

PETROBRAS - PETROLEO BRASILEIRO SA  
Form 6-K  
October 30, 2012

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**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**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 October, 2012**

**Commission File Number 1-15106**

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

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

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

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

Form 20-F  Form 40-F

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

Yes  No

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

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**PETRÓLEO BRASILEIRO S.A. –**

**PETROBRAS**

Quarterly Information – ITR  
On September 30, 2012 and report on review of  
Quarterly information

(A free translation of the original in Portuguese)

ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS  
 ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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**Company Data / Share Capital Composition**

<b>Number of Shares (Thousand)</b>	<b>Current Quarter 09/30/2012</b>
<b>From Paid-in Capital</b>	
<b>Common</b>	7,442,454
<b>Preferred</b>	5,602,043
<b>Total</b>	13,044,497
<b>Treasury Shares</b>	
<b>Common</b>	0
<b>Preferred</b>	0
<b>Total</b>	0

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**Company Data / Cash Dividends**

<b>Event</b>	<b>Approval Date</b>	<b>Type</b>	<b>Payment Begin</b>	<b>Type of Shares</b>	<b>Class of Shares</b>	<b>Dividend Per Share (Real Share)</b>
Board of Directors Meeting	12/22/2011	Interest on Shareholders' equity	02/29/2012		Common	0.200
Board of Directors Meeting	12/22/2011	Interest on Shareholders' equity	02/29/2012		Preferred	0.200
Board of Directors Meeting	02/09/2012	Dividend	05/18/2012		Common	0.120
Board of Directors Meeting	02/09/2012	Dividend	05/18/2012		Preferred	0.120
Board of Directors Meeting	04/27/2012	Interest on Shareholders' equity	05/31/2012		Common	0.200
Board of Directors Meeting	04/27/2012	Interest on Shareholders' equity	05/31/2012		Preferred	0.200

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

<b>Account Code</b>	<b>Description Account</b>	<b>Current Quarter 09/30/2012</b>	<b>Previous Fiscal Year 12/31/2011</b>
1	Total Assets	532,665,510	494,180,658
1.01	Current Assets	95,622,806	95,248,068
1.01.01	Cash and Cash Equivalents	14,920,197	18,857,502
1.01.01.01	Cash and Banks	37,034	672,255
1.01.01.02	Short Term Investments	14,883,163	18,185,247
1.01.02	Short Term Investments	26,030,236	23,624,649
1.01.02.01	Financial Investments at Fair Value	22,663,049	16,785,110
1.01.02.01.01	Trading Securities	16,393,911	16,785,110
1.01.02.01.02	Available-for-Sale Securities	6,269,138	-
1.01.02.02	Financial Investments Valued at Amortized Cost	3,367,187	6,839,539
1.01.02.02.01	Held-to-Maturity Securities	3,367,187	6,839,539
1.01.03	Accounts Receivable	15,313,052	20,347,067
1.01.03.01	Accounts Receivable, net	12,041,328	17,438,937
1.01.03.01.01	Third parties	4,290,798	3,207,385
1.01.03.01.02	Subsidiaries and associates	8,305,126	14,633,648
1.01.03.01.03	Allowance for Uncollectible Accounts	(554,596)	(402,096)
1.01.03.02	Other Receivable	3,271,724	2,908,130
1.01.04	Inventories	25,234,484	22,434,018
1.01.06	Recoverable Taxes	9,673,522	6,577,389
1.01.06.01	Current Recoverable Taxes	9,673,522	6,577,389
1.01.07	Prepaid Expenses	1,850,605	1,223,829
1.01.08	Other Current Assets	2,600,710	2,183,614
1.01.08.03	Other	2,600,710	2,183,614
1.01.08.03.01	Advances to Suppliers	1,626,684	1,039,642
1.01.08.03.02	Dividends Receivable	200,610	721,422
1.01.08.03.03	Other	773,416	422,550
1.02	Non-Current Assets	437,042,704	398,932,590
1.02.01	Long-Term Assets	26,174,385	36,259,041
1.02.01.01	Financial Investments at Fair Value	66,162	5,209,632
1.02.01.01.02	Available-for-Sale Securities	66,162	5,209,632
1.02.01.02	Financial Investments Valued at Amortized Cost	215,206	9,345
1.02.01.02.01	Held-to-Maturity Securities	215,206	9,345
1.02.01.03	Accounts Receivable	80,151	121,325
1.02.01.03.02	Other Receivable	80,151	121,325

1.02.01.04	Inventories	72,452	66,927
1.02.01.06	Deferred Taxes	10,249,059	12,299,990
1.02.01.06.01	Deferred Income Tax and Social Contribution	2,452,476	3,170,703
1.02.01.06.02	Deferred Value-Added Tax (ICMS)	1,657,583	1,742,022
1.02.01.06.03	Deferred PIS/COFINS	6,139,000	7,387,265
1.02.01.07	Prepaid Expenses	2,132,448	1,656,257
1.02.01.08	Credit with Related Parties	6,859,826	11,507,046
1.02.01.08.01	Credit with Associates	4,463	3,694
1.02.01.08.02	Credit with Subsidiaries	6,841,480	11,452,611
1.02.01.08.04	Credit with Other Related Parties	13,883	50,741
1.02.01.09	Other Non-Current Assets	6,499,081	5,388,519
1.02.01.09.03	Petroleum and Alcohol Accounts - STN	835,141	831,949



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ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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

<b>Account Code</b>	<b>Description Account</b>	<b>Current Quarter 09/30/2012</b>	<b>Previous Fiscal Year 12/31/2011</b>
1.02.01.09.05	Restricted Deposits for Legal Proceedings and Guarantees	2,717,528	2,563,720
1.02.01.09.06	Advances to Suppliers	1,849,178	1,011,348
1.02.01.09.07	Other Long-Term Assets	1,097,234	981,502
1.02.02	Investments	75,148,620	57,239,381
1.02.02.01	Corporate Interests	75,148,620	57,239,381
1.02.02.01.01	Investments in Associates	5,873,369	4,050,493
1.02.02.01.02	Investments in Subsidiaries	67,772,108	51,937,821
1.02.02.01.03	Investments in Jointly Controlled Entities	1,308,231	1,049,439
1.02.02.01.04	Other Corporate Interests	194,912	201,628
1.02.03	Property, Plant and Equipment	257,835,879	227,301,932
1.02.03.01	Assets in Operation	133,127,995	97,038,581
1.02.03.02	Assets Under Leasing	10,429,844	10,920,513
1.02.03.03	Assets Under Construction	114,278,040	119,342,838
1.02.04	Intangible assets	77,735,298	77,886,170
1.02.04.01	Intangible assets	77,735,298	77,886,170
1.02.04.01.02	Concessions Rights	76,209,233	76,370,148
1.02.04.01.03	Software	1,526,065	1,516,022
1.02.05	Deferred	148,522	246,066

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ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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

<b>Account Code</b>	<b>Description Account</b>	<b>Current Quarter 09/30/2012</b>	<b>Previous Fiscal Year 12/31/2011</b>
2	Total Liabilities	532,665,510	494,180,658
2.01	Current Liabilities	57,713,383	56,936,498
2.01.01	Social and Labor Obligations	3,503,167	2,719,992
2.01.01.01	Social Obligations	500,772	502,388
2.01.01.02	Labor Obligations	3,002,395	2,217,604
2.01.02	Trade Accounts Payable	14,000,189	12,268,055
2.01.02.01	National Suppliers	10,307,753	9,252,271
2.01.02.02	Foreign Suppliers	3,692,436	3,015,784
2.01.03	Taxes	8,566,476	9,257,682
2.01.03.01	Federal Taxes	5,938,530	7,200,370
2.01.03.01.02	Other Federal Taxes	5,938,530	7,200,370
2.01.03.02	State Taxes	2,526,011	1,944,758
2.01.03.03	Municipal Taxes	101,935	112,554
2.01.04	Current Debt	4,165,051	4,535,117
2.01.04.01	Loans and Financing	2,350,884	912,404
2.01.04.01.01	Local Currency	612,784	568,739
2.01.04.01.02	Foreign Currency	1,738,100	343,665
2.01.04.02	Debentures	68,662	1,700,255
2.01.04.03	Finance Leases Obligations	1,745,505	1,922,458
2.01.05	Other Liabilities	26,049,128	26,814,770
2.01.05.01	Related Parties Liabilities	22,608,130	19,972,287
2.01.05.01.01	Debt with Associates	149,307	89,323
2.01.05.01.02	Debt with Subsidiaries	13,316,121	10,243,980
2.01.05.01.04	Debt with Other Related Parties	9,142,702	9,638,984
2.01.05.02	Other	3,440,998	6,842,483
2.01.05.02.01	Dividends and Interest on Shareholders' Equity	-	3,878,129
2.01.05.02.04	Interests of Employees and Managers	-	1,295,251
2.01.05.02.05	Other	3,440,998	1,669,103
2.01.06	Provisions	1,429,372	1,340,882
2.01.06.02	Other Provisions	1,429,372	1,340,882
2.01.06.02.04	Pension and Health Care Plans Obligations	1,429,372	1,340,882
2.02	Non-Current Liabilities	132,105,633	106,769,598
2.02.01	Long-Term Debt	54,627,956	50,476,598
2.02.01.01	Loans and Financing	47,801,155	42,887,392

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2.02.01.01.01	Local Currency	32,720,545	27,542,091
2.02.01.01.02	Foreign Currency	15,080,610	15,345,301
2.02.01.02	Debentures	100,478	167,460
2.02.01.03	Finance Leases Obligations	6,726,323	7,421,746
2.02.02	Other Liabilities	18,541,126	2,854,727
2.02.02.01	Related Parties Liabilities	14,876,767	273,696
2.02.02.01.01	Debt with Associates	61,691	58,202
2.02.02.01.02	Debt with Subsidiaries	14,815,076	215,494
2.02.02.02	Other	3,664,359	2,581,031
2.02.02.02.03	Other Accounts Payable and Expenses	3,664,359	2,581,031
2.02.03	Deferred Taxes	32,967,528	29,408,005
2.02.03.01	Deferred Income Tax and Social Contribution	32,967,528	29,408,005

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

<b>Account Code</b>	<b>Description Account</b>	<b>Current Quarter 09/30/2012</b>	<b>Previous Fiscal Year 12/31/2011</b>
2.02.03.01.01	Deferred Income Tax and Social Contribution	32,967,528	29,408,005
2.02.04	Provisions	25,969,023	24,030,268
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	603,543	437,405
2.02.04.01.01	Tax Provisions	98,578	11,556
2.02.04.01.02	Social Security and Labor Provisions	248,047	202,681
2.02.04.01.04	Civil Provisions	174,377	161,168
2.02.04.01.05	Other Process Provisions	82,541	62,000
2.02.04.02	Other Provisions	25,365,480	23,592,863
2.02.04.02.04	Pension and Health Care Plans Obligations	17,268,251	15,351,424
2.02.04.02.05	Provision for Decommissioning Costs	8,097,229	8,241,439
2.03	Shareholders' Equity	342,846,494	330,474,562
2.03.01	Paid in Capital	205,392,137	205,379,729
2.03.02	Capital Reserves	933,687	859,388
2.03.02.07	Additional Paid in Capital	933,687	859,388
2.03.04	Profit Reserves	122,950,652	122,963,060
2.03.04.01	Legal Reserve	14,308,515	14,308,515
2.03.04.02	Statutory Reserve	2,448,518	2,448,518
2.03.04.05	Undistributed Earnings Reserve	104,800,895	104,800,895
2.03.04.07	Tax Incentive Reserve	1,392,724	1,405,132
2.03.05	Retained Earnings/ Accumulated Losses	10,507,455	-
2.03.06	Equity Valuation Adjustments	3,062,563	1,272,385
2.03.06.01	Cumulative Translation Adjustments	2,141,924	926,685
2.03.06.02	Other Comprehensive Income	920,639	345,700

ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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

<b>Account</b>		<b>Current Quarter 07/01/2012 to 09/30/2012</b>	<b>07/01/2012 to 09/30/2012</b>
<b>Code</b>	<b>Description Account</b>		
3.01	Sales Revenues	55,586,985	15
3.02	Cost of Sales	(43,259,673)	(12)
3.03	Gross Profit	12,327,312	3
3.04	Operating Income/Expenses	(6,068,937)	(2)
3.04.01	Selling Expenses	(3,144,830)	(8)
3.04.02	Administrative and General Expenses	(1,760,761)	(5)
3.04.05	Other Operating Expenses	(4,180,450)	(11)
3.04.05.01	Other Taxes	(86,348)	(2)
3.04.05.02	Research and Development Expenses	(581,073)	(1)
3.04.05.03	Exploration Costs	(1,123,343)	(3)
3.04.05.05	Other Operating Income and Expenses, Net	(2,389,686)	(6)
3.04.06	Equity Results	3,017,104	8
3.05	Income Before Financial Results, Profit Sharing and Income Taxes	6,258,375	17
3.06	Financial Income (Expenses), Net	565,170	(1)
3.06.01	Financial Income	1,108,172	3
3.06.01.01	Financial Income	1,108,172	3
3.06.02	Financial Expenses	(543,002)	(1)
3.06.02.01	Financial Expenses	(314,629)	(0)
3.06.02.02	Exchange and Monetary Variations, net	(228,373)	(0)
3.07	Income Before Income Taxes	6,823,545	18
3.08	Income Tax and Social Contribution	(1,336,857)	(3)
3.08.01	Current	222,618	0
3.08.02	Deferred	(1,559,475)	(4)
3.09	Net Income from Continuing Operations	5,486,688	14
3.11	Income / Loss for the period	5,486,688	14
3.99	Income per Share - (Reais / Share)	-	-
3.99.01	Basic Income per Share	-	-



ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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

<b>Account</b>		<b>Current Quarter 07/01/2012 to 09/30/2012</b>	<b>Accumulated of the Current Year 01/01/2012 to 09/30/2012</b>	<b>Same Quarter of the Previous Year 07/01/2011 to 09/30/2011</b>	<b>Accumulated of the Previous Year 01/01/2011 to 09/30/2011</b>
3.99.01.01	Common	0.42000	1.01000	0.48419	2.15198
3.99.01.02	Preferred	0.42000	1.01000	0.48419	2.15198
3.99.02	Diluted Income per Share	-	-	-	-
3.99.02.01	Common	0.42000	1.01000	0.48419	2.15198
3.99.02.02	Preferred	0.42000	1.01000	0.48419	2.15198

ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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

