Black Raven Energy, Inc.
Form 10-K
April 15, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2010

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 001-32471

BLACK RAVEN ENERGY, INC.

(Exact Name of Registrant as Specified in Its Charter)

Nevada	**20-0563497**
(State or Other Jurisdiction of	(I.R.S. Employer Identification No.)

Incorporation or Organization)

1331 Seventeenth Street, Suite 350	
Denver, Colorado	**80202**
(Address of Principal Executive Offices)	(Zip Code)

Registrant s Telephone Number, including area code: **(303) 308-1330**

Securities registered pursuant to Section 12(b) of the Act: **None.**

Securities registered pursuant to Section 12(g) of the Act: **None.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes x No o

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

There is no public market for the registrant s common stock. Therefore, the aggregate market value of the registrant s common stock held by non-affiliates as of June 30, 2010 was $0.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes o No x

As of March 18, 2011, the registrant had 16,776,874 shares of common stock outstanding.

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Cautionary Note Regarding Forward-Looking Statements

We may from time-to-time make statements that are forward-looking, including statements contained in this Annual Report on Form 10-K and other filings with the Securities and Exchange Commission (the SEC) and in reports to our shareholders. Such statements may, for example, express expectations or projections about future actions that we may take or about developments beyond our control including changes in domestic or global economic conditions. These statements are made on the basis of our management s views and assumptions as of the time the statements are made and we undertake no obligation to update these statements. Our actual results may differ significantly from the results discussed in the forward-looking statements. General factors that might cause such differences include, but are not limited to:

- Changes in gas prices due to volatility of the market;
- Our ability to evaluate our future performance due to limited operating history;
- Our ability to replace reserves through development of existing properties in order to sustain production;
- Our ability to insure against liabilities associated with properties or obtain protection from sellers against them;
- Our dependence on a farm-out agreement and performance of the agreement by a third party;
- Our ability to acquire or transact business due to requirements of significant external capital changing our risk and property profile;
- Our ability to manage the risks inherent in operations of gas properties;
- Our exposure to guaranteed indebtedness of our subsidiaries and the covenants in the agreements governing that debt;
- Our ability to manage due to covenants limiting discretion of management in operating our business;

- Our ability to perform certain development operations depends on financing through equity or debt;

- Our ability to successfully integrate future acquisitions; and

- Our ability to attract and retain professional personnel.

For more information on these and other risk factors that may affect our business, refer to Item 1A Risk Factors included in this Annual Report.

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PART I

ITEM 1. BUSINESS.

Description of Business

Black Raven Energy, Inc. (Black Raven, the Company, us, our or we) , formerly known as PRB Energy, Inc. (PRB Energy) was original organized as a mid-stream energy company providing gathering and processing services to third party natural gas producers. During 2005 and 2006, we expanded our operations to include developing and producing natural gas properties along with providing management services as contract operator on jointly owned producing properties. In 2006, we also expanded our gathering services through acquisition of additional gathering systems in the Recluse, Wyoming area. By the end of 2007 and through 2008, our strategic focus was concentrated on recapitalization pursuits to generate the cash necessary to cover our debt service obligations and infuse additional capital required to realize our growth expectations. We filed for Chapter 11 bankruptcy on March 5, 2008 and emerged from bankruptcy on February 2, 2009.

During 2008, we also provided gas gathering and compression services for properties for third-party producers. As discussed below, during the pendency of our Chapter 11 bankruptcy from March 5, 2008 through February 2, 2009, we sold our Antelope Valley and South Kitty Pipeline, our GAP/Bonepile Gathering System and our Coal Bed Methane Fields, which were all gathering and processing assets.

Black Raven currently is focused on the development of low-risk shallow gas reserves in the Niobrara formation of the eastern D-J Basin. The Niobrara formation in this part of the D-J Basin is an unconventional tight gas play characterized by a chalk formation. The Company has approximately 178,000 net acres under lease in the play and operates 100% of its acreage position. The acreage is located in Sedgwick and Phillips counties in Colorado and in Perkins, Chase and Dundy counties in Nebraska. On July 23, 2010, the Company entered into a Farmout Agreement with Atlas Resources LLC (Atlas), a wholly-owned subsidiary of Atlas Energy, Inc, relating to natural gas drilling within an area of mutual interest in the Company s leased properties (the AMI). Since that time, our principal focus has been the execution of our obligations under that agreement. In addition,the Company is pursuing acquisitions of under-exploited oil and gas properties with potential upside.

We were initially incorporated in Nevada under the name PRB Transportation, Inc. in December 2003. On June 14, 2006, we changed our name to PRB Energy, Inc. On February 2, 2009, in connection with our emergence from bankruptcy, PRB Energy changed its corporate name to Black Raven Energy, Inc. Our corporate offices are located at 1331 Seventeenth Street, Suite 350, Denver, Colorado 80202, and our telephone number is (303)308-1330.

Emergence from Chapter 11 Bankruptcy

On January 16, 2009, the Bankruptcy Court entered an order confirming PRB Energy s and PRB Oil and Gas, Inc. s (PRB Oil), a wholly-owned subsidiary of PRB Energy, Modified Second Amended Joint Plan of Reorganization (the Plan).The,effective date of the Plan was February 2, 2009 (the Effective Date). Pursuant to the Plan, all of the issued and outstanding shares of PRB Energy s common stock were cancelled as of the Effective Date. The Plan further provided for the issuance of new common stock of Black Raven to certain claimants.

Pursuant to the terms of the Plan, the Company issued 1,419,339 shares of common stock, along with one warrant for each share at an exercise price of $2.50 per share, on a pro-rata basis to the holders of PRB Energy convertible notes. The Company issued an additional 74,959 shares of common stock, along with one warrant for each share at an exercise price of $2.50 per share, on a pro-rata basis to the other claimants related to accounts payable and accrued expenses and other current liabilities. The Company also issued 13.5 million shares of common stock to West Coast Opportunity Fund (WCOF), the principal pre-petition secured creditor.

After the effective date of the Plan, PRB Oil was merged into the Company. We deconsolidated PRB Gathering, Inc. (PRB Gathering), a wholly-owned subsidiary of PRB Energy during the fourth quarter of 2008. Effective November 1, 2008, control of the Recluse Gathering System was turned over to a receiver appointed by the State Court of Wyoming . Since that time, we have not been involved in the gathering and processing business. PRB Gathering was dismissed from Chapter 11 bankruptcy on February 17, 2010.

Farmout Agreement

On July 23, 2010, the Company entered into a Farmout Agreement (the Farmout Agreement) with Atlas relating to natural gas drilling within the AMI. Under the terms of the Farmout Agreement, Atlas agreed to drill six initial wells identified in the Farmout Agreement (the Initial Wells) and to complete certain initial projects, including 3D seismic shoots, upgrades of sales meter equipment, and the change-out of compressors and upgrade of a dehydrator at the Company s facility. The Company assigned to Atlas all of its rights, title and interests in the defined areas around the planned wellbores (the Drilling Units) for the Initial Wells.

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The Farmout Agreement also provides for Atlas, at its discretion, to drill additional wells in the AMI in accordance with work plans (each a Work Plan) approved by Atlas under the Farmout Agreement. The initial Work Plan approved by Atlas covering the period from July 23, 2010 to April 30, 2011 provides for Atlas, at its discretion, to drill 60 additional wells. For each six month period after April 30, 2011, Atlas must submit a proposal to the Company setting forth the numbers of wells that it proposes to drill for such six month period (the Drilling Proposal) and the Company must provide a Work Plan to be approved by Atlas outlining the development plan for the wells set forth in the Drilling Proposal. In the event that Atlas determines not to drill at least 60 wells in the course of any six month period, the Company has the right, during such six month period, to drill for its own account that number of wells equal to the difference between 60 wells and the number of wells agreed to be drilled by Atlas. Upon payment of a well-site fee, delivery of an executed authorization for expenditure (AFE) for such well by Atlas, and drilling and completion of the applicable well, the Company will assign all of its rights, title and interest in the Drilling Unit established for such well. The Farmout Agreement also provides for certain rights of the Company and Atlas with respect to the drilling of deep wells and for the payment of drilling and future 3D seismic costs by Atlas.

As of December 31, 2010, drilling of the Initial Wells had been completed, and Atlas had funded and drilled an additional 23 wells pursuant to the initial Work Plan. Since December 31, 2010, an additional 17 wells have been funded and drilled. The accounts payable balance at December 31, 2010 contains $813,000 of drilling costs related to the Farmout Agreement.

In consideration for the agreements made under the Farmout Agreement, Atlas paid the Company $1,000,000 upon execution of the Farmout Agreement. Such amount has been shown as a recovery of the cost of the Company s proved and unproved oil and gas properties, as applicable. In addition, Atlas agreed to pay the Company a $60,000 well-site fee for each well drilled by the Compnay for Atlas in the AMI, including the Initial Wells. As of December 31, 2010, the Company had received $1,740,000 as well site fees for 29 wells drilled. The well site fees received have been recorded as a recovery of the cost of the Company s oil and gas properties. The Company will recognize gains on any well-site fees received for future drilling under the Farmout Agreement at such time that all costs related to the oil and gas properties subject to the Farmout Agreement have been recovered.

The Company will also receive an undivided six percent of eight eighths (6% of 8/8ths) overriding royalty interest on substantially all of the oil and gas produced and sold that is attributable to the Drilling Units assigned to Atlas under the Farmout Agreement, subject to certain deductions.

The term of the Farmout Agreement is ten years, subject to earlier termination pursuant to the terms set forth therein.

On August 11, 2010, in connection with the Farmout Agreement and ongoing investment advisory services, the Company entered into an advisory fee agreement with a third party whereby the Company agreed to pay $10,000 per well for the first 220 wells that are funded and drilled by Atlas under the Farmout Agreement discussed above, up to a maximum fee of $2.2 million. As of December 31, 2010, Atlas had funded and drilled 29 wells, and the Company had paid an advisory fee of $290,000.

