
2nd Quarter 2015

QGEP: A unique Brazilian E&P play



Agenda



QGEP Overview

Experienced Leadership Team

Balanced Portfolio

Major Producing Asset

High Potential Development & Exploration Portfolio

Strong Financial Position

Strategic Growth Plans



Listed independent Brazilian E&P company with a strong financial position

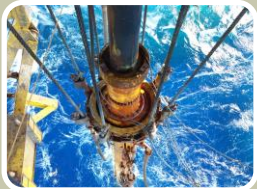


Present in multiple offshore Brazilian basins



Balanced portfolio offers exposure across assets in different stages of maturity

- Production: Manati Field
- Development: Atlanta Field
- Exploration: Carcará Discovery, Equatorial margin, among others



Success as operator in deep waters

A UNIQUE BRAZILIAN E&P PLAY



Management and operating team with decades of domestic and international experience



Multiple partnerships with regional and global players



Solid balance sheet with net cash position and steady cash flow to fund Capex













Part of QG Group, with presence across O&G sector

STRONG FOOTPRINT IN THE OIL&GAS SEGMENT OF THE QUEIROZ GALVÃO GROUP



The QG Group

DRILLING & FPSO	SHIPPING	E&P	EPC	ENGINEERING
 Leading Brazilian oil & gas services company with world class standards of efficiency	 Largest shipyard in the Americas	 Only Brazilian independent company to operate in the pre-salt premium area of the Santos Basin	 One of the leading EPC providers in Brazil	 One of the largest engineering companies in Brazil with a proven track record
				

- ▶ Sponsorship of the Queiroz Galvão Group, one of the largest conglomerates in Brazil with an extensive footprint and 30 years experience across the Oil & Gas and Infrastructure industry
- ▶ Consolidated Group Gross Revenues of R\$10.7 billion in 2014
- ▶ Arms length transaction between the Group's companies

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EXPERIENCED LEADERSHIP TEAM

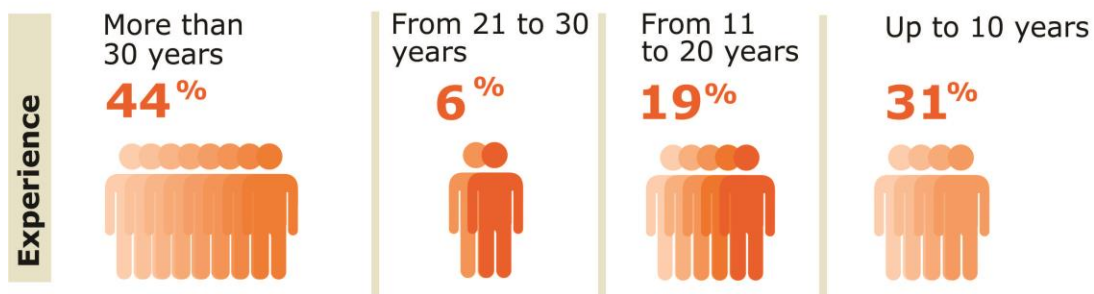
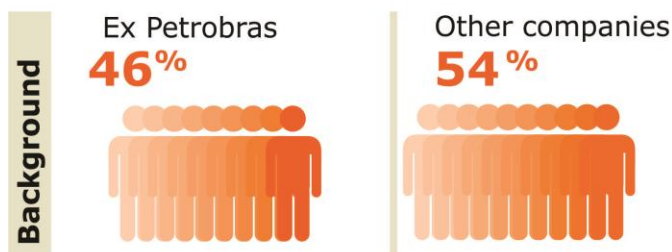
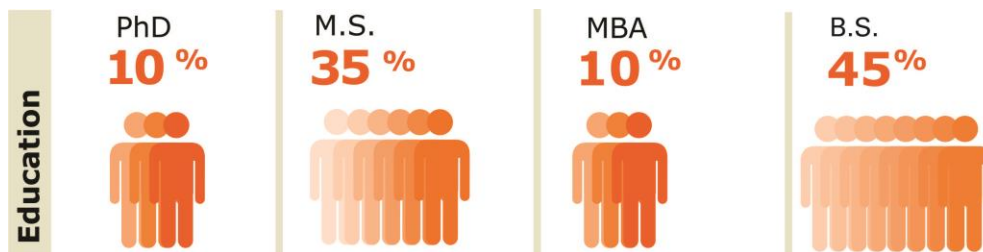
- ▶ Technical team includes 48 highly qualified professionals

- ▶ International experience in USA, Libya, Iraq, Angola, Nigeria, Colombia, among others

- ▶ Vast experience in Brazil's most important basins

- ▶ Leadership positions in important discoveries in Brazil, Gulf of Mexico and West Africa

