FIRST QUARTER 2016

Earnings Release QGEP Participações S.A.

Conference Call

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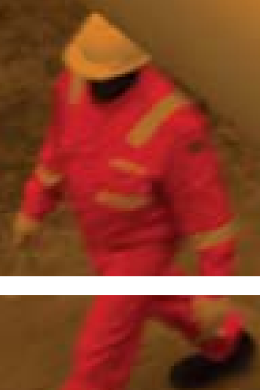

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EXPLORAÇÃO E PRODUÇÃO

QGEP Reports First Quarter 2016 Results

Rio de Janeiro, May 11, 2016 – QGEP Participações S.A. (BMF&Bovespa: QGEP3), the only independent Brazilian company to operate in the pre-salt premium area of the Santos Basin, today announced its results for the first quarter ended March 31, 2016. The following financial and operating data, except where indicated otherwise, are presented on a consolidated basis as per the accounting practices adopted in International Financial Reporting Standards (IFRS) and accounting practices adopted in Brazil, as described in the financial section of this release.

- **Average daily gas production from the Manati Field was 6.0 MMm³ in the first quarter, the highest since 1Q14**

- **Manati reserves certification report shows 2P reserves of 11.0 billion m³ of gas on December 31, 2015, being 4.9 billion m³ net to QGEP**

- **Due to excellent results and the relevant information obtained in tests held in the Carcará Norte well, the Consortium decided to proceed without the Extended Well Test at Carcará under the scope of the Discovery Evaluation Plan**

- **Net revenue of R$143.8 milion in 1Q16, up 14.1% compared to 1Q15, due to the increase in Manati production and the annual contractual pricing readjustement**

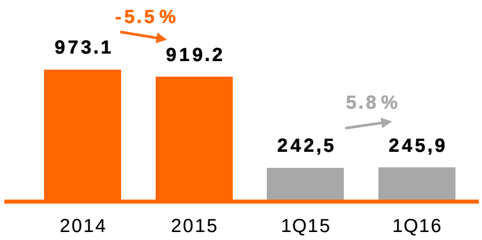
- **EBITDAX of R$85.1 million, up 17.0% y-o-y**

- **Net income of R$46.5 million in 1Q16, compared to R$95.2 milion in 1Q15, mainly reflecting the impact of currency movements**

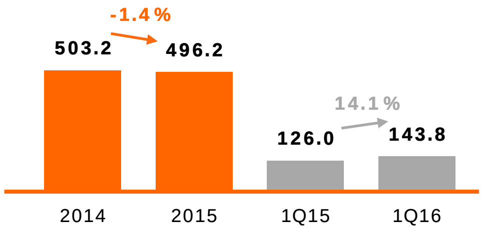
- **Cash balance[1] of R$1.3 billion at quarter-end; equivalent to R$4.86 per share**

- **Annual dividend of R$0.15 per share paid on April 28, 2016**

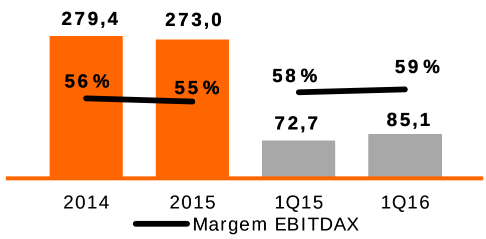
Gas Production (Millions m³)



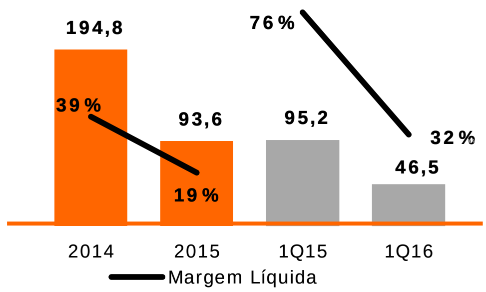
Net Revenue (R$ Million)



EBITDAX (R$ million)



Lucro Líquido (R$ milhões)



(1) Includes cash, cash equivalents and marketable securities

Management Comments

First quarter results represented a strong start to 2016, reinforcing QGEP's position as a well-capitalized independent oil and gas company with a high degree of visbility, a diversified asset portfolio and the financial flexibility and discipline to sucessfully navigate the current difficult environment.

In the first quarter, gas production at our 45%-owned Manati Field, one of Brazil's largest non-associated gas field, was 6.0MMm^3 per day, the highest in the last two years of operations. We reaffirm our guidance of full-year gas production to average 5.7 MMm^3 per day, however, we are aware of the potential consequences of the economic crises we are facing in Brazil, specially in the Northeast. We are also announcing today the latest Manati reserve certification by the independent firm Gaffney Cline Associates (GCA), which presented 2P reserves of 11.0 billion m^3 of gas for 100% of the field, which support the visibility of production at this important asset.

At Block BS-4, activities to adapt the FPSO for the Atlanta Field, are still ongoing, and we await its arrival in the fourth quarter of this year, to begin production from the Early Production System (EPS). Current expectations are for two producing wells, with production capacity of 20,000 barrels per day and first oil at the end of 2016. This EPS will be a major advance in the project towards the full development of Atlanta in 2019/2020, as they provide important information for the full development of the Field, our first as operator.

