Operator:

Good morning, ladies and gentlemen. Thank you for waiting. At this time we would like to welcome everyone to QGEP's 1Q13 earning conference call. Today with us we have Mr. Lincoln Rumenos Guardado, CEO of the Company; Ms. Paula Costa Côrte-Real, CFO and IRO; Mr. Danilo Oliveira, Production Director; and Mr. Sergio Michelucci, Exploration Director.

We would like to inform you that this event is being recorded and all participants will be in listening only mode during the Company's presentation. After QGEP's remarks are completed there will be a question and answer session when further instructions will be given. Should any participant need assistance during this call, please press *0 to reach an operator. There will be a replay facility for this call for one week.

Before proceeding, let me mention that forward looking statements are based on the beliefs and assumptions of QGEP management and on the information currently available to the Company. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future. Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results of QGEP and could cause results to differ materially from those expressed in such forward looking statements.

Now I will turn the conference over to Mr. Lincoln Rumenos Guardado, QGEP's CEO, who will start the presentation. Mr. Guardado, you may begin the conference.

Mr. Lincoln Rumenos Guardado:

Good morning everyone and thank you for once again participating on today's conference call. Joining me today, as mentioned before, we have Paula Costa, our CFO and IRO, our Production Director, Danilo Oliveira and Sergio Michelucci, our Exploration Director. We will all available to you for any questions you might have. We will provide you with an overview of our 1Q results and then we will open the call to questions.

In the 1Q13 we moved ahead with the development of our asset portfolio, always trying to maintain our portfolio balanced. As you all know, we continued to experience strong demand for natural gas production in Brazil reflected in the Manati Field, of which we have a 45% ownership.

Increased production led to a positive operating income and operating cash flow for the quarter. QGEP has a strong solid financial position which gives us some comfort and is an important competitive advantage as we evaluate asset acquisition opportunities.

One of the highlights of the 1Q was contracting a rig in order to resume drilling at Block BM-J-2 at the Jequitinhonha Basin, where we own a 100% stake. Drilling is expected to be restarted next month, in June. We also made meaningful progress on the activities for the implementation of the Early Production System, EPS, of the Atlanta Field, located at Block B-S4, where we are the operator. Our plans here are to begin drilling in the 4Q13 and that would be the first development well for this field.

At the end of the first quarter the Brazilian oil and gas Regulator, ANP, approved the Consortium's revised Evaluation Plan for Block BM-S-8 which calls for an appraisal well to be drilled in the Carcará discovery in the beginning of the 4Q13.

As you know, QGEP will participate in the upcoming ANP bidding round, the 11th bidding round, and our highly experienced technical team is assessing the opportunities that the auction will present, aiming to further diversify our exploratory portfolio. At the sa me time, we are also reviewing potential farm-ins available in the market.

I will now turn the call over to our CFO, Paula Costa, to review our 1Q13 financial performance, and I will come back at the end.

Mrs. Paula Costa Côrte-Real:

Thank you, Lincoln. On slide five we have a table with the Company's consolidated financial information, which illustrates the positive operating results achieved in the quarter. 100% of our revenues come from gas production at the Manati Field, today one of the largest producing gas fields in Brazil, where we have a majority 45% ownership interest.

The increased demand from Brazil thermal power plants continued in the 1Q13, resulting in an average gas production of 6.6 million m³ per day in the Field, a 25% increase over the 1Q12, and the highest first quarter production ever in our history.

Increased production led to an EBITDAX of R$78 million, up 27% year on year, comparing with 1Q12, a direct reflex of the higher operating income.

Net income in the quarter was R$66 million, in line with the R$69 million ended in the 1Q12, but a variation of 5% was mainly due to lower interest rates which reduced our financial income when compared to 1Q12.

As you can see on slide six, the Company continues to benefit from a strong demand for natural gas in Manati, reaching a first quarter production milestone this year, as Manati production increased almost 25% compared to the 1Q12. Higher production drove to a 37% improvement in net revenues amounting to R$132 million, up from R$96 million in 1Q12, which illustrates the positive operating leverage of this asset.

The scheduled stoppage of the Manati Field was fully completed in April and the 20 days of downtime will reduce 2Q production and profitability revenues, however we expect that solid favorable market conditions will continue and that we will return to average daily production levels of approximately 6.0 million m³ of gas in the 3Q and 4Q of 2013. Therefore, we reaffirm our expectation that the Manati production will be maintained at around 5.5 to 6.0 million m³ per day throughout 2013.

