1Q14 RESULTS

May 15, 2014



DISCLAIMER

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

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

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

HIGHLIGHTS

1Q14 AND SUBSEQUENT PERIOD

- First operating result of HRT since its foundation, with revenue, cash, EBITDA and profit generation;
- SSM and ASM with the election of new Board of Directors and Fiscal Council members, and the establishment of new strategic guidelines for the Company;
- Restructuring of the Company and new governance structure;
- Start of HRT's activities as the operator in the Polvo Field, with the sale of two crude oil shipments in the Q1, with the forecast of a new shipment for Q2;
- Signing of a final agreement with Rosneft for the assignment of a 6% WI in the Solimões Blocks, sale of 4 drilling rigs, its capacity to become the operator with a 51% WI, and a loan facility to HRT of up to US$40 million in a 12-month period;
- New boost for efforts to farm-down HRT's Namibian Licenses;
- Early full payment of the loan with Credit Suisse, turning HRT debt-free; and
- Publication of the Reserve and Resource Reports issued by DeGolyer & MacNaughton ("D&M") for Namibia, Solimões and Polvo, with effective date on 12/31/2013.

CORPORATE GOVERNANCE

Shareholders' Meetings

ASM of April 30, 2014

- **Resolutions made:**
  - Approval of the management accounts and financial statements of the Company regarding the fiscal year ended December 31, 2013;
  - Approval of the overall amount of the Company's management for the fiscal year 2014, with reduction by 78% in the compensation as approved at the 2013 ASM (from up to R$ 44 million in 2013 to up to R$ 9.8 million in 2014);
  - Approval of agreements with former-Directors; and
  - Installation and re-election of Fiscal Council's members.

Fiscal Council	Elias de Matos Brito Roberto Portella Gilberto Braga

SSM of June 13* and 24**, 2014

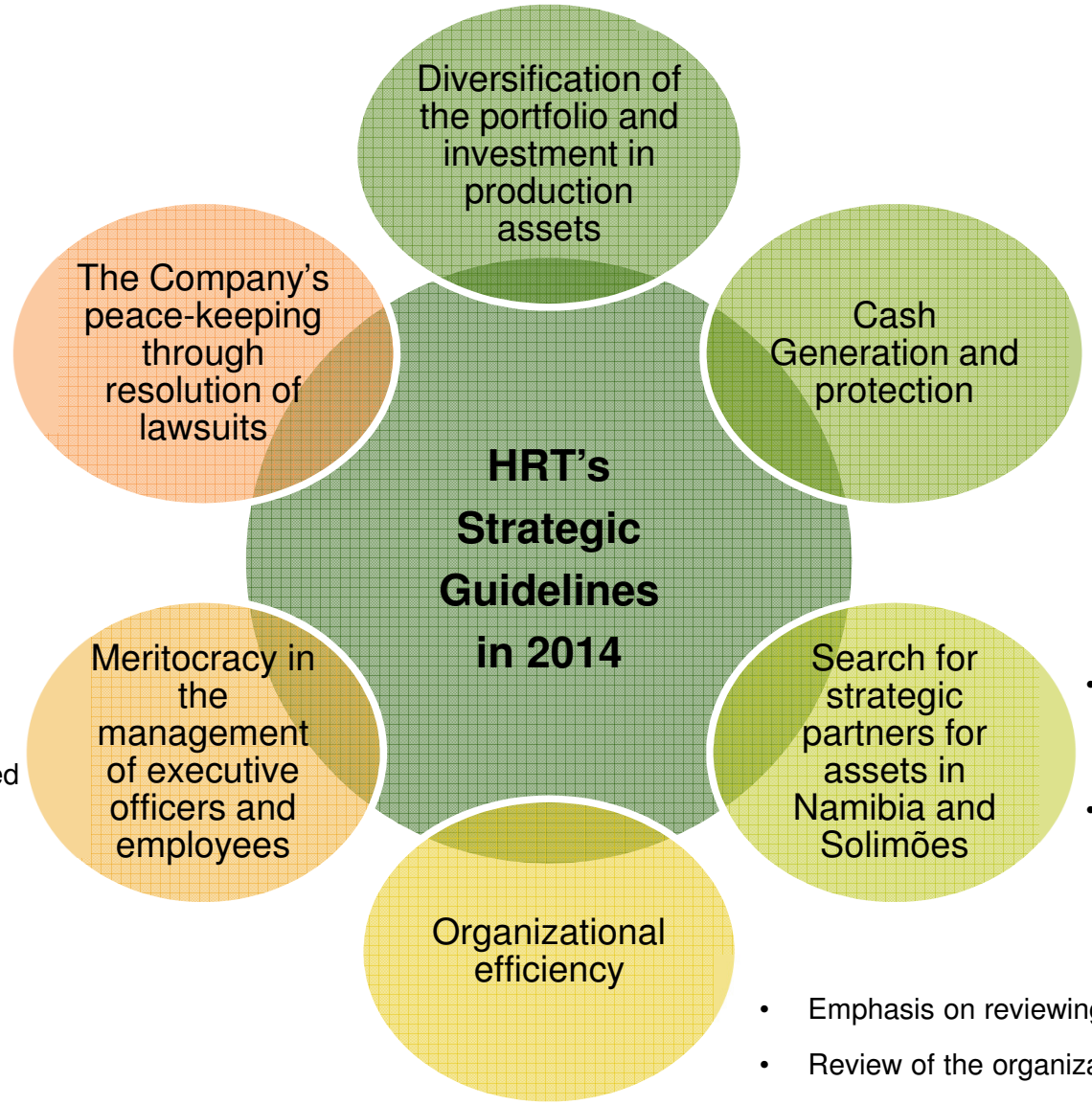
- **Resolutions intended to be made:**
  - Amendments to the Company's By-Laws.
  - Approval of moving the Company`s headquarters;
  - Ratification of capital increase in light of the exercise of options, equivalent to the subscription of 4,335,996 new shares, in the total amount of R$ 11,420,758.80; and
  - Approval of the reverse stock split of the Company.

* 1st Call
** 2nd Call

STRATEGIC GUIDELINES

HRT in 2014

- Acquisition of the Polvo Field and search for new production assets



- Homogeneous Board; and
- Agreement with previous Directors

- Cost reduction by 10% in 2014;
- Liquidity increase in 100%.

- Reduction in management's fixed salaries; and
- Variable compensation based on results.

