QGEP PARTICIPAÇÕES S.A.

National Register of Legal Entities No. 11.669.021/0001-10
Registry Identification Number of Legal Entities: 33.300.292.896
Public Corporation

MANAGEMENT PROPOSAL

Shareholders,

In compliance with the Instruction of the Securities and Exchange Commission ("SEC") No. 481 from 17 December 2009 ("SECI 481/09"), the management of **QGEP Participações S.A.** ("QGEPP" or the "Company") presents its proposal for the items to be decided in the Annual General Meeting to be held on April 16, 2014.

1. Accounts rendering by Directors, Analysis, Discussion and Voting on the Financial Statements for the Fiscal Year Ended on December 31, 2013.

The Directors of the Company proposes that the Financial Statements, the Management Report and the management accounts are approved, all of them concerning the fiscal year ended on December 31, 2013.

The Financial Statements of the Company, followed by the Management Report and the opinion of independent auditors for the fiscal year ended on December 31, 2013 were approved by the Board of Directors at the meeting held on February 24, 2014 and published in Jornal do Commercio and Diário Oficial of the State of Rio de Janeiro on February 27, 2014 and in a edition published in March 6.

The comments of the directors on the financial position of the Company pursuant to Item 10 of the Reference Form are set out in Appendix A following this proposal.

Additionally, the Company's management has provided through the EPI (Eventual Periodical Information) sector the following documents for your analysis:

(i) Management's Report on the Company's business and the main management facts of the fiscal year ended on December 31, 2013;
(ii) Financial Statements and explanatory notes;
(iii) Independent Auditors' opinion; and
(iv) Form of Standardized Financial Statements – SFS.

2. Allocation of income of the fiscal year ended on December 31, 2013 and dividends distribution.

The Company's management proposes that the net profit for the year ended on December 31, 2013 be allocated as indicated on the Financial Statements. In compliance with Article 9, §1º, II of SECI 481/09, the Appendix B of this document presents information related to the proposed allocation of the net profit of the fiscal year in question.

3. Election of members of the Board of Directors for the period from 2014 to 2016 and approval of directors' remuneration

The Company's management proposes the reelection of the current members of the Board of Directors, with term of office until the Annual General Meeting is held to approve the accounts for the fiscal year ended on December 31, 2015, therefore, contemplating the appointment of 2 (two) Independent Directors: Messrs. Luiz Carlos de Lemos Costamilan and José Luiz Alquéres, in order to meet the independence requirements of the Listing Rules of the Novo Mercado of BM&FBOVESPA S.A.

Pursuant to Article 10 of SECI 481/09, the Appendix C of this proposal contains the information specified in item 12.6 to 12.10 of the Reference Form.

The Management proposes that the global remuneration of the Company's Directors to be paid until the date of the Annual General Meeting that approves the accounts for the fiscal year ending on December 31, 2014 is approved totaling BRL 2,903,522.00 (two million, nine hundred and three thousand, five hundred and twenty-two reais). Such amount does not include expenses accounted on the Stock Option Plan granted on 24 February 2014 under the Stock Option Plan of the Company.

This amount, which won't be necessarily spent in its entirety, will be allocated by the Board of Directors between Directors and members of the Board of Directors of the Company.

It is also worth noting that the item 13.2 of the Reference Form has a table with information of different nature, given that the limit of total remuneration of the Directors, established in the Annual General Meeting, refers to the period between the date of the General Meeting of the year when it was held and the date of the Annual General Meeting of the following year, while item 13.2 addresses the remuneration of the period corresponding to the fiscal year.

Finally, in compliance with Article 12 of SECI 481/09, the Appendix D of this proposal contains the information specified in item 13 of the Reference Form.

4. Establishment and election of the members of the Fiscal Council and approval of members' compensation

Furthermore, the Company announces that it received a letter from shareholders on April 10, 2014, representing more than 2% of the Company's shares with voting rights, informing their intention to request for the establishment of a Fiscal Council and nominating candidates for the positions of Member and Substitute on the Fiscal Council. Their curriculums were disclosed to shareholders, through the Notice to Shareholders released on April 11, 2014, available on the Company's website (www.qgep.com.br/ri) and on Comissão de Valores Mobiliários - CVM (www.cvm.gov.br).

Due to this request, the Company updated the present proposal with information on the candidates to the Fiscal Council, clarifying that the election of the members of the Fiscal Council will occur at the Company's Ordinary General Meeting scheduled to take place at the company's head offices at 10.00am on April 16, 2014.

Appendix A

(Management's comments on the financial position of the Company pursuant to Item 10 of the Reference Form)

10.1. General financial and equity conditions

a) General financial and equity conditions

QGEP operates in the exploration and production industry and is the first Brazilian privately held company operating in the pre-salt polygon in Santos basin due to its classification as "A Operator" by the National Agency of Petroleum, Natural Gas and Biofuels (ANP), which allows our role as operator in shallow, deep and ultra-deep waters. In terms of daily production of barrels of oil equivalent (BOE), we were the largest Brazilian company during the years 2012 and 2013, according to data released by the ANP. Our activities of exploration and production of petroleum, natural gas and condensate oil focus currently on 9 different basins: Santos, Campos, Espírito Santo, Jequitinhonha, Camamu-Almada, Pernambuco-Paraíba, Ceará, Pará-Maranhão and Foz do Amazonas. Our main asset in production is the Manati Field, in the State of Bahia, in which we hold a 45% share. This is one of the largest fields of non-associated natural gas in course in Brazil, producing on average 6.0 million m³ of gas per day in 2013.

In the fiscal years ended on December 31, 2013, 2012 and 2011, our net revenues totaled BRL 486.1, BRL 462.3 million and BRL 289.0 million, respectively. As detailed in item 10.2 of this document, our revenues are primarily derived from the sale of gas to Petrobras. Currently, the Company has a credit line of BRL 266.1 million approved by FINEP, of which BRL 169.3 million were disbursed in 2013. This financing was obtained to support the Early Production System in the Atlanta Field.

The Company showed a satisfactory liquidity, according to the net working capital (difference between current assets and current liabilities) of BRL 1,050.3 on December 31, 2013, BRL 1,010.3 million on December 31, 2012 and BRL 862.8 million on December 31, 2011. Our current liquidity (current assets/current liabilities) was in the ratio of 449% on December 31,2013, 1.125% on December 31, 2012 and 218% on December 31, 2011.

Considering our revenues and our liquidity, we believe that the Company has sufficient financial and equity conditions to implement its business plan and meet short-term obligations.

b) Capital structure and possibility of redemption of shares or quotas

On December 31, 2013, 2012 and 2011, we had a consolidated position in the Cash and Cash Equivalents account and financial applications of BRL 1,005.8 million, BRL 952.3 million and BRL 1,152.5 million, and current assets of BRL 1,284.2, BRL 1,100.1 million and BRL 1,258.1 million, respectively. In the above dates, we presented consolidated current liabilities of BRL 233.8, BRL 89.8 million and BRL 395.3 million and consolidated noncurrent liabilities of BRL 396.6, BRL 116.5 million and BRL 158.6 million, respectively.

Additionally, with respect to the financing standard of our operations, the capital structure of the Company on December 31, 2013 consisted of 74% of the company's own capital and 26% of third parties' capital; on December 31, 2012, it consisted of 92% of the company's own capital and 8% of third parties' capital; and on December 31, 2011 it consisted of 80% of company's own capital and 20% of third parties' capital.

As new investments are made necessary in the development of our reserves and in the increase of our portfolio, we will analyze the possibility of obtaining new resources to the Company, whether through debt or through our own capital, always considering the most efficient options in terms of structure and cost.

Finally, we stress that there is no chance of redemption of our shares, other than provided by law.

c) Ability to pay in relation to financial commitments assumed

Given our cash flow, our liquidity position and capital structure, we believe that we are able to meet our commitments and obligations in the short and long term, although we cannot guarantee that this situation will remain unchanged in this period.

Additionally, we have fulfilled our obligations relating to financial commitments and, if necessary, we will analyze the possibility of borrowing new loans, always pondering the most effective options in terms of structure and costs for the Company.

d) Financing sources for working capital and investments in non-current assets

The Company has sought in its own cash generation the resources needed to finance its working capital and investments.

During the years ended in 2013, 2012 and 2011, our cash generation and IPO proceeds allowed us to fund our working capital and much of the expansion of our activities. We've undertook in this period, especially in the development phase of the Company's business, the hiring and financing of loans with financial institutions, with the payment and settlement made with the proceeds of our own generation of resources.

Additionally, on September 12, 2013, the Company signed a loan agreement with FINEP (Financing Agency for Studies and Projects) in the amount of BRL 266,112,048.62 in order to primarily fund the Early Production System in the Atlanta Field.

e) Financing sources for working capital and investments in non-current assets which the Company intends to use to cover liquidity shortfalls

Given our capital structure, we believe that our cash generation, as well as part of the proceeds from our Initial Public Offering (IPO) still available in cash, will be sufficient to meet our routine operating obligations, as well as our exploratory investment schedule. Currently, the values received in the IPO, BRL 827.87 million, representing 56% (fifty-six per cent) of these resources have not been used and may be used to pay our operating obligations or commitments related to exploration investments. However, we can raise the Company's financial leverage through new financing sources, as opportunities arise for new investments, particularly in acquisitions, as well as for the development of the Company's production.

f) Levels of indebtedness and the characteristics of such debts, including: (i) relevant loan and financing agreements, (ii) other long-term relationships with financial institutions, (iii) subordination level among debts, (iv) any restrictions imposed on the issuer, in particular in relation to limits of indebtedness and hiring new debts, distribution of dividends, disposal of assets, issuance of new securities and sale of corporate control

i. Relevant loan and financing agreements

On September 12, 2013, the Company signed a loan agreement with FINEP (Financing Agency for Studies and Projects) in the amount of BRL 266,112,048.62 in order to finance approximately 90% of the Early Production System in the Atlanta Field. This line has been approved for the total period of ten years, with three years of grace period, two lines with interest rates equivalent to 3.5% p.a. This is the only line of credit present in the financial statements of the Company on December 31,2013.

For further information on loan and financing agreements and contractual obligations of the Company, see section 3.9.

ii. Other long-term relationships with financial institutions

With the exception of the loan with FINEP amounting BRL 266.1 million, on December 31, 2013, we did not have in our liability any other long-term operation with financial institutions.

However, as a practice, we seek to maintain a business relationship with the leading financial players in the market, aiming to the ready access to lines of credit to finance new investments and possible demands for working capital.

iii. Subordination level among debts

As the Company has only one debt with FINEP, there is no subordination.

iv. Any restrictions imposed on the issuer, in particular in relation to limits of indebtedness and hiring new debts, the distribution of dividends, the disposition of assets, issuance of new securities and sale of corporate control.

With respect to the financing agreement signed with FINEP, QGEP shall request prior authorization of the financing company for actions that directly or indirectly result in a decreased ability to pay by QGEP in view of the commitments under the financing agreement.

g) Limits of use of already hired financing

The resources contracted from FINEP have a limited use of 36 months as from the signature of the agreement. Until December 31, 2013, BRL 169.3 million had already been disbursed.

h) Changes in each item of the financial statements

Operating income

The table below shows the figures relating to the consolidated income of the Company for the periods indicated:

(BRL million)	2013	ΔV (%)	2012	ΔV (%)	2011	ΔV (%)	ΔH 2013/2012	ΔH 2012/2011
Net revenue	**486.1**	**100**	**462.3**	**100,0**	**289,0**	**100**	5.1%	**60.0%**
Costs	(209.9)	(43.2)	(182.8)	(39.5)	(128.7)	(44.5)	14.8%	42.0%
Gross profit	**276.2**	**56.8**	**279.5**	**60.5**	**160.3**	**55.5**	(1.2%)	**74.4%**
Operating revenues(expenses)	(150.5)	(31.0)	(239.5)	(51.8)	(123.4)	(42.7)	(37.1%)	(94.1%)
General and management	(68.6)	(14.1)	(63.3)	(13.7)	(59.5)	(20.6)	9.3%	6.4%
Equity method	(0.5)	(0.1)	-	-	-	-	-	162.1%
Exploration costs	(81.5)	(16.8)	(177.0)	(38.3)	(56.6)	(19.6)	(53.9%)	212.7%
Other net operating costs		-	0.8	0.2	(7.3)	(2.5)	(25.4%)	(111.0%)
Operating profit	**125.5**	**25.8**	**40.0**	**8.7**	**36.9**	**12.8**	**214.0%**	**8.4%**
Net income	62.1	12.8	82.5	17.9	84.4	29.2	(24.7%)	(2.3%)
Pretax income and social contribution	**187.7**	**38.6**	**122.5**	**26.5**	**121.2**	**41.9**	**53.2%**	**1.1%**
Income tax and social contribution	4.6	0.9	(40.0)	(8.7)	(29.1)	(10.1)	(111.4%)	37.5%
Net profit(Loss) of the period	**192.2**	**39.5**	**82.5**	**17.9**	**92.1**	**31.9**	**133.1%**	**(10.4%)**

ΔV– Vertical Analysis– percentage compared to the total net revenue
ΔH – Horizontal Analysis– percentage resulting from the comparison between the periods

Net Revenue

In the fiscal year ended on December 31, 2013, the net revenue totaled BRL 486.1, compared with net income of BRL 462.3 in fiscal year ended on December 31, 2012, representing an increase of 5.1%, which is the result of a production of 982.3 million m³ of natural gas and 15,900 m³ of condensate oil and mainly due to the contractual readjustment in the price of natural gas.

In the fiscal year ended on December 31, 2011, the net revenue totaled BRL 289 million.

Costs

In the fiscal year ended on December 31,2013, costs totaled BRL 209.9 compared with the costs of BRL 182.8 million in the year ended on December 31,2012, which represents an increase of 14.8%. This occurred primarily because of the maintenance costs incurred in the 2Q13 related to the scheduled maintenance performed in the Manati Field in April. Besides the operation costs of the gas plant, the following items contributed to the increased costs in this period: (i) BRL 95.1 of depreciation; (ii) BRL 47.7 of Royalties & Special Share; (iii) BRL 1.5 Research & Development, and (iv) BRL 15.9 million of maintenance costs in the Manati Field.

In the fiscal year ended on December 31, 2012, costs totaled BRL 182.8 million compared with the costs of BRL 128.7 million in the fiscal year ended on December 31,2011, representing an increase of 40%.

In the fiscal year ended on December 31, 2011, costs totaled BRL 128.7 million compared to the costs of BRL 57.1 million in the year ended on December 31, 2010, representing an increase of 125.2%. In addition to the operating costs of the gas plant located in São Francisco do Conde, in the State of Bahia, in the amount of BRL 37.5 million, the following items contributed to the increased costs of this period: (i) BRL 53.1 million of depreciation; (ii) BRL 24.7 million of Royalties and Special Share; (iii) BRL 3.0 million of Research & Development; and (iv) BRL 10.4 million of maintenance costs in the Manati Field.

General and Management Expenses

In the fiscal year ended on December 31, 2013, general and management expenses totaled BRL 69.2 compared to general and management expenses of BRL 63.3 million in the fiscal year ended on December 31, 2012, representing an increase of 9.3%. This variation was due to increased personnel in our subsidiary QGEP because of the advance of works related to the operation of the BS-4 Block, as well as other operations of the Company. This amount also includes 15.4 million related to costs with the share in the outcome of 2013.

In the fiscal year ended on December 31,2012, general and management expenses totaled BRL 63.3 million compared to general and management expenses of BRL 59.5 million in the fiscal year ended on December 31,2011, representing an increase of 6.4%. Much of this variation was due to increased personnel for the operation of the BS-4 Block. Thus, part of the management costs was allocated to this project, of which QGEP retains 30% of this balance in its asset, and the remaining 70% is for the partners in the block, which reimburse the costs to the operator. The total amount transferred in 2013 was BRL 23.0 million compared to BRL 12.8 million in 2012.

This amount also includes BRL 13.1 million related to costs with profit sharing of the years 2011 and 2012. The expenses of 2011 comprise BRL 23.1 million in bonus due to the successful completion of the IPO.

In the fiscal year ended on December 31, 2011, general and management expenses totaled BRL 59.5 million compared to general and management expenses of BRL 10.1 million in the fiscal year ended on December 31,2010, representing an increase of 489.1%. This variation was due to the growth in the Company's personnel in order to enable the performance of its duties as operator of the BS-4 Block, as well as the strategy of increasing its presence as an operator of other blocks.

Exploration Costs

In the fiscal year ended on December 31, 2013, total exploration costs totaled BRL 81.5 compared to exploration costs of BRL 177 million in the fiscal year ended on December 31, 2012, representing a decrease of 55.7%. From the amount of BRL 81.5 on December 31, 2013, BRL 42.3 is related to the return of the BM-S-12 Block to ANP and BRL 18.7 refers to seismic data related to new acquisitions.

In the fiscal year ended on December 31, 2012, total exploration costs totaled BRL 177.0 million compared to exploration costs of BRL 56.6 million in the fiscal year ended on December 31, 2011, representing an increase of 212.7%. This value mainly reflects the retirement of BRL 126.5 million in the BM-S-12 Block and BRL 37.2 million in the discovery of Jequitibá, which affected especially the second quarter of 2012.

In the fiscal year ended on December 31, 2011, total exploration costs were BRL 56.6 million compared to exploration costs of BRL 39.0 million in the fiscal year ended on December 31, 2010, representing an increase of 45.1%. This change primarily reflects: (i) the costs of the 1-SPS-80 oil well in the amount of BRL 13.2 million, located in the BM-S-76 Block, drilled in the first quarter of 2011, where potentially productive zones were not identified; and (ii) the acquisition of seismic data in the amount of BRL 29.6 million, comprising the region of the BM-S-8 and BS-4 blocks, in which QGEP acquired a share in 2011 by means of farm-ins agreements.

Net Financial Income

In the fiscal year ended on December 31, 2013, the net financial income totaled BRL 62.1 million, compared with the net financial income of BRL 82.5 million in the fiscal year ended on December 31, 2012, representing a reduction of 24.8%, when we had the outcome of BRL 22.8 million of a financial income related to the exchange rate variation on the balance payable of 30% share of the BS-4 Block in 2012.

In the fiscal year ended on December 31, 2012, the net financial income was BRL 82.5 million, compared with the net financial income of BRL 84.4 million in the fiscal year ended on December 31,2011, representing a decrease of 2.2%, due to lower interest rates.

In the fiscal year ended on December 31, 2011, the net financial income was BRL 84.4

million, compared to the net financial income of BRL 9.8 million in the fiscal year ended on December 31, 2010, representing an increase of 761.2%. This amount relates primarily to the financial income generated by the investments of the funds raised in the IPO of the Company, received in February 2011. Moreover, the financial result of the period was also impacted by the exchange variation expense in the amount of BRL 48.5 million, related to the exchange rate depreciation over the parcel of the remaining payment of the BS-4 Block acquisition, and the balance provided for eventual abandonment of the Manati Field.

Net Profit

In the fiscal year ended on December 31, 2013, the accumulated net profit of the Company was BRL 192.2 million, an increase of 133.1% compared with the net profit of BRL 82.5 million in the fiscal year ended on December 31, 2012, when the Company sustained higher costs related to exploration activities.

In the fiscal year ended on December 31, 2012, the accumulated net income was BRL 82.5 million, compared with net profit of BRL 92.1 million in the fiscal year ended on December 31, 2011, representing a reduction of 10.4%, due to the combination of operating and financial profits. The main facts which affected the results of the period were the higher production of the Manati Field, the exploration costs of BRL 177.0 million relating to exploration activities that have not been successful in the BM-S-12 Block and the return of the Jequitibá prospectus to ANP.

In the fiscal year ended on December 31, 2011, the accumulated net income was BRL 92.1 million, compared with net profit of BRL 35.6 million in the fiscal year ended on December 31, 2010, representing an increase of 158.7%, due to the combination of operating and financial profits. The main facts that affected the results for the period were: (i) the reduction in revenues from sale of gas, due to lower production volume in Manati Field; (ii) the exploratory costs of the 1-SPS-80 oil well; (iii) non-recurring management expenses related to the IPO of the Company; (iv) increase in the financial income through the IPO in February 2011, and (v) exchange rate variation arising from the devaluation of the Brazilian currency against the U.S. dollar.

Equity Accounts

The table below shows the figures relating to the balance sheet of the Company at the dates indicated:

(BRL millions)	2013	2012	2011	ΔH 2013/2012	ΔH 2012/2011
Current					
Assets	**1,284.2**	**1,100.1**	**1,258.1**	**14.9%**	**(12.6%)**
Cash and cash equivalents	357.8	871.3	1,022.0	(58.9%)	(14.7%)
Financial Application	648.0	80.9	130.5	701.0%	(38.0%)
Accounts receivable	99.4	92.8	76.1	7.2%	21.8%
Stocks	47.8	9.5	5.4	402.7%	77.2%
Taxes and contributions recoverable	10.4	35.7	20.7	(70.9%)	72.5%
Credit with partners	116.2	9.4	2.2	1,136.2%	325.5%
Others	4.7	0.5	1.2	787%	(56.8%)
Non-current asset	**1,755.1**	**1,333.9**	**1,471.6**	**34.9%**	**(9.4%)**
Restricted Cash	4.2	24.2	61.0	(82.8%)	(60.3%)
Taxes recoverable	0.3	0.4	0.1	(21.5%)	300.0%
Differed income tax and social contribution	22.5	-	5.8	100%	(100%)
Fixed Assets	1,083.5	773.2	869.4	40.1%	(11.1%)
Intangible Asset	631.3	536.1	535.2	17.8%	0.2%
Others	2.9	-	0.1	100%	(100%)
TOTAL ASSETS	**3,039.3**	**2,434.0**	**2,729.7**	**24.9%**	**(10.8%)**
Current Liability					

and Shareholders' Equity	**233.7**	**89.8**	**395.3**	**160.4%**	**(77.3%)**
Suppliers	160.2	32.5	26.6	392.8%	22.2%
Accounts Payable	-	-	265.9	-	(100%)
Taxes and contributions receivable	30.1	23.8	24.4	26.3%	(2.5%)
Remuneration and Social Obligations	19.4	11.7	1.5	65.4%	680.0%
Accounts payable – Related Parts	-	0.1	0.5	(90.8%)	(80.0%)
Loans and Financing	0.2	-	52.0	100%	(100.0%)
Provision for research and development	8.6	9.0	6.0	(4.9%)	50.0%
Others	15.2	12.7	18.4	21.0%	(31.1%)
Non-current liability	**396.6**	**116.5**	**158.6**	**240.5%**	**(26.5%)**
Loans and Financing	167.7	-	51.6	100%	(100.0%)
Provision for abandonment	228.9	116.5	107.0	96.5%	8.8%
Shareholders' equity	**2,409.1**	**2,227.8**	**2,175.8**	**8.1%**	**2.4%**
TOTAL LIABILITY AND SHAREHOLDER'S EQUITY	**3,039.3**	**2,434.0**	**2,729.7**	**24,9%**	**(10.8%)**

ΔH – Horizontal Analysis–percentage resulting from the comparison among the periods

Cash (Cash Equivalents, Financial Applications and Restrict Cash)

On December 31, 2013, the cash balance (cash equivalents, financial applications and restrict cash) amounted to BRL 1,010.0 million, an increase over the levels registered on December 31, 2012 in the amount of BRL 33.5 million. This growth reflects the cash from the credits of FINEP in the amount of BRL 169.3 million, in order to finance especially the Early Production System in the Atlanta Field.