- ▶ Experience in successful development of challenging fields



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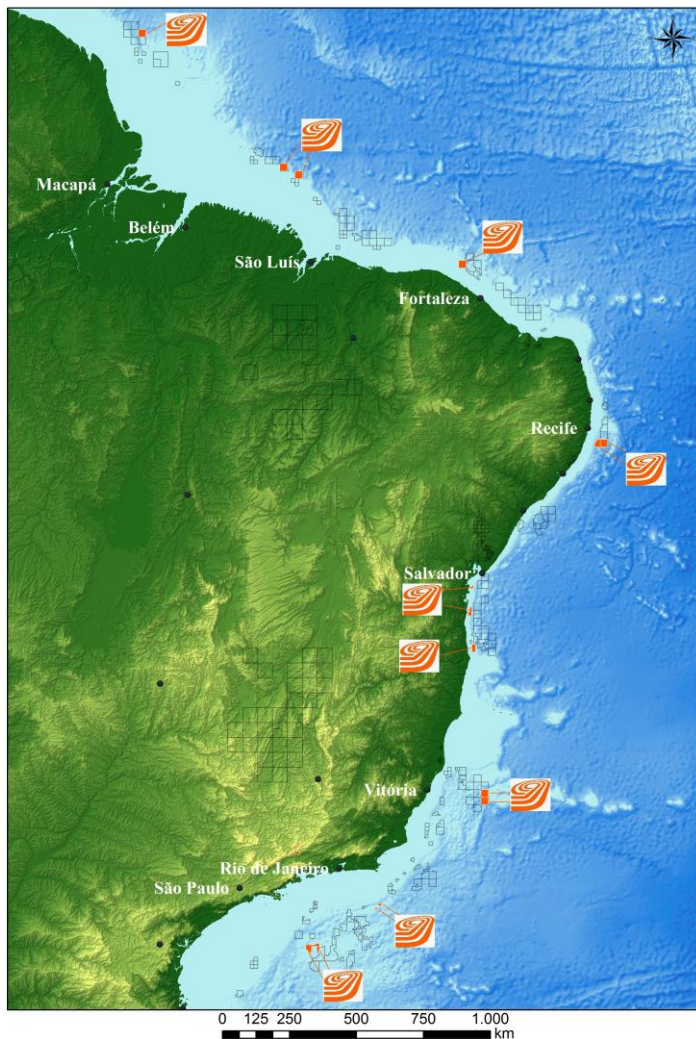
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BALANCED & DIVERSIFIED PORTFOLIO OF ASSETS



- **1st** independent Brazilian Oil & Gas Company to operate in the pre-salt premium area of Santos Basin
- **14** Concessions in **8** different basins
- Operator of **7** concessions, **6** in the exploratory phase and **1** in the development phase
- **1** producing Field: Manati
- **3** Fields Under Development – Atlanta, Oliva and Camarão Norte
- **2** discoveries – Carcará and Alto de Canavieiras

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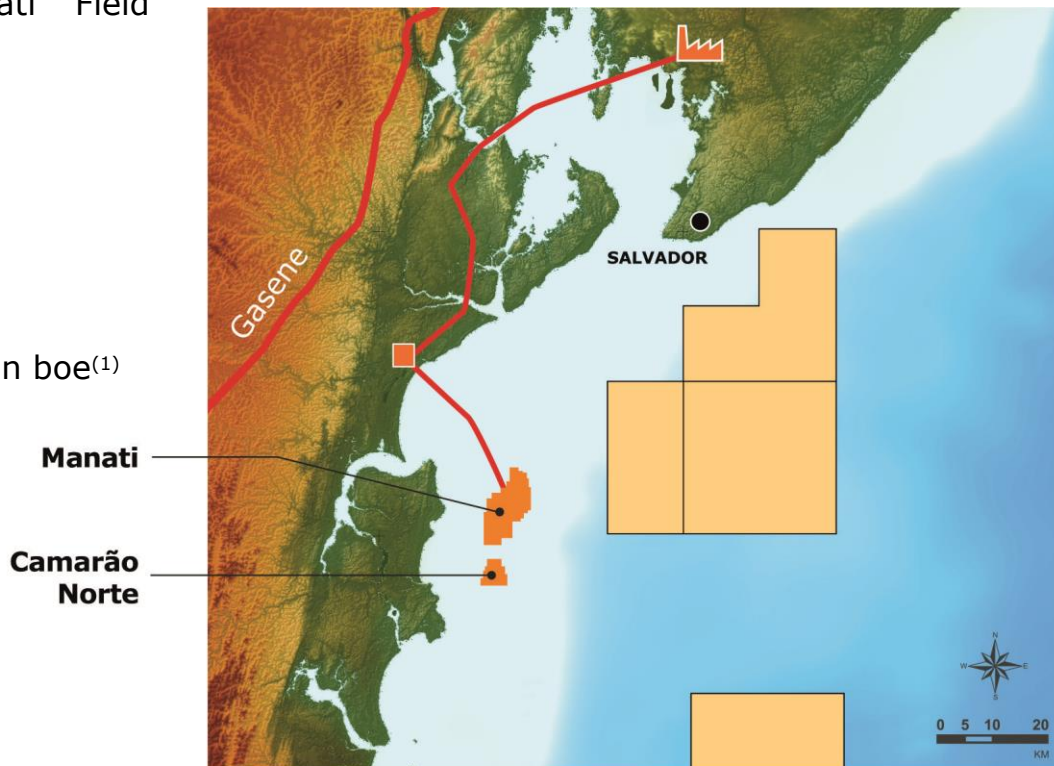
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MANATI FIELD: HIGH QUALITY ASSET WITH PREDICTABLE PRODUCTION

