Earnings Results Presentation

3Q17

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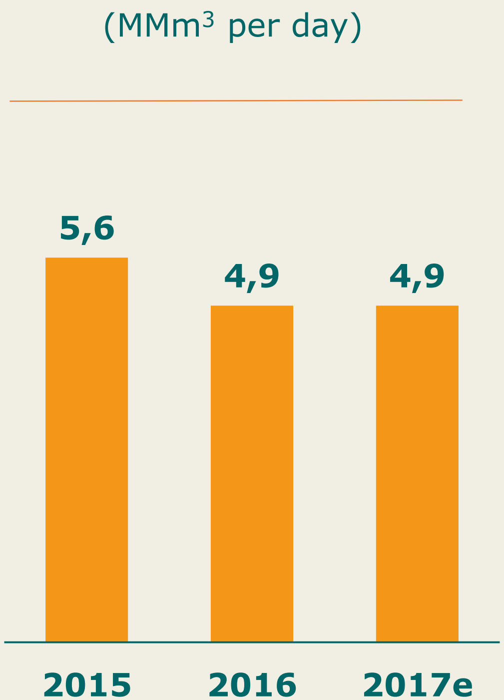
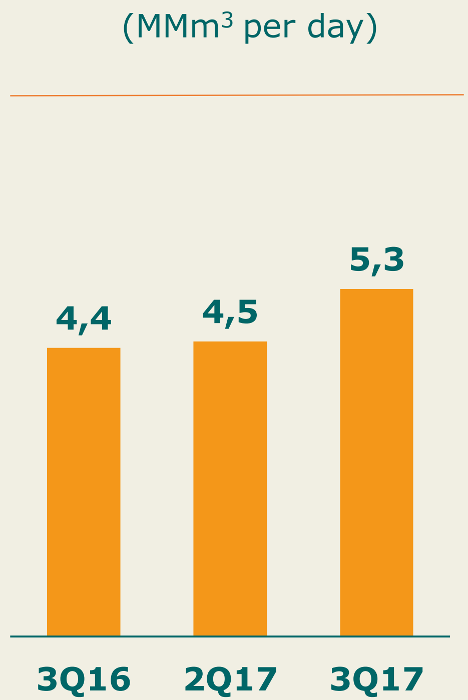
EXPLORAÇÃO E PRODUÇÃO

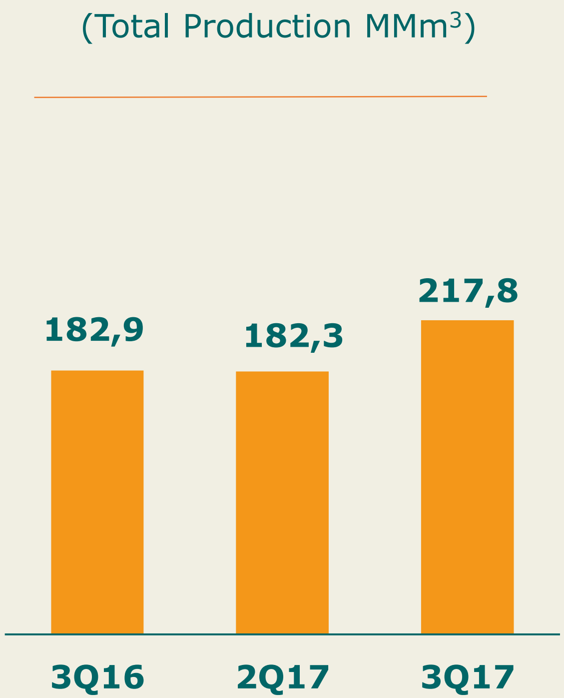
3Q17 HIGHLIGHTS

- Higher demand for Manati Field gas drove sequential improvement across key financial metrics
- FPSO confirmed to arrive at Atlanta Field in December; first oil on target for 1Q18
- Successful farm-out agreements bring in leading international partners
- Blocks won in 14^{th} ANP Bidding Round reinforce QGEP's exploratory portfolio in attractive Sergipe-Alagoas Basin
- Strong Balance Sheet provides financial flexibility; first payment from Statoil expected by 2017 year-end