On December 31, 2012, the cash balance (cash equivalents, financial applications and restricted cash) amounted BRL 976.4 million, a significant reduction over the levels registered in December 31, 2011 of BRL 237.0 million. This decrease was mainly due to the prepayment of loans granted by BNDES and BNB, which occurred during the second quarter of 2012, as stated in item "f" above, used for the development of the Manati Field, amounting BRL 106.2 million.

As mentioned above, on December 31, 2011, the Company's cash balance was BRL 1,213.5 million, a significant increase of 389.7% compared with the levels registered on December 31,2010, which were BRL 247.8 million. This significant rise was primarily due to the success of the Company's IPO, which raised approximately BRL 1.5 billion to fund the activities of existing exploration and expansion of its portfolio of assets. In addition, the restricted cash was reduced in the amount of BRL 60.0 million, due to the anticipation of 33 parcels of the BNB financing.

Taxes and contribution recoverable

Total recoverable taxes and contributions (current and non-current) reached BRL 10.7 million on December 31, 2013 against BRL 36.1 million on December 31, 2012, representing a decrease of 70.4%. This figure refers basically to credits related to the semiannual collection of income tax on the profitability of portfolios, which is a system called *come-cotas* (mandatory withholding of income tax on investments). The retention of this tax is calculated on the basis of the lowest rate of each type of fund (rate of 20% for short-term funds and 15% for long-term funds).

Total recoverable taxes and contributions (current and non-current) reached BRL 36.1 million on December 31, 2012 against BRL 20.9 million on December 31, 2011, representing an increase of 72.8%. This figure refers basically to credits related to the semiannual collection of income tax on the profitability of portfolios, which is a system called *come-cotas*(mandatory withholding of income tax on investments). The retention of this tax is calculated on the basis of the lowest rate of each type of fund (rate of 20% for short-term funds and 15% for long-term funds).

As mentioned above, total recoverable taxes and contributions reached BRL 20.9 million on December 31, 2011 against BRL 1.4 million on December 31, 2010, representing an increase of 1,392.9%. This figure refers basically to credits related to the semiannual collection of income tax on the profitability of portfolios, which is a system called *come-cotas* (mandatory withholding of income tax on investments). The retention of this tax is calculated on the basis of the lowest rate of each type of fund (rate of 20% for short-term funds and 15% for long-term funds).

Fixed Asset

On December 31, 2013, the fixed assets totaled BRL 1,083.5 million, compared with a balance of BRL 773.2 million on December 31, 2012, representing an increase of 40.1%. This variation primarily relates to: (i) additions to the BM-J-2 exploratory block in the amount of BRL 197.7 million; (ii) additions to the BS-4 block in course in the amount of BRL 89.3 million; (iii) retirement in the amount of BRL 40.7 million related to the return of the BM-S-12 block to ANP in the first quarter of 2014, in addition to Bem-te-vi wells and the extension well from Carcará, both located in the BM-S-8 Block, amounting BRL 0.3 million and BRL 3.0 million, respectively (iv) retirement in the amount of BRL 0.3 million related to the return of the Bem-Te -Vi area in the BM-S-8 Block to ANP in the third quarter of 2013.

On December 31, 2012, the fixed assets totaled BRL 773.2 million, compared with a balance of BRL 869.4 million on December 31,2011, representing a decrease of 11.1%. This variation is due primarily to additions related to the BM-S-8 and BM-S-12 in the amount of BRL 53.4 million and BRL 26.1 million, respectively, which include expenses on drilling services, and write-offs regarding the Ilha do Macuco well (BM-S-12 Block) in the amount of BRL 81.5 million, as well as the Jequitibá prospectus (BM-CAL-5) in the amount of BRL 36.6 million.

On December 31,2011, fixed assets totaled BRL 869.4 million, compared with a balance of BRL 713.7 million on December 31,2010, representing an increase of 21.8%. This variance primarily relates to: (i) additions to the BM-J-2 exploratory block in the amount of BRL 112.2 million and additions to the BM-S-12 exploratory block in the amount of BRL 52.4 million, including expenses on drilling, logistics and materials services; and (ii) write-offs in the amount of BRL 11.7 million related to the BMS-76 block returned to the ANP in the second quarter of 2011.

Intangible asset

On December 31,2013, intangible assets totaled BRL 631.3 million, compared with BRL 536.1 million on December 31,2012, representing an increase of 17.8%.

This variation is due to the share of the subsidiary Queiroz Galvão Exploração e Produção S.A. in the 11th Bidding Round of the National Agency of Petroleum, Natural Gas and Biofuels (ANP) on 13 May 2013, in which it acquired a share in eight exploration blocks. QGEP disbursed BRL 94.9 million in signature bonuses for participating in eight exploration blocks, and performing as operator in 5 concessions.

On December 31, 2012, intangible assets totaled BRL 536.1 million, compared with BRL 535.2 million on December 31, 2011, representing an increase of 0.2%. This variation arises from the fact that during the year 2012 the Company has acquired new softwares for its operation.

As mentioned above, on December 31, 2011, intangible assets totaled BRL 535.2 million, compared with BRL 5.8 million on December 31,2010, representing an increase of 9,127.6%. This variation was due to the fact that during the year 2011, the subsidiary QGEP have signed the purchase and sale of concession rights agreement for the acquisition of 10% share in the BM-S-8 Block and a 30% share in BS-4 Block, located offshore in the Santos Basin, in the amounts of BRL 175.0 million and BRL 157.5 million, respectively. The transfer of concession rights to QGEP over the BM-S-8 Block was approved by the ANP in December 2011, while the transfer of concession and operation rights of the BS-4 Block was approved in February 2012.

Suppliers

The Company had a balance of accounts payable on December 31, 2013, 2012 and 2011, respectively, of BRL 160.2 million, BRL 32.5 million and BRL 26.6 million. The increase in the suppliers account was due to the start of operations in the Atlanta Field located in the BS-4 Block and drilling in the BM-J-2 Block.

Accounts Payable

The Company had no outstanding accounts payable on December 31,2013 and 2012. On December 31, 2011, accounts payable totaled BRL 265.9 million, due to the provision for payment of the remaining balance (90% of purchase price) of the purchase and sale agreement to acquire a 30% share in the BS-4 Block. This amount was settled on March 2, 2012.

Loans and Financing

On December 31, 2013, the balance of loans and financing was BRL 169.3 million. The Company signed on 12 September 2013 a loan of BRL 266.1 million with FINEP. The debt refers to borrowed funds from the total financing of BRL 266.1 million obtained from FINEP (Financing Agency for Studies and Projects) to support the development of SPA in the Atlanta field. The loan approved by FINEP consists of two lines of credit, the fixed rate and floating rate. Currently, both have interest rate equivalent to 3.5%, with a grace period of three years and payment term of seven years.

On December 31, 2012, the balance of loans and financing was zero due to the amortization of all loans from the BNDES and BNB.

On December 31, 2011, the Company's total debt was BRL 103.6 million (the sum of BRL 52.0 million of the current liabilities and BRL 51.6 million of non-current liabilities), compared with BRL 265.0 million on December 31,2010, representing a decrease of 60.9%. This was mainly due to the amortization of all financing from the IFC in the amount of BRL 23.9 million, and the anticipation of 33 parcels related to the BNB financing, amounting BRL 60.0 million.

Provision for warranty of return of blocks

On December 31,2013, 2012, 2011, the provision for warranty of return of blocks was zero.

Major Changes in Consolidated Cash Flow

The table below shows the figures relating to major changes in the consolidated cash flow on the dates indicated:

Statement of Cash Flow (BRL million)						
	2013	**2012**	**2011**	**2013-2012 Variation %**	**2012-2011 Variation %**	**2011-2010 Variation %**
Net cash provided by operating activities	376.4	254.3	194.2	48.0%	30.9%	115.5%
Net cash provided by (used in) investing activities	(1,036.2)	(262.9)	(607.3)	294.1%	(56.7%)	664.8%
Net cash provided by (used in) financing activities	144.0	(142.0)	1,297.8	(201.4%)	(110.9%)	925.9%

Net Cash Provided by Operating Activities

In 2013, the net cash provided by our operating activities increased by BRL 122.1 million, equivalent to 48.0% compared with the previous year, rising from BRL 254.3 million on December 31, 2012 to BRL 443.4 million on December 31, 2013. This increase was mainly due to the growth of BRL 109.8 million in the net profit during the fiscal year in question.

In 2012, there was an increase of BRL 60.1 million, which is equivalent to 30.9% against the previous year, rising from BRL 194.2 million on December 31, 2011 to BRL 254.3 million on December 31, 2012. This growth was mainly due to the increase in exploration costs, explained by variations in the results of the two periods mentioned in the item "Major Changes in Income Statements" above.

Regarding the 2010-2011 biennium, there was an increase of BRL 104.1 million, rising from BRL 90.1 million on December 31, 2010 to BRL 194.2 million on December 31,2011, as mentioned above, which represents an increase of 115.5%. This rise is explained mainly by the growth of BRL 56.5 million in net profit during the period in question.

Net Cash used in Investing Activities

In the 2012-2013 biennium, our net cash used in investing activities increased by BRL 773.3 million, or 294.1% compared with the previous year, rising from BRL 262.9 million on December 31,2012 to BRL 1,036.2 million on December 31, 2013. This increase resulted primarily from acquisitions of share in eight exploration blocks in the 11th bidding round from the ANP in the amount of BRL 94.9, which occurred in May 2013, and additions of fixed assets in the BM-J-2 Block.

Regarding the 2011-2012 biennium, our net cash used in investing activities decreased by BRL 344.4 million, or 55.6%, dropping from BRL 607.3 million on December 31,2011 to BRL 262.9 million on December 31,2012. This reduction was mainly due to the amortization of all financing from BNB and BNDES in the amount of BRL 106.2 million and the exploration expenses of the Ilha do Manuco drywell (BRL 81.513 from retirement of fixed assets and BRL 44,045 accounted directly in the outcome) and the Jequitibá prospectus (BRL 36,557 from retirement of fixed assets and BRL 619 accounted directly in the outcome), located in the BM-S-12 and BM-CAL-5 blocks, respectively, for failing to submit potentially productive zones.

Regarding the 2010-2011 biennium, there was an increase of BRL 527.9 million, rising from BRL 79.4 million on December 31, 2010 to BRL 607.3 million on December 31, 2011, as mentioned above, representing an increase of 664.86%. This expansion resulted primarily from acquisitions of shares in two exploration blocks, occurred in 2011. In addition, the exploration costs in 2011 related to drilling were higher compared to 2010.

Net Cash Provided by Financing Activities

In 2013, our net cash used in financing activities increased by BRL 286.0 million, growing from a debt of BRL 142 million on December 31, 2012 to a credit of BRL 144.0 million on December 31, 2013, which is equivalent to a 201.4% increase. This variation was due mainly to the loans from FINEP in the amount of BRL 266.1 million, but the amount released in 2013 was BRL 169.3 million.

In 2012, our net cash used in financing activities was reduced by BRL 1,155.8 million, decreasing from BRL 1,297.8 million on December 31,2011 to BRL 142.0 million on December 31,2012, a reduction equivalent to 110.9%. This decrease was primarily due to the amortization of all loans from the BNDES and BNB.

In 2011, our net cash provided from financing activities increased by BRL 1,171.3 million, rising from an invested net cash of BRL 126.5 million on December 31,2010 to a net cash of BRL 1,297.8 million on December 31,2011, as mentioned above, representing a growth of 925.9%. This variation was due mainly to the increase of BRL 57.4 in the net capital of costs with stock issue, in the amount of BRL 1,457.7 million.

10.2. Operating and Financial Outcome

a) Result of the issuer's operations, particularly:

i. Description of any major revenue component

In 2013, our revenues were originating in the production and marketing of hydrocarbons, with 95% from sales of gas and 5% from sales of condensate oil from the Manati Field. The natural gas produced from the Manati Field is sold in its entirety to Petrobras, under a long term agreement, while the condensate oil produced in this field is sold to Dax Oil Refino S.A. (Dax Oil).

In 2012, our revenues were originating in the production and marketing of hydrocarbons, with 95% from sales of gas and 5% from sales of condensate oil from the Manati Field. The natural gas produced in the Manati Field is sold in its entirety to Petrobras, under a long term agreement, while the condensate oil produced in this field is sold to Dax Oil Refino S.A. (Dax Oil).

In 2011, our revenues were originating in the production and marketing of hydrocarbons, 96% from sales of gas and 4% from sales of condensate oil from the Manati Field. All natural gas produced in the Manati Field is sold to Petrobras, under a long term agreement, while the condensate oil produced in this field is sold to Dax Oil Refino S.A. (Dax Oil).

ii. Factors that materially affected the operating results

We have not identified factors that materially affect our operating results on December 31, 2013, neither the operating results for the fiscal year of 2012 and 2011.

b) Variation of revenues attributable to modification of prices, exchange rate, inflation, changes in volumes and introduction of new products and services.

<u>Change in prices and volumes</u>

Our operating revenue is primarily derived from the take-or-pay sale of natural gas produced in the Manati Field for Petrobras, based on a long-term agreement. The gas price is denominated in Brazilian currency and then readjusted on an annual basis in accordance with contractual index linked to inflation.

Additionally, we have an agreement with Dax Oil for the sale of condensate oil, whose price is indexed to petroleum prices (Brent) in the international market.

In addition to the variations arising from fixed prices described above, our operating revenue is also directly affected by changes in volumes of natural gas and condensate oil sold in the market.

<u>Changes in the exchange rate</u>

Most of our revenues are denominated in Reais, as well as most of the costs of products sold. However, part of our investment in exploration and development is pegged to the U.S. dollar and, therefore, an increase of our exploratory activity or field development may increase our exposure to fluctuations in the exchange rate.

With respect to our loans and financing, we seek to reconcile the currency in which the resources are taken with the revenues of our projects. In this sense, our investments in the development of the Manati Field were funded by loans in Reais, since the income from that field is denominated in the domestic currency.

Our investments in the Early Production System of the Atlanta Field are also supported by a financing in Reais from FINEP, through a specific line with an interest rate of 3.5% p.a. and a corporate guarantee from the Company. For investments in the Definitive System, the Company is evaluating new lines of credit in U.S. Dollar to comply with the future cash flows of the project.

As investments in the oil and gas industry are directly linked to the dollar, the QGEPP, following its Policy of Market Risk Management, protects part of its cash from exchange rate variations through natural hedges (offshore cash in dollars), investment in exclusive exchange funds; and for hedge of specific contracts, hiring derivative instruments (Future, NDF or Option Contract).

c) Impact of inflation, variations in prices of key inputs and products, exchange rate and interest rates on operating results and financial results of the Company

The Company's financial situation and the results of our operations are influenced by Brazilian macroeconomic scenario and the changes in prices of key inputs and products, especially oil prices, exchange rates and interest rates.

Inflation and benchmark interest rates may influence our results, as they can generate more or less disposable income, reduce or expand economic activity, or affect the volume of investment in the economy.

Inflation

The variation of inflation rates affect our revenues and expenses in view that the agreement of sale of natural gas from the Manati Field signed with Petrobras, as well as contracts with our service providers, are readjusted by rates indexed to inflation. The inputs used may also suffer inflationary pressure.

Interest rates

A part of the sub credit from FINEP is prefixed and the other part is linked to Long Term Interest Rate (LTIR), with the Company exposed to variations in this rate. Additionally, changes in interest rates of local and international market could affect the liquidity and hence influence the future leverage of the Company and its ease in obtaining funds with financial institutions.

It's worth noting that, in general, we do not use derivatives, such as traditional swaps with the purpose of canceling oscillations in Long Term Interest Rates (LTIR) before these borrowings in Brazilian financial institutions.

The sensitivity table below with information on December 31,2013 relates to a possible variation in income or expenses associated with the operations and scenarios estimated, without considering their market values.

Sensitivity Analysis for Interest Rates

Operation	**Balance on 12.31.2013**	**Risk**	**Likely Scenario (a)**	**Scenario I - 25% deterioration**	**Scenario II - 50% deterioration**
Effective rate on December 31,2013			9.77%	9.77%	9.77%
Cash Equivalent and Financial Applications	969,064	Reduction of the IDC	969,064	969,064	969,064
Annual rate estimated by IDC on December 31,2014			10.97%	8.23%	5.49%
Cash Equivalent and Financial Applications – sensitivity analysis		Reduction of the IDC	1,075,370	1,045,878	1,016,386
Effect on outcome and shareholders' equity on December 31,2014					
Estimated financial revenue			106,306	76,814	47,322
Effect estimated on revenue of financial applications for the posterior 12-month period (reduction)			-	(29,242)	(58,984)

(a) Likely scenario of the IDC interest rates for the period of one year on December 31,2014, according to the Focus report on 14 February 2014, issued by the Central Bank of Brazil.

Operation	**Balance on 12.31.2013**	**Risk**	**Likely Scenario (a)**	**Scenario I - 25% deterioration**	**Scenario II - 50% deterioration**
Effective rate on December 31,2013			9.77%	9.77%	9.77%
Restrict Cash:	4,167	IDC Reduction	4,167	4,167	4,167
Annual rate estimated by IDC on December 31,2014			10.97%	8.23%	5.49%
Restrict Cash:	4,167	IDC Reduction	4,624	4,497	4,370
Effect on outcome and shareholders' equity on December 31,2014:					
Estimated financial revenue			457	330	203
Effect estimated on the revenue of financial applications for the posterior 12-month period (reduction)			-	(127)	(254)

Operation	**Balance on 12.31.2013**	**Risk**	**Likely Scenario (a)**	**Scenario I - 25% deterioration**	**Scenario II - 50% deterioration**
Effective rate on December 31,2013			5.00%	5.00%	5.00%
Loans and Financing:					
FINEP	169,563	Increase of LTIR	169,563	169,563	169,563
Loans and Financing:					
Estimated rate of LTIR for 31 March 2014		Increase of LTIR	5.00%	6.25%	7.50%
Estimated revenue expense for the posterior 12-month period			178,041	180,267	182,492
Loans and financing – estimate			8,478	10,704	12,929
Estimated effect on expenses from loans and financings for the posterior 12-month period				2,226	4,451

Exchange Rate

Our exposure to foreign exchange risk is linked to the abandonment of drilled wells, as well as investments, mainly exploratory, which are partially indexed to the U.S. Dollar.

Due to the higher portion of our cash is invested in Reais, we are benefited by the appreciation of the Real against the U.S. dollar to the extent that the appreciation of the domestic currency creates a foreign exchange gain on our provision for abandonment of wells pegged to the U.S. dollar. In this sense, a depreciation of the Brazilian currency against the U.S. dollar generates an exchange loss on our provision for abandonment of wells. This is an impact with no cash effect until the abandonment of wells happens at the end of production in the Fields.

The expansion of our activities will result in an increase of our exposure to the foreign currency, as the U.S. dollar represents the standard currency in the international market for petroleum and gas. This exposure may be mitigated by financial hedge instruments to be eventually hired by the Company, and by the natural hedge, arising from the fact that the value of petroleum reserves is linked to the U.S. dollar.

On December 21, 2011, the Board of Directors approved the Policy of Market Risk Management of the Company, whose goal is to formalize the eligible actions to mitigate our exposure and our subsidiaries' exposure to market risks not inherent to exploration and production activity of oil and gas. This policy establishes conditions and limits for the use of derivative instruments, such as Futures, NDF (non-deliverable forward), Options, and investments in exchange funds and cash in U.S. dollars, which may be hired only for the purpose of hedge (protection).

The sensitivity table below relates to an appreciation of the U.S. dollar against the Brazilian currency and the impact on the derivative financial instrument signed by the Company and transactions indexed to U.S. dollar.

	Consolidated 12/31/2013				
		Likely Scenario (a)		**Scenario**	
	Risk	**Balance in USD**	**Balance in BRL**	**Possible (25%)**	**Remote (50%)**
Effective dollar on December 31,2013			2.3426	2.3426	2.3426
Operation					
Exchange fund – asset	Decline of US$	68,065	159,449	159,449	159,449
Provision for abandonment – liability	Increase of US$	97,709	228,894	228,894	228,894
Estimated annual rate of dollar for December 31,2014			2.45	3.06	3.68
Net effect, liability	Decline of US$	29,644	72,629	90,786	108,943
Effect on income and shareholders' equity of each increment in the valuation of the USD against the BRL:					
Estimated net income for the posterior 12-month period			(3,184)	(21,341)	(39,498)
Estimated net effect on the financial outcome for the posterior 12-month period			-	(18,157)	(36,314)

(a) Likely scenario of the exchange rate (US$) for the period of one year on December 31,2014, according to the Focus report on 14 February 2014, issued by the Central Bank of Brazil.

