



QGEP Participações S.A.
Corporate Taxpayer ID (CNPJ/MF) 11.669.021/0001-10
Publicly held Company

MATERIAL FACT

– Acquisition of stake in BM-S-8 in the Santos Basin–

Rio de Janeiro, July 5, 2011 - QGEP Participações S.A. (BMF&Bovespa: QGEP3), Brazil's largest private sector Exploration and Production (E&P) company on annualized daily production of barrels of oil equivalent (BOE), today announced that Queiroz Galvão Exploração e Produção S.A. ("QGEP"), a wholly owned subsidiary, has entered into a purchase and sale agreement for the acquisition of 10% of Shell Brasil Petroleo Ltda's participating interest in Block BM-S-8 located offshore in the Santos Basin. Shell currently owns a 20% working interest in the block, which is operated by Petrobras, and owned by a consortium comprised of Petrobras, Petrogal and Shell.

The transfer of Shell's participating interest to QGEP is subject to approval by the ANP.

"This farm-in agreement demonstrates our strategy of building value by investing in high quality assets that diversify and strengthen our portfolio," said José Augusto Fernandes Filho, QGEP's Chief Executive Officer.

The Company will host conference calls to provide further information on the farm-in agreement. The remarks will be followed by a question-and-answer period.

Please call the following number approximately 10 minutes prior to the scheduled time of the call:

Conference call in Portuguese:

Tuesday, July 5, 2011 – 11 a.m. Brasilia Time/10 a.m. New York Time

Phone (Brazil): +55 11 4688-6361

Code: Queiroz Galvao

Webcast: www.ccall.com.br/queirozgalvao/pfatorelevante.htm

Conference call in English:

Tuesday, July 5, 2011 – 13 p.m. Brasilia Time/12 p.m. New York Time

Phone (United States): +1 786 924-6977

Phone (Brazil): +55 11 4688-6361

Code: Queiroz Galvao

Webcast: www.ccall.com.br/queirozgalvao/efatorelevante.htm

For further information, please contact QGEP Investor Relations Department:

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www.qgep.com.br/ri

About QGEP Participações S.A.

QGEP Participações S.A. is Brazil's largest private sector Exploration and Production (E&P) company 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.