

**Operator:** Good afternoon ladies and gentlemen. At this time we would like to welcome everyone to **QGEP's 4<sup>th</sup> quarter and year 2015 earnings conference call**. Today we have here with us the executives **Mr. Lincoln Rumenos Guardado, CEO of the Company, Ms. Paula Costa Côrte-Real, CFO and IRO, Mr. Danilo Oliveira, Production Director and Mr. Sergio Michelucci, Exploration Director**.

We would like to inform you that this event is being recorded and that 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 provided. Should any participant need assistance during this conference 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 that might be made during this conference call 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 Guardado, QGEP's CEO**, who will start the presentation. **Mr. Guardado**, you may begin.

**Mr. Guardado:** Thank you operator. Good morning everyone and thank you for joining our 4<sup>th</sup> quarter and full-year results conference call.

Let's begin on slide 3. 2015 was a challenging year for the whole oil and gas industry, there was tremendous volatility in oil prices, which despite – not directly – impacting our results certainly had a dampening impact on the valuation of all oil and gas companies.

At the same time economic conditions weakened in Brazil and pressures on Petrobras rippled throughout the business community here, particularly in the energy sector.

Our strategy to navigate this very tough environment has been to maintain cash liquidity backed by a strong financial position, to apply prudent risk management to all of our activities and to optimize our asset portfolio through discipline in capital allocation. This has been a constant focus of the company.

I am pleased to report that we delivered on several key metrics in 2015. Let's see these metrics: First, we achieved positive operating results for the year, we reported an EBITDAX in 2015 of R\$273 million, consistent with previous year. Second, we added substantial value to our portfolio by both returning production capacity at Manati to 6 million m<sup>3</sup> per day in the 3Q and returning certain assets to the ANP and adding others that have the potential for higher return.

Third, we continue to build our technical expertise through our operatorship of the Atlanta field and our ongoing exploratory work around our important Carcará discovery. And forth, we ended the year with a net cash position of over R\$900 million, or the equivalent to R\$3.53 per share, giving us the financial flexibility to achieve sustainable growth in the medium and long-term.

Please turn to slide 4, where you can see some of our operational highlights for the 4<sup>th</sup> quarter. Gas production at Manati rose to 5.9 million m<sup>3</sup> per day in the 4<sup>th</sup> quarter, following the connection of the gas complex plant at the field late in the 3<sup>rd</sup> quarter. Gas production for the year averaged 5.6 million m<sup>3</sup> per day.

Manati remains an important energy source for Northeastern Brazil and despite economic headwinds we are currently projecting annual gas production of the field to average 5.7 million m<sup>3</sup> per day in 2016.

Our 45% interest in production provides us with good visibility on operating cash flow while the efficient infrastructure on-site enables us to achieve healthy margins on the production. We would like to remind you all that the gas contract of Manati has a take-or-pay clause and includes contract annual pricing adjustment that enter into effect in January of each year.

We continued our work at the Atlanta field in Block BS-4 and we prepared the transition to becoming an oil producer late in 2016. As the operator at this field we have faced significant technical challenges to develop an early production system (EPS), all of which fortunately have been successfully overcome. Initial average production is estimated at 20,000 barrels of oil per day considering 2 wells.

In October we signed a three-year oil sales agreement with Shell to purchase the output from the EPS (Early Production System). Shell has been working on the marketing of this oil and has detected interest from potential buyers.

At BM-S-8 we had further positive news from the testing of the Carcará Norte well; we carried out 2 drill stem test at the appraisal well, which confirmed our high expectations regarding the high productivity of the reservoirs in this accumulation that could achieve a flow rate similar to the best quality wells already in place in the pre-salt of the Santos basin.

Elsewhere in our exploratory portfolio we continued the process of acquiring and analyzing seismic data at the Foz do Amazona, Espirito Santo and Ceará basins. We are now approaching the final stages of analysis of the data and we expect this analysis to be concluded by the end of 2016.

As I mentioned, we ended the year with a substantial net cash position demonstrating our financial management capabilities, which includes the maintenance of our investment capacity in foreign currency and importantly this position gives us the financial strength and flexibility of decision to capitalize on growth opportunities that might add value to our portfolio, as we did in 2015 in the 13<sup>th</sup> ANP Bidding Round.

I'll now turn the call over to Paula for a closer look at our financial results.

