

PETROBRAS - PETROLEO BRASILEIRO SA
Form 6-K
August 13, 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 August, 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

Petróleo Brasileiro S.A. – Petrobras

Quarterly Information - ITR

At June 30, 2013 and report on review of

Quarterly information

(A free translation of the original in Portuguese)

Petróleo Brasileiro S.A. – Petrobras

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Petróleo Brasileiro S.A. – Petrobras

Company Data / Share Capital Composition

Number of Shares

(Thousand)

**Current Quarter
06/30/2013**

From Paid-in Capital

Common

7,442,454

Preferred

5,602,043

Total

13,044,497

Treasury Shares

Common

0

Preferred

0

Total

0

Petróleo Brasileiro S.A. – Petrobras

Company Data / Cash Dividends

| Event | Approval | | Payment | | Class of shares | Dividends Per Share (Reais/Share) |
|----------------------------|-----------------|----------------------------------|----------------|-----------------------|------------------------|--|
| | Date | Type | Begin | Type of Shares | | |
| 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 |

Petróleo Brasileiro S.A. – Petrobras

Individual Interim Accounting Information / Statement of Financial Position - Assets

(R\$ Thousand)

| Account Code | Account Description | Current Quarter June 30, 2013 | Previous Fiscal Year December 31, 2012 |
|---------------------|--|--|---|
| 1 | Total Assets | 628,362,375 | 570,023,333 |
| 1.01 | Current Assets | 122,566,886 | 96,202,374 |
| 1.01.01 | Cash and Cash Equivalents | 27,353,773 | 17,392,885 |
| 1.01.01.01 | Cash and Banks | 205,231 | 66,314 |
| 1.01.01.02 | Short Term Investments | 27,148,542 | 17,326,571 |
| 1.01.02 | Short Term Investments | 37,326,665 | 23,378,584 |
| 1.01.02.01 | Financial Investments at Fair Value | 21,765,474 | 21,008,780 |
| 1.01.02.01.01 | Trading Securities | 21,510,652 | 20,887,809 |
| 1.01.02.01.02 | Available-for-Sale Securities | 254,822 | 120,971 |
| 1.01.02.02 | Financial Investments Valued at Amortized Cost | 15,561,191 | 2,369,804 |
| 1.01.02.02.01 | Held-to-Maturity Securities | 15,561,191 | 2,369,804 |
| 1.01.03 | Trade and Other Receivables | 17,000,123 | 17,374,174 |
| 1.01.03.01 | Trade Receivables, Net | 13,484,425 | 14,061,772 |
| 1.01.03.01.01 | Third Parties | 5,061,353 | 5,233,450 |
| 1.01.03.01.02 | Credit with Related Parties | 8,831,068 | 9,240,784 |
| 1.01.03.01.03 | Provision for Impairment of Trade Receivables | (407,996) | (412,462) |
| 1.01.03.02 | Other Receivables | 3,515,698 | 3,312,402 |
| 1.01.04 | Inventories | 25,618,726 | 24,907,658 |
| 1.01.06 | Recoverable Taxes | 10,803,501 | 8,836,151 |
| 1.01.06.01 | Current Recoverable Taxes | 10,803,501 | 8,836,151 |
| 1.01.07 | Prepaid Expenses | 2,316,045 | 1,465,996 |
| 1.01.08 | Other Current Assets | 2,148,053 | 2,846,926 |
| 1.01.08.01 | Non-Current Assets Held for Sale | 367,417 | 289,879 |
| 1.01.08.03 | Others | 1,780,636 | 2,557,047 |
| 1.01.08.03.01 | Advances to Suppliers | 1,213,638 | 1,681,612 |
| 1.01.08.03.03 | Others | 566,998 | 875,435 |
| 1.02 | Non-Current Assets | 505,795,489 | 473,820,959 |
| 1.02.01 | Long-Term Receivables | 38,056,028 | 38,824,221 |
| 1.02.01.01 | Financial Investments at Fair Value | 33,130 | 69,727 |
| 1.02.01.01.02 | Available-for-Sale Securities | 33,130 | 69,727 |
| 1.02.01.02 | Financial Investments Valued at Amortized Cost | 224,709 | 218,354 |
| 1.02.01.02.01 | Held-to-Maturity Securities | 224,709 | 218,354 |
| 1.02.01.03 | Trade and Other Receivables | 34,449 | 63,739 |
| 1.02.01.03.02 | Other Receivables | 34,449 | 63,739 |
| 1.02.01.04 | Inventories | 85,809 | 72,953 |
| 1.02.01.06 | Deferred Taxes | 21,863,980 | 19,967,412 |

| | | | |
|---------------|---|------------|------------|
| 1.02.01.06.01 | Deferred Income Tax and Social Contribution | 14,174,813 | 12,518,827 |
| 1.02.01.06.02 | Deferred Value-Added Tax (ICMS) | 1,750,139 | 1,704,297 |
| 1.02.01.06.03 | Deferred PIS / COFINS | 5,939,028 | 5,744,288 |
| 1.02.01.07 | Prepaid Expenses | 2,383,162 | 2,336,240 |
| 1.02.01.08 | Credit with Related Parties | 5,297,847 | 8,582,348 |
| 1.02.01.08.01 | Credit with Associates | 4,413 | 4,380 |
| 1.02.01.08.02 | Credit with Subsidiaries | 3,442,987 | 6,580,510 |
| 1.02.01.08.04 | Credit with Other Related Parties | 1,850,447 | 1,997,458 |
| 1.02.01.09 | Other Non-Current Assets | 8,132,942 | 7,513,448 |
| 1.02.01.09.06 | Judicial Deposits | 4,983,567 | 4,675,612 |

Petróleo Brasileiro S.A. – Petrobras

Individual Interim Accounting Information / Statement of Financial Position - Assets

(R\$ Thousand)

| Account Code | Account Description | Current Quarter June 30, 2013 | Previous Fiscal Year December 31, 2012 |
|---------------------|-------------------------------|--|---|
| 1.02.01.09.07 | Advances to Suppliers | 2,365,063 | 2,061,301 |
| 1.02.01.09.08 | Other Long-Term Assets | 784,312 | 776,535 |
| 1.02.02 | Investments | 89,069,726 | 77,704,836 |
| 1.02.02.01 | Corporate Interests | 89,069,726 | 77,704,836 |
| 1.02.02.01.01 | Investments in Associates | 5,809,531 | 5,982,641 |
| 1.02.02.01.02 | Investments in Subsidiaries | 81,966,492 | 70,275,562 |
| 1.02.02.01.03 | Investments in Joint Ventures | 1,148,188 | 1,252,055 |
| 1.02.02.01.04 | Other Corporate Interests | 145,515 | 194,578 |
| 1.02.03 | Property, Plant and Equipment | 301,407,977 | 279,823,553 |
| 1.02.03.01 | Assets in Operation | 169,599,387 | 156,257,445 |
| 1.02.03.02 | Assets under Leasing | 10,006,964 | 10,286,735 |
| 1.02.03.03 | Assets under Construction | 121,801,626 | 113,279,373 |
| 1.02.04 | Intangible Assets | 77,196,970 | 77,349,165 |
| 1.02.04.01 | Intangible Assets | 77,196,970 | 77,349,165 |
| 1.02.04.01.02 | Rights and Concessions | 75,925,566 | 75,967,036 |
| 1.02.04.01.03 | Software | 1,271,404 | 1,382,129 |
| 1.02.05 | Deferred | 64,788 | 119,184 |

Petróleo Brasileiro S.A. – Petrobras

Individual Interim Accounting Information / Statement of Financial Position - Liabilities

(R\$ Thousand)

| Account Code | Account Description | Current Quarter June 30, 2013 | Previous Fiscal Year December 31, 2012 |
|---------------------|--|--|---|
| 2 | Total Liabilities | 628,362,375 | 570,023,333 |
| 2.01 | Current Liabilities | 69,008,002 | 67,999,700 |
| 2.01.01 | Social and Labor Obligations | 4,216,312 | 3,800,649 |
| 2.01.01.01 | Social Obligations | 536,911 | 539,487 |
| 2.01.01.02 | Labor Obligations | 3,679,401 | 3,261,162 |
| 2.01.02 | Trade Payables | 14,187,607 | 13,861,788 |
| 2.01.02.01 | National Suppliers | 10,384,061 | 10,868,412 |
| 2.01.02.02 | Foreign Suppliers | 3,803,546 | 2,993,376 |
| 2.01.03 | Taxes | 8,690,668 | 10,518,392 |
| 2.01.03.01 | Federal Taxes | 6,077,480 | 7,654,607 |
| 2.01.03.01.02 | Other Federal Taxes | 6,077,480 | 7,654,607 |
| 2.01.03.02 | State Taxes | 2,488,427 | 2,725,117 |
| 2.01.03.03 | Municipal Taxes | 124,761 | 138,668 |
| 2.01.04 | Loans and Financing | 2,421,329 | 8,199,592 |
| 2.01.04.01 | Loans and Financing | 663,020 | 6,386,399 |
| 2.01.04.01.01 | Local Currency | 607,780 | 736,276 |
| 2.01.04.01.02 | Foreign Currency | 55,240 | 5,650,123 |
| 2.01.04.02 | Debentures | 70,682 | 72,021 |
| 2.01.04.03 | Finance Lease Obligations | 1,687,627 | 1,741,172 |
| 2.01.05 | Other Liabilities | 37,973,388 | 30,101,206 |
| 2.01.05.01 | Related Parties Liabilities | 32,564,694 | 22,116,925 |
| 2.01.05.01.01 | Debt with Associates | 152,526 | 192,959 |
| 2.01.05.01.02 | Debt with Subsidiaries | 12,653,118 | 12,863,570 |
| 2.01.05.01.04 | Debt with Other Related Parties | 19,759,050 | 9,060,396 |
| 2.01.05.02 | Others | 5,408,694 | 7,984,281 |
| 2.01.05.02.01 | Dividends and Interest on Shareholders' Equity Payable | 2,898,598 | 6,153,528 |
| 2.01.05.02.06 | Others | 2,510,096 | 1,830,753 |
| 2.01.06 | Provisions | 1,518,698 | 1,518,073 |
| 2.01.06.02 | Other Provisions | 1,518,698 | 1,518,073 |
| 2.01.06.02.04 | Pension and Medical Benefits | 1,518,698 | 1,518,073 |
| 2.02 | Non-Current Liabilities | 220,825,091 | 173,534,675 |
| 2.02.01 | Loans and Financing | 85,787,830 | 76,292,158 |
| 2.02.01.01 | Loans and Financing | 80,148,158 | 70,170,925 |
| 2.02.01.01.01 | Local Currency | 37,590,141 | 33,260,073 |
| 2.02.01.01.02 | Foreign Currency | 42,558,017 | 36,910,852 |
| 2.02.01.02 | Debentures | 66,987 | 100,478 |

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| | | | |
|---------------|---|------------|------------|
| 2.02.01.03 | Finance Lease Obligations | 5,572,685 | 6,020,755 |
| 2.02.02 | Other Liabilities | 35,175,459 | 4,503,650 |
| 2.02.02.01 | Related Parties Liabilities | 32,961,454 | 82,348 |
| 2.02.02.01.01 | Debt with Associates | 65,064 | 62,858 |
| 2.02.02.01.02 | Debt with Subsidiaries | 32,896,390 | 19,490 |
| 2.02.02.02 | Others | 2,214,005 | 4,421,302 |
| 2.02.02.02.04 | Other Accounts Payable and Expenses | 2,214,005 | 4,421,302 |
| 2.02.03 | Deferred Taxes | 40,201,752 | 35,184,086 |
| 2.02.03.01 | Deferred Income Tax and Social Contribution | 40,201,752 | 35,184,086 |
| 2.02.04 | Provisions | 59,660,050 | 57,554,781 |

Petróleo Brasileiro S.A. – Petrobras

Individual Interim Accounting Information / Statement of Financial Position - Liabilities

(R\$ Thousand)

| Account Code | Account Description | Current Quarter June 30, 2013 | Previous Fiscal Year December 31, 2012 |
|---------------------|---|--|---|
| 2.02.04.01 | Provisions for Tax Social Security and Labor Lawsuits | 2,104,017 | 1,504,417 |
| 2.02.04.01.01 | Provisions for Taxes | 154,678 | 19,938 |
| 2.02.04.01.02 | Labor and Social Security Provisions | 871,013 | 542,138 |
| 2.02.04.01.04 | Civil Provisions | 988,930 | 856,836 |
| 2.02.04.01.05 | Provisions for Other Lawsuits | 89,396 | 85,505 |
| 2.02.04.02 | Other Provisions | 57,556,033 | 56,050,364 |
| 2.02.04.02.04 | Pension and Medical Benefits | 39,443,352 | 37,659,008 |
| 2.02.04.02.05 | Provision for Dismantling of Areas | 18,112,681 | 18,391,356 |
| 2.03 | Shareholders' Equity | 338,529,282 | 328,488,958 |
| 2.03.01 | Share Capital | 205,410,905 | 205,392,137 |
| 2.03.02 | Capital Reserves | 989,164 | 938,861 |
| 2.03.02.07 | Additional Paid In Capital | 989,164 | 938,861 |
| 2.03.04 | Profit Reserves | 134,961,460 | 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 | Reserve for Profit Retention | 114,739,997 | 114,739,997 |
| 2.03.04.07 | Tax Incentives Reserve | 1,392,725 | 1,411,493 |
| 2.03.05 | Accumulated Profit/Losses | 13,646,681 | (154,132) |
| 2.03.06 | Equity Valuation Adjustments | (20,425,190) | (14,746,045) |
| 2.03.07 | Cumulative Translation Adjustments | 3,946,262 | 2,077,909 |

Petróleo Brasileiro S.A. – Petrobras

Individual Interim Accounting Information / Statement of Income

(R\$ Thousand)

| Account Code | Account Description | Current Quarter 04/01/2013 to 06/30/2013 | Accumulated of the Current Year 01/01/2013 to 06/30/2013 | Same Quarter of the Previous Year 04/01/2012 to 06/30/2012 | Accumulated of the Previous Year 01/01/2012 to 06/30/2012 |
|---------------------|--|---|---|---|--|
| 3.01 | Sales Revenues | 57,706,198 | 114,629,656 | 52,496,317 | 103,606,585 |
| 3.02 | Cost of Sales | (43,777,752) | (87,633,199) | (41,173,233) | (77,635,784) |
| 3.03 | Gross Profit | 13,928,446 | 26,996,457 | 11,323,084 | 25,970,801 |
| 3.04 | Operating Expenses / Income | (4,874,964) | (9,508,799) | (10,270,946) | (14,735,678) |
| 3.04.01 | Selling Expenses General and Administrative | (3,156,765) | (6,202,650) | (2,859,587) | (5,766,761) |
| 3.04.02 | Expenses | (1,823,196) | (3,504,736) | (1,781,655) | (3,310,253) |
| 3.04.05 | Other Operating Expenses | (3,496,176) | (7,353,136) | (5,148,599) | (8,964,327) |
| 3.04.05.01 | Other Taxes Research and Development | (89,164) | (174,712) | (67,113) | (141,683) |
| 3.04.05.02 | Expenses | (582,946) | (1,228,185) | (424,421) | (939,030) |
| 3.04.05.03 | Exploration Costs Other Operating Expenses / | (1,145,792) | (2,382,867) | (3,293,776) | (4,214,679) |
| 3.04.05.05 | Income, Net Share of Profit of Equity-Accounted | (1,678,274) | (3,567,372) | (1,363,289) | (3,668,935) |
| 3.04.06 | Investments Net Income Before Financial Results, Profit | 3,601,173 | 7,551,723 | (481,105) | 3,305,663 |
| 3.05 | Sharing and Income Taxes Net Finance Income | 9,053,482 | 17,487,658 | 1,052,138 | 11,235,123 |
| 3.06 | (Expense) | (1,722,631) | (520,824) | (2,599,532) | (2,207,118) |
| 3.06.01 | Finance Income | 670,389 | 1,419,376 | 1,488,594 | 2,856,222 |
| 3.06.01.01 | Finance Income | 670,389 | 1,419,376 | 1,488,594 | 2,856,222 |
| 3.06.02 | Finance Expenses | (2,393,020) | (1,940,200) | (4,088,126) | (5,063,340) |
| 3.06.02.01 | Finance Expenses Foreign Exchange and Inflation Indexation | (426,319) | (758,674) | (270,225) | (470,429) |
| 3.06.02.02 | Charges, Net Net Income Before Income | (1,966,701) | (1,181,526) | (3,817,901) | (4,592,911) |
| 3.07 | Taxes | 7,330,851 | 16,966,834 | (1,547,394) | 9,028,005 |

| | | | | | |
|------------|------------------------------|-------------|-------------|-------------|-------------|
| | Income Tax and Social | | | | |
| 3.08 | Contribution | (1,164,724) | (3,171,220) | 171,252 | (1,338,312) |
| 3.08.01 | Current | 1,976,512 | 1,976,512 | 739,594 | 1,056,426 |
| 3.08.02 | Deferred | (3,141,236) | (5,147,732) | (568,342) | (2,394,738) |
| | Net Income from | | | | |
| 3.09 | Continuing Operations | 6,166,127 | 13,795,614 | (1,376,142) | 7,689,693 |
| 3.11 | Income / Loss for the Period | 6,166,127 | 13,795,614 | (1,376,142) | 7,689,693 |
| | Income per Share - (Reais / | | | | |
| 3.99 | Share) | | | | |
| 3.99.01 | Basic Income per Share | | | | |
| 3.99.01.01 | Common | 0.4700 | 1.0600 | (0.1000) | 0.5900 |
| 3.99.01.02 | Preferred | 0.4700 | 1.0600 | (0.1000) | 0.5900 |
| 3.99.02 | Diluted Income per Share | | | | |
| 3.99.02.01 | Common | 0.4700 | 1.0600 | (0.1000) | 0.5900 |
| 3.99.02.02 | Preferred | 0.4700 | 1.0600 | (0.1000) | 0.5900 |

