queiroz galvão
EXPLORAÇÃO E PRODUÇÃO

2015 Annual Sustainability Report

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queiroz galvão
EXPLORAÇÃO E PRODUÇÃO

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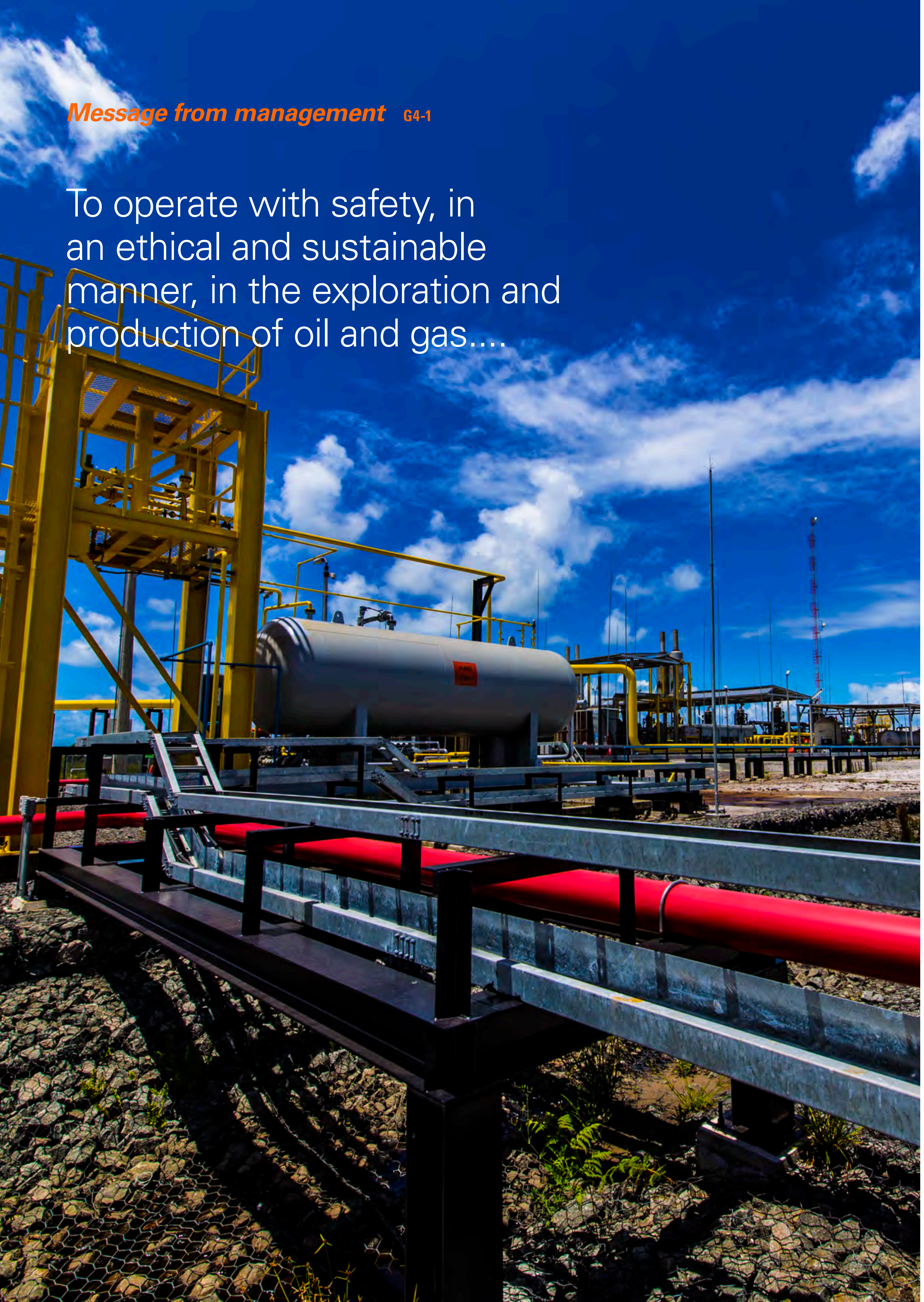


Message from management G4-1

To operate with safety, in an ethical and sustainable manner, in the exploration and production of oil and gas....

The year 2015 will leave a deep mark on the global oil and gas industry. However, it did not impact our results since our revenue came from the sale of natural gas only. Oil prices slumped below $40 – the lowest level since 2004 –, which was reflected in barrel prices and influenced how Exploration and Production (E&P) companies evaluate their investments. In Brazil, the clear deterioration of the economic and political situation exacerbated the industry crisis.

QGEP's strategy to tackle this adverse situation is based on maintaining cash liquidity, which currently explains its sound financial position. Management has been focusing constantly on conducting operations cautiously, managing risks and optimizing capital allocation in our current portfolio. Accordingly, we decided to decrease CAPEX by 37% in 2016 to align our operational needs with our long-term vision and our goals with the precautionary and control measures the current market situation requires. In addition, we continue reviewing our portfolio management policy constantly, a key element of our search for sustainable results.

We believe oil will remain the most used energy source in the long term despite the technological advances that will make more room for biofuel, wind power, solar power and gas itself. Projections suggest fossil fuels will still meet 64% of the world's total demand for energy in 2030, according to studies presented by BP Energy Outlook 2030. Therefore, we believe barrel prices will stabilize and come into balance at a new level, to which the production chain will eventually adapt. However, we will remain alert to any new challenges the market may pose and continue to seek operational efficiency gains in the meantime.

In 2015, we reviewed our short- and medium-term strategies designed to achieve our long-term goals; consolidated the foundations of our corporate governance; and improved our compliance practices and crisis management strategies. We approved new internal rules and regulations for the Board of Directors, which introduced a theme-based schedule monitored by the Directors on a monthly basis. We also set up the Ethics, Corporate Governance and Sustainability Committee, a non-Bylaw-required arm of the Board of Directors whose goals will be discussed and developed throughout 2016. In 2016, we are planning to approve the creation of the Compensation Committee and will continue developing and introducing procedures needed to extend our compliance program to our supplier chain, for which we have had a Procurement Department since 2015.

We have been focusing on conducting operations cautiously, managing risks and optimizing capital allocation

We are confident about our business, including as a means of creating value for society. We also believe the Brazilian economy will overcome the current turbulence and provide new growth opportunities. We felt motivated at the close of the year. As a result, we are preparing the company for the challenges of the industry and have no doubt we have the best resources to pursue our growth strategy: our employees.

Antônio Augusto de Queiroz Galvão

Chairman of QGEP's Board of Directors

Message from management G4-1

Albeit aware of the deterioration of Brazil's economic situation and of the industry situation, we felt satisfied with our operating and financial performance at the close of 2015. In particular, we are carefully monitoring the volatility of oil prices, which has made the task of managing our business even more complex. Political, governmental and regulatory issues also play a role in this situation, but we are still pursuing our strategy of creating long-term value through conservative, sustainable management and adjusting the Company to the prevailing market conditions.

Thus, we closed the year with a comfortable net cash position of over R$ 900 million – or R$ 3.53 per share – , which gives us the financial flexibility required to achieve sustainable growth.

We delivered consistent results as shown by different metrics, with positive operating effects and some highlights; for example, we topped the Valor 1000 ranking of Brazil's oil and gas companies. The value of our portfolio increased substantially both because Manati's production capacity rose once more to 6 million m³ per day in 2H15 and because we managed our portfolio actively – by returning of some assets and acquiring others offering potentially higher return. In this regard, we participated in the 13th ANP [Agência Nacional do Petróleo, Gás Natural e Biocombustíveis, or Brazilian National Agency of Petroleum, Natural Gas and Biofuels] Bidding Round of and acquired concessions for two high prospectivity blocks with excellent commercial conditions.

We increased the production capacity of Manati, which supplies over 30% of the Northeast Region demand, by interconnecting it to the gas compression station. Our 45% stake in the production, whose sale is guaranteed by a take-or-pay contract, allows us to make accurate projections about cash flows whereas operating it efficiently allows us to achieve very attractive margins.

We are working to have first oil from the Atlanta field by late 2016. In parallel with the adaptation of the FPSO unit in Rotterdam, we hired subsea equipment for the Early Production System. We also signed a contract with Shell to sell the Atlanta oil for three years. This will help us boost the Company's cash generation and complement our revenue from selling natural gas.

Concerning our prospects, studies show Carcará has a large production capacity. We have three drilled wells confirmed to contain a substantial column of light oil, with no oil-water contact detected.

We have been reinforcing our commitment to sustainable practices by participating in ecosystem characterization and monitoring studies along the coastal area of Una, Canavieiras and Belmonte (Bahia State), and in environmental impact assessments on the Brazilian Equatorial Margin. As a result, we have strengthened our relationship with local communities, always based on trust, quality, effort and loyalty.
In short, QGEP's vision of the future will always be based on the three pillars of our Mission, which also serve as the basis for the structure of this report: **"To operate with safety, in an ethical and sustainable manner, in the exploration and production of oil and gas, obtaining results and contributing to the development of the areas where we operate, respecting the needs of all our stakeholders."**

We thank our team for their effort to accomplish that Mission, our partners for their commitment and our shareholders for their trust.

Lincoln Rumenos Guardado

QGEP's Chief Executive Officer

Highlights G4-9 | G4-13

13th - ANP

WE ACQUIRED TWO BLOCKS IN THE SERGIPE-ALAGOAS BASIN (SEAL-M-351 AND SEAL-M-428) AT THE 13TH ANP [AGÊNCIA NACIONAL DO PETRÓLEO, GÁS NATURAL E BIOCOMBUSTÍVEIS, THE BRAZILIAN NATIONAL AGENCY OF PETROLEUM, NATURAL GAS AND BIOFUELS] BIDDING ROUND

Surface gas compression

WE INSTALLED A SURFACE GAS COMPRESSION STATION IN THE MANATI FIELD, AND THIS ALLOWED US TO INCREASE PRODUCTION CAPACITY TO 6.0 MILLION M³ PER DAY AGAIN

Carcará

WE DRILLED TWO EXTENSION WELLS IN THE CARCARÁ DISCOVERY AND CARRIED OUT TWO TESTS AT THE CARCARÁ NORTE WELL, IN BLOCK BM-S-8 THE RESULTS SHOWED THE GREAT PRODUCTION POTENTIAL OF THE AREA, WITH ESTIMATED INITIAL PRODUCTION RATES PER WELL AT LEAST EQUIVALENT TO THOSE OF THE BEST ACTIVE WELLS IN THE SANTOS BASIN

WE WERE RANKED 1ST AMONG BRAZIL'S OIL AND GAS COMPANIES BY VALOR 1000 IN OUR 5TH YEAR OF OPERATIONS

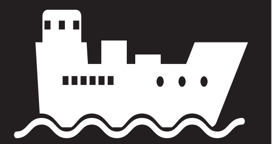
Progress in Governance

WE CREATED THE PROCUREMENT DEPARTMENT TO CENTRALIZE THE WHOLE PROCUREMENT PROCESS, FOR BOTH GOODS AND SERVICES

WE IMPROVED OUR CORPORATE GOVERNANCE, COMPLIANCE AND RISK MANAGEMENT PRACTICES WE CREATED THE COMPLIANCE DEPARTMENT AND THE ETHICS, CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE, AND DEVELOPED A CRISIS MANAGEMENT PLAN;

Portfolio management

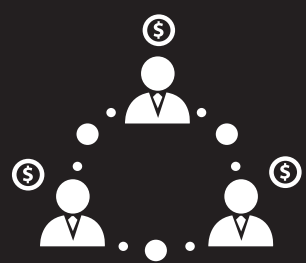
WE RETURNED BLOCK BM-J-2 AND CAL-M-312, THE FORMER FULLY OPERATED BY QGEP, AS A STRATEGY TO OPTIMIZE OUR PORTFOLIO, AND



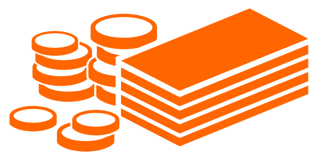
WE COMPLETED THE INVESTMENT IN THE FIRST PHASE OF THE EARLY PRODUCTION SYSTEM (EPS) FOR THE ATLANTA FIELD, INCLUDING OBTAINING THE REQUIRED DOCUMENTATION, AND HIRING THE SUBSEA EQUIPMENT AND THE FPSO UNIT, WHICH IS BEING CUSTOMIZED IN ROTTERDAM

WE DID NOT RENEW THE FARM-IN AGREEMENT FOR THE BM-C-27 CONCESSION.