10.3. Events with relevant effects occurred and expected on the financial statements

a) Introduction or disposal of operating segment

We operate only in the exploration and production of petroleum and natural gas, or E&P. Since our incorporation, there was no release or disposal of operating segment in our activities.

b) Constitution, acquisition or divestiture

On September 2, 2010, our shareholders approved at the Extraordinary General Meeting an increase in capital stock, paid by QGOG, through the contribution of all shares issued by QGEP, which thus became our wholly owned subsidiary.

On October 10, 2012, our wholly owned subsidiary, QGEP, incorporated Manati S.A., which consequently became extinct.

Except for these two events, we have not established, acquired or disposed any other relevant equity interest during the fiscal years ended on December 31, 2010, 2011 and 2012, which have caused or is expected to cause a significant effect on the financial statements or outcomes of our Company.

Atlanta Field B.V. ("AFBV") was incorporated by QGEP on November 2, 2012. On February 12, 2013, QGEP sold its entire equity interest in AFBV to QGEP in Netherlands B.V. ("QGEP Netherlands").

The QGEP Netherlands was incorporated on January 31, 2013, with headquarters in Rotterdam, Netherlands, wholly owned subsidiary of QGEP with registered capital stock of US$ 1. QGEP Netherlands is a Dutch company and is engaged to incorporate, manage and supervise companies; undertake all types of industrial and commercial activities, as well as any and all things that relate to the activities described.

On February 21, 2013, the OGX Netherlands Holding B.V., and FR Barra 1 S.à r.l., due to the partnership with QGEP in the concession of the BS-4 Block, joined the structure of the AFBV and now hold 40% and 30% of shares, respectively, in the AFBV. QGEP Netherlands held on the same date 30% share in the AFBV.

On October 3, 2013, the QGEP International GmbH was constituted ("QGEP International"), headquartered in Vienna, Austria, wholly owned subsidiary of QGEPP, with stock capital of EUR 35.000. QGEP International has as its purpose of corporation the acquisition of companies in Austria and abroad, the constitution and management of subsidiary companies in Austria and abroad and the management of their assets.

c) Unusual events or operations

On November 30, 2011, ANP approved the transfer of rights in the concession of a 10% share previously owned by Shell Brasil Petróleo Ltda. in the BM-S-8 Block to our subsidiary QGEP. The transaction value was US$ 175 million.

On February 8, 2012, ANP approved the transfer of 15% of the concession rights of the Coral Field to QGEP. The other consortium members are Petrobras (35%), Rio das Contas Produtora de Petróleo Ltda. (owned by Panoro Energy Corp. ASA) (35%) and Brasoil Coral Exploração Petrolífera S.A. (15%).

On February 16, 2012, ANP approved the transfer of 30% of the concession rights previously owned by Shell Brasil Petróleo Ltda. in the BS-4 Block to our subsidiary QGEP. QGEP now holds 30% of the block and also assumed, as the successor of Shell Brasil Petróleo Ltda., the operation of the block. The transaction value was US$ 157.5 million.

On 10 October 2012, QGEP signed an agreement with Petrobras to acquire 30% share in the concession of the BM-C-27 related to the portion of the Concession Agreement area No. 48610.009500/2003 corresponding to the area of the Plan of Discovery Evaluation in the 1-

BRSA-921-RJS well, informally called Guanabara prospectus, originating from the C-M-122, C-M-145 and C-M-146 Blocks. The Company still awaits approval from the ANP and other competent bodies for the transfer of the Concession.

In addition, on May 14, 2013, the Company acquired a share in 8 blocks in the 11th Bidding Round of the ANP and disbursed BRL 94.9 million in signature bonuses for participating in the exploratory blocks in question. As part of the commitment assumed by ANP, QGEP will pay for the acquisition of seismic data in order to evaluate the exploration potential of these blocks with net investment valued at approximately US$ 46 million over the next two years. In addition, four exploratory wells shall be drilled in the acquired blocks, which will cost US$ 200 million to QGEP.

10.4. Significant changes in accounting practices – observations with emphasis on the auditor's opinion

a) Relevant changes in accounting practices

We prepare our consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), which are consistent with the accounting practices adopted in Brazil, in compliance with the provisions of the Law of Corporations, complemented by new pronouncements, interpretations and guidelines of the CPC (Accounting Pronouncements Council), issued and approved by CFC (Federal Accounting Committee) resolutions, and according to rules of the Brazilian Securities and Exchange Commission (SEC).

There were no significant changes in our accounting practices.

b) significant effects of changes in accounting practices

There were no significant changes in our accounting practices.

c) observations and emphasis present in the auditor's opinion

Our individual and consolidated financial statements related to the fiscal years ended on December 31, 2013, 2012 and 2011, were audited by Deloitte Touche Tohmatsu Auditores Independentes, in accordance with Brazilian auditing standards, whose audit reports showed no observations, presenting only paragraphs of emphasis as shown below.

2013

Differences in Accounting Practices between the Brazilian Legislation and the IFRS. The Financial Statements of the Company for the year ended on December 31, 2013 and the individual financial statements were prepared in accordance with accounting practices adopted in Brazil. In our case, these practices differ from IFRS, applicable to the financial statements separately, only as regards the evaluation of investments in subsidiaries, associates and jointly controlled companies by the equity method, whereas under IFRS purposes, it would be cost or fair value. The opinion of the independent auditor was issued without observations with respect to this matter.

The Company's management believes that the use of the equity method follows the accounting practices adopted in Brazil and is supported by the current corporate and accounting law.

2012

Differences in Accounting Practices between the Brazilian Legislation and the IFRS. As described in the Explanatory Note 2 of the Financial Statements of the Company for the fiscal year ended on December 31, 2012, the individual financial statements have been prepared in accordance with accounting practices adopted in Brazil. Regarding the company, these practices differ from IFRS, as they are applicable to the financial statements separately, only as regards the evaluation of investments in subsidiaries, associates and jointly controlled companies by the equity method, whereas under IFRS, it would be cost or value fair. The opinion of the independent auditor was issued without observations with respect to this matter.

The Company's management believes that the use of the equity method follows the accounting practices adopted in Brazil and is supported by the current corporate and accounting law.

Transfer of the Concession Agreement. As mentioned in the Explanatory Note 1, to the present date, the transfer of the concession agreement for exploration of petroleum and natural gas from Companhia Petróleo Brasileiro S.A. ("Petrobras") regarding the CM-122, CM-145 and CM-146 Blocks (part of the concession of the BM-C-27) to the Company still depends on the approval of the ANP.

The Company's management believes that all the requirements necessary for approval of the blocks transfer by the ANP were met and is awaiting a decision in this regard.

2011

Differences in Accounting Practices between the Brazilian Legislation and the IFRS. As described in the Explanatory Note 2 of the Financial Statements of the Company for the fiscal year ended on December 31, 2011, the financial statements were prepared in accordance with accounting practices adopted in Brazil. In the case of QGEP, these practices differ from IFRS, as they are applicable to the financial statements separately, only as regards the evaluation of investments in subsidiaries, associates and jointly controlled companies by the equity method, whereas under IFRS, it would be cost or value fair. The opinion of the independent auditor was issued without observations with respect to this matter.

The Company's management believes that the use of the equity method follows the accounting practices adopted in Brazil and is supported by the current corporate and accounting law.

Transfer of Concession Agreements. As mentioned in the Explanatory Note 29, on 8 February 2012, ANP approved the transfer of concession rights of the Coral Field from the BS-3 S.A. Company to QGEP, and on 16 February 2012, ANP approved the transfer of the exploration concession agreement from Companhia Shell Brasil Petróleo Ltda. concerning the BS-4 block to QGEP.

For the Company's management, such transfers would be important to add these areas to our existing portfolio.

10.5. Critical accounting policies

Our management believes that adopts the accounting policies consistent with best market practices and industry of exploration and production of petroleum and gas. Our accounting policies are defined and adopted for the purpose of providing investors with useful information in making investment decisions in the Company. To do this, they aim to represent our transactions with neutrality, prudence and integrity and consider the following qualitative characteristics: understandability, relevance, reliability and comparability.

Moreover, the preparation of the financial statements is based on estimates and judgments for registry of certain transactions that affect assets and liabilities of the Company and that are not readily obtained from other sources. In these cases, estimates and associated assumptions are based on the historical experience and in other factors considered relevant. Actual results could differ from those estimates, when effectively performed in subsequent periods.

Estimates and assumptions are continuously reviewed. The effects arising from the revisions made to accounting estimates are recognized prospectively.

The main estimates refer to the registry of the effects arising from the provision for tax, civil and labor lawsuits, depreciation and amortization of fixed and intangible assets, assumptions to determine the provision for abandonment of the wells and decommissioning of areas, expectation of fulfillment of tax credits and other assets, provision for income tax and social contribution, evaluation of financial instruments and determination of the fair value of derivative financial instruments, including financial assets held to maturity.

A summary of the main accounting policies of the Company, understood as those that, if changed, would cause significant accounting changes follows below:

<u>Cash and Cash Equivalent</u>

Cash and Cash Equivalent are held for the purpose of meeting short-term commitments of cash and are composed by the cash balance, bank deposits and highly liquid investments with insignificant risk of change in value.

<u>Inventories</u>

Represented by assets acquired from third parties in the form of materials and supplies to be used in the exploratory drilling and development campaign. Once used, these materials are reclassified from inventory to fixed assets. Inventories of materials are registered according to the acquisition cost and adjusted, where applicable, to realization value.

<u>Current and Non-current Assets and Liabilities</u>

Current and non-current assets and liabilities are stated at their realization values and/or liability, respectively, and include monetary or exchange variations, as well as income and expenses earned or incurred, when applicable, recognized on a pro rata basis up to balance sheet date.

<u>Exploration, development and production of petroleum and gas expenses</u>

For expenses on exploration, development and production of petroleum and gas, the Company and its subsidiary QGEP, for purposes of accounting practices adopted in Brazil, use accounting criteria aligned with IFRS 6 international accounting standards - Exploration for and evaluation of mineral resources.

The relevant expenses for maintenance of production facilities, which include spare parts, assembly services, among others, are registered in fixed assets, if the recognition criteria from IAS 16 (CPC 27) are met. These maintenances occur on average every five years and their costs are depreciated until the beginning of the next stop and registered as cost of production.

IFRS 6 allows the Management to set its accounting policy for recognition of exploration assets in the exploration of mineral reserves. The Management has determined its accounting policy for exploration and evaluation of mineral reserves considering the criteria that, in their best judgment, represent the aspects of their business environment and reflect more adequately their financial and equity position. The principal accounting policies adopted are:

- Rights of exploration concession and signature bonuses are registered as intangible assets;

- Expenses on drilling wells where assessments of viability were not yet completed remain capitalized in fixed assets until their completion. Expenses on drilling of successful exploratory wells, linked to economically viable reserves, are capitalized, while those determined as not viable (dry hole) are registered directly in the income statement on the account of exploration costs for petroleum and gas extraction.

- Other exploration expenses not related to signature bonuses are registered in the income statement as exploration costs for the extraction of petroleum and gas (costs related to acquisition, processing and interpretation of seismic data, drilling campaign planning, licensing studies, accommodation expenses and retention area, environmental impact, etc.).

- For farm-in transactions in which the Company has made contracts to financially support exploration expenses of the partner who proceeded to sell its share in exploration blocks (Farmor) and/or “carrego”. These committed expenses are reflected in the financial statements according to respective progress of future exploration costs.

The fixed assets represented by exploration, development and production assets are registered at cost value and amortized using the method of unit’s production, which consists in the proportional ratio between the annual volume produced and the total proven reserves of the producing field. Proved reserves used to calculate amortization (for the monthly production volume) are estimated by geologists and engineers of foreign oil according to international standards and reviewed annually or when there are indications of significant changes. Currently, only the expenses related to the Manati field have been amortized, for being the only field in production at the time.

The fixed asset is registered according to the cost value, including interest rates and other financial charges on loans and financing used in the composition of qualifying assets extracted from accumulated depreciation and amortization.

The gain and loss arising from retirement or disposal of a fixed asset are determined by the difference between the income earned, if applicable, and the respective remaining value of the asset and is recognized in the income statement.

The Company substantially presents in its intangible asset the expenses on acquisition of exploratory concessions and signature bonus corresponding to offerings for the obtainment of a concession to explore petroleum or natural gas. They are registered at cost value, adjusted when applicable to their recoverable value and are amortized using the method of unit produced in relation to proved reserves.

The Management performs annually the qualitative assessment of their exploratory oil and gas assets with the purpose of identifying facts and circumstances that indicate the need for impairment, as follows:

- Concession period for expired or expiring exploration in the near future, with no expectation of concession renewal;

- Representative expenses for exploration and evaluation of mineral resources in a particular area/block not budgeted or planned by the Company or its partners;

- Exploratory efforts and evaluation of mineral resources that have not generated discoveries commercially viable and which the Management has decided to discontinue in certain specific areas/blocks;

- Existing and sufficient information that indicate that the capitalized costs are unlikely to be achievable even with the continuation of exploration expenses in a given area/block that reflect future successful development or even with their sale.

The future liability for decommissioning of the production area is registered at the time of the drilling, after the declaration of commerciality of each field, and as soon as there is a legal or constructive obligation to dismantle the area and also where there is the possibility of measuring the costs with reasonable safety as part of the cost of related assets (fixed assets) with a corresponding provision for abandonment, registered in the liabilities, which supports such future expenses (Explanatory Note 16). The provision for abandonment is reviewed annually by the Management by adjusting assets and liabilities already accounted. Revisions in the calculation of estimated expenses are recognized as cost of fixed assets and the calculated exchange differences are allocated directly in the income statement.

Evaluation of Impairment

In accordance with CPC 01 ("Impairment"), fixed and intangible assets and, where applicable, other non-financial assets are assessed annually to identify evidences of impairment, and also whenever events or significant changes in circumstances indicate that the carrying value may not be recoverable. Where applicable, in case of any loss arising from situations in which the asset's carrying value exceeds its recoverable amount, defined as the higher value between the value in use of the asset and the asset's net sale value, such loss is acknowledged in the income statement.

The Company's management has not identified changes in circumstances, as well as evidence that their assets used in their operations are not recoverable against their operational and financial performance, and concluded that, on December 31, 2013, there was no need to register any provision for impairment of assets.

Loans and financing

Loans and financing are initially recognized at fair value on the moment of receipt of net funds of transaction costs where applicable. Then, they are measured at the amortized cost, i.e., plus charges, interest accrued *pro rata temporis* and monetary and exchange variations as contractually provided incurred through the balance sheet date.

Provision for law suits

The provision for tax, civil and labor lawsuits are recognized for the risks with expectation of "probable loss", based on the opinion of the Directors and external legal counsel, in view that the values are registered based on the estimated cost of the outcomes of these law suits. Risks with the expectation of "possible loss" are disclosed by the Management, but not registered.

Calculation of income

The result of operations is determined in accordance with the accrual basis of accounting. Sales revenues are recognized upon transfer of ownership and the risk to third parties.

Income tax and social contribution

These taxes are calculated and registered based on the effective tax rates on the date of preparation of the financial statements. The deferred taxes are recognized on timing differences, tax losses and negative basis of social contribution, where applicable, only when and up to the amount that can be considered as probable realization by the Management.

Tax incentive

As it was located in the area covered by SUDENE, our indirect subsidiary Manati held the right to a 75% reduction in income tax and additional tax calculated based on exploration profit for 10 years, having enjoyed this benefit since 2008. The value corresponding to the incentive was registered in the outcome and subsequently transferred to the profit reserve - tax incentives in shareholders' equity of the indirect subsidiary Manati until the date of its incorporation by QGEP. The benefit transfer, due to the merger, is in progress along SUDENE.

Pursuant to Decree No. 64.214/69, QGEP is eligible for the benefit for succession pursuant to the merger of its wholly owned subsidiary Manati.

Share-based payment agreements

The plan of remuneration based on shares to employees, to be settled with equity instruments, is measured at fair value on the grant date.

The fair value of options granted is registered by the method accelerated as an expense in the income statement during the period in which the right is acquired, based on the Company's estimates about which options granted will be eventually vested, with a corresponding increase in equity. At the end of each fiscal year, the Company revises its estimates on the number of equity instruments expected to vest. The impact of the revision over the original estimates, if any, is recognized in the income statement, such that the cumulative expense reflects the revised estimates with the corresponding adjustment in shareholders' equity under the "Stock Option Plan" which registered the benefit to employees.

Treasury Shares

Own equity instruments which are revested (treasury shares) are recognized at cost and deducted from shareholders' equity. No gain or loss is acknowledged in the income statement on the purchase, sale, issue or cancellation of own equity instruments of the Company and its subsidiary QGEP. Any difference between the carrying amount and the consideration is recognized in other capital reserves.

Financial Instruments

Financial assets and liabilities are recognized when the Company and its subsidiary QGEP become part of the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are recognized immediately in the income statement.

Financial Assets

Financial assets are classified into the following specified categories: (i) Financial assets at fair value through profit or loss, (ii) investments held to maturity, (iii) financial assets "available for sale" and (iv) loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at initial recognition. All normal purchases or sales of financial assets are recognized or written-off on the trade date. Normal purchases or sales correspond to purchases or sales of financial assets that require delivery of assets within the period established by regulation or market practice.

1. Financial assets at fair value through outcome

Include financial assets held for trading (i.e., acquired primarily for sale in the short term), or designated at fair value through profit or loss. Interest rates, monetary restatement, exchange variation and variations arising from the evaluation of fair value are recognized in income statement, as financial income or expenses, when incurred. The Company and its subsidiary QGEP have cash equivalents (BDC's and committed debentures and exclusive investment fund) and financial investments in this category.

2. Investments held up to maturity

Include the non-derivative financial assets with fixed or determinable payments and fixed maturity date to which the Company has a contractual obligation, positive intention and ability to hold until maturity. After initial recognition, investments held to maturity are measured at amortized cost using the effective interest rates method less any loss on impairment. The Company and its subsidiary QGEP have restrict cash classified in this category.

3. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not priced in an active market. Loans and receivables are measured at amortized cost using the effective interest rates method less any loss on impairment.

Interest income is recognized by applying the effective interest rate, except for short-term credit when the recognition of interest rates would be immaterial. The Company and its subsidiary QGEP have receivables, cash and bank deposits (cash equivalents) in this category.

4. Financial assets impairment

Financial assets, other than those designated at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Losses on impairment are recognized if, and only if, there is an objective evidence of impairment of financial assets as a result of one or more events occurred after the initial recognition, with impact on the estimated future cash flows of this asset.

For all other financial assets, objective evidence may include:
Significant financial difficulty of the issuer or counterparty; or
Breach of contract, such as default or delay in interests or principal payment; or
Probability that the debtor will adjudicate bankruptcy or financial reorganization; or
Extinction of the active market of that financial asset due to financial problems.

For financial assets registered at amortized cost, the amount of impairment registered corresponds to the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate of the financial asset.

For financial assets registered at cost, the amount of impairment corresponds to the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current rate of return for a similar financial asset. This impairment will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced directly by loss on impairment for all financial assets with the exception of accounts receivables, in which the carrying amount is reduced by a provision. Subsequent recoveries of amounts previously retired are credited to the provision. Changes in the provision's carrying amount are recognized in the income statement.

Financial Liabilities

Financial liabilities are classified as "Financial liabilities at fair value through profit or loss" or "Other financial liabilities". The Company and its subsidiary QGEP have no financial liabilities at fair value.

Other financial liabilities

Other financial liabilities (including loans) are subsequently measured at amortized cost.

The effective interest rate method is used to calculate the amortized cost of a financial liability and allocating its interest expense over the relevant period. The effective interest rate is the rate that discounts exactly the estimated future cash flows (including fees paid or received that constitute an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or, when appropriate, a shorter period for the initial recognition of net carrying value.

Write-off of financial liabilities

The Company and its subsidiary QGEP write-off financial liabilities only when the obligations are discharged, canceled or expired.

Functional Currency

The functional currency of QGEPP, as well as of its Brazilian subsidiary QGEP, in operation, used in the preparation of the financial statements is the currency of Brazil - Brazilian Real (BRL), as it is the one that best reflects the economic environment in which the Group is inserted and how it is managed. The subsidiaries headquartered in Netherlands and Austria and the jointly controlled company, headquartered in the Netherlands, use the U.S. dollar (US$) as its functional currency.

This definition of functional currency was based on the analysis of the following indicators, as described in the CPC 02:

Currency that mainly influences prices for goods and services

Currency in which funds from financial activities are substantially earned or invested; Currency in which the amounts from operating activities are normally received (sale of petroleum products).

Conversion of Foreign Currency

The consolidated financial statements are presented in Brazilian Reais (BRL), which is the functional and presentation currency of the parent company. Assets and liabilities of foreign subsidiaries are translated into Reais by the exchange rate at the balance sheet date and the income statements are translated by the exchange rate at the date of transactions. Exchange differences arising from the conversion are recognized separately in shareholders' equity in the comprehensive income statement, in line with other comprehensive income statements.

Added Value Financial Statement ("AVFS")

This statement aims to highlight the wealth created by the Company and its subsidiary QGEP and its distribution during the period, which is presented as required by the Brazilian Corporate Law, as part of its annual financial statements and supplementary information to the consolidated financial statements, as it is not an expected or required statement by IFRSs.

The AVFS has been prepared based on information obtained from accounting records that are the basis for preparation of financial statements and follows the provisions of CPC 09 - Value Added Financial Statement. In its first part, it introduces the wealth created by the Company, represented by revenues (gross sales revenue, including taxes levied thereon, and other revenues and the effects of provision for doubtful liquidity credits), by inputs acquired from third parties (cost sales and purchases of materials, energy and services of third parties, including taxes levied at the time of acquisition, the effects of loss and recovery of assets, depreciation and amortization) and the amount received from third parties (equity income, financial revenues and other revenues). The second part of the AVFS presents the distribution of wealth among employees, taxes, fees and contributions, remuneration on third-parties capital and remuneration of own capital.