<b>Account</b>	<b>Description</b>	<b>Current</b>	<b>Accumulated</b>	<b>Same</b>	<b>Accumulated</b>
		<b>Quarter</b>	<b>of the</b>	<b>Quarter of</b>	<b>of the</b>
<b>Code</b>	<b>Account</b>	<b>07/01/2012</b>	<b>01/01/2012</b>	<b>07/01/2011</b>	<b>01/01/2011</b>
		<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
		<b>09/30/2012</b>	<b>09/30/2012</b>	<b>09/30/2011</b>	<b>09/30/2011</b>
4.01	Net Income for the Period	5,486,689	13,176,382	6,315,997	28,071,468
4.02	Other Comprehensive Income	188,117	1,805,786	1,920,915	1,102,301
4.02.01	Cumulative Translation Adjustments	(54,151)	1,215,239	1,799,200	1,122,916
4.02.02	Deemed Cost	2,694	7,804	7,995	7,995
4.02.03	Unrealized Gains / (Losses) on Available-for-Sale Securities - Recognized	356,109	856,951	222,246	(7,357)
4.02.04	Unrealized Gains / (Losses) on Available-for-Sale Securities - Transferred to Results	201	3,202	6,862	21,424
4.02.05	Unrecognized Gains / (Losses) on Cash Flow Hedge - Recognized	6,672	803	(39,279)	(36,098)
4.02.06	Unrecognized Gains / (Losses) on Cash Flow Hedge - Transferred to Results	(2,937)	12,544	(545)	(9,080)
4.02.07	Deferred Income Tax and Social Contribution	(120,471)	(290,757)	(75,564)	2,501
4.03	Comprehensive Income for the Period	5,674,806	14,982,168	8,236,912	29,173,769





ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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

<b>Account</b>		<b>Accumulated</b>	<b>Accumu</b>
		<b>of the</b>	<b>of the</b>
<b>Code</b>	<b>Description Account</b>	<b>Current Year</b>	<b>Pre</b>
		<b>01/01/2012</b>	<b>01/01</b>
		<b>to</b>	<b>09/30</b>
		<b>09/30/2012</b>	<b>09/30</b>
6.01	Net Cash - Operating Activities	32,056,086	25,62
6.01.01	Cash Provided by Operating Activities	29,514,932	38,24
6.01.01.01	Net Income for the Period	13,176,382	28,07
6.01.01.03	Equity in Earnings (Losses) of Investments	(6,322,767)	(5,14
6.01.01.05	Depreciation, Depletion and Amortization	11,399,341	8,70
6.01.01.06	Impairment	287,099	23
6.01.01.07	Write-off of Dry Wells	4,009,022	1,34
6.01.01.08	Residual Value of Permanent Assets Written Off	89,530	12
6.01.01.09	Exchange and Monetary Variation and Charges on Financing	2,922,112	42
6.01.01.10	Deferred Income Tax and Social Contribution, Net	3,954,213	4,48
6.01.02	Changes in Assets and Liabilities	4,746,714	(9,65
6.01.02.01	Accounts Receivable	(1,111,629)	(56
6.01.02.02	Inventories	(3,093,090)	(5,67
6.01.02.03	Trade Accounts Payable	1,731,940	1,15
6.01.02.04	Taxes, Fees and Contributions	(2,721,502)	(12
6.01.02.05	Pension and Health Care Plan	1,931,245	1,12
6.01.02.06	Short-Term Operations with Subsidiaries / Associates	8,009,750	(5,57
6.01.03	Other	(2,205,560)	(2,95
6.01.03.01	Other Assets	(3,252,440)	(4,01
6.01.03.02	Other liabilities	1,046,880	1,05
6.02	Net Cash - Investment Activities	(45,925,394)	(23,47
6.02.01	Investments in Exploration and Production	(24,457,742)	(16,97
6.02.02	Investments in Refining, Transportation and Marketing	(25,295,492)	(11,77
6.02.03	Investments in Gas and Power	(1,988,790)	(2,15
6.02.04	Investment in International Segment	(3,972)	(
6.02.06	Investment in Biofuel	(157,886)	(44
6.02.07	Other Investments	(1,139,841)	(1,89
6.02.08	Investments in Marketable Securities	5,429,000	8,14
6.02.09	Dividends Received	1,689,329	1,63
6.03	Net Cash - Financing Activities	9,932,003	(38
6.03.03	Funding	4,214,015	1,09
6.03.04	Amortization of Principal	(2,106,052)	(84
6.03.05	Amortization of Interest	(2,324,184)	(2,05

6.03.06	Intercompany Loans, Net	16,830,198	15,58
6.03.07	Non Standard Credit Rights Investment Fund	(496,282)	(5,88
6.03.08	Dividends Paid to Shareholders	(6,185,692)	(8,26
6.05	Increase (Decrease) in Cash and Cash Equivalents	(3,937,305)	1,76
6.05.01	Opening Balance of Cash and Cash Equivalents	18,857,502	19,99
6.05.02	Closing Balance of Cash and Cash Equivalents	14,920,197	21,76

ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

**Individual Interim Accounting Information / Statement of Changes in Shareholders' Equity - 01/01/2012 to 09/30/2012****(R\$ Thousand)**

<b>Account</b>		<b>Capital Reserves, Granted Options and Treasury Shares</b>	
<b>Code</b>	<b>Description Account</b>	<b>Paid in Capital</b>	<b>Treasury Shares</b>
5.01	Opening Balance	205,379,729	859,388
5.03	Adjusted Opening Balance	205,379,729	859,388
5.04	Capital Transactions with Shareholders	12,408	74,299
5.04.01	Capital Increases	12,408	-
5.04.07	Interest on Shareholders' Equity	-	-
5.04.08	Change in Interest in Subsidiaries	-	74,299
5.04.09	Realization of the Deemed Cost	-	-
5.05	Total of Comprehensive Income	-	-
5.05.01	Net Income for the Period	-	-
5.05.02	Other Comprehensive Income	-	-
5.05.02.01	Adjustments of Financial Instruments	-	-
5.05.02.02	Taxes on Adjustments of Financial Instruments	-	-
5.05.02.04	Translation Adjustments for the Period	-	-
5.05.02.07	Realization of the Deemed Cost	-	-
5.05.03	Transferred to Results	-	-
5.05.03.01	Adjustments of Financial Instruments	-	-
5.07	Final Balance	205,392,137	933,687

ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

**Individual Interim Accounting Information / Statement of Changes in Shareholders' Equity - 01/01/2011 to 09/30/2011****(R\$ Thousand)****Account**

<b>Code</b>	<b>Description Account</b>	<b>Paid in Capital</b>	<b>Granted</b>	<b>Trea</b>
5.01	Opening Balance	205,357,103		
5.03	Adjusted Opening Balance	205,357,103		
5.04	Capital Transactions with Shareholders	22,626		
5.04.01	Capital Increases	22,626		
5.04.07	Interest on Shareholders' Equity	-		
5.04.08	Change in Interest in Subsidiaries	-		
5.04.09	Realization of the Deemed Cost	-		
5.05	Total of Comprehensive Income	-		
5.05.01	Net Income for the Period	-		
5.05.02	Other Comprehensive Income	-		
5.05.02.01	Adjustments of Financial Instruments	-		
5.05.02.02	Taxes on Adjustments of Financial Instruments	-		
5.05.02.04	Translation Adjustments for the Period	-		
5.05.02.07	Realization of the Deemed Cost	-		
5.05.03	Adjustments of Financial Instruments Transferred to Results	-		
5.05.03.01	Realization of the Deemed Cost	-		
5.07	Final Balance	205,379,729		

ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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

<b>Account</b>		<b>Accumulated of the</b>
<b>Code</b>	<b>Description Account</b>	<b>Current Year 01/01/2012 to 09/30/2012</b>
7.01	Sales Revenues	246,506,003
7.01.01	Sales of Goods, Products and Services	203,237,371
7.01.02	Other Revenues	3,879,256
7.01.03	Revenues Related to the Construction of Own Assets	39,541,876
7.01.04	Allowance/Reversal for uncollectible Accounts	(152,500)
7.02	Inputs Acquired from Third Parties	(131,047,489)
7.02.01	Cost of Sales	(40,970,332)
7.02.02	Materials, Power, Third-Party Services and Other Operating Expenses	(76,465,686)
7.02.03	Impairment	(287,099)
7.02.04	Other	(13,324,372)
7.03	Gross Added Value	115,458,514
7.04	Retentions	(11,399,341)
7.04.01	Depreciation, Amortization and Depletion	(11,399,341)
7.05	Net Added Value Produced	104,059,173
7.06	Transferred Added Value	11,176,691
7.06.01	Results of Equity Accounting	6,322,767
7.06.02	Financial Income	4,326,144
7.06.03	Other	527,780
7.07	Total Added Value to be Distributed	115,235,864
7.08	Distribution of Added Value	115,235,864
7.08.01	Personnel	13,729,103
7.08.01.01	Payroll and Related Charges	9,290,256
7.08.01.02	Benefits	3,825,441
7.08.01.03	FGTS	613,406
7.08.02	Taxes, Duties and Social Contributions	58,818,270
7.08.02.01	Federal	39,966,146
7.08.02.02	State	18,772,697
7.08.02.03	Municipal	79,427
7.08.03	Remuneration of Third Party Capital	29,512,109
7.08.03.01	Interest	9,955,376
7.08.03.02	Rental	19,556,733
7.08.04	Remuneration of Shareholders' Equity	13,176,382
7.08.04.01	Interest on Shareholders' Equity	2,676,731
7.08.04.03	Retained Earnings / Loss For The Period	10,499,651



ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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

<b>Account Code</b>	<b>Description Account</b>	<b>Current Quarter 09/30/2012</b>	<b>Previous Fiscal Year 12/31/2011</b>
1	Total Assets	646,683,148	599,149,983
1.01	Current Assets	125,807,690	118,368,613
1.01.01	Cash and Cash Equivalents	30,187,316	35,747,240
1.01.01.01	Cash and Banks	2,370,708	3,731,249
1.01.01.02	Short Term Investments	27,816,608	32,015,991
1.01.02	Short Term Investments	22,673,562	16,808,467
1.01.02.01	Financial Investments at Fair Value	22,663,049	16,791,201
1.01.02.01.01	Trading Securities	16,393,911	16,785,110
1.01.02.01.02	Available-for-Sale Securities	6,269,138	6,091,000
1.01.02.02	Financial Investments Valued at Amortized Cost	10,513	17,266
1.01.02.02.01	Held-to-Maturity Securities	10,513	17,266
1.01.03	Accounts Receivable	23,291,284	21,974,701
1.01.03.01	Accounts Receivable, net	18,003,805	16,734,007
1.01.03.01.01	Third parties	14,046,538	14,144,777
1.01.03.01.02	Subsidiaries and associates	5,821,141	4,274,251
1.01.03.01.03	Allowance for Uncollectible Accounts	(1,863,874)	(1,685,021)
1.01.03.02	Other Receivable	5,287,479	5,240,694
1.01.04	Inventories	30,355,707	28,446,924
1.01.06	Recoverable Taxes	12,614,976	10,050,597
1.01.06.01	Current Recoverable Taxes	12,614,976	10,050,597
1.01.07	Prepaid Expenses	2,128,645	1,328,418
1.01.08	Other Current Assets	4,556,200	4,012,266
1.01.08.03	Other	4,556,200	4,012,266
1.01.08.03.01	Advances to Suppliers	1,807,286	1,388,840
1.01.08.03.02	Dividends Receivable	214,359	77,914
1.01.08.03.03	Other	2,534,555	2,545,512
1.02	Non-Current Assets	520,875,458	480,781,370
1.02.01	Long-Term Assets	37,763,987	43,982,388
1.02.01.01	Financial Investments at Fair Value	348,745	5,472,748
1.02.01.01.02	Available-for-Sale Securities	348,745	5,472,748
1.02.01.02	Financial Investments Valued at Amortized Cost	289,188	274,363
1.02.01.02.01	Held-to-Maturity Securities	289,188	274,363
1.02.01.03	Accounts Receivable	5,471,612	5,122,163
1.02.01.03.02	Other Receivable	5,471,612	5,122,163
1.02.01.04	Inventories	89,927	84,122
1.02.01.06	Deferred Taxes	17,741,364	20,050,868



1.02.01.06.01	Deferred Income Tax and Social Contribution	6,646,880	8,041,846
1.02.01.06.02	Deferred Value-Added Tax (ICMS)	2,022,443	2,198,982
1.02.01.06.03	Deferred PIS/COFINS	8,520,117	9,337,847
1.02.01.06.04	Other Taxes	551,924	472,193
1.02.01.07	Prepaid Expenses	2,383,539	1,902,789
1.02.01.08	Credit with Related Parties	79,538	148,508
1.02.01.08.01	Credit with Associates	79,538	148,508
1.02.01.09	Other Non-Current Assets	11,360,074	10,926,827
1.02.01.09.03	Petroleum and Alcohol Accounts - STN	835,141	831,949
1.02.01.09.05	Restricted Deposits for Legal Proceedings and Guarantees	3,206,846	2,954,915

ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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

<b>Account Code</b>	<b>Description Account</b>	<b>Current Quarter 09/30/2012</b>	<b>Previous Fiscal Year 12/31/2011</b>
1.02.01.09.06	Advances to Suppliers	6,205,623	5,891,800
1.02.01.09.07	Other Long-Term Assets	1,112,464	1,248,163
1.02.02	Investments	12,150,947	12,248,080
1.02.02.01	Corporate Interests	12,150,947	12,248,080
1.02.02.01.01	Investments in Associates	11,912,809	12,017,794
1.02.02.01.04	Other Corporate Interests	238,138	230,286
1.02.03	Property, Plant and Equipment	388,646,509	342,266,918
1.02.03.01	Assets in Operation	223,181,907	183,530,046
1.02.03.02	Assets Under Leasing	224,260	177,535
1.02.03.03	Assets Under Construction	165,240,342	158,559,337
1.02.04	Intangible assets	82,314,015	82,283,984
1.02.04.01	Intangible assets	81,374,114	81,334,884
1.02.04.01.02	Concessions Rights	79,664,796	79,653,873
1.02.04.01.03	Software	1,709,318	1,681,011
1.02.04.02	Goodwill	939,901	949,100

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ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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

<b>Account Code</b>	<b>Description Account</b>	<b>Current Quarter 09/30/2012</b>	<b>Previous Fiscal Year 12/31/2011</b>
2	Total Liabilities	646,683,148	599,149,983
2.01	Current Liabilities	64,248,495	68,212,334
2.01.01	Social and Labor Obligations	4,059,793	3,182,067
2.01.01.01	Social Obligations	542,742	436,481
2.01.01.02	Labor Obligations	3,517,051	2,745,586
2.01.02	Trade Accounts Payable	25,374,961	21,417,528
2.01.02.01	National Suppliers	12,614,837	12,258,291
2.01.02.02	Foreign Suppliers	12,760,124	9,159,237
2.01.03	Taxes	10,521,299	10,968,716
2.01.03.01	Federal Taxes	7,602,222	8,667,318
2.01.03.01.01	Income Tax and Social Contribution Payable	1,081,553	1,324,445
2.01.03.01.02	Other Federal Taxes	6,520,669	7,342,873
2.01.03.02	State Taxes	2,796,939	2,177,861
2.01.03.03	Municipal Taxes	122,138	123,537
2.01.04	Current Debt	15,340,941	18,966,329
2.01.04.01	Loans and Financing	14,911,881	17,030,834
2.01.04.01.01	Local Currency	2,033,229	2,500,959
2.01.04.01.02	Foreign Currency	12,878,652	14,529,875
2.01.04.02	Debentures	386,178	1,853,433
2.01.04.03	Finance Leases Obligations	42,882	82,062
2.01.05	Other Liabilities	7,454,457	12,250,659
2.01.05.01	Related Parties Liabilities	964,493	834,291
2.01.05.01.01	Debt with Associates	964,493	834,291
2.01.05.02	Other	6,489,964	11,416,368
2.01.05.02.01	Dividends and Interest on Shareholders' Equity	-	3,878,129
2.01.05.02.04	Interests of Employees and Managers	-	1,560,139
2.01.05.02.05	Other	6,489,964	5,978,100
2.01.06	Provisions	1,497,044	1,427,035
2.01.06.02	Other Provisions	1,497,044	1,427,035
2.01.06.02.04	Pension and Health Care Plans Obligations	1,497,044	1,427,035
2.02	Non-Current Liabilities	237,786,275	198,714,038
2.02.01	Long-Term Debt	171,215,496	136,588,365
2.02.01.01	Loans and Financing	170,393,510	135,412,117
2.02.01.01.01	Local Currency	64,791,838	57,831,248
2.02.01.01.02	Foreign Currency	105,601,672	77,580,869
2.02.01.02	Debentures	635,134	993,020