WE SIGNED WITH SHELL A PARTNERSHIP AGREEMENT FOR THE SALE OF THE OIL PRODUCED BY THE ATLANTA FIELD EPS FOR THREE YEARS



WE APPROVED A DIVIDEND PAYMENT POLICY



WE SIGNED AN ADDENDUM TO THE CONTRACT WITH PETROBRAS FOR THE SALE OF THE MANATI GAS; IT CONTAINS A TAKE-OR-PAY CLAUSE SO THAT IT WILL COVER THE WHOLE FIELD RESERVE

Main indicators G4-9

	2015	2014	2013	2012	2011
Financial – (R$ million)					
Gross revenue	623.6	634.1	612.8	586.1	372.0
Net revenue	496.2	503.0	486.1	462.3	289.0
Gross profit	243.3	260.1	276.2	279.5	160.3
Gross margin (%)	49.0	51.7	56.8	60.5	55.6
Net income	93.6	194.8	192.2	82.5	92.1
Net margin (%)	18.8	39.0	39.5	17.8	32.0
EBITDA	(74.9)	214.7	222.9	122.9	90.5
EBITDA Margin (%)	(15.1)	42.7	45.9	26.6	31.3
EBITDAX	273.0	286.3	271.4	285.1	103.6
EBITDAX margin:	55.0	56.7	55.8	61.7	35.9
Gross debt	369.7	250.9	167.9	-	103.6
Net debt	(910.3)	(877.7)	(837.8)	(952.3)	(1,098.5)
Net value added	34.7	336.5	352.8	243.3	175.7
Total assets	3,430.3	3,232.2	3,039.3	2,434.0	2,729.7
Equity	2,689.2	2,590.0	2,409.0	2,227.8	2,175.8
CAPEX (US$)	115.0	125.0	193.0	87.0	30.0
Operational					
Assets	18	16	17	9	8
Gas production (MM m^3)	919.2	973.1	982.3	1,011	675
Total reserves (million boe) – 2P certified*	88.3	95.9[2]	45.2	51.5	58.9
Capital market					
# of shares traded (R$ thousand)***	71,577.6	79,742.0	79,742.0	79,742.0	79,742.0
Trading volume (R$ million)****	5.8	5.7	7.5	9.3	12.0
Net earnings per share (R$)	0.36	0.64	0.74	0.31	0.36
# of shareholders*****	1,815	2,288	2,566	3,716	2,028
Dividend yield (%)	2.572899	2.083333	1.5387014	0.000023	0.000018
Market cap (R$ million)	1.5	1.9	2.6	3.5	4.4
Stock price (R$)	5.83	7.20	9.78	13.12	16.50
# of shares	265,806,905	265,806,905	265,806,905	265,806,905	265,806,905
Free Float	71,786,394	71,786,394	74,031,751	76,152,070	79,741,026
Treasury shares	7,954,632	7,954,632	5,709,275	3,588,956	0
Social and Environmental					
Workforce	131	129	112	72	74
% female	44	43	40	45	45
Contractors and temps	19	18	14	17	11
Training (hours)	11,590	9,806.50	6,122	5,645.10	-
Frequency of accidents with lost workdays	0	0	0	0.5	7.5
Environmental protection expenditures and investments (R$ million)	0.2	2.7	1.6	0.2	9.5

*Considering 2P reserves certified by GCA for the Manati and Atlanta Fields
**Updated after certification on December 31, 2014
***Numbers revised to reflect the exclusion of Treasury shares
****Corresponding to the average daily trading volume
*****Updated annually on the date of the Annual General Meeting

Profile G4-3 | G4-6 | G4-7

QGEP, one of the largest Brazilian Exploration & Production (E&P) companies in operation, is a publicly-held corporation with shares listed on BM&FBovespa's [Bolsa de Valores, Mercadorias & Futuros de São Paulo, or Brazilian Securities, Commodities and Futures Exchange] Novo Mercado segment since February 2011. Its commitment to safety, operational efficiency, transparency and respect for the communities in the vicinity of its locations of operation serves as a basis for all its projects.

Focusing on deepwater operations, QGEP maintains a dynamic portfolio and always manages its business in a sustainable manner. It has been successful and continues to be the only private Brazilian company to act as an operator in the pre-salt exclusion zone of the Santos Basin, where the Atlanta Field first oil is expected for late 2016.

The Company's assets consist of blocks in different maturation stages along the Brazilian coast (learn more). Net revenue totaled R$496.2 million in 2015 and came from the Manati Field, the gas and condensate from which are sold respectively to Petrobras and Dax Oil Refino S.A. Net income came to R$93.6 million. Revenue will increase when the Atlanta EPS starts since the oil production will be sold to Shell under the terms of the sales contract already signed.

At the close of 2015, the Company's workforce consisted of 131 professionals with extensive E&P experience in Brazil and other countries.

The Queiroz Galvão Group

The Queiroz Galvão Group has over 60 years of activity in Brazil and other countries, and over three decades of experience in the oil and gas value chain.

PLATFORM UNDER CONSTRUCTION

2011 | 2012 | 2013 | 2014 | 2015

QGEP HAD 74 EMPLOYEES

AND A COMFORTABLE FINANCIAL POSITION ALREADY WHEN IT CAME INTO BEING AS AN INDEPENDENT COMPANY.

NET REVENUE OF R$289 MILLION

PROFESSIONALS

WITH RECOGNIZED EXPERIENCE AND A SUCCESSFUL TRACK RECORD IN THE FIELD OF E&P

MISSION, VISION AND VALUES G4-56

Mission

- To operate with safety, in an ethical and sustainable manner, in the exploration and production of oil and gas, obtaining results and contributing to the development of the areas where we operate, respecting the needs of all our stakeholders

Vision

- To grow consistently in order to be among the three largest Brazilian companies producing oil and gas by 2020, and to be recognized by society for its transparent and responsible management.

The Queiroz Galvão Group's Values

- Work
- Reliability
- Quality
- Loyalty

TIMELINE

2010

QGEP Participações S.A. established to concentrate the Queiroz Galvão Group's E&P activities.

2011

Initial Public Offering and listing on BM&FBovespa's Novo Mercado segment. Drilling in Block BM-J-2, in the Jequitinhonha Basin, started. Stakes acquired in Blocks BM-S-8 and BS-4, both in the pre-salt exclusion zone of the Santos Basin.

2012

Discovery of Carcará (10% stake) in Block BM-S-8, one of the largest oil columns in the Brazilian pre-salt layer. 31° API light oil found in reservoirs located at a depth of 5,750 m.

2013

Prominent participation in the 11th ANP Bidding Round. Eight blocks acquired in the Foz do Amazonas, Pará-Maranhão, Ceará, Pernambuco-Paraíba and Espírito Santo Basins.

2014

Drilling, completion and testing of two horizontal wells in the Atlanta Field (BS-4), in the Santos Basin. Teekay's FPSO Petrojarl I chartered for use in the Atlanta EPS. OHSAS 18001 and ISO 14001 certifications obtained.

2015

Two blocks in the Sergipe-Alagoas Basin acquired at the 13th ANP Bidding Round and Blocks BM-J-2 and CAL-M-312 returned. Equipment needed for the Atlanta Field production hired. Contract for the sale of the oil produced by the Atlanta EPS signed with Shell. Manati Field compression station opened. Addendum to the contract with Petrobras for the sale of the Manati gas signed to cover the whole field reserve Ranked 1st among oil and gas companies by Valor 1000.

Management G4-42 | G4-43 | G4-44 | G4-45 | G4-46

Sustainable growth, conservative cash management, sound financial health and maintenance of a diversified and dynamic portfolio – the clear strategic guidelines set by QGEP are key factors in conducting business. Just as important is strategic planning, which focuses on the long term because of the industry's intrinsic features. However, we monitor the business constantly and make any adjustments that may be needed.

Strategic planning allowed us to identify our key competitive advantages, our E&P business model and controllers' and investors' aspirations. As a result, we developed a strategy that outlines our goals, path of growth, expected values, key principles, action limits and development plans for the coming years.

We also developed 11 operational initiatives and 10 management initiatives to achieve the Company's goals. They include completing the construction of the Manati gas compression station; implementing the local content monitoring structure of the assets operated by QGEP; and developing the Integrated Management System, which allowed us to maintain our ISO 14001 and OHSAS 18001 certifications in 2015.

The Project Management Office (PMO), a system we created in 2013, perfected throughout 2014 and implemented fully in 2015, manages the whole follow-up process of strategic projects strictly so that all the projects are monitored properly and managed effectively and continuously.

The PMO worked throughout the year to manage all the projects in a closely interdependent manner to seek to mitigate the risk of not achieving our goals. Among other important functions, it organizes and conducts follow-up meetings to ensure leadership is constantly aligned and the organization is engaged, as well as to support the execution of the initiatives when necessary.

The PMO monitors and manages all the Company's projects effectively and continuously

In addition, we have been focusing very heavily on important measures to reduce costs and expenses, regardless of the amount. This effort involves even small expenses, such as taxi rides and business trips, for which we have a new policy. On a broader level, we renegotiated contracts, especially those denominated in dollars. As a result of the initiatives described above, the Procurement Department, whose creation was completed in 2015, has been creating value in our supply chain through centralized management and structured processes and methodologies.

GUARANTEED CERTIFICATION

QGEP's ISO 14001 (Environmental Management System) and OHSAS 18001 (Health and Safety Management System) certifications were renewed in 2015, which shows how important those issues are for the Company.

PORTFOLIO MANAGEMENT

QGEP has 14 assets in eight basins off the Brazilian coast, from Foz do Amazon to the Santos Basin. The Company manages its portfolio actively and assesses optimization opportunities constantly, whether through farm-in acquisitions at bids or by returning less attractive areas. For details about each of our exploratory projects, please check the Company's website: **http://www.qgep.com.br/static/ptb/ativos-e-operacoes.asp?idioma=ptb**.

PLATAFORMA EM CONSTRUÇÃO

2011 | **2012** | 2013 | 2014 | 2015

91 EMPLOYEES

NET REVENUE OF R$462 MILLION

DRILLING A WELL IN THE
CARCARÁ FIELD
THAT LED TO THE DISCOVERY OF A CONSIDERABLE RESERVE, SO FAR THE LARGEST IN THE PRE-SALT LAYER

ASSET PORTFOLIO

G4-DMA- RESERVES | G4-4 | G4-8 | G4-EN11 | G4-EN28

QGEP is known for having a diversified portfolio and taking part in consortia with Brazilian and international companies of different sizes, many of which experienced in deepwater operations. Those partnerships allow the companies involved to share knowledge. This, in turn, allows QGEP to improve its project development practices. Petrobras is QGEP's main customer and a strategic partner in the operation of the Company's blocks. QGEP sells all the gas it produces in the Manati Field to Petrobras under the terms of a long-term contract. It sells condensate, a by-product of natural gas, to Dax Oil Refino S.A.