- ▶ Largest shareholder of the Manati Field = 45% working interest
- ▶ Partners:
 - Petrobras : 35% (Operator)
 - Geopark: 10%
 - Brasoil: 10%
- ▶ 2P Reserves net to QGEP: 38.9 million boe⁽¹⁾



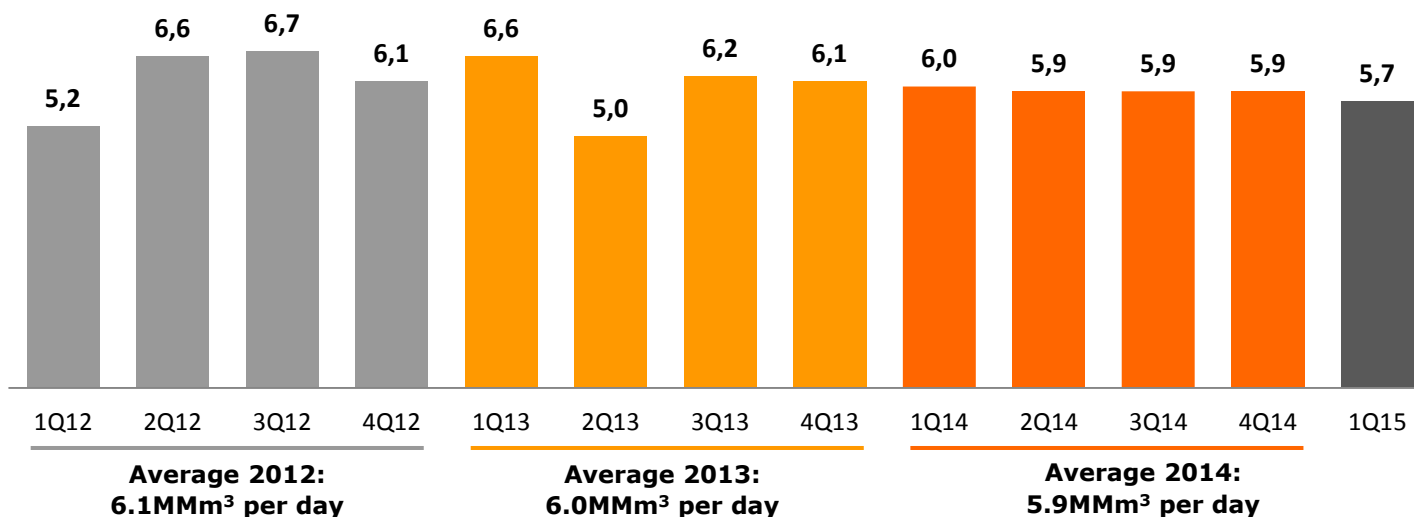
- | | |
|--|---|
|  QGEP's Gas Fields |  Petrobras Blocks |
|  Valdemir Ferreira Gas Treatment Plant |  Compression Plant |

⁽¹⁾As of December 31, 2014

CONSISTENT, VISIBLE PRODUCTION AT MANATI FIELD



Daily Gas Production (MMm³ per day)



- ▶ Construction of a surface compression plant on schedule and on budget. The plant will be operational in mid-2015
- ▶ Production capacity to return to ~6.0MMm³ per day after the compression plant is completed
- ▶ For 2015, production capacity estimated to average 5.5MMm³ per day

