THIRD QUARTER 2014

Earnings Release QGEP Participações S.A.

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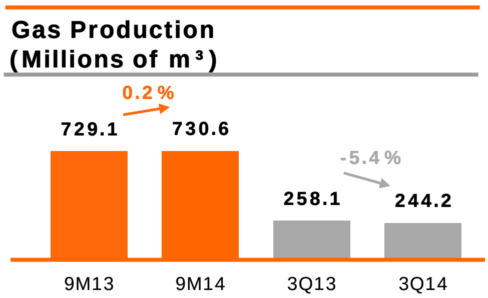
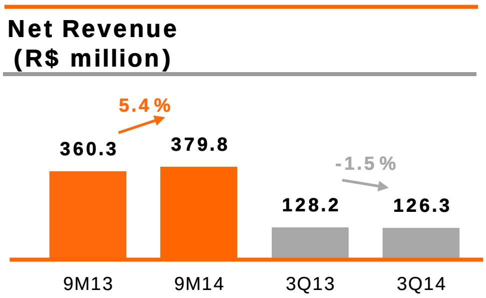
EXPLORAÇÃO E PRODUÇÃO

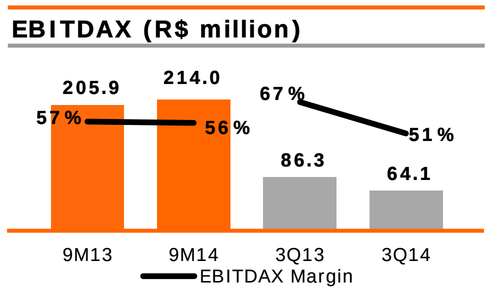
QGEP Reports Third Quarter 2014 Results

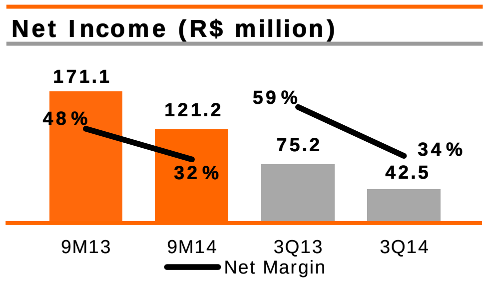
Rio de Janeiro, November 12, 2014 – QGEP Participações S.A. (BMF&Bovespa: QGEP3), the only independent Brazilian company to operate in the pre-salt premium area of the Santos Basin, today announced its results for the third quarter ended September 30, 2014. The following financial and operating data, except where indicated otherwise, is presented on a consolidated basis as per the accounting practices adopted in International Financial Reporting Standards (IFRS), described in the financial section of this release.

- **Average daily gas production from the Manati Field was 5.9MMm³ in both 3Q14 and 9M14**
- **Company is in final negotiation for Atlanta FPSO; QGEP to announce winning bid by the end of 2014**
- **Drilling of first Carcará appraisal well began in September 2014; first phase completed in the beginning of November 2014**
- **Net revenue was R$126.3 million in 3Q14, 1.5% lower from 3Q13, on lower Manati production**
- **EBITDAX was R$64.1 million and R$214.0 million in 3Q14 and 9M14, respectively**
- **Net income fell to R$42.5 million in 3Q14 from R$75.2 million in 3Q13, on higher exploration expenses and income taxes**
- **Operating cash flow in 3Q14 was R$140.6 million; R$271.3 million for 9M14**
- **Cash balance* was R$1.0 billion at the end of 3Q14**









*Includes cash, cash equivalents and marketable securities

Management Comments

Our third quarter operating results followed a similar pattern to those of the prior two quarters of this year, demonstrating the continued execution of our multi-pronged strategy to optimize natural gas production, set the stage for maximizing the profitability of new oil production, and direct our exploratory activities to those assets with the greatest technical and economic feasibility. At the same time, our financial performance continued to be an important differentiator for QGEP in the marketplace, with cash flow from operating activities reaching R$271.3 million for the first nine months of this year.

We are pleased with the Manati Field's performance in the third quarter. We operated at full capacity in the Field in the third quarter to accommodate continued strong demand. Average daily production reached 5.9MMm³ for the third quarter, maintaining production levels at 5.9MMm³ per day for the first nine months of this year. Full year 2014 Manati production should be slightly above our previous 5.8MMm³ per day forecast. In early 2015, we will start a combined painting and maintenance program at the platform that is expected to last through the second quarter of the year, with no impact on production. In relation to the compression plant, part of the equipment to build the plant has arrived on site, and we expect the plant to be operational by mid-2015. For 2015, our current outlook anticipates average daily gas production of 5.5MMm³ for full year 2015, based on production returning to the 6.0MMm³ average per day in the second half of the year.

We are in final negotiations for an FPSO for Atlanta Field and expect first oil in the first half of 2016. Assuming that these negotiations come to a successful conclusion by the end of the year, we will start production at an average 25Kbbl/day, as initially contemplated for the Field. We are confident that the FPSO will be on site within 14 months of signing of the contract. We are pleased to report that QGEP has been approved to receive an additional R$26.0 million in financing from FINEP to cover costs of the Atlanta Early Production System (EPS), bringing the total funding approved to date to R$292.0 million.

