
May 9, 2013

First Quarter 2013 Results



Agenda



Performance Overview

Financial Results

Asset Portfolio Update

Looking Ahead



- ▶ We continue to have a unique balance of partnership interests and operatorships and assets in the production, development and exploratory phases, which differentiates us in the Brazilian oil and gas market
- ▶ Posted significant year-over-year increases in revenues and operating income
 - High demand for gas resulted in solid results from the Manati Field
 - Strong cash flows and ended the period with a strong financial position
- ▶ Contracted the jack-up rig P-VI from Petrobras to resume drilling at Block BM-J-2
- ▶ Progressed on time and on budget with the Early Production System (EPS) at the Atlanta Field
- ▶ Received ANP approval for the BM-S-8 revised Evaluation Plan

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Q1 2013 FINANCIAL OVERVIEW

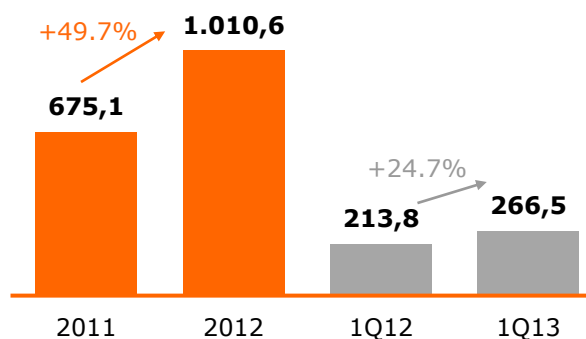


Consolidated Financial Information (R\$ million)

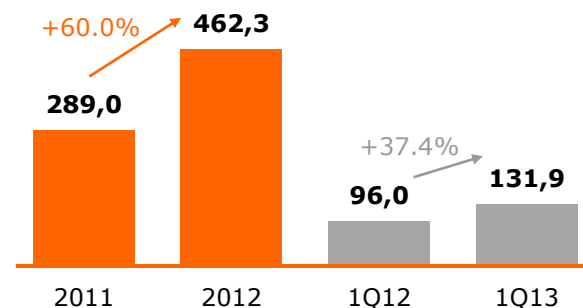
	1Q13	1Q12	Δ%
Net Income	65.7	69.2	-5.1%
Amortization and Depreciation	23.6	17.3	36.2%
Net Financial Income	(18.3)	(39.3)	53.3%
Income tax and social contribution	5.6	14.0	-60.2
EBITDA	76.5	61.3	24.9%
Oil and gas exploration expenditure with subcommercial and dry wells	1.4	-	N/A
EBITDAX	77.9	61.3	27.2%
EBITDA Margin	58.0%	63.8%	-9.1%
EBITDAX Margin	59.1%	63.8%	-7.4%
Net Debt	(1,034.3)	(891.5)	-16.0%
Net Debt/EBITDAX	-3.43	-6.43	46.7%

1Q13 MANATI FIELD PRODUCTION

Gas Production (Millions of m³)



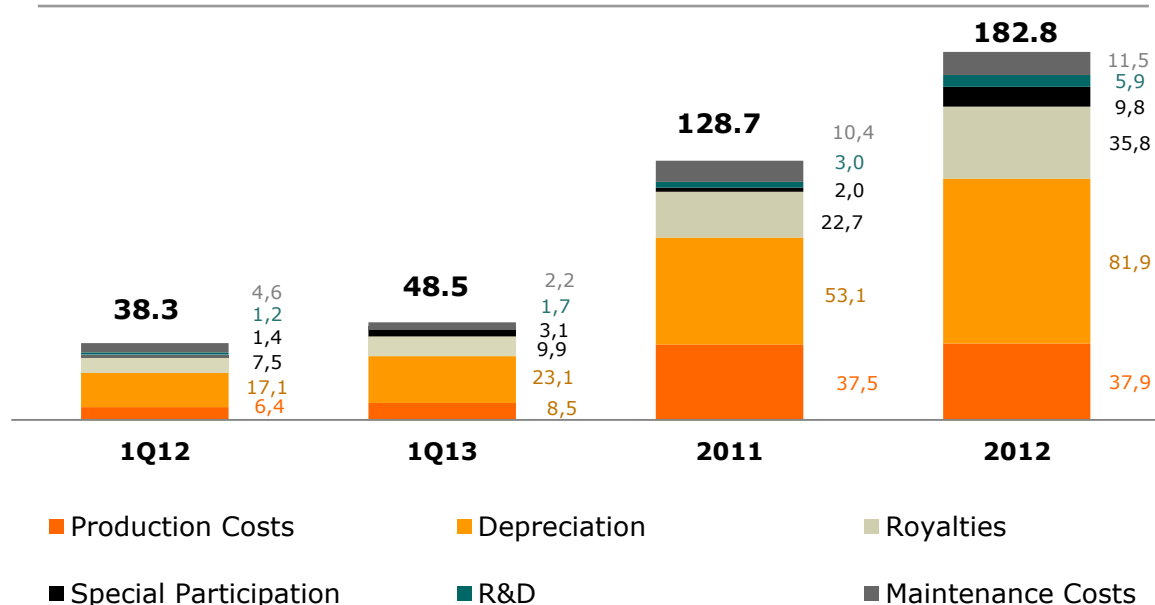
Net Revenue (R\$ million)



