

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

MATERIAL FACT

**QGEP Announces Sale of its 10% Interest in Block BM-S-8
to Statoil for US\$379 million**

**- Company Also Reports on Negotiations with Teekay Offshore
for Delivery of Atlanta Field FPSO -**

Rio de Janeiro, July 11th, 2017 – QGEP Participações S.A. (“QGEP”, “Company”, BM&FBovespa: QGEP3”) today announced that it has received and accepted an unsolicited offer from Statoil Brasil Óleo e Gás Ltda (“Statoil”) to purchase its 10% ownership in Block BM-S-8 for US\$379 million.

QGEP purchased its participating interest in BM-S-8 in July 2011 for the equivalent of US\$175 million, equivalent to R\$273 million. Statoil will pay QGEP \$189.5 million, or fifty percent of the total consideration, upon the closing of the transaction, which will occur upon approval by the regulatory entities. The remaining amounts will be paid in future installments contingent upon subsequent events, including the signing of the Production Individualization Agreement, (unitization). The Company is evaluating uses for the proceeds, which will likely include a combination of a special dividend to shareholders and investments in QGEP’s exploration and production portfolio.

Commenting on this decision, Lincoln Guardado, Chief Executive Officer said, “Taking into consideration the length of time that we have held this asset and the lack of clarity with respect to the timing of first oil, we concluded that it was consistent with both our risk management policies and our commitment to creating shareholder value to accept Statoil’s offer. In addition to the proceeds, QGEP will benefit from a significant reduction in medium term and long term capital expenditures.”

QGEP also announced that Atlanta Field B.V., the legal holder of the charter contract for the FPSO Petrojarl I, is in the final phase of negotiation with Teekay Offshore for delivery of the unit to Block BS-4. Mr. Guardado noted, “We believe we are close to finalizing a mutually beneficial agreement to ensure the commencement of oil production at the Atlanta Field in the first quarter of 2018.”

The Company will host a brief conference call in Portuguese with simultaneous translation to English to comment on this transaction. Management’s remarks will be followed by a question-and-answer period. Dial in as follows:

July 12th, 2017 – Wednesday

09:00 a.m. Brasília | 08:00 a.m. Eastern Time

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Dial in USA: +1 800 492-3904 or +1 786 924-6977

Code: QGEP

Webcast: www.choruscall.com.br/qgep/jul17extraing.htm

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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.qgep.com.br/ri