SECOND QUARTER 2013

Earnings Release QGEP Participações S.A.

Conference Call

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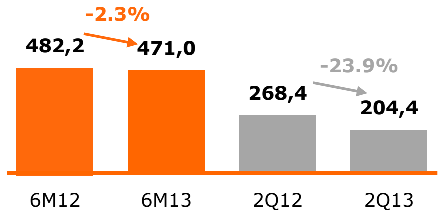
EXPLORAÇÃO E PRODUÇÃO

QGEP Reports Second Quarter 2013 Results

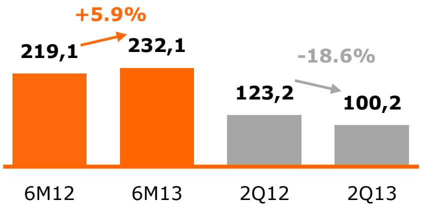
Rio de Janeiro, August 7th, 2013– QGEP Participações S.A. (BMF&Bovespa: QGEP3), the only Brazilian independent company to operate in the premium area of the pre-salt, today announced its results for the second quarter ended June 30, 2013. The following financial and operating data, except where indicated otherwise, are presented on a consolidated basis as per the accounting practices adopted in Brazil, described in the financial section of this release.

- **QGEP was awarded a total of 8 deep water blocks in the 11th ANP bidding round, with operatorship of 5 blocks.**
- **Average daily gas production from the Manati Field was 5.0MMm³ in 2Q13, despite scheduled maintenance in April.**
- **Net Revenue was R$100.2 million, compared with R$123.2 million in 2Q12.**
- **EBITDAX in 2Q13 was R$41.7 million, compared with R$79.3 million in 2Q12; 2Q13 EBITDAX margin was 41.6%.**
- **Net income was R$30.1 million in 2Q13, compared with net loss of R$96.1 million in 2Q12, when the Company recognized higher exploratory costs.**
- **Cash flow from operating activities was R$62.1 million in 2Q13, down 4.4% from 2Q12; 6M13 operating cash flow was R$160.8 million.**
- **Cash balance* of R$1.1 billion at the end of 2Q13.**

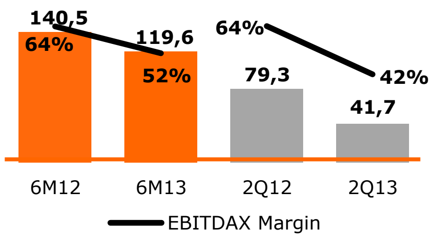
Gas Production (Millions of m³)



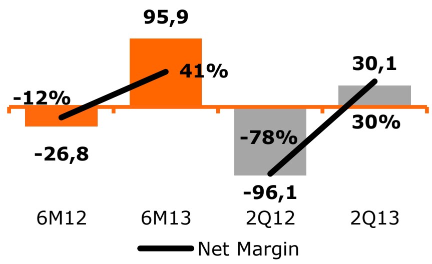
Net Revenue (R$ million)



EBITDAX (R$ million)



Net Income (R$ million)



* Includes cash, cash equivalents and marketable securities

Management Comments

The first half of 2013 was a period of solid achievement for QGEP, and in the second quarter we continued to effectively execute on our strategy of sustainable, balanced growth across all of our key activities: exploration, development and production.

The highlight of the second quarter 2013 was our participation in the 11th ANP Bidding Round, when we acquired eight blocks in deep waters located across five basins in Brazil. These new blocks substantially expanded our portfolio, increasing the total number of concessions to 14, and also diversified our industry relationships through partnerships with several large international and regional oil companies. In keeping with our strategy, QGEP has secured operatorship of five out of the eight blocks and we have working interest ranging from 20% to 50% in the blocks.

We are pleased to report that we succeeded in achieving average daily production of 5.0 MMm³ of natural gas from the Manati Field in the second quarter, despite the downtime associated with scheduled maintenance work. The entire 20-day production stoppage was completed in April within the planned schedule. After accounting for the reduced revenues and increased maintenance costs, QGEP still reported a profitable quarter and positive cash flow from operations of R$62.1 million.

We continue to forecast full year 2013 Manati average production of 5.5 to 6.0MMm³ of natural gas per day. In order to maintain these levels, it will be necessary to construct a surface compression plant to boost the reservoir energy and assist in the delivery of gas to the treatment plant. Construction of the plant will begin in 2014 and will be complete by that end of that year. As a result, QGEP is forecasting 2014 production of 5.0 to 5.5 Mm3 per day, returning to approximately 6.0Mm3 per day in 2015.

Along with today's earnings release, we included the key highlights of the reserves certification report for the Manati Field by independent industry consultants, Gaffney, Cline & Associates, which show that reserve levels remained in line from the prior year's reserve assessment, considering last year's production.

In terms of our development activities, the Early Production System at the Atlanta Field is on schedule to begin drilling late in the third quarter of 2013. We are currently preparing the final specifications to start the bidding process for an FPSO this quarter.

We are on track to drill an appraisal well for our important Carcará discovery in the pre-salt of Block BM-S-8 starting in the fourth quarter of this year, after which we will perform a drill stem test to collect data related to the reservoir productivity. The current Evaluation Plan for the Block, which has been approved by the ANP, commits QGEP to also drilling a second well at the Guanxuma prospect, and potentially a third well, depending on the results of ongoing studies of the Block. First oil at BM-S-8 is expected in 2018.