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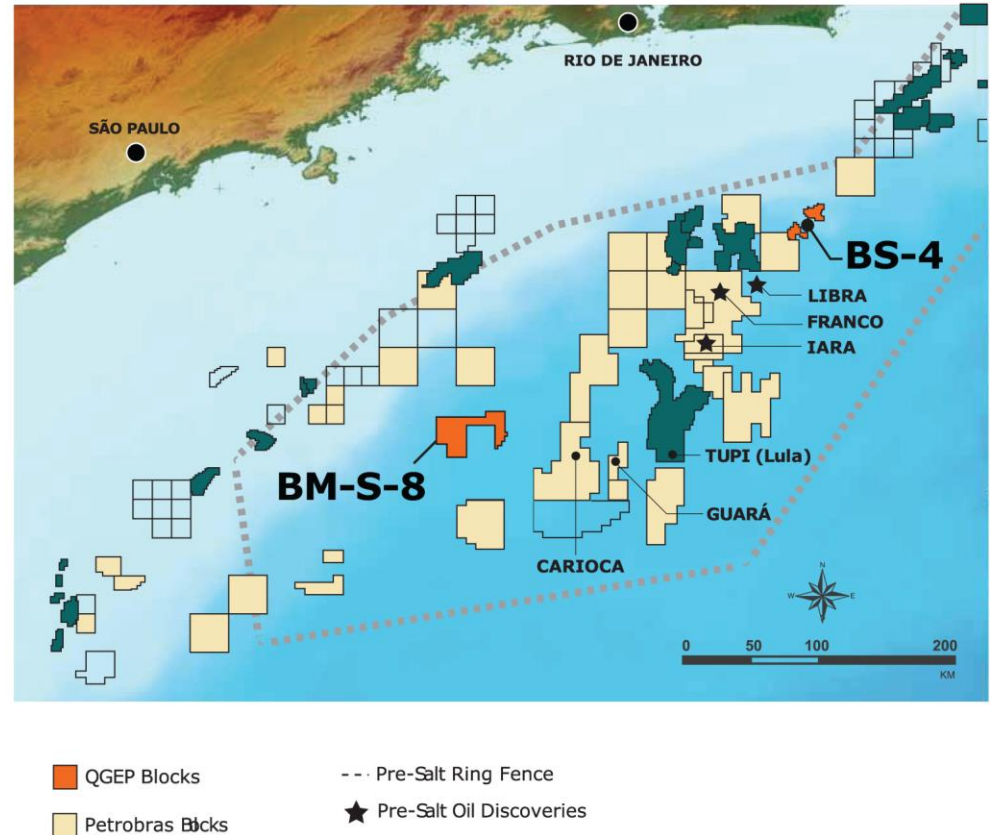
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PROLIFIC SANTOS BASIN

- ▶ More than 30 billion barrels already discovered
- ▶ Area of focus for more than 50% of Petrobras' future investments
- ▶ Multi-Play Basin: Post-salt (sandstones and carbonates), Pre-salt (sandstones, biolites and carbonates)
- ▶ Presence of high quality oil
- ▶ Important discoveries include: Lula, Iara, Carioca, Libra, Franco, Jupiter, Sapinhoá, Atlanta and Carcará



BS-4: OPERATORSHIP IN DEEP WATERS

- ▶ Atlanta and Oliva post-salt Fields
- ▶ 80% of the recoverable oil in Atlanta
- ▶ QGEP: Operator and 30% stake

ATLANTA FIELD

- ▶ 14° API heavy oil with certified GCA reserves of 1P reserves of 147 MM bbl, 2P of 191 MM bbl and 3P of 269 MM bbl
- ▶ Tests at first two horizontal wells of Atlanta's EPS indicated production capacities close to 12Kbbl/d per well
- ▶ Petrojarl I FPSO chartered from Teekay Offshore Partners L.P. for the Early Production System (EPS):
 - ▶ The vessel is being customized to the Field's specifications
 - ▶ The unit is to arrive on site during 1H16
- ▶ First oil in Atlanta is expected in the beginning of 3Q16



ATLANTA FIELD PRODUCTION AND FINANCIALS



Atlanta Field Development Plan calls for an Early Production System (EPS), followed by a Full Development (FD) System, as follows:

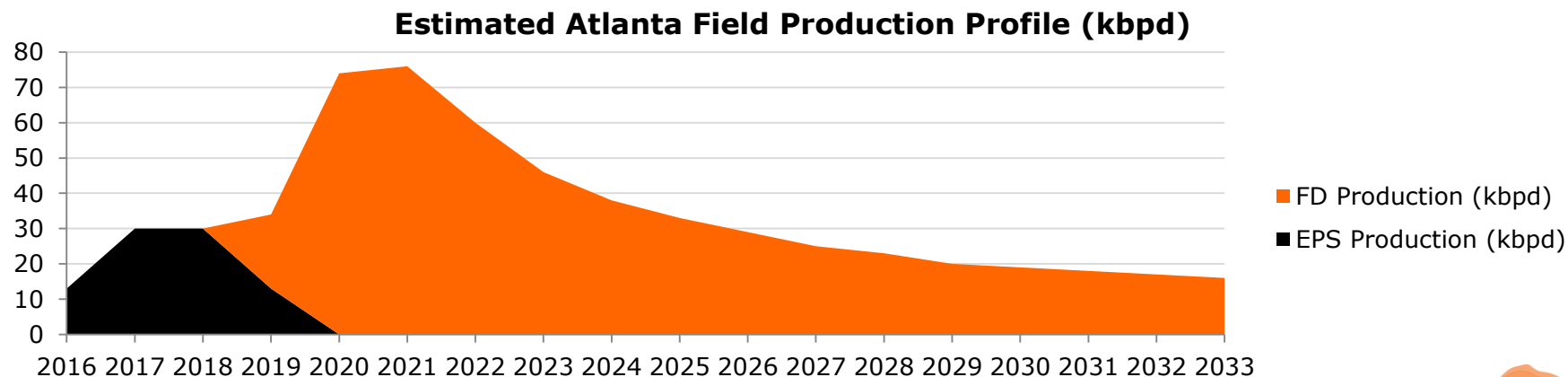
EPS:

- ▶ Oil production of 25-30 kbpd for 3 years
- ▶ Two production wells are drilled, equipped to produce 25kbbbl/d for the first three years; a 3rd well to increase average production capacity to 30kbbbl/d is contemplated
- ▶ **EPS Capex:** US\$728 million (for 3 wells) | **Opex:** US\$480k/d, including charter, services, logistics, abandonment fund and others

FD:

- ▶ Maximum oil production capacity of 80 kbpd, with production up to 2033
- ▶ Addition of 10 horizontal wells, totalling 12 production wells

Production Estimate - based on 2P reserves, as stated in the Field's Development Plan:



BM-S-8: MAJOR COLUMN OF AT LEAST 471 METERS OF OIL OF 31° API AT CARCARÁ PROSPECT

- ▶ 10% stake
- ▶ Contingent and Prospective Resources
- ▶ Carcará discovery:
 - ▶ Major column of at least 471 meters of 31° API oil exclusive of any contaminants such as CO₂ and H₂S
 - ▶ Excellent quality of reservoirs
 - ▶ High estimated potential flow rate

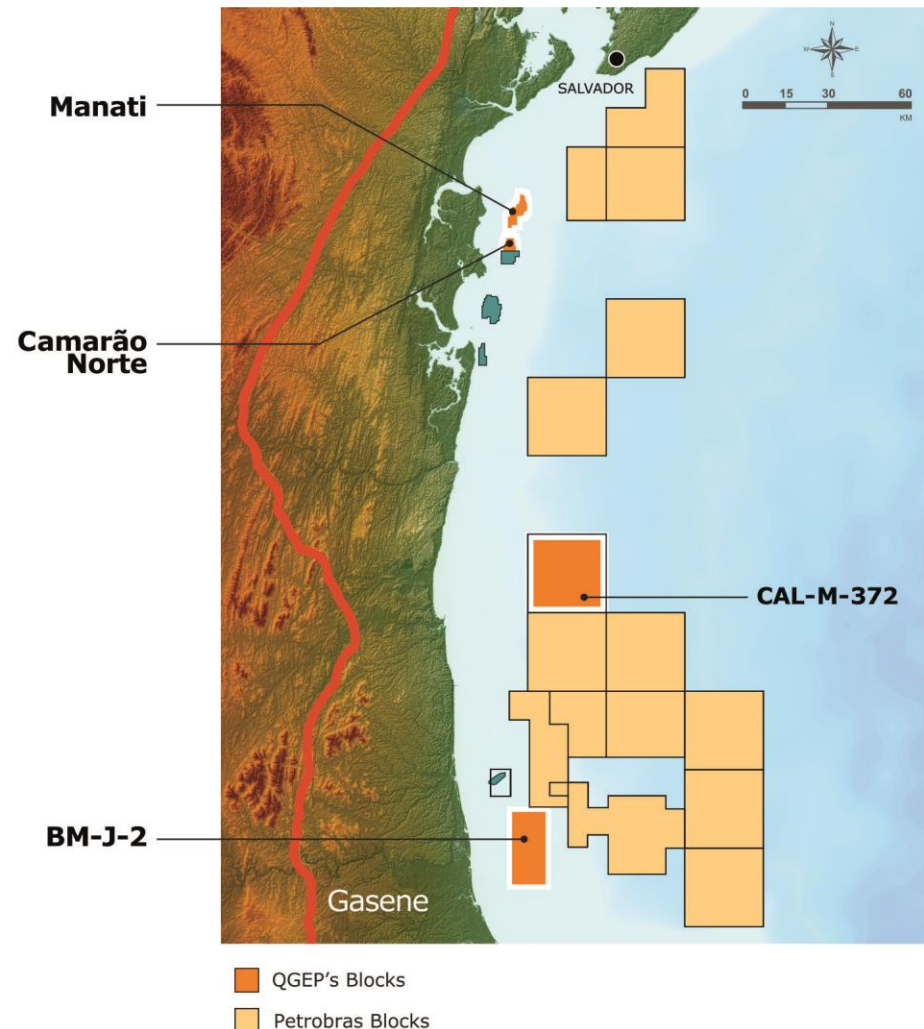
Next steps:

- ▶ January 2015: Drilling of the second Carcará appraisal well started with testing to follow
- ▶ 3Q15: second phase of drilling of Carcará appraisal well planned with testing to follow
- ▶ End of 2015: Results for tests at second appraisal well are expected by the, and for the first in 2016
- ▶ Extended Well Test (EWT) planned for 2017
- ▶ Drilling at the Guanxuma prospect expected to begin in late 2015



EMERGING CAMAMU AND JEQUITINHONHA BASINS

- ▶ Similar geological context
- ▶ Post-salt and pre-salt targets
- ▶ Sandstones and potentially carbonate reservoirs
- ▶ Previous discoveries in the Basins include: Pinaúna (oil), Sardinha (oil and gas), Manati (gas), and Camarão/ Camarão Norte (gas)
- ▶ Notice of discovery filed with ANP in the pre-salt section Alto de Canavieiras well at Block BM-J-2



