



**QGEP Participações S.A.
CNPJ/MF nº 11.669.021/0001-10
Companhia Aberta**

NOTICE TO THE MARKET

QGEP Designated Operator of Block BS-4

Rio de Janeiro, October 05, 2011 - QGEP Participações S.A. announced today that Queiroz Galvão Exploração e Produção S.A. ("QGEP") has been approved by the consortium members of Block BS-4 as Shell's successor operator.

Located 185 km off the coast of Brazil in water depths of 1,550 meters, Block BS-4 has two discoveries, Atlanta and Oliva, both in the development phase.

The transfer of a 30% participating interest and the operation of Block BS-4 from Shell to QGEP remains subject to approval by the ANP.

"The consortium's decision reaffirms our capacity to operate in deep waters and enables the Company to exercise its qualification as "Type A" Operator, consolidating QGEP's position as an important player in the Brazilian oil and gas industry," said Danilo Oliveira, QGEP's Production Officer.

For more information, please contact the QGEP Investor Relations Department:

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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.