Operator: Good afternoon ladies and gentlemen. At this time we would like to welcome everyone to QGEP's 1st quarter 2015 earnings conference call. Today we have here with us the executives Mr. Lincoln Rumenos Guardado, CEO of the Company, Mr. Danilo Oliveira, Production Director, Mr. Sergio Michelucci, Exploration Director and also Mr. Juan Soler, Financial Manager, with us.

We would like to inform you that this event is being recorded and all participants will be in listen-only mode during the company's presentation. After QGEP's remarks are over, there will be a question and answer section when further instructions will be given. Should any participant need assistance during this call, please press *0 to reach the operator. There will be a replay facility for this call for one week.

Before proceeding, let me mention that forward-looking statements are based on the beliefs and assumptions of QGEP management, and on information currently available to the company. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future. Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of QGEP and could cause results to differ materially from those expressed in such forward-looking statements.

Now, I will turn the conference over to Mr. Lincoln Rumenos Guardado, QGEP's CEO, who will start the presentation. Mr. Lincoln, you may begin the conference.

Mr. Guardado: Good afternoon. Thank you for participating in today's call to present first quarter 2015 financial and operating performance of QGEP and to discuss our business outlook.

Today I'm joined by Mr. Sergio Michelucci, Exploration Director, Mr. Danilo Oliveira, Production Director and I'd like to highlight that our CFO, Mrs. Paula Costa Côrte-Real is away on a maternity leave, so we have with us today Mr. Juan Soler, our Financial Manager, to add to our discussion.

I would like to begin by looking at our performance from a strategic standpoint. We are on track with our plan to develop our asset portfolio in a pragmatic way in order to create mid and long-term value.

In this way, despite the recent impact that fluctuating oil prices may have on the industry as a whole it does not affect us materially in the short term, allowing us to implement our strategy in an efficient way.

Additionally, changes in the Brazilian institutional scenario, from a macroeconomic and sectorial point of view, may offer steady growth opportunities for our company.

I'd like to highlight that part of this resilience that we have arises from the fact that our production revenue at Manati is not tied to oil prices, so that our company's specific exposure to oil prices will only come about once we start producing at the Atlanta Field, expected for mid-2016.

In the meantime, the industry low, which has had a significant impact on the oil service industry, has benefited our negotiations for equipment and services contracted to support the Atlanta Field production. However, it is also encouraging to see that oil prices are stabilizing at about US$60 per barrel and that forecasts indicate the prices will increase gradually until our production starts in 2016.

Additionally, we continue to actively manage our asset portfolio to ensure an adequate risk return ratio with a mid to long-term mindset. At the same time, given our balance sheet, we are also in a favorable position to evaluate opportunities that may arise out of this difficult market conditions to add value to our portfolio.

I would also like to point out some specific operating and financial highlights for the first quarter. First, we continued to generate strong operating cash flow from our 45% stake in the Manati field, even at slightly lower production rates.

Secondly, we also announced the most recent Gaffney, Cline & Associates certification report on Manati. As expected, reserve estimates were in line with previous evaluation reports and with actual production and confirms the high degree of predictability that we have of this important asset for gas production in the Northeast region of Brazil.

Thirdly, we are moving ahead with the preparation for heavy oil production at the Atlanta Field, contracting equipment and services that need to be in place when the FPSO arrives on-site in about nine months - in other words, close to February or March next year.

Fourthly, drilling of appraisal wells in Carcará continues according to plan and all indications are that we will have our initial results at the end of the third quarter of 2015.

And lastly, there was a solid start to 2015 from a financial standpoint, enabling us to end the first quarter with a cash balance of R$1.3 billion, which gives us flexibility to evaluate growth opportunities now and in the near future.

Please turn to slide five for more details on our financials. At an Ebitdax level you can see that results for the first quarter 2015 represent a small increase from the fourth quarter, but a decline from a year ago, explained by higher expenses on seismic data acquisition, analysis and processing of the seismic at the beginning of this year. It is worth noting that we are still delivering an Ebitdax margin close to 60%, demonstrating the high profitability of the company's operations and of this asset.

As in previous quarters, we maintained a solid financial position. Our cash position of R$1.3 billion on March, 31st of this year enables us to meet our short and midterm obligations, while giving us flexibility to take advantage of any opportunities that might arise.