ASSET LOCATION

SANTOS BASIN

Block BM-S-8

Situation: exploration
Medium: oil
Water depth: 2,025 m
Year of discovery: Bem Te Vi (2008), Biguá (2011) and Carcará (2012)
Consortium: (QGEP – 10%; Petrobras (operator) – 66%; Petrogal – 14%; Barra Energia – 10%)

The two extension wells drilled at Carcará confirmed the accumulation extends north and northwest from the discovery well and the oil column in the accumulation is at least 530 meters deep. No oil/water contact was detected, showing the great potential of the discovery.

The cased-holed drill stem tests (DST) confirmed the high productivity and excellent features of the reservoir. The initial production rates per well identified are at least equivalent to those of the best active wells in the Santos Basin. Drilling at the Guanxuma prospect, 30 km southwest of Carcará, is scheduled for 2017.

Block BS-4

Situation: development
Medium: oil
Water depth: 1,550 m
Year of discovery: Atlanta: 2001 and Oliva: 1993
Consortium: (QGEP – 30% (operator) ; OGX – 40%; Barra Energia – 30%)

In 2015, QGEP signed with Shell a contract for the sale of the oil produced in the first three years of the Atlanta Field EPS. Learn more about the Atlanta Field.

First oil from the Oliva Field, the feasibility of which is directly connected with operations at the Atlanta Field, is expected for 2021.

The Consortium has not drawn up a drilling schedule for the prospect identified in the pre-salt layer, Piapara, yet.

CAMPOS BASIN

Block BM-C-27

Situation: Returned to ANP
Medium: gas
Water depth: 50 m
Year of discovery: 2011
Consortium: Petrobras – 70%; QGEP – 30% (*)

The BM-C-27 Concession, which comprises Blocks C-M-122, C-M-145 and C-M-146, was part of a farm-in agreement announced in November 2012, when QGEP signed with Petrobras a contract for the transfer of 30% of the exploration and production rights. The Company decided not to renew the transfer agreement after a technical and economic reassessment of the asset. The project lost importance in the Company's portfolio due to higher costs, coupled with increased risks identified after a review of the seismic data. The agreement with Petrobras required no initial payments for participating in the blocks, and QGEP would have to bear part of the drilling costs at the Guanabara Profundo prospect.

(*) The transfer of 30% of the rights related to the farm-in process of Block BM-C-27 was not completed.

ESPÍRITO SANTO BASIN

Block ES-M-598

Situation: exploration
Medium: oil and gas
Water depth: 2,000 to 2,500 m
Year of discovery: not yet drilled
Consortium: (QGEP - 20%, Statoil Brasil - 40% (operator) and Petrobras: 40%)

3D seismic data of the area have been acquired and being processed. Drilling of the compromised well is expected to start in 2018.

Block ES-M-593

Situation: exploration
Medium: oil and gas
Water depth: 2,000 to 2,500 m
Year of discovery: not yet drilled
Consortium: (QGEP - 20%, Statoil Brasil - 40% (operator) and Petrobras: 40%)

3D seismic data of the area have been acquired and being processed. Drilling of the compromised well is expected to start in 2017.

CAMAMU-ALMADA BASIN

Block CAL-M-372:

Situation: Exploration
Medium: oil
Water depth: 1,000-2,000 m
Year of discovery: not yet drilled
Consortium: (QGEP – 20%; Petrobras (operator) – 60%; OP Energia – 20%)

QGEP is engaged in negotiations with ANP to extend the deadlines for Block CAL-M-372 due to the current market conditions and uncertainties related to environmental permitting.

Block CAL-M-312

Situation: Returned to ANP
Medium: oil
Water depth: 1,000-2,000 m
Year of discovery: not yet drilled
Consortium: (QGEP – 20%; Petrobras (operator) – 60%; OP Energia – 20%)

Part of the BM-CAL-12 Concession, the First Exploratory Period, expired on 12.31.2014. The Consortium decided not to move on to the Second Exploratory Period, which would last one year and involve a commitment to drill a well. The reason for this decision was that technical and economic feasibility assessments indicated the area was not very attractive. The Minimum Exploration Program (MEP) of the First Exploratory Period of the block, which involved obtaining 3D seismic data for the whole area, was completed.

Manati Field

G4-17

Situation: Production
Medium: gas
Water depth: 35 m
Year of discovery: 2000 (production started in 2007)
Consortium: (QGEP – 45%; Petrobras (operator) – 35%; Geopark – 10%; Brasoil – 10%)

In 2015, QGEP signed with Petrobras an addendum to the contract for the sale of the whole gas reserve of the Field at a fixed price in reais, adjusted annually for inflation as measured by a Brazilian inflation index.

Camarão Norte Field

Situation: Development
Medium: gas
Water depth: 35 m
Year of discovery: 2001
Consortium: (QGEP – 45%; Petrobras (operator) – 35%; Geopark – 10%; Brasoil – 10%)

This Field is part of a unitization process since production will come from the Sergi formation, shared with the Manati Field. Gas from Camarão Norte should be extracted through the Manati Field's infrastructure, which is already in operation. Therefore, an additional well will have to be drilled.

JEQUITINHONHA BASIN

Block BM-J-2

Situation: Returned to ANP
Medium: oil/gas
Water depth: 50 m
Year of discovery: 2013
Consortium: (QGEP – 100%)

QGEP acquired Block BM-J-2 at the 4th ANP Bidding Round in 2002. The Company fulfilled all its commitments under the Minimum Exploratory Program by acquiring 3D seismic data and drilling an exploratory well in the Alto de Canavieiras prospect (1-QG-5A-BAS). Drilling was completed in 2013 and identified potential pay zones in the pre-salt section; as a result, QGEP filed a Notice of Discovery with ANP.

ANP approved the Discovery Evaluation Plan for the Block in late 2014. Under this Plan, QGEP agreed to reprocess seismic data and conduct a geological and geophysical reinterpretation of the area. Both activities were concluded.

The Company's decision to return the Block was based on the results of the technical and economic assessments, which indicated low quality reservoirs, sub-commercial volumes and environmental challenges for operations in this area.

SERGIPE-ALAGOAS BASIN

Block SEAL-M-351

Situation: Exploration
Medium: oil
Water depth: 2,000-3,200 m
Year of discovery: not yet drilled
Consortium: QGEP – 100%

QGEP acquired a 100% stake in the Block in October 2015 and paid a subscription bonus of R$63.9 million.

Block SEAL-M-428

Situation: Exploration
Medium: oil
Water depth: 2,000-3,200 m
Year of discovery: not yet drilled
Consortium: QGEP – 100%

QGEP acquired a 100% stake in the Block in October 2015 and paid a subscription bonus of R$36.1 million.

PERNAMBUCO-PARAIBA BASIN

Block PEPB-M-894

Situation: exploration
Medium: oil and gas
Water depth: 1,000 to 2,000 m
Year of discovery: not yet drilled
Consortium: (QGEP (operator) – 30%; Petra Energia – 70%)

The acquisition and processing of 3D seismic data are expected for 2017.

Block PEPB-M-896

Situation: exploration
Medium: oil and gas
Water depth: 1,000 to 2,000 m
Year of discovery: not yet drilled
Consortium: (QGEP (operator) – 30%; Petra Energia – 70%)

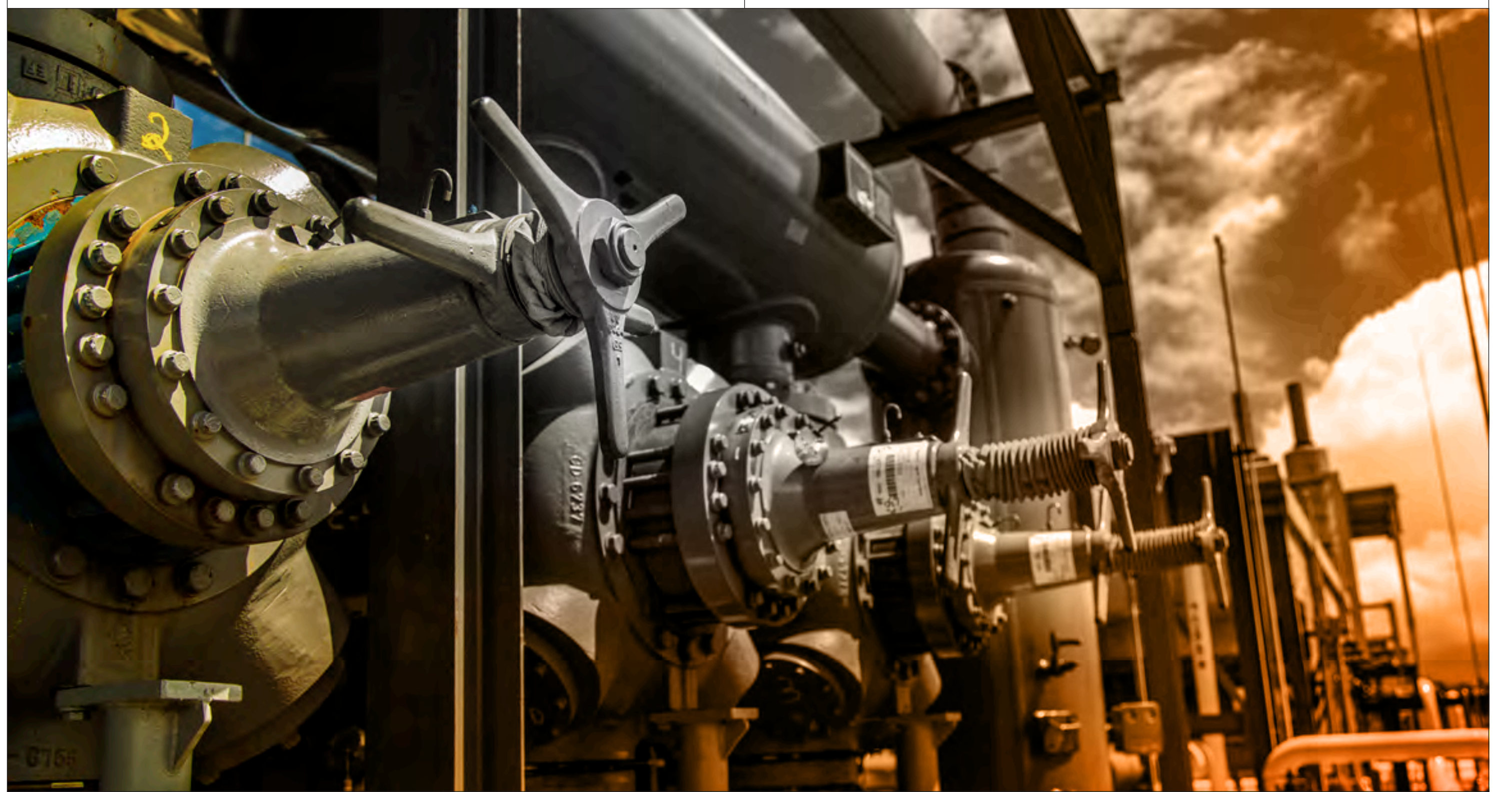
The acquisition and processing of 3D seismic data are expected for 2017.

CEARÁ BASIN

Block CE-M-661

Situation: exploration
Medium: oil and gas
Water depth: 2,000 to 3,200 m
Year of discovery: not yet drilled
Consortium: (QGEP – 25%; Total (operator) – 45%; OGX – 30%)

The acquisition of 3D seismic data has been hired, and seismic surveys will start as soon as the pending environmental permits are obtained. Drilling is expected for 2018.