Additionally, on July 6 we restarted drilling the Alto de Canavieiras prospect at Block BM-J-2 with the jack-up rig P-VI. We expect to conclude drilling at this prospect in the emerging Jequitinhonha Basin by the end of the third quarter, at a final depth of approximately 4,700 meters.

As you will see from the more detailed update of our assets later in this release, QGEP has a full schedule of development and exploration work over the next 18 months. Our substantial operating cash flows from Manati Field gas production and our comfortable financial position and debt-free balance sheet are important sources of funding for near and medium term operations, and we expect the development of the Atlanta Field and our Carcará discovery to contribute revenues, operating cash flows and profit in the medium term.

We continue to evaluate opportunities to add to our portfolio, while working to diversify our financial and geological risk. By adopting a diligent operating and financial management strategy, QGEP is well-positioned to take advantage of the significant growth expected in the E&P sector in Brazil. We appreciate the support of our shareholders and all of our stakeholders, and we look forward to keeping your apprised of our progress.

QGEP's Assets

Basin	Block/ Concession	Field/ Prospect	QGEP Working Interest	Reserve Resource Category	Fluid	Geological Chance of Success [1]	MMboe[2]
Camamu	BCAM-40[3]	Manati	45%	Reserve[4]	Gas	-	57.7[7]
Camamu	BCAM-40[3]	Camarão Norte	45%	Contingent[5]	Gas	-	4.5
Camamu	BM-CAL-5	Copaíba	27.5%	Contingent[5]	Oil	-	17.9
Camamu	BM-CAL-12	CAM#01 (Além-Tejo)	20%	Prospective[6]	Oil	31%	24.4
Jequitinhonha	BM-J-2	Alto de Canavieiras	100%	Prospective[6]	Oil–Gas	29%	61.8[8]
Jequitinhonha	BM-J-2	Alto Externo	100%	Prospective[6]	Oil–Gas	24%	32.3[8]
Campos	BM-C-27	Guanabara Profundo	30%	Prospective	Oil-Gas	N/A	N/A
Santos	BM-S-12	Santos #1	30%	Contingent/ Prospective	Gas	N/A	N/A
Santos	BM-S-12	Santos #2	30%	Prospective	Oil	N/A	N/A
Santos	BM-S-8	Bem-Te-Vi	10%	Contingent	Oil	N/A	N/A
Santos	BM-S-8	Abaré Oeste	10%	Contingent/ Prospective	Oil	N/A	N/A
Santos	BM-S-8	Biguá	10%	Contingent/ Prospective	Oil	N/A	N/A
Santos	BM-S-8	Carcará	10%	Contingent/ Prospective	Oil	N/A	N/A
Santos	BM-S-8	Guanxuma	10%	Prospective	Oil	N/A	N/A
Santos	BS-4	Atlanta	30%	Reserve/ Contingent	Oil	N/A	N/A
Santos	BS-4	Oliva	30%	Contingent	Oil	N/A	N/A
Santos	BS-4	Piapara	30%	Prospective	Oil	N/A	N/A
Espírito Santo	ES-M-598[9]		20%	Prospective	Oil	N/A	N/A
Espírito Santo	ES-M-673[9]		20%	Prospective	Oil	N/A	N/A
Foz do Amazonas	FZA-M-90[9]		35%	Prospective	Oil	N/A	N/A
Pará-Maranhão	PAMA-M-265[9]		30%	Prospective	Oil	N/A	N/A
Pará-Maranhão	PAMA-M-337[9]		50%	Prospective	Oil	N/A	N/A
Ceará	CE-M-661[9]		25%	Prospective	Oil	N/A	N/A
Pernambuco-Paraíba	PEPB-M-894[9]		30%	Prospective	Oil	N/A	N/A
Pernambuco-Paraíba	PEPB-M-896[9]		30%	Prospective	Oil	N/A	N/A

(1) Geological Chance of Success as per the GCA Report.

(2) The resources cited in barrels of oil equivalent (boe) were calculated by QGEP utilizing data from GCA reports as of 12/31/2010. The conversion rate for boe utilized was 1,000 m^3 of gas equals 1 m^3 of oil/condensate (equivalent energy), and 1 m^3 of oil/condensate equals 6.29 barrels.

(3) Block BCAM-40 was relinquished after the ring fence of the areas of Manati and Camarão Norte fields were defined.

(4) Reserves 3P: sum of proven, probable and possible reserves.

(5) 3C Contingent Resources: High Contingent Resources estimates, which is typically assumed to have a 10% chance of being achieved or exceeded.

(6) Risked Mean Prospective Resources, which takes into account the range of low, best and high estimates and is ponderated by geological risk.

(7) Volume from Manati Field net to QGEP reflects 3P reserve in the GCA report dated 31st December 2012 (60.7 million boe) less the volume produced in 6M13 (3.0 million boe).

(8) Volumes are weighted by the probability that 50% will be oil and 50% will be gas.

(9) Blocks acquired at the 11th ANP Bidding Round pending concession contract signature.

