

PETROBRAS - PETROLEO BRASILEIRO SA
Form 6-K
April 30, 2013

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the month of April, 2013

Commission File Number 1-15106

PETRÓLEO BRASILEIRO S.A. - PETROBRAS
(Exact name of registrant as specified in its charter)

Brazilian Petroleum Corporation - PETROBRAS
(Translation of Registrant's name into English)

Avenida República do Chile, 65
20031-912 - Rio de Janeiro, RJ
Federative Republic of Brazil
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

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This report on Form 6-K is incorporated by reference in the Registration Statement on Form F-3 of Petróleo Brasileiro -- Petrobras (No. 333-163665).

Petróleo Brasileiro S.A. –

Petrobras

Quarterly Information – ITR

On March 31, 2013 and report on review of

Quarterly information

(A free translation of the original in Portuguese)

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

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Company Data / Share Capital Composition

| Number of Shares (Thousand) From Paid-in Capital | Current Quarter 03/31/2013 |
|---|---------------------------------------|
| Common | 7,442,454 |
| Preferred | 5,602,043 |
| Total | 13,044,497 |
| Treasury Shares | |
| Common | 0 |
| Preferred | 0 |
| Total | 0 |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

| Event | Approval Date | Type | Payment Begin | Type of Shares | Class of Shares | Dividends Per Share (Reais / Share) |
|----------------------------|----------------------|----------------------------------|----------------------|-----------------------|------------------------|--|
| Board of Directors Meeting | 04/27/2012 | Interest on Shareholders' equity | 05/31/2012 | Common | | 0.20000 |
| Board of Directors Meeting | 04/27/2012 | Interest on Shareholders' equity | 05/31/2012 | Preferred | | 0.20000 |
| Board of Directors Meeting | 02/04/2013 | Interest on Shareholders' equity | 05/29/2013 | Preferred | | 0.76000 |
| Board of Directors Meeting | 02/04/2013 | Interest on Shareholders' equity | 05/29/2013 | Common | | 0.27000 |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Individual Interim Accounting Information / Statement of Financial Position -Assets**(R\$ Thousand)**

| Account Code | Description Account | Current Quarter 03/31/2013 | Previous Fiscal Year 12/31/2012 |
|---------------------|--|---------------------------------------|--|
| 1 | Total Assets | 582,933,120 | 570,023,333 |
| 1.01 | Current Assets | 93,799,908 | 96,202,374 |
| 1.01.01 | Cash and Cash Equivalents | 13,150,951 | 17,392,885 |
| 1.01.01.01 | Cash and Banks | 7,155 | 66,314 |
| 1.01.01.02 | Short Term Investments | 13,143,796 | 17,326,571 |
| 1.01.02 | Short Term Investments | 22,349,671 | 23,378,584 |
| 1.01.02.01 | Financial Investments at Fair Value | 19,289,221 | 21,008,780 |
| 1.01.02.01.01 | Trading Securities | 19,027,092 | 20,887,809 |
| 1.01.02.01.02 | Available-for-Sale Securities | 262,129 | 120,971 |
| 1.01.02.02 | Financial Investments Valued at Amortized Cost | 3,060,450 | 2,369,804 |
| 1.01.02.02.01 | Held-to-Maturity Securities | 3,060,450 | 2,369,804 |
| 1.01.03 | Trade and Other Receivables | 19,256,576 | 17,374,174 |
| 1.01.03.01 | Trade Receivables, net | 16,080,725 | 14,061,772 |
| 1.01.03.01.01 | Third Parties | 5,561,199 | 5,233,450 |
| 1.01.03.01.02 | Credit with Related Parties | 10,931,912 | 9,240,784 |
| 1.01.03.01.03 | Provision for Impairment of Trade Receivables | (412,386) | (412,462) |
| 1.01.03.02 | Other Receivables | 3,175,851 | 3,312,402 |
| 1.01.04 | Inventories | 26,421,508 | 24,907,658 |
| 1.01.06 | Recoverable Taxes | 8,153,639 | 8,836,151 |
| 1.01.06.01 | Current Recoverable Taxes | 8,153,639 | 8,836,151 |
| 1.01.07 | Prepaid Expenses | 1,862,543 | 1,465,996 |
| 1.01.08 | Other Current Assets | 2,605,020 | 2,846,926 |
| 1.01.08.03 | Others | 2,605,020 | 2,846,926 |
| 1.01.08.03.01 | Advances to Suppliers | 1,504,443 | 1,681,612 |
| 1.01.08.03.03 | Others | 1,100,577 | 1,165,314 |
| 1.02 | Non-Current Assets | 489,133,212 | 473,820,959 |
| 1.02.01 | Long-Term Receivables | 41,209,573 | 38,824,221 |
| 1.02.01.01 | Financial Investments at Fair Value | 60,445 | 69,727 |
| 1.02.01.01.02 | Available-for-Sale Securities | 60,445 | 69,727 |
| 1.02.01.02 | Financial Investments Valued at Amortized Cost | 221,495 | 218,354 |
| 1.02.01.02.01 | Held-to-Maturity Securities | 221,495 | 218,354 |
| 1.02.01.03 | Trade and Other Receivables | 49,875 | 63,739 |
| 1.02.01.03.02 | Other Receivables | 49,875 | 63,739 |
| 1.02.01.04 | Inventories | 77,733 | 72,953 |
| 1.02.01.06 | Deferred Taxes | 20,387,603 | 19,967,412 |
| 1.02.01.06.01 | Deferred Income Tax and Social Contribution | 12,874,360 | 12,518,827 |

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| | | | |
|---------------|-----------------------------------|------------|-----------|
| 1.02.01.06.02 | Deferred Value-Added Tax (ICMS) | 1,724,567 | 1,704,297 |
| 1.02.01.06.03 | Deferred PIS/COFINS | 5,788,676 | 5,744,288 |
| 1.02.01.07 | Prepaid Expenses | 2,387,007 | 2,336,240 |
| 1.02.01.08 | Credit with Related Parties | 10,328,601 | 8,582,348 |
| 1.02.01.08.01 | Credit with Associates | 4,333 | 4,380 |
| 1.02.01.08.02 | Credit with Subsidiaries | 8,394,173 | 6,580,510 |
| 1.02.01.08.04 | Credit with Other Related Parties | 1,930,095 | 1,997,458 |
| 1.02.01.09 | Other Non-Current Assets | 7,696,814 | 7,513,448 |
| 1.02.01.09.06 | Judicial Deposits | 4,795,340 | 4,675,612 |
| 1.02.01.09.07 | Advances to Suppliers | 2,123,748 | 2,061,301 |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Individual Interim Accounting Information / Statement of Financial Position -Assets**(R\$ Thousand)**

| Account Code | Description Account | Current Quarter 03/31/2013 | Previous Fiscal Year 12/31/2012 |
|---------------------|-------------------------------|---------------------------------------|--|
| 1.02.01.09.08 | Other Long-Term Assets | 777,726 | 776,535 |
| 1.02.02 | Investments | 81,036,174 | 77,704,836 |
| 1.02.02.01 | Corporate Interests | 81,036,174 | 77,704,836 |
| 1.02.02.01.01 | Investments in Associates | 6,058,957 | 5,982,641 |
| 1.02.02.01.02 | Investments in Subsidiaries | 73,499,287 | 70,275,562 |
| 1.02.02.01.03 | Investments in Joint Ventures | 1,332,082 | 1,252,055 |
| 1.02.02.01.04 | Other Corporate Interests | 145,848 | 194,578 |
| 1.02.03 | Property, Plant and Equipment | 289,580,435 | 279,823,553 |
| 1.02.03.01 | Assets in Operation | 161,349,238 | 156,257,445 |
| 1.02.03.02 | Assets Under Leasing | 10,146,705 | 10,286,735 |
| 1.02.03.03 | Assets Under Construction | 118,084,492 | 113,279,373 |
| 1.02.04 | Intangible Assets | 77,214,731 | 77,349,165 |
| 1.02.04.01 | Intangible Assets | 77,214,731 | 77,349,165 |
| 1.02.04.01.02 | Concessions Rights | 75,931,025 | 75,967,036 |
| 1.02.04.01.03 | Software | 1,283,706 | 1,382,129 |
| 1.02.05 | Deferred | 92,299 | 119,184 |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Individual Interim Accounting Information / Statement of Financial Position - Liabilities**(R\$ Thousand)**

| Account Code | Description Account | Current Quarter 03/31/2013 | Previous Fiscal Year 12/31/2012 |
|---------------------|--|---------------------------------------|--|
| 2 | Total Liabilities | 582,933,120 | 570,023,333 |
| 2.01 | Current Liabilities | 69,747,829 | 67,999,700 |
| 2.01.01 | Social and Labor Obligations | 3,584,666 | 3,800,649 |
| 2.01.01.01 | Social Obligations | 512,904 | 539,487 |
| 2.01.01.02 | Labor Obligations | 3,071,762 | 3,261,162 |
| 2.01.02 | Trade Payables | 13,602,012 | 13,861,788 |
| 2.01.02.01 | National Suppliers | 9,534,248 | 10,868,412 |
| 2.01.02.02 | Foreign Suppliers | 4,067,764 | 2,993,376 |
| 2.01.03 | Taxes | 9,904,783 | 10,518,392 |
| 2.01.03.01 | Federal Taxes | 6,981,717 | 7,654,607 |
| 2.01.03.01.02 | Other Federal Taxes | 6,981,717 | 7,654,607 |
| 2.01.03.02 | State Taxes | 2,813,083 | 2,725,117 |
| 2.01.03.03 | Municipal Taxes | 109,983 | 138,668 |
| 2.01.04 | Current Debt | 6,669,306 | 8,199,592 |
| 2.01.04.01 | Loans and Financing | 4,906,652 | 6,386,399 |
| 2.01.04.01.01 | Local Currency | 773,225 | 736,276 |
| 2.01.04.01.02 | Foreign Currency | 4,133,427 | 5,650,123 |
| 2.01.04.02 | Debentures | 68,188 | 72,021 |
| 2.01.04.03 | Finance Lease Obligations | 1,694,466 | 1,741,172 |
| 2.01.05 | Other Liabilities | 34,379,367 | 30,101,206 |
| 2.01.05.01 | Related Parties Liabilities | 25,865,727 | 22,116,925 |
| 2.01.05.01.01 | Debt with Associates | 177,899 | 192,959 |
| 2.01.05.01.02 | Debt with Subsidiaries | 13,819,463 | 12,863,570 |
| 2.01.05.01.04 | Debt with Other Related Parties | 11,868,365 | 9,060,396 |
| 2.01.05.02 | Others | 8,513,640 | 7,984,281 |
| 2.01.05.02.01 | Dividends and Interest on Shareholders' Equity | 6,256,967 | 6,153,528 |
| 2.01.05.02.06 | Others | 2,256,673 | 1,830,753 |
| 2.01.06 | Provisions | 1,607,695 | 1,518,073 |
| 2.01.06.02 | Other Provisions | 1,607,695 | 1,518,073 |
| 2.01.06.02.04 | Pension and Medical Benefits | 1,607,695 | 1,518,073 |
| 2.02 | Non-Current Liabilities | 177,448,995 | 173,534,675 |
| 2.02.01 | Long-Term Debt | 76,844,060 | 76,292,158 |
| 2.02.01.01 | Loans and Financing | 70,780,087 | 70,170,925 |
| 2.02.01.01.01 | Local Currency | 34,395,879 | 33,260,073 |
| 2.02.01.01.02 | Foreign Currency | 36,384,208 | 36,910,852 |

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| | | | |
|---------------|---|------------|------------|
| 2.02.01.02 | Debentures | 66,987 | 100,478 |
| 2.02.01.03 | Finance Lease Obligations | 5,996,986 | 6,020,755 |
| 2.02.02 | Other Liabilities | 4,419,399 | 4,503,650 |
| 2.02.02.01 | Related Parties Liabilities | 86,484 | 82,348 |
| 2.02.02.01.01 | Debt with Associates | 63,945 | 62,858 |
| 2.02.02.01.02 | Debt with Subsidiaries | 22,539 | 19,490 |
| 2.02.02.02 | Others | 4,332,915 | 4,421,302 |
| 2.02.02.02.04 | Other Accounts Payable and Expenses | 4,332,915 | 4,421,302 |
| 2.02.03 | Deferred Taxes | 37,546,075 | 35,184,086 |
| 2.02.03.01 | Deferred Income Tax and Social Contribution | 37,546,075 | 35,184,086 |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Individual Interim Accounting Information / Statement of Financial Position - Liabilities**(R\$ Thousand)**

| Account Code | Description Account | Current Quarter 03/31/2013 | Previous Fiscal Year 12/31/2012 |
|---------------------|--|---------------------------------------|--|
| 2.02.04 | Provisions | 58,639,461 | 57,554,781 |
| 2.02.04.01 | Tax, Social Security, Labor and Civil Provisions | 1,924,188 | 1,504,417 |
| 2.02.04.01.01 | Tax Provisions | 129,020 | 19,938 |
| 2.02.04.01.02 | Social Security and Labor Provisions | 776,180 | 542,138 |
| 2.02.04.01.04 | Civil Provisions | 931,827 | 856,836 |
| 2.02.04.01.05 | Other Process Provisions | 87,161 | 85,505 |
| 2.02.04.02 | Other Provisions | 56,715,273 | 56,050,364 |
| 2.02.04.02.04 | Pension and Medical Benefits | 38,544,294 | 37,659,008 |
| 2.02.04.02.05 | Provision for Decommissioning Costs | 18,170,979 | 18,391,356 |
| 2.03 | Shareholders' Equity | 335,736,296 | 328,488,958 |
| 2.03.01 | Share Capital | 205,392,137 | 205,392,137 |
| 2.03.02 | Capital Reserves | 952,787 | 938,861 |
| 2.03.02.07 | Additional Paid in Capital | 952,787 | 938,861 |
| 2.03.04 | Profit Reserves | 134,980,228 | 134,980,228 |
| 2.03.04.01 | Legal Reserve | 15,353,260 | 15,353,260 |
| 2.03.04.02 | Statutory Reserve | 3,475,478 | 3,475,478 |
| 2.03.04.05 | Undistributed Earnings Reserve | 114,739,997 | 114,739,997 |
| 2.03.04.07 | Tax Incentive Reserve | 1,411,493 | 1,411,493 |
| 2.03.05 | Retained Earnings/ Accumulated Losses | 7,477,965 | (154,132) |
| 2.03.06 | Accumulated Other Comprehensive Income (Loss) | (14,768,188) | (14,746,045) |
| 2.03.07 | Cumulative Translation Adjustments | 1,701,367 | 2,077,909 |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Individual Interim Accounting Information / Statement of Income**(R\$ Thousand)**

| Account | | Current Quarter | Previous Quarter |
|----------------|--|---------------------------------|---------------------------------|
| | | 01/01/2013 to 03/31/2013 | 01/01/2012 to 03/31/2012 |
| Code | Description Account | | |
| 3.01 | Sales Revenues | 56,923,458 | 51,923,458 |
| 3.02 | Cost of Sales | (43,855,447) | (36,455,447) |
| 3.03 | Gross Profit | 13,068,011 | 14,468,011 |
| 3.04 | Operating Income/Expenses | (4,633,835) | (4,433,835) |
| 3.04.01 | Selling Expenses | (3,045,885) | (2,945,885) |
| 3.04.02 | General and Administrative Expenses | (1,681,540) | (1,581,540) |
| 3.04.05 | Other Operating Expenses, Net | (3,856,960) | (3,856,960) |
| 3.04.05.01 | Other Taxes | (85,548) | (85,548) |
| 3.04.05.02 | Research and Development Expenses | (645,239) | (545,239) |
| 3.04.05.03 | Exploration Costs | (1,237,075) | (937,075) |
| 3.04.05.05 | Other Operating Income and Expenses, Net | (1,889,098) | (2,389,098) |
| 3.04.06 | Share of Profit of Equity-Accounted Investments | 3,950,550 | 3,950,550 |
| 3.05 | Net Income Before Financial Results, Profit Sharing and Income Taxes | 8,434,176 | 10,434,176 |
| 3.06 | Financial Income (Expenses), Net | 1,201,807 | 1,201,807 |
| 3.06.01 | Financial Income | 1,534,162 | 1,534,162 |
| 3.06.01.01 | Financial Income | 748,987 | 748,987 |
| 3.06.01.02 | Foreign Exchange and Inflation Indexation Charges, Net | 785,175 | 785,175 |
| 3.06.02 | Financial Expenses | (332,355) | (332,355) |
| 3.06.02.01 | Financial Expenses | (332,355) | (332,355) |
| 3.06.02.02 | Foreign Exchange and Inflation Indexation Charges, Net | - | (7,000) |
| 3.07 | Net Income Before Income Taxes | 9,635,983 | 10,635,983 |
| 3.08 | Income Tax and Social Contribution | (2,006,496) | (1,506,496) |
| 3.08.01 | Current | - | - |
| 3.08.02 | Deferred | (2,006,496) | (1,506,496) |
| 3.09 | Net Income from Continuing Operations | 7,629,487 | 9,129,487 |
| 3.11 | Income / Loss for the period | 7,629,487 | 9,129,487 |
| 3.99.01 | Basic Income per Share | | |
| 3.99.01.01 | Common | 0.5800 | 0.5800 |
| 3.99.01.02 | Preferred | 0.5800 | 0.5800 |
| 3.99.02 | Diluted Income per Share | | |
| 3.99.02.01 | Common | 0.5800 | 0.5800 |
| 3.99.02.02 | Preferred | 0.5800 | 0.5800 |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Individual Interim Accounting Information / Statement of Comprehensive Income

(R\$ Thousand)