**Ms. Paula Costa Côrte-Real:** Thank you Lincoln. Good afternoon everyone. Please, turn to slide 6. Full-year gas production at Manati fell 5.5% to 919 million m<sup>3</sup>, or 5.6 million m<sup>3</sup> per day; reflecting the impact of the start of operations at the compression plant, which suspended production in the field for 13 days.

Net revenues for the year fell 1.4%; less than the total gas production as a result of the annual contract price adjustment, which happens at the beginning of every year. When we compare the 4<sup>th</sup> quarter of 15 with the same period of the previous year total gas production rose 1.4% from a year earlier while revenues was up a healthy 8.1% to R\$134 million.

For 2016 we are forecasting production to average 5.7 million m<sup>3</sup> per day. This is below production capacity of up to 6 million m<sup>3</sup> per day as we take into account the current conditions in Brazil where 2016 is expected to be another year of economic contraction.

To date demand from the Northeast has remained stable. We believe then that the 5.7 million m<sup>3</sup> per day forecast is appropriate for the full year.

Please turn to slide number 7. Here you can see our results for the quarter and the year in more detail. As we outlined on the previous slide, in the 4<sup>th</sup> quarter we recorded year-on-year growth across revenue and EBITDAX. For the full year results were largely stable.

There are 3 numbers on this slide I would like to discuss in more detail with you. First, 4<sup>th</sup> quarter exploration expenses were R\$352 million, which brought full-year exploration expenses to 386 million. This number was driven almost entirely by these R\$333 million write-offs following the relinquishment of Block BM-J-2 to the ANP. This decision was part of the portfolio optimization strategy that Lincoln mentioned earlier. This expense led to the company recording an operating loss in the 1<sup>st</sup> quarter.

On the other hand, EBITDAX totaled R\$61 million in the 1<sup>st</sup> quarter; down 14% compared to the same period of the prior year stemming from higher production costs with the compression plant startup.

Now I'd like to draw your attention to our financial income, which totaled R\$272 million in 2015. As Lincoln pointed out, we carefully manage our cash position investing always in triple-A rated securities and we look for hedging our dollar exposure to exchange funds.

The increase in financial income in the full year was a result of the increase in the Brazilian interest rates combined with the real depreciation that affected our investments in dollars. Our foreign exchange position is aimed at protecting the company's investment capacity without any speculative buyers in its management.

Finally, income tax and social contribution totaled a credit of R\$116 million for the quarter as a result of the relinquishment of Block BM-J-2 in addition to deferred income tax on the balance of the provision of Manati Field abandonment.

Please turn to slide 8 where you can see more detail our operating costs. Operating costs rose in the 1<sup>st</sup> quarter increasing to close to R\$70 million. The main factor in this (or in this growth) was our production costs, which rose by 47% due to the connection of the compression plant which made possible the resumption of production capacity at Manati.

Even after higher lifting costs related to the compression plant, Manati field presented an EBITDA margin of 70%. Year-on-year we can see that increasing operating costs related to the compression plant were partially offset by lower costs associated with production, such as royalties and special participation.

G&A expenses were also lower compared to the prior year at R\$17 million for the quarter and R\$53 million for the full year. This variation is explained by higher allocation to projects operated by QGEP.

Please turn to slide 9. QGEP has always taken a disciplined approach to CAPEX, which is particularly important in the current moment considering the difficult industry condition. For 2015 our total CAPEX was US\$115 million, the majority of this was spent at blocks BM-S-8, BS-4 and for the acquisition of the blocks in the Sergipe-Alagoas basin. Together these three total US\$91 million.

In 2016 we expect to spend a total of US\$82 million on CAPEX; down from our previous forecast of US\$130 million. More than half of the sum 47 million will be spent to the development of the Atlanta Field, a further US\$22 million will be spent on the seismic data at the blocks acquired in the 11<sup>th</sup> ANP Bidding Round.

In 2017 Capex is expected to increase to US\$80 million in line with 2016 figures. Spending at BM-S-8 will increase to US\$27 million mainly due to the scheduled drilling at the Guanxuma prospect, and US\$13 million will be allocated to blocks of the 11<sup>th</sup> ANP Bidding Round.

Exploratory drilling at CAL-M-372 is also expected representing an expense of US\$25 million.

Before I hand the call back to Lincoln, I would like to discuss our cash flow and cash position. In 2015 we had an operating cash flow of R\$432 million, equivalent to R\$2.10 per share and

we ended the year with a net cash position of more than R\$900 million, which represents a value of approximately 70% of our market capitalization.