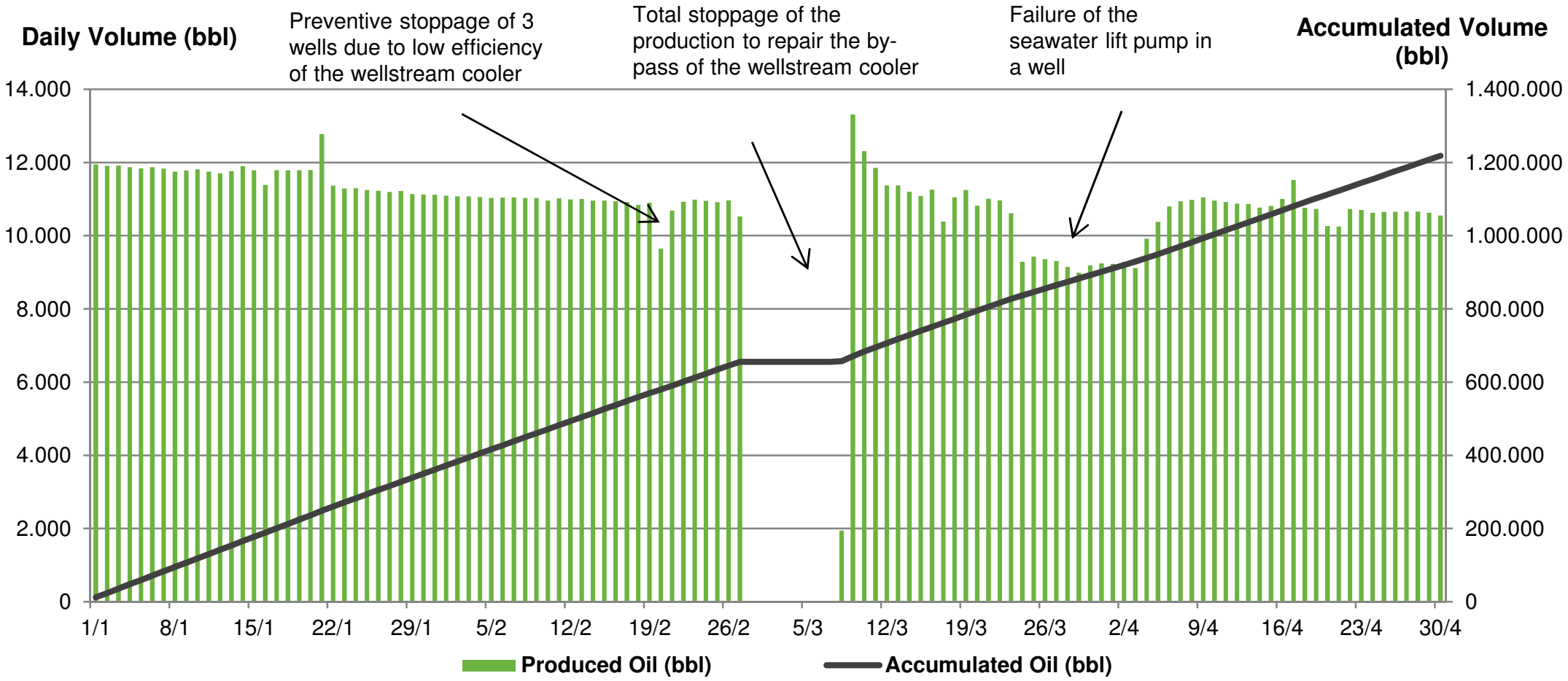
- Solimões gas monetization through alternatives such as LNG, Electric Power Generation or GTL; and
- Meetings with potential partners and Brazil`s Government.

- Emphasis on reviewing processes;
- Review of the organizational structure; and
- Continuing the headcount adjustment.

POLVO FIELD

Oil Production

2014: POLVO FIELD* DAILY OIL PRODUCTION (BBL/D)



- **Highlights:**
  - Oil production in Q1: 901 thousand barrels (100%)
  - Operating Efficiency of 87% in Q1
  - Opening of the Socio-Environmental Observatory
  - Familiarization with the Asset (production and sub-surface operations)

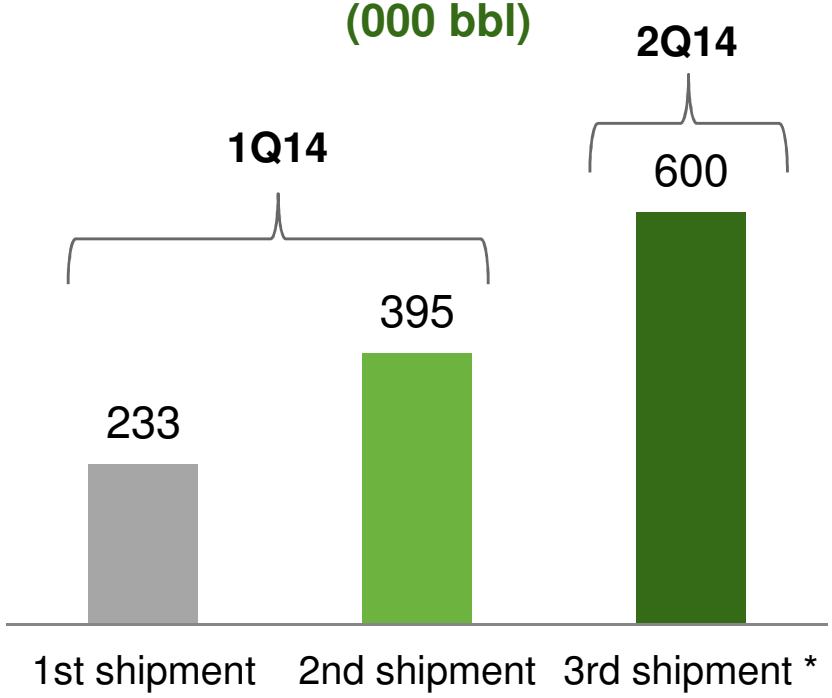
* Considering 100% of the Polvo Field.