2.02.01.03	Finance Leases Obligations	186,852	183,228
2.02.02	Other Liabilities	1,381,709	2,003,415
2.02.02.01	Related Parties Liabilities	193,099	187,149
2.02.02.01.01	Debt with Associates	193,099	187,149
2.02.02.02	Other	1,188,610	1,816,266
2.02.02.02.03	Other Accounts Payable and Expenses	1,188,610	1,816,266
2.02.03	Deferred Taxes	36,314,427	33,268,472
2.02.03.01	Deferred Income Tax and Social Contribution	36,314,427	33,268,472
2.02.03.01.01	Deferred Income Tax and Social Contribution	36,306,231	33,229,769
2.02.03.01.02	Other Deferred Taxes	8,196	38,703

ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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

<b>Account Code</b>	<b>Description Account</b>	<b>Current Quarter 09/30/2012</b>	<b>Previous Fiscal Year 12/31/2011</b>
2.02.04	Provisions	28,874,643	26,853,786
2.02.04.01	Tax, Social Security, Labor and Civil Provisions	1,570,095	1,361,456
2.02.04.01.01	Tax Provisions	757,907	660,706
2.02.04.01.02	Social Security and Labor Provisions	356,265	290,422
2.02.04.01.04	Civil Provisions	296,677	297,860
2.02.04.01.05	Other Process Provisions	159,246	112,468
2.02.04.02	Other Provisions	27,304,548	25,492,330
2.02.04.02.04	Pension and Health Care Plans Obligations	18,545,945	16,652,908
2.02.04.02.05	Provision for Decommissioning Costs	8,758,603	8,839,422
2.03	Consolidated Shareholders' Equity	344,648,378	332,223,611
2.03.01	Paid in Capital	205,392,137	205,379,729
2.03.02	Capital Reserves	625,114	562,643
2.03.02.07	Additional Paid in Capital	625,114	562,643
2.03.04	Profit Reserves	122,611,716	122,624,124
2.03.04.01	Legal Reserve	14,308,515	14,308,515
2.03.04.02	Statutory Reserve	2,448,518	2,448,518
2.03.04.05	Undistributed Earnings Reserve	104,461,959	104,461,959
2.03.04.07	Tax Incentive Reserve	1,392,724	1,405,132
2.03.05	Retained Earnings/ Accumulated Losses	10,765,923	-
2.03.06	Equity Valuation Adjustments	3,062,563	1,272,385
2.03.06.01	Cumulative Translation Adjustments	2,141,924	926,685
2.03.06.02	Other Comprehensive Income	920,639	345,700
2.03.09	Non-controlling Interest	2,190,925	2,384,730

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ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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

<b>Account</b>		<b>Current Quarter 07/01/2012 to 09/30/2012</b>	<b>09/30/2011</b>
<b>Code</b>	<b>Description Account</b>		
3.01	Sales Revenues	73,792,933	20,000,000
3.02	Cost of Sales	(55,706,663)	(15,000,000)
3.03	Gross Profit	18,086,270	5,000,000
3.04	Operating Income/Expenses	(9,293,584)	(28,000,000)
3.04.01	Selling Expenses	(2,531,969)	(7,000,000)
3.04.02	Administrative and General Expenses	(2,540,273)	(7,000,000)
3.04.05	Other Operating Expenses	(4,412,813)	(14,000,000)
3.04.05.01	Other Taxes	(171,129)	
3.04.05.02	Research and Development Expenses	(585,817)	(3,000,000)
3.04.05.03	Exploration Costs	(1,292,210)	(5,000,000)
3.04.05.05	Other Operating Income and Expenses, Net	(2,363,657)	(6,000,000)
3.04.06	Equity Results	191,471	
3.05	Income Before Financial Results, Profit sharing and Income Taxes	8,792,686	2,000,000
3.06	Financial Income (Expenses), Net	(569,439)	(6,000,000)
3.06.01	Financial Income	981,206	
3.06.01.01	Financial Income	981,206	
3.06.02	Financial Expenses	(1,550,645)	(10,000,000)
3.06.02.01	Financial Expenses	(1,095,464)	(2,000,000)
3.06.02.02	Exchange and Monetary Variations, net	(455,181)	(7,000,000)
3.07	Income Before Income Taxes	8,223,247	1,000,000
3.08	Income Tax and Social Contribution	(2,587,862)	(5,000,000)
3.08.01	Current	(801,554)	(2,000,000)
3.08.02	Deferred	(1,786,308)	(3,000,000)
3.09	Net Income from Continuing Operations	5,635,385	1,000,000
3.11	Consolidated Income / Loss for the period	5,635,385	1,000,000
3.11.01	Attributable to shareholders of the Parent Company	5,566,356	1,000,000
3.11.02	Attributable to non-controlling shareholders	69,029	
3.99	Income per Share - (Reais / Share)	-	-

ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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

<b>Account</b>		<b>Current Quarter 07/01/2012 to 09/30/2012</b>	<b>Accumulated of the Current Year 01/01/2012 to 09/30/2012</b>	<b>Same Quarter of the Previous Year 07/01/2011 to 09/30/2011</b>	<b>Accumulated of the Previous Year 01/01/2011 to 09/30/2011</b>
3.99.01	Basic Income per Share	-	-	-	-
3.99.01.02	Preferred	0.42672	1.02992	0.48572	2.16672
3.99.02	Diluted Income per Share	-	-	-	-
3.99.02.01	Common	0.42672	1.02992	0.48572	2.16672
3.99.02.02	Preferred	0.42672	1.02992	0.48572	2.16672

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ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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

<b>Account</b>	<b>Code</b>	<b>Description Account</b>	<b>Current</b>	<b>Accumulated</b>	<b>Same</b>	<b>Accumulated</b>
			<b>Quarter</b>	<b>of the</b>	<b>Quarter of</b>	<b>of the</b>
			<b>07/01/2012</b>	<b>Current Year</b>	<b>Previous Year</b>	<b>Previous Year</b>
			<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
			<b>09/30/2012</b>	<b>01/01/2012</b>	<b>07/01/2011</b>	<b>01/01/2011</b>
				<b>09/30/2012</b>	<b>09/30/2011</b>	<b>09/30/2011</b>
	4.01	Consolidated Net Income for the Period	5,635,385	13,192,374	5,279,835	27,881,508
	4.02	Other Comprehensive Income	158,110	1,766,888	2,094,491	1,151,689
	4.02.01	Cumulative Translation Adjustments	(84,158)	1,176,341	1,972,776	1,172,304
	4.02.02	Deemed Cost	2,694	7,804	7,995	7,995
	4.02.03	Unrealized Gains / (Losses) on Available-for-Sale Securities - Recognized	356,109	856,951	222,246	(7,357)
	4.02.04	Unrealized Gains / (Losses) on Available-for-Sale Securities - Transferred to Results	201	3,202	6,862	21,424
	4.02.05	Unrecognized Gains / (Losses) on Cash Flow Hedge - Recognized	6,672	803	(39,279)	(36,098)
	4.02.06	Unrecognized Gains / (Losses) on Cash Flow Hedge - Transferred to Results	(2,937)	12,544	(545)	(9,080)
	4.02.07	Deferred Income Tax and Social Contribution	(120,471)	(290,757)	(75,564)	2,501
	4.03	Consolidated Comprehensive Income for the Period	5,793,495	14,959,262	7,374,326	29,033,197
	4.03.01	Attributable to shareholders of the Parent Company	5,754,473	15,240,636	8,256,835	29,366,121
	4.03.02	Attributable to non-controlling shareholders	39,022	(281,374)	(882,509)	(332,924)





ITR - Quarterly Information - 09/30/2012 - PETRÓLEO BRASILEIRO S.A. - PETROBRAS

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

<b>Account</b>		<b>Accumulated Accounts of the</b>	
		<b>Current Year</b>	<b>Pre</b>
<b>Code</b>	<b>Description Account</b>	<b>01/01/2012</b>	<b>01/01/2012</b>
		<b>to</b>	<b>09/30/2012</b>
6.01	Net Cash - Operating Activities	42,467,720	42,467,720
6.01.01	Cash Provided by Operating Activities	46,022,325	46,022,325
6.01.01.01	Net Income for the Period	13,434,850	13,434,850
6.01.01.02	Non-Controlling interest	(242,476)	(242,476)
6.01.01.03	Equity in Earnings (Losses) of Investments	98,190	98,190
6.01.01.05	Depreciation, Depletion and Amortization	15,841,056	15,841,056
6.01.01.06	Impairment	1,082,293	1,082,293
6.01.01.07	Write-off of Dry Wells	4,126,293	4,126,293
6.01.01.08	Residual Value of Permanent Assets Written Off	129,761	129,761
6.01.01.09	Exchange and Monetary Variation and Charges on Financing	7,971,926	7,971,926
6.01.01.10	Deferred Income Tax and Social Contribution, Net	3,580,432	3,580,432
6.01.02	Changes in Assets and Liabilities	(1,729,349)	(1,729,349)
6.01.02.01	Accounts Receivable	(1,347,942)	(1,347,942)
6.01.02.02	Inventories	(3,660,366)	(3,660,366)
6.01.02.03	Trade Accounts Payable	3,665,338	3,665,338
6.01.02.04	Taxes, Fees and Contributions	(2,630,483)	(2,630,483)
6.01.02.05	Pension and Health Care Plan	2,095,465	2,095,465
6.01.02.06	Short-Term Operations with Subsidiaries / Associates	148,639	148,639
6.01.03	Other	(1,825,256)	(1,825,256)
6.01.03.01	Other Assets	(1,735,730)	(1,735,730)
6.01.03.02	Other liabilities	(89,526)	(89,526)
6.02	Net Cash - Investment Activities	(53,817,594)	(53,817,594)
6.02.01	Investments in Exploration and Production	(30,066,442)	(30,066,442)
6.02.02	Investments in Refining, Transportation and Marketing	(18,279,465)	(18,279,465)
6.02.03	Investments in Gas and Power	(2,479,543)	(2,479,543)
6.02.04	Investment in International Segment	(3,270,027)	(3,270,027)
6.02.05	Investments in Distribution	(821,726)	(821,726)
6.02.06	Investment in Biofuel	(39,592)	(39,592)
6.02.07	Other Investments	(1,142,488)	(1,142,488)
6.02.08	Investments in Marketable Securities	2,059,394	2,059,394
6.02.09	Dividends Received	222,295	222,295

6.03	Net Cash - Financing Activities	4,775,325	
6.03.03	Share Acquisition of non controlling shareholders	93,407	
6.03.04	Funding	35,862,210	2
6.03.05	Amortization of Principal	(17,682,426)	(1)
6.03.06	Amortization of Interest	(7,312,174)	(5)
6.03.08	Dividends Paid to Shareholders	(6,185,692)	(8)
6.04	Effect of Exchange Rate Changes on Cash and Cash Equivalents	1,014,625	
6.05	Increase (Decrease) in Cash and Cash Equivalents	(5,559,924)	
6.05.01	Opening Balance of Cash and Cash Equivalents	35,747,240	2
6.05.02	Closing Balance of Cash and Cash Equivalents	30,187,316	3

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**Consolidated Interim Accounting Information / Statement of Changes in Shareholders' Equity - 01/01/2012 to 09/30/2012****(R\$  
Thousand)**

<b>Account</b>		<b>Capital Reserves, Granted Options and</b>			<b>Retained earnings / Other Comprehensive</b>	
<b>Code</b>	<b>Description Account</b>	<b>Paid in Capital</b>	<b>Treasury Shares</b>	<b>Profit Reserves</b>	<b>accumulated losses</b>	<b>Income</b>
5.01	Opening Balance	205,379,729	562,643	122,624,124		1,272,385
5.03	Adjusted Opening Balance	205,379,729	562,643	122,624,124	-	1,272,385
5.04	Capital Transactions with Shareholders	12,408	62,471	(12,408)	(2,676,731)	(7,804)
5.04.01	Capital Increases	12,408	-	(12,408)	-	-
5.04.06	Dividends	-	-	-	-	-
5.04.07	Interest on Shareholders' Equity	-	-	-	(2,676,731)	-
5.04.08	Change in Interest in Subsidiaries	-	62,471	-	-	-
5.04.09	Realization of the Deemed Cost	-	-	-	-	(7,804)
5.05	Total of Comprehensive Income	-	-	-	13,442,654	1,797,982
5.05.01	Net Income for the Period	-	-	-	13,434,850	-
5.05.02	Other Comprehensive Income	-	-	-	7,804	1,782,236
5.05.02.01	Adjustments of Financial Instruments	-	-	-	-	857,754
5.05.02.02	Taxes on Adjustments of Financial	-	-	-	-	(290,757)

	Instruments					
	Translation					
5.05.02.04	Adjustments for the Period	-	-	-	-	1,215,239
5.05.02.07	Realization of the Deemed Cost	-	-	-	7,804	-
5.05.03	Transferred to Results	-	-	-	-	15,746
5.05.03.01	Adjustments of Financial Instruments	-	-	-	-	15,746
5.07	Final Balance	205,392,137	625,114	122,611,716	10,765,923	3,062,563

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**Consolidated Interim Accounting Information / Statement of Changes in Shareholders' Equity - 01/01/2011 to 09/30/2011****(R\$ Thousand)**

<b>Account</b>	<b>Capital Reserves,</b>	<b>Re</b>
	<b>Granted Options and</b>	
<b>Code</b>	<b>Description Account Paid in Capital</b>	<b>Treasury Shares Profit Reserves ac</b>
5.01	Opening Balance 205,357,103	(6,257) 101,323,731
5.03	Adjusted Opening Balance 205,357,103	(6,257) 101,323,731
5.04	Capital Transactions with Shareholders 22,626	108,180 (22,626)
5.04.01	Capital Increases 22,626	- (22,626)
5.04.06	Dividendos -	- -
5.04.08	Change in Interest in Subsidiaries -	108,180 -
5.04.09	Realization of the Deemed Cost -	- -
5.05	Total of Comprehensive Income -	- -
5.05.01	Net Income for the Period -	- -
5.05.02	Other Comprehensive Income -	- -
5.05.02.01	Adjustments of Financial Instruments -	- -
5.05.02.02	Taxes on Adjustments of Financial Instruments -	- -
5.05.02.04	Translation Adjustments for the Period -	- -
5.05.02.07	Realization of the Deemed Cost -	- -
5.05.03	Adjustments of Financial Instruments Transferred to Results -	- -
5.05.03.01	Realization of the Deemed Cost -	- -
5.07	Final Balance 205,379,729	101,923 101,301,105