As Lincoln stated, this solid cash position and low leverage makes us almost unique among the companies in our sector and support over long-term growth. In 2016 we expect a year of solid cash flow generation from operations even considering the current performance of oil prices.

To sum up, we are carefully managing our expenses, our CAPEX and our cash position in order to maximize the value of QGEP to its shareholders and its portfolio. We had a successful year in 2015 from a financial perspective and we are confident in our prospects for 2016.

I'll now turn the call back to Lincoln for the update on our assets.

**Mr. Guardado:** Thank you Paula. Please turn to slide 11 now. We continue to make progress at Block BS-4 and we are estimating the beginning of production late in the year. The main advance in the 4<sup>th</sup> quarter was the signing of the crude oil sales agreement with Shell. The oil sales will be free onboard (FOB) with a netback price mechanism.

One of the key points for the company will of course be the arrival of the Petrojarl 1 FPSO at the Atlanta Field. The vessel is currently being adapted in Rotterdam, following some minor delays we are not expecting the FPSO to arrive in the 3Q with 1<sup>st</sup> oil to follow in the 4<sup>th</sup> quarter of this year.

Initial average output from the Early Production System will be 20,000 barrels per day based on the two producing wells drilled to date. If the Consortium proceeds with the plan to drill a third well, this will increase production capacity to 30,000 barrels per day. Capex for the full Consortium based on three wells in the EPS is estimated at US\$700 million while OPEX will be US\$480,000 per day.

Naturally, the current price of oil is a challenge for Atlanta. However, we expect to have sufficient cash flow generation to meet the operating costs and depending on the price of Brent in 2017 profit from the production.

The go of the EPS is to collect information to optimize the full development system (FD) whose initial implementation is planned for 2019. In that period market forecasts point towards crude oil prices rising and reaching the level of US\$70 per barrel. So we are confident that we will achieve adequate economic returns once we reach full production at BS-4.

Please turn to slide number 12. At Block BM-S-8 we made significant advance with the drilling of two appraisal wells and two drill stem tests at the Carcará discovery in 2015. Results were very positive and showed that above all the oil column is at least 530 m deep.

There is a connection between the reservoir and the drilled wells and the initial flow rates of production per well should be similar or higher than the best wells in production in the pre-salt. I also highlight that the oil-water contact was not identified in this accumulation suggesting that a potential of the discovery is yet to be defined. 2017 will also mark the beginning of drilling at the Guanxuma prospect 30 km southwest of the Carcará discovery.

Please turn to slide 13. In our other exploratory assets we are making steady progress. I've already mentioned the work being done at the blocks acquired in the 11<sup>th</sup> ANP Bidding Round; we are working with all of our partners to analyze the data acquired at these blocks.

In the 4<sup>th</sup> quarter we paid the bonus for the blocks of the 13<sup>th</sup> bidding round located in the Sergipe-Alagoas basin. This totaled R\$100 million of which 64 million corresponded to blocks CAL-M-351 and the remaining R\$36 million to block CAL-M-428. For both blocks we have

100% stake, but we intend to partially divest in this area considering its high potential, in line with our corporate strategy.

We are able to acquire these blocks thanks to our financial solidity and long-term vision in identifying assets that allow for the company sustainable growth, both physically and economically.

As Paula mentioned, we made a decision to relinquish Block BM-J-2 in the 4<sup>th</sup> quarter. Although we filed a notice of discovery at the block in 2013 subsequent analysis of the block led us to conclude that the reservoirs were low-quality with subcommercial volumes. In line with our strategy to prioritize the highest potential blocks we chose to relinquish it.

Please turn to slide 14. 2015 was a year of solid results, both financially and operationally. In 2016 we will be focused on the consolidation of our expertise in the various areas under analysis and on the production of the Atlanta field. In terms of financial results we may expect another profitable year.

Gas production in Manati is expected to reach 5.7 million m<sup>3</sup> per day, and as a result we may expect a higher revenue over the year. At Atlanta we expect oil production to begin late in the year. We are proud of the results achieved and the challenges overcome as an operator so far, and 2016 will be the first step towards QGEP becoming an established oil producer at sea.

We will be working with our partners to start the Early Production System. For 2016 our production profile will still be predominantly concentrated in natural gas from Manati with limited impact from the volatility in the global oil market.