POLVO FIELD

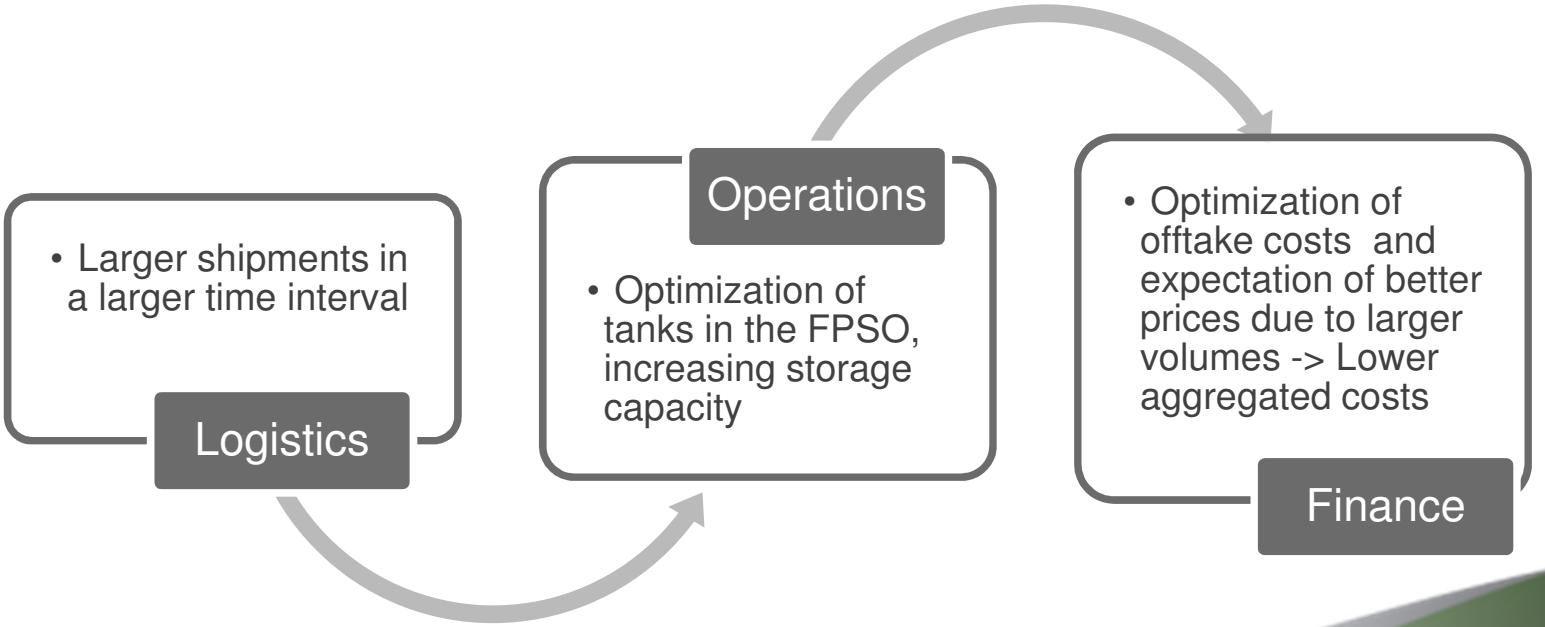
Crude Oil Sale - 2014

CRUDE OIL OFFTAKES (bbl)			
January	**Type**	**HRT**	**Maersk**
1st shipment	Shared	233,333	155,556
March	**Type**	**HRT**	**Maersk**
2nd shipment	HRT Only	395,061	-
Forecast	**Type**	**HRT**	**Maersk**
3rd shipment	HRT Only	600,000 (forecast)	-

HRT`S CRUDE OIL OFFTAKES (000 bbl)



* Forecast

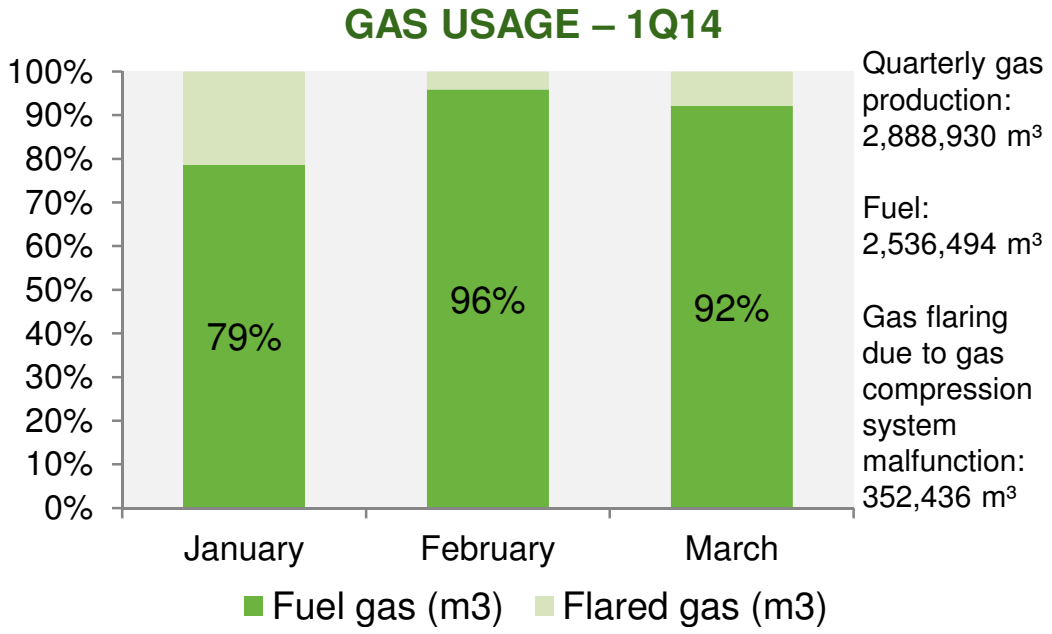


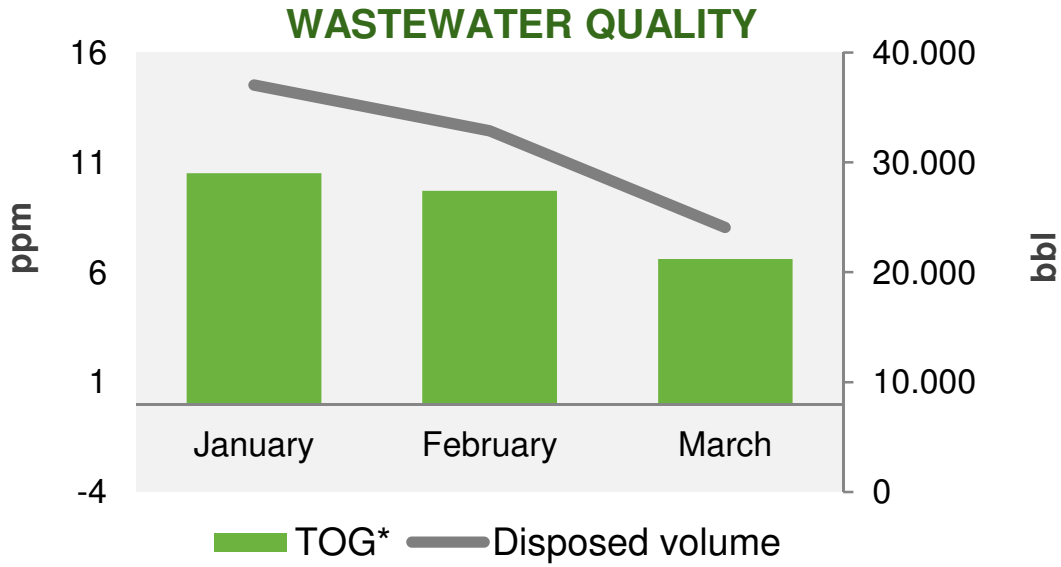
POLVO FIELD

Use of Resources

Subsurface

- Investment of US$1.8 million – purchase of Polvo 3D seismic data
- Review of the Development Plan
- Development of various scenarios in sandstone reservoirs
- Study to determine the importance of water for injection and the impact on production
- Preliminary interpretation of 3D seismic data of the top of Macaé Carbonate reservoirs – positive identification of further locations to drill wells
- Update of reservoir simulation



