

**QGEP Participações S.A.**  
**CNPJ/MF nº 11.669.021/0001-10**  
**Companhia Aberta**

## **MATERIAL FACT**

### **QGEP Releases Results for Three Prospects at Block BM-S-12**

**Rio de Janeiro, March 14, 2012** – QGEP Participações S.A. (BMF&Bovespa: QGEP3), (“QGEP”), today announced results for three of its prospects at Block BM-S-12, located in the Santos Basin. Queiroz Galvão Exploração e Produção S.A. holds a 30% participating interest at this block, which is approximately 230 km off the Southeast coast of Brazil. Petrobras is the operator with a 70% participating interest.

In July 2011, drilling began at the Ilha do Macuco well to test the Santos #1, Santos #2, Santos #3 and Santos #4 prospects. On February 1, 2012, QGEP announced it had crossed the Santos #2 prospect with the Ocean Baroness Rig at a depth of 5,200 meters. However, the Company determined that available data at that time remained inconclusive.

After final logging of this phase was completed, the following results were found at the location of the Ilha do Macuco well:

- Santos#1: water bearing and thin reservoirs;
- Santos #2: the predicted reservoirs were not encountered, although, the possibility of occurrence in the other directions of this prospect still exists. As a result, the volume potential for this prospect has decreased from that which was previously announced in the GCA report dated December 2009. A better understanding of this reduction will be made once seismic and geological reinterpretation has been completed, which is currently underway;
- Santos #3: tight reservoirs encountered, leading the Company to decide that no further activities will be performed at this prospect.

“We should highlight the independency of the results and the information obtained from these three prospects, does not change our expectations for the Santos #4 prospect,” said Lincoln Guardado, Exploration Director.

Results for Santos #4, the block’s pre-salt target, are expected to be announced by the end of the second quarter of 2012.

For more information, please contact our Investor Relations team.

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#### **About QGEP**

QGEP Participações S.A. is Brazil’s largest private sector Exploration and Production (E&P) company in terms of 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 November 2010. Manati 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)