PARÁ-MARANHÃO BASIN

Block PAMA-M-265

Situation: exploration
Medium: oil and gas
Water depth: 1,800 to 3,000 m
Year of discovery: not yet drilled
Consortium: (QGEP (operator) – 30%; Pacific Brasil – 70%)

The acquisition of 3D seismic data has been hired and should start as soon as the environmental permits are obtained (*). QGEP filed in 2015 the Environmental Assessment required by environmental permitting for the compromised well, which should be drilled in late 2017 if the Consortium decides to proceed to the Second Exploratory Period.

(*) The environmental permits were obtained and the acquisition of seismic data of the Blocks started in 1Q16.

Block PAMA-M-337

Situation: exploration
Medium: oil and gas
Water depth: 1,800 to 3,000 m
Year of discovery: not yet drilled
Consortium: (QGEP (operator) – 50%; Pacific Brasil – 50%)

The acquisition of 3D seismic data has been hired and should start as soon as the environmental permits are obtained (*). QGEP has started the environmental assessments related to drilling activities in the Pará-Maranhão Basin, required by environmental permitting for the compromised well, which should be drilled in 2018.

(*) The environmental permits were obtained and the acquisition of seismic data of the Blocks started in 1Q16.

FOZ-DO-AMAZONAS BASIN

Block FZA-M-90

Situation: exploration
Medium: oil and gas
Water depth: 2,000 to 3,200 m
Year of discovery: not yet drilled
Consortium: (QGEP (operator) – 35%; Premier Oil – 35%; Pacific Brasil – 30%)

The 3D seismic surveys have been completed and the data are being processed. QGEP, as the operator, conducted an Environmental Impact Assessment and prepared an Environmental Impact Report related to drilling activities in the Basin, required by the environmental permitting process. Drilling activities should start in 2018.

Decommissioning Plan G4-OG11

At the close of 2015, the Company had a decommissioning plan for 10% of its total active areas, the Coral offshore block.

Active offshore areas[1]	Inactive offshore areas[2]
16	1

[1]. Manati, Camarão Norte, CAL-M-372, PEPB-M-896, PEPB-M-894, FZA-M-90, PAMA-M-265, PAMA-M-337, ES-M-598, ES-M-673, CE-M-661, SEAL-M-351, SEAL-M-428, BM-S-8, Atlanta, Oliva.
[2]. Coral

# of active onshore areas - Gas production[1]

Active onshore areas[2]	Area size
2	600.361 m^2

[1]. Vandemir Ferreira Station (109,609 m^2) and Compressor Station (490,752 m^2). Both in the Manati Field, Block BCAM-40, which Petrobras operates.
[2]. There are no inactive onshore areas.

ATLANTA FIELD

The Development Plan for the Atlanta Field, approved by the ANP, consists of an Early Production System (EPS) for a three-year period, followed by a Full Development (FD) System. The investments and measures required by the EPS were completed in 2015. They involved a bidding process for larger equipment – including the FPSO unit, which is in Rotterdam for adjustments and should be in Brazil in 2H16 – , as well as hiring subsea equipment and systems; creating teams; leasing support vessels, flexible lines and umbilical cables; and structuring the logistics scheme.

Able to conduct operations in deep water, QGEP is among the leading players in Brazil. The initial production is expected to amount to 20 thousand barrels of oil per day during the EPS phase. However, it will reach 30 thousand barrels per day if another well is drilled.

QGEP will be able to collect data and information that will allow it to learn more about the field when production starts up at Atlanta, through the EPS. As a result, it will be able to design the best settings and specifications for the Full Development System, thus optimizing the production process with more effective cost management. First oil at Atlanta is expected for late 2016.

SANTOS BASIN

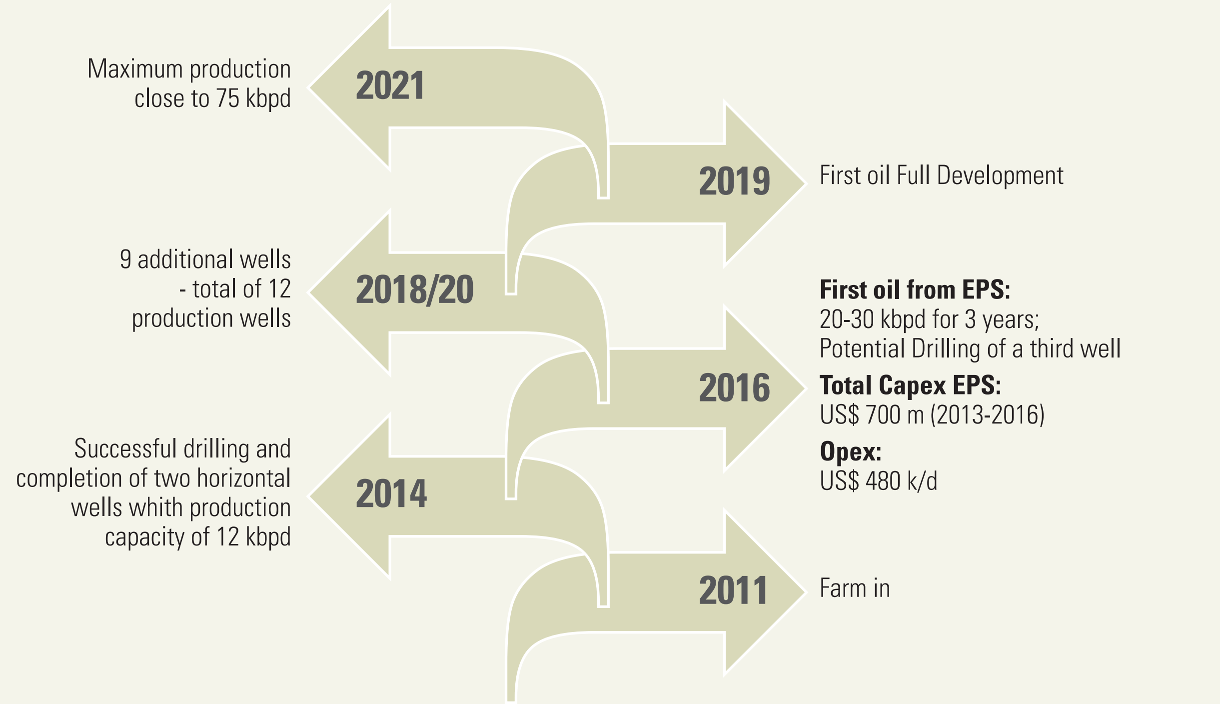
The Santos Basis is considered one of the most promising exploration and production areas in Brazil. It boasts reservoirs with excellent features, such as an accumulation of a large amount of top quality oil, thus providing a high exploration success rate. Data indicate over 30 billion barrels discovered in the Santos Basin.

Hydrocarbon reserves (03.31.2014), Atlanta Field, Santos basin

	Gross Volume (100%) Field		QGEP Net Reserves	
	crude oil (MMBbl)	natural gas (MMm³)	crude oil (MMBbl)	natural gas (MMm³)
1P	147	56	44	17
2P	191	90	57	27
3P	269	311	81	93

Results obtained based on hydrocarbon volumes in place in the structure's top block, by using QGEP's permeable thickness map and independent petrophysical interpretation. The hanging wall side, areas C1 and W, was not included due to its low net pay and the lack of any proposed development.

Atlanta field: path to full development



Early Production System (EPS): includes drilling up to three production wells connected to a FPSO (Floating Production, Storage and Offloading) Unit with production capacity of up to 30 thousand barrels of oil per day (kbopd).

Full Development System (FD): includes drilling additional wells, with a total system of 12 horizontal wells connected to an FPSO unit with a capacity of 80 kbopd.

MANATI FIELD

The Manati Field is located in the Camamu-Almada Basin, off the coast of Bahia State, and covers about 76 km². The Company owns a 45% interest in the concession and had invested about US$400 million in its development by late 2015. Discovered in 2000, the Manati Field has been producing since 2007 and has become one of the largest active non-associated natural gas fields in Brazil. Its production met 30% of the Northeast Region's demand in 2014 according to ANP data. Manati has an average daily production capacity of 6.0 million m³ of gas currently and is expected to produce until 2025.

Compression Station

The Consortium completed the construction of the Engenheira Maria Paula Martinez Philocreon Gas Compression Station, at Manati, the largest active surface compression station in Brazil, in 2015. As a result, Manati's daily production capacity returned to 6 million m³ per day. The Compression Station is the fourth facility at the Manati field. The other three are the Offshore Production Platform, with six wells; the 125 km Gas Pipeline (57 km at sea and 68 on land); and the Geofísico Vandemir Ferreira Gas Treatment Plant.

Engenheira Maria Paula Martinez Philocreon Gas Compression Station
The station was name after chemical engineer Maria Paula Martinez Philocreon, who worked for Petrobras in Bahia State and made significant contributions to the Manati Project. Ms. Philocreon passed away in late 2014.

Assets	Volume of flared and vented hydrocarbon, Manati field, Brazil - G4-OG6
Manati	12.98885 million barrels of oil equivalent
Carcará	15,681.28 barrels of oil equivalent*

** Volume produced during the two drill stem tests conducted at Carcará, in Block BM-S-8, active as early as the discovery evaluation phase*

Continuously Flared Hydrocarbons in 2015

Fields	Volume flared	Volume flared vs. volume produced (%)
Manati Field, Brasil[1]	2,880,200 m³	0.14%
Carcará Discovery, Brasil[2]	15,681.28 barrels of equivalent oil (boe)	100.00%

[1]. Volume flared for safety + volume consumed by the compressors at the compression station
[2]. Volume flared during the two drill stem tests conducted at Carcará (TFR-1A – 3,195 boe of oil and 974 boe of gas. TFR-2 – 8,566 boe of oi and 2,945 boe of gas) in Block BM-S-8, active as early as the discovery evaluation phase.