GAS PRODUCTION – MANATI FIELD

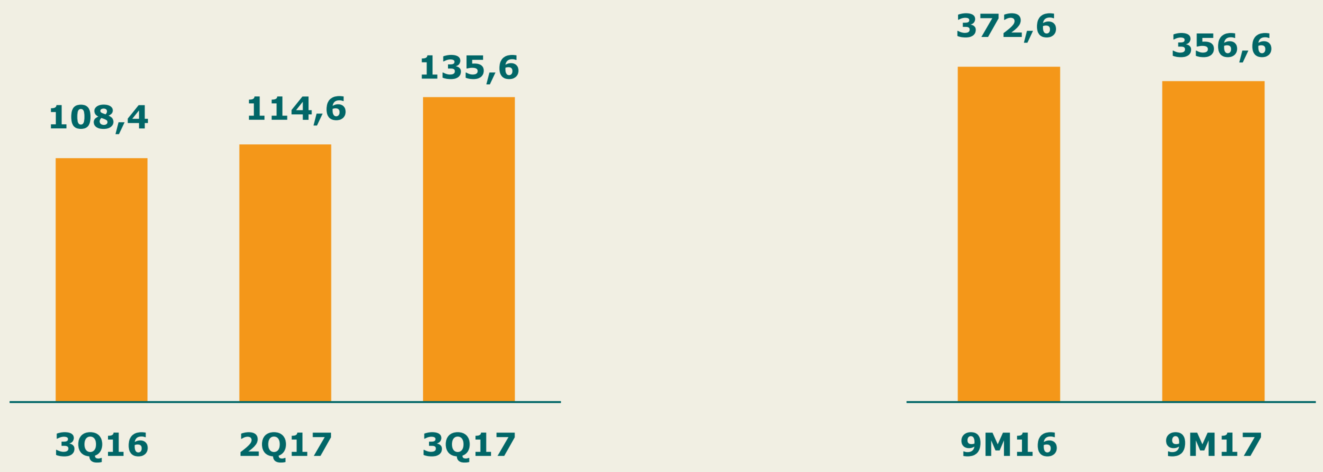






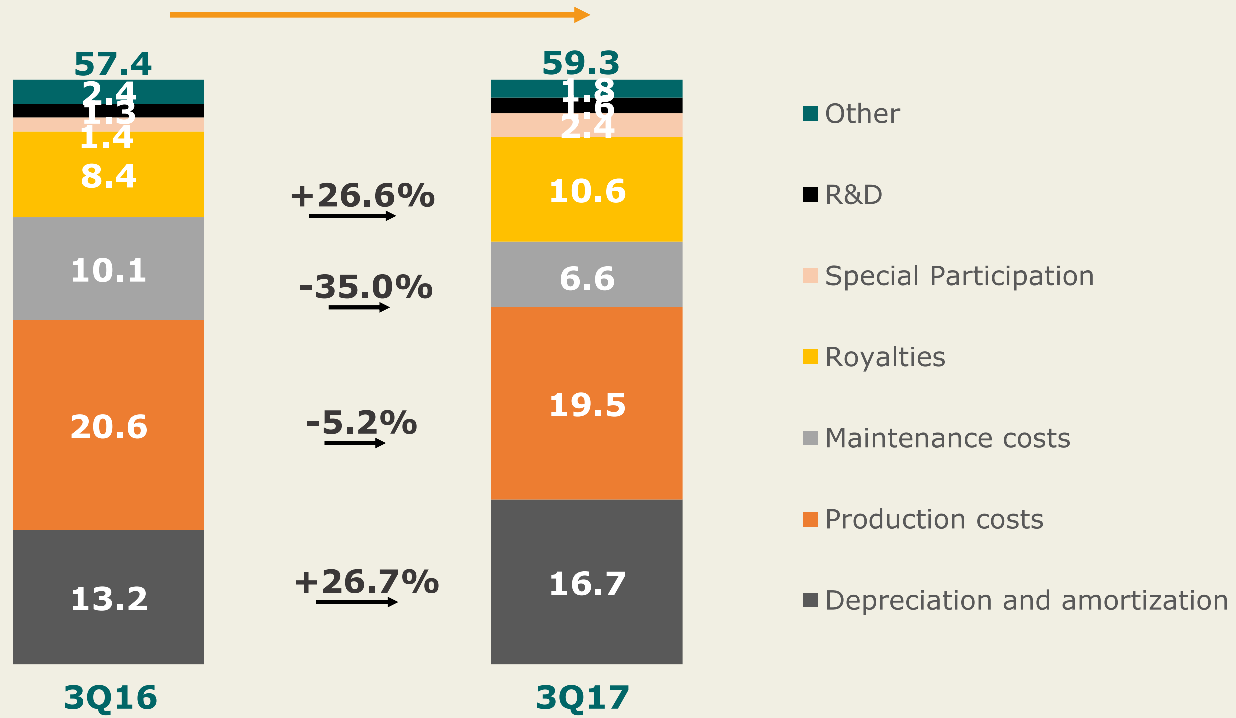
- **Average daily gas production was 5.3MMm³ in 3Q17, +19% vs 3Q16, the highest level of the year**
- **Increase in gas demand due to the changeover to thermoelectric plants as a result of droughts in the Northeast region**
- **Daily production is not yet at full capacity due to damages in one of the flow lines in 2Q17. Completion restoration of full capacity scheduled for November**

