QGEP
(BM&FBovespa: QGEP3)
Free Float: 30%

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Conference Call

Portuguese
May 12, 2011
9:00 a.m. (New York time)
Dial in: (55 11) 3127-4971
Code: Queiroz Galvão

English
May 12, 2011
11:00 a.m. (New York time)
Dial in: (412) 317-6776
Code: Queiroz Galvão

Earnings Release

QGEP Participações S.A.

First Quarter 2011

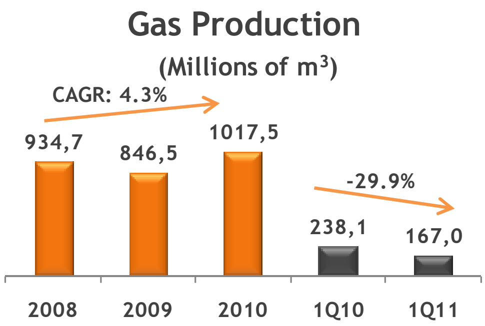
queiroz galvão
EXPLORAÇÃO E PRODUÇÃO

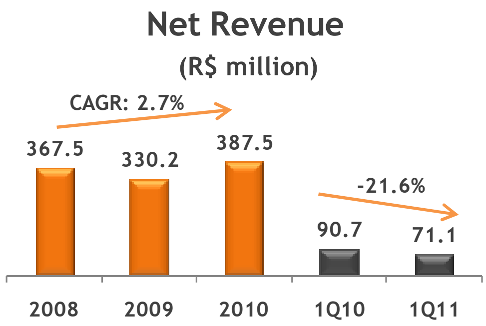
QGEP Reports First Quarter 2011 Results

Rio de Janeiro, May 11, 2011 – QGEP Participações S.A. (BMF&Bovespa: QGEP3), Brazil's largest private sector Exploration and Production (E&P) company and the fourth largest in the sector based on annualized daily production of barrels of oil equivalent (BOE), today announced its results for the first quarter ended March 31, 2011 (1Q11). The following financial and operating data, except where indicated otherwise, are presented on a consolidated basis as per the Corporate Law format, described in the financial section of this release.

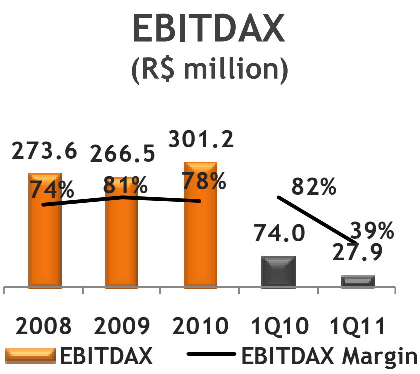
First Quarter 2011 Highlights

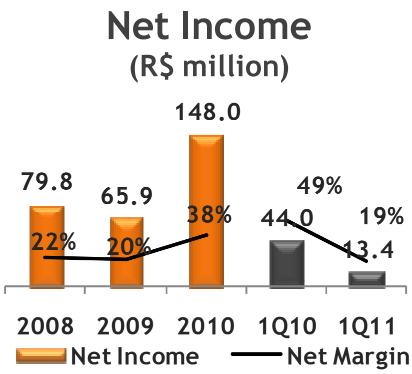
- Successful completion of the IPO in February 2011 resulted in net proceeds of approximately R$1.5 billion; at March 31, 2011 net cash position approximately R$1.5 billion.
- Cash flow from operating activities was R$81.6 million in 1Q11.
- Drilling of the BM-J-2 exploratory block is scheduled to begin at the end of May 2011.
- Drilling of BM-S-12 is scheduled to begin in June 2011.





- Gas production net to QGEP's interest was 167 MMm³ in 1Q11, resulting from temporary maintenance shutdowns in the Manati field.
- Net revenue was R$71.1 million, reflecting the temporary production decline.





- EBITDAX was R$27.9 million; EBITDAX margin was 39%. Excluding a non-recurring IPO incentive expense of R$23.1 million, EBITDAX margin would have been 72%.
- Net income was R$13.4 million; net margin was 19%.