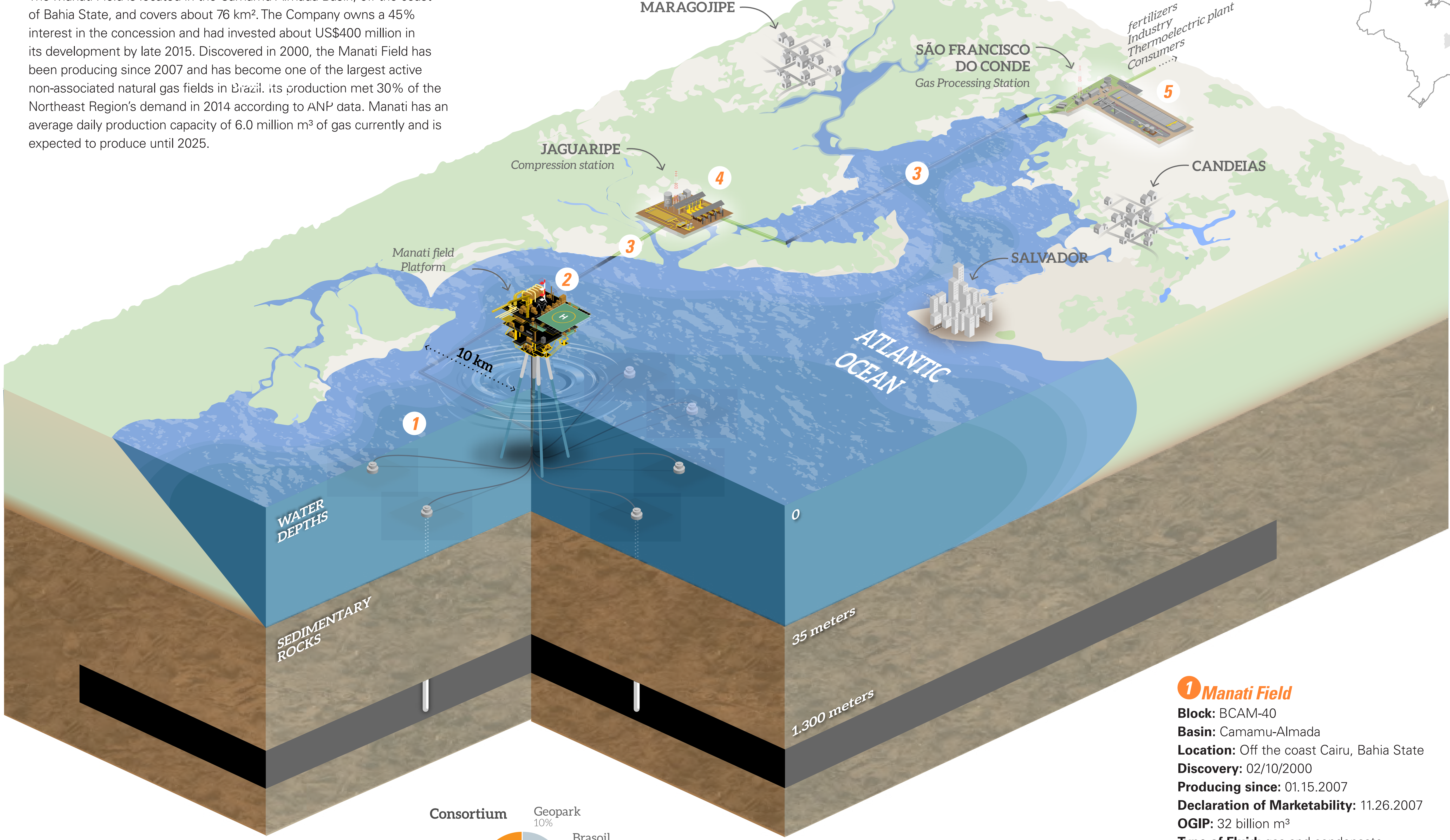
Remaining hydrocarbon reserves on 12.31.2015 - Manati Field - G4-OG1

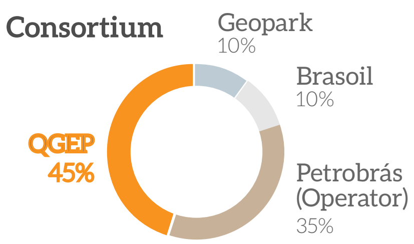
	Field sales volumes (100%)		QGEP Net Reserves	
	Liquids (MMBbl)	Gas (Bm³)	Liquids (MMBbl)	Gas (Bm³)
1P	0.66	9.69	0.30	4.36
2P	0.73	10.95	0.33	4.93
3P	0.78	11.70	0.35	5.27

Proven reserves at Manati were estimated based on the original gas volume in place obtained by balance of materials. 2P and 3P reserves were, in turn, estimated based on volumetric calculations covering the northeastern area of the Field.

Manati Field:

The Manati Field is located in the Camamu-Almada Basin, off the coast of Bahia State, and covers about 76 km². The Company owns a 45% interest in the concession and had invested about US$400 million in its development by late 2015. Discovered in 2000, the Manati Field has been producing since 2007 and has become one of the largest active non-associated natural gas fields in Brazil. Its production met 30% of the Northeast Region's demand in 2014 according to ANP data. Manati has an average daily production capacity of 6.0 million m³ of gas currently and is expected to produce until 2025.





1 *Manati Field*

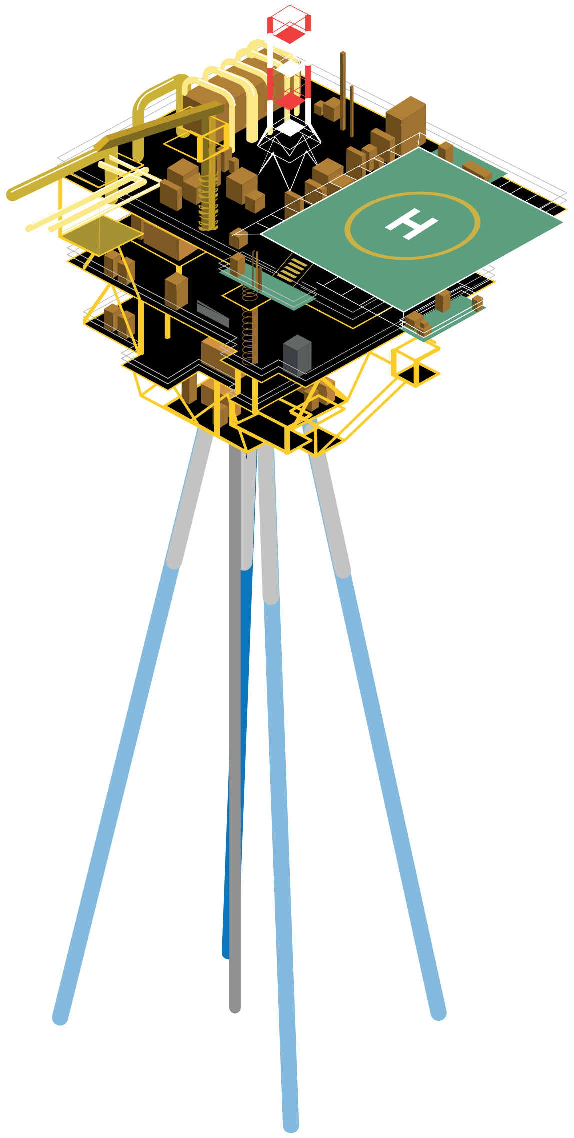
Block: BCAM-40
Basin: Camamu-Almada
Location: Off the coast Cairu, Bahia State
Discovery: 02/10/2000
Producing since: 01.15.2007
Declaration of Marketability: 11.26.2007
OGIP: 32 billion m³
Type of Fluid: gas and condensate
Active Wells: 6
Water depth: 35 to 50
Reserves: 1P 9.69 billion m³, 2P 10.95 billion m³ and 3P 11.70 billion m³ (*)

*GC&A Annual Reserves Report dated 12.31.2015

Manati Field:

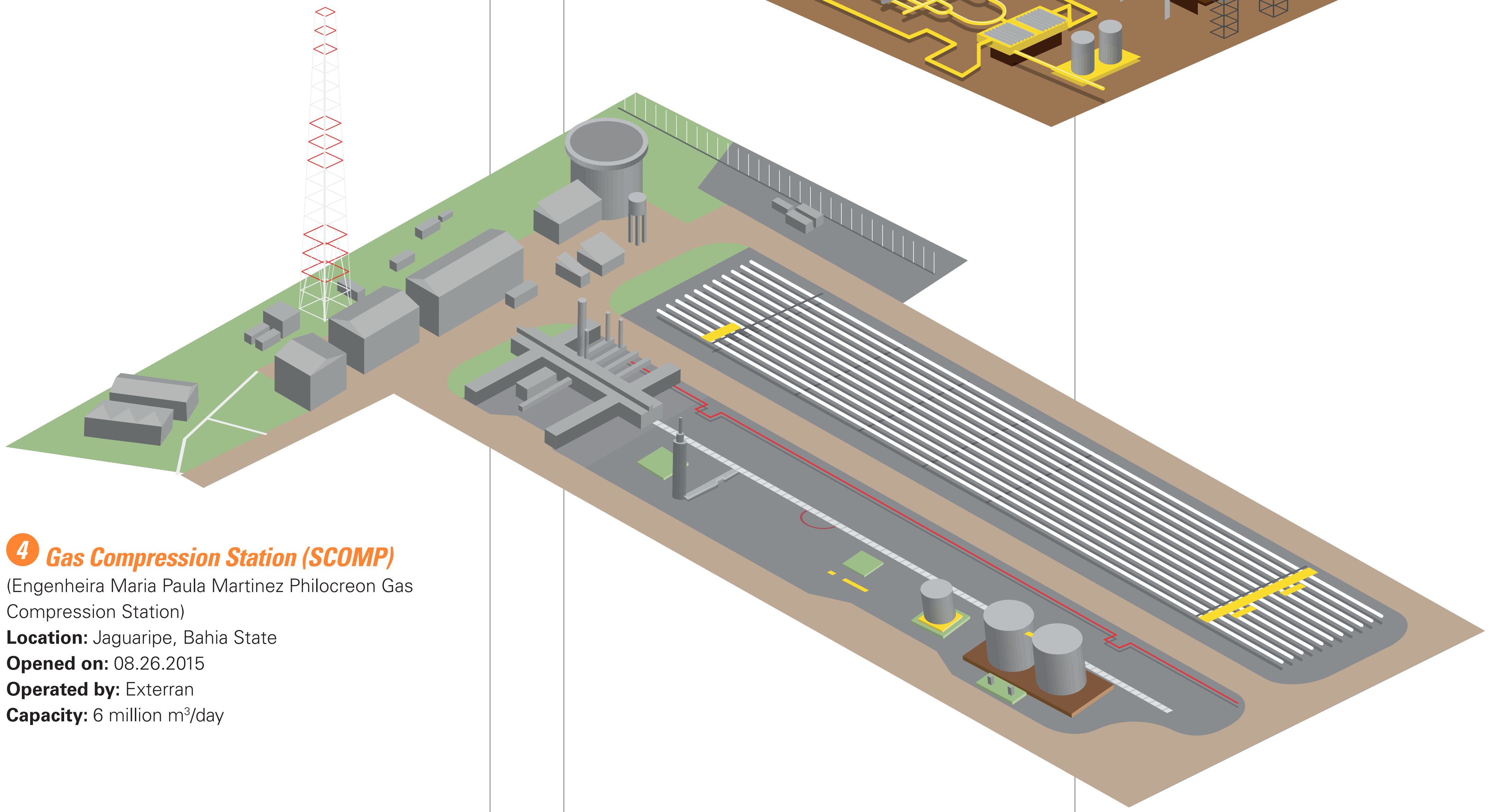
2 Platform (PMNT-1)

Location: 10 km off the coast
Type: Jacket (Fixed)
Water depth: 35 m
Remotely Operated Platform
Uninhabited Platform



3 Gas Pipeline

Diameter: 24 inches
Offshore section 1: 31 km
Onshore section 1 (up to Gas Compression Station): 5.5 km
Onshore section 2 (up to Baía de Todos os Santos): 55 km
Offshore section 2 (up to Baía de Todos os Santos): 25 km
Onshore section 3 (from Baía de Todos os Santos to Vandemir Ferreira Treatment Station): 9.4 m

