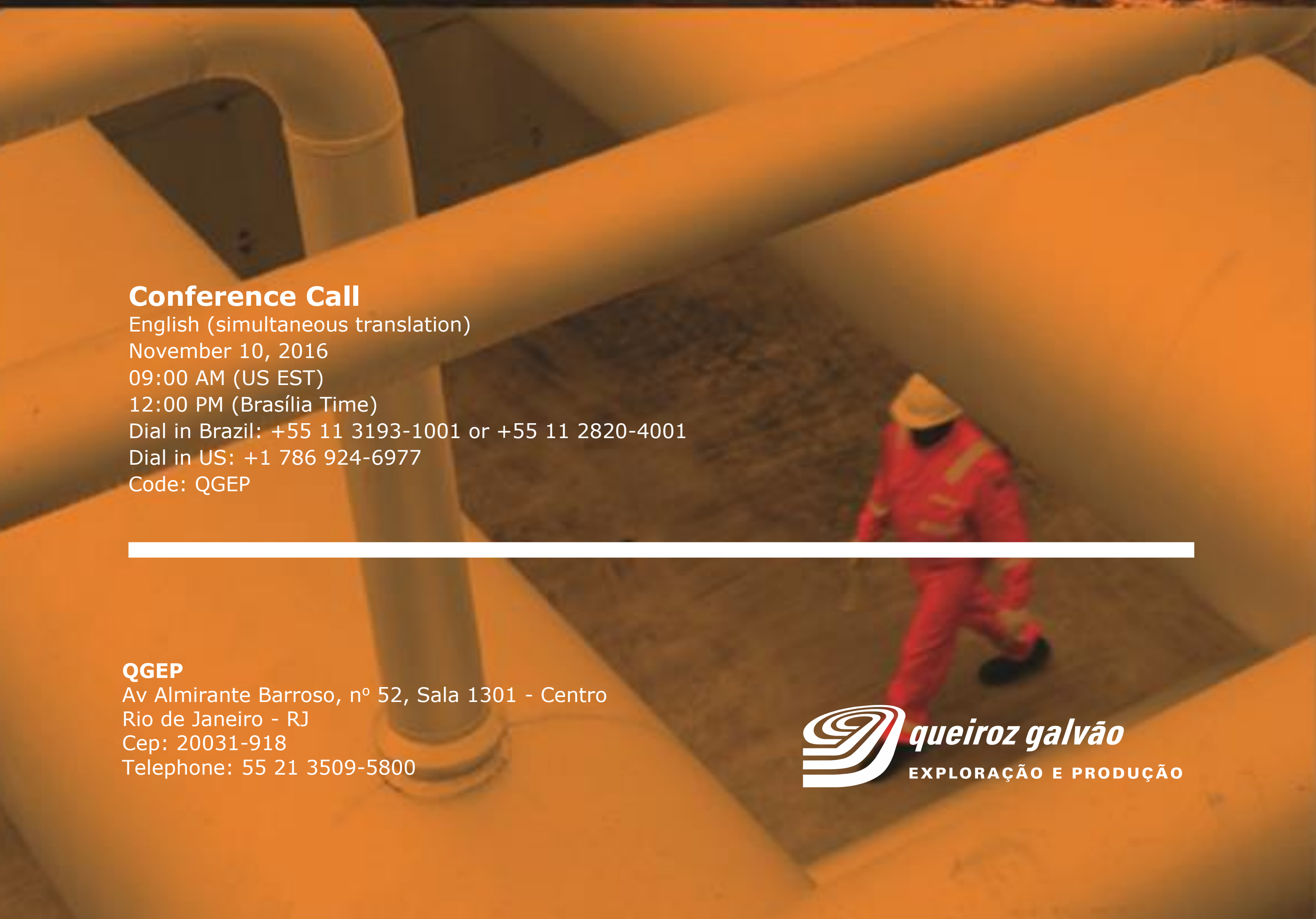
THIRD QUARTER 2016

Earnings Release QGEP Participações S.A.



Conference Call
English (simultaneous translation)
November 10, 2016
09:00 AM (US EST)
12:00 PM (Brasília Time)
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EXPLORAÇÃO E PRODUÇÃO

QGEP Reports 3Q16 Results

Rio de Janeiro, November 9, 2016 – QGEP Participações S.A. (BMF&Bovespa: QGEP3), a leading Brazilian Exploration & Production company with a unique portfolio of producing, developed and exploratory assets, today announced its results for the third quarter ended September 30, 2016. The financial and operating data in this press release, except where indicated otherwise, are presented on a consolidated basis as per the accounting practices adopted in International Financial Reporting Standards (IFRS) and generally accepted accounting practices adopted in Brazil, as described in the financial section of this release.