There was also a new development at our Carcará discovery in Block BM-S-8 in the third quarter. In September, we announced that drilling of the first phase of the appraisal well, located 5km from the pioneer well, had begun. This phase has now been concluded, with drilling extending down to the lower section of the salt layer; the second phase will commence in the third quarter of 2015. Additionally, the Consortium has proposed to the ANP to drill a second appraisal well in the area, to begin in the first quarter of 2015. Based on this new timetable, we will have the first information on likely productivity of Carcará to provide to the market during the second half of next year. Plans are in place to start drilling the Guanxuma prospect in BM-S-8 in late 2015.

We continue to evaluate our exploratory portfolio with a view toward maintaining diversification, while retaining the appropriate level of risk by balancing the technical challenges with the economics of the various assets. In the third quarter, QGEP signed a contract with Banco do Nordeste do Brasil (BNB) of R$232.0 million in financing for our northeastern exploratory campaign, covering Blocks BM-J-2, BM-CAL-5 and BM-CAL-12. The Evaluation Plan we filed subsequent to our discovery at BM-J-2 was approved by the ANP at the end of October, and QGEP has commited to a plan divided in different phases, beginning with seismic reprocessing and geological reinterpration of the area.

With respect to the auction blocks we won in Bidding Round 11, we are pleased to report that we have made significant progress in acquiring seismic data. We have now completed the seismic acquisition for our block in the Foz do Amazonas Basin, where QGEP is the operator, and we are in final phase of data acquisition for blocks at the Espírito Santo Basin. We have also signed a contract for the seismic acquisition for blocks at the Pará-Maranhão Basin and expect to begin activities in this basin, as well as in the Ceará Basin, in 2015.

We are entering the last part of 2014 in a strong operational and financial position. Both the Manati and Atlanta Fields will give us solid medium-term production, and our financial position is excellent with a cash balance of over R$1.0 billion. Despite the decline in worldwide oil prices, QGEP's financials have not been affected to date, as the majority of our cash flow generation is not linked to oil prices. Although our cash flow will have greater exposure to oil prices once Atlanta production begins, it is worth noting that the current trend towards lower oil prices could also expand our opportunities to further diversify our portfolio, through the addition of other assets.

We look forward to keeping you apprised of our progress as we enter 2015, a promising year with important milestones for QGEP.

QGEP's Assets

Basin	Block / Concession	Field / Prospect	QGEP Working Interest	Resource Category	Fluid
Camamu	BCAM-40[1]	Manati	45%	Reserve	Gas
Camamu	BCAM-40[1]	Camarão Norte	45%	Contingent	Gas
Camamu	BM-CAL-5	Copaíba	27.5%	Contingent	Oil
Camamu	BM-CAL-12	CAM#01	20%	Prospective	Oil
Jequitinhonha	BM-J-2	Alto de Canavieiras	100%	Contingent/ Prospective	Oil–Gas
Jequitinhonha	BM-J-2	Alto Externo	100%	Prospective	Oil–Gas
Campos	BM-C-27[2]	Guanabara Profundo	30%	Prospective	Oil-Gas
Santos	BM-S-8	Carcará	10%	Contingent/ Prospective	Oil
Santos	BM-S-8	Guanxuma	10%	Prospective	Oil
Santos	BS-4	Atlanta	30%	Reserve	Oil
Santos	BS-4	Oliva	30%	Contingent	Oil
Santos	BS-4	Piapara	30%	Prospective	Oil
Espírito Santo	ES-M-598		20%	Prospective	Oil
Espírito Santo	ES-M-673		20%	Prospective	Oil
Foz do Amazonas	FZA-M-90		35%	Prospective	Oil
Pará-Maranhão	PAMA-M-265		30%	Prospective	Oil
Pará-Maranhão	PAMA-M-337		50%	Prospective	Oil
Ceará	CE-M-661		25%	Prospective	Oil
Pernambuco-Paraíba	PEPB-M-894		30%	Prospective	Oil
Pernambuco-Paraíba	PEPB-M-896		30%	Prospective	Oil

(1) Block BCAM-40 was relinquished after the ring fence of the areas of Manati and Camarão Norte fields were defined.
(2) As of September 30, 2014, the transfer of 30% of the concession rights related to the farm-in at the BM-C-27 Concession had not been completed.

Producing and Development Assets

MANATI

Production at the Manati Field continued its recent strong output in the third quarter, with average daily production of 5.9MMm^3. This output is in line with production for the previous two quarters, and average production year-to-date is 5.9MMm^3/day.

The activities related to the construction of the gas compression plant continue on schedule and budget. The earthmoving work has been completed, and the Consortium is currently engaged in civil engineering works. The plant will be brought online in the second half of 2015, an operation that will require a 20 day stoppage in production in order to connect the compression plant to the pipeline. Once the plant is operational, production capacity will then return to 6.0MMm^3 per day. Based on these projections, for full year 2015 the Company expects gas production from Manati to average 5.5MMm^3/day.

