Q3 2014 RESULTS

November 14, 2014



DISCLAIMER

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

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

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

HIGHLIGHTS

Q3 14 and Subsequent Periods

- Accumulated Net Revenues of R$405 million, Gross Profits of R$105 million, EBITDA of R$95 million with 23% margin and Net Income of R$21 million, in 9M14;

- Net Revenues of R$127 million, Gross Profits of R$28 million, EBITDA of R$24 million with 19% margin and Net Income of R$10 million, in Q3 14. Gross Margin of Polvo, disregarding the cost of depreciation of the field and the abandonment provision, was 43% of Net Revenues;

- Production of 2.7 million barrels of oil in the Polvo Field in 9M14 and an average production of 9.7 thousand barrels per day (100%) in Q3 14;

- Operational efficiency of 98% in the Polvo Field and successful execution of simulated tests of answers to emergencies under the full deployment mode, monitored by Ibama;

- Revision of the Polvo Field's lifespan until the end of 2017, in view of the production seen, considering only current producing wells (proved and developed reserves);

- Fulfillment of ANP's requirements in audit for compliance check of the Operational Security Management System;

- Proposal submitted to the Ministry of Mines and Energy of Namibia to extend the licenses terms (Petroleum Exploration Licenses - PELs);

- Sale of the IPEX;

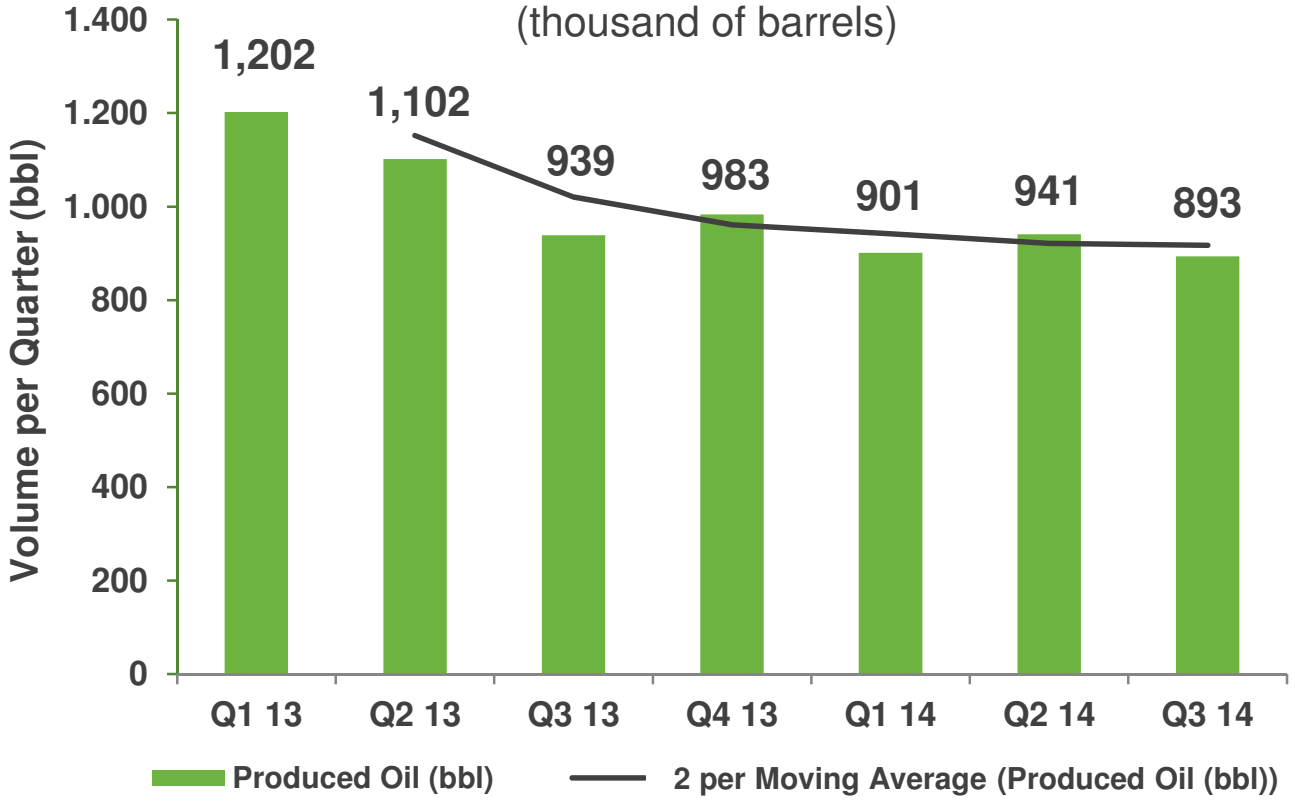
- Approval of the 1st Issuance of Convertible Debentures into Shares to finance new investments in the Polvo Field and acquire new production assets.

