscribed for in their respective placements occurred in 2009, considering the share splits, is distributed as follows: (i) 21,774,500 shares of the Company's issue at a strike price of BRL 7,39 (seven reais and thirty nine cents) for the placement of October 8, 2009; and (ii) 27,098,000 shares at a subscription price of BRL 7,31 (seven reais and thirty one cents) for the placement of November 6, 2009, thus totalling 48,872,500 shares.

20. Equity (Continued)

20.1. Capital (Continued)

At September 30, 2013, 27,203,950 shares equivalent to R$199,571,189,14 (one hundred ninety-nine million five hundred seventy-one thousand one hundred eighty-nine reais and fourteen cents) had been subscribed for and paid up, and the remaining balance to subscribe and pay up for 21,668,550 shares represents an amount of R$159,561,592,57 (one hundred fifty-nine million five hundred sixty-one thousand five hundred ninety-two reais and fifty-seven cents).

20.2. Share-based payment

First program (SOP I)

On May 14, 2010, the Company approved its First Stock Option Program, totalling 10,342 stock options - 4,926,000 options after the share split in 2010 and 2012, Out of this total 4,364,250 options have already been issued and exercised, from a total of 4,769,940,350 exercisable (97%) and 437,300 cancelled options.

Up to September 30, 2013, management recorded the expense related to this stock option plan under “personnel expenses” in P&L for the period, matched against a specific account in equity (Equity adjustment - share-based payment) in the amount of R$ 31.

The Company’s Board of Directors proposed the creation of two new incentive plans to be managed and implemented by the Executive Board.

Second program (SOP II)

The General Meeting held on April 27, 2011 approved a long-term incentive plan in order to (i) attract and retain key employees of the Company and its subsidiaries; and (ii) grant bonus to employees based on their performance. These plans allow bonus payments in cash and/or shares.

Distribution of shares to employees under both plans may not exceed, at any time, the limit of 5% of total outstanding shares.

20. Equity (Continued)

20.2. Share-based payment (Continued)

Second program (SOP II) (Continued)

The programs were proposed by the Board of Directors, assisted by the Compensation Committee, and are managed and implemented by the Company's Executive Board.

On May 9, 2012, the Board of Directors approved the granting of subscription options for up to 6,667,950 shares of the Company to management and certain employees, intended to retention of these strategic employees. On September 3, 2012, 6,667,950 options were granted.

As provided for in Accounting Pronouncement CPC 10 (IFRS 2) - Share-based payments, the fair value of the financial instrument is measured at the grant date of options using the Black-Scholes Merton pricing model based on the following assumptions:

Total stock options granted	6,667,950
Exercise price per share (in reais)	R$ 2,22
Fair value of the option on the grant date (in reais)	R$ 5,55
Estimated average volatility of price per share	127,49%
Risk-free average rate of return	8,74%
Option duration	3 years

Up to September 30, 2013, management recorded an expense related to the stock option plan under "personnel expenses" in P&L for the period, matched against a specific account in Equity ("Equity adjustment - share-based payment") in the amount of R$ 6,159. This amount was calculated considering the difference between the fair value of shares and their price, calculated on a pro-rata basis between the period from the date of grant to the date of the quarterly financial information.

Up to September 30, 2013, considering the program assumptions, 1,478,524 options were exercised, representing 28% of a total of 5,364,734 exercisable options and 546,122 cancelled options.

20. Equity (Continued)

20.2. Share-based payment (Continued)

Third program (SOP III)

On December 17, 2012 the Board of Directors decided and on January 2, 2013 the Executive Board approved grant of options for subscription of up to 5,449,039 options of the Company to its officers and strategic employees in order to retain these important professionals and ensure the necessary stability for continuity of HRT Group activities.

As provided for in Accounting Pronouncement CPC 10 (IFRS 2) - Share-based payments, the fair value of the financial instrument is measured at the grant date of options using the Black-Scholes Merton pricing model based on the following assumptions:

Total share options granted	5,449,039
Price per share (in reais)	R$ 2,06
Fair value of the option on the grant date (in reais)	R$ 5,87
Estimated average volatility of price per share	74,22%
Risk free average rate of return	8,22%
Option duration	immediate

Up to September 30, 2013, management recorded an expense related to the stock option plan under “personnel expenses” in P&L for the year, matched against a specific account in Equity (“Equity adjustment - share-based payment”) in the amount of R$20,780. This amount was calculated considering the difference between the fair value of shares and their price.