In the first quarter of 2015, the Consortium will begin maintentance activities on the offshore platform at the Manati Field, including the painting of the platform. These activities, that include the substitution of flow lines for drinking water, boiler services in production pipes at the platform, installation of flow lines and pumps for salt water, among others, will allow the Field to maintain output levels. Maintenance will be concluded in the first half of 2015, with a total net cost to QGEP estimated at US$20 million.

ATLANTA AND OLIVA (Block BS-4)

The Consortium has now received the bids for the FPSO to be used at the Atlanta Field in Block BS-4. The Company expects to select a winning bid and sign the related contract until the end of 2014, with the FPSO to be on-site within 14 months following the signature of the contract. First oil at Atlanta is expected in the first half of 2016, from two horizontal wells with initial production of 25Kbbl/d.

Drill stem tests at the horizontal producing wells for the Early Production System indicated production capacities of approximately 12Kbbl/d per well, at the high end of the initially expected range. During the test at the second well, the electrical submersible pump was placed on the ocean floor, rather than inside the well, an option that the Consortium will use for the development of the Field, as it is a more economic alternative.

In May 2014, QGEP released the results of a reserve certification report for the Atlanta Field, prepared by Gaffney, Cline & Associates (GCA) and dated March 31, 2014. Key highlights of the report were 1P reserves of 147 million bbl, 2P of 191 million bbl and 3P of 269 million bbl.

First oil at the Oliva Field is still expected in 2021. This Field is a tie back of the Atlanta Field.

QGEP is the operator of Block BS-4, where the Atlanta and Oliva fields are located, with a 30% participating interest.

Exploratory Assets

BM-J-2

In the third quarter of 2014, QGEP received ANP approval for an Evaluation Plan for Block BM-J-2. The Company has committed, in the first stage of the Evaluation Plan, to seismic reprocessing and geological reinterpretation of the Block to be concluded within 14 months. After the studies, including technical and economic evaluations, are complete, the Company will define whether to proceed to next stages.

In August 2013, the Company filed a Notice of Discovery with the ANP based on gas anomalies identified in the detector, oil shows in cuttings and the interpretation of potential pay zones in well logs in the pre-salt section of its 1-QG-5A-BAS well (Alto de Canavieiras prospect).

The Block is located in the shallow waters of the Jequitinhonha Basin, and is 100% owned and operated by QGEP.

BS-4

The Consortium continues to develop a timeline for the drilling of the Piapara prospect located in the pre-salt. New 3D seismic data confirm the exploratory potential of this prospect.

BM-S-8

The drilling of the first phase of the Carcará appraisal well began in September 2014, using the Laguna Star rig (NS-44). Drilling to the bottom of the salt layer was concluded in the beginning of November at a depth of approximately 5,600 meters. The well is located 5 kilometers from the pioneer well, in water depth of 2,023 meters. The second phase will begin in the third quarter of 2015, using a rig equipped with Managed Pressure Drilling (MPD). The well will be tested using another rig, with activity expected to be concluded in the beginning of 2016.

To speed up the delineation of Carcará discovery, the Consortium has proposed to the ANP to drill a second appraisal well, in a single phase. Drilling will begin in the first quarter of 2015, using the first rig available equipped with MPD. This drill stem test, to be performed by a separate rig, is expected to finish by the fourth quarter of 2015.

Data collected at both tests will give an indication of the expected productivity per well. First oil at BM-S-8 is expected in late 2018/2019.

Drilling at the Guanxuma prospect is scheduled to begin at the end of 2015. This prospect is located 30km southwest of the Carcará Discovery in the pre-salt section of the Santos Basin.

BM-C-27 (Blocks C-M-122, C-M-145 and C-M-146)

As of September 30, 2014, the transfer of 30% of the concession rights related to the farm-in at the BM-C-27 Concession had not been completed. As a result, QGEP has not disbursed any cash or assumed any liabilities related to this contract. Technical and economic evaluations, including assessing the attractiveness of the project, are being carried out by the Operator to define the interest in this area.

The BM-C-27 Concession includes Blocks C-M-122, C-M-145 and C-M-146 located approximately 70 km from the coast, in the shallow waters of the Campos Basin.

BM-CAL-12 (Blocks CAL-M-312 and CAL-M-372)

The Consortium is currently awaiting an environmental license from IBAMA for drilling at BM-CAL-12. This license is expected to be issued in 2015, with drilling to begin soon after. One wildcat well is set to be drilled to target the CAM#01 prospect, located at CAL-M-372 Block.

Net to QGEP, capital expenditures for this drilling at BM-CAL-12 are approximately US$40 million.

BM-CAL-5

The Consortium at Block BM-CAL-5 is working on studies of environmental impact of the project, which will subsequently be submitted to IBAMA. The Consortium expects to receive the environmental license for the project in 2015, with drilling to begin in 2016. Capital expenditures, net to QGEP, are expected to total approximately US$22 million.

BM-CAL-5 is situated in the Camamu Basin. Reservoir depths range from 2,700-3,700 meters, with estimated 3C contingent resources net to QGEP of 17.9 million boe.