Account

Code Description Account

| | |
|---------|---|
| 4.01 | Net Income for the Period |
| 4.02 | Other Comprehensive Income |
| 4.02.01 | Cumulative Translation Adjustments |
| 4.02.02 | Deemed Cost |
| 4.02.03 | Unrealized Gains / (Losses) on Available-for-Sale Securities - Recognized in Shareholders's E |
| 4.02.04 | Unrealized Gains / (Losses) on Available-for-Sale Securities - Transferred to Profit or Loss |
| 4.02.05 | Unrealized Gains / (Losses) on Cash Flow Hedge - Recognized in Shareholders's Equity |
| 4.02.06 | Unrealized Gains / (Losses) on Cash Flow Hedge - Transferred to Profit or Loss |
| 4.02.07 | Deferred Income Tax and Social Contribution |
| 4.03 | Comprehensive Income for the Period |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Individual Interim Accounting Information / Statement of Cash Flows - Indirect Method**(R\$ Thousand)**

| Account | | Accumulated | Accumulated |
|----------------|--|---------------------|----------------------|
| | | of the | of the |
| Code | Description Account | Current Year | Previous Year |
| | | 01/01/2013 | 01/01/2012 |
| | | to | to |
| | | 03/31/2013 | 03/31/2012 |
| 6.01 | Net cash - Operating activities | 7,864,798 | 11,310,800 |
| 6.01.01 | Cash provided by operating activities | 11,278,102 | 11,592,921 |
| 6.01.01.01 | Net income for the period | 7,629,487 | 9,065,835 |
| 6.01.01.03 | Share of profit of equity-accounted investments | (3,950,550) | (3,786,768) |
| 6.01.01.05 | Depreciation, Depletion and Amortization | 4,641,913 | 3,400,783 |
| 6.01.01.06 | Impairment | 54,573 | 107,604 |
| 6.01.01.07 | Write-off of dry wells | 603,349 | 536,477 |
| 6.01.01.08 | Pension and medical benefits (actuarial expense) | 1,254,645 | 927,833 |
| 6.01.01.09 | Residual value of permanent assets written off | 21,397 | 12,034 |
| 6.01.01.10 | Foreign Exchange and Inflation Indexation Charges, Net | (983,208) | (497,273) |
| 6.01.01.11 | Deferred income tax and social contribution, net | 2,006,496 | 1,826,396 |
| 6.01.02 | Changes in assets and liabilities | (3,365,019) | 1,848,784 |
| 6.01.02.01 | Trade and other receivables | (286,886) | (891,660) |
| 6.01.02.02 | Inventories | (1,573,203) | (1,342,862) |
| 6.01.02.03 | Trade payables | (259,776) | (1,310,191) |
| 6.01.02.04 | Taxes, fees and contributions | (102,089) | 820,083 |
| 6.01.02.05 | Pension and medical benefits | (279,738) | (256,666) |
| 6.01.02.06 | Short-term operations with subsidiaries / associates | (863,327) | 4,830,080 |
| 6.01.03 | Others | (48,285) | (2,130,905) |
| 6.01.03.01 | Other assets | (450,182) | (1,845,202) |
| 6.01.03.02 | Other liabilities | 401,897 | (285,703) |
| 6.02 | Net Cash - Investment activities | (15,390,873) | (22,502,575) |
| 6.02.01 | Investments in exploration and production of oil gas | (8,758,655) | (7,324,147) |
| 6.02.02 | Investments in refining, transportation and marketing | (6,719,403) | (6,595,840) |
| 6.02.03 | Investments in gas and power activities | (957,334) | (427,389) |
| 6.02.04 | Investment in international activities | (697) | (1,017) |
| 6.02.06 | Investment in biofuel activities | (24,607) | 5 |
| 6.02.07 | Other investments | (156,670) | (867,163) |
| 6.02.08 | Investments in marketable securities | 1,160,438 | (7,299,000) |
| 6.02.09 | Dividends received | 66,055 | 11,976 |
| 6.03 | Net Cash - Financing activities | 3,284,141 | 18,712,833 |
| 6.03.04 | Proceedings from long-term financing | 1,327,713 | - |

| | | | |
|---------|--|-------------|-------------|
| 6.03.05 | Repayment of principal | (91,370) | (270,338) |
| 6.03.06 | Repayment of interest | (584,387) | (544,452) |
| 6.03.07 | Intercompany Loans, Net | (175,100) | 15,335,702 |
| 6.03.08 | Assignment of receivables (FIDC NP) | 2,807,969 | 6,353,840 |
| 6.03.09 | Dividends paid | (684) | (2,161,919) |
| 6.05 | Net increase (decrease) in cash and cash equivalents | (4,241,934) | 7,521,058 |
| 6.05.01 | Cash and cash equivalents at the beginning of the period | 17,392,885 | 18,857,502 |
| 6.05.02 | Cash and cash equivalents at the end of the period | 13,150,951 | 26,378,560 |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Individual Interim Accounting Information / Statement of Changes in Shareholders' Equity - 01/01/2013 to 03/31/2013**(R\$ Thousand)**

| Account Code | | Description Account | Capital Reserves, | | |
|---------------------|--|---|--------------------------|--|---------------|
| | | | Share Capital | Granted Options and Treasury Shares | Profit |
| 5.01 | | Opening Balance | 205,392,137 | 938,861 | 13 |
| 5.02 | | Previous Years Adjustments | - | - | |
| 5.03 | | Adjusted Opening Balance | 205,392,137 | 938,861 | 13 |
| 5.04 | | Capital Transactions with Shareholders | - | 13,926 | |
| 5.04.08 | | Change in Interest in Subsidiaries | - | 13,926 | |
| 5.04.09 | | Realization of the Deemed Cost | - | - | |
| 5.05 | | Total of Comprehensive Income | - | - | |
| 5.05.01 | | Net Income for the Period | - | - | |
| 5.05.02 | | Other Comprehensive Income | - | - | |
| 5.05.02.01 | | Adjustments of Financial Instruments | - | - | |
| 5.05.02.02 | | Taxes on Adjustments of Financial Instruments | - | - | |
| 5.05.02.04 | | Translation Adjustments for the Period | - | - | |
| 5.05.02.07 | | Realization of the Deemed Cost | - | - | |
| 5.05.03 | | Transferred to Results | - | - | |
| 5.05.03.01 | | Adjustments of Financial Instruments | - | - | |
| 5.07 | | Final Balance | 205,392,137 | 952,787 | 13 |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Individual Interim Accounting Information / Statement of Changes in Shareholders' Equity - 01/01/2012 to 03/31/2012**(R\$ Thousand)**

| Account Code | Description Account | Share Capital | Capital | Grante | Treasu |
|---------------------|---|----------------------|----------------|---------------|---------------|
| 5.01 | Opening Balance | 205,379,729 | | | |
| 5.02 | Previous Years Adjustments | | - | | |
| 5.03 | Adjusted Opening Balance | 205,379,729 | | | |
| 5.04 | Capital Transactions with Shareholders | | 12,408 | | |
| 5.04.01 | Capital Increases | | 12,408 | | |
| 5.04.07 | Interest on Shareholders' Equity | | - | | |
| 5.04.08 | Change in Interest in Subsidiaries | | - | | |
| 5.04.09 | Realization of the Deemed Cost | | - | | |
| 5.05 | Total of Comprehensive Income | | - | | |
| 5.05.01 | Net Income for the Period | | - | | |
| 5.05.02 | Other Comprehensive Income | | - | | |
| 5.05.02.01 | Adjustments of Financial Instruments | | - | | |
| 5.05.02.02 | Taxes on Adjustments of Financial Instruments | | - | | |
| 5.05.02.04 | Translation Adjustments for the Period | | - | | |
| 5.05.02.06 | Taxes adjustments of financial instruments transferred to results | | - | | |
| 5.05.02.07 | Realization of the Deemed Cost | | - | | |
| 5.07 | Final Balance | 205,392,137 | | | |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Individual Interim Accounting Information / Statement of Added Value**(R\$ Thousand)**

| Account | | Accumulated | |
|---------------------------------|---|---------------------|-------------------|
| | | of the | |
| Code Description Account | | Current Year | |
| | | 01/01/2013 | 01/01/2012 |
| | | to | to |
| | | 03/31/2013 | 03/31/2012 |
| 7.01 | Sales Revenues | 87,648,307 | 78,648,307 |
| 7.01.01 | Sales of Goods, Products and Services Provided | 72,059,672 | 65,059,672 |
| 7.01.02 | Other Revenues | 1,445,397 | 1,445,397 |
| 7.01.03 | Revenues Related to the Construction of Own Assets | 14,143,162 | 12,143,162 |
| 7.01.04 | Allowance/Reversal for Impairment of Trade Receivables | 76 | 76 |
| 7.02 | Inputs Acquired from Third Parties | (47,452,740) | (39,452,740) |
| 7.02.01 | Cost of Sales | (27,716,192) | (21,716,192) |
| 7.02.02 | Materials, Power, Third-Party Services and Other Operating Expenses | (14,638,576) | (13,638,576) |
| 7.02.03 | Impairment | (54,573) | (54,573) |
| 7.02.04 | Others | (5,043,399) | (4,043,399) |
| 7.03 | Gross Added Value | 40,195,567 | 39,195,567 |
| 7.04 | Retentions | (4,641,913) | (3,641,913) |
| 7.04.01 | Depreciation, Amortization and Depletion | (4,641,913) | (3,641,913) |
| 7.05 | Net Added Value Produced | 35,553,654 | 35,553,654 |
| 7.06 | Transferred Added Value | 4,658,949 | 4,658,949 |
| 7.06.01 | Share of profit of equity-accounted investments | 3,950,550 | 3,950,550 |
| 7.06.02 | Finance Income | 526,635 | 526,635 |
| 7.06.03 | Others | 181,764 | 181,764 |
| 7.07 | Total Added Value to be Distributed | 40,212,603 | 40,212,603 |
| 7.08 | Distribution of Added Value | 40,212,603 | 40,212,603 |
| 7.08.01 | Personnel | 4,974,786 | 4,974,786 |
| 7.08.01.01 | Payroll and Related Charges | 3,286,041 | 2,286,041 |
| 7.08.01.02 | Benefits | 1,431,441 | 1,431,441 |
| 7.08.01.03 | FGTS | 257,304 | 257,304 |
| 7.08.02 | Taxes, Duties and Social Contributions | 20,272,705 | 19,272,705 |
| 7.08.02.01 | Federal | 13,801,515 | 14,801,515 |
| 7.08.02.02 | State | 6,432,023 | 5,432,023 |
| 7.08.02.03 | Municipal | 39,167 | 39,167 |
| 7.08.03 | Remuneration of Third Party Capital | 7,335,624 | 7,335,624 |
| 7.08.03.01 | Interest | 499,053 | 499,053 |
| 7.08.03.02 | Rental | 6,836,571 | 5,836,571 |
| 7.08.04 | Remuneration of Shareholders' Equity | 7,629,488 | 7,629,488 |
| 7.08.04.01 | Interest on Shareholders' Equity | - | 2,629,488 |

7.08.04.03 Retained Earnings / Loss For The Period

7,629,488

6

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Consolidated Interim Accounting Information / Statement of Financial Position - Assets**(R\$ Thousand)**

| Account Code | Description Account | Current Quarter 03/31/2013 | Previous Fiscal Year 12/31/2012 |
|---------------------|--|---------------------------------------|--|
| 1 | Total Assets | 695,313,138 | 683,863,255 |
| 1.01 | Current Assets | 116,893,309 | 118,101,812 |
| 1.01.01 | Cash and Cash Equivalents | 27,235,077 | 27,628,003 |
| 1.01.01.01 | Cash and Banks | 1,916,168 | 2,024,301 |
| 1.01.01.02 | Short Term Investments | 25,318,909 | 25,603,702 |
| 1.01.02 | Short Term Investments | 19,301,607 | 21,315,726 |
| 1.01.02.01 | Financial Investments at Fair Value | 19,290,094 | 21,306,430 |
| 1.01.02.01.01 | Trading Securities | 19,027,091 | 20,887,809 |
| 1.01.02.01.02 | Available-for-Sale Securities | 263,003 | 418,621 |
| 1.01.02.02 | Financial Investments Valued at Amortized Cost | 11,513 | 9,296 |
| 1.01.02.02.01 | Held-to-Maturity Securities | 11,513 | 9,296 |
| 1.01.03 | Trade and Other Receivables | 22,441,979 | 22,680,509 |
| 1.01.03.01 | Trade Receivables, net | 17,829,638 | 17,352,329 |
| 1.01.03.01.01 | Third Parties | 16,830,938 | 13,625,386 |
| 1.01.03.01.02 | Subsidiaries and Associates | 2,747,732 | 5,473,219 |
| 1.01.03.01.03 | Provision for Impairment of Trade Receivables | (1,749,032) | (1,746,276) |
| 1.01.03.02 | Other Receivables | 4,612,341 | 5,328,180 |
| 1.01.04 | Inventories | 31,801,612 | 29,735,948 |
| 1.01.06 | Recoverable Taxes | 10,736,508 | 11,386,585 |
| 1.01.06.01 | Current Recoverable Taxes | 10,736,508 | 11,386,585 |
| 1.01.07 | Prepaid Expenses | 2,067,556 | 1,692,488 |
| 1.01.08 | Other Current Assets | 3,308,970 | 3,662,553 |
| 1.01.08.03 | Others | 3,308,970 | 3,662,553 |
| 1.01.08.03.01 | Advances to Suppliers | 1,719,888 | 1,894,596 |
| 1.01.08.03.03 | Others | 1,589,082 | 1,767,957 |
| 1.02 | Non-Current Assets | 578,419,829 | 565,761,443 |
| 1.02.01 | Non-Current Assets | 53,752,590 | 53,362,154 |
| 1.02.01.01 | Financial Investments at Fair Value | 60,464 | 69,747 |
| 1.02.01.01.02 | Available-for-Sale Securities | 60,464 | 69,747 |
| 1.02.01.02 | Financial Investments Valued at Amortized Cost | 309,954 | 289,284 |
| 1.02.01.02.01 | Held-to-Maturity Securities | 309,954 | 289,284 |
| 1.02.01.03 | Held-to-Maturity Securities | 4,664,989 | 5,230,502 |
| 1.02.01.03.02 | Other Receivables | 4,664,989 | 5,230,502 |
| 1.02.01.04 | Inventories | 99,387 | 91,847 |
| 1.02.01.06 | Deferred Taxes | 29,008,297 | 28,112,781 |
| 1.02.01.06.01 | Deferred Income Tax and Social Contribution | 18,121,945 | 17,439,720 |

| | | |
|---|------------|------------|
| 1.02.01.06.02 Deferred Value-Added Tax (ICMS) | 1,872,656 | 1,844,663 |
| 1.02.01.06.03 Deferred PIS/COFINS | 8,424,120 | 8,278,768 |
| 1.02.01.06.04 Other Taxes | 589,576 | 549,630 |
| 1.02.01.07 Prepaid Expenses | 2,691,313 | 2,663,420 |
| 1.02.01.08 Credit with Related Parties | 3,937,014 | 3,844,950 |
| 1.02.01.08.01 Credit with Associates | 160,244 | 74,791 |
| 1.02.01.08.04 Credit with Other Related Parties | 3,776,770 | 3,770,159 |
| 1.02.01.09 Other Non-Current Assets | 12,981,172 | 13,059,623 |
| 1.02.01.09.05 Judicial Deposits | 5,685,324 | 5,509,503 |
| 1.02.01.09.06 Advances to Suppliers | 6,161,881 | 6,448,531 |
| 1.02.01.09.07 Other Long-Term Assets | 1,133,967 | 1,101,589 |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Consolidated Interim Accounting Information / Statement of Financial Position - Assets**(R\$ Thousand)**

| Account Code | Description Account | Current Quarter 03/31/2013 | Previous Fiscal Year 12/31/2012 |
|---------------------|-------------------------------|---------------------------------------|--|
| 1.02.02 | Investments | 11,755,720 | 12,476,892 |
| 1.02.02.01 | Corporate Interests | 11,755,720 | 12,476,892 |
| 1.02.02.01.01 | Investments in Associates | 11,560,736 | 12,233,399 |
| 1.02.02.01.04 | Other Corporate Interests | 194,984 | 243,493 |
| 1.02.03 | Property, Plant and Equipment | 431,874,155 | 418,715,641 |
| 1.02.03.01 | Assets in Operation | 256,534,926 | 251,629,174 |
| 1.02.03.02 | Assets Under Leasing | 205,691 | 208,008 |
| 1.02.03.03 | Assets Under Construction | 175,133,538 | 166,878,459 |
| 1.02.04 | Intangible Assets | 81,037,364 | 81,206,756 |
| 1.02.04.01 | Intangible Assets | 80,095,572 | 80,266,073 |
| 1.02.04.01.02 | Concessions Rights | 78,616,633 | 78,701,762 |
| 1.02.04.01.03 | Software | 1,478,939 | 1,564,311 |
| 1.02.04.02 | Goodwill | 941,792 | 940,683 |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Consolidated Interim Accounting Information / Statement of Financial Position - Liabilities**(R\$ Thousand)**

| Account Code | Description Account | Current Quarter 03/31/2013 | Previous Fiscal Year 12/31/2012 |
|---------------------|--|---------------------------------------|--|
| 2 | Total Liabilities | 695,313,138 | 683,863,255 |
| 2.01 | Current Liabilities | 68,529,092 | 69,620,583 |
| 2.01.01 | Social and Labor Obligations | 4,163,907 | 4,420,579 |
| 2.01.01.01 | Social Obligations | 568,124 | 761,060 |
| 2.01.01.02 | Labor Obligations | 3,595,783 | 3,659,519 |
| 2.01.02 | Trade Payables | 24,117,803 | 23,735,510 |
| 2.01.02.01 | National Suppliers | 12,075,910 | 13,305,998 |
| 2.01.02.02 | Foreign Suppliers | 12,041,893 | 10,429,512 |
| 2.01.03 | Taxes | 11,732,359 | 12,521,622 |
| 2.01.03.01 | Federal Taxes | 8,481,719 | 9,333,654 |
| 2.01.03.01.01 | Income Tax and Social Contribution Payable | 1,569,057 | 1,862,398 |
| 2.01.03.01.02 | Other Federal Taxes | 6,912,662 | 7,471,256 |
| 2.01.03.02 | State Taxes | 3,132,030 | 3,039,633 |
| 2.01.03.03 | Municipal Taxes | 118,610 | 148,335 |
| 2.01.04 | Current Debt | 14,564,371 | 15,319,805 |
| 2.01.04.01 | Loans and Financing | 14,243,514 | 14,996,561 |
| 2.01.04.01.01 | Local Currency | 2,531,483 | 2,736,517 |
| 2.01.04.01.02 | Foreign Currency | 11,712,031 | 12,260,044 |
| 2.01.04.02 | Debentures | 282,257 | 286,280 |
| 2.01.04.03 | Finance Lease Obligations | 38,600 | 36,964 |
| 2.01.05 | Other Liabilities | 12,273,883 | 12,013,440 |
| 2.01.05.01 | Related Parties Liabilities | 928,801 | 1,039,305 |
| 2.01.05.01.01 | Debt with Associates | 928,801 | 1,039,305 |
| 2.01.05.02 | Others | 11,345,082 | 10,974,135 |
| 2.01.05.02.01 | Dividends and Interest on Shareholders' Equity | 6,256,967 | 6,153,528 |
| 2.01.05.02.05 | Others | 5,088,115 | 4,820,607 |
| 2.01.06 | Provisions | 1,676,769 | 1,609,627 |
| 2.01.06.02 | Other Provisions | 1,676,769 | 1,609,627 |
| 2.01.06.02.04 | Pension and Medical Benefits | 1,676,769 | 1,609,627 |
| 2.02 | Non-Current Liabilities | 289,119,069 | 283,759,711 |
| 2.02.01 | Long-Term Debt | 182,369,588 | 180,993,544 |
| 2.02.01.01 | Loans and Financing | 181,575,719 | 180,113,242 |
| 2.02.01.01.01 | Local Currency | 65,695,870 | 64,980,832 |
| 2.02.01.01.02 | Foreign Currency | 115,879,849 | 115,132,410 |
| 2.02.01.02 | Debentures | 615,943 | 704,696 |
| 2.02.01.03 | Finance Lease Obligations | 177,926 | 175,606 |

| | | | |
|---------------|--|------------|------------|
| 2.02.02 | Other Liabilities | 1,625,694 | 1,576,614 |
| 2.02.02.01 | Related Parties Liabilities | 201,816 | 181,350 |
| 2.02.02.01.01 | Debt with Associates | 201,816 | 181,350 |
| 2.02.02.02 | Others | 1,423,878 | 1,395,264 |
| 2.02.02.02.03 | Other Accounts Payable and Expenses | 1,423,878 | 1,395,264 |
| 2.02.03 | Deferred Taxes | 41,967,821 | 39,261,600 |
| 2.02.03.01 | Deferred Income Tax and Social Contribution | 41,967,821 | 39,261,600 |
| 2.02.04 | Provisions | 63,155,966 | 61,927,953 |
| 2.02.04.01 | Tax, Social Security, Labor and Civil Provisions | 3,026,504 | 2,585,155 |
| 2.02.04.01.01 | Tax Provisions | 793,612 | 695,867 |
| 2.02.04.01.02 | Social Security and Labor Provisions | 920,435 | 686,715 |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Consolidated Interim Accounting Information / Statement of Financial Position - Liabilities**(R\$ Thousand)**