Competition

Our gas exploitation activities take place in a highly competitive and speculative business atmosphere. As an independent producer, we have little control over the price we receive for our natural gas. In seeking suitable oil and gas properties for development or acquisition, we compete with a number of other companies, including large oil and gas companies and other independent operators with greater financial resources. In addition, because we have fewer financial and human resources than many companies in our industry, we may be at a disadvantage in bidding for exploratory prospects and producing oil and natural gas properties.

Revenues from two customers represented more than 90% of the Company s sales for the year ended December 31, 2010. We do not believe that the loss of any one customer would have a significant impact on our financial results because we believe there are other gas purchasers willing to take our production.

Government Regulation

Currently, the Company operates wells on state and fee lands. We believe that these wells and the facility operated by Black Raven are subject to and comply with all state regulations.

Federal, state and local authorities extensively regulate the energy industry. Legislation and regulations affecting the industry are under constant review for amendment or expansion, raising the possibility of changes that may affect, among other things, the pricing or marketing of gas production. Noncompliance with statutes and regulations may lead to substantial penalties and the overall regulatory burden on the industry increases the cost of doing business and, in turn, decreases profitability.

Governmental authorities regulate various aspects of gas drilling and production, including the drilling of wells (through permit and bonding requirements), the spacing of wells, the unitization or pooling of gas properties, environmental matters, safety standards,

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the sharing of markets, production limitations, plugging and abandonment and restoration.

The ongoing operations of the Company are subject to the Clean Water Act, the Clean Air Act, and other environmental regulations adopted by federal, state and local governmental authorities in jurisdictions where we are engaged in development or production operations. New laws or regulations, or changes to current requirements, could result in material costs or claims with respect to properties we own or have owned. We will continue to be subject to uncertainty associated with new regulatory interpretations and inconsistent interpretations between state and federal agencies. We could face significant liabilities to governmental authorities and third parties for discharges of oil, natural gas or other pollutants into the air, soil or water, and we could have to spend substantial amounts on investigations, litigation and remediation. Existing environmental laws or regulations, as currently interpreted or enforced, or as they may be interpreted, enforced or altered in the future, may have a material adverse effect on us.

We have reflected in our consolidated financial statements a reserve for future capital expenditures for remediation costs at the end of the life of the wells. Refer to Note 6 Asset Retirement Obligations to our consolidated financial statements in Item 8 of this Annual Report.

Employees

As of December 31, 2010, we had six full-time employees.

ITEM 1A. RISK FACTORS.

You should carefully consider the following risks and other information contained in this report. These risks could materially affect our business, results of operations or financial condition and adversely affect the value of our common stock. The risks and uncertainties described below are not the only risks facing us. If any of the following risks or uncertainties actually occurs, our business, financial condition and results of operations could be adversely affected.

Our auditors have expressed substantial doubt about our ability to continue as a going concern.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying consolidated financial statements, the Company continues to experience net losses from its operations, reporting a net loss before reorganization items of $4.3 million for the year ended December 31, 2010. Cash and cash equivalents on hand and internally generated cash flows may not be sufficient to execute the Company s business plan. Future bank financings, asset sales, or other equity or debt financings will be required to fund the Company s debt service, working capital requirements, planned drilling, potential acquisitions and other capital expenditures. These conditions raise substantial doubt about the Company s ability to continue as a going concern.

Our consolidated financial statements do not include any adjustments that may result from the outcome of this uncertainty. If we cannot secure additional financing and continue to incur losses, we may be unable to maintain a level of liquidity necessary to continue operating our business and may be required to discontinue operations.

Risks Related to the Natural Gas Industry and Our Business

Natural gas prices are volatile and a decline in prices could hurt our financial condition, operating results and ability to grow.

Our revenues, operating results, profitability, future rate of growth and the carrying value of our gas properties depend heavily on the prices we receive from natural gas sales. Gas prices also affect our cash flows and borrowing base, as well as the amount and value of our gas reserves.

Historically, the markets for natural gas have been volatile and they are likely to continue to be volatile. Wide fluctuations in gas prices may result from relatively minor changes in the supply of and demand for gas, market uncertainty and other factors that are beyond our control, including:

- domestic supplies of natural gas;
- weather conditions in the United States and wherever our property interests are located or our gas is sold;
- technological advances affecting energy consumption;
- the price and availability of alternative fuels;
- worldwide and domestic economic conditions;

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- actions by OPEC, the Organization of Petroleum Exporting Countries;
- political instability in major oil and gas producing regions;
- the level of consumer demand;
- changes in the overall supply and demand for oil and gas;
- the availability of transportation facilities;
- the ability of oil and gas companies to raise capital;
- the discovery rate of new oil and gas reserves;
- the cost of exploring for, producing and delivering oil and gas;
- the price of foreign imports of oil and gas; and
- governmental regulations and taxes, both domestic and foreign.

These factors and the volatility of gas markets make it very difficult to predict future gas price movements with any certainty. Declines in gas prices would reduce our revenues and could also reduce the amount of gas that we can produce economically and therefore could have a material adverse effect on us.

Our guarantee of certain indebtedness, and the covenants in the agreements governing that debt, could negatively impact our financial condition, results of operations and business prospects.

We guaranteed payment of the Amended and Restated Senior Secured Debenture (the Amended Debenture) and pledged substantially all of our assets as collateral. If we fail to comply with the restrictions in the agreements governing the Amended Debenture, an event of default could occur that would permit the lenders to foreclose on substantially all of our assets. Our ability to comply with these restrictions may be affected by events beyond our control, including prevailing economic and financial conditions. If we are required but unable to make the guaranteed payments under the Amended Debenture out of cash on hand or from internal cash flow, we could attempt to refinance the Amended Debenture, sell assets, or repay the Amended Debenture with the proceeds from an equity or debt offering. However, we may not be able to raise sufficient capital through the sale of assets or issuance of equity or debt to pay or refinance the amounts owed. Factors that will affect our ability to raise cash through a sale of assets or a debt or equity offering include financial market conditions and our market value and operating performance at the time of such offering or other financing. We may, therefore, not be able to successfully complete any such offering or sale of assets.

The Farmout Agreement has changed our business plan. We are relying on the ability of Atlas to fund our development plans, and the inability or failure of Atlas to fund our plans will hamper our growth.

The Farmout Agreement reduces our need to obtain funding. Our growth in gas sales under the Farmout Agreement will be from the 6% overriding royalty we receive from production of the wells drilled under the agreement. Our reliance on Atlas and the Farmout Agreement puts us at risk if Atlas is not able to meet its obligations or elects not to drill wells in the AMI.

Our development operations require substantial capital and we may be unable to obtain needed capital or financing on satisfactory terms, which could lead to a disposition of properties and a decline in our natural gas reserves.

The energy industry is capital intensive. We make and expect to continue to make substantial capital expenditures in our business and operations for development, production and acquisition of oil and natural gas reserves. To date, we have financed capital expenditures primarily with proceeds from the issuance of debt and equity plus cash generated by operations. In addition to funding provided by Atlas under the Farmout Agreement, we intend to finance our future capital expenditures with cash flow from operations and from debt or equity capital. Our cash flow from operations and access to capital is subject to a number of variables, including:

- the success of the Farmout Agreement;
- our proved reserves;
- the level of natural gas we are able to produce from existing wells;
- the prices at which natural gas is sold; and
- our ability to acquire, locate and produce new reserves.

If our revenues decrease as a result of lower natural gas prices, operating difficulties, declines in reserves or for any other reason, then we may have limited ability to obtain the capital necessary to sustain our operations at current levels. We may, from time to time, need to seek additional financing. There can be no assurance as to the availability or terms of any additional financing.

If additional capital is needed, then we may not be able to obtain debt or equity financing on terms favorable to us, or at all. If

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cash generated by operations is not sufficient to meet our capital requirements, the failure to obtain additional financing could result in a curtailment of our operations which in turn could lead to a possible disposition of properties and a decline in our reserves.

If we are not able to replace reserves, we will not be able to sustain production.

Our future operations depend on the Atlas Farmout Agreement and our ability to find, develop and acquire oil and gas reserves that are economically recoverable. Our properties produce gas at a declining rate over time. In order to become profitable, we must develop our properties or locate and acquire new oil and gas reserves to replace those being depleted by production. We may do this even during periods of low oil and gas prices. Competition for the acquisition of producing oil and gas properties is intense and many of our competitors have financial and other resources for acquisitions that are substantially greater than those available to us. Therefore, we may not be able to acquire oil and gas properties that contain economically recoverable reserves, or we may not be able to acquire such properties at prices acceptable to us. Without successful drilling or acquisition activities, our reserves, production and revenues will decline.

Our reserves and future net revenues may differ significantly from our estimates.

This Annual Report on Form 10-K contains estimates of our proved natural gas reserves. The estimates of reserves and future net revenues are not exact and are based on many variable and uncertain factors; therefore, the estimates may vary substantially from the actual amounts depending, in part, on the assumptions made and may be subject to adjustment either up or down in the future. The process of estimating natural gas reserves requires significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir. Therefore, these estimates are inherently imprecise. Actual future production, natural gas prices, revenues, taxes, development expenditures, operating expenses and quantities of recoverable natural gas reserves will vary from those estimated. Any significant variance could materially affect the estimated quantities and the value of our reserves. Our properties may also be susceptible to hydrocarbon drainage from production by other operators on adjacent properties. In addition, we may adjust estimates of proved reserves to reflect production history, results of exploration and development, prevailing natural gas prices and other factors, many of which are beyond our control. The reserve data assumes that we will make significant capital expenditures to develop our reserves. Although estimates of these natural gas reserves and the costs associated with development of these reserves are prepared in accordance with SEC regulations, actual capital expenditures will likely vary from estimated capital expenditures, development may not occur as scheduled and actual results may not be as estimated.