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

<b>Account</b>		<b>Accumulated of the</b>
<b>Code</b>	<b>Description Account</b>	<b>Current Year 01/01/2012 to 09/30/2012</b>
7.01	Sales Revenues	313,770,888
7.01.01	Sales of Goods, Products and Services	255,054,271
7.01.02	Other Revenues	6,151,467
7.01.03	Revenues Related to the Construction of Own Assets	52,750,658
7.01.04	Allowance/Reversal for uncollectible Accounts	(185,508)
7.02	Inputs Acquired from Third Parties	(166,471,458)
7.02.01	Cost of Sales	(88,235,533)
7.02.02	Materials, Power, Third-Party Services and Other Operating Expenses	(62,527,114)
7.02.03	Impairment	(1,082,293)
7.02.04	Other	(14,626,518)
7.03	Gross Added Value	147,299,430
7.04	Retentions	(15,841,056)
7.04.01	Depreciation, Amortization and Depletion	(15,841,056)
7.05	Net Added Value Produced	131,458,374
7.06	Transferred Added Value	3,933,661
7.06.01	Results of Equity Accounting	(98,190)
7.06.02	Financial Income	3,814,851
7.06.03	Other	217,000
7.07	Total Added Value to be Distributed	135,392,035
7.08	Distribution of Added Value	135,392,035
7.08.01	Personnel	17,330,769
7.08.01.01	Payroll and Related Charges	12,204,316
7.08.01.02	Benefits	4,422,506
7.08.01.03	FGTS	703,947
7.08.02	Taxes, Duties and Social Contributions	78,785,200
7.08.02.01	Federal	49,057,622
7.08.02.02	State	29,558,219
7.08.02.03	Municipal	169,359
7.08.03	Remuneration of Third Party Capital	26,083,692
7.08.03.01	Interest	15,760,510
7.08.03.02	Rental	10,323,182
7.08.04	Remuneration of Shareholders' Equity	13,192,374
7.08.04.01	Interest on Shareholders' Equity	2,676,731
7.08.04.03	Retained Earnings / Loss For The Period	10,758,119



7.08.04.04

Non-controlling Interest - Retained Earnings

(242,476

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Notes to the interim financial information  
(Consolidated and Parent Company)  
*(In millions of reais, except when stated 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 oil originating from wells, shale or other rocks, and oil products, natural gas and other liquid hydrocarbons, in addition to activities connected with energy and it may carry out 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.

## **2 Basis of presentation of interim financial information**

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

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

This interim financial information is presented with the relevant changes occurred in the interim period, without repeating certain notes to the financial statements previously disclosed, 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, 2011, which include the full set of notes.

Certain amounts from prior periods have been reclassified for comparability purposes relatively to the current period presentation. These reclassifications did not affect the net income or the shareholders' equity of the Company.

The Company's Board of Directors authorized the publication of this interim quarterly information in a meeting held on October 26, 2012.

## **2.1 Accounting estimates**

In the preparation of the interim financial information it is necessary to use estimates for certain assets, liabilities and other transactions. These estimates include: oil and gas reserves, liabilities of pension and health care plans, depreciation, depletion and amortization, abandonment costs, provisions for legal processes, market value of financial instruments, income tax and social contribution. Notwithstanding Management uses assumptions and judgments that are reviewed periodically, the actual results may differ from these estimates.

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Notes to the interim financial information  
(Consolidated and Parent Company)  
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### 3 Consolidation basis

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

The Company did not present material changes in the group of consolidated companies in the nine-month period ended September 30, 2012.

The Company began to recognize in its financial statements for the year ended December 31, 2011 the investments in jointly controlled entities valued by the equity accounting method and no longer by proportionate consolidation, in conformity with the alternative established in IAS 31 and the corresponding CPC 19 (R1), approved by CVM Resolution 666/11.

Accordingly, the interim financial information for the period ended September 30, 2011 is being presented with this change, as follows:

#### a) Consolidated statement of income

	Published	Jan-Sep/2011 Effect of proportional consolidation	Re-pres
<b>Sales revenues</b>	180,448	(1,529)	1
Cost of sales	(119,642)	654	(11
<b>Gross profit</b>	<b>60,806</b>	<b>(875)</b>	<b>5</b>
Expenses	(23,900)	322	(2
<b>Income before financial result, profit-sharing and taxes</b>	<b>36,906</b>	<b>(553)</b>	<b>3</b>
Financial income (expenses), net	(367)	89	
Equity in results of non-consolidated companies	(29)	320	
<b>Income before income taxes</b>	<b>36,510</b>	<b>(144)</b>	
Income tax / social contribution	(8,631)	147	
<b>Net income</b>	<b>27,879</b>	<b>3</b>	<b>2</b>
<b>Net income attributable to:</b>			

Shareholders of Petrobras	28,264	-	
Non-controlling interests	(385)	3	
	<b>27,879</b>	<b>3</b>	<b>2</b>

**b) Consolidated statement of cash flows**

	<b>Published</b>	<b>Jan-Sep/2011 Effect of proportional consolidation</b>	<b>Re-pres</b>
Cash provided by operating activities	42,522	(488)	
Cash used in investment activities	(41,807)	410	(4
Cash provided by financing activities	2,538	(149)	
Effect of exchange variation on cash and cash equivalents	83	183	
<b>Net change in cash for the period</b>	<b>3,336</b>	<b>(44)</b>	
<b>Cash and cash equivalents at the beginning of period</b>	<b>30,323</b>	<b>(907)</b>	
<b>Cash and cash equivalents at the end of the period</b>	<b>33,659</b>	<b>(951)</b>	<b>3</b>

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Notes to the interim financial information  
(Consolidated and Parent Company)*(In millions of reais, except when stated otherwise)***3.1 Reconciliation of the consolidated shareholders' equity and consolidated net income with those of the parent company**

	<b>Shareholders' equity</b>		<b>Net income</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>	<b>Jan-Sep/2012</b>	<b>Jan-Sep/2011</b>
<b>Consolidated - IFRS</b>	<b>344,648</b>	<b>332,224</b>	<b>13,192</b>	<b>27,882</b>
Equity of non-controlling interests	(2,191)	(2,385)	243	382
Deferred expenses, net of income tax	389	636	(259)	(193)
<b>Parent company adjusted to international accounting standards (CPC)</b>	<b>342,846</b>	<b>330,475</b>	<b>13,176</b>	<b>28,071</b>

**4 Accounting practices**

The accounting practices and calculation methods used in the preparation of this consolidated and individual quarterly information are the same as those adopted in the preparation of the annual financial statements of the Company for the year ended December 31, 2011.

**5 Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>
Cash and banks	2,371	3,731
Financial investments		
- <i>In Brazil</i>		
Mutual funds - Interbank Deposit	14,187	10,301
Other investment funds	2,280	4,275
	<b>16,467</b>	<b>14,576</b>
- <i>Abroad</i>	11,349	17,440
Total financial investments	<b>27,816</b>	<b>32,016</b>
<b>Total cash and cash equivalents</b>	<b>30,187</b>	<b>35,747</b>

**6 Marketable securities**

	<b>Consolidated</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>
Trading securities	16,394	16,785
Available-for-sale	6,618	5,479
Held-to-maturity	300	291
	<b>23,312</b>	<b>22,555</b>
<b>Current</b>	<b>22,674</b>	<b>16,808</b>
<b>Non-current</b>	<b>638</b>	<b>5,747</b>

Trading and available-for-sale securities refer mainly to investments in treasury notes with maturity terms of more than 90 days and those presented in current assets consider the expectation of their realization in the short term.

Available-for-sale securities include National Treasury Notes, which were previously given in guarantee to Petros, as described in Note 21.

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Notes to the interim financial information

(Consolidated and Parent Company)

*(In millions of reais, except when stated otherwise)***7 Accounts receivable****7.1 Accounts receivable, net**

	<b>Consolidated</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>
Trade Accounts Receivable		
Third parties	20,550	19,348
Related parties (Note 18.5)		
Jointly controlled entities and associates	1,671	1,549
Receivables from the electricity sector	4,458	3,672
Petroleum and alcohol accounts - STN (*)	835	832
Others	5,451	5,545
	32,965	30,946
Allowance for uncollectible accounts	(3,073)	(2,790)
	<b>29,892</b>	<b>28,156</b>
<b>Current</b>	<b>23,506</b>	<b>22,053</b>
<b>Non-current</b>	<b>6,386</b>	<b>6,103</b>

(\*) National Treasury Secretariat.

**7.2 Changes in the allowance for uncollectible accounts**

	<b>Consolidated</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>
<b>Opening balance</b>	<b>2,790</b>	<b>2,681</b>
Additions (*)	490	586
Write-offs (*)	(207)	(477)
<b>Closing balance</b>	<b>3,073</b>	<b>2,790</b>
<b>Current</b>	<b>1,864</b>	<b>1,685</b>
<b>Non-current</b>	<b>1,209</b>	<b>1,105</b>

(\*) It includes exchange variation on allowance for uncollectible accounts recorded in companies abroad.



**7.3 Overdue accounts receivable – Third-parties**

	<b>Consolidated</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>
Up to 3 months	1,528	1,411
From 3 to 6 months	329	215
From 6 to 12 months	325	264
More than 12 months	3,061	2,982

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Notes to the interim financial information  
 (Consolidated and Parent Company)  
 (In millions of reais, except when stated otherwise)

## 8 Inventories

	<b>Consolidated</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>
Products:		
Oil products (*)	12,215	9,166
Fuel Alcohol (*)	440	782
	<b>12,655</b>	<b>9,948</b>
Raw materials, mainly crude oil (*)	13,518	14,847
Maintenance materials and supplies (*)	3,772	3,369
Others	501	367
	<b>30,446</b>	<b>28,531</b>
<b>Current</b>	<b>30,356</b>	<b>28,447</b>
<b>Non-current</b>	<b>90</b>	<b>84</b>

(\*) It includes imports in transit.

## 9 Restricted deposits for legal proceeding and guarantees

<b>Non-current asset</b>	<b>Consolidated</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>
Labor	1,334	1,131
Tax (*)	1,266	1,264
Civil (*)	474	455
Others	133	105
<b>Total</b>	<b>3,207</b>	<b>2,955</b>

(\*) Net of deposits related to judicial proceedings for which a provision is recorded, when applicable.

## **10 Mergers, split-offs and other information about assets**

### **Merger of Petroquisa and split-off of BRK**

On January 27, 2012, the Extraordinary General Meeting of Petrobras approved the merger of Petrobras Química S.A. (Petroquisa) and the split-off of BRK Investimentos Petroquímicos S.A. (BRK) with the return of the split-off portion to the patrimony of Petrobras, without increasing the capital.

### **Partial split-off of Downstream**

On June 29, 2012, Petrobras started retaining a direct interest of 100% in Alberto Pasqualini S.A. – REFAP, after the partial split-off of its subsidiary Downstream Participações Ltda., which previously held this interest. This restructuring did not affect the shareholders' equity of the Company.

### **Signing of settlement – Pasadena Refinery**

On June 29, 2012, the Company entered into an out of court settlement which intended to terminate all existing lawsuits between Petrobras group companies and companies members of the Belgian Transcor/Astra group, which controls Astra Oil Trading NV (Astra), including those related to the arbitration process which, in April 2009, recognized Astra's exercise of its put option, to sell its interest (50%) in Pasadena Refining System Inc and PRSI Trading Company to Petrobras America S.A. - PAI.

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With the exception of US\$ 70 million (equivalent to R\$ 140) which was recognized in results in the second quarter of 2012, the amount of US\$ 820.5 million defined in the agreement had been provided for in prior periods.

With the execution of the settlement and the payment of the respective amount, which occurred on the same day the agreement was signed, both parties give full and general release of all the disputes between them.

### **Fair Value Appraisal -GBD**

The appraisal of the fair value of the assets acquired and the liabilities assumed from the subsidiary Gás Brasileiro Distribuidora S.A. – GBD was concluded in June 2012. Petrobras Gás S.A. - Gaspetro acquired 100% of GBD's shares in 2011. This appraisal resulted in a purchase price allocation of the total amount of R\$ 444 (equivalent to US\$ 280 million) to intangible assets totaling R\$ 332 and other assets and liabilities, net of R\$ 112. Therefore, no goodwill was recognized.

### **Empresa de Logística de E&P S.A.**

On July 31, 2012, Alberto Pasqualini S.A. - REFAP was renamed Empresa de Logística de E&P S.A., after transferring its refining assets to Petrobras, with the objective of providing logistics services to oil and gas exploration and production operations in Brazil. The new company, whose operating activities were not initiated, had not affected its equity by transferring the assets.



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Notes to the interim financial information  
(Consolidated and Parent Company)  
(In millions of reais, except when stated otherwise)

## 11 Investments

### 11.1 Investments in subsidiaries, jointly controlled entities and associates (Parent company)

	09.30.2012	12.31.2011
<b>Subsidiaries:</b>		
Petrobras Netherlands B.V. - PNBV	18,897	13,740
Petrobras Gás S.A. - Gaspetro	11,095	10,574
Petrobras Distribuidora S.A. - BR	10,999	9,960
Refinaria Abreu e Lima S.A.	8,255	2,997
Petrobras Transporte S.A. - Transpetro	3,766	3,146
Empresa de Logística de E&P S.A.	3,422	-
Petrobras Biocombustível S.A.	1,723	1,477
Petrobras International Braspetro - PIB BV	1,701	400
Companhia Integrada Têxtil de Pernambuco - CITEPE	1,673	-
Companhia Locadora de Equipamentos Petrolíferos S.A. - CLEP	1,491	1,473
Companhia Petroquímica de Pernambuco - SUAPE	1,074	-
Termomacaé Ltda.	776	743
Comperj Poliolefinas S.A.	651	651
INNOVA S.A.	414	377
Termoceaná Ltda.	343	319
Petrobras Química S.A. - Petroquisa	-	4,516
Downstream Participações Ltda.	-	1,124
<b>Other subsidiaries</b>	1,848	1,132
<b>Jointly controlled entities</b>	1,286	1,051
<b>Associates</b>	3,457	1,643
	<b>72,871</b>	<b>55,323</b>
Goodwill	3,072	3,056
Unrealized income of the Parent company	(989)	(1,340)
Other investments	195	200
<b>Total investments</b>	<b>75,149</b>	<b>57,239</b>



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Notes to the interim financial information  
 (Consolidated and Parent Company)  
 (In millions of reais, except when stated otherwise)

**11.2 Investments in jointly controlled entities and associates (Consolidated)**

	<b>09.30.2012</b>	<b>12.31.2011</b>
<b>Associates and jointly controlled entities</b>		
Petrochemical investments	5,730	6,226
Gas distributors	1,078	1,056
Guarani S.A.	797	847
Termoaçu S.A.	546	538
Petroritupano - Orielo	495	458
Nova Fronteira Bionergia S.A.	417	434
Petrowayu - La Concepción	357	330
Petrokariña - Mata	211	195
Transierra S.A.	143	122
UEG Araucária	127	128
Distrilec S.A.	126	216
Other associates and jointly controlled entities	1,886	1,468
	<b>11,913</b>	<b>12,018</b>
<b>Other investments</b>	238	230
	<b>12,151</b>	<b>12,248</b>

**11.3 Investments in listed companies**

Company	Thousand-share lot		Type	Quoted stock exchange prices (R\$ per share)		Market value	
	09.30.2012	12.31.2011		09.30.2012	12.31.2011	09.30.2012	12.31.2011
<b>Subsidiaries</b>							
Petrobras			Common	1.26	2.70		
Argentina (*)	1,356,792	678,396				1,709	1,8
						<b>1,709</b>	<b>1,8</b>



**Associates**

Braskem	212,427	212,427	Common	12.60	11.78	2,677	2,5
Braskem			Preferred	14.27	12.80		
	75,793	75,793	- A			1,082	9
						<b>3,759</b>	<b>3,4</b>

(\*) On September 26, 2012 Petrobras Argentina S.A. made a share capital increase through the capitalization of profit reserves, as approved by an Extraordinary General Meeting held along with the Annual General Meeting on March 29, 2012. This capitalization was carried out by the issuance of 1,009,618,410 new class B common shares. This transaction did not affect the Company's shareholders' equity.

