
August 8, 2013

Second Quarter 2013 Results



Agenda



Performance Overview

Financial Highlights

Looking Ahead

- ▶ Average daily production of 5.0 MMm³ of natural gas from the Manati Field in 2Q13, despite the downtime associated with scheduled maintenance work
- ▶ Early Production System at the Atlanta Field is on schedule to begin drilling late 3Q13
- ▶ Diversification and expansion of our exploration portfolio and our industry relationships when we partnered with several large international and regional oil companies to win eight blocks located across five basins in the 11th ANP Bidding Round
- ▶ Restarted drilling on July 6 at Block BM-J-2 with a jack-up rig and expect to conclude the well at the end of the 3Q13
- ▶ QGEP is on track to drill an appraisal well for our important Carcará discovery in the 4Q13, after which we will perform a drill stem test to collect additional data on reservoir productivity

BLOCKS AWARDED IN THE 11th ANP BIDDING ROUND



- ▶ 8 blocks acquired at the 11th ANP Bidding Round, distributed across 5 different basins encompassing a total of 5,785 km²
- ▶ Operatorship in 5 of the 8 blocks
- ▶ 5 new partnerships including: Statoil, Total, Premier Oil, Pacific Rubiales and Petra Energia
- ▶ Total of R\$94.9 million in signature bonuses
- ▶ Approximately US\$30-40 million net to QGEP is expected to be expensed for the acquisition of 3D seismic data over the next two years
- ▶ Drilling of at least four exploratory wells, which are expected to begin drilling in 2017, estimated at US\$200 million net to QGEP

Basin	Block	Other Consortium Members	Operator	QGEP Working Interest
Foz do Amazonas	FZA-M-90	Premier Oil Pacific Brasil	QGEP	35%
Espírito Santo	ES-M-598	Statoil Brasil Petrobras	Statoil	20%
Espírito Santo	ES-M-673	Statoil Brasil Petrobras	Statoil	20%
Pará-Maranhão	PAMA-M-265	Pacific Brasil	QGEP	30%
Pará-Maranhão	PAMA-M-337	Pacific Brasil	QGEP	50%
Ceará	CE-M-661	Total OGX	Total	25%
Pernambuco-Paraíba	PEPB-M-894	Petra Energia	QGEP	30%
Pernambuco-Paraíba	PEPB-M-896	Petra Energia	QGEP	30%

HIGHLIGHTS MANATI FIELD CERTIFICATION REPORT



Gaffney, Cline & Associates' Statement of Remaining Hydrocarbon Volumes for the Manati Field, as of December 31, 2012, prepared for QGEP Participações S.A.:

	Gross (100%) Sales Volumes		QGEP Net Reserves	
	Condensate	Gas	Condensate	Gas
	(MMBbl)	(Bm ³)	(MMBbl)	(Bm ³)
1P	1.75	16.7	0.79	7.50
2P	1.87	17.9	0.84	8.04
3P	2.21	21.1	0.99	9.48

- ▶ Construction of a compression plant will be needed to boost the reservoir energy and assist in the delivery of gas to the treatment plant, restoring its production capacity to 6 MM m³ per day from 2015
- ▶ Located 20 km off the platform, the compression plant is expected to be operational by the end of 2014

Agenda



Performance Overview

Financial Highlights

Looking Ahead



2Q13 FINANCIAL OVERVIEW

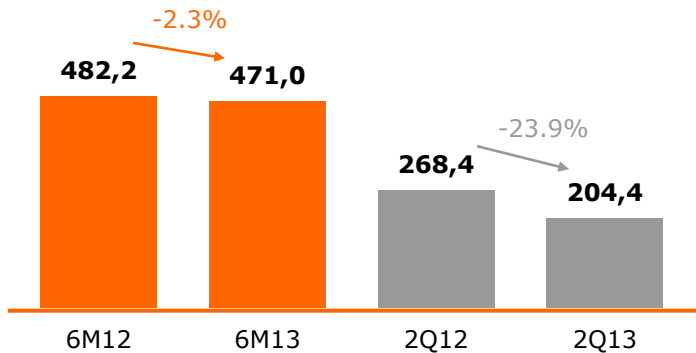


Consolidated Financial Information (R\$ million)