In exploratory assets, the Consortium at Block BM-S-8 defined the next steps at the Carcará Discovery. Under the Discovery Evaluation Plan (PAD) in 2017 a DST (Drill Stem Test) will be performed at the Carcará Noroeste well, as well as drilling at the Guanxuma prospect. The ANP recently gave approval for the Consortium to move on with the PAD without carrying out an additional Extended Well Test (EWT), as previously expected. In the Blocks acquired in the 11th ANP Bidding Round in 2013, we are now in the final stage of acquiriing seismic data in the blocks at the Pará-Maranhão Basin.

In the first quarter, we maintained our solid financial performance. The strong Manati production and the annual adjustment in contractual prices drove higher revenue and EBITDAX and operational cash flow. Net income for the quarter was lower, as the appreciation of the Brazilian real led to lower net financial costs for the quarter, impacting our investments denominated in exchange funds. Our cash position remained consistent at the end of the quarter, with cash balance of R$1.3 billion, equivalent to R$4.86 per share, including our debts to FINEP and Banco do Nordeste do Brasil.

The operating environment for the industry remains challenging, although there are positive outlook for the oil and gas market place. The Brent has risen more than 60% from its lows of January. While it remains low by the standard of recent years, the increase suggests the market is moving towards a better balance in supply and demand. In Brazil, we see some indications of a greater degree of flexibility in the the oil and gas sector regulation, which may prove beneficial as we explore and develop the assets in our portfolio, including the Carcará discovery. And, despite current political headwinds, the high quality of our assets and fundamentals of the Brazilian pre-salt are indisputable.

Even considering these positive signs, we will remain focused on our key differentiating factors in the quarters ahead – namely capital discipline and portfolio management. The robust production and profitability at the Manati Field will drive the strength in our financial results throughout the year. We are accumulating knowledge of our portfolio, so as to work on a better planning of future activities. In recent years, we have built a unique portfolio of assets, with a range of timelines and risk/return levels. This provides us with multiple avenues for progress, even in a challenging operating environment. Throughout 2016, we will continue to examine options for further portfolio optimization, including potential farm-outs and acquisitions, while maintaining our rigorous standards for assessing any such transactions. We are confident that the quality of our portfolio, our expertise and our commitment to maintaining healthy cash flows will drive further success, and create further value.

QGEP's Assets

Basin	Block / Concession	Field / Prospect	QGEP Working Interest	Resource Category	Fluid
Camamu-Almada	BCAM-40	Manati	45%	Reserve	Gas
Camamu-Almada	BCAM-40	Camarão Norte	45%	Contingent	Gas
Camamu-Almada	CAL-M-372	CAM#01	20%	Prospective	Oil
Santos	BM-S-8	Carcará	10%	Contingent	Oil
Santos	BM-S-8	Guanxuma	10%	Prospective	Oil
Santos	BS-4	Atlanta	30%	Reserve	Oil
Santos	BS-4	Oliva	30%	Contingent	Oil
Santos	BS-4	Piapara	30%	Prospective	Oil
Espírito Santo	ES-M-598		20%	Prospective	Oil
Espírito Santo	ES-M-673		20%	Prospective	Oil
Foz do Amazonas	FZA-M-90		35%	Prospective	Oil
Pará-Maranhão	PAMA-M-265		30%	Prospective	Oil
Pará-Maranhão	PAMA-M-337		50%	Prospective	Oil
Ceará	CE-M-661		25%	Prospective	Oil
Pernambuco-Paraíba	PEPB-M-894		30%	Prospective	Oil
Pernambuco-Paraíba	PEPB-M-896		30%	Prospective	Oil
Sergipe-Alagoas	SEAL-M-351		100%	Prospective	Oil
Sergipe-Alagoas	SEAL-M-428		100%	Prospective	Oil

Producing and Development Assets

MANATI

Block BCAM-40; Working interest: 45%

Average daily production at the Manati Field was 6.0MMm^3 in the first quarter, the highest in the last eight quarters. The increased production reflects the operation of the gas compression plant, which came online in the second half of 2015. The compression plant has returned production capacity at the Field to 6.0MMm^3 per day. For the full year, the Company forecasts average daily production of 5.7MMm^3, below capacity, as a result of the challenging economic conditions in Brazil.

Manati remains a very profitable field for QGEP, with an average EBITDA margin of approximately 60% of net revenue, inclusive of additional operating expenses from the gas compression plant. Currently, approximately 50% of Manati costs are pegged to the dollar.

Painting of the platform, as well as other maintenance services at Manati, began in March 2016. This process will last 4-6 months. This campaign will not impact the average production expected for the year. Total cost net to QGEP is budgeted at US$13 million.