BLOCKS ACQUIRED IN THE 11TH ANP BIDDING ROUND

At the FZA-M-90 Block in the Foz do Amazonas Basin, 3D Seismic surveys have now been completed. The surveys were carried out by Spectrum - CGG.

At the blocks in the Espírito Santo Basin, the 3D seismic surveys are expected to be completed by the end of 2014. These surveys are being carried out by CGG.

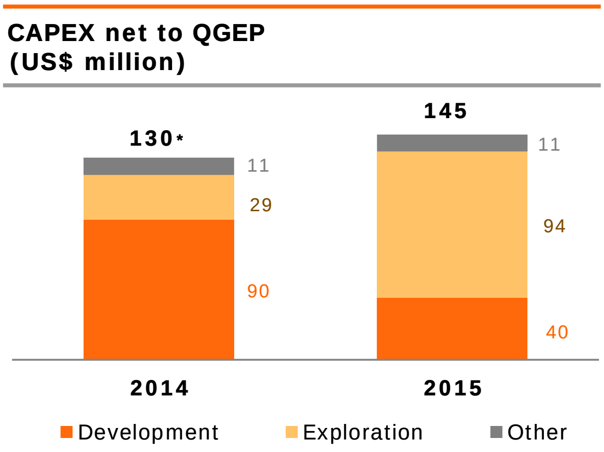
Data for the blocks in the Pará-Maranhão Basin has been contracted with Polarcus and the seismic acquisition is expected to start in the second half of 2015.

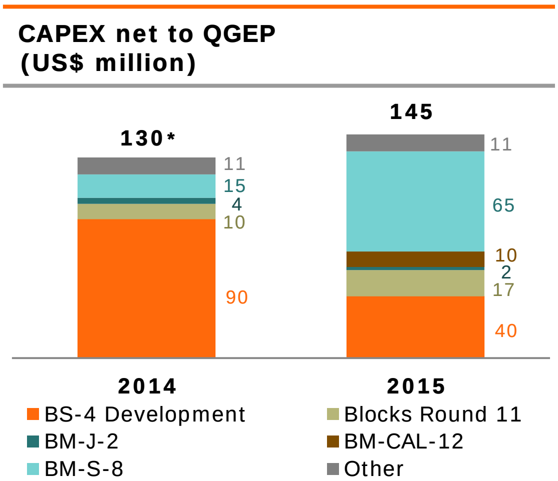
At the Ceará Basin, the contracting of seismic data is under negotiation, with surveys expected to start in the second half of 2015. At the Pernambuco-Paraíba Basin, surveys are expected to commence in 2016 or 2017.

QGEP has initiated the environmental studies for the permitting process related to drilling activities in the Foz do Amazonas and Pará-Maranhão Basins. Drilling activities are expected to begin by the end of 2017.

Total costs, net to QGEP, related to the acquisition of seismic data over the next three years are expected to be around US$46 million. In addition, QGEP expects to spend approximately US$200 million related to the drilling of at least four exploratory wells, starting in 2017, as part of the commitments undertaken during the 11th ANP Bidding Round.

CAPEX





* US$105 million had been spent as of September 30, 2014.

Recent Corporate Developments

- On October 10, 2014, FINEP disbursed a further R$83.5 million of funding to QGEP, bringing the total disbursed to date to R$253.6 million. The FINEP funding is dedicated to the development of the Atlanta Field in Block BS-4 and recognizes the cutting edge technology used by QGEP at the Field. Also during the quarter, FINEP approved an increase of the total credit line available to QGEP to R$292 million from R$266 million. This increase is expected to be confirmed by the end of 2014. This additional credit line has a floating interest rate linked to TJLP, currently equivalent to 4.0% per year.
- On September 29, 2014, QGEP signed a contract with Banco do Nordeste do Brasil for a financing package of R$232.0 million. These funds are dedicated to the funding of the exploration of QGEP's assets in the northeast of Brazil, specifically blocks BM-J-2, BM-CAL-5 and BM-CAL-12. The credit line has a 5-year grace period and amortization period of seven years, with interest of 4.7% per year, with a 15% performance bonus, which can result in an effective rate of 4.0% per year.

Sustainability, Environment and Safety

QGEP's sustainability strategy focuses on carefully managing the legal, environmental and social issues that involve the Company. The aim is to reduce risks and potential negative impacts of QGEP projects; make the best possible use of resources and maximize shareholder value. At the same time, the Company prioritizes benefits for local communities, where the Company works to enhance its corporate profile and generate positive outcomes.

In line with this commitment to sustainability, in August QGEP published its third Annual sustainability Report, following the guidelines laid down by the Global Reporting Initiatives (GRI). This document is available on QGEP's website.

Financial Performance

For 3Q14 and 3Q13 the financial statements below represent consolidated financial information for the Company. Some percentages and other figures included in this report were rounded to facilitate presentation and therefore may present slight differences in relation to the tables and notes presented in the quarterly information. In addition, for the same reason, the totals presented in certain tables may not reflect the arithmetic sum of the preceding figures.