Our prices, income and cash flows may be impacted adversely by new taxes.

The federal, state and local governments in which we operate impose taxes on the gas products we sell. There has been a significant amount of discussion by the United States Congress and presidential administrations concerning a variety of energy tax proposals. In addition, many states have raised state taxes on energy sources and additional increases may occur. We cannot predict whether any of these measures would have an adverse impact on natural gas prices, our income or cash flows.

The Amended Debenture contains various restrictions limiting the discretion of our management in operating our business.

The Amended Debenture contains various restrictions. In particular, these restrictions limit our ability, without the lenders   approval, to, among other things:

- pay dividends on, redeem or repurchase our capital stock;
- make loans to others;
- incur additional indebtedness or issue preferred stock;
- create certain liens; and
- purchase or sell assets.

If we fail to comply with the restrictions of the Amended Debenture, an event of default may allow the creditors to foreclose on substantially all of our assets. Any such default or foreclosure could have a material adverse effect on us.

Continuing volatility in the financial and credit markets, and in oil and natural gas prices may affect our ability to obtain funding or to obtain funding on acceptable terms. These factors may hinder or prevent us from meeting our future capital needs and/or continuing to meet our obligations and conduct our business.

Global financial markets and economic conditions continue to be volatile, which has impacted the debt and equity capital markets. These issues, along with significant asset write-offs in the financial services sector, the re-pricing of credit risk and weak economic conditions, have made, and will likely continue to make, it difficult to obtain debt or equity capital funding.

Due to these factors, there can be no assurance that funding will be available to us, if needed, and to the extent required, on acceptable terms. If funding is not available as needed, or is available only on unfavorable terms, we may be unable to meet our

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obligations as they come due, enhance our existing business, complete acquisitions or otherwise take advantage of business opportunities, or respond to competitive pressures, any of which could have a material adverse effect on our production, revenues, results of operations, financial position and cash flows.

Drilling for and producing oil and natural gas are high risk activities with many uncertainties that could adversely affect our business, financial condition or results of operations.

Drilling and production activities are subject to numerous risks, including the risk that no commercially productive oil or natural gas will be found. The cost of drilling and completing wells is often uncertain, and oil and gas drilling and production activities may be shortened, delayed or canceled as a result of a variety of factors, many of which are beyond our control. These factors include:

- unexpected drilling conditions;
- title problems;
- pressure or irregularities in formations;
- equipment failures or accidents;
- adverse weather conditions;
- compliance with environmental and other governmental requirements;
- delays caused by regulatory approvals from state, local and other governmental authorities;
- shortages or delays in the availability of or increases in the cost of drilling rigs and the delivery of equipment;
- lack of availability oPLAY: inline; FONT-SIZE: 8pt; FONT-FAMILY: arial;">***2Q07 vs.2Q06***

Δ (%)

2Q07 vs.1Q07

1H07
Pro-forma

1H06
Pro-forma

D (%)
1H07vs.1H06

Total Volume ('000 m³)	**2,753**	**2,648**	**2,575**	**4%**	**7%**	**5,328**	**5,122**	**4%**
Diesel	1,665	1,640	1,518	2%	10%	3,183	3,127	2%
Gasoline	749	757	736	(1%)	2%	1,486	1,494	(1%)

Ethanol

194

110

185

76% 5%

379

229

65%

NGV

66

55

63

20% 5%

129

105

23%

Fuel oils and kerosene

44

54

41

(18%) 7%

85

109

(22%)

Lubricants and greases

34

32

31

7% 9%

66

58

(13%)

Operational Data Oxiteno	**2Q07**	**2Q06**	**1Q07**	***∆ (%)***	***∆ (%)***	**1H07**	**1H06**	***∆ (%) 1H07vs.1H06***

				2Q07 vs.2Q06	*2Q07 vs.1Q07*			
Total volume ('000 tons)	**147**	**134**	**144**	**9%**	**2%**	**291**	**263**	**11%**
Sales in Brazil	112	94	112	18%	0%	223	181	24%
Sales outside Brazil	35	40	32	(11%)	11%	67	82	(18%)

Operational Data Ultracargo	**2Q07**	**2Q06**	**1Q07**	***∆ (%) 2Q07 vs.2Q06***	***∆ (%) 2Q07 vs.1Q07***	**1H07**	**1H06**	***∆ (%) 1H07vs.1H06***
Effective storage ('000 m^3)[1]	276	235	263	17%	5%	269	230	17%
Total kilometrage (million)	8.5	11.4	8.9	(25%)	(4%)	17.4	24.1	(28%)

1 Monthly average

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Macroeconomic indicators	**2Q07**	**2Q06**	**1Q07**	***∆ (%) 2Q07 vs.2Q06***	***∆ (%) 2Q07 vs.1Q07***	**1H07**	**1H06**	***∆ (%) 1H07vs.1H06***
Exchange-rate average (R$/US$)	1.982	2.185	2.108	(9%)	(6%)	2.045	2.191	(7%)
Brazilian basic interest rate (CDI)	2.9%	3.6%	3.0%	(19%)	(4%)	6.0%	7.8%	(23%)
Inflation in the period (IPCA)	0.8%	0.1%	1.3%	716%	(35%)	2.1%	1.5%	35%

Highlights

Ipiranga–.Last April we acquired the controlling stake of certain companies of the Ipiranga Group, becoming owners of (i) the fuel and lubricant distribution businesses in the South and Southeast of Brazil, together with related activities, (ii) EMCA – Empresa Carioca de Produtos Químicos, a producer of white mineral oils and special fluids, and (iii) a stake in the refinery operations. Ultrapar's figures in 2Q07 already consolidate the results from the acquired businesses. The references to "Ipiranga" correspond to the fuel and lubricant distribution businesses acquired in the South and Southeast and related activities, as well as EMCA. Except where otherwise mentioned, the figures for Ultrapar referring to periods prior to 2Q07 do not include the acquired operations. Unaudited figures have been prepared relating Ipiranga for periods prior to 2Q07 ("Pro-forma Ipiranga"), with the sole purpose of providing a comparison base to facilitate the analysis of the company's performance. With the same purpose, when indicated, certain Ultrapar figures referring to quarters prior to 2Q07 include the operations acquired ("Pro-forma Ultrapar").

Ipiranga Group acquisition transaction is composed of four stages. The first stage was completed on April 18 with the change of control. We are currently on the second stage of the transaction, complying with the legal procedures to obtain the register for the mandatory tag along tender offers of Refinaria de Petróleo Ipiranga S.A. (RPI), Distribuidora de Produtos de Petróleo Ipiranga S.A. (DPPI) and Companhia Brasileira de Petróleo Ipiranga S.A. (CBPI). We estimate that this stage will be completed in September 2007, and that the whole transaction will be completed during 4Q07.

Share Buyback– On August 8, the Board of Directors of Ultrapar approved the renewal of a program to buy back shares issued by the company, continuing the program begun on August 2, 2006, once the buyback of Ultrapar shares is an attractive investment option for the company's available cash. The program allows for the buyback of up to 10% of the preferred shares outstanding and remains in force for one year with the possibility of renewal.

Certification under section 404 of the Sarbanes-Oxley Act– Ultrapar is pleased to announce that it has obtained the certification under section 404 of the Sarbanes-Oxley Act, attesting to the efficiency of the company's internal controls over financial disclosure. The document is available in the 2006 annual report Form 20-F, filed with the SEC (Securities and Exchange Commission) as well as with the CVM (the Brazilian securities and exchange commission) and is also available on the company's website - www.ultra.com.br, on the investor relations page. The obtaining of SOX certification reinforces Ultrapar's commitment to quality in the process, risks and control management, as well as the high standards of transparency adopted in the company's financial statements.

Oxiteno Mexico, S.A. de C.V.– Since July Canamex has been operating with a new name. Formerly named Canamex Químicos, S.A. de C.V., Oxiteno's subsidiary in Mexico has now a new name: Oxiteno Mexico, S.A. de C.V.. The good performance of the Mexican operations, which presented a 49% year-over-year growth in the volume sold in 2006, has proven the importance of the Oxiteno brand and its global reach. This change represents another step in the strengthening of the company’s internationalization process.

Ultrapar in the Macroeconomic Scenario

During the second quarter of 2007 we saw the continuity of an increasing economic activity trend, as reflected by indicators such as industrial employment, which showed an increase of 1.5% in the first five months of the year, compared to a stable situation in 2006. The Institute of Applied Economic Research (IPEA) estimates that Brazilian GDP has grown by 5.5% in the second quarter of the year, compared to the second quarter 2006. In addition, the retail sales indicator published by Serasa recorded a 9.6% growth in the first half of 2007, compared to the same period in 2006. Specialist retail, which includes vehicles and electro-electronic goods and textiles, led this growth, rising by 11.9%, driven basically by the increased availability of credit and a rise in the employment levels and the Brazilian population income.

This scenario has had a positive influence on Brazil's LPG market, which grew by 2% in 2Q07, compared to 2Q06. Sales volume at Ultragaz amounted to 402,000 tons in the period, up 2% on 2Q06, in line with the growth in the market. EBITDA at Ultragaz amounted to R$ 78 million in 2Q07, in line with the EBITDA reported in 2Q06.

The greater availability of credit and the improvement in the Brazilian population income resulted in record levels of vehicle sales in the first half of this year, amounting to 1.082 million vehicles registered, including cars, trucks and buses. This is a 25.7% increase compared to the first half of 2006, according to figures published by the National Vehicle Registry (Renavam). This growth has been having a positive influence on demand for fuels. Additionally, amendments to the legislation, as well as more rigorous inspection and procedure enforcement measures implemented in the sector, have contributed to improving the level of efficiency in the fuel distribution market, particularly in ethanol sales. EBITDA at Ipiranga amounted to R$ 105 million in 2Q07, 31% higher than in 2Q06, as a consequence of increased volume, as well as improvements implemented in the sector.