BLOCKS AWARDED IN THE 11th ANP BIDDING ROUND



- ▶ 8 Blocks acquired in 11th ANP Bidding Round: total area of 5,785 km²
- ▶ Operatorship in 5 of the 8 blocks
- ▶ 5 new partnerships including: Statoil, Total, Premier Oil, Pacific Rubiales and Petra Energia
- ▶ Total of R\$94.9 million in signature bonuses
- ▶ Ongoing acquisition of seismic data ~ US\$39 million net to QGEP for the next two years
- ▶ Four exploratory wells committed to begin in 2017 ~ US\$200 million net to QGEP

Basin	Block	Other Consortium Members	Operator	QGEP Working Interest
Foz do Amazonas	FZA-M-90	Premier Oil Pacific Brasil	QGEP	35%
Espírito Santo	ES-M-598	Statoil Brasil Petrobras	Statoil	20%
Espírito Santo	ES-M-673	Statoil Brasil Petrobras	Statoil	20%
Pará-Maranhão	PAMA-M-265	Pacific Brasil	QGEP	30%
Pará-Maranhão	PAMA-M-337	Pacific Brasil	QGEP	50%
Ceará	CE-M-661	Total OGX	Total	25%
Pernambuco -Paraíba	PEPB-M-894	Petra Energia	QGEP	30%
Pernambuco -Paraíba	PEPB-M-896	Petra Energia	QGEP	30%

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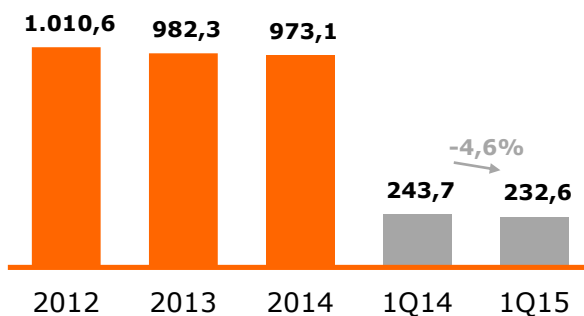
Strong Financial Position

Strategic Growth Plans

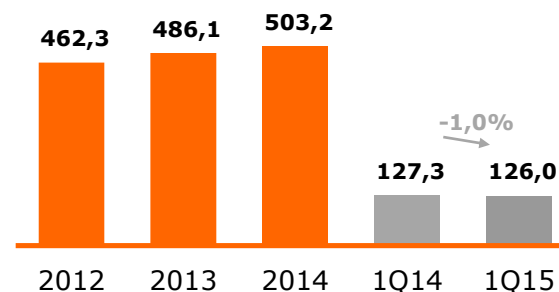
QGEP'S FINANCIAL PERFORMANCE



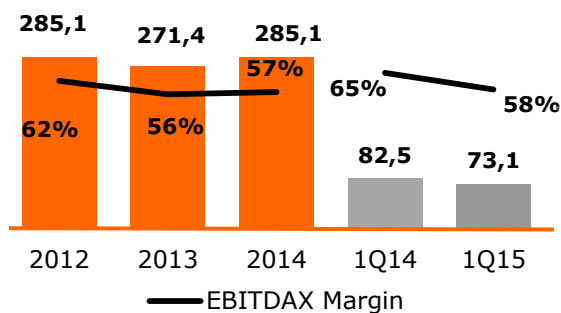
Gas Production (Millions of m³)



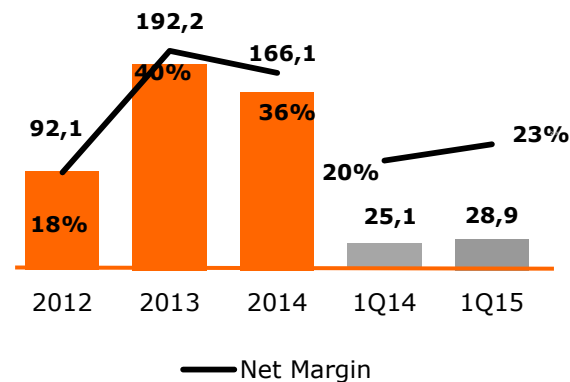
Net Revenue (R\$ million)



EBITDAX (R\$ million)



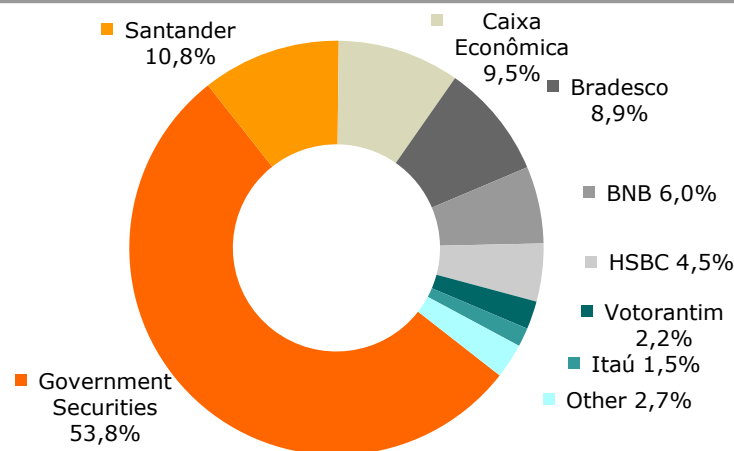
Net Income (R\$ million)