Our only borrowings are a financial package with FINEP and a credit facility with Banco do Nordeste do Brasil (BNB), totaling R$370 million already disbursed, which allow to optimize our capital structure and meet our investment plans.

Not only do we have a strong cash position, but we still have room in our balance sheet for future leverages. One other positive for the quarter was our net financial income, which was up almost 50% from a year ago. The main reason for this movement was the 21% Real depreciation in this quarter, which raised QGEP's return of cash invested in Dollar denominated funds kept for hedging purposes.

This increase was partially offset by exchange losses on our provision for abandonment of Manati and Atlanta fields. As a result of this substantial Real depreciation in the quarter of about 21%, the company incurred significantly higher income tax and social contribution charges in the quarter compared with previous quarters. This increase is explained by a combination of a higher taxable financial income and higher nondeductible exchange losses on the provision for abandonment, thus the company ended the first quarter of 2015 with a net income of R$29 million; 15% higher than in the same quarter of the previous year.

Please turn to slide six. As previously indicated, the results from the Manati field showed lower production year on year, but this impact in revenues was attenuated and partly offset by contractual readjustment in the price of Manati's natural gas. As a result, revenue fell only 1% from first quarter 14 level, even though production dropped by 5% in the period.

We expect a reversal in this lower production trend in the second half of the year when the surface gas compression plant starts operations. I will discuss this in more detail later in this presentation.

Please turn to slide seven. We observe operating costs falling quarter on quarter and year on year in both cases; the main factors were related to lower royalties and special participation costs associated with lower production, as well as with lower maintenance costs.

There was a slight increase in general and administrative expenses from a year ago, from R$12 increasing to R$14 million. The year on year increase in G&A arises mainly from consulting services to enhance the company's control and management systems. Compared with the previous quarter there was a decrease in G&A expenses, since in the fourth quarter of 2014 we had concentrated expenses related to profit sharing costs.

Exploration expenses amounted to R$10 million in the first quarter of 2015, representing a significant decline from the first and fourth quarter of 2014. Exploration expenses in the 1Q15 were mostly tied to the acquisition of seismic data and to geology and geophysics studies for the blocks acquired in the 11th ANP Biding Round.

In the first quarter of 2014 by contrast exploration expenses included a charge of R$28 million related to the relinquishment of Biguá to the ANP (the Brazilian oil agency). In the first quarter of 2014 we booked a write-off of R$34 million from the relinquishment of Block BM-CAL-5.

Slide eight shows our Capex plans for 2015 and 2016. These plans are in line with those announced in the last quarter's call. We see Capex needs of US$187 million for 2015. The two most important projects in this Capex plans are of course BS-4 and BM-S-8, which will account for US$62 million and US$55 million, respectively.

The compression plant at Manati and the acquisition of seismic data for the 11th ANP Bidding Round blocks will also require meaningful Capex, of US$21 million and US$27 million respectively.

In 2016, total Capex will fall to US$165 million and the emphasis will be very much on exploration, which will account for about US$112 million of the total amount.

Spending at BM-S-8 will rise and we will also spend about US$33 million on drilling in BM-CAL-372, in the Camamu basin.

I will now review each of our major assets in detail. So, please, turn to slide 10. I am pleased to report that the work at the Manati compression plant continues on schedule and on budget. You can have a pretty good idea of how the project and the construction works are unfolding. In the photograph we highlight an overview of the plant and the compressors already in place. We highlight that 70% of the work at the plant is now complete. The goal of this plant is to increase pressure of gas pumping so as to increase the field's production capacity to 6 million m³ per day.

The next steps include the connection of the slug catcher and the interconnection to the gas pipeline. Total Capex for the plant, net to QGEP, will be approximately US$28 million.

In order to connect the plant to the field the Consortium will stop production at the field for about 20 days. As a result, we will see 2Q15 output at the field declining to an average 4.5 million m³ per day. The plant will be operational in the middle of the year, when production capacity will return to 6 million m³ per day. Based on these figures, our average production capacity will be 5.5 million m³ per day for the full year, on average.

Slide 11 shows our current progress in our activities in Block BS-4, particularly Atlanta. At the Atlanta Field we continue to make progress towards first oil in the middle of next year. This important asset has 2P reserves of 191 million barrels and 3P of 269 million barrels, according to an independent report from Gaffney, Cline & Associates.

