

QGEP Participações S.A.
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Publicly Held Company

NOTICE TO THE MARKET

**QGEP reports completion of testing of the Carcará Norte well
in Block BM-S-8**

Rio de Janeiro, December 22, 2015 – QGEP Participações S.A. (“QGEP”, “Company”, BM&FBovespa: QGEP3) announces excellent results following the completion of testing of the Carcará Norte well. Carcará Norte is an appraisal well located 5km from the Carcará Discovery, in Block BM-S-8 in the Santos Basin.

The evaluation of Carcará Norte included two Drill Stem Tests (DSTs), one at the base and the other at the top of the reservoir section, which has a total thickness of approximately 360 meters. Carcará is a light oil (31° API) accumulation with no contaminants in carbonatic microbial reservoirs in the pre-salt. To date, the oil/water contact has not been identified in any of the wells of the area.

Data obtained from the tests carried out in Carcará Norte confirmed high expected productivity of the reservoirs in this area. Initial production flow rates per well identified are at least equivalent to the highest producing wells in the Santos Basin. According to data disclosed by the ANP, three producing wells in the Sapinhoá Field had production rates from 39,000 to 44,000 barrels of equivalent oil (boe) per day per well as of October 2015.

Testing of Carcará Norte has enabled the definition of the reservoir and oil characteristics, as well as the production capacity, providing the Consortium with the necessary information to plan future operations at Block BM-S-8, including the development of a production infrastructure for this discovery.

Queiroz Galvão Exploração e Produção S.A. holds a 10% participating interest in Block BM-S-8. Petrobras is the operator with a 66% stake, and the other Consortium members are Petrogal Brasil Ltda., with 14%, and Barra Energia do Brasil Petróleo e Gás Ltda., with 10%.

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About Queiroz Galvão Exploração e Produção

QGEP Participações S.A. is one of Brazil's largest producing company in the Brazilian Exploration and Production (E&P) private sector, and the first and only private Brazilian company to operate in the premium pre-salt area in Brazil. QGEP is qualified by the ANP in the last two auctions in 2007 and 2008 to act as “Operator A” in Deep and Ultra-Deep Waters. The Company has a diversified portfolio of high quality and high potential exploration and production assets. Furthermore, it owns 45% of the concession for the Manati Field located in the Camamu Basin, which is one of the largest non-associated natural gas fields under production in Brazil. Manati Field has been in operation since 2007, and has average production capacity of approximately 6 million of m3 per day. For more information, access www.qgep.com.br/ri