

QGEP Participações S.A.
Corporate Taxpayer's ID (CNPJ/MF): 11.669.021/0001-10
Publicly-held Company

MATERIAL FACT

-Drilling of 1-SPS-80 well in the Santos Basin concluded -

Pursuant to article 2 of CVM Instruction 358/2002, QGEP Participações S.A. (BM&FBovespa: QGEP3) hereby announces that it has concluded drilling the 1 - SPS - 80 well (1-BRSA-911-RJS), located in Concession BM - S - 76 in the shallow waters of the Santos Basin at a water depth of 189m, approximately 215km from the coast. QGEP retains a 20% interest in this exploratory block in association with GALP and PETROBRAS (the operator).

Drilling of the 1 - SPS - 80 well, called Enseada, began on January 21, 2011 with the goal of testing post-salt sandstone reservoirs (Santos#5, Santos#8 and Santos#9). The reservoirs were confirmed, together with the presence of hydrocarbons shows. However, no potentially productive zones were identified. The Enseada reached a final depth of 4,405 meters, as envisaged in the original plan. Results of this nature are inherent to the oil and gas exploration business.

As a result of this drilling operation, the consortium took the decision to return the adjacent BM-S-75 and BM-S-77 blocks to the ANP. The prospects identified in these blocks which aimed to test the post-salt layer (Santos#6 and Santos#7), do not justify further investments in the drilling of exploratory wells and such resources could be better deployed among the many other opportunities of the Company.

Due to the quality and geological and geographical diversity of QGEP's portfolio, this result does not affect our previous forecasts regarding the volumes and risks of the Company's other exploratory projects.

Rio de Janeiro, March 14, 2011.

Paula Vasconcelos da Costa
Investor Relations Officer

About QGEP Participações

QGEP Participações S.A. or the "Company" is the largest privately-held Brazilian company in the Exploration and Production (E&P) sector in barrels of oil equivalent (boe) per day, according to 2010 data from the country's National Petroleum Agency (ANP). It is also the only privately-held Brazilian company in the E&P sector to be certified by ANP, in the last two rounds of bidding in 2007 and 2008, to operate as an A Operator in Deep and Ultra-Deep Waters. The Company has a diversified portfolio of top quality assets with excellent exploration and production potential, consisting of concession rights to exploratory blocks along Brazil's coast, including pre-salt reserves located in the Santos, Jequitinhonha and Camamu Basins. The Company also holds 45% interest in the concession for the Manati Field located in the Camamu Basin, the largest non-associated natural gas field in production in Brazil, according to ANP data for November 2010, covering an area of about 76 km², with production capacity of 50,300 boe per day, and has been operational since 2007. For more information, visit www.qgep.com.br/ri

This release may contain forward-looking statements concerning the business outlook, estimates of operating and financial results and growth prospects of the Company. These statements are based exclusively on the expectations of the management of the Company regarding the prospects of the business and its continued ability to access capital markets to finance its business plan. These forward-looking statements are highly sensitive to changes in the capital markets, government regulations, competitive pressures, the performance of the industry and the Brazilian economy and other factors, as well as to the risk factors highlighted in documents previously filed by the Company, and therefore are subject to change without prior notice.