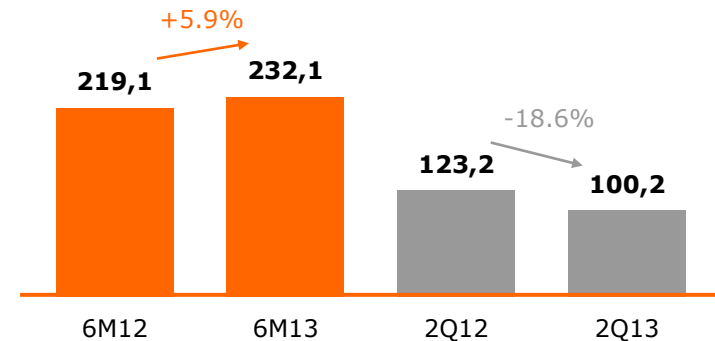
	2Q13	2Q12	Δ%	6M13	6M12	Δ%
Net Income	30.1	(96.1)	131.4%	95.9	(26.8)	N/A
Amortization and Depreciation	18.7	21.7	-14.0%	42.3	39.0	8.2%
Net Financial Income/(Expenses)	(9.7)	(7.8)	-24.5%	(28.0)	(47.0)	40.4%
Income tax and social contribution	1.5	4.1	-62.5%	7.1	18.0	-60.7%
EBITDA	40.7	(78.0)	152.2%	117.2	(16.8)	N/A
Oil and gas exploration expenditure with subcomercial and dry wells	1.0	157.3	-99.4%	2.4	157.3	-98.5%
EBITDAX	41.7	79.3	-47.4%	119.6	140.5	-14.9%
EBITDA Margin	40.6%	-63.3%	164.1%	50.5%	-7.6%	N/A
EBITDAX Margin	41.6%	64.4%	-35.4%	51.5%	64.1%	-19.7%
Net Debt	(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%

2Q13 MANATI FIELD PRODUCTION

Gas Production (Millions of m³)



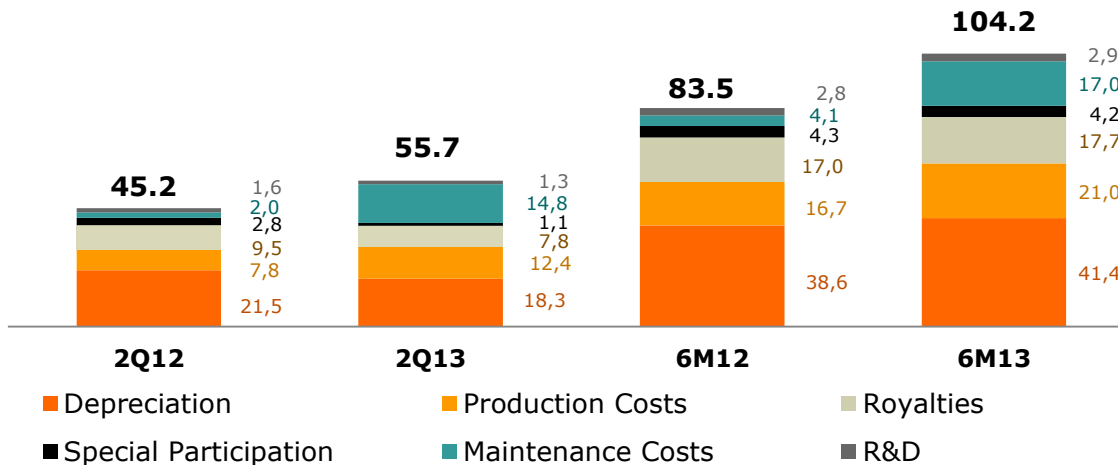
Net Revenue (R\$ million)



- ▶ Average daily gas production from the Manati Field was 5.0 Mm³ in 2Q13, despite scheduled maintenance. The entire 20-day production stoppage was completed in April within the planned schedule.
- ▶ The lower gas production led to a net revenue decrease of 18.6% in 2Q13 compared to 2Q12.
- ▶ For 6M13, net revenues increased 5.9% over 6M12, as natural gas production was stable year-on-year at 5.9Mm³/day (from 5.8 m³/day in 6M12), and prices rose.