- **Average daily gas production at Manati Field was 4.4MMm³, reflecting the decline in gas consumption countrywide. Production capacity remains at 6.0MM³/day, with 2P net gas reserves to QGEP of 4.9 billion m³ at Dec 31st, 2015.**

- **The FPSO Petrojarl I arrival at Atlanta Field was postponed to 3Q17 and first oil is expected at 2017 year end.**

- **QGEP assumed Pacific Brasil's stake in three exploratory blocks in the Foz do Amazonas and Pará-Maranhão basins. QGEP now holds 100% in blocks PAMA-M-265 and PAMA-M-337 and 65% in Block FZA-M-90.**

- **Net revenue totaled R$108.4 million in 3Q16, compared to R$112.1 million in 3Q15.**

- **EBITDAX was R$46.1 million in 3Q16 compared to R$61.9 million in 3Q15, as a result of lower production in Manati and non-recurring maintenance costs in the period.**

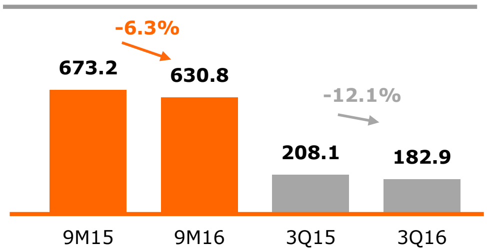
- **Net profit was R$63.0 million in the quarter, compared to R$118.8 million in the same period last year. This reduction is primarily due to lower financial income as a result of the impact of the Real appreciation on the Company's cash position.**

- **Cash balance [(1)] of R$1.2 billion at quarter-end; provides ample funds to maintain planned investment programs for the next two years.**

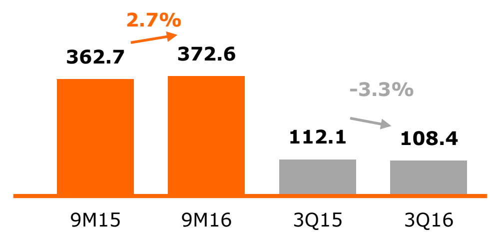
- **Operating cash flow of R$36.3 million in 3Q16, compared to R$202.3 million in 3Q15.**

(1) Includes cash, cash equivalents and marketable securities

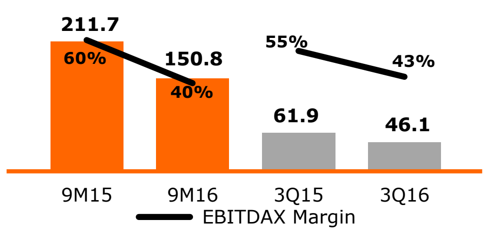
Gas Production (m³ million)



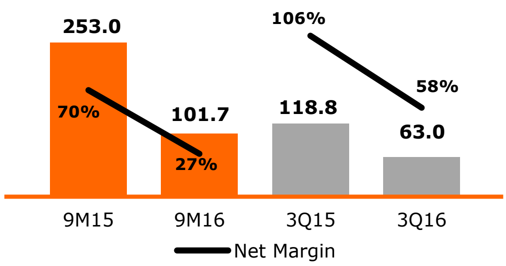
Net Revenue (Million R$)



EBITDAX (R$ milllion)



Net Income (R$ million)



Management Comments

Throughout 2016, we have continued to operate in order to overcome the obstacles in what has been a very challenging macroeconomic and business environment. We were able to control costs, maintaining our strong and liquid balance sheet, and taking advantage of opportunities to strengthen our position in Brazil's independent oil and gas market. Today, we are seeing further indications that industry conditions are improving in Brazil, and that regulatory changes are attracting investments from large, global oil companies. QGEP is competitively well-positioned to benefit from this trend, and we look forward to the opportunities to improve our portfolio that may emerge in the coming periods.

In this third quarter, our net profit was R$63 million, significantly ahead of second quarter results. Other important events in the quarter were Statoil's acquisition of a stake in BM-S-8 and we increased our stake in the blocks at Foz do Amazonas and Pará-Maranhão basins, providing the opportunity for potential farm-outs in the medium term.