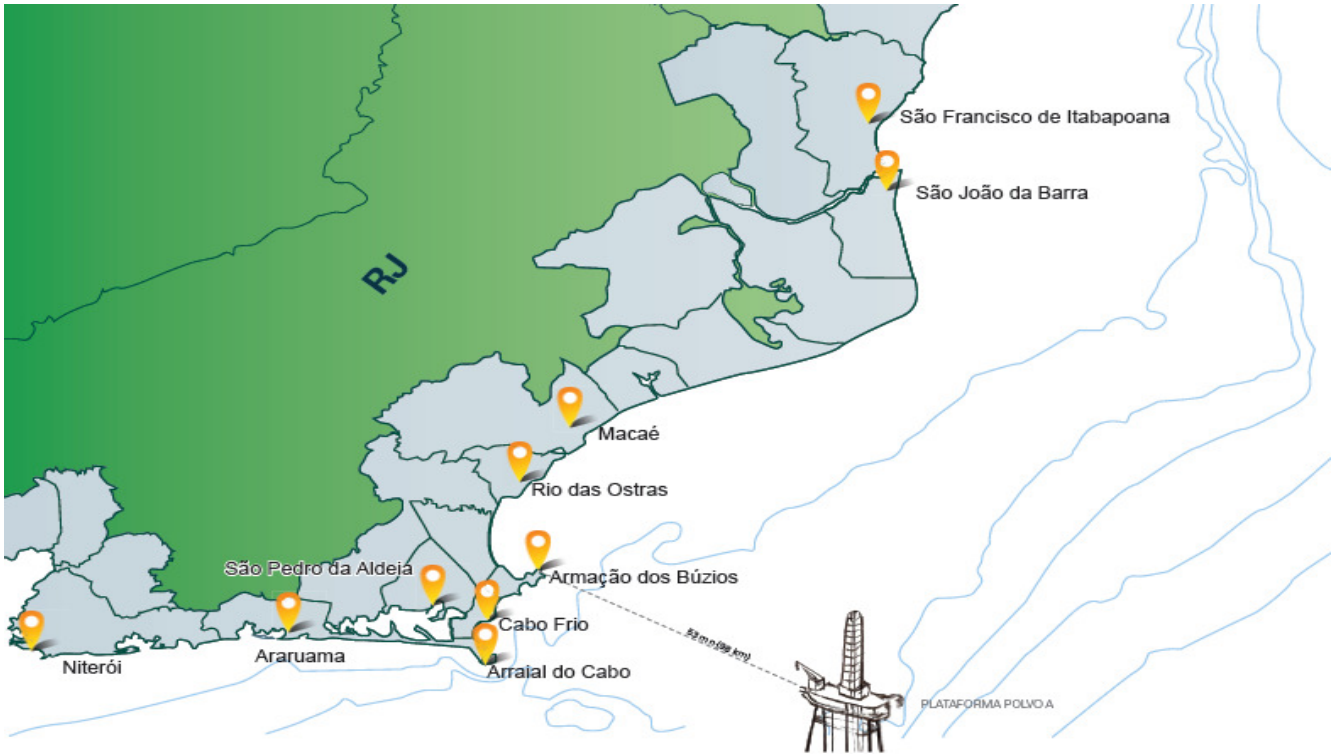


TOG limit for wastewater in the FPSO Polvo = 15 ppm

* TOG = Total Oil / Grease
ppm = parts per million
bbl = barrels

POLVO FIELD

Continuing the Environmental Education Program (PEA)



Institutionalize and maintain 10 Observatories, providing the people with training courses to identify, supervise and address, in their municipalities, environmental impacts of the oil and gas sector productive chain

Opening of 10 Observatories – 1st Quarter of 2014











CERTIFICATION OF RESOURCES

D&M Reports – Net HRT (in thousands of barrels - Mbbl)

NET HRT	(Mbbl)	Gas	Oil	Total	Reserves and Reservoirs
Polvo					
Reserves	Proved - 1P	-	9,015	9,015	▪ New ongoing mapping will allow a new vision of reserves and resources of the asset
	Probable - 2P	-	5,606	5,606	
	Possible - 3P	-	3,633	3,633	
Solimões					
Resources	Contingent*	123,641	4,548	128,188	▪ The Discovery Evaluation Plan will bring a new vision of contingent volumes
	Prospective**	120,805	105,315	226,120	
Namibia					
Resources	Prospective**	1,719,044	2,209,176	3,928,220	▪ Resource volumes were adjusted after the drilling of wells

The reserves report has confirmed prior volumes, minus production

* Net Best

** Net Pmean risked volume (P_{50})

FINANCIALS

1Q14



QUARTERLY RESULTS

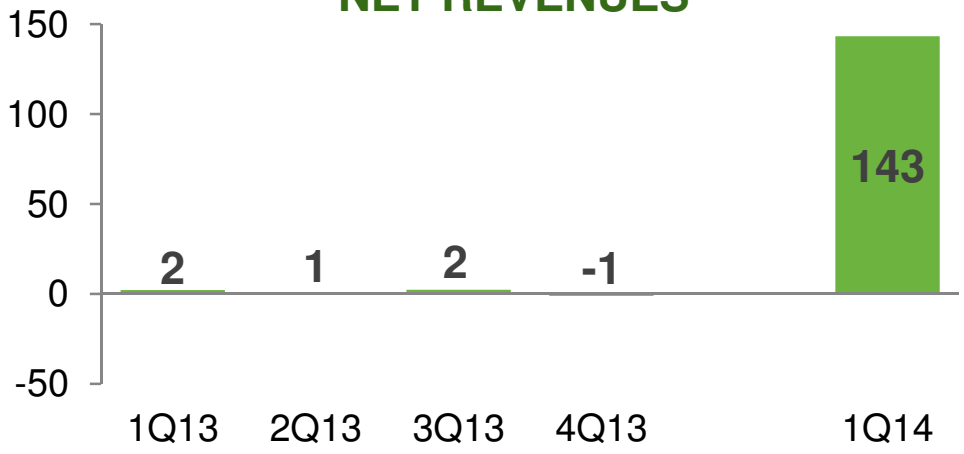
1Q14 Financial Highlights

- HRT's first operation gain since its foundation, with revenue, cash generation and net profit; EBITDA of R$36 million and margin of 25%;
- Increase of available cash in 99%, reaching R$308 million;
- HRT's first operation period in the Polvo Field with a production of 480 thousand barrels of crude oil between January 9 and March 31, 2014 (considering HRT's 60% stake) and offtake of 630 thousand barrels of oil, with revenues of R$141 million from sales, being R$135 million in Q1;
- Payment to BP in the amount of R$208 million (US$87 million) of the amount accrued on 01/08/2014 as an acquisition price of the 60% WI in the Polvo Field, still a subject-matter of auditing to determine the final price;
- Early full payment of the loan with Credit Suisse in the acquisition of the Polvo Field, in the amount of R$96 million;
- Non-default of partners in the three projects HRT holds the operatorship, and R$60 million received in Q1;
- Strong reduction in the cash burn rate and corporate cost control, being 23% in Solimões and 96% in Namibia, against 4Q13;
- Through the operating result, offset start of taxes payable with accumulated loss (R$2 million);
- Total Headcount of 192 employees, out of which 46 people in the corporate structure and the remaining ones in projects and subsidiaries (including the Laboratory, IPEX).