Petróleo Brasileiro S.A. – Petrobras

Individual Interim Accounting Information / Statement of Comprehensive Income

(R\$ Thousand)

| Account Code | Account Description | Current Quarter 04/01/2013 to 06/30/2013 | Accumulated of the Current Year 01/01/2013 to 06/30/2013 | Same Quarter of the Previous Year 04/01/2012 to 06/30/2012 | Accumulated of the Previous Year 01/01/2012 to 06/30/2012 |
|---------------------|---|---|---|---|--|
| 4.01 | Net Income for the Period | 6,166,127 | 13,795,614 | (1,376,142) | 7,689,693 |
| 4.02 | Other Comprehensive Income | (3,406,926) | (3,800,394) | 1,799,262 | 1,617,669 |
| 4.02.01 | Cumulative Translation Adjustments | 2,244,895 | 1,868,353 | 1,600,835 | 1,269,390 |
| 4.02.02 | Deemed Cost Unrealized Gains / (Losses) on Available-for-Sale Securities - Recognized | 2,590 | 5,199 | 2,617 | 5,110 |
| 4.02.03 | Unrealized Gains / (Losses) on Available-for-Sale Securities - Transferred to | 13,464 | 13,345 | 285,451 | 500,842 |
| 4.02.04 | Profit or Loss Unrealized Gains / (Losses) on Cash Flow Hedge - Recognized | 1,054 | (90,301) | 169 | 3,001 |
| 4.02.05 | Unrealized Gains / (Losses) on Cash Flow Hedge - Transferred to | (8,548,527) | (8,505,371) | (26,647) | (5,869) |
| 4.02.06 | Profit or Loss Deferred Income Tax and Social Contribution | (5,571) | (7,530) | 33,935 | 15,481 |
| 4.02.07 | Actuarial Gains / (Losses) - medical and health benefits | 2,896,450 | 2,927,192 | (97,098) | (170,286) |
| 4.02.08 | Comprehensive Income for the Period | (11,281) | (11,281) | – | – |
| 4.03 | | 2,759,201 | 9,995,220 | 423,120 | 9,307,362 |

Petróleo Brasileiro S.A. – Petrobras

Individual Interim Accounting Information / Statement of Cash Flows – Indirect Method

(R\$ Thousand)

| Account Code | Account Description | Accumulated | |
|---------------------|--|--|---|
| | | of the Current Year to 01/01/2013 | of the Previous Year to 01/01/2012 |
| 6.01 | Net Cash - Operating Activities | 23,196,611 | 19,497,698 |
| 6.01.01 | Cash Provided by Operating Activities | 25,376,415 | 22,135,852 |
| 6.01.01.01 | Net Income for the Period | 13,795,614 | 7,689,693 |
| 6.01.01.03 | Share of Profit of Equity-accounted Investments | (7,551,723) | (3,305,663) |
| 6.01.01.05 | Depreciation, Depletion and Amortization | 9,783,927 | 7,184,768 |
| 6.01.01.06 | Impairment | 129,647 | 211,159 |
| 6.01.01.07 | Write-off of Dry Wells | 1,223,361 | 3,273,669 |
| 6.01.01.08 | Actuarial Expense - Pension and Medical Benefits | 2,523,013 | 1,857,016 |
| 6.01.01.09 | Income from Sale / Disposal of Assets | 63,633 | 77,803 |
| | Foreign Exchange and Inflation Indexation Charges on | | |
| 6.01.01.10 | Debt, Net | 261,211 | 2,752,667 |
| 6.01.01.11 | Deferred Income Tax and Social Contribution, Net | 5,147,732 | 2,394,740 |
| 6.01.02 | Changes in Assets and Liabilities | (2,247,253) | (190,026) |
| 6.01.02.01 | Trade and Other Receivables | (58,415) | (488,459) |
| 6.01.02.02 | Inventories | (853,571) | (1,702,652) |
| 6.01.02.03 | Trade Payables | 325,819 | 663,326 |
| 6.01.02.04 | Taxes, Fees and Contributions | (3,860,305) | (1,565,828) |
| 6.01.02.05 | Pension and Medical Benefits | (738,044) | (698,580) |
| 6.01.02.06 | Short-term Operations with Subsidiaries / Associates | 2,937,263 | 3,602,167 |
| 6.01.03 | Others | 67,449 | (2,448,128) |
| 6.01.03.01 | Other Assets | (713,854) | (2,661,491) |
| 6.01.03.02 | Other Liabilities | 781,303 | 213,363 |
| 6.02 | Net Cash - Investment Activities | (50,394,685) | (33,134,164) |
| | Investments in Exploration and Production of Oil and | | |
| 6.02.01 | Gas | (18,799,765) | (16,053,314) |
| 6.02.02 | Investments in Refining and Transportation | (14,049,528) | (14,685,425) |
| 6.02.03 | Investments in Gas and Power Activities | (2,205,307) | (1,224,515) |
| 6.02.04 | Investment in International Activities | 20,282 | (2,122) |
| 6.02.06 | Investment in Biofuel Activities | (200,826) | (145,930) |
| 6.02.07 | Investment in Corporate Activities | (3,075,870) | – |
| 6.02.08 | Other Investments | (320,090) | (833,747) |
| 6.02.09 | Investments in Marketable Securities | (13,657,370) | (1,825,000) |
| 6.02.10 | Dividends Received | 1,893,789 | 1,635,889 |

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| | | | |
|---------|--|--------------|-------------|
| 6.03 | Net Cash - Financing Activities | 37,158,962 | 7,092,784 |
| 6.03.03 | Proceedings from Long-term Financing | 17,652,825 | – |
| 6.03.04 | Repayment of Principal | (13,442,421) | (379,459) |
| 6.03.05 | Repayment of Interest | (1,512,152) | (1,588,802) |
| 6.03.06 | Intercompany Loans and Others, Net | 26,632,578 | 14,632,576 |
| 6.03.07 | Non Standard Credit Rights Investment Fund | 10,698,655 | 599,899 |
| 6.03.08 | Dividends Paid to Shareholders | (2,870,523) | (6,171,430) |
| 6.05 | Increase (Decrease) in Cash and Cash Equivalents | 9,960,888 | (6,543,682) |
| | Cash and Cash Equivalents at the Beginning of the | | |
| 6.05.01 | Period | 17,392,885 | 18,857,502 |
| 6.05.02 | Cash and Cash Equivalents at the End of the Period | 27,353,773 | 12,313,820 |

Petróleo Brasileiro S.A. – Petrobras

Individual Interim Accounting Information / Statement of Changes in Shareholders' Equity

01/01/2013 to 06/30/2013

(R\$ Thousand)

| Account Code | Account Description | Share Capital | Capital Reserves, Granted Options and Treasury Shares | Profit Reserves | Retained Earnings / Accumulated Losses | Other Comprehensive Income | Balance |
|---------------------|---|----------------------|--|------------------------|---|-----------------------------------|----------------|
| 5.01 | Opening Balance Previous Years | 205,392,137 | 938,861 | 134,980,228 | – | 2,128,419 | 3 |
| 5.02 | Adjustments | – | – | – | (154,132) | (14,796,555) | (|
| 5.03 | Adjusted Opening Balance | 205,392,137 | 938,861 | 134,980,228 | (154,132) | (12,668,136) | 3 |
| 5.04 | Capital Transactions with Shareholders | 18,768 | 50,303 | (18,768) | – | (5,199) | 4 |
| 5.04.01 | Capital Increases | 18,768 | – | (18,768) | – | – | – |
| 5.04.08 | Change in Interest in Subsidiaries | – | 50,303 | – | – | – | 5 |
| 5.04.09 | Realization of the Deemed Cost | – | – | – | – | (5,199) | (|
| 5.05 | Total of Comprehensive Income | – | – | – | 13,800,813 | (3,805,593) | 9 |
| 5.05.01 | Net Income for the Period | – | – | – | 13,795,614 | – | 1 |
| 5.05.02 | Other Comprehensive Income | – | – | – | 5,199 | (3,805,593) | (|
| 5.05.02.01 | Adjustments of Financial Instruments | – | – | – | – | (8,492,026) | (|
| 5.05.02.02 | Taxes on Adjustments of Financial Instruments | – | – | – | – | 2,927,192 | 2 |
| 5.05.02.04 | Translation Adjustments for | – | – | – | – | 1,868,353 | 1 |

| | the Period | Adjustments of | Financial | Instruments | Transferred to | | | | |
|------------|---|----------------|-----------|-------------|----------------|--------------|--|--|--|
| 5.05.02.06 | Profit or Loss | — | — | — | — | (97,831) | | | |
| 5.05.02.07 | Realization of the Deemed Cost | — | — | — | 5,199 | — | | | |
| 5.05.02.08 | Actuarial losses (gains) on defined benefit plans | — | — | — | — | (11,281) | | | |
| 5.07 | Ending Balance | 205,410,905 | 989,164 | 134,961,460 | 13,646,681 | (16,478,928) | | | |

Petróleo Brasileiro S.A. – Petrobras

Individual Interim Accounting Information / Statement of Changes in Shareholders' Equity

01/01/2012 to 06/30/2012

(R\$ Thousand)

| Account Code | Account Description | Share Capital | Capital Reserves, Granted Options and Treasury Shares | Profit Reserves | Retained Earnings / Accumulated Losses | Other Comprehensive Income | Balance |
|---------------------|---|----------------------|--|------------------------|---|-----------------------------------|----------------|
| 5.01 | Opening Balance Previous Years | 205,379,729 | 859,388 | 122,963,060 | – | 1,272,385 | 3 |
| 5.02 | Adjustments Adjusted Opening Balance | – | – | – | (154,132) | (8,252,981) | (|
| 5.03 | Capital | 205,379,729 | 859,388 | 122,963,060 | (154,132) | (6,980,596) | 3 |
| 5.04 | Transactions with Shareholders | 12,408 | 81,845 | (12,408) | (2,625,857) | (5,110) | (|
| 5.04.01 | Capital Increases | 12,408 | – | (12,408) | – | – | – |
| 5.04.07 | Interest on Shareholders' Equity | – | – | – | (2,625,857) | – | (|
| 5.04.08 | Change in Interest in Subsidiaries | – | 81,845 | – | – | – | 8 |
| 5.04.09 | Realization of the Deemed Cost | – | – | – | – | (5,110) | (|
| 5.05 | Total of Comprehensive Income | – | – | – | 7,694,803 | 1,612,559 | 9 |
| 5.05.01 | Net Income for the Period | – | – | – | 7,689,693 | – | 7 |
| 5.05.02 | Other Comprehensive Income | – | – | – | 5,110 | 1,612,559 | 1 |
| 5.05.02.01 | Adjustments of Financial Instruments | – | – | – | – | 494,973 | 4 |
| 5.05.02.02 | Taxes on Adjustments of Financial Instruments | – | – | – | – | (170,286) | (|

| | | | | | | | |
|------------|---|-------------|---------|-------------|-----------|-------------|---|
| 5.05.02.04 | Translation Adjustments for the Period | – | – | – | – | 1,269,390 | 1 |
| 5.05.02.06 | Adjustments of Financial Instruments Transferred to Results | – | – | – | – | 18,482 | 1 |
| 5.05.02.07 | Realization of the Deemed Cost | – | – | – | 5,110 | – | 5 |
| 5.07 | Ending Balance | 205,392,137 | 941,233 | 122,950,652 | 4,914,814 | (5,373,147) | 3 |

Petróleo Brasileiro S.A. – Petrobras

Individual Interim Accounting Information / Statement of Added Value

(R\$ Thousand)

| Account Code | Account Description | Accumulated Current Year 01/01/2013 to 06/30/2013 | Accumulated Previous Year 01/01/2012 to 06/30/2012 |
|---------------------|--|--|---|
| 7.01 | Sales Revenues | 179,176,819 | 161,172,781 |
| | Sales of Goods, Products and Services | | |
| 7.01.01 | Provided | 145,121,515 | 133,141,941 |
| 7.01.02 | Other Revenues | 2,964,540 | 2,334,633 |
| 7.01.03 | Revenues Related to the Construction of Own Assets | 31,086,298 | 25,802,509 |
| 7.01.04 | Allowance / Reversal for Impairment of Trade Receivables | 4,466 | (106,302) |
| 7.02 | Inputs Acquired from Third Parties | (95,727,212) | (85,793,822) |
| 7.02.01 | Cost of Sales | (46,452,503) | (40,276,663) |
| 7.02.02 | Materials, Power, Third-Party Services and Other Operating Expenses | (38,528,071) | (35,777,020) |
| 7.02.03 | Impairment / Recovery of Assets | (129,648) | (211,159) |
| 7.02.04 | Others | (10,616,990) | (9,528,980) |
| 7.03 | Gross Added Value | 83,449,607 | 75,378,959 |
| 7.04 | Retentions | (9,783,927) | (7,184,768) |
| 7.04.01 | Depreciation, Amortization and Depletion | (9,783,927) | (7,184,768) |
| 7.05 | Net Added Value Produced | 73,665,680 | 68,194,191 |
| 7.06 | Transferred Added Value | 10,469,634 | 6,848,205 |
| 7.06.01 | Share of Profit of Equity-accounted Investments | 7,551,723 | 3,305,663 |
| 7.06.02 | Finance Income | 2,554,630 | 3,192,233 |
| 7.06.03 | Others | 363,281 | 350,309 |
| 7.07 | Total Added Value to be Distributed | 84,135,314 | 75,042,396 |
| 7.08 | Distribution of Added Value | 84,135,314 | 75,042,396 |
| 7.08.01 | Personnel | 10,423,152 | 8,230,428 |
| 7.08.01.01 | Payroll and Related Charges | 6,678,088 | 5,310,757 |
| 7.08.01.02 | Benefits | 3,271,482 | 2,507,074 |
| 7.08.01.03 | FGTS | 473,582 | 412,597 |
| 7.08.02 | Taxes, Duties and Social Contributions | 39,292,786 | 38,461,044 |
| 7.08.02.01 | Federal | 26,509,051 | 26,753,131 |
| 7.08.02.02 | State | 12,726,471 | 11,641,187 |
| 7.08.02.03 | Municipal | 57,264 | 66,726 |
| 7.08.03 | Remuneration of Third Party Capital | 20,623,762 | 20,661,231 |
| 7.08.03.01 | Interest | 5,764,818 | 8,098,553 |

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| | | | |
|------------|---|------------|------------|
| 7.08.03.02 | Rental | 14,858,944 | 12,562,678 |
| 7.08.04 | Remuneration of Shareholders' Equity | 13,795,614 | 7,689,693 |
| 7.08.04.01 | Interest on Shareholders' Equity | – | 2,608,899 |
| 7.08.04.03 | Retained Earnings / Loss For The Period | 13,795,614 | 5,080,794 |

Petróleo Brasileiro S.A. – Petrobras

Consolidated Interim Accounting Information / Statement of Financial Position - Assets

(R\$ Thousand)

| Account Code | Account Description | Current Quarter June 30, 2013 | Previous Fiscal Year December 31, 2012 |
|---------------------|--|--|---|
| 1 | Total Assets | 749,027,663 | 683,863,255 |
| 1.01 | Current Assets | 144,710,024 | 118,101,812 |
| 1.01.01 | Cash and Cash Equivalents | 51,249,525 | 27,628,003 |
| 1.01.01.01 | Cash and Banks | 2,514,342 | 2,024,301 |
| 1.01.01.02 | Short Term Investments | 48,735,183 | 25,603,702 |
| 1.01.02 | Short Term Investments | 21,782,051 | 21,315,726 |
| 1.01.02.01 | Financial Investments at Fair Value | 21,766,485 | 21,306,430 |
| 1.01.02.01.01 | Trading Securities | 21,510,651 | 20,887,809 |
| 1.01.02.01.02 | Available-for-Sale Securities | 255,834 | 418,621 |
| 1.01.02.02 | Financial Investments Valued at Amortized Cost | 15,566 | 9,296 |
| 1.01.02.02.01 | Held-to-Maturity Securities | 15,566 | 9,296 |
| 1.01.03 | Trade and Other Receivables | 22,130,066 | 22,680,509 |
| 1.01.03.01 | Trade Receivables, Net | 16,678,921 | 17,352,329 |
| 1.01.03.01.01 | Third Parties | 15,531,541 | 13,625,386 |
| 1.01.03.01.02 | Credit with Related Parties | 2,888,616 | 5,473,219 |
| 1.01.03.01.03 | Provision for Impairment of Trade Receivables | (1,741,236) | (1,746,276) |
| 1.01.03.02 | Other Receivables | 5,451,145 | 5,328,180 |
| 1.01.04 | Inventories | 31,097,263 | 29,735,948 |
| 1.01.06 | Recoverable Taxes | 13,482,127 | 11,386,585 |
| 1.01.06.01 | Current Recoverable Taxes | 13,482,127 | 11,386,585 |
| 1.01.07 | Prepaid Expenses | 2,270,287 | 1,692,488 |
| 1.01.08 | Other Current Assets | 2,698,705 | 3,662,553 |
| 1.01.08.01 | Non-Current Assets Held for Sale | 456,453 | 289,879 |
| 1.01.08.03 | Others | 2,242,252 | 3,372,674 |
| 1.01.08.03.01 | Advances to Suppliers | 1,444,980 | 1,894,596 |
| 1.01.08.03.03 | Others | 797,272 | 1,478,078 |
| 1.02 | Non-Current Assets | 604,317,639 | 565,761,443 |
| 1.02.01 | Long-Term Receivables | 58,360,387 | 53,362,154 |
| 1.02.01.01 | Financial Investments at Fair Value | 33,149 | 69,747 |
| 1.02.01.01.02 | Available-for-Sale Securities | 33,149 | 69,747 |
| 1.02.01.02 | Financial Investments Valued at Amortized Cost | 304,342 | 289,284 |
| 1.02.01.02.01 | Held-to-Maturity Securities | 304,342 | 289,284 |
| 1.02.01.03 | Trade and Other Receivables | 5,193,339 | 5,230,502 |
| 1.02.01.03.02 | Other Receivables | 5,193,339 | 5,230,502 |
| 1.02.01.04 | Inventories | 93,845 | 91,847 |
| 1.02.01.06 | Deferred Taxes | 31,718,097 | 28,112,781 |

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| | | | |
|---------------|---|------------|------------|
| 1.02.01.06.01 | Deferred Income Tax and Social Contribution | 20,470,595 | 17,439,720 |
| 1.02.01.06.02 | Deferred Value-Added Tax (ICMS) | 1,938,965 | 1,844,663 |
| 1.02.01.06.03 | Deferred PIS / COFINS | 8,664,624 | 8,278,768 |
| 1.02.01.06.04 | Other Taxes | 643,913 | 549,630 |
| 1.02.01.07 | Prepaid Expenses | 2,671,932 | 2,663,420 |
| 1.02.01.08 | Credit with Related Parties | 3,890,726 | 3,844,950 |
| 1.02.01.08.01 | Credit with Associates | 114,394 | 74,791 |
| 1.02.01.08.04 | Credit with Other Related Parties | 3,776,332 | 3,770,159 |
| 1.02.01.09 | Other Non-Current Assets | 14,454,957 | 13,059,623 |
| 1.02.01.09.05 | Judicial Deposits | 5,904,876 | 5,509,503 |