Consolidated Financial Information (R$ million)

	3Q14	3Q13	Δ%
Net income	42.5	75.2	-43.5%
Amortization and depreciation	29.0	23.6	22.8%
Net financial (income)/ expenses	(20.1)	(16.0)	-25.7%
Income tax and social contribution	12.7	3.0	N/A
EBITDA[(1)]	**64.1**	**85.8**	**-25.3%**
Oil and gas exploration expenditure with sub commercial and dry wells[(2)]	-	0.5	-100.0%
EBITDAX[(3)]	**64.1**	**86.3**	**-25.8%**
EBITDA Margin[(4)]	50.7%	66.9%	-24.2%
EBITDAX Margin[(5)]	50.7%	67.3%	-24.6%
Net Debt[(6)]	(850.6)	(939.1)	9.4%
Net Debt/EBITDAX	(4.09)	(3.54)	-15.6%

[(1)] We calculate EBITDA as profit before taxes and social contributions, net financial results and amortization expenses. EBITDA is not a financial measure according to Brazilian GAAP or IFRS. It should also not be considered in isolation or as a substitute for net income, as a measure of operating performance, or as an alternative to operating cash flow as a measure of liquidity. Other companies may calculate EBITDA differently than us. Furthermore, EBITDA has limitations which inhibit its usefulness as a measure of our profitability as it does not consider certain costs inherent in our business, which could significantly impact our net results, such as net financial income, taxes and amortization. EBITDA is utilized by us as an additional measure of our operating performance.
[(2)]Exploration expenses relating to subcommercial wells or to non operational volumes.

[(3)] EBITDAX is a measure used by the oil and gas industry calculated as follows: EBITDA + exploration expenses with subcomercial and dry wells.

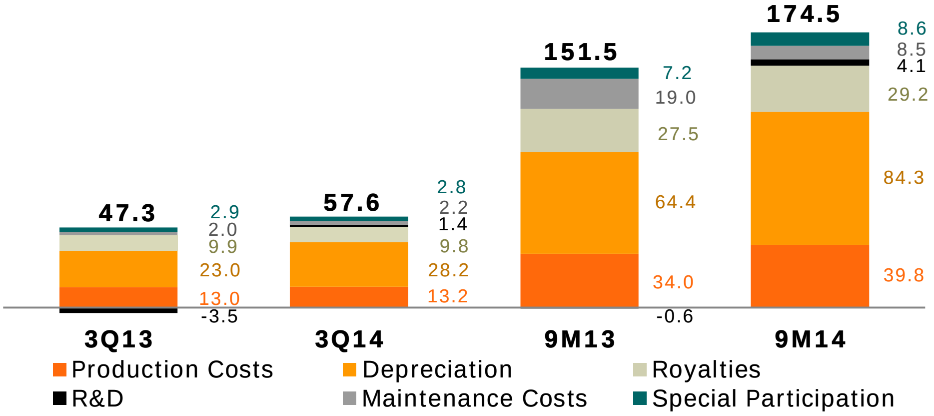
[(4)] EBITDA divided by net revenue.
[(5)] EBITDAX divided by net revenue.
[(6)] Net debt corresponds to total debt, comprising current and long-term loans and financing and derivative financial instruments, less cash and cash equivalents and marketable securities. Net debt is not recognized under Brazilian GAAP, U.S. GAAP, IFRS or any other generally accepted accounting principles. Other companies may calculate net debt in a different manner.

Operating Results

Net revenues for 3Q14 were R$126.3 million, in line with revenues in 2Q14 and a decrease of 1.5% from 3Q13. The year-on-year decrease was the result of lower production at Manati, partially offset by higher natural gas prices. For 9M14, net revenues totaled R$379.8 million, a 5.4% increase over 9M13, as a result of higher gas production in 9M14 and contractual natural gas price readjustment in January 2014.

Operating costs in the third quarter were R$57.6 million and consisted of R$28.2 million in depreciation and amortization, R$13.2 million in production costs, R$9.8 million in royalties, R$2.2 million in maintenance costs, R$2.8 million in special participation and R$1.4 million in research and development (R&D). For 9M14, total operating costs were R$174.5 million, 15.2% higher than the same period of 2013, mainly due to the permanent increase in amortization costs related to the provision for abandonment at Manati. This offset the decrease in maintenance costs from 9M13 related to the planned maintenance that was carried out in April, 2013.

Operating Costs (R$ million)



General and Administrative Expenses

Third quarter 2014 general and administrative expenses were R$12.6 million, 7.7% lower than 2Q14 and 5.9% lower than 3Q13. The quarter-on-quarter decrease is mainly related to higher allocation of costs to partners in projects operated by QGEP, which compensated the year-on-year increase in the Company's headcount. For the same reason, total G&A expenses were R$38.4 million in 9M14, 14.5% lower than the R$45.0 million registered in 9M13.