Up to September 30, 2013, 980,872 options were exercised, which represent 18% of total exercisable options.

20. Equity (Continued)

20.2. Share-based payment (Continued)

Third program (SOP III) (Continued)

The effects of share-based payment for purchase of shares, covering all granted and outstanding options on equity and P&L for the year are as follows:

	1st program	2nd program	3rd program
2010	16,047	-	-
2011	9,589	-	-
2012	1,308	17,810	-
2013	31	7,243	20,779
2014	-	2,336	-
2015	-	31	-
	26,975	27,420	20,779

20.3. Earnings per share

In compliance with CPC 41 (IAS 33) (approved by CVM Rule No, 636 of August 6, 2010 - Earnings per Share), the Company presents the following information on earnings per share for the fiscal periods ended September 30, 2013 and 2012.

Basic earnings per share are calculated by dividing net income for the year attributed to the Company's common and preferred shareholders by the weighted average number of common and preferred shares available in the period.

Diluted earnings per share are calculated by dividing income/loss attributable to Company's common shareholders by the weighted average number of common shares available for the period, plus the weighted average number of common shares that would be issued on conversion of all potential diluted common shares into common shares. Since the Company recorded loss at September 30, 2013 and 2012, the conversion of potential shares would have an anti-dilutive effect, reason why the non-conversion would be an assumption, as required by CPC 41. As such, the basic and diluted earnings/loss per share are equal.

20. Equity (Continued)

20.3. Earnings per share (Continued)

The table below shows P&L data and shares used to calculate basic and diluted earnings/loss per share:

Basic and diluted earnings (loss) per share	09/30/2013	09/30/2012
Numerator		
Income (loss) for the year attributed to the Company shareholders	**(1,369,483)**	(137,519)
Denominator (in thousands of shares)		
Weighted average number of common shares	**296,889,083**	5,919,377
Basic and diluted loss per share	**(0.005)**	(0.023)

21. Transactions with related parties

Intercompany agreements

Business transactions of HRTP with its subsidiaries are carried out at regular market prices and conditions:

Contracting related party	Contracted related party	Nature of agreement	Amount of agreement	Effect
HRT OG	IPEX	Rendering of Service	R$19,240	January 2012 - January 2014
HRT OG	IPEX	Software licence	R$997	December 2010 - December 2013
HRT OG	HRT Netherlands	Rental PR-HRX aircraft	$38,9/month	February 2011 - February 2014
HRT OG	HRT Netherlands	Rental PR-HRR aircraft	$71,6/ month	February 2011 - February 2014
HRT OG	HRT Netherlands	Rental PR-HRV aircraft	$71,6/ month	March 2011 - March 2014
HRT OG	HRT Netherlands	Rental PR-HRY aircraft	$42,5/ month	May 2011 - June 2014
HRT OG	HRT Netherlands	Rental PR-HRU aircraft	$70,8/ month	August 2011 - August 2014
HRT OG	HRT Netherlands	Rental PR-HRL aircraft	$70,3/ month	February 2012 - February 2014
HRT OG	HRT Netherlands	Rental PR-HRE aircraft	$16,4/ month	February 2012 - February 2014
HRT OG	HRT Netherlands	Rental of motor for GE motor aircraft	$4,4/ month	June 2011 - June 2013
HRT Canada	HRT America	Rendering of Service	Price list	October 2012 - December 2014
HRT Lux	HRT Africa	Rendering of Service	Service payment up to the limit $50,000	Setember 2012 - Setember 2013
HRT Lux	HRT Luderitz/HRT Walvis/HRT Orange/ HRT Kunene)	Rendering of Service	Service payment up to the limit $50,000	Setember 2012 - Setember 2013
HRT Lux	HRT America	Rendering of Service	Price list	October 2012 - December 2014
HRT Africa	HRT America	Rendering of Service	Price list	June 2011 - December 2014

Account receivables

	09/30/2013
HRT O&G *	6,025
HRT Africa	20
	6,045

** G&A expenses allocated on Solimões project*

Officers' personnel compensation

Officers' personnel compensation for the period ended September 30, 2013 totaled R$7,039 (R$8,378 in 2012).

Furthermore, pursuant to current legislation, the Company recognized expenses of R$7,945 (R$6,858 in 2012) referring to share-based compensation granted under the program mentioned in Note 20.2.

In the second quarter of 2013, three officers left the Company, incurring termination expenses (severance package), which represent a gross amount of R$ 21,961 (R$26,353 including social costs).

