



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

**NOTICE TO THE MARKET**

## **Drilling Initiated at Carcará Well in Block BM-S-8**

**Rio de Janeiro, December 14, 2011** – QGEP Participações S.A. (BMF&Bovespa: QGEP3) today announced that drilling activities started on December 10, 2011 at the Carcará well (4-SPS-86A) located in Block BM-S-8, targeting the pre-salt section. Queiroz Galvão Exploração e Produção S.A. holds a 10% participating interest in Block BM-S-8, which is operated by Petrobras. Other consortium members are Petrobras (66%), Petrogal Brasil (14%) and Barra Energia do Brasil Petróleo e Gás Ltda. (10%).

Block BM-S-8 is located in the Santos Basin approximately 270 km from the coast in water depths of approximately 2,025 meters. The 4-SPS-86A well is being drilled by the Sevan Driller Rig (SS-74), the same rig used in the drilling of the Biguá prospect. A final depth of approximately 6,900 meters is expected to be reached within five to six months.

"The back to back drilling of a new well and the continuation of the same rig previously used in Block BM-S-8 demonstrates the consortium's confidence in the high prospectivity of the area", said Lincoln Guardado, QGEP's Exploration Officer.

For more information, please contact our Investor Relations team.

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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 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 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).