Exploration Expenses

Total exploration expenses in 3Q14 were R$21.6 million, compared with R$5.9 million in 3Q13 and R$14.6 million in 2Q14. The year-on-year increase in exploration expenses is related to the acquisition of seismic data for certain blocks awarded in the 11th ANP Bidding Round, with a total of approximately R$8.8 million spent on data for assets in the Foz do Amazonas and Espírito Santo Basins. The remaining R$12.8 million spent in the third quarter are costs related to geological and geophysical studies for certain blocks in our portfolio.

For 9M14, exploration expenses were R$71.6 million, compared to R$26.5 million in 9M13, mainly as a result of costs related to the relinquishment of the Biguá area to the ANP in 1Q14 and costs associated with the acquisition of seismic data for the 11th ANP Bidding Round Blocks.

Net Financial Income

In 3Q14, QGEP generated net financial income of R$20.1 million, compared with R$16.0 million in 3Q13 and R$20.6 million in 2Q14. The year-on-year increase was mainly due to higher income from marketable securities in exchange-traded funds, which benefitted from currency movements in the quarter. This more than offset the negative impact of these currency movements on the provision for abandonment at Manati and Atlanta.

For 9M14, net financial income totaled R$60.8 million compared to R$44.0 million in 9M13.

Net Income

Net income in 3Q14 was R$42.5 million, compared with R$75.2 million in 3Q13. The decrease is due to higher exploration costs in the quarter, as well as increased depreciation and income tax and social contribution expenses.

In 9M14, the Company generated net income of R$121.2 million, compared to R$171.1 million in 9M13. The decrease was mainly due to higher exploration costs in 2Q14 and 3Q14, and an increase in income tax and social contribution expenses. These effects were partly offset by higher financial income and lower general & administrative expenses.

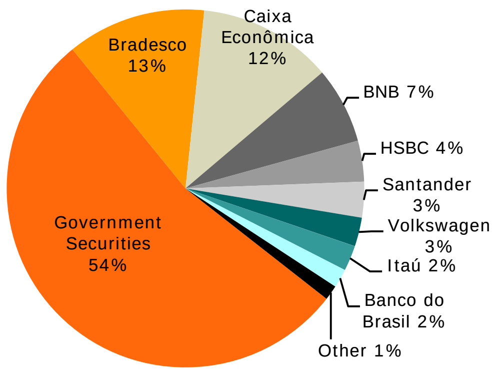
Balance Sheet/Cash Flow Highlights

Cash (Cash, Cash Equivalents and Marketable Securities)

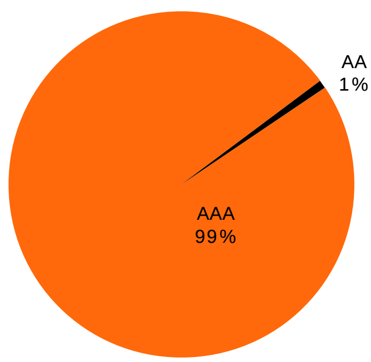
At the end of 3Q14, the Company had a consolidated cash balance of R$1.0 billion, including R$168.2 million of cash drawn down on the Company's FINEP credits. On September 30, 2014, QGEP had 26.6% of its investments in exchange funds, with the remaining balance in Brazilian real-denominated instruments.

The cumulative average yield of the cash in reais as of September 30, 2014 was 102.4% of the CDI rate and 80.9% of the resources have daily liquidity. The breakdown of the investments in Brazilian reais is shown on the charts below:

Investment Distribution



Ratings*



*Does not include Government Securities

Accounts Receivable/Payable

Accounts receivable at the end of 3Q14 were R$102.0 million, stable from the end of 2Q14. Accounts payable were R$54.2 million at the end of 3Q14, compared with R$151.0 million at the end of 2Q14. The decrease is a result of the payments to suppliers following the conclusion of drilling and completion activities for the two wells at the Atlanta Field, as well as lower future provisions for accounts payable related to the Field, due to the reduced level of operations at BS-4.

Credit to Partners

At the end of 3Q14, credit to partners was R$17.7 million, compared with R$70.4 million at the end of 2Q14. This line represents: i) for the blocks operated by QGEP, expenses that will be allocated to partners, but where cash calls have not yet been issued; ii) for the blocks not operated by QGEP, cash calls that have already been issued, but expenses have not yet been booked. None of QGEP's partners was considered to be in default as of September 30, 2014.

Debt

Total indebtedness at the end of 3Q14 was R$168.2 million, stable from the end of 2Q14.

These borrowings correspond to a financing package from Financiadora de Estudos e Projetos (FINEP) to support the development of the Atlanta Field EPS. The financing package consists of two credit lines, one with a fixed rate and one with a floating rate linked to TJLP. Currently, both lines have an interest rate equal to 3.5% per year and feature a 3-year grace period and amortization period of seven years.

FINEP is a State fund linked to the Ministry of Science Technology and Innovation that provides financing to the private and public sectors, with an emphasis on technological innovation in order to promote the sustainable development of Brazil.

Operating Cash Flow

The Company had operating cash flow of R$140.6 million in 3Q14, compared with R$203.9 million in 3Q13. The decrease was due to higher exploration expenses and income tax and social contribution expenses.