Cash Flow Income Financial Statement (CFIS)

This financial statement is prepared in accordance with the CPC03 (R2)/IAS7 through the indirect method. The Company classifies as cash and cash equivalents the balances of amounts immediately convertible into cash and highly liquid investments (typically with less than three months maturity) subject to an insignificant risk of change in value.

Cash flows are classified in the Financial Statement of Cash Flows, depending on their nature: (i) operating activities; (ii) investing activities; and (iii) financing activities. Operating activities include primarily collections from clients and related parties, and payments to suppliers, employees, taxes and financial charges. Cash flows included in investing activities primarily comprise acquisitions and divestitures, court deposits, and payments and receipts arising from the sale and purchase of fixed assets. The cash flows related to financing activities primarily include payments and receipts relating to loans and financing obtained, in addition to derivative financial instruments and payments of dividends and interest rates on the company's own capital.

Net income per share

a) The net income per share is computed by dividing the net income by the weighted average of ordinary shares held by shareholders, excluding treasury shares during the year.

b) Internal controls relating to the elaboration of financial statements: efficiency and flaw degree and recommendations in the auditor's report

c) Degree of efficiency of such controls, indicating possible flaws and actions taken to correct them

Our Management evaluates the effectiveness of internal control over financial statements through a process designed to provide reasonable assurance regarding the reliability of financial reports and the preparation of financial statements, to ensure our ability to initiate, authorize, register, process and disseminate relevant information in the financial statements. No relevant flaws were identified in the implementation of controls. During the exercise, if any shortcomings in the implementation of controls are identified, they are corrected by the implementation of action plans that will ensure their effectiveness at the end of the fiscal year.

d) Flaws and recommendations on the internal controls in the independent auditor's report

Our auditors did not perform their audits in order to opine on internal controls, since the goal was to express an opinion on our financial statements. However, in the context of their audits regarding the financial statements, our auditors have issued a letter of recommendations. Our Management believes that the areas identified for improvement are not relevant to our process of preparation of financial statements and is acting in their implementation.

10.7 Allocation of proceeds of public offerings and any deviations

a) How the proceeds of the offering were used

In 2013, 54.6% of the proceeds from the offering were used. This amount was mainly allocated to the purchase of share and investment in the BM-S-8 and BS-4 Blocks, as well as the acquisition of eight exploration blocks in the 11th bidding round from the ANP.

b) If there were relevant deviations between the actual use of proceeds and the investment proposals disclosed in the prospectus of the relevant distribution

As highlighted in the "Use of Proceeds" Section of the Definitive Prospectus of our IPO, from February 7, 2011, the funds raised in our IPO should be used as shown below:

Allocation	Percentage
Investments in Exploration and development in the existing portfolio (not supported by the cash flow of the Manati Field)	20 to 30%
Acquisition, exploration and development of new blocks and assets	70 to 80%

The transactions made over the years 2011, 2012 and 2013 reinforce the commitments made by the Company during the IPO process, since the acquisitions remain a key element of our strategic plan to build sustainable long-term value for our shareholders. We have demonstrated our ability to expand the portfolio of high quality assets through acquisitions in very promising and emergent areas for the exploration of oil and gas in Brazil. Additionally, given that a substantial portion of the proceeds from the offering was used in the acquisition, exploration and development of new assets, the Company believes that there were no significant differences between the effective implementation of projects and the proposals disclosed in the prospectus of the offering.

e) In case of deviation, the reasons for such deviations

There were no deviations in the proceeds.

10.8. Relevant items not included in financial statements

a) Assets and liabilities held by the issuer, directly or indirectly, that does not appear on its balance sheet (off-balance sheet items), such as: (i) operating commercial leases, assets and liabilities; (ii) portfolio of written-off receivables over which the entity maintains risks and responsibilities, indicating the respective liabilities; (iii) contracts for future purchase and sale of products or services; (iv) construction contracts not concluded; and (v) contracts for future loans

The Company has no assets and liabilities that are not registered in the financial statements of the fiscal years of 2011, 2012 and 2013.

b) Other items not included in financial statements

There were no other items not included in financial statements of the Company on fiscal years of 2011, 2012 and 2013.

10.9. Comments on relevant Items not included in the financial statements

a) How such items change or may change revenues, expenses, operating income, financial expenses or other items in the financial statements of the issuer

There are no items not included in the financial statements of the Company for the fiscal years of 2011, 2012 and 2013.

b) Nature and purpose of the operation

There are no items not included in the financial statements of the Company for the fiscal years of 2011, 2012 and 2013.

c) Nature and amount of the obligations assumed and rights created in favor of the Issuer as a result of the operation

There are no items not included in the financial statements of the Company for the fiscal years of 2011, 2012 and 2013.

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10.10. Business Plan

a) Investments (including quantitative and qualitative description of ongoing and planned investments, financing sources of investments, and divestments in progress and planned divestitures)

i) Quantitative and qualitative description of ongoing and planned investments

Capital Expenses BRL million	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
EXPLORATION	146.11	381.31	471.56	-	998.98
DEVELOPMENT	225.54	39.89	-	-	265.43
Total	371.65	421.20	471.56	-	1,264.41

The above table includes exploration investments planned for the coming years in wells provided in the Minimum Exploratory Program (PEM), investment in the development of the Early Production System of Atlanta approved by ANP (PAD), as well as exploratory wells in progress and non-contingent exploratory investment.

Investments in non-contingent exploration wells, as well as in the development of production of other blocks are not described, since these investments may be subject to confirmation of new discoveries. These investments may include reservoir studies, acquisition of geological and geophysical data, drilling of exploration and production wells, water injection, gas injection, production collection systems, natural gas plants, pipelines interconnecting fields and systems of storage of oil and condensate oil production.

ii) Investments financing sources

Our business plan and estimated resource use were predicted based on volumes weighted by the chance of success of each project, i.e., considering investments weighted by the chance of success of each Exploratory Prospect.

The funds raised in our IPO in 2011, together with existing cash flow from Manati Field, will allow the continuation of our exploration campaign, as well as acquisition of new assets. In due course, we may invest, preferably with minority interest, in emerging basins to demonstrate the existence of significant prizes and/or upsides that could offset the risks of these projects. We've continuously assessed opportunities to enter new assets through "farm-ins" offered in the Brazilian market and in the new selective participation in bidding rounds promoted by the ANP, whenever they are aligned with the Company's strategies and present the possibility of attractive return on our investments.

The credit line taken from FINEP will finance 90% of the investments in the development of the Early Production System in the Atlanta Field. The remaining 10% will be invested with the company's own resources.

Additionally, we can continue using third-party funding sources, according to the credit availability and market conditions, available for fields in development and production or acquisition phase.

iii) Relevant divestitures in progress and planned divestments

We do not own the asset divestment process in progress. It is noteworthy, however, that the oil industry is used to conduct farm-in and farm-out agreements. We may eventually sign such types of contracts in the future if it represents benefits for our business and shareholders. The signature of these agreements, if any, may represent relevant investments and divestments.

b) If disclosed, indicate the acquisition of plants, equipment, patents and other assets that may materially influence the productive capacity of the issuer

We intend to submit bids in future auctions of ANP for the acquisition of concession rights of blocks that have been defined by our Management as potential areas favorable for exploration and production.

In this context, on May 14, 14 2013, the Company acquired an equity interest in 8 exploration blocks in the 11th Bidding Round of the ANP, being the operator in 5 concessions. The result of the bidding has been approved by the ANP on 31 May 31 2013, and the Company signed on 30 August 2013 the concession agreements of the following blocks: ES-M-598, ES-M-673, CE-661-M PAMA-M-265, M-337-PAMA and FZA-M-90. The concession agreements of PEPB-M-894 and M-896-PEPB blocks were signed on 17 September 2013.

c) New products and services, including: (i) description of ongoing researches already disclosed; (ii) total amounts spent by the issuer in researches to develop new products or services; (iii) ongoing projects already disclosed, and (iv) total amounts spent by the issuer in the development of new products or services

We do not have a new business plan relating to new products and services.

10.11. Other factors with significant influence

Other information we deemed relevant to the reading and understanding of our operating performance are presented below.

Therefore, the following information will be included in this item:

Credit with Partners

Reflect expenses incurred in E&P activities that are billed ("cash calls") or not billed to the partners or by non-operator partners in their consortia, or allocated by operator partners in other blocks not operated by QGEP.

From the amount of BRL 116.2 million registered on December 31, 2013 (BRL 9.5 million on December 31, 2012), BRL 83.2 million refer to the parcel of the OGX and the remainder from other consortium members and consortia (BRL 33.0 million). Until December 20, 2013 the amount of BRL 73.1 million were charged from the partner OGX through "cash calls", which matured on December 31, 2013, and was supported by the two compliant consorted companies on 50% each. In January 2014, these amounts were reimbursed by OGX and fully paid off.

On December 26, 2013 a new "cash call" in the amount of BRL 26.2 million was issued related to the portion of OGX in expenses incurred and to be incurred by the BS-4 consortium, whose maturity was on January 11, 2014. This was settled by OGX on 21 February 2014 with bearing interests.

Considering the current situation of the partner OGX, which is in judicial protection, QGEP and the consorted Barra Energia OGX noticed both OGX and the regulator body, ANP, on the situation of default in the BS-4 consortium during 2013, according to representations issued on November and December 2013, respectively.

On December 18, 2013, the ANP's Board of Directors requested the OGX to present its defense until early March 2014, proving its compliant condition in the BS-4 consortium, as well as their financial capacity to meet the obligations in concession agreements with ANP, under penalty of compulsory cession of their share. QGEP is accompanying the administrative process.

In addition to the notifications shown and described above, the consortium have been discussing alternatives for the reimbursement of expenses incurred when supporting the OGX, on a monthly basis, as well as the continuity of the investments expected by the parties to maintain the project (Explanatory Note 1), in view that the OGX has already made the payment of the first "cash call" of 2014, in the amount of BRL 25.8 million related to its pro-rata. On the second "cash call" of 2014, QGEP have not identified the payment of the parcel related to OGX in the amount of BRL 22.6 million.

Appendix B

(Proposal for the Allocation of Year's Net Profit)

PROPOSAL FOR THE ALLOCATION OF NET PROFIT

(In accordance with article 9, Paragraph 1, item II, of CVM Instruction 481).

Annex 9-1-II

1. **State the net profit for the fiscal year:**

   The company's net profit for the fiscal year ended on December 31, 2013 was BRL 192,242,446.89.

2. **State the overall amount and the value per share of dividends, including the anticipated dividends, and interest on equity already declared:**

   Company's management proposes the allocation of forty million reais (BRL 40,000,000) in dividends, corresponding to BRL 0.15 per common share.
   The amount proposed for dividend allocation above include the distribution of mandatory dividend amounting to BRL 1,826.30 and the additional allocation of BRL 39,998,173.70 in accordance with Company Board of Directors' resolution passed on February 24, 2014.

3. **State the percentage of the allocated net profit for the year:**

   Management proposes the allocation of 20.81% of the net profit for the year.

4. **State the total amount and the amount per share of dividends distributed based on the income from prior years:**

   Not applicable, as no dividend was allocated and no interest on equity was declared on the income from prior years**.**

5. **State the following, net of interim dividends and interest on equity already declared:**

a. **The gross amount of dividend and interest on equity, segregated per share of each type and class**

   Management proposes the payment of dividends of BRL 0.15 per each common share. No interest on equity will be paid.

b. **The method and term of payment of dividends and interest on equity**

Dividends will be paid on May 5, 2014. No interest on equity will be paid.

c. **Any restatement and interest on dividends and interest on equity**

Not applicable, as no restatement or interest on dividends and interest on equity applies.

d. **Date of declaration of payment of dividends and interest on equity considered for identification of shareholders entitled to receive them**

The date of declaration of payment of dividends to be considered for the identification of the shareholders entitled to the payment thereof is April 16, 2014, the date of Company's Annual Meeting. No interest is paid on stockholders' equity.

6. **In case there has been a declaration of dividends or interest on equity based on the income stated in semiannual or shorter period balance sheets:**

a. **State the amount of dividends or interest on equity already declared**

Not applicable, as Company has not declared any dividend or interest on equity based on profits reported in semiannual or shorter period balance sheets.

b. **State the date of the respective payments**

Not applicable, as Company has not declared dividend or interest on equity based on profits reported in semiannual or shorter period balance sheet.

7. Provide a comparative table indicating the following amounts per share of each type and class:

a. Net profit for the year and the three (3) previous fiscal years, in Reais. (1)

	2013	2012	2011	2010
Net profit	192,242,446.89	82,468,112.40	92,137,357.70	35,594,641.18
Weighted average of common shares	261,110,437.01	264,550,722.25	256,849,694.68	186,065,886.00
Earnings per share on common stock - basic	0.74	0.31	0.36	0.59

(1) Amounts calculated based on outstanding shares on December 31, every year

the basic earnings per share on common stock are computed dividing the net earnings by the weighted average of all classes of outstanding shares in the period.

b. Dividends and interest on equity distributed in the three (3) previous years (1), in Reais.

	2013	2012	2011	2010
Total dividends	BRL 40,000,000.00(2)	BRL 783.45	BRL 875.30	BRL 33,814,909.12
Dividends per share on common stock	BRL 0.15(3)	BRL 0.000003	BRL 0.000003	BRL 0.13

(1) Amounts calculated based on outstanding shares on December 31, every year

(2) Amount submitted to shareholders' resolution at Annual Meeting to be held on April 16, 2014

(3) Due to the 4th repurchase of shares, approved at the meeting of the Board of Directors held on February 24, 2014, the dividend per share may vary depending on the outcome of the repurchase

8. In case of allocation to the legal reserve:

a. State the amount allocated to the legal reserve.

The amount to be allocated to the legal is BRL 9,612,122.34.

b. Describe how the legal reserve was calculated

Net profit	192,242,446.89
(x) Percentage allocated to the Legal Reserve	5%
Legal Reserve allocation	9,612,122.34

In accordance with article 193 of Law no. 6.404/76, 5% of the year's net profit will be invested, before any other allocation, to form a legal reserve, not to exceed 20% of Company's stock.

9. If the Company has preferred shares entitling its holders to fixed or minimum dividends:

a. Describe how the fixed or minimum dividends are calculated
Not applicable.

b. State whether the income is sufficient for the full payment of fixed or minimum dividends

Not applicable.

c. State any unpaid portion is cumulative

Not applicable.

d. State the global amount of fixed or minimum dividends to be paid to each class of preferred shares

Not applicable, as Company has no preferred shares

e. State the fixed or minimum dividends to be paid to each class of preferred share

Not applicable, as the Company has no preferred shares

10. In relation to mandatory dividend:

a. Describe how the calculation method provided in Company's articles of incorporation

Pursuant to article 29 of Company's Articles of Incorporation, the mandatory dividend corresponds to 0.001% of the net profit for the year.

b. State whether it shall be paid in full

Company will pay the mandatory dividend in full

c. **State any amounts withheld**

Not applicable, as Company pays the mandatory dividends in full

11. **If any mandatory dividends are withheld due to Company's financial condition:**

a. **State the amount retained**

Not applicable, as Company does not withhold mandatory dividends

b. **Describe Company's financial condition in detail, also addressing aspects related to liquidity analysis, working capital, and positive cash flows.**

Not applicable, as the mandatory dividend will be paid in full

c. **Justify the withheld dividends**

Not applicable, as Company has no mandatory withheld dividends

12. **In case of allocation of income for contingencies reserve:**

a. **State the amount allocated to the reserve**

Not applicable, as there will be no income allocation for contingencies reserve

b. **State any probable losses and their causes**

Not applicable, as there will be no income allocation for contingency reserve

c. **Explain why such losses are considered probable**

Not applicable, as there will be no income allocation for contingency reserve

d. **Justify any reserves established**

Not applicable, as there will be no income allocation for contingency reserve

13. **If profits are allocated to unrealized profits reserve:**

a. **State the amount allocated to the unrealized profits reserve**

Not applicable, as there is no profit allocated to unrealized profits reserve

b. **State the nature of the unrealized profits that originated the reserve**

Not applicable, as there is no profit allocated to unrealized profits reserve

14. If profits are allocated to statutory reserves:

a. **Describe the articles providing for the reserve**

Article 30 of Company's Articles of Incorporation provides that a portion of the remaining net profit after allocating the amount required for legal reserve and the mandatory dividend may be allocated to the Investment Reserve. The balance of such reserve, added to the balances of the remaining profit reserves, except unrealized profit reserves, contingencies reserves, and tax incentive reserves, will not exceed 100% of Company's capital stock.

b. **State the amount to be allocated to the reserve**

The amount to be allocated to the Investment Reserve is BRL 142,630,324.55

c. **Describe how the amount was calculated**

Year's Net profit	192,242,446.89
(-) Legal Reserve	(9,612,122.34)
(-) Dividends	(40,000,000.00)
Total Investment Reserve	142.630.324,55

15. If profits are withheld as provided for in capital budget:

a. **State the withheld amount**

Not applicable, as there is no profit **withholds** provided for in the capital budget.

b. **Provide a copy of the capital budget**

Not applicable, as there is no profit **withholding** provided for in the capital budget.

16. If profits are allocated to a tax incentives reserve

a. State the amount allocated to the reserve

Not applicable, as there is no profit allocation to tax incentives reserves

b. Explain the nature of the allocation

Not applicable, as there is no profit allocation to tax incentives reserves

Appendix C

(Information related to items 12.6 to 12.10 of the Reference Form)

12.6 / 12.8. Management and Board of Auditors Composition and Experience of Directors and Audit Committee

Configuration of the candidates for the Board of Directors

Nome Name CPF	Idade Age Profession	Órgão administração Management Body Elective office held	Data da eleição Date of election Date of	Prazo do mandato Tenure Elected by the controlling
Other offices and functions performed in the issuer				
Antônio Augusto de Queiroz Galvão	60	Board of Directors' member only	April 16, 2012	2 years
173.714.734-34	Civil engineer	20 - Chairman of the Board of Directors	June 1, 2012	Yes
Holds no other offices or functions				
José Luiz Alquéres	69	Board of Directors' member only	April 16, 2012	2 years
027.190.707-00	Civil Engineer	27 - Independent Board of Directors (Sitting member)	June 1, 2012	Yes
Holds no other offices or functions				
Leduvy de Pina Gouvêa Filho	59	Board of Directors' member only	April 16, 2012	2 years
295.618.500-44	Mining Engineer	22 - Board of Directors (Sitting member)	June 1, 2012	Yes
Holds no other offices or functions				
Luiz Carlos de Lemos Costamilan	62	Board of Directors' member only	April 16, 2012	2 years
109.128.005-34	Mechanic Engineer	27 - Independent Board of Directors (Sitting member)	June 1, 2012012	Yes
Holds no other offices or functions				
Maurício José de Queiroz Galvão	57	Board of Directors' member only	April 16, 2012	2 years
233.110.534-00	Civil Engineer	22 - Board of Directors (Sitting member)	June 1, 2012	Yes
Holds no other offices or functions				
Ricardo de Queiroz Galvão	53	Board of Directors' member only	April 16, 2012	2 years
784.917.977-34	Civil Engineer	21 - Vice-Chairman of the Board of Directors	June 1, 2012	Yes
Holds no other offices or functions				
José Augusto Fernandes Filho	74	Board of Directors' member only	May 10, 2012	2 years
002.819.564-72	Geologist	22 - Board of Directors (Sitting member)	June 1, 2012	Yes
Holds no other offices or functions				

Professional experience / Declaration of any convictions

Antônio Augusto de Queiroz Galvão - 173.714.734-34

Mr. Antônio Augusto de Queiroz Galvão is a Civil Engineer graduated from Universidade Federal de Pernambuco. Additionally, he completed different courses, including Petroleum Engineering from University of Texas, Oil Well Drilling Technology from NL Industries, and Drilling Optimization from University of Louisiana. Presently, Mr. Antônio serves as director in different companies of Queiroz Galvão Group. In his professional experience, he has served as officer in Queiroz Galvão Óleo e Gás S.A. for more than 24 years.

Mr. Antônio Augusto Galvão has never been subject to the effects of a criminal conviction, any conviction or penalty enforcement under CVM administrative proceedings, or any final and unappeasable conviction, either judicially or administratively, causing the suspension or disqualification with respect to any professional or commercial practice, being therefore duly qualified for performing his professional activities.

José Luiz Alquéres - 027.190.707-00

Mr. Alquéres is a Managing Partner in JLA – JL Alquéres Consultores Associados Ltda., a consulting firm in the field of energy and infrastructure investments. He is a member of the Strategy Committee in ALCOA, Alstom Power, Rio Bravo Investimentos, and SN Power, and independent director in QGEP – Queiroz Galvão Exploração e Produção. He is a civil engineer graduated from PUC-RJ in 1966. Subsequently, he coursed social sciences from IFCS-UFRJ and postgraduate courses in Brazil, USA, and France. He was a professor in PUC-Rio, FAU-UFRJ, IBMEC, and FGV. He is the author and editor of books on energy, urbanism, and culture, and many magazine and newspaper articles on energy, urbanism, management, and business. He is a member of the Brazilian Academia Nacional de Engenharia. He has been active in his practice field since 1963 as engineer and managing officer in Brazil and abroad, in construction, engineering, large equipment manufacturing, energy, water, and transportation companies. He coordinated two Environmental Master Plans (PDMA) for the Electrical Sector. He was the Brazilian Secretary for Energy in 1992. He presided CERJ, Eletrobrás, Alstom do Brasil, MDU do Brasil, and Light Serviços de Eletricidade S.A. In the financial area, he worked in BNDES, served as officer in BNDESPAR, Banco Bozano Simonsen, and director in various Boards, including: Banco Opportunity, Calyon-Credit Lyonnais, Signatura Lazard-Freres, Arsenal Investimentos, FIP-Pactual, Rio Bravo. He was a member of the Board of Directors in large energy companies in Brazil, including: Itaipu, Furnas, Chesf, Eletrosul, Eletronuclear, Cesp, Cemig, EDP, CPFL, and other. He is the Honorary Vice-President of World Energy Council, member of the Executive Board in CEBRI (*Centro Brasileiro de Relações Internacionais*), and director in FBDS (*Fundação Brasileira para o Desenvolvimento Sustentável*). Former President of ACRJ – Associação Comercial do Rio de Janeiro from 2009 to 2011. In addition to his professional activities, José Luiz Alquéres is deeply involved in cultural and charitable activities in Rio de Janeiro, Minas Gerais, and São Paulo, which include MAM (Museu de Arte Moderna), HMHN (Museu Histórico Nacional), Sociedade dos Amigos do Museu Imperial, and Cruzada do Menor. Decorated by France (*Officier* of the *Ordre National du*

Mérite), by the USA (Honorary Citizen of North Dakota), by the Municipal Chamber of Rio de Janeiro (*Medalha Pedro Ernesto*) and by the Legislative Assembly of the State of Rio de Janeiro (*Medalha Tiradentes a Título de Benemérito*), he is a honorary citizen in municipalities of Rio de Janeiro, São Paulo, and Minas Gerais states.