Petróleo Brasileiro S.A. – Petrobras

Consolidated Interim Accounting Information / Statement of Financial Position - Assets

(R\$ Thousand)

| Account Code | Account Description | Current Quarter June 30, 2013 | Previous Fiscal Year December 31, 2012 |
|---------------------|-------------------------------|--|---|
| 1.02.01.09.06 | Advances to Suppliers | 7,434,111 | 6,448,531 |
| 1.02.01.09.07 | Other Long-Term Assets | 1,115,970 | 1,101,589 |
| 1.02.02 | Investments | 14,610,342 | 12,476,892 |
| 1.02.02.01 | Corporate Interests | 14,610,342 | 12,476,892 |
| 1.02.02.01.01 | Investments in Associates | 14,417,145 | 12,233,399 |
| 1.02.02.01.04 | Other Corporate Interests | 193,197 | 243,493 |
| 1.02.03 | Property, Plant and Equipment | 451,353,350 | 418,715,641 |
| 1.02.03.01 | Assets in Operation | 269,014,321 | 251,629,174 |
| 1.02.03.02 | Assets under Leasing | 204,545 | 208,008 |
| 1.02.03.03 | Assets under Construction | 182,134,484 | 166,878,459 |
| 1.02.04 | Intangible Assets | 79,993,560 | 81,206,756 |
| 1.02.04.01 | Intangible Assets | 79,028,138 | 80,266,073 |
| 1.02.04.01.02 | Rights and Concessions | 77,569,107 | 78,701,762 |
| 1.02.04.01.03 | Software | 1,459,031 | 1,564,311 |
| 1.02.04.02 | Goodwill | 965,422 | 940,683 |

Petróleo Brasileiro S.A. – Petrobras

Consolidated Interim Accounting Information / Statement of Financial Position - Liabilities

(R\$ Thousand)

| Account Code | Account Description | Current Quarter June 30, 2013 | Previous Fiscal Year December 31, 2012 |
|---------------------|--|--|---|
| 2 | Total Liabilities | 749,027,663 | 683,863,255 |
| 2.01 | Current Liabilities | 68,163,988 | 69,620,583 |
| 2.01.01 | Social and Labor Obligations | 4,863,915 | 4,420,579 |
| 2.01.01.01 | Social Obligations | 587,024 | 761,060 |
| 2.01.01.02 | Labor Obligations | 4,276,891 | 3,659,519 |
| 2.01.02 | Trade Payables | 24,127,446 | 23,735,510 |
| 2.01.02.01 | National Suppliers | 12,980,078 | 13,305,998 |
| 2.01.02.02 | Foreign Suppliers | 11,147,368 | 10,429,512 |
| 2.01.03 | Taxes | 10,357,364 | 12,521,622 |
| 2.01.03.01 | Federal Taxes | 7,538,306 | 9,333,654 |
| 2.01.03.01.01 | Income Tax and Social Contribution Payable | 1,021,227 | 1,862,398 |
| 2.01.03.01.02 | Other Federal Taxes | 6,517,079 | 7,471,256 |
| 2.01.03.02 | State Taxes | 2,686,989 | 3,039,633 |
| 2.01.03.03 | Municipal Taxes | 132,069 | 148,335 |
| 2.01.04 | Loans and Financing | 18,199,051 | 15,319,805 |
| 2.01.04.01 | Loans and Financing | 17,874,745 | 14,996,561 |
| 2.01.04.01.01 | Local Currency | 2,756,805 | 2,736,517 |
| 2.01.04.01.02 | Foreign Currency | 15,117,940 | 12,260,044 |
| 2.01.04.02 | Debentures | 285,479 | 286,280 |
| 2.01.04.03 | Finance Lease Obligations | 38,827 | 36,964 |
| 2.01.05 | Other Liabilities | 9,029,673 | 12,013,440 |
| 2.01.05.01 | Related Parties Liabilities | 1,139,205 | 1,039,305 |
| 2.01.05.01.01 | Debt with Associates | 1,139,205 | 1,039,305 |
| 2.01.05.02 | Others | 7,890,468 | 10,974,135 |
| 2.01.05.02.01 | Dividends and Interest on Shareholders' Equity Payable | 2,898,598 | 6,153,528 |
| 2.01.05.02.05 | Others | 4,991,870 | 4,820,607 |
| 2.01.06 | Provisions | 1,586,539 | 1,609,627 |
| 2.01.06.02 | Other Provisions | 1,586,539 | 1,609,627 |
| 2.01.06.02.04 | Pension and Medical Benefits | 1,586,539 | 1,609,627 |
| 2.02 | Non-Current Liabilities | 340,838,127 | 283,759,706 |
| 2.02.01 | Loans and Financing | 230,841,535 | 180,993,544 |
| 2.02.01.01 | Loans and Financing | 230,079,697 | 180,113,242 |
| 2.02.01.01.01 | Local Currency | 70,741,050 | 64,980,832 |
| 2.02.01.01.02 | Foreign Currency | 159,338,647 | 115,132,410 |
| 2.02.01.02 | Debentures | 569,036 | 704,696 |
| 2.02.01.03 | Finance Lease Obligations | 192,802 | 175,606 |

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|---------------|--|------------|------------|
| 2.02.02 | Other Liabilities | 2,299,221 | 1,576,609 |
| 2.02.02.01 | Related Parties Liabilities | 391,076 | 181,350 |
| 2.02.02.01.01 | Debt with Associates | 391,076 | 181,350 |
| 2.02.02.02 | Others | 1,908,145 | 1,395,259 |
| 2.02.02.02.03 | Other Accounts Payable and Expenses | 1,908,145 | 1,395,259 |
| 2.02.03 | Deferred Taxes | 43,315,972 | 39,261,600 |
| 2.02.03.01 | Deferred Income Tax and Social Contribution | 43,315,972 | 39,261,600 |
| 2.02.04 | Provisions | 64,381,399 | 61,927,953 |
| 2.02.04.01 | Tax, Social Security, Labor and Civil Provisions | 3,300,170 | 2,585,155 |
| 2.02.04.01.01 | Tax Provisions | 886,057 | 695,867 |

Petróleo Brasileiro S.A. – Petrobras

Consolidated Interim Accounting Information / Statement of Financial Position - Liabilities

(R\$ Thousand)

| Account Code | Account Description | Current Quarter June 30, 2013 | Previous Fiscal Year December 31, 2012 |
|---------------------|--------------------------------------|--|---|
| 2.02.04.01.02 | Social Security and Labor Provisions | 1,024,289 | 686,715 |
| 2.02.04.01.04 | Civil Provisions | 1,242,712 | 1,050,132 |
| 2.02.04.01.05 | Provisions for Other Lawsuits | 147,112 | 152,441 |
| 2.02.04.02 | Other Provisions | 61,081,229 | 59,342,798 |
| 2.02.04.02.04 | Pension and Medical Benefits | 42,069,103 | 40,050,587 |
| 2.02.04.02.05 | Provision for Decommissioning Costs | 19,012,126 | 19,292,211 |
| 2.03 | Consolidated Shareholders' Equity | 340,025,548 | 330,482,966 |
| 2.03.01 | Share Capital | 205,410,905 | 205,392,137 |
| 2.03.02 | Capital Reserves | 677,845 | 630,288 |
| 2.03.02.07 | Additional Paid In Capital | 677,845 | 630,288 |
| 2.03.04 | Profit Reserves | 134,910,061 | 134,928,829 |
| 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 | Reserve for Profit Retention | 114,688,598 | 114,688,598 |
| 2.03.04.07 | Tax Incentive Reserve | 1,392,725 | 1,411,493 |
| 2.03.05 | Accumulated Profit / Losses | 13,745,234 | (154,132) |
| 2.03.06 | Equity Valuation Adjustments | (20,425,190) | (14,746,045) |
| 2.03.07 | Cumulative Translation Adjustments | 3,946,262 | 2,077,909 |
| 2.03.09 | Non-controlling Interests | 1,760,431 | 2,353,980 |

Petróleo Brasileiro S.A. – Petrobras

Consolidated Interim Accounting Information / Statement of Income

(R\$ Thousand)

| Account Code | Account Description | Current Quarter 04/01/2013 to 06/30/2013 | Accumulated of the Current Year 01/01/2013 to 06/30/2013 | Same Quarter of the Previous Year 04/01/2012 to 06/30/2012 | Accumulated of the Previous Year 01/01/2012 to 06/30/2012 |
|---------------------|--|---|---|---|--|
| 3.01 | Sales Revenues | 73,626,250 | 146,161,597 | 68,047,270 | 134,181,301 |
| 3.02 | Cost of Sales | (54,919,023) | (108,598,309) | (52,032,050) | (97,922,028) |
| 3.03 | Gross Profit | 18,707,227 | 37,563,288 | 16,015,220 | 36,259,273 |
| 3.04 | Operating Expenses / Income | (7,211,151) | (16,061,309) | (11,159,302) | (19,496,275) |
| 3.04.01 | Selling Expenses General and Administrative | (2,552,425) | (4,846,758) | (2,349,094) | (4,702,356) |
| 3.04.02 | Expenses | (2,589,590) | (5,060,422) | (2,496,513) | (4,696,408) |
| 3.04.05 | Other Operating Expenses | (2,458,756) | (6,699,916) | (5,887,715) | (9,807,850) |
| 3.04.05.01 | Other Taxes Research and Development | (248,810) | (472,009) | (170,242) | (318,318) |
| 3.04.05.02 | Expenses | (594,425) | (1,267,509) | (430,245) | (948,723) |
| 3.04.05.03 | Exploration Costs Other Operating Expenses / | (1,206,541) | (2,488,041) | (3,415,652) | (4,427,065) |
| 3.04.05.05 | Income, Net Share of Profit of Equity-Accounted | (408,980) | (2,472,357) | (1,871,576) | (4,113,744) |
| 3.04.06 | Investments Net Income Before Financial Results, Profit | 389,620 | 545,787 | (425,980) | (289,661) |
| 3.05 | Sharing and Income Taxes Net Finance Income | 11,496,076 | 21,501,979 | 4,855,918 | 16,762,998 |
| 3.06 | (Expense) | (3,550,695) | (2,160,921) | (6,406,934) | (5,941,941) |
| 3.06.01 | Finance Income | 909,124 | 1,880,891 | 1,638,036 | 2,833,645 |
| 3.06.01.01 | Finance Income | 909,124 | 1,880,891 | 1,638,036 | 2,833,645 |
| 3.06.02 | Finance Expenses | (4,459,819) | (4,041,812) | (8,044,970) | (8,775,586) |
| 3.06.02.01 | Finance Expenses Foreign Exchange and Inflation Indexation | (1,280,149) | (2,478,704) | (871,892) | (1,736,533) |
| 3.06.02.02 | Charges, Net Net Income Before Income | (3,179,670) | (1,563,108) | (7,173,078) | (7,039,053) |
| 3.07 | Taxes | 7,945,381 | 19,341,058 | (1,551,016) | 10,821,057 |

| | | | | | |
|------------|---------------------------|-------------|-------------|-------------|-------------|
| | Income Tax and Social | | | | |
| 3.08 | Contribution | (2,266,469) | (5,826,931) | (319,674) | (3,264,068) |
| 3.08.01 | Current | 793,975 | (644,894) | (856,671) | (1,469,944) |
| 3.08.02 | Deferred | (3,060,444) | (5,182,037) | 536,997 | (1,794,124) |
| | Net Income from | | | | |
| 3.09 | Continuing Operations | 5,678,912 | 13,514,127 | (1,870,690) | 7,556,989 |
| | Consolidated Net Income / | | | | |
| 3.11 | Loss for the Period | 5,678,912 | 13,514,127 | (1,870,690) | 7,556,989 |
| | Attributable to | | | | |
| 3.11.01 | Shareholders of Petrobras | 6,200,990 | 13,894,167 | (1,345,727) | 7,868,494 |
| | Attributable to | | | | |
| 3.11.02 | Non-controlling Interests | (522,078) | (380,040) | (524,963) | (311,505) |
| 3.99.01 | Basic Income per Share | — | — | — | — |
| 3.99.01.01 | Common | 0.4800 | 1.0700 | (0.1000) | 0.6000 |
| 3.99.01.02 | Preferred | 0.4800 | 1.0700 | (0.1000) | 0.6000 |
| 3.99.02 | Diluted Income per Share | — | — | — | — |
| 3.99.02.01 | Common | — | — | (0.1000) | 0.6000 |
| 3.99.02.02 | Preferred | — | — | (0.1000) | 0.6000 |

Petróleo Brasileiro S.A. – Petrobras

Consolidated Interim Accounting Information / Statement of Comprehensive Income

(R\$ Thousand)

| Account Code | Account Description | Current Quarter 04/01/2013 to 06/30/2013 | Accumulated of the Current Year 01/01/2013 to 06/30/2013 | Same Quarter of the Previous Year 04/01/2012 to 06/30/2012 | Accumulated of the Previous Year 01/01/2012 to 06/30/2012 |
|---------------------|---|---|---|---|--|
| 4.01 | Consolidated Net Income for the Period | 5,678,912 | 13,514,127 | (1,870,690) | 7,556,989 |
| 4.02 | Other Comprehensive Income | (3,269,528) | (3,745,214) | 1,845,472 | 1,608,778 |
| 4.02.01 | Cumulative Translation Adjustments | 2,382,293 | 1,923,533 | 1,647,045 | 1,260,499 |
| 4.02.02 | Deemed Cost | 2,590 | 5,199 | 2,617 | 5,110 |
| 4.02.03 | Unrealized Gains / (Losses) on Available-for-Sale Securities - Recognized in Shareholders' Equity | 13,464 | 13,345 | 285,451 | 500,842 |
| 4.02.04 | Unrealized Gains / (Losses) on Available-for-Sale Securities - Transferred to Profit or Loss | 1,054 | (90,301) | 169 | 3,001 |
| 4.02.05 | Unrealized Gains / (Losses) on Cash Flow Hedge - Recognized in Shareholders' Equity | (8,548,527) | (8,505,371) | (26,647) | (5,869) |
| 4.02.06 | Unrealized Gains / (Losses) on Cash Flow Hedge - Transferred to Profit or Loss | (5,571) | (7,530) | 33,935 | 15,481 |
| 4.02.07 | Deferred Income Tax and Social Contribution | 2,896,450 | 2,927,192 | (97,098) | (170,286) |
| 4.02.08 | Actuarial Gains / (Losses) - medical and health benefits | (11,281) | (11,281) | — | — |
| 4.03 | Consolidated Comprehensive Income for the Period | 2,409,384 | 9,768,913 | (25,218) | 9,165,767 |
| 4.03.01 | Attributable to Shareholders of Petrobras | 2,794,064 | 10,093,773 | 453,535 | 9,486,163 |
| 4.03.02 | Attributable to Non-controlling Interests | (384,680) | (324,860) | (478,753) | (320,396) |

Petróleo Brasileiro S.A. – Petrobras

Consolidated Interim Accounting Information / Statement of Cash Flows – Indirect Method

(R\$ Thousand)

| Account Code | Account Description | Accumulated of the Current Year 01/01/2013 to 06/30/2013 | Accumulated of the Previous Year 01/01/2012 to 06/30/2012 |
|---------------------|--|---|--|
| 6.01 | Net Cash - Operating Activities | 31,076,119 | 26,100,339 |
| 6.01.01 | Cash Provided by Operating Activities | 36,956,446 | 32,535,472 |
| 6.01.01.01 | Net Income for the Period | 13,894,167 | 7,868,494 |
| 6.01.01.02 | Non-controlling Interests | (380,040) | (311,505) |
| 6.01.01.03 | Share of Profit of Equity-accounted Investments | (545,787) | 289,660 |
| 6.01.01.05 | Depreciation, Depletion and Amortization | 13,366,063 | 10,065,997 |
| 6.01.01.06 | Impairment | 470,539 | 912,095 |
| 6.01.01.07 | Write-off of Dry Wells | 1,231,016 | 3,281,929 |
| 6.01.01.08 | Actuarial Expense - Pension and Medical Benefits | 2,775,201 | 2,011,814 |
| 6.01.01.09 | Income from Sale / Disposal of Assets | (1,400,275) | (20,113) |
| 6.01.01.10 | Foreign Exchange and Inflation Indexation Charges on Debt, Net Deferred Income Tax and Social Contribution, Net | 2,363,525 | 6,642,977 |
| 6.01.01.11 | Changes in Assets and Liabilities | 5,182,037 | 1,794,124 |
| 6.01.02 | Trade and Other Receivables | (6,191,776) | (4,429,411) |
| 6.01.02.01 | Inventories | 777,062 | (845,117) |
| 6.01.02.02 | Trade Payables | (1,636,766) | (2,345,473) |
| 6.01.02.03 | Taxes, Fees and Contributions | (74,960) | 709,892 |
| 6.01.02.04 | Pension and Medical Benefits | (4,469,979) | (1,208,600) |
| 6.01.02.05 | Others | (787,133) | (740,113) |
| 6.01.03 | Other Assets | 311,449 | (2,005,722) |
| 6.01.03.01 | Other Liabilities | (338,854) | (1,385,790) |
| 6.01.03.02 | Other Liabilities | 650,303 | (619,932) |
| 6.02 | Net Cash - Investment Activities | (38,664,192) | (37,493,508) |
| 6.02.01 | Investments in Exploration and Production of Oil and Gas | (23,558,526) | (19,741,392) |
| 6.02.02 | Investments in Refining and Transportation | (12,998,751) | (11,874,430) |
| 6.02.03 | Investments in Gas and Power Activities | (2,218,746) | (1,523,063) |
| 6.02.04 | Investment in International Activities | (2,219,571) | (1,727,588) |
| 6.02.05 | Investments in Distribution Activities | (337,275) | (540,819) |
| 6.02.06 | Investment in Biofuel Activities | (77,849) | (32,791) |

| | | | |
|---------|--------------------------------------|--------------|--------------|
| 6.02.07 | Other Investments | (314,032) | (832,659) |
| | Cash Received on Disposal of Assets | | |
| 6.02.08 | (Divesting) | 3,192,201 | — |
| 6.02.09 | Investments in Marketable Securities | (275,042) | (1,394,809) |
| 6.02.10 | Dividends Received | 143,399 | 174,043 |
| 6.03 | Net Cash - Financing Activities | 29,345,014 | 991,691 |
| 6.03.03 | Non-controlling Interests | (199,051) | 82,472 |
| 6.03.04 | Proceedings from Long-term Financing | 61,149,422 | 22,141,514 |
| 6.03.05 | Repayment of Principal | (23,813,761) | (10,793,571) |
| 6.03.06 | Repayment of Interest | (4,921,073) | (4,267,294) |
| 6.03.09 | Dividends Paid to Shareholders | (2,870,523) | (6,171,430) |
| | Effect of Exchange Rate Changes on | | |
| 6.04 | Cash and Cash Equivalents | 1,864,581 | 972,574 |
| | Increase (Decrease) in Cash and Cash | | |
| 6.05 | Equivalents | 23,621,522 | (9,428,904) |
| | Cash and Cash Equivalents at the | | |
| 6.05.01 | Beginning of the Period | 27,628,003 | 35,747,240 |
| | Cash and Cash Equivalents at the End | | |
| 6.05.02 | of the Period | 51,249,525 | 26,318,336 |