21. Transactions with related parties - continued

Officers' personnel compensation - continued

Management and the Audit Committee were informed on August 9th, 2013 that the calculations of the amounts of indemnities paid are being reviewed by the Compensation Committee for future recommendations to the Board of Directors, and in this way, the Company could recoup a residual amount. Such amount, on a gross basis, refers to R$ 9,720 plus social costs, due to potential overpayments for former executive officers, which the Company is pursuing.

22. Guarantees and commitments

At September 30, 2013, the Company and subsidiaries entered into various agreements with suppliers for exploration activities, most of which are "umbrella agreements" involving services, materials and equipment to be provided with different maturities, basically concerning lease and operation of rigs, drilling services, supply of fuel, acquisition of seismic data, among others.

On September 28, 2012, a commitment was executed with Transocean Group to use Marianas platform in the exploration campaign of assets in the Republic of Namibia, for 280 days as from February 2013, Accordingly, guarantees were required in the total amount of USD50 million.

On December 19, 2012, a commitment was entered into with Services Petroliers Schlumberger for the provision of services associated with the drilling of wells in Namibia, For such services, a guarantee was required in the total amount of USD20 million.

Accordingly, at September 30, 2013, Citibank NA (NY) had issued letters of credit in the total amount of USD70,000, maturing on December 31, 2013. The Company made a deposit at an equivalent amount in this financial institution and pledged as collateral, corresponding to R$156,100 at September 30, 2013.

On May 6, 2013 was signed a Purchase and Sale Agreement ("PSA") with BP Energy do Brazil Ltda, to acquire 60% share of the Polvo field, subject to certain precedent conditions, including the final approval by ANP. It required a guarantee amounting to USD94,6 million. On the same date, it was signed a loan agreement in the amount of

USD75 MM as mentioned in Note 14, for the acquisition of the asset, and it was required a guarantee amounting to USD37,500, equivalent to R$83,625 as of September 30, 2013.

22. Guarantees and commitments (Continued)

In order to ensure the above operation an escrow account was set up with the bank Citibank NA (NY), and its resources transferred and applied to an investment BlackRock fund totalling US$94,6 million, R$ 211,064 on 30 September 2013.

As disclosed in note 6, the commitments described in the paragraphs above correspond to the amounts of marketable securities pledged US $ 50 million for Transocean, US$ 20 million for Shlumberger, US$ 37.5 million to Citibank and U$ 94.6 million for operation with BP.

Additionally, in compliance with the Namibia`s legal requirements, the wholly-owned company HRTOG kept in an escrow account at Standard Bank PLC, in London, the amount of USD 237 million, equivalent to R$ 529. Having been complied with all its obligations under the PEM (Minimum Work Obligation) before the Minister of Mines and Energy of Namibia (“MME”), regarding the 2813A, 2814B and 2914A blocks, HRTOG redeemed, in the quarter, the amount it has had as collateral.

Eleven (11) exploration Wells were drilled in 7 blocks, respectively in Blocks SOL-T-168, SOL-T-169, SOL-T-170, SOL-T-191, SOL-T-192 and SOL-T-194, and SOL-T-172.

Regarding the blocks SOL-T-219 and SOL-T-220 that were in the first period of the exploratory phase, HRTOG obtained a negative from ANP regarding the extension of their terms for another two years. For this reason these blocks were returned to ANP.

22. Guarantees and commitments (Continued)

The table below sets out a summary of commitments of these 19 blocks:

Block	Exploration period	Conclusion	Minimum exploration program (PEM)	Activities performed	Note
SOL-T-169	2nd	Feb/2014	Drilling of 1 well until Fm, Juruá	Wells **1-HRT-2-AM** and **1-HRT-8-AM** (SOL-T-169)	PEM completed
SOL-T-168 SOL-T-170 SOL-T-191	2nd	March/2014	Drilling of 1 well until Fm, Juruá	Well **1-HRT-3-AM** (SOL-T-168) Wells **1-HRT-1-AM** and **1-HRT-6-AM** (SOL-T-170) Well **1-HRT-9-AM** (SOL-T-191)	PEM completed
SOL-T-148/ SOL-T-149/ SOL-T-172/ SOL-T-194/ SOL-T-195	2nd	May/2014	Drilling of 1 well until Fm, Juruá	Well **1-HRT-4-AM** and **4-HRT-7D-AM** (SOL-T-194)	PEM completed in Blocks SOL-T-172 and SOL-T-194
SOL-T-151/ SOL-T-174/ SOL-T-192/ SOL-T-197/ SOL-T-214/ SOL-T-215/ SOL-T-216/ SOL-T-217	2nd	March/2017	Drilling of 1 well until Fm, Juruá	Wells **1-HRT-5-AM** **1-HRT-10-AM** (SOL-T-192) Air-geophysical and geochemical survey, without well drilling and without acquisition of seismic data,	PEM completed in SOL-T-192
SOL-T-196/ SOL-T-218	2nd	March/2017	Application of Clause 5,15 and Drilling of 1 well until Fm, Juruá	Air-geophysical and geochemical survey, without well drilling and without acquisition of seismic data	Partial sismic acquisitionl in Blocks SOL-T-196 and 218