Leduvy de Pina Gouvêa Filho - 295.618.500-44

Mr. Leduvy Filho graduated in Mining Engineering from Universidade Federal do Rio Grande do Sul, with postgraduate degree in Petroleum Engineering from Petrobras Training Center. He has completed the Executive Development Program from Columbia University, USA. Mr. Leduvy held different offices in the oil and gas industry in companies like San Antonio, Petrobras, BG Group Plc, Tesco Corporation, and Schlumberger, and presently presides Queiroz Galvão Óleo e Gás S.A. Additionally, he has extensive international experience, including works in Libya, Venezuela, Dubai, France, Bolivia, US, and England. He worked in Petrobras for 17 years as officer, holding various managing functions in Brazil and abroad.
Mr. Leduvy Filho has never been subject to the effects of a criminal conviction, any conviction or penalty enforcement under CVM administrative proceedings, or any final and unappeasable conviction, either judicially or administratively, causing the suspension or disqualification with respect to any professional or commercial practice, being therefore duly qualified for performing his professional activities.

Luiz Carlos de Lemos Costamilan - 109.128.005-34

Mr. Luiz Costamilan graduated in Mechanic Engineering from the Universidade Federal do Rio Grande do Sul and has a master in Petroleum Engineering from the Colorado School of Mines, Golden, Co, USA. Mr. Luiz Costamilan is member in Energia do Rio S/A, an advisory company in the energy (oil and gas) industry that develops strategies and indentifies M&A opportunities in connection with new investments in Brazil for its clients. Mr. Costamilan has previously worked in BG Group for 9 years, as president of British Gas in Brazil and South America. Before joining BG, Mr. Costamilan worked in Petrobras for more than 23 years, holding different senior offices, including General Corporate Manager for New Enterprises, Executive E&P Officer, Executive Vice-President of Petrobras Internacional (Braspetro), and General Oil and Gas Production Manager in Espírito Santo and Sergipe/Alagoas. Mr. Costamilan served as member of the Board of Directors in different companies in Brazil and abroad.
Mr. Luiz Carlos Costamilan has never been subject to the effects of a criminal conviction, any conviction or penalty enforcement under CVM administrative proceedings, or any final and unappeasable conviction, either judicially or administratively, causing the suspension or disqualification with respect to any professional or commercial practice, being therefore duly qualified for performing his professional activities.

Maurício José de Queiroz Galvão - 233.110.534-00

Mr. Maurício Galvão graduated in Civil Engineering from Escola Politécnica da FESP, Recife-PE. Additionally, he completed a number of courses, including: cement soil from ABCP, and compaction from Muller. Mr. Maurício Galvão is member of the Board of Directors in different companies, including Queiroz Galvão Óleo e Gás S.A., and Construtora Queiroz Galvão S.A., since 2009. He has over 35 years of professional experience working for Construtora Queiroz Galvão S.A., including 19 years as Executive

Officer, participating in large works, including the construction of the new passenger terminal and aircraft apron of Pinto Martins International Airport, in Fortaleza; construction of the new Passenger Terminal and vehicle parking spaces in the International Airport of Guararapes-Gilberto Freyre, in Recife; Duplication of BR-101 and 232 Roadways in Pernambuco, and construction of subways in Recife and Fortaleza. Mr. Maurício Galvão has never been subject to the effects of a criminal conviction, any conviction or penalty enforcement under CVM administrative proceedings, or any final and unappeasable, either judicially or administratively, causing the suspension or disqualification with respect to any professional or commercial practice, being therefore duly qualified for performing his professional activities.

Ricardo de Queiroz Galvão - 784.917.977-34

Mr. Ricardo de Queiroz Galvão graduated in Civil Engineering from Escola de Engenharia da Associação Educacional Veiga de Almeida. Additionally, he graduated from the Business School of Florida International University, and in management from Broadway and Pfister. Mr. Ricardo presides Queiroz Galvão S/A Holding and serves as director in different companies, including Manati S.A., since 2005, and Construtora Queiroz Galvão S.A., since 2009. He has over 27 years of professional experience working in Construtora Queiroz Galvão S.A., including 11 years as Executive Officer, and participating in large works, as the west stretch of Mario Covas ring road connecting Régis Bittencourt and Av. Raimundo Pereira de Magalhães roadways, and implementation of Pavuna and Sarapuí secondary sewage treatment units.

Mr. Ricardo Galvão has never been subject to the effects of a criminal conviction, any conviction or penalty enforcement under CVM administrative proceedings, or any final and unappeasable conviction, either judicially or administratively, causing the suspension or disqualification with respect to any professional or commercial practice, being therefore duly qualified for performing his professional activities.

José Augusto Fernandes Filho - 002.819.564-72

Mr. José Augusto graduated in Geology from Universidade Federal da Bahia, and completed his postgraduate studies in the same university. He serves as E&P officer in Queiroz Galvão Group since 1996 until 2010, when he was appointed Chief Officer in QGEP Participações S.A. In 2012, Mr. José Augusto ceased to serve as Company's Chief Officer to hold office as a member of the Board of Directors in QGEP Participações S.A. In his vast experience of more than 45 years, Mr. José Augusto worked as geophysicist in various Brazilian basins, and held senior positions in Brazil and abroad. He has been the superintendent for Bahia Exploration District for approximately 9 years, and renovated the exploration of the Recôncavo Basin. He also served as Petrobras General Manager in Colombia, working with different exploration and production scenarios. Commencing in 1996, Mr. José Augusto joined the Queiroz Galvão Group taking part in the discussions with Petrobras that resulted the discovery in Campo de Manati.

Mr. José Augusto has never been subject to the effects of a criminal conviction, any conviction or penalty enforcement under CVM administrative proceedings, or any final and unappeasable conviction, either judicially or administratively, causing the suspension or disqualification with respect to any professional or commercial practice, being therefore duly qualified for performing his professional activities.

Configuration of the candidates for the Fiscal Council

The candidates for the Fiscal Council, according to the request received by the Company, are:

Name	Age	Fiscal Council	Date for the Election	Period of the term	Nomination
Sérgio Tuffy Sayeg	60	Effective member	AGM 04.16.2014	Until the AGM that will deliberate on the financials dated December 31, 2014.	Controler shareholder
Nelson Mitimasa Jinzenji	64	Substitute			Controler shareholder
José Ribamar Lemos de Souza	61	Effective member			Controler shareholder
Gil Marques Mendes	61	Substitute			Controler shareholder
Axel Ehrard Brod	56	Effective member			Minority shareholder
William Bezerra Cavalcanti Filho	57	Substitute			Minority shareholder

Candidates' curriculums

Mr. José Ribamar Lemos de Souza

Mr. José Ribamar Lemos de Souza is graduated in Accounting from Universidade Federal de Pernambuco and is registered with CRC-PE under number 6,172 and enrolled at CPF/MF under number 080.716.084-91. Mr. José Ribamar holds a postgraduate degree in Economics and Business Law and in Tax Law from Fundação Getúlio Vargas. Professor at Universidade Federal de Pernambuco since 1995 in the following courses: Financial Administration, MBA in Business Management, MBA in Controllership and Costs Management, MBA in Planning and Organizational Management and MBA in Logistics. Instructor of several perfectioning courses in accounting, tax and administrative areas by the National Commercial Training Service, with a special highlight to the following post-graduation courses: Managerial Accounting, Analysis and Financial

Statements, Management and Control of Fixed Assets, Tax Management, and Costs and Formation of Prices. Mr. José Ribamar was the accountant responsible for all the accounting, fiscal and internal controls procedures of many companies, such as: Megaó Indústria e Comércio Ltda, from June/76 to July/78, and Formac (PE) S.A, from July/78 to September/87. Mr. José Ribamar was the financial-administrative manager at Delta Construções S.A., being responsible for all the accounting, fiscal, administrative and financial procedures from Jan/88 to Nov/93. Partner and shareholder of the following companies: Dosoftware do Brasil S.A and Acta Microinformática Ltda. He has been a consultant in the organizational, accounting, taxing and administrative areas, having had the following companies as major clientes since 1992: Fiori Veícolo Ltda and subsidiaries and affiliates; Auto Nunes Ltda and subsidiaries and affiliates; and Auto Norte Ltda.

Mr. José Ribamar Lemos de Souza has never been subject to the effects of a criminal conviction, any conviction or penalty enforcement under CVM administrative proceedings, or any final and unappeasable conviction, either judicially or administratively, causing the suspension or disqualification with respect to any professional or commercial practice, being therefore duly qualified for performing his professional activities.

Mr. Sérgio Tuffy Sayeg

Mr. Sérgio Tuffy Sayeg holds a graduation degree in Business Administration and a postgraduate degree in Capital Markets from Faculdade de Economia, Administração e Contabilidade, Universidade de São Paulo. He works as a Professor in MBA, post-graduation and executive training courses in Fundação Instituto de Administração – FIA, Ibmec, in INSPER and in other financial markets entities. Mr. Sérgio is qualified with a Certificate of Board Member by Experience and a Certificate of Fiscal Council Member by Experience from IBGC - Instituto Brasileiro de Governança Corporativa; with a National Certificate for the Investments Professional (“CNPI - Certificação Nacional do Profissional de Investimentos”) from APIMEC - Associação dos Analistas e Profissionais de Investimento do Mercado de Capitais and with a Professional ANBIMA Certification – series 20. Since 1976 he has been active in the financial, capital and corporate markets, having worked as executive and director at Unibanco, Banco London Multiplic, Banco Safra, Seller DTVM, Banco Fibra, Dresdner Asset Management, Bolsa de Valores de São Paulo, SABESP – Cia. de Saneamento Básico do Estado de São Paulo and FIRB – Financial Investor Relations. He is a specialized member of the Audit Committee at Banco GMAC S.A. since 2012. He is also a Member of the Fiscal Council of CSU CardSystem S.A since 2008, a Member of the Fiscal Council of Cia. Providência Indústria e Comércio since 2012 and was a Member of the Fiscal Council of Marfrig Alimentos S.A. from 2010 to 2012, all of these companies listed in BM&FBovespa’s Novo Mercado. He has also been a Member of the Fiscal Council of CR Almeida S.A. Engenharia e Construções since 2011. He was a Member of the Board of Directors of Lojas Salfer S.A. from 2007 to 2009 and a Member of the Board of Directors at IBRI – Instituto Brasileiro de Relações com Investidores from 2003 to 2008, where he is now vice-president. He is also a Member of KPMG’s Audit Committee Institute and of the Comissões de Comunicação e Certificação at IBGC.

Mr. Sérgio Tuffy Sayeg has never been subject to the effects of a criminal conviction, any conviction or penalty enforcement under CVM administrative proceedings, or any final and unappeasable conviction, either judicially or administratively, causing the suspension or disqualification with respect to any professional or commercial practice, being therefore duly qualified for performing his professional activities.

Mr. Gil Marques Mendes

Mr. Gil Marques Mendes has been an accountant and business executive of the auditing and accountability segment for 28 years, registered with CRC-RJ under number 339,363 and CPF/MF number 329.729.897-91. He holds a graduation degree in Accounting from Federação das Faculdades Celso Lisboa, and a post graduation degree in controllership, auditing, financial management and teaching in higher education from Fundação Getúlio Vargas. Qualified in IFRS – International Financial Reporting Standard, certified internationally by IACAFM – International Association of Certified Accountants and Financial Managers; Member of the Board of the Regional Accounting Council of the State of Rio de Janeiro - CRC-RJ as Vice-president of Registration; Member of the Committee on Continuing Professional Education in CRC-RJ; has acted as a Counselor in the Taxpayers Council of the Municipality of Rio de Janeiro – from 2008 to 2010; has acted as a Vogal at JUCERJA – Commercial Joint of the State of Rio de Janeiro – from 1998 to 2006. He is post graduated in Controllership (Fundação Getúlio Vargas), in Financial Management (Fundação Getúlio Vargas) and in Teaching in Higher Education. Mr. Marques was a managing partner at GWM Auditores Independentes from June/2011 to the present date; at GWM Auditores e Consultores from June/1986 to June/2011; at NASA Contadores Ltda. from June/1986 to the present date. Acted as chief auditor from May/1984 to June/1986 at Construtora Queiroz Galvão S.A.; as senior auditor from March/1982 to February/1983 at SUPERGASBRÁS – Distribuidoras de Gás S.A., and at SOTREQ S.A. de Tratores e Equipamentos, from December/1979 to March/1982; as auditor at Zalcberg, Aizenman, Bendoraytes e Cia, from March /1978 to November/1979.

Mr. Gil Marques Mendes has never been subject to the effects of a criminal conviction, any conviction or penalty enforcement under CVM administrative proceedings, or any final and unappeasable conviction, either judicially or administratively, causing the suspension or disqualification with respect to any professional or commercial practice, being therefore duly qualified for performing his professional activities.

Mr. Nelson Mitimasa Jinzenji

Mr. Nelson Mitimasa Jinzenji is consultant, business manager, independent auditor and lawyer. He graduated in Law School from Universidade Federal de Pernambuco and is registered with OAB-PE under number 14,448. He also holds a graduation degree in Accounting from Universidade Federal de Pernambuco, registered with CRC-SP under number 64,957-T-PE and is graduated in Business Administration from Universidade de São Paulo, registered with CRA-PE under number 0905. Partner at DIRECTIVOS, Vice-president of IBRACON – Instituto dos Auditores Independentes do Brasil – 2nd Regional – from 2001 to 2002 and from 2002 to 2003, President of Caxangá Golf and

Country Club – from 07/01/2000 to 06/30/2001 and from 07/01/2001 to 06/30/2003, Vice-president of the Regional Accounting Council in Pernambuco – management periods: 2002/2003, 2004/2005 and 2006/2007, Technical Vice-president of the Federal Accounting Council – management periods: 2008/2009 and 2010/2011, Effective Vogal and President of the 3rd Team of Vogals, from the Commercial Joint of Pernambuco State – JUCEPE – mandates from 01/01/2007 to 12/31/2010 and 01/01/2011 to 12/31/2014, Member of The Group of Studies for Auditing, from the Federal Accounting Council – CFC in 2003, 2004 and 2005, Member of the Advisory Committee on Accounting Standards of the Securities Commission – CVM, in 2004, 2005 and 2006, Member and Coordinator of Operations of the Accounting Pronouncements Committee – CPC, from 2008 to 2011, and a Member of Pernambuco Academy of Accounting Sciences. Awarded the Pernambuco Military Police Medal of Merit, in 06/06/2002, the Joaquim Monteiro de Carvalho Medal, by the Regional Accounting Council of the State of São Paulo – CRCSP in 05/30/2011, the Expression in Business Prize Certificate by the Home of the Business Manager in Pernambuco, integrated by the Regional Accounting Council in the State of Pernambuco and the Business Managers Syndicate in Pernambuco, in 09/09/2010. Co-author of a book in accounting and taxing.

Mr. Nelson Mitimasa Jinzenji has never been subject to the effects of a criminal conviction, any conviction or penalty enforcement under CVM administrative proceedings, or any final and unappeasable conviction, either judicially or administratively, causing the suspension or disqualification with respect to any professional or commercial practice, being therefore duly qualified for performing his professional activities.

Mr. Axel Erhard Brod

Mr. Axel Erhard Brod is a business manager, with specialization in Finance, with Identity number RNE W432250Z, SE-DPMAF-DPF, registered under CPF/MF number 787.729.907-21. Graduated in Business Management from Universität des Saarlandes in Saarbrücken, Germany and from Pontifícia Universidade Católica do Rio de Janeiro (PUC-RJ), with a masters degree in Finance from PUC-RJ. Mr. Brod is currently Managing Director at ABZ Assessoria e Consultoria Empresarial. He is a Member of the Fiscal Council of the following companies: Mahle Metal Leve S.A., Metalúrgica Gerdau S.A., Santos Brasil S.A. and A.W. Faber Castell S.A. From 1999 to 2010 he acted in MAHLE Group in many functions, such as in management teams in MAHLE Global Group; as a Member and President of a number of Board of Directors in joint ventures and companies of the Group; and in MAHLE Metal Leve S.A. as Administrative-Financial and Investor Relations Director from 1999 to 2010, and from 2004 to 2010 he also exercised the function of Vice-President Director of the Company. From 1990 to 1998 he exercised functions in Thyssen Group in the Division of Commerce and Services, having worked as the Administrative-Financial Director of the Group in South America. From 1984 to 1989 he acted in KPMG Auditores Independentes as auditing manager at German Desk of the Rio de Janeiro branch.

Mr. Axel Erhard Brod has never been subject to the effects of a criminal conviction, any conviction or penalty enforcement under CVM administrative proceedings, or any final and unappeasable conviction, either judicially or administratively, causing the suspension or disqualification with respect to any professional or commercial practice, being therefore duly qualified for performing his professional activities.

Mr. William Bezerra Cavalcanti Filho

Mr. William Bezerra Cavalcanti Filho is an economist, with specialization in Business and Finance, with Identity number 3.643.978-4 (SSP Detran/RJ), registered under CPF/MF number 530.627.607-53. Graduated in Economic Sciences from Instituto Metodista Bennett, in 1982, with an MBA in Finance from IBMEC, 1991and post-graduation in Business – General Training for High Executives, from FGV-RJ, 1996; and is enrolled in Philosophy at PUC-Rio, besides the following courses: Commercial and Investment Bank (Financial Engineering, Products and Services) Citybank – Florida – EUA, 1992; Securities Representative Certificate, from FSA, Londres, England, 199; Amana Kay – International Executive MBA; Financial Engineering – Derivative Securities; Corporate Governance – USP/FIPECAFI, 2000; Fiscal Council – Theory and Practice from IBGC, 2009; IFRS Board Class, from ANEFAC and Ernst&Young, September 2009; Media Training, 2012; Member of the Board of Directors from IBGC. Mr. Filho worked at BANERJ S.A. from May/1977 to November/1978; BANCO DO BRASIL S.A. from December/1978 to April/2009. Main roles since 1996: Third Party Assets Administration Executive Manager at BBDTVM; Executive Business Manager at Títulos e Valores Mobiliários – Capital Markets Division; Financial Operations Executive Manager at GEROF – Finance Directory; Statutary Finance Directory from December/2003 to April/2009; BRASILCAP S.A. from September/2009 to February/2013, Role: Executive Manager at the Financial and Investments Department. Took part in the following committees: (representant of Banco do Brasil): Treasury Committee at FEBRABAN until April/2009; Monetary Policy Committee at ANDIMA until April/2009; Investments Committee at SUSEP from 2011 to February/2013 and took part in the following companies' Councils: PRONOR S.A. and NITROCARBONO S.A. – Vice-President of CA from April/1997 to April/2004 – Nomination: Banco do Brasil S.A. – BB ; GUARANIANA S.A. (current Neoenergia) – CA – Effective – from July 1997 to 1998 - Nomination: BB; GUARANIANA COM. e SERV. S.A. - CA – Effective – from October/2001 to May/2002 – Nomination: BB; BOLSA DE VALORES DO RJ – CA – Substitute from December/2000 to November/2001 - Nomination: BB; SADIA S.A. – CF – Effective – April/2000 to March/2001 – Nomination: Previ ; BRASILCAP S.A. – CA – Substitute from February/2001 to August/2009 (President of the Financial Committee) - Nomination: BB ;ALL S.A. – CF – Effective – April/2009 to April/2010 – Nomination: Previ; FIAGO Participações S.A. – May/2011 to April/2013 – Nomination: Previ; Nominated by Previ to be a Member of the Fiscal Council at CPFL – May/2013.