| Account Code | Description Account | Current Quarter 03/31/2013 | Previous Fiscal Year 12/31/2012 |
|---------------------|---|-----------------------------------|--|
| 2.02.04.01.04 | Civil Provisions | 1,163,877 | 1,050,132 |
| 2.02.04.01.05 | Other Process Provisions | 148,580 | 152,441 |
| 2.02.04.02 | Other Provisions | 60,129,462 | 59,342,798 |
| 2.02.04.02.04 | Pension and Medical Benefits | 41,064,273 | 40,050,587 |
| 2.02.04.02.05 | Tax, Social Security, Labor and Civil Provisions | 19,065,189 | 19,292,211 |
| 2.03 | Provisões para Passivos Ambientais e de Desativação | 337,664,977 | 330,482,961 |
| 2.03.01 | Pension and Medical Benefits | 205,392,137 | 205,392,137 |
| 2.03.02 | Provision for Decommissioning Costs | 641,468 | 630,288 |
| 2.03.02.07 | Receitas a Apropriar | 641,468 | 630,288 |
| 2.03.04 | Share Capital | 134,928,829 | 134,928,829 |
| 2.03.04.01 | Capital Reserves | 15,353,260 | 15,353,260 |
| 2.03.04.02 | Ágio na Emissão de Ações | 3,475,478 | 3,475,478 |
| 2.03.04.05 | Opções Outorgadas | 114,688,598 | 114,688,598 |
| 2.03.04.07 | Adiantamento para Futuro Aumento de Capital | 1,411,493 | 1,411,493 |
| 2.03.05 | Reservas de Reavaliação | 7,541,654 | (154,137) |
| 2.03.06 | Profit Reserves | (14,768,188) | (14,746,045) |
| 2.03.07 | Reserva para Contingências | 1,701,367 | 2,077,909 |
| 2.03.09 | Undistributed Earnings Reserve | 2,227,710 | 2,353,980 |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Consolidated Interim Accounting Information / Income Statement**(R\$ Thousand)**

| Account | | Current Quarter 01/01/2013 to 03/31/2013 | Pr 01/0 03/3 |
|----------------|--|---|-----------------------------|
| Code | Description Account | | |
| 3.01 | Sales Revenues | 72,535,347 | 66, |
| 3.02 | Cost of Sales | (53,679,286) | (45,8 |
| 3.03 | Gross Profit | 18,856,061 | 20, |
| 3.04 | Operating Income/Expenses | (8,850,158) | (8,3 |
| 3.04.01 | Selling Expenses | (2,294,333) | (2,3 |
| 3.04.02 | General and Administrative Expenses | (2,470,832) | (2,1 |
| 3.04.05 | Other Operating Expenses, net | (4,241,160) | (3,9 |
| 3.04.05.01 | Other Taxes | (223,199) | (1 |
| 3.04.05.02 | Research and Development Expenses | (673,084) | (5 |
| 3.04.05.03 | Exploration Costs | (1,281,500) | (1,0 |
| 3.04.05.05 | Other Operating Expenses, Net | (2,063,377) | (2,2 |
| 3.04.06 | Share of Profit of Equity-Accounted Investments | 156,167 | |
| 3.05 | Net Income Before Financial Results, Profit Sharing and Income Taxes | 10,005,903 | 11, |
| 3.06 | Financial Income (Expenses), Net | 1,389,774 | 4 |
| 3.06.01 | Financial Income | 2,588,329 | 1, |
| 3.06.01.01 | Financial Income | 971,767 | 1, |
| 3.06.01.02 | Exchange and Monetary Variations, net | 1,616,562 | |
| 3.06.02 | Financial Expenses | (1,198,555) | (8 |
| 3.06.02.01 | Financial Expenses | (1,198,555) | (8 |
| 3.07 | Net Income Before Income Taxes | 11,395,677 | 12, |
| 3.08 | Income Tax and Social Contribution | (3,560,462) | (2,9 |
| 3.08.01 | Current | (1,438,869) | (6 |
| 3.08.02 | Deferred | (2,121,593) | (2,3 |
| 3.09 | Net Income from Continuing Operations | 7,835,215 | 9, |
| 3.11 | Consolidated Income / Loss for the period | 7,835,215 | 9, |
| 3.11.01 | Attributable to Shareholders of Petrobras | 7,693,177 | 9, |
| 3.11.02 | Attributable to non-controlling interests | 142,038 | |
| 3.99.01.01 | Common | 0.5900 | |
| 3.99.01.02 | Preferred | 0.5900 | |
| 3.99.02.01 | Common | 0.5900 | |
| 3.99.02.02 | Preferred | 0.5900 | |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Consolidated Interim Accounting Information / Statement of Comprehensive Income

(R\$ Thousand)

Account

Code Description Account

| | |
|---------|---|
| 4.01 | Consolidated Net Income for the Period |
| 4.02 | Other Comprehensive Income |
| 4.02.01 | Cumulative Translation Adjustments |
| 4.02.02 | Deemed Cost |
| 4.02.03 | Unrealized Gains / (Losses) on Available-for-Sale Securities - Recognized in Shareholders's E |
| 4.02.04 | Unrealized Gains / (Losses) on Available-for-Sale Securities - Transferred to Profit or Loss |
| 4.02.05 | Unrealized Gains / (Losses) on Cash Flow Hedge - Recognized in Shareholders's Equity |
| 4.02.06 | Unrealized Gains / (Losses) on Cash Flow Hedge - Transferred to Profit or Loss |
| 4.02.07 | Deferred Income Tax and Social Contribution |
| 4.03 | Consolidated Comprehensive Income for the Period |
| 4.03.01 | Attributable to shareholders of Petrobras |
| 4.03.02 | Attributable to non-controlling interests |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Consolidated Interim Accounting Information / Statement of Cash Flows - Indirect Method**(R\$ Thousand)**

| Account | | Accumulated | Accumulat |
|----------------|--|---------------------|------------------|
| | | of the | of t |
| Code | Description Account | Current Year | Previc |
| | | 01/01/2013 | 01/01/20 |
| | | to | Ye |
| | | 03/31/2013 | 03/31/20 |
| 6.01 | Net cash - Operating activities | 14,879,766 | 15,086,1 |
| 6.01.01 | Cash provided by operating activities | 17,411,946 | 17,641,0 |
| 6.01.01.01 | Net income for the period | 7,693,177 | 9,214,2 |
| 6.01.01.02 | Non-controlling interests | 142,038 | 213,4 |
| 6.01.01.03 | Share of profit of equity-accounted investments | (156,167) | (136,3 |
| 6.01.01.05 | Depreciation, depletion and amortization | 6,382,414 | 4,749,1 |
| 6.01.01.06 | Impairment | 147,099 | 143,0 |
| 6.01.01.07 | Write-off of dry wells | 606,565 | 545,1 |
| 6.01.01.08 | Pension and medical benefits (actuarial expense) | 1,402,099 | 1,005,5 |
| 6.01.01.09 | Residual value of permanent assets written off | 126,502 | 78,5 |
| 6.01.01.10 | Foreign Exchange and Inflation Indexation Charges, Net | (1,053,374) | (502,8 |
| 6.01.01.11 | Deferred income tax and social contribution, net | 2,121,593 | 2,331,1 |
| 6.01.02 | Changes in assets and liabilities | (2,279,651) | (1,550,8 |
| 6.01.02.01 | Trade and other receivables | 742,208 | (13,2 |
| 6.01.02.02 | Inventories | (2,324,407) | (1,252,4 |
| 6.01.02.03 | Trade payables | 465,723 | (527,3 |
| 6.01.02.04 | Taxes, fees and contributions | (430,903) | 617,5 |
| 6.01.02.05 | Pension and medical benefits | (298,352) | (272,9 |
| 6.01.02.06 | Short-term operations with subsidiaries / associates | (433,920) | (102,4 |
| 6.01.03 | Others | (252,529) | (1,004,1 |
| 6.01.03.01 | Other assets | (530,460) | (1,275,4 |
| 6.01.03.02 | Other liabilities | 277,931 | 271,3 |
| 6.02 | Net Cash - Investment activities | (16,320,311) | (17,318,0 |
| 6.02.01 | Investments in exploration and production of oil gas | (10,193,732) | (8,624,9 |
| 6.02.02 | Investments in refining, transportation and ,marketing | (5,908,240) | (5,495,1 |
| 6.02.03 | Investments in gas and power activities | (945,513) | (671,0 |
| 6.02.04 | Investment in international activities | (1,049,037) | (643,4 |
| 6.02.05 | Investments in distribution activities | (183,890) | (286,0 |
| 6.02.06 | Investment in biofuel activities | (2,937) | (2,4 |
| 6.02.07 | Other investments | (152,598) | (866,8 |
| 6.02.08 | Investments in marketable securities | 2,087,655 | (741,0 |
| 6.02.09 | Dividends received | 27,981 | 12,9 |

| | | | |
|---------|--|-------------|----------|
| 6.03 | Net Cash - Financing activities | 1,027,983 | 6,441,0 |
| 6.03.03 | Acquisition of non-controlling interest | (103,930) | 20,2 |
| 6.03.04 | Proceedings from long-term financing | 7,329,276 | 14,514,3 |
| 6.03.05 | Repayment of principal | (3,072,228) | (3,589,7 |
| 6.03.06 | Repayment of interest | (3,124,451) | (2,341,9 |
| 6.03.08 | Dividends paid | (684) | (2,161,9 |
| 6.04 | Effect of exchange rate changes on cash and cash equivalents | 19,636 | (51,8 |
| 6.05 | Net increase (decrease) in cash and cash equivalents | (392,926) | 4,157,2 |
| 6.05.01 | Opening balance of cash and cash equivalents | 27,628,003 | 35,747,2 |
| 6.05.02 | Closing balance of cash and cash equivalents | 27,235,077 | 39,904,4 |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Consolidated Interim Accounting Information / Statement of Changes in Shareholders' Equity - 01/01/2013 to 03/31/2013**(R\$ Thousand)**

| Account Code | Description Account | Share Capital | Capital Reserves, Granted Options and Treasury Shares | Profit Reserves | Retained earnings / accumulated losses | Comprehensive Income |
|---------------------|---|----------------------|--|------------------------|---|-----------------------------|
| 5.01 | Opening Balance Previous Years | 205,392,137 | 630,288 | 134,928,829 | - | 2,12 |
| 5.02 | Adjustments | - | - | - | (154,132) | (14,790) |
| 5.03 | Adjusted Opening Balance | 205,392,137 | 630,288 | 134,928,829 | (154,132) | (12,660) |
| 5.04 | Capital Transactions with Shareholders | - | 11,180 | - | - | (2) |
| 5.04.08 | Change in Interest in Subsidiaries | - | 11,180 | - | - | (2) |
| 5.04.09 | Realization of the Deemed Cost | - | - | - | - | (2) |
| 5.05 | Total of Comprehensive Income | - | - | - | 7,695,786 | (390) |
| 5.05.01 | Net Income for the Period | - | - | - | 7,693,177 | |
| 5.05.02 | Other Comprehensive Income | - | - | - | 2,609 | (300) |
| 5.05.02.01 | Adjustments of Financial Instruments | - | - | - | - | 4 |
| 5.05.02.02 | Taxes on Adjustments of Financial Instruments | - | - | - | - | 3 |
| 5.05.02.04 | Translation Adjustments for the Period | - | - | - | - | (370) |
| 5.05.02.07 | Realization of the Deemed Cost | - | - | - | 2,609 | |

| | | | | | | |
|------------|-----------------------------|-------------|---------------------|-----------|---------|-----|
| 5.05.03 | Transferred to Results | - | - | - | - | (9) |
| | Adjustments of Financial | | | | | |
| 5.05.03.01 | Instruments | - | - | - | - | (9) |
| 5.07 | Final Balance | 205,392,137 | 641,468,134,928,829 | 7,541,654 | (13,06) | |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Consolidated Interim Accounting Information / Statement of Changes in Shareholders' Equity - 01/01/2012 to 03/31/2012**(R\$ Thousand)**

| Account | | Capital Reserves, | |
|----------------|---|--------------------------|------------------------------------|
| | | Share Capital | Options and Treasury Shares |
| | | | Granted |
| Code | Description Account | | |
| 5.01 | Opening Balance | 205,379,729 | 562,643,122 |
| 5.02 | Ajustes de Exercícios Anteriores | - | - |
| 5.03 | Adjusted Opening Balance | 205,379,729 | 562,643,122 |
| 5.04 | Capital Transactions with Shareholders | 12,408 | (3,699) |
| 5.04.01 | Capital Increases | 12,408 | - |
| 5.04.06 | Dividends | - | - |
| 5.04.08 | Change in Interest in Subsidiaries | - | (3,699) |
| 5.04.09 | Realization of the Deemed Cost | - | - |
| 5.05 | Total of Comprehensive Income | - | - |
| 5.05.01 | Net Income for the Period | - | - |
| 5.05.02 | Other Comprehensive Income | - | - |
| 5.05.02.01 | Adjustments of Financial Instruments | - | - |
| 5.05.02.02 | Taxes on Adjustments of Financial Instruments | - | - |
| 5.05.02.04 | Translation Adjustments for the Period | - | - |
| 5.05.02.07 | Realization of the Deemed Cost | - | - |
| 5.05.03 | Adjustments of Financial Instruments Transferred to Results | - | - |
| 5.05.03.01 | Realization of the Deemed Cost | - | - |
| 5.07 | Final Balance | 205,392,137 | 558,944,122 |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

Consolidated Interim Accounting Information / Statement of added value**(R\$ Thousand)**

| Account | | Accumulated | |
|----------------|---|---------------------------------|---------------------------------|
| | | Current Year | of the |
| Code | Description Account | 01/01/2013 to 03/31/2013 | 01/01/2013 to 03/31/2013 |
| 7.01 | Sales Revenues | 107,766,551 | 100,000,000 |
| 7.01.01 | Sales of Goods, Products and Services Provided | 88,480,874 | 81,000,000 |
| 7.01.02 | Other Revenues | 1,853,275 | 1,000,000 |
| 7.01.03 | Revenues Related to the Construction of Own Assets | 17,437,295 | 17,000,000 |
| 7.01.04 | Allowance/Reversal for Impairment of Trade Receivables | (4,893) | (4,000,000) |
| 7.02 | Inputs Acquired from Third Parties | (54,412,668) | (49,000,000) |
| 7.02.01 | Cost of Sales | (33,980,940) | (26,000,000) |
| 7.02.02 | Materials, Power, Third-Party Services and Other Operating Expenses | (14,853,382) | (17,000,000) |
| 7.02.03 | Impairment | (147,099) | (4,000,000) |
| 7.02.04 | Others | (5,431,247) | (5,000,000) |
| 7.03 | Gross Added Value | 53,353,883 | 50,000,000 |
| 7.04 | Retentions | (6,382,414) | (4,000,000) |
| 7.04.01 | Depreciation, Amortization and Depletion | (6,382,414) | (4,000,000) |
| 7.05 | Net Added Value Produced | 46,971,469 | 45,000,000 |
| 7.06 | Transferred Added Value | 1,091,979 | 1,000,000 |
| 7.06.01 | Share of profit of equity-accounted investments | 156,167 | 1,000,000 |
| 7.06.02 | Finance Income | 971,767 | 1,000,000 |
| 7.06.03 | Others | (35,955) | 1,000,000 |
| 7.07 | Total Added Value to be Distributed | 48,063,448 | 47,000,000 |
| 7.08 | Distribution of Added Value | 48,063,448 | 47,000,000 |
| 7.08.01 | Personnel | 6,289,384 | 5,000,000 |
| 7.08.01.01 | Payroll and Related Charges | 4,281,516 | 3,000,000 |
| 7.08.01.02 | Benefits | 1,712,915 | 1,000,000 |
| 7.08.01.03 | FGTS | 294,953 | 1,000,000 |
| 7.08.02 | Taxes, Duties and Social Contributions | 27,617,880 | 26,000,000 |
| 7.08.02.01 | Federal | 17,342,995 | 17,000,000 |
| 7.08.02.02 | State | 10,197,290 | 9,000,000 |
| 7.08.02.03 | Municipal | 77,595 | 9,000,000 |
| 7.08.03 | Remuneration of Third Party Capital | 6,320,969 | 5,000,000 |
| 7.08.03.01 | Interest | 1,252,434 | 2,000,000 |
| 7.08.03.02 | Rental | 5,068,535 | 3,000,000 |
| 7.08.04 | Remuneration of Shareholders' Equity | 7,835,215 | 9,000,000 |

| | |
|--|-----------|
| 7.08.04.01 Interest on Shareholders' Equity | - |
| 7.08.04.03 Retained Earnings / Loss For The Period | 7,693,177 |
| 7.08.04.04 Non-controlling interests | 142,038 |

Petróleo Brasileiro S.A. - Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

1 The Company and its operations

Petróleo Brasileiro S.A. - Petrobras is dedicated, directly or through its subsidiaries (referred to jointly as “Petrobras” or “the Company”) to prospecting, drilling, refining, processing, trading and transporting crude oil from producing onshore and offshore oil fields and from shale or other rocks, as well as oil products, natural gas and other liquid hydrocarbons. In addition, Petrobras carries out energy related activities, such as research, development, production, transport, distribution and trading of all forms of energy, as well as any other correlated or similar activities. The Company’s head office is located in Rio de Janeiro – RJ, Brazil.

2 Basis of preparation of interim financial information

The consolidated interim financial information has been prepared and is being presented in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil for interim statements (CPC 21 - R1).

The individual interim accounting information is being presented in accordance with accounting practices adopted in Brazil for interim statements (CPC 21 - R1) and does not present differences in relation to the consolidated information, except for the maintenance of deferred charges, as established in CPC 43 (R1) - Initial Adoption of Technical Pronouncements. The reconciliations of the parent company's shareholders' equity and results with the consolidated are presented in Note 3.1.

This interim financial information is presented with the relevant changes occurred in the period, avoiding repetition of certain notes to the financial statements previously reported, and consider the consolidated information, considering that management understands that consolidated information provides more comprehensive measure of the Company’s financial position and the performance of its operations, complemented by some individual information of the parent company. Hence it should be read together with the Company’s annual financial statements for the year ended December 31, 2012, which include the full set of notes.

The Company's Board of Directors authorized the publication of this interim financial information in a meeting held on April 26, 2013.

2.1 Accounting estimates

The preparation of the interim financial information requires the use of estimates and assumptions for certain assets, liabilities and other transactions. These estimates include: oil and gas reserves, pension and medical benefits liabilities, depreciation, depletion and amortization, decommissioning costs, provisions for legal proceedings, fair value of financial instruments, present value adjustments of trade receivables and payables from relevant transactions, and income tax and social contribution on net income (CSLL). Notwithstanding Management uses assumptions and judgments that are reviewed periodically, the actual results could differ from these estimates.

2.2 New and amended standards adopted by the Company

New and amended standards issued by the IASB were effective for annual periods beginning on or after January 1, 2013 and were adopted by the Company, with the corresponding standards and amendments issued by the CPC and approved by the CVM, as set out in note 4.17 (New standards and interpretations) of the Company's consolidated financial statements for the year ended December 31, 2012.

Petróleo Brasileiro S.A. - Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

The amended version of IAS 19 – Employee benefits (CPC 33 – R1) eliminated the option to defer actuarial gains and losses (corridor approach) and requires net interest to be calculated by applying the discount rate used for measuring the obligation to the net benefit asset or liability.

