QGEP
(BM&FBovespa: QGEP3)
Free Float: 30%

IR Contact:
Phone: (55 21) 3509-5959
e-mail: ri@qgep.com.br
website: www.qgep.com.br/ri

Conference Call

Portuguese
August 11, 2011
9:00 a.m. (US EDT)
Dial in: (55 11) 3127-4971
Code: Queiroz Galvão

English
August 11, 2011
11:00 a.m. (US EDT)
Dial in: (412) 317-6776
Code: Queiroz Galvão

Earnings Release

QGEP Participações S.A.

Second Quarter 2011

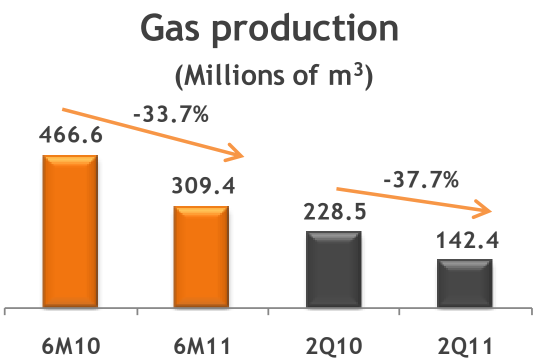
queiroz galvão
EXPLORAÇÃO E PRODUÇÃO

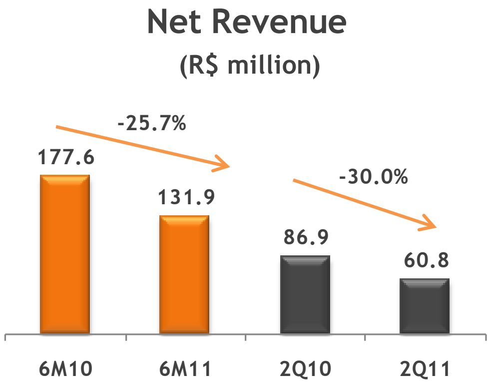
QGEP Reports Second Quarter 2011 Results

Rio de Janeiro, August 10, 2011 – QGEP Participações S.A. (BMF&Bovespa: QGEP3), Brazil's largest private sector Exploration and Production (E&P) company based on annualized daily production of barrels of oil equivalent (BOE), today announced its results for the second quarter ended June 30, 2011. The following financial and operating data, except where indicated otherwise, are presented on a consolidated basis as per the Corporate Law format, described in the financial section of this release.

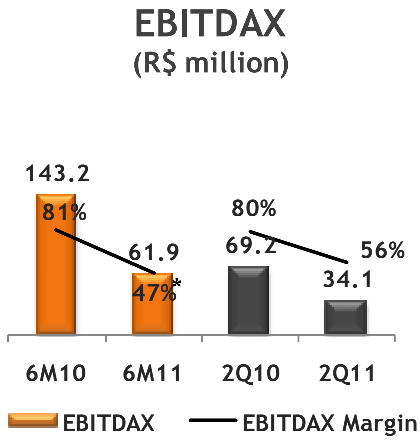
Highlights

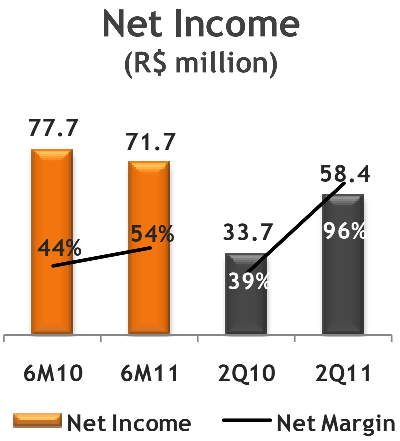
- Acquisition of 10% stake in Block BM-S-8 in the Santos Basin through a farm-in agreement that significantly enhances our strategic position and diversifies our current portfolio
- Drilling activities have started on three important exploratory wells:
  - Block BM-J-2 in the Jequitinhonha Basin
  - Block BM-S-12 in the Santos Basin
  - Block BM-S-8 in the Santos Basin
- First half of 2011 cash flow from operating activities was R$101.8 million. Cash balance was R$1.7 billion at June 30, 2011*.





- Gas production net to QGEP's interest was 142.4 MMm³ in 2Q11, resulting from temporary maintenance shutdowns in the Manati Field
- Net revenue in 2Q11 was R$60.8 million, reflecting the temporary production decline





- EBITDAX in 2Q11 was R$34.1 million; EBITDAX margin was 56%
- Net income was R$58.4 million in 2Q11

* Includes cash, cash equivalents, investments and restricted cash.