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

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## 12 Property, plant and equipment

### 12.1 By type of asset

	Consolidated			Expenditur on exploration developme Production oil and ga (producin fields)
	Land, buildings and improvements	Equipment and other assets	Assets under construction (* )	
<b>Balance at December 31, 2010</b>	<b>8,756</b>	<b>97,174</b>	<b>138,578</b>	<b>35,5</b>
Additions	169	2,730	53,690	3,7
Capitalized interest	-	-	7,325	
Business combinations	-	-	24	
Write-offs	(41)	(421)	(2,221)	(5
Transfers	4,205	31,283	(40,294)	14,8
Depreciation, amortization and depletion	(799)	(9,769)	-	(6,5
Impairment - formation	-	(91)	(276)	(3
Impairment - reversal	3	27	-	
Cumulative translation adjustment	66	3,548	1,733	7
<b>Balance at December 31, 2011</b>	<b>12,359</b>	<b>124,481</b>	<b>158,559</b>	<b>46,8</b>
Cost	16,865	195,977	158,559	97,6
Accumulated depreciation, amortization and depletion	(4,506)	(71,496)	-	(50,8
<b>Balance at December 31, 2011</b>	<b>12,359</b>	<b>124,481</b>	<b>158,559</b>	<b>46,8</b>
Additions	40	3,040	44,113	2,8
Capitalized interest	-	-	5,449	
Business combinations	169	370	4	
Write-offs	(13)	(38)	(3,988)	(
Transfers	2,477	33,113	(40,421)	9,5
Depreciation, amortization and depletion	(690)	(9,491)	-	(5,2
Impairment - formation	-	(1)	-	
Cumulative translation adjustment	108	2,942	1,524	5
<b>Balance at September 30, 2012</b>	<b>14,450</b>	<b>154,416</b>	<b>165,240</b>	<b>54,5</b>
Cost	19,729	235,205	165,240	110,7
Accumulated depreciation, amortization and depletion	(5,279)	(80,789)	-	(56,2
<b>Balance at September 30, 2012</b>	<b>14,450</b>	<b>154,416</b>	<b>165,240</b>	<b>54,5</b>

**Weighted average of useful life in years**

25 (25 to 40)  
except land

20 (3 to 31)

Unit of  
production  
method

(\*) It includes oil and gas exploration and development assets.

At September 30, 2012, property, plant and equipment of consolidated and the parent company includes finance leases assets in the amount of R\$ 224 and R\$ 10,430, respectively (R\$ 178 and R\$ 10,921 at December 31, 2011).

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*(In millions of reais, except when stated otherwise)***13 Intangible assets****13.1 By type of asset**

	<b>Consolidated Software</b>			<b>Goodwill from expectations of future profitability</b>	<b>Tot</b>
	<b>Rights and concessions</b>	<b>Acquired</b>	<b>Developed in-house</b>		
<b>Balance at December 31, 2010</b>	<b>78,952</b>	<b>320</b>	<b>1,361</b>	<b>906</b>	<b>81,539</b>
Addition	829	110	336	19	1,294
Acquisition through business combination	-	-	-	4	4
Capitalized interest	-	-	36	-	36
Write-off	(286)	(5)	(12)	-	(303)
Transfers	22	19	(36)	(4)	11
Amortization	(138)	(113)	(341)	-	(592)
Impairment - formation	(2)	-	-	-	(2)
Cumulative translation adjustment	277	6	-	24	307
<b>Balance at December 31, 2011</b>	<b>79,654</b>	<b>337</b>	<b>1,344</b>	<b>949</b>	<b>82,284</b>
Cost	81,328	1,361	2,837	949	86,575
Accumulated amortization	(1,674)	(1,024)	(1,493)	-	(4,191)
<b>Balance at December 31, 2011</b>	<b>79,654</b>	<b>337</b>	<b>1,344</b>	<b>949</b>	<b>82,284</b>
Addition	125	109	210	-	444
Capitalized interest	-	-	23	-	23
Write-off	(186)	(3)	(6)	-	(195)
Transfers	11	21	(36)	(27)	(11)
Amortization	(142)	(84)	(212)	-	(438)
Cumulative translation adjustment	203	6	-	18	227
<b>Balance at September 30, 2012</b>	<b>79,665</b>	<b>386</b>	<b>1,323</b>	<b>940</b>	<b>82,314</b>
Cost	81,534	1,509	3,029	940	87,012
Accumulated amortization	(1,869)	(1,123)	(1,706)	-	(4,698)
<b>Balance at September 30, 2012</b>	<b>79,665</b>	<b>386</b>	<b>1,323</b>	<b>940</b>	<b>82,314</b>
<b>Estimated useful life - years</b>	<b>25</b>	<b>5</b>	<b>5</b>	<b>Indefinite</b>	

At September 30, 2012, the Company's intangible assets comprise the amount of 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), referring to the right to carry out prospection and drilling activities for oil, natural gas and other liquid hydrocarbons located in blocks in the pre-salt area (Franco, Florim, Nordeste de Tupi, Entorno de Iara, Sul de Guar e Sul de Tupi), limited to the production of five billion barrels of oil equivalent in up to 40 years, renewable for five more years upon certain conditions.

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

Whether the review determines that the acquired rights amount to a greater value than initially paid, the Company may pay the difference to the Federal Government, or may proportionally reduce the total volume of barrels acquired in the terms of the agreement. Whether the review determines that the acquired rights amount to a lower value than initially paid by the Company, the Federal Government will reimburse the difference in cash or bonds, subject to the budgetary laws.

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When the effects of the aforementioned review become probable and a reliable estimate can be made, the Company will make the respective adjustments to the purchase prices.

In addition, the agreement 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 production stages of production, which will be subject to proof by the ANP. In the event of non-compliance, the ANP will be able to apply administrative and pecuniary sanctions based on the conditions stated in the agreement.

#### **14 Exploration and evaluation activities 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. The amounts involved in these activities are as follows:

	<b>Consolidated</b>	<b>09.30.2012</b>	<b>12.31.2011</b>
<b>Capitalized balances in assets</b>			
Intangible assets	78,108	24,035	12,143
Property, plant and equipment	24,035	10,000	11,275
<b>Total assets</b>	<b>102,143</b>	<b>34,035</b>	<b>23,418</b>
<b>Expenses with geology and geophysics</b>			
<b>Exploration costs recognized in results</b>			
Expenses with geology and geophysics	1,474	4,126	111
Projects without economic viability (It includes dry wells and signature bonuses)	4,126	111	5,711
Other exploration expenses	111	5,711	1,474
<b>Total expenses</b>	<b>5,711</b>	<b>10,958</b>	<b>7,306</b>
<b>Cash used in activities</b>			
Operating activities	1,717	9,944	11,661
Investment activities	9,944	1,717	11,661
<b>Total cash used</b>	<b>11,661</b>	<b>11,661</b>	<b>23,322</b>

**15 Trade accounts payable**

	<b>Consolidated</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>
<b>Current liabilities</b>		
Third parties		
In Brazil	12,615	12,259
Abroad	12,760	9,159
Related parties	964	834
	<b>26,339</b>	<b>22,252</b>

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Notes to the interim financial information

(Consolidated and Parent Company)

*(In millions of reais, except when stated otherwise)***16 Loans and Financing**

	<b>Consolidated</b>			
	<b>Current liabilities</b>		<b>Non-current</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>	<b>09.30.2012</b>	<b>12.31.2011</b>
<b>Abroad</b>				
Financial institutions	11,262	13,641	48,604	37,590
Bearer bonds - Notes, Global				
Notes and Bonds	1,497	803	56,641	39,441
Others	14	12	12	195
	<b>12,773</b>	<b>14,456</b>	<b>105,257</b>	<b>77,226</b>
<b>In Brazil</b>				
Export Credit Notes	355	135	12,992	12,982
BNDES	1,316	1,719	43,569	37,385
Debentures	386	1,853	635	993
FINAME	66	79	684	731
Bank Credit Certificate	103	51	3,615	3,606
Others	299	591	4,277	3,482
	<b>2,525</b>	<b>4,428</b>	<b>65,772</b>	<b>59,179</b>
	<b>15,298</b>	<b>18,884</b>	<b>171,029</b>	<b>136,405</b>
Interest on debt	1,605	1,648		
Current portion of the long-term debt (principal)	5,125	6,921		
Current debt	8,568	10,315		
	<b>15,298</b>	<b>18,884</b>		

**16.1 Maturities of the principal and interest of the debt in non-current liabilities**

	<b>09.30.2012</b>
	<b>Consolidated</b>
2013	2,183
2014	9,276
2015	13,637



2016	27,924
2017	18,492
2018 and thereafter	99,517
<b>Total</b>	<b>171,029</b>

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(Consolidated and Parent Company)

*(In millions of reais, except when stated otherwise)***16.2 Interest rates for debt in non-current liabilities**

	<b>Consolidated</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>
<b>Abroad</b>		
Up to 6% p.a.	84,431	59,202
From 6 to 8% p.a.	19,222	15,729
From 8 to 10% p.a.	1,604	2,211
More than 10% p.a.	-	84
	<b>105,257</b>	<b>77,226</b>
<b>In Brazil</b>		
Up to 6% p.a.	7,988	5,383
From 6 to 8% p.a.	32,999	32,311
From 8 to 10% p.a.	23,454	3,621
More than 10% p.a.	1,331	17,864
	<b>65,772</b>	<b>59,179</b>
	<b>171,029</b>	<b>136,405</b>

**16.3 Balances per currencies in non-current liabilities**

	<b>Consolidated</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>
U.S. dollar	95,699	68,012
Real indexed to U.S. dollar	27,949	25,942
Real	37,477	32,882
Euro	5,040	4,681
Japanese Yen	2,622	2,897
Pound Sterling	2,242	1,991
	<b>171,029</b>	<b>136,405</b>

The sensitivity analysis for financial instruments subject to the exchange variation and the fair value of the long-term loans are disclosed in Notes 31 and 32, respectively.

**16.4 Weighted average rate for capitalization of interest**

The weighted average rate of the financial charges on the debt, used for capitalization of interest on the balance of assets under construction, was 4.4% p.a. in the nine-month period ended September 30, 2012 (4.6% p.a. in the nine-month period ended September 30, 2011).

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The loans and the financing are mainly intended to the development of oil and gas production projects, the building of vessels and pipelines, and the expansion of industrial units.

The main long-term funding carried out in the nine-month period ended September 30, 2012 are presented as follows:

**a) Abroad**

<b>Company</b>	<b>Date</b>	<b>Amount</b>	<b>Maturity</b>	<b>Description</b>
PifCo	Feb/12	12,029	2015, 2017, 2021 and 2041	Global notes issued in the amounts of US\$ 1,250 million, US\$ 1,750 million, US\$ 2,750 million and US\$1,250 million with 2.875% p.a., 3.500% p.a., 5.375% p.a. and 6.750% p.a. coupon, respectively.
PNBV	Apr/12 to Jun/12	3,612	2018, 2019 and 2023	Financing in the amount of US\$1,879 million obtained from Morgan Stanley Bank , JP Morgan Chase, Citibank International PLC, and HSBC Bank PLC - Libor + market interest.
PNBV	Aug/12 to Sep/12	3,043	2019	Financing in the amount of US\$1,500 million obtained from Export Development Canada and HSBC Holding PLC - Libor + market interest.
PGT BV	Sep/12	3,043	2017 and 2018	Financing in the amount of US\$1,500 million obtained from Banco do Brasil S/A and Citibank N.A. - Libor + market interest.
		<b>21,727</b>		

**b) In Brazil**

<b>Company</b>	<b>Date</b>	<b>Amount</b>	<b>Maturity</b>	<b>Description</b>
----------------	-------------	---------------	-----------------	--------------------

Fundo de Investimento Imobiliário RB Logística	Jan/12	409	2023,2026 and 2028	Issuance of real state credit notes for the construction of a laboratory and an administrative building - IPCA + average spread of 5.3% p.a.
Fundo de Investimento Imobiliário FCM	May/12	514	2025 and 2032	Issuance of real state credit notes for the construction of the assets of Porto Nacional and Porto Cruzeiro do Sul projects - IPCA + 4.0933% p.a. and 4.9781%p.a.
Petrobras	Jul/12 and Sep/12	4,215	2015 and 2022	Financing obtained from BNDES to be used on the modernization of the domestic refining facilities and other infrastructure projects, as well as research and development projects and modernization and expansion of the technology park.
		<b>5,138</b>		

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## 16.6 Funding – Remaining balance

### a) Abroad

Company	Agency	Amount in US\$ million		
		Contracted	Used	Balance
PNBV	Citibank International PLC	686	549	137
PNBV	HSBC Bank PLC	1,000	173	827

### b) In Brazil

Company	Agency	Contracted	Used	Balance
Transpetro (*)	BNDES, Banco do Brasil and Caixa Econômica Federal - CEF	10,103	1,107	8,996
Empresa de Logística de E&P	BNDES	1,109	285	824
Petrobras	Caixa Econômica Federal - CEF	300	-	300
Petrobras	BNDES	7,591	4,215	3,376

(\*) Purchase and sale agreements of 49 vessels and 20 convoys were signed with 6 Brazilian shipyards in the amount of R\$ 11,225, which 90% is financed by BNDES, Banco do Brasil and Caixa Econômica Federal - CEF

## 16.7 Guarantees

Petrobras is not required to provide guarantees to financial institutions. There are loans obtained from BNDES which are secured by the assets being financed.