Results of the 11th ANP Bidding Round

On May 15, 2013, QGEP announced that it was awarded 8 blocks at the 11th Bidding Round hosted by the Agência Nacional do Petróleo, Gás Natural e Bicombustíveis (ANP):

- Of the eight blocks acquired, one is located in the Foz do Amazonas Basin, one in the Ceará Basin and two each in the Espírito Santo, Pará-Maranhão and Pernambuco-Paraíba Basins. The total area covered by the blocks is 5,785 km^2.
- QGEP will be the operator of 5 out of the 8 blocks, and will commit a total of R$94.9 million in signature bonuses for all participations.
- Partners in the consortium for the blocks include major international oil companies such as Total, Statoil and Petrobras, as well as independent oil companies, including Premier Oil and Pacific Rubiales, amongst other local companies.
- The Company has committed to acquire 3D seismic data in all of the awarded blocks. The total amount to be spent acquiring this data in the next two years will be US$30 to US$40 million.
- Four exploratory wells are also committed to be drilled, starting in 2017, at a total cost of approximately US$200 million net to QGEP.

Producing and Development Assets

MANATI

Production at the Manati Field in the second quarter averaged 5.0MMm^3 per day, despite the impact of the scheduled maintenance in April which halted production for 20 days. For 6M13, the average daily production at the Field was 5.8 MMm^3.

As previously announced, QGEP will carry out maintenance, including the painting of the platform, in the fourth quarter 2013, at an expected cost of around R$20 million net to QGEP. This will not impact production at the field. As a result, QGEP reaffirms its forecast for full year average daily production at the field of 5.5 to 6.0 MMm^3. Due to the maintenance carried out in April, QGEP recognized R$14.8 million in operating costs in 2Q13, with a further R$6.4 million related to the maintenance in the gas plant capitalized.

Construction of a compression plant at the Manati Field is scheduled to begin in early 2014. Once the compression plant is operational, lifting costs will increase. The impact on the assets` EBITDA margin, however, should be limited.

QGEP today provided an update on natural gas reserves at Manati Field, based on a reserve report prepared by independent consultant Gaffney, Cline & Associates (GCA). The report dated December 31st, 2012 shows 1P reserves of 16.7 billion m³ of natural gas and 2P and 3P reserves of 17.9 and 21.1 billion m³ of natural gas, respectively.

ATLANTA AND OLIVA (Block BS-4)

Progress at Atlanta continues on schedule, with the drilling of two horizontal wells scheduled to begin at the end of the third quarter of 2013. The Company will also carry out production tests to define the expected well productivity, which QGEP anticipates to be in the 6-12 kbd range per well, based on the preliminary studies. First oil is expected to be extracted by 2015, with full-scale development in 2017/18. The recoverable expected volume, considering a 17% recovery factor, totals 260 million barrels (78 million barrels net to QGEP).

The Company is currently preparing the final specifications to start the bidding process for an FPSO in the coming weeks. QGEP is working with world-class service providers for operations at the Field, including Baker, Cameron and GE. Net to QGEP, capital expenditures for the Early Production System are projected at US$45 million this year, and a further US$78 million in 2014.

QGEP is the operator of Atlanta and Oliva fields and owns a 30% participating interest. The Company is awaiting ANP approval for its Development Plan at the Oliva Field.

Exploratory Assets

The Company has contracted Gaffney, Cline & Associates (GCA) to carry out a resources certification for QGEP's exploration portfolio, which is expected to be released in the following months.

BM-J-2

On July 6, 2013, the Company restarted drilling at the 1-QG-5A-BAS well in Block BM-J-2. The well will test the Alto de Canavieiras prospect (JEQ#1) in the pre-salt section of the Jequitinhonha basin. At the end of September 2011, drilling was suspended at a depth of 2,540 meters due to IBAMA-mandated environmental regulations which prohibit drilling activities during certain periods of the year. Drilling is being performed by the P-VI jack-up rig and targets a total depth of approximately 4,700 meters, which QGEP expects to reach by the end of the third quarter of 2013.

QGEP is the operator with a 100% ownership interest. The total capital expenditures for JEQ#1 is expected to reach US$140 million, of which US$70 million was expensed in 2011, when the Company drilled part of the well, with remaining US$70 million to be expensed in 2013.

BS-4

The Company has acquired new 3D seismic data for BS-4, in order to improve imaging for the area's pre and post-salt targets. The Company is currently interpreting the final seismic data received at the end of the second quarter. Once this analysis is complete, QGEP will define the next steps related to the drilling activities at the Piapara pre-salt prospect.

BM-S-8

The Consortium received ANP approval for the revised Evaluation Plan at BM-S-8 at the end of the first quarter. We are making progress towards drilling the Carcará appraisal well in the fourth quarter of 2013. This will be followed by a Drill Stem Test (DST) to collect further data. Drilling and testing are expected to last approximately 6 to 8 months.

In 2014, the Consortium plans to drill a well at the Guanxuma prospect, which was also included in the revised Evaluation Plan, and a third well that is contingent on the results of the ongoing studies of the BM-S-8 Block. The Consortium will also perform an Extended Well Test (EWT) at Carcará appraisal well in 2015.