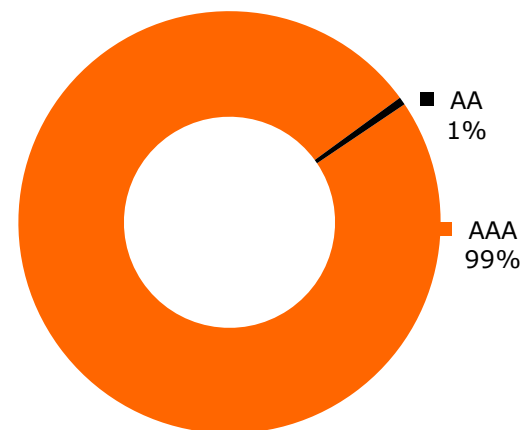
STRONG NET CASH POSITION

- ▶ Cash balance R\$1.3 billion as of March 31, 2015
- ▶ Net cash of R\$852 million as of March 31, 2015
- ▶ R\$375 million the cash invested in exchange funds
- ▶ R\$233 million credit line with BNB to fund the projects in the northeast of Brazil
- ▶ R\$266 million financing package from Brazil's Financiadora de Estudos e Projetos (FINEP)
 - Goal: to support the development of the Atlanta Field EPS
 - Terms:
 - ▶ Two credit lines: one fixed rate, one floating
 - ▶ 3-year grace period and amortization period of 7 years

Investment Distribution



Ratings*

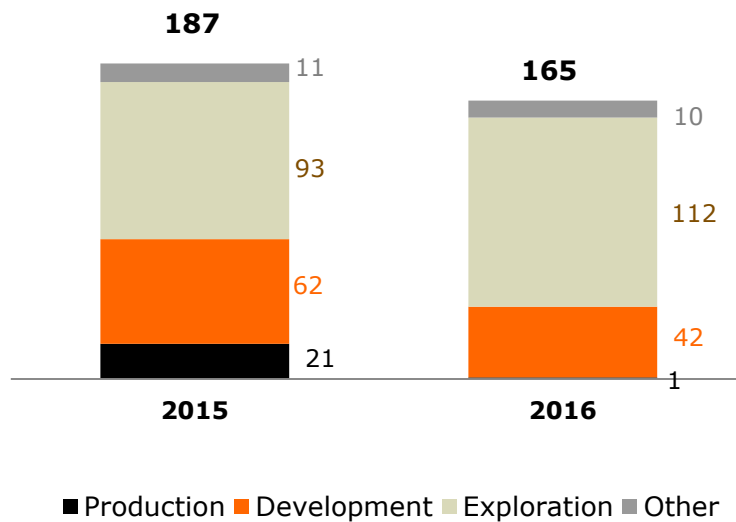


*Does not include Government Securities

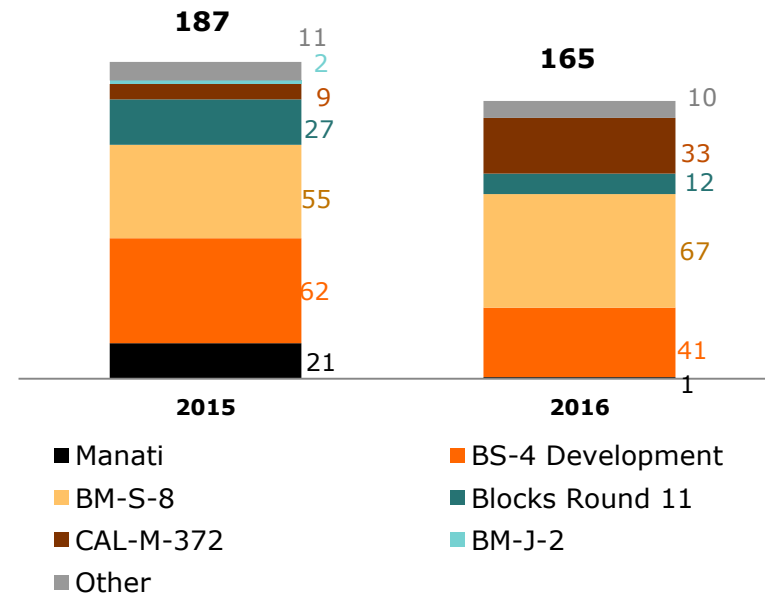
CAPEX 2013-2015

- ▶ Capex needs of US\$ 352 million for 2015 and 2016 are fully funded
- ▶ BS-4 Development and BM-S-8 Exploration will absorb 30% and 35% of the investment, respectively