At Oxiteno, the improved performance of the economy, commercial initiatives, the development of new products and the greater availability of ethylene resulted in a 9% increase in volume compared to 2Q06, with an enhanced sales mix due to an increased percentage of specialty chemicalsand sales to the domestic market. Despite the volume growth, the effect of the 9% appreciation in the Brazilian Real on revenues and the increase in the cost of raw materials, especially ethylene, had a negative impact on EBITDA at Oxiteno, which amounted to R$ 28 million in 2Q07, down 40% compared to 2Q06. During 2Q07, Oxiteno continued to focus on its projects to expand the specialty chemicals production capacity, which will allow a significant increase in volumes from 2008, with higher added value products and scale gains.

At Ultracargo, the improved performance at the Santos Terminal and the expansion of the Suape Terminal contributed to an increase of 13% in EBITDA, compared to 2Q06, which amounted to R$ 12 million in 2Q07.

As a result, Ultrapar's consolidated EBITDA totaled R$ 225 million in 2Q07, up 66% compared to 2Q06, basically as a consequence of Ipiranga acquisition.

Operational Performance

Ultragaz – The Brazilian LPG market expanded by 2% in 2Q07, compared to 2Q06, basically reflecting an improvement in the performance of the economy, as well as an increase in the Brazilian population income. In the same period, the volume sold by Ultragaz totaled 402,000 tons, up 2% on the volume sold in 2Q06, in line with the growth in the market. The bulk segment grew by 9% (11,000 tons), as a consequence of higher consumption of large customers. In the bottled segment, the volume sold decreased by 1% (2,000 tons), as a result of increased sales in 2Q06 due to uncertainties related to the supply of natural gas from Bolivia in that quarter. Compared to 1Q07, Ultragaz's sales volume was 9% higher, due to the seasonal increase in sales volumes seen between the two periods. In the first half of the year Ultragaz's total sales volume amounted to 770,000 tons, up 3% on 1H06.

Ipiranga – The expansion in the vehicles market and the improvements made to legislation and inspection implemented in the sector, for example ANP resolution Nº 07, the implementation of CODIF/Passe Fiscal and the addition of colorant to anhydrous ethanol, had a positive influence on Ipiranga's sales volume, which amounted to 2,753,000 cubic meters in 2Q07. This volume represented a 4% increase compared to 2Q06, seeing that (i) the volume of gasoline, ethanol and natural gas for vehicles (NGV) increased by 9.5% (87,000 cubic meters), influenced by expansion in Brazil's vehicle fleet - particularly flex-fuel vehicles, improvements made in the sector and investment made in the gas stations for NGV distribution, and (ii) diesel volume increased by 1.5% (25,000 cubic meters), as a consequence of increased economic activity, with expansions seen in the fuel resale segment, and increased consumption on the part of major end consumer clients. Compared to 1Q07 there was an increase of 7% in Ipiranga's sales volume, particularly in diesel sales volume, as a result of seasonal variation between the two periods, largely as a function of the agricultural harvest, as well as better positioning on the part of Ipiranga to capture this volume.

<u>Oxiteno</u> - Total sales volume at Oxiteno in 2Q07 amounted to 147,000 tons, up 9% on 2Q06, with an 18% growth in the volume sold in the domestic market, resulting in better geographical and product sales mix. Growth in the domestic market occurred mainly in the cosmetics & detergents, agrochemicals, polyester and paint & varnishes segments. In the export market, sales decreased by 11% compared to 2Q06, as a consequence of a lower availability of products due to increased volume in the local market. Sales volume at Oxiteno Mexico increased by 24% in this quarter, amounting to 8,700 tons. Compared to 1Q07, Oxiteno showed a 2% increase in total volume sold, due to higher sales of specialty chemicals (+14%), in detriment to the sale of glycols. In the first half of the year, Oxiteno's sales volume amounted to 291,000 tons, up 11% on 1H06.

<u>Ultracargo</u> – In 2Q07, average storage volumes at Ultracargo, measured in cubic meters, were 17% higher than in 2Q06, basically due to an increase in operations at the Santos Terminal and the Suape Terminal, whose expansion was completed in 4Q06. Compared to 1Q07, this represented a 5% increase, the result of the higher utilization rate at the Santos and Aratu terminals. Total kilometrage traveled was down 25% and 4% compared to 2Q06 and 1Q07, respectively, basically as a consequence of Ultracargo's decision to concentrate its operations on the providing of differentiated services. In the first half of the year, Ultracargo's average storage volume, as measured in cubic meters, showed an increase of 17% while kilometrage traveled dropped by 28%.

Economic-Financial Performance

Net Sales and Services– Ultrapar's consolidated net sales and services in 2Q07 amounted to R$ 6,181 million, 416% and 426% up on the net sales in 2Q06 and 1Q07, respectively, as a result of the acquisition of Ipiranga. Taking Ultrapar Pro-forma figures in 2Q06 and 1Q07, net revenues would have increased by 3% and 8%, respectively, basically driven by the increase in Ultragaz and Ipiranga net sales and services. In 1H07, Ultrapar's net sales and services amounted to R$ 7,355 million, up 220% on 1H06.

Ultragaz – Net sales and services at Ultragaz amounted to R$ 798 million in 2Q07, up 2% compared to 2Q06, in line with the expansion of 2% in volume sold. Compared to 1Q07, net sales were up by 8%, basically as a result of a seasonal increase in sales volume. In 1H07, Ultragaz's net sales amounted to R$ 1,533 million, up 4% on 1H06.

Ipiranga – Net sales at Ipiranga amounted to R$ 4,959 million in 2Q07, up 4% and 9% compared to 2Q06 and 1Q07 Ipiranga Pro-forma figures, respectively, basically as a result of the expansion in the vehicles market and improvements in legislation and inspection implemented in the sector, partly offset by the variation in anhydrous and hydrated ethanol prices, which saw a drop as a result of the record levels of the sugarcane harvest in 2007 and the decrease in the ICMS tax rate in the state of Rio Grande do Sul. In 1H07, Ipiranga Pro-forma net sales amounted to R$ 9,505 million, up 3% compared to Ipiranga Pro-forma in 1H06.

Oxiteno – Oxiteno reported net sales and services of R$ 388 million in 2Q07, up 5% on 2Q06, basically as a result of an improvement in sales mix and better international commodity prices – the 9% increase in volume sold offset the 9% appreciation in the Brazilian Real against the US Dollar. Compared to 1Q07, there was a 2% reduction in net sales and services, basically due to the 6% appreciation in the Brazilian Real against the US Dollar. Net sales and services in 1H07 amounted to R$ 784 million, up 8% on 1H06.

Ultracargo – Net revenues at Ultracargo amounted to R$ 57 million in 2Q07, down 3% on 2Q06, as a result of a reduction in transport operations, partially offset by (i) an increase in storage revenue and (ii) new internal logistics operations as a result of the acquisition of Petrolog in May. Compared to 1Q07, net revenues in the quarter increased by 5% as a result of increased storage levels at the Aratu and Santos Terminals, and of the new internal logistics operations. In 1H07, net revenues at Ultracargo totaled R$ 111 million, 5% below the net revenue reported in 1H06.

Cost of Sales and Services – Ultrapar's cost of sales and services amounted to R$ 5,704 million in 2Q07, up 494% and 500% on 2Q06 and 1Q07, respectively, basically due to the acquisition of Ipiranga. Taking Ultrapar Pro-forma in 2Q06 and 1Q07, the cost of sales and services would have increased by 3% and 8%, respectively, driven basically by increased sales volume in all the businesses managed by Ultrapar, particularly Ipiranga. In 1H07, Ultrapar's cost of sales and services amounted to R$ 6,655 million, up 258% compared to 1H06, as a result of the addition of Ipiranga's costs from 2Q07.

Ultragaz – The cost of sales and services at Ultragaz amounted to R$ 670 million in 2Q07, up 3% and 8% compared to 2Q06 and 1Q07, respectively, in line with sales volume performance. Compared to 2Q06, the increase was also a result of the effects of inflation on distribution costs, as well as an increase in the cost associated with UltraSystem to bring it up to new safety standards. Compared to 1Q07, the benefits generated by the company's distribution structure review partially offset the increase due the higher volume sold. In 1H07 Ultragaz's cost of sales and services amounted to R$ 1,288 million, up 3% compared to 1H06.

Ipiranga – The cost of sales and services at Ipiranga amounted to R$ 4,702 million in 2Q07, up 3% on Ipiranga Pro-forma in 2Q06, as a result of an increase in volume sold, partly offset by a reduction in the cost of ethanol, due to record levels of the sugarcane harvest in 2007, and an alteration in the ICMS tax rate in the state of Rio Grande do Sul. Compared to Ipiranga Pro-forma in 1Q07, the cost of sales and services increased by 9%, basically as a result of higher volume sold. In 1H07 Pro-forma, Ipiranga's cost of sales and services amounted to R$ 9,001 million, up 3% compared to 1H06 Pro-forma.

Oxiteno – Oxiteno's cost of sales and services in 2Q07 amounted to R$ 319 million, up 12% compared to 2Q06, as a result of (i) a 9% increase in volume sold and (ii) a 21% increase in the ethylene cost in US$, partly offset by the 9% appreciation in the Brazilian Real in the period. Compared to 1Q07, there was a 2% increase in the cost of sales and services, in line with the volume sold – the increases in unit costs in dollar terms were offset by the 6% appreciation in the Real. In 1H07, Oxiteno's cost of sales and services amounted to R$ 630 million, up 12% on 1H06.

Ultracargo – The cost of services provided by Ultracargo in 2Q07 amounted to R$ 34 million, down 6% compared to the same quarter in 2006, basically as a result of a reduction in transport costs, and up 4% on 1Q07, the result of higher volume of products handled at the Santos Terminal and increased internal logistics activities. In 1H07, the company's cost of services provided was down by 9% compared to 1H06.

