

QGEP Participações S.A.
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Publicly Held Company

MATERIAL FACT

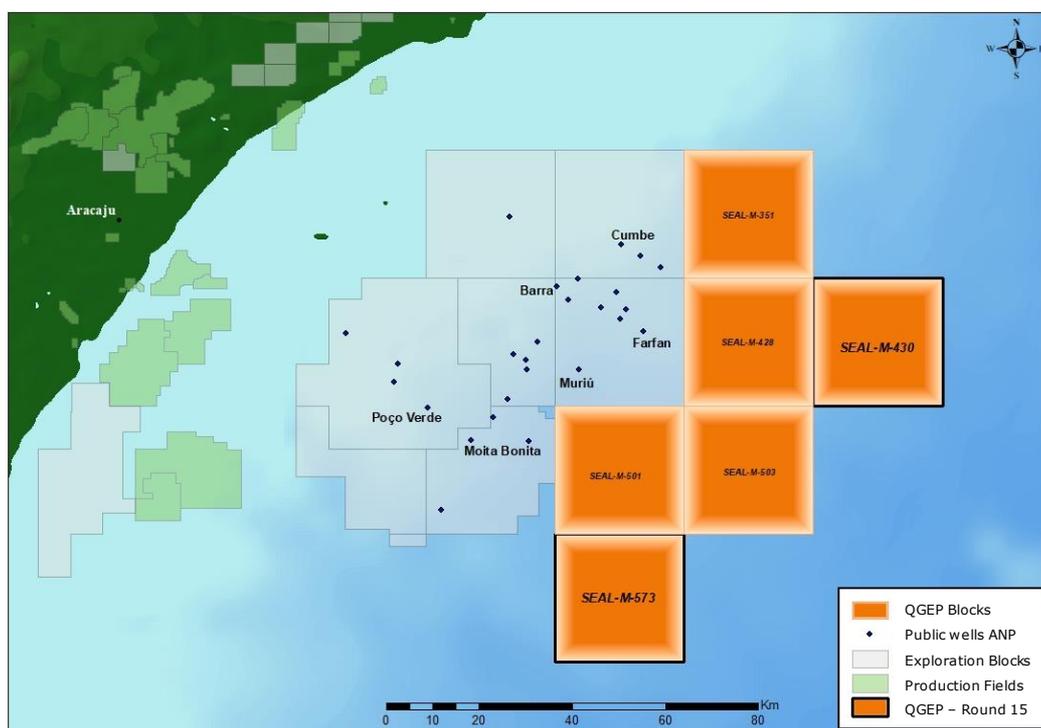
QGEP expands its presence in the Sergipe-Alagoas Basin with the acquisition of stake in two blocks in the 15th ANP Bidding Round

- QGEP confirms Atlanta's first oil for April, 2018-

Rio de Janeiro, March 29th, 2018 – QGEP Participações S.A. (B3: QGEP3), informs the that its subsidiary Queiroz Galvão Exploração e Produção S.A. ("Company", "QGEP"), in partnership with ExxonMobil Exploração Brasil Ltda. ("ExxonMobil") and with Murphy Brazil Exploração e Produção de Petróleo e Gás Ltda. ("Murphy Oil") acquired a stake in two blocks in the 15th Brazil's National Agency of Petroleum, Natural Gas and Biofuels (ANP) Bidding Round.

The blocks acquired by QGEP, SEAL-M-430 and SEAL-M-573, are located between 80 and 100 km from the coast, in ultra-deep waters in the Sergipe-Alagoas Basin, with total area of approximately 1,500 km². QGEP acquired a 30% working interest in both blocks, in partnership with ExxonMobil, the operator with 50% working interest and Murphy Oil, with 20%. These blocks are adjacent to the other blocks owned by the same consortium. Signing bonus for these exploration blocks is R\$7.3 million or R\$2.2 million net to QGEP.

"We are very pleased, working together with our partners, Exxon and Murphy Oil to have expanded our presence in the Sergipe-Alagoas Basin with the awarding of two additional blocks. Our blocks are located in ultra-deep waters, adjacent to several discoveries and present medium-to low-risk prospects with high potential. During the current year, we plan to acquire seismic for all the blocks, fulfilling the commitments of the Minimum Exploratory Program (PEM). The drilling program will be based on the interpretation of the new 3D seismic", highlighted Mr. José Milton Mendes, QGEP Exploration Superintendent.



QGEP also informs the market that the activities of interconnecting the production and control lines between the wells and the FPSO have been completed at the Atlanta Field and the Company confirms first oil for April, 2018. Daily production of up to 20,000 barrels of oil is projected after the start of the production from the two wells. Later in the year, QGEP along with its partners, will determine whether to drill a third well in the Field, which is part of the EPS, and could increase daily production by another 10,000 barrels of oil.

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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 only private Brazilian company to operate in the premium pre-salt area in Brazil. QGEP was qualified by the ANP 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