Maintenance costs net to QGEP remain on budget with R$20 million to be expensed in the second quarter and another R$20 million to be expensed in the fourth quarter of this year. The amount referring to the 4Q13 refers to the painting of the platform, which will not require a shutdown of production

We are now on slide seven, where we have a comparison of the operating expenses in the 1Q13 vis-à-vis the 1Q12. Our operating costs registered a small proportional increase in the 1Q despite the significant increase in production. G&A expanses were approximately R$17 million for the 1Q, R$6 million above the 1Q12, but more similar to 4Q12 levels, mostly stemming from an increased headcount at the Company.

Total exploration expenses in the 1Q13 were R$14 million, an increase of R$11 million compared to the 1Q12. Of the total exploratory expenses, approximately R$10 million refers to the acquisition of seismic data for future acquisitions and for the BM-C-27 Concession.

Slide eight provides an overview of our projected capital expenditures for 2013 and 2014. For 2013, our CAPEX budget is estimated at US$145 million for drilling at Blocks BM-J-2, BM-S-8 and BS-4. Our budget for 2014 is projected at US$315 million for activities at Blocks BM-S-8, BS-4, BM-CAL-5, BM-CAL-12 and BM-S-12.

Our net cash position at the end of the first quarter was over R$1.0 billion, and we have no debt.

The resources we have in hand are sufficient to fund the expenses related to our current asset portfolio, which is an important competitive advantage, and provides us with a financial flexibility to be opportunistic in our future assets acquisitions.

I would like to turn the floor back to Lincoln to discuss the Company's portfolio.

Mr. Guardado:

Thank you, Paula. Now I will review our portfolio of both producing and exploratory assets. Looking at our exploratory activities, on slide ten, we have an update of Block BM-J-2 located in the Jequitinhonha Basin, where we are the operator and currently have 100% ownership.

In April, we succeeded in contracting a jack-up rig, P-VI from Petrobras, that will allow us to continue the exploratory activities at the Alto de Canavieiras prospect, which was previously drilled to a depth of 2,514 meters.

The rig is currently being prepared to be moved to the location and drilling is set to be restarted in June, after the approval of the extension of the environmental license by IBAMA. The estimated final depth is approximately 4,700 meters, and we expect to have the results by the end of the 3Q13. Capital expenditures for drilling at the JEQ#01 prospect are expected to be US$70 million for 2013.

On slide 11 we have an overview of Block BM-S-8, where we are the owners of a 10% stake. This is still one of the largest blocks in the Santos Basin, where we have our promising Carcará discovery.

At the end of the 1Q13, the Consortium received ANP approval for our revised Evaluation Plan for block BM-S-8. The revision outlined a new area for the block, which now spans close to 2,000 km². This represents a 14% reduction, compared to the previously defined area. However we would like to observe that the Consortium did not identify any prospects in the relinquished area.

This revision also includes the following points: the drilling of an appraisal well, in the beginning of the fourth quarter of this year, followed by a drill stem test at the Carcará discovery; the drilling of a well at the Guanxuma prospect, in 2014; and possible additional drilling in the block, depending on the results of studies that are being conducted by the Consortium. In other words, all he exploration efforts and the revision of the potential of the block might lead to additional drilling.

This revision is in line with the development schedule that was released by the operator for Carcará, which calls for the drilling of production wells in 2016, 2017, and first oil expected by 2018.

Slide 12 shows Block of BS-4, which includes the post-salt oil fields of Atlanta and Oliva and where we have the Piapara pre-salt prospect. QGEP is the operator of this block, with a 30% ownership interest.

In the 1Q13, we made significant headways in preparing for the Early Production System at the Atlanta Field. We have already completed the negotiations for all of the services and equipments for this stage of the work, and partnered with a number of world class providers for all the long lead items and services.

In keeping with the Development Plan for the Atlanta Field, drilling is set to begin in the second half of this year, with first oil to be extracted by early 2015. Full development is expected to be completed by 2018, with the integration of ten additional wells, covering a total of 12 producing horizontal wells in the field. The field will be connected to an FPSO, capable of processing 100,000 barrels of oil per day.

Capital expenditures for the early production system net to QGEP are projected at US$45 million for 2013, and US$78 million for 2014. We are pleased to report that we are on time and on budget with these activities.