QGEP released today the new reserve certification by Gaffney, Cline & Associates (GCA) for the Manati Field. The certification indicates that on December 31, 2015 the 2P reserves for 100% of the field amounted to 11.0 billion m³ of gas and 0.7 million of barrels of condensate, which corresponds to 69.6 million barrels of equivalent oil (boe). There was a slight reduction in reserves from December 31, 2014, as a result of the revision of Manati's modeling, which showed a lower yield of condensate, and also as a result of an adjustment on the reservoir's pressure behavior model, which reduced the estimated gas reserve volume. The reduction in reserves is in line with the precision of techniques used in the studies of the modeling of the reservoir's behavior.

ATLANTA

Block BS-4; Working interest: 30%; Operator

At the Atlanta Field in Block BS-4, the Consortium continues to work towards the beginning of production via an Early Production System (EPS). The EPS will have initial production capacity of 20,000 barrels of oil per day from the two wells already drilled and completed. The Consortium has the option to drill an additional production well, raising capacity to 30,000 barrels per day. The Consortium will make the decision based on outlook of global oil markets, and on the additional investment necessary. Total estimated Capex for Atlanta EPS is of US$700 million, of which US$223 million are due by QGEP.

The FPSO that will be used at the Atlanta Field, Petrojarl I, has a storage capacity of 180,000 barrels of oil, with production capacity of 30,000 bbl per day. The operation and maintainance contract for Petrojarl I has a duration of five years, and termination clause beginning in the third year. The license for the FPSO installation in Atlanta has been issued and the Consortium is in the process of obtaining operating licenses with both the ANP and IBAMA.

The vessel is currently being adapted in Rotterdam, the Netherlands. It is expected to arrive at the Field in the fourth quarter of 2016, with production expected to begin by year-end.

In October 2015, QGEP signed an agreement with Shell Western Supply and Trading Ltd. (Shell) for the commercialization of the output from the Atlanta EPS. This Crude Oil Sales Agreement (COSA) is for oil sales that will be Free on Board (FOB) for Shell on the FPSO, with a netback price mechanism. The COSA has a three year term, with the possibility of extending for an additional year. QGEP's partners in the Consortium also signed similar commercial agreements with Shell.

Exploratory Assets

BM-S-8

Working interest: 10%

In late 2015, the Consortium completed tests in the Carcará Norte well, which included two Drill Stem Tests, one at the base and the other at the top of the pre-salt carbonatic microbial reservoirs. The results of these tests suggest that flow rates from the well will be similar to those of the highest producing wells in the Santos Basin pre-salt.

The tests confirmed it is the same accumulation identified by the pioneer well, and showed excellent oil quality, with 31º API and no contaminants. The oil column is estimated to be at least 530 meters, and the oil-water contact has not yet been identified. Data from the appraisal wells provides the

Consortium useful information to plan future operations at Block BM-S-8 and define a production infrastructure at the discovery.

The original Discovery Evaluation Plan (PAD, by its initials in Portuguese) filed with the ANP provided for an Extended Well Test (EWT) in 2017 at Carcará. However, with the information already obtained from the Drill Stem Tests (DSTs) completed at Carcará Norte, the Consortium considered that the EWT would not be necessary and agreed with ANP to update the PAD. In April 2016, the ANP agreed that the EWT to be effectively replaced by the tests at Carcará Norte and gave the Consortium permission to proceed without carrying out the test. The Consortium expects to fulfill its PAD-mandated obligations, to carry out the drilling of the Guanxuma Prospect and the DST at Carcará Noroeste in 2017. Guanxuma is located in the pre-salt section, 30km southwest of the Carcará discovery.

CAL-M-372

Working interest: 20%

Activities at CAL-M-372 continue to await the environmental license from IBAMA, which is expected in 2017. Once this license has been received, the Consortium will drill a pioneer well targeting the CAM#01 prospect. Negotiations are underway with the ANP for the postponement of the Concession periods due to market conditions and uncertainties in the process of environmental licensing.

BLOCKS ACQUIRED IN THE 11th ANP BIDDING ROUND

QGEP is moving on with the first exploratory phase, acquiring, processing and interpreting seismic data for the blocks acquired in the 11th ANP Bidding Round, in conjunction with its relevant partners.

Seismic data for the blocks in the Espirito Santo Basin is currently in final phase of processing to identify the best prospects for drilling.

At Block FZA-M-90, in the Foz do Amazonas Basin, seismic data has been acquired and processed. The Consortium is now interpreting this data and evaluating the Block's potential.

At the Ceará Basin, seismic data was acquired and processing is ongoing.

As for the blocks at the Pará-Maranhão Basin, the Consortium is acquiring the data, a process that is expected to last until the end of the second quarter. The Consortium will then begin processing the data, which will last until the end of 2016.

Total cost, net to QGEP for the acquisition and processing of seismic data at these blocks, as well as other expenses, is expected to total approximately US$22 million in 2016. Under the commitments with the ANP at the 11th Bidding Round, QGEP may incur approximately US$200 million of expenses to drill at least four exploratory wells from 2017/ 2018. Actual drilling costs may prove to be lower, reflecting the reduced rates for drilling in the industry.