The impact of the adoption of the amended standard on the Company's consolidated financial statements for the year ended December 31, 2012 is an increase in net actuarial liability of R\$ 21,098 (R\$ 11,477 at January 1, 2012), an increase in deferred tax assets of R\$ 6,147 (R\$ 3,070 at January 1, 2012) and a decrease of R\$ 14,951 in the shareholders' equity (R\$ 8,407 at January 1, 2012), as set out below:

a) Consolidated statement of financial position

| | As presented (*) | 31.12.2012 Impact of IAS 19 amendment | Restated | As presented (*) | 01.01.2012 Impact of IAS 19 amendment | Restated |
|--|---------------------------------|--|-----------------|---------------------------------|--|-----------------|
| Current assets | 118,102 | - | 118,102 | 121,164 | - | 121,164 |
| Long-term receivables | 47,214 | 6,147 | 53,361 | 42,134 | 3,070 | 45,204 |
| Investments | 12,477 | - | 12,477 | 12,248 | - | 12,248 |
| Property, plant and equipment | 418,716 | - | 418,716 | 343,117 | - | 343,117 |
| Intangible Assets | 81,207 | - | 81,207 | 81,434 | - | 81,434 |
| | 677,716 | 6,147 | 683,863 | 600,097 | 3,070 | 603,167 |
| Current liabilities | 69,620 | - | 69,620 | 68,212 | - | 68,212 |
| Non-current liabilities | 262,663 | 21,098 | 283,761 | 199,661 | 11,477 | 211,138 |
| Shareholder's equity | 343,079 | (14,951) | 328,128 | 329,839 | (8,407) | 321,432 |

**attributable to
the
shareholders
of Petrobras
Non-controlling
interests**

| | | | | | | |
|--|----------------|--------------|----------------|----------------|--------------|----------------|
| | 2,354 | - | 2,354 | 2,385 | - | 2,385 |
| | 677,716 | 6,147 | 683,863 | 600,097 | 3,070 | 603,167 |

(*) As presented for the period ended December 31, 2012.

The adoption of the remaining new and amended standards had no material impact on the financial statements of the Company.

3 Basis of consolidation

The consolidated interim financial information includes the quarterly information of Petrobras, its subsidiaries, joint operations and special purpose entities.

There were no significant changes in the consolidated entities in the first quarter of 2013.

Petróleo Brasileiro S.A. - Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

3.1 Reconciliation between the parent company's shareholders' equity and net income with the consolidated

| | Shareholders' equity | | Net income | |
|--------------------------------------|----------------------|----------------|--------------|--------------|
| | 03.31.2013 | 12.31.2012 | Jan-Mar/2013 | Jan-Mar/2012 |
| Consolidated - IFRS | 337,665 | 330,483 | 7,835 | 9,428 |
| Non-controlling interests | (2,228) | (2,354) | (142) | (214) |
| Deferred expenses, net of income tax | 299 | 361 | (64) | (148) |
| Parent company - CPC | 335,736 | 328,490 | 7,629 | 9,066 |

4 Accounting policies

The same accounting policies and methods of computation were followed in this consolidated and individual interim financial statements as those followed in the preparation of the annual financial statements of the Company for the year ended December 31, 2012, except for the adoption of new standards and revisions, as described in note 2.2.

5 Cash and cash equivalents

| | Consolidated | |
|---|---------------|---------------|
| | 03.31.2013 | 12.31.2012 |
| Cash at bank and in hand | 1,916 | 2,024 |
| Short-term financial investments | | |
| - In Brazil | | |
| Single-member funds - Interbank Deposit | 12,209 | 16,589 |
| Other investment funds | 38 | 856 |
| | 12,247 | 17,445 |
| - Abroad | 13,072 | 8,159 |
| Total short-term financial investments | 25,319 | 25,604 |

| | | |
|--|---------------|---------------|
| Total cash and cash equivalents | 27,235 | 27,628 |
|--|---------------|---------------|

6 Marketable securities

| | Consolidated | |
|-------------------------------|---------------------|-------------------|
| | 03.31.2013 | 12.31.2012 |
| Trading securities | 19,027 | 20,888 |
| Available-for-sale securities | 323 | 488 |
| Held-to-maturity securities | 322 | 299 |
| | 19,672 | 21,675 |
| Current | 19,302 | 21,316 |
| Non-current | 370 | 359 |

Trading and available-for-sale securities refer mainly to investments in government Treasury notes that have maturities of more than 90 days. The current asset classification reflects the expectation of their realization in the short term.

Petróleo Brasileiro S.A. - Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

7 Trade and other receivables

7.1 Trade and other receivables, net

| | Consolidated | |
|---|---------------------|-------------------|
| | 03.31.2013 | 12.31.2012 |
| Trade receivables | | |
| Third parties | 21,857 | 22,040 |
| Related parties (Note 16.5) | | |
| Joint ventures and associates | 1,973 | 1,593 |
| Receivables from the electricity sector | 3,866 | 3,958 |
| Petroleum and alcohol accounts - STN | 835 | 835 |
| Other receivables | 5,469 | 6,297 |
| | 34,000 | 34,723 |
| Provision for impairment of trade receivables | (2,956) | (2,967) |
| | 31,044 | 31,756 |
| Current | 22,442 | 22,681 |
| Non-current | 8,602 | 9,075 |

7.2 Changes in the provision for impairment of trade receivables

| | Consolidated | |
|----------------------------|---------------------|-------------------|
| | 03.31.2013 | 12.31.2012 |
| Opening balance | 2,967 | 2,790 |
| Additions (*) | 67 | 587 |
| Write-offs / Reversals (*) | (78) | (410) |
| Closing balance | 2,956 | 2,967 |
| Current | 1,749 | 1,746 |
| Non-current | 1,207 | 1,221 |

(*) Includes exchange differences arising from translation of the provision for impairment of trade receivables in companies abroad.

7.3 Trade and other receivables overdue - Third parties

| | Consolidated | |
|---------------------|---------------------|-------------------|
| | 03.31.2013 | 12.31.2012 |
| Up to 3 months | 1,978 | 1,572 |
| From 3 to 6 months | 240 | 319 |
| From 6 to 12 months | 436 | 370 |
| More than 12 months | 3,421 | 3,243 |
| | 6,075 | 5,504 |

Petróleo Brasileiro S.A. - Petrobras

Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***8 Inventories**

| | Consolidated | |
|--|---------------------|-------------------|
| | 03.31.2013 | 12.31.2012 |
| Products: | | |
| Oil products (*) | 12,558 | 12,016 |
| Fuel alcohol (*) | 465 | 330 |
| | 13,023 | 12,346 |
| Raw materials, mainly crude oil (*) | 14,427 | 13,184 |
| Maintenance materials and supplies (*) | 3,902 | 3,846 |
| Others | 549 | 452 |
| | 31,901 | 29,828 |
| Current | 31,802 | 29,736 |
| Non-current | 99 | 92 |
| (*) Includes imports in transit. | | |

9 Investments**9.1 Information about subsidiaries, joint ventures, joint operations and associates (Parent Company)**

| | 03.31.2013 | 12.31.2012 |
|---|-------------------|-------------------|
| Subsidiaries: | | |
| Petrobras Netherlands B.V. - PNBV | 21,357 | 20,512 |
| Refinaria Abreu e Lima S.A. | 10,680 | 10,567 |
| Petrobras Gás S.A. - Gaspetro | 10,138 | 10,322 |
| Petrobras Distribuidora S.A. - BR (i) | 10,060 | 9,451 |
| Petrobras Transporte S.A. - Transpetro | 3,936 | 3,767 |
| Petrobras Logística de Exploração e Produção S.A. - PB-LOG | 3,293 | 3,435 |
| Companhia Integrada Têxtil de Pernambuco S.A. - Citepe | 2,692 | 1,801 |
| Petrobras Biocombustível S.A. | 1,933 | 1,916 |
| Companhia Locadora de Equipamentos Petrolíferos S.A. - CLEP | 1,553 | 1,502 |
| Companhia Petroquímica de Pernambuco S.A. - PetroquímicaSuape | 1,542 | 1,404 |
| Petrobras International Braspetro - PIB BV (i) | 1,247 | 852 |
| Liquigás Distribuidora S.A.(i) | 837 | 838 |
| Termomacaé Ltda.(i) | 785 | 795 |

| | | |
|-------------------------------------|---------------|---------------|
| Comperj Poliolefinas S.A. | 651 | 651 |
| Breitener Energética S.A. | 484 | 476 |
| Innova S.A. | 442 | 431 |
| Termoceaná Ltda(i) | 367 | 343 |
| Other subsidiaries | 1,832 | 1,559 |
| Joint operations | 784 | 766 |
| Joint ventures | 526 | 520 |
| Associates | 3,659 | 3,565 |
| | 78,798 | 75,473 |
| Goodwill | 3,185 | 3,180 |
| Unrealized profits - Parent company | (1,093) | (1,143) |
| Other investments | 146 | 195 |
| Total investments | 81,036 | 77,705 |

(i) The amounts reported in 2012 were adjusted to reflect the initial adoption of the amendment to IAS 19.

Petróleo Brasileiro S.A. - Petrobras

Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***9.2 Investments in joint ventures and associates (Consolidated)**

| | 03.31.2013 | 12.31.2012 |
|--------------------------------------|-------------------|-------------------|
| Associates and joint ventures | | |
| Petrochemical investments | 5,774 | 5,837 |
| Gas distributors | 1,200 | 1,134 |
| Guarani S.A. | 1,022 | 985 |
| Petroritupano - Orielo | 462 | 476 |
| Nova Fronteira Bionergia S.A. | 412 | 414 |
| Petrowayu - La Concepción | 336 | 394 |
| Transierra S.A. | 147 | 142 |
| Petrokariña - Mata | 146 | 154 |
| UEG Araucária | 134 | 131 |
| Other associates and joint ventures | 1,928 | 2,566 |
| | 11,561 | 12,233 |
| Other investments | 195 | 244 |
| | 11,756 | 12,477 |

9.3 Investments in listed companies

| Company | Thousand-share lot | | Type | Quoted stock exchange prices (R\$ per share) | | Market value | |
|---------------------|--------------------|------------|---------------|--|------------|--------------|--------------|
| | 03.31.2013 | 12.31.2012 | | 03.31.2013 | 12.31.2012 | 03.31.2013 | 12.31.2012 |
| Subsidiaries | | | | | | | |
| Petrobras Argentina | 1,356,792 | 1,356,792 | Common | 1.62 | 1.41 | 2,198 | 1,928 |
| | | | | | | 2,198 | 1,928 |
| Associates | | | | | | | |
| Braskem | 212,427 | 212,427 | Common | 11.16 | 9.60 | 2,371 | 2,040 |
| Braskem | 75,793 | 75,793 | Preferred - A | 13.65 | 12.80 | 1,035 | 970 |
| | | | | | | 3,406 | 3,010 |

The market value of these shares does not necessarily reflect the realizable value of a large block of shares.

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***10 Property, plant and equipment****10.1 By class of asset**

| | Land, buildings and improvements | Equipment and other assets | Assets constr (*) |
|---|---|---|----------------------------------|
| Balance at December 31, 2011 | 12,359 | 124,481 | 1 |
| Additions | 100 | 4,058 | |
| Additions to/review of estimates of decommissioning costs | - | - | |
| Capitalized borrowing costs | - | - | |
| Business combinations | 169 | 370 | |
| Write-offs | (11) | (119) | |
| Transfers | 4,946 | 48,679 | (|
| Depreciation, amortization and depletion | (933) | (12,985) | |
| Impairment - recognition | (42) | (366) | |
| Impairment - reversal | - | 91 | |
| Cumulative translation adjustment | 96 | 2,763 | |
| Balance at December 31, 2012 | 16,684 | 166,972 | 1 |
| Cost | 22,140 | 250,630 | 1 |
| Accumulated depreciation, amortization and depletion | (5,456) | (83,658) | |
| Balance at December 31, 2012 | 16,684 | 166,972 | 1 |
| Additions | 25 | 850 | |
| Capitalized borrowing costs | - | - | |
| Write-offs | (10) | (29) | |
| Transfers | 609 | 7,404 | |
| Depreciation, amortization and depletion | (261) | (3,550) | |
| Cumulative translation adjustment | (32) | (560) | |
| Balance at March 31, 2013 | 17,015 | 171,087 | 1 |
| Cost | 22,746 | 257,754 | 1 |
| Accumulated depreciation, amortization and depletion | (5,731) | (86,667) | |
| Balance at March 31, 2013 | 17,015 | 171,087 | 1 |

| | | |
|---|------------------------------|-------------------|
| Weighted average of useful life in years | 25 (25 to 40) except land | 20 (3 to 31) (**) |
|---|------------------------------|-------------------|

(*) Includes oil and gas exploration and development assets.

(**) Includes assets depreciated based on the units of production method.

At March 31, 2013, consolidated and parent company property, plant and equipment includes assets under finance leases of R\$ 206 and R\$ 10,147, respectively (R\$ 208 and R\$ 10,287 at December 31, 2012).

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***11 Intangible assets****11.1 By class of assets**

| | Consolidated Software | | | Goodwill from expectations of future profitability | Parent Total |
|--------------------------------------|---------------------------------------|-----------------------|--------------|--|-----------------|
| | Rights and concessions Acquired | Developed in-house | | | |
| Balance at December 31, 2011 | 78,804 | 337 | 1,344 | 949 | 81,434 |
| Additions | 179 | 141 | 286 | - | 606 |
| Capitalized borrowing costs | - | - | 30 | - | 30 |
| Write-offs | (229) | (3) | (6) | - | (238) |
| Transfers | (166) | 23 | (198) | (28) | (369) |
| Amortization | (91) | (119) | (278) | - | (488) |
| Impairment - reversal | 12 | - | - | - | 12 |
| Cumulative translation adjustment | 193 | 7 | - | 20 | 220 |
| Balance at December 31, 2012 | 78,702 | 386 | 1,178 | 941 | 81,207 |
| Cost | 79,533 | 1,463 | 2,950 | 941 | 84,887 |
| Accumulated amortization | (831) | (1,077) | (1,772) | - | (3,680) |
| Balance at December 31, 2012 | 78,702 | 386 | 1,178 | 941 | 81,207 |
| Additions | 24 | 11 | 62 | - | 97 |
| Capitalized borrowing costs | - | - | 5 | - | 5 |
| Write-offs | (43) | (3) | (3) | - | (49) |
| Transfers | (17) | (34) | (27) | 4 | (74) |
| Amortization | (20) | (26) | (62) | - | (108) |
| Cumulative translation adjustment | (29) | (1) | (8) | (3) | (41) |
| Balance at March 31, 2013 | 78,617 | 333 | 1,145 | 942 | 81,037 |
| Cost | 79,460 | 1,335 | 3,170 | 942 | 84,907 |
| Accumulated amortization | (843) | (1,002) | (2,025) | - | (3,870) |
| Balance at March 31, 2013 | 78,617 | 333 | 1,145 | 942 | 81,037 |
| Estimated useful life - years | (*) | 5 | 5 | Indefinite | |

(*) See note 4.7 (Intangible assets) of the Company's financial statements of December 31, 2012.

11.2 Concession for exploration of oil and natural gas - Onerous Assignment Agreement (“Cessão Onerosa”)

At March 31, 2013, the Company’s intangible assets include R\$74.808 related to the Onerous Assignment agreement, entered into in 2010 by Petrobras, the Federal Government (assignor) and the Agência Nacional de Petróleo, Gás Natural e Biocombustíveis - ANP (regulator and inspector), granting the Company the right to carry out prospection and drilling activities for oil, natural gas and other liquid hydrocarbons located in blocks in the pre-salt area (Franco, Florim, Nordeste de Tupi, Entorno de Iara, Sul de Guar and Sul de Tupi), limited to the production of five billion barrels of oil equivalent in up to 40 years and renewable for a further five years upon certain conditions having been met.

The agreement establishes that at the time of the declaration of commerciality for the reserves there will be a review of volumes and prices, based on independent technical appraisal reports.

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If the review determines that the value of acquired rights are greater than initially paid, the Company may be required to pay the difference to the Federal Government, or may proportionally reduce the total volume of barrels acquired in the terms of the agreement. If the review determines that the value of the acquired rights are lower than initially paid by the Company, the Federal Government will reimburse the Company for the difference by delivering cash or bonds, subject to budgetary regulations.

Once the effects of the aforementioned review become probable and can be reliably measured, the Company will make the respective adjustments to the purchase prices of the rights.

The agreement also establishes a compulsory exploration program for each one of the blocks and minimum commitments related to the acquisition of goods and services from Brazilian suppliers in the exploration and development stages, which will be subject to certification by the ANP. In the event of non-compliance, the ANP may apply administrative sanctions pursuant to the terms in the agreement.

In the first quarter of 2013, drilling is underway on four wells. Based on drilling results obtained so far, as well as on findings from other wells drilled in 2012, expectations regarding the potential of the area are being confirmed. The Company will continue to develop its investment program and activities as established in the agreement.

12 Exploration for and evaluation of oil and gas reserves

The exploration and evaluation activities include the search for oil and gas from obtaining the legal rights to explore a specific area until the declaration of the technical and commercial viability of the reserves.

Movements on capitalized costs directly associated with exploratory wells pending determination of proved reserves and the balance of amounts paid for obtaining rights and concessions for exploration of oil and natural gas (capitalized acquisition costs) are set out in the table below:

| | Consolidated | |
|---|---------------------|-------------------|
| | 03.31.2013 | 12.31.2012 |
| Capitalized Exploratory Well Costs / Capitalized Acquisition Costs (*) | | |
| Property plant and equipment | | |
| Opening balance | 21,760 | 18,9 |
| Additions | 3,057 | 12,9 |
| Write off | (498) | (5,43 |
| Transfers | (1,667) | (5,13 |
| Cumulative translation adjustment | (2) | 3 |
| Closing balance | 22,650 | 21,7 |
| Intangible Assets (**) | 77,450 | 77,5 |
| Capitalized Exploratory Well Costs / Capitalized Acquisition Costs | 100,100 | 99,3 |

(*) Amounts capitalized and subsequently expensed in the same period have been excluded from the table above.

(**) The balance of intangible assets comprises mainly the amounts related to the Onerous Assignment Agreement (note 11.2).