OPERATING COSTS, EXPLORATORY AND G&A EXPENSES

Operating Costs (R\$ million)

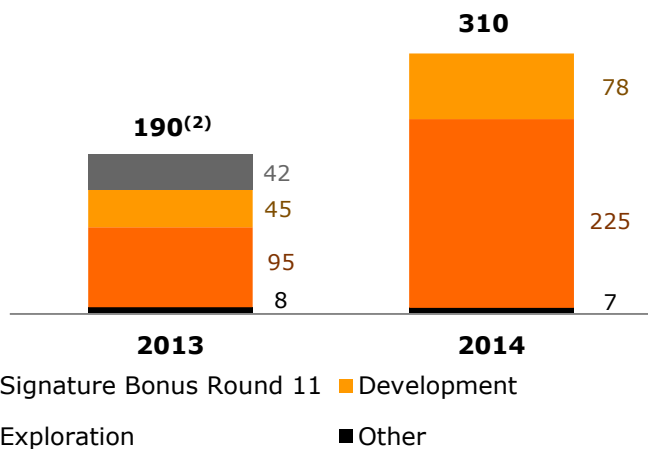


- ▶ Operating costs in 2Q13 were impacted by extraordinary maintenance costs as a result to the 20-day stoppage.
- ▶ G&A comparisons to 2Q12 were affected by last year's special charges related mainly to profit sharing costs and changes in the management of the Company, which offset the higher number of employees this year.
- ▶ Total exploration expenses in 2Q13 mainly reflected costs related to the acquisition of seismic data for participation in the 11th ANP bidding round. Exploration expenses fell 48.1% from 1Q13, when the Company acquired seismic data to analyze the BM-C-27 Concession; and 95.5% from 2Q12, largely due to expenses incurred related to unsuccessful exploration activities.

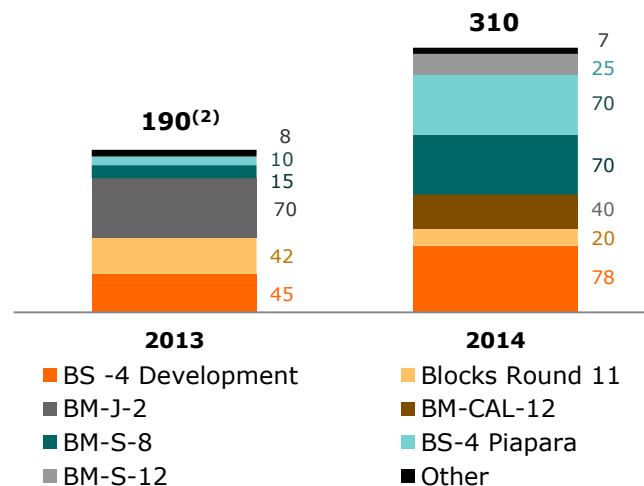
EXPECTED CAPEX

- ▶ **2013 capital expenditure: US\$190 million**
- 2013's budget to be spent at Blocks BS-4, BM-J-2, BM-S-8, and Blocks won in Round 11
- ▶ **2014 capital expenditure: US\$310 million**
- 2014's budget to be spent at Blocks BS-4, BM-CAL-12, BM-S-8, BM-S-12 and Blocks won in Round 11

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 was already spent up to June 30, 2012

Agenda



Performance Overview

Financial Results

Looking Ahead

▶ **BM-J-2**

- On July 6, 2013, the Company restarted drilling at the 1-QG-5A-BAS well in Block BM-J-2 with the P-VI jack-up rig
- The well will test the Alto de Canavieiras prospect (JEQ#1) in the pre-salt section of the basin
- Drilling targets a total depth of approximately 4,700 meters, which QGEP expects to reach by the end of the 3Q13