With regard to the minimum exploration program of the licenses in Namibia, the following commitments are assumed:

PEL	Exploration period	Conclusion	Minimum exploration program	Activities performed
022 (blocks 2815, 2816 and 2915)	2nd Period	2014	Completed	Acquisition of 1,137 sqm of 3D seismic
023 (blocks 2112B and 2212a)	2nd Period	2015	Completed	2 exploration wells drilled, acquired 5,359 km^2 of 3D seismic
024 (blocks 2713A and 2713B)	2nd Period	2014	Completed	1 exploration well drilled; acquired 1424 km^2 of 3D seismic
028 (blocks 2813A, 2814B and 2914A)	1st Period	2015	Completed	Acquisition of 1,237 sqm of 3D seismic

22. Guarantees and commitments (Continued)

Under the terms of the Participation Agreement that was entered into in 2010 with HRT Canada, a wholly-owned subsidiary of HRT, and Acarus, a 50% owned subsidiary of HRT group, the Company is committed to pay Acarus' share of exploration expenses in PEL 28, located in Namibia's offshore, Acarus is a 20% working interest holder.

23. Segment information

Information by business area (operating segment) is presented according to CPC 22 (IFRS 8) - Segment Information, The Company's operations are segmented as follows:

a) Exploration and production

Include activities of exploration and production of oil and by-products for sale in Brazil and abroad.

b) Geology and Geophysics

Include geological and geophysical services.

c) Management and others

Include basically the Company's headquarters.

Management monitors business units operating income/losses separately, which allows decision making regarding allocation of funds and performance assessment. Segments are assessed based on operating income or losses, which, in certain cases, as shown in the table below, are measured differently from operating income or expenses in the consolidated quarterly financial information.

23. Segment information (Continued)

	09/30/2013					09/30/2012				
	Exploration and production	**Geology and Geophysics**	**Management and other**	**Adjustments and eliminations**	**Consolidated**	**Exploration and production**	**Geology and Geophysics**	**Management and other**	**Adjustments and eliminations**	**Consolidated**
External net revenue	-	**5,405**	**-**	**-**	**5,405**	-	3,794	-	-	3,795
Intersegment net revenue	**9,257**	**14,411**	**-**	**(23,668)**	**-**	85,616	15,468	-	(101,084)	-
Net revenue	**9,257**	**19,817**	**-**	**(23,668)**	**5,405**	85,616	19,263	-	(101,084)	3,794
Selling costs	**(3,010)**	**(10,113)**	**-**	**11,291**	**(1,832)**	(17,589)	(9,768)	-	24,862	(2,495)
Gross profit	**6,247**	**9,704**	**-**	**(12,377)**	**3,573**	68,027	9,495	-	(76,222)	1,300
Geology and geophysics expenses	**(46,480)**	**-**	**-**	**-**	**(46,480)**	(120,768)	(86)	-	15,468	(105,386)
Personnel expenses	**(37,529)**	**(9,155)**	**(80,473)**	**(8,282)**	**(135,438)**	(90,248)	(8,783)	(55,415)	(10,147)	(164,593)
General and administrative expenses	**(52,575)**	**(4,500)**	**(4,623)**	**-**	**(61,698)**	(20,057)	(2,561)	(4,769)	-	(27,387)
Expenses with third party services	**(16,293)**	**(619)**	**(6,280)**	**-**	**(23,192)**	(53,837)	(444)	(18,657)	-	(72,938)
Taxes and fees	**(4,087)**	**(7)**	**(1,293)**	**-**	**(5,387)**	(20,309)	(577)	(803)	(5,236)	(26,925)
Depreciation expense	**(10,230)**	**(1,776)**	**(148)**	**(3,010)**	**(15,164)**	(15,266)	(1,154)	(114)	(14,714)	(31,248)
Provision for impairment	**(530,088)**	**-**	**(86,071)**	**-**	**(616,159)**	-	-	-	-	-
Financial income (expenses)	**22,793**	**18**	**11,058**	**-**	**33,869**	66,618	6	47,188	-	113,812
Dry hole write off	**(584,146)**		**-**	**-**	**(584,146)**	-	-	-	-	-
Other operating income, net	**(112,699)**	**-**	**(1,261,652)**	**1,365,031**	**(9,321)**	(425)	26	15	-	(384)
Net income before taxes	**(1,365,087)**	**(6,335)**	**(1,429,482)**	**1,341,362**	**(1,459,542)**	(186,265)	(4,078)	(32,555)	(90,851)	(313,749)
Operational assets	**3,117,034**	**6,200**	**82,533**	**(34,635)**	**3,171,132**	3,815,812	8,066	420,980	1,716	4,246,574
Operational liabilities	**719,547**	**3,229**	**83,731**	**-**	**806,507**	425,455	3,337	95,391	-	524,183
Investment in affiliates	**100,915**	**-**	**2,422,612**	**(2,523,527)**	**-**	80,861	-	3,482,530	(3,563,391)	-