Petróleo Brasileiro S.A. – Petrobras

Consolidated Interim Accounting Information / Statement of Changes in Shareholders' Equity

01/01/2013 to 06/30/2013

(R\$ Thousand)

| Account Code | Account Description | Share Capital | Capital Reserves, Granted Options and Treasury Shares | Profit Reserves | Retained Earnings / Accumulated Losses | Other Comprehensive Income | Shareholders' Equity |
|---------------------|---|----------------------|--|------------------------|---|-----------------------------------|-----------------------------|
| 5.01 | Opening Balance | 205,392,137 | 630,288 | 134,928,829 | – | 2,128,419 | 3 |
| 5.02 | Previous Years Adjustments | – | – | – | (154,132) | (14,796,555) | (|
| 5.03 | Adjusted Opening Balance | 205,392,137 | 630,288 | 134,928,829 | (154,132) | (12,668,136) | 3 |
| 5.04 | Capital Transactions with Shareholders | 18,768 | 47,557 | (18,768) | – | (5,199) | 4 |
| 5.04.01 | Capital Increases | 18,768 | – | (18,768) | – | – | – |
| 5.04.06 | Dividends | – | – | – | – | – | – |
| 5.04.08 | Change in Interest in Subsidiaries | – | 47,557 | – | – | – | 4 |
| 5.04.09 | Realization of the Deemed Cost | – | – | – | – | (5,199) | (|
| 5.05 | Total of Comprehensive Income | – | – | – | 13,899,366 | (3,805,593) | 1 |
| 5.05.01 | Net Income for the Period | – | – | – | 13,894,167 | – | 1 |
| 5.05.02 | Other Comprehensive Income | – | – | – | 5,199 | (3,805,593) | (|
| 5.05.02.01 | Adjustments of Financial Instruments | – | – | – | – | (8,492,026) | (|
| 5.05.02.02 | Taxes on Adjustments of Financial Instruments | – | – | – | – | 2,927,192 | 2 |
| 5.05.02.04 | | – | – | – | – | 1,868,353 | 1 |

| | | | | | | | |
|------------|---|-------------|---------|-------------|------------|--------------|---|
| | Translation Adjustments for the Period | | | | | | |
| 5.05.02.06 | Adjustments of Financial Instruments Reclassified to Profit or Loss | – | – | – | – | (97,831) | (|
| 5.05.02.07 | Realization of the Deemed Cost | – | – | – | 5,199 | – | 5 |
| 5.05.02.08 | Actuarial losses (gains) on defined benefit plans | – | – | – | – | (11,281) | (|
| 5.07 | Ending Balance | 205,410,905 | 677,845 | 134,910,061 | 13,745,234 | (16,478,928) | 3 |

Petróleo Brasileiro S.A. – Petrobras

Consolidated Interim Accounting Information / Statement of Changes in Shareholders' Equity

01/01/2012 to 06/30/2012

(R\$ Thousand)

| Account Code | Account Description | Share Capital | Capital Reserves, Granted Options and Treasury Shares | Profit Reserves | Retained Earnings / Accumulated Losses | Other Comprehensive Income | Other Comprehensive Income |
|---------------------|---|----------------------|--|------------------------|---|-----------------------------------|-----------------------------------|
| 5.01 | Opening Balance | 205,379,729 | 562,643 | 122,624,124 | – | 1,272,385 | 3 |
| 5.02 | Previous Years Adjustments | – | – | – | (154,132) | (8,252,981) | (|
| 5.03 | Adjusted Opening Balance | 205,379,729 | 562,643 | 122,624,124 | (154,132) | (6,980,596) | 3 |
| 5.04 | Capital Transactions with Shareholders | 12,408 | 81,845 | (12,408) | (2,625,857) | (5,110) | (|
| 5.04.01 | Capital Increases | 12,408 | – | (12,408) | – | – | – |
| 5.04.06 | Dividends | – | – | – | (2,625,857) | – | (|
| 5.04.08 | Change in Interest in Subsidiaries | – | 81,845 | – | – | – | 8 |
| 5.04.09 | Realization of the Deemed Cost | – | – | – | – | (5,110) | (|
| 5.05 | Total of Comprehensive Income | – | – | – | 7,873,604 | 1,612,559 | 9 |
| 5.05.01 | Net Income for the Period | – | – | – | 7,868,494 | – | 7 |
| 5.05.02 | Other Comprehensive Income | – | – | – | 5,110 | 1,594,077 | 1 |
| 5.05.02.01 | Adjustments of Financial Instruments | – | – | – | – | 494,973 | 4 |
| 5.05.02.02 | Taxes on Adjustments of Financial Instruments | – | – | – | – | (170,286) | (|
| 5.05.02.04 | | – | – | – | – | 1,269,390 | 1 |

| | | Translation Adjustments for the Period | | | | | |
|------------|--|--|---------|-------------|-----------|-------------|---|
| 5.05.02.07 | Realization of the Deemed Cost | – | – | – | 5,110 | – | 5 |
| 5.05.03 | Transferred to Results | – | – | – | – | 18,482 | 1 |
| 5.05.03.01 | Adjustments of Financial Instruments | – | – | – | – | 18,482 | 1 |
| 5.07 | Ending Balance | 205,392,137 | 644,488 | 122,611,716 | 5,093,615 | (5,373,147) | 3 |

Petróleo Brasileiro S.A. – Petrobras

Consolidated Interim Accounting Information / Statement of Added Value

(R\$ Thousand)

| Account Code | Account Description | Accumulated | |
|---------------------|---|--|---|
| | | Current Year 01/01/2013 to 06/30/2013 | Previous Year 01/01/2012 to 06/30/2012 |
| 7.01 | Sales Revenues | 223,844,661 | 204,371,892 |
| 7.01.01 | Sales of Goods, Products and Services Provided | 178,477,259 | 165,561,391 |
| 7.01.02 | Other Revenues | 5,663,019 | 3,990,888 |
| 7.01.03 | Revenues Related to the Construction of Own Assets | 39,702,671 | 34,950,773 |
| 7.01.04 | Allowance / Reversal for Impairment of Trade Receivables | 1,712 | (131,160) |
| 7.02 | Inputs Acquired from Third Parties | (117,153,224) | (108,642,999) |
| 7.02.01 | Cost of Sales | (59,528,999) | (52,975,576) |
| 7.02.02 | Materials, Power, Third-Party Services and Other Operating Expenses | (45,772,835) | (44,468,004) |
| 7.02.03 | Impairment / Recovery of Assets | (470,539) | (912,095) |
| 7.02.04 | Others | (11,380,851) | (10,287,324) |
| 7.03 | Gross Added Value | 106,691,437 | 95,728,893 |
| 7.04 | Retentions | (13,366,063) | (10,065,997) |
| 7.04.01 | Depreciation, Amortization and Depletion | (13,366,063) | (10,065,997) |
| 7.05 | Net Added Value Produced | 93,325,374 | 85,662,896 |
| 7.06 | Transferred Added Value | 2,430,191 | 2,681,769 |
| 7.06.01 | Share of Profit of Equity-accounted Investments | 545,787 | (289,661) |
| 7.06.02 | Finance Income | 1,880,891 | 2,833,645 |
| 7.06.03 | Others | 3,513 | 137,785 |
| 7.07 | Total Added Value to be Distributed | 95,755,565 | 88,344,665 |
| 7.08 | Distribution of Added Value | 95,755,565 | 88,344,665 |
| 7.08.01 | Personnel | 13,036,162 | 10,475,117 |
| 7.08.01.01 | Payroll and Related Charges | 8,742,645 | 7,103,245 |
| 7.08.01.02 | Benefits | 3,749,973 | 2,918,004 |
| 7.08.01.03 | FGTS | 543,544 | 453,868 |
| 7.08.02 | Taxes, Duties and Social Contributions | 53,799,544 | 51,074,926 |
| 7.08.02.01 | Federal | 33,207,694 | 32,496,694 |
| 7.08.02.02 | State | 20,464,953 | 18,458,361 |
| 7.08.02.03 | Municipal | 126,897 | 119,871 |
| 7.08.03 | Remuneration of Third Party Capital | 15,405,732 | 19,237,633 |
| 7.08.03.01 | Interest | 7,742,639 | 12,446,099 |
| 7.08.03.02 | Rental | 7,663,093 | 6,791,534 |
| 7.08.04 | Remuneration of Shareholders' Equity | 13,514,127 | 7,556,989 |

| | | | |
|------------|---|------------|-----------|
| 7.08.04.01 | Interest on Shareholders' Equity | – | 2,608,899 |
| 7.08.04.03 | Retained Earnings / Loss For The Period | 13,894,167 | 5,259,595 |
| 7.08.04.04 | Non-controlling Interests | (380,040) | (311,505) |

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 presents the significant changes which 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 August 9, 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.

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.

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

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

| | 12.31.2012 | | | 01.01.2012 | | |
|----------------------|-------------------|------------------|-----------------|-------------------|------------------|-----------------|
| | As | Impact of | | As | Impact of | |
| | presented | IAS 19 | Restated | presented | IAS 19 | Restated |
| | (*) | amendment | (*) | amendment | Restated | |
| Assets | | | | | | |
| 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 |
| Liabilities | | | | | | |
| 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 |
| Shareholders' Equity | | | | | | |
| Attributable to the | | | | | | |
| Shareholders of | | | | | | |
| Petrobras | 343,079 | (14,951) | 328,128 | 329,839 | (8,407) | 321,432 |
| 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 Company's consolidated entities in the first half of 2013.

The main acquisitions and disposal of assets are presented in note 9.

3.1. Reconciliation between shareholders' equity and net income for the parent company and consolidated

| | Shareholders' equity | | Net income | |
|--------------------------------------|----------------------|------------|--------------|--------------|
| | 06.30.2013 | 12.31.2012 | Jan-Jun 2013 | Jan-Jun 2012 |
| Consolidated - IFRS | 340,025 | 330,483 | 13,514 | 7,557 |
| Non-controlling Interests | (1,760) | (2,354) | 380 | 311 |
| Deferred Expenses, Net of Income Tax | 264 | 361 | (99) | (178) |
| Parent company - CPC | 338,529 | 328,490 | 13,795 | 7,690 |

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.

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***5. Cash and cash equivalents**

| | Consolidated 06.30.2013 | 12.31.2012 |
|---|------------------------------------|-------------------|
| Cash at bank and in hand | 2,514 | 2,024 |
| Short-term financial investments | | |
| - In Brazil | | |
| Single-member funds (Interbank Deposit) and other short-term deposits | 31,404 | 17,021 |
| Other investment funds | 301 | 424 |
| | 31,705 | 17,445 |
| - Abroad | 17,031 | 8,159 |
| Total short-term financial investments | 48,736 | 25,604 |
| Total cash and cash equivalents | 51,250 | 27,628 |

6. Marketable securities

| | Consolidated 06.30.2013 | 12.31.2012 |
|-------------------------------|------------------------------------|-------------------|
| Trading securities | 21,511 | 20,888 |
| Available-for-sale securities | 289 | 488 |
| Held-to-maturity securities | 319 | 299 |
| | 22,119 | 21,675 |
| Current | 21,782 | 21,316 |
| Non-current | 337 | 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.

7. Trade and other receivables**7.1. Trade and other receivables, net**

| | Consolidated 06.30.2013 | 12.31.2012 |
|---|------------------------------------|-------------------|
| Trade receivables | | |
| Third parties | 21,689 | 22,040 |
| Related parties (Note 17.5) | | |
| Joint ventures and associates | 1,764 | 1,593 |
| Receivables from the electricity sector | 4,180 | 3,958 |
| Petroleum and alcohol accounts - STN | 835 | 835 |
| Other receivables | 5,820 | 6,297 |
| | 34,288 | 34,723 |
| Provision for impairment of trade receivables | (3,074) | (2,967) |
| | 31,214 | 31,756 |
| Current | 22,130 | 22,681 |
| Non-current | 9,084 | 9,075 |

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***7.2. Changes in the provision for impairment of trade receivables**

| | Consolidated 06.30.2013 | 12.31.2012 |
|-----------------|------------------------------------|-------------------|
| Opening balance | 2,967 | 2,790 |
| Additions (*) | 209 | 587 |
| Write-offs (*) | (102) | (410) |
| Closing balance | 3,074 | 2,967 |
| Current | 1,741 | 1,746 |
| Non-current | 1,333 | 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 06.30.2013 | 12.31.2012 |
|---------------------|------------------------------------|-------------------|
| Up to 3 months | 1,121 | 1,572 |
| From 3 to 6 months | 442 | 319 |
| From 6 to 12 months | 343 | 370 |
| More than 12 months | 3,558 | 3,243 |
| | 5,464 | 5,504 |

8. Inventories

| | Consolidated 06.30.2013 | 12.31.2012 |
|------------------|------------------------------------|-------------------|
| Products: | | |
| Oil products (*) | 10,429 | 12,016 |
| Fuel Alcohol (*) | 334 | 330 |
| | 10,763 | 12,346 |

| | | |
|--|--------|--------|
| Raw materials, mainly crude oil (*) | 15,929 | 13,184 |
| Maintenance materials and supplies (*) | 3,956 | 3,846 |
| Others | 543 | 452 |
| | 31,191 | 29,828 |
| Current | 31,097 | 29,736 |
| Non-current | 94 | 92 |

(*) Includes imports in transit.

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Notes to the financial statements

(In millions of reais, except when indicate otherwise)

9. Acquisitions and disposal of assets

Acquisition of Araucária Nitrogenados S.A.

On June 1, 2013, Petrobras started to control Araucária Nitrogenados S.A. (FAFEN-PR), under an agreement to acquire all shares of the company executed with Vale S.A. on December 18, 2012. The transaction was approved by the Brazilian Antitrust Regulator (CADE) on May 15, 2013.

The transaction price consideration was US\$ 234 million which will be settled through Petrobras' leasing income from mineral rights for properties operated by Vale in Sergipe. The assessment of the fair value of assets and liabilities is ongoing and will be completed within 12 months from the date control of the company was granted.

Brasil PCH

On June 14, 2013, Petrobras entered into an agreement with Cemig Geração e Transmissão S.A. for the disposal of its entire equity interest in Brasil PCH S.A., equivalent to 49% of the voting stock, for a total of R\$ 650.

The completion of the transaction is subject to the approval of Conselho Administrativo de Defesa Econômica - CADE and consent of Agência Nacional de Energia Elétrica - ANEEL.

Due to the approval of the transaction by the Board of Directors of the Company on June 30, 2013 the carrying amount of Petrobras' interest in Brasil PCH of R\$ 65 was reclassified to asset held for sale under current assets.

Formation of joint venture to operate in Exploration and Production (E&P) in Africa

On June 14, 2013, the Board of Directors of Petrobras approved the agreement between Petrobras International Braspetro B.V. (PIBBV), a subsidiary of Petrobras, and BTG Pactual E&P B.V, a subsidiary of Banco BTG Pactual S.A., to form a joint venture to operate in the exploration and production of oil and gas in Africa, comprised of assets in Angola, Benin, Gabon, Namibia, Nigeria and Tanzania.

BTG Pactual E&P B.V. acquired 50% of the joint venture shares of Petrobras Oil & Gas B.V. (PO&G), previously held by PIBBV, for the total amount of R\$ 3,364. The transaction was concluded on June 28, 2013, and the Company recognized earnings of R\$ 1,906, as set out below:

Consolidado

| | |
|---|---------|
| Gain on disposal of assets | 1,554 |
| Fair value measurement of remaining assets | 1,554 |
| Loss on carrying amount of investments in Angola and Tanzania | (1,202) |
| | 1,906 |
| Effects on Profit or Loss: | |
| Other operating income (expenses), net | 1,554 |
| Share of profit of equity-accounted investments | 352 |

As the transaction is subject to the approval by the governments of Angola and Tanzania, relatively to the assets located in those countries, the balance at June 30, 2013 of R\$ 78 was reclassified to asset held for sale, under current assets.

The partnership's investment in PO&G was classified as a joint venture, therefore unconsolidated, reflecting the corporate structure and the terms of the shareholders' agreement, signed on June 28, 2013.

