

QGEP Participações S.A.
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NOTICE TO THE MARKET

QGEP concludes drilling in Block BM-J-2 in the Jequitinhonha Basin

Rio de Janeiro, October 7, 2013 – QGEP Participações S.A. (BMF&Bovespa: QGEP3) today announced that it has concluded the drilling of the 1-QG-5A-BAS well in Block BM-J-2 located in the Jequitinhonha Basin. Queiroz Galvão Exploração e Produção S.A. (“QGEP”, “Company”) is the operator of the block with a 100% working interest.

Located in the shallow waters of the Jequitinhonha Basin 20 km off the Bahia state, the well 1-QG-5A-BAS targeted the Alto de Canavieiras (Jeq#1) prospect in the pre-salt section.

Drilling was concluded at the total depth of 4,800 meters, approximately 750 meters below the salt layer. Based on the hydrocarbons shows found during the drilling, QGEP filed a Notice of Discovery with the ANP on August 20, 2013, as already released to the market.

QGEP is in the process of analyzing the data obtained during the drilling. The Company has until early December to propose a strategy for Block BM-J-2 to the ANP (Agência Nacional do Petróleo, Gás Natural e Biocombustíveis).

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About Queiroz Galvão Exploração e Produção

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 m3 per day. For more information, access www.qgep.com.br/ri