

QGEP Participações S.A.
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Publicly Held Company

Material Fact

QGEP Provides Update on Asset Portfolio

Rio de Janeiro, June 1st, 2012 – QGEP Participações S.A. (BMF&Bovespa: QGEP3) today provided an update on its exploratory and producing assets.

• **Manati Field**

Average daily production of natural gas for April was 6.4 MMm³ and has continued at similar levels in May, up from average daily production of 5.2 MMm³ for the first quarter of 2012. The Company expects average daily production of 6 MMm³ for full year 2012. QGEP holds a 45% interest in the Manati Field, which is operated by Petrobras.

• **BM-S-12**

The Ilha do Macuco well was drilled to a final depth of 6,540 meters and results from final logging at the Santos #4 prospect did not indicate potentially hydrocarbon productive zones. Once the data has been analyzed, which is expected to be completed in the second half of 2012, the consortium will determine any further exploratory activities to be performed at Block BM-S-12. QGEP holds a 30% interest in the block and Petrobras is the operator with a 70% ownership.

• **BM-S-8**

Drilling began at the Carcará well in the end of 2011 and in March 2012, the consortium announced the discovery of high quality oil in the block's pre-salt reservoir, located in the Santos Basin. New data acquired by the consortium reinforces the importance of this discovery, and three reports have already been delivered to the National Agency of Petroleum, Natural Gas and Fuel (ANP) with reference to the same pre-salt reservoir.

During the drilling of the Carcará well, a 171-meter continuous column of hydrocarbons was observed, which showed excellent quality reservoir. New 32 ° API oil samples in reservoir situated at a depth of 5,910 meters further reinforces the potential of this discovery. Drilling at the well continues, aimed at determining the lower limit of the reservoir and also working to identify other possible zones of interest. The final depth is expected to reach 6,700 meters.

Based on these positive findings from Carcará to date, the consortium is planning additional drilling activities in Block BM-S-8, which will be determined after the well has been analyzed within the Evaluation Plan previously approved by the ANP.

QGEP holds a 10% interest in the block; other consortium members include Petrobras (66%) as operator, Petrogal (14%) and Barra Energia (10%).

"Our recent acquisitions in the Santos Basin have expanded and improved the quality of our portfolio, reducing the average risk and increasing our volume potential of reserves and contingent resources," said Lincoln Guardado, QGEP's CEO and Director of Exploration.

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 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. 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