

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

NOTICE TO THE MARKET

QGEP Announces Initiation of Drilling at Carcará Appraisal Well

Rio de Janeiro, December 18th, 2013 – QGEP Participações S.A. (BMF&Bovespa: QGEP3, “Company”) today announced that the drilling of the appraisal well at the Carcará discovery has begun at Block BM-S-8.

Drilling began on December 14th, approximately 5km from the pioneer well, using the NS-32 Rig (Norbe VIII). Drilling will be carried out in two phases, due to the need for a rig with equipment suitable for drilling deep reservoirs with a high level of operational efficiency and safety. This first phase of drilling is estimated to be concluded in the end of the first quarter of 2014.

“The drilling of the Carcará appraisal well will provide us fundamental data that will allow us to better assess this discovery and understand the potential of the Block,” said Sérgio Michelucci, QGEP’s Exploration Officer.

The Carcará discovery is located in Block BM-S-8, in the pre-salt area of the Santos Basin, approximately 230km off the coast of São Paulo. The Carcará well showed a continuous column of at least 471 meters of 31° API oil with more than 400 meters of microbial carbonates, with excellent porosity and permeability conditions.

Queiroz Galvão Exploração e Produção S.A. holds a 10% participating interest in this block, which is operated by Petrobras (66%). Other consortium members include Petrogal Brasil (14%) and Barra Energia do Brasil Petróleo e Gás Ltda. (10%).

For more information, please contact our Investor Relations team:

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 largest producing company in the Brazilian Exploration and Production (E&P) private sector, and the first and only private Brazilian company to operate in the premium pre-salt area in Brazil. QGEP is qualified by the ANP in the last two auctions in 2007 and 2008 to act as “Operator A” in Deep and 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