Management Comments

QGEP moved forward in the second quarter, reporting progress in all key areas of our strategic plan to build long-term shareholder value.

- We successfully negotiated a farm-in agreement in the second quarter that was announced in early July, which significantly bolsters our portfolio of high quality exploratory assets;
- Drilling activities have started at three of our most promising exploratory blocks;
- Manati Field is still under temporary maintenance and we expect a progressive return to full production during the third quarter.

Most recently, we successfully negotiated a purchase and sale agreement to acquire[1] a 10% participating interest in Block BM-S-8 located offshore in the Santos Basin. We are one of the first private E&P Brazilian companies to participate in this premium re-salt area by acquiring participation in one of the largest blocks in the Santos Basin, covering more than 2,400 km^2, near to several giant discoveries. In addition to the block's high exploratory potential, this partnership is strategically important to QGEP as the knowledge that we will acquire as part of the Consortium will give us an advantage in gaining opportunities in the area. Furthermore, it reinforces the commitments we made during our IPO process as acquisitions remain an important cornerstone of our strategic plan to build long-term, sustainable, shareholder value. We believe this opportunity clearly demonstrates our ability to expand our high quality asset portfolio in promising oil-producing areas. Drilling of one exploratory well in this block began in June 2011 and is expected to last for five to six months.

We are pleased to report that our exploratory drilling program is ongoing and includes many significant exploration prospects with important short-term potential. On June 5, 2011, we started drilling one well in Block BM-J-2 in the Jequitinhonha Basin, where we are the operator with a 100% interest. Additionally, drilling activities commenced at Block BM-S-12 on July 10, 2011, where we own a 30% participating interest which is operated by Petrobras. We expect to have preliminary results from these wells during the second half of this year.

Importantly, we continued to post operating income and positive operating cash flow despite the reduction in natural gas production due to maintenance-related well shutdowns in the Manati Field. According to the operator, the remaining wells are expected to be back during the third quarter of this year. We are confident that production will ramp-up quickly once the wells are back in operation. Based on historical trends, gas demand is seasonably stronger in the second half of the year.

We posted positive operating and financial income that enabled the Company to report net income of R$58.4 million for the second quarter, a 73% increase over the 2010 comparable period, and R$71.7 million for the first half of 2011. Additionally, we have set the stage for continued progress in our exploration activities, and our strong balance sheet and operational capacity positions us well to take advantage of future opportunities with respect to additional asset purchases. We expect to participate in the upcoming ANP bidding round for exploratory blocks, located in the North of Brazil, which was approved by the Brazilian National Council on Energy Policy (CNPE).

The QGEP management team remains committed to completing high quality asset acquisitions that will leverage our growth and enhance our portfolio, building long-term value for our shareholders. We are also committed to efficiently managing our operational assets in order to generate strong cash flow. We move forward with these strategic initiatives, while remaining keenly focused on our responsibilities to the environment, our workforce and society creating an atmosphere that fosters integration throughout our organization.

[1] The transaction closing is subject to ANP approval

QGEP's Assets

Field/ Prospect	Block	Basin	QGEP Interest	Reserve Resource Category	Fluid	Geologic Chance of Success [1]	MMboe[2]
Manati	BCAM-40[3]	Camamu	45%	Reserve[4]	Gas	-	72.5[5]
Camarão Norte	BCAM-40[3]	Camamu	45%	Contingent	Oil-Gas	-	4.5
Copaíba	BM-CAL-5	Camamu	22.5%	Contingent	Oil	-	17.9
Jequitibá	BM-CAL-5	Camamu	27.5%	Contingent	Gas	-	17.2
CAM 01	BM-CAL-12	Camamu	20%	Prospective	Oil	31%	24.4
JEQ #1	BM-J-2	Jequitinhonha	100%	Prospective	Oil-Gas	29%	61.8[6]
JEQ #2	BM-J-2	Jequitinhonha	100%	Prospective	Oil-Gas	24%	32.3[6]
Santos #1	BM-S-12	Santos	30%	Contingent/ Prospective	Gas	30%	2.8 /7.5
Santos #2	BM-S-12	Santos	30%	Prospective	Oil	39%	52.4
Santos #3	BM-S-12	Santos	30%	Prospective	Oil	19%	9.1
Santos #4	BM-S-12	Santos	30%	Prospective	Oil-Gas	40%	87.9[3]
BM-S-8[7]	BM-S-8	Santos	10%	Contingent/ Prospective	Oil	N/A	N/A

[1] Geological Chance of Success as per of GCA Report.