NET REVENUE (R$ MM)



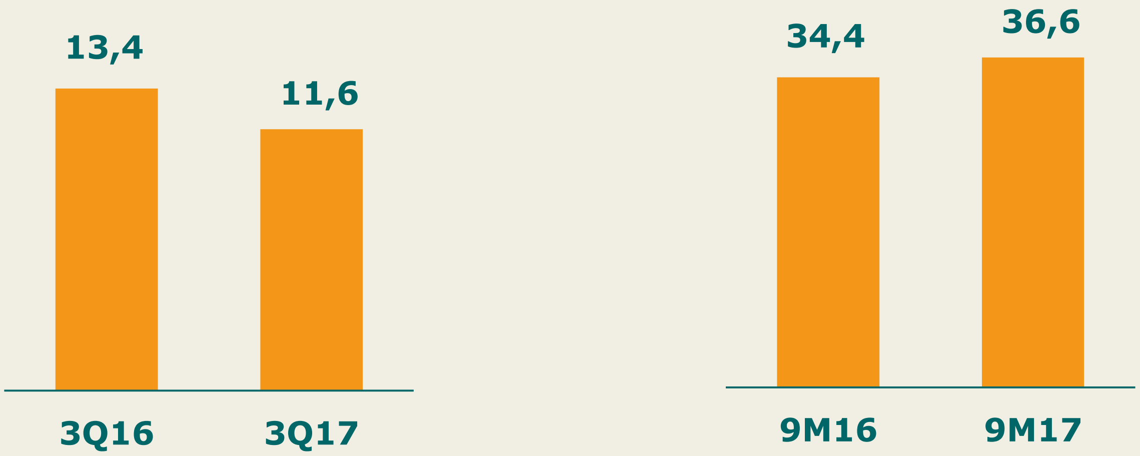
- **3Q17: Net revenue increased 25.1% vs. 3Q16, due to greater gas production in Manati and annual price readjustment in early 2017**
- **9M17: Net revenue reduced 4.3% vs 9M16, as a result of lower gas production in Manati during the period, partially offset by the annual price readjustment**

OPERATING COSTS (R$MM)



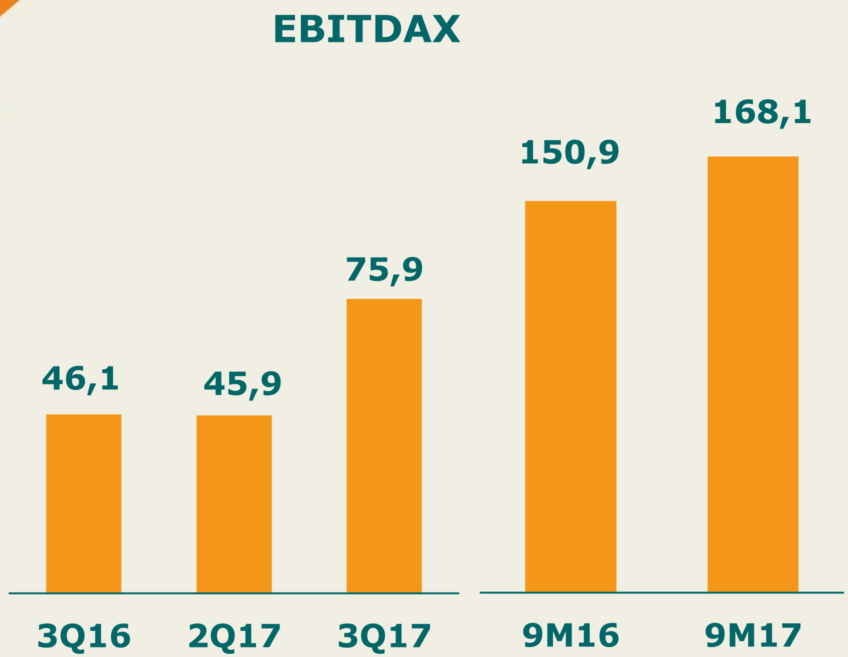
- **Total operating costs were R$59.3 MM in 3Q17, +3,2% vs 3Q16, due to higher depreciation and amortization expenses and royalties, reflecting increased production**
- **Maintenance costs totaled R$6.6 MM, -35.0% vs. 3Q16, due to the conclusion of the painting and maintenance activities of the Manati platform in 2Q17. Includes R$4.0 MM to repair the production line**
- **In the 9M17 vs. 9M16, operating costs declined 7.0% due to lower depreciation and amortization expenses, reflecting lower production in the period**