- ▶ Average daily production reached 6.6 MMm³ of natural gas in the first quarter, reflecting continued high levels of demand from Brazil's thermal power plants following the unusually long dry season.
- ▶ This led to a net revenue growth of 37.4% in 1Q13, compared to the same period of 2012.

OPERATING & EXPLORATORY COSTS

Operating Costs (R\$ million)



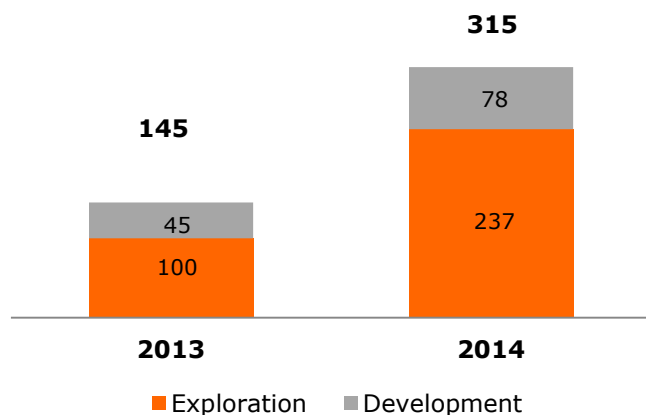
- ▶ Operating costs were relatively stable in the 2013 first quarter compared to the same period last year when production levels were substantially lower.
- ▶ G&A expenses were R\$16.7 million in 1Q13, R\$6.0 million higher than in 1Q12, reflecting the greater scope of QGEP, relating to the increase in technical personnel to direct operatorship activities at Block BS-4. It also included R\$1.0 million in fee expenses related to the participation in the next ANP bidding round.
- ▶ Exploratory costs were R\$13.5 million compared to R\$3.0 million in 1Q12.

EXPECTED CAPEX

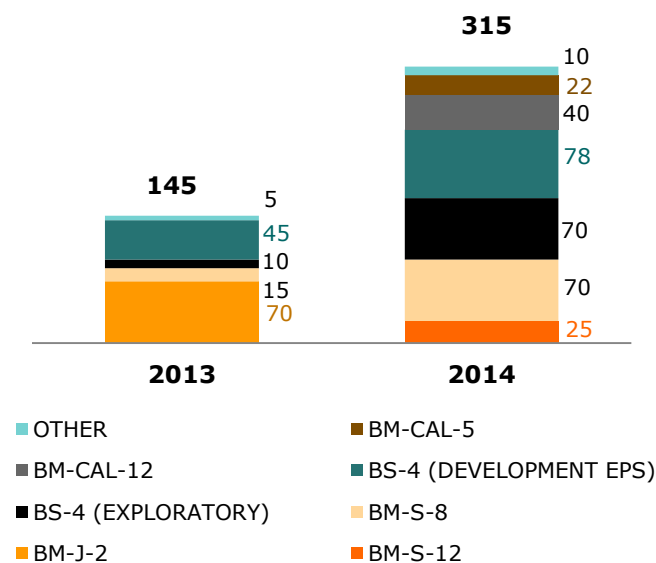
- ▶ **2013 capital expenditure budget: US\$145 million**
- 2013's budget to be spent at Blocks BM-J-2, BM-S-8, and BS-4

- ▶ **2014 capital expenditure budget: US\$315 million**
- 2014's budget to be spent at Blocks BS-4, BM-S-8, BM-CAL-5, BM-CAL-12 and BM-S-12