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***10. Investments****10.1. Information about subsidiaries, joint ventures, joint operations and associates (Parent Company)**

| | 06.30.2013 | 12.31.2012 |
|---|-------------------|-------------------|
| Subsidiaries: | | |
| Petrobras Netherlands B.V. - PNBV | 25,016 | 20,512 |
| Refinaria Abreu e Lima S.A. | 13,203 | 10,567 |
| Petrobras Distribuidora S.A. - BR (i) | 10,554 | 9,451 |
| Petrobras Gás S.A. - Gaspetro | 9,979 | 10,322 |
| Petrobras Transporte S.A. - Transpetro | 4,179 | 3,767 |
| Petrobras Logística de Exploração e Produção S.A. - PB-LOG | 3,326 | 3,435 |
| Petrobras International Braspetro - PIB BV (i) | 2,863 | 852 |
| Companhia Integrada Têxtil de Pernambuco S.A. - Citepe | 2,616 | 1,801 |
| Petrobras Biocombustível S.A. | 1,974 | 1,916 |
| Companhia Locadora de Equipamentos Petrolíferos S.A. - CLEP | 1,385 | 1,502 |
| Companhia Petroquímica de Pernambuco S.A. - PetroquímicaSuape | 1,362 | 1,404 |
| Liquigás Distribuidora S.A. (i) | 845 | 838 |
| Termomacaé Ltda. (i) | 687 | 795 |
| Comperj Poliolefinas S.A. | 651 | 651 |
| Breitener Energética S.A. | 482 | 476 |
| Araucária Nitrogenados S.A. | 480 | – |
| Innova S.A. | 465 | 431 |
| 5283 Participações Ltda. (i) | 385 | 115 |
| Termo Ceará Ltda. (i) | 333 | 343 |
| Other subsidiaries | 1,697 | 1,444 |
| Joint operations | 784 | 766 |
| Joint ventures (i) | 352 | 520 |
| Associates | 3,404 | 3,565 |
| | 87,022 | 75,473 |
| Goodwill | 3,172 | 3,180 |
| Unrealized profits - Parent company | (1,269) | (1,143) |
| Other investments | 145 | 195 |
| Total investments | 89,070 | 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)***10.2. Investments in joint ventures and associates (Consolidated)**

| | 06.30.2013 | 12.31.2012 |
|-------------------------------------|-------------------|-------------------|
| Petrochemical investments | 5,395 | 5,837 |
| Petrobras Oil & Gas BV | 3,297 | – |
| Gas distributors | 1,174 | 1,134 |
| Guarani S.A. | 992 | 985 |
| Petroritupano - Orielo | 508 | 476 |
| Nova Fronteira Bioenergia S.A. | 401 | 414 |
| Petrowayu - La Concepción | 370 | 394 |
| Transierra S.A. | 149 | 142 |
| Petrokariña - Mata | 161 | 154 |
| UEG Araucária | 138 | 131 |
| Other associates and joint ventures | 1,832 | 2,566 |
| | 14,417 | 12,233 |
| Other investments | 193 | 244 |
| | 14,610 | 12,477 |

10.3. Investments in listed companies

| Company | Thousand-share lot | | Type | Quoted stock exchange prices (R\$ per share) | | Market value | |
|------------|--------------------|------------|-----------|--|------------|--------------|------------|
| | 06.30.2013 | 12.31.2012 | | 06.30.2013 | 12.31.2012 | 06.30.2013 | 12.31.2012 |
| Petrobras | | | | | | | |
| Argentina | 1,356,792 | 1,356,792 | Common | 1.18 | 1.41 | 1,601 | 1,913 |
| | | | | | | 1,601 | 1,913 |
| Associates | | | | | | | |
| Braskem | 212,427 | 212,427 | Common | 11.80 | 9.60 | 2,507 | 2,039 |
| | | | Preferred | | | | |
| Braskem | 75,793 | 75,793 | A | 16.47 | 12.80 | 1,248 | 970 |
| | | | | | | 3,755 | 3,009 |

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

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***11. Property, plant and equipment****11.1. By class of asset**

| | Consolidated | | | | Parent Company | |
|---|---|-----------------------------------|--------------------------------------|---|-----------------------|--------------|
| | Land, buildings and improvements | Equipment and other assets | Assets under construction (*) | Exploration and development costs (oil and gas producing properties) | Total | Total |
| Balance at December 31, 2011 | 12,359 | 124,481 | 158,559 | 47,718 | 343,117 | 227,479 |
| Additions | 100 | 4,058 | 63,844 | 3,358 | 71,360 | 56,108 |
| Additions to / review of estimates of decommissioning costs | – | – | – | 10,719 | 10,719 | 10,481 |
| Capitalized borrowing costs | – | – | 7,400 | – | 7,400 | 5,348 |
| Business combinations | 169 | 370 | 4 | – | 543 | – |
| Write-offs | (11) | (119) | (5,232) | (215) | (5,577) | (5,151) |
| Transfers | 4,946 | 48,679 | (59,531) | 13,550 | 7,644 | 879 |
| Depreciation, amortization and depletion | (933) | (12,985) | – | (7,360) | (21,278) | (15,250) |
| Impairment - recognition | (42) | (366) | (77) | (307) | (792) | (294) |
| Impairment - reversal | – | 91 | 276 | 133 | 500 | 224 |
| Cumulative translation adjustment | 96 | 2,763 | 1,635 | 586 | 5,080 | – |
| Balance at December 31, 2012 | 16,684 | 166,972 | 166,878 | 68,182 | 418,716 | 279,824 |

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| | | | | | | |
|--|-----------------------------------|-------------------------|----------|----------|---------------------------|-----------|
| Cost | 22,140 | 250,630 | 166,878 | 127,408 | 567,056 | 390,436 |
| Accumulated depreciation, amortization and depletion | (5,456) | (83,658) | – | (59,226) | (148,340) | (110,612) |
| Balance at December 31, 2012 | 16,684 | 166,972 | 166,878 | 68,182 | 418,716 | 279,824 |
| Additions | 69 | 1,858 | 35,361 | 921 | 38,209 | 28,590 |
| Capitalized borrowing costs | – | – | 3,691 | – | 3,691 | 2,679 |
| Write-offs | (2) | (107) | (1,639) | (11) | (1,759) | (1,231) |
| Transfers (***) | 1,571 | 19,181 | (24,333) | 3,302 | (279) | 1,121 |
| Depreciation, amortization and depletion | (537) | (7,463) | – | (5,143) | (13,143) | (9,575) |
| Cumulative translation adjustment | 47 | 2,987 | 2,176 | 708 | 5,918 | – |
| Balance at June 30, 2013 | 17,832 | 183,428 | 182,134 | 67,959 | 451,353 | 301,408 |
| Cost | 23,957 | 276,060 | 182,134 | 129,591 | 611,742 | 421,226 |
| Accumulated depreciation, amortization and depletion | (6,125) | (92,632) | – | (61,632) | (160,389) | (119,818) |
| Balance at June 30, 2013 | 17,832 | 183,428 | 182,134 | 67,959 | 451,353 | 301,408 |
| Weighted average of useful life in years | 25 (25 to 40) (except land) | 20 (3 to 31) (**) | | | Unit of production method | – |

(*) See note 27 for assets under construction by business area.

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

(***) Includes R\$ 4,898 relative to PO&G, which has been unconsolidated, as set out in note 9.

At June 30, 2013, consolidated and parent company property, plant and equipment includes assets under finance leases of R\$ 205 and R\$ 10,007, respectively (R\$ 208 and R\$ 10,287 at December 31, 2012).

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***12. Intangible assets****12.1. By class of assets**

| | Consolidated | | | | Parent | |
|-------------------|---------------------|-----------------|------------------|----------------------|----------------|---------|
| | Softwares | | | | Company | |
| | Rights and | | Developed | Goodwill | | |
| | concessions | Acquired | in-house | from | Total | |
| | | | | expectations | Total | |
| | | | | of future | | |
| | | | | profitability | | |
| | | | | | | |
| Balance at | | | | | | |
| December 31, 2011 | 78,804 | 337 | 1,344 | 949 | 81,434 | 77,709 |
| Additions | 179 | 141 | 286 | – | 606 | 458 |
| Capitalized | | | | | | |
| borrowing costs | – | – | 30 | – | 30 | 30 |
| Write-offs | (229) | (3) | (6) | – | (238) | (231) |
| Transfers | (166) | 23 | (198) | (28) | (369) | (257) |
| Amortization | (91) | (119) | (278) | – | (488) | (360) |
| Impairment - | | | | | | |
| reversal | 12 | – | – | – | 12 | – |
| Cumulative | | | | | | |
| translation | | | | | | |
| adjustment | 193 | 7 | – | 20 | 220 | – |
| Balance at | | | | | | |
| December 31, 2012 | 78,702 | 386 | 1,178 | 941 | 81,207 | 77,349 |
| Cost | 79,533 | 1,463 | 2,950 | 941 | 84,887 | 79,873 |
| Accumulated | | | | | | |
| amortization | (831) | (1,077) | (1,772) | – | (3,680) | (2,524) |
| Balance at | | | | | | |
| December 31, 2012 | 78,702 | 386 | 1,178 | 941 | 81,207 | 77,349 |
| Additions | 79 | 20 | 124 | – | 223 | 137 |
| Capitalized | | | | | | |
| borrowing costs | – | – | 10 | – | 10 | 10 |
| Write-offs | (89) | (3) | (4) | – | (96) | (56) |
| Transfers (**) | (1,216) | (35) | (25) | 4 | (1,272) | (86) |
| Amortization | (41) | (54) | (132) | – | (227) | (157) |
| Cumulative | | | | | | |
| translation | | | | | | |
| adjustment | 134 | 1 | (6) | 20 | 149 | – |

| | | | | | | |
|-------------------------------|--------|---------|---------|------------|---------|---------|
| Balance at June 30, 2013 | 77,569 | 315 | 1,145 | 965 | 79,994 | 77,197 |
| Cost | 78,496 | 1,339 | 3,249 | 965 | 84,049 | 79,876 |
| Accumulated amortization | (927) | (1,024) | (2,104) | – | (4,055) | (2,679) |
| Balance at June 30, 2013 | 77,569 | 315 | 1,145 | 965 | 79,994 | 77,197 |
| Estimated useful life - years | (*) | 5 | 5 | Indefinite | | |

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

(**) Includes R\$ 1,244 relative to PO&G, which has been unconsolidated, as set out in note 9.

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

At June 30, 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 Guará 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 areas there will be a review of volumes and prices, based on independent technical appraisal reports.

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.

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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.

Based on drilling results obtained so far, expectations regarding the production potential of the areas are being confirmed and the Company will continue to develop its investment program and activities as established in the agreement.

13. 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 | |
|---|---------------------|-------------------|
| Exploratory costs recognized in Assets (*) | 06.30.2013 | 12.31.2012 |
| Property, plant and equipment | | |
| Opening balance | 21,760 | 18,983 |
| Additions | 5,510 | 12,982 |
| Write offs | (795) | (5,439) |
| Transfers (***) | (3,827) | (5,137) |
| Cumulative translation adjustment | (4) | 371 |
| Closing balance | 22,644 | 21,760 |
| Intangible Assets (**) | 76,433 | 77,588 |
| Total Exploratory Costs Capitalized | 99,077 | 99,348 |

(*) 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 12.2).

(***) Includes R\$ 1,523 relative to PO&G, which has been unconsolidated, as set out in note 9.

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:

| | Consolidated | |
|---|---------------------|---------------------|
| Exploration costs recognized in profit or loss | Jan-Jun 2013 | Jan-Jun 2012 |
| Geological and geophysical expenses | 1,121 | 1,071 |
| Exploration expenditures written off (includes dry wells and signature bonuses) | 1,231 | 3,282 |
| Other exploration expenses | 76 | 74 |
| Total expenses | 2,428 | 4,427 |
| | Consolidated | |
| Cash used in activities | Jan-Jun 2013 | Jan-Jun 2012 |
| Operating activities | 1,389 | 1,230 |
| Investment activities | 5,895 | 6,402 |
| Total | 7,284 | 7,632 |

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***14. Trade payables**

| | Consolidated 06.30.2013 | 12.31.2012 |
|----------------------------|------------------------------------|-------------------|
| Current liabilities | | |
| Third parties | | |
| In Brazil | 12,980 | 13,306 |
| Abroad | 11,148 | 10,430 |
| Related parties | 1,139 | 1,039 |
| | 25,267 | 24,775 |

15. Finance Debt

| | Consolidated Current liabilities | | Non-current | |
|---|---|-------------------|--------------------|-------------------|
| | 06.30.2013 | 12.31.2012 | 06.30.2013 | 12.31.2012 |
| Abroad | | | | |
| Financial institutions | 12,230 | 9,428 | 65,140 | 51,406 |
| Bearer bonds - Notes, Global Notes and Bonds | 2,888 | 2,514 | 94,199 | 63,413 |
| Others | – | 500 | – | 5 |
| | 15,118 | 12,442 | 159,339 | 114,824 |
| In Brazil | | | | |
| Export Credit Notes | 163 | 291 | 18,723 | 12,795 |
| BNDES | 1,946 | 1,714 | 42,861 | 44,111 |
| Debentures | 285 | 286 | 569 | 705 |
| FINAME | 88 | 69 | 1,266 | 666 |
| Bank Credit Certificate | 33 | 102 | 3,606 | 3,606 |
| Others | 527 | 379 | 4,285 | 4,111 |
| | 3,042 | 2,841 | 71,310 | 65,994 |
| | 18,160 | 15,283 | 230,649 | 180,818 |
| Interest expense on debt | 2,495 | 2,081 | | |
| Long-term debt due within one year (principal) | 7,093 | 5,711 | | |
| Short-term debt | 8,572 | 7,491 | | |
| | 18,160 | 15,283 | | |

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

| | Consolidated 06.30.2013 |
|---------------------|------------------------------------|
| 2014 | 4,898 |
| 2015 | 15,812 |
| 2016 | 23,332 |
| 2017 | 19,712 |
| 2018 and thereafter | 166,895 |
| Total | 230,649 |

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***15.2. Annual interest rates range for non-current debt**

| | Consolidated 06.30.2013 | 12.31.2012 |
|-----------------------|------------------------------------|-------------------|
| Abroad | | |
| Up to 4% p.a. | 87,741 | 65,022 |
| From 4.01 to 6% p.a. | 49,303 | 28,135 |
| From 6.01 to 8% p.a. | 20,863 | 20,263 |
| More than 8% p.a. | 1,432 | 1,404 |
| | 159,339 | 114,824 |
| In Brazil | | |
| Up to 6% p.a. | 6,365 | 6,916 |
| From 6.01 to 8% p.a. | 47,184 | 50,141 |
| From 8.01 to 10% p.a. | 16,753 | 7,819 |
| More than 10% p.a. | 1,008 | 1,118 |
| | 71,310 | 65,994 |
| | 230,649 | 180,818 |

15.3. Non-current debt by major currency

| | Consolidated 06.30.2013 | 12.31.2012 |
|-----------------------------|------------------------------------|-------------------|
| U.S. dollar | 140,686 | 98,714 |
| Real | 46,467 | 37,622 |
| Real indexed to U.S. dollar | 24,843 | 28,063 |
| Euro | 12,928 | 10,492 |
| Pound Sterling | 3,779 | 3,706 |
| Japanese Yen | 1,946 | 2,221 |
| | 230,649 | 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 30 and 31, respectively.

15.4. 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 4.1% p.a. in the first half of 2013 (4.6% p.a. in the first half of 2012).

15.5. Funding

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

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Notes to the financial statements

(In millions of reais, except when indicate otherwise)

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

a) Abroad

| Description | Company | Date | Amount | Maturity |
|--|----------------|---------------------------|---------------|---------------------------|
| Global notes issued in the amount of US\$11,000 million. | PGF BV | May/13 | 22,383 | 2016, 2019, 2023 and 2043 |
| Financing in the amount of US\$ 3,400 million obtained from a commercial bank . | PGT BV | Apr/13, May/13 and Jun/13 | 7,063 | 2019 |
| Financing in the amount of US\$ 1,500 million obtained from commercial banks. | PGT BV | Feb/13, Mar/13 | 2,998 | 2019, 2020 |
| Credit line in the amount of US\$ 500 million hired from a commercial bank, guaranteed by an export credit agency. | PIB BV | Apr/13 | 1,001 | 2025 |
| Financing in the amount of €350 million from a commercial bank. | PGF BV | Apr/13 | 901 | 2030, 2038 |
| Financing in the amount of €300 million from a commercial bank. | PGF BV | Feb/13 | 810 | 2028, 2033 |
| Use of credit line in the amount of US\$ 253 million from an export credit agency and a commercial bank. | Petrobras | Apr/13 | 500 | 2025 |
| Financing in the amount of US\$137 million obtained from a commercial bank. | PNBV | Mar/13 | 271 | 2023 |
| | | | 35,927 | |

b) In Brazil

| Description | Company | Date | Amount | Maturity |
|--|----------------|-------------------|---------------|-----------------|
| Financing from a commercial bank with issuance of export | Petrobras | May/13 and Jun/13 | 11,000 | 2020 |

credit note .

Financing from a commercial bank with issuance of export credit note.

| | | | |
|--|------------------|--------------------------|--|
| Petrobras | Apr/13 | 3,000 | 2021 2014, 2015, 2016, 2017, 2022, 2024 and 2026 |
| Financing obtained from development bank. | Petrobras | Feb/13 to Jun/13 | 2,504 |
| Bank Credit Note, obtained from a commercial bank. | Petrobras | Jan/13 Mar/13 and May/13 | 500 |
| Financing obtained from agricultural savings credit. | BR Distribuidora | May/13 | 185 |
| Bank Credit Note, obtained from a commercial bank. | Petrobras | May/13 | 148 |
| | | | 17,337 |

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***15.6. Funding – outstanding balance****a) Abroad**

| Company | Amounts in US\$ million | | |
|----------------|-----------------------------------|-------------|----------------|
| | Available (line of credit) | Used | Balance |
| PNBV | 1,000 | 173 | 827 |
| Petrobras | 1,000 | 253 | 747 |
| PGT BV | 1,000 | 400 | 600 |

b) In Brazil

| Company | Available (line of credit) | Used | Balance |
|----------------|-----------------------------------|-------------|----------------|
| Transpetro (*) | 10,004 | 1,571 | 8,433 |
| Petrobras | 12,484 | 7,731 | 4,753 |
| Liquigas | 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.

15.7. Guarantees

Petrobras is not required to provide guarantees to financial institutions. Financial transactions carried out by subsidiaries for which corporate guarantees are required from Petrobras are presented in note 17.3. Certain loans provided by development banks, such as BNDES 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.

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***16. Leases****16.1. Future minimum lease payments / receipts – Finance leases**

| | Consolidated Minimum receipts | Minimum payments |
|--|--|-------------------------|
| 2013 | 225 | 38 |
| 2014 - 2017 | 1,584 | 185 |
| 2018 and thereafter | 4,514 | 634 |
| Estimated lease receipts/payments | 6,323 | 857 |
| Interest expense (annual) | (2,868) | (625) |
| Present value of the lease receipts / payments | 3,455 | 232 |
| Current | 134 | 39 |
| Non-current | 3,321 | 193 |
| At June 30, 2013 | 3,455 | 232 |
| Current | 123 | 37 |
| Non-current | 3,139 | 176 |
| At December 31, 2012 | 3,262 | 213 |

16.2. Future minimum lease payments - Operating leases

| | Consolidated |
|----------------------|---------------------|
| 2013 | 23,237 |
| 2014 - 2017 | 89,652 |
| 2018 and thereafter | 73,414 |
| At June 30, 2013 | 186,303 |
| At December 31, 2012 | 166,719 |

In the first half of 2013, the Company paid R\$ 11,359 for operating lease installments, recognized as a period expense.

17. Related parties

17.1. 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 June 30, 2013 and December 31, 2012, no losses were recognized on the statement of financial position for related party accounts receivable.