Recent Corporate Developments

- On February 2, 2016, QGEP announced its Board of Directors had approved KPMG Auditores Independentes ("KPMG") as independent auditors of the Company's financial statements for the year ending December 2016. KPMG started its activities with the results for the first quarter of 2016. KPMG replaced Deloitte Touche Tohmatsu Auditores Independentes in compliance with Instruction CVM nº 308/99, which mandates the rotation of independent auditors every five years.

- On February 25, 2015, QGEP announced an adjustment to the way in which it accounts for the impact of currency movements on the provision for abandonment. As a portion of the provision is denominated in dollars, movements in the dollar:real exchange rate would lead to large non-cash charges and benefits in quarterly results. Starting auditing the results of the fourth quarter of 2015, this impact will be recorded in fixed assets, rather than the income statement. For full details on this accounting change, please refer to the Company's 4Q15 earnings release, dated March 9, 2016.

- On April 12, 2016, QGEP's General Shareholders Meeting approved the Management's Proposal and the payments of dividends corresponding to the fiscal year ended December 31, 2015. Dividends corresponding to the fiscal year totaled R$38,677,840.95, or R$0.15 per share. Payments of dividends occurred on April 28, 2016, to holders of record as of April 12, 2016.

- Due to the discontinuance of the *Jornal do Commercio* , from May 9, 2016 QGEP will adopt , in addition to *Diário Oficial do Rio de Janeiro*, *Valor Econômico* as newspapers that publish the Company's information. In addition to the newspapers, the Company will keep the disclosure on its IR website and on the CVM website.

Financial Performance

Income Statement and Financial Highlights (R$ million)

	1Q16	4Q15 (1)	Δ% 1Q16 x 4Q15 (1)	1Q15 (1)	Δ% 1Q16x 1Q15 (1)
Net Revenue	**143.8**	**133.5**	**7.7%**	**126.0**	**14.1%**
Costs	(60.5)	(70.1)	-13.8%	(62.0)	-2.6%
Gross profit	**83.3**	**63.4**	**31.4%**	**63.9**	**30.3%**
Operating income (expenses):					
General and administrative expenses	(10.6)	(16.5)	-35.8%	(14.7)	-28.1%
Equity Method	0.4	(0.4)	-203.7%	0.1	197.7%
Exploration expenditures	(8.9)	(352.0)	-97.5%	(10.2)	-13.2%
Operating income (Loss)	**64.3**	**(305.4)**	**-121.0%**	**39.1**	**64.2%**
Financial income (expenses), net	(12.6)	29.7	142.5%	92.7	-113.6%
Income before income tax and social contribution	**51.6**	**(275.7)**	**-118.7%**	**131.8**	**-60.8%**
Income tax and social contribution	(5.2)	116.3	-104.4%	(36.6)	-85.9%
Net income (Loss)	**46.5**	**(159.4)**	**-129.2%**	**95.2**	**-51.2%**
Net cash inflows from operating activities	**(10.7)**	**(10.6)**	**1.3%**	**157.0**	**-106.8%**
EBITDAX (2)	**85.1**	**61.3**	**38.8%**	**72.7**	**17.1%**

Some percentages and other figures included in this report were rounded to facilitate presentation and therefore may present slight differences in relation to the tables and notes presented in the quarterly information. In addition, for the same reason, the totals presented in certain tables may not reflect the arithmetic sum of the preceding figures.

(1) The amounts of these periods refer to figures restated on March 9, 2016.

(2) EBITDAX is a measure used by the oil and gas industry calculated as follows: EBITDA + exploration expenses with subcomercial and dry wells. We calculate EBITDA as profit before taxes and social contributions, net financial results and amortization expenses. EBITDA is not a financial measure according to Brazilian GAAP or IFRS. It should also not be considered in isolation or as a substitute for net income, as a measure of operating performance, or as an alternative to operating cash flow as a measure of liquidity. Other companies may calculate EBITDA differently than us. Furthermore, EBITDA has limitations which inhibit its usefulness as a measure of our profitability as it does not consider certain costs inherent in our business, which could significantly impact our net results, such as net financial income, taxes and amortization. EBITDA is utilized by us as an additional measure of our operating performance.

QGEP's financial strategy is supported by the positive cash generation from the Manati Field, as well as by the cost control provided by a disciplined approach to development and exploration. Results for the first quarter of 2016 fit this strategy: revenue and EBITDAX rose, due to the robust performance of the Manati Field. Net income lagged EBITDAX growth, due to financial expenses. These rose due to the appreciation of the Brazilian real against the U.S. dollar, which reduced the profitability of income from QGEP's exchange funds.

First quarter 2016 financial highlights are below:

- Net revenue was R$143.8 million, up 7.7% from R133.5 million in 4Q15, and 14.1% from R$126.0 million in 1Q15. This increase reflected higher gas production from Manati and the contractual adjustment in gas prices.
- Operating costs were R$60.5 million in the quarter, down 13.8% from R$70.1 million in 4Q15 and 2.6% from R$62.0 million in 1Q15. This was mainly due to the reduction in depreciation and amortization expenses due to two factors: the signature of the amendment to the Manati gas sales contract, increasing 1P (proved) gas reserves which are considered for the

calculation of depreciation, and the impact of currency movements in the provision of abandonment, which are now registered in fixed assets. Production costs totaled R$20.6 million in 1Q16, up from R$11.5 million in 1Q15 due to the costs related to the Manati compression plant. Costs relating to the compression plant were R$9.6 million in 1Q16.