POLVO FIELD

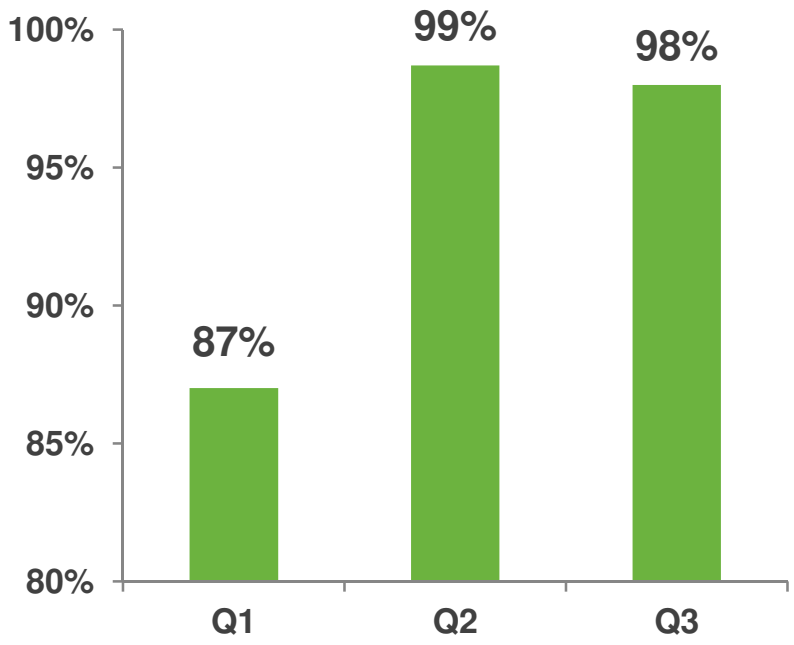
Crude Oil Production

CRUDE OIL PRODUCED IN THE FIELD

(thousand of barrels)