Additionally, for drilling in the Blocks' pre-salt prospect Piapara, all the necessary services are being contracted. Drilling is expected in the beginning of the 1H14. Capital expenditures, net to QGEP are expected to be US$80 million.

At Oliva, the oil Field adjacent to the Atlanta Field, we are still awaiting approval by ANP for the Development Plan.

Slide 13 contains information related to the upcoming drilling timetable for the remaining exploratory assets in our portfolio. As you can see, we have an active drilling program planned for 2014 and 2015, focusing on prospects in the following basins: Camamu, Santos and Campos, where we have blocks BM-S-12, BM-CAL-12, BM-CAL-5 and BM-C-27.

We will have additional updates to share with you on these topics, listed on slide 13, in the 2H13.

Moving to slide 15, we will discuss the main short term and long term events for the Company. The operating performance in the 1Q shows a very positive outlook for this year. It was a solid start to what we expect to be a very productive year for QGEP, of many achievements for the Company.

As you can see, we have an active schedule for the remainder of the year, maintaining our balance between exploration and production activities, oil and gas plays and partnerships and operatorships, in addition to exploring both developed and frontier basin, or emerging ones.

We are looking forward to seeing how the ANP next bidding round will go, where we expect to be active, but always with a lot of discipline.

In the 2H13, we expect to release the results of the Gaffney & Cline certification of our resources in our portfolio, and we remain very focused on gaining data from the Carcará appraisal well and the test at Block BM-S-8, which we expect will provide us with more precise data that will help us evaluate this discovery's potential volume.

Additionally, there will be the drilling of the first well of the Early Production System at the Atlanta Field, at Block BS-4.

The Company has also other exploratory and production projects, with activities set to start in the beginning of 2014. This estimated timeline is based on our current portfolio of assets, and we intend to provide the market with updates about our progress in these coming quarters.

I would like to thank you all for your time and for your interest in participating in our conference call. Operator, I would now like to open the call for questions.

Operator:

Ladies and gentlemen, we will now begin the question and answer session. If you have a question, please press the star (*) key, followed by the one (1) key on your touch-tone phone now. If at any time you would like to remove yourself from the questioning queue, press star 2.

Our first question comes from Mr. Frank McGann, from Bank of America Merrill Lynch.

Mr. Frank McGann, Merrill Lynch:

Good day and thank you for the call. Two questions, one in General and Administrative Expenses: they seem to have stabilized a bit after rising fairly significantly to accommodate the larger structure of the Company's portfolio. Should we assume that kind of level should be maintained, or do you expect that number to continue to move upwards over the next 12 to 18 months as a result of further increases, potentially?

And secondly, in terms of timing of results from the appraisal well at Carcará, and the BS-4 wells that will be drilled, the information that might come from them, since they will be starting likely in the 4Q13, should we assume that in the first quarter and sometime in the 2Q14 is when we will be able to get a really material information from those wells?

Mrs. Côrte-Real:

Hello, Frank. First question, about the G&A expenses, the answer is yes, we seem to have found a recurrent level for the Company. So, for the future quarters we can expect to see similar levels, with G&A of about R$60 million per year, which is approximately our estimate.

As to your second question, about the timing of the wells, I will pass the floor to Lincoln who is going to answer.

Mr. Guardado:

Thank you, Frank. Like we said before, we intend to start the Carcará appraisal well this year, on the 4Q13, and we expect about six months of drilling time with eventually a test lasting between 30 and 45 days. So, by the end of the 1H14 we expect to have very consolidated results for Carcará, and obviously, its accumulation.

For BS-4, we will be drilling the second appraisal well, since we want to have, in the first one, a drill stem test for the production well. This can happen by the end of the first half of 2014, but probably in the second half we will have a more consolidated result on the second well.

The first well can begin before, and if we consider drilling, completion and testing, it may be concluded in January or February. It will provide us a wide range of information, considering the test and all the biological properties. The second well, this one will probably be concluded in the beginning of the 2H14.

Mr. McGann:

Thank you very much.

Operator:

Our next question comes from Mr. Bruno Varella, from Bradesco BBI.

Mr. Bruno Varella, Bradesco BBI:

Good morning, everyone. I have two questions, the first question regards the new report. Obviously, it is about to be released in the second half of the year. I believe you do not have something representative for Carcará on your list. I would just like to confirm if I am right to assume that.

Second point, in the cost breakdown you presented, there was a 36% drop in production costs this quarter vis-à-vis the previous quarter. Considering you had a production increase, I would like to understand what caused this drop in production costs.