1, Intersegment revenues are eliminated upon consolidation,
2, Segment information considers the income/loss before provision for IRPJ and CSLL,
3, The segment's operational assets and liabilities do not include intersegment balances,

23. Segment information (Continued)

Geographic Information

	09/30/2013			
	Exploration and production	**Geology and geophysics**	**Management and others**	**Consolidated**
Current assets				
Brazil	**173,081**	**2,673**	**77,238**	**252,992**
Abroad	**221,348**	**-**	**-**	**221,348**
Noncurrent assets				
Brazil	**1,219,380**	**3,528**	**5,295**	**1,228,203**
Abroad	**1,462,235**	**-**	**-**	**1,462,235**

	12/31/2012			
	Exploration and production	**Geology and geophysics**	**Management and others**	**Consolidated**
Current assets				
Brazil	586,977	3,946	339,455	930,343
Abroad	52,587	-	-	52,587
Noncurrent assets				
Brazil	1,198,782	4,669	1,134	1,204,585
Abroad	2,068,953	-	-	2,068,953

24. Financial risk management objectives and policies

The main financial liabilities of HRT refer to trade accounts payable for goods and services to be used in the Company's exploration campaign and the financial security agreements. The main financial assets are cash, cash equivalents and marketable securities, which are recorded in assets, as described in Notes 5 and 6.

The Company is exposed to market (interest and exchange rates), credit, liquidity and environmental risks. The Company's senior management manages these risks by means of appropriate policies and procedures. All activities involving derivatives are conducted for risk management purposes and are carried out by specialized teams with the adequate skills, experience and supervision. It is the Company's policy not to enter into derivatives transactions for speculative purposes.

24. Financial risk management objectives and policies (Continued)

It is incumbent upon the Board of Directors to review and set management policies for each of these risks, which are summarized as follows:

Market risk

Market risk is the possibility of losses arising from the effect of the fluctuation in market values of financial instruments. Since the Group is made up of nonfinancial companies, a conservative policy is adopted based on management of asset and liability positions, focusing on liquidity and risk mitigation.

Interest rate risk

Available funds are invested in securities issued by first-tier financial institutions, in local currency at variable rates, mostly with daily liquidity, in compliance with conservative concentration limits.

Sensitivity to interest rates

The table below shows the sensitivity to a possible change in interest rates, income and Group's equity before taxation, where all other variables are kept constant.

Consolidated	Increase/ decrease in percentage	Effect on P&L before taxation
September 30, 2013		
Reais	**25%**	**13,115**
US dollars	**25%**	**5,881**
Reais	**50%**	**26,231**
US dollars	**50%**	**11,763**
December 31, 2012		
Reais	25%	7,955
US dollars	25%	1,869
Reais	50%	15,910
US dollars	50%	(1,869)

24. Financial risk management objectives and policies (Continued)

Sensitivity to interest rates (Continued)

Company	Increase/ decrease in percentage	Effect on P&L before taxation
September 30, 2013		
Reais	**25%**	**1,571**
US dollars	**25%**	**704**
Reais	**50%**	**3,141**
US dollars	**50%**	**1,409**
December 31, 2012		
Reais	25%	7,955
US dollars	25%	1,869
Reais	50%	15,910
US dollars	50%	(1,869)

Presumed changes in base points for sensitivity analysis to changes in interest rates are based on rates currently adopted in the market and informed by BM&F BOVESPA.