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***17.1.1. By transaction**

| | Parent company | | | Liabilities | | |
|--|---------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| | Jan-Jun 2013 | 06.30.2013 | | | | |
| | Profit or Loss | Assets | | Current | Non-current | Total |
| | | Current | Non-current | Total | Current | Non-current |
| Profit or Loss | | | | | | |
| Revenues (mainly sales revenues) | 64,461 | | | | | |
| Foreign exchange and inflation indexation charges, net | (1,485) | | | | | |
| Financial income (expenses), net | (926) | | | | | |
| Assets | | | | | | |
| Trade and other receivables | | 8,647 | 3,684 | 12,331 | | |
| Trade and other receivables (mainly from sales) | | 7,220 | – | 7,220 | | |
| Dividends receivable | | 942 | – | 942 | | |
| Intercompany loans | | – | 280 | 280 | | |
| Capital increase (advance) | | – | 2,238 | 2,238 | | |
| Related to construction of natural gas pipeline | | – | 777 | 777 | | |
| Reimbursements receivable | | – | 236 | 236 | | |
| Other operations | | 485 | 153 | 638 | | |
| Liabilities | | | | | | |
| Finance leases | | | | | (1,688) | (5,518) |
| Financing on credit operations | | | | | – | (2,595) |
| Intercompany loans | | | | | – | (23,963) |
| Prepayment of exports | | | | | – | (32,874) |

| | | | | | | | |
|---|--------|-------|-------|--------|----------|----------|----------|
| Accounts payable to suppliers | | | | | (12,805) | – | (12,805) |
| Purchases of crude oil, oil products and others | | | | | (10,150) | – | (10,150) |
| Affreightment of platforms | | | | | (1,976) | – | (1,976) |
| Advances from clients | | | | | (454) | – | (454) |
| Others | | | | | (225) | – | (225) |
| Other operations | | | | | – | (88) | (88) |
| | 62,050 | 8,647 | 3,684 | 12,331 | (14,493) | (65,038) | (79,531) |
| Jan-Jun/2012 | 60,052 | | | | | | |
| As of December 31, 2012 | | 9,191 | 6,886 | 16,077 | (20,478) | (28,730) | (49,208) |

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***17.1.2. By company**

| | Parent Company | | | | | | |
|---|-----------------------|-------------------|--------------------|--------------|--------------------|--------------------|--------------|
| | Jan-Jun | | | | | | |
| | 2013 | 06.30.2013 | | | | | |
| | Assets | | | | Liabilities | | |
| | Profit | | | | | | |
| | or Loss | Current | Non-current | Total | Current | Non-current | Total |
| Subsidiaries (*) | | | | | | | |
| BR Distribuidora | 40,540 | 2,079 | 23 | 2,102 | (291) | (23) | (314) |
| PIB-BV Holanda | 6,110 | 1,642 | 79 | 1,721 | (3,859) | (59,432) | (63,291) |
| Gaspetro | 4,651 | 1,722 | 777 | 2,499 | (2,166) | – | (2,166) |
| Transpetro | 302 | 413 | – | 413 | (634) | – | (634) |
| Refinaria Abreu e Lima | 216 | 64 | 1,589 | 1,653 | – | – | – |
| Thermoelectric power plants | (38) | 322 | 229 | 551 | (105) | (816) | (921) |
| PNBV | (51) | 35 | 20 | 55 | (2,304) | – | (2,304) |
| Brasoil | 38 | 486 | 40 | 526 | (12) | – | (12) |
| PifCo | (237) | 5 | 3 | 8 | (3,146) | – | (3,146) |
| Other subsidiaries | 1,528 | 1,006 | 802 | 1,808 | (944) | (520) | (1,464) |
| | 53,059 | 7,774 | 3,562 | 11,336 | (13,461) | (60,791) | (74,252) |
| Special purpose entities (SPE) | | | | | | | |
| Nova | | | | | | | |
| Transportadora do Nordeste - NTN | 17 | 339 | 44 | 383 | (202) | (707) | (909) |
| CDMPI | (38) | – | – | – | (328) | (1,802) | (2,130) |
| Nova | | | | | | | |
| Transportadora do Sudeste - NTS | 16 | 308 | – | 308 | (177) | (677) | (854) |
| PDET Off Shore | (34) | – | 62 | 62 | (172) | (996) | (1,168) |
| Other SPE's | – | – | 12 | 12 | – | – | – |
| | (39) | 647 | 118 | 765 | (879) | (4,182) | (5,061) |
| Associates | | | | | | | |
| Companies from the petrochemical sector | | | | | | | |
| | 9,025 | 209 | – | 209 | (105) | (65) | (170) |
| Other Associates | 5 | 17 | 4 | 21 | (48) | – | (48) |
| | 9,030 | 226 | 4 | 230 | (153) | (65) | (218) |
| | 62,050 | 8,647 | 3,684 | 12,331 | (14,493) | (65,038) | (79,531) |

(*) Includes its subsidiaries and joint ventures.

17.1.3. Annual rates for intercompany loans

| | Parent Company | | Liabilities | |
|-------------------------|-----------------------|-------------------|--------------------|-------------------|
| | Assets | | | |
| | 06.30.2013 | 12.31.2012 | 06.30.2013 | 12.31.2012 |
| Up to 7% p.a. | – | 4,307 | (16,616) | (14,930) |
| From 7.01% to 10% p.a. | – | – | (7,347) | (6,832) |
| From 10.01% to 13% p.a. | 78 | 1 | – | – |
| More than 13% p.a. | 202 | 277 | – | – |
| | 280 | 4,585 | (23,963) | (21,762) |

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***17.2. 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. The balances of the operations of the Parent Company with FIDC-NP are the following:

| | Parent company | |
|---|-----------------------|---------------------|
| | 06.30.2013 | 12.31.2012 |
| Short-term financial investments | 11,554 | 79 |
| Marketable securities | 15,561 | 2,370 |
| Deferred finance charges | 416 | 86 |
| Assignment of receivables | (905) | (1,154) |
| Total recognized within current assets | 26,626 | 1,381 |
| Assignments of non-performing receivables | (19,759) | (9,060) |
| Total recognized within current liabilities | (19,759) | (9,060) |
| | Jan-Jun/2013 | Jan-Jun/2012 |
| Finance income FIDC-NP | 138 | 456 |
| Finance expense FIDC-NP | (496) | (777) |
| Net finance income (expense) | (358) | (321) |

17.3. Guarantees Granted

At June 30, 2013, 2012, the outstanding balance of financial operations carried out by these subsidiaries and guaranteed by Petrobras is set out below:

| Maturity date of the loans | 06.30.2013 | | | | | | | 12.31.2012 | |
|-----------------------------------|-------------------|-------------|------------|--------------------------|------------|------------|---------------|-------------------|--------------|
| | PifCo | PNBV | TAG | Ref. Abreu e Lima | PGT | PGF | Others | Total | Total |
| 2013 | 829 | 3,347 | – | – | 3,323 | – | – | 7,499 | 6,939 |
| 2014 | 1,120 | 368 | – | – | – | – | – | 1,488 | 1,507 |
| 2015 | 2,770 | 2,627 | – | – | – | – | – | 5,397 | 4,992 |

| | | | | | | | | | |
|------------------------|--------|--------|--------|--------|--------|--------|-------|---------|---------|
| 2016 | 8,312 | 3,840 | – | – | – | 4,985 | – | 17,137 | 12,019 |
| 2017 | 4,420 | 2,283 | – | – | – | – | 665 | 7,368 | 7,220 |
| 2018 and thereafter | 44,419 | 23,240 | 12,153 | 11,544 | 17,503 | 28,323 | 1,636 | 138,818 | 99,016 |
| | 61,870 | 35,705 | 12,153 | 11,544 | 20,826 | 33,308 | 2,301 | 177,707 | 131,693 |

17.4. Investment fund of subsidiaries abroad

At June 30, 2013, a subsidiary of PIB BV had amounts invested in an investment fund abroad that held debt securities of other subsidiaries of Petrobras, mainly related to Gasene, Malhas, CDMPI, CLEP and Marlim Leste (P-53), among other investments, in the amount of R\$ 16,674 (R\$ 15,561 at December 31, 2012).

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***17.5. Transactions with joint ventures, associates, government entities and pension funds**

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

| | Consolidated | | 12.31.2012 | |
|---|---------------------|--------------------|-------------------|--------------------|
| | 06.30.2013 | | | |
| | Assets | Liabilities | Assets | Liabilities |
| Joint ventures and associates | 1,764 | 1,305 | 1,593 | 1,220 |
| Gas distributors | 1,216 | 554 | 912 | 442 |
| Braskem and its subsidiaries | 213 | 190 | 311 | 222 |
| Other joint ventures and associates | 335 | 561 | 370 | 556 |
| Government entities and pension funds | 48,401 | 74,702 | 49,933 | 71,334 |
| Government bonds | 36,025 | – | 36,959 | – |
| Banco do Brasil S.A. (BB) | 1,046 | 12,180 | 1,979 | 9,010 |
| Judicial deposits (CEF and BB) | 5,868 | – | 5,453 | – |
| Receivables from the electricity sector (note 17.6) | 4,180 | – | 3,958 | – |
| Petroleum and alcohol account - Receivables from Federal government (note 17.7) | 835 | – | 835 | – |
| BNDES | 7 | 46,203 | 7 | 47,868 |
| Caixa Econômica Federal (CEF) | – | 11,269 | – | 8,262 |
| Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (ANP) | – | 3,295 | – | 3,957 |
| Federal government - Dividends and interest on capital | – | 506 | – | 977 |
| Petros (Pension fund) | – | 159 | – | 334 |
| Others | 440 | 1,090 | 742 | 926 |
| | 50,165 | 76,007 | 51,526 | 72,554 |
| Current | 40,021 | 9,057 | 41,594 | 10,827 |
| Non-Current | 10,144 | 66,950 | 9,932 | 61,727 |

17.6. Receivables from the electricity sector

At June 30, 2013, the Company had R\$ 4,180 (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 negotiations occurred in 2013.

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.

Collections of amounts related to fuel supply 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 rely directly on AME, which transfers funds to the Independent Power Producers.

In March 2013 a private instrument of debt confession was signed with AME, with Eletrobras as guarantor, in the amount of R \$ 850, to be paid in 60 successive monthly installments of R\$ 14, indexed to the SELIC interest rate.

The Company continuous to vigorously pursue an agreement to recover these receivables in full and partial payments have been made. The balance of these receivables at June 30, 2013, was R\$3,777 (R\$ 3,520 at December 31, 2012), of which R\$2,180 was past due (R\$ 2,966 at December 31, 2012).

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Notes to the financial statements

(In millions of reais, except when indicate otherwise)

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 finance lease of the two thermoelectric power plants, since the contracts determine that the power plants should be returned to AME at the end of the agreement period with no residual value (20-year term), among other contractual provisions. The balance of these receivables was R\$403 (R\$ 438 at December, 31, 2012), none of which was overdue.

17.7. Petroleum and Alcohol accounts - Receivables from Federal Government STN

At June 30, 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 filed a lawsuit in July 2011 to collect the receivables.

17.8. Compensation of employees and officers

Petrobras' key management short-term compensation (which comprises salaries and other short-term benefits) during the first half of 2013 was R\$6.4 referring to seven officers and ten board members (R\$ 6.4 in the first half of 2012, referring to eight officers and ten board members).

In the first half of 2013 the compensation of board members and officers for the consolidated Petrobras group amounted to R\$29.5 (R\$ 25.2 in the first half of 2012).

18. Provision for decommissioning costs

| Non-current liabilities | Consolidated 06.30.2013 | 12.31.2012 |
|--------------------------------|------------------------------------|-------------------|
| Opening balance | 19,292 | 8,839 |
| Revision of provision | – | 10,754 |
| Payments made | (501) | (571) |
| Interest accrued | 227 | 258 |

| | | |
|-----------------|--------|--------|
| Others | (6) | 12 |
| Closing balance | 19,012 | 19,292 |

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***19. Taxes****19.1. Taxes and contributions**

| | Consolidated | |
|--|---------------------|-------------------|
| | 06.30.2013 | 12.31.2012 |
| Current assets | | |
| Taxes in Brazil | | |
| ICMS (VAT) | 3,324 | 3,152 |
| PIS / COFINS (taxes on revenues) | 5,185 | 4,657 |
| CIDE | 47 | 47 |
| Income tax | 2,911 | 2,328 |
| Social contribution | 854 | 237 |
| Other taxes | 367 | 395 |
| | 12,688 | 10,816 |
| Taxes abroad | 794 | 571 |
| | 13,482 | 11,387 |
| Non-current assets | | |
| Taxes in Brazil | | |
| Deferred ICMS (VAT) | 1,939 | 1,845 |
| Deferred PIS and COFINS (taxes on revenues) | 8,665 | 8,279 |
| Others | 610 | 515 |
| | 11,214 | 10,639 |
| Taxes abroad | 34 | 34 |
| | 11,248 | 10,673 |
| Current liabilities | | |
| Taxes in Brazil | | |
| ICMS (VAT) | 2,687 | 3,040 |
| PIS / COFINS (taxes on revenues) | 915 | 1,004 |
| CIDE | 36 | 34 |
| Production Taxes (Special Participation / Royalties) | 4,547 | 5,363 |
| Withholding Income tax and social contribution | 371 | 1,155 |
| Current income tax and social contribution | 452 | 574 |
| Other taxes | 719 | 735 |
| | 9,727 | 11,905 |
| Taxes abroad | 630 | 617 |
| | 10,357 | 12,522 |

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***19.2. Deferred income tax and social contribution - non-current**

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

| | Consolidated Property, plant and equipment | | Loans, trade and other receivables / payables and financing | | Provision for Financelegal leases proceedings losses | | Tax Inventories capital | | Interes on |
|---|---|---------------|--|---------|---|-------|--|--------|-----------------------|
| | Oil and gas exploration costs | Others | | | | | | | |
| Balance at January 1, 2012 | (21,336) | (4,132) | (797) | (1,583) | 629 | 644 | 1,190 | 88 | |
| Recognized in profit or loss for the year | (4,542) | (2,518) | 1,927 | 450 | 131 | 19 | (235) | 1,26 | |
| Recognized in shareholders' equity | – | – | – | – | – | – | – | – | |
| Cumulative translation adjustment | – | 220 | (6) | – | (107) | (392) | – | (9 | |
| 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 | 2,14 | |
| Recognized in profit or loss for the period | (2,945) | (1,565) | 1,177 | 45 | 248 | 110 | 138 | (2,131 | |
| Recognized in shareholders' equity | – | – | 1,675 | – | – | – | – | – | |
| Cumulative translation adjustment | (6) | (121) | (1) | – | 1 | 36 | 9 | (1 | |
| Others | (69) | 353 | (213) | 28 | 1 | 1,071 | 99 | (31 | |
| | (28,925) | (7,690) | 3,785 | (1,129) | 957 | 3,484 | 1,201 | (17 | |

Balance at
June 30, 2013

Deferred tax
assets
Deferred tax
liabilities
Balance at
December 31,
2012 (*)

Deferred tax
assets
Deferred tax
liabilities
Balance at
June 30, 2013

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

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.

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***19.3. 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 corporate tax rates is set out in the table below:

| | Consolidated Jan-Jun 2013 | Jan-Jun 2012 |
|--|--------------------------------------|---------------------|
| Income before taxes | 19,341 | 10,821 |
| Income tax and social contribution computed based on Brazilian statutory corporate tax rates (34%) | (6,576) | (3,679) |
| 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 |
| · Different taxes rates for companies abroad | 1,100 | 186 |
| · Tax incentives | 21 | 182 |
| · Tax losses not recorded as assets | (209) | (384) |
| · Deductible / (Non-deductible) expenses, net (*) | (507) | (632) |
| · Tax credits of companies abroad in the exploration stage | (4) | – |
| · Others | 348 | 176 |
| Income tax and social contribution expense | (5,827) | (3,264) |
| Deferred income tax and social contribution | (5,182) | (1,794) |
| Current income tax and social contribution | (645) | (1,470) |
| | (5,827) | (3,264) |
| Effective tax rate | 30.1% | 30.2% |

(*) Includes share of profit of equity-accounted investments.

20. 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 in Brazil (active and inactive) and their dependents.

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Notes to the financial statements

(In millions of reais, except when indicate otherwise)

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

| | Consolidated | | |
|---|---------------------|-------------------------|--------------|
| | Pension Plan | 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 | 1,770 | 1,005 | 2,775 |
| (-) Payment of contributions | (253) | (362) | (615) |
| (-) Payments related to the financial commitment agreement | (168) | – | (168) |
| Others | 3 | – | 3 |
| Balance at June 30, 2013 | 25,565 | 18,090 | 43,655 |
| Current | 948 | 638 | 1,586 |
| Non-current | 24,617 | 17,452 | 42,069 |
| | 25,565 | 18,090 | 43,655 |

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

**Consolidated
Pension plan**

| | Defined benefit | Variable contribution | Health care plan | Total |
|--|----------------------------|----------------------------------|-----------------------------|--------------|
| Current service cost | 526 | 156 | 209 | 891 |
| Interest cost over net Liabilities/(Assets) | 994 | 54 | 796 | 1,844 |
| Others | — | 40 | — | 40 |
| Costs for the period Jan-Jun/2013 | 1,520 | 250 | 1,005 | 2,775 |
| Related to employees: | | | | |
| Active | 1,043 | 247 | 518 | 1,808 |
| Retired | 477 | 3 | 487 | 967 |
| Costs for the period Jan-Jun/2013 | 1,520 | 250 | 1,005 | 2,775 |
| Costs for the period Jan-Jun/2012 | 699 | 262 | 1,051 | 2,012 |

At June 30, 2013, the Company had the carrying amount of R\$ 6,324 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 the first half of 2013, the Company's contribution to the defined contribution portion of the Petros Plan 2 was R\$314.

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***21. Shareholders' equity****21.1. Share capital**

At June 30, 2013, subscribed and fully paid share capital was R\$205,411, 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

The Extraordinary General Meeting, held jointly with the Annual General Meeting, on April 29, 2013, approved an increase of capital through capitalization of a portion of the profit reserve for tax incentives established in 2012, of R\$ 19. Share capital increased from R\$ 205,392 to R\$ 205,411.

21.2. Dividends**Dividends for 2012**

The Annual General Meeting held on April 29, 2013 approved the dividends for 2012 of R\$ 8,876 (R\$ 0.47 per common share and US\$ 0.96 per preferred share), which represent 44.73% of the adjusted net income in Brazilian Reais (adjusted in accordance with Brazilian Corporation Law). Dividends in the form of interest on capital are to be distributed as set out below:

| | Date of approval by Board of Directors | Ex-date | Date of payment | Common share | | Preferred share | | Total amount of payment |
|--|--|------------|--------------------------|-------------------|---|-------------------|---|-------------------------|
| | | | | 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 05.29.2013 | 1,489 | 0.20 | 1,120 | 0.20 | 2,609 |
| 2 rd and 3 rd payments | 02.04.2013 | 04.29.2013 | 08.30.2013 | 2,009 3,498 | 0.27 0.47 | 4,258 5,378 | 0.76 0.96 | 6,267 8,876 |

Interim distributions of interest on capital in 2012 has been 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 is being indexed based on the SELIC rate from December 31, 2012 to the date of payment.