Mr. Guardado:

As to the certification, this is already underway. However, there is no doubt that the whole industry scenario today had an impact on us. Also, early in the year companies usually work on certification, and that contributes to keeping Gaffney Cline pretty busy. So, we do intend to announce and disclose the certification in the second half of the year, possibly by the end of the third quarter.

If we consider this whole history and the lack of more reliable information on Carcará, we have already emphasized this before, that it is a very important discovery and quite significant to all partners including Petrobras, not only to ourselves. Therefore, we have to be more cautious, considering the relevance in terms of what we intend to say.

So, probably we will not have information on Carcará with regards to distribution of volumes, and this is because the scenario will be the same as what we currently have: just one drilled well, with intense work underway by the operator and also the partners. It should not contain information there. Even if we do talk to the operator about it, we do not see how we can have something that might be consistent. So, probably we will not have Carcará results in our volume certification report.

As to the breakdown, Paula will give you more details.

Mrs. Côrte-Real:

Hello, Bruno. The operating costs have some cost related to the operation plant per se, and this is charged by the block's operator directly to us, which is also the plant operator, Petrobras. There are other costs directly proportional to revenues, like royalties, special participation, research and development, and the depreciation of the Field, considering the Field's reserves and production.

These costs proportional to revenues actually increased in this quarter, compared to the previous quarter. That is due to an increase in production to 6.6 million m³ of gas, which increased revenues and also the costs that are proportional to revenues.

The way Petrobras charges us is not always that uniform over the year. We do not expect any variation when we compare the full year with the previous year, except for maintenance costs. Last year we had specific costs related to maintenance, and this year we have R$20 million in the second quarter, and R$20 million in the fourth.

But as to the actual operation, despite there was some variation, and when we compare quarter on quarter, we have about R$3 million to R$4 million, so despite this variation in the cost posted for the plant this quarter, for the full year we do not expect to see what happened last year, except for maintenance costs.

Mr. Varella:

In other words, when I mention your breakdown for the figures known as production costs, which was about R$38 million last year, can we count with that in 2013?

Paula Costa Côrte-Real:

Yes, that is correct.

Bruno Varella:

Thank you, Paula.

Operator:

Our next question comes from Mr. Gustavo Gattass, from BTG Pactual.

Mr. Gustavo Gattass, BTG Pactual:

Good afternoon, I have two questions. The first is, in the press release, you mentioned that the most recent information about the Carcará well ensures us to have an even more positive outlook. I would like to hear from you, was there any new development in the data coming from Carcará? Any new studies, anything you could share with us? Just so we can understand why you included that statement in the press release.

As to my second question, I would like to hear from you about the search for the production unit in Atlanta? Has it been decided towards an early production unit? Is it going to be a unit of 100,000? I just want to know what you are thinking about that.

Mr. Guardado:

As you know, discoveries this big always cause a turnaround in the block you are studying, in the area you are studying, and the operator is doing that, Petrobras is doing that and so are we. So, our referred progress is in the way we interpret the discovery and the block as a whole. So we have added value, which will lead us to propose a second well, an appraisal well.

So, we have looked into these characteristics regionally, in order to guide us in the drilling of the appraisal well. We have seen a certain repetition of what we have seen in Carcará, broadly, regionally speaking. And so this is what we meant. Everything we have done so far has been to reaffirm our belief in the potential of that discovery. That is the meaning we want to convey with the statement.

And this will guide us in choosing the location where we shall drill the appraisal well. We should probably be defining this very soon, and we are quite advanced in that work, which comes to show the dedication of the operator, primarily, regarding that discovery. We also hope to have a location that will bring us a lot of information so that we can be a little bit bold, and have not only one-time off information, on the spot information, but also broader information. That is what we meant. There has been no downgrade in our discovery.

As for the FPSO, I will give the floor to Danilo, who is going to give us some flavor on this negotiation which is unfolding. This is I can tell you so far, it is unfolding.

Mr.Danilo Oliveira:

Good afternoon, Gattass. The Atlanta FPSO continues at a negotiation stage. We contracted a basic project for both units, for both the 30,000 barrels and the 100,000 barrels unit. Now, which one will be used? That is still under study, because as you know, we are talking about different periods and so rates.

We are in contact with practically all companies that have this kind of equipment to lease, but we have not come to any final definition yet. So, we have not decided anything yet, due to lack of data, including data related to the basic project.

