

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

MATERIAL FACT

QGEP releases Reserves Certification of Atlanta Field

Rio de Janeiro, May 7th, 2014 – QGEP Participações S.A. (BMF&Bovespa: QGEP3, “Company”, “QGEP”) discloses today certified reserves for the Atlanta Field, based on a reserve certification, dated March 31st, 2014, prepared by independent consultants Gaffney, Cline & Associates (GCA) and issued on April 30th, 2014.

The main reserve highlights of the certification report of Atlanta Field, prepared by GCA, are as follows:

	Total Field Reserves (100%)		Reserves Net to QGEP (30%)	
	Crude Oil (MMBbl)	Natural Gas (MMm ³)	Crude Oil (MMBbl)	Natural Gas (MMm ³)
1P	147	56	44	17
2P	191	90	57	27
3P	269	311	81	93

The certification report considered the Drill Stem Test (DST) results of the first horizontal well drilled at the Atlanta Field by QGEP. Following the first well, a second well was successfully drilled and the DST obtained slightly higher productivity rates than those observed in the first well, which was at the high end of the 6-12kbb/d range. In this test, the electrical submersible pump was placed on the ocean floor, rather than at the reservoir level, as was the case with the previous well. If this technology is adopted for the full development of the Field, this option may provide significant operational cost reduction.

“The success in our activities at Atlanta Field is an important milestone towards diversifying our revenue resources and consolidating our presence as operator in deep waters. The volumes certified at Atlanta, net to QGEP, represent an increase of more than 100% in the Company’s 2P reserves, in boe terms”, said Lincoln Guardado, QGEP’s CEO. “We are pleased with the results from the Atlanta Field so far, and will keep the market up to date on the development of this asset”, said Danilo Oliveira, QGEP’s Production Director.

Located in Block BS-4, Atlanta is a post-salt oil field 185 km off the coast of the city of Rio de Janeiro in the Santos Basin, in water depth of approximately 1,500 meters. Queiroz Galvão Exploração e Produção S.A. is the operator of the Block with a 30% ownership; other consortium members include OGX Petróleo e Gás S.A. (40%) and Barra Energia do Brasil Petróleo e Gás Ltda. (30%).

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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 of Santos Basin 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