



(Convenience Translation into English from the Original Previously Issued in Portuguese)

INSTITUTO BALEIA JUBARTE

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2009 AND 2008

INSTITUTO BALEIA JUBARTE

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009 AND 2008

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INDEPENDENT AUDITORS' REPORT
PAR-10/007

The Shareholders and Management of
INSTITUTO BALEIA JUBARTE

1. We have audited the balance sheet of **INSTITUTO BALEIA JUBARTE ("IBJ")** as of December 31, 2009, and the accompanying statements of surplus, changes in shareholders' equity and statement of cash flows for the year then ended, prepared under the responsibility of IBJ's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. Our audits were conducted in accordance with auditing standards in Brazil and comprised: a) planning of the work, taking into consideration the significance of the balances, volume of transactions, and the accounting and internal control systems of IBJ, b) checking, on a test basis, the evidence and records that support the amounts and accounting information disclosed, and c) evaluating the significant accounting practices and estimates adopted by management, as well as the presentation of the financial statements taken as a whole.
3. In our opinion, the financial statements referred to above present fairly, in all material aspects, the equity and financial position of **INSTITUTO BALEIA JUBARTE** as of December 31, 2009, and the result of its operations, changes in shareholders' equity, cash flows for the year then ended, in accordance with Brazilian accounting practices.
4. As mentioned in note 1, **IBJ** is negotiating with Petrobrás the renewal of the partnership agreement and the receipt of new financial resources. However, the management does not expect its effects to be significant to the cash flows in view of the budget reserve.

5. Other independent auditors examined the financial statements for the year ended December 31, 2008, presented for comparison purposes. Their report, dated March 13, 2009 was unqualified.

Belo Horizonte - State of Minas Gerais, March 5, 2010.



**BAKER TILLY
BRASIL**

MG AUDITORES INDEPENDENTES
CRCMG – 006422/O

A blue ink signature of José Renato Gomes de Assumpção.

José Renato Gomes de Assumpção
Accountant CRCMG 024688/O-9

A blue ink signature of José Miguel Barros de Rezende.

José Miguel Barros de Rezende
Accountant CRCMG 056269/O-1

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**BAKER TILLY
BRASIL**
AUDITORES & CONSULTORES

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EXHIBIT 1

IBJ - INSTITUTO BALEIA JUBARTE.

**BALANCE SHEET
AS OF DECEMBER 31, 2009 AND 2008
(In thousands of Brazilian reais)**

ASSETS	Note #	<u>2009</u>	<u>2008</u>
CURRENT ASSETS			
Cash and cash equivalents	4	256	354
Financial investments	5	968	405
Inventories		36	49
Other receivables		<u>27</u>	<u>46</u>
Total current assets		<u>1.287</u>	<u>854</u>
NONCURRENT ASSETS			
PERMANENT ASSETS			
Property, plant and equipment	6	771	780
Intangible assets	7	<u>3</u>	<u>3</u>
Total noncurrent assets		<u>774</u>	<u>783</u>
TOTAL		<u>2.061</u>	<u>1.637</u>

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EXHIBIT 1 (Page 2)

IBJ - INSTITUTO BALEIA JUBARTE.

**BALANCE SHEET
AS OF DECEMBER 31, 2009 AND 2008
(In thousands of Brazilian reais)**

LIABILITIES	Note #	<u>2009</u>	<u>2008</u>
CURRENT LIABILITIES			
Trade accounts payable		53	48
Salaries and related charges	8	87	111
Provision for vacations		38	78
Taxes payable		<u>1</u>	<u>1</u>
Total current liabilities		<u>179</u>	<u>238</u>
NONCURRENT LIABILITIES			
CAPITAL			
Capital		1.399	1.439
Surplus (deficit) for the year		<u>483</u>	<u>(40)</u>
Total shareholders' equity		<u>1.882</u>	<u>1.399</u>
TOTAL		<u>2.061</u>	<u>1.637</u>
		-	-

The accompanying notes are an integral part of these financial statements.

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EXHIBIT 2

IBJ - INSTITUTO BALEIA JUBARTE.

**STATEMENT OF SURPLUS (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(In thousands of Brazilian reais)**

	Note #	<u>2009</u>	<u>2008</u> Reclassified
FUNDS			
Revenue from agreements and partnerships		3.408	3.174
Other operating revenues		<u>97</u>	<u>68</u>
NET OPERATING REVENUES	9	<u>3.505</u>	<u>3.242</u>
Cost of projects	10	(1.701)	(1.968)
Cost of goods sold		<u>(38)</u>	<u>(36)</u>
		<u>(1.739)</u>	<u>(2.004)</u>
GROSS INCOME		1.766	1.238
OPERATING EXPENSES			
Expenses with personnel	11	(528)	(585)
General and administrative expenses	11	(597)	(547)
Tax expense		(38)	(55)
Amortization and depreciation		(130)	(124)
Other operating revenues (expenses)		(43)	15
OPERATING REVENUES (EXPENSES), NET		<u>(1.336)</u>	<u>(1.296)</u>
OPERATING INCOME BEFORE FINANCIAL EFFECTS		430	(58)
Net income		<u>53</u>	<u>18</u>
SURPLUS (DEFICIT) FOR THE YEAR		<u>483</u>	<u>(40)</u>

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EXHIBIT 3

IBJ - INSTITUTO BALEIA JUBARTE.