[2] The resources cited in barrels of oil equivalent (boe) were calculated by QGEP utilizing data from GCA reports as of 12/31/2009. The conversion rate for boe utilized was 1,000 m^3 of gas equals 1 m^3 of oil/condensate (equivalent energy), and 1 m^3 of oil/condensate equals 6.29 barrels.

[3] The block BCAM-40 was relinquished after the ring fence of the areas of Manati and Camarão Norte fields were defined.

[4] Reserves 3P: sum of proven, probable and possible reserves.

[5] Volume from Manati Field reflects volume in the GCA report (74.4 million of boe) less the volume produced in 6M11 (1.9 million).

[6] Volumes are weighted by the probability that 50% will be oil and 50% will be gas.

[7] Transaction is subject to ANP approval.

MANATI

With a 45% net interest, QGEP has the highest percentage of ownership in the Manati Field, one of the largest non-associated producing gas fields in Brazil. The field, which is located in the Camamu Basin, is operated by Petrobras, representing 3P reserves of 11.5 billion m^3 of natural gas and condensate (72.5 million boe) net to QGEP as of June 30, 2011.

In the second quarter of 2011 production declined to 3.5 MMm^3/day, reflecting the temporary maintenance shutdowns of several wells. At the end of April, two wells came back on production reaching a 4.1 MMm^3/day capacity, and another well began producing again in June, bringing daily production capacity up to 5.3 MMm^3/day by the end of the second quarter. Maintenance services will continue throughout the third quarter and production is expected to ramp-up as all six wells come back on stream. Preliminary estimates provided by the operator indicate that total maintenance costs will approximate U$10 million, net to QGEP, to be incurred mostly in the second half of 2011.

Production from the Manati Field, which achieved a record daily production of 6.2 MMm^3/day in 2010, accounts for all of QGEP's revenues and operating cash flow. QGEP is part of the consortium that owns the production facilities, including the platform, pipeline and gas treatment plant, which keeps operating costs low.

BM-J-2

The BM-J-2 exploration block is located in the Jequitinhonha Basin approximately 20 km off the coast of Brazil in waters with depths of up to 300 meters. Acquired in 2002 in the fourth round of ANP bidding, QGEP is the operator and owns a 100% interest in this block.

QGEP began drilling a well in early June to test the JEQ #1 pre-salt prospect with the Offshore Mischief rig. Drilling activities are underway and final depth is expected to be reached by the end of September.

BM-S-12

Block BM-S-12 is located in the Santos Basin approximately 230 km off the Southeast coast of Brazil in water depths up to 700 meters. This asset remains a high priority for the Company, as it is considered a “world class” block and includes a high potential pre-salt reservoir in Santos #4.

QGEP started drilling activities at the Ilha do Macuco well (3-SCS-15) on July 10, 2011 to test the Santos #1, Santos #2, Santos #3 and Santos #4 prospects. The Company holds a 30% participating interest in this block, which is operated by Petrobras.

The Ilha do Macuco well is considered an appraisal well to prove the extension of the accumulation discovered in Santos #1 and Santos #2 by the Ilha Bela well (1-SCS-13) in 2008. This well is initially being drilled by the Lone Star rig until it reaches a depth of 2,200 meters. The second phase of drilling will be completed by the Ocean Baroness rig and drilling activities are expected to last five to six months until the final depth of approximately 6,400 meters is reached.

BM-S-8

On July 5, 2011, the Company announced that it had entered into a purchase and sale agreement for the acquisition of 10% of Shell Brasil Petroleo Ltda's participating interest in Block BM-S-8 for US$175 million. This transaction closing is currently subject to ANP approval. The block is located offshore in the Santos Basin at a water depth of up to 2,200 meters. Petrobras is the operator with a 66% working interest, Petrogal holds a 14% working interest and the remaining 20% interest is split evenly between QGEP and Barra Energia.

Block BM-S-8, one of the largest blocks in the Santos Basin, covers more than 2,400 km^2 and is located inside a hot spot area of pre-salt in the Santos Basin. It is a promising block with one discovery, Bem-te-vi, and a potential extension of a discovery in an adjacent block, Abaré West; at least four other promising prospects have been identified. One particular prospect, Biguá, entered the drilling stage in mid-June with the Sevan Driller rig. Drilling is expected to last five to six months, reaching a final depth of 6,400 meters.

