

QGEP Participações S.A.
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Publicly Held Company

NOTICE TO THE MARKET

QGEP Provides Update on Asset Portfolio

Rio de Janeiro, October 2, 2012 – QGEP Participações S.A. (BMF&Bovespa: QGEP3) today provided an update on its producing and exploratory assets.

Manati Field

The Manati Field, located in the Camamu Basin, is one of the largest non-associated producing gas fields in Brazil. QGEP is the largest owner with 45% of this field, which is operated by Petrobras. The Manati Field is currently the sole source of the Company's revenues and is responsible for QGEP's strong cash flow.

Considering the 1.5 Billion m³ of natural gas produced in 2011, the results of an updated Gaffney Cline & Associates (GCA) certification regarding reserves at Manati Field indicated 1P reserves of 19.7 Billion m³ of natural gas. The Field's 2P and 3P reserves are 20.5 and 22.6 Billion m³ of natural gas, respectively as of December 31, 2011.

Third quarter 2012 production levels at the Manati Field continued strong. In July, average daily gas production was 6.6 MMm³ and in the months of August and September, average daily gas production reached 6.7 MMm³, up from the average daily production of 6.6 MMm³ for the second quarter of 2012. Consistent with previous guidance, the Company expects full year 2012 average daily production of 6 MMm³ for 2012.

Please visit QGEP's Investor Relations website (www.qgep.com.br/ir) to access the complete GCA certification report.

BM-S-8

As announced in August, data obtained from intermediate wireline logging at the Carcará prospect in Block BM-S-8 confirmed a major 471 meter column of 31° API oil with more than 400 meters of microbial carbonate, showing good porosity and permeability characteristics.

Drilling is still underway to determine the total thickness of this column, as well as to investigate the potential of deeper targets at the prospect. Based on strong initial results, drilling will continue to a final depth of more than 6,500 meters. Results from Carcará and from other likely tests to be performed there are expected to be disclosed during the fourth quarter.

BM-S-12

At Block BM-S-12, the consortium has requested that the ANP approve a revision of the Evaluation Plan of the Ilha Bela well (1-SCS-13) to include reentry into that well to further deepen it and better evaluate the reservoir that was discovered in 2008. The request was submitted at the end of September and the consortium is awaiting a response from the ANP.

For more information, please contact our Investor Relations team.

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About QGEP

QGEP Participações S.A. is Brazil's largest producing company in the Brazilian Exploration and Production (E&P) private sector, 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 average production capacity of approximately 50,300 boe per day. For more information, please go to www.qgep.com.br/ri.