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(In thousands of Brazilian reais)**

	<u>Capital</u>	<u>Accumulated surplus (deficit)</u>	<u>Total</u>
Balances as of December 31, 2007	1.218	221	1.439
Incorporation of the surplus of the previous year	221	(221)	-
Net deficit for the year	-	(40)	(40)
Balances as of December 31, 2008	1.439	(40)	1.399
Incorporation of the deficit from the previous year	(40)	40	-
Net surplus	-	483	483
Balances as of December 31, 2009	1.399	483	1.882

The accompanying notes are an integral part of these financial statements.

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EXHIBIT 4

IBJ - INSTITUTO BALEIA JUBARTE.

**STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008
(In thousands of Brazilian reais)**

	<u>2009</u>	<u>2008</u>
OPERATING ACTIVITIES		
Surplus (deficit) for the year	<u>483</u>	<u>(40)</u>
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation and amortization	130	124
	<u>130</u>	<u>124</u>
Decrease (increase) in assets		
Inventories	13	(23)
Other receivables	19	(30)
	<u>32</u>	<u>(53)</u>
Increase (decrease) in liabilities		
Trade accounts payable	5	48
Salaries and related charges	(64)	71
	<u>(59)</u>	<u>119</u>
FUNDS PROVIDED BY OPERATING ACTIVITIES	<u>586</u>	<u>150</u>
INVESTMENT ACTIVITIES		
Additions to property, plant and equipment	(121)	(150)
FUNDS USED IN INVESTMENT ACTIVITIES	<u>(121)</u>	<u>(150)</u>
Increase in cash and cash equivalents	465	-
Cash and cash equivalents at beginning of year	<u>759</u>	<u>759</u>
Cash and cash equivalents at end of year	<u><u>1.224</u></u>	<u><u>759</u></u>

INSTITUTO BALEIA JUBARTE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008 (In thousands of reais)

1. OPERATIONS

Instituto Baleia Jubarte was founded on May 29, 1996. It is a legal entity organized under the provisions of the private law, in the form of a non-profit civil association, with administrative and financial autonomy, governed by bylaws and applicable legislation.

IBJ is engaged in promoting, defending and preserving the environment and in actions that stimulate sustainable development, especially in works that aim the protection and scientific research on humpback whales and other cetaceans, including among its activities:

- a) Planning and executing work with the purpose of getting to know natural environment of significant interest to the preservation of humpback whales;
- b) Promoting national or international congresses, courses, symposia or seminars within its purposes;
- c) Rendering services to similar institutions or other Institutions and companies for free or by means of compensation;
- d) Establishing apprenticeships or assistance to scholarly people and/or researchers;
- e) Promoting and fostering environmental education as an instrument of citizenship formation and of improvement of the quality of life in local communities;
- f) Promote and conserve local cultural and artistic values integrating them to environmental conservation;
- g) Maintain a broad cooperation and exchange with Federal, State and Municipal Governments and other public or private institutions, including international ones that work in sectors directly or indirectly covered by its business purpose.

Instituto Baleia Jubarte is headquartered in the city of Caravelas, State of Bahia, and is kept with funds obtained through agreements, provision of services, sponsoring agreements and donations. A small part of it is provided by self-sustaining resources.

Instituto Baleia Jubarte is sponsored by Petrobrás since 1996. In the period 1996-2006, the agreements were executed for annual terms, always with an interval between renewals. Such intervals had strong effects on the organization's budget. In the last three-year period, the sponsoring term was extended to last three years.

The current agreement is in effect until September 2010. IBJ is already negotiating a renewal. The new proposal projects adjustment of ten percent in the values practiced. It will be sent in June, and is projected to be approved by October 2010. Therefore, IBJ expects to minimize the effects on the budget between the end of the prevailing agreement and beginning of the new one.

IBJ currently has a reserve of approximately three hundred thousand reais, what is enough to cover the needs until January 2011.

2. PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements were prepared and are presented in accordance with accounting practices adopted in Brazil, Brazilian Securities and Exchange Commission (CVM) rules as well as the guidelines in Brazilian Corporation Law (Law No. 6.404/76), which include the new provisions introduced, amended and revoked by Law No. 11.638, dated December 28, 2007 and Law No. 11.941, dated May 27, 2009.

3. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

a. Determination of surplus of the year and current assets and liabilities

The surplus of the year is determined under the accrual basis and includes the net effect of financial income and expenses, as well as monetary variation and contract indexes applicable on current assets and liabilities, where applicable.

b. Financial investments

They are carried at cost. Yield is recognized under the cash basis during the redemption of the financial investments, not exceeding market value.

c. Inventories

Inventories are valued at the lower between average purchase cost and market value.

d. Property, plant and equipment

They are carried at historical purchase cost, less depreciation calculated under the straight-line method, based on the estimated useful lives of the assets mentioned in note 6.

e. Agreements

Until December 31, 2009, the funds obtained through agreements or partnerships were booked as revenues from "government-controlled companies" and "private companies."

f. Capital

It is represented by the initial equity value plus (less) the surplus (deficit) of the years.

4. CASH AND CASH EQUIVALENTS

	<u>2009</u>	<u>2008</u>
Cash	1	2
Cash in banks	<u>255</u>	<u>352</u>
Total	<u><u>256</u></u>	<u><u>354</u></u>

5. FINANCIAL INVESTMENTS

	<u>2009</u>	<u>2008</u>
Financial investments	<u>968</u>	<u>405</u>
Total	<u><u>968</u></u>	<u><u>405</u></u>

They represent investment in CDBs (Bank Deposit Certificates), which bear interest at a rate of 97 to 100% of CDI (Interbank Deposit Rate) at the closing of the year 2009.

6. PROPERTY, PLANT AND EQUIPMENT

		<u>2009</u>		<u>2008</u>	
	Depreciation rate (p.a.)	Cost	Accumulated depreciation	Net	Net
Plots of land	-	97	-	97	97
Buildings	4%	210	(51)	159	159
Furniture and fixtures	10%	91	(30)	61	49
Machinery and equipment	10%	456	(237)	219	237
Shipping equipment	5%	214	(87)	127	135
Vehicles	20%	190	(184)	6	33
IT equipment	20%	173	(111)	62	56
Other	20%	<u>54</u>	<u>(14)</u>	<u>40</u>	<u>14</u>
Total		<u><u>1,485</u></u>	<u><u>(714)</u></u>	<u><u>771</u></u>	<u><u>780</u></u>

IBJ's property, plant and equipment are all located in Brazil and are used exclusively in operations. The management understands that such assets are fully recoverable through the cash flow of future operations.

7. INTANGIBLE ASSETS

The accounts that compose intangible assets are presented in a specify group, according to determinations of article 178, paragraph 1, item c), combined with article 179, item VI of Law 6.404/76, amended by Law 11.638, of 2007.

	Depreciation rate (p.a.)	2009		2008
		cost	Accumulated depreciation	Net
Trademarks and patents		3	-	3
Total		3	-	3

Reclassified according to Law 11.638/07 and Provisional Measure 449/08.

8. SALARIES AND RELATED CHARGES

	2009	2008
Salaries payable	37	45
Contributions payable for the Social Security Institute (INSS)	30	33
Withholding Income Tax (IRRF)	5	8
Contributions payable for the Severance Pay Fund (FGTS)	6	10
Contribution for the Social Integration Program payable on payroll	2	2
INSS withheld of third parties payable	5	3
Services Tax withheld and payable	1	1
Other	1	9
Total	87	111

9. FUNDS

IBJ is funded by donations and financial contributions from agreements or partnerships with public and private companies. The revenue received along the year 2009 is as follows:

	<u>2009</u>	<u>2008</u>
<u>Government-controlled companies:</u>		
Petrobras	2.616	2.260
Municipal Government of Mata de São João	-	79
	<u>2.616</u>	<u>2.339</u>
<u>Private companies:</u>		
Veracel	510	498
Aracruz	149	261
Other	133	76
	<u>792</u>	<u>835</u>
<u>Other revenue:</u>	"a"	
Tickets/Box office	38	24
Store	59	44
	<u>97</u>	<u>68</u>
Total	<u><u>3.505</u></u>	<u><u>3.242</u></u>

- a) They are represented by revenue from the sale of tickets for visitation of the Research and Environmental Education Center (CENTROPEA), as well as from the sale of customized products available in IBJ's stores, such as: caps, stickers, postcards, key chains, earrings, brooches and mugs, which are among the most sold.

10. COST OF PROJECTS

	<u>2009</u>	<u>2008</u>
		Reclassified
Personnel	962	966
Services rendered	284	208
Maintenance	62	78
Advertising	15	40
Lease	58	153
Other costs	320	523
Total	<u><u>1.701</u></u>	<u><u>1.968</u></u>

11. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2009</u>	<u>2008</u>
		Reclassified
Personnel	528	585
Services rendered	222	239
Maintenance	29	30
Advertising	70	29
Lease	44	39
Other costs	<u>232</u>	<u>210</u>
Total	<u><u>1.125</u></u>	<u><u>1.132</u></u>

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