

QGEP Participações S.A.
CNPJ/MF No. 11.669.021/0001-10
NIRE 33300292896
Publicly-held Company

NOTICE TO THE MARKET

Clarifications of news article (Official Letter CVM No. 1738/2018-SAE)

Rio de Janeiro, October 1, 2018 – QGEP Participações S.A. (“Company”, “QGEP”, B3: QGEP3) refers to the Official Letter CVM No. 1738/2018-SAE, in which the Brazilian Securities and Exchange Commission requests clarification of the article published by newspaper “O Estado de São Paulo” on September 28, 2018, entitled “Queiroz Galvão runs to avoid judicial recovery”, in particular, the statements transcribed below:

- “*To avoid the judicial recovery, due to disagreements between banking creditors, Queiroz Galvão attempts a renegotiation model which would involve an organized liquidation of the group’s assets*”; and
- “*QGEP would be tendered as collateral to the banks.*”

Considering that the information above refers to its controlling shareholder Queiroz Galvão S.A. (QGSA), and in consultation with QGSA, QGEP clarified that: (i) QGSA has been renegotiating debt with major financial creditors on its behalf and on behalf of other subsidiaries of its economic group (“Entities under Financial Restructuring”); (ii) this renegotiation is underway and to date does not have any binding document; (iii) no agreement executed, therefore, for the sale or disposal of QGSA’s shares in the Company; and (iv) there is no petition for court-supervised reorganization in progress against Entities under Financial Restructuring.

QGSA also clarified that if guarantees are agreed upon involving its shares in the Company, the number of encumbered shares and conditions will be duly communicated to QGEP’s Management.

The Company also clarified that it is not part of the group of Entities under Financial Restructuring and, if notified on referred guarantees, it will provide reasonable information pursuant to applicable laws.

For more information, please contact our Investor Relations team:

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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 Santos Basin. 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. The Manati Field has been operating since 2007 and has an average production capacity of approximately 6 million m³/day. For more information, access www.qgep.com.br/ri