**CAPEX net to QGEP
(US\$ million)**



**CAPEX net to QGEP
(US\$ million)**



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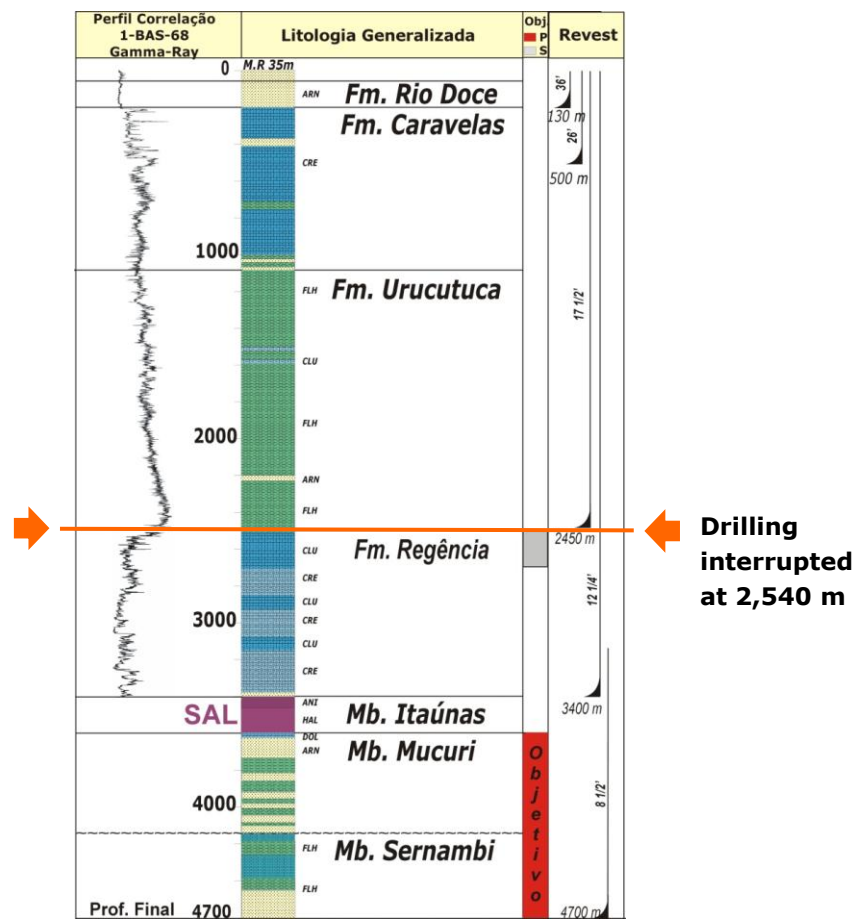
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Asset Portfolio Update

Looking Ahead

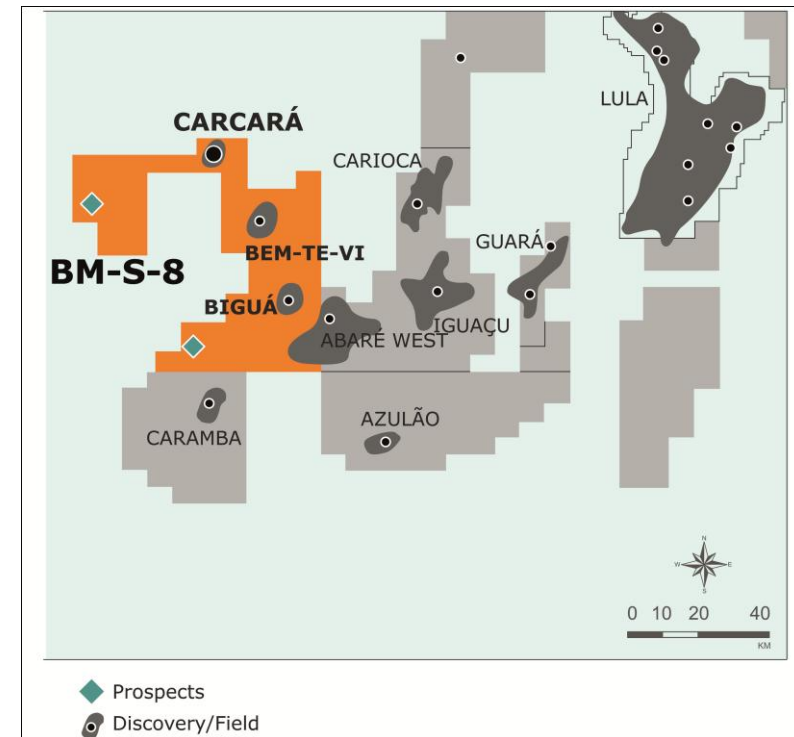
BM-J-2: DRILLING IN JUNE 2013

- ▶ 100% stake and Operator
- ▶ 2 Prospects:
 - Alto de Canaveiras: 29% of GCOS
 - Alto Externo: 24% of GCOS
- ▶ Risked Prospective Resources: 94.2 million boe (Blended Case)
- ▶ In April 2013, the Company successfully contracted a jack-up rig, P-VI from Petrobras, to resume drilling at the Alto de Canaveiras (JEQ#1) prospect in Block BM-J-2
- ▶ Previously drilled to a depth of 2,540 meters, the JEQ #1 prospect will be drilled to a final depth of approximately 4,700 meters
- ▶ Approval of a renewal of the environmental license from IBAMA for drilling at the block is expected to be received shortly.