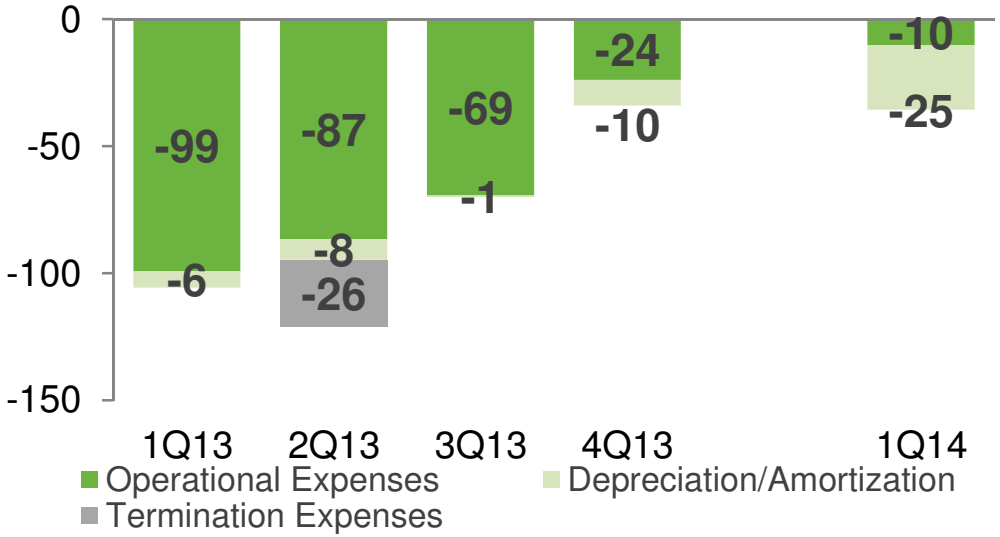
QUARTERLY RESULTS

Million BRL

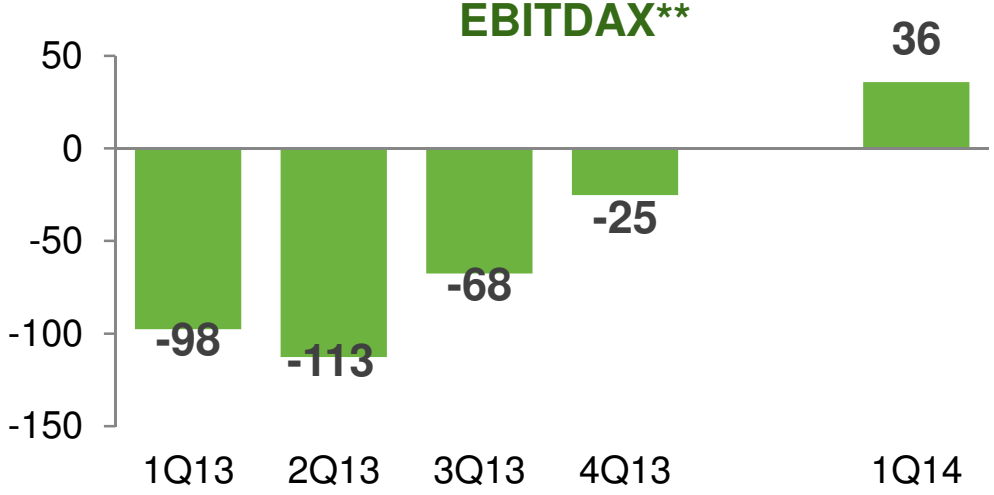
NET REVENUES



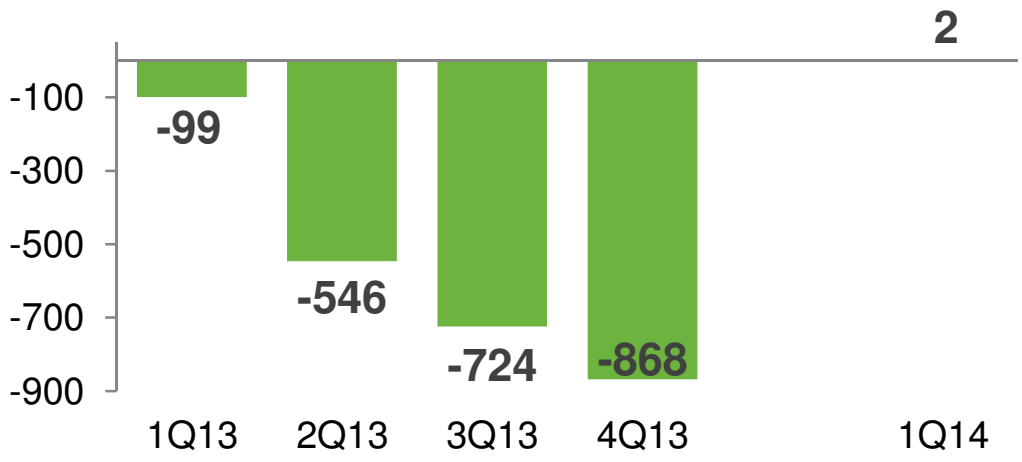
OPERATIONAL EXPENSES *



EBITDAX**



NET PROFITS (LOSS)



* Does not include expenses with write-off and impairment

** EBITDAX is na operating measure commonly used in the oil and gas industry, calculated as follows:

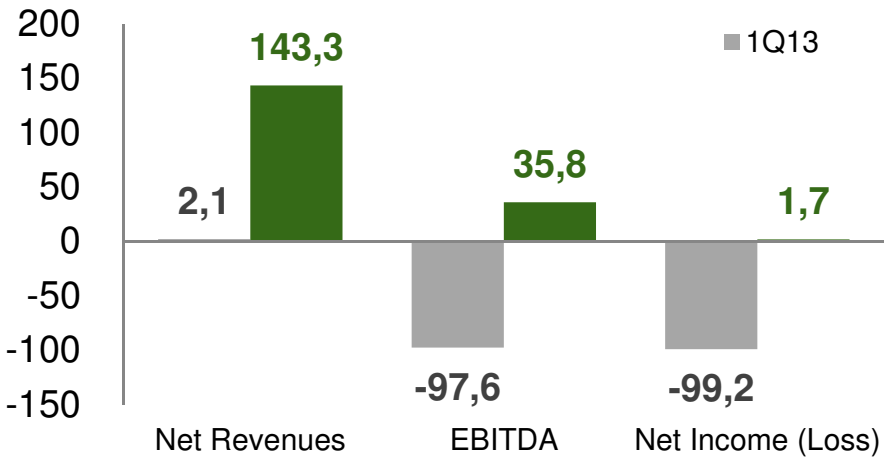
EBITDA + Return on Expenses with dry well write-off and impairment