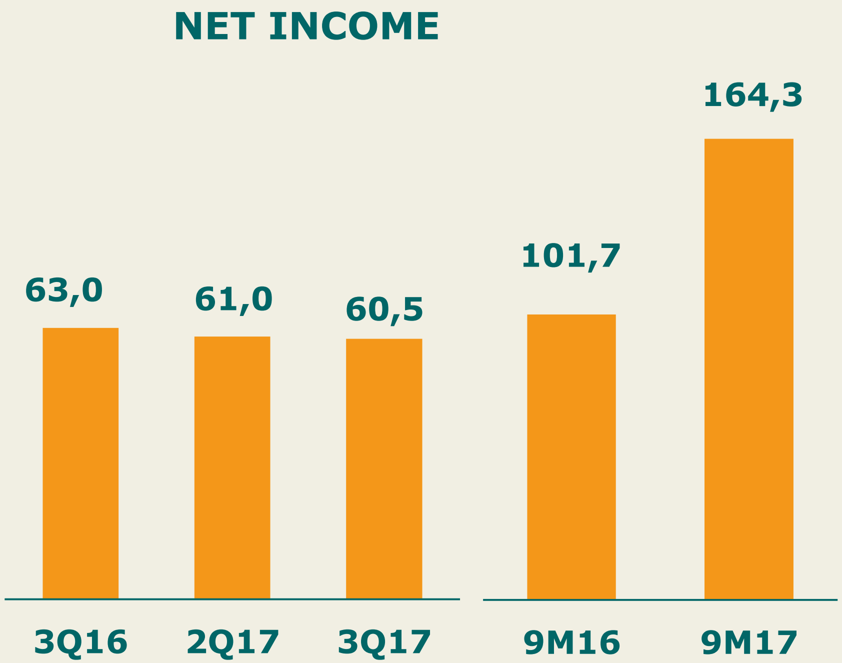
SG&A EXPENSES (R$MM)



- 3Q17: SG&A decreased 12.8% vs. 3Q16, reflecting lower stock option plan expenses allocation and optimization of personnel expenses
- 9M17: SG&A rose 6.3% vs. 9M16, reflecting the reduction in allocation of expenses to the partners in the blocks where QGEP is the operator, partially offset by optimization in personnel expenses

PROFITABILITY (R$MM)





- **3Q17: EBITDAX increased 64.5% vs. 3Q16, as the company benefited from higher production as well as lower administrative expenses, with EBITDAX margin of 56.0%. Net income of R$60.5 MM, -3.9% vs. 3Q16, due to the increase in operating income offset by lower financial income**
- **9M17: EBITDAX rose 11.5% vs. 9MQ16, reflecting higher production and lower costs, with EBITDAX margin of 40.0%. Net income also had an increase of 61.6% vs. 9M16, with an increase in the financial income offsetting the decline in revenue in the period.**