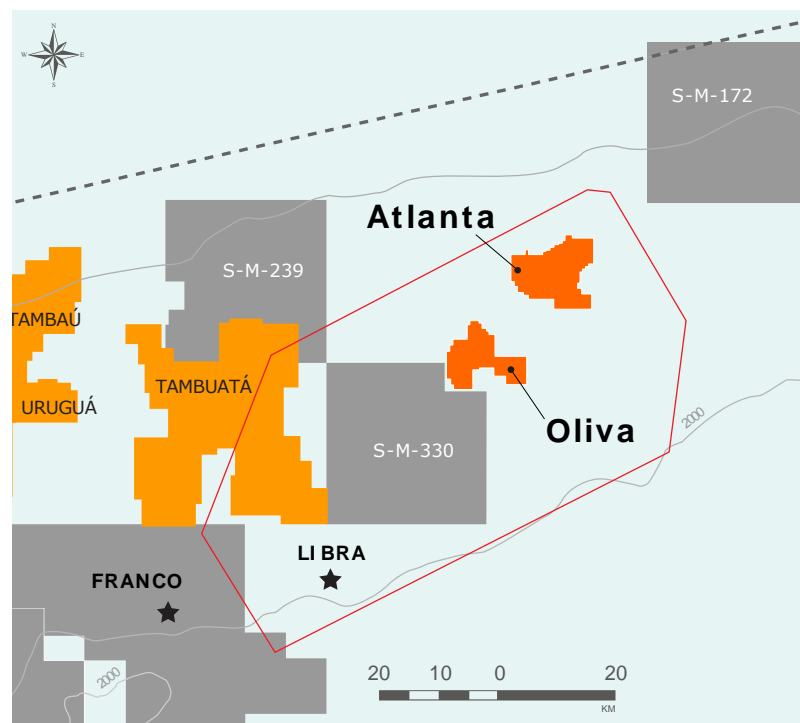
BM-S-8: ANP APPROVAL FOR THE REVISED EVALUATION PLAN

- ▶ Contingent and Prospective Resources
- ▶ 10% stake
- ▶ Data obtained at Carcará prospect showed a major column of at least 471 meters of 31° API oil exclusive of any contaminants such as CO₂ and H₂S.
- ▶ At least 402 meters are microbial carbonate connected reservoirs
- ▶ Reservoirs with excellent permeability and porosity
- ▶ High potential flow rate estimated in Carcará
- ▶ Revised evaluation Plan at the Block, already approved by the ANP include:
 - ▶ Drilling of an appraisal well for Carcará in 2H13 followed by the performance of a Drill Stem Test
 - ▶ One well at the Guanxuma prospect, which is expected to be drilled in 2014.
 - ▶ An additional well is contingent to the results of the ongoing studies in the Block
- ▶ The Operator's development schedule for Block BM-S-8 calls for drilling of production wells at Carcará in 2016-2017 with first oil by 2018.



BS-4: PROGRESS IN OPERATORSHIP ACTIVITIES

- ▶ Atlanta and Oliva post-salt fields with heavy oil ranging from 14 to 16° API
- ▶ QGEP: 30% stake and Operator
- ▶ Located within the Blue Picanha, a high pre salt exploratory potential region, located close to the discoveries of Libra, Franco, among others
- ▶ Piapara pre-salt prospect: all necessary services are being contracted for drilling to begin in 1H14
- ▶ Since receiving ANP approval in December 2012 for the Atlanta Field Development Plan, QGEP has moved ahead with preparations for the EPS:
 - Advanced negotiations to secure the drilling rig to allow drilling in the 2H13, with first oil to be extracted by early 2015
 - Services providers for the Field include world class companies such as Baker, Cameron, GE, Weatherford, among others
- ▶ The Company is awaiting ANP approval for the Development Plan of the Oliva Field



- ★ Pre-salt Oil Discoveries
- Production Fields
- QGEP Blocks
- Exploration Blocks
- 3D Coverage
- ⋯ Pre-Salt Ring Fence

EXPLORATION ACTIVITIES UPDATE: BM-S-12, BM-CAL-5, BM-CAL-12 AND BM-C-27



▶ **BM-S-12**

- Following ANP's approval of the Consortium's revised Evaluation Plan to reenter the Ilha Bela well (1- SCS-13), the Consortium is evaluating the best way to proceed with this operations within the schedule, to begin drilling activities in early 2014.