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

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**17 Leases****17.1 Minimum receipts/payments of finance leases**

	<b>09.30.2012 Consolidated</b>	
	<b>Minimum receipts</b>	<b>Minimum payments</b>
2012	152	28
2013 - 2016	1,454	163
2017 and thereafter	4,509	342
<b>Estimated receipts/payments of commitments</b>	<b>6,115</b>	<b>533</b>
Less amount of annual interest	(2,840)	(303)
<b>Present value of the minimum receipts/payments</b>	<b>3,275</b>	<b>230</b>
Current	157	43
Non-current	3,118	187
<b>At September 30, 2012</b>	<b>3,275</b>	<b>230</b>
Current	225	82
Non-current	2,848	183
<b>At December 31, 2011</b>	<b>3,073</b>	<b>265</b>

**17.2 Future minimum payments of operating leases**

	<b>09.30.2012 Consolidated</b>
2012	7,671
2013 - 2016	81,515
2017 and thereafter	57,513



<b>At September 30, 2012</b>	<b>146,699</b>
<b>At December 31, 2011</b>	<b>104,132</b>

In the nine-month period ended September 30, 2012, the Company paid an amount of R\$13,607 related to operating leases.

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## 18 Related parties

### 18.1 Commercial transactions and other operations

Petrobras carries out commercial transactions with its subsidiaries, special purpose entities and associates at normal market prices and market conditions. At September 30, 2012 and December 31, 2011, losses were not expected on the realization of these accounts receivable.

#### 18.1.1 By account

	Jan-Sep/2012	Parent company 09.30.2011			
	Result	Assets Current	Non-current	Total	Current
<b>Result</b>					
<b>Operating income, mainly from sales</b>	93,849				
<b>Exchange and monetary variations, net</b>	(1,824)				
<b>Financial income (expenses), net</b>	(732)				
<b>Assets</b>					
<b>Trade accounts receivable</b>		<b>7,534</b>	<b>7,131</b>	<b>14,665</b>	
Accounts receivable, mainly from sales		7,333	-	7,333	
Dividends receivable		201	-	201	
Intercompany operations		-	4,643	4,643	
Advance for capital increase		-	1,008	1,008	
Amounts related to construction of gas pipeline		-	761	761	
Reimbursement receivable		-	286	286	
Other operations		-	433	433	
<b>Liabilities</b>					
<b>Finance leases</b>					(1,000)
<b>Financing on credit operations</b>					(1,000)
<b>Intercompany operations</b>					
<b>Accounts payable to suppliers</b>					(13,000)
Purchases of oil, oil products and other					(10,000)
Affreightment of platforms					(2,000)
Advance from clients					

Others

**Other operations**

	<b>91,293</b>	<b>7,534</b>	<b>7,131</b>	<b>14,665</b>	<b>(16,</b>
<b>Jan-Sep/2011</b>	<b>83,629</b>				
<b>As of December 31, 2011</b>		<b>14,306</b>	<b>11,840</b>	<b>26,146</b>	<b>(12,</b>

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**18.1.2 By company**

	Jan-Sep/2012		Parent company 09.30.2012		
	Result	Current	Assets Non-current	Total	Current
<b><u>Subsidiaries (*)</u></b>					
BR Distribuidora	54,578	2,367	23	2,390	(238)
PIB-BV	16,951	1,255	4,387	5,642	(5,898)
Gaspetro	4,859	1,393	761	2,154	(1,632)
Empresa de Logística de E&P	1,812	6	-	6	(793)
Transpetro	434	216	-	216	(624)
Refinaria Abreu e Lima	236	250	830	1,080	-
Thermoelectric power plants	116	173	261	434	(94)
Breitener Energética	84	-	44	44	-
PNBV	66	78	18	96	(2,418)
Brasoil	(272)	1	345	346	(10)
PIFCo	(246)	15	3	18	(2,924)
Other subsidiaries	469	609	340	949	(908)
	<b>79,087</b>	<b>6,363</b>	<b>7,012</b>	<b>13,375</b>	<b>(15,539)</b>
<b><u>Specific purpose entities (SPE)</u></b>					
PDET Off Shore	(57)	-	62	62	(307)
CDMPI	(45)	-	-	-	(290)
Nova Transportadora do Nordeste - NTN	(10)	392	50	442	(295)
Nova Transportadora do Sudeste - NTS	(31)	364	3	367	(262)
	<b>(143)</b>	<b>756</b>	<b>115</b>	<b>871</b>	<b>(1,154)</b>
<b><u>Associates</u></b>					
	<b>12,349</b>	<b>415</b>	<b>4</b>	<b>419</b>	<b>(150)</b>
	<b>91,293</b>	<b>7,534</b>	<b>7,131</b>	<b>14,665</b>	<b>(16,843)</b>

(\*) It includes its subsidiaries and jointly controlled entities.

**18.1.3 Rates of intercompany loans**

**Parent company**

	<b>Assets</b>		<b>Liabilities</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>	<b>09.30.2012</b>	<b>12.31.2011</b>
Up to 7% p.a.	4,313	9,103	(14,635)	-
Fom 7% to 10% p.a.	47	-	-	-
From 10% to 13% p.a.	9	276	-	-
More than 13% p.a.	274	529	-	-
	<b>4,643</b>	<b>9,908</b>	<b>(14,635)</b>	<b>-</b>

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## 18.2 Non standard credit rights investment fund (FIDC-NP)

The Parent Company has resources invested in the non standard credit right investment fund (FIDC-NP) which are mainly earmarked for the acquisition of performing and/or non-performing credit rights of operations performed by subsidiaries of the Petrobras System. The balances of the Parent Company's operations with the nonstandard credit right investment fund (FIDC-NP) are as follows:

	<b>Parent Company</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>
Financial investments	570	2,474
Marketable securities	3,367	6,840
Financial charges to be allocated	96	153
Assignments of performed rights	(1,022)	(681)
<b>Total classified in current assets</b>	<b>3,011</b>	<b>8,786</b>
Assignments of non-performed rights	(9,143)	(9,639)
<b>Total classified in current liabilities</b>	<b>(9,143)</b>	<b>(9,639)</b>
	<b>Jan-Sep/2012</b>	<b>Jan-Sep/2011</b>
Financial income FIDC-NP	662	164
Financial expenses FIDC-NP	(1,003)	(964)
<b>Financial income (expenses), net</b>	<b>(341)</b>	<b>(800)</b>

## 18.3 Guarantees granted

The financial operations carried out by these subsidiaries and guaranteed by Petrobras present the following balances pending settlement:

Maturity date of the loans	09.30.2012					12.31.2011	
	PNBV	PifCo	PIB-BV	Ref. Abreu e Lima	TAG	Total	Total
2012	3,181	3,046	-	-	-	6,227	8,003
2013	65	760	-	-	-	825	782
2014	453	1,172	-	-	-	1,625	1,612
2015	2,437	2,538	-	-	-	4,975	2,264
2016	3,612	8,419	-	-	-	12,031	11,213
2017	2,530	4,082	609	-	-	7,221	3,468
2018 and thereafter	22,324	40,784	3,554	10,580	11,958	89,200	67,025
	<b>34,602</b>	<b>60,801</b>	<b>4,163</b>	<b>10,580</b>	<b>11,958</b>	<b>122,104</b>	<b>94,367</b>

#### 18.4 Investment fund of subsidiaries abroad

At September 30, 2012, a subsidiary of PIB-BV had amounts invested abroad in an investment fund that held, among others, debt securities of other consolidated companies of the Petrobras System related to the Company's projects, mainly the Gasene, Malhas, CLEP, and Marlim Leste (P-53) projects, equivalent to R\$ 15,419 (R\$ 14,527 at December 31, 2011, held by PifCo and Brasoil).

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## 18.5 Transactions with jointly controlled entities, associates, government entities and pension funds

Significant transactions resulted in the following balances:

	<b>Consolidated</b>	
	<b>09.30.2012</b>	
	<b>Assets</b>	<b>Liabilities</b>
<b>Jointly controlled entities and associates</b>	<b>1,671</b>	<b>1,116</b>
Gas distributors	999	476
Braskem and its subsidiaries	402	178
Other jointly controlled entities and associates	270	462
<b>Government entities and pension funds</b>	<b>38,443</b>	<b>66,162</b>
Government bonds	24,962	-
Banco do Brasil S.A. (BB)	2,040	9,215
Restricted deposits for legal proceedings and guarantees (CEF and BB)	3,393	-
Electricity sector (note 18.5.1)	4,458	-
Petroleum and alcohol account - Receivable from Federal government (note 18.5.2)	835	-
BNDES	7	44,615
Caixa Econômica Federal (CEF)	2,438	8,255
Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (ANP)	-	3,583
Federal government - Proposed dividends and interest on shareholders' equity	-	-
Petros (Pension fund)	-	144
Others	310	350
	<b>40,114</b>	<b>67,278</b>
<b>Current</b>	<b>34,745</b>	<b>7,474</b>
<b>Non-current</b>	<b>5,369</b>	<b>59,804</b>

### 18.5.1 Receivables from the electricity sector

As of September 30, 2012, the Company had a total amount of R\$ 4,458 (R\$ 3,672 at December 31, 2011) of receivables from the electricity sector.



The Company supplies fuel to thermoelectric power plants, direct or indirect subsidiaries of Eletrobras, located in the northern region of Brazil. Part of the costs for supplying fuel to these thermoelectric power stations is borne by funds from the Fuel Consumption Account (CCC), managed by Eletrobras.

The Company also supplies fuel to Independent Power Producers (PIE), companies created for the purpose of producing power exclusively for Amazonas Distribuidora de Energia S.A. - AME, a direct subsidiary of Eletrobras, and the payments for the fuel supplied depend directly on the forwarding of funds from AME to those Independent Power Producers.

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The balance of these receivables at September 30, 2012 was R\$ 4,039 (R\$ 3,217 at December 31, 2011), of which R\$ 3,001 was overdue (R\$ 2,655 at December 31, 2011).

The Company has been using all available resources in order to recover these receivables. The Company has also made a formal statement to Eletrobras, regarding the necessity of issuing warranties to its controlled entities in order to supply fuel from September 1, 2012 on.

As negotiations advanced, on October 1, 2012 the Company received R\$1 billion from AME and granted an extension until October 31, 2012 for Eletrobras to present the requested guarantees.

Additionally, the Company has electricity supply contracts with AME signed in 2005 by its subsidiary Breitener Energética S.A., which, based on the conditions of the agreements, are considered a financial lease of the two thermoelectric power plants, as the contracts determine, among other conditions, the disposal of the power plants to AME at the end of the agreement period with no restitution (20-year term). The balance of these receivables was R\$419 (R\$ 455 as of December, 31, 2011) and none of which were overdue.

### **18.5.2 Petroleum and alcohol accounts - STN**

At September 30, 2012, the balance of the account amounted to R\$ 835 (R\$ 832 at December 31, 2011) and this balance can be settled by the Federal Government by issuing National Treasury Notes in an amount equal to the final balance for the settling of accounts with the Federal Government, in pursuant to what is established in Provisional Measure 2,181, of August 24, 2001, or through offsetting against other amounts that Petrobras may owe the Federal Government at the time, including tax related amounts or a combination of the foregoing operations.

In order to conclude the settlement with the Federal Government, the Company has provided all the information required by the National Treasury Secretariat (STN) to mitigate divergences between the parties.

After exhausting negotiation process under the administrative level, the Company decided to judicially collect the aforementioned credit and, accordingly, filed a lawsuit in July 2011.

## **18.6 Remuneration of key employees and officers**

Short-term benefits for the Company's officers in the nine-month period ended September 30, 2012 were R\$ 8.6 (R\$ 6.4 in the nine-month period ended September 30, 2011, referring to seven officers and nine board members). At September 30, 2012 the Company had seven officers and ten board members.

In the nine-month period ended September 30, 2012, the remuneration of board members and officers for the consolidated Petrobras group amounted to R\$ 38.7 (R\$ 31.6 in the nine-month period ended September 30, 2011).

As established in Federal Law 12,353/2010, the Board of Directors of Petrobras is now composed of ten members, after ratification of the employees' representative in the Annual General Meeting of March 19, 2012.

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*(In millions of reais, except when stated otherwise)***19 Provisions for decommissioning costs (non-current)**

	<b>Consolidated</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>
<b>Non-current liabilities</b>		
<b>Opening balance</b>	<b>8,839</b>	<b>6,505</b>
Revision of provision	47	2,455
Use by payment	(342)	(488)
Accrual of interest	189	210
Others	26	157
<b>Closing balance</b>	<b>8,759</b>	<b>8,839</b>

**20 Taxes****20.1 Recoverable taxes**

	<b>Consolidated</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>
<b>Current assets</b>		
Taxes in Brazil:		
ICMS	3,371	3,186
PIS/COFINS	3,872	2,351
CIDE	46	144
Income tax	3,427	2,251
Social contribution	742	615
Other taxes	553	422
	<b>12,011</b>	<b>8,969</b>
Taxes abroad	604	1,082
	<b>12,615</b>	<b>10,051</b>

**20.2 Taxes payable**

	<b>Consolidated</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>
<b>Current liabilities</b>		
ICMS	2,797	2,178

PIS/COFINS	677	579
CIDE	34	477
Special participation / Royalties	4,795	5,190
Withholding Income tax and social contribution	315	831
Current income tax and social contribution	766	494
Other taxes	1,137	1,220
	<b>10,521</b>	<b>10,969</b>

### 20.3 Deferred taxes and social contribution - non-current

	<b>Consolidated</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>
<b>Non-current assets</b>		
Deferred income tax and social contribution	6,647	8,042
Deferred ICMS	2,022	2,199
Deferred PIS and COFINS	8,520	9,338
Others	552	472
	<b>17,741</b>	<b>20,051</b>
<b>Non-current liabilities</b>		
Deferred income tax and social contribution	36,306	33,230
Others	8	38
	<b>36,314</b>	<b>33,268</b>

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*(In millions of reais, except when stated otherwise)***20.4 Deferred income tax and social contribution**

Income taxes in Brazil comprise income tax and the social contribution on net income, where the applicable official rates are 25% and 9%, respectively.

The changes in the deferred income tax and social contribution are presented as follows:

	<b>Property, plant and equipment Exploration costs for the extraction of crude oil and gas</b>		<b>Accounts receivable / payable, loans and financing</b>	<b>Finance leases</b>	<b>Provision for legal proceedings</b>	<b>Consolidated</b>
	<b>Other</b>	<b>Other</b>				
<b>Balance at December 31, 2010</b>	<b>(17,482)</b>	<b>(1,897)</b>	<b>(1,852)</b>	<b>(1,123)</b>	<b>497</b>	
Recognized in the results for the year	(3,854)	(2,321)	815	(201)	150	
Recognized in shareholders' equity	-	-	-	44	-	
Cumulative translation adjustment	-	(100)	(6)	-	15	
Others	-	186	246	(303)	(33)	
<b>Balance at December 31, 2011</b>	<b>(21,336)</b>	<b>(4,132)</b>	<b>(797)</b>	<b>(1,583)</b>	<b>629</b>	
Recognized in the results for the period	(3,247)	(1,547)	2,338	4	22	
Recognized in shareholders' equity	-	-	-	-	-	
Cumulative translation adjustment	-	(340)	(4)	-	11	
Others	(27)	32	(142)	(69)	54	
<b>Balance at September 30, 2012</b>	<b>(24,610)</b>	<b>(5,987)</b>	<b>1,395</b>	<b>(1,648)</b>	<b>716</b>	



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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 projections that have been made.