Other Projects

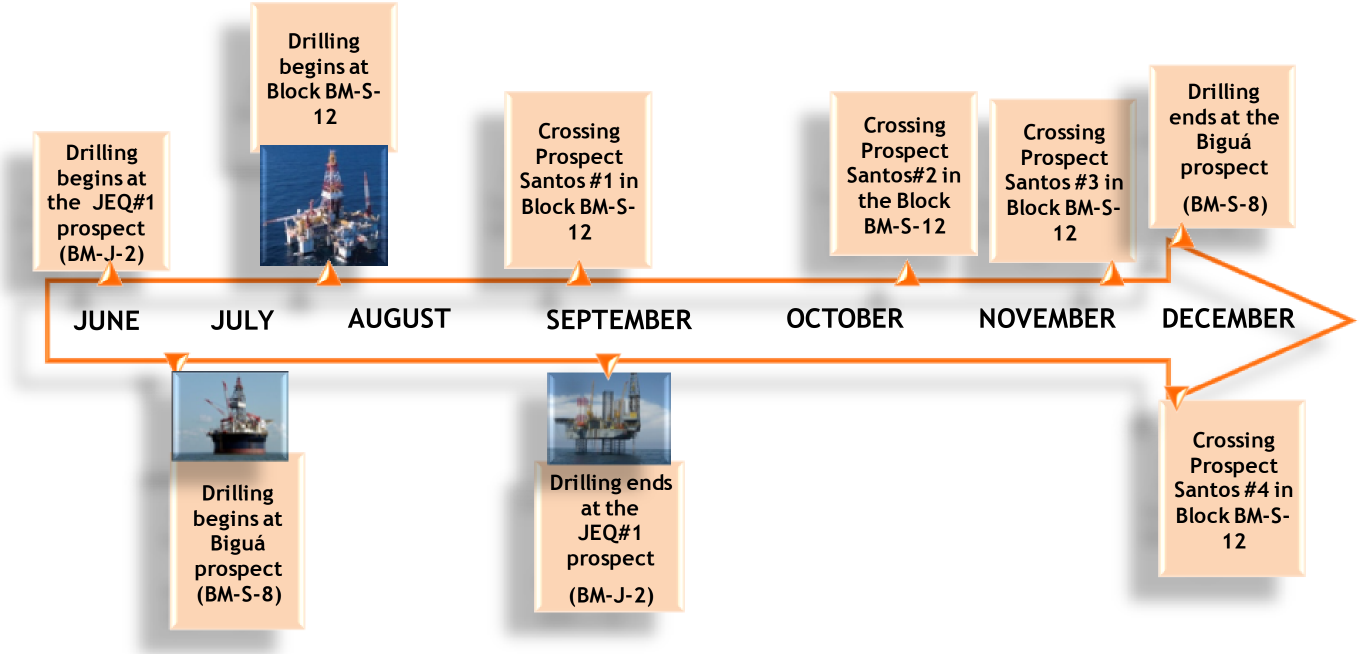
In Block BM-CAL-5, two wells have been drilled and are currently in the evaluation phase, giving the Company a 100% success rate at this block. The volumes of these two discoveries, Copaíba and Jequitibá, were categorized by GCA as contingent resources. One additional well is forecasted to be drilled in Copaiba through November 2012 and pending the results of an ongoing study, one additional well will also be drilled in Jequitibá.

In the first quarter of 2011, the Company began drilling the Enseada well in the Santos Basin in order to test the post-salt reservoirs in Block BM-S-76. In mid-March 2011, the Company announced that these zones do not appear to be potentially productive. As a result, block BM-S-76 was returned in June 2011.

Outlook/ Exploration Schedule

The second half of 2011 is expected to be a period of progressive improvement for QGEP. Second half 2011 results are expected to improve signficantly over the first half, reflecting a return to full capacity in the Manati Field during the third quarter.

QGEP reaffirms its 2011 exploration schedule with several exploratory short-term catalysts noted in the timeline below.



Sustainability, Security and Environment

QGEP's activities are guided by the principles of ethics, good corporate governance practices and respect for the environment. We strive to rank among the companies with the best results in the E&P business and among the best companies to work in Brazil. Our goal is to stimulate social responsibility initiatives, employment generation, services' contracting, and a business operation that is the benchmark for integration and excellence.