In 2017 we expect to be producing a 20,000 to 30,000 barrels of oil per day until full production at Atlanta in mid-2019, 2020 be achieved. Therefore, QGEP will remain predominantly a gas producer until the end of this decade.

We will keep our disciplined approach to managing our portfolio and our capital. This strategy has been a major advantage to QGEP in recent years and we believe it will remain as such in the future.

Lastly, we will take an opportunity-based approach to grow in our portfolio. In 2015 we were the only Brazilian company to acquire offshore blocks in the 13<sup>th</sup> bidding round. This was a unique window of opportunity given the quality of the blocks available. In 2016 we will be open to new opportunities available for attractive terms in keeping with our track record of diligent growth and continues improvement of our portfolio.

In conclusion, we expect 2016 to be another year of success for QGEP. We recognize that the company faces headwinds from the global oil sector and the Brazilian economy, and this has had an impact on our stock price.

However, we believe that we have been delivering results and working on our projects considering all factors within our control, and we expect to build a long-term value you in 2016 and beyond to all our shareholders.

This concludes our remarks and I ask the operator to open the call for questions. Thank you.

### **Q&A Session**

**Operator:** Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please, press star one on your touchtone phone now. If at any time you would like to remove yourself from the questioning queue, please, press star two.

Our first question comes from Luiz Carvalho, with HSBC.

**Mr. Carvalho:** Hello Lincoln, Paula and everyone, good afternoon. I have two questions. The first, Lincoln, is: You mentioned US\$480,000 for OPEX and if we get the 20,000 barrels that you expect as a goal at least for the 1<sup>st</sup> production year we would reach an OPEX of US\$25 per barrel.

So I just want to understand: You had a breakeven number which was much higher than that (almost the double of that) so could you please perhaps breakdown the 480 so that we have more visibility in terms of what you are including in this number?

And further that question perhaps you could give us some visibility of what costs can be reduced in terms of perhaps renegotiating with the FPSO, or is there anything in that direction?

And my second question has to do with Carcará. Yesterday Magda, the Officer at ANP, made a statement about Carcará and others (Gato do Mato), but that Carcará 50% would be out of the block and the Ministry of Mines and Energy also mentioned that Carcará is one of the assets that will go through the unitization process and that they expect to hold a bidding in 2017 and then Carcará is not confirmed.

But I just want to understand: What is your plan given that the Capex for 2016 in this block is very low? Do you intend to acquire Petrobrás' stake? Are you thinking of perhaps selling your interest to another player? What are you expecting to do? Thank you.

**Mr. Guardado:** Luiz, hello, good afternoon. I want to tell you a little bit about Atlanta. Regarding the OPEX, and I will speak generally – Danilo is here and he can give you more color – the 480,000 includes the total we will have for the operation, which includes the costs of the FPSO, the costs of our base, the costs for supply base and the cost of transportation. Everything is included in the US\$480,000 of OPEX.

What is not included in the 480,000 were the... in principle, there would be no additional costs in the OPEX. And yes, we are talking with a number of our suppliers aiming to reduce debt expense.

You see, every dollar that we cut will help in that calculation that you made. It would be around US\$25 of netback, which is what we are using. So in principle, we expect a reduction in Brent price between 18 and US\$20, but this kind of work is just being started, the marketing worked by Shell is just getting started. So we are expecting to sell extra heavy oil in the market from Brazil...from abroad.

We expect to have this amount, which will give us the netback of US\$25 per barrel, which will definitely be sufficient to pay for all of these costs, even if the amount of 480,000. But we are working again to reduce those.

Another point that is important to mention: In the three-year period we could also drill a third well. The third well in principle would not increase the operating costs and that would give us a buffer, that would give us a production buffer, which would be practical a net revenue from this third well. There would have a production capacity close to 10,000 on average.

We are using 10,000 because there are stoppages, and downtime and a number of things that can happen. So it's good to consider that for two wells we are considering 45 for the Brent and a netback close to that and with the third well that would drop quite substantially. Danilo is here is sitting by me, so if you need any further clarification he is here.

So, Carcará now. Carcará's been mentioned over and over again because it's one of these areas that allow the government to have an invitation to bid and these areas allow the government to get some kind of bonus compatible with the existing discoveries. So it is a big discovery.

