

QGEP Participações S.A.
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Publicly Held Company

MATERIAL FACT

New Oil Discovery in the Pre-salt at Block BM-S-8

Rio de Janeiro, March 20, 2012 – QGEP Participações S.A. (BMF&Bovespa: QGEP3) today announced the presence of new high quality oil at Block BM-S-8 in the ultra-deep waters of the pre-salt in the Santos Basin. Queiroz Galvão Exploração e Produção S.A. has a 10% participating interest in the block, which is operated by Petrobras (66%). Other consortium members include Petrogal Brasil (14%) and Barra Energia do Brasil Petróleo e Gás Ltda. (10%).

The discovery occurred during the drilling of well 4-SPS-86B (4-BRSA-971-SPS) at the Carcará prospect, located 232 km off the coast of Brazil. The result was proven through oil samples of 31°API in reservoirs at a depth of 5,750 meters. In progress drilling will determine the lower limit of the reservoir and identify any other potential pay zones.

Carcará is the third well that has been drilled in the Discovery Evaluation Plan of 1-BRSA-532A-SPS (Bem-te-vi) and it is located 20 km from the block's initial discovery, in water depths of 2,027 meters.

The consortium at Block BM-S-8 will continue to perform the necessary activities and investments to evaluate the area, according to the Evaluation Plan approved by the ANP – Agência Nacional do Petróleo, Gás Natural e Combustível.

"The presence of high quality oil during pre-salt drilling at the Carcará prospect reaffirms the exploratory potential of Block BM-S-8," said Lincoln Guardado, QGEP's Director of Exploration.

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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