Exploration costs recognized in profit or loss and cash used in oil and gas exploration and evaluation activities are set out in the table below:

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| | Consolidated |
|---|---------------------|
| | Jan-Mar/2013 |
| Exploration costs recognized in profit or loss | |
| Geological and geophysical expenses | 640 |
| Exploration expenditures written off (includes dry wells and signature bonuses) | 607 |
| Other exploration expenses | 35 |
| Total expenses | 1,282 |

| | Consolidated | |
|--------------------------------|---------------------|---------------------|
| | Jan-Mar/2013 | Jan-Mar/2012 |
| Cash used in activities | | |
| Operating activities | 764 | 450 |
| Investment activities | 3,122 | 2,729 |
| | 3,886 | 3,179 |

13 Trade payables

| | Consolidated | |
|----------------------------|---------------------|-------------------|
| | 03.31.2013 | 12.31.2012 |
| Current liabilities | | |
| Third parties | | |
| In Brazil | 12,076 | 13,306 |
| Abroad | 12,042 | 10,430 |
| Related parties | 929 | 1,039 |
| | 25,047 | 24,775 |

14 Finance Debt

| | Consolidated | | | |
|------------------------|----------------------------|-------------------|--------------------|-------------------|
| | Current liabilities | | Non-current | |
| | 03.31.2013 | 12.31.2012 | 03.31.2013 | 12.31.2012 |
| Abroad | | | | |
| Financial institutions | 9,820 | 9,428 | 52,911 | 51,406 |

| | | | | |
|--|---------------|---------------|----------------|----------------|
| Bearer bonds - Notes, Global | | | | |
| Notes and Bonds | 1,779 | 2,514 | 62,660 | 63,413 |
| Others | 28 | 500 | 4 | 5 |
| | 11,627 | 12,442 | 115,575 | 114,824 |
| In Brazil | | | | |
| Export Credit Notes | 490 | 291 | 12,798 | 12,795 |
| BNDES | 1,501 | 1,714 | 44,351 | 44,111 |
| Debentures | 282 | 286 | 616 | 705 |
| FINAME | 79 | 69 | 1,138 | 666 |
| Bank Credit Certificate | 95 | 102 | 3,606 | 3,606 |
| Others | 452 | 379 | 4,108 | 4,111 |
| | 2,899 | 2,841 | 66,617 | 65,994 |
| | 14,526 | 15,283 | 182,192 | 180,818 |
| Interest expense on debt | 1,354 | 2,081 | | |
| Long-term debt due within one year (principal) | 5,414 | 5,711 | | |
| Short-term debt | 7,758 | 7,491 | | |
| | 14,526 | 15,283 | | |

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Notes to the financial statements

(In millions of reais, except when indicate otherwise)

14.1 Scheduled maturity dates of non-current debt (principal and interest accrued)

| | 03.31.2013 |
|---------------------|---------------------|
| | Consolidated |
| 2014 | 7,356 |
| 2015 | 14,403 |
| 2016 | 27,717 |
| 2017 | 19,096 |
| 2018 and thereafter | 113,620 |
| Total | 182,192 |

14.2 Interest rate range for non-current debt

| | Consolidated | |
|-----------------------|---------------------|-------------------|
| | 03.31.2013 | 12.31.2012 |
| Abroad | | |
| Up to 4% p.a. | 66,904 | 65,022 |
| From 4.01 to 6% p.a. | 27,911 | 28,135 |
| From 6.01 to 8% p.a. | 18,954 | 20,263 |
| More than 8% p.a. | 1,806 | 1,404 |
| | 115,575 | 114,824 |
| In Brazil | | |
| Up to 6% p.a. | 7,630 | 6,916 |
| From 6.01 to 8% p.a. | 49,663 | 50,141 |
| From 8.01 to 10% p.a. | 8,271 | 7,819 |
| More than 10% p.a. | 1,053 | 1,118 |
| | 66,617 | 65,994 |
| | 182,192 | 180,818 |

14.3 Non-current debt by major currency

| | Consolidated | |
|-----------------------------|---------------------|-------------------|
| | 03.31.2013 | 12.31.2012 |
| U.S. dollar | 99,710 | 98,714 |
| Real | 38,228 | 37,622 |
| Real indexed to U.S. dollar | 28,084 | 28,063 |
| Euro | 10,763 | 10,492 |
| Pound Sterling | 3,426 | 3,706 |
| Japanese Yen | 1,981 | 2,221 |
| | 182,192 | 180,818 |

The sensitivity analysis for financial instruments subject to foreign exchange variation and the fair value of the long-term debt are disclosed in notes 29 and 30, respectively.

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14.4 Weighted average capitalization rate for borrowing costs

The weighted average interest rate, of the costs applicable to borrowings that are outstanding, applied over the balance of assets under construction for capitalization of borrowing costs was 3.81% p.a. in the first quarter of 2013 (4.36% p.a. in the first quarter of 2012).

14.5 Funding

Funding requirements are mainly related to the development of oil and gas production projects, building of vessels and pipelines, and expansion of industrial plants.

The main long-term debt issuances in the first quarter of 2013 are set out below:

a) Abroad

| Company | Date | Amount | Maturity | Description |
|----------------|-------------------|---------------|-----------------|---|
| PGF BV | Feb/13 | 810 | 2028 and 2033 | Financing in the amount of €300 million with the Deutsche Bank Aktiengesellschaft of fixed coupon rate. |
| PGT BV | Feb/13 and Mar/13 | 2,998 | 2019 and 2020 | Financing in the amount of US\$500 million obtained from Bank of America NA, US\$500 million from HSBC Bank USA, and US\$500 million obtained from Morgan Stanley Bank NA indexed to floating interest rates. |
| PNBV | Mar/13 | 271 | 2023 | Financing in the amount of US\$137 million obtained from Citibank |

International PLC indexed to floating interest rates.

4,079

b) In Brazil

| Company | Date | Amount | Maturity | Description |
|----------------|----------------------|---------------|------------------------|--|
| Petrobras | Jan/13 and Mar/13 | 496 | 2015 | BNDES FINAME Bank Credit Note, obtained from Banco Itaú BBA S/A. |
| Petrobras | Feb/13 and Mar/13 | 831 | 2014, 2015 and 2016 | Financing obtained from BNDES to be used on the modernization of domestic refining facilities, modernization and expansion of industrial plants and other infrastructure projects. |
| | | 1,327 | | |

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Notes to the financial statements

(In millions of reais, except when indicate otherwise)

14.6 Funding – Outstanding balance

a) Abroad

| Company | Financial institution | Amount in US\$ million | | |
|-----------|---|------------------------|------|---------|
| | | Contracted | Used | Balance |
| PNBV | HSBC Bank PLC | 1,000 | 173 | 827 |
| Petrobras | Japan Bank for International Cooperation (JBIC) | 600 | - | 600 |
| Petrobras | The Bank of Tokyo-Mitsubishi UFJ, Ltd (BTMU) | 400 | - | 400 |

b) In Brazil

| Company | Financial institution | Contracted | Used | Balance |
|---------------|--------------------------------|------------|-------|---------|
| Transpetro(*) | BNDES, Banco do Brasil and CEF | 10,004 | 1,336 | 8,668 |
| Petrobras | BNDES | 11,484 | 6,058 | 5,426 |
| Petrobras | Itaú BBA S/A | 500 | 250 | 250 |
| Liquigas | BNDES | 114 | 83 | 31 |

(*)Purchase and sale agreements of 49 vessels and 20 convoys were signed with six Brazilian shipyards in the amount of R\$ 11,116, which 90% is financed by BNDES, Banco do Brasil and Caixa Econômica Federal – CEF.

14.7 Guarantees

Petrobras is not required to provide guarantees to financial institutions. Certain BNDES loans are secured by the assets being financed.

The loans obtained by Special Purpose Entities (SPE) are guaranteed by the project assets, as well as a lien on credit rights and shares of the SPEs.

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Notes to the financial statements

(In millions of reais, except when indicate otherwise)

15 Leases

15.1 Future minimum lease Payments / Receipts – Finance Leases

| | Consolidated Minimum receipts | Minimum payments |
|---|--|-----------------------------|
| 2013 | 268 | 39 |
| 2014 - 2017 | 1,465 | 172 |
| 2018 and thereafter | 4,185 | 346 |
| Estimated lease receipts/payments | 5,918 | 557 |
| Interest expense (annual) | (2,713) | (340) |
| Present value of the lease receipts/payments | 3,205 | 217 |
| Current | 124 | 39 |
| Non-current | 3,081 | 178 |
| At March 31, 2013 | 3,205 | 217 |
| Current | 123 | 37 |
| Non-current | 3,139 | 176 |
| At December 31, 2012 | 3,262 | 213 |

15.2 Future Minimum Lease Payments - Operating leases

| | Consolidated |
|-----------------------------|---------------------|
| 2013 | 26,566 |
| 2014 - 2017 | 76,425 |
| 2018 and thereafter | 59,154 |
| At March 31, 2013 | 162,145 |
| At December 31, 2012 | 166,719 |

In the first quarter of 2013, the Company paid R\$ 5,115 for consolidated operating lease installments, recognized as a period expense.

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Notes to the financial statements

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16 Related parties

16.1 Commercial transactions and other operations

Petrobras carries out commercial transactions with its subsidiaries, joint arrangements, special purpose entities and associates at normal market prices and market conditions. At March 31, 2013 and December 31, 2012, no losses were recognized on the statement of financial position for related party accounts receivable.

16.1.1 By transaction

| | Jan-Mar/2013 | Parent company 03.31.2012 | |
|---|----------------|------------------------------|---------------|
| | Profit or loss | Assets | Total |
| | | Current | Non-current |
| <u>Profit or Loss</u> | | | |
| Revenues (mainly sales revenues) | 31,971 | | |
| Foreign exchange and inflation indexation charges, net | 609 | | |
| Financial income (expenses), net | (360) | | |
| <u>Assets</u> | | | |
| Trade and other receivables | 10,695 | 8,709 | 19,404 |
| Trade and other receivables (mainly from sales) | 7,969 | - | 7,969 |
| Dividends receivable | 2,289 | - | 2,289 |
| Intercompany loans | - | 4,550 | 4,550 |
| Capital increase (advance) | - | 2,961 | 2,961 |
| Related to construction of natural gas pipeline | - | 742 | 742 |
| Reimbursements receivable | - | 311 | 311 |
| Other operations | 437 | 145 | 582 |
| <u>Liabilities</u> | | | |
| Finance leases | | | (1,600) |

| | | | |
|---|---------------|---------------|---------------|
| Financing on credit operations | | | (1,4 |
| Intercompany loans | | | (2,4 |
| Prepayment of exports | | | (13,99 |
| Accounts payable to suppliers | | | (11,1 |
| Purchases of crude oil, oil products and others | | | (2,1 |
| Affreightment of platforms | | | (5 |
| Advances from clients | | | (2 |
| Others | | | (1 |
| Other operations | | | |
| | 32,220 | 10,695 | 8,709 |
| | | | 19,404 |
| | | | (19,76 |
| As of March 31, 2012 | 29,753 | | |
| As of December 31, 2012 | | 9,191 | 6,886 |
| | | | 16,077 |
| | | | (20,47 |

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***16.1.2 By company**

| | Jan-Mar/2013 | | Parent company | | |
|---|----------------|---------------|-----------------------|---------------|-----------------|
| | | | 03.31.2013 | | |
| | Profit or loss | Current | Assets Non-current | Total | Current |
| Subsidiaries (*) | | | | | |
| BR Distribuidora | 20,166 | 3,024 | 22 | 3,046 | (301) |
| PIB-BV Holanda | 3,867 | 1,865 | 4,350 | 6,215 | (8,772) |
| Gaspetro | 2,180 | 2,475 | 742 | 3,217 | (1,906) |
| PB-LOG | 38 | 244 | - | 244 | (374) |
| Transpetro | 155 | 387 | - | 387 | (759) |
| Refinaria Abreu e Lima | 109 | 92 | 2,928 | 3,020 | - |
| Thermoelectric power plants | 17 | 195 | 224 | 419 | (103) |
| Breitener Energética | - | - | 45 | 45 | - |
| PNBV | 49 | 25 | 18 | 43 | (2,452) |
| Brasoil | (5) | 441 | 39 | 480 | (10) |
| PifCo | 42 | 5 | 3 | 8 | (2,859) |
| Others | 712 | 915 | 199 | 1,114 | (996) |
| | 27,330 | 9,668 | 8,570 | 18,238 | (18,532) |
| Special purpose entities | | | | | |
| Nova Transportadora do Nordeste - NTN | 18 | 346 | 50 | 396 | (241) |
| CDMPI | (14) | - | - | - | (291) |
| Nova Transportadora do Sudeste - NTS | 17 | 316 | 3 | 319 | (211) |
| PDET Off Shore | (17) | - | 62 | 62 | (309) |
| Other SPE's | - | - | 20 | 20 | - |
| | 4 | 662 | 135 | 797 | (1,052) |
| Associates | | | | | |
| Companies from the petrochemical sector | 4,889 | 354 | - | 354 | (79) |
| Others | (3) | 11 | 4 | 15 | (99) |
| | 4,886 | 365 | 4 | 369 | (178) |
| | 32,220 | 10,695 | 8,709 | 19,404 | (19,762) |

(*) Includes its subsidiaries and joint ventures.

16.1.3 Rates for intercompany loans

| | Parent company | | | |
|-------------------------|-----------------------|-------------------|--------------------|-------------------|
| | Assets | | Liabilities | |
| | 03.31.2013 | 12.31.2012 | 03.31.2013 | 12.31.2012 |
| Up to 7% p.a. | 4,276 | 4,307 | (14,906) | (14,930) |
| Fom 7.01% to 10% p.a. | - | - | (6,522) | (6,832) |
| From 10.01% to 13% p.a. | - | 1 | - | - |
| More than 13% p.a. | 274 | 277 | - | - |
| | 4,550 | 4,585 | (21,428) | (21,762) |

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Notes to the financial statements

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16.2 Non standardized receivables investment fund (FIDC-NP)

The Parent Company invests in the non-standardized receivables investment fund (FIDC-NP), which comprises mainly receivables and non-performing receivables arising from the operations performed by subsidiaries of the Petrobras Group.

| | Parent Company | |
|--|-----------------------|---------------------|
| | 03.31.2013 | 12.31.2012 |
| Short-term financial investments | 33 | 79 |
| Marketable securities | 3,060 | 2,370 |
| Deferred finance charges | 136 | 86 |
| Assignment of receivables | (1,037) | (1,154) |
| Total recognized within current assets | 2,192 | 1,381 |
| Assignments of non-performing receivables | (11,868) | (9,060) |
| Total recognized within current liabilities | (11,868) | (9,060) |
| | Jan-Mar/2013 | Jan-Mar/2012 |
| Finance income FIDC-NP | 6 | 172 |
| Finance expense FIDC-NP | (213) | (393) |
| Net finance income (expense), net | (207) | (221) |

16.3 Guarantees Granted

At March 31, 2013, 2012, the outstanding balance of financial operations carried out by these subsidiaries and guaranteed by Petrobras is set out below:

| Maturity date of | PifCo | PNBV | TAG | 03.31.2013 | | | | 12.31.2012 | |
|---------------------|-------|------|-----|------------|-----|--------|-------|------------|-------|
| | | | | PGF | PGT | Others | Total | Total | Total |

| the loans | | | | Ref. | | | | | | |
|---------------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|----------------|--------|----------------|
| | | | | Abreu | | | | | | |
| | | | | e Lima | | | | | | |
| 2013 | 3,774 | 3,063 | - | - | - | - | - | - | 6,837 | 6,939 |
| 2014 | 1,090 | 395 | - | - | - | - | - | - | 1,485 | 1,507 |
| 2015 | 2,517 | 2,402 | - | - | - | - | - | - | 4,919 | 4,992 |
| 2016 | 7,595 | 3,490 | - | - | - | - | - | - | 11,085 | 12,019 |
| 2017 | 4,018 | 2,464 | - | - | - | - | - | 604 | 7,086 | 7,220 |
| 2018 and thereafter | 40,305 | 21,375 | 11,600 | 10,492 | 7,322 | 9,062 | 478 | 100,634 | | 99,016 |
| | 59,299 | 33,189 | 11,600 | 10,492 | 7,322 | 9,062 | 1,082 | 132,046 | | 131,693 |

16.4 Investment fund of subsidiaries abroad

At March 31, 2013, the subsidiary of PGT-BV had amounts invested in an investment fund abroad that held debt securities of other subsidiaries of Petrobras, related to the Company's projects, mainly Gasene, Malhas, CLEP and Marlim Leste (P-53), among other investments, in the amount of R\$ 15,204 (R\$ 15,561 at December 31, 2012).

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16.5 Transactions with joint ventures, associates, government entities and pension funds

The balances of significant transactions are set out in the table below:

| | Consolidated | | |
|---|---------------------|--------------------|-------------------|
| | 03.31.2013 | | 12.31.2012 |
| | Assets | Liabilities | Assets |
| | | | Lia |
| Joint ventures and associates | 1,973 | 1,112 | 1,593 |
| Gas distributors | 1,109 | 455 | 912 |
| Braskem and its subsidiaries | 352 | 196 | 311 |
| Others | 512 | 461 | 370 |
| Government entities and pension funds | 42,232 | 70,768 | 49,933 |
| Government bonds | 30,597 | - | 36,959 |
| Banco do Brasil S.A. (BB) | 882 | 9,131 | 1,979 |
| Judicial deposits (CEF and BB) | 5,686 | - | 5,453 |
| Receivables from the electricity sector (note 16.6) | 3,866 | - | 3,958 |
| Petroleum and alcohol account - Receivables from Federal government (note 16.7) | 835 | - | 835 |
| BNDES | 7 | 48,029 | 7 |
| Caixa Econômica Federal (CEF) | - | 8,343 | - |
| Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (ANP) | - | 3,421 | - |
| Federal government - Dividends | - | 994 | - |
| Petros (Pension fund) | - | 173 | - |
| Others | 359 | 677 | 742 |
| | 44,205 | 71,880 | 51,526 |
| Current | 34,653 | 9,288 | 41,594 |
| Non-current | 9,552 | 62,592 | 9,932 |

16.6 Receivables from the electricity sector

At March 31, 2013, the Company had R\$3,866 (R\$ 3,958 at December, 31, 2012) of receivables from the Brazilian electricity sector, of which R\$2,942 were classified to non-current assets following recent negotiations.

The Company supplies fuel to thermoelectric power plants located in the northern region of Brazil, which are direct or indirect subsidiaries of Eletrobras, the Federal Government electric energy company. Part of the costs for supplying fuel to these thermoelectric power stations is borne by the Fuel Consumption Account (Conta de Consumo de Combustível - CCC), managed by Eletrobras.

The Company also supplies fuel to Independent Power Producers (Produtores Independentes de Energia - PIE), which are companies created for the purpose of generating power exclusively for Amazonas Distribuidora de Energia S.A. - AME, a direct subsidiary of Eletrobras. The payment of amounts related to the fuel supplied is borne by AME, which transfers funds to the Independent Power Producers.

The balance of these receivables at March 31, 2013, was R\$3,429 (R\$ 3,520 at December 31, 2012), of which R\$2,104 was past due (R\$ 2,966 at December 31, 2012).

The Company has been making several attempts to recover these receivables and partial payments have been made. In March 2013 a private instrument of debt confession was signed. The amount of R \$ 850, will be paid in 60 successive monthly installments of R\$ 14, monthly indexed to the SELIC interest rate.

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The Company also has electricity supply contracts with AME signed in 2005 by its subsidiary Breitener Energética S.A., which, pursuant to the terms of the agreements, are considered a financial lease of the two thermoelectric power plants. The contracts determine the power plants be returned to AME at the end of the agreement period with no residual value (20-year term). The balance of these receivables was R\$437 (R\$ 438 at December, 31, 2012), none of which was overdue.

16.7 Petroleum and Alcohol accounts - Receivables from Federal Government STN

At March 31, 2013, the balance of receivables related to the Petroleum and Alcohol accounts was R\$ 835 (R\$ 835 at December 31, 2012). Pursuant to Provisional Measure 2,181 of August 24, 2001, the Federal Government may settle this balance by using National Treasury Notes in an amount equal to the outstanding balance, or allow the Company to offset the outstanding balance against amounts payable to the Federal Government, including taxes payable, or both options.

The Company has provided all the information required by the National Treasury Secretariat (Secretaria do Tesouro Nacional - STN) in order to resolve disputes between the parties and conclude the settlement with the Federal Government.

Following several negotiation attempts at the administrative level, the Company decided to file a lawsuit in July 2011 to collect the receivables.