As laid out by the operator of the Block, the development schedule for the Carcará discovery calls for drilling of production wells in 2016-2017 with first oil by 2018. Carcará well shows a continuous column of at least 471 meters of 31° API oil with more than 400 meters of microbial carbonates, with good porosity and permeability conditions. This well reached the total depth of 6.671 meters. The block is located in the pre-salt area of the Santos Basin, approximately 230 kilometers off the coast of São Paulo.

BM-C-27 (Blocks C-M-122, C-M-145 and C-M-146)

Drilling at the Guanabara Profundo pre-salt prospect is on course to begin in 2015, allowing time for the procurement of long-lead drilling items utilized in the investigation of deeper reservoirs. Capital expenditures net to QGEP at the Guanabara Profundo prospect in 2015 are expected to total US$55 million, including the carry of part of the capex corresponding to Petrobras, the operator.

The BM-C-27 Concession includes Blocks C-M-122, C-M-145 and C-M-146, all of which are located in the shallow waters of the Campos Basin, approximately 70 kilometers off the coast. The Company is currently awaiting ANP and CADE approval for the transfer of 30% of the concession rights related to this farm-in.

BM-S-12

The Consortium expects to begin activities to reenter at the Ilha Bela well (1-SCS-13) in 2014 to deepen and evaluate the discovery, which was drilled in 2008. Expected capital expenditures for Block BM-S-12, net to QGEP, are approximately US$25 million.

BM-CAL-12 (Blocks CAL-M-312 and CAL-M-372)

The Consortium is awaiting the environmental license from IBAMA, which is expected to be received in 2014, with the drilling commencing shortly after the license is obtained. The Consortium will drill one wildcat well to target the CAM#01 (Além-Tejo) prospect, located at CAL-M-372 Block.

The amount to be spent, net to QGEP for 2014 exploratory activities at the BM-CAL-12 Concession, are expected to be approximately US$40 million.

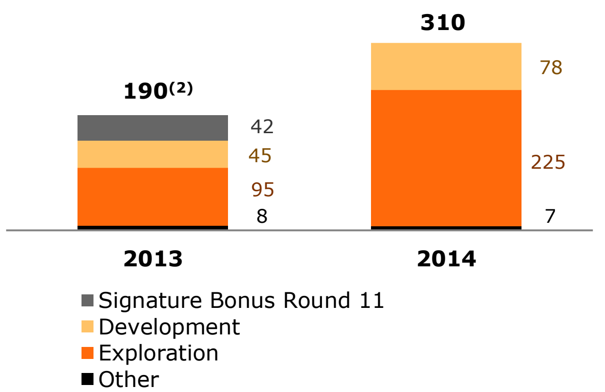
BM-CAL-5

At Block BM-CAL-5, the Consortium is waiting for IBAMA to issue the Terms of Reference, which precede the environmental license necessary to begin drilling to further evaluate the Copaíba discovery. The Consortium expects to receive the license in late 2014, and to begin drilling in 2015. CAPEX, net to QGEP, for activities at BM-CAL-5 are expected to be approximately US$22 million in 2015.

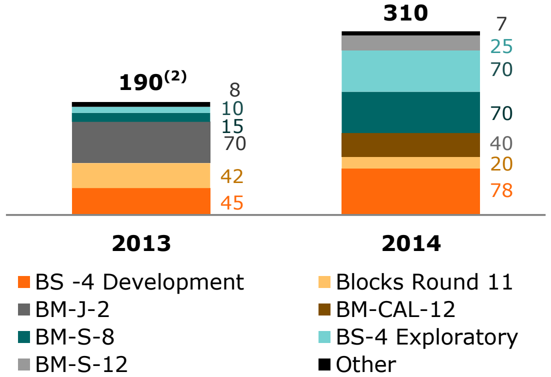
The block is located in the Camamu Basin, with reservoir depth of 2,700-3,700 meters, and estimated 3C contingent resources of 17.9 million boe.

CAPEX

CAPEX net to QGEP[1] (US$ million)



CAPEX net to QGEP[1] (US$ million)



(1) Does not include the compression plant at the Manati Field
(2) US$30 million had been spent as of June 30, 2012

Recent Corporate Developments

On May 6, 2013, the Board of Directors approved QGEP's Third Share Buyback Program with the shares acquired to be held in treasury and subsequently be cancelled and/or forfeited, in order to service the 2013 stock option plan. As of July 31, 2013, QGEP had bought a total of 2,120,319 common shares and the average price was R$11.12 per share. Currently, the total amount of Company owned shares held in treasury is 5,709,275.

Sustainability, Environment and Safety

Throughout the last quarter, we have continued to work on important social and environmental projects in the region which extends from Ilhéus to Belmonte, in the south of the state of Bahia, such as: (i) the

Fishing Vessel Unloading Project (Projeto de Monitoramento do Desembarque Pesqueiro - PMDP), which in April 2013 celebrated two years of activity and is an important tool for understanding the dynamics of the region's fishing activities; (ii) the Project to Monitor Beaches and Strandings (Projeto de Monitoramento de Praias - PMP), maintained in the past two years, through which biologists and veterinarians work to rescue stranded marine animals; (iii) Deliveries took place under the rules of the Fishing Activity Compensation Project (Plano de Compensação da Atividade Pesqueira - PCAP) and through dialogue with traditional communities.