QUARTERLY RESULTS

Million BRL

CONSOLIDATED FINANCIAL STATEMENT	1Q13	1Q14	Δ
Net Revenues	**2.1**	**143.3**	**141.2**
Gross Income	1.6	46.0	44.4
Operational Expenses	-99.2	-10.2	89.0
Dry well write off and Impairment	0.0	0.0	
EBITDA (1)	-97.6	**35.8**	133.4
EBITDAX (2)	-97.6	**35.8**	
Margin EBITDAX (3)	-4554%	**25%**	
Depreciation & Amortization	-6.4	-25.4	-19.0
Financial Results	4.8	-7.1	-11.9
Income Taxes	0.0	-1.5	-1.5
Net Income	-99.2	**1.7**	100.9
Net Profit Margin	-4628%	**1%**	

(in millions of R$)



CONSOLIDATED FINANCIAL STATEMENT	1Q13	4Q13	1Q14	Δ
Total Cash (4)	828.8	427.5	308.3	-119.3
Available Cash (5)	687.3	154.5	308.3	153.73
Gross Debit (6)	2.6	81.5	0.0	-81.543

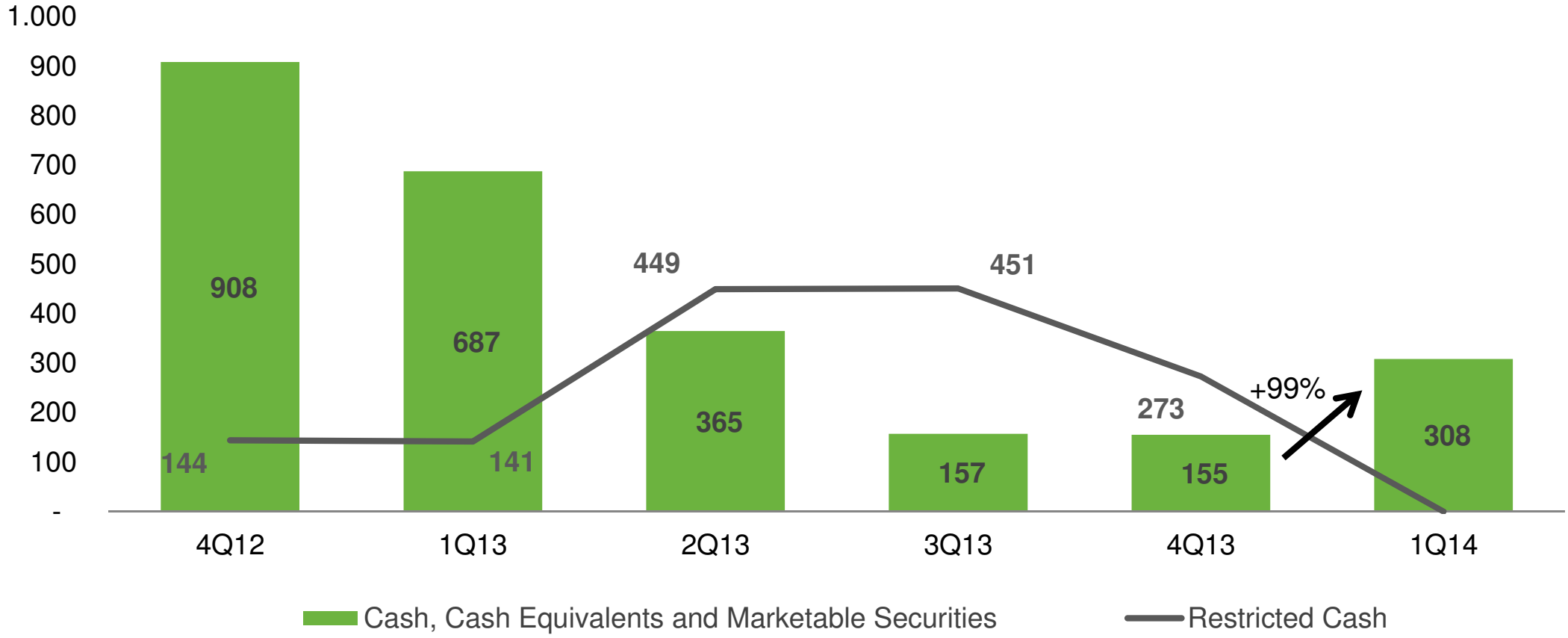
(in millions of R$)

(1) The EBITDA considers the net profit before the income tax and social contribution, of the financials and depreciation and amortization. EBITDA is not a financial indicator according to the accounting practices adopted by the Company, and other companies may calculate this indicator in a different manner.
(2) EBITDAX is an operating measure commonly used in the oil and gas industry, calculated as follows: EBITDA + Expenses Return on dry well write-off and impairment
(3) Relation between EBITDA and Net Revenue
(4) Total fund position, including those in escrow accounts (not net)
(5) Net Cash considers only net cash position, available to be used and not connected with cash collaterals or restricted cash.
(6) Gross Debt: total balance of loans, including charges, monetary, exchange rate fluctuations, and financial instruments (derivatives), not deducted from the cash position