**CAPEX net to QGEP
(US\$ million)**



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(US\$ million)**



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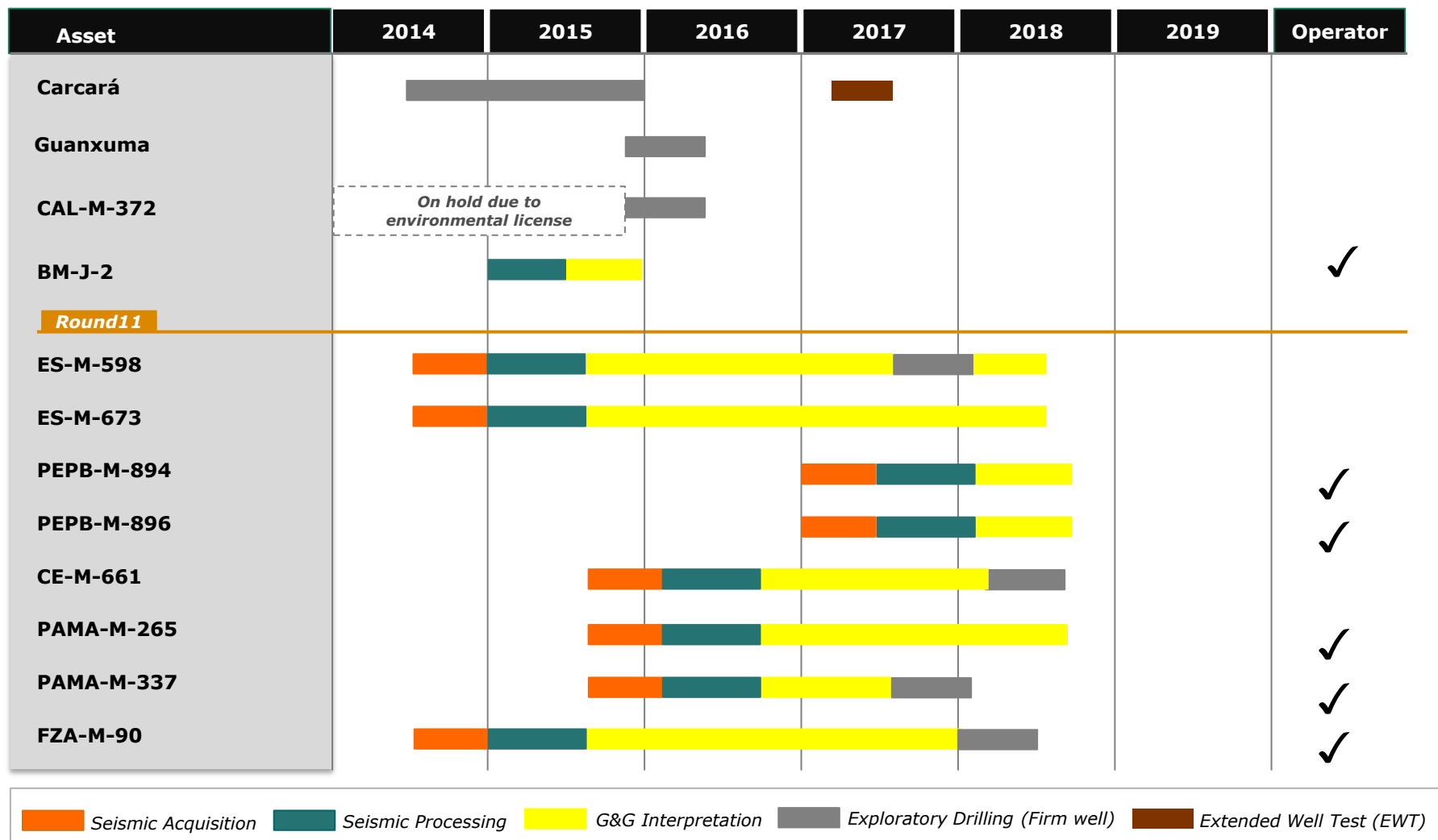
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CALENDAR: EXPLORATORY ASSETS



Deliver

Develop current portfolio to generate a production flow

Goals

5 years

Create successful E&P track record

Geography

Brazil (SE basins); and opportunistically on frontier basins

Technology

Deep water and ultra-deep water

Growth

Development of Atlanta and Carcará; opportunistic M&A

Operating model

Operate ~50% of assets; Substantial outsourcing (seismic, platforms);
Target share up to ~30-40%/asset

Partnerships

Petrobras (Carcará); Independent (Atlanta); Majors/Int'l (risked portfolio)

Financing

Manati, IPO resources and debt; Discipline and Consistent performance

Consolidate

Invest in new blocks to ensure sustainability

Goals	10+ years	Top Brazilian player
Geography	Brazil (producing and frontier basins: Santos, Espírito Santo, Foz de Amazonas, Pará-Maranhão)	
Growth	Develop risked portfolio Acquisition via ANP auctions/ exploratory blocks	
Partnerships	Robust partners with strategic fit (deep water, other markets)	
Financing	Cashflow from Atlanta and Carcará; Debt; Selective farm-outs	

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