12.7. Composition of statutory committees and auditors, financial, and compensation boards

Justification for not completing this table:

As of February 24, 2014 the Company has no statutory committees established

12.9. Existing marital, stable union, or family relationship to the second degree in relation to managers of the issuing, controlled, and controlling companies

Name	CPF	Name of the issuing, controlled, or controlling company	CNPJ	Family relation with the issuing or controlled company's manager
Position				
Issuing or controlled company's manager				
Antônio Augusto de Queiroz Galvão	173.714.734-34	QGEP Participações S.A.	11.669.021/0001-10	Brother or Sister (1st consanguinity degree)
Member of the Board of Directors				
Related person				
Maurício José de Queiroz Galvão	233.110.534-00	QGEP Participações S.A.	11.669.021/0001-10	
Member of the Board of Directors				
Note:				
They are also members of the Board of Directors and Officers in Queiroz Galvão S.A., our controlling shareholder				
Issuing or controlled company's manager				
Antônio Augusto de Queiroz Galvão	173.714.734-34	QGEP Participações S.A.	11.669.021/0001-10	Brother or Sister (1st consanguinity degree)
Member of the Board of Directors				
Related person				
Fernando de Queiroz Galvão	165.109.684-87	Queiroz Galvão S.A.	02.538.798/0001-55	
Member of the Board of Directors and Officer				
Note				
Mr. Antônio Galvão is also member of the Board of Directors and an Officer in Queiroz Galvão S.A., our controlling shareholder				

12.9. Existing marital, stable union, or family relationship to the second degree in relation to managers of the issuing, controlled, and controlling companies

Name	CPF	Name of the issuing, controlled, or controlling company	CNPJ	Family relation with the issuing or controlled company's manager
Position				
Issuing or controlled company's manager				
Antônio Augusto de Queiroz Galvão	173.714.734-34	QGEP Participações S.A.	11.669.021/0001-10	Brother or Sister (1st consanguinity degree)
Member of the Board of Directors				
Related person				
Marcos de Queiroz Galvão	475.316.904-97	Queiroz Galvão S.A.	02.538.798/0001-55	
Member of the Board of Directors and Officer				
Note				
Mr. Antônio Galvão is also a member of the Board of Directors and an Officer in Queiroz Galvão S.A., our controlling shareholder				
Issuing or controlled company's manager				
Antônio Augusto de Queiroz Galvão	173.714.734-34	QGEP Participações S.A.	11.669.021/0001-10	Brother or Sister (1st consanguinity degree)
Member of the Board of Directors				
Related person				
Carlos de Queiroz Galvão	485.512.604-72	Queiroz Galvão S.A.	02.538.798/0001-55	
Member of the Board of Directors				
Note				
Mr. Antônio Galvão is also a member of the Board of Directors and an Officer in Queiroz Galvão S.A., our controlling shareholder				

12.9. Existing marital, stable union, or family relationship to the second degree in relation to managers of the issuing, controlled, and controlling companies

Name	CPF	Name of the issuing, controlled, or controlling company	CNPJ	Family relation with the issuing or controlled company's manager
Position				
Issuing or controlled company's manager				
Antônio Augusto de Queiroz Galvão	173.714.734-34	QGEP Participações S.A.	11.669.021/0001-10	Brother or Sister (1st consanguinity degree)
Member of the Board of Directors				
Related person				
Roberto de Queiroz Galvão	497.104.944-49	Queiroz Galvão S.A.	02.538.798/0001-55	
Member of the Board of Directors and Officer				
Note				
Mr. Antonio Augusto Galvão is also a member of the Board of Directors and an Officer in Queiroz Galvão S.A., our controlling shareholder				
Issuing or controlled company's manager				
Maurício José de Queiroz Galvão	233.110.534-00	QGEP Participações S.A	11.669.021/0001-10	Brother or Sister (1st consanguinity degree)
Member of the Board of Directors				
Related person				
Marcos de Queiroz Galvão	475.316.904-97	Queiroz Galvão S.A.	02.538.798/0001-55	
Member of the Board of Directors and Officer				
Note				
Mr. Maurício Galvão is also a member of the Board of Directors and an Officer in Queiroz Galvão S.A., our controlling shareholder				

12.9. Existing marital, stable union, or family relationship to the second degree in relation to managers of the issuing, controlled, and controlling companies

Name	CPF	Name of the issuing, controlled, or controlling company	CNPJ	Family relation with the issuing or controlled company's manager
Position				
Issuing or controlled company's manager				
Maurício José de Queiroz Galvão	233.110.534-00	QGEP Participações S.A.	11.669.021/0001-10	Brother or Sister (1st consanguinity degree)
Member of the Board of Directors				
Related person				
Roberto de Queiroz Galvão	497.104.944-49	Queiroz Galvão S.A.	02.538.798/0001-55	
Member of the Board of Directors and Officer				
Note				
Mr. Maurício Galvão is also a member of the Board of Directors and an Officer in Queiroz Galvão S.A., our controlling shareholder				
Issuing or controlled company's manager				
Maurício José de Queiroz Galvão	233.110.534-00	QGEP Participações S.A.	11.669.021/0001-10	Brother or Sister (1st consanguinity degree)
Member of the Board of Directors				
Related person				
Fernando de Queiroz Galvão	165.109.684-87	Queiroz Galvão S.A.	02.538.798/0001-55	
Member of the Board of Directors and Officer				
Note				
Mr. Maurício Galvão is also a member of the Board of Directors and an Officer in Queiroz Galvão S.A., our controlling shareholder				

12.9. Existing marital, stable union, or family relationship to the second degree in relation to managers of the issuing, controlled, and controlling companies

Name Position	CPF	Name of the issuing, controlled, or controlling company	CNPJ	Family relation with the issuing or controlled company's manager
Issuing or controlled company's manager				
Roberto de Queiroz Galvão Member of the Board of Directors and Officer	497.104.944-49	Queiroz Galvão S.A.	02.538.798/0001-55	Brother or Sister (1st consanguinity degree)
Related person				
Carlos de Queiroz Galvão Member of the Board of Directors	485.512.604-72	Queiroz Galvão S.A.	02.538.798/0001-55	
Note				
Issuing or controlled company's manager				
Maurício de Queiroz Galvão Member of the Board of Directors	233.110.534-00	QGEP Participações S.A.	11.669.021/0001-10	Brother or Sister (1st consanguinity degree)
Related person				
Carlos de Queiroz Galvão Member of the Board of Directors and Officer	485.512.604-72	Queiroz Galvão S.A.	02.538.798/0001-55	
Note				
Mr. Maurício Galvão is also a member of the Board of Directors and an Officer in Queiroz Galvão S.A., our controlling shareholder				

12.9. Existing marital, stable union, or family relationship to the second degree in relation to managers of the issuing, controlled, and controlling companies

Name	CPF	Name of the issuing, controlled, or controlling company	CNPJ	Family relation with the issuing or controlled company's manager
Position				
As of December 31, 2011				
Antônio Augusto de Queiroz Galvão	173.714.734-34	Control	Directly Controlled Company	
Chairman of the Board of Directors				
Related person				
Queiroz Galvão S.A.	02.538.798/0001-55			
Chairman of the Board of Directors and Officer				
Note				
Issuing company's manager				
Ricardo de Queiroz Galvão	784.917.977-34	Control	Directly Controlled Company	
Vice-Chairman of the Board of Directors				
Related person				
Queiroz Galvão S.A.	02.538.798/0001-55			
Vice-Chairman of the Board of Directors and Officer				
Note				
Issuing company's manager				
Maurício José de Queiroz Galvão	233.110.534-00	Control	Directly Controlled Company	
Member of the Board of Directors				
Related person				
Queiroz Galvão S.A.	02.538.798/0001-55			
Member of the Board of Directors and Officer				

Note

Issuing company's manager

12.10. Subordination, service provision, or controlling relationship between managers, subsidiaries, controllers, and other

Identification	CPF/CNPJ	Manager relation with the related person	Type of related person
Office/Function			
As of December 31, 2010			
Issuing company's manager			
Antônio Augusto de Queiroz Galvão	173.714.734-34	Control	Indirect controller
Chairman of the Board of Directors			
Related person			
Queiroz Galvão Exploração e Produção S.A.	11.253.257/0001-71		
Chairman of the Board of Directors			
Note			
Mr. Antônio Augusto de Queiroz Galvão is also chairman of the Board of Directors in Queiroz Galvão S.A., which is the indirect controller of Queiroz Galvão Exploração e Produção S.A.			
Issuing company's manager			
Antônio Augusto de Queiroz Galvão			
Chairman of the Board of Directors			
Related person			
Queiroz Galvão S.A.	02.538.798/0001-55		
Chairman of the Board of Directors			
Note			
Issuing company's manager			
Ricardo de Queiroz Galvão	784.917.977-34	Control	Indirect controller
Vice-Chairman of the Board of Directors			
Related person			
Queiroz Galvão Exploração e Produção S.A.	11.253.257/0001-71		
Note			

Issuing company's manager

Ricardo de Queiroz Galvão Vice-Chairman of the Board of Directors and Officer	784.917.977-34	Control	Direct controller

Related person

Queiroz Galvão S.A.	02.538.798/0001-55

12.10. Subordination, service provision, or controlling relationship between managers, subsidiaries, controllers, and other

Identification	CPF / CNPJ	Manager relation with the related person	Type of related person
Office / Function			
Maurício José de Queiroz Galvão	233.110.534-00	Control	Indirect Controller
Member of the Board of Directors			
Related person			
Queiroz Galvão Exploração e Produção S.A.	11.253.257/0001-71		
Note			
Issuing company's manager			
Maurício José de Queiroz Galvão	233.110.534-00	Control	Controller
Direct Member of the Board of Directors and Officer			
Related person			
Queiroz Galvão S.A.	02.538.798/0001-55		
Note			

Appendix D

(Information with respect to item 13 of the Reference Form)

13.1 Describe the compensation policy or practice for the Board of Directors, Board of Statutory or Non-Statutory Officers, Audit Committee, Statutory Committees, and Auditors, Risk, Financial, and Compensation Boards:

a. Objectives of the compensation policy or practice

The objective of our compensation practices is to attract, retain, and motivate qualified professionals, pursuing the alignment of management interests with Company's short, medium, and long term objectives.

The Company's compensation policy is prepared based on market best practices; on a system of business goals and strategies, and on the duties and responsibilities of each office.

Accordingly, commencing in 2012, the Company and its subsidiaries have implemented a career and salary plan reflecting the Company's profile and needs, in line with the best practices of our peers in the market.

Additionally to the compensation of managers, the Company developed in 2011 a Stock Option Plan ("Stock Option Plan"), in order to align management's interests and Company's medium- and long-term goals, and to strengthen an entrepreneurial and result-oriented culture.

b. Compensation composition, indicating:

i. Description of the compensation elements and the objectives of each one of them

Board of Directors. The members of our Board of Directors receive a fixed compensation, with any variable compensation component. The fixed compensation of members appointed by our controlling stockholders holding offices in the management of other companies in our group uses as parameter, at the dates of Annual Meetings, the effective minimum salary value, being considerably lower than the amount paid to our independent directors. The independent members of our Board of Directors and/or members appointed by controlling stockholders that hold specific management function in our Company and receive a fixed compensation established based on the duties and responsibilities assumed, and aligned with the practice of the remaining companies in our group, in order to compensate them for the services they provide to the Company.

Also our managers receive compensation from other companies of the group. Also, one of our directors kept some benefits (health, dental, and life insurance) paid by our subsidiary Queiroz Galvão Exploração e Produção S.A. ("QGEP"), remaining from the period he served as Company's Chief Officer.

Please refer to item 13.15 of the present Reference Form with further information on the compensation paid to directors by other companies of our group.

Statutory Executive Board. Our Officers receive fixed and variable compensation, this latter being paid through our subsidiary QGEP, as provided in items 13.15 and 13.16 below.

The fixed compensation corresponds to the monthly amount paid to Officers in consideration of their duties performed within the scope of the Company and of our subsidiaries, the purpose of which is to recognize and reflect the value of individual experience and responsibility in the office, and the duties assumed. The variable compensation is in turn intended as an award for performance and for achieving or exceeding targets, based on factors that conductive to Company's growth.

Our Officers and Company's remaining employees receive a number of benefits, including medical and dental assistance, life insurance, and supplementary retirement plan, aligned with market practice and mostly supported by the subsidiary QGEP. Such benefits supplement Company's member compensation package based on market practices.

Because we are a company whose purpose is to hold equity in other companies whose activities include the exploration, production, and marketing of petroleum, natural gas, and petroleum products (therefore, a holding company), we concentrate a large portion of the compensation of our Executive Board in our operating subsidiary QGEP.

Finally, our Officers benefit from Company's Stock Option Plan, the purpose of which is (i) to align management's interests to Company's medium- and long-term interests; and (ii) strengthen an entrepreneurial, result-oriented, operationally effective culture.

Fiscal Council. The proposed compensation for the fiscal council is a fixed compensation. Benefits and variable compensation will not be paid to the members of the fiscal council.

ii. What is the proportion of each element in total compensation

The following table shows the percentages of each element of total compensation for the year ended on December 31, 2013 paid to Company's management:

	Board of Directors	**Statutory Executive Board (1)(2)**	**Fiscal Council(4)**
Fixed Annual Compensation (QGEPP Amounts)			
Salary or management fees	82.5%	78.5%	0%
Direct and indirect benefits	1.0%	5.9%	0%
Participation in committees	0%	0%	0%
Other (Charges)	16.5%	15.7%	0%
Description of other fixed compensation	The amount in "Other" account refers to INSS levied on administration fees, at 20% rate corresponding to company's participation		
Variable compensation			
Bonuses	0.0%	0.0%	0.0%
Profit sharing	0.0%	0.0%	0.0%
Compensation for	0.0%	0.0%	0.0%

attending meetings			
Commissions	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%
Post-employment or termination of office benefits			
Post-employment	0.0%	0.0%	0.0%
Termination of office	0.0%	0.0%	0.0%
Stock-based compensation ([3])			
Baseada em ações	0.0%	0.0%	0.0%
Total compensation	100%	100%	100%

[1] Also, our Officers receive a fixed compensation paid by our operating subsidiary QGEP, please refer to item 13.15 of this Reference Form with further information

[2] Also, our Officers receive variable compensation paid by our operating subsidiary QGEP, please refer to item 13.15 of this Reference Form with further information

[3] The amount of the options granted within the scope of the 2013 Stock Purchase Plan is recognized for accounting purposes by our subsidiary QGEP. Please refer to item 13.15 of this Reference Form for further information on the proportion of each element of Company's total restated compensation.

[4] It hasn't been establishment of the Fiscal Council for this year.

iii. Calculation and adjust methodology for each element of compensation

Board of Directors. The compensation of the directors appointed by our controlling stockholder holding offices in other companies of our group is nominal and based on Brazilian minimum salary in force during the relevant year, while the compensation of the independent directors and/or exclusive directors of our Company is obtained from the analysis of market practices, specially other companies in our group, being periodically revised to reflect (i) the adequacy to the activities and responsibilities assumed, (ii) the recomposition of losses caused due to inflation, and (iii) competitiveness with market practices.

Executive Board. The compensation of our Officers is calculated and adjusted (i) based on market practices obtained through compensation surveys in which Company participates every year, (ii) to award to good, consistently delivered individual performance, and (iii) to reflect the annual agreement between our subsidiary QGEP and the respective labor union to which it is bound.

Comparison of our compensation to market practiced compensation is made with companies whose activities are mainly performed in the same area of the Company, also considering, for sampling purposes, companies from different areas and of different sizes. Additionally, any adjustment agreed by the labor union and our subsidiary QGEP applies linearly, i.e., is applied to Company's Officers and other employees.

iv. Reasons that justify the composition of compensation

With the compensation policy mentioned above, the Company aims at compensating Company's staff considering the responsibilities involved in their offices, and in line with market practices and Company's competitiveness levels. We understand that the composition of compensation is adequate to the strategies and purposes of the Company in the short-, medium-, and long-term.

c. Main performance indicators that are taken into consideration in determining each element of compensation

Board of Directors. None.

Executive Board. The set of compensation elements aims at recognizing professional experience, individual performance, and Company's achieved results. The performance indicators for determining the variable compensation elements take into consideration Company's financial and operational results, in addition to individual performance measured by the fulfillment of previously agreed goals.

Fisca Council. None.

d. How the compensation is structured to reflect the evolution of performance indicators

Board of Directors. The Board of Directors' compensation paid by Company is entirely fixed.

Statutory Officers. Officers' compensation comprises fixed and variable components. Officers' variable compensation is based on their individual performance, operational and financial results.

Fiscal Council. Up to the fiscal year ended in December 31, 2014, there hasn't been the establishment of a fiscal council. In case it occurs, the Company proposes a fixed compensation, according to art. 162, §3 of Law 6.404/76.

e. How the compensation policy or practice is aligned with the issuer's short-, medium-, and long-term interests

The compensation composition comingling fixed and variable compensation paid by the Company and by Company's subsidiary QGEP, in addition to incentives allowing long-term gains align Company's short-, medium-, and long-term interests, permitting a sustainable and consistent generation of results, and securing the continuation of our business.

The variable compensation, based on previously defined operational, financial, and individual goals focused on projects and activities that can generate results for the Company, contributes to the development of a result-oriented culture focused on results and on operational efficiency.

The Stock Option Plan implemented by Company stimulates the generation of consistent medium- and long-term results for the Company and strengthen an entrepreneurial, result-oriented culture of operational efficiency.

f. The existence of compensation supported by direct or indirect subsidiaries, controlled companies or parent companies

Because the sole purpose of our Company is to hold equity in companies whose activities substantially include the exploration, production, and marketing of oil, natural gas, and oil products (we are therefore a holding company) a large portion of our Executive Board compensation is concentrated in our operational controller QGEP. The identification of the type of compensation received, segregated by management body, is described in items 13.15 and 13.16 of this document.

g. The existence of any compensation or benefit related to the occurrence of a certain corporate event, such as the disposal of the Company's shareholding control

Presently, there is no compensation or benefit related to the occurrence of a certain corporate event involving the Company or Company's subsidiaries.

In 2011, an amount of approximately BRL 23.1 Million (corresponding to 1.523% of the Primary Offering of Company's stock) to the officers, managers, employees, and workers of the Company and of Company's subsidiary Queiroz Galvão Exploração, as incentive bonus for the successful completion of Company's Initial Public Offering.

13.2 – Total compensation of the Board of Directors, Statutory Executive Board and Audit Committee

	Total compensation for 2014 - Annual Amounts			
	Board of Directors	**Statutory Executive Board**	**Fiscal Council**	**Total**
No. of members	7	4	3	14
Annual fixed compensation				
Salary or management fee	BRL 954,156.00	BRL 1,352,399.00	BRL 330,000.00	BRL 2,636,555.00
Direct and indirect benefits	BRL 20,141.00	BRL 115,515.00	BRL 0.00	BRL 135,656.00
Participation in committees	BRL 0.00	BRL 0.00	BRL 0.00	BRL 0.00
Other	BRL 190,831.00	BRL	BRL 66,000.00	BRL 527,311.00

Description of other fixed compensation	The amount of the "other" account refers to INSS on management fees (20%) corresponding to Company's participation	The amount of the "other" account refers to INSS on management fees (20%) corresponding to Company's participation	he amount of the "other" account refers to INSS on management fees (20%) corresponding to Company's	he amount of the "other" account refers to INSS on management fees (20%) corresponding to Company's
Variable compensation				
Bonuses	BRL 0.00	BRL 0.00	BRL 0.00	BRL 0.00
Profit sharing	BRL 0.00	BRL 0.00	BRL 0.00	BRL 0.00
Compensation for attending	BRL 0.00	BRL 0.00	BRL 0.00	BRL 0.00
Commissions	BRL 0.00	BRL 0.00	BRL 0.00	BRL 0.00
Other	BRL 0.00	BRL 0.00	BRL 0.00	BRL 0.00
Description of other variable compensation				
Post-	BRL 0.00	BRL 0.00	BRL 0.00	BRL 0.00
Termination of office	BRL 0.00	BRL 0.00	BRL 0.00	BRL 0.00
Stock-based	BRL 0.00	BRL 0.00	BRL 0.00	BRL 0.00
Note				
Total compensation	**BRL 1,165,128.00**	**BRL 1,738,394.00**	**BRL396,000.00**	**BRL 3.299.522.00**

Total compensation for 2013 - Annual Amounts				
	Board of Directors	**Statutory Executive Board**	**Fiscal Council**	**Total**
No. of members	7	4	0	11
Annual fixed compensation				
Salary or management fees	BRL 877,332.00	BRL 1,166,336.00	0.00	BRL 2,043,668.00
Direct and indirect benefits	BRL 11,118.00	BRL 87,063.00	0.00	BRL 98,181.00

Participation in committees	BRL 0.00	BRL 0.00	0.00	BRL 0.00
Other (Charges)	BRL 175,466.00	BRL 233,267.00	0.00	BRL 408,733.00
Description of other fixed compensation	The amount of the "other" account refers to INSS on management fees (20%) corresponding to Company's participation	The amount of the "other" account refers to INSS on management fees (20%) corresponding to Company's participation		
Variable compensation				
Bonuses	BRL 0.00	BRL 0.00	0.00	BRL 0.00
Profit sharing	BRL 0.00	BRL 0.00	0.00	BRL 0.00
Compensation for attending	BRL 0.00	BRL 0.00	0.00	BRL 0.00
Commissions	BRL 0.00	BRL 0.00	0.00	BRL 0.00
Other	BRL 0.00	BRL 0.00	0.00	BRL 0.00
Description of other variable compensation				
Post-	BRL 0.00	BRL 0.00	0.00	BRL 0.00
Termination of office	BRL 0.00	BRL 0.00	0.00	BRL 0.00
Stock-based	BRL 0.00	BRL 0.00	0.00	BRL 0.00
Note	The number of members in each body for the fiscal year of 2010 is assessed based on the annual average of the number of members in each body assessed monthly, with 2 decimal places	The number of members in each body for the fiscal year of 2010 is assessed based on the annual average of the number of members in each body assessed monthly, with 2 decimal places		

Total compensation	**BRL 1,063,916.00**	**BRL 1,486,666.00**	0.00	**BRL 2,550,582.00**

Total compensation for 2012 - Annual Amounts			
	Board of Directors	**Statutory Executive Board**	**Total**
No. of members	7.00	3.5	10.50
Annual fixed compensation			
Salary or management fees	BRL 701,811.00	BRL 998,967.00	BRL 1,700,778.00
Direct and indirect benefits	BRL 1,103.00	BRL 31,675.00	BRL 32,778.00
Participation in committees	BRL 0.00	BRL 0.00	BRL 0.00
Other (Charges)	BRL 140,362.00	BRL 199,794.00	BRL 40,156.00
Description of other fixed compensation	The amount of the "other" account refers to INSS on management fees (20%) corresponding to Company's participation		
Variable compensation			
Bonuses	BRL 0.00	BRL 0.00	BRL 0.00
Profit sharing	BRL 0.00	BRL 0.00	BRL 0.00
Compensation for attending meetings	BRL 0.00	BRL 0.00	BRL 0.00
Commissions	BRL 0.00	BRL 0.00	BRL 0.00
Other	BRL 0.00	BRL 0.00	BRL 0.00
Post-employment	BRL 0.00	BRL 0.00	BRL 0.00
Termination of office	BRL 0.00	BRL 0.00	BRL 0.00
Stock-based	BRL 0.00	BRL 0.00	BRL 0.00
Note	The number of members in each body for the fiscal year of 2012 is assessed based on the annual average of the number of members in each body assessed monthly, with two decimal places	The number of members in each body for the fiscal year of 2012 is assessed based on the annual average of the number of members in each body assessed monthly, with two decimal places	
Total compensation	BRL 843,276.00	BRL 1,230,436.00	BRL 2,073,712.00

Total compensation for 2011 - Annual Amounts

	Board of Directors	Statutory Executive Board	Total
No. of members	7	4	11
Annual fixed compensation			
Salary or	512,600.00	893,160.00	1,405,760.00
Direct and indirect benefits	0,00	0,00	0,00
Participation in committees	0,00	0,00	0,00
Other (Charges)	102,520.00	178,632.00	281,152.00
Variable compensation			
Bonuses	BRL 0.00	BRL 0.00	BRL 0.00
Profit sharing	BRL 0.00	BRL 0.00	BRL 0.00
Compensation for attending meetings	BRL 0.00	BRL 0.00	BRL 0.00
Commissions	BRL 0.00	BRL 0.00	BRL 0.00
Other	BRL 0.00	BRL 0.00	BRL 0.00
Post-employment	BRL 0.00	BRL 0.00	BRL 0.00
Termination of office	BRL 0.00	BRL 0.00	BRL 0.00
Stock-based	BRL 0.00	BRL 0.00	BRL 0.00
Total compensation	BRL 615,120..00	BRL 1,071,792.00	BRL 1,686,912.00

13.3 Variable compensation of the Board of Directors, Statutory Executive Board and Audit Committee for the past three years and to that provided for the current year

The Company did not pay any variable compensation to the Board of Directors or Executive Board and no such payment is anticipated in 2014. The variable compensation of the Executive Board is received from controlled companies, as provided in items 13.15 and 13.16. Since its formation, the Company has no Audit Committee installed.