Sales, General and Administrative Expenses – Ultrapar's sales, general and administrative expenses amounted to R$ 336 million in 2Q07, up 128% and 116%, respectively on 2Q06 and 1Q07, due to Ipiranga acquisition. Taking Ultrapar Pro-forma figures in 2Q06 and 1Q07, sales, general and administrative expenses would have increased by 4% and would have decreased by 2%, respectively. In 1H07, Ultrapar's sales, general and administrative expenses amounted to R$ 492 million, up 71% compared to 1H06, as a result of adding the expenses associated with Ipiranga from 2Q07.

Ultragaz – Ultragaz's sales, general and administrative expenses amounted to R$ 81 million in 2Q07, almost unchanged compared to 2Q06, basically as a result of operational improvements implemented and non-recurring claims indemnity made in 2Q06. Compared to 1Q07, sales, general and administrative expenses were down by 6%, the result of operational improvements and higher expenditure on conventions and advertising in the first quarter of the year. In 1H07, sales, general and administrative expenses amounted to R$ 167 million, up 9% on 1H06.

Ipiranga – Sales, general and administrative expenses at Ipiranga amounted to R$ 175 million in 2Q07, up 7% compared to Ipiranga Pro-forma in 2Q06, due to increased freight expenses and non-recurring expenses as a result of laying off the corporate staff that provided the support for the former controlling shareholders. Compared to Ipiranga Pro-forma in 1Q07, sales, general and administrative expenses were down 1%, due to a concentration of advertising and marketing expenses in 1Q07. Disregarding the above mentioned non-recurring expenses , which amounted to R$ 11 million in this quarter, sales, general and administrative expenses would have remained stable compared to Ipiranga Pro-forma in 2Q06 and would have decreased by 7% compared to Ipiranga Pro-forma in 1Q07. Ipiranga Pro-forma sales, general and administrative expenses in 1H07 amounted to R$ 351 million, up 6% on Ipiranga Pro-forma in 1H06.

Oxiteno – Oxiteno's sales, general administrative expenses totaledR$ 53 million in 2Q07, up 3% on 2Q06, as a result of increased sales expenses due to (i) an increase in volume sold and (ii) higher expenses at Oxiteno Mexico associated with exports. Administrative expenses were down 5%, as a result of lower employee profit-sharing - in line with the company's performance. Compared to 1Q07, sales, general and administrative expenses were down 3%, basically as a result of to the decrease in freight costs and lower employees profit-sharing. In 1H07, general expenses totaled R$ 108 million, up 7% on 1H06.

Ultracargo – Sales, general and administrative expenses at Ultracargo totaled R$ 17 million in 2Q07, down 2% on 2Q06, as a result of a reduction in the size of the company's workforce, due to a downsizing of operations in the transport segment, partially offset by higher expenses associated with increased storage operations. Compared to 1Q07, there was an increase of R$ 1 million in sales, general and administrative basically as a result of increased operations. In 1H07, sales, general and administrative expenses totaled R$ 34 million, down 7% on 1H06.

EBITDA – Ultrapar reported consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) of R$ 225 million in 2Q07, up 66% on 2Q06, and 96% on 1Q07, basically as a result of the acquisition of Ipiranga. Taking Ultrapar Pro-forma figures in 2Q06 and 1Q07, the increase in EBITDA would have been 4% and 6% compared to 2Q06 and 1Q07, respectively. In 1H07, EBITDA at Ultrapar amounted to R$ 340 million, up 40% compared to 1H06, as a result of the addition of Ipiranga's EBITDA in 2Q07.

Ultragaz – Ultragaz reported EBITDA of R$ 78 million in 2Q07, almost unchanged compared to the EBITDA reported in 2Q06, basically as a result of an increase in distribution costs due to inflation effects in 2Q07, which neutralized the increase in sales volume. Compared to 1Q07, EBITDA was up 29%, a reflection of the 9% increase in sales volume and lower operational expenses. In 1H07, EBITDA at Ultragaz totaled R$ 138 million, up 4% on 1H06, principally the result of the increase in sales volume.

Ipiranga – Ipiranga reported EBITDA of R$ 105 million in 2Q07, up 31% and 9% compared to Ipiranga Pro-forma in 2Q06 and 1Q07, respectively, basically as a result of increased sales volume and measures implemented to improve legislation and inspection of the fuel sector. In 1H07, EBITDA Pro-forma at Ipiranga totaled R$ 202 million, up 16% on Ipiranga Pro-forma in 1H06.

Oxiteno – EBITDA totaled R$ 28 million in 2Q07, down 40% and 33% compared to 2Q06 and 1Q07, respectively, basically as a result of the appreciation in the Brazilian Real and an increase in the cost of raw materials, particularly the ethylene. In 1H07, EBITDA at Oxiteno totaled R$ 70 million, 19% down on 1H06.

Ultracargo – Ultracargo reported EBITDA of R$ 12 million, an increase of 14% and 12%, respectively, on 2Q06 and 1Q07, as a result of increased operations in the storage and internal logistics segments. In 1H07, EBITDA at Ultracargo totaled R$ 24 million, up 16% on 1H06.

Financial Result– Ultrapar reported net financial expenses of R$ 27 million in 2Q07, compared to net financial expenses of R$ 8 million in 1Q07, and net financial revenues of R$ 22 million in 2Q06. The financial result in 2Q06 benefited from an extraordinary gain of R$ 27 million, due to the winning of lawsuits related to the levying of PIS and COFINS taxes on financial revenues. In addition, the result in 2Q07 reflects Ultrapar's increased levels of net debt as a result of the first payment related to the acquisition of Ipiranga. Ultrapar ended the quarter with net debt of R$ 1,176 million, compared to net cash of R$ 162 million in 2Q06, and net debt of R$ 48 million in 1Q07. As per the material notice released on March 19, 2007, Ipiranga acquisition transaction is composed of some stages, with completion estimated for 4Q07. After the completion of these stages under the terms of the above mentioned material notice, Ultrapar should receive R$ 1.7 billion for the assets acquired on behalf of Braskem and Petrobras.

Benefit of tax holidays– In December 2006, the income tax exemption enjoyed by Oxiteno's unit at Camaçari expired and a request was filed with ADENE (Northeast Development Agency), responsible to manage this incentive program, asking for a 75% reduction in income tax until 2016, which was deferred on May 25, 2007. On July 3, 2007, the report issued by ADENE was sent to the Federal Tax Authorities for approval, which has a time limit of 120 days to occur. After this period, Oxiteno will be able to book the amount of the tax benefit in its results, with retroactive effect to January 1st, 2007. Should the tax benefit had been obtained since January 1, 2007, the total expense with income tax and social contribution would have been reduced by R$ 8.4 million, R$ 2.2 million referring to the effect of the tax benefit in 2Q07.

Minority Interest– The minority interest of Ultrapar amounted to R$ 48 million in 2Q07, reflecting the stake by minority shareholders in Ipiranga. Ultrapar currently holds 11.52% of CBPI capital and 32.45% of DPPI capital. After the completion of the stages of Ipiranga acquisition transaction, under the terms of the material notice released on March 19, 2007, Ultrapar shall hold 100% of CBPI and DPPI capital.

Goodwill on the acquisition Ipiranga–The acquisition of the control of Ipiranga involved a goodwill of R$ 425 million in 2Q07, which is being amortized over a period of 10 years. In 2Q07, the amortization of this goodwill totaled R$ 10.6 million.

Net Earnings – Ultrapar's consolidated net earnings in 2Q07 amounted to R$ 37 million, 58% lower than the net earnings reported in 2Q06, and 1% higher than the figure reported in 1Q07, despite the increase in EBITDA between the periods analyzed, basically because of the effects related to financial results, tax incentives, the goodwill for the acquisition of Ipiranga and minority interest.

Investments – Total investment, net of disposals and repayment, amounted to R$ 902 million in 2Q07, allocated as follows:

- Ultragaz invested R$ 28 million mainly on the renewal of existing cylinders and tanks, as well as in the expansion of the overall amount.

- At Ipiranga, R$ 30 million was allocated mainly in the renovation and operational improvement of the company's service stations and distribution facilities and on the expansion of NGV service stations. Of the total amount invested, R$ 16 million referred to the addition of property, plant and equipment (PP&E) and deferred charges, net of disposals, R$ 6 million referred to the financing operations for the company's clients[1] , net of repayment, and R$ 7 million referred to leasing operations.

- At Oxiteno, R$ 119 million investments were basically concentrated on production capacity expansion projects, particularly the building of the fatty alcohol plant, expansion to specialty chemical production capacity, as well as expansion to ethylene oxide production capacity at Mauá. During the 2H07, the expansion of the alcoxylation production capacity and the ethanolamines production capacity in Camacari will be coming on stream, enabling an increased production of specialty chemicals.

- Ultracargo invested R$ 10 million in the expansion of the Aratu terminal for the storage of palm kernel oil and the maintenance of its facilities.

- Acquisitions amounted to R$ 703 million in 2Q07, and include the acquisition of the shares held by the former shareholders of Ipiranga Group, the acquisition of Petrolog and the purchase of shares issued by Ultrapar for holding as treasury stock.

Ultrapar in the capital markets

The shares of Ultrapar appreciated by 6% in 2Q07. In this same period, the Ibovespa and IBX index appreciated by 19% and 17%, respectively. In 1H07 the shares of Ultrapar appreciated by 31%, while the Ibovespa and IBX index appreciated by 22% and 20%, respectively. Ultrapar's average daily trading volume amounted to R$ 16 million/day in 2Q07, compared to R$ 4 million/day in 2Q06, considering both the trading volume in Bovespa and in the NYSE. For the year to date, Ultrapar's average daily trading volume amounted to R$ 13 million/day, compared to R$ 5 million/day in the same period in 2006.