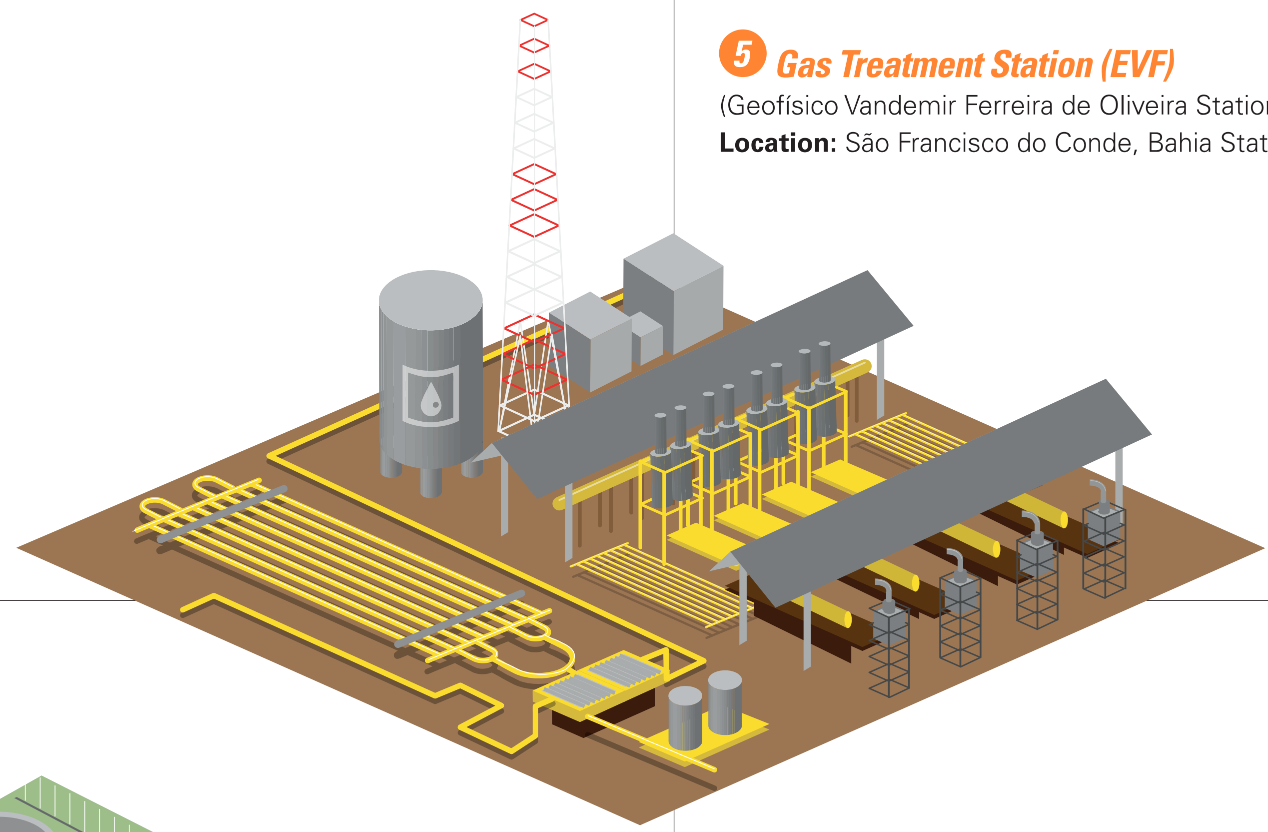


4 Gas Compression Station (SCOMP)

(Engenheira Maria Paula Martinez Philocreon Gas Compression Station)
Location: Jaguaripe, Bahia State
Opened on: 08.26.2015
Operated by: Exterran
Capacity: 6 million m³/day

5 Gas Treatment Station (EVF)

(Geofísico Vandemir Ferreira de Oliveira Station)
Location: São Francisco do Conde, Bahia State



Economic and Financial Performance

G4-DMA – ECONOMIC PERFORMANCE

......obtaining results and contributing to the development of the areas where we operate......

Economic and Industry Environment

Just as 2014, 2015 was marked by an economic slowdown in Brazil. In addition, it was quite a challenging for the oil and gas industry worldwide. GDP shrank by 3.8% whereas industrial production fell by 8.3% year-over-year. Inflation as measured by the IPCA [Índice de Preços ao Consumidor Amplo, or Broad Consumer Price Index] broke the mark of 10% despite the higher benchmark interest rate, which stood at 14.25% p.a. at the close of 2015. The prices of the main commodities slumped during the year, and the Brazilian Real fell over 50% in relation to the U.S. Dollar, from R$2.66/US$ at the close of 2014 to R$3.96/US$ at the close of 2015.

All those domestic factors impacted the economic performance of different industries. The performance of the oil and gas industry was no exception and was further affected by the international situation. Brent prices plummeted from US$53.27 per barrel at the close of 2014 to US$37.04 per barrel at the close of 2015, leading to an oversupply. The higher production of shale oil, as well as the decision of some OPEC (Organization of Petroleum Exporting Countries) countries to increase production, pushed oil prices down. On the demand side, the still fragile recovery of the European economy and the slowdown in China pushed oil prices further down.

PLATFORM UNDER CONSTRUCTION

2011 | 2012 | **2013** | 2014 | 2015

91 EMPLOYEES

NET REVENUE OF R$486 MILLION

PARTICIPATION IN THE 11TH ANP BIDDING ROUND: STAKES ACQUIRED IN EIGHT

BLOCKS DRILLING AT THE ***ATLANTA FIELD*** *STARTED*

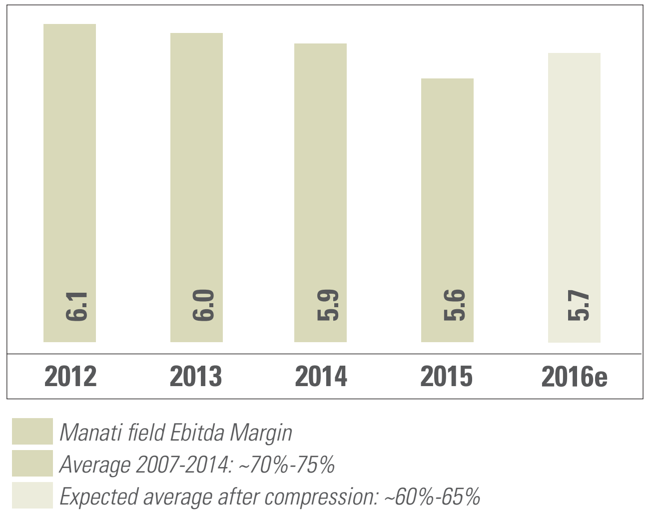
Operating Performance

The annual natural gas production of the Manati Field amounted to a daily average of 5.6 million m³. By 4Q15, it exceeded 5.9 million m³, the highest quarterly production in the year.

Production of the Manati Field in the last three years

Total daily gas production

(MMm³ per day)



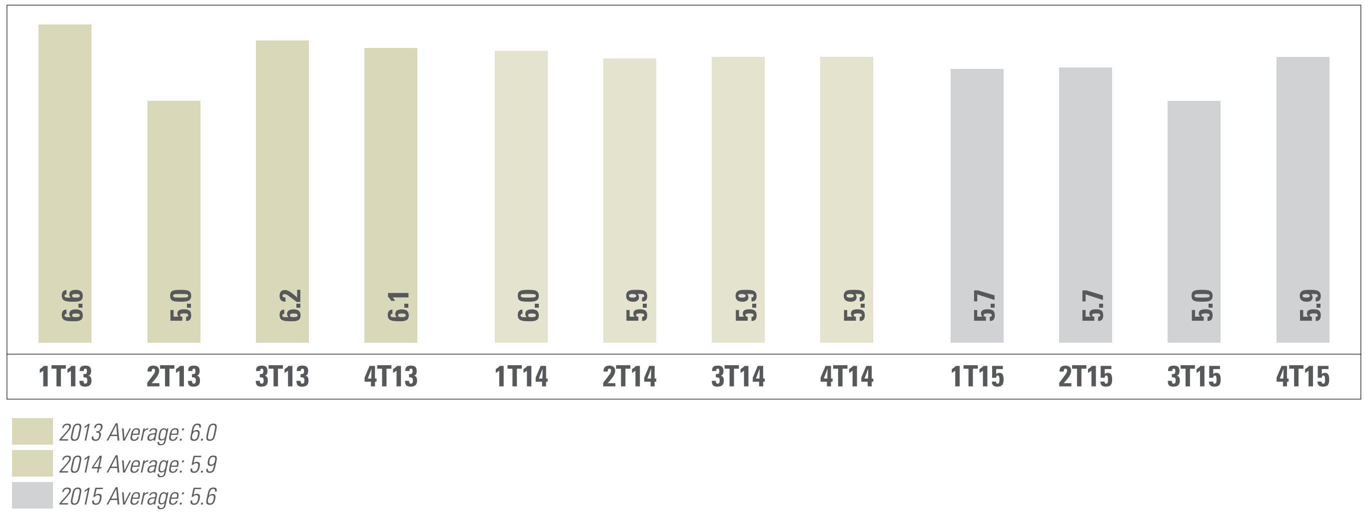
Largest gas source in Norteast Brazil: *population > 50 million*

Long-term take-or-pay contract for tue Field's total reserves - *fixed price in reais with annual inflation adjustment*

Surface compression plant operacional; production capacity back to ~ 6,0 MMm m³ / d

Average Daily Gas Production

(MM m³ per day)

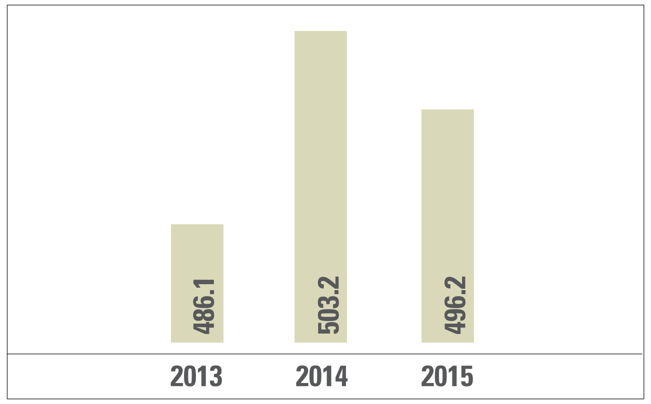


Revenue

Net revenue amounted to R$496.2 million in 2015, flat against R$503.2 million in 2014. The year-over-year drop of 1.4% was due to lower gas production in 2015, 5.6 million m³ per day vs. a daily average production of 5.9 million m³ in 2014. This decrease resulted from an interruption in production during the installation and interconnection of the gas compression station at Manati, partly offset by contract prices adjusted for inflation early in the year.

Net Revenue

(R$ million)



Costs

Operating costs totaled R$252.9 million in 2015, up 4.4% year-over-year, mainly owing to an increase in production costs connected with the start-up of the compression station.

Production costs accounted for most of the year-over-year increase in total operating costs in 2015. They rose by 18.0%, from R$54.3 million in 2014 to R$64.1 million in 2015, reflecting a R$13.2 million rise connected with the compression station.

Gross Profit

The combination of lower revenue and higher costs led to a fall of 6.8% in gross profit in 2015 when compared with 2014.

OPERATING EXPENSES

General & Administrative Expenses

General and administrative expenses came to R$52.9 million in 2015 vs. R$58.5 million in 2014. They fell by 9.5% in the period because the Company streamlined costs and increased allocation to projects operated by QGEP.

Exploratory Expenses

Exploratory expenses total R$386.1 million in 2015, vs. R$110.3 million in 2014. This increase was largely due to a write-off of R$332.5 million in 4Q15, connected with the return of Block BM-J-2 to ANP, as well as R$18.2 million related to the acquisition and processing of seismic data of blocks acquired at the 11th Bidding Round.

Financial Result

QGEP recorded net financial income of R$272.2 million in 2015, vs. R$119.2 million in 2014. This increase resulted from interest received on the Company's cash balance, 60% of which is invested in financial instruments denominated in Reais whereas the remainder is invested in exchange funds intended to cover obligations denominated in dollars. The depreciation of the Real against the U.S. Dollar and the higher benchmark interest rate, which stood at 14.25% at the close of the year, contributed to a rise in financial income.