## 20.5 Reconciliation of income tax and social contribution on income

The reconciliation of the taxes calculated in accordance with statutory rates and the amount of taxes recorded are presented as follows:

	<b>Consolidated</b>	
	<b>Jan-Sep/2012</b>	<b>Jan-Sep/2011</b>
Income before income taxes	<b>19,044</b>	<b>36,366</b>
Income tax and social contribution at statutory rates (34%)	(6,475)	(12,364)
Adjustments for calculation of the effective rate:		
· Tax benefit from inclusion of interest on shareholders' equity as operating expenses	887	2,661
· Results of companies abroad subject to different tax rates	494	1,389
· Tax incentives	210	93
· Tax losses	(501)	(345)
· Permanent exclusions/(additions), net*	(745)	(166)
· Others	278	248
Income tax and social contribution expense	<b>(5,852)</b>	<b>(8,484)</b>
Deferred income tax and social contribution	(3,580)	(3,209)
Current income tax and social contribution	(2,272)	(5,275)
	<b>(5,852)</b>	<b>(8,484)</b>



Effective rate for income tax and social contribution	30.7%	23.3%
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(\*) It includes equity accounting.

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(Consolidated and Parent Company)

*(In millions of reais, except when stated otherwise)***21 Employee benefits**

The Company sponsors defined benefit and variable contribution pension plans, in Brazil and abroad, and has a health care plan, with defined benefits, that covers all present and retired employees of the companies in Brazil and their dependents.

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

	<b>Pension Plan</b>	<b>Consolidated Health Care Plan</b>	<b>Total</b>
<b>Balance at December 31, 2010</b>	<b>4,795</b>	<b>11,786</b>	<b>16,581</b>
Costs incurred in the year	1,047	1,846	2,893
Payment of contributions	(514)	(611)	(1,125)
Payment of the financial commitment agreement	(290)	-	(290)
Others	21	-	21
<b>Balance at December 31, 2011</b>	<b>5,059</b>	<b>13,021</b>	<b>18,080</b>
<b>Current</b>	776	651	1,427
<b>Non-current</b>	4,283	12,370	16,653
	<b>5,059</b>	<b>13,021</b>	<b>18,080</b>
Costs incurred in the period	1,443	1,576	3,019
Payment of contributions	(409)	(525)	(934)
Payment of the financial commitment agreement	(150)	-	(150)
Others	24	4	28
<b>Balance at September 30, 2012</b>	<b>5,967</b>	<b>14,076</b>	<b>20,043</b>
<b>Current</b>	846	651	1,497
<b>Non-current</b>	5,121	13,425	18,546
	<b>5,967</b>	<b>14,076</b>	<b>20,043</b>

The net expenditure with the pension and health care plans includes the following components:

	<b>Consolidated Pension plan</b>			<b>Total</b>
	<b>Defined benefit</b>	<b>Variable contribution</b>	<b>Health care plan</b>	
Current service cost	310	366	215	891
Cost of interest:	-	-	-	-
· With financial commitment agreement	417	-	-	417
· Actuarial	4,787	125	1,306	6,218
Estimated income from the plan's assets	(4,483)	(39)	-	(4,522)
Amortization of unrecognized actuarial losses	309	13	52	374
Contributions by participants	(315)	(79)	-	(394)
Unrecognized past service cost	18	5	3	26
Others	8	1	-	9
<b>Net costs for the period Jan-Sep/2012</b>	<b>1,051</b>	<b>392</b>	<b>1,576</b>	<b>3,019</b>
Related to:				
Active employees	517	384	597	1,498
Retired employess	534	8	979	1,521
<b>Net costs for the period Jan-Sep/2012</b>	<b>1,051</b>	<b>392</b>	<b>1,576</b>	<b>3,019</b>
<b>Net costs for the period Jan-Sep/2011</b>	<b>510</b>	<b>272</b>	<b>1,385</b>	<b>2,167</b>

At September 30, 2012, the balances of the Terms of Financial Commitment (TFC), signed by the Company and Petros in 2008, totaled R\$ 5,341, of which R\$ 128 in interest falls due in 2012. On the same date, the Company held crude oil and oil products from its inventory pledged as security for the TFC in the amount of R\$5.882, replacing the long-term National Treasury Notes that previously guaranteed the commitment, in July 2012.

In the nine-month period ended September 30, 2012, the Company's contribution to the defined contribution portion of the Petros Plan 2 was R\$ 372.

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## **22 Shareholders' Equity**

### **22.1 Paid-in capital**

At September 30, 2012, subscribed and fully paid-in capital in the amount of R\$ 205,392 is 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.

### **22.2 Dividends**

#### ***Interest on shareholders' equity - fiscal year 2012***

The Company's Board of Directors approved on April 27, 2012, the early distribution of remuneration to shareholders in the form of interest on shareholders' equity, as established in article 9 of Law 9,249/95 and Decrees 2,673/98 and 3,381/00, in the amount of R\$ 2,609, corresponding to a gross value of R\$ 0.20 per common and preferred shares, which payment occurred on May 31, 2012, based on the shareholding position of May 11, 2012.

This interest on shareholders' equity should be discounted from the remuneration that will be distributed at the closing of fiscal year 2012. The amount is monetarily restated in accordance with the variation of the SELIC rate since the date of effective payment until the end of the aforementioned year. At September 30, 2012 the restated amount of interest on shareholders' equity is R\$ 2.676.

The interest on shareholders' equity is subject to 15% of withholding income tax, except for shareholders that are declared immune or exempt.

### **22.3 Earnings per share**

	<b>Consolidated</b>		<b>Parent</b>
	<b>Jan-Sep/2012</b>	<b>Jan-Sep/2011</b>	<b>Jan-Sep/2012</b>
Net income attributable to Petrobras' shareholders	13,435	28,264	13,176
Weighted average of the number of common and preferred shares outstanding (No. of Shares)	13,044,496,930	13,044,496,930	13,044,496,930
Basic and diluted earnings per common and preferred share ( R\$ per share)	1.03	2.17	1.01

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*(In millions of reais, except when stated otherwise)***23 Sales revenue**

	<b>Consolidated</b>	
	<b>Jan-Sep/2012</b>	<b>Jan-Sep/2011</b>
<b>Gross sales revenue</b>	255,054	224,876
Sales charges	(47,080)	(45,957)
<b>Sales revenues</b>	<b>207,974</b>	<b>178,919</b>

**24 Other operating expenses, net**

	<b>Consolidated</b>	
	<b>Jan-Sep/2012</b>	<b>Jan-Sep/2011</b>
Pension and health care plans	(1,521)	(1,169)
Unscheduled stoppages and pre-operating expenses	(1,178)	(970)
Allowance for marking inventories to market value	(1,081)	(644)
Institutional relations and cultural projects	(1,012)	(933)
Losses and contingencies with judicial proceedings	(985)	(392)
Expenses related to collective bargaining agreement	(875)	(596)
Expenditures on health, safety and environment	(417)	(453)
Operating expenses with thermoelectric power stations	(158)	(183)
Gains on disposal of non-current assets	(13)	(262)
Impairment	(1)	(5)
Government grants	704	386
Expenditures/reimbursements from operations in E&P partnerships	163	(128)
Gains from legal and arbitration proceedings	-	683
Others	(104)	(987)
	<b>(6,478)</b>	<b>(5,653)</b>

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*(In millions of reais, except when stated otherwise)***25 Expenses by nature**

	<b>Consolidated</b>
	<b>Jan-Sep/2012 Jan</b>
Raw material / products purchased	(88,236)
Production taxes	(23,227)
Personnel expenses	(17,331)
Depreciation, depletion and amortization	(15,841)
Finished goods and work in progress inventories variation	1,915
Contracted services, freights, rents and general charges	(30,312)
Projects without economic viability (It includes dry wells and signature bonuses)	(4,126)
Taxes expenses	(489)
Losses with judicial and administrative procedures	(985)
Gains from legal and arbitration proceedings	-
Institutional relations and cultural projects	(1,012)
Unscheduled stoppages and pre-operating expenses	(1,178)
Expenditures on health, safety and environment	(417)
Allowance for marking inventories to market value	(1,081)
Impairment	(1)
	<b>(182,321)</b>
Cost of sales	(153,629)
Selling expenses	(7,234)
Administrative and general expenses	(7,237)
Exploration costs	(5,719)
Research and development expenses	(1,535)
Other taxes	(489)
Other operating income and expenses, net	(6,478)
	<b>(182,321)</b>





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**26 Financial income (expenses), net**

	<b>Consolidated</b>	
	<b>Jan-Sep/2012</b>	<b>Jan-Sep/2011</b>
Exchange and monetary variation on net debt (*)	(3,740)	(4,416)
Expenses on debt	(7,407)	(5,970)
Income from investments and marketable securities	2,643	3,912
<b>Financial result on net debt</b>	<b>(8,504)</b>	<b>(6,474)</b>
Capitalized financial charges	5,472	5,513
Gains (losses) on derivatives	(78)	(66)
Income from marketable securities	320	351
Other financial expenses and income, net	33	187
Other exchange and monetary variations, net	(3,754)	211
<b>Financial income (expenses), net</b>	<b>(6,511)</b>	<b>(278)</b>
<b>Financial income (expenses), net (**)</b>		
Income	3,815	5,396
Expenses	(2,832)	(1,469)
Exchange and monetary variations, net	(7,494)	(4,205)
	<b>(6,511)</b>	<b>(278)</b>

(\*) Includes monetary variation on debt in local currency indexed to the variation of the US dollar.

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

**27 Supplementary information on the statement of cash flows**

	<b>Consolidated</b>	
	<b>Jan-Sep/2012</b>	<b>Jan-Sep/2011</b>
<b>Amounts paid and received during the period</b>		
Income tax and social contribution	1,400	2,483
Third party withholding income tax	2,960	3,067

**Investment and financing transactions not involving cash**

Acquisition of property, plant and equipment on credit	282	10
Formation of provision for decommissioning costs	-	5

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(Consolidated and Parent Company)

*(In millions of reais, except when stated otherwise)***28 Segment information**

<b>Consolidated assets by Business Area - 2012</b>	<b>Exploration and Production</b>	<b>Refining, Transportation &amp; Marketing</b>	<b>Gas &amp; Power BI</b>
<b>Current assets</b>	<b>12,413</b>	<b>40,949</b>	<b>6,035</b>
<b>Non-current assets</b>	<b>278,075</b>	<b>135,787</b>	<b>49,166</b>
Long-term receivables	9,495	8,650	3,278
Investments	138	5,823	2,299
Property, plant and equipment, net	192,086	121,006	42,829
Intangible assets	76,356	308	760
<b>As of September 30, 2012</b>	<b>290,488</b>	<b>176,736</b>	<b>55,201</b>
<b>Consolidated assets by Business Area - 12.31.2011</b>			
<b>Current assets</b>	<b>10,537</b>	<b>41,203</b>	<b>4,707</b>
<b>Non-current assets</b>	<b>254,164</b>	<b>116,982</b>	<b>47,150</b>
Long-term receivables	7,766	7,910	3,050
Investments	23	6,306	2,160
Property, plant and equipment, net	169,833	102,473	41,208
Intangible assets	76,542	293	732
<b>As of December 31, 2011</b>	<b>264,701</b>	<b>158,185</b>	<b>51,857</b>

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

	<b>Jan-Sep/2012</b>					
	<b>Exploration and Production</b>	<b>Refining, Transportation &amp; Marketing</b>	<b>Gas &amp; Power</b>	<b>Biofuels</b>	<b>Distribution</b>	<b>International Co</b>
<b>Sales revenues</b>	<b>107,628</b>	<b>170,015</b>	<b>16,022</b>	<b>632</b>	<b>57,182</b>	<b>26,147</b>
Intersegments	106,407	53,886	2,333	469	1,084	5,473
Third parties	1,221	116,129	13,689	163	56,098	20,674
Cost of sales	(47,980)	(189,125)	(12,932)	(668)	(52,114)	(20,413)
<b>Gross profit</b>	<b>59,648</b>	<b>(19,110)</b>	<b>3,090</b>	<b>(36)</b>	<b>5,068</b>	<b>5,734</b>
<b>Income</b>						
<b>(expenses)</b>	<b>(8,250)</b>	<b>(6,610)</b>	<b>(1,616)</b>	<b>(167)</b>	<b>(3,178)</b>	<b>(2,019)</b>
Selling, administrative and general expenses	(742)	(4,643)	(1,363)	(94)	(3,125)	(1,293)
Exploration costs	(5,320)	-	-	-	-	(399)
Research and development expenses	(720)	(300)	(38)	(53)	(3)	(1)
Other taxes	(79)	(94)	(61)	(2)	(20)	(130)
Other operating expenses, net	(1,389)	(1,573)	(154)	(18)	(30)	(196)
<b>Income before financial results, profit sharing and income taxes</b>	<b>51,398</b>	<b>(25,720)</b>	<b>1,474</b>	<b>(203)</b>	<b>1,890</b>	<b>3,715</b>
Financial income (expenses), net	-	-	-	-	-	-
Equity in results of non-consolidated companies	(4)	(306)	226	(67)	2	49
<b>Income before income taxes</b>	<b>51,394</b>	<b>(26,026)</b>	<b>1,700</b>	<b>(270)</b>	<b>1,892</b>	<b>3,764</b>
Income tax and social contribution	(17,475)	8,745	(501)	69	(643)	(1,701)

<b>Net income</b>	<b>33,919</b>	<b>(17,281)</b>	<b>1,199</b>	<b>(201)</b>	<b>1,249</b>	<b>2,063</b>
<b>Net income attributable to:</b>						
Shareholders of Petrobras	33,925	(17,281)	1,138	(201)	1,249	1,934
Non-controlling interests	(6)	-	61	-	-	129
	<b>33,919</b>	<b>(17,281)</b>	<b>1,199</b>	<b>(201)</b>	<b>1,249</b>	<b>2,063</b>

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(Consolidated and Parent Company)

*(In millions of reais, except when stated otherwise)***Consolidated Statement of Income per Business Area - 2011**