So we just have to wait for it these new initiatives, things that are making us very happy; the unitization condition, notifications that are happening at all of the instances promoting this possibility of a negotiation and unitization. But it's everything that the industry has been asking for and we will definitely be observing what is happening.

We have two possibilities which are well known for Carcará: It would be Petrobras divestment and we would have preference, so we are just keeping our ears and eyes open, and depending on the conditions, market conditions, oil price and also our commitment we will be considering the possibility of participating.

Carcará is fundamental to us, everything that is happening has actually improved the prospects for that area in terms of wells. I cannot really affirm what belongs to the block or not, this depends on some studies, but ANP has all of these studies and I hope that ANP is ready to affirm that is 50% out of the block.

But I have to tell you that we haven't even been contacted yet, and that's why it is difficult for me to say whether is 50 or not. But I can confirm that a substantial part of the blocks are outside and that's why it is attracting a lot of interest from the industry.

But again, we are attentive. There are two opportunities: what Petrobras will do and that we are following as much as possible as partners, and in the future (hopefully in 2017) we expect a bidding process so that we will be able to unitize the area and move forward to have first oil in the beginning of the next decade.

**Mr. Carvalho:** Thank you, but I have a follow-up question regarding Carcará. You're partners with Petrobras, you probably have access to this kind of information, but has Petrobras formally notified? I don't know how the process goes, but have them notified the sale of Carcará for you? Because it would be more sense for Petrobras to sell to the partners rather than to a new entrant.

I don't know, but I just want to understand of possible process of selling the asset.

**Mr. Guardado:** Yes, Petrobras notified the partners of Block that they would in this quarter reopen the data room. So Petrobras notified the partners that they would reopen the data room, so since we have constant meetings with Petrobras to discuss what's happening, we have the same level of knowledge that Petrobras has.

So we don't actually have access to the data room, our perdition – and I guess it is the position of other partners – is to wait for the confirmation of the divestment.

We are actually hoping that Petrobras will divest and then we will have to analyze the divestment conditions so that we can make a decision in terms of participating within the

limits of the JOA, so we would need to be called upon to have access to the data room. But again, we have a confidentiality agreement and we have our ethics and they are keeping us informed of how the process is unfolding.

**Mr. Carvalho:** Very clear. Thank you very much.

**Operator:** Our next question is in English, Mr. Frank McCann, Bank of America Merrill Lynch.

**Mr. McGann:** Hello, good day. Thank you. Just a couple of questions. One maybe you could confirm what the gas price increase went into effect in January was. Secondly related to your partners in BS-4 I was wondering if all of your partners are current in terms of payments for any work being done there.

And then, you know, thinking about the third well at Atlanta, what will you need to see in order for the Consortium to decide to go forward with that? Is it some level of price, you are also looking to see the actual results that come from production from the first two wells as part of that?

And once you did decide to go forward, assuming you would, what type of lead time would you have? How quickly could you bring that wells into production?

**Ms. Côrte-Real:** Hello Frank, thank you for the questions. This is Paula. I will answer the first question in Portuguese for the benefit of everyone and you will hear us through the interpreter.

As for the gas price increase at Manati it follows the IGP-M of January; about 11%, and the price will remain flat until January of 2017, okay?

**Mr. McGann:** Great, thanks.

**Ms. Côrte-Real:** As for Atlanta, your question was regarding the partners and we referred it in our income statements and in the releases that we have one cash call by OGX, which is behind OGX holds 40% stake of the block. This amounts to R\$9 million.

The responsibility to cover that amount is divided by QGEP and Barra Energia; the two partners that have equivalent stakes, so that division is a 50-50 percent division. We've been in contact with OGX within discussing some alternatives, so that we can solve that pending payment, pending cash call not only of this one, but also the future investments in the block.

You also asked about the third well and I think that Lincoln is going to answer your third question.

**Mr. Guardado:** Hello, good day Frank. Thank you again for joining us. Indeed, the third well we are working and we are getting some CAPEX assessments, which are quite reasonable.

Today the third well will cost about US\$50 million to be drilled and I'd like to remind you that all of the equipment that we need for the completion of this well, all of the equipment has been acquired. So this is a decision, Frank, which is not a difficult decision to make. Oil price will be one of the factors helping us decide to drill this third well.

It's difficult to give you a minimum price, but a reasonable calculation would be that production can be paid, that this CAPEX can be paid within one year. This is what we need. But drilling is not just linked to oil price; this is a fundamental, but we were also trying to see what's the best position to drill this well, and for that we want to have a track record of production for the other two wells.