As anticipated, Manati Field production decreased in the third quarter, reflecting the significant decline in gas consumption throughout Brazil. Average gas production was 4.4MMm³ per day in the period, in line with the Company's expectation that our Manati gas production would average 5.1MMm³ per day for full year 2016. Our operations at Manati are efficient and profitable, and even at this lower average production rate generated EBITDA of just over R$45 million in the quarter. Given the current oversupply situation in Brazil we are maintaining our expectations for full year 2016 average gas production at Manati. For planning purposes we are forecasting 2017 Manati gas production to average 4.9MMm³ per day, showing potential improvement as the year unfolds. This estimate is in line with the market outlook given the economic activity projection and the consequent demand for gas in the Northeast.

Last quarter we had already talked about the news that Statoil agreed to acquire Petrobras's 66% operating interest in BM-S-8, the Block that includes a substantial part of our Carcará oil discovery. This acquisition will bring greater visibility to the consortium in relation to the development schedule for the asset. Carcará straddles both BM-S-8 and open acreage to the north, which is expected to be part of the ANP's next bidding round, scheduled for mid-2017.

Later in this release, we will provide a detailed update on the rest of our asset portfolio, but it is important to mention here that the scheduled arrival of the FPSO at the Atlanta Field has been pushed out to third quarter 2017 due challenges related to adaptation of the vessel, and first oil is now expected for 2017 year end. We are working with our suppliers to mitigate the effects of this delay.

In terms of our financial position, at the end of the first nine months of this year, our cash position was R$1.2 billion, or R$4.78 per share. We have fine-tuned our capital expenditure plans for 2016 and 2017, and projected operating cash flow and cash position are more than sufficient to meet our needs.

The attractiveness of Brazil's oil and gas sector is on the upswing, and QGEP is attentive to opportunities related to this recovery. Governmental initiatives amending local content regulations and opening the pre-salt to international operators are creating an excellent environment for our business. We are confident that QGEP's experience in deep water, the relationships we have developed through partnering with many of the majors, and the diversity and quality of our asset portfolio put us in an excellent position to benefit from the sector growth, expected for 2017 and beyond.

QGEP's Assets

Basin	Block/ Concession	Field/ Prospect	QGEP Working Interest	Resource Category	Fluid
Camamu	BCAM-40	Manati	45%	Reserve	Gas
Camamu	BCAM-40	Camarão Norte	45%	Contingent	Gas
Camamu	CAL-M-372	CAM#01	20%	Prospective	Oil
Santos	BM-S-8	Carcará	10%	Prospective / 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		65%*	Prospective	Oil
Pará-Maranhão	PAMA-M-265		100%*	Prospective	Oil
Pará-Maranhão	PAMA-M-337		100%*	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

* On October 14, 2016, the Company announced that it had entered into an agreement to assume the stakes held by Pacific Brasil Exploração e Produção de Óleo e Gás Ltda, in the blocks FZA-M-90, PAMA-M-265 and PAMA-M-337. The transaction is subject to the ANP approval and other regulatory entities.

Producing and Development

MANATI

Block BCAM-40; Working interest: 45%

Average gas production at the Manati Field was 4.4MMm³ per day in the third quarter of 2016, compared with 5.0MMm³ per day in both 2Q16 and 3Q15. The average daily production from January through September of this year was 5.1MMm³, compared to 5.5MMm³in the similar period last year. The lower production levels in 2016 continue to reflect the oversupply of gas in Brazil, linked to the decline of industrial activity. Similar to previous years, Manati accounted for approximately 30% of Brazil's northeastern gas production in the first nine months of the year.

Despite the lower production in 3Q16 and a 49.8% year-on-year increase in extraction costs, the field's EBITDAX margin was 59.2%. The increase in extraction costs was due to the start-up of the compression plant in mid 3Q15, as well as costs with maintenance and painting of the platform.

The operating cost related to the platform maintenance and painting was R$8.2 million in 3Q16, for a total cost to date of R$24.4 million for this project. The total expenditure is estimated at R$50 million and it is expected that the remaining balance will be incurred during the remainder of the year.

Based on current information, the Company's initial 2017 average daily production guidance for the field is 4.9MMm³, slightly below its expected 2016 average daily production of 5.1MMm³. Brazil's industrial base has the potential to rebound quickly, and with the average daily production capacity of the field at 6.0MMm³, the Company will be in a position to accommodate the pick-up in demand associated with economic recovery.

ATLANTA

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

Customization challenges with respect to the adaption of the Petrojarl I FPSO to the Atlanta Field have resulted in further delays in the arrival in the field, which is now scheduled for the third quarter of 2017. The Petrojarl I will have production capacity of 30 kbbl per day.

With the new projected arrival date of the FPSO at the Field, the Consortium now projects the first oil production from the Early Production System (EPS) to be in year end 2017. Initial production is expected to be 20 kbbl per day, from two producing wells, both of which have already been drilled and completed. The Consortium may choose to drill an additional well, which will increase production to 30 kbbl per day. This decision will be based on a variety of factors, including prevailing oil prices.