Operating costs (R$ million)

	1Q16	1Q15(1)	Δ%	4Q15	Δ%
Depreciation and amortization	20.3	32.9	-38.2%	27.3	-25.5%
Production costs	20.6	11.5	78.4%	21.3	-3.3%
Maintenance costs	3.2	5.0	-35.9%	2.4	30.4%
Royalties	11.0	9.4	16.5%	10.0	9.6%
Special Participation	2.0	2.0	0.7%	3.4	-41.8%
R&D	1.5	1.3	15.4%	1.5	-3.4%
Other	2.0	0.0	N/A	4.2	-53.5%
TOTAL	**60.5**	**62.0**	**-2.6%**	**70.1**	**-13.8%**

(1) The amounts of these periods refer to figures restated on March 9, 2016.

- General and administrative expenses were R$10.6 million in 1Q16, down from R$14.7 million in 1Q15. This sequential decrease was mainly due to the increase in expenses being assigned to partners at blocks where QGEP is the operator.
- Net financial result was negative in R$ 12.6 million, compared to a net financial income of R$92.7 million in 1Q15. The move from a positive result to a negative result is explained by the appreciation of the Brazilian real of 8.9% in the quarter, which significantly reduced the income from QGEP's financial investments, linked to the dollar, now representing 33% of the Company's cash. This impact is reflected in the financial revenues line.
- Income tax and social contribution represented an expense of R$5.2 million, compared to R$36.6 million in 1Q15. The lower tax expense was the result of a reduction in taxable income, as losses incurred in foreign-currency denominated investment funds are tax deductible**.**
- Operating cash flow was of R$14.7 million in 1Q16, compared to R$157.0 million in 1Q15. The year-on-year decrease reflects lower net income (-51.2% y-o-y), higher accounts receivable due to higher production and gas sales pricing readjustment, as well as the increased balance of credit with partners and payments of seismic expenses in the period.

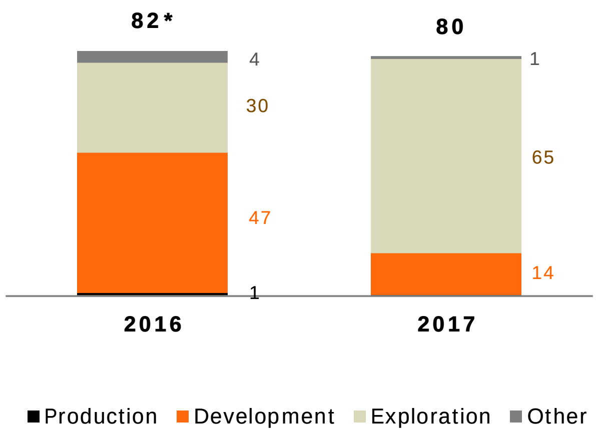
CAPEX AND OTHER EXPLORATORY EXPENSES

QGEP maintains a disciplined approach to capital expenditures, proceeding with prudent expenditures while maintaining a comfortable cash position to support its future needs. Decisions regarding capital expenditures are made by the Consortiums at the different assets in QGEP's portfolio, and QGEP then books the portion corresponding to its ownership in the relevant asset.

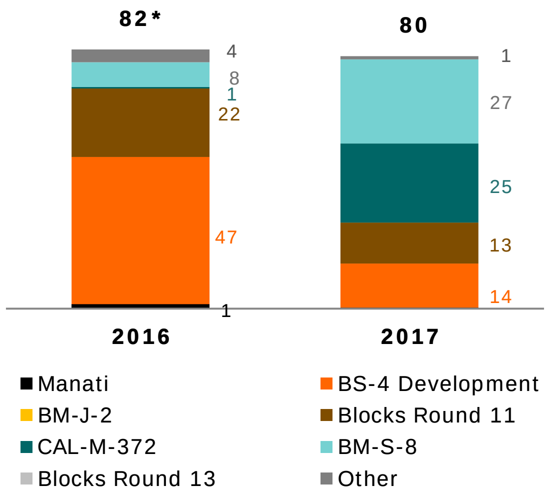
In 2016, total capital expenditures are expected to be US$82 million. Out of this total, US$47 million, will be spent at the Atlanta Field, with production scheduled to begin late in the year. 2016 capex will also include US$22 million to be spent in the acquisition and processing of seismic data, as well as geological and geophysical studies at the blocks acquired in the 11th ANP Bidding Round. As of March 31, 1Q16, QGEP had already disbursed US$18 million of the total amount, of which over 50% were directed to the development of Atlanta, in Block BS -4, while almost 30% was invested in activities in Block BM- S-8.