Currency risk

Currency risk refers to the exposure to fluctuations in the levels of commodity price or service contracted (future cash flows) in foreign currency by HRT Group. The Group's exposure to currency risk primarily refers to the Company's operating activities and net investments in foreign subsidiaries.

In order to hedge obligations denominated in foreign currency in its investment plan, at September 30, 2013 the Company engages in derivative operations by means of forward purchase of US dollars (Non Deliverable Forward - NDF), with monthly maturities consistent with the cash requirements expected for the following twelve months. On September 30, 2013, the Company had a cash position overseas consistent with the projected obligations for the next twelve months, with no need for additional hedge contracts.

24. Financial risk management objectives and policies (Continued)

Currency risk (Continued)

Along with the loan agreement signed with Credit Suisse to acquire the Polvo field and considering that the reference value of the deal being based on U,S, dollars, the Company entered into a cash flow swap transaction in the reference amount of $150,000,000,00 maturing on April 15, 2015. On September 30, 2013 the balance of this transaction was R$18,347.

Sensitivity to exchange rate

The table below shows the sensitivity to a variation that may occur in the exchange rate and the impact on the Company's income and equity, before taxation:

Consolidated	Changes in US$ rate	Effect on P&L before tax	Effect on equity
September 30, 2013			
Unfavorable	**25%**	**(132,068)**	**785,692**
Favorable	**(25%)**	**(272,681)**	**1,208,714**
Unfavorable	**50%**	**132,068**	**(785,692)**
Favorable	**(50%)**	**272,681**	**1,208,714)**
December 31, 2012			
Unfavorable	25%	(104,782)	404,523
Favorable	(25%)	(125,739)	820,933
Unfavorable	50%	104,782	(404,523)
Favorable	(50%)	125,739	(820,933)

Company	Changes in US$ rate	Effect on P&L before tax	Effect on equity
September 30, 2013			
Unfavorable	**25%**	**(132,068)**	**785,692**
Favorable	**(25%)**	**(272,681)**	**1,208,714**
Unfavorable	**50%**	**132,068**	**(785,692)**
Favorable	**(50%)**	**272,681**	**1,208,714)**
December 31, 2012			
Unfavorable	25%	(104,782)	404,523
Favorable	(25%)	(125,739)	820,933
Unfavorable	50%	104,782	(404,523)
Favorable	(50%)	125,739	(820,933)

24. Financial risk management objectives and policies (Continued)

Credit risk

This refers to the risk of a business counterparty not complying with an obligation under a financial instrument or agreement with the client, leading to a financial loss.

The Company is exposed to credit risk arising from its operating activities, including deposits in banks and/or financial institutions, exchange transactions and other financial instruments. To mitigate these risks, the Group adopts a conservative approach for investments, mostly having daily liquidity and variable rates, in first-tier banks, taking into consideration the ratings of major risk agencies and complying with prudential concentration limits.

24. Financial risk management objectives and policies (Continued)

Liquidity risk

Prudent management of risk implies maintaining cash consistent with the disbursement needs to cover obligations, in accordance with the Company's business plan.