In the last quarter we have assured the continuity of the "Viva Vôlei" Project which has activities in two sites, Canavieiras and Campinhos. The project benefits more than 200 children of school age, who also receive social and pedagogical support. The Company has a continuing partnership with the Portinari Project, whose main activity is the "Portinari For All, Art and Environment" Exhibition, which was taken to many municipalities in the state of Rio de Janeiro.

Regarding Health and Safety in the activities of Block BM-J-2, in 2013 QGEP conducted a cycle of audits on the main service suppliers, in order to mitigate risks and to improve the working conditions and wellbeing of all employees. Additionally, QGEP compiled a Health and Safety Manual, covering all of QGEP's rigorous health and safety protocols, and distributed the Manual to all employees.

As part of our commitment to transparency and responsible management, QGEP's Annual Sustainability Report for the year 2012 was published early August, 2013.

Financial Performance

For 2Q13, 2Q12, 6M13 and 6M12, the financial statements below represent consolidated financial information for the Company. Some percentages and other figures included in this report were rounded to facilitate presentation and therefore may present slight differences in relation to the tables and notes presented in the quarterly information. In addition, for the same reason, the totals presented in certain tables may not reflect the arithmetic sum of the preceding figures.

Consolidated Financial Information (R$ million)

	2Q13	2Q12	Δ%	6M13	6M12	Δ%
Net income	30.1	(96.1)	131.4%	95.9	(26.8)	N/A
Amortization and depreciation	18.7	21.7	-14.0%	42.3	39.0	8.2%
Net financial income (expenses)	(9.7)	(7.8)	-24.5%	(28.0)	(47.0)	40.4%
Income tax and social contribution	1.5	4.1	-62.5%	7.1	18.0	-60.7%
EBITDA(1)	**40.7**	**(78.0)**	**152.2%**	**117.2**	**(16.8)**	**N/A**
Oil and gas exploration expenditure with subcomercial and dry wells(2)	1.0	157.3	-99.4%	2.4	157.3	-98.5%
EBITDAX(3)	**41.7**	**79.3**	**-47.4%**	**119.6**	**140.5**	**-14.9%**
EBITDA Margin(4)	40.6%	-63.3%	164.1%	50.5%	-7.6%	N/A
EBITDAX Margin (5)	41.6%	64.4%	-35.4%	51.5%	64.1%	-19.7%
Net Debt(6)	(1,054.0)	(895.5)	-17.7%	(1,054.0)	(895.5)	-17.7%
Net Debt/EBITDAX	(4.0)	(4.8)	17.0%	(4.0)	(4.8)	17,0%

(1) We calculate EBITDA as profit before taxes and social contributions, net financial results and amortization expenses. EBITDA is not a financial measure according to Brazilian GAAP; or IFRS. It should also not be considered in isolation or as a substitute for net income, as a measure of operating performance, or as an alternative to operating cash flow as a measure of liquidity. Other companies may calculate EBITDA differently than us. Furthermore, EBITDA has limitations which inhibit its usefulness as a measure of our profitability as it does not consider certain costs inherent in our business, which could significantly impact our net results, such as net financial income, taxes and amortization. EBITDA is utilized by us as an additional measure of our operating performance.
(2) Exploration expenses relating to subcommercial wells or to non operational volumes.

(3) EBITDAX is a measure used by the oil and gas industry calculated as follows: EBITDA + exploration expenses with subcomercial and dry wells.

(4) EBITDA divided by net revenue.
(5) EBITDAX divided by net revenue.
(6) Net debt corresponds to total debt, comprising current and long-term loans and financing and derivative financial instruments, less cash and cash equivalents and marketable securities. Net debt is not recognized under Brazilian GAAP, U.S. GAAP, IFRS or any other generally accepted accounting principles. Other companies may calculate net debt in a different manner.

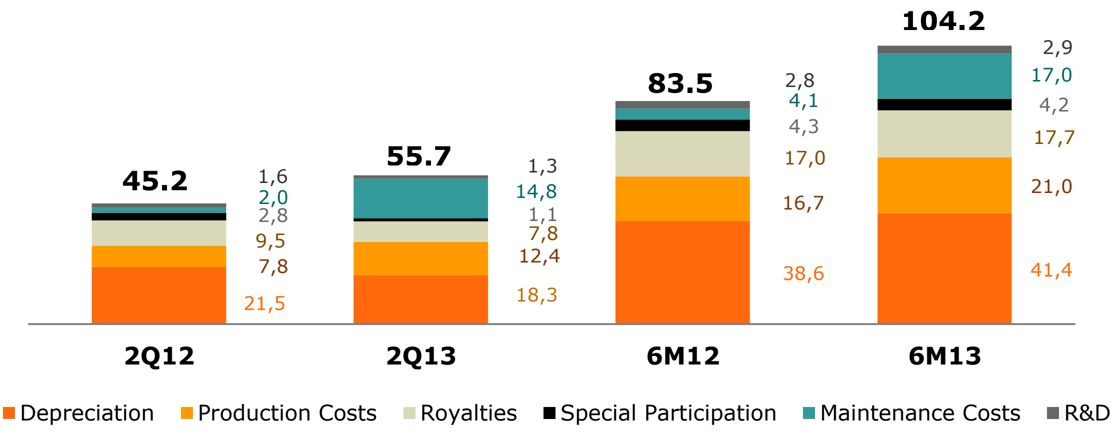
Operating Results

Net revenues for 2Q13 reached R$100.2 million, an 18.6% decrease from 2Q12 and a 24.0% fall from 1Q13. This was a result of lower gas production at the Manati field due to the scheduled maintenance that was carried out in April, stopping production for 20 days. For 6M13, net revenues totaled R$232.1 million, a 5.9% increase over 6M12, due to higher prices and similar natural gas production (average daily production of 5.8 MMm^3 in 6M13, from 5.9 MMm^3 in 6M12).