QGEP expects to invest US$80 million in 2017, mainly consisting of investments in exploration: US$13 million are estimated to be invested in the blocks acquired in the 11th Bidding Round, US$25 million related to the drilling of a well in Block CAL-M-372 and US$27 million allocated to activities in Block BM-S-8, including a wildcat well in Guanxuma and a test in the Carcará Northwest well.

CAPEX net to QGEP (US$ million)



CAPEX net to QGEP (US$ million)



* Up to March 31, 2016 , US$18 million were already disbursed.

Cash Position (Cash, Cash Equivalents and Marketable Securities) and Debt

At the end of 1Q16, QGEP had a cash balance of R$1.3 billion. Out of this sum, QGEP had 33% of the cash invested in exchange funds, in order to hedge its medium term US dollar denominated obligations. The remaining balance was invested in Brazilian real-denominated instruments. At the end of 1Q16, the average annual return of the cash equivalents and financial investments was equivalent to 101.7% of the CDI rate and 85% of the funds had daily liquidity.

At the end of the quarter , QGEP's total debt was R$370.2 million, consisting of R$253.7 million drawn down on credit lines from state lender Financiadora de Estudos e Projetos (FINEP) and R$117.9 million drawn down on a credit line from Banco do Nordeste do Brasil (BNB).

Funds from FINEP are part of a financing package aimed at supporting the development of the Atlanta Field EPS, and consists of two credit lines, one at a fixed rate of 3.5% per year, and another of a floating rate linked to TJLP. Both have a grace period of three years and payment period of seven years. QGEP has a total credit line with FINEP of R$266.1 million.

The BNB financing is directed to the operation of the Company's assets in the Northeast. The loan, which costs 4.71% per year with a 15% compliance bonus, has a grace period of five years and repayment period of seven years.

The Company's net cash position as of March 31, 2016 was R$882.6 million.

Credits with Partners

At the end of 1Q16, QGEP's credit with partners totaled R$47.0 million. These reflect expenses incurred in E&P activities that are billed ("cash calls") or to be billed to non-operator partners in the respective Consortiums, or allocated by the Company's operator partners in the blocks not operated by QGEP.

Of the R$47.0 million and R$23.9 milion recorded on 1Q16 and 4Q15, R$25.0 milion and R$12.2 milion, respectively, corresponds to OGX installment, and the remainder to other Consortium members. Until present time there are no amounts overdue.

Considering the current situation of OGX, which is under judicial recovery, QGEP is monitoring the judicial recovery proceeding to mitigate possible risks related to OGX's ability to discharge its payment obligations and investment commitments.

Investor Relations

QGEP Participações S.A.

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About QGEP

QGEP Participações S.A. is Brazil's only private company to operate in the premium pre-salt area in Santos Basin. QGEP is qualified by the ANP to act as "Operator A" from shallow to 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 m^3 per day. For more information, access www.qgep.com.br/ri

The consolidated financial information of the Company for the quarters ended March 31, 2016, and March 31, 2015 was prepared by the Company in accordance with IFRS as issued by IASB.

Annex I – CONSOLIDATED FINANCIAL INFORMATION (R$ MILLION)

Consolidated Financial Information (R$ million)

	1Q16	1Q15[1]	Δ%	2015	2014[1]	Δ%
Net income	46.5	95.2	-51.2%	93.6	194.8	-51.9%
Amortization and depreciation	21.3	33.8	-37.0%	121.7	122.8	-0.9%
Net financial income (expenses)	12.6	(92.7)	-113.6%	(272.2)	(119.2)	128.4%
Income tax and social contribution	5.2	36.6	-85.9%	(17.9)	16.3	-209.6%
EBITDA[1]	**85.5**	**72.9**	**17.3%**	**(74.9)**	**214.7**	**-134.9%**
Oil and gas exploration expenditure with sub commercial and dry wells[2]	(0.4)	(0.2)	79.1%	347.9	71.6	385.9%
EBITDAX[3]	**85.1**	**72.7**	**17.1%**	**273.0**	**286.3**	**-4.6%**
EBITDA Margin[4]	59.5%	57.9%	2.8%	-15.1%	42.7%	-135.4%
EBITDAX Margin [5]	59.2%	57.7%	2.6%	55.0%	56.9%	-3.3%
Net Cash[6]	883.8	972.2	-190.9%	910.3	877.7	-203.7%
Net Debt/EBITDAX	(3.1)	(3.5)	-12.0%	(3.3)	(3.1)	8.8%

[1] The amounts of these periods refer to figures restated on March 9, 2016.
[2] We calculate EBITDA as profit before taxes and social contributions, net financial results and amortization expenses. EBITDA is not a financial measure according to Brazilian GAAP or IFRS. It should also not be considered in isolation or as a substitute for net income, as a measure of operating performance, or as an alternative to operating cash flow as a measure of liquidity. Other companies may calculate EBITDA differently than us. Furthermore, EBITDA has limitations which inhibit its usefulness as a measure of our profitability as it does not consider certain costs inherent in our business, which could significantly impact our net results, such as net financial income, taxes and amortization. EBITDA is utilized by us as an additional measure of our operating performance.
[3] Exploration expenses relating to sub-commercial wells or to non-operational volumes.
[4] EBITDAX is a measure used by the oil and gas industry calculated as follows: EBITDA + exploration expenses with sub-commercial and dry wells.
[5] EBITDA divided by net revenue.
[6] EBITDAX divided by net revenue.
[7] Net cash corresponds to cash, cash equivalents and marketable securities investments excluding total debt, comprising current and long-term loans and financing and derivative financial instruments, less cash and cash equivalents and marketable securities. Net debt is not recognized under Brazilian GAAP, U.S. GAAP, IFRS or any other generally accepted accounting principles. Other companies may calculate net debt in a different manner.