See note 28

Consolidated

	Immediate	Within 3 months	3 to 12 months	1 to 5 years	Total
At September 30, 2013					
Assets					
Cash and cash equivalents	**11,973**		**-**	**-**	**11,973**
Marketable securities	**144,965**	**450,789**	**-**	**-**	**595,754**
Trade accounts receivable	**-**	**1,471**	**-**	**-**	**1,471**
Taxes recoverable	**-**	**-**	**48,359**	**-**	**48,359**
Advances to partners	**-**	**-**	**80,284**	**-**	**80,284**
Assets held for sale	**-**	**-**	**161,001**	**-**	**161,001**
Advances to suppliers	**-**	**-**	**21,972**	**6,132**	**28,104**
Prepaid expenses	**-**	**-**	**3,759**	**-**	**3,759**
Other receivables	**-**	**-**	**556**	**-**	**556**
Liabilities					
Trade accounts payable and other	**-**	**(196,047)**	**-**	**-**	**(196,047)**
Labor liabilities	**-**	**(21,591)**	**-**	**-**	**(21,591)**
Taxes and social contributions	**-**	**(20,944)**	**-**	**-**	**(20,944)**
Loans	**-**	**(112)**	**-**	**(384,397)**	**(384,509)**
Advances from partners	**-**	**(80,474)**	**(46,505)**	**(42,267)**	**(169,246)**
Other liabilities	**-**	**-**	**(13,870)**	**(300)**	**(14,170)**
	156,938	**133,092**	**255,556**	**(420,832)**	**124,754**
At December 31, 2012					
Assets					
Cash and cash equivalents	37,608	-	-	-	37,608
Marketable securities	870,650	-	-	143,559	143,559
Trade accounts receivable	-	-	3,377	-	3,377
Taxes recoverable	-	-	57,706	-	57,706
Advances to suppliers	-	-	10,190	12,706	22,896
Prepaid expenses	-	-	2,011	-	2,011
Other receivables	-	-	1,354	-	1,354
Liabilities					
Trade accounts payable and other	-	(113,231)	-	-	(113,231)
Labor liabilities	-	(20,801)	-	-	(20,801)
Taxes and social contributions	-	(23,504)	-	-	(23,504)
Income and social contribution taxes	-	-	(311)	(157,248)	(157,559)
Loans	-	-	(1,974)	(1,260)	(3,234)
Derivative transactions	-	-	(1,605)	-	(1,605)
Other liabilities	-	-	(2,563)	-	(2,563)
	908,258	(157,536)	68,185	(2,243)	(53,986)

24. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Company

	Immediate	Within 3 months	3 to 12 months	1 to 5 years	Total
Quarter ended September 30, 2013					
Assets					
Cash and cash equivalents	**12**	**-**	**-**	**-**	**12**
Marketable securities	**62,824**	**-**	**-**	**-**	**62,824**
Taxes recoverable	**-**	**-**	**13,559**	**-**	**13,559**
Advances to suppliers	**-**	**-**	**101**	**-**	**101**
Prepaid expenses	**-**	**-**	**421**	**-**	**421**
Transactions with related parties	**-**	**-**	**-**	**6,045**	**6,045**
Other	**-**	**320**	**4,392**	**-**	**4,712**
Liabilities					
Trade accounts payable and other	**-**	**-**	**(666)**	**-**	**(666)**
Labor liabilities	**-**	**-**	**(8,581)**	**-**	**(8,581)**
Taxes and social contributions	**-**	**-**	**(4,665)**	**(132,463)**	**(137,128)**
Other liabilities	**-**	**-**	**(189)**	**-**	**(189)**
	62,836	**320**	**4,372**	**(126,418)**	**(58,890)**
Year ended December 31, 2012					
Assets					
Cash and cash equivalents	130	-	-	-	130
Marketable securities	318,197	-	-	-	318,197
Taxes recoverable	-	-	20,714	-	20,714
Advances to suppliers	-	-	151	-	151
Prepaid expenses	-	-	82	-	82
Other	-	-	156	-	156
Liabilities					
Trade accounts payable and other	-	-	(1,129)	-	(1,129)
Labor liabilities	-	-	(6,698)	-	(6,698)
Taxes and social contributions	-	-	(3,017)	-	(3,017)
Other liabilities	-	-	(219)	-	(219)
	318,327	-	10,040	-	328,367

Accounts receivable

As the Company is still in its pre-operational phase, accounts receivable at September 30, 2013, in the amount of R$1,321 (R$3,377 in 2012), refer substantially to provision of services by subsidiary IPEX.

24. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Fair value of financial assets and liabilities

The concept of "fair value" assumes the measurement of assets and liabilities based on market prices, in the case of assets with high liquidity, or other pricing mathematical methodologies otherwise. The level of fair value hierarchy gives priority to unadjusted quoted prices in an active market.

The table below presents an analysis of financial instruments recognized at fair value, after their initial recognition. These financial instruments are grouped in levels from 1 to 3, based on the degree that their fair value is quoted:

a) Level 1: fair value measurement is derived from prices quoted (not corrected) in active markets, based on equal assets and liabilities;

(b) Level 2: fair value measurement is derived from other inputs quoted included in Level 1, which are quoted through an asset or liability directly (i,e, as the prices) or indirectly (i,e, derivative of prices);

c) Level 3: fair value measurement is derived from valuation techniques that include an asset or liability that are not included in an active market.