QGEP believes in education through the appreciation of our culture, which is rich in diversity. Our goal is to provide cultural access to the communities that are located in the areas in which we operate.

In the second quarter of 2011, the Company inaugurated the first phase of the Project "Portinari For All", which promotes environmental awareness for children based on the works of the Brazilian painter Cândido Portinari. Ilhéus was the first city to receive the traveling exhibition of 22 paintings and art education workshops in May 2011. The project then proceeded to Canavieiras in June; Una and Belmonte will also host the exhibit in August and September. In addition to the exhibition and numerous workshops, local schools also received educational materials created specifically for the project and teachers were trained on a course to utilize the materials in their classrooms. This project is financed through the fiscal benefit of Lei Rouanet cultural incentive.

The Company also continued its work involving the social and environmental programs that were implemented in conjunction with BM-J-2 drilling activities.

Financial Performance

For 2Q11, the financial statements below represent consolidated financial information for the Company.

For 2Q10, the financial statements below represent a "carve out" of consolidated financial statements of QGOG for the period April 1, 2010 to June 30, 2010, utilizing exclusively historical operating results for the E&P segment.

This financial information was combined considering that the E&P operations were under common control and management. Thus, the financial statements are termed consolidated "carve out" as if these operations were already separate during the period in question.

Consolidated Financial Information (R$ million)

	2Q11	2Q10	Δ%	6M11	6M10	Δ%
Net Income	58.4	33.7	73.1%	71.7	77.7	-7.7%
Amortization	11.0	18.8	-41.5%	23.9	34.0	-29.6%
Financial Income/(Expenses)	(49.5)	7.2	N/A	(72.5)	14.2	-611.3%
Income tax and social contribution	11.7	8.1	44.3%	21.4	16.1	32.6%
EBITDA (1)	**31.6**	**67.8**	**-53.4%**	**44.6**	**142.0**	**-68.6%**
Exploration expenditure	2.5	1.4	79.7%	17.4	1.3	N/A
EBITDAX (2)	**34.1**	**69.2**	**-50.8%**	**61.9**	**143.2**	**-56.8%**
EBITDA Margin (3)	52.0%	78.1%	-33.5%	33.8%	80.0%	-57.7%
EBITDAX Margin (4)	56.0%	79.7%	-29.7%	46.9%	80.7%	-41.8%
Net Debt(5)	(1,460.3)	197.5	N/A	(1,460.3)	197.5	N/A
Net Debt/EBITDAX(6)	-6.62	0.68	N/A	-6.62	0.68	N/A

(1) 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; International Reporting Norms, IFRS or US GAAP. 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 profitability, such as financial expenses, taxes and amortization. EBITDA is utilized by us as an additional measure of our operating performance.
(2) EBITDAX= EBITDA - exploration costs
(3) EBITDA divided by net revenue.
(4) EBITDAX divided by net revenue.
(5) Net debt corresponds to total debt, comprising current and long-term loans and financing and derivative financial instruments, less cash and cash equivalents and restricted cash. 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 differently.
(6) EBITDAX annualized considering the previous 12 months

Second Quarter Operating Results

Net revenue for 2Q11 was R$60.8 million, a 30% decrease over 2Q10, attributable to a 38% decline in production volumes at Manati Field. The decline resulted from maintenance shutdowns at Manati Field beginning in December 2010. As of June 2011, the Company has four producing wells in the Manati Field reaching 5.3 MMm^3/day and expected to return to a full daily capacity of 7.8 MMm^3/day by the third quarter of 2011.

Manati has a gas sale contract with Petrobras which includes a take-or-pay clause and guarantees us a minimum level of revenue at a price in Reais that is adjusted annually using indexes specified in the contract.

The lower production contributed to a 10.4% year-over-year decrease in operating costs to R$25.5 million which includes royalties and special participation.

General and Administrative Expenses

G&A expenses were R$10.4 million in 2Q11, R$2.4 million higher than in 2Q10. This increase resulted from: (i) R$1 million related to the impact of employee stock options; (ii) R$0.6 million towards Project "Portinari for All", a social project financed by the Company through the fiscal benefit of Rouanet Law[2]; and (iii) R$0.5 million for insurance related costs.