Annex II – BALANCE SHEET

	1Q16	4Q15	Δ%
Assets			
Current Assets	**1,327.5**	**1,337.3**	**-0.7%**
Cash and cash equivalents	139.5	180.7	-22.8%
Investments	951.5	941.5	1.1%
Trade accounts receivable	113.6	102.6	10.8%
Credits with Partners	47.0	23.9	96.5%
Inventory	2.9	3.1	-5.9%
Recoverable taxes and contribution	64.0	74.3	-13.9%
Other	8.9	11.2	-20.3%
Non-current Assets	**2,090.7**	**2,092.9**	**-0.1%**
Restricted cash	100.6	86.8	15.9%
Investments	163.0	157.8	3.3%
Non-current Inventory	57.4	57.1	0.6%
Related Parties	7.1	0.2	N/A
Recoverable taxes	4.9	4.9	0.1%
Deferred income tax and social	45.0	45.5	-1.1%
Investments	127.4	125.1	1.9%
Property, plant and equipment	855.5	885.5	-3.4%
Intangible assets	728.1	728.4	0.0%
Other Non-current Assets	1.6	1.6	-0.1%
TOTAL ASSETS	**3,418.2**	**3,430.3**	**-0.4%**
Liabilities and Shareholders' Equity			
Current	**145.4**	**158.0**	**-8.0%**
Trade accounts payable	60.2	71.7	-16.0%
Taxes payable	30.7	27.6	11.4%
Payroll and related taxes	7.3	18.6	-60.9%
Bills to pay- related parties	0.7	0.4	75.2%
Borrowings and Financing	21.5	12.5	72.0%
Provision for research and development	15.3	15.7	-2.7%
Insurances payable	6.6	8.5	-21.6%
Other	3.1	3.1	-0.7%
Non-current Liabilities	**550.7**	**583.1**	**-5.6%**
Provision for abandonment	348.7	357.2	-2.4%
Borrowings and financing	202.0	226.0	-10.6%
Shareholders' Equity	**2,722.1**	**2,689.2**	**1.2%**
Capital Stock	2,078.1	2,078.1	0.0%
Other comprehensive income	28.8	43.4	-33.6%
Profit Reserve	610.8	610.8	0.0%
Capital Reserve	39.0	37.9	2.9%
Treasury Shares	(81.0)	(81.0)	0.0%
Net income for the period	46.5	0.0	N/A
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,418.2**	**3,430.3**	**-0.4%**

Annex III – CASH FLOW

CASH FLOW STATEMENT (R$ milion)

	1Q16	1Q15[1]	Δ%	2015	2014[1]	Δ%
CASH FLOW FROM OPERATING ACTIVITIES						
Net income for the period	**46.5**	**95.2**	**-51.2%**	**93.6**	**194.8**	**-51.9%**
Adjustments to reconcile net income to net cash provided by operating activities:						
Equity Method	(0.4)	(0.1)	197.7%	1.2	0.2	N/A
Amortization of the exploration and development expenditures	21.3	33.8	-37.0%	121.7	122.8	-0.9%
Deferred income tax and social contribution	0.5	14.9	-96.5%	(26.1)	3.1	N/A
Financial charges and exchange rate (gain) loss borrowings and financing	4.4	2.7	66.7%	14.6	5.9	146.4%
Write-off	35.6	0.1	N/A	332.4	70.6	370.5%
Provision for stock option plan	1.1	1.8	-40.7%	6.3	9.0	-30.4%
Provision for income tax and social contribution	4.6	21.7	-78.7%	8.2	15.5	-46.8%
Provision for research and development	(0.4)	0.8	-151.7%	2.9	4.2	-29.6%
Exchange variation/Others	0.0	(4.5)	-100.0%	0.0	18.8	-100.0%
(Increase) decrease in operating assets:	**(28.6)**	**11.2**	**-355.3%**	**(54.7)**	**59.0**	**-192.6%**
Increase (decrease) in operating liabilities:	**(69.9)**	**(20.6)**	**239.7%**	**(68.6)**	**(155.5)**	**-55.9%**
Net cash inflows from operating activities	**14.7**	**157.0**	**-90.7%**	**431.5**	**348.5**	**23.8%**
CASH FLOWS FROM INVESTING ACTIVITIES						
Net cash inflows from (used in) investing activities	**(41.3)**	**(267.8)**	**-84.6%**	**(485.1)**	**(617.3)**	**-21.4%**
CASH FLOWS FROM FINANCING ACTIVITIES						
Net cash inflows from (used in) financing activities	**0.0**	**117.8**	**-100.0%**	**79.2**	**25.0**	**216.6%**
Total exchange variation on cash and cash equivalents	(14.6)	6.9	-311.6%	38.0	3.2	N/A
Increase (decrease) in cash and cash equivalents	**(41.2)**	**13.9**	**-396.4%**	**63.5**	**(240.6)**	**126.4%**
Cash and cash equivalents at the beginning of the period	**180.7**	**117.2**	**54.2%**	**117.2**	**357.8**	**-67.2%**
Cash and cash equivalents at the end of the period	**139.5**	**131.1**	**6.4%**	**180.7**	**117.2**	**54.2%**
Increase (decrease) in cash and cash equivalents	**(41.2)**	**13.9**	**-396.4%**	**63.5**	**(240.6)**	**126.4%**