CASH POSITION

Million BRL

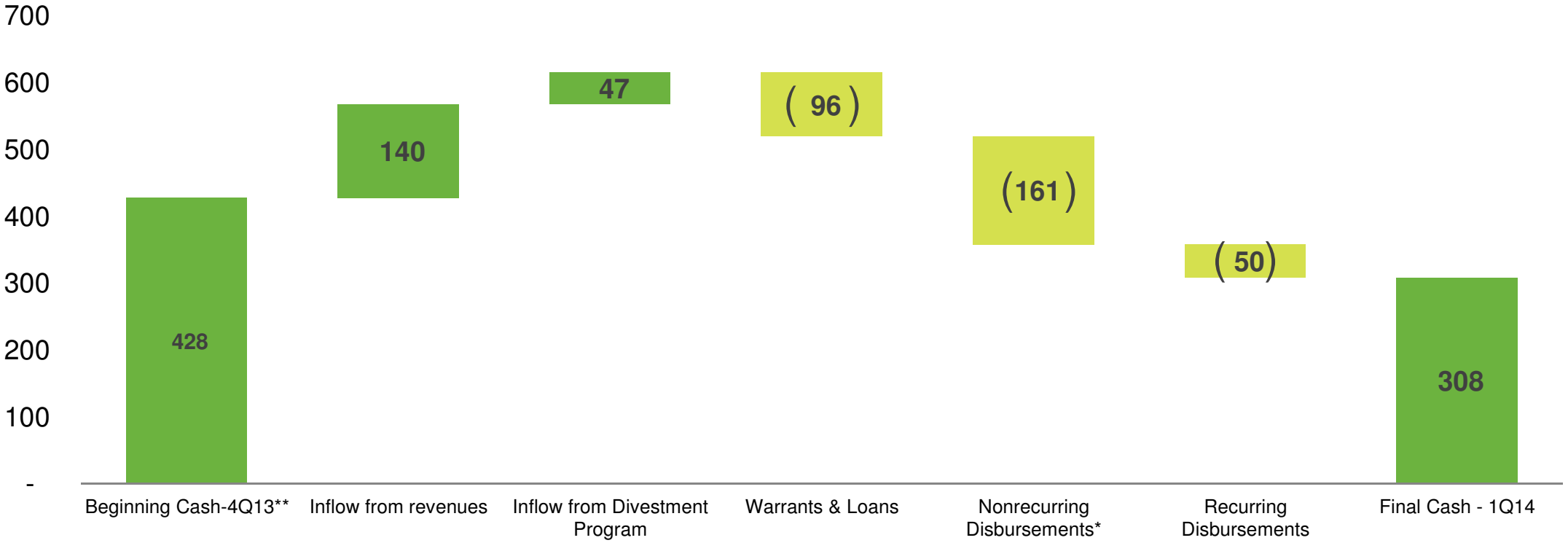
- Increase by 99% in the Company's liquidity
- Funds in a escrow account: used in the Polvo acquisition and Credit Suisse pre-payment
- HRT concluded 1Q14 debt-free, without a restricted cash and with Polvo's purchase paid



2014 CASH FLOW

Million BRL

- **Revenues :** +R$135 million from the crude oil sale, +R$2.5 million IPEX, and +R$3 million income
- **Inflow from Divestment:** +R$41 million from rigs, and +R$6 million from the sale of a helicopter
- **Loans:** Credit Suisse pre-payment (main, charges, hedge and commissions)
- **Non-Recurring Disbursements:** -R$208 million from Polvo acquisition, and +R$47 million received cash (J.V. and BPEA)
- **Recurring Disbursements:** -R$110 million gross disbursements, and +R$60 million received from partners



* Net of Cash Calls received from partners in the Solimões, Namibia and Polvo projects

** Total beginning cash includes the amount of R$273 million in 4Q13, given in guarantee (BP/Polvo and Credit Suisse)

BREAKDOWN OF DISBURSEMENTS

Million BRL

- **Reduction by 41.9% in the total net recurring disbursements**
- **Solimões:** Expenses with lease of rigs, logistics, personnel and others
- **Namibia:** Residual payments with the 2013 drilling campaign and G&A (HRT America and HRT Africa)
- **Polvo:** OPEX and G&A of the Polvo Field operation
- **Corporate:** Salaries, Infrastructure, Lawyers, Consultants, in addition to Financial Expenses and Taxes
- **Nonrecurring:** Acquisition of Polvo and pre-payment of loan with Credit Suisse

Breakdown	Solimões	Namíbia	Polvo	Corporate	1Q14	1Q13	1Q14/1Q13
Recurring	**29**	**5**	**5**	**11**	**50**	**86**	**-41.9%**
E&P Operations	43	7	42		92	174	-47.1%
Seismic (G&G)	3	1	3		7	34	-79.4%
G&A, Taxes & Financial Expenses				11	11	25	-56.0%
(-) Cash Calls from Partners	(17)	(3)	(40)	-	(60)	(147)	-59.2%
Nonrecurring	**-**	**-**	**257**	**-**	**257**	**4**	**6325.0%**
Fixed Assets	-	-	-		-	4	-100.0%
Exploration Rights and Acquisitions			161		161	-	
Loans			96		96	-	-
Total	**29**	**5**	**262**	**11**	**307**	**90**	**241.1%**

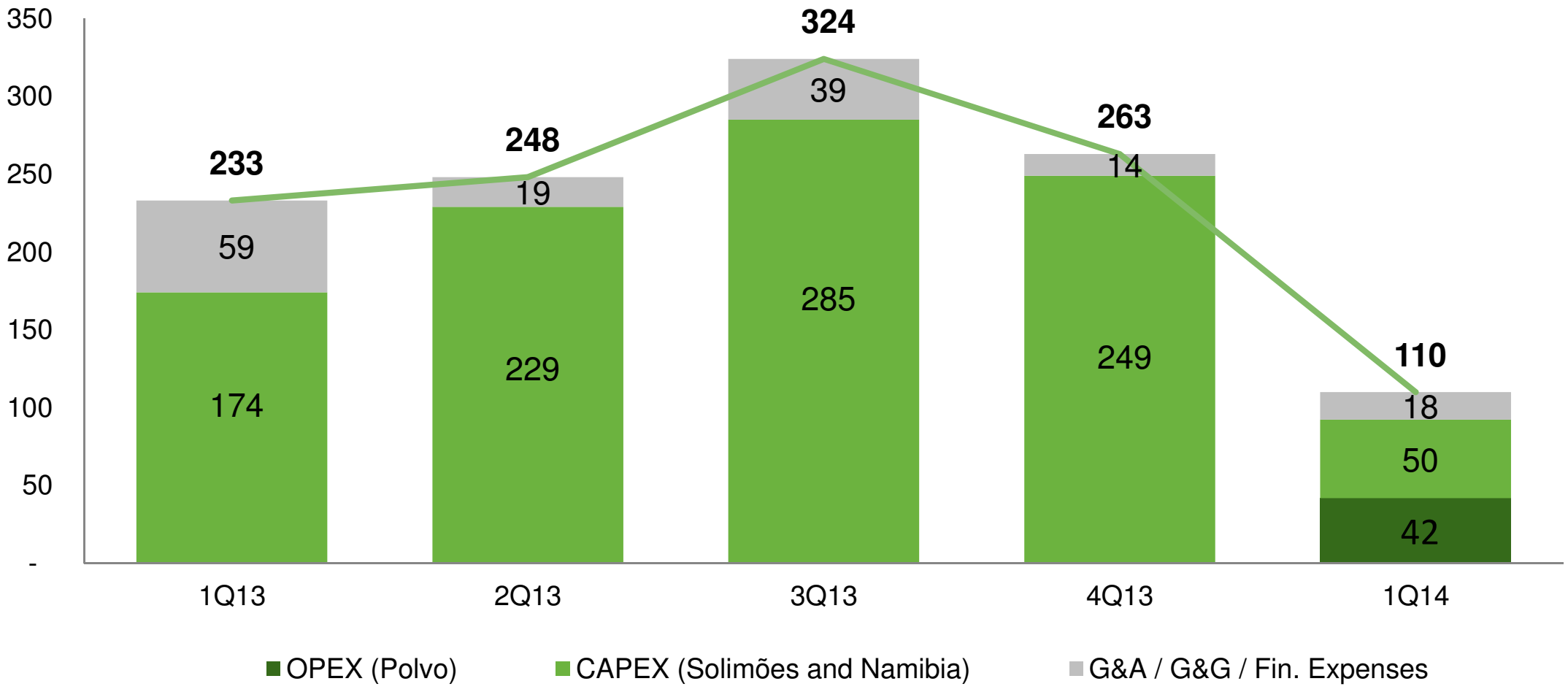
(In millions of R$)

