

QGEP Participações S.A.
CNPJ/MF nº 11.669.021/0001-10
Publicly Held Company

MATERIAL FACT

QGEP Announces Farm-In Agreement

Acquisition of 30% Stake in Three Blocks of the Campos Basin

Rio de Janeiro, November 7, 2012 – QGEP Participações S.A. (BMF&Bovespa: QGEP3, “Company”) today announced that Queiroz Galvão Exploração e Produção S.A, a wholly owned subsidiary, has entered into an agreement for the transfer of 30% of the exploration and production rights held by Petrobras at the Evaluation Plan Area of the Guanabara Prospect, which encompasses Blocks C-M-122, C-M-145 and C-M-146 (a section of the BM-C-27 Concession), located in shallow waters of the Campos Basin. Petrobras will remain the operator and retain a 70% working interest in the acquired blocks. The transfer of the participating interest to QGEP is subject to ANP approval.

Located 70 kilometers off the coast of Brazil in water depths of approximately 50 meters, the BM-C-27 Concession has one pre-salt prospect identified, Guanabara Profundo, which is expected to be drilled in 2013 and presents a higher probability of the occurrence of wet gas. The agreement in place with Petrobras will not require QGEP to disburse any upfront money for its participation in the acquired blocks. QGEP will carry a portion of the drilling costs at the Guanabara Profundo prospect. The exploration commitments to be disbursed by QGEP are currently estimated at US\$55 million.

“This farm-in agreement underscores QGEP’s strategy of expanding our exploratory portfolio and investing in high quality assets,” commented Lincoln Guardado, QGEP’s Chief Executive Officer. “It also diversifies our portfolio, providing us with a presence in the Campos Basin, the most prolific basin in Brazil, in an area of high prospectivity. Most importantly, the geological knowledge that can be attained from the region will better position us when we look to potentially acquire other exploratory assets.”

The Company will provide further information on the farm-in agreement on the 3Q12 conference call which will be held on November 8, 2012.

3Q12 Conference Call Information

Portuguese (simultaneous translation)
November 8, 2012
9:00 a.m. (US EST)
12:00 p.m. (Brasília Time)
Dial in Brazil: +55 11 4706-0951
Dial in US: +1 786 924-6977
Code: Queiroz Galvão

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About Queiroz Galvão Exploração e Produção

QGEP Participações S.A. is Brazil’s largest producing company in the Brazilian Exploration and Production (E&P) private sector, and the first and only private Brazilian company to operate in the premium pre-salt area in Brazil. QGEP is 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 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 6 million of m³ per day. For more information, access www.qgep.com.br/ri