Due to the scheduled maintenance, QGEP recognized extraordinary maintenance costs in the quarter, which drove an increase in operating costs of 23.3% from 2Q12 and 14.9% from 1Q13. Operating costs in the quarter consisted of R$12.4 million in production costs, R$18.3 million in depreciation and amortization, R$7.8 million in royalties, R$1.1 million in special participation, R$1.3 million in R&D and R$14.8 million in maintenance costs.

For the first six months of 2013, total operating costs were R$104.2 million in 2013, 24.8% higher than the same period of 2012, mainly due to maintenance costs.

Operating Costs
(R$ million)



General and Administrative Expenses

Second quarter general and administrative expenses were R$15.4 million, down 24.2% from 2Q12 and 7.6% from 1Q13. G&A in 2Q12 were affected by special charges related mainly to profit sharing costs and costs related to changes in Company management.

For 6M13, total G&A expenses were R$32.1 million, in line with the R$31.0 million registered in 6M12. Some non-recurring expenses incurred in 2Q12 offset the higher number of employees this year. The Company currently has 98 employees.

Exploration Expenses

Total exploration expenses in 2Q13 were R$7.0 million, down 95.5% from 2Q12, largely due to expenses incurred in 2Q12 related to unsuccessful exploration activities at BM-S-12, the Ilha do Macuco well (R$120.1 million), and the relinquishment of Jequitibá to the ANP (R$37.2 million).

Exploration expenses fell 48.1% from 1Q13, due to lower costs associated with the acquisition of seismic data. Such data acquired in 6M13 was related to the analysis of BM-C-27 Concession, as well as used in preparation for participating at the 11th ANP bidding round.

Net Financial Income

In 2Q13, QGEP generated net financial income of R$9.7 million, up 24.5% from R$7.8 million in the second quarter of 2012 due to the positive impact of adjustments of hedge positions and the lack of interest expense since the company paid off its debt. Net financial income dropped 47.3% from 1Q13, impacted by a non-cash foreign exchange loss of R$11.3 million related to the provision of abandonment at the Manati Field.

For 6M13, net financial income totaled R$28.0 million compared to R$47.0 million in 6M12, due mainly to lower interest rates in Brazil as well as the impact of foreign exchange movement on liabilities.

Net Income

Net income in 2Q13 was R$30.1 million, compared with a loss of R$96.1 million in 2Q12, when the Company recognized R$157.4 million of exploration expenses. Net income fell 54.1% from 1Q13, as the scheduled maintenance at Manati led to lower revenues and higher costs.

In 6M13 the Company generated net income of R$95.9 million, compared to a R$26.8 million loss in the same period of the previous year.

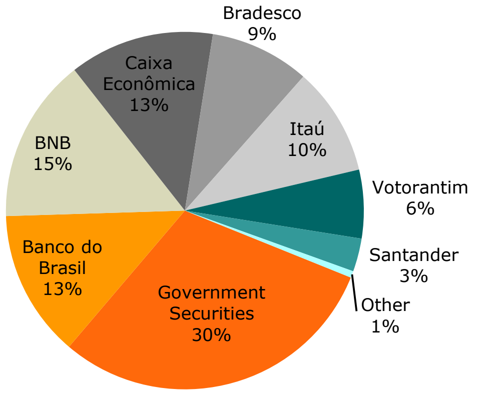
Balance Sheet/Cash Flow Highlights

Cash (Cash, Cash Equivalents and Marketable Securities)

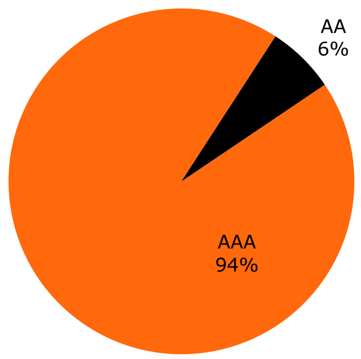
At the end of 2Q13, the Company had a consolidated cash position of R$1.1 billion, of which US$2.3 million was held in dollars.

Cash is invested in dedicated funds and fixed income assets, mainly in reais. The cumulative average yield of the portfolio at June 30, 2013 was 101.9% of the CDI rate and approximately 86% of the funds have daily liquidity. The breakdown is shown in the charts below.

Investment Distribution



Ratings*



*Does not include Government Securities

Accounts Receivable/Payable

Accounts receivable at the end of 2Q13 were R$103.0 million, in line with R$101.2 million at the end of 1Q13. Accounts payable were R$86.9 million at the end of 2Q13, up from R$36.2 million at the end of 1Q13, due to the contracting of suppliers and equipment for the Atlanta Field and the restarting of drilling at BM-J-2.