Investor Relations

QGEP Participações S.A.

Paula Costa Côrte-Real
CFO and Investor Relations Officer

Renata Amarante
Investor Relations Manager

Flávia Gorin
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About QGEP

QGEP Participações S.A. is Brazil's only private company to operate in the premium pre-salt area in Santos Basin. QGEP is qualified by the ANP to act as "Operator A" from shallow to ultra-deep waters. The Company has a diversified portfolio of high quality and high potential exploration and production assets. Furthermore, it owns 45% of the concession for the Manati Field located in the Camamu Basin, which is one of the largest non-associated natural gas fields under production in Brazil. Manati Field has been in operation since 2007, and has average production capacity of approximately 6 million m^3 per day. For more information, access www.qgep.com.br/ri

This material may contain information relating to future business prospects, estimates of financial and operational results and growth of the company. This information should be considered as projections based exclusively on management expectations regarding future business developments and the availability of capital to finance the Company's business plan. Such future considerations are substantially subject to changes in market conditions, government regulations, competitive pressures and developments within the sector and the Brazilian economy, among other factors. These points should also be considered along with risks disclosed in documents previously published by the Company. It should be understood that all these factors are subject to change without warning.

The consolidated financial information of the Company for the quarters ended September 30, 2014 and September 30, 2013 was prepared by the Company in accordance with IFRS as issued by IASB.

Annex I – INCOME STATEMENT

Income Statement (R$ million)

	3Q14	3Q13	Δ%
Net revenue	**126.3**	**128.2**	**-1.5%**
Operating costs	(57.6)	(47.3)	-21.7%
Gross profit	**68.7**	**80.9**	**-15.1%**
Operating revenue (expenses)			
General and administrative expenses	(12.6)	(13.4)	-5.9%
Equity method	0.6	(0.0)	N/A
Oil and gas exploration expenses	(21.6)	(5.9)	-264.9%
Other operating expenses	-	-0.4	N/A
Operating income (loss)	**35.1**	**62.2**	**-43.6%**
Financial income (expenses), net	20.1	16.0	25.7%
Income before tax and social contribution	**55.2**	**78.2**	**-29.4%**
Deferred income tax and social contribution expenses	(12.7)	(3.0)	N/A
Net income	**42.5**	**75.2**	**-43.5%**

Annex II – BALANCE SHEET

Balance Sheet (R$ million)

	3Q14	2Q14	Δ%
Assets			
Current Assets	**1,196.8**	**1,239.9**	**-3.5%**
Cash and cash equivalents	146.5	216.4	-32.3%
Marketable Securities	872.3	791.2	10.2%
Trade accounts receivable	102.0	101.9	0.1%
Stocks	49.1	44.7	9.9%
Recoverable taxes	6.0	10.9	-44.7%
Credit to Partners	17.7	70.4	-74.8%
Other	3.2	4.4	-26.3%
Non-current Assets	**1,830.4**	**1,803.4**	**1.5%**
Restricted cash	21.2	15.0	41.4%
Recoverable taxes	0.5	0.4	3.2%
Deferred income tax and social	4.6	3.9	19.0%
Investments	18.9	15.0	26.1%
Property, plant and equipment	1,148.0	1,132.6	1.4%
Intangible assets	632.0	632.2	0.0%
Related Parties	3.2	2.0	59.7%
Other	2.0	2.2	12.9%
Total Assets	**3,027.2**	**3,043.3**	**-0.5%**
Liabilities and Shareholders' Equity			
Current Liabilities	**129.2**	**217.8**	**-40.7%**
Trade accounts payable	54.2	151.0	-64.1%
Taxes payable	30.6	27.3	12.1%
Payroll and related taxes	12.9	9.9	30.7%
Due to related parties	0.3	0.3	11.5%
Borrowings and financing	0.2	0.2	0.0%
Provision for research and development	11.6	10.9	7.2%
Insurances payable	7.1	6.9	3.8%
Other current liabilities	12.1	11.4	6.8%
Non-current Liabilities	**418.2**	**392.7**	**6.5%**
Borrowings and financing	168.0	167.9	0.1%
Provision for abandonment	250.2	224.9	11.3%
Shareholders' Equity	**2,479.8**	**2,432.7**	**1.9%**
Integrated capital stock	2,078.1	2,078.1	0.0%
Other comprehensive income	3.3	0.7	347.9%
Profits reserve	328.6	328.6	0.0%
Capital reserve	(51.4)	(53.4)	3.7%
Net income for the period	121.2	78.7	54.0%
TOTAL Liabilities and Shareholders' Equity	**3,027.2**	**3,043.3**	**-0.5%**

Annex III – CASH FLOWS

Cash Flows (R$ million)