16.8 Remuneration of key management

Petrobras' key management compensation (which comprises salaries and other short-term benefits) during the first quarter of 2013 was R\$3.4 referring to seven officers and ten board members (R\$ 4.0 in the first quarter of 2012, referring to eight officers and nine board

members).

In the first quarter of 2013 the compensation of board members and officers for the consolidated Petrobras group amounted to R\$14.4 (R\$ 12.7 in the first quarter of 2012).

17 Provision for decommissioning costs

| | Consolidated | |
|--------------------------------|---------------------|-------------------|
| | 03.31.2013 | 12.31.2012 |
| Non-current liabilities | | |
| Opening balance | 19,292 | 8,839 |
| Revision of provision | (3) | 10,754 |
| Use by payment | (329) | (571) |
| Accrual of interest | 117 | 258 |
| Others | (12) | 12 |
| Closing balance | 19,065 | 19,292 |

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18 Taxes

18.1 Taxes and contributions

| Current assets | Consolidated | |
|--|---------------------|-------------------|
| | 03.31.2013 | 12.31.2012 |
| Taxes in Brazil: | | |
| ICMS (VAT) | 3,239 | 3,152 |
| PIS/COFINS (taxation on revenues) | 4,826 | 4,657 |
| CIDE | 46 | 47 |
| Income tax | 1,308 | 2,328 |
| Social contribution | 226 | 237 |
| Others | 405 | 395 |
| | 10,050 | 10,816 |
| Taxes abroad | 687 | 571 |
| | 10,737 | 11,387 |
| Non-current assets | | |
| Taxes in Brazil: | | |
| Deferred ICMS (VAT) | 1,873 | 1,845 |
| Deferred PIS and COFINS (taxation on revenues) | 8,424 | 8,279 |
| Others | 553 | 515 |
| | 10,850 | 10,639 |
| Taxes abroad | 36 | 34 |
| | 10,886 | 10,673 |
| Current liabilities | | |
| | Consolidated | |
| | 03.31.2013 | 12.31.2012 |
| Taxes in Brazil: | | |
| ICMS (VAT) | 3,132 | 3,040 |
| PIS/COFINS (taxation on revenues) | 1,403 | 1,004 |
| CIDE | 31 | 34 |
| Special participation / Royalties | 4,526 | 5,363 |
| Withholding Income tax and social contribution | 951 | 1,155 |

| | | |
|--|---------------|---------------|
| Current income tax and social contribution | 405 | 574 |
| Others | 621 | 735 |
| | 11,069 | 11,905 |
| Taxes abroad | 663 | 617 |
| | 11,732 | 12,522 |

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*(In millions of reais, except when indicate otherwise)***18.2 Deferred income tax and social contribution - non-current**

The changes in deferred income tax and social contribution are set out in the tables below.

| | Property, plant and equipment Exploration costs for the extraction of crude oil and natural gas | | Others | Trade and other receivables / payables, loans and financing | Finance leases | Provision for legal proceedings | Tax losses | Inventories | Inter on cap |
|---|--|----------------|--------|--|-------------------|---------------------------------------|---------------|--------------|--------------------|
| Balance at December 31, 2011 | (21,336) | (4,132) | | (797) | (1,583) | 629 | 644 | 1,190 | 8 |
| Recognized in profit or loss for the year | (4,542) | (2,518) | | 1,927 | 450 | 131 | 19 | (235) | 1,2 |
| Recognized in shareholders' equity | - | - | | - | - | - | - | - | - |
| Cumulative translation adjustment | - | 220 | | (6) | - | (107) | (392) | - | - |
| Others | (27) | 73 | | 23 | (69) | 54 | 1,996 | - | - |
| Balance at December 31, 2012 | (25,905) | (6,357) | | 1,147 | (1,202) | 707 | 2,267 | 955 | 2,1 |
| Recognized in profit or loss for the year | (1,433) | (545) | | (398) | (71) | 155 | 64 | 88 | (|
| Recognized in shareholders' equity | - | - | | - | - | - | - | - | - |
| Cumulative translation adjustment | 1 | 11 | | 1 | - | (1) | 3 | (1) | - |
| Others | (15) | 2 | | 44 | 53 | 1 | - | - | - |
| Balance at March 31, 2013 | (27,352) | (6,889) | | 794 | (1,220) | 862 | 2,334 | 1,042 | 2,1 |

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(*). Includes the effects of the adoption of IAS 19 amendment as set out on note 2.2.

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(In millions of reais, except when indicate otherwise)

Management considers that the deferred tax assets will be realized in proportion to the realization of the provisions and the final resolution of future events, both of which are based on estimates that have been made.

18.3 Reconciliation between tax expense and accounting profit

A numerical reconciliation between tax expense and the product of “income before income taxes” multiplied by the applicable statutory corporation tax rates is set out in the table below:

| | Consolidated | |
|--|---------------------|---------------------|
| | Jan-Mar/2013 | Jan-Mar/2012 |
| Income before taxes | 11,396 | 12,372 |
| Income tax and social contribution computed based on Brazilian Statutory Corporation Tax Rates (34%) | (3,875) | (4,207) |
| Adjustments between income taxes based on Statutory Rates and on the Effective Tax Rate: | | |
| · Tax benefit from the deduction of interest on capital from income | - | 887 |
| · Results of companies abroad subject to different tax rates | 344 | 302 |
| · Tax incentives | 7 | 15 |
| · Carry-forward of tax losses | (79) | (94) |
| · Non-deductible expenses, net ^(*) | (120) | (79) |
| · Tax credits of companies abroad in the exploration stage | (3) | - |
| | | 80 |

| | | |
|---|----------------|----------------|
| · Others | 166 | 232 |
| Income tax and social contribution expense | (3,560) | (2,944) |
| Deferred income tax and social contribution | (2,122) | (2,331) |
| Current income tax and social contribution | (1,438) | (613) |
| | (3,560) | (2,944) |
| Effective Tax Rate | 31.2% | 23.8% |

* Includes share of profit of equity-accounted investments.

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19 Employee benefits (Post-employment)

The Company sponsors defined benefit and variable contribution pension plans, in Brazil and of certain of its international subsidiaries, as well as defined benefit medical plan for employees, that covers all present and retired employees of the companies in Brazil and their dependents.

The changes in the benefits granted to employees are presented as follows:

| | Pension Plan | Consolidated Health Care Plan | Total |
|--|-------------------------|--|---------------|
| Balance at December 31, 2011 | 5,059 | 13,021 | 18,080 |
| (+) Initial adoption of amended IAS 19 | 9,024 | 2,453 | 11,477 |
| Balance at January 1, 2012 | 14,083 | 15,474 | 29,557 |
| (+) Costs incurred in the year | 1,971 | 2,103 | 4,074 |
| (-) Payment of contributions | (562) | (709) | (1,271) |
| (-) Payments related to the financial commitment agreement | (321) | - | (321) |
| (+) Remeasurement - actuarial Gains/Losses (amended IAS 19) | 9,041 | 580 | 9,621 |
| Others | 1 | (1) | - |
| Balance at December 31, 2012 | 24,213 | 17,447 | 41,660 |
| Current | 971 | 639 | 1,610 |
| Non-current | 23,242 | 16,808 | 40,050 |
| | 24,213 | 17,447 | 41,660 |
| (+) Costs incurred in the period | 900 | 503 | 1,403 |
| (-) Payment of contributions | (129) | (168) | (297) |
| Others | (25) | - | (25) |
| Balance at March 31, 2013 | 24,959 | 17,782 | 42,741 |
| Current | 1,038 | 639 | 1,677 |

| | | | |
|--------------------|---------------|---------------|---------------|
| Non-current | 23,921 | 17,143 | 41,064 |
| | 24,959 | 17,782 | 42,741 |

The amounts recognized in the income statement related to the pension and medical plans are set out below:

| | Consolidated Pension plan | | | Total |
|--|--------------------------------------|----------------------------------|---------------------------------|--------------|
| | Defined benefit | Variable contribution | Health care plan | |
| Current service cost | 257 | 79 | 105 | 441 |
| Net Interest cost on Liabilities/(Asset) | 497 | 27 | 398 | 923 |
| Others | - | 40 | - | 40 |
| Costs for defined benefit in Jan-Mar/2013 | 754 | 146 | 503 | 1,403 |
| Related to: | | | | |
| Active employees | 507 | 145 | 254 | 906 |
| Retired employess | 247 | 1 | 249 | 497 |
| Costs for the period Jan-Mar/2013 | 754 | 146 | 503 | 1,403 |
| Costs for the period Jan-Mar/2012 | 349 | 131 | 526 | 1,006 |

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At March 31, 2013, the Company had the carrying amount of R\$ 6,039 related to crude oil and oil products pledged as security for the Terms of Financial Commitment (TFC), signed by Petrobras and Petros in 2008.

In first quarter of 2013, the Company's contribution to the defined contribution portion of the Petros Plan 2 was R\$160.

20 Shareholders' equity

20.1 Share capital

At March 31, 2013, subscribed and fully paid share capital was R\$205,392, represented by 7,442,454,142 outstanding common shares and 5,602,042,788 outstanding preferred shares, all of which are registered, book-entry shares with no par value.

Capital increase with reserves in 2013

A proposal will be made to the Extraordinary General Meeting, to be held jointly with the Annual General Meeting, on April 29, to increase capital through capitalization of a portion of the profit reserve for tax incentives established in 2012, of R\$ 19. Share capital will increase from R\$ 205,392 to R\$ 205,411.

20.2 Dividends

Dividends - 2012

Dividends for 2012 of R\$ 8,876 (R\$ 0.47 per common share and US\$ 0.96 per preferred share) are to be voted at the 2013 Annual General Meeting and represent 44.73% of the adjusted net income in Brazilian Reais (adjusted in accordance with Brazilian Corporation Law). Dividends will be paid in the form of interest on capital as set out below:

| Payment | Date of approval by Board of Directors | Date of shareholder position | Date of payment | Common share | | Preferred share | |
|---|--|------------------------------|---------------------------|-------------------|---|-------------------|---|
| | | | | Amount of payment | Gross amount per share (Common and Preferred) (R\$) | Amount of payment | Gross amount per share (Common and Preferred) (R\$) |
| 1 st payment | 04.27.2012 | 05.11.2012 | 05.31.2012 | 1,489 | 0.20 | 1,120 | 0.20 |
| 2 nd and 3 rd payment | 02.04.2013 | 04.29.2013 | 05.29.2013 and 08.30.2013 | 2,009 | 0.27 | 4,258 | 0.76 |
| | | | | 3,498 | 0.47 | 5,378 | 0.96 |

Interim distributions of interest on capital in 2012 will be deducted from the distribution approved at the close of fiscal year 2012 and indexed based on the SELIC rate from the date of payment to December 31, 2012. The remaining amount of interest on capital will be indexed based on the SELIC rate from December 31, 2012 to the date of payment.

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Notes to the financial statements

(In millions of reais, except when indicate otherwise)

20.3 Earnings per Share

| | Consolidated | | Parent co |
|---|---------------------|---------------------|-----------------------|
| | Jan-Mar/2013 | Jan-Mar/2012 | Jan-Mar/2013 J |
| Net income attributable to Petrobras' shareholders | 7,693 | 9,214 | 7,629 |
| Weighted average of the number of common and preferred shares outstanding (No. of Shares) | 13,044,496,930 | 13,044,496,930 | 13,044,496,930 |
| Basic and diluted earnings per common and preferred share (R\$ per share) | 0.59 | 0.71 | 0.58 |

21 Sales revenues

| | Consolidated | |
|-----------------------|---------------------|---------------------|
| | Jan-Mar/2013 | Jan-Mar/2012 |
| Gross sales | 88,481 | 81,463 |
| Sales taxes | (15,946) | (15,329) |
| Sales revenues | 72,535 | 66,134 |

22 Other operating expenses, net

| | Consolidated | |
|---|---------------------|---------------------|
| | Jan-Mar/2013 | Jan-Mar/2012 |
| (Losses) / Gains on legal and administrative proceedings | (522) | (364) |
| Pension and medical benefits | (497) | (508) |
| Unscheduled stoppages and pre-operating expenses | (305) | (341) |
| Institutional relations and cultural projects | (301) | (356) |
| Inventory write-down to net realizable value (market value) | (147) | (142) |
| Expenditures on health, safety and environment | (140) | (119) |
| (Expenditures) reimbursements from operations in E&P partnerships | 84 | 7 |
| Government grants | 44 | 68 |

| | | |
|------------|----------------|----------------|
| Impairment | - | (1) |
| Others | (280) | (487) |
| | (2,064) | (2,243) |

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Notes to the financial statements

(In millions of reais, except when indicate otherwise)

23 Expenses by nature

| | Jan-Mar |
|---|----------------|
| Raw material / products for resale | (3) |
| Production taxes | (|
| Employee benefits | (|
| Depreciation, depletion and amortization | (|
| Changes in inventories | |
| Freight, rent, third-party services, and other related costs | (|
| Exploration expenditures written off (Includes dry wells and signature bonuses written off) | |
| Taxes expenses | |
| Losses / Gains on legal and administrative proceedings | |
| Institutional relations and cultural projects | |
| Unscheduled stoppages and pre-operating expenses | |
| Expenditures on health, safety and environment | |
| Inventory written-down to net realizable value (market value) | |
| Impairment | (62 |
| | |
| Cost of sales | (5 |
| Selling expenses | (|
| General and administrative expenses | (|
| Exploration costs | (|
| Research and technological development expenses | |
| Other taxes | (|
| Other operating expenses, net | (62 |

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***24 Net finance income (expense)**

| | Consolidated | |
|---|---------------------|---------------------|
| | Jan-Mar/2013 | Jan-Mar/2012 |
| Foreign exchange and inflation indexation charges on net debt (*) | 1,770 | 202 |
| Expenses on debt | (2,531) | (2,271) |
| Income from investments and marketable securities | 493 | 926 |
| Financial result on net debt | (268) | (1,143) |
| Capitalized borrowing costs | 1,670 | 1,748 |
| Gains (losses) on derivatives | (69) | (197) |
| Income from marketable securities | 108 | 162 |
| Other financial expenses and income, net | 102 | (37) |
| Other foreign exchange and indexation charges, net | (153) | (68) |
| Financial income (expenses), net | 1,390 | 465 |
| Financial income (expenses), net (**) | | |
| Income | 972 | 1,196 |
| Expenses | (1,199) | (865) |
| Foreign exchange and inflation indexation charges, net | 1,617 | 134 |
| | 1,390 | 465 |

(*) Includes indexation charges on debt in local currency indexed to the U.S. dollar.

(**) Pursuant to item 3.06 of the income statement.

25 Supplementary information on the statement of cash flows

| | Consolidated | |
|--|---------------------|---------------------|
| | Jan-Mar/2013 | Jan-Mar/2012 |
| Amounts paid and received during the period | | |
| Income tax and social contribution paid | | 564 |
| Withholding income tax paid for third-party | | 798 |
| Non-cash Transactions (Investing and financing) | | |

| | |
|---|---|
| Purchase of property, plant and equipment on credit | 2 |
| Amounts related to the recognition of a provision for decommissioning costs | - |

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Notes to the financial statements

(In millions of reais, except when indicate otherwise)

26 Segment information

| | Exploration and Production | Refining, Transportation & Marketing | Gas & Power BI |
|--|---|---|-----------------------------------|
| Current assets | 13,138 | 42,907 | 8,071 |
| Non-current assets | 303,156 | 150,982 | 51,341 |
| Long-term receivables | 10,720 | 9,491 | 3,632 |
| Investments | 159 | 5,838 | 1,818 |
| Property, plant and equipment | 216,188 | 135,334 | 45,101 |
| Intangible assets | 76,089 | 319 | 790 |
| As of March 31, 2013 | 316,294 | 193,889 | 59,412 |
| Consolidated assets by Business Area - 12.31.2012 | | | |
| Current assets | 13,415 | 41,610 | 7,377 |
| Non-current assets | 296,784 | 145,285 | 50,768 |
| Long-term receivables | 10,462 | 9,364 | 3,504 |
| Investments | 164 | 5,920 | 2,371 |
| Property, plant and equipment | 210,029 | 129,686 | 44,108 |
| Intangible assets | 76,129 | 315 | 785 |
| As of December 31, 2012 | 310,199 | 186,895 | 58,145 |

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***Consolidated Statement of Income per Business Area – 2013**

| | Jan-Mar/2013 | | | | | | |
|---|---|---|---|---------------------|----------------------|------------------|----------------|
| | Exploration and Production | Refining, Transportation & Marketing | Gas & Power Biofuels | Distribution | International | Corporate | |
| Sales revenues | 34,692 | 56,839 | 8,149 | 221 | 21,346 | 8,679 | |
| Intersegments | 34,232 | 19,956 | 707 | 212 | 583 | 1,701 | |
| Third parties | 460 | 36,883 | 7,442 | 9 | 20,763 | 6,978 | |
| Cost of sales | (17,429) | (61,473) | (6,482) | (241) | (19,104) | (6,933) | |
| Gross profit | 17,263 | (4,634) | 1,667 | (20) | 2,242 | 1,746 | |
| Expenses | (2,179) | (1,903) | (484) | (47) | (1,159) | (558) | (2,700) |
| Selling, general and administrative expenses | (230) | (1,429) | (431) | (31) | (1,193) | (420) | (1,150) |
| Exploration costs | (1,238) | - | - | - | - | (44) | |
| Research and development expenses | (370) | (101) | (38) | (12) | (1) | (2) | (1,000) |
| Other taxes | (23) | (44) | (30) | (1) | (16) | (75) | (1,000) |
| Other operating expenses, net | (318) | (329) | 15 | (3) | 51 | (17) | (1,400) |
| Net income before financial results, profit sharing and income taxes | 15,084 | (6,537) | 1,183 | (67) | 1,083 | 1,188 | (2,700) |
| Financial income (expenses), net | - | - | - | - | - | - | 1,300 |
| Share of profit of equity-accounted investments | (2) | 58 | 123 | (4) | 1 | (16) | |
| Net income before income taxes | 15,082 | (6,479) | 1,306 | (71) | 1,084 | 1,172 | (1,300) |
| Income tax and social | (5,129) | 2,223 | (402) | 23 | (368) | (399) | |

| | | | | | | | |
|------------------------------------|--------------|----------------|------------|-------------|------------|------------|------------|
| contribution | | | | | | | |
| Net income (loss) | 9,953 | (4,256) | 904 | (48) | 716 | 773 | (6) |
| Net income attributable to: | | | | | | | |
| Shareholders of Petrobras | 9,958 | (4,256) | 878 | (48) | 716 | 732 | (7) |
| Non-controlling interests | (5) | - | 26 | - | - | 41 | |
| | 9,953 | (4,256) | 904 | (48) | 716 | 773 | (6) |

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***Consolidated Statement of Income per Business Area – 2012**

| | Exploration and Production | Refining, Transportation & Marketing | Gas & Power | Biofuels | Di |
|---|---|---|--------------------------------|-----------------|-------------|
| Sales revenues | 36,237 | 55,027 | 4,420 | 184 | 184 |
| Intersegments | 36,199 | 17,127 | 584 | 151 | 151 |
| Third parties | 38 | 37,900 | 3,836 | 33 | 33 |
| Cost of sales | (15,535) | (59,957) | (2,913) | (186) | (186) |
| Gross profit | 20,702 | (4,930) | 1,507 | (2) | (2) |
| Income (expenses) | (1,856) | (2,171) | (518) | (49) | (49) |
| Selling, general and administrative expenses | (235) | (1,527) | (411) | (30) | (30) |
| Exploration costs | (920) | - | - | - | - |
| Research and development expenses | (263) | (93) | (7) | (13) | (13) |
| Other taxes | (23) | (25) | - | (1) | (1) |
| Other operating expenses, net | (415) | (526) | (100) | (5) | (5) |
| Net income before financial results, profit sharing and income taxes | 18,846 | (7,101) | 989 | (51) | (51) |
| Financial income (expenses), net | - | - | - | - | - |
| Share of profit of equity-accounted investments | 1 | 88 | 82 | (11) | (11) |
| Net income before income taxes | 18,847 | (7,013) | 1,071 | (62) | (62) |
| Income tax and social contribution | (6,407) | 2,414 | (336) | 18 | 18 |
| Net income (loss) | 12,440 | (4,599) | 735 | (44) | (44) |
| Net income attributable to: | | | | | |
| Shareholders of Petrobras | 12,444 | (4,599) | 707 | (44) | (44) |
| Non-controlling interests | (4) | - | 28 | - | - |
| | 12,440 | (4,599) | 735 | (44) | (44) |

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***Consolidated Statement per International Business Area**

| | Exploration and Production | Refining, Transportation & Marketing | Gas & Power | Jan |
|---|----------------------------------|--|-------------------|-----|
| Income statement | | | | |
| Sales revenues | 2,670 | 4,292 | 286 | |
| Intersegments | 1,557 | 1,195 | 17 | |
| Third parties | 1,113 | 3,097 | 269 | |
| Income before financial results, profit sharing and income taxes | 1,179 | 89 | 15 | |
| Net income attributable to shareholders of Petrobras | 815 | 70 | 15 | |
| | | | | Jan |
| Income statement | | | | |
| Sales revenues | 2,617 | 4,168 | 249 | |
| Intersegments | 1,905 | 988 | 16 | |
| Third parties | 712 | 3,180 | 233 | |
| Income before financial results, profit sharing and income taxes | 1,370 | 66 | 39 | |
| Net income attributable to shareholders of Petrobras | 966 | 68 | 17 | |
| | | | | |
| Total assets | | | | |
| As of 03.31.2013 | 31,291 | 5,532 | 1,398 | |
| As of 12.31.2012 | 30,817 | 4,913 | 1,551 | |

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Notes to the financial statements

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27 Provisions for legal proceedings, contingent liabilities and contingent assets

The Company is a defendant in numerous legal proceedings involving tax, civil, labor and environmental issues, arising from the normal course of its operations. The classification of the lawsuits in accordance with the expectation of loss as probable, possible or remote, as well as their estimated amounts, is prepared based on advice from its legal advisors and management's best estimates.

