

QGEP Participações S.A.
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Publicly Held Company

MATERIAL FACT

QGEP Announces First Oil from the Atlanta Field in the Santos Basin

Rio de Janeiro, May 03rd, 2018 – QGEP Participações S.A. (“QGEP”, “Company”, B3:QGEP3) announced today that it produced first oil from the Atlanta Field on May 02nd, 2018.

Operator of Block BS-4 with a 30% working interest, QGEP confirmed initial production from one well in the Atlanta Field. The well 7-ATL-2HP-RJS is still in the stabilization phase and the Field is expected to reach daily production of 20,000 barrels of oil later in the second quarter of this year, from two wells. The oil is being produced to the FPSO, Petrojarl I, and will be sold to Shell, who has contracted to purchase all of the production from the Atlanta Field’s Early Production System (EPS).

Commenting, Lincoln R. Guardado, QGEP’s Chief Executive Officer, said, “We are pleased to announce the beginning of production in Atlanta, a Field which we have been successfully overcoming technical challenges. This represents QGEP’s second producing asset and will be a positive contributor to our operating cash flow. This project has a special meaning for us. We are the first Brazilian independent oil and gas company operating in ultra-deep waters, thus proving our technical and operational capability.”

Danilo Oliveira, QGEP’s Production Director, added: “Later this year, the consortium will decide whether to drill a third well as part of the EPS, which could add 10,000 barrels per day (kbpd) to production. This phase will be important to the longer term objective of establishing the Full Development System in Atlanta, where we expect a maximum production of about 75 kbpd until 2021.”

Located in Block BS-4, in the Santos Basin, Atlanta is a post-salt oil field situated 185 kilometers from the city of Rio de Janeiro, in water depths of approximately 1,500 meters.

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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