

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

NOTICE TO THE MARKET

Rio de Janeiro, Novembro 7, 2013 - QGEP Participações S.A. (BM&FBovespa: QGEP3) in response to a letter received from the CVM on November 6, 2013, titled "Ofício GAE 665/13", with the content described below, inform the following:

"Copy to:

Mr. Nelson Barroso Ortega
Gerência de Acompanhamento de Empresas
BM&FBOVESPA S.A. Bolsa de Valores, Mercadorias e Futuros

Ref.: **Clarifications to CVM / Bovespa**

Response to Notice CVM/SEP/GEA-1/No 665/2013

Dear Srs,

1. **QGEP PARTICIPAÇÕES S.A.**, company headquartered in the City of Rio de Janeiro, State of Rio de Janeiro, with offices at Avenida Almirante Barroso, 52, conj. 1301, registered with the Brazilian National Taxpayers' Registry ("CNPJ/MF") under nº 11.669.021/0001-10 ("**Company**"), hereby, respectfully present to the *Comissão de Valores Mobiliários* ("**CVM**") the necessary information in response to the request for comments made through the Notice **CVM/SEP/GEA-1/No 665/2013**, dated November 6, 2013 ("**Notice**").

2. The Notice requests clarifications in relation to certain information published in the newspaper *Valor Econômico* on November 6, 2013, in the article "*OGX e Eike deverão se enfrentar em arbitragem*", which references Queiroz Galvão Exploração e Produção S.A. (QGEP), a wholly owned subsidiary of the Company. The article further references the Concession Agreement of Block BS-4, operated by QGEP in the consortium formed with Barra Energia (Barra) and OGX Petróleo e Gás (OGX) ("**Consortium**").

3. More specifically, the Notice requires the Company's pronouncement over the assertion made in the article with respect to the possibility of QGEP "*shoulder the investments that would fall to OGX, which holds 40% of the area [Block BS-4]*".

4. Initially, we must clarify that the Company has no information regarding the sources cited in the article and/or if such sources have knowledge of the contracts, rules and specificities applicable to the Consortium for the execution of the Concession Agreement in question. We further elucidate that the Company does not know of any decision by the National Petroleum Agency – NPA regarding the conditions for the loss of the concession by OGX and consequences to the other consortium members, which was also cited by the newspaper.

5. We further clarify that the Company was not approached to comment in relation to the opinion published yesterday, which is of a legal nature, relating to the obligation of QGEP, as a consortium member, to invest resources in the name of OGX, which payment the article labels “carry”.

6. Regarding the penalties and obligations inherent to QGEP stated in the article, we clarify the following:

7. QGEP is the Operator designated in the Concession Agreement for Block BS-4, whereby, as the leader, it is tasked with representing the Consortium before the NPA. The Concession Agreement is presently in its development phase, which is expected to occur in two stages: (a) initial phase, denominated *Sistema de Produção Antecipada*, the purpose of which is to confirm the reservoir data in order to optimize the production of the Atlanta field, and (b) definitive phase, the production period of the Concession.

8. Each concessionary assumes, individually and in proportion to their participating share therein, rights and obligations under the Concession. In the case of Block BS-4, in relating to operations subsequent the exploration phase, its execution is premised on the economic viability of the project.

9. Despite the stipulation in the Concession of solidarity between all members of the Consortium before the NPA (that is, in the event one of the consortium members is in default, the NPA may in principle require the compliance of the obligation from the other members thereto), in the event of an eventual default by a consortium member, such default – even if the other members contribute resources for the defaulting member for the preservation of the BS-4 project – configures not only a default under the Consortium Agreement by the defaulting party but also in the Concession.

10. Further, and to this notion, the applicable legislation as well as the Concession Agreement impose as essential requisites of each concessionary, the technical, financial and legal capability, individually and throughout the entire period of the Concession, in order to fulfill their obligations.

11. In the event of a default by a concessionary of their respective obligations, both the Concession Agreement and the Consortium documents establish complementary mechanisms to remedy the default or breach of contract, which provide, including, the decision by the NPA of the termination of the

concession for the defaulting concessionary in a short period of time, in addition to other penalties and applicable legal measures.

12. In this context it is important to consider that the Oil and Gas Industry demands elevated investments which in turn require rapid and effective solutions for the default of a concessionary or member of a consortium, in order to safeguard the continued well-being of the project.

13. Finally, we emphasize that all measures which may be necessary to remedy any breach by OGX of the Concession Agreement and of the Consortium will be made in agreement with the NPA and pursuant to the terms of the applicable contractual provisions and legislation.”

We believe we have clarified the requested information and we remain available for any further clarification through QGEP Investor Relations Department:

Phone: 55 21 3509-5959

E-mail: ri@qgep.com.br

www.qgep.com.br/ri

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