13.4 *With respect to the stock-based compensation plan for the Board of Directors and Statutory Executive Board, effective in the last year and provided for the current year, please describe:*

a. The general terms and conditions

Plan Administration:

At the Special General Meeting held on April 29, 2011, our shareholders approved Company's Stock Option Plan ("Plan"), which is administered by Company's Board of Directors. Annually, the Board of Directors will create a Stock Option Programs ("Programs"), defining beneficiaries, stock subscription or purchase price, vesting time for exercising the option, maximum period for exercising the option, rules on the transfer of options and any restrictions to the sanctions received for exercising any option. The Board of Directors may delay, but not advance, the final date to exercise the option under the Programs in force. Also, it may terminate the Plant, at any time, and establish the regulation applicable to omitted cases, without prejudice to stock options already granted. The Board of Directors will not change the provisions set out in the Plan, and no resolution may, without holder's consent, change or compromise any right or obligation under any stock option already granted.

The Program for the current year (2014), passed at Board of Directors' Meeting held on February 24, 2014 ("2014 Program"), granted to the Officers 1,018,958 options to purchase common stock shares, representing 0.38% of Company's capital stock. The program for the year ending on December 31, 2013 passed at the Board of Directors' Meeting held on March 11, 2013 ("2013 Program") granted to Officers 1,018,958 options to purchase common stock shares, representing 0.38% of Company's capital stock. The programs for the fiscal year ending on December 31, 2012, passed at the Board of Directors' Meetings held on March 23, 2012 and May 29, 2012 ("2012 Program") granted to Officers, respectively, 1,018,958 and 550,000 options to purchase common stock shares, representing 0.38% and 0.21% of Company's capital stock. These figures do not include options granted to one of our current officers when still holding office as Company's manager. The program for the year ending on December 31, 2011, passed at the Board of Directors' Meeting held on May 2, 2011 ("2011 Program"), granted to Officers 653,182 options to purchase common stock shares, representing 0.25% of Company's capital stock.

Beneficiaries:

At Board of Directors' discretion, the officers (whether serving or not) and certain employees of Company and Company's subsidiaries (under Company's direct or indirect control) may benefit from stock options ("Beneficiaries").

Shares included in the Plan:

Once the Beneficiaries exercise their option, the Company will issue the corresponding shares, with the consequent increase of its capital stock. Also, stock options may be offered to purchase the existing treasury shares, upon prior approval of Brazilian securities commission (CVM). The shareholders, as provided in article 171, paragraph 3, of the

Corporation Law, are not entitled preemptive rights with respect to the grant and exercise of stock options to purchase shares originated from the Plan, respected the authorized capital limit passed at General Meeting, as provided in article 168, paragraph 3, of the Corporation Law.

Option exercise:

The option may be exercised in whole or in part during the term and periods fixed in the invitation letter to join the Plano ("Invitation Letter"), in accordance with the Plan and the respective program. In case of partial exercise, the Beneficiary may enforce the remaining portion of the option under the terms and conditions provided in the Plan, in the respective Program and Invitation Letter, unless as otherwise provided in the Plan. The Beneficiaries are subject to restrictive rules on the use of privileged information generally applicable to public companies and those provided by the Company.

Term of office:

The Plan or option grant under the Plan will not entitle the Beneficiary, in any event, the right to a term of office and will not affect Company's right to terminate, at any time, Company's relationship with the Beneficiary.

Limitations to holders' option rights:

No Beneficiary of options granted under the Plan: (i) may dispose of the same to third parties, or, directly or indirectly encumber the same, or enter into any legal business undertaking the same; and (ii) will have any rights and obligations as Company's shareholders. No share will be delivered to the Beneficiary upon the exercise of an option until all legal and contractual requirements are fully complied with.

Adjustment:

If the number of outstanding shares of the Company is increased or reduced, or shares are replaced or exchanged with different types or classes of shares, as the result of share bonus, grouping, or splitting, then the appropriate adjustment will be made to the number of shares in relation to which the options have been granted but not yet exercised. Any adjustment to options will be made without changing the total purchase price applicable to the non-performed portion of the option, but with an adjustment corresponding to the exercise price per each share or unit of share under the option. The Board of Directors will set out the rules applicable to events of liquidation, transformation, merger, consolidation, split-off, or any other form of corporate reorganization of the Company.

Date and effectiveness:

The Plano became effective upon approval date by Company's Special General Meeting held on April 29, 2011, and may be terminated, at any time, upon decision of the Board of Directors, without prejudice to the prevalence of restrictions to the negotiability of shares and without prejudice to Beneficiaries' rights to stock options already granted.

Assignment:

The rights and obligations arising under the Plan, Programs, and Invitation Letter may not be assigned or transferred, in whole or in part, by any party, or offered as guarantee to any obligation, without the prior written consent of the other party.

b. Main objectives of the plan

The Plan aims at aligning management's interests with Company's medium- and long-term goals, and to strengthen Company's result-oriented, entrepreneurial culture.

c. How the plan contributes to these purposes

The Plan permits to align the interests of the Beneficiaries, the Company and Company's subsidiaries, which benefit from the performance of Company's outstanding shares, and the interests of our investors, which benefit directly from Company's results achieved.

d. How the plan is inserted in the Issuer's compensation policy

The Plan functions as an incentive to the performance of our managers, and may represent an additional equity gain, subject to the specific rules of such type of incentives, and conditioned to the valuation of our shares in the long-term.

e. How the plan is aligned with the short-, medium- and long-term interests of management members and the issuer

The Plan stimulates management improvement in the short-term, aligning the interests of Beneficiaries with Company's and its shareholders' interests. Additionally, the Plan is included in Company's policy of attracting, motivating, and retaining qualified professionals in our management, encouraging them to achieve and overpass the targets established, which we consider a good policy for the medium- and long-term in relation to Company's performance.

f. Maximum number of shares covered

The shares included in the Plan will correspond to no more than 5% of Company's outstanding shares, which would represent a total of 13,290,495 common shares considering Company's total outstanding shares. Presently, the 2011, 2012, 2013, and 2014 Programs totalize 7,977,692 common stock options, which include 4,260,056 stock options reserved to Company's officers.

g. Maximum number of options to be granted

Each option entitles the Beneficiary to subscribe or acquire one common share issued by Company. Therefore, the options covered by the Plan will represent no more than 5% of Company's outstanding shares.

h. Conditions for the purchase of shares

Annually, the Board of Directors will appoint, in accordance with the Plan for each Program, their Beneficiaries, which will be dully invited in an Invitation Letter.

The terms and conditions of each option grant under the Plan are fixed in the annual Programs and in the respective Invitation Letters, defining, among other conditions: (i) the number of shares to be issued or sold upon option exercise; (ii) the strike price provided in said Plan; (iii) the following vesting periods holder must observe before exercising holder's options: (a) 20% of options may be exercised 12 months after grant; (b) 30% of options may be exercised 24 months after grant; and (c) 50% of options may be exercised 36 months after grant; and (iv) the period of 7 years, counted from option grant, expired which any rights arising thereof will expire. The shares arising from option exercise will entitle holders to the rights provided under the Plan, the respective Programs, and the Invitation Letter, being always assured the right to receive dividends on shares to be distributed after the respective subscription or acquisition.

i. Criteria for fixing the purchase or strike price

The strike price is fixed based on the average price of shares recorded in 60 trading sessions prior to the date of the option grant, in subsequent years. The strike price is payable on demand and annually adjusted by the National Consumer Price Index (INPC), or, in case such index is discontinued, by another official index with similar characteristics. The option may only be exercised under the Plan and under each Program, during the term and vesting period set forth thereunder.

j. Criteria for the exercise period

An option may only be exercised within the term and vesting periods set forth in the Plano and each Program. In accordance with the Plan, the Beneficiaries are subject to the following vesting periods: (i) 20% of options may be exercised 12 months after grant; (ii) 30% of options may be exercised 24 months after grant; and (iii) 50% of options may be exercised 36 months after grant.

k. Settlement

Settlement occurs upon payment on demand.

l. Restrictions on the transfer of shares

If the Beneficiary intends to dispose of, or otherwise to transfer, directly or indirectly, in whole or in part, the shares held by such Beneficiary, provided that such rights arise from shares under the Plano, then Company will be entitled to repurchase such shares at market price, in which case the Company is not bound by any price or condition offered by third parties.

m. Criteria and events that, when verified, will cause the suspension, amendment, or termination of the plan

The Plan may be terminated, at any time, upon decision of Company's Board of Directors, which has the authority to regulate any omitted cases.

n. Effects of the management members' leave from issuer's bodies on their rights provided for in the stock-based compensation plan

Upon the leave of the management member, as a Plan Beneficiary, either as the Beneficiary own initiative or Company's, including the cases of retirement, any options (i) that have not been acquired until the estimated date will be cancelled; and any options (ii) that have been acquired until the leave date may be exercised within 90 days counted from the termination date of the respective work agreement or tenure, being cancelled if they are not exercised after that period. The Board of Directors may, extraordinarily, determine specific rules authorizing option exercise by management Beneficiaries whose vesting term for exercising an option has not been observed.

In case of death of management Beneficiaries, their successors, or, in case of permanent disability, management Beneficiaries themselves, are entitled to promptly exercise any pending options, regardless acquisition of any exercise right, during the period of 12 months counted from such event, being the same cancelled after such period.

13.5 State the number of shares or units of ownership directly or indirectly held in Brazil or abroad, and other securities convertible into shares or units of ownership issued by the issuer, by issuer's direct or indirect parent companies, subsidiaries, or companies under common control, by members of the Board of Directors, Statutory Executive Board, or Audit Committee, per each body, at the end of the previous fiscal year

The following tables show the number of the outstanding shares issued by the Company and Company's direct and indirect parent companies and companies under common control, directly and indirectly held by the members of Company's Board of Directors and Executive Board, on December 31, 2013. We clarify that the number of shares held by the members of the Executive Board in the following tables includes the shares held by Related Persons, in accordance with CVM Instruction 358, article 11, Paragraph 3.

We note that Company had no Audit Committee installed on previous fiscal year closing date.

	Company's outstanding securities held on December 31, 2013 by:	
	Directors	**Officers**
Directly	341,706 common shares	14,750 common shares*
Indirectly	49,995,902 common shares	0 common shares
Total	50,337,608 common shares	14,750 common shares

* Including 4m224 common shares held by related persons

Outstanding securities issued by:	**Held on December 31, 2013 by:**	
	Directors	**Officers**
Direct and indirect controllers		
Queiroz Galvão S.A.	283,758,941 common shares	0 common shares
Quantum–Fundo de Investimento em Participações	16,715.26461 units of ownership	0 units of ownership
Companies under common control		

13.6 Information on the stock-based compensation to the board of directors and statutory executive board recognized in the statement of income or loss for the past three years and determined for the current year

The amount of options grants under 2011, 2012, 2013, and 2014 Programs is recognized for accounting purposes in our subsidiary QGEP (see further information on the compensation paid by our subsidiaries in item 13.15).

Additionally, we inform that on June 1, 2012, Mr. José Augusto Fernandes Filho resigned as Company's Chief Executive Officer and became a Member of Company's Board of Directors, keeping his options acquired under the Programs he was elected Beneficiary while holding his office.

The following table summarizes Company's stock-based compensation for 2014:

Stock-based compensation for the current year (2014)		
	Board of Directors	**Executive Board**
No. of members:	N/A	4
Stock option grant		
Grant date:	-	February 24, 2014
Number of option grants to officers:	-	1.018.958
Option vesting periods:	-	20% 12 months after grant, 30% 24 months after grant and 50% 36 months after grant
Maximum term to exercise an option:	-	7 years after grant
Share transfer restriction period:	-	No restriction term after option exercise. Company may repurchase such shares at market price, being not bound to prices and conditions offered by third parties.
Strike price weighted average:	-	
Outstanding options at the beginning of fiscal year:	-	BRL 8.98
(a) Options lost during the year:	-	N/A
(b) Options exercised during the year:	-	N/A
(c) Options expired during the year:	-	N/A
Fair value of options at grant date	-	BRL 2,65
Potential dilution if all option	-	-*

grants are exercised :		

*Value to be calculated based on the market price of Company's shares on December 31, 2014. The options under the 2014 Program are, as at December 31, 2014, still subject to vesting period and therefore cannot be converted into shares.

The following table summarizes Company's stock-based compensation for the year ended on December 31, 2013:

Stock-based compensation for the year ended on December 31, 2013		
	Board of Directors	**Executive Board**
No. of members:	N/A	4
Stock option grant		
Grant date:		March 14, 2013
Number of option grants to officers:		1,018,958
Option vesting periods:		20% 12 months after grant, 30% 24 months after grant and 50% 36 months after grant
Maximum term to exercise an option:	-	7 years after grant
Share transfer restriction period:	No restriction term after option exercise. Company may repurchase such shares at market price, being not bound to prices and conditions offered by third parties.	No restriction term after option exercise. Company may repurchase such shares at market price, being not bound to prices and conditions offered by third parties.
Strike price weighted average:		
(a) Outstanding options at the beginning of fiscal year:	N/A	BRL 12.83
(b) Options lost during the year:	N/A	Did not occur
(c) Options exercised during the year:	N/A	Did not occur
(d) Options expired during the year:	N/A	Did not occur

Fair value of options at grant date	N/A	BRL 4.11
Potential dilution if all option grants are exercised :	N/A	0 [1]

[1] There is no dilution, as the market value of Company's shares was, on December 31, 2013, lower than option strike price. Also, on December 31, 2013, the options under the 2013 Program were still subject to the vesting period and, therefore, could not be converted into shares.

The following table summarizes Company's stock-based compensation for the year ended on December 31, 2012:

Stock-based compensation for the year ended on December 31, 2012		
	Board of Directors	**Executive Board**
No. of members:	1	4
Stock option grant		
Grant date:	March 26, 2012 March 29, 2012[1]	March 26, 2012 and March 29, 2012[1]
Number of option grants to officers:	822.630[2]	746.328[3]
Option vesting periods:	20% 12 months after grant 30% 24 months after grant 50% 36 months after grant	20% 12 months after grant, 30% 24 months after grant and 50% 36 months after grant
Maximum term to exercise an option:	7 years after grant	7 years after grant
Share transfer restriction period:	No restriction term after option exercise. Company may repurchase such shares at market price, being not bound to prices and conditions offered by third parties.	No restriction term after option exercise. Company may repurchase such shares at market price, being not bound to prices and conditions offered by third parties.
Strike price weighted average:		
(a) Outstanding options at the beginning of fiscal year:	BRL 14.17 and BRL 12.81	BRL 14.17
(b) Options lost during the year:	N/A	N/A
(c) Options exercised during the year:	N/A	N/A
(d) Options expired during the year:	N/A	N/A

Fair value of options at grant date	BRL 5.31 and BRL 3.87	BRL 5.31
Potential dilution if all option grants are exercised :	0[4] and 0.2%[5]	0[4]

[1] The 2012 Program was revised by the Board of Directors on May 28, 2012 for new option grants

[2] The options informed in Board of Directors were granted while holding office as officer

[3] This item does not include the option grants to one of our current officers when he still held office as manager in 2012

[4] There is no dilution, as the market value of Company's stock was, on December 31, 2012, lower than the option strike price. Also, on December 31, 2012, the options under the 2012 Program were still subject to the vesting period and, therefore, could not be converted into shares

[5] Dilution as the strike price is lower than the market price of the share, quoted at BRL 13.12, on December 31, 2012.

The following table summarizes Company's stock-based compensation as at December 31, 2011:

Stock-based compensation for the year ended on December 31, 2011		
	Board of Directors	**Executive Board**
No. of members:	N/A	4
Stock option grant		
Grant date:	N/A	02/05/2011
Number of option grants to officers:	N/A	653.182[1]
Option vesting periods:	N/A	20% 12 months after grant, 30% 24 months after grant and 50% 36 months after grant
Maximum term to exercise an option:	N/A	7 years after grant
Share transfer restriction period:	N/A	No restriction term after option exercise. Company may repurchase such shares at market price, being not bound to prices and conditions offered by third parties.
Strike price weighted average:	N/A	
(a) Outstanding options at the beginning of fiscal year:	N/A	BRL 19,00
(b) Options lost during the year:	N/A	N/A
(c) Options exercised during the year:	N/A	N/A
(d) Options expired during the year:	N/A	N/A

Fair value of options at grant date	N/A	BRL 9,87
Potential dilution if all option grants are exercised :	N/A	0[2]

[1] This item does not include the option grants to one of our current officers when he still held office as manager in 2011

[2] There is no dilution, as the market value of Company's stock was, on December 31, 2011, lower than the option strike price. Also, on December 31, 2011, the options under the 2011 Program were still subject to the vesting period and, therefore, could not be converted into shares

13.7 *Information on the outstanding options of the Board of Directors and Statutory Executive Board at the end of the previous year*

The following table summarizes the outstanding options of the Board of Directors and Executive Board on December 31, 2013:

Outstanding options at the end of final do year ended on December 31, 2013		
	Board of Directors	**Executive Board**
No. of members:	1	4
Options that cannot yet be exercised:		
(a) Number:	2011 Plan: 90,226* 2012 Plan: 658,104*	2011 Plan: 259,939** 2012 Plan: 654,288** 2013 Plan: 1,018,958**
(b) Date on which they can be exercised:	2011 Plan: 30% - May 2, 2013 50% - May 2, 2014 2012 Plan: 20% - March 26, 2013 30% - March 26, 2014 50% - March 26, 2015 20% - May 29, 2013 30% - May 29, 2014 50% - May 29, 2015	2011 Plan: 30% - May 2, 2013 50% - May 2, 2014 2012 Plan: 20% - March 26, 2013 30% - March 26, 2014 50% - March 26, 2015 2013 Plan: 20% - March 14, 2014 30% - March 14, 2015 50% - March 14, 2016*
(c) Maximum term to exercise an option:	7 years after grant	7 years after grant
(d) Share transfer restriction period:	No restriction term after option exercise. Company may repurchase such shares at market price, being not bound to prices and conditions offered by third parties.	No restriction term after option exercise. Company may repurchase such shares at market price, being not bound to prices and conditions offered by third parties.
(e) Strike price weighted average:	2011 Plan: BRL 21,23 2012 Plan: BRL 15.10 and BRL 13.65	2011 Plan: BRL 21.23 2012 Plan: BRL 15.10 2013 Plan: BRL 12.83
(f) Fair value of the options on the last day of the year:	2011 Plan: BRL 1.02 2012 Plan: BRL 1.89 and BRL 2.13	2011 Plan: BRL 1.02 2012 Plan: BRL 1.89 2013 Plan: BRL 2.26
Exercisable options:		
(a) Number:	2011 Plan: 90,226* 2012 Plan: 164.526*	2011 Plan: 259,939** 2012 Plan: 163.572** 2013 Plan – 0**

(b) Maximum term to exercise an option:	7 years after grant	7 years after grant
(c) Share transfer restriction period:	No restriction term after option exercise. Company may repurchase such shares at market price, being not bound to prices and conditions offered by third parties.	No restriction term after option exercise. Company may repurchase such shares at market price, being not bound to prices and conditions offered by third parties.
(d) Strike price weighted average:	2011 Plan: BRL 21.23 2012 Plan: BRL 15.10 and BRL 13.65	2011 Plan: BRL 21.23 2012 Plan: BRL 15.10 2013 Plan: BRL 12.83
(e) Fair value of the options on the last day of the year:	2011 Plan: BRL 1.02 2012 Plan: BRL 1.89 and BRL 2.13	2011 Plan: BRL 1.02 2012 Plan: BRL 1.89 2013 Plan: BRL 2.26
(f) Fair value of total options on the last day of the year:	BRL 1.87	BRL 1.86

* The options informed in the Board of Directors were granted when the director held office in 2011 and 2012. No director holds options under the 2013 Plano

** This item includes options granted to one of our current officers when he still held office as manager in 2011 and 2012 and, therefore, the information included in this item differs from that in item 13.6 of this Reference Form

13.8 Information on options exercised and shares delivered in relation to the stock-based compensation to the Board of Directors and Statutory Executive Board, for the past three years

During the fiscal years ended on December 31, 2011, December 31, 2012, and December 31, 2013 no options were exercised and no shares were delivered in connection with stock-based compensation to Company's Board of Directors and Statutory Executive Board.