In October 2015, the Company signed an agreement with Shell to sell the Atlanta SPA oil. Oil sales from the FPSO will be Free on Board (FOB), with a Netback Price Mechanism. The contract has a three year term and can be extended for another year. The other members of the Atlanta Field Consortium entered into the same type of commercial agreement with Shell.

Exploratory

BM-S-8

Working interest: 10%

The drilling of three wells and the Drill Stem Tests (DST) carried out in the Carcará discovery in Block BM-S-8 confirmed that the oil is of high quality, with a large column of oil and high productivity, making it one the most attractive assets of the Brazilian pre-salt.

The tests carried out in 2015 at Carcará Norte well confirmed that the oil is from the same formation identified by the exploratory well and by Carcará Noroeste. The oil has 31º API and no contaminants. The Consortium estimates that the oil column is at least 530 meters. To date, even after drilling three wells in Carcará, the oil-water contact has not been identified.

In July 2016, Statoil purchased Petrobras' 66% working interest in BM-S-8. According to statements issued by Statoil with respect to this Block's potential, it reinforces the asset's relevance to the industry and to the Company. The transaction, which has been approved by CADE, Brazil's anti-trust authority, is awaiting final approval by the ANP. The Carcará discovery straddles both BM-S-8 and adjacent area to the north, which is scheduled to be part of ANP's next bidding round in 2017.

Under the Evaluation Plan currently underway, the next phase involves drilling the Guanxuma pre-salt prospect, located 30km southwest of Carcará, as well as testing the Carcará Noroeste well, both scheduled to start by the end of 2017.

CAL-M-372

Working interest: 20%

Activities at CAL-M-372 await the environmental license from IBAMA, currently expected to be issued in 2018. Upon issuance the Consortium will drill an exploratory well targeting the CAM#01 prospect.

The Consortium asked ANP for the postponement of the Concession periods in light of current market conditions and uncertainties in the environmental licensing process.

BLOCKS ACQUIRED IN THE 11th ANP BIDDING ROUND

Seismic data acquisition for the Foz do Amazonas, Ceará and Espírito Santo Basins was completed and the Consortia are interpreting data in order to better understand the potential for these blocks. For the Pará-Maranhão Basin, the Company is awaiting the preliminary processing of seismic data, which is expected by year end.

In early October 2016, the Company announced that it had signed an agreement with Pacific Brasil to assume Pacific's interest in three exploratory blocks, with one in the Foz do Amazonas Basin and two in Pará-Maranhão basins (PAMA). As part of the agreement, Pacific has agreed to pay the R$51.2 million related to the acquisition of seismic for the PAMA blocks that were overdue and also pre-paid to QGEP the amount of US$10 million, as part of the minimum obligations assumed in the blocks. With this agreement, QGEP now holds a working interest of 100% in PAMA-M-265 and PAMA-M-337 Blocks and 65% of the FZA-M-90 Block, allowing for potential farm-outs operations in the medium term. The transaction is subject to the ANP approval and other regulatory agencies.

The Company is committed to drill four exploratory wells by 2018. Total costs for the acquisition and processing of seismic data at these blocks, as well as related expenses, are expected to approximate US$ 19 million in 2016, reflecting QGEP's higher working interest acquired from Pacific as noted above.

SEAL-M-351 AND SEAL-M-428

Working interest: 100%; Operator

Both blocks are located in ultra-deep waters in the Sergipe-Alagoas Basin, between 80 to 100 km off the Brazilian coast and encompass a total area of 1,512 km^2.

At the end of August 2016, the Company received the Reference Terms from IBAMA for the environmental license to proceed with seismic data acquisition. The Company is currently evaluating the exact timing for the start of this process, which it is currently targeting for 2017.

Financial Performance

Income Statement and Financial Highlights (R$ million)