	3Q14	3Q13	Δ%
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period	42.5	75.2	-43.5%
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization and Depreciation	29.0	23.6	22.8%
Equity Pick-up Method	(0.6)	0.0	N/A
Deferred income tax and social contribution	(0.7)	0.0	N/A
Financial charges and exchange rate variation borrowings and financing	3.0	0.0	N/A
Fixed Assets/Intangibles write-offs	0.3	0.4	-17.9%
Reductions of the period	0.0	0.0	N/A
Expenses with stock option plan	2.0	2.6	-24.4%
Provision for income tax and social contribution	(13.4)	(3.0)	N/A
Provision for research and development	0.8	(3.9)	120.1%
Financial derivative instruments	0.0	0.4	-100.0%
Exchange rate variation on accounts payable for acquisition of exploratory blocks	0.0	0.0	N/A
Exchange rate variation on provision for abandonment	25.4	99.2	-74.4%
Increase/decrease in operating assets:	53.3	(64.1)	183.1%
Increase/decrease in operating liabilities:	(0.9)	73.5	-101.3%
Net cash inflows from operating activities	140.6	203.9	-31.0%
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash inflows from/used in investing activities	(213.1)	(235.8)	9.6%
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash inflows from/used in financing activities	0.0	(10.1)	100.0%
Total exchange rate variation on cash and cash equivalents	2.5	0.0	N/A
Increase (Decrease) in cash and cash equivalents	**(69.9)**	**(42.0)**	**-66.3%**
Cash and cash equivalents at the beginning of the period	216.4	575.0	-62.4%
Cash and cash equivalents at the end of the period	146.5	533.0	-72.5%
Increase (Decrease) in cash and cash equivalents	(69.9)	(42.0)	-66.3%

Annex IV – GLOSSARY

ANP	National Agency of Petroleum, Natural Gas and Fuel
Deep water	Water depth of 401 – 1,500 meters.
Shallow water	Water depth of 400 meters or less.
Ultra-deep water	Water depth of 1,501 meters or more.
Basin	A depression in the Earth's crust in which sediments have accumulated that could contain oil and/or gas, associated or not.
Block(s)	Part(s) of a sedimentary basin with a polygonal surface defined by the geographic coordinates of its vertices and undefined depth where oil and natural gas exploration or production activities are carried out.
"Boe" or Barrel of oil equivalent"	A measurement of gas volume converted to barrels of oil using a conversion factor whereby 1,000 m^3 of gas equals 1 m^3 of oil/condensate and 1 m^3 of oil/condensate equals 6.29 barrels and (energy equivalence).
Concession	A grant of access by a country to a company for a defined area and period of time that transfers certain rights to any hydrocarbons that may be discovered from the country in question to the concessionaire.
Discovery	In accordance with the Petroleum Law, a discovery is any occurrence of petroleum, natural gas or other hydrocarbons, minerals and, in general terms, mineral reserves located in a given concession, independently of quantity, quality or commercial viability that are confirmed by at least two detection or evaluation methods (defined in the ANP concession agreement). To be considered commercially feasible, a discovery must present positive returns on an investment under market conditions for development and production.
E&P	Exploration and Production
Farm-in and Farm-out	Process of partial or complete acquisition of concession rights held by another company. The company acquiring the concession rights is said to be in the farm-in process and the company selling concession rights is in the farm-out process.
Field	An area covering a horizontal projection of one or more reservoirs containing oil and/or natural gas in commercial quantities.
FPSO	A floating production, storage and offloading (FPSO) unit is a floating vessel used by the offshore oil and gas industry for the processing of hydrocarbons and for storage of oil.
GCOS	Geological Chance of Success
GCA	Gaffney, Cline & Associates
Kbbl/d	One thousand barrels per day

Operator	A company legally appointed to conduct and execute all operations and activities in the concession area, in accordance with the terms of the concession agreement signed by the ANP and the concessionaire.
"Type A" Operator	Qualification of the ANP to operate onshore, offshore in shallow to ultra-deep waters
Exploratory Prospect(s)	A prospect is a potential accumulation mapped by geologists or geophysicists where there is a probability of a commercially viable accumulation of oil and/or natural gas that is ready to be drilled. The five necessary elements for the existence of an accumulation (generation, migration, Reservoir, seal and entrapment) must be present and the lack of any of the five means there is either no accumulation or accumulation that is not commercially viable.
Contingent Resources	Represent quantities of oil, condensate and natural gas that are potentially recoverable from accumulations acknowledged during the development of projects, but that are not considered commercially recoverable as yet due to one or more contingencies.
3C Contingent Resources	High Contingent Resources estimates, which is typically assumed to have a 10% chance of being achieved or exceeded.
Risked Prospective Resources	Prospective resources multiplied by GCOS.
Reserves	Quantities of petroleum expected to be commercial recoverable by applying development projects to known accumulations as of a given date and under defined conditions.
Reserves 1P	Sum of proven reserves.
Reserves 2P	Sum of proven and probable reserves.
Reserves 3P	Sum of proven, probable and possible reserves.
Possible Reserves	Quantities of petroleum which analysis of geoscience and engineering data indicate are less likely to be recovered than probable reserves.
Proven Reserves	Quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable as of a given date from known reservoirs and under defined economic conditions, operating methods and government regulations.
Probable Reserves	Quantities of petroleum that, according to geoscience and engineering data, are estimated to have the same chance (50%/50%) of being achieved or exceeded.