

QGEP Participações S.A.
CNPJ/MF nº 11.669.021/0001-10
Publicly Held Company

MATERIAL FACT

QGEP releases latest 2P projected production capacity curve for the Manati Field **Projections based on Gaffney, Cline & Associates certification report**

Rio de Janeiro, May 10th, 2017 – QGEP Participações S.A. (“QGEP”, “Company”, BM&FBovespa: QGEP3) today released the latest 2P production capacity curve for the Manati Field, based on a certification report by Gaffney, Cline & Associates (“GCA”).

GCA conducted an independent audit examination, dated December 31, 2016, of the hydrocarbon liquids and natural gas volumes expected to be produced at the Manati Field, based on information made available by the Company. Below is the 2P estimated annual production capacity certified by GCA, relative to the entire field. As of December 31, 2016, 2P certified reserves were 9.4 billion m³ of gas and 0.9 million barrels of condensate, which corresponds to approximately 59.8 million barrels of oil equivalent.

2P Certified Gas Production Capacity Curve

Year	Gas Production (MM of m³/day)
2017	5.4
2018	5.5
2019	4.5
2020	3.8
2021	2.8
2022	1.8
2023	1.2
2024	0.8

Queiroz Galvão Exploração e Produção S.A. has a 45% stake in the Manati Field. Petrobras is the operator with a 35% stake and the other consortium members include Brasoil and Geopark, each with 10%.

The above production capacity curve projected by GCA may not correspond to actual annual production as it depends on many factors that cannot be controlled by the Consortium, such as unscheduled maintenance, changes in industry demand and the weather conditions, since demand by the power plants for gas is directly related to the lack of rain in the region, among others.

QGEP reaffirms, under its unchanged projections disclosed in Item 11 of the Company’s Reference Form, that its average annual production estimate for 2017 is 4.9 million m³ of gas per day, with a potential 5% variation higher or lower.

The announced projections are valid for one (1) year. The Company's Reference Form Item 11 will be updated in seven days considering these projections , and will be available at CVM (<http://www.cvm.gov.br>) and the Company's website (<http://www.qgеп.com.br/ri>).

In line with those accepted standards, this document does not in any way constitute, guarantee or predicts results, and no warranty is implied or expressed that actual outcome will conform to the outcomes presented herein. The above projections are estimates based on Company's beliefs and assumptions and are subject to risks and uncertainties that could not be under management's control. Given these risks and uncertainties, investors should not make decisions based only on these estimates, and should seek information about the oil and gas sector, market risks and risks related to capital market investments.

For additional information, please contact the Company's Investor Relations team:

Phone: 55 21 3509-5959

E-mail: ri@qgеп.com.br

www.qgеп.com.br/ri

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.qgеп.com.br/ri