* Considering 100% of Projects

RECURRING DISBURSEMENTS

Million BRL

Evolution of Recurring Cash Disbursement *



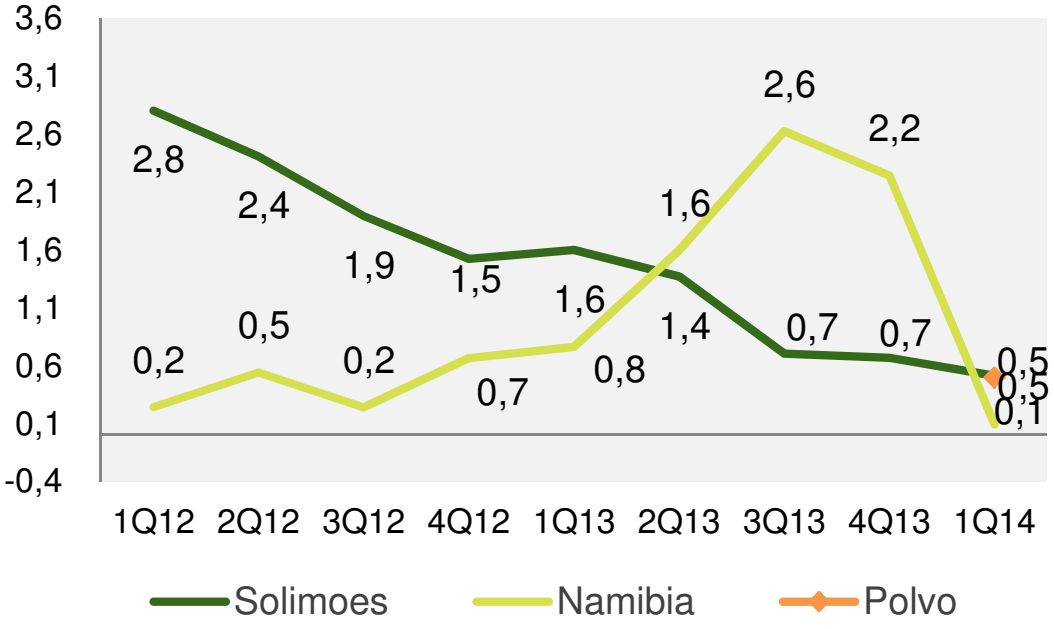
* Gross expenses – refer to 100% expenses in the projects (operator's vision)

CASH BURN RATE - CBR BY PROJECT

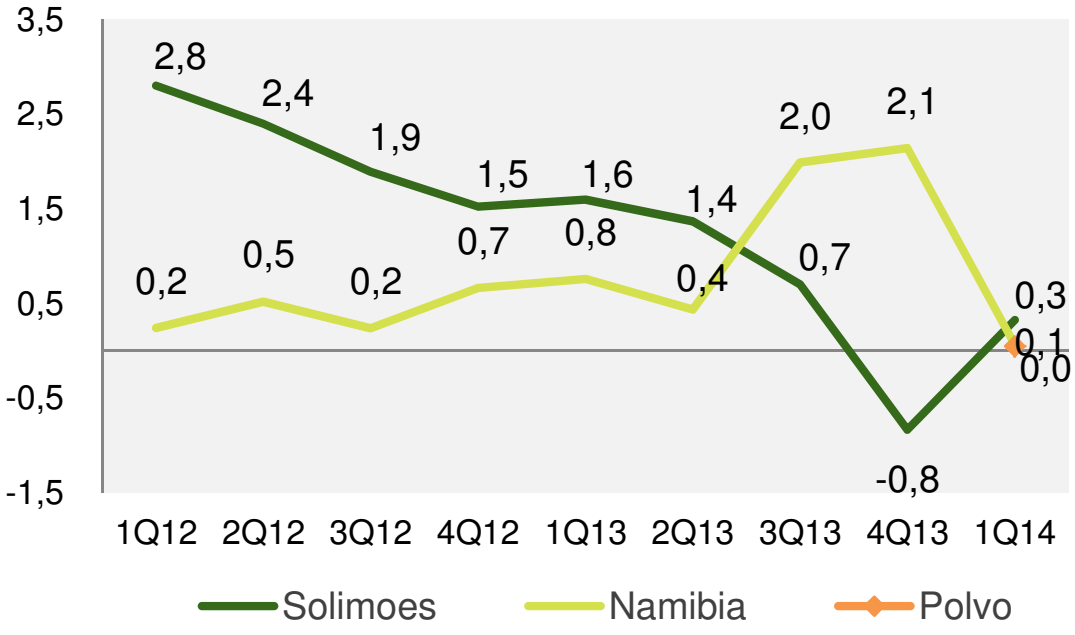
Million BRL per day

- **Step-reduction in the Company's cash burn rate and in projects, arising from initiatives and actions that have been implemented since 2H13**
- **Solimões:** squeeze of costs, hibernation of rigs and agreement with Rosneft for the transfer of operatorship
- **Namibia:** completion of the exploration campaign in offshore Namibia, with minimum costs foreseen for 2014
- **Polvo:** OPEX and G&A of the Polvo Field operation to be paid-in by 2Q14

CBR EVOLUTION (GROSS)



CBR EVOLUTION (NET)*



- **New initiatives have been developed to be implemented in a short-term, aiming at reduction in the Polvo Opex, Corporate G&A and Exploration Projects**

* Net of Cash Calls from Partners

FINAL REMARKS

- Through 2014 First Quarter Results, HRT reaches a new growth and sustainability plateau, with a free cash flow of R$308 million, and net operating revenue of R$143 million, as a debt-free company;

- This first quarter will be also marked by adjustments in the Company's Organization, with new Officers and Directors that will contribute for the Company's Business robustness;

- Targets established by the new management, connected with a strict and realistic work plan that has been implemented, the search for new opportunities of investments in production assets, and the prioritization in the search for new partners in exploration assets will guide the Company's growth in the upcoming future;

- The implementation of initiatives to reduce costs and protect the Company's cash, takes part of the today's routine at the company, however, new studies have been carried out and measures will be taken for a more severe reduction in administrative costs in various parts of the company, and in the operational costs of the Polvo Field;

- Polvo Field operations for 4 consecutive months demonstrated HRT's team ability to operate an offshore production, cause for the Company's pride. We remain confident with opportunities to develop reserves, reduce OPEX and increase the operating efficiency of the Field;

- Lastly, we would like to show our satisfaction in disclosing the first positive operating result of HRT since its foundation.

INVESTOR RELATIONS CONTACT

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