[1] The amounts of this periods refer to numbers restated on March 9, 2016.

Annex IV – GLOSSARY

ANP	National Agency of Petroleum, Natural Gas and Fuel
Deep water	Water depth of 401 – 1,500 meters.
Shallow water	Water depth of 400 meters or less.
Ultra-deep water	Water depth of 1,501 meters or more.
Basin	A depression in the Earth's crust in which sediments have accumulated that could contain oil and/or gas, associated or not.
Block(s)	Part(s) of a sedimentary basin with a polygonal surface defined by the geographic coordinates of its vertices and undefined depth where oil and natural gas exploration or production activities are carried out.
"Boe" or Barrel of oil equivalent"	A measurement of gas volume converted to barrels of oil using a conversion factor whereby 1,000 m^3 of gas equals 1 m^3 of oil/condensate and 1 m^3 of oil/condensate equals 6.29 barrels and (energy equivalence).
Concession	A grant of access by a country to a company for a defined area and period of time that transfers certain rights to any hydrocarbons that may be discovered from the country in question to the concessionaire.
Discovery	In accordance with the Petroleum Law, a discovery is any occurrence of petroleum, natural gas or other hydrocarbons, minerals and, in general terms, mineral reserves located in a given concession, independently of quantity, quality or commercial viability that are confirmed by at least two detection or evaluation methods (defined in the ANP concession agreement). To be considered commercially feasible, a discovery must present positive returns on an investment under market conditions for development and production.
E&P	Exploration and Production
Farm-in and Farm-out	Process of partial or complete acquisition of concession rights held by another company. The company acquiring the concession rights is said to be in the farm-in process and the company selling concession rights is in the farm-out process.
Field	An area covering a horizontal projection of one or more reservoirs containing oil and/or natural gas in commercial quantities.
FPSO	A floating production, storage and offloading (FPSO) unit is a floating vessel used by the offshore oil and gas industry for the processing of hydrocarbons and for oil storage.
GCOS	Geological Chance of Success
GCA	Gaffney, Cline & Associates
IBAMA	Brazilian Institute of Environment and Renewable Natural Resources
Kbbl/d	One thousand barrels per day
MEP	Minimum Exploratory Program are the set of activities aimed at the fulfillment of the contractual obligations of the exploration phase, carried out in a concession area and in which each activity is computed quantitatively according to its nature and scope, which has an

	equivalence in work units (UT's) and corresponds to the winning bid parameter of the bidding area.
Operator	A company legally appointed to conduct and execute all operations and activities in the concession area, in accordance with the terms of the concession agreement signed by the ANP and the concessionaire.
"Type A" Operator	Qualification of the ANP to operate onshore, offshore in shallow to ultra-deep waters
Exploratory Prospect(s)	A prospect is a potential accumulation mapped by geologists or geophysicists where there is a probability of a commercially viable accumulation of oil and/or natural gas that is ready to be drilled. The five necessary elements for the existence of an accumulation (generation, migration, Reservoir, seal and entrapment) must be present and the lack of any of the five means there is either no accumulation or accumulation that is not commercially viable.
Contingent Resources	Represent quantities of oil, condensate and natural gas that are potentially recoverable from accumulations acknowledged during the development of projects, that are not considered commercially recoverable as yet due to one or more contingencies.
Risked Prospective Resources	Prospective resources multiplied by GCOS.
Reserves	Quantities of petroleum expected to be commercially recoverable by applying development projects to known accumulations as of a given date and under defined conditions.
Reserves 1P	Sum of proven reserves.
Reserves 2P	Sum of proven and probable reserves.
Reserves 3P	Sum of proven, probable and possible reserves.
Possible Reserves	Quantities of petroleum which analysis of geoscience and engineering data indicate are less likely to be recovered than probable reserves.
Proven Reserves	Quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable as of a given date from known reservoirs and under defined economic conditions, operating methods and government regulations.
Probable Reserves	Quantities of petroleum that, according to geoscience and engineering data, are estimated to have the same chance (50%/50%) of being achieved or exceeded.