In addition, QGEP – as the operator of this field – has been making efforts to advance in the development, overcoming technical challenges, which demonstrates the expertise of our team. The development of Atlanta will be carried out by means of an Early Production System (EPS) through an FPSO, Petrojarl I, which is being currently customized in Rotterdam and will be on-site in the first quarter of 2016.

We recently announced the contracts we settled with two world-class companies to develop this asset; GE Oil & Gas will provide flexible lines, risers, umbilical and related equipment, while McDermott International will be responsible for the engineering and installation of the equipment.

The production curve shown on the slide is the expected production curve for the Atlanta Field and takes into account three production wells for the EPS. At first we will produce from two wells at a total capacity of 25,000 barrels per day and the Consortium is considering drilling a third well, depending on the market conditions, in order to increase production to 30,000 barrels per day.

Development will begin in 2019 with output eventually rising to approximately 75,000 barrels per day in 2021. Total Capex for the Early Production System is US$728 million including the drilling of the third well, with Opex of US$480,000 per day.

Slide 12 shows the efforts we are making at BM-S-8, particularly Carcará discovery. This year our focus is the drilling of two appraisal wells and a Drill Stem Test. The first phase of the first appraisal well has already been drilled. Currently we are drilling the second appraisal well and operations and results are within our expectations.

We expect to reach a final depth of 6,400 m in the middle of the year. Once drilling is concluded, the rig will be moved to drill the second phase of the first appraisal well, targeting a final depth of 6,600 m.

In the third quarter of 2015 the schedule calls for a drill stem test on the second appraisal well with another rig, different from this one that has the MPD facility.

The purpose of these wells is to provide data on the accumulation, on the size, productivity and other data of the Carcará reservoir. This data will be vital as we plan for production at the field. We expect to have preliminary results from the well that is being drilled by the end of the third quarter of 2015.

In 2017 an Extended Well Test is expected for the discovery. We also plan to begin drilling works at the Guanxuma prospect at the end of 2015.

Slide 13 shows the current status at the blocks we acquired at the 11th ANP Bidding Round. Despite their location in frontier areas, these assets have the potential for important discoveries that will shape the long-term development of Queiroz Galvão Exploração & Produção (QGEP).

We are working with a wide range of partners on these blocks including local, regional and global oil and gas companies, as both operator and as partner in these assets. The upsize of these arrangements are knowledge exchange, cost-sharing and further diversification of our operations.

So far we completed seismic surveys at Foz do Amazonas and Espírito Santo Basins. This data is now being processed. At Pará-Maranhão and Ceará surveys are scheduled to begin in the second half of the year once the environmental licenses have been issued by IBAMA.

For 2015 and 2016 we expect costs for seismic data to reach approximately US$39 million. Between 2017 and 2018 we will drill four exploratory wells, as laid out in our commitments in the 2013 Bidding Round. Total costs of these wells, as I mentioned before, will be approximately US$200 million net to QGEP.

Please turn now to slide 14. This slide gives an overview and a summary of the different short and midterm activities for QGEP's blocks in the exploratory phase, where we highlight the concentration of exploratory drilling in the blocks located in the South-East region of Brazil for years 2015 and 2016 at the top of the chart, and also, at the bottom of the chart, drilling efforts for the equatorial margin as of the second half of 2017.

This provides us some flexibility to our disbursements. As you can see throughout this presentation, QGEP has a range of assets in different stages of maturity, involving production, development and exploration.

We have important milestones across our portfolio, which include Manati's compression plant this year, the startup of Atlanta next year and the drilling campaign at the Carcará discovery.

We are ready to move ahead with these plants at a challenging time for the oil and gas industry thanks to the following factors: first, our continuous disciplined approach to our portfolio and investments; second, our technical expertise which has proved to be a major asset to the company in the short to long-term basis, and third, our flexibility brought by our privilege cash position.

The conditions of the Brazilian and global oil and gas market have shown the first signs of rebound. We are prepared to overcome this challenging scenario and we have the financial flexibility required to benefit from any additional opportunities that may arise and add more value to our portfolio.

Challenging business conditions always brings along tremendous opportunities for those with foresight, courage and, naturally, financial resources. The quality of oil and gas assets in Brazil has not changed. To our benefit we can see the first signs of change at governmental agencies, which may bring about a more flexible operating environment, one that is geared toward greater efficiency and dynamic execution.