27.1 Provisions for legal proceedings

The Company recognizes provisions in an amount sufficient to cover the losses considered as probable and that could be reasonably estimated. The main proceedings are related to withholding of income taxes for securities issued outside Brazil, losses and damages resulting from the cancellation of an assignment of excise tax (IPI) credits to a third party; as well as compensation for fishermen affected by the oil spill occurred in Rio de Janeiro in January 2000.

The Company has provisions for legal proceedings in the amounts set out below:

| Non-current liabilities | Consolidated | |
|--------------------------------|---------------------|-------------------|
| | 03.31.2013 | 12.31.2012 |
| Labor claims | 920 | 687 |
| Tax claims | 794 | 696 |
| Civil claims | 1,164 | 1,050 |
| Environmental claims | 126 | 128 |
| Other claims | 23 | 24 |
| | 3,027 | 2,585 |

Consolidated

| | 03.31.2013 | 12.31.2012 |
|--|-------------------|-------------------|
| Opening balance | 2,585 | 2,041 |
| Addition of provision | 490 | 1,256 |
| Amounts used during the year (payment) | (80) | (859) |
| Accretion expense | 40 | 199 |
| Others | (8) | (52) |
| Closing balance | 3,027 | 2,585 |

27.2 Judicial Deposits

Judicial deposits made in connection with legal proceedings and guarantees are set out in the table below according to the nature of the corresponding lawsuits:

| | Consolidated | |
|--------------------------|---------------------|-------------------|
| Non-current asset | 03.31.2013 | 12.31.2012 |
| Labor | 1,851 | 1,775 |
| Tax | 2,475 | 2,283 |
| Civil | 1,207 | 1,302 |
| Environmental | 145 | 142 |
| Others | 7 | 8 |
| Total | 5,685 | 5,510 |

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27.3 Consolidated contingent liabilities for legal proceedings (not provided for)

| Nature | Consolidated Estimate |
|-----------------------|------------------------------|
| Tax | 53,480 |
| Civil - General | 4,324 |
| Labor | 4,047 |
| Civil - Environmental | 1,384 |
| Others | 23 |
| | 63,258 |

A brief description of the nature of the main contingent liabilities (tax and civil) are set out in the tables below:

a) Tax Proceedings

Plaintiff: Secretariat of the Federal Revenue of Brazil

| | |
|--|-------|
| 1) Deduction of expenses from the renegotiation of the Petros Plan from the calculation basis of income tax (IRPJ) and social contribution (CSLL) and penalty charged. Current status: Awaiting the hearing of an appeal at the administrative level. | 4,396 |
| 2) Profits of subsidiaries and associates domiciled abroad in the years of 2005, 2006, 2007 and 2008 not included in the calculation basis of IRPJ and CSLL. Current status: Awaiting the hearing of an appeal at the administrative level. | 3,483 |
| 3) Deduction from the calculation basis of IRPJ and CSLL of expenses incurred in 2007 related to employee benefits and Petros. Current status: This claim is being disputed at the administrative level. | 1,662 |
| 4) Withhold income tax (IRRF) and Contribution of Intervention in the Economic Domain (CIDE) over | |

| | |
|--|-------|
| remittances for payment of platforms' affreightment. Current status: This claim involves lawsuits in different administrative and judicial stages, in which the Company is taking legal actions to ensure its rights. | 9,182 |
| 5) Non payment of CIDE on imports of naphtha. Current status: This claim is being discussed at the administrative level. | 3,499 |
| 6) Non-payment of CIDE in the period from March 2002 until October 2003 in transactions with distributors and service stations that were holders of judicial injunctions that determined the sale of gas without the gross-up of such tax. Current situation: Awaiting a hearing of an appeal at the administrative instance. | 1,468 |
| 7) Non-payment of taxon on financial operations (IOF) on Intercompany loans. Current situation: Awaiting the hearing of an appeal at the administrative instance. | 3,637 |
| 8) Withhold income tax (IRRF) over remittances abroad for payment of petroleum imports. Current status: Awaiting the hearing of an appeal at the administrative level. | 3,867 |
| 9) PIS and COFINS - Tax credits recovery denied due to failure to comply with an accessory obligation. Current status: Awaiting the hearing of an appeal at the administrative level. | 1,197 |

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(In millions of reais, except when indicate otherwise)

| | |
|---|-------|
| <p>10) ICMS on exit operations of liquid natural gas (LNG) without issuance of tax document by the main establishment. Current status: This claim involves lawsuits in different administrative and judicial stages, in which the Company is taking legal actions to ensure its rights.</p> | 3,055 |
| <p>11) Dispute over ICMS tax levy in operations of sale of aviation jet fuel, as Decree 36.454/2004 was declared as unconstitutional. Current status: This claim is being disputed at the administrative level and the company has presented its defense.</p> | 1,760 |
| <p>Plaintiff: State Finance Department of São Paulo</p> | |
| <p>12) Dispute over ICMS tax levy on the importing of a drilling rig – temporary admission in São Paulo and clearance in Rio de Janeiro and a fine for breach of accessory obligations. Current status: One of the legal proceedings is in its administrative stage and the other one was submitted to judicial dispute, in which the Company has obtained a favorable decision.</p> | 4,316 |
| <p>Plaintiff: Municipal governments of Anchieta, Aracruz, Guarapari, Itapemirim, Marataízes, Linhares, Vila Velha, Vitória and Maragogipe.</p> | |
| <p>13) Failure to withhold and collect tax on services provided offshore (ISSQN) in some municipalities located in the State of Espírito Santo, despite Petrobras having made the withholding and payment of these taxes to the municipalities where the respective service providers are established, in accordance with Complementary Law No. 116/03. Current status: This claim involves lawsuits in different administrative and judicial stages, in which the Company is taking legal actions to ensure its rights.</p> | 1,987 |
| <p>Plaintiff: State Finance Departments of Rio de Janeiro and Sergipe</p> | |
| <p>14) Use of ICMS tax credits on the purchase of drilling bits and chemical products used in formulating drilling fluid.</p> | |

Current status: This claim involves lawsuits in different administrative and judicial stages, in which

the Company is taking legal actions to ensure its rights.

15) Other tax proceedings

904

9,067

Total for tax proceedings

53,480

b) Civil Proceedings – General

Plaintiff: Agência Nacional de Petróleo, Gás Natural e Biocombustíveis - ANP

1) Dispute on differences in the payment of special participation charge in fields of the Campos Basin.

In addition, the plaintiff is claiming fines for alleged non-compliance with minimum exploratory

programs. Administrative proceedings are in course in connection with alleged irregularities in the

platforms' measurement system.

Current status: This claim involves processes in different administrative and/or judicial stages, in which the

Company is taking legal actions to ensure its rights.

2) Other civil proceedings

1,807

2,517

Total for civil proceedings

4,324

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Notes to the financial statements

(In millions of reais, except when indicate otherwise)

27.4 Joint Ventures - Frade field

In November 2011, there was an oil spillage in the Frade field operated by Chevron Brasil, located in the Campos basin. Chevron Brasil, Chevron Latin America Marketing LLC and Transocean Brasil Ltda are defending a lawsuit claiming R\$ 20 billion in environmental damages by the federal public attorney's office. Transocean Brasil Ltda. operated the rig at Frade at the time of this spillage.

In April 2012, a new lawsuit was filed by the Federal Public Attorney's Office against Chevron and Transocean, following new seabed leaks in the Frade field. In this suit the Federal Public Attorney's Office claimed a further R\$ 20 billion as compensation for damages.

The assessment by the Company's lawyers is that the amounts claimed are not reasonable and are disproportionately high in relation to the extent of the damages caused. In the second lawsuit, as the oil was not identified on the surface, the existence of any actual damage to the community is inconceivable.

Although the Company is not being sued, due to its 30% ownership interest in the Frade consortium, Petrobras may be contractually obliged to pay 30% of the total contingencies related to the incidents that occurred in the Frade field. In the event Chevron is held legally responsible, Petrobras may be contractually subject to the payment of up to 30% of the costs of the damages.

27.5 Contingent assets

27.5.1 Legal proceeding in the United States - P-19 and P-31

In 2002, Braspetro Oil Service Company (Brasoil) and Petrobras obtained a favorable decision in related lawsuits filed before U.S. courts by the insurance companies United States Fidelity & Guaranty Company and American Home Assurance Company in which they were seeking to obtain (since 1997 and regarding Brasoil) a judicial order exempting them from their payment obligations under the performance bond related to platforms P- 19 and P-31, and seeking reimbursement from Petrobras for any amounts for which they could ultimately be held liable in the context of the execution proceedings of such performance bond.

On July 21, 2006, the U.S. courts issued an executive decision, conditioning the payment of the amounts owed to Brasoil to a definitive dismissal of the legal proceedings involving identical claims that are currently in course before Brazilian courts.

Brasoil, Petrobras and the insurance companies already pleaded the dismissal of the Brazilian legal proceedings but their definitive dismissal is awaiting the hearing of an appeal filed by the platforms' shipbuilding company before the Superior Court for Non-Constitutional Matters (STJ).

In 2012 the Company intensified actions taken, in an attempt to settle this lawsuit. The amount of damages pleaded is approximately US\$ 245 million.

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

28 Guarantees for concession agreements for petroleum exploration

The Company has guarantees for the Minimum Exploration Programs established in the concession agreements for exploration of areas by the Agência Nacional de Petróleo, Gás Natural e Biocombustíveis (“ANP”) in the total amount of R\$ 6,151, of which R\$ 5,37 are still in force, net of commitments that have been undertaken. The guarantees comprise crude oil from previously identified producing fields, pledged as security, for R\$3,191 and bank guarantees in the amount of R\$ 2,180.

29 Risk management and derivative instruments

The Company is exposed to a variety of risks arising from its operations: market risk (including price risk related to crude oil and oil products, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

29.1 Risk management

The objective of the overall risk management policy of the Company is to achieve an appropriate balance between growth, increased return on investments and risk exposure level, which can arise from its normal activities or from the context within which the Company operates, so that, through effective allocation of its physical, financial and human resources it may achieve its strategic goals.

Risk management is carried out by a Financial Integration Committee set up by the Executive Board to evaluate and establish guidelines for measuring, monitoring, and managing the risks periodically and to support the Board decisions. This Committee is always composed of the executive managers of the finance department. Executive managers of different business areas are convened to discuss specific matters.

29.2 Market risk

29.2.1 Risk management of price risk (related to crude oil and oil products)

Petrobras does not use derivative instruments to hedge exposures to commodity price cycles related to products purchased and sold to fulfill operational needs.

Derivatives are used as hedging instruments to manage the price risk of certain transactions carried out abroad, which are usually short-term transactions similar to commercial transactions.

The main risk management techniques used by the Company to manage price risk of crude oil and oil products, in the transactions carried out abroad, are: operating Cash Flow at Risk (CFAR), Value at Risk (VAR) and Stop Loss.

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***a) Notional amount, fair value and guarantees of crude oil and oil products derivatives**

| Statement of Financial Position | Consolidated | | | | Maturity |
|---|--|----------------|---------------|-------------|------------------|
| | Notional value (in thousands of bbl)* | | Fair value ** | | |
| | 03.31.2013 | 12.31.2012 | 03.31.2013 | 12.31.2012 | |
| Futures contracts | (6,383) | (3,380) | 3 | (36) | 2013/2014 |
| Purchase commitments | 41,691 | 16,500 | | | |
| Sale commitments | (48,074) | (19,880) | | | |
| Options contracts | 352 | (2,050) | (2) | (3) | 2013 |
| Call | (359) | (1,080) | (2) | (2) | |
| Long position | 1,175 | 3,204 | | | |
| Short position | (1,534) | (4,284) | | | |
| Put | 711 | (970) | - | (1) | |
| Long position | 1,822 | 2,029 | | | |
| Short position | (1,111) | (2,999) | | | |
| Total recognized in other current assets and liabilities | | | 1 | (39) | |

* Negative notional values (in bbl) represent short positions.

** Negative fair values were recognized as liabilities and positive fair values as assets.

| Financial income | Consolidated | |
|---|--------------|--------------|
| | Jan-Mar/2013 | Jan-Mar/2012 |
| Gain / (Loss) recognized in profit or loss for the period | (16) | (199) |

Consolidated

Garantees given as collateral

Generally consist of deposits

03.31.2013

152

12.31.2012

211

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***b) Sensitivity analysis of crude oil and oil products derivatives**

The probable scenario is the fair value at March 31, 2013. The stressed scenarios consider price changes of 25% and 50% on the risk variable, respectively, comparatively to March 31, 2013.

| | | Consolidated Probable at 03.31.2013 | Possible (Δ of 25%) | Remote (Δ of 50%) |
|----------------------|--|--|--------------------------------|------------------------------|
| Oil and Oil Products | | | | |
| Brent | Derivative (Brent prices increase) | (7) | (494) | (981) |
| | Inventories (Brent prices decrease) | 14 | 503 | 991 |
| | | 7 | 9 | 10 |
| Diesel | Derivative (Diesel prices decrease) | 7 | (13) | (34) |
| | Inventories (Diesel prices increase) | (13) | 9 | 31 |
| | | (6) | (4) | (3) |
| Freight | Derivative (Freight costs decrease) | - | (3) | (5) |
| | Inventories (Freight costs increase) | 2 | 4 | 6 |
| | | 2 | 1 | 1 |
| Gasoline | Derivative (Gasoline prices increase) | (7) | (22) | (36) |
| | Inventories (Gasoline prices decrease) | 1 | 14 | 28 |
| | | (6) | (8) | (8) |
| Naphtha | Derivative (Naphtha prices increase) | (1) | (14) | (27) |
| | Inventories (Naphtha prices decrease) | 2 | 15 | 29 |

| | | 1 | 1 | 2 |
|----------|--|------------|------------|------------|
| Fuel Oil | Derivative (Fuel Oil prices increase) | (1) | (93) | (185) |
| | Inventories (Fuel Oil prices decrease) | - | 93 | 185 |
| | | (1) | - | - |
| WTI | Derivative (WTI prices decrease) | 10 | (109) | (230) |
| | Inventories (WTI prices increase) | (15) | 106 | 227 |
| | | (5) | (3) | (3) |
| Ethanol | Derivative (Ethanol prices decrease) | - | (2) | (5) |
| | Inventories (Ethanol prices increase) | - | 3 | 5 |
| | | - | 1 | - |
| Propane | Derivative (Propane prices increase) | 2 | (9) | (21) |
| | Inventories (Propane prices decrease) | (2) | 9 | 21 |
| | | - | - | - |

c) Embedded derivatives - Sale of ethanol

On March 8, 2013 the Company entered into an agreement to amend the ethanol sale contract, materially changing prices and quantities. The selling price of each future ethanol shipment will be based on the price of ethanol in the Brazilian Market (ESALQ) plus a spread. Therefore the amended agreement has no longer a derivative instrument measured as an embedded derivative.

The notional value, fair value and the sensitivity analysis of the swap are presented below:

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

| | Notional value | | Fair value | | Sensitivity analysis at 03.31.2013 | | | |
|---|---------------------------------------|---|-------------------|-------------------|---|----------------------------|----------------------------|--------------------------|
| | (in thousand of m³) | | 03.31.2013 | 12.31.2012 | Risk | Probable 03.31.2013 | Possible (Δ of 25%) | Remote (Δ of 50%) |
| Forward contracts | | | | | | | | |
| Long position (Maturity in 2015) | - | - | | 74 | Fall in Naphtha vs. Ethanol spread | - | - | - |
| Financial income | | | | | | Jan-Mar/2013 | Jan-Mar/2012 | |
| Gain / (Loss) recognized in profit or loss for the period | | | | | | (73) | | - |

The Company determined the fair value of this contract based on market practices, which consider the difference between the spreads for naphtha and ethanol is calculated. The selling price of the ethanol in the agreement refers to the Brazilian market (ESALQ). The values of the parameters used in the calculation were obtained from market prices for ethanol and naphtha on the CBOT (Chicago Board of Trade) future market on the last working day of the period of the financial statements.

29.2.2 Foreign exchange risk management

The Company is exposed to foreign exchange risk from recognized assets and liabilities, arising from the volatility of currency markets.

Petrobras seeks to identify and manage foreign exchange risk in an integrated manner, by recognizing and creating “natural hedges”, benefiting from the correlation between income and

expenses. To mitigate short-term exchange risk exposure arising from transactions involving income and expenses in different currencies, the Company can use a natural hedge by choosing in which currency to hold cash, such as Brazilian Real, US dollar or another currency.

Foreign exchange risk is managed based on the net exposure and reviewed periodically to support the Executive Board. The Company can use derivative instruments to hedge certain liabilities, minimizing foreign exchange exposure.

a) Main transactions and future commitments hedged by foreign exchange derivatives

Swap Contracts

Yen vs. Dollar

The Company entered into a cross currency swap to fix in U.S. dollars the payments related to bonds denominated in Japanese yen. The Company does not intend to settle these contracts before the maturity. The relationship between the derivative and the loan qualify as cash flow hedge and hedge accounting is applied.