[1] Financing operations for the company's clients are reported at the working capital at the Cash Flow Statement

Outlook

We have carried out the integration of Ipiranga into Ultrapar and have begun the process of bringing the businesses acquired into line with our management model. We will be continuing this process, which should result in not only the capturing of the benefits expected, but also additional gains as a result of the exchange of know how between Ipiranga and the other businesses of Ultrapar. We will also be continuing to dedicate ourselves to ongoing expansion projects, which will enable a significant growth in Oxiteno's volumes from 2008. We are optimists with regard to new and relevant opportunities coming from the increased scope in all our businesses.

Forthcoming Events

Conference Call/ Webcast for market analysts: August 10, 2007

Ultrapar will be holding conference calls on August 10, 2007, to comment on the company's performance in the second quarter of 2007 and future outlook. The presentation will be available for download on the company's website 1 hour prior to the conference calls.

Local: 10 a.m. (US EST) / 11 a.m. (Brazil time)

For connection please call 5 minutes before the conference call on telephone number **55 11 2101-4848**. Code: Ultrapar

International: 12-midday (US EST) / 1 p.m. (Brazil time) /
Participants in Brazil: 0-800-891-3951
Participants in the USA: 1-800-418-6854
International participants: +1 (973) 935-8893
Code: Ultrapar or 8982716

WEBCAST live by Internet on site www.ultra.com.br. **Please connect 15 minutes in advance.**

This document may contain forecasts of future events. Such predictions merely reflect the expectations of the Company's management. Words such as: "believe", "expect", "plan", "strategy", "prospects", "envisage", "estimate", "forecast", "anticipate", "may" and other words with similar meaning are intended as preliminary declarations regarding expectations and future forecasts. Such declarations are subject to risks and uncertainties, anticipated by the Company or otherwise, which could mean that the reported results turn out to be significantly different from those forecast. Therefore, the reader should not base investment decisions solely on these estimates.

Operational and Market Information

Financial focus	**2Q07**	**2Q06**	**1Q07**	**1H07**	**1H06**
Ultrapar - EBITDA Margin	4%	11%	10%	5%	11%
Ultrapar - Net Margin	1%	7%	3%	1%	6%
Productivity	**2Q07**	**2Q06**	**1Q07**	**1H07**	**1H06**
EBITDA R$/ton Ultragaz	194	197	164	180	178
EBITDA R$/m³ Ipiranga[1]	32	26	32	32	30
EBITDA R$/ton Oxiteno	190	345	293	241	330
Focus on Human Resources	**2Q07**	**2Q06**	**1Q07**	**1H07**	**1H06**
Number of employees: Ultrapar	9,567	6,905	6,978	9,567	6,905
Number of employees: Ultragaz	4,475	4,273	4,461	4,475	4,273
Number of employees: Ipiranga[2]	2,367	2,385	2,435	2,367	2,385
Number of employees: Oxiteno	1,345	1,248	1,330	1,345	1,248
Number of employees: Ultracargo	1,160	1,171	964	1,160	1,171
Focus on capital markets	**2Q07**	**2Q06**	**1Q07**	**1H07**	**1H06**
Quantity of shares (million)	81,325	81,325	81,325	81,325	81,325
Market Capitalization [3] – R$ million	4,997	2,936	4,278	4,997	2,858
Bovespa					
Average Daily Volume ('000 shares)	132,400	58,656	124,716	126,532	65,919
Average Daily Financial Volume (R$' 000)	8,180	2,092	6,572	7,264	2,301
Average Share Price (R$ /' 000)	61.8	35.7	52.7	57.4	34.9
NYSE					
Quantity of ADRs[4] (' 000 ADRs)	10,702	11,652	12,601	10,702	11,652
Average daily Volume (ADRs)	126,538	48,748	65,473	126,532	72,382
Average Daily Financial Volume (US$' 000)	3,899	820	1,629	2,760	1,172
Average Price (US$ / ADRs)	30.8	16.8	24.9	28.8	16.2
Total[5]					
Average Daily Volume (‘000 shares)	258,938	107,403	190,189	222,258	138,301
Average Daily Financial Volume (R$ ‘000)	15,909	3,877	10,004	12,835	4,859

All financial information is presented according to the accounting principles laid down in Brazilian Corporate Legislation (BR GAAP). All figures are expressed in Brazilian Reais, except for the amounts on page 21, which are expressed in US dollars and were obtained using the average rate of exchange (commercial dollar rate) for the corresponding periods.

For additional information please contact:

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[1] *Only for fuels and lubricants sales. Figures in 2006 and 1Q07 are pro-forma, non-audited, included only to provide a comparison base*
[2] *Figures in 2006 and 1Q07 are pro-forma, non-audited, included only to provide a comparison base*
[3] *Calculated based on the weighted average price in the period*
[4] *1 ADR = 1 preferred share*
[5] *Total = BOVESPA + NYSE*

ULTRAPAR PARTICIPAÇÕES S/A
CONSOLIDATED BALANCE SHEET
In millions of reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN		
	JUN 2007	JUN 2006	MAR 2007
ASSETS			
Cash and cash equivalents	1,521.9	1,111.4	869.1
Trade accounts receivable	1,260.9	355.6	383.7
Inventories	540.4	197.2	228.0
Other	319.9	130.0	167.1
Total Current Assets	3,643.1	1,794.2	1,647.9
Investments	38.9	33.0	30.7
Property, plant and equipment	2,066.3	1,089.2	1,238.5
Deferred charges	543.8	107.1	116.2
Long term investments	118.9	522.4	551.3
Other long term assets	444.4	171.6	186.9
Total Long Term Assets	3,212.3	1,923.3	2,123.6
TOTAL ASSETS	**6,855.4**	**3,717.5**	**3,771.5**
LIABILITIES			
Loans and financing	302.7	120.3	125.4
Debentures	1,015.3	15.3	303.1
Suppliers	450.7	90.0	104.4
Payroll and related charges	105.3	66.9	66.0
Taxes	88.2	21.7	23.2
Other accounts payable	88.6	19.8	41.9
Total Current Liabilities	2,050.8	334.0	664.0
Loans and financing	1,149.1	1,036.1	1,040.2
Debentures	350.0	300.0	-
Income and social contribution taxes	26.5	24.7	26.2
Other long term liabilities	175.8	49.3	38.8
Total Long Term Liabilities	1,701.4	1,410.1	1,105.2
TOTAL LIABILITIES	**3,752.2**	**1,744.1**	**1,769.2**
STOCKHOLDERS' EQUITY			
Capital	946.0	946.0	946.0
Capital reserve	0.7	0.4	0.6
Revalution reserves	12.3	14.2	12.6
Profit reserves	953.3	829.1	971.7
Retained earnings	75.2	151.8	37.6
Total Stockholders' Equity	1,987.5	1,941.5	1,968.5
Minority Interests	1,115.7	31.9	33.8
TOTAL STOCKHOLDERS' EQUITY & M.I.	**3,103.2**	**1,973.4**	**2,002.3**
TOTAL LIAB. AND STOCKHOLDERS' EQUITY	**6,855.4**	**3,717.5**	**3,771.5**
Cash and Long term investments	1,640.8	1,633.8	1,420.4
Debt	2,817.1	1,471.7	1,468.7
Net cash (debt)	(1,176.3)	162.1	(48.3)

ULTRAPAR PARTICIPAÇÕES S/A
CONSOLIDATED STATEMENT OF INCOME
In millions of reais (except per share data) - Accounting practices adopted in Brazil

	QUARTERS ENDED IN			ACCUMULATED	
	JUN 2007	JUN 2006	MAR 2007	JUN 2007	JUN 2006
Net sales and services	6,181.1	1,197.4	1,174.1	7,355.2	2,295.1
Cost of sales and services	(5,704.2)	(960.7)	(950.9)	(6,655.1)	(1,859.4)
Gross profit	476.9	236.7	223.2	700.1	435.7
Operating expenses					
Selling	(124.6)	(47.6)	(53.2)	(177.8)	(93.6)
General and administrative	(146.1)	(69.2)	(70.8)	(216.9)	(133.0)
Depreciation and amortization	(65.6)	(30.5)	(31.8)	(97.4)	(61.1)
Other operating income (expenses)	4.2	0.5	(0.1)	4.1	1.1
Income before equity and financial results	144.8	89.9	67.3	212.1	149.1
Financial results	(27.3)	22.4	(7.9)	(35.2)	34.8
Financial income	37.1	40.1	31.8	68.9	73.8
Financial expenses	(57.3)	(40.2)	(34.7)	(92.0)	(72.5)
Taxes on financial activities	(7.1)	22.5	(5.0)	(12.1)	33.5
Equity in earnings (losses) of affiliates					
Affiliates	-	0.6	(0.1)	(0.1)	0.6
Nonoperating income (expense)	(1.1)	(11.1)	(0.8)	(1.9)	(13.2)
Income before taxes and profit sharing	116.4	101.8	58.5	174.9	171.3
Provision for income and social contribution tax	(32.0)	(31.9)	(23.4)	(55.4)	(54.9)
Benefit of tax holidays	3.3	19.4	2.8	6.1	30.8
Income before minority interest	87.7	89.3	37.9	125.6	147.2
Employees statutory interest	(2.8)	-	-	(2.8)	-
Minority interest	(47.5)	(1.2)	(0.7)	(48.2)	(2.3)
Net Income	37.4	88.1	37.2	74.6	144.9
EBITDA	225.3	136.0	115.1	340.4	242.6
Depreciation and amortization	83.3	46.1	47.8	131.1	93.5
Total investments, net of write-off and repayments	902.4	80.9	122.7	1,025.1	135.3
RATIOS					
Earnings / share - R$	0.46	1.08	0.46	0.92	1.78
Net debt / Stockholders' equity	0.38	Na	0.02		
Net debt / LTM EBITDA	1.91	Na	0.09		
Net interest expense / EBITDA	0.12	Na	0.07	0.10	Na
Gross margin	8%	20%	19%	10%	19%
Operating margin	2%	8%	6%	3%	6%
EBITDA margin	4%	11%	10%	5%	11%