The basic project is expected to be completed in the end of June, beginning of July, and once we have it at hand, the Companies will be able to understand what we really need, and after that we can have a more concrete discussion. We should have this kind of definition when the time comes to drill the first Atlanta well.

Mr. Gattass:

If I may, I would like to have two quick follow-up questions, starting with you, Danilo. In your mind, could you run with two units in parallel? Could you have, for example, a 30,000 unit running at the moment that the 100,000 unit starts operating, or is this not feasible given anchorage problems or any other type of problems?

Mr. Oliveira:

It is not feasible. The Atlanta area is very small, very restricted. If we have the arrival of a bigger FPSO it would be to replace a smaller FPSO. We cannot operate both in parallel, because the area would be jammed, with the drilling of the other wells. It would be one FPSO on site. Only one, never two simultaneously.

Mr. Gattass:

And you can still work with 2015 for first oil?

Mr. Oliveira:

Yes. We are working with first oil by 2015. And like I said, it depends on what can happen if there is a potential FPSO available in the market. If anything happens, we might even bring first oil forward a bit. But the deadline is 2015.

Mr. Gattass:

Thank you. And Lincoln, when you talked about Carcará, you said that the location is not defined yet. Do you plan to have a bolder location, perhaps farther out? And if you were bolder on this location, do you think you could close a bit more the line of this structure, or would you need to have a third location to be able to have some idea on the size?

Mr. Guardado:

This is exactly the discussion that is underway. We have several options. The study is almost complete, and there are several alternatives. I want a location that will provide me with information that is similar to Carcará and I want to estimate the volumes better. I want this balance. The well should provide us with similar information on the potential of Carcará, which is important because of the test; and at the same time, provide us information that will allow us to have better estimates of the area of that accumulation.

And it is unfolding very well. We want each well to add as much value and as much data as possible. I believe that we will need at least one more well. In addition to the appraisal well, one more well.

Mr. Gattass:

Thank you very much.

Operator:

Our next question comes from Mr. Vicente Falanga, from Santander.

Mr. Vicente Falanga, Santander:

Good afternoon to all. When can we expect you to release flow rates for Atlanta and Oliva? After this first well with results in January and February, or will it be only after the second well, as you talked about releasing the flow rates in the second half of 2013?

And one question: you said that the decision about the FPSO will be made when you start drilling the first Atlanta and Oliva wells, which I believe will be in the 4Q13. Do you not think it would be more prudent to wait for the flow rates to make a decision? Please correct me if I am wrong, but would not it be better to make a decision the moment you start drilling the well? Thank you.

Mr. Guardado:

You are right. The flow rate is a key point, what kind of rate it will be. Because what we have now is modeling, numerical modeling, reservoir modeling based on a test run by Shell in a vertical well. But that is a point of interest to us. Undoubtedly when we run the test, for its importance and impact, we intend to disclose as much as will be possible to do, respecting our contracts, our relationship with our partners and the regulatory agency. The Agency even requires the disclosure, and so we will do it.

Now, your second question is very applicable, very relevant. We do need to evaluate that in order to make a decision and it is in our radar. We will start drilling and up to January next year, everything will be at hand, but the kind of conversation and negotiation with the size of the FPSO unit goes beyond two or three months. We will narrow down the discussion and identify the best option out there in the market. But the final decision will incorporate data from the tests.

I am going to give the floor to Danilo, because he really knows all the details about that.

Mr. Oliveira:

Hello, Vicente. In fact, I was not very clear, let me try to clarify. Soon after we get the results from the basic project, we will go to the market with two options, while we are drilling. We will drill, we will run the tests, and once we have the result of the tests we will go to the market in the same period, that is when we are going to make a decision between both. But we will not wait for the tests to be completed to then go to market. These two activities will happen simultaneously, and at the end we will make a decision in the FPSO.

Mr. Falanga:

Thank you, now it is clear. And the idea is that you will inform the market about the flow rates as soon as you have it? What do you have in mind?

Mr. Guardado:

We do have some obligations with the regulatory agency and with that Consortium. So, we will inform. Now, there are some delicate and confidential information that we will not be able, and that needs to be submitted to the Consortium and to ANP. In principal we would not be forbidden to say what kind of production we experienced, what kind of reservoir behavior we have got in the test, in the drill stem test.

Mr. Falanga:

Ok, it was very clear. Thank you very much.