The effective portion of changes in fair value, assessed on a quarterly basis, are recognized in accumulated other comprehensive income, in the shareholders' equity and reclassified to profit or loss in the periods when the hedged item affects profit or loss.

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

b) Notional value, fair value and guarantees

| | Consolidated | | Fair value |
|---|-------------------------------------|---------------------|-------------------|
| | Notional value (in millions) | | |
| Statement of Financial Position | 03.31.2013 | 12.31.2012 | 03.31.2013 |
| Cross Currency Swap (Maturity in 2016) | | | 95 |
| Asset position (JPY) - 2.15% p.a. | JPY 35,000 | JPY 35,000 | 799 |
| Liability position (US\$) - 5.69% p.a. | USD 298 | USD 298 | (704) |
| Sale of forward dollar | USD 1,724 | USD 1,077 | (34) |
| Total recorded in other current assets and liabilities | | | 61 |
| Financial result and shareholders' equity | Jan-Mar/2013 | Jan-Mar/2012 | |
| Gain / (Loss) recognized in profit or loss for the period | 20 | 2 | |
| Gain / (Loss) recognized in shareholders' equity | (2) | (18) | |

Margin is not required for the operations the Company has entered into, related to foreign currency derivatives.

c) Sensitivity analysis for foreign exchange risk on financial instruments

The Company has assets and liabilities subject to foreign exchange risk. The main exposure involves the Brazilian Real, relative to the U.S. dollar. Foreign exchange risk arises on financial instruments that are denominated in a currency other than the Brazilian Real. Assets and liabilities of foreign subsidiaries, denominated in a currency other than the Brazilian Real are not included in the sensitivity analysis set out below when transacted in a currency equivalent to their respective functional currencies.

The probable scenario, computed based on external data, as well as the stressed scenarios (a 25% and a 50% change in the foreign exchange rates) are set out below:

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

| Instrumentos Financieros | Exposición en | | Consolidado | | |
|---|------------------|--------|------------------------|---|-------------------------|
| | 31.03.2013 | Riesgo | Probable 31.03.2013 | Escenarios: Posible (Δ de 25%) | Remoto (Δ de 50%) |
| Instrumentos financieros activos | 10,431 | Dólar | (71) | 2,608 | 5,215 |
| Instrumentos financieros pasivos | (91,794) | | 629 | (22,948) | (45,897) |
| Derivado Forward (vendido) | (3,472) | | 24 | (868) | (1,736) |
| | (84,835) | | 582 | (21,208) | (42,418) |
| Instrumentos financieros activos | - | Yen | - | - | - |
| Instrumentos financieros pasivos | (2,194) | | 23 | (549) | (1,097) |
| Derivado - <i>Cross Currency Swap</i> | 750 | | (8) | 266 | 799 |
| | (1,444) | | 15 | (283) | (298) |
| Instrumentos financieros activos | 6,411 | | 100 | 1,603 | 3,206 |
| Instrumentos financieros pasivos | (16,389) | Euro | (256) | (4,097) | (8,195) |
| | (9,978) | | (156) | (2,494) | (4,989) |
| Instrumentos financieros activos | 1,590 | | (11) | 397 | 795 |
| Instrumentos financieros pasivos | (5,003) | Libra | 33 | (1,251) | (2,501) |
| | (3,413) | | 22 | (854) | (1,706) |
| Instrumentos financieros activos | 616 | | (29) | 154 | 308 |

| | | | | | |
|----------------------------------|------------------|------|------------|-----------------|-----------------|
| Instrumentos financieros pasivos | (2,357) | Peso | 110 | (589) | (1,179) |
| | (1,741) | | 81 | (435) | (871) |
| | (101,411) | | 544 | (25,274) | (50,282) |

(*)The probable scenario was computed based on the following changes for June, 30, 2013: Real x Dollar – a 0.69% appreciation of the Real relative to the Dollar / Yen x Dollar – a 1.06 % depreciation of the Yen / Peso x Dollar: a 4.88 % depreciation of the Peso/ Euro x Dollar x Euro: a 1.56 % appreciation of the Euro / Pound Sterling x Dollar: a 0.66 % depreciation of the Pound Sterling. The data were obtained from the Focus Report of the Central Bank of Brazil and from Bloomberg.

Net foreign exchange exposure is not considered significant in the long term, as the impact of foreign exchange depreciation / appreciation in the cash flows does not jeopardize the liquidity of the Company in the short term due to the balance between liabilities, assets, revenues and future commitments in foreign currency, since most of its debt mature in the long term.

29.2.3 Interest rate risk management

The Company is mainly exposed to interest rate risk related to changes in the LIBOR rate, arising from debt issued in foreign currency and to changes in the Brazilian long-term interest rate (TJLP), arising from debt issued in Brazilian Real. An increase in interest rates causes a negative impact in the Company's finance expense and its financial position.

The Company considers that exposure to interest rate risk does not cause a significant impact and therefore, preferably does not use derivative financial instruments to manage interest rate risk, except for specific situations encountered by certain companies of the Petrobras group.

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

a) Main transactions and future commitments hedged by interest rate derivatives

Swap contracts

Floating-to-fixed swap (Libor USD) vs. Fixed rate (USD)

The Company entered into an interest rate swap, in order to exchange a floating interest rate for a fixed rate, aiming at eliminating the mismatch between the cash flows of assets and liabilities from investment projects. The Company does not intend to settle the operation before the maturity date, and therefore, adopted hedge accounting for the relationship between the finance debt and the derivative.

Other positions held are set out in the table below.

b) Notional value, fair value, guarantees and sensitivity analysis for interest rate derivatives

| Statement of Financial Position | Consolidated | | Fair value | |
|---------------------------------|------------------------------|------------|------------|------------|
| | Notional value (in millions) | | 03.31.2013 | 12.31.2012 |
| | 03.31.2013 | 12.31.2012 | | |
| Swaps (maturity in 2020) | | | | |
| Short position | USD 450 | USD 460 | (71) | (85) |
| Swaps (maturity in 2015) | | | (2) | (2) |
| Long position – Euribor | EUR 13 | EUR 15 | - | 1 |

| | | | | |
|-----------------------------------|--------|--------|-----|-----|
| Short position – 4.19% Fixed rate | EUR 13 | EUR 15 | (2) | (3) |
|-----------------------------------|--------|--------|-----|-----|

| | | | | |
|---|--|--|-------------|-------------|
| Total recognized in other assets and liabilities | | | (73) | (87) |
|---|--|--|-------------|-------------|

| | | |
|---|---------------------|---------------------|
| Financial result and shareholders' equity | Jan-Mar/2013 | Jan-Mar/2012 |
| Gain / (Loss) recognized in profit or loss for the period | - | - |
| Gain / (Loss) recognized in shareholders' equity | 14 | (9) |

| Interest rate derivatives | Risk | Probable (*) | Consolidated Scenarios: Possible (Δ of 25%) | Remote (Δ of 50%) |
|----------------------------------|------------------|---------------------|--|--------------------------|
| Hedge (Derivative - Swap) | Libor decrease | (4) | (8) | (13) |
| Debt | Libor increase | 4 | 8 | 13 |
| Net effect | | - | - | - |
| Hedge (Derivative - Swap) | Euribor decrease | - | - | - |
| Debt | Euribor increase | - | - | - |
| Net effect | | - | - | - |

*The probable scenario was computed based on LIBOR futures.

Margin is not required for the operations the Company has entered into, related to interest rate derivatives.

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

29.3 Credit risk

Petrobras is exposed to the credit risk arising from commercial transactions and from cash management, related to financial institutions and to credit exposure to customers. Credit risk is the risk that a customer or financial institution will fail to pay amounts due, relating to outstanding receivables or to financial investments, guarantees or deposits with financial institutions.

Credit risk management in Petrobras is a portion of its financial risk management, which is performed by the Company's officers, under a policy of corporate risk management. The Credit Commissions are, each, composed of executive Managers for Risk Management, Finance and Commercial Department.

The purpose of the Credit Commissions is to analyze credit management issues, relating to granting and managing credit; to encourage integration between the units that compose the Credit Commissions; and to identify recommendations to be applied in the units involved or to be submitted to the appreciation of higher jurisdictions.

The credit risk management policy is part of the Company's global risk management policy and aims at reconciling the need for minimizing exposure to credit risk and maximizing the result of commercial and financial transactions, through an efficient credit analysis process and efficient credit granting and management processes.

The Company manages credit risk by applying quantitative and qualitative parameters that are appropriate for each of the market segments in which it operates.

The Company's commercial credit portfolio is much diversified and the credits granted are divided between clients from the domestic market and from foreign markets.

Credit granted to financial institutions is spread among the major international banks rated by the international rating agencies as Investment Grade and highly-rated Brazilian banks.

The maximum exposure to credit risk is represented mainly by the balance of accounts receivable and derivative financial instruments outstanding.

29.4 Liquidity risk

The Company's liquidity risk is represented by the possibility of a shortage of funds, cash or another financial asset in order to settle its obligations on the established dates.

The liquidity risk management policy adopted by the Company provides that the maturity of its debt continues to be lengthen, exploring the funding opportunities available in the domestic market and being significantly active in the international capital markets by broadening the investor's base in fixed income.

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

Petrobras finances its working capital through a centralized cash management for the group and by assuming short-term debt, which is usually related to commercial transactions, such as export credit notes and advances on foreign exchange contracts. Investments in non-current assets are financed through long-term debt, such as bonds issued in the international market, funding from credit bureaus, financing and pre-payment of exports, development banks in Brazil and abroad, and lines of credit with national and international commercial banks.

A maturity analysis of the long-term debt, including face value and interest payments is set out in the table below:

| Maturity | Consolidated |
|-----------------------------|---------------------|
| 2013 | 18,677 |
| 2014 | 17,776 |
| 2015 | 23,794 |
| 2016 | 36,841 |
| 2017 | 26,162 |
| 2018 | 39,926 |
| 2019 and thereafter | 112,514 |
| At March 31, 2013 | 275,690 |
| At December 31, 2012 | 278,056 |

29.5 Financial investments (derivative financial instruments)

Operations with derivatives are, both in the domestic and foreign markets, earmarked exclusively for the exchange of indices of the assets that comprise the portfolios, and their purpose is to provide flexibility to the managers in their quest for efficiency in the management of short-term financial assets.

The market values of the derivatives held in the exclusive investment funds at March 31, 2013 are set out below:

| Contract | Quantity | Notional value | Fair value | Maturity |
|--|-----------------|---------------------------|-------------------|---------------------|
| <u>Future Interbank Deposit</u> | | | 4 | 2013 to 2016 |
| Long position | 64,391 | 5,927 | (2) | |
| Short position | (81,826) | (7,332) | 6 | |
| <u>Future dollar</u> | | | - | 2013 |
| Long position | 290 | 29 | - | |
| Short position | (523) | (53) | - | |
| <u>Swap</u> | | | (6) | 2013 to 2014 |
| Long position | - | 855 | - | |
| Short position | - | (855) | (6) | |

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

30 Fair value of financial assets and liabilities

Fair values are determined based on market prices, when available, or, in the absence thereof, on the present value of expected future cash flows. The fair values of cash and cash equivalents, trade accounts receivable, short term debt and trade accounts payable are the same as their carrying values. The fair values of other long-term assets and liabilities do not differ significantly from their carrying amounts.

At March 31, 2013, the estimated fair value for the Company's long term debt was R\$ 188,413 and was computed based on the prevailing market rates for operations that have similar nature, maturity and risk to the contracts recognized and it may be compared to the carrying amount of R\$ 182,192.

The hierarchy of the fair values of the financial assets and liabilities, recorded on a recurring basis, is set out below:

| | Fair value measured based on | | | |
|-------------------------------------|--|---|--|---------------------------------|
| | Prices quoted on active market (Level I) | Valuation technique supported by observable prices (Level II) | Valuation technique without use of observable prices (Level III) | Total fair value recorded |
| Assets | | | | |
| Marketable securities | 19,672 | - | - | 19,672 |
| Commodity derivatives | 1 | - | - | 1 |
| Foreign currency derivatives | - | 61 | - | 61 |
| Balance at March 31, 2013 | 19,673 | 61 | - | 19,734 |
| Balance at December 31, 2012 | 21,381 | 156 | 74 | 21,611 |
| Liabilities | | | | |
| Commodity derivatives | - | - | - | - |
| Interest derivatives | - | (73) | - | (73) |
| Derivatives (Financial investments) | (2) | - | - | (2) |
| Balance at March 31, 2013 | (2) | (73) | - | (75) |
| Balance at December 31, 2012 | (126) | - | - | (126) |

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

31 Subsequent Events

Funding

a) Abroad

| Company | Date | Financial Institution | Contract currency (million) | Maturity | Description |
|---------|--------|-----------------------|-----------------------------|----------|--|
| PGF BV | Apr/13 | Deutsche Bank | € 100 | 2030 | Bonds with fixed coupon rate. |
| PGF BV | Apr/13 | Deutsche Bank | € 250 | 2038 | Bonds with fixed coupon rate. |
| PGT BV | Apr/13 | Itaú | U\$\$ 1,000 | 2019 | Financing indexed to floating interest rates. |
| PGT BV | Apr/13 | Bank Tokyo Mitsubishi | U\$\$ 500 | 2019 | Financing indexed to floating interest rates. |
| PIB BV | Apr/13 | HSBC | U\$\$ 501 | 2023 | Facility Agency: HSBC Bank USA indexed to floating interest rates. |

b) In Brazil

| Company | Date | Financial Institution | Contract currency (million) | Maturity | Description |
|-----------|--------|--------------------------------|-----------------------------|----------|--|
| Petrobras | Apr/13 | Caixa Economica Federal S.A. | R\$ 3,000 | 2021 | Financing agreement - Export credit notes indexed to Brazilian interbank deposit certificate interest rates (CDI). |
| Petrobras | Apr/13 | Bank Tokyo Mitsubishi and JBIC | R\$ 253 | 2025 | Use of the balance of the line of credit hired |

At March 31, 2013, the estimated fair value for the Company's long term debt was R\$ 188,413 and was computed based on the market value of the debt instruments.

with JBIC and BTMU, as set out on note 14.6. Indexed to floating interest rates and guaranteed by JBIC.

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

| Number of explanatory notes | | Names of explanatory notes |
|------------------------------------|--|--|
| Annual for 2012 | Quarterly information for 1T-2013 | |
| 1 | 1 | The Company and its operations |
| 2 | 2 | Basis of preparation of the financial statements |
| 3 | 3 | Basis of consolidation |
| 4 | 4 | Summary of significant accounting policies |
| 5 | 5 | Cash and cash equivalents |
| 6 | 6 | Marketable securities |
| 7 | 7 | Trade receivables |
| 8 | 8 | Inventories |
| 10 | 9 | Investments |
| 11 | 10 | Property, plant and equipment |
| 12 | 11 | Intangible assets |
| 13 | 12 | Exploration for and evaluation of oil and gas reserves |
| 14 | 13 | Trade payables |
| 15 | 14 | Finance debt |
| 16 | 15 | Leases |
| 17 | 16 | Related parties |
| 18 | 17 | Provision for decommissioning costs |
| 19 | 18 | Taxes |
| 20 | 19 | Employee benefits (Post-employment) |
| 22 | 20 | Shareholders' equity |
| 23 | 21 | Sales revenues |
| 24 | 22 | Other operating expenses, net |
| 25 | 23 | Expenses by nature |
| 26 | 24 | Net finance income (expense) |
| * | 25 | Supplementary information on the statement of cash flows |
| * | 26 | Segment reporting |
| 27 | 27 | Provisions for legal proceedings, contingent liabilities and contingent assets |
| 29 | 28 | Guarantees for concession agreements for petroleum exploration |
| 30 | 29 | Risk management and derivative instruments |
| 31 | 30 | Fair value of financial assets and liabilities |
| 33 | 31 | Subsequent events |

At March 31, 2013, the estimated fair value for the Company's long term debt was R\$ 188,413 and was computed b

(*) Information included in the financial statements for 2012.

The notes to the financial statements in the annual report for 2012 which were deleted in the Interim Financial Statements for 1Q-2013, due to the fact that they do not present material changes and/or are not applicable to the interim information are:

| Number of explanatory notes | Names of explanatory notes |
|------------------------------------|---|
| 9 | Mergers, split-offs and other information about investments |
| 21 | Profit sharing |
| 28 | Commitments for purchase of natural gas |
| 32 | Insurance |

ITR - Quarterly Information - 03/31/2013 – Petróleo Brasileiro S.A. - Petrobras

(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Shareholders

Petróleo Brasileiro S.A. - Petrobras

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Petróleo Brasileiro S.A - Petrobras, included in the Quarterly Information Form (ITR) for the quarter ended March 31, 2013, comprising the balance sheet as at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21 (R1), Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 (R1) and International Accounting Standard IAS 34 - Interim Financial Reporting issued by the International Accounting

At March 31, 2013, the estimated fair value for the Company's long term debt was R\$ 188,413 and was computed b

Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Reviews of Interim Financial Information (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 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 Brazilian and 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.

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Conclusion on the parent

company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Conclusion on the consolidated

interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the six-month period ended March 31, 2013. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information

At March 31, 2013, the estimated fair value for the Company's long term debt was R\$ 188,413 and was computed b

taken as a whole.

Emphasis

Restatement of corresponding figures

As mentioned in Note 2.2, the individual and consolidated balance sheets for the year ended December 31, 2012, presented for comparative purposes, were adjusted and are being restated following the adoption of the new accounting requirements of CPC 33 (R1) - Employee Benefits and IAS 19 (revised) - Employee Benefits and as required by CPC 23 - Accounting Policies, changes in Accounting Estimates and Errors and CPC 26 (R1) - Presentation of Financial accounting. Our opinion has not been qualified as a result of this matter.

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Prior period financial statements audited by another audit firm

The Quarterly Information mentioned in the first paragraph includes accounting information presented in the individual and consolidated balance sheet as of December 31, 2011 which were obtained from previously issued financial statements originally prepared prior to the adjustments described in Note 2.2., which were made as a result of the adoption of CPC 33 (R1) - Employee Benefits and IAS 19 (revised) - Employee Benefits. The examination of the financial statements for the year ended December 31, 2011, as originally prepared, was conducted by another independent firm who issued an unqualified audit report dated February 9, 2012. As part of our review of the financial information for the quarter ended March 31, 2013, we reviewed the adjustments made in the balance sheet at December 31, 2011, as presented in the opening balance for January 1, 2012. Based on this review, nothing came to our attention that such adjustments are not appropriate or were not properly recorded in all material respects. We were not engaged to audit, review or apply any other procedures on the balance sheet as of December 31, 2011 and, therefore, express no opinion or any form of assurance on these prior year financial statements.

Rio de Janeiro, April 26, 2013

PricewaterhouseCoopers

Auditores Independentes

CRC 2SP000160/O-5 "F" RJ

Marcos Donizete Panassol

Contador CRC 1SP155975/O-8 "S" RJ

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: April 29, 2013

PETRÓLEO BRASILEIRO S.A--PETROBRAS

By:

/s/ Almir Guilherme Barbassa

Almir Guilherme Barbassa
Chief Financial Officer and Investor Relations
Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act) that are not based on historical facts and are not assurances of future results. These forward-looking statements are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

All forward-looking statements are expressly qualified in their entirety by this cautionary statement, and you should not place reliance on any forward-looking statement contained in this press release. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.