	3T16	3T15(1)	Δ%	9M16	9M15(1)	Δ%
Net Revenue	**108.4**	**112.1**	**-3.3%**	**372.6**	**362.7**	**2.7%**
Costs	(57.4)	(57.3)	0.2%	(185.6)	(182.7)	1.6%
Gross profit	**51.0**	**54.8**	**-6.9%**	**187.0**	**179.9**	**3.9%**
Operating income (expenses):						
General and administrative expenses	(13.4)	(9.7)	38.1%	(34.4)	(36.4)	-5.5%
Equity Method	0.1	(0.4)	-125.0%	0.3	(0.8)	-137.5%
Exploration expenditures	(6.0)	(7.9)	-24.1%	(51.3)	(34.1)	50.4%
Other net operational expenses	0.0	0.3	-100.0%	(2.6)	0.3	N/A
Operating income (Loss)	**31.7**	**37.0**	**-14.3%**	**98.9**	**108.9**	**-9.2%**
Financial income (expenses), net	37.1	133.4	-72.2%	13.1	242.5	-94.6%
Income before income tax and social contribution	**68.9**	**170.5**	**-59.6%**	**112.0**	**351.4**	**-68.1%**
Income tax and social contribution	(5.9)	(51.6)	-88.6%	(10.3)	(98.4)	-89.5%
Net income (Loss)	**63.0**	**118.9**	**-47.0%**	**101.7**	**253.0**	**-59.8%**
Net cash inflows from operating activities	**52.3**	**202.3**	**-74.1%**	**141.1**	**442.0**	**-68.1%**
EBITDAX (2)	**46.1**	**61.9**	**-25.5%**	**150.7**	**211.7**	**-28.8%**

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 period 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. The Company calculates 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 QGEP.. Furthermore, EBITDA has limitations which inhibit its usefulness as a measure of the Company's profitability as it does not consider certain costs inherent in the business, which could significantly impact net results, such as net financial income, taxes and amortization. EBITDA is utilized by the Company as an additional measure of its operating performance.

The consistent cash flow from the Manati Field provides the Company with significant funds to cover its operating costs and continue to fund its exploration projects. In the third quarter, consolidated financial results were impacted by lower gas production reflecting difficult economic conditions in Brazil, which reduced industrial demand for gas. Additionally, financial income was lower in the period when compared to the same period of the prior year, due to the real appreciation in the quarter, compared to real depreciation in 3Q15. Thus, while net income substantially increased on a sequential basis compared to the second quarter of this year, it was 47.0% lower than 3Q15. The decline in EBITDAX was less pronounced and EBITDAX margin reached 41.7%. The Company ended the quarter with a positive cash and cash equivalents balance of R$1.2 billion, providing ample funds for future investments.

Third quarter 2016 financial highlights:

- Net revenue was R$108.4 million, down 3.3% from R$112.1 million in 3Q15. This decline was due to lower Manati gas production, which averaged 4.4MMm³ per day in 3Q16, compared with 5.0 MMm³ average per day in 3Q15. The production decrease was partially offset by the annual adjustment of gas prices at Manati in January, 2016.
- Operating costs were R$57.4 million in the quarter, in line with R$57.3 million registered in 3Q15.
  - Amortization expenses were R$13.2 million, down 44.5% from R$23.8 million in 3Q15. The decrease in amortization reflects the impact of the exchange rate on the provision for abandonment and the revision of its value by its operator held in 4Q15.
  - Production costs were R$20.6 million, compared to R$17.7 million in 3Q15. The higher amount reflects the full quarter of operation for the compression plant in 3Q16, compared to half quarter of operations in 3Q15. Maintenance costs totaled R$10.1 million, R$7.1 million higher than the 3Q15 due to the maintenance and painting of the platform in progress in the Field.
  - Royalties and Special Participation remained stable compared to 3Q15. Even with lower gas volume production in 3Q16 compared to 3Q15, this decrease was partially offset by the annual adjustment of the Manati gas price in January, 2016.

Operating costs (R$ million)

	3Q16	3Q15(1)	Δ%	9M16	9M15(1)	Δ%
Depreciation and amortization	13.2	23.8	-44.5%	49.1	90.7	-45.9%
Production costs	20.6	17.7	16.4%	60.8	42.8	42.1%
Maintenance costs	10.1	3.0	236.7%	30.0	7.8	284.6%
Royalties	8.4	8.6	-2.8%	28.6	27.7	3.4%
Special Participation	1.4	1.3	14.3%	5.2	5.8	-10.2%
R&D	1.3	1.3	0.0%	4.4	4.0	10.6%
Other	2.4	1.6	50.0%	7.4	4.0	86.6%
TOTAL	**57.4**	**57.3**	**0.2%**	**185.6**	**182.7**	**1.5%**

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

- General and administrative expenses were R$13.4 million, up 38.1% from 3Q15. The year-on-year increase was mainly due to less activities in the blocks operated, reducing the transfer of costs to partners.
- Exploration expenses were R$6.0 million, compared to R$7.9 million in 3Q15, due to lower costs with seismic in 3Q16.
- EBITDAX was R$46.1 million in 3Q16, compared to R$61.9 million in 3Q15, due to lower production in Manati and non-recurring maintenance costs in the period.
- Net financial income was R$37.1 million, compared to a net financial income of R$133.4 million in 3Q15. The reduction reflects the real appreciation in 3Q16, compared to devaluation in 3Q15, which had a positive impact on QGEP's dollar-denominated financial investments.
- Operating cash flow totaled R$36.3 million, compared with R$202.3 million in 3Q15.