Financial instruments	Level I	Level II	Level III
Company			
Marketable securities	-	**62,824**	-
Consolidated			
Marketable securities	-	**524,612**	-
Derivative instruments	-	**(18,347)**	-

25. Environmental risk

The Company has a comprehensive social environmental program, supported by the Health, Safety and Environment (HSE) management system, consistent with the sensitivity of the Solimões and Namibia Basins ecosystems, which includes areas of biodiversity and traditional cultures.

26. Insurance coverage

The Company policy consists of taking out insurance coverage for the items subject to risks.

In fact, it has, together with other Group companies, coverage against major risks such as property damage, PP&E items and D&O with coverage “A” (damages on behalf of Management), “B” (reimbursement to company) and “C” (coverage extension for claims directly related to the capital market).

The insurance policies in force at September 30, 2013 cover the amount of R$648,493 with total premium of R$5,997, according to the insurance contract duration. We set out below the main insurance types and insured amounts:

Insurance/insured peril	Insured amount
Civil liability (D&O)	**200,000**
Fire, lightning, explosion and implosion	**27,413**
Electronic Equipment	**706**
Aircraft	**149,750**
Transportation	**50**
Oil risks	**251,371**
General civil liability	**16,840**
Vehicles	**798**
Residential	**1,565**
Total amount insured	**648,493**

Coverage provided by Civil liability (D&O) comprises unavailability of assets and online pledge, fines and penalties, D&O’s liabilities, publicity expenses, liabilities due to errors and omissions in service provision, bodily injury, claims of insurer against insured and insured against insured.

Coverage also includes claims for environmental damages, liability of the spouse or partner in a common law marriage, cost of extradition, estate, heirs, successors and legal representatives, administrators of external entities, emergency expenses, defense costs for managers acting as trustees and guarantors, and disqualification of the exercise of the administrator function.

26. Insurance coverage (Continued)

At September 30, 2013, the Company has insurance policies amounting to R$134,000 (R$220,115 in 2012) referring to surety bonds provided to ANP, obtained from J, Maluccelli, to guarantee that the blocks located in Solimões Basin pass to the second period of exploration. The total amount of the premium for these surety bonds is R$4,430.

On 14th September, 2013, an accident happened with one of its helicopters, a Bell 212 with PR-HRZ registration mark, operated by HRT O&G in the Municipal District of Tefé, in the State of Amazonas. The company received compensation total of the amount of R$7,770.

27. Contingencies

On September 30, 2013, the Company is party to the following legal proceedings:

1. HRT is party to eight civil proceedings, totalling R$800.

2. HRT O&G figures as defendant in 4 (four) administrative proceedings involving tax issues, totalling R$400.

3. Tuscany Perfurações Brasil Ltda, and Tuscany Rig Leasing S,A, filed a request for arbitration against HRT O&G, in the amount of US$32,317 and US$ 7,328. The HRT O&G filed a counterclaim in the amount of US$18,944. According to the arbitration order, the Arbitral Tribunal gave notice to the parties to express their opinion until November 4, 2013 on the possibility of a hearing for the testimony of the witnesses on February 3, 2014, also, to submit a written opinion of their corresponding technical witnesses until December 9, 2013.

4. HRT figures as co-defendant in 182 (one hundred and eighty-two) labor claims, totalling approximately R$6,000. HRT Group is part to 14 (fourteen) labor claims totalling R$1,000, eleven (11) of these labor claims have probable loss. The Company recorded a provision for contingencies of R$300.

Except for the eleven labor claims mentioned in item 4 of this note, according to the legal advisors of the Company, the risk of loss of these other causes are possible. Based on this assessment, management has decided not to make provision for contingencies, following the accounting practices adopted in Brazil and IFRS.

28. Subsequent events

Solimões Project

On October 8, 2013, Rosneft settled part of the due amount regarding the cash calls. A total amount of R$ 35,800 was received by the Company; however, there is still a due amount of R$ 78,359 to be received.

Loans

On October 15, 2013, HRT O&G paid the first loan instalment in the amount of US$ 40 million, approximately R$ 88,556.

Additionally, in respect of financial instrument balance, which is also linked to the above mentioned loan, there was an amortization of US$ 215, equivalent to R$ 476.

Guarantees and Commitments

During the months of October and November, 2013, Transocean and Schlumberger released US$ 40,000 and US$ 20,000, respectively, referring to amounts deposited as collateral to fulfill the remaining payments for the Namibian campaign.