OPERATING EFFICIENCY*



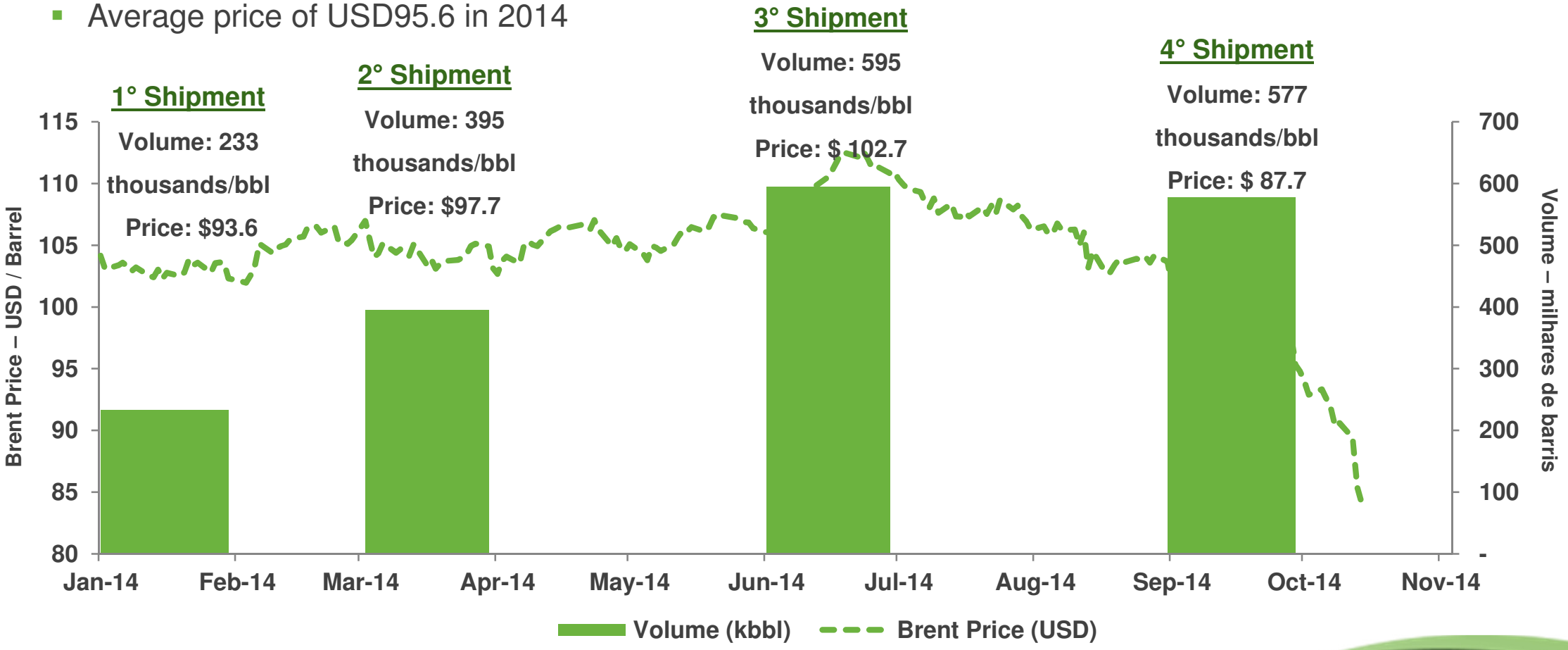
*** = (1 – loss of production in the period) / production in the period x 100**

- **Q3 14 Highlights:**
  - Operating efficiency of 98%, 11% up on Q1 14
  - Use of 97% of the gas produced in the field to generate the energy used in daily activities
  - Reduction of 14% in the field's total costs compared to the same period last year

POLVO FIELD – 9M14

Crude Oil Shipments and Price

- In 9M14, 1.8 million barrels were exported (considering HRT's 60% stake)
- Year-to-date revenue from the sale of oil of R$402 million (US$ 172 million)
- Revenue of R$3.3 million from the sale of slops*
- Average price of USD95.6 in 2014



* Slops are liquid deriving from exploration period and stored for subsequent disposal

SUMMARY OF CONSOLIDATED RESULTS

3rd Quarter and 9 months of 2014

(in millions of BRL)

CONSOLIDATED FINANCIAL STATEMENT	3 months		9 months	
	Q3 13	Q3 14	9M 13	9M 14
Net Revenues	**2**	**127**	**5**	**405**
(-) COGS	-1	-60	-2	-194
(-) Amortization	0	-26	0	-69
(-) Royalties	0	-13	0	-37
Gross Income	**2**	**28**	**4**	**105**
Gross Margin	**70%**	**22%**	**66%**	**26%**
(-) Operational Expenses	-72	-34	-284	-82
(-) Depreciation & Amortization	-1	-2	-15	-8
(-) Dry well write-off and Impairment	-750	0	-1,200	0
(-) Profit from divestiture	2	3	2	3
Net financial expenses (revenue)	3	21	34	12
Operating Result	**-815**	**16**	**-1,460**	**30**
Income Tax and social contribution	91	-4	90	-5
Net results (loss) from continuing operations	**-724**	**12**	**-1,369**	**25**
Results from discontinued operations	0	-3	0	-4
Net Income (Loss)	**-724**	**10**	**-1,369**	**21**
Net Margin	**-**	**8%**	**-**	**5%**
EBITDAX*	**-68**	**24**	**-278**	**95**
Margin EBITDAX	**-**	**19%**	**-**	**23%**
EBITDA**	**-818**	**24**	**-1,478**	**95**
Margin EBITDA	**-**	**19%**	**-**	**23%**