Management Comments

QGEP Participações began 2011 on strong financial footing. We successfully completed our initial public offering in February and will use the more than R$1.5 billion in net proceeds to delineate the promising exploration prospects that we currently have in our asset portfolio as well as to significantly add value to that portfolio through participation in ANP bidding rounds and farm-ins. Our very strong net cash position, approximately R$1.5 billion, positions QGEP to take advantage of the positive industry conditions that exist in our markets.

Balancing these exciting exploration opportunities are our ongoing gas production operations, which continued to provide QGEP with revenues and cash flow in the 2011 first quarter. Our positive financial results for the period were driven by a combination of operating and financial income and were particularly noteworthy as they were achieved despite the temporary maintenance shutdown of two of our six Manati gas producing wells on December 30, 2010. In mid-March three additional wells in the Manati Field were shut down for maintenance, leaving us with one producing well there. While as anticipated this reduced first quarter 2011 gas production net to QGEP to 167.0 MMm^3, compared to 238.1 MMm^3 in the first quarter of 2010, we were able to continue to post operating profits and positive operating cash flow for the period. We believe this illustrates the high level of profitability achieved in the Manati Field.

We are pleased to report that as of the end of April two wells had returned to production. As of this writing, we expect that one additional well will be back in production in July, with the two remaining wells scheduled for a return to production in August. While this is somewhat later than we had initially planned, we should be able to resume full production levels for most of the second half of 2011. Last year, the Manati Field had record gas production of 2.3 billion MMm^3, 1.0 billion MMm^3 net to QGEP, and reached peak total production in the 2010 fourth quarter of 616 million MMm^3, equivalent to 276.5 million MMm^3 net to our Company's interest.

In addition to the financial and operational 1Q11 highlights, the IPO was an important milestone in the quarter. A key element in our decision to move forward with an IPO was our conviction that we could achieve significant growth by leveraging our key strengths. Our management team has created a high value portfolio, which includes the Manati Field as well as significant exploration prospects located close to Brazil's "hot spots" for oil and gas exploration. We will use the additional funds raised in the IPO to explore and develop our current asset portfolio. In addition, we see important opportunities to expand our asset base through participation in new ANP bidding rounds and farm-ins.

QGEP's designation as a "Type A" operator by the ANP (the Brazilian National Petroleum Agency), which permits the Company to operate in deep and ultra-deep waters, is a major differentiator that we believe provides us with significant growth potential. This qualification makes QGEP the first and only independent Brazilian exploration and production company approved to operate in waters with depths from 401 meters to over 1,500 meters and put us in a privileged position to partner with other companies to explore opportunities in the market.

The Brazilian National Council of Energy Policy recently approved the Eleventh bidding round for oil and gas exploration fields, which is expected to take place in September of this year. This round includes a total of 174 blocks, split between offshore and onshore. This provides an important opportunity for us to significantly expand our current portfolio.

Participating in Brazil's buoyant oil and gas exploration and production industry gives QGEP substantial growth potential in the short and long term, and we continue to focus on generating strong cash flow and making opportunistic, value-creating investments. At the same time, we remain keenly aware of our corporate responsibility to protect the environment, train and develop our workforce and maintain a commitment to innovation throughout our organization.