Since we are going to have two wells in production the idea is to wait to have an accumulated production curve for these two wells, we will then analyze how they behaved and then will decide when to drill a third and what would be the best position to drill the well; if we would be more daring or less daring.

I can't give you the final oil price, but I do admit that oil price is one of the most important factors, but it's not the only one. Since we have the possibility to wait to we would like to have some kind of track record of our production to then decide when to drill.

**Mr. McGann:** Okay. Hearing that it sounds like the most likely outcome would be sometime in 2018, maybe even once you've had a full year of performance from the wells.

**Mr. Guardado:** Well, Frank, you see, when we intend to start production in 2016 and we think that we will have a solid recovery of oil we will not be too fast, but oil should be well recovered.

So we believe that in 2017, most likely in the second half of 2017 given that we want to analyze the track record, we could already make a decision to start drilling. This hasn't been very hard because, again, we have the equipment, the drilling rigs and a best case scenario would be to start drilling the second half of 2017.

**Mr. McCain:** Okay, thank you very much.

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

Our next question is from Fernanda Cunha, Citibank.

**Ms. Cunha:** Good afternoon. I have 2 questions to ask. First question is about a preliminary order 782/783 about the control rate ANP and environmental licensee and ICMS. Could you make some comments on this process?

The second question has to do with the meeting that you had in the Carcará consortium in February to address development and also to work on estimates for volume on the field right now. Could you also make comments and if there are any preliminary conclusions? Thank you.

**Mr. Guardado:** Fernanda, absolutely. The laws you mentioned have a deep impact throughout the industry, not only now but also 10 years ago when there were for the first time enforced in the state of Rio, and we also had opposing opinions.

So, you talk about ICMS an inspection; both are already being questioned at the Justice Department in Rio. It was a case filed by companies which today are producing in the coast of Rio, and those which are not they are getting themselves ready to do the same.

And there is also a case that is not abiding by the constitutional, which was already filed at the Supreme Court in order to assess this lack of compliance and I think there are great chances of making it happen.

So based on these two cases we don't have major concerns, and if we see changes, I mean, we have to consider the whole state of Rio, possibly there will be a decrease because of some minor projects with low production, which today are important, still important in terms of royalties, collection and other items, will no longer be produced. So we are very confident that this will be blocked by the State Justice Department or the Federal Supreme Court.

In terms of Carcará, you are right: We still have the studies on volume, we are still working with data that we got from the operators from the latest tests. These data are important in this regard and we've been drilling in these wells in order to try to find a contact, or oil-water contact which would be critical for us today so we can disclose new volumes.

This has proven to be very difficult to access, it is an open-ended question volume-wise in terms of the area of the accumulation and also because it goes out. At the end of the day I wouldn't say it has impaired, but it does generate concern and that's why we'd rather not disclose anything right now.

We expect to do it, we do have very consistent data. However, we still miss this evaluation. We are still analyzing the tests with the direct sign of the column 530 m like we said before, and we expect that in the coming months we will make a decision to disclose these facts once all the data are analyzed, completed and then we can go for disclosure.

So this is the current status and this is the consortium's position vis-à-vis the distribution of volumes.

But that's an important point to us that something that is extensively discussed at the Consortium level and naturally we want to disclose something in a very responsible manner vis-à-vis these accumulations.

And by the way, Petrobras is in a divestment phase as everybody knows, and like I said before, this is one of the areas that might be involved in a possible potential and desirable bidding process in 2017, so we can move forward with this discovery that is so important to all of us.

**Ms. Cunha:** Thank you.

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

Once again, if you want to ask questions, please, press star one.

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

**Mr. Guardado:** Once again I would like to thank you all for joining us. Thank you for your questions and obviously we highlight our confidence and trust in the present and future of the company despite the negative scenario in oil prices.

But we also see positive signs of growth in the short and midterm and we expect that in our next meeting with you we can express and show that we are less concerned with the recovery of oil prices, which definitely is the fundamental required so that once and for all we can have QGEP included as an oil producer agent in Brazil and expecting to see recovery in the price of our stock and the evolution of our company.

Thank you all, see you next time and, as usual, our Investor Relations Department is at your service for any question you may have regarding our result for 2015. Thank you very much.

**Operator:** This concludes QGEP's audio conference call. Thank you all for joining us. Have a good day.