Net Income

The Company recorded net income of R$93.6 million in 2015, resulting from a combination of operating revenue from the sale of gas from the Manati Field and financial income from investments, as well as lower exploratory costs connected mainly with the return of Block BM-J-2. Net income was also impacted by a reversal of R$116.3 million in deferred/current income tax, with no impact on cash, due to adjustments in the accounting of the effect of foreign exchange changes on abandonment provisions. In 2014, net income came to R$194.8 million, reflecting higher production at Manati and lower exploratory expenses.

Debt

Total debt amounted to R$369.7 million on December 31, 2015, up from R$250.5 million on December 31, 2014. This increase resulted from the R$117.8 million drawn on a credit line from BNB in 1Q15.

QGEP's debt is comprised of funds obtained from FINEP (Financiadora de Estudos e Projetos, or Funding Authority for Studies and Projects) and lines of credit from BNB (Banco do Nordeste do Brasil). The funds from FINEP come from two lines of credit – one with a fixed rate and the other with a variable rate – intended to fund the development of the Atlanta Field EPS. Both have a deferment period of three years and a maturity term of seven years, with a total of R$266.0 million available for QGEP. The remaining loans come from the BNB credit line, intended to fund the exploration of QGEP's assets in northeastern Brazil.

CAPEX

QGEP's capital expenditures are presented in US$ since they are strongly related to this currency. In 2015, they totaled US$115 million, US$67 million of which spent on the Company's exploratory – US$34 million alone on drilling and tests at the Carcará discovery, with extremely encouraging results so far. The remainder was spent on assets under development and producing assets – US$31 million in the Atlanta Field and US$15 million in the Manati Field.

VAS G4-EC1

QGEP's activities generated R$300.0 million in value to society in 2015, vs. R$449.1 million in 2014. This amount reflects an increase in inputs purchased in connection with operations in the Atlanta Field during the year.

Of each R$ 1.00 of revenue produced by QGEP in 2015, R$0.60 was distributed among different stakeholders: the government (taxes), third parties (interest paid to banks and on rent), shareholders (dividends), employees (wages, salaries and benefits) and retained by the Company as surplus reserves.

VAS (in thousands of R$)

	2015	2014	2013	15/14 (%)
Value Added to Distribute	299,987	449,078	436,937	-33.2%
Workforce	58,915	60,973	57,462	-3.4%
Government	151,393	188,474	161,324	-19.7%
Interest	(3,934)	4,807	25,909	-181.8%
Shareholders	93,613	194,824	192,242	-51.9%

Tax Incentives G4-EC4

In 2015, the Company used R$50.4 million in tax incentives in connection with Benefício do Lucro da Exploração [Exploration Profit Benefit], Lei do Bem [Law of Good], Crédito Presumido de ICMS [Presumed ICMS [State VAT] Credit], PAT [Programa de Alimentação ao Trabalhador, or Workers' Nourishment Program] and Lei de Incentivo ao Esporte [Sports Incentive Law].

Tax Incentives Booked as Deductions from Corporate Income Tax – in thousands of R$

	2015
Beneficio Lucro da Exploração[1]	18.607
Lei do Bem[2]	17.420
Crédito Presumido de ICMS[2]	13.945
Programa de Alimentação ao Trabalhador and Lei de Incentivo ao Esporte1	405
TOTAL	50.377

[1]. 100% deducted from Corporate Income Tax payable

[2]. Not included in Corporate Income Tax and CSLL [Contribuição Social sobre Lucro Líquido, or Social Contribution on Net Income] assessments

Note: The indirect parent company Manati, merged by QGEP, is located in an area covered by SUDENE (Superintendência de Desenvolvimento do Nordeste, or Superintendence for the Development of the Northeast). As a result, it is entitled to a 75% income tax break and additional benefits calculated based on Exploration Profits over ten (10) years. It has had this benefit since the year ended December 31, 2008. The incentive amount was booked in the income statement and subsequently transferred to the surplus reserve-tax incentives, under the indirect subsidiary Manati's shareholders' equity, until the date it was merged by QGEP. The formal transfer of the benefit, as a result of the merger, was approved in April 2013. Under the terms of Executive Order 64214/69, QGEP is eligible for the benefit since it merged its wholly-owned subsidiary Manati and became its successor company. An amount equal to the tax saving obtained should be booked under a surplus reserve account, in shareholders' equity, and may not be distributed to shareholders as dividends.

Capital Market

QGEP's shares (BMF&Bovespa: QGEP3) were priced at R$5.83 at the close of 2015 – totaling a market capitalization of R$1.5 billion –, down 19% year-over-year. This drop is explained by the situation in the Brazilian capital market. In fact, Ibovespa, BM&FBovespa's main index, fell by 13% in the same period. The stock performance during the period reflected investors' concern about the slump in oil prices, the economic situation and the Brazilian political crisis. In addition, Petrobras postponed investments. The average daily trading volume stood at R$ 4.8 million in 2015.

In September 2015, QGEP's stock became part of IBrX-100, the Brazil Index, which measures the returns of a hypothetical portfolio made up of stock of 100 companies chosen from the most traded on BM&FBovespa, in terms of number of transactions and trading volume. Being part of IBrX-100 may help increase the liquidity of the Company's shares, as well as their visibility among capital market analysts, both in Brazil and other countries. The IBrX-100 portfolio is reviewed every 4 months.

Strategy

QGEP's strategy of managing its assets in a dynamic manner, maintaining a sound financial position, possessing in-depth knowledge of the Brazilian basins and focusing on sustainable growth – by entering into farm-in agreements or participating in the ANP Bidding Rounds – allowed the Company to consolidate itself as a major independent operator in ultra-deep waters in just five years. Financial flexibility is the cornerstone of QGEP's strategy since it enables the Company to seize opportunities and, consequently, optimize capital allocation to create value in the long term. Financial consistency is connected with the regular cash flow provided by Manati, combined with disciplined capital allocation. Management based on the best sustainable and governance practices characterizes, and serves as basis for, QGEP's business.

2011 | 2012 | 2013 | **2014** | 2015

***157* EMPLOYEES**

REVENUE OF R$634 MILLION

DRILLING PROGRAM COMPLETED; TWO WELLS OF THE ATLANTA FIELD'S EARLY PRODUCTION SYSTEM COMPLETED AND TESTED

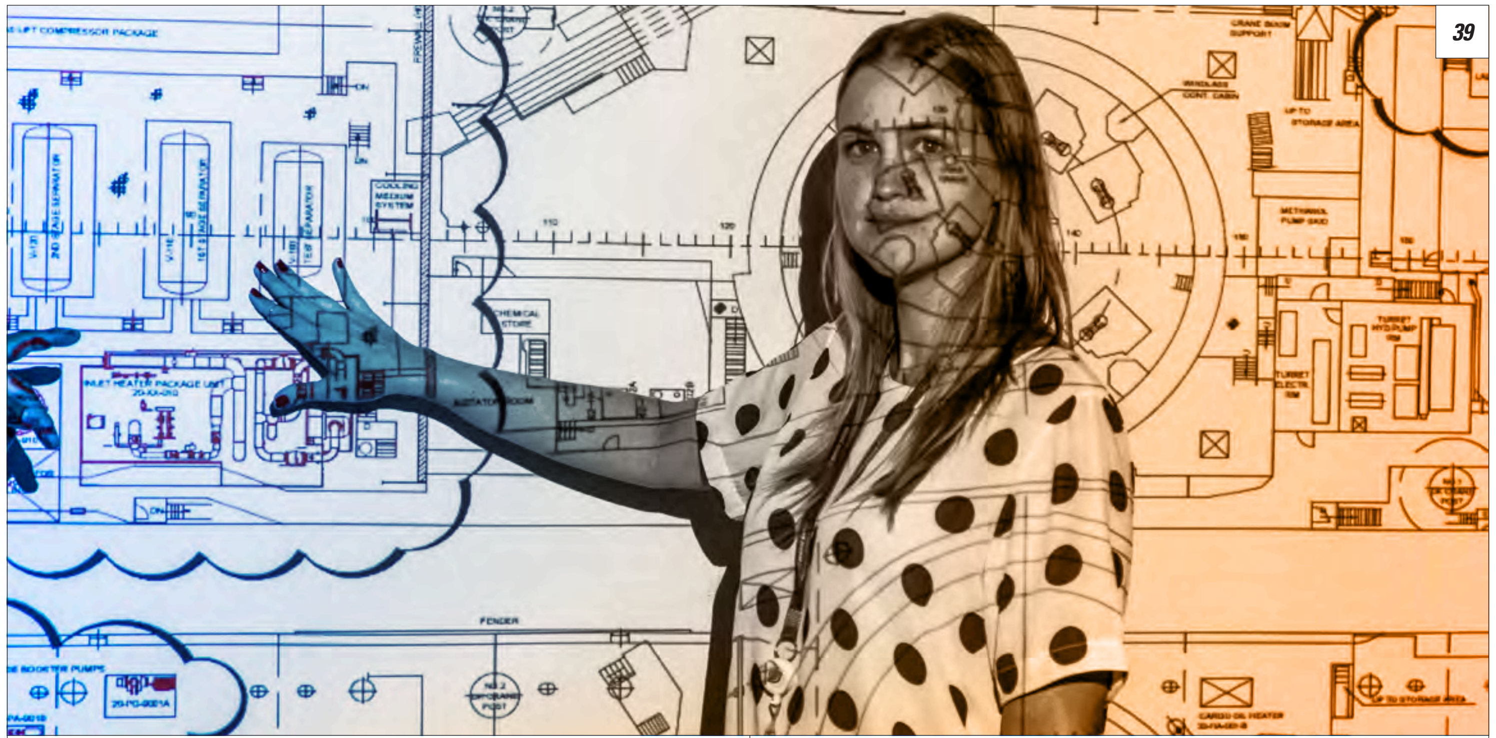
FPSO UNIT FOR THE ATLANTA FIELD'S EARLY PRODUCTION SYSTEM HIRED

CUTTING-EDGE TECHNOLOGIES COMBINED IN AN UNPRECEDENTED MANNER TO ENABLE THE PRODUCTION OF HEAVY CRUDE OIL FROM UNCONSOLIDATED RESERVOIRS IN ULTRA-DEEP WATERS.