21.3. Earnings per share

| | Consolidated | | Parent company | |
|--|---------------------|---------------------|-----------------------|---------------------|
| | Jan-Jun2013 | Jan-Jun/2012 | Jan-Jun2013 | Jan-Jun/2012 |
| Net income attributable to the Shareholders of Petrobras | 13,894 | 7,868 | 13,796 | 7,690 |
| Weighted average number of common and preferred shares outstanding (No. of shares) | 13,044,496,930 | 13,044,496,930 | 13,044,496,930 | 13,044,496,930 |
| Basic and diluted earnings per common and preferred share (R\$ per share) | 1.07 | 0.60 | 1.06 | 0.59 |

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***22. Sales revenues**

| | Consolidated Jan-Jun 2013 | Jan-Jun 2012 |
|---------------------|--------------------------------------|---------------------|
| Gross sales revenue | 178,477 | 165,561 |
| Sales taxes | (32,315) | (31,380) |
| Sales revenues | 146,162 | 134,181 |

23. Other operating expenses, net

| | Consolidated Jan-Jun 2013 | Jan-Jun 2012 |
|---|--------------------------------------|---------------------|
| Pension and medical benefits | (967) | (1,015) |
| (Losses) / Gains on legal, administrative and arbitration proceedings | (864) | (851) |
| Institutional relations and cultural projects | (683) | (692) |
| Unscheduled stoppages and pre-operating expenses | (597) | (829) |
| Inventory write-down to net realizable value (market value) | (470) | (911) |
| Expenditures on health, safety and environment | (271) | (260) |
| Impairment | – | (1) |
| Government grants | 170 | 591 |
| Gains on disposal of non-current assets | 1,400 | 20 |
| Others | (191) | (166) |
| | (2,473) | (4,114) |

24. Expenses by nature

| | Consolidated Jan-Jun/2013 | Jan-Jun/2012 |
|------------------------------------|--------------------------------------|---------------------|
| Raw material / products for resale | (59,529) | (52,976) |
| Production taxes | (14,507) | (15,680) |

| | | |
|---|-----------|-----------|
| Employee benefits | (13,036) | (10,475) |
| Depreciation, depletion and amortization | (13,366) | (10,066) |
| Changes in inventories | 1,363 | 1,718 |
| Materials, third-party services, freight, rent and other related costs | (22,942) | (22,525) |
| Exploration expenditures (includes dry wells and signature bonuses written off) | (1,231) | (3,282) |
| Other taxes | (472) | (318) |
| (Losses) / Gains on legal, administrative and arbitration proceedings | (864) | (851) |
| Institutional relations and cultural projects | (683) | (692) |
| Unscheduled stoppages and pre-operating expenses | (598) | (829) |
| Expenditures on health, safety and environment | (271) | (260) |
| Inventory write-down to net realizable value (market value) | (470) | (911) |
| Impairment | – | (1) |
| Gains (losses) on disposal of non-current assets | 1,400 | 20 |
| | (125,206) | (117,128) |
| Cost of Sales | (108,598) | (97,922) |
| Selling expenses | (4,847) | (4,702) |
| General and administrative expenses | (5,060) | (4,696) |
| Exploration costs | (2,488) | (4,427) |
| Research and development expenses | (1,268) | (949) |
| Other taxes | (472) | (318) |
| Other operating expenses, net | (2,473) | (4,114) |
| | (125,206) | (117,128) |

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***25. Net finance income (expense)**

| | Consolidated Jan-Jun/2013 | Jan-Jun/2012 |
|---|--------------------------------------|---------------------|
| Foreign exchange and inflation indexation charges on net debt (*) | (8,808) | (5,793) |
| Debt interest and charges | (5,371) | (4,868) |
| Income from investments and marketable securities | 1,125 | 1,912 |
| Financial result on net debt | (13,054) | (8,749) |
| Capitalized borrowing costs | 3,701 | 3,671 |
| Cash flow hedge on futures exports. | 7,982 | – |
| Gains (losses) on derivatives | (17) | 109 |
| Interest income from marketable securities | (47) | 172 |
| Other finance expense and income, net | (23) | 97 |
| Other foreign exchange and indexation charges, net | (703) | (1,242) |
| Finance income (expenses), net | (2,161) | (5,942) |
| Finance income (expenses) (**) | | |
| Income | 1,881 | 2,834 |
| Expenses | (2,479) | (1,737) |
| Foreign exchange and indexation charges, net | (1,563) | (7,039) |
| | (2,161) | (5,942) |

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

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

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***26. Supplementary statement of cash flows information**

| | Consolidated Jan-Jun 2013 | Jan-Jun 2012 |
|---|--------------------------------------|---------------------|
| Amounts paid and received during the period | | |
| Income tax and social contribution paid | 1,595 | 922 |
| Withholding income tax paid for third-party | 2,113 | 2,332 |
| Investing and financing transactions not involving cash | | |
| Purchase of property, plant and equipment on credit | 186 | 282 |

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***27. Segment information****Consolidated assets by Business Area - 06.30.2013**

| | Exploration and Production | Refining, Transportation & Marketing | Gas & Power | Biofuels | Distribution | International | Corporate | |
|-------------------------------|---|---|----------------------------|-----------------|---------------------|----------------------|------------------|---|
| Current assets | 14,628 | 40,794 | 8,478 | 233 | 6,950 | 7,278 | 79,138 | (|
| Non-current assets | 318,674 | 158,069 | 53,232 | 2,358 | 10,318 | 31,477 | 30,952 | (|
| Long-term receivables | 12,305 | 10,271 | 4,342 | 33 | 3,730 | 5,214 | 23,228 | (|
| Investments | 192 | 5,461 | 1,709 | 1,822 | 11 | 5,335 | 80 | . |
| Property, plant and equipment | 230,099 | 142,019 | 46,362 | 503 | 5,859 | 19,656 | 6,855 | . |
| In operation | 141,697 | 68,266 | 38,833 | 463 | 4,395 | 10,474 | 5,091 | . |
| Under construction | 88,402 | 73,753 | 7,529 | 40 | 1,464 | 9,182 | 1,764 | . |
| Intangible assets | 76,078 | 318 | 819 | – | 718 | 1,272 | 789 | . |
| Total Assets | 333,302 | 198,863 | 61,710 | 2,591 | 17,268 | 38,755 | 110,090 | (|

Consolidated assets by Business Area - 12.31.2012

| | | | | | | | | |
|-------------------------------|---------|---------|--------|-------|--------|--------|--------|---|
| Current assets | 13,415 | 41,610 | 7,377 | 239 | 6,490 | 7,186 | 55,956 | (|
| Non-current assets | 296,784 | 145,285 | 50,768 | 2,311 | 10,125 | 31,098 | 30,141 | (|
| Long-term receivables | 10,462 | 9,364 | 3,504 | 33 | 3,785 | 4,564 | 22,400 | (|
| Investments | 164 | 5,920 | 2,371 | 1,757 | 31 | 1,915 | 319 | . |
| Property, plant and equipment | 210,029 | 129,686 | 44,108 | 521 | 5,585 | 22,237 | 6,550 | . |
| In operation | 131,714 | 59,930 | 37,000 | 485 | 4,212 | 13,925 | 4,572 | . |
| Under construction | 78,315 | 69,756 | 7,108 | 36 | 1,373 | 8,312 | 1,978 | . |
| Intangible assets | 76,129 | 315 | 785 | – | 724 | 2,382 | 872 | . |

| | | | | | | | | |
|--------------|---------|---------|--------|-------|--------|--------|--------|---|
| Total Assets | 310,199 | 186,895 | 58,145 | 2,550 | 16,615 | 38,284 | 86,097 | (|
|--------------|---------|---------|--------|-------|--------|--------|--------|---|

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

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

| | Jan-Jun 2013 | | | | | | |
|--|-----------------------------------|---|--------------|---------------------------|---------------------|----------------------|------------------|
| | Exploration and Production | Refining, Transportation & Marketing | Power | Gas & Biofuels | Distribution | International | Corporate |
| Sales revenues | 67,954 | 114,546 | 16,074 | 457 | 43,370 | 17,455 | – |
| Intersegments | 67,412 | 40,364 | 1,292 | 393 | 1,182 | 3,051 | – |
| Third parties | 542 | 74,182 | 14,782 | 64 | 42,188 | 14,404 | – |
| Cost of sales | (35,178) | (121,106) | (13,044) | (508) | (39,135) | (14,182) | – |
| Gross profit | 32,776 | (6,560) | 3,030 | (51) | 4,235 | 3,273 | – |
| Expenses | (4,126) | (3,750) | (1,038) | (93) | (2,456) | 119 | (5,448) |
| Selling, general and administrative expenses | (424) | (2,890) | (990) | (54) | (2,445) | (875) | (2,405) |
| Exploration costs | (2,383) | – | – | – | – | (105) | – |
| Research and development expenses | (646) | (222) | (72) | (25) | (2) | (4) | (297) |
| Other taxes | (47) | (78) | (79) | (1) | (25) | (157) | (85) |
| Other operating expenses, net | (626) | (560) | 103 | (13) | 16 | 1,260 | (2,661) |
| Income before financial results, profit sharing and income taxes | 28,650 | (10,310) | 1,992 | (144) | 1,779 | 3,392 | (5,448) |
| Financial income (expenses), net | – | – | – | – | – | – | (2,161) |
| Share of profit of equity-accounted investments | (2) | 32 | 198 | (27) | 1 | 348 | (4) |
| Net Income before income taxes | 28,648 | (10,278) | 2,190 | (171) | 1,780 | 3,740 | (7,613) |
| Income tax and social contribution | (9,741) | 3,506 | (678) | 49 | (605) | (961) | 2,958 |
| Net income (loss) | 18,907 | (6,772) | 1,512 | (122) | 1,175 | 2,779 | (4,655) |
| Net income attributable to: | | | | | | | |

| | | | | | | | |
|---------------------------|--------|---------|-------|-------|-------|-------|---------|
| Shareholders of Petrobras | 18,867 | (6,772) | 1,454 | (122) | 1,175 | 2,700 | (4,098) |
| Non-controlling interests | 40 | — | 58 | — | — | 79 | (557) |
| | 18,907 | (6,772) | 1,512 | (122) | 1,175 | 2,779 | (4,655) |

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

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

| | Jan-Jun 2012 | | | | | | |
|---|---|--------------------------------------|-----------------------|----------------------------|-----------------|---------------------|--------------------------------------|
| | Exploration and Production | Refining, & Marketing | Transportation | Gas & Power | Biofuels | Distribution | International Corporation |
| Sales revenues | 72,245 | 110,269 | 9,945 | 396 | 36,889 | 16,889 | – |
| Intersegments | 71,896 | 34,824 | 1,285 | 286 | 719 | 3,442 | – |
| Third parties | 349 | 75,445 | 8,660 | 110 | 36,170 | 13,447 | – |
| Cost of sales | (31,351) | (123,146) | (7,883) | (422) | (33,614) | (13,151) | – |
| Gross profit | 40,894 | (12,877) | 2,062 | (26) | 3,275 | 3,738 | – |
| Expenses | (5,876) | (4,192) | (1,039) | (118) | (2,010) | (1,355) | (4,733) |
| Selling, general and administrative expenses | (482) | (3,003) | (851) | (64) | (2,024) | (835) | (2,256) |
| Exploration costs | (4,198) | – | – | – | – | (229) | – |
| Research and development expenses | (425) | (179) | (27) | (38) | (2) | – | (278) |
| Other taxes | (45) | (56) | (36) | (2) | (17) | (86) | (76) |
| Other operating expenses, net | (726) | (954) | (125) | (14) | 33 | (205) | (2,123) |
| Income before financial results, profit sharing and income taxes | 35,018 | (17,069) | 1,023 | (144) | 1,265 | 2,383 | (4,733) |
| Financial income (expenses), net | – | – | – | – | – | – | (5,942) |
| Share of profit of equity-accounted investments | (2) | (364) | 158 | (62) | 1 | (11) | (10) |
| Net Income before income taxes | 35,016 | (17,433) | 1,181 | (206) | 1,266 | 2,372 | (10,686) |
| Income tax and social contribution | (11,906) | 5,804 | (348) | 49 | (430) | (1,271) | 4,603 |
| Net income (loss) | 23,110 | (11,629) | 833 | (157) | 836 | 1,101 | (6,082) |
| Net income attributable to: | | | | | | | |

| | | | | | | | |
|---------------------------|--------|----------|-----|-------|-----|-------|---------|
| Shareholders of Petrobras | 23,117 | (11,629) | 793 | (157) | 836 | 1,032 | (5,669) |
| Non-controlling interests | (7) | — | 40 | — | — | 69 | (413) |
| | 23,110 | (11,629) | 833 | (157) | 836 | 1,101 | (6,082) |

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Notes to the financial statements

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

| statement | Jan-Jun 2013 | | | | | | |
|--|-----------------------------------|---|------------------------|---------------------|------------------|---------------------|--------------|
| | Exploration and Production | Refining, Transportation & Marketing | Gas & Power | Distribution | Corporate | Eliminations | Total |
| Sales revenues | 5,232 | 8,556 | 594 | 5,323 | – | (2,250) | 17,455 |
| Intersegments | 3,115 | 2,140 | 38 | 8 | – | (2,250) | 3,051 |
| Third parties | 2,117 | 6,416 | 556 | 5,315 | – | – | 14,404 |
| Income before financial results, profit sharing and income taxes | 3,518 | 23 | 33 | 101 | (285) | 2 | 3,392 |
| Net income attributable to shareholders of Petrobras | 2,930 | 46 | 30 | 90 | (398) | 2 | 2,700 |

Income

| statement | Jan-Jun 2012 | | | | | | |
|--|-----------------------------------|---|------------------------|---------------------|------------------|---------------------|--------------|
| | Exploration and Production | Refining, Transportation & Marketing | Gas & Power | Distribution | Corporate | Eliminations | Total |
| Sales revenues | 5,017 | 8,628 | 545 | 4,802 | – | (2,103) | 16,889 |
| Intersegments | 3,546 | 1,959 | 33 | 7 | – | (2,103) | 3,442 |
| Third parties | 1,471 | 6,669 | 512 | 4,795 | – | – | 13,447 |
| Income before financial results, profit sharing and income taxes | 2,867 | (368) | 59 | 70 | (249) | 4 | 2,383 |
| Net income attributable to shareholders of Petrobras | 1,654 | (365) | 25 | 68 | (354) | 4 | 1,032 |

Total assets**Distribution Corporate Eliminations Total**

| | Exploration and Production | Refining, Transportation & Marketing | Gas & Power | | | | | |
|---------------------|---|---|----------------------------|-------|-------|---------|--------|--|
| As of 06.30.2013 | 30,822 | 5,738 | 1,499 | 2,397 | 2,336 | (4,037) | 38,755 | |
| As of 12.31.2012 | 30,817 | 4,913 | 1,551 | 2,217 | 3,227 | (4,441) | 38,284 | |

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***28. Provisions for legal proceedings, contingent liabilities and contingent assets**

The Company is a defendant in numerous legal proceedings involving tax, civil, labor, corporate and environmental issues, as a result of its normal course business. 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.

28.1. Provisions for legal proceedings

The Company has recognized a provision for proceedings in an amount sufficient to cover the losses considered as probable and that could be reasonably estimated. The main proceedings are related to labor claims, 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 fishermen seeking indemnification from the Company for a January 2000 oil spill in the State of Rio de Janeiro.

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

| Non-current liabilities | Consolidated 06.30.2013 | 12.31.2012 |
|--------------------------------|------------------------------------|-------------------|
| Labor claims | 1,024 | 687 |
| Tax claims | 886 | 696 |
| Civil claims | 1,243 | 1,050 |
| Environmental claims | 125 | 128 |
| Other claims | 22 | 24 |
| | 3,300 | 2,585 |

| | Consolidated 06.30.2013 | 12.31.2012 |
|--|------------------------------------|-------------------|
| Opening balance | 2,585 | 2,041 |
| Addition of provision | 855 | 1,256 |
| Amounts used during the year (payment) | (228) | (859) |
| Accretion expense | 81 | 199 |
| Others | 7 | (52) |

| | | |
|-----------------|-------|-------|
| Closing balance | 3,300 | 2,585 |
|-----------------|-------|-------|

28.2. 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:

| Non-current asset | Consolidated | |
|--------------------------|---------------------|-------------------|
| | 06.30.2013 | 12.31.2012 |
| Labor | 1,788 | 1,775 |
| Tax | 2,652 | 2,283 |
| Civil | 1,273 | 1,302 |
| Environmental | 178 | 142 |
| Others | 14 | 8 |
| | 5,905 | 5,510 |

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***28.3. Consolidated contingent liabilities for legal proceedings (not provided for)**

| Nature | Estimate |
|-----------------------|-----------------|
| Tax | 59,789 |
| Civil - General | 4,600 |
| Labor | 4,204 |
| Civil - Environmental | 1,450 |
| Others | 13 |
| | 70,056 |

A brief description of the nature of the main contingent liabilities (tax and civil), for which the expectation of loss is considered as possible are set out in the tables below:

a) Tax Proceedings

| Description of tax proceedings | Estimate |
|---|-----------------|
| 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. | 4,454 |
| 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. | 3,529 |
| 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. | 1,786 |
| 4) Non-payment of 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. | 9,262 |
| 5) Non payment of CIDE on imports of naphtha. Current status: This claim is being discussed at the administrative level. | 3,540 |
| 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 status: Awaiting the hearing of a special appeal in the Higher Chamber of Tax Appeals (CSRF). | 1,481 |
| 7) Non-payment of tax on financial operations (IOF) on intercompany loans. | |
| Current situation: Awaiting a hearing of an appeal at the administrative instance. | 3,687 |
| 8) Non-payment of withhold income tax (IRRF) over remittances abroad for payment of petroleum imports. | |
| Current status: Awaiting the hearing of an appeal at the administrative level. | 3,916 |
| 9) PIS and COFINS - Tax credits recovery denied due to failure to comply with an accessory obligation in the years of 2004, 2005 and 2006. | |
| Current status: Awaiting the hearing of an appeal at the administrative level. | 1,789 |
| Plaintiff: State Finance Department of AM, BA, DF, ES, PA, PE and RJ | |
| 10) Non-payment of ICMS due to differences in measuring starting and ending inventory. | |
| Current status: This claim involves processes in different administrative, in which the Company is taking legal actions to ensure its rights. | 3,665 |
| Plaintiff: State Finance Department of Rio de Janeiro | |
| 11) 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. | 3,599 |
| 12) 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. | 1,766 |

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*(In millions of reais, except when indicate otherwise)***Plaintiff: State Finance Department of São Paulo**

13) 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, awaiting judgment on appeal by the State Finance.