Nine Month 2016 financial highlights:

- Net Revenue totaled R$372.6 million, up 2.7% from R$362.7 million in the similar period last year. This increase reflects the adjusted price of Manati gas in January, 2016.
- Operating costs were R$185.6 million, up 1.5% from R$182.7 million registered in 9M15, due to higher production and maintanence costs in 3Q16, partially offset by lower depreciation and amortization.
- Net financial income was R$13.1 million, compared to a net financial income of R$242.5 million in the first nine months of 2015. As in the third quarter, the variation reflects a more stable exchange rate in this year's period.
- EBITDAX was R$150.7 million, down 28.8% compared to the first nine months of 2015, due to higher operational costs related to the start up of the Manati compression plant and higher exploratory expenses for seismic acquisition for the blocks of the 11th ANP Bidding Round in 9M16.
- Operating cash flow totaled R$125.1 million, compared to R$442.0 million in 9M15.

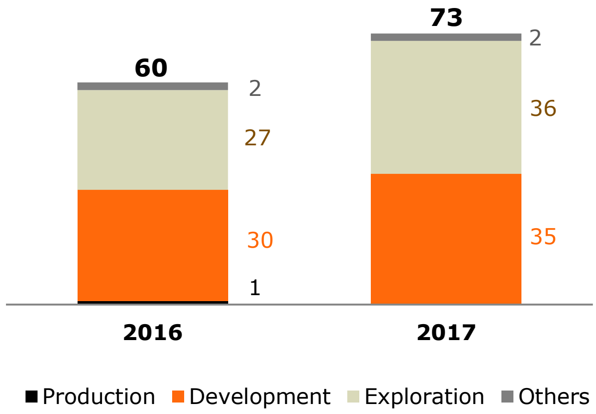
CAPEX AND OTHER EXPLORATORY EXPENSES

With a disciplined approach to budgeting capital expenditures and investments, and coupled with tight controls on expenses, the Company is able to maintain a comfortable cash position that supports its future needs. Investment decisions are made by the Consortia in the different assets of the QGEP portfolio, and the Company then books the portion corresponding to its ownership in the respective asset.

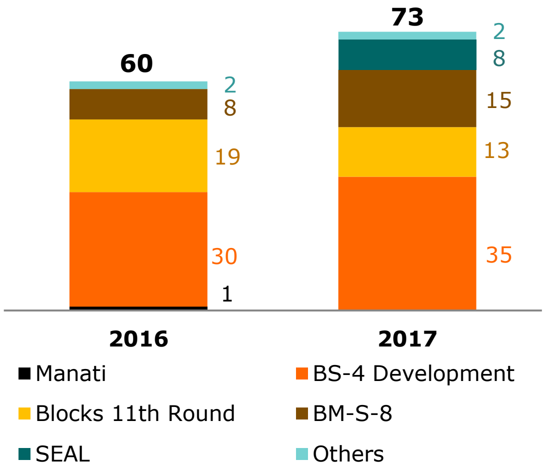
Full-year capital 2016 expenditures are budgeted at US$60 million, of which US$30 million is expected to be spent at the Atlanta Field, and US$19 million on the acquisition and analysis of seismic data of the 11th ANP Bidding Round Blocks. Through September QGEP has expended US$42 million.

In 2017, QGEP has budgeted capital expenditures of US$73 million. This includes US$35 million for the Atlanta Field and US$36 million for exploration activities, including US$15 million at Block BM-S-8 and US$13 million related to seismic acquisition in the blocks acquired in the 11th ANP Bidding Round.

CAPEX net to QGEP (US$ million)



CAPEX net to QGEP (US$ million)



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

At the end of 3Q16, QGEP had a cash and cash equivalents balance of R$1.2 billion. On September 30, 2016 QGEP had approximately 28% of its cash invested in exchange funds, in order to protect its long-term investment capacity.

The remaining balance was invested in Brazilian real-denominated instruments. As of September 30, 2016 the average annual return of these investments was 102.39% of the CDI rate and 82.31% of the funds had daily liquidity.

As of September 30, 2016, QGEP's total debt was R$370.0 million, consisting of R$252.1 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, 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, with payment starting in September 2016, and a 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 September 30, 2016 was R$865.6 million.

Credits With Partners

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.