Operator:

Ladies and gentlemen, as a reminder if you would like to ask a question, please, press star one.

Our next question comes from Mr. Gustavo Gattass, from BTG Bactual.

Mr. Gattass:

Can I just make another follow-up? I am sorry; I forgot to ask this question. In Bruno's question, you answered him that you do not expect to have, or probably there will not be data on Carcará in the report. I would just like to hear from you the following: do you have room to possibly have this data in some kind of circumstance? So, could you tell us what might lead you to publish? Or is that completely out of the question? Is it just for hedge purposes?

Mr. Guardado:

We have already discussed that in the Consortium. That is a recurring topic. And the current consensus is that we do not have enough elements in order to talk about volume ranges. Obviously it would be too naïve not to tell you that the topic was discussed, because it was, it was an important discovery and was previously discussed. And we realized there would be some qualities that would only be settled on after the drill stem test. So, what I have to tell you is that for the moment we cannot have this data, but once we have all this improvement, and all the evaluations are performed, we might have changes, but I do not believe so. We are convinced that the test is critical to work on the figures in a very responsible manner, considering not only the Consortium but also the Agency.

That is what I said before. But that is a decision to be made in the Consortium. Also, we are speaking on our feelings and our sentiments. That is why I left this little door open, because if there comes a day in which the Consortium for any reason decides to do it, it can be done. That is always a Consortium decision. And in this case I can tell you that we have always has unanimous decision.

Mr. Gattass:
Great. Thank you.

Operator:

Our next question comes from Mr. Luiz Carvalho, from HSBC.

Mr. Luiz Carvalho, HSBC:

Good afternoon, everyone. I have two questions, one is more specifically to Danilo. Basically, I would like to have a slightly different approach vis-à-vis the FPSO. Your partner OGX has one FPSO with a relatively low utilization rate. I would like to know if there is any conversation or any kind of intention on your part - I am not try to hint something on OGX - but is there any kind of conversation on the technical aspect of the feasibility of this FPSO to be used in BS-4?

Now, the second question is more related to Lincoln. We saw a lot of information in the media this week about a possible sale of Barra Energia's assets. On your part, would you say there is any interest to increase your ownership interest in some of the assets, or is that completely out of the question? Thank you.

Mr. Oliveira:

Good afternoon. There are conversations, you are right, with OGX, as well as there are conversations with other FPSO charterers; technical conversations, I mean. OGX is our partner, we share interests in terms of anticipating and making this asset more appraised. We do have this kind of conversation.

As to the status, or stage, it is just like any other, Queiroz Galvão Óleo e Gás is also a charterer of FPSOs, we are also communicating with other companies. And we have also other FPSOs available from other players, we are talking to all of them, FPSO-wise, in different improvement stages. But we do have the possibility of using this one or the others.

Mr. Guardado:

I do not know if you are happy with Danilo's comments.

Mr. Carvalho:

It is clear. Thank you.

Mr. Guardado:

Now, the other question. There is no doubt there is a process that was broadly displayed. We are also aware of this news through the media, that Barra was in this stage. As to the conclusion of this stage or process, as announced yesterday, this is still a rumor to us. We cannot make any comments yet because we are partners and there is no official data, so we cannot disclose any kind of comments in that regard. It would not be prudent for us to mention something that does not have so many grounds. It is hard to make comments.

As to our interest, the Company today is far more oriented to portfolio diversification. For quite some time now we are getting ourselves ready to diversify and not to concentrate our portfolio, thinking about the mid and long-term basis and in different assets.

So, our current view is more oriented to some assets or areas that will be in the bid. We see that as a good potential for us, to even to de-risk our portfolio, even if they are frontier areas, but we want to be ready for any other farm outs that are within the same line, diversifying our portfolio.

Luiz Carvalho:

Very clear. Thank you.

Operator:

This concludes today's question and answer session. I would like to invite Mr. Lincoln Guardado to proceed with his closing remarks. Please, go ahead, sir.

Mr. Guardado:

Once again I would like to thank you for your interest, your questions and for this very candid conversation and dialogue that we intend to have with you all the time. Again, I would like to invite you to speak with our Investor Relations department if you have any further questions regarding this conference call.

I would like to say that in fact we will remain available to you, to provide you with information about the Company, to guide you as much as possible. Again, I thank you and wish you a good day.

Operator:

This concludes today's QGEP's audio conference. Thank you very much for your participation, and have a good day.