queiroz galvão
EXPLORAÇÃO E PRODUÇÃO

QGEP's assets

Field/Prospect	Block	Basin	QGEP Interest	Reserve Resource Category	Fluid	Geologic Chance of Success [2]	MMboe [1]
Manati[4]	-	Camamu	45%	Reserve[5]	Gas	-	73.3
Camarão Norte	-	Camamu	45%	Contingent	Oil-Gas	-	4.5
Copaíba	BM-CAL-5	Camamu	22.5%	Contingent	Oil	-	17.9
Jequitibá	BM-CAL-5	Camamu	27.5%	Contingent	Gas	-	17.2
CAM 01	BM-CAL-12	Camamu	20%	Prospective	Oil	31%	24.4
JEQ #1	BM-J-2	Jequitinhonha	100%	Prospective	Oil-Gas	29%	61.8[3]
JEQ #2	BM-J-2	Jequitinhonha	100%	Prospective	Oil-Gas	24%	32.3[3]
Santos #1	BM-S-12	Santos	30%	Contingent/ Prospective	Gas	30%	2.8 /7.5
Santos #2	BM-S-12	Santos	30%	Prospective	Oil	39%	52.4
Santos #3	BM-S-12	Santos	30%	Prospective	Oil	19%	9.1
Santos #4	BM-S-12	Santos	30%	Prospective	Oil-Gas	40%	87.9[3]

(1) The resources cited in barrels of oil equivalent (boe) were calculated by QGEP utilizing data from GCA reports as of 12/31/2009. The conversion rate for boe utilized was 1,000 m^3 of gas equals 1 m^3 of oil/condensate (equivalent energy), and 1 m^3 of oil/condensate equals 6.29 barrels.

(2) GCOS as per reports of GCA.

(3) Volumes are weighted by the probability of 50% to be oil prone and 50% to be gas prone.

(4) Volume from Manati reflects volume in the GCA report (80.8 million of boe) less the volume produced in 2010 (6.4 million of boe) and in 1Q11 (1.1 million).

(5) Reserves 3P: sum of proven, probable and possible reserves.

MANATI

QGEP is the largest owner of the Manati Field, the largest non-associated producing gas field in Brazil. The Company has a 45% net interest in the field, which is located in the Camamu Basin, and is operated by Petrobras. As of March 31, 2011, the field represented 3P reserves of 11.7 Bm^3 of natural gas and condensate (73.3 million boe) net to QGEP.

After achieving record production in 2010, averaging 6.2 MMm^3/day and record production in the 2010 fourth quarter averaging of 6.7 MMm^3/day, first quarter 2011 production was 4.1 MMm^3/day, reflecting the maintenance shutdowns of two wells on December 30, 2010. On March 14, 2011, the Company was informed that three more wells needed to be shut down for additional maintenance. As a result, the Manati Field was producing from just one of its six producing wells, which resulted in a temporary reduction in production levels to approximately 2.0 MMm^3/day. At the end of April, two wells came back on production reaching a 4.1 MMm^3/day capacity. According to the operator, one well is scheduled to return in July and the field is expected to return to full capacity by August 2011. Preliminary estimates provided by the operator indicate that total maintenance costs will approximate U$10 million, net to QGEP, to be expensed in 2011.

Production from the Manati Field accounts for all of QGEP's operating cash flow and revenues. The consortium owns the production facilities, including the platform, pipeline and treatment station, which keeps operating costs low. As a result, the Company has reported strong EBITDAX margins, ranging from 74% to 81% over the last three years. In 1Q11, the EBITDAX margin adjusted to exclude a non-recurring item, reached 72%.

BM-J-2

The BM-J-2 exploration block is located in the Jequitinhonha Basin in waters with depths of up to 300 meters. Acquired in 2002 in the fourth round of ANP bidding, the Company owns a 100% interest in this block and is the operator.

After interpreting 3D seismic surveys, the Company determined the block's prospects and the location of the exploratory well to be drilled by the Offshore Mischief Rig. The rig will arrive at Jequitinhonha Basin within the following days and the spud in for the exploratory well, 1-QG-5-BAS, is expected to begin at the second half of May and will test the JEQ#1 prospect.

BM-S-12

Block BM-S-12, located in the Santos Basin off the Southeast coast of Brazil, is another high priority for the Company as it is considered a "world class" block. The widespread presence of carbonate reservoirs called "biolititos" combined with the recent discovery of giant fields has resulted in a high rate of exploratory success in this region, raising QGEP's expectations towards this block.