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

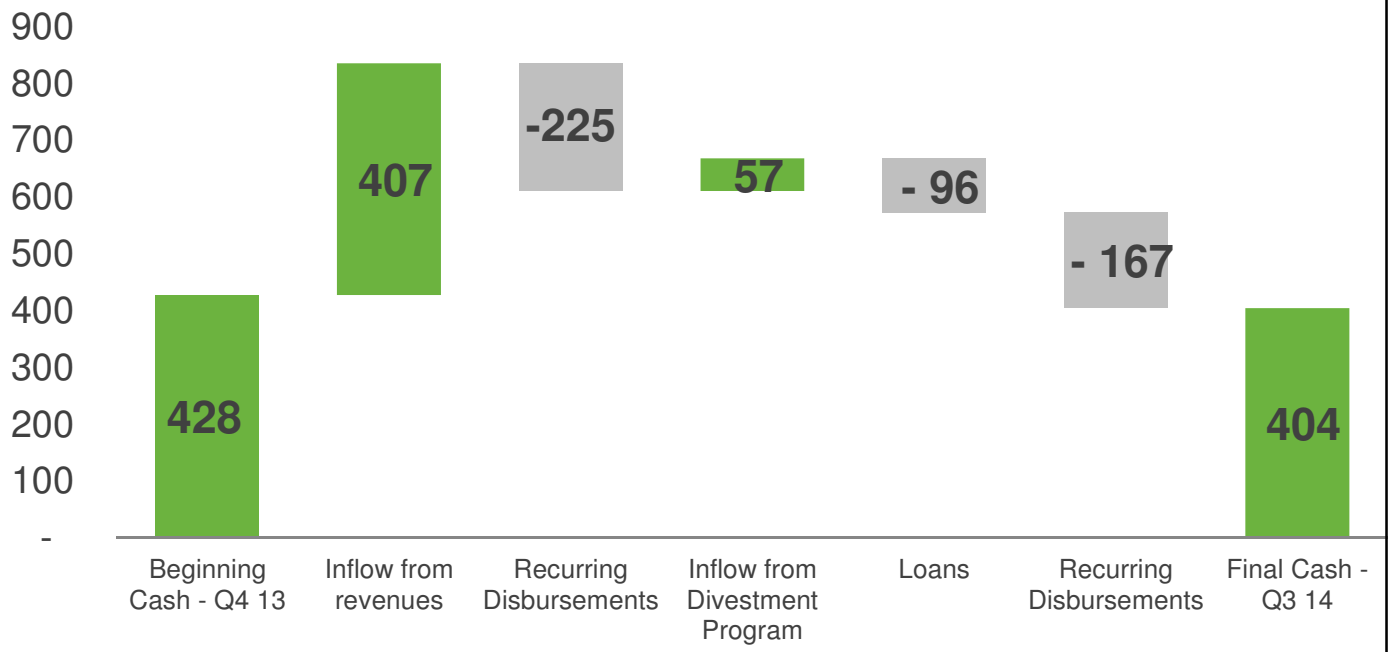
**Operating Results excluding the impact of amortization, depreciation and financial results