ULTRAPAR PARTICIPAÇÕES S/A
CONSOLIDATED CASH FLOW STATEMENT
In millions of reais - Accounting practices adopted in Brazil

	JAN - JUN	
	2007	**2006**
Cash Flows from operating activities	**218.5**	**197.4**
Net income	74.6	144.9
Minority interest	48.2	2.3
Depreciation and amortization	131.1	93.5
Working capital	(10.8)	(45.8)
Financial expenses (A)	5.5	6.1
Deferred income and social contribution taxes	(22.7)	(11.2)
Other (B)	(7.4)	7.6
Cash Flows from investing activities	**(1,011.8)**	**(135.3)**
Additions to property, plant, equipment and deferred charges, net of disposals (C)	(306.3)	(135.3)
Acquisition of minority interests (D)	(705.5)	-
Cash Flows from (used in) financing activities	**577.2**	**(51.9)**
Short term debt, net	(117.8)	(131.3)
Issuance of debentures	675.0	-
Issuances	87.5	168.5
Related companies	(3.6)	(1.6)
Dividends paid (E)	(63.9)	(87.5)
Net increase (decrease) in cash and cash equivalents	**(216.1)**	**10.2**
Cash from acquired subsidiaries (F)	238.8	-
Cash and cash equivalents at the beginning of the period (G)	**1,618.1**	**1,623.6**
Cash and cash equivalents at the end of the period (G)	**1,640.8**	**1,633.8**
Supplemental disclosure of cash flow information		
Cash paid for interest (H)	47.1	43.7
Cash paid for taxes on income (I)	29.7	6.6

(A) Not including financial income. Comprised basically of financial expenses, in particular, exchange variations.
(B) Comprised mainly cost of permanent asset sold and noncurrent assets and liabilities net.
(C) Included ICMS on the Property, plant and equipment according to Law Complemental no. 102/2000.
(D) Included R$ 676.4 of Ipiranga / Refinery acquisition, R$ 8.1 of Petrolog acquisition and R$ 20.9 of treasury shares.
(E) Including dividends paid by Ultrapar and its subsidiaries for third parties.
(F) The debt amount assumed of subsidiaries acquisition totalized R$ 675.3.
(G) Included Long term investments.
(H) Included in cash flow used in financing activities.
(I) Included in cash flow from operating activities.

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ULTRAGAZ PARTICIPAÇÕES LTDA.
CONSOLIDATED BALANCE SHEET
In millions of reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN		
	JUN 2007	JUN 2006	MAR 2007
OPERATING ASSETS			
Trade accounts receivable	173.3	161.2	153.3
Trade accounts receivable - noncurrent portion	14.2	19.7	17.2
Inventories	36.7	43.2	40.6
Other	16.6	10.3	11.1
Property, plant and equipment	393.1	406.3	391.7
Deferred charges	83.2	75.9	84.9
TOTAL OPERATING ASSETS	**717.1**	**716.6**	**698.8**
OPERATING LIABILITIES			
Suppliers	28.3	29.4	24.1
Payroll and related charges	38.3	35.6	35.3
Taxes	4.5	4.1	4.1
Other accounts payable	1.0	1.9	1.3
TOTAL OPERATING LIABILITIES	**72.1**	**71.0**	**64.8**

ULTRAGAZ PARTICIPAÇÕES LTDA.
CONSOLIDATED STATEMENT OF INCOME
In millions of reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN			ACCUMULATED	
	JUN 2007	JUN 2006	MAR 2007	JUN 2007	JUN 2006
Net sales	797.6	781.1	735.4	1,533.0	1,475.3
Cost of sales and services	(669.7)	(652.3)	(618.3)	(1,288.0)	(1,245.9)
Gross profit	127.9	128.8	117.1	245.0	229.4
Operating expenses					
Selling	(28.5)	(27.9)	(28.8)	(57.3)	(52.3)
General and administrative	(21.9)	(23.3)	(28.0)	(49.9)	(44.8)
Depreciation and amortization	(30.2)	(28.3)	(29.3)	(59.5)	(56.5)
Other operating results	0.4	0.1	0.1	0.5	0.6
EBIT	47.7	49.4	31.1	78.8	76.4
EBITDA	77.9	77.6	60.4	138.3	132.9
Depreciation and amortization	30.2	28.3	29.3	59.5	56.5
RATIOS					
Gross margin	16%	16%	16%	16%	16%
Operating margin	6%	6%	4%	5%	5%
EBITDA margin	10%	10%	8%	9%	9%

*We included "Long term trade accounts receivable" in the operating assets

IPIRANGA
CONSOLIDATED BALANCE SHEET
In millions of reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN		
	JUN 2007	**JUN 2006**	**MAR 2007**
OPERATING ASSETS			
Trade accounts receivable	886.6	767.4	880.8
Trade accounts receivable - noncurrent portion	141.7	122.6	139.8
Inventories	289.0	354.6	304.8
Other	87.2	71.8	78.1
Property, plant and equipment	708.8	681.4	714.2
Deferred charges	0.2	1.7	0.2
TOTAL OPERATING ASSETS	**2,113.5**	**1,999.5**	**2,117.9**
OPERATING LIABILITIES			
Suppliers	324.3	260.2	293.9
Payroll and related charges	35.8	40.6	29.1
Post-retirement benefits	74.9	86.0	77.9
Taxes	27.8	20.1	28.4
Other accounts payable	19.8	28.9	26.0
TOTAL OPERATING LIABILITIES	**482.6**	**435.8**	**455.3**

IPIRANGA
CONSOLIDATED STATEMENT OF INCOME
In millions of reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN			ACCUMULATED	
	JUN 2007	**JUN 2006**	**MAR 2007**	**JUN 2007**	**JUN 2006**
Net sales	4,958.8	4,775.9	4,546.0	9,504.8	9,233.8
Cost of sales and services	(4,702.4)	(4,553.9)	(4,298.3)	(9,000.7)	(8,775.3)
Gross profit	256.4	222.0	247.7	504.1	458.5
Operating expenses					
Selling	(72.1)	(68.6)	(80.2)	(152.3)	(145.0)
General and administrative	(80.8)	(74.7)	(75.8)	(156.6)	(146.0)
Depreciation and amortization	(22.0)	(20.9)	(20.4)	(42.4)	(41.7)
Other operating results	2.7	3.4	3.3	6.0	6.7
EBIT	84.2	61.2	74.6	158.8	132.5
EBITDA	105.1	80.4	96.7	201.8	174.1
Depreciation and amortization	23.7	22.6	22.1	45.8	45.0
Employees statutory interest	2.8	3.4	-	2.8	3.4
RATIOS					
Gross margin	5.2%	4.6%	5.4%	5.3%	5.0%
Operating margin	1.7%	1.3%	1.6%	1.7%	1.4%
EBITDA margin	2.1%	1.7%	2.1%	2.1%	1.9%

*Figures in 2006 and 1T07 are pro forma, non-audited, included only to provide a comparison base.

OXITENO S/A - INDÚSTRIA E COMÉRCIO
CONSOLIDATED BALANCE SHEET
In millions of reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN		
	JUN 2007	JUN 2006	MAR 2007
OPERATING ASSETS			
Trade accounts receivable	180.5	175.5	213.8
Inventories	200.5	150.3	183.7
Other	122.2	78.8	110.3
Property, plant and equipment	734.1	476.0	629.0
Deferred charges	15.5	14.3	15.4
TOTAL OPERATING ASSETS	**1,252.8**	**894.9**	**1,152.2**
OPERATING LIABILITIES			
Suppliers	89.0	56.7	76.0
Payroll and related charges	21.6	22.5	21.8
Taxes	15.9	8.2	15.4
Other accounts payable	3.8	1.6	1.9
TOTAL OPERATING LIABILITIES	**130.3**	**89.0**	**115.1**

OXITENO S/A - INDÚSTRIA E COMÉRCIO
CONSOLIDATED STATEMENT OF INCOME
In millions of reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN			ACCUMULATED	
	JUN 2007	JUN 2006	MAR 2007	JUN 2007	JUN 2006
Net sales	387.7	370.4	396.2	783.9	727.8
Cost of goods sold					
Variable	(281.8)	(250.9)	(274.2)	(556.0)	(493.8)
Fixed	(27.4)	(24.6)	(27.3)	(54.7)	(51.5)
Depreciation and amortization	(9.8)	(9.3)	(9.9)	(19.7)	(18.7)
Gross profit	68.7	85.6	84.8	153.5	163.8
Operating expenses					
Selling	(23.5)	(20.5)	(24.3)	(47.8)	(41.7)
General and administrative	(27.3)	(28.8)	(28.3)	(55.6)	(54.7)
Depreciation and amortization	(2.2)	(2.0)	(2.1)	(4.3)	(4.0)
Other operating results	0.3	0.6	-	0.3	0.6
EBIT	16.0	34.9	30.1	46.1	64.0
EBITDA	28.0	46.2	42.1	70.1	86.7
Depreciation and amortization	12.0	11.3	12.0	24.0	22.7
RATIOS					
Gross margin	18%	23%	21%	20%	23%
Operating margin	4%	9%	8%	6%	9%
EBITDA margin	7%	12%	11%	9%	12%