In addition, Shell Oil's recent announcement of the acquisition of British Gas was seen by ourselves as an encouraging fact, showing confidence in Brazil's deep water oil production in the present and in the future. Therefore, we remain quite bullish about the prospects for our company and our decision to focus on our activities in deep waters in Brazil.

We would also like to highlight that QGEP recently launched a new website, which was designed as part of the Company's commitment with transparency and it consolidates institutional and investor relations information. The new functionalities include: interactive charts and spreadsheets to support investors in their analytical work, a measurement conversion tool and in the E&P activities area, useful information on oil and gas exploration and production.

We invite you all to visit our website and interact with us and with our IR and Communication Departments.

These are our remarks and now we will now open the floor for the Q&A session. Operator, we are ready for the Q&A.

Q&A Session

Operator: Excuse me, ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please, press star one. If at any time you would like to remove yourself from the questioning queue, please, press star two.

Our first question is from Mr. Luiz Carvalho, HSBC.

Mr. Carvalho: Good afternoon Lincoln and all of you. I'd like to start with two questions related to Carcará. Well, we saw Petrobras' divestment plan, which is quite robust and according to the speech made by their director Solange, Carcará could possibly be a field included in the divestment plan.

My question is: would you be interested in increasing your stake in Carcará? Do you believe there could be a possible lack of interest by Petrobras, delaying the schedule for the field? And could you give us an update regarding the unitization process for the field?

My second question is regarding Manati. Could you give us an update regarding the amendment to the take-or-pay contract for the field? Thank you.

Mr. Guardado: Luiz, thank you, it is a pleasure to have you on this call. Well, I will start with the last part of your question regarding the schedule. Undoubtedly we followed Petrobras' declarations but, so far, regarding any change in the schedule, we don't see any signs of delay. On the contrary; the current well is doing quite well, the drilling will get into the reservoir in Carcará, the operations are unfolding quite well. We expect to do the test after we complete the drilling as planned. The rig will be moved to finish the first well, as on the schedule and we also have the obligation to start drilling by year-end the Guanxuma well, which is part of the Evaluation Plan of this discovery.

So regarding the drilling everything continues to unfold quite well, we don't see any indication, any signs from Petrobras to reduce the pace of activities in that area. On the contrary; so far we don't have any signs that there will be any delays.

As for unitization, negotiations with PPSA continue and we have signed a confidentiality agreement for data exchange. Actually, to supply data of that area to PPSA, and this is being conducted by the operator. We are somewhat following this, we had a joint meeting with all of the partners and everything is following the natural pace imposed by PPSA regarding discussions of the *pre-aip*, which is the pre-agreement for unitization of production.

This is moving ahead as expected, at the adequate pace, also because we have until the beginning of 2018 to declare commerciality of the area. So again we don't see any lack of continuity in terms of exploratory activities in the area and we expect this to continue at the same speed.

With regards to a possible interest on our part, undoubtedly we believe that Carcará is a great discovery, even at 10% it is a leverage factor for the Company in the future; it will generate cash, it will provide us with stable revenues in the long-term.

So it's a big expectation and undoubtedly we will be looking into these possibilities. We do enjoy a slight advantage because in this area the partners have the right of first refusal in any possible sale and if Petrobras decides to sell - and I agree with you, according to what Petrobras said on perhaps divesting from development areas, but not production assets - undoubtedly Carcará or BM-S-8 could be a priority for them.

So if this arises in due time we will be looking into that possibility, but I don't think that this will dictate a delay in Carcará. Whatever the hypothesis, divestment or non-divestment, either way there will be pros and cons. I think that even a partial release of Petrobras' obligations in such an area (and in other areas where Petrobras has a big stake) could actually not generate delay, but on the contrary, it could accelerate as they would be loosening up Capex obligations, this might even speed up future production and output of that field given that we all know of the momentary difficulties that Petrobras is going through and some relief in that might help accelerate this process rather than delay future output.

So, in a nutshell, are we interested? Well, there are some advantages and we will definitely look into this potential divestment by Petrobras.

As for Manati, I will turn the call to Danilo because he's following the process up close and he can clarify the negotiation of the contract.

Mr. Oliveira: Good afternoon, Luiz. This topic about the contract keeps coming and we always say that commercial conditions of this amendment were never changed; this was negotiated a long time ago and it will remain the same.

The big point is the negotiation of the production curve to be assumed because there are some commitment, in terms of supply and purchase, by Petrobras and if these obligations are not fulfilled there would be some penalties.