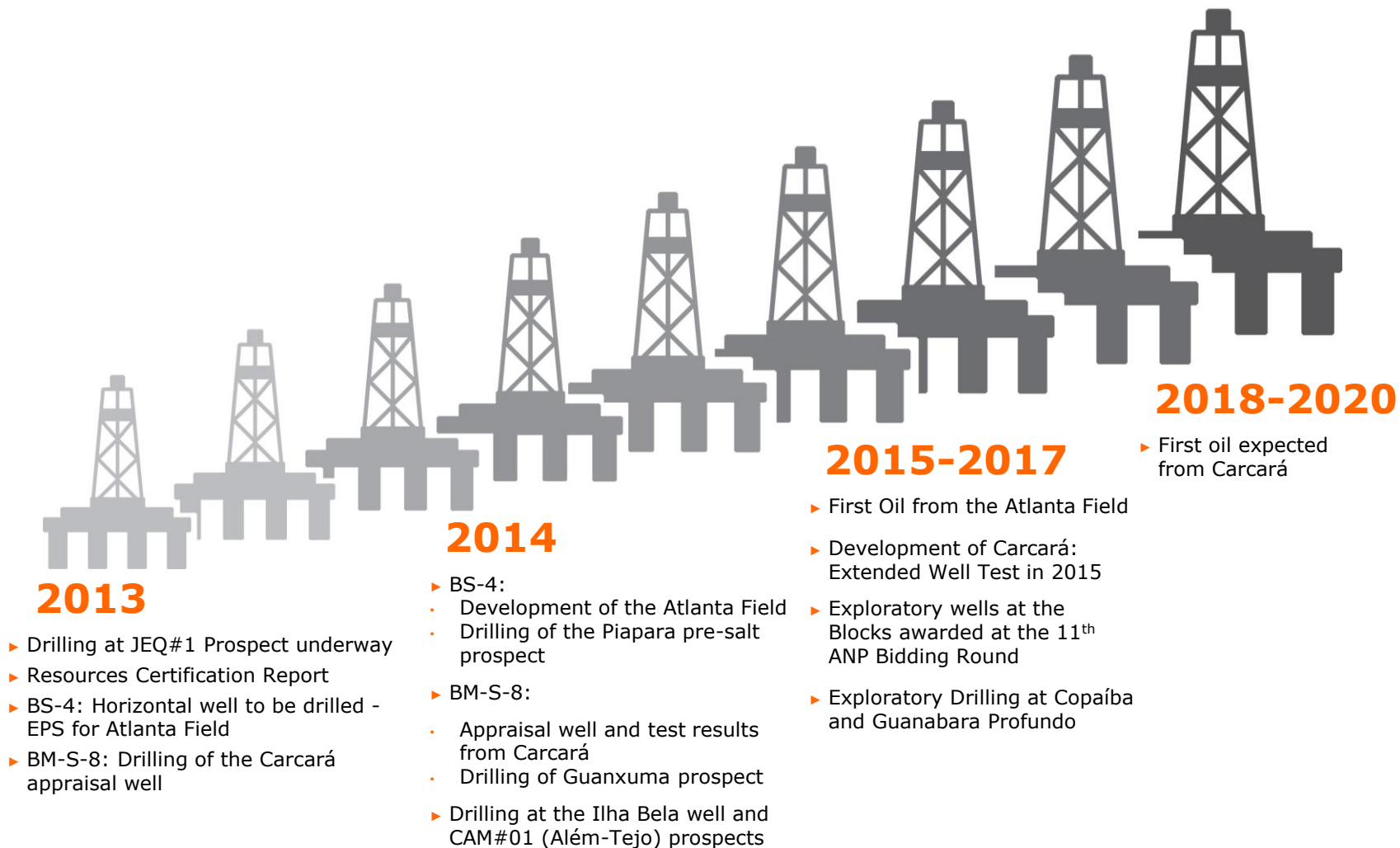
▶ **BM-S-8**

- We are making progress towards drilling an appraisal well for Carcará at 4Q13, which 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 and an Extended Well Test (EWT) is also set for the appraisal well by 2015
- In 2014, the Consortium plans to drill a well at the Guanxuma prospect and a third well that is contingent on the results of the ongoing studies of the Block

▶ **BS-4**

- The Company acquired new 3D seismic data for BS-4, in order to improve imaging for the area's pre and post-salt targets and is currently interpreting the final seismic data received at the end of the 2Q13
- Once this analysis is complete, QGEP will define the next steps related to the drilling activities at the Piapara pre-salt prospect

MAJOR MILESTONES AHEAD



Investor Relations **QGEP Participações S.A.**

Av. Almirante Barroso, nº 52/sala 1301, Centro, Rio de Janeiro, RJ

CEP: 20031-918

Phone - IR: 55 21 3509-5959

Fax: 55 21 3509-5958

E-mail: ri@qgep.com.br

www.qgep.com.br/ri

DISCLAIMER



This document contains some statements and information about the Company that reflect the current views and/or expectations of the Company and its managers with regard to its activities. These include all statements containing forecasts and projections or that indicate or imply future results, performance or achievements, which may include such words as "believe", "predict", "expect", "contemplate", "will probably result", or any other words or expressions of similar meaning. Such statements are subject to a series of expressive risks, uncertainties and assumptions. Readers are warned that several important factors may lead actual results to significantly diverge from the plans, targets, expectations, estimates and intentions expressed herein, there can be no assurance that the Company will achieve or is likely to achieve the future results or projections contained herein. Under no circumstances shall the Company or its directors, officers, representatives or employees be liable to any third parties (including investors) should they make decisions, investments or business acts based on information and statements presented herein, nor shall the Company be liable for any indirect damages, loss of profit, or similar consequences thereof. The Company does not intend to provide shareholders with any revised versions of the statements or analysis of differences between the statements and actual results. This presentation does not contain all the necessary information for a complete investment assessment on the Company. Investors must produce their own assessments, including the associated risks, before making an investment decision.