CASH FLOW – 9 MONTHS 2014

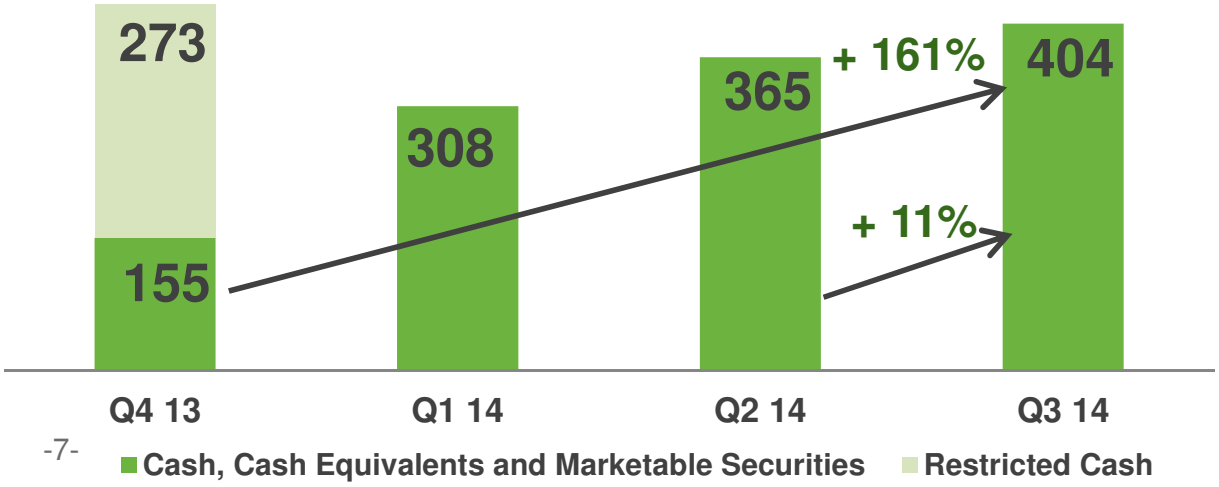
(in millions of BRL)

- Cash generation: + R$182 MM
- Divestment: + R$57 MM
- Loan facility prepayment: - R$96 MM
- Polvo acquisition: - R$165 MM

CASH FLOW – 9M 2014



EVOLUTION OF CASH BALANCE – 9M 2014



- Liquidity increased by 2.6 times (160%)
- Funds 100% available
- 98% of the cash in USD

FINAL REMARKS

- For the third consecutive quarter, HRT reported profit and ended Q3 with a free cash position of R$404 million, net revenue of R$127 million, EBITDA of R$24 million, net profit of R$10 million and no debt;
- We continue implementing measures to reduce production costs in the Polvo Field, working to maintain Operating Efficiency at high levels, reviewing agreements, with the purpose of extending the field's economic lifespan;
- We are still planning to make interventions and new well drillings in the Polvo Field to develop the 1P and 2P reserves;
- Negotiations with Rosneft are still on the agenda for the end of the year, so that we have a conclusion on the transfer of the Solimões Sedimentary Basin operations;
- In Namibia, we continue trying to attract major oil companies to become partners through a farm down process and we are close to obtaining extensions for our licenses;
- The measures to reduce corporate costs, which begun in 2013 and resulted in a 30% reduction in general and administrative and third-party service expenses, will continue to be part of HRT's philosophy in the coming periods;
- The team remains focused on seeking new production assets that may be acquired and incorporated into the portfolio, working to increase production levels and longevity in the production profile, through its reserves, with a consequent increase in results and cash generation

INVESTOR RELATIONS CONTACT

HRT Participações S.A.
Av. Atlântica 1130 – 10º andar – Copacabana
CEP 22021-000 - Rio de Janeiro - RJ - Brazil

www.hrt.com.br/ir



Eduardo Larangeira Jácome
Organizational Management and IR Officer
ri@hrt.com.br
+55 (21) 2105 9700

Priscila Sarandy
Corporate Legal and IR Manager
ri@hrt.com.br
+55 (21) 2105 9700

Tainah Costa
IR Specialist
ri@hrt.com.br
+55 (21) 2105 9700