4,384

Plaintiff: Municipal governments of Anchieta, Aracruz, Guarapari, Itapemirim, Marataízes, Linhares, Vila Velha, Vitória and Maragogipe.

14) 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.

2,029

Plaintiff: State Finance Departments of Rio de Janeiro and Sergipe

15) Use of ICMS tax credits on the purchase of drilling bits and chemical products used in formulating drilling fluid.

Current status: This claim involves lawsuits in different administrative and judicial stages, in which the Company is taking legal actions to ensure its rights.

1,115

16) Other tax proceedings

9,787

Total for tax proceedings

59,789

b) Civil Proceedings – General**Description of civil proceedings****Estimate**

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.

| | |
|-----------------------------|-------|
| | 1,833 |
| 2) Other civil proceedings | 2,767 |
| Total for civil proceedings | 4,600 |

28.4. Joint Ventures - Frade field

In November 2011, an oil spillage occurred in the Frade field located in the Campos basin which was 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.

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Notes to the financial statements

(In millions of reais, except when indicate otherwise)

28.5. Contingent assets

28.5.1. 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 claimed is approximately US\$ 245 million.

29. 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\$ 5,872, of which R\$ 5,112 are still in force, net of commitments that have been undertaken. The guarantees comprise crude oil from previously identified producing fields, pledged as security, with a value of R\$ 3,211 and bank guarantees in the amount of R\$ 1,901.

30. 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.

30.1. 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.

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***30.2. Market risk****30.2.1. 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.

a) Notional amount, fair value and guarantees of crude oil and oil products derivatives

| Consolidated | Consolidated Notional value | | Fair Value ** | | Maturity |
|--|------------------------------------|-------------------|----------------------|-------------------|-----------------|
| | (in thousands of bbl)* | | | | |
| | 06.30.2013 | 12.31.2012 | 06.30.2013 | 12.31.2012 | |
| Statement of Financial Position | | | | | |
| Futures contracts | (6,239) | (3,380) | (12) | (36) | 2013/2014 |
| Purchase commitments | 38,426 | 16,500 | – | – | |
| Sale commitments | (44,665) | (19,880) | – | – | |
| Options contracts | (460) | (2,050) | (1) | (3) | 2013 |
| Call | – | (1,080) | (1) | (2) | |
| Long position | 1,725 | 3,204 | – | – | |
| Short position | (1,725) | (4,284) | – | – | |
| Put | (460) | (970) | – | (1) | |
| Long position | 2,394 | 2,029 | | | |
| Short position | (2,854) | (2,999) | | | |
| Total recognized in other current assets and liabilities | | | (13) | (39) | |

* A negative notional value represents a short position.

** Negative fair values were recorded in liabilities and positive fair values in assets.

| | | |
|---|--------------------------------------|---------------------|
| Finance income | Consolidated Jan-Jun 2013 | Jan-Jun 2012 |
| Gain / (Loss) recognized in profit or loss for the period | 108 | 123 |
| Guarantees given as collateral | Consolidated 06.30.2013 | 12.31.2012 |
| Generally consist of deposits | 332 | 211 |

b) Sensitivity analysis of crude oil and oil products derivatives

The probable scenario is the fair value at June 30, 2013. The stressed scenarios consider price changes of 25% and 50% on the risk variable, respectively, comparatively to June 30, 2013.

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

| | | Consolidated | | |
|----------------------------------|--|---------------------|-------------------|-------------------|
| | | Probable at | Possible | Remote |
| Oil and Oil Products Risk | | 06.30.2013 | (Δ of 25%) | (Δ of 50%) |
| Brent | Derivative (Brent prices increase) | 35 | (377) | (789) |
| | Inventories (Brent prices decrease) | (19) | 398 | 814 |
| Diesel | Derivative (Diesel prices decrease) | (2) | (48) | (94) |
| | Inventories (Diesel prices increase) | 3 | 49 | 94 |
| Freight | Derivative (Freight costs decrease) | 1 | 1 | – |
| | Inventories (Freight costs increase) | – | (2) | (5) |
| Gasoline | Derivative (Gasoline prices increase) | – | 2 | 5 |
| | Inventories (Gasoline prices decrease) | – | – | – |
| Naphtha | Derivative (Naphtha prices increase) | (16) | (44) | (73) |
| | Inventories (Naphtha prices decrease) | 19 | 49 | 78 |
| Fuel Oil | Derivative (Fuel Oil prices increase) | 3 | 5 | 5 |
| | Inventories (Fuel Oil prices decrease) | 1 | (4) | (9) |
| WTI | Derivative (WTI prices increase) | 3 | 8 | 13 |
| | Inventories (WTI prices decrease) | 4 | 4 | 4 |
| WTI | Derivative (WTI prices decrease) | 6 | (75) | (156) |
| | Inventories (WTI prices increase) | (6) | 75 | 156 |
| WTI | Derivative (WTI prices decrease) | – | – | – |
| | Inventories (WTI prices increase) | (10) | (54) | (98) |
| WTI | Derivative (WTI prices decrease) | 2 | 46 | 90 |
| | Inventories (WTI prices increase) | (8) | (8) | (8) |

c) Embedded derivatives - Sale of ethanol

On March 8, 2013 the Company entered into an agreement to amend the ethanol sale contract, modifying 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. The amended agreement therefore no longer has a derivative instrument measured as an embedded derivative.

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

| Forward contracts | Notional value (in thousand of m³) | Fair value | | Sensitivity analysis at 06.30.2013 | | |
|-------------------------------------|--|-------------------|-------------------|---|---|------------------------------|
| | | 06.30.2013 | 12.31.2012 | Risk | Possible Probable (Δ of 25%) | Remote (Δ of 50%) |
| Long position (Maturity in 2015) | | 74 | | Fall in Naphtha vs. Ethanol spread | | |

| Finance income | Jan-Jun 2013 | Jan-Jun 2012 |
|---|---------------------|---------------------|
| Gain / (Loss) recognized in profit or loss for the period | (73) | (11) |

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

30.2.2. 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 uses natural hedges by choosing the currency in which to hold cash, such as the Brazilian Real, US dollar or other 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) Hedge Accounting

i) Cash Flow Hedge involving the Company’s future exports

Effective mid-May 2013, the Company formally documented and designated cash flow hedging relationships to hedge a portion of its highly probable future monthly export revenues in U.S. dollars using a portion of its obligations denominated in U.S. dollars for foreign currency risks, related to changes in foreign currency spot rates.

Principal amounts of long-term debt (non-derivative financial instruments) and notional values of foreign currency forward contracts were designated as hedging instruments. The derivative financial instruments expired during the second quarter and were replaced by long-term debt principal amounts in the hedging relationships on which they had been designated. Both debt and derivative financial instruments are exposed to Brazilian Real vs. U.S. dollar foreign currency risks related to the spot rate. Monthly export revenues of US\$ 43,859 of monthly export revenues to occur between July 1st, 2013 and May 31st, 2020 were designated as hedged transactions.

The Company has prepared formal documentation in order to support the designation above, including an explanation of how the designation of the hedging relationship is aligned with the Company’s Risk Management Policy objective and strategy, identification of the hedging instrument, the hedged transactions, the nature of the risk being hedged and an analysis which demonstrates that the hedge is expected to be highly effective. The Company will reassess the prospective and retrospective effectiveness of the hedge on an ongoing basis comparing the foreign currency component of the carrying amount of the hedging instruments and of the highly probable future exports (spot-rate method).

Cash Flow Hedge accounting permits that gains and losses arising from the effect of changes in the foreign currency exchange rate on derivative and non-derivative hedging instruments not be immediately recognized in profit or loss, but be reclassified from equity to profit or loss in the same periods during which the future exports occur, thus allowing for a more appropriate presentation of the results for the period, reflecting the strategy in Company's Risk Management Policy.

The principal amounts and the carrying amount of the hedging instruments at June 30, 2013, along with foreign currency losses recognized in other comprehensive income (equity) are set out below:

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Notes to the financial statements

(In millions of reais, except when indicate otherwise)

| Hedging Instrument | Hedged Transactions | Nature of the risk | Maturity Date | Principal Amount (US\$ million) | Carrying amount of the Hedging Instruments on 06.30.2013 |
|--------------------------------------|--|---|--------------------------|--|---|
| Non-Derivative Financial Instruments | A portion of Highly Probable – Real vs U.S. Future Monthly Export Revenues | Foreign Currency Dollar Spot Rate | July 2013 to May 2020 | 43,859 | 97,175 |

| Shareholders' equity | Consolidated Jan-Jun/2013 | Jan-Jun/2012 |
|---|----------------------------------|---------------------|
| Gain / (Loss) recognized in other comprehensive Income - shareholders' equity | (7,982) | – |

ii) Cash flow hedge involving swap contracts - Yen vs. Dollar

In September 2006, 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 “other comprehensive income”, in the shareholders’ equity and reclassified to profit or loss in the periods when the hedged transaction affects profit or loss.

b) Notional value, fair value and guarantees of derivative financial instruments

| Statement of Financial Position | Consolidated Notional value (in millions) | | Fair value | |
|--|--|-------------------|-------------------|-------------------|
| | 06.30.2013 | 12.31.2012 | 06.30.2013 | 12.31.2012 |
| Cross Currency Swap (Maturity in 2016) | | | 62 | 156 |
| Long position (JPY) - 2.15% p.a. | JPY 35,000 | JPY 35,000 | 831 | 887 |
| Short position (US\$) - 5.69% p.a. | USD 298 | USD 298 | (769) | (731) |
| U.S. dollar forward | | | (20) | 1 |
| U.S. dollar forward (long position) | USD 41 | | 1 | |
| U.S. dollar forward (short position) | USD 221 | USD 1,077 | (21) | 1 |
| Total recognized in other current assets and liabilities | | | 42 | 157 |

| Finance income and shareholders' equity | Consolidated Jan-Jun 2013 | Jan-Jun 2012 |
|---|----------------------------------|---------------------|
| Gain / (Loss) recognized in profit or loss for the period | (52) | (2) |
| Gain / (Loss) recognized in other comprehensive Income - shareholders' equity | 8 | 15 |

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 which translating effects are recognized in "Cumulative Translation Adjustment", directly in the shareholders' equity and transferred to profit or loss when realized.

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Notes to the financial statements

(In millions of reais, except when indicate otherwise)

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:

| Financial Instruments | Exposure at 06.30.2013 | Risk | Consolidated | | |
|--|-----------------------------------|-------------|--------------------------------------|---|---|
| | | | Probable Scenario (*) | Possible Scenario (Δ of 25%) | Remote Scenario (Δ of 50%) |
| Assets | 5,808 | | (146) | 1,452 | 2,904 |
| Liabilities | (121,463) | Dollar | 3,048 | (30,366) | (60,731) |
| Hedge Accounting: Exports x Debt | 97,175 | | (2,439) | 24,294 | 48,587 |
| Forward Derivative (net Short Position) | (399) (18,879) | | 10 473 | (100) (4,720) | (199) (9,439) |
| Financial Instruments (Assets) | — | | — | — | — |
| Financial Instruments (Liabilities) | (2,125) | Yen | 83 | (531) | (1,063) |
| Cross-currency Swap | 782 (1,343) | | (46) 37 | 323 (208) | 831 (232) |
| Financial Instruments (Assets) | 7,317 | | (118) | 1,829 | 3,658 |
| Financial Instruments (Liabilities) | (19,765) (12,448) | Euro | 319 201 | (4,941) (3,112) | (9,882) (6,224) |
| Financial Instruments (Assets) | 1,851 | Pound | (14) | 463 | 925 |
| Financial Instruments (Liabilities) | (5,570) (3,719) | Sterling | 41 27 | (1,393) (930) | (2,785) (1,860) |
| Financial Instruments (Assets) | 634 | | (18) | 158 | 317 |
| Financial Instruments (Liabilities) | (2,657) (2,023) (38,412) | Peso | 77 59 797 | (664) (506) (9,476) | (1,329) (1,012) (18,767) |

(*) The probable scenario was computed based on the following changes for June, 30, 2013: Real x Dollar – a 2.51% appreciation of the Dollar relative to the Real / Dollar x Yen – a 3.89% depreciation of the Yen / Dollar x Euro: a 1.61% depreciation of the Euro / Dollar x Pound Sterling: a 0.74% depreciation of the Pound Sterling / Dollar x Peso: a 2.97% depreciation of the Peso. The data were obtained from the Focus Report of the Central Bank of Brazil and from Bloomberg.

The impact of foreign exchange depreciation / appreciation 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.

30.2.3. 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)**

In November 2010, 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 Notional value (in millions) | | Fair value | |
|--|--|-------------------|-------------------|-------------------|
| | 06.30.2013 | 12.31.2012 | 06.30.2013 | 12.31.2012 |
| Swaps (maturity in 2020) | | | | |
| Short position | USD 450 | USD 460 | (53) | (85) |
| Swaps (maturity in 2015) | | | (2) | (2) |
| Long position – Euribor | EUR 12 | EUR 15 | – | 1 |
| Short position – 4.19% Fixed rate | EUR 12 | EUR 15 | (2) | (3) |
| Total recognized in other assets and liabilities | | | (55) | (87) |

| Finance income and shareholders' equity | Consolidated Jan-Jun 2013 | Jan-Jun 2012 |
|--|----------------------------------|---------------------|
|--|----------------------------------|---------------------|

| | | |
|---|---|------|
| Gain / (Loss) recognized in profit or loss for the period | – | (1) |
| Gain / (Loss) recognized in other comprehensive Income - shareholders' equity | 7 | (22) |

| Interest rate derivatives | Risk | Consolidated | | |
|----------------------------------|---------------------|---------------------|-------------------|-------------------|
| | | Probable (*) | Possible | Remote |
| | | (Δ de 25%) | (Δ de 25%) | (Δ de 50%) |
| Hedge (Derivative - Swap) | Decrease of libor | (25) | 1 | 1 |
| Debt | Increase of libor | 25 | (1) | (1) |
| Net effect | | – | – | – |
| Hedge (Derivative - Swap) | Decrease of euribor | 1 | – | – |
| Debt | Increase of euribor | (1) | – | – |
| 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)

30.3. 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 corporate policy of 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.

30.4. 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 lengthened, 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.

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.

Petróleo Brasileiro S.A. – Petrobras

Notes to the financial statements

(In millions of reais, except when indicate otherwise)

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

| Maturity | Consolidated |
|----------------------|---------------------|
| 2013 | 18,848 |
| 2014 | 18,596 |
| 2015 | 27,173 |
| 2016 | 34,445 |
| 2017 | 29,094 |
| 2018 | 41,580 |
| 2019 and thereafter | 173,170 |
| At June 30, 2013 | 342,906 |
| At December 31, 2012 | 278,056 |

30.5. 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 June 30, 2013 are set out below:

| Contract | Quantity (in thousand) | Notional value | Fair value | Maturity |
|-------------------------------|-----------------------------------|---------------------------|-------------------|---------------------------|
| Future DI (Interbank Deposit) | | | 15 | 2013; 2014; 2015; 2016 |
| Long position | 24,804 | 2,179 | (4) | |
| Short position | (152,702) | (13,351) | 19 | |
| U.S. dollar forward | | | 3 | 2013 |
| Long position | 1,205 | 135 | 3 | |
| Short position | – | – | – | |

31. 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 June 30, 2013, the estimated fair value for the Company's long term debt was R\$ 234,662 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\$ 230,649.

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

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Notes to the financial statements

(In millions of reais, except when indicate otherwise)

| | Fair value measured based on | | | |
|------------------------------|-------------------------------------|---------------------|--------------------|-------------------|
| | Valuation | Valuation | Valuation | |
| | Prices | technique | technique | |
| | quoted on | supported by | without use | |
| | active | observable | observable | Total fair |
| | market | prices | prices | value |
| | (Level I) | (Level II) | (Level III) | recorded |
| Assets | | | | |
| Marketable securities | 21,511 | — | — | 21,511 |
| Commodity derivatives | — | — | — | — |
| Foreign currency derivatives | — | 42 | — | 42 |
| Balance at June 30, 2013 | 21,511 | 42 | — | 21,553 |
| Balance at December 31, 2012 | 21,381 | 156 | 74 | 21,611 |
| Liabilities | | | | |
| Commodity derivatives | (13) | — | — | (13) |
| Interest derivatives | — | (55) | — | (55) |
| Balance at June 30, 2013 | (13) | (55) | — | (68) |
| Balance at December 31, 2012 | (126) | — | — | (126) |

32. Subsequent Events**a) Acquisition of blocks in the 11th bid round from Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (ANP)**

On May 15, 2013, Petrobras acquired 34 exploratory blocks available in the 11th bid round from ANP. Signature bonuses amounted to R\$ 1,461, R\$ 538 of which were paid by Petrobras and R\$ 923 by its partners. The Company will operate 12 of the 34 blocks acquired, 5 of which are involved in partnerships and 7 are exclusive for Petrobras. The remaining 22 blocks will be operated by partners. The signature bonus was paid in July 2013 and the concession

agreements were signed in August 2013.

b) Financing Contracts

JBIC

On July 16, 2013, Petrobras signed two financing programs with Japan Bank for International Cooperation (JBIC) amounting up to US\$ 1.5 billion. Mizuho Bank Ltd. will be the agent for the programs. The credit lines will be 60% financed by JBIC and 40% by private Japanese financial institutions.

BNP Paribas

On July 31, 2013, Petrobras Global Trading BV (PGT BV) contracted with BNP Paribas a line of credit in the amount of US\$ 1 billion.

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Notes to the financial statements

*(In millions of reais, except when indicate otherwise)***33. Correlation between the notes disclosed in the complete annual financial statements as of December 31, 2012 and the interim statements as of June 30, 2013**

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

| | | |
|--|----|----|
| Risk management and derivative instruments | 30 | 30 |
| Fair value of financial assets and liabilities | 31 | 31 |
| Subsequent events | 33 | 32 |

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

(**) Mergers, split-offs and other information about investments.

The notes to the annual report 2012 that were suppressed in the ITR 2T2013 because they do not have significant changes and / or may not be applicable to interim financial information are as follows:

| Names of explanatory notes | Number of explanatory notes |
|---|------------------------------------|
| Profit sharing | 21 |
| Commitments for purchase of natural gas | 28 |
| Insurance | 32 |

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 for the quarter ended June 30, 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 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. 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.

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 June 30, 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 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 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.

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 June 30, 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, August 9, 2013

/s/ 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: August 12, 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.