In this block, which is fully covered by 3D seismic studies, three exploratory wells have been drilled, including SCS-13 that began in 2008, targeting deeper reservoirs (i.e., pre-salt) and which had to be halted after encountering high pressure zones. Strong hydrocarbons shows were discovered in this well, both oil and gas, leading the consortium to establish a holding area and submit a Discovery Assessment Plan (PAD) to the ANP. This plan called for the drilling of an additional well located 7 km from SCS-13 that would confirm the potential of previous discoveries (Santos #1 and Santos #2) and would also test two additional prospects (Santos #3 and Santos #4), one of them a high potential pre-salt reservoir. Drilling of the well 1-SCS-15 is scheduled to begin in June, using the rig Ocean Baroness, which is concluding a well in the Santos basin in the end of May.

BM-CAL-5

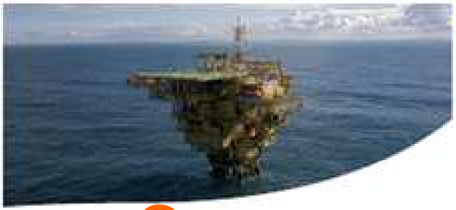
In Block BM-CAL-5, two wells have been drilled and are currently in the evaluation phase (Copaíba and Jequitibá), giving the Company a 100% success rate for this block. The volumes of these discoveries were certified by GCA as contingent resources. Depending on an ongoing study, one additional well for each discovery is potentially going to be drilled in 2012.

CAL-M-372 and CAL-M-312 (jointly BM-CAL-12)

Located in the south of Camamu Basin, these blocks have very promising prospects in the upper cretaceous sediments and contain outstanding sandstone reservoirs which are analog to the giant fields of the Campos basin, including Marimbá and Roncador. Additionally, two other leads are also under consideration and potentially represent an important upside for the Company associated with the success of a well that is forecasted to be drilled in 2012. QGEP has 20% interest in this block, which is operated by Petrobras.

Other Projects

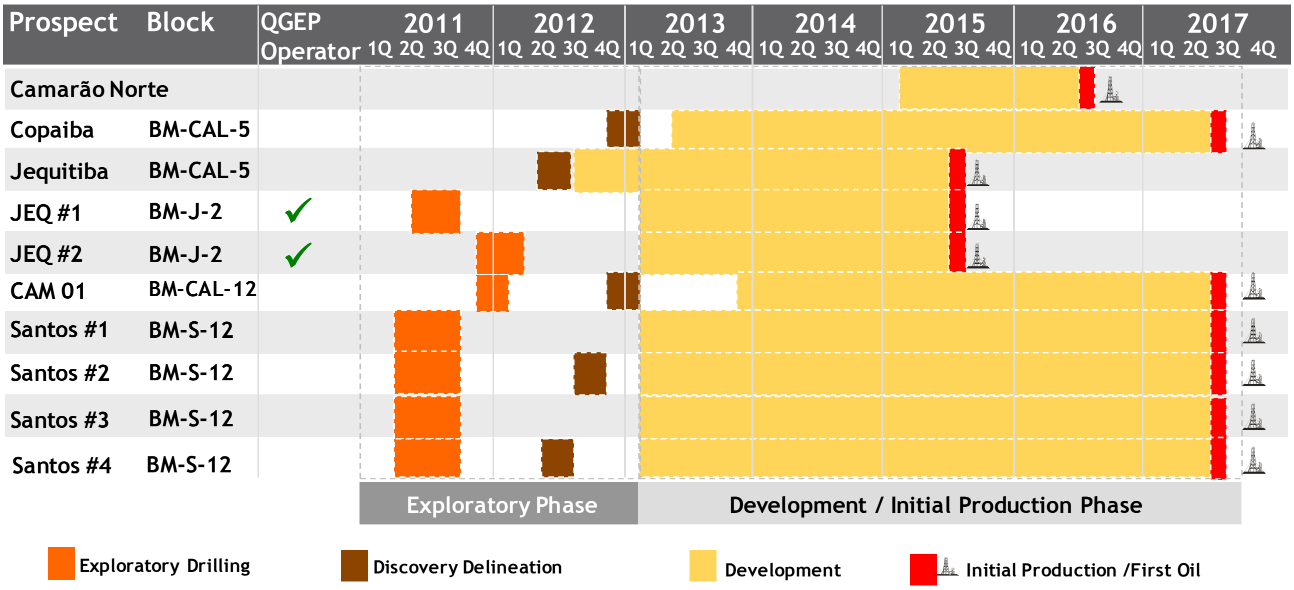
In January 2011, the Company began drilling the Enseada well in the Santos Basin in order to test the post-salt reservoirs in Block BM-S-76. In mid-March 2011, the Company announced that these zones do not appear to be potentially productive. As a result, adjacent blocks BM-S-75 and BM-S-77 were returned to the ANP, which was previously disclosed on March 14, 2011.