Debt

The Company ended 2Q13 with no debt. As previously reported, in the second quarter of 2012, the Company eliminated its debt, following the total repayment of the BNDES and BNB loans linked to Manati Field development.

Operating Cash Flow

The Company had operating cash flow of R$62.1 million in the second quarter of 2013, compared with R$65.0 million in the second quarter of 2012. Operating cash flow for the first half of 2013 was R$160.8 million compared with R$120.7 million in the first half of 2012.

Investor Relations

QGEP Participações S.A.

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About QGEP

QGEP Participações S.A. is Brazil's only private Brazilian company to operate in the premium pre-salt area in Brazil. QGEP is qualified by the ANP to act as "Operator A" from shallow to 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 m^3 per day. For more information, access www.qgep.com.br/ri

The consolidated financial information of the Company for the quarter ended June 30, 2013 and June, 2012 was prepared by the Company in accordance with IFRS as issued by IASB.

Annex I – INCOME STATEMENT

Income Statement (R$ million)

	2Q13	2Q12	Δ%	6M13	6M12	Δ%
Net Revenue	**100.2**	**123.2**	**-18.6%**	**232.1**	**219.1**	**5.9%**
Operating costs	(55.7)	(45.2)	-23.3%	(104.2)	(83.5)	-24.8%
Gross profit	**44.5**	**78.0**	**-43.0%**	**127.9**	**135.7**	**-5.7%**
Operating income (expenses)						
General and administrative expenses	(15.4)	(20.4)	24.2%	(32.2)	(31.0)	-3.6%
Equity Method	(0.0)	-	N/A	(0.2)	-	N/A
Oil and gas exploration expenditures	(7.0)	(157.4)	95.5%	(20.5)	(160.4)	87.2%
Operating income (loss)	**22.0**	**(99.8)**	**122.1%**	**74.9**	**(55.8)**	**234.3%**
Financial income (expenses), net	9.7	7.8	24.5%	28.0	47.0	-40.4%
Income (Loss) before income tax and social contribution	**31.7**	**(92.0)**	**134.4%**	**103.0**	**(8.8)**	**N/A**
Income tax and social contribution	(1.5)	(4.1)	62.5%	(7.1)	(18.0)	60.7%
Net Income (Loss)	**30.1**	**(96.1)**	**131.4%**	**95.9**	**(26.8)**	**N/A**

Annex II – BALANCE SHEET

Balance Sheet (R$ million)

	2Q13	1Q13	Δ%
Assets			
Current Assets	**1,185.8**	**1,180.9**	**0.4%**
Cash and cash equivalents	575.0	674.1	-14.7%
Marketable Securities	479.0	360.2	33.0%
Trade accounts receivable	103.0	101.2	1.8%
Recoverable taxes	6.4	18.9	-66.4%
Other	22.5	26.5	-15.0%
Non-current Assets	**1,383.1**	**1,326.9**	**4.2%**
Restricted cash	23.7	27.7	-14.5%
Recoverable taxes	0.5	0.4	20.7%
Investments	6.9	4.3	60.5%
Property, plant and equipment	815.7	758.2	7.6%
Intangible assets	536.4	536.3	0.0%
Total Assets	**2,568.9**	**2,507.7**	**2.4%**
Liabilities and Shareholders' Equity			
Current Liabilities	**151.5**	**96.7**	**56.7%**
Trade accounts payable	86.9	36.2	139.8%
Taxes payable	22.8	30.1	-24.1%
Payroll and related taxes	9.2	6.7	36.0%
Due to related parties	0.1	0.3	-52.0%
Borrowings and financing	0.0	0.0	N/A
Provision for research and development	11.6	10.7	8.6%
Other current liabilities	20.9	12.7	64.9%
Non-current Liabilities	**109.0**	**114.8**	**-5.1%**
Borrowings and financing	0.0	0.0	N/A
Provision for abandonment	109.0	114.8	-5.1%
Shareholders' Equity	**2,308.5**	**2,296.3**	**0.5%**
Integrated capital stock	2,078.1	2,078.1	0.0%
Other comprehensive income	1.0	0.2	553.8%
Profits reserve	176.4	176.4	0.0%
Capital reserve	(42.9)	(24.1)	-78.2%
Net income for the period	95.9	65.7	45.9%
TOTAL Liabilities and Shareholders' Equity	**2,568.9**	**2,507.7**	**2.4%**

Annex III – CASH FLOWS

Cash Flows (R$ million)