On September 30, 2016, the total credits with partners were R$101.5 million with R$57.4 million related to Pacific Brasil Exploração e Produção de Óleo e Gás Ltda. ("Pacific"), R$32.2 million related to the installment from OGX Petróleo e Gás SA– Under Bankruptcy ("OGX"), and R$11.9 million to the other partners.

In relation to Pacific, R$51.2 million was paid in October and the remaining balance will be offset when the approval of the transfer of shares to QGEP related to blocks FZA-M-90, PAMA-M-265 and PAMA-M-337 is granted by the ANP.

Of this amount related to OGX, R$23.8 million was overdue as of September 30, 2016. Aditionally, in September, a "cash call" was issued to this company in the amount of R$6.0 million with payment due in October. At the date of approval of these financial statements, the Company had not received the total payment of R$29.8 million.

Additionally, funding requests were issued to OGX Netherlands B.V, in a total amount of US$6.1 million of which the Company had not received payment by the date of approval of these financial statements. This amount was carried by both FR Barra 1 S.à r.l. and QGEP Netherlands B.V with US$3.1 million each.

Taking into consideration OGX’s current situation, under bankruptcy, QGEP is monitoring this process in order to mitigate the potential risks associated with the fulfillment of the payment obligations and investments of this consortium.

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 m3 per day. For more information, access www.qgep.com.br/ir

This press release may contain information relating to future business prospects, estimates of financial and operational results and growth of the company. This information should be considered as projections based exclusively on management expectations regarding future business developments and the availability of capital to finance the Company's business plan. Such future considerations are substantially subject to changes in market conditions, government regulations, competitive pressures and developments within the sector and the Brazilian economy, among other factors. These points should also be considered along with risks disclosed in documents previously published by the Company. It should be understood that all these factors are subject to change without warning.

The consolidated financial information of the Company for the quarters ended September 30, 2016, and September 30, 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)

	3Q16	3Q15[(1)]	Δ%	9M16	9M15[(1)]	Δ%
Net income	63.0	118.9	-47.0%	101.7	253.0	-59.8%
Amortization and depreciation	14.2	24.8	-42.8%	52.0	93.4	-44.3%
Net financial income (expenses)	(37.1)	(133.4)	-72.2%	(13.1)	(242.5)	-94.6%
Income tax and social contribution	5.9	51.6	-88.6%	10.3	98.4	-89.6%
EBITDA[(1)]	**45.9**	**61.8**	**-25.8%**	**150.9**	**202.3**	**-25.4%**
Oil and gas exploration expenditure with sub commercial and dry wells[(2)]	0.2	0.1	237.6%	(0.2)	9.4	-101.6%
EBITDAX[(3)]	**46.1**	**61.9**	**-25.5%**	**150.8**	**211.7**	**-28.8%**
EBITDA Margin[(4)]	42.3%	55.2%	-23.2%	39.8%	56.1%	-29.1%
EBITDAX Margin [(5)]	42.6%	55.2%	-22.9%	39.6%	59.8%	-33.7%
Net Cash[(6)]	865.6	1,037.6	-16.6%	865.6	1,037.6	-16.6%
(Net Cash)/EBITDAX	(4.1)	(3.7)	11.2%	(4.1)	(3.7)	11.2%

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

(2) The Company calculates 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 the Company's profitability as it does not consider certain costs inherent in the business, which could significantly impact net results, such as net financial income, taxes and amortization. EBITDA is utilized by the Company as an additional measure of its 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