So as this contract was entered into a long time ago we need to make an adjustment regarding the curve. So the company, all parties came to an agreement, all of the partners gave us a thumbs-up regarding the curve and Petrobras is forwarding this to their management for approval.

This is the information that we got today. So the contract is being forwarded for approval by Petrobras' top management.

Mr. Carvalho: Okay, thank you very much, it's very clear.

Operator: Our next question comes from Frank McGann, from Bank of America Merrill Lynch.

Mr. McGann: Good day. It's just to follow-up a little bit on both of those questions. One is just in terms of assets that you would be interested in. Beyond Carcará and looking at other assets that might become available, are you more interested in potential pre-salt assets, would you perhaps be more interested in going into assets such as Sergipe, Alagoas assets or would you need to be the operator in those assets or would you be looking to have non-operating stakes at this stage?

And then just focusing a little bit on the Manati contract issue; how would be potential production curve changes? Is this too soon to bring it down to reduce commitments which could essentially extend the life of the field, but maybe a little bit lower level, or what kind of changes are you expecting?

Mr. Guardado: Okay Frank, again, thank you for joining us in this call. Indeed Frank, we have read in the papers that there have been many discussions about a potential divestment by Petrobras in the pre-salt, they also talked about the possibility of new bidding rounds for the pre-salt in the future, either 2016 or 17, this is quite uncertain at this point, but what I want to tell you is that in terms of our strategic and corporate position, yes, we are interested in the pre-salt.

Now, obviously, if Petrobras divests in the pre-salt, these pre-salt assets will come with some characteristics in terms of costs and stake and we will have to look into this when the moment comes. I have told you that a potential divestment in the pre-salt, where we are participating with Petrobras, that would be our preference.

However, the pre-salt is something that was always in our radar and this is why three or four years ago we made a decision to be in that region and to have an operating stake; this is a mid to long-term expectation to be operating in the pre-salt in the future.

So, yes, to answer your question; yes, this is a possibility. And it will really depend on price, market conditions and on the commitment that we will be taking on.

Other areas in the post-salt that could come with Petrobras' divestment efforts will be in our radar since today we have conditions of expecting high production, high productivity. What we are trying to calculate is in what way we would enter an area that requires a higher Capex. We would need to respect our investment limitations in the long-term, so this is a question mark at this point.

As for the blocks you mentioned, Sergipe-Alagoas, Sergipe is an area that absolutely will be an interesting area for all of the companies. This is a producing area, traditionally a producing area and just like any other area that has presented positive results this one will be interesting to all of the companies and it would be no difference to us.

However, everything will depend on the timing when these opportunities arise in the market and it really depends on the size of the stake being offered. Obviously our interest will always be a minority stake and always taking into account the future Capex and financial exposure that the Company will bear.

But the pre-salt assets, yes; it is something that we want to have a stake in the future.

As for the production curve at Manati, Danilo will be answering your question, but we also have peace of mind regarding that.

Mr. Oliveira: Good morning, Frank. In the original Manati contract, there were set production levels, so for some years production was set at 6 million m^3 per day, for other years, 4 million m^3 per day and this was how the contract was initially drafted, back in 2009 when the contract was discussed.

In this amendment to the contract the buyer preferred to, instead of setting levels, he considered the field's production curve so now with this amendment we expect to resume a production of 6 million m^3 per day until 2017 and as of 2018 the delivery curve will follow the natural decline of the field.

So whatever we can supply each year will be contracted. Now, obviously with a slight discount. For the maximum curve, we included a slight discount and this was the contract that was signed: no longer in levels, but now following the actual production curve and the natural decline of the field.

Mr. McGann: Okay, great, thank you very much.

Operator: The next question is from Victor Mizumoto, from Real Investor.

Mr. Mizumoto: Good morning everyone, I would like to know more about the Capex of about 550 million you have for 2015. What is the funding that will be mostly used for the Capex that you estimate? Would it be through cash, debt? Could you give us some color on this? Thank you.

Mr. Guardado: You are right; you are referring to Capex denominated in Reals, right?

This is dollar denominated, well; we are fully prepared to disburse it. Actually, we already have two bank loans, which are part of our policy, adding to approximately R$380 million and they are already dispersed in our cash.

So for these two years I can tell you for sure that there is no estimate of going to market because we will have cash enough going forward and as you well know we also have cash generation coming from Manati production (Manati revenue) and even going forward.