Outlook/ Exploration Schedule

2011 is expected to be a year of progressive improvement for QGEP. Second half 2011 results are expected to improve signficantly over the first half, reflecting a return to full production in the Manati Field in August.

QGEP reaffirms its 2011 exploration schedule, which will begin with drilling BM-J-2 at the end of May and BM-S-12 is expected to begin drilling in June 2011.



Sustainability, Security and Environment

QGEP is committed to acting in a responsible and safe manner to minimize the environmental impact of its activities as well as working to benefit the local communities in which it operates. In the first quarter of 2011, the Company worked diligently to prepare for drilling activities at well 1-QG-5-BAS and initiated a number of social and environmental projects at Block BM-J-2. The Company has established a solid environmental program for this drilling project.

In preparation for the safety of its drilling operations, which will begin in May, the Company has secured proper equipment to be available during drilling activities for immediate response. Additionally, QGEP has provided three bases in the cities of Ilheus, Una and Canavieiras, with response equipment and vessels available for coastal protection. Fishing vessels have also been trained to operate response equipment if necessary.

The projects consider the local communities surrounding the Jequitinhonha Basin and are aimed at benefiting the region as a whole. They include the Daily Coastal Survey Project, the Fishing Monitoring Project, and the Social Communication Project.

Financial Performance

For 1Q11, the financial statements below represent consolidated financial information for the Company.

For 1Q10, the financial statements below represent a “carve out” of consolidated financial statements of QGOG for the period January 1, 2010 to March 31, 2010, utilizing exclusively historical operating results for the E&P segment.

This financial information was combined considering that the E&P operations were under common control and management. Thus, the financial statements are termed consolidated (carve out) as if these operations were already separate during the period in question.

Consolidated Financial Information (R$ million)			
	1Q11	**1Q10**	**Δ%**
Net Income	13.4	44.0	-69.6%
Amortization	12.9	15.2	-14.9%
Financial Expenses / (Income)	(22.9)	7.0	N/A
Income tax and social contribution	9.6	8.0	20.8%
EBITDA (1)	13.0	74.1	-82.5%
Oil and gas exploration expenditure	14.9	(0.1)	N/A
EBITDAX (2)	27.9	74.0	62.4%
EBITDA Margin (3)	18.2%	81.7%	-6340 bps
EBITDAX Margin (4)	39.2%	81.6%	-4240 bps
Net Debt / (Net Cash)(5)	(1,501.9)	251.9	-691.6%

(1) We calculate EBITDA as profit before taxes and social contributions, net financial results and amortization expenses. EBITDA is not a financial measure according to Brazilian GAAP; International Reporting Norms, IFRS or US GAAP. It should also not be considered in isolation or as a substitute for net income, as a measure of operating performance, or as an alternative to operating cash flow as a measure of liquidity. Other companies may calculate EBITDA differently than us. Furthermore, EBITDA has limitations which inhibit its usefulness as a measure of our profitability as it does not consider certain costs inherent in our business, which could significantly impact our profitability, such as financial expenses, taxes and amortization. EBITDA is utilized by us as an additional measure of our operating performance.
(2) EBITDAX= EBITDA - exploration costs for the extraction of petroleum and gas.
(3) EBITDA divided by net revenue.
(4) EBITDAX divided by net revenue.
(5) Net debt corresponds to total debt, comprising current and long-term loans and financing and derivative financial instruments, less cash and cash equivalents and restricted cash. Net debt is not recognized under Brazilian GAAP, U.S. GAAP, IFRS or any other generally accepted accounting principles. Other companies may calculate net debt differently.