Exploration Costs

Total exploration costs in 2Q11 were R$2.5 million, compared to the R$1.4 million spent in 2Q10. These costs pertain to the acquisition, processing and analysis of seismic data, drilling plans, licensing and environmental studies and the write-off of costs associated with non-commercial wells and non-operating reserves, among others.

Net Financial Income / (Expenses)

In 2Q11, the Company generated net financial income of R$49.5 million compared to a net financial expense of R$7.2 million in 2Q10. This significant increase resulted from interest financial income on the net proceeds of the Company's IPO.

Net Income

The Company reported net income of R$58.4 million in 2Q11, representing a combination of operating and financial income. The 73.1% increase from 2Q10 levels was due to the significant increase in financial income.

Balance Sheet/Cash Flow Highlights

Cash (Cash Equivalents, Investments and Restricted Cash)

At the end of the 2011 second quarter, the Company had a cash balance of R$1,669.9 million, representing a significant increase over year-end levels and was primarily attributable to the successful completion of the Company's IPO, which raised approximately R$1.5 billion to fund existing exploration activities and the expansion of QGEP's asset portfolio. The Company's net cash position at the end of the second quarter was R$1,467.8 billion.

Accounts Receivable/Payable

Accounts receivable at the end of 2Q11 were R$57.1 million compared to R$72.5 million at 2Q10; Accounts payable were R$271.1 million at the end of 2Q11, up significantly from 2Q10 as a result of the outstanding balance provision of the purchase and sale agreement to acquire a 10% participating interest in Block BM-S-8.

Debt

The Company ended 2Q11 with total debt of R$202 million, down 51% from the end of 2010. The total amount of R$24.1 million related to the financing with IFC was fully amortized in 2Q11 and the contract was entirely settled. Additionally, R$10.5 million in principal and interest were amortized with BNDES and R$9.2 million with BNB.

Operating Cash Flow

The Company had operating cash flow of R$20.2 million in the 2011 second quarter; R$101.8 million for the 2011 first half.

---

[2] Deductible for Payable Income Tax

Investor Relations

QGEP Participações S.A.
Paula Costa
CFO and Investor Relations Officer

Renata Amarante
Investor Relations Manager

Flávia Steinberg
Investor Relations Specialist

Pedro Luz
Investor Relations Analyst

Av. Almirante Barroso, nº 52, sala 1301, Centro - Rio de Janeiro, RJ
CEP: 20031-918
Phone: 55 21 3509-5959
Fax: 55 21 3509-5958
E-mail: ri@qgep.com.br
www.qgep.com.br/ri

About QGEP

QGEP Participações S.A. is Brazil's largest private sector Exploration and Production (E&P) company based on annualized daily production of barrels of oil equivalent (BOE) according to data from the ANP, and the only private Brazilian company in this sector 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 the largest non-associated natural gas field under production in Brazil according to data by the ANP as of 2010. This field has been in operation since 2007, and has production capacity of approximately 50,300 boe per day. For more information, please go to www.qgep.com.br/ri.

queiroz galvão
EXPLORAÇÃO E PRODUÇÃO

The financial information of the Company has been prepared as follows:

- For the quarter ended in June 2010: our consolidated carve-out financial information has been derived from our carve-out consolidated financial statements of QGOG, utilizing exclusively the historical results of operations, assets and liabilities attributable to the E&P segment, which includes our investment in Manati and the operations of BS-3 S.A. The financial information was prepared by us in accordance with IFRS as issued by IASB.
- For the quarter ended June 30, 2011: consolidated financial information of the Company. The financial information was prepared by us in accordance with IFRS as issued by IASB.

Annex I - INCOME STATEMENT

Income Statement (R$ million)						
	2Q11	**2Q10**	**Δ%**	**6M11**	**6M10**	**Δ%**
Net Revenue	**60.8**	**86.9**	**-30.0%**	**131.9**	**177.6**	**-25.7%**
Operating costs	(25.5)	(28.5)	-10.4%	(52.4)	(58.9)	-11.0%
Gross profit	**35.3**	**58.4**	**-39.5%**	**79.5**	**118.7**	**-33.0%**
Operating income (expenses)						
General and administrative expenses	(10.4)	(8.0)	29.4%	(39.9)	(9.4)	323.9%
Exploration expenditures	(2.5)	(1.4)	79.7%	(17.4)	(1.3)	N/A
Other net operational expenses	(1.9)	-	N/A	(1.6)	-	N/A
Operating income	**20.6**	**49.0**	**-58.0%**	**20.7**	**108.0**	**-80.9%**
Financial income (expenses), net	49.5	(7.2)	N/A	72.5	(14.2)	N/A
Income before income tax and social contribution	**70.1**	**41.9**	**67.5%**	**93.1**	**93.8**	**-0.8%**
Income tax and social contribution	(11.7)	(8.1)	44.3%	(21.4)	(16.1)	32.6%
Net income	**58.4**	**33.7**	**73.1%**	**71.7**	**77.7**	**-7.7%**