13.9 Brief description of the information necessary for understanding the data disclosed in items 13.6 to 13.8, such as an explanation on the pricing model for share and option value

Pursuant to the Plan, options may be exercised up to 7 years after grant date. Option grant (i) under the 2011 Program occurred on May 2, 2011; (ii) under the 2012 Program occurred on March 26, 2012 and May 29, 2012; and (iii) under the 213 Program 2013 occurred on March 14, 2013.

(a) The pricing model

The fair value of stock option grants under the 2011 Program, 2012 Program, and 2013 Program, on grant date, is estimated based on the binomial pricing model.

(b) data and assumptions used in the pricing model, including the weighted average price of shares, strike price, expected volatility, term of the option, expected dividends, and risk-free return rate

Our assumptions in the binomial pricing model are summarized in the following tables:

	Stock option plans – 2011 Program
Grant date	May 2, 2011
Total option grants	653,182*
Option strike price	BRL 19.00
Option fair value on grant date	BRL 9.87
Estimated share price volatility	59.20%
Expected dividend	2.35%
Risk-free return rate	6.36%
Option term (in years)	7

* This item does not include options granted to one of our officers while holding office as manager in 2011.

	Stock option plans – 2012 Program
Grant date	March 26, 2012
Total option grants[1]	1,018,958*
Option strike price	BRL 14.17
Option fair value on grant date	BRL 5.31
Estimated share price volatility	53.24%

Expected dividend	1.93%
Risk-free return rate	4.69%
Option term (in years)	7
	Stock option plans – 2012 Program
Grant date	March 29, 2012
Total option grants[1]	550.000
Option strike price	BRL 12.81
Option fair value on grant date	BRL 3.87
Estimated share price volatility	49.88%
Expected dividend	1.93%
Risk-free return rate	4.06%
Option term (in years)	7

* This item does not include options granted to one of our officers while holding office as manager in 2012.

	Stock option plans – 2013 Program
Grant date	March 14, 2013
Total option grants	1,018,958
Option strike price	BRL 12.83
Option fair value on grant date	BRL 4.11
Estimated share price volatility	43.92%
Expected dividend	1.89%
Risk-free return rate	3.81%
Option term (in years)	7

	Stock option plans – 2014 Program
Grant date	February 24, 2014
Total option grants	1,018,958
Option strike price	BRL 8.98
Option fair value on grant date	BRL 2.65
Estimated share price volatility	43.36%
Expected dividend	3.84%

Risk-free return rate	6.20%
Option term (in years)	7

(c) method used and assumptions made to absorb the anticipated effects of early exercise

Early exercises are not applicable, as the model does not allow this option without authorization of the Board of Directors.

As provided in the Stock Option Plan the Board of Directors may extraordinarily pass specific rules authorizing the exercise of options by the beneficiaries.

(d) Determination of the anticipated volatility

The anticipated volatility is estimated based on historical volatility for a sample compatible with the option term. QGEP3 being a share recently listed, with short price history until the grant date, volatility is estimated based on the monthly return series of QGEP3 (March/2011 to December/2012) and of other two comparable shares (PETR4 and OGX3) over a 7-year period.

(e) Any other characteristic of the option was included in the fair value measurement

No other characteristic of the option was used to measure its fair value other than those disclosed in item (b) above.

13.10 Information on pension plans granted to directors and statutory officers

There is no pension plans in force directly granted by the Company to Company's directors or officers.

With respect to our Executive Board, a pension plan is paid by our subsidiary QGEP, which plan is administered by Bradesco Vida e Previdência S.A. under a Supplementary Pension - Collective Plan agreement. The plan adopted is a PGBL plan (Free Benefit Generating Plan), which aims at accumulating long-term funds in order to supplement the pension of its beneficiaries, whereby employees participate with variable percentages from 1% to 12% on their fixed compensation, and the Company participates with the same percentage chosen by the employee, limited to a 6.5% cap for our Officers. Redeemed values are directly taxed at the source, depending on the system chosen.

Information for the year ended on December 31, 2013	**a. Body**	
	Board of Directors	**Statutory Executive Board**
b. Number of members	7	**4**
c. Plan's name	N/A	PGBL – Free Benefit Generating Plan
d. Number of management members that have the conditions required for retirement	N/A	**1***
e. Conditions for early retirement	N/A	No early retirement event is provided under Bradesco Vida e Previdência agreement
f. Updated aggregate value of contributions accumulated until the end of the last fiscal year, less the contributions made by management members directly	N/A	BRL 662,263.05**
g. Total accumulated amount of contributions made in the previous year, less contributions made by management members directly	N/A	BRL 248,986.21***

h. Possible early redemption and conditions thereto	N/A	In case of withdrawal from the company, and consequently from the pension plan, before becoming eligible for retirement, the balance of Company's contributions will be released in accordance with the conditions provided in the following table

* To become eligible for retirement, an officer must be at least 65 years and terminate the work relationship with the Company

** This item includes the updated accumulated value for one of the officers while holding office as manager in 2011 and 2012.

***Value of the deposits made in 2013 without investment plan compensation. This item includes the values deposited to one of the officers while holding office as manager in 2011 and 2012.

Plan participation time	Percentage of QGEP participation the beneficiary may withdraw considered the participation time
3 years of less	0%
3 to 5 years	25%
more than 5 years to 8 years	50%
more than 8 years to 10 years	75%
more than 10 years	100%

13.11 - Maximum, minimum, and average individual compensation of the Board of Directors, Statutory Executive Board, and Audit Committee

Annual Amounts	Statutory Executive Board			Board of Directors		
	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2013	December 31, 2012	December 31, 2011
No. of members	4	3.5	4.00	7	7.00	7.00
Highest compensation (Reais)	1,457,981	747,450	1,048,320	349,302	309,600	288,000
Lowest compensation (Reais)	9,562	8,680	7,824	9,562	8,680	7,824
Average compensation (Reais)	371,667	351,553	267,948	151,988	120,468	87,874

*There was not a Fiscal Council established in the fiscal year ended 2011, 2012 and 2013.

Note

Statutory Executive Board	
December 31, 2013	The value of option grants under the 2013 Stock Option Program is recognized for accounting purposes in our subsidiary QGEP (see further information on the compensation paid by our subsidiaries in item 13.15) The lowest compensation was calculated taking into consideration the prorated amount paid by the issuer to one officer elected at the end of 2013.
December 31, 2012	The value of option grants under the 2012 Stock Option Program is recognized for accounting purposes in our subsidiary QGEP (see further information on the compensation paid by our subsidiaries in item 13.15). The lowest compensation was calculated taking into consideration the prorated amount paid by the issuer to one officer elected at the end of 2012.
December 31, 2011	The value of option grants under the 2011 Stock Option Program is recognized for accounting purposes in our subsidiary QGEP (see further information on the compensation paid by our subsidiaries in item 13.15).

Board of Directors	
December 31, 2013	The officer with highest compensation served as officer throughout 2013
December 31, 2012	The officer with highest compensation served as officer throughout 2012
December 31, 2011	The officer with highest compensation served as officer throughout 2011

13.12 Describe contractual arrangements, insurance policies or other instruments underlying mechanisms for management member's compensation or indemnification in the event of removal from office or retirement, indicating the financial consequences to the issuer

Presently, there are no contractual arrangements, insurance policies, or other instruments underlying mechanisms for compensating or indemnifying Company's management members in the event of removal from office or retirement.

Our Executive Board may chose the to pay for a pension plan of Bradesco Vida e Previdência S.A. The contributions made by our officers vary from 1% to 12% on the fixed compensation and our subsidiary QGEP contributes with the same percentage chosen by the Officer up to the limit of 6.5% of the Officer compensation. In the event of retirement, the Officer may withdraw a portion of QGEP contribution depending on the participation term in such pension plan; see item 13.10 of this Reference Form for further information on our pension plan.

Company's Stock Option Plan ("Plan") establishes the conditions for enforcing any rights in connection with the plan at the time of retirement or removal of a management member. For further information on the conditions applicable in such event, please refer to item 13.04 of this Reference Form.

In 2012, our subsidiary QGEP, recognizing the important contribution to the development of Company's and Company subsidiaries' activities, specially the results achieved, paid to one member of management a leaving package comprising performance bonus and additional stock option grants, as he left the office of Chief Executive Office in our subsidiary QGEP. Refer to items 13.15 and 13.16 for further information on fixed and variable compensation paid by our subsidiary QGEP.

13.13 With respect to the past three years, state the percentage of total compensation of each body recognized in the issuer's income or loss statement in relation to directors, statutory officers, or members of the audit committee that are related parties to direct or indirect parent companies, as defined by the accounting rules addressing this subject

The following table states the values for the year ended on December 31, 2011:

Body	**Year ended on December 31, 2011**[1]
Board of Directors	5.09%
Statutory Executive Board	0%

[1] The Audit Committee was not installed in 2011

The following table states the values for the year ended on December 31, 2012:

Body	**Year ended on December 31, 2012**[2]
Board of Directors	3.5%
Executive Board	0%

[2] The Audit Committee was not installed in 2012

The following table states the values for the year ended on December 31, 2013:

Body	**Year ended on December 31, 2013**[3]
Board of Directors	2.7%
Executive Board	0%

[3] The Audit Committee was not installed in 2013

13.14 With respect to the past three years, please state the amounts recognized in the issuer's income and loss statement as compensation of directors, statutory officers, or members of the audit committee, per each body, for any reason other than the office they hold

Our management members do not receive compensation for any reason other than the office they hold.

13.15 With respect to the past three years, please state the amounts recognized in the income or loss statement of issuer's direct or indirect parent companies, companies under common control, and subsidiaries as compensation to issuer's directors, statutory officers, or audit committee members, per each body, specifying why such amounts are allocated to such individuals

a. **portions of the compensation supported by issuer's direct or indirect subsidiaries, parent companies, or companies under common control that are allocated to the directors, statutory officers, and members of the audit committee due to the office held in the issuer (which has been stated in 13.1.f)**

Our Officers also serve as officers in our subsidiary QGEP. Considering that Company's sole purpose is to hold interest in companies whose activities substantially includes the exploration, production, and marketing of oil, natural gas, and oil products (therefore, we are a holding company), a large portion of the compensation paid to our Executive Board is concentrated in said subsidiary.

In November 2012, QGEP absorbed other subsidiary of the group, Manati S.A. Some payments to our management members in 2012 were also made through this absorbed company.

The following tables summarize the amounts paid by our direct or indirect subsidiaries, parent companies, or companies under common control to Company's Directors and Officers, in relation to the years ended on December 31, 2011, December 31, 2012, and December 31, 2013:

Amounts recognized in the income and loss statement for 2011 (BRL)*	Board of Directors	Executive Board	Total
Subsidiaries	BRL 14,739.20	BRL 19,586,535.65**	BRL 19,601,274.85
Direct or indirect parent companies	N/A	N/A	N/A
Companies under common control	N/A	N/A	N/A

*The amount of option grants under the 2011 Program is recognized for accounting purposes in our subsidiary QGEP, as BRL 2,220,601.08.

** Including the amount paid to Company's Officers in 2011, as bonus for the successful Public Offer of Company's Shares, completed on March 9, 2011

Amounts paid by subsidiaries

Amounts paid by subsidiaries, total compensation recognized for the year ended on December 31, 2011 – Annual Amounts			
	Board of Directors	**Statutory Executive Board**	**Total**
No. of members	7	4	11
Annual fixed compensation			

Amounts paid by subsidiaries, total compensation recognized for the year ended on December 31, 2011 – Annual Amounts			
	Board of Directors	**Statutory Executive Board**	**Total**
Salary or management fees	BRL 12,282.67	BRL 2,344,385.80	BRL 2,356,668.47
Direct and indirect benefits	BRL 0.00	BRL 267,975.77	BRL 267,975.77
Participation in committees	BRL 0.00	BRL 0.00	BRL 0.00
Other (Charges)	BRL 2,456.53	BRL 598,702.12	BRL 601,158.65
Variable compensation			
Bonuses	BRL 0.00	BRL 0.00	BRL 0.00
Profit sharing	BRL 0.00	BRL 0.00	BRL 0.00
Compensation for attending meetings	BRL 0.00	BRL 0.00	BRL 0.00
Commissions	BRL 0.00	BRL 0.00	BRL 0.00
Other	BRL 0.00	BRL 14,154,870.88	BRL 14,154,870.88
Post-employment	BRL 0.00	BRL 0.00	BRL 0.00
Office termination	BRL 0.00	BRL 0.00	BRL 0.00
Stock-based	BRL 0.00	BRL 2,220,601.08	BRL 2,220,601.08
Total compensation	**BRL 14,739.20**	**BRL 19,586,535.65***	**BRL 19,601,274.85**

* Including the amount paid to Company's Officers in 2011, as bonus for the successful Public Offer of Company's Shares, completed on March 9, 2011

Amounts recognized in the income and loss statement for 2012 (BRL)*	Board of Directors	Executive Board	Total
Subsidiaries	BRL 6.404,02	BRL 14,676,454.25**	BRL 14.682.858,27
Direct or indirect parent companies	N/A	N/A	N/A
Companies under common control	N/A	N/A	N/A

*The amount of option grants under the 2012 Program is recognized for accounting purposes in our subsidiary QGEP, as BRL 2,394,124.87

** Including the amount paid under the transition package granted to Mr. José Augusto Fernandes Filho, as mentioned in Item 13.12

Amounts paid by subsidiaries

Total compensation recognized for the year ended on December 31, 2012 – Annual Amounts

	Board of Directors	Statutory Executive Board	Total
No. of members	7	3.5	10.5
Annual fixed compensation			
Salary or management fees		BRL 2,174,975.00	BRL 2,174,975.00
Direct and indirect benefits	BRL 6,404.02	BRL 228,804.78	BRL 235,280.80
Participation in committees			
Other (Charges)		BRL 561,758.40	BRL 561,758.40
Description of other fixed compensation	The amount of the "other" account refers to INSS on management fees (20%) corresponding to Company's participation		
Variable compensation			
Bonuses	BRL 0.00	BRL 6,196,791.20	BRL 6,196,791.20
Profit sharing	BRL 0.00	BRL 0.00	BRL 0.00
Compensation for attending meetings	BRL 0.00	BRL 0.00	BRL 0.00
Commissions	BRL 0.00	BRL 0.00	BRL 0.00
Other	BRL 0.00	BRL 0.00	BRL 0.00
Post-employment	BRL 0.00	BRL 3,724,706.70	BRL 3,724,706.70
Office termination	BRL 0.00	BRL 0.00	BRL 0.00
Stock-based	BRL 0.00	BRL 1,789,418.17	BRL 1,789,418.17
Note	The number of members of each body in 2012 was determined based on the annual average number of members of each body determined on a monthly basis, with two decimal places	The number of members of each body in 2012 was determined based on the annual average number of members of each body determined on a monthly basis, with two decimal places	
Total compensation	**BRL 6,404.02***	**BRL 14,676,454.25****	**BRL 14,682,858.27**

* The amount of option grants under the 2012 Program is recognized for accounting purposes in our subsidiary QGEP, as BRL 2,394,124.87.

** Including the amount paid under the transition package granted to Mr. José Augusto Fernandes Filho, as mentioned in Item 13.12

Amounts recognized in the income and loss statement for 2013 (BRL)*	Board of Directors	Executive Board	Total

Subsidiaries	BRL 3,829.00	BRL 12,150,894.00	BRL 12,154,723.00
Direct or indirect parent companies	N/A	N/A	N/A
Companies under common control	N/A	N/A	N/A

Amounts paid by subsidiaries

Total compensation recognized for the year ended on December 31, 2013 – Annual Amounts			
	Board of Directors	**Statutory Executive Board**	**Total**
No. of members	7	4	11
Annual fixed compensation			
Salary or management fees	BRL 0.00	BRL 2,911,824.00	BRL 2,911,824.00
Direct and indirect benefits	BRL 3,829.00	BRL 243,962.00	BRL 247,791.00
Participation in committees	BRL 0.00	BRL 0.00	BRL 0.00
Other (Charges)	BRL 0.00	860,047.00	BRL 860,047.00
Description of other fixed compensation	The amount of the "other" account refers to INSS on management fees (20%) corresponding to Company's participation		
Variable compensation			
Bonuses	BRL 0.00	BRL 5,664,297.00	BRL 5,664,297.00
Profit sharing	BRL 0.00	BRL 0.00	BRL 0.00
Compensation for attending meetings	BRL 0.00	BRL 0.00	BRL 0.00
Commissions	BRL 0.00	BRL 0.00	BRL 0.00
Other	BRL 0.00	BRL 0.00	BRL 0.00
Post-employment	BRL 0.00	BRL 0.00	BRL 0.00
Office termination	BRL 0.00	BRL 0.00	BRL 0.00
Stock-based	BRL 0.00	BRL 2,470,764.00	BRL 2,470,764.00
Note	N/A	N/A	N/A
Total compensation	**BRL 3,829.00**	**BRL 12,150,894.00***	**12,154,723.00**

* The amount of option grants under the 2013 Program is recognized for accounting purposes in our subsidiary QGEP, as BRL 5,875,533.00

The following table states the percentage of each element of Company's consolidated compensation for the years ended on December 31, 2011, 2012, and 2013:

Year ended on December 31, 2011

Body	Board of Directors	Statutory Executive Board(*)(**)
Annual fixed compensation		
Salary or management fees	83%	12%
Direct and indirect benefits	0.0%	2.0%
Participation in committees	0.0%	0.0%
Other (Charges)	17%	3.0%
Description of other fixed compensation	The amount of the "other" account refers to INSS on management fees (20%) corresponding to Company's participation	
Variable compensation		
Bonuses	0.0%	0.0%
Profit sharing	0.0%	0.0%
Compensation for attending meetings	0.0%	0.0%
Commissions	0.0%	0.0%
Other	0.0%	72.0%
Post-employment or termination of office benefits		
Post-employment	0.0%	0.0%
Termination of office	0.0%	0.0%
Stock-based compensation		
Stock-based	0.0%	11.0%
Total compensation	100%	100%

Year ended on December 31, 2012		
Body	**Board of Directors**	**Statutory Executive Board(*)(**)**
Annual fixed compensation		
Salary or management fees	0%	14%
Direct and indirect benefits	100.0%	2.0%
Participation in committees	0.0%	0.0%
Other (Charges)	0.0%	4.0%
Description of other fixed compensation	The amount of the "other" account refers to INSS on management fees (20%) corresponding to Company's participation	
Variable compensation		
Bonuses	0.0%	42%
Profit sharing	0.0%	0.0%
Compensation for attending meetings	0.0%	0.0%
Commissions	0.0%	0.0%
Other	0.0%	0.0%
Post-employment or termination of office benefits		
Post-employment	0.0%	26.0%

Termination of office	0.0%	0.0%
Stock-based compensation		
Stock-based	0.0%	12.0%
Total compensation	100%	100%

* One of our directors kept certain benefits (health and dental plan, life insurance) paid by our subsidiary Queiroz Galvão Exploração e Produção S.A. ("QGEP"), from the period he held office as Company's Chief Executive Officer

** Transition package granted to a management member, as mentioned in Item 13.12

Year ended on December 31, 2013		
Body	**Board of Directors**	**Statutory Executive Board**
Annual fixed compensation		
Salary or management fees	0.0%	24%
Direct and indirect benefits	100%	2%
Participation in committees	0.0%	0.0%
Other (Charges)	0.0%	7.1%
Description of other fixed compensation	The amount of the "other" account refers to INSS on management fees (20%) corresponding to Company's participation	
Variable compensation		
Bonuses		46.6%
Profit sharing		
Compensation for attending meetings		
Commissions		
Other		
Post-employment or termination of office benefits		
Post-employment		
Termination of office		
Stock-based compensation		
Stock-based		20.3%
Total compensation	100%	100%

b. **other compensation received by Company's management and audit committee members that is recognized in the income or loss statement of Company's subsidiaries, issuer's direct or indirect parent companies, or companies under common control, whether or not related to any office held in the issuer**

The following table states the amounts determined for compensation purposes to offices held by certain members of Company's management in the management of our subsidiaries, direct or indirect parent companies, and companies under common control, with respect to the years ending on December 31, 2011, 2012, and 2013:

Amounts recognized in the income and loss statement for 2011 (BRL)	Board of Directors	Statutory Executive Board	Total
Subsidiaries	N/A	N/A	N/A
Direct or indirect parent companies	BRL 3,174,438.41	N/A	BRL 3,174,438.41
Companies under common control	BRL 3,453,431.67	N/A	BRL 3,453,431.67

Amounts recognized in the income and loss statement for	Board of Directors	Statutory Executive	Total
Subsidiaries	N/A	N/A	N/A
Direct or indirect parent companies	BRL 5,527,741.49	N/A	BRL 5,527,741.49
Companies under common control	BRL 1,506,840.79	N/A	BRL 1,506,804.79

Amounts recognized in the income and loss statement for	Board of Directors	Statutory Executive	Total
Subsidiaries	N/A	N/A	N/A
Direct or indirect subsidiaries	BRL 4,731,846.76	N/A	BRL 4,731,846.76
Companies under common control	BRL 3,625,728.78	N/A	BRL 3,625,728.78

13.16 Provide other information that the issuer may deem relevant

The compensation paid by our subsidiary QGEP to Company's management members comprises fixed and variable elements. The fixed compensation reflects the parameters adopted by the oil industry, more specifically in the exploration and production chains. With respect to the variable compensation, QGEP implemented in 2012 a performance award model based on Company's financial earnings, on local result, and on individual performance, carried out through a Profit Sharing Plan (PLR).