Operating Results

Net revenue for 1Q11 was R$71.1 million, a 21.6% decrease over 1Q10 attributable to a 29.9% decline in production volumes at Manati Field. The decline resulted from the previously-announced maintenance shutdowns of two wells in December 2010 and three more wells in mid-March 2011. As a result, the Manati Field was producing from just one of the six producing wells, which resulted in a temporary decline in production to 2.0 MMm^3/day. At the end of April, two wells came back on production, and the field is expected to return to full capacity by August 2011.

Manati has a long-term contract for the supply of a minimum annual volume (take-or-pay) of gas to Petrobras, at a price in Reais that is adjusted annually using indexes specified in the contract.

The lower production contributed to an 11.5% year-over-year decrease in operating costs to R$26.9 million. The operating costs include royalties, R&D and special participation.

General and Administrative Expenses

G&A expenses were R$29.5 million in 1Q11, R$28.1 million higher than in 1Q10. This increase resulted from R$23.1 million in incentive compensation linked to the successful completion of the IPO ended in March 9, 2011, as disclosed in the prospectus.

Exploration costs

Total exploration costs for the extraction of petroleum and gas in 1Q11 were R$14.9 million, an increase of R$14.8 million compared to 1Q10. These costs pertain to the acquisition, processing and analysis of seismic data, drilling plans, licensing and environmental studies and write-off of costs associated with non-commercial wells and non-operating reserves, among others. Of the total increase, R$11.7 million is a result of costs related to Block BM-S-76, which was drilled in 1Q11 and did not have potentially productive zones identified, as already informed to the market.

Net Financial Income / (Expenses)

In 1Q11, the Company generated net financial income of R$22.9 million compared to a net financial expenses of R$7.0 million in 1Q10. The variation resulted from financial income generated by the IPO proceeds, which were received by the Company in February 2011.

Net Income

The Company's net income was R$13.4 million in 1Q11, representing a combination of operating and financial income. The 69.6% decline from 1Q10 levels was due to lower production volumes from the Manati Field, higher exploration costs and non-recurring G&A impact.

Balance Sheet /Cash Flow Highlights

Cash (Cash Equivalents, Investments and Restricted Cash)

At the end of the 2011 first quarter, the Company had a cash balance of R$1,749.2 million, representing a significant increase over year-end levels and primarily attributable to the successful completion of the Company's IPO, which raised approximately R$1.5 billion to fund existing exploration activities and expansion of QGEP's asset portfolio. The Company's net cash position at the end of the first quarter was R$1,501.9 million.

Accounts Receivable /Payable

Accounts receivable at the end of 1Q11 were R$50.4 million compared to R$82.0 million at the end of 2010; Accounts payable were R$17.7 million at the end of 1Q11, down 7% from the close of 2010.

Debt

The Company ended 1Q11 with total debt of R$241.1 million, down 9% from the end of 2010. Approximately R$28.8 million in principal and interest were amortized, including R$19.5 million with BNDES and R$9.3 million with BNB.

Operating Cash Flow

The Company had operating cash flow of R$81.6 million in the 2011 first quarter.

Investor Relations

QGEP Participações S.A.

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About QGEP

QGEP Participações S.A. is Brazil's largest private sector Exploration and Production (E&P) company and the fourth largest in the sector based on annualized daily production of barrels of oil equivalent (BOE) according to data from the ANP, and the only private Brazilian company in this sector 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 the largest non-associated natural gas field under production in Brazil according to data by the ANP as of 2010. This field has been in operation since 2007, and has production capacity of approximately 50,300 boe per day. For more information, please go to www.qgep.com.br/ri.