Annex II - Balance Sheet

Balance Sheet (R$ million) Carve out			
	2Q11	**1Q11**	**Δ%**
Assets			
Current Assets	**1,619.3**	**1,682.0**	**-4%**
Cash and cash equivalents	1,215.7	1,242.5	-2%
Investments	326.0	382.0	-15%
Trade accounts receivable	57.1	50.4	13%
Recoverable taxes	8.5	1.3	565%
Prepaid expenses	-	4.3	N/A
Other	12.0	1.6	645%
Non-current Assets	**1,133.7**	**837.6**	**35%**
Restricted cash	128.1	124.8	3%
Recoverable taxes	0.2	0.2	-
Deferred income tax and social	2.4	3.6	-34%
Property, plant and equipment	720.7	703.1	3%
Intangible assets	282.3	5.9	N/A
Total Assets	**2,753.0**	**2,519.6**	**9%**
Liabilities and Shareholders' Equity			
Current Liabilities	**361.5**	**168.4**	**115%**
Trade accounts payable	271.1	17.7	N/A
Taxes payable	15.7	23.1	-32%
Payroll and related taxes	2.0	19.1	-90%
Due to related parties	1.0	2.2	-56%
Borrowings and financing	52.3	76.2	-31%
Provision for research and development	5.9	5.9	-
Provision for returned blocks	-	10.6	N/A
Other current liabilities	13.7	13.6	1%
Non-current Liabilities	**238.9**	**257.9**	**-7%**
Borrowings and financing	149.8	164.9	-9%
Provision for abandonment	89.1	92.9	-4%
Shareholders' Equity	**2,152.6**	**2,093.4**	**3%**
Capital Stock	2,078.1	2,078.1	-
Net income for the period	71.7	13.4	437%
Legal Reserve	1.8	1.8	-
Dividends Proposed	-	0.1	N/A
Stock Option Plan	0.9	-	N/A
TOTAL Liabilities and Shareholders' Equity	**2,753.0**	**2,519.6**	**9%**

Annex III - Cash Flows

Cash Flows (R$ million)		
	2Q11	**6M11**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	**58.4**	**71.7**
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization and Depreciation	11.1	24.1
Deferred income tax and social contribution	1.2	0.4
Financial charges and exchange rate (gain) loss borrowings and financing	(7.5)	(13.5)
Provision for returned blocks	(10.6)	(10.6)
Decrease in fixed assets	2.4	14.0
Provision for stock option plan	0.9	0.9
Provision for income tax and social contribution	1.0	11.4
Provision for research and development	-	0.9
Exchange rate (gain) loss on provision for abandonment	(3.9)	(6.0)
(Increase) decrease in operating assets:	(20.0)	6.8
Increase (decrease) in operating liabilities:	(12.9)	1.4
Net cash inflows from operating activities	**20.1**	**101.8**
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash inflows from (used in) investing activities	**(9.0)**	**(419.3)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash inflows from (used in) financing activities	**(37.9)**	**1,396.0**
Increase in cash and cash equivalents	**(26.7)**	**1,078.5**
Cash and cash equivalents at beginning of the period	1,242.5	137.2
Cash and cash equivalents at end of the period	1,215.7	1,215.7
Increase in cash and cash equivalents	(26.7)	1,078.5

Annex IV - Glossary

Glossary	
ANP	National Petroleum Agency
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).
Field	An area covering a horizontal projection of one or more reservoirs containing oil and/or natural gas in commercial quantities.
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.
GCOS	Geological Chance of Success
GCA	Gaffney, Cline & Associates
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.

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.
3C Contingent Resources	High case estimate of contingent resources with only a 10% chance of being achieved or exceeded.
QGOG	Queiroz Galvão Óleo e Gás S.A.
Risked Prospective Resources	Prospective resources multiplied by GCOS.
Reserves	Quantities of petroleum expected to be commercial recoverable by applying development projects to known accumulations as of a given date and under defined conditions.
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.