CAPEX 2017-2018

2017
US$50MM

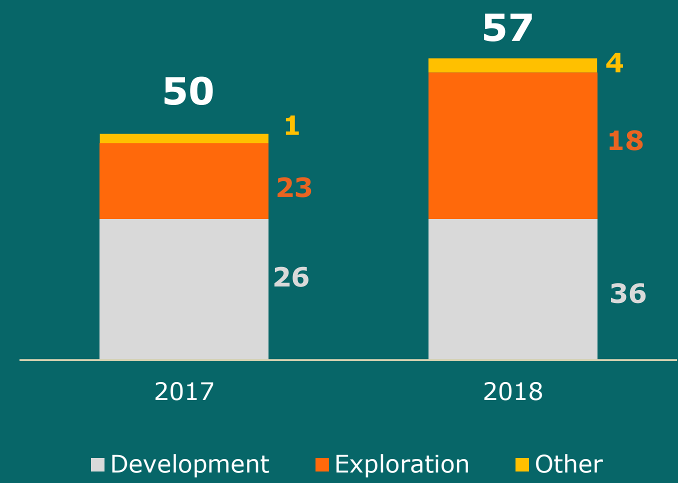
US$26MM
Atlanta Field

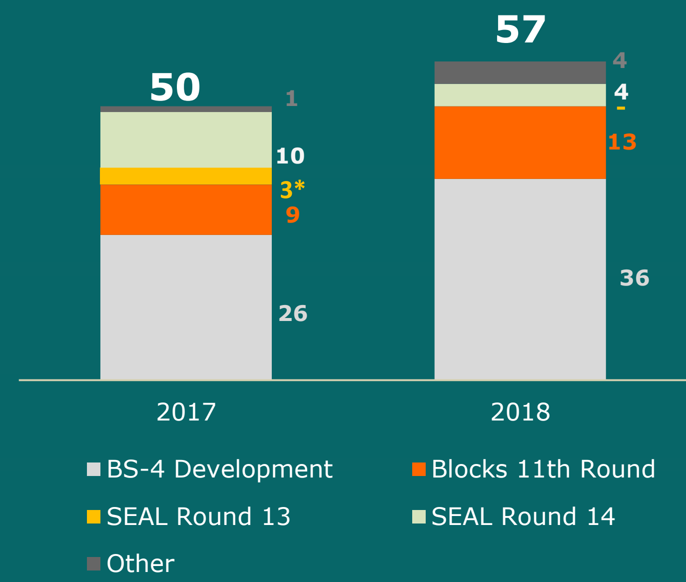
US$23 MM
for exploration activities, with **US$9 MM** for seismic acquisition for Blocks 11th Round

2018
US$57MM

US$36MM
Atlanta Field

US$21 MM
for exploration activities, with **US$13 MM** for seismic acquisition for Blocks 11th Round





*Of this amount, 1.5 million will be reimbursed under the farm-out agreements for SEAL-M-351 and SEAL-M-428 with ExxonMobil and Murphy Oil.

PORTFOLIO OVERVIEW

PRODUCING - MANATI

- Production capacity was **5.3 MMm³/day** at the end of 3Q17
- Production *guidance* reaffirmed at **4.9MMm³/day** and estimated **5.1MMm³/day** for 2018.
- Full capacity of the Field should be restablished in november, after the conclusion of the repair of the demaged production line

DEVELOPMENT - ATLANTA

- Amendment to original FPSO charter agreement
- FPSO with arrival confirmed for December 2017
- **First oil** expected for 1Q18

EXPLORATORY

- **Sergipe-Alagoas Basin**
  - **Farm-out process** successfully completed: QGEP retains 30% stake and ExxonMobil and Murphy Oil acquire 50% and 20%, respectively
  - The same consortium acquires blocks **SEAL-M-501** and **SEAL-M-503** in the 14th Bidding Round of ANP. These blocks are adjacent to blocks **SEAL-M-351** and **SEAL-M-428**
  - Acquisition of 3D seismic data for the four blocks planned for 1Q18
- **11th Bidding Round Blocks**
  - Foz do Amazonas, Ceará , Espirito Santo Basins and Pará-Maranhão basins – evaluating potential
  - Restart of the farm-out processes of Pará-Maranhão and Foz do Amazonas in 2018

SUBSTANTIAL EXPLORATORY PORTFOLIO

Growing and diversifying QGEP's asset base along the Brazilian coast

1 Production

3 Development

13 Exploration

SUMMARY & OUTLOOK

- **Operating/regulatory environment in Brazil continues to improve**

- **QGEP's year-to-date performance points to better results in 2017 vs 2016**

- **Major transactions/actions have strengthened Company's operating and financial position**
  - Manati production projected to increase over 4% in 2018
  - Second producing asset to come on line in 1Q2018 at 20kbbls per day
  - Longer-term Capex requirements have been significantly reduced
  - Successful farm-outs have attracted global partners
  - New consortium was high bidder at 14th ANP Bidding Round

- **Entering 2018, with very strong balance sheet, modest short term financial commitments, farm-out potential and opportunistic investments**

QGEP: Well Positioned for Growth

High operational efficiency

Substantial technical expertise

Ongoing portfolio optimization

Financial flexibility

15
Blocks in our portfolio

+50%
Average EBITDAX Margin 2017

R$1.4 bn
Average Cash Balance 2017

+R$1bn
Average Net Cash 2017

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