	<b>Exploration and Production</b>	<b>Refining, Transportation &amp; Marketing</b>	<b>Gas &amp; Power</b>	<b>Biofuels D</b>
<b>Sales revenues</b>	<b>89,919</b>	<b>146,413</b>	<b>11,965</b>	<b>370</b>
Intersegments	89,287	47,585	1,606	323
Third parties	632	98,828	10,359	47
Cost of sales	(39,022)	(149,694)	(6,557)	(423)
<b>Gross profit</b>	<b>50,897</b>	<b>(3,281)</b>	<b>5,408</b>	<b>(53)</b>
<b>Income (expenses)</b>	<b>(5,058)</b>	<b>(5,018)</b>	<b>(1,895)</b>	<b>(135)</b>
Selling, administrative and general expenses	(588)	(3,903)	(1,316)	(79)
Exploration costs	(2,524)	-	-	-
Research and development expenses	(932)	(277)	(95)	(15)
Other taxes	(54)	(58)	(89)	(1)
Other operating expenses, net	(960)	(780)	(395)	(40)
<b>Income before financial results, profit sharing and income taxes</b>	<b>45,839</b>	<b>(8,299)</b>	<b>3,513</b>	<b>(188)</b>
Financial income (expenses), net	-	-	-	-
Equity in results of non-consolidated companies	-	(79)	317	7
<b>Income before income taxes</b>	<b>45,839</b>	<b>(8,378)</b>	<b>3,830</b>	<b>(181)</b>
Income tax and social contribution	(15,586)	2,821	(1,194)	64
<b>Net income</b>	<b>30,253</b>	<b>(5,557)</b>	<b>2,636</b>	<b>(117)</b>
<b>Net income attributable to:</b>				
Shareholders of Petrobras	30,269	(5,543)	2,623	(117)
Non-controlling interests	(16)	(14)	13	-
	<b>30,253</b>	<b>(5,557)</b>	<b>2,636</b>	<b>(117)</b>

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(Consolidated and Parent Company)

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

<b>Income statement</b>	<b>Exploration and Production</b>	<b>Refining, Transportation &amp; Marketing</b>	<b>Ga &amp; Pow</b>
<b>Sales revenues</b>	<b>7,691</b>	<b>13,392</b>	<b>8</b>
Intersegments	5,437	3,173	
Third parties	2,254	10,219	8
<b>Income before financial results, profit sharing and income taxes</b>	<b>4,059</b>	<b>(244)</b>	<b>2</b>
<b>Net income attributable to shareholders of Petrobras</b>	<b>2,461</b>	<b>(234)</b>	<b>2</b>

<b>Income statement</b>	<b>Exploration and Production</b>	<b>Refining, Transportation &amp; Marketing</b>	<b>Ga &amp; Pow</b>
<b>Sales revenues</b>	<b>5,761</b>	<b>10,602</b>	<b>6</b>
Intersegments	4,542	2,709	
Third parties	1,219	7,893	6
<b>Income before financial results, profit sharing and income taxes</b>	<b>2,253</b>	<b>(92)</b>	<b>1</b>
<b>Net income attributable to shareholders of Petrobras</b>	<b>2,004</b>	<b>(88)</b>	<b>1</b>

<b>Total assets</b>	<b>Exploration and Production</b>	<b>Refining, Transportation &amp; Marketing</b>	<b>Ga &amp; Pow</b>
<b>As of 09.30.2012</b>	<b>29,727</b>	<b>6,472</b>	<b>1,5</b>
<b>As of 12.31.2011</b>	<b>27,358</b>	<b>6,365</b>	<b>1,7</b>





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*(In millions of reais, except when stated otherwise)***29 Legal proceedings and contingencies**

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

**29.1 Provisions for legal proceedings**

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

The Federal Public Attorney's Office and the Public Attorney's Office of the State of Paraná filed lawsuits against Petrobras with respect to compensation for pain and suffering, financial damages and environmental recovery due to oil spillages: (i) at Terminal São Francisco do Sul – Refinaria Presidente Vargas, on July 16, 2000, provided for in 2011 which updated amount as of September 30, 2012 is R\$ 70; and (ii) in the Araucária – Paranaguá polyduct (OLAPA), at the headwaters of Rio do Meio (the Meio river), in the town of Morretes – state of Paraná, on February 16, 2001, which resulted in a reconciliation agreement signed on April 26, 2012, provided for in March, 2012 of R\$ 106, R\$ 94 of which were paid in May 2012, and R\$ 12 are provisioned in order to support expenses to recover the area.

The amounts recorded as provisions, net of restricted deposits for legal proceedings, are as follows:

<b>Non-current liabilities</b>	<b>Consolidated</b>		<b>Parent company</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>	<b>09.30.2012</b>	<b>12.31.2011</b>
Labor claims	356	290	248	202
Tax claims	758	661	99	12

Civil claims (*)	297	298	174	161
Other claims	159	112	83	62
	<b>1,570</b>	<b>1,361</b>	<b>604</b>	<b>437</b>

(\*) Net of restricted deposits for legal proceedings and guarantees, when applicable.

	<b>Consolidated</b>		<b>Parent company</b>	
	<b>09.30.2012</b>	<b>12.31.2011</b>	<b>09.30.2012</b>	<b>12.31.2011</b>
<b>Opening balance</b>	<b>1,361</b>	<b>1,265</b>	<b>437</b>	<b>425</b>
Addition of provision	929	534	626	335
Use by payments	(720)	(183)	(475)	(118)
Transfers per deposits in court	(70)	(266)	(75)	(237)
Accrual of interest	91	72	91	86
Others	(21)	(61)	-	(54)
<b>Closing balance</b>	<b>1,570</b>	<b>1,361</b>	<b>604</b>	<b>437</b>

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## 29.2 Legal proceedings classified as possible losses (not provisioned for)

Nature	Consolidated Estimate
Tax	39,755
Civil - General	3,335
Labor	2,652
Civil - Environmental	1,096
Others	7
	<b>46,845</b>

The following tables present in detail the main lawsuits of a tax and civil nature, whose expectations of loss are classified as possible:

### a) *Proceedings of a tax nature*

#### **Plaintiff: Federal Revenue Department of Brazil**

- 1) Deduction from the calculation basis of income tax (IRPJ) and social contribution (CSLL) and a fine  
 Current situation: Awaiting a hearing of a voluntary appeal at the Administrative Board of Tax Appeals.
- 2) Profit of subsidiaries and associates domiciled abroad in 2005, 2006, 2007 and 2008 not included in  
 Current situation: Awaiting a hearing of an appeal at the administrative instance.
- 3) Deduction from the calculation basis of IRPJ and CSLL of expenses incurred in 2007 related to bene  
 Current situation The question is being argued in the ambit of two processes at the administrative lev
- 4) Withheld income tax (IRRF) on remittances for payment of affreightment of vessels in the period f  
 Current situation: The Company is discussing the issue in the judicial sphere and has a preliminary d  
 tax liability.
- 5) Non payment of CIDE on imports of naphtha sold to Braskem.  
 Current situation: The issue is being discussed at the administrative level.
- 6) Non-payment of CIDE in the period from March 2002 till October 2003 in transactions with distribut  
 of judicial injunctions that determined the sale without transfer of that tribute.  
 Current situation: Awaiting a hearing of an appeal in the Higher Chamber of Tax Appeals (CSRF).
- 7) Non-payment of tax on financial operations (IOF) on intercompany loans.  
 Current situation: Awaiting a hearing of an appeal at the administrative instance.

8) Withheld income tax (IRRF) on remittances abroad for payment of petroleum imports.  
Current situation: Awaiting a hearing of an appeal at the administrative instance.

**Plaintiff: State Finance Department of Rio de Janeiro**

9) ICMS on exit operations of liquid natural gas (LNG) without issuing a tax document in the ambit of  
Current situation: The question involves processes in various administrative and judicial stages, when  
rights.

10) Difference in ICMS rate in operations of sale of aviation jet fuel, due to the declaration of unconst  
Current situation The question involves processes which are in progress at the administrative level, w  
defense.

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**Plaintiff: State Finance Department of São Paulo**

11) Withdrawal of collection of ICMS 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 situation: One of the processes is in the administrative stage and another was submitted to judicial proceedings, obtaining a decision favorable to the Company.

4,201

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

12) 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 116/03.

Current situation: The question involves processes in various administrative and judicial stages, where the Company has sought to ensure its rights.

1,875

**Plaintiff: State Finance Departments of Rio de Janeiro and Sergipe**

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

Current situation: The question involves processes in various administrative and judicial stages, where the Company has sought to ensure its rights.

912

14) Other processes of a tax nature

7,719

**Total for proceedings of a tax nature**

**39,755**

**b) Proceedings of a civil nature - General**

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

1) Differences in the payment of special participation charge in fields of the Campos Basin: Albacora, Carapeba, Cherne, Espadarte, Marimba, Marlim, Marlim Sul, Namorado, Pampo and Roncador fields. In addition, the plaintiff is claiming fines for alleged non-compliance with minimum exploratory programs.

1,168

Current stage: With the conclusion of the administrative phase of this proceeding, this matter was brought before the judicial courts. The Company obtained an injunction suspending the collection of fines until the end of the trial process, which is currently before the first instance, in the production of evidence phase.

2) Other proceedings of a civil nature

2,167

**Total for proceedings of a civil nature**

**3,335**

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### **c) Other Information**

#### **Plaintiff: Porto Seguro Imóveis Ltda.**

On August 28, 2012, the Superior Court (STJ), unanimously upheld the special appeal filed by Petrobras, dismissing the plaintiff's claims. Porto Seguro Imóveis Ltda., a former minority shareholder of Petroquisa, filed a lawsuit related to alleged losses suffered as a result of the disposal of Petroquisa's interest in various petrochemical companies included in the National Privatization Program. Based on the aforementioned decision, the possibility of an outflow of resources related to this contingent liability which amounted to R\$ 7,791 was considered remote.

#### **29.3 Contingencies from operating partnerships - Frade field**

In November 2011, there was an oil spillage in the Frade field, located in the Campos basin, which is operated by Chevron Brasil. The federal public prosecutor is conducting an investigation and has initiated a process claiming R\$ 20 billion in damages against Chevron Brasil, Chevron Latin America Marketing LLC and Transocean Brasil Ltda., where the latter was operator of the platform at the time of the spillage.

In April 2012, a new public civil suit was filed by the Federal Public Attorney's Office against Chevron and Transocean, due to droplets of oil identified in underwater images within the Frade field. In this suit the Federal Public Attorney's Office intends to condemn the defendants to a further R\$ 20 billion as compensation for damages to the community.

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 suit, as the oil was not identified on the surface, it is not even possible to conceive of the existence of any actual damage to the community.

Petrobras holds a 30% interest in the Frade consortium. Although it is not a party to the legal suits, because of its equity interest, Petrobras may be contractually obliged to pay 30% of the total contingencies related to 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 referring to the compensations.

## **29.4 Contingent**

### **29.4.1 Recovery of maintenance costs – Barracuda & Caratinga**

In 2006, Petrobras, as representative of Barracuda & Caratinga Leasing Company B.V. (BCLC), filed to an arbitration abroad against Kellogg, Brown, Root, LLC (KBR), to obtain indemnifications for maintenance costs incurred on flexible lines of the Barracuda and Caratinga field, during the period covered by a contractual guarantee.

On September 21, 2011, the arbitration Court decided in favor of BCLC, definitively, condemning KBR to indemnify R\$ 339, pleaded in the arbitration, plus Petrobras' internal costs in conducting the arbitration, in addition to legal fees and costs of the arbitration. After the decision, the Company recognized in 2011 the amount of R\$ 339 in non-current assets.



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### **30 Guarantees for concession agreements for oil exploration**

Petrobras gave guarantees to the Agência Nacional de Petróleo, Gás Natural e Biocombustíveis (ANP) in the total amount of R\$ 6,424 for the Minimum Exploration Programs established in the concession agreements for exploration areas, with R\$ 5,644 remaining in force, net of commitments that have been undertaken. Of this amount, R\$ 3,192 corresponds to crude oil from previously identified producing fields pledged as security and R\$ 2,452 refers to bank guarantees.

### **31 Risk management and derivative financial instruments**

Petrobras is exposed to a series of risks arising from its operations: market risk related to the price of oil and oil products, foreign exchange and interest rates risk, credit risk and liquidity risk.

#### **31.1 Risk management**

The Petrobras' risk management policy aims at contributing towards an appropriate equilibrium between its objectives for growth and return and its risk exposure level, whether inherent to the exercise of its activities or arising from the context within which it operates, so that, through effective allocation of its physical, financial and human resources, the Company may achieve its strategic goals.

The Executive Board, responsible for the management of the Company's risks, set up the Financial Integration Committee to periodically assess and establish guidelines for measuring, monitoring, and managing the risks, and to support its decisions. This Committee is permanently composed of all the executive managers of the financial department, and the executive managers of the business departments are convened for discussions of specific themes.

#### **31.2 Market risk**

### **31.2.1 Risk management of prices of oil and oil products**

Petrobras preferably maintains exposure to the prices cycle, not using derivatives for hedging the purchases and sales that aim to attend the Company's operational requirements.

Operations with derivatives are limited to hedging the expected results from transactions carried out abroad, which are usually short-term, accompanying the terms of commercial operations.

The main parameters used in risk management, for changes in the Company's prices 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.

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**a) Notional amount, fair value and guarantees of derivative instruments of crude oil and oil products**

Statement of Financial Position	Consolidated Notional value		Fair value **	
	(in thousands of bbl)*			
	09.30.2012	12.31.2011	09.30.2012	12.31.2011
<b>Futures contracts</b>	<b>(3,311)</b>	<b>(6,217)</b>	<b>(29)</b>	<b>34</b>
Purchase commitments	33,735	30,193		
Sale commitments	(37,046)	(36,410)		
<b>Options contracts</b>	<b>(1,429)</b>	<b>(2,130)</b>	<b>(0.7)</b>	<b>(4)</b>
Call	<b>286</b>	<b>(730)</b>	<b>(0.8)</b>	<b>(3)</b>
Long position	6,280	6,728		
Short position	(5,994)	(7,458)		
<b>Put</b>	<b>(1,715)</b>	<b>(1,400)</b>	<b>0.1</b>	<b>(1)</b>
Long position	6,145	3,990		
Short position	(7,860)	(5,390)		
<b>Forward contracts</b>	<b>50</b>	<b>275</b>	<b>(0.4)</b>	<b>(0.1)</b>
Long position	50	275		
<b>Total recognized in other current assets and liabilities</b>			<b>(30.1)</b>	<b>30</b>

(\*) A negative notional amount (in bbl) represents a short position

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

Financial income	Jan-Sep/2012	Jan-Sep/2011
Gain (loss) recognized in the results for the period	(202)	(76)
<b>Garantees given as collateral</b>	<b>Consolidated 09.30.2012</b>	<b>12.31.2011</b>

Generally consist of deposits

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**b) Sensitivity analysis of crude oil and oil products derivatives**

The probable scenario is the fair value at September 30, 2012. The stressed scenarios consider price changes on the risk variable of 25% and 50%, respectively, comparatively to September 30, 2012.

		<b>Consolidated Probable at 09.30.2012</b>	<b>Possible (Δ of 25%)</b>	<b>Remote (Δ of 50%)</b>
Oil and Oil Products	Risk			
Brent	Derivative (Brent prices increase)	11	(405)	(820)
	Inventories (Brent prices decrease)	(2)	416	834
		<b>9</b>	<b>11</b>	<b>14</b>
Diesel	Derivative (Diesel prices increase)	2	(70)	(141)
	Inventories (Diesel prices decrease)	(11)	61	133
		<b>(9)</b>	<b>(9)</b>	<b>(8)</b>