	3Q16	2Q16	Δ%
Assets			
Current Assets	**1,308.2**	**1,357.3**	**-3.6%**
Cash and cash equivalents	104.0	153.0	-32.0%
Investments	955.2	961.3	-0.6%
Trade accounts receivable	87.0	85.3	1.9%
Credits with Partners	101.5	89.1	13.9%
Inventory	3.0	2.9	0.5%
Recoverable taxes and contribution	38.4	53.6	-28.4%
Other	19.3	12.0	60.1%
Non-current Assets	**2,097.3**	**2,061.2**	**1.8%**
Restricted cash	115.4	108.4	6.5%
Investments	174.5	168.6	3.5%
Non-current Inventory	54.5	55.0	-0.9%
Related Parties	0.0	0.0	N/A
Recoverable taxes	4.4	3.6	20.5%
Deferred income tax and social	44.7	44.4	0.6%
Investments	131.0	122.5	6.9%
Property, plant and equipment	843.8	829.2	1.8%
Intangible assets	727.4	727.8	-0.1%
Other Non-current Assets	1.6	1.6	-2.5%
TOTAL ASSETS	**3,405.5**	**3,418.5**	**-0.4%**
Liabilities and Shareholders' Equity			
Current	**163.4**	**237.5**	**-31.2%**
Trade accounts payable	66.1	155.0	-57.4%
Taxes payable	22.0	19.9	10.6%
Payroll and related taxes	9.0	7.4	21.0%
Bills to pay- related parties	1.1	1.1	1.0%
Borrowings and Financing	36.5	30.4	19.8%
Provision for research and development	14.0	14.6	-3.8%
Insurances payable	0.0	6.0	-100.0%
Other	14.8	3.1	380.1%
Non-current Liabilities	**515.1**	**519.6**	**-0.9%**
Borrowings and financing	331.7	340.2	-2.5%
Provision for abandonment	181.0	179.4	0.9%
Other trade accounts payable	2.5	0.0	N/A
Shareholders' Equity	**2,727.0**	**2,661.4**	**2.5%**
Capital Stock	2,078.1	2,078.1	0.0%
Other comprehensive income	15.1	13.5	12.4%
Profit Reserve	572.1	572.1	0.0%
Capital Reserve	40.9	40.0	2.4%
Treasury Shares	(81.0)	(81.0)	0.0%
Net income for the period	101.7	38.8	162.5%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,405.5**	**3,418.5**	**-0.4%**

Annex III – CASH FLOW

CASH FLOW STATEMENT (R$ million)

	3Q16	3Q16[1]	Δ%	9M16	9M15[1]	Δ%
CASH FLOW FROM OPERATING ACTIVITIES						
Net income for the period	**63.0**	**118.9**	**-47.0%**	**101.7**	**253.0**	**-59.8%**
Adjustments to reconcile net income to net cash provided by operating activities:						
Equity Method	(0.1)	0.4	-119.1%	(0.3)	0.8	-132.2%
Amortization of the exploration and development expenditures	14.2	24.8	-42.8%	52.0	93.4	-44.3%
Deferred income tax and social contribution	(0.3)	1.6	-116.8%	0.9	15.5	-94.4%
Financial charges and exchange rate (gain) loss borrowings and financing	4.5	4.1	9.9%	13.4	10.5	28.0%
Write-off	(0.0)	(18.9)	-100.0%	71.7	0.2	N/A
Provision for stock option plan	(0.2)	1.5	-113.7%	3.0	4.8	-37.3%
Provision for income tax and social contribution	10.5	121.5	-91.4%	9.4	82.9	-88.7%
Provision for research and development	(1.7)	1.3	-226.2%	(1.7)	3.6	-146.6%
Exchange variation/Others	0.0	13.4	-100.0%	0.0	(7.6)	-100.0%
(Increase) decrease in operating assets:	**(6.2)**	**68.4**	**-109.1%**	**(30.5)**	**13.2**	**-330.3%**
Increase (decrease) in operating liabilities:	**(31.4)**	**(134.7)**	**-76.7%**	**(80.7)**	**(28.3)**	**184.7%**
Net cash inflows from operating activities	52.3	202.3	-74.1%	141.1	442.0	-68.1%
CASH FLOWS FROM INVESTING ACTIVITIES						
Net cash inflows from (used in) investing activities	(97.9)	(254.2)	-61.5%	(145.8)	(507.9)	-71.3%
CASH FLOWS FROM FINANCING ACTIVITIES						
Net cash inflows from (used in) financing activities	(3.0)	0.0	N/A	(41.7)	79.2	-152.6%
Total exchange variation on cash and cash equivalents	1.7	35.9	-95.3%	(28.2)	40.9	-169.1%
Increase (decrease) in cash and cash equivalents	(47.0)	(16.0)	193.7%	(74.6)	54.2	-237.7%
Cash and cash equivalents at the beginning of the period	**153.0**	**187.3**	**-18.3%**	**180.7**	**117.2**	**54.2%**
Cash and cash equivalents at the end of the period	**104.0**	**171.3**	**-39.3%**	**104.0**	**171.3**	**-39.3%**
Increase (decrease) in cash and cash equivalents	**(49.0)**	**(16.0)**	**206.6%**	**(76.6)**	**54.2**	**-241.5%**

The amounts of these periods refer to figures 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.
Free on Board (FOB)	Responsibilities distribution mode, rights and costs between buyer and seller in the merchandise trade. In FOB mode, the exporter is responsible for the transportation and insurance costs of the charge only until it is loaded in the ship. From that point, the importer becomes liable for the payment of transport and insurance.
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
Netback Price Engine	This mechanism consists to considering the oil revenue, deducting all associated costs in transporting the oil from its place of production to its final destination.
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, but 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.