This material may contain information relating to future business prospects, estimates of financial and operational results and growth of the company. This information should be considered as projections based exclusively on management expectations regarding future business developments and the availability of capital to finance the Company's business plan. Such future considerations are substantially subject to changes in market conditions, government regulations, competitive pressures and developments within the sector and the Brazilian economy, among other factors. These points should also be considered along with risks disclosed in documents previously published by the Company. It should be understood that all these factors are subject to change without warning.

The financial information of the Company has been prepared as follows:

- For the quarter ended in March 2010: our consolidated carve-out financial information has been derived from our carve-out consolidated financial statements of QGOG, utilizing exclusively the historical results of operations, assets and liabilities attributable to the E&P segment, which includes our investment in Manati and the operations of BS-3 S.A. The financial information was prepared by us in accordance with IFRS as issued by IASB.
- For the quarter ended March 31, 2011: consolidated financial information of the Company. The financial information was prepared by us in accordance with IFRS as issued by IASB.

Annex I - INCOME STATEMENT

Income Statement (R$ million)			
	1Q11	**1Q10**	**Δ%**
Net Revenue	**71.1**	**90.7**	**-21.6%**
Operating costs	(26.9)	(30.4)	-11.5%
Gross profit	**44.2**	**60.3**	**-26.7%**
Operating income (expenses)			
General and administrative expenses	(29.5)	(1.4)	N/A
Oil and gas exploration expenditures	(14.9)	0.1	N/A
Other net operational expenses	**0.3**	-	N/A
Operating income	**0.1**	**59.0**	**-99.9%**
Financial income (expenses), net	22.9	(7.0)	N/A
Income before income tax and social contribution	**23.0**	**52.0**	**-55.7%**
Income tax and social contribution	(9.6)	(8.0)	20.8%
Net income	**13.4**	**44.0**	**-69.6%**

Annex II - Balance Sheet

Balance Sheet (R$ million) Carve out			
	1Q11	**2010**	**Δ%**
Assets			
Current Assets	**1,682.0**	**221.6**	**659%**
Cash and cash equivalents	1,242.5	137.2	N/A
Investments	382.0	-	N/A
Trade accounts receivable	50.4	82.0	-39%
Recoverable taxes	1.3	1.2	10%
Prepaid expenses	4.3	-	N/A
Other	1.6	1.2	33%
Non-current Assets	**837.6**	**833.1**	**1%**
Restricted cash	124.8	110.6	13%
Recoverable taxes	0.2	0.2	-6%
Deferred income tax and social	3.6	2.9	27%
Property, plant and equipment	703.1	713.7	-1%
Intangible assets	5.9	5.8	1%
Total Assets	**2,519.6**	**1.054.7**	**139%**
Liabilities and Shareholders' Equity			
Current Liabilities	**168.4**	**148.7**	**13%**
Trade accounts payable	17.7	19.0	-7%
Taxes payable	23.1	22.6	2%
Payroll and related taxes	19.1	0.3	N/A
Due to related parties	2.2	1.2	85%
Borrowings and financing	76.2	76.3	-
Provision for research and development	5.9	5.0	18%
Provision for returned blocks	10.6	10.6	-
Other current liabilities	13.6	13.7	-1%
Non-current Liabilities	**257.9**	**283.8**	**-9%**
Borrowings and financing	164.9	188.7	-13%
Provision for abandonment	92.9	95.1	-2%
Shareholders' Equity	**2,093.4**	**622.3**	**236%**
Capital Stock	2,078.1	620.4	235%
Net income for the period	13.4	-	N/A
Legal Reserve	1.8	1.8	-
Dividends Proposed	0.1	0.1	-
TOTAL Liabilities and Shareholders' Equity	**2,519.6**	**1.054.7**	**139%**