As you can see our balance sheet we still have a lot of opportunities for further leverage. We are basically a net cash Company and right now we don't see or consider any problems for such disbursements.

Mr. Mizumoto: Thank you.

Operator: As a reminder, if you would like to pose a question, please, press star one.

Our next question is from Carlos Herrera, from UBS.

Mr. Herrera: Hi, good afternoon. Could you give us some color about Capex for the quarter? We could see it was very low; $16 million vis-à-vis a total of 187 for the year. Could you give us some more color about what was done and also what will happen for the rest of the year, please?

Mr. Guardado: Carlos, in reality we often have a delay, a delay between the performance, execution of some projects and the billing by the operator that we use on a cash basis. So this slight difference we don't consider it to be so important; this will be recognized.

Sometimes you have a delay in the seismic acquisition, for instance. We had expected this and it also applies to the drilling works, when we receive cash-call dispersed over the period. As we have a closing date for the results of the quarter not always do we manage to include these figures.

We don’t foresee significant variations in the number over the year. What might happen this year though is a slight delay in the seismic acquisition, or one well might take a little longer then we would have expected, something might slip to next year. At first we expect to meet our deadline and the main cause for potential reduction in Capex is related to the drilling works of the third well in Atlanta. This well was already included in our Capex, the cost is approximately US$100 million for the drilling works alone. All the equipment was already included in the amount that we mentioned before, of about US$729 million, which was the Capex for the Early Production System.

So this well is not drilled yet, and it might bring some variation because we have a 30% stake, it might go down 30% of our investment this year. We expect to make this decision by year-end and it will depend on market conditions, oil price, the status of the project; all these conditions have to be taken into account.

And in Atlanta, a lot of what we will do will be concentrated by the end of the year, so the bulk of disbursement will happen by year-end, when we will have some equipment arriving, that will have an impact on cash.

Mr. Herrera: Thank you.

Operator: As a reminder, if you want to ask questions, please, press star one.

Our next question is from Victor Mizumoto, Real Investor.

Mr. Mizumoto: Coming back to Manati, just to have an idea about future cash generation. When do you expect to see 4.5 million m³ production per day?

Mr. Guardado: You want to know when we expect to have it or are you referring to the drop in production? This drop in output will happen on the interval where we have the connection; naturally for 2015 our average will be close to 5.5 million. The production capacity for the year will be 5.5 million barrels after completion, naturally production depends on market conditions, but our expectation is 5.5 million barrels per day; so that's what we expect to see as average output for the year.

What precisely do you want to know; the revenue associated to this average?

Mr. Mizumoto: No, I just want to know the expected output or production going forward, until when do you think that Manati might support 4.5 million m³ per day? Just to have an idea of cash generation by 2018 or 2020.

Mr. Guardado: Okay, the 4.5 million, let's make it clear; that's for the current quarter. The current quarter will have a 20-day stoppage so in the 2Q on average it will be 4.5. Once the compression plant is complete it will come back to 6 million m³ per day. Maybe we will have two years of 6 million and going forward we will have a natural drop in the field. I don't have the production curve at hand, but until we get to 4.5 million I would say that would be 2021… well, I don't have the precise year here, but maybe later on I can share with you a curve, a more detailed curve, but certainly not until 2020.

Mr. Mizumoto: It is very clear, thank you very much.

Operator: I'd like to remind you that if you would like to ask a question, please, press star one.

This concludes today's question and answer session. I would like to invite Mr. Lincoln Rumenos Guardado to proceed with his closing statements. Please, go ahead, Sir.

Mr. Guardado: Again, I would like to thank all of you for joining us. I would like to thank you also for your questions and for the possibility to discuss all of these points.

I would like to reaffirm our belief in the growth of the Company, we believe in market recovery, the recovery of oil price and an improvement in the institutional scenario here in Brazil. With the announcement of a new bidding rounds in the pre-salt, we are quite confident and I would like to stress what I said in the very beginning; we see an institutional change in Brazil, particularly in the oil and gas industry, and we would like to reinforce that we believe in the future of this industry in Brazil and, above all, we believe in the continuous growth and generation of value to investors.

Again, we remain available to all of you if you need further information about the financials that we presented this quarter. Goodbye and I wish you a good day. Thank you very much.

Operator: That does conclude QGEP's conference call for today. Thank you very much for your participation and have a good day.