



**QGEP Participações S.A.**  
**Corporate Taxpayer's ID (CNPJ/MF): 11.669.021/0001-10**  
**Publicly-held Company**

## **NOTICE TO THE MARKET**

### **QGEP Provides Update on Asset Portfolio**

**Rio de Janeiro, January 9, 2012** – QGEP Participações S.A. (BMF&Bovespa: QGEP3) today provided an operational update on the Company's wholly owned subsidiaries' producing and exploratory assets.

"We ended 2011 with a greatly expanded asset portfolio, comprised of high quality prospects in the most prolific areas of oil and gas discoveries in Brazil," said José Augusto Fernandes Filho, QGEP's Chief Executive Officer. "Importantly, the combination of positive operating cash flow and a strong balance sheet provides us with the resources to continue the expansion and diversification of our portfolio."

#### • **Manati Field**

At the end of the fourth quarter, all six of wells were in operation, reaching an average daily gas production of 5.2 MMm<sup>3</sup> for December 2011. For most of the fourth quarter, the Manati Field produced from five of its six wells, resulting in an average daily gas production of 4.7 MMm<sup>3</sup> for the fourth quarter. As previously reported, in 2012 each well will individually undergo programmed maintenance, which is not expected to affect the average forecasted production of 6MMm<sup>3</sup> per day.

#### • **BM-S-12**

At Block BM-S-12, one of QGEP's most promising assets located in the Santos Basin, drilling activities continue towards the Santos #2 prospect with the Ocean Baroness Rig. The well is currently being underreamed, a well enlargement procedure, to run the 11<sup>7/8</sup>" liner and is at a depth of 4,880 meters. A total depth of approximately 6,400 meters is expected to be reached by the end of the first quarter. Once drilling is concluded and final logging has been completed, evaluation tests will be considered. QGEP holds a 30% participating interest in this block, which is operated by Petrobras.

#### • **BM-S-8**

Drilling at Block BM-S-8, one of the largest blocks in the region, continues on schedule. At Carcará, one of the pre-salt prospects in the block, drilling began in December and the well is currently at a depth of approximately 3,140 meters. A final depth of approximately 6,900 meters is expected to be reached within the next five months. Acquired through a farm-in agreement, Block BM-S-8 presents high pre-salt potential. QGEP holds a 10% interest in this block, which is operated by Petrobras.

- **BM-J-2**

At the BM-J-2 exploration block, located in the Jequitinhonha Basin, drilling activities are expected to be restarted during the second quarter of 2012 under an environmental license already obtained, which allows drilling activities through June 2013. The well is currently at a depth of 2,540 meters and total depth is estimated at 4,700 meters.

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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 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](http://www.qgep.com.br/ri).