ULTRACARGO PARTICIPAÇÕES LTDA.
CONSOLIDATED BALANCE SHEET
In millions of reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN		
	JUN 2007	JUN 2006	MAR 2007
OPERATING ASSETS			
Trade accounts receivable	26.3	23.7	22.2
Inventories	3.8	3.7	3.7
Other	9.2	7.3	8.0
Property, plant and equipment	216.0	197.7	207.2
Deferred charges	8.5	8.5	10.9
TOTAL OPERATING ASSETS	**263.8**	**240.9**	**252.0**
OPERATING LIABILITIES			
Suppliers	11.2	8.4	9.2
Payroll and related charges	8.9	8.8	8.8
Taxes	2.3	3.7	2.4
Other accounts payable	0.2	-	-
TOTAL OPERATING LIABILITIES	**22.6**	**20.9**	**20.4**

ULTRACARGO PARTICIPAÇÕES LTDA.
CONSOLIDATED STATEMENT OF INCOME
In millions of reais - Accounting practices adopted in Brazil

	QUARTERS ENDED IN			ACCUMULATED	
	JUN 2007	JUN 2006	MAR 2007	JUN 2007	JUN 2006
Net sales	57.0	58.7	54.3	111.3	116.8
Cost of sales and services	(34.4)	(36.5)	(33.1)	(67.5)	(74.5)
Gross profit	22.6	22.2	21.2	43.8	42.3
Operating expenses					
Selling	(0.3)	0.9	(0.1)	(0.4)	0.5
General and administrative	(17.0)	(18.4)	(16.1)	(33.1)	(36.3)
Depreciation and amortization	(0.1)	(0.2)	(0.1)	(0.2)	(0.3)
Other operating results	0.8	-	(0.1)	0.7	-
EBIT	6.0	4.5	4.8	10.8	6.2
EBITDA	12.4	10.9	11.1	23.5	20.2
Depreciation and amortization	6.4	6.4	6.3	12.7	14.0
RATIOS					
Gross margin	40%	38%	39%	39%	36%
Operating margin	11%	8%	9%	10%	5%
EBITDA margin	22%	19%	20%	21%	17%

ULTRAPAR PARTICIPAÇÕES S/A
CONSOLIDATED INCOME STATEMENT
In millions of US dollars (except per share data) - Accounting practices adopted in Brazil

	QUARTERS ENDED IN			ACCUMULATED	
(US$ millions)	**JUN 2007**	**JUN 2006**	**MAR 2007**	**JUN 2007**	**JUN 2006**
Net sales					
Ultrapar	3,118.9	548.0	557.0	3,597.0	1,047.7
Ultragaz	402.5	357.5	348.9	749.7	673.5
Ipiranga	2,502.2	2,185.6	2,156.8	4,648.3	4,215.2
Oxiteno	195.6	169.5	188.0	383.4	332.2
Ultracargo	28.8	26.9	25.8	54.4	53.3
EBIT					
Ultrapar	73.1	41.1	31.9	103.7	68.1
Ultragaz	24.1	22.6	14.8	38.5	34.9
Ipiranga	42.5	28.0	35.4	77.7	60.5
Oxiteno	8.1	16.0	14.3	22.5	29.2
Ultracargo	3.0	2.1	2.3	5.3	2.8
Operating margin					
Ultrapar	2.3%	7.5%	5.7%	2.9%	6.5%
Ultragaz	6.0%	6.3%	4.2%	5.1%	5.2%
Ipiranga	1.7%	1.3%	1.6%	1.7%	1.4%
Oxiteno	4.1%	9.4%	7.6%	5.9%	8.8%
Ultracargo	10.5%	7.7%	8.9%	9.7%	5.3%
EBITDA					
Ultrapar	113.7	62.2	54.6	166.5	110.7
Ultragaz	39.3	35.5	28.7	67.6	60.7
Ipiranga	53.0	36.8	45.9	98.7	79.5
Oxiteno	14.1	21.2	20.0	34.3	39.6
Ultracargo	6.3	5.0	5.3	11.5	9.2
EBITDA margin					
Ultrapar	3.6%	11.4%	9.8%	4.6%	10.6%
Ultragaz	9.8%	9.9%	8.2%	9.0%	9.0%
Ipiranga	2.1%	1.7%	2.1%	2.1%	1.9%
Oxiteno	7.2%	11.5%	10.6%	8.9%	11.9%
Ultracargo	21.8%	18.6%	20.5%	21.1%	17.3%
Net income					
Ultrapar	18.9	40.3	17.6	36.5	66.1
Net income / share (US$)	0.23	0.50	0.22	0.45	0.81

*Figures in 2006 and 1T07 are pro forma, non-audited, included only to provide a comparison base.

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ULTRAPAR PARTICIPAÇÕES S/A
LOANS, DEBENTURES, CASH AND MARKETABLE SECURITIES
In millions of reais - Accounting practices adopted in Brazil

LOANS AND DEBENTURES	**Balance in June/2007**							**Index/ Currency**	**Interest Rate %**		**Maturity**
	Ultragaz	**Oxiteno**	**Ultracargo**	**Ipiranga**	**Other**	**Ultrapar Parent Company**	**Ultrapar** Consolidated		**Minimum**	**Maximum**	
Foreign Currency											
Sindicated loan	-	115.7	-	-	-	-	115.7	US$	5.1	5.1	2008
Notes	115.9	-	-	-	-	-	115.9	US$	9.0	9.0	2020
Notes	482.5	-	-	-	-	-	482.5	US$	7.3	7.3	2015
Notes	-	-	-	112.5	-	-	112.5	US$	9.9	9.9	2008
Working capital loan	-	6.4	-	-	-	-	6.4	MX$ + TIIE (*)	1.0	1.0	2008
Working capital loan	-	-	-	2.6	-	-	2.6	US$	7.1	8.6	2007
Foreign financing	-	23.6	-	-	-	-	23.6	US$ + LIBOR	2.0	2.0	2009
Financings for Property Plant and Equipment	-	22.7	-	-	-	-	22.7	MX$ + TIIE (*)	1.1	2.0	2009 to 2014
Financings for Property Plant and Equipment	-	-	-	3.2	-	-	3.2	US$ + LIBOR	1.5	1.8	2009
Import Financing (REFINIMP)	-	-	-	2.0	-	-	2.0	US$	6.8	6.8	2007
Import Financing (FINIMP)	-	-	-	-	5.2	-	5.2	US$ + LIBOR	0.2	0.2	2007
Advances on Foreign Exchange Contracts	-	31.7	-	5.1	-	-	36.8	US$	5.2	6.2	< 149 days
National Bank for Economic and Social	5.8	0.3	2.4	0.5	-	-	9.0	UMBNDES(*)	4.5	10.4	2007 to 2011
Development - BNDES	4.9	4.6	1.1	-	-	-	10.6	US$	7.7	10.8	2010 to 2013
Export prepayment, net of linked operations	-	6.7	-	-	-	-	6.7	US$	6.2	6.2	2008

Subtotal	**609.1**	**211.7**	**3.5**	**125.9**	**5.2**	**-**	**955.4**				
Local Currency											
National Bank for Economic and Social Development -	84.8	57.8	54.0	3.1	-	-	199.7	TJLP	1.8	4.9	2007 to 2013
BNDES	-	4.7	-	-	-	-	4.7	IGP-M	6.5	6.5	2008
Agency for Financing Machinery and Equipment (FINAME)	0.4	11.2	22.4	39.8	-	-	73.8	TJLP	2.5	5.1	2007 to 2011
Research and projects financing (FINEP)	-	67.3	-	-	-	-	67.3	TJLP	(2.0)	5.0	2009 to 2014
Debentures	-	-	-	-	-	1,004.8	1,004.8	CDI (*)	102.5	102.5	2008
Debentures	-	-	-	360.5	-	-	360.5	CDI (*)	103.8	103.8	2011
Banco do Nordeste do Brasil	-	44.2	-	-	-	-	44.2		9.8	11.5	2018
Financial institution	-	-	-	91.4	-	-	91.4	CDI (*)	100.0	100.0	2008
Other	-	-	0.3	15.0	-	-	15.3				
Subtotal	**85.2**	**185.2**	**76.7**	**509.8**	**-**	**1,004.8**	**1,861.7**				
Total	**694.3**	**396.9**	**80.2**	**635.7**	**5.2**	**1,004.8**	**2,817.1**				
Composition per Annum											
Up to 1 Year	30.6	201.3	24.9	51.2	5.2	1,004.8	1,318.0				
From 1 to 2 Years	29.1	45.9	24.6	333.4	-	-	433.0				
From 2 to 3 Years	12.1	58.6	20.0	128.4	-	-	219.1				
From 3 to 4 Years	10.6	27.3	4.9	121.4	-	-	164.2				
From 4 to 5 Years	10.3	20.4	4.2	1.3	-	-	36.2				
Thereafter	601.6	43.4	1.6	-	-	-	646.6				
Total	**694.3**	**396.9**	**80.2**	**635.7**	**5.2**	**1,004.8**	**2,817.1**				

(*) TJLP - Long Term Interest Rate / IGPM - Market General Price Index / UMBNDES - BNDES Basket of Currencies / TIIE - Interbank Interest Rate Even / CDI - interbank deposit rate

Balance in June/2007

	Ultragaz	Oxiteno	Ultracargo	Ipiranga	Other	Ultrapar Parent Company	Ultrapar Consolidated
CASH AND LONG TERM INVESTIMENTS	81.4	1,128.7	60.0	301.0	1.7	68.0	1,640.8

Investors will be able to obtain copies of the offering document and other documents from the SEC's Public Reference Room at 450 Fifth Street N.W., Washington D.C., 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. The documents may also be obtained from the website maintained by the SEC at http://www.sec.gov, which contains reports and other information regarding registrants that file electronically with the SEC. In addition, documents (including any exhibits) filed with the SEC by Ultrapar Participações S.A. will be available free of charge from the Investor Relations office of Ultrapar Participações S.A., located at Avenida Brigadeiro Luis Antonio, 1343, 9º Andar São Paulo, SP, Brazil 01317-910, tel: 011-55-11-3177-6695. **PLEASE, READ THE DOCUMENTS CAREFULLY BEFORE MAKING A DECISION REGARDING THE MERGER.**

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