▶ **BM-CAL-5**

- Additional well planned to be drilled in 2014 to further evaluate the Copaíba discovery
- The continuity of the operations in the Block is conditioned to the environmental license, which study has already been submitted to IBAMA

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

- One wildcat well will be drilled to target the CAM#01 (Além-Tejo) prospect in 2014
- The Consortium is awaiting the issue of the Terms of Reference by IBAMA related to the environmental studies necessary for the license.

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

- The Company is still awaiting ANP approval for the transfer of 30% of Petrobras' exploration and production concession rights
- Drilling set to begin in 2015 at the Guanabara Profundo pre-salt prospect

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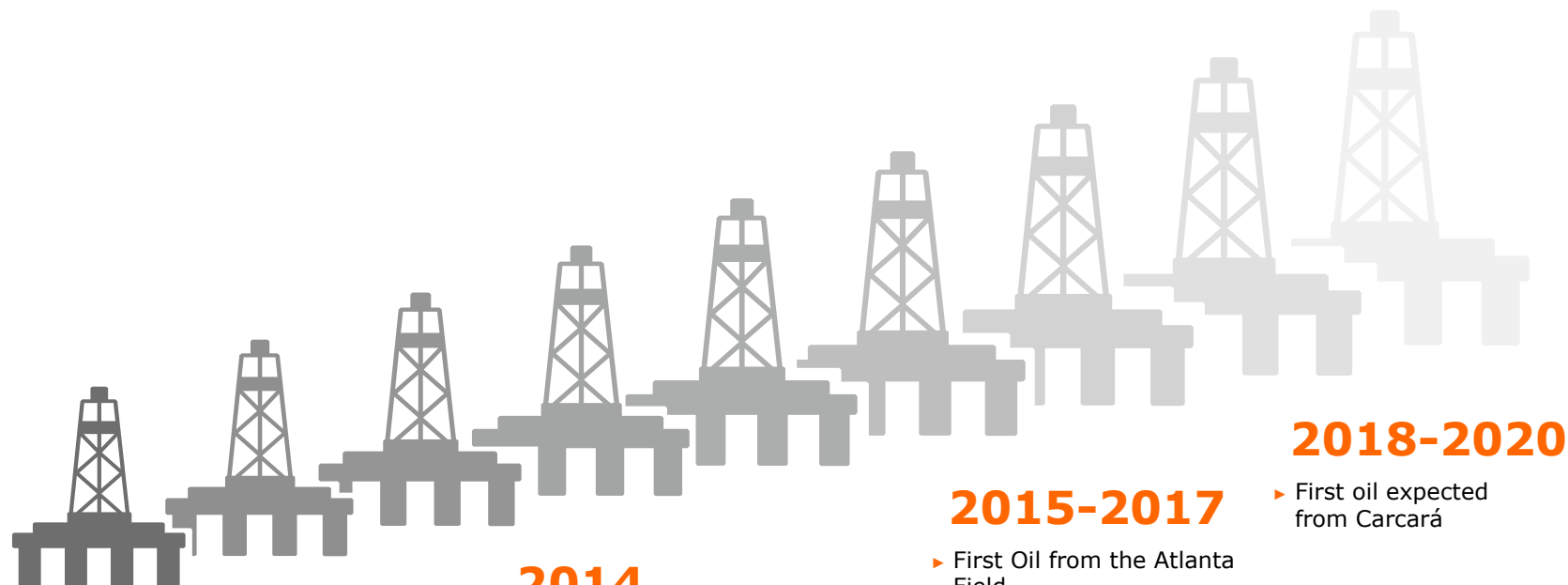
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MAJOR MILESTONES AHEAD



2013

- ▶ May: ANP Bidding Round
- ▶ 2Q13: Resume drilling at JEQ#1 (Assigned rig: P-VI)
- ▶ 2H13:
 - Updated Certification Report
 - BM-S-8: Drilling of the Carcará appraisal well
 - BS-4: Horizontal well to be drilled - EPS for Atlanta Field

2014

- ▶ BS-4:
 - Development of the Atlanta Field
 - Drilling of the Piapara pre-salt prospect
- ▶ BM-S-8:
 - Appraisal well and test results from Carcará
 - Drilling of Guanxuma prospect
- ▶ Drilling at the Ilha Bela well, Copaíba and CAM#01 (Além-Tejo) prospects

2015-2017

- ▶ First Oil from the Atlanta Field
- ▶ Development of Carcará

2018-2020

- ▶ First oil expected from Carcará

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