	2Q13	2Q12	Δ%	6M13	6M12	Δ%
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income for the period	30.1	(96.1)	131.4%	95.9	(26.8)	N/A
Adjustments to reconcile net income to net cash provided by operating activities:						
Amortization and Depreciation	18.7	21.7	-14.0%	42.3	39.0	8.2%
Equity Method	(0.0)	-	N/A	0.2	-	N/A
Deferred income tax and social contribution	-	(2.4)	N/A	-	(2.5)	N/A
Financial charges and exchange rate variation borrowings and financing	-	0.7	N/A	-	2.6	N/A
Write-off	-	118.1	N/A	-	118.1	N/A
Expense with stock option plan	2.7	2.6	6.4%	5.4	4.0	32.6%
Provision for income tax and social contribution	(1.5)	6.5	-123.6%	(7.1)	20.5	-134.5%
Provision for research and development	0.9	1.6	-40.8%	2.6	2.8	-7.6%
Financial derivative instruments	(0.5)	-	N/A	(0.5)	-	N/A
Exchange rate variation on accounts payable for acquisition of exploratory blocks	-	-	N/A	-	(22.8)	N/A
Exchange rate variation on provision for abandonment	(5.8)	11.2	-151.9%	(7.5)	8.2	-192.1%
Increase/decrease in operating assets:	15.3	(33.8)	145.2%	16.5	(36.6)	145.1%
Increase/decrease in operating liabilities:	2.1	34.8	-93.8%	13.0	14.1	-7.8%
Net cash inflows from operating activities	**62.1**	**64.9**	**-4.4%**	**160.8**	**120.7**	**33.2%**
CASH FLOWS FROM INVESTING ACTIVITIES						
Net cash inflows from/used in investing activities	(148.7)	(0.4)	N/A	(444.6)	(232.6)	-91.1%
CASH FLOWS FROM FINANCING ACTIVITIES						
Net cash inflows from/used in financing activities	(13.5)	(82.2)	83.6%	(13.5)	(112.2)	88.0%
Total exchange rate variation on cash and cash equivalents	1.0	-	N/A	1.0	-	N/A
Increase (Decrease) in cash and cash equivalents	**(99.1)**	**(17.6)**	**-462.9%**	**(296.3)**	**(224.2)**	**-32.2%**
Cash and cash equivalents at the beginning of the period	674.1	815.4	-17.3%	871.3	1,021.9	-14.7%
Cash and cash equivalents at the end of the period	575.0	797.7	-27.9%	575.0	797.7	-27.9%
Increase (Decrease) in cash and cash equivalents	(99.1)	(17,6)	N/A	(296.3)	(224.2)	-32.2%

Annex IV – GLOSSARY

ANP	National Agency of Petroleum, Natural Gas and Fuel
Deep water	Water depth of 401 – 1.500 meters.
Shallow water	Water depth of 400 meters or less.
Ultra-deep water	Water depth of 1.501 meters or more.
Basin	A depression in the Earth's crust in which sediments have accumulated that could contain oil and/or gas, associated or not.
Block(s)	Part(s) of a sedimentary basin with a polygonal surface defined by the geographic coordinates of its vertices and undefined depth where oil and natural gas exploration or production activities are carried out.
"Boe" or Barrel of oil equivalent"	A measurement of gas volume converted to barrels of oil using a conversion factor whereby 1.000 m^3 of gas equals 1 m^3 of oil/condensate and 1 m^3 of oil/condensate equals 6.29 barrels and (energy equivalence).
CADE	Administrative Council for Economic Defense (in Portuguese, Conselho Administrativo de Defesa Econômica)
Concession	A grant of access by a country to a company for a defined area and period of time that transfers certain rights to any hydrocarbons that may be discovered from the country in question to the concessionaire.
Discovery	In accordance with the Petroleum Law, a discovery is any occurrence of petroleum, natural gas or other hydrocarbons, minerals and, in general terms, mineral reserves located in a given concession, independently of quantity, quality or commercial viability that are confirmed by at least two detection or evaluation methods (defined in the ANP concession agreement). To be considered commercially feasible, a discovery must present positive returns on an investment under market conditions for development and production.
E&P	Exploration and Production
Farm-in and Farm-out	Process of partial or complete acquisition of concession rights held by another company. The company acquiring the concession rights is said to be in the farm-in process and the company selling concession rights is in the farm-out process.
Field	An area covering a horizontal projection of one or more reservoirs containing oil and/or natural gas in commercial quantities.
FPSO	A floating production, storage and offloading (FPSO) unit is a floating vessel used by the offshore oil and gas industry for the processing of hydrocarbons and for storage of oil.
GCOS	Geological Chance of Success

GCA	Gaffney, Cline & Associates
Kbd	One thousand barrels per day
Operator	A company legally appointed to conduct and execute all operations and activities in the concession area, in accordance with the terms of the concession agreement signed by the ANP and the concessionaire.
"Type A" Operator	Qualification of the ANP to operate onshore, offshore in shallow to ultra-deep waters
Exploratory Prospect(s)	A prospect is a potential accumulation mapped by geologists or geophysicists where there is a probability of a commercially viable accumulation of oil and/or natural gas that is ready to be drilled. The five necessary elements for the existence of an accumulation (generation, migration, Reservoir, seal and entrapment) must be present and the lack of any of the five means there is either no accumulation or accumulation that is not commercially viable.
Contingent Resources	Represent quantities of oil, condensate and natural gas that are potentially recoverable from accumulations acknowledged during the development of projects, but that are not considered commercially recoverable as yet due to one or more contingencies.
Risked Prospective Resources	Prospective resources multiplied by GCOS.
Reserves	Quantities of petroleum expected to be commercial recoverable by applying development projects to known accumulations as of a given date and under defined conditions.
Possible Reserves	Quantities of petroleum which analysis of geoscience and engineering data indicate are less likely to be recovered than probable reserves.
Proven Reserves	Quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable as of a given date from known reservoirs and under defined economic conditions, operating methods and government regulations.
Probable Reserves	Quantities of petroleum that, according to geoscience and engineering data, are estimated to have the same chance (50%/50%) of being achieved or exceeded.