Annex III - Cash Flows

Cash Flows (R$ million)	
	1Q11
CASH FLOWS FROM OPERATING ACTIVITIES	
Net income for the period	**13.4**
Adjustments to reconcile net income to net cash provided by operating activities:	
Amortization and Depreciation	13.0
Deferred income tax and social contribution	(3.2)
Financial charges and exchange rate (gain) loss borrowings and financing	(6.0)
Provision for dry wells	11.7
Provision for income tax and social contribution	12.9
Provision for research & development	0.9
Exchange rate (gain) loss on provision for abandonment	(2.1)
(Increase) decrease in operating assets:	26.8
Increase (decrease) in operating liabilities:	14.4
Net cash inflows from operating activities	**81.6**
CASH FLOWS FROM INVESTING ACTIVITIES	
Net cash inflows from (used in) investing activities	**(410.3)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Net cash inflows from (used in) financing activities	**1,433.9**
Increase in cash and cash equivalents	**1,105.2**
Cash and cash equivalents at beginning of the period	137.2
Cash and cash equivalents at end of the period	1,242.5
Increase in cash and cash equivalents	1,105.2

Annex IV - Glossary

Glossary	
ANP	National Petroleum Agency
Deep water	Water depth of 401 – 1.500 meters.
Shallow water	Water depth of 400 meters or less.
Ultra-deep water	Water depth of 1.501 meters or more.
Basin	A depression in the Earth's crust in which sediments have accumulated that could contain oil and/or gas, associated or not.
Block(s)	Part(s) of a sedimentary basin with a polygonal surface defined by the geographic coordinates of its vertices and undefined depth where oil and natural gas exploration or production activities are carried out.
"Boe" or Barrel of oil equivalent"	A measurement of gas volume converted to barrels of oil using a conversion factor whereby 1.000 m^3 of gas equals 1 m^3 of oil/condensate and 1 m^3 of oil/condensate equals 6.29 barrels and (energy equivalence).
Field	An area covering a horizontal projection of one or more reservoirs containing oil and/or natural gas in commercial quantities.
Concession	A grant of access by a country to a company for a defined area and period of time that transfers certain rights to any hydrocarbons that may be discovered from the country in question to the concessionaire.
Discovery	In accordance with the Petroleum Law, a discovery is any occurrence of petroleum, natural gas or other hydrocarbons, minerals and, in general terms, mineral reserves located in a given concession, independently of quantity, quality or commercial viability that are confirmed by at least two detection or evaluation methods (defined in the ANP concession agreement). To be considered commercially feasible, a discovery must present positive returns on an investment under market conditions for development and production.
Farm-in and Farm-out	Process of partial or complete acquisition of concession rights held by another company. The company acquiring the concession rights is said to be in the farm-in process and the company selling concession rights is in the farm-out process.
GCOS	Geological Chance of Success
GCA	Gaffney, Cline & Associates
Operator	A company legally appointed to conduct and execute all operations and activities in the concession area, in accordance with the terms of the concession agreement signed by the ANP and the concessionaire.

Exploratory Prospect(s)	A prospect is a potential accumulation mapped by geologists or geophysicists where there is a probability of a commercially viable accumulation of oil and/or natural gas that is ready to be drilled. The five necessary elements for the existence of an accumulation (generation, migration, Reservoir, seal and entrapment) must be present and the lack of any of the five means there is either no accumulation or accumulation that is not commercially viable.
Contingent Resources	Represent quantities of oil, condensate and natural gas that are potentially recoverable from accumulations acknowledged during the development of projects, but that are not considered commercially recoverable as yet due to one or more contingencies.
3C Contingent Resources	High case estimate of contingent resources with only a 10% chance of being achieved or exceeded.
QGOG	Queiroz Galvão Óleo e Gás S.A.
Risked Prospective Resources	Prospective resources multiplied by GCOS.
Reserves	Quantities of petroleum expected to be commercial recoverable by applying development projects to known accumulations as of a given date and under defined conditions.
Possible Reserves	Quantities of petroleum which analysis of geoscience and engineering data indicate are less likely to be recovered than probable reserves.
Proven Reserves	Quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable as of a given date from known reservoirs and under defined economic conditions, operating methods and government regulations.
Probable Reserves	Quantities of petroleum that, according to geoscience and engineering data, are estimated to have the same chance (50%/50%) of being achieved or exceeded.