Active Portfolio Management

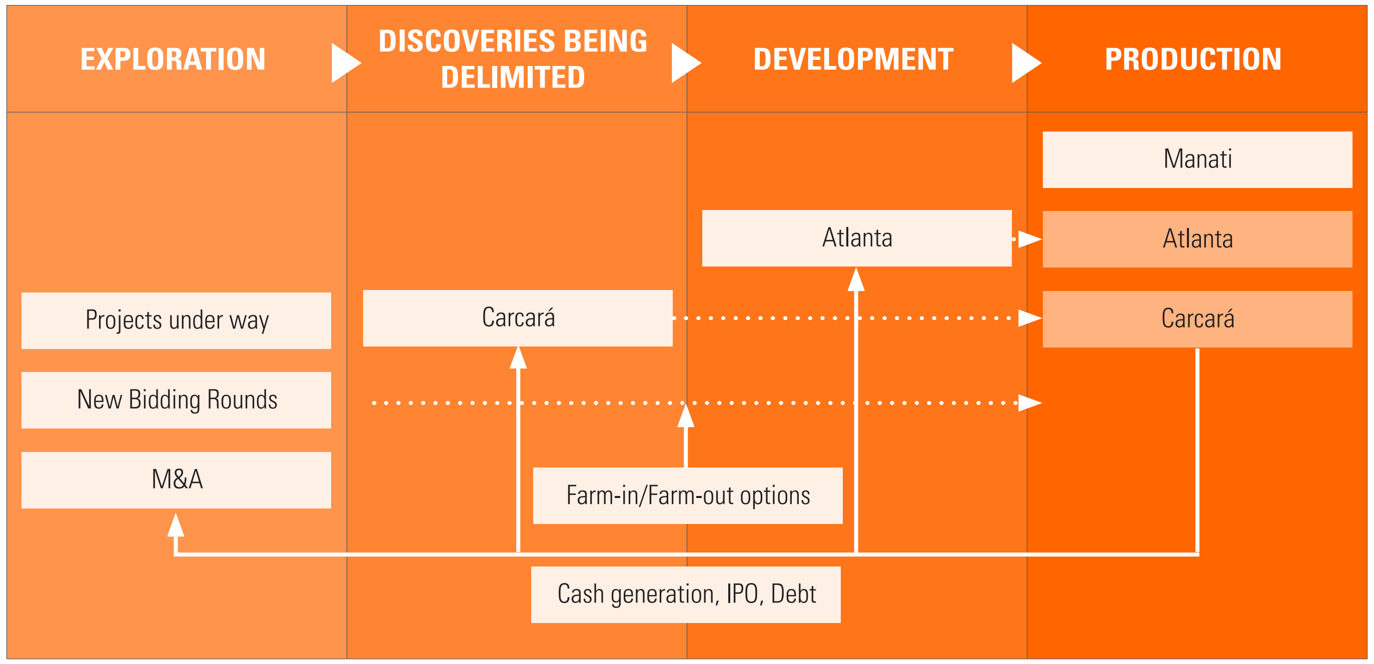
QGEP conducts technical and economic analyses of its assets constantly to have the best possible portfolio. As a result, it returned Blocks BM-J-2, CAL-M-312 and BM-CAL-5 to ANP in 2015. The reason for that decision was that the analyses indicated low potential, major environmental challenges and high production costs. Conducted routinely, those analyses focus not only on exploratory potentials, but also on the overall international situation, including oil prices. Oil and gas companies have been managing their portfolios more actively in recent years, and that trend should not change significantly in the future.

In fact, it has also created opportunities, such as that which we seized at the 13th ANP Bidding Round. Although the industry environment has been discouraging investments in Brazil, the Company was able to make a swift investment move because it had enough capital and technical expertise. As



a result, it acquired two blocks of high exploratory and commercial potential, thus reducing the risk and increasing the return of its asset portfolio.
QGEP maintains its sound financial health through disciplined cash management, with Manati providing a predictable cash flow, and Atlanta and Carcará enabling the Company to diversify revenue sources. In turn, CAPEX is fully funded at least until next year. This policy is designed to ensure shareholder returns for the long term.

STRATEGIES TO ENSURE SHAREHOLDER RETURNS FOR THE LONG TERM



Intangible assets G4-37

Brand: QGEP is the only publicly-held company of the Queiroz Galvão Group, which has been in different segments, such as construction, real estate development, environmental engineering and shipbuilding and offshore E&P, for over 60 years. The Company has a management model and corporate governance practices that ensure its operational and strategic independence: It has a technical staff of its own, its shares are listed on BM&FBovespa's Novo Mercado and it is a member of the UN Global Compact. Celebrating its fifth anniversary in 2015, QGEP has been expanding its presence in the Brazilian oil and gas market and consolidating its position due to its deep-water operations, ethics and social and environmental responsibility. The communications initiatives it consistently undertakes also highlight its relationship with, and transparency towards, its different stakeholders. In this regard, it launched a new institutional and Investor Relations website, with comprehensive technical contents to serve as a source of research and information about the industry. QGEP also organized events to strengthen the relationship among oil companies – Scout Meeting –, featuring discussions and topics relevant to the development of the industry. The brand has been expanding its social role by running internal breast and prostate cancer awareness campaigns, for example, and supporting entities such as Casa de Apoio à Criança com Câncer de Santa Teresa [Santa Teresa House of Support for Children with Cancer], in Rio de Janeiro City.

K**nowledge management and innovative technologies**: Advanced geology, geophysics and drilling methods that spur the development of new technologies, equipment and knowledge, mainly in the field of exploration in ultra-deep waters, are some of the main features of the oil exploration and production industry in Brazil and worldwide.

Technology and highly-skilled professionals give us the knowledge we need in ultra-deep water operations

QGEP combines the expertise of highly skilled professionals with advanced technologies available in the market to develop proprietary, customized technique. That is how the Company managed to overcome the challenges of drilling in deep waters in the Atlanta Field, which had a low-lying reservoir and unconsolidated sandstone. QGEP stands out in the market, improves intelligence within the organization and becomes a benchmark by making expert knowledge one of its key competitive advantages.

Innovation

R$2,614 million invested in R&D in 2015

Deep-water exploration and production requires a high degree of innovation to combine equipment and techniques to seek the best solution. QGEP has been standing out in this regard by using innovative procedures that make it more competitive and improve its expertise in the activity.

In 2015, the Company managed over ten innovative environmental and operational projects, five of which started being developed or were completed during the year. The projects with the greatest impact on the business, mainly in terms of efficiency, were:

- Studies on artificial lift and flow assurance for the production of ultra-viscous oils (UNICAMP [Universidade de Campinas, or Campinas University])
- Impact of grain and pore morphology on unconsolidated rock petrophysics (INGRAIN do Brasil)
- Study on offshore hydrodynamics for the coastal area of southern Bahia State covering the municipalities of Belmonte, Canavieiras and Una (UFRJ/COPPE).

Since sustainability is an integral part of its strategy, QGEP invests part of its innovation budget in environmental projects. An example is Projeto Costa Norte [North Coast Project], which focuses on developing a methodology for understanding coastal processes and determining the vulnerability of mangroves in the Pará-Maranhão and Foz do Amazonas Basins. Another major project involves gathering environmental information in the towns of Una, Canavieiras and Belmonte (studies about ocean currents, tidal variation, social situation, mangrove and beach morphology, as well as the impact of climate change on the area). Most of the projects are undertaken jointly with universities, research institutions and innovation promotion organizations.

The Early Production System in the Atlanta Field has innovative features that allowed QGEP to obtain R$266 million from FINEP.

Operation

The operations of E&P companies are divided into three different processes: exploration, development and production. The Company has no refineries, nor does it sell fuel. Click here to learn more about all the steps from exploration to production.

Exploration

It is the whole set of operations or activities designed to assess areas, focusing on discovering and identifying oil or natural gas deposits. The following 12 blocks of the Company are in this phase:

- BM-S-8 (Santos Basin)
- CAL-M-372 (Camamu-Almada Basin)
- ES-M-598 (Espírito Santo Basin)
- ES-M-593 (Espírito Santo Basin)
- SEAL-M-351 (Sergipe-Alagoas Basin)
- SEAL-M-428 (Sergipe-Alagoas Basin)
- PEPB-M-894 (Pernambuco-Bahia Basin)
- PEPB-M-896 (Pernambuco-Bahia Basin)
- CE-M-661 (Ceará Basin)
- PAMA-M-265 (Pará-Maranhão Basin)
- PAMA-M-337 (Pará-Maranhão Basin)
- FZA-M-90 (Foz do Amazonas Basin)

Carcará: Drilling and testing of three wells at Carcará (Block BM-S-8) in late 2015 showed the large production capacity of the area. The estimated initial production rates per well are at least equivalent to those of the best active wells in the Santos Basin. (Learn more in Assets – Carcará)

Development

It is the whole set of operations and investments intended to make the production activities of an oil or gas field feasible. Only the following asset is at this stage:

- **Atlanta Field:** This is one of QGEP's most important projects due to its impact on the Company's revenue. It is QGEP's first project as an operator in ultra-deep waters. (Learn more in Assets – Atlanta Field)

Production

It is the whole set of operations related to extracting oil or natural gas from a deposit and preparing it for transportation. Only the following asset is at this stage:

- **Manati Field**: The largest source of gas for northeastern Brazil, it supplies about 30% of that region's demand. A compression station was opened in 2015 to maintain production volumes. (Learn more in Assets – Manati)

USE OF NATURAL GAS

Natural gas is used by the residential, commercial, industrial and automotive segments. It can be used as heating fuel and a driving force; as raw material in the steel, chemical, petrochemical and fertilizer industries and as a substitute for diesel oil, gasoline and ethanol in vehicles. These attributes allow using it for almost unlimited purposes subject to environmental and safety regulations. Therefore, it share in the world's energy mix is increasing.

Energy Use	Chemical Use
Industrial use Residential, commercial and hospital use Thermal plants VNG -Vehicular LNG-Liquefied CNG-Compressed	Synthesis gas - C_1 chemistry Separation between ethane and propane: C_2 and C_3 trees Separation of the heavier: C_4 and condensed

Occupational Safety and Health

G4-DMA-ASSET INTEGRITY AND PROCESS SAFETY | G4-OG13

Top operational excellence is QGEP's motto regarding issues involving occupational safety and health and the potential impacts of its activity. This is reflected in the way the Company works. It takes technical health and safety requirements into account in all decisions and projects, especially those of a strategic nature, which are monitored by senior management at the PMO.

QGEP's Integrated Management System (IMS) was recertified in November 2015, which confirms the procedures the Company adopts comply with the international standards ISO 14001 and OHSAS 18001. In fact, QGEP has made considerable advances in policies, programs and risk management.

QGEP's IMS also follows ANP's Technical Regulations for Operational Safety and the best market practices to ensure the integrity of employees, communities and facilities, as well as environmental protection.

Transport and Spills G4-DMA-TRANSPORTATION | G4-2 | G4-EN24 I G4-EN30

QGEP is fully aware its operations may cause environmental impacts since the exploration and production of oil and gas is classified as a potentially polluting activity. Spills of oil and other chemicals, as well as Greenhouse Gas emissions, are the main significant environmental impacts arising from land and sea transportation (Learn more in Environmental Performance).

USE OF OIL

About 90% of the oil consumed is used to generate thermal energy or combustion energy (means of transportation or industrial furnaces). The remaining 10% is used to produce raw materials for other industries – 60% of all raw materials used worldwide come from oil. There is a vast range of oil by-products. In addition to fuel, it is worth noting naphtha, a basic raw material for the whole production chain of plastic resins.

Oil By-Products

Fuel	Petrochemicals
Cooking gas Benzine, gasoline Kerosene Diesel oil Fuel oil Lubricating oil and grease Heavy oil or fuel oil	Basic petrochemicals: ethene, propene, benzene and toluene Intermediate petrochemicals Ethylene/ethene: PET and PVC Plastic resins: toys, stickers, water tanks, tarpaulins, saline solution bottles, lids, containers, footwear, tires, paint, plastic, film, etc.

Quality – Oil Density Table

	API
Light	> 30
Medium	from 22 to 30
Heavy	< 22
Extra heavy	< 10

API is used to measure the specific gravity of oil and oil by-products and allows determining oil quality.

To prevent spills of oil and other chemicals, QGEP establishes HSE requirements in its contracts, and conducts risk assessments and audits of critical suppliers. In compliance with maritime standards, QGEP's maritime units and all the vessels in its service have containment equipment to prevent discharges of oil or chemicals from reaching the sea in case of an accident.

QGEP also has the infrastructure it needs to respond to any accidents, including spills of oil and/or other hazardous substances, based on the ICS (Incident Command System) methodology.

There were no such incidents in 2015; however, the Company has all the resources needed to contain any spills that may occur, such as: vessels with containment and recovery equipment, a response base on land, well safety and control equipment, satellite imaging and drift modeling among others. The members of the Response Organizational Structure attend refresher and retraining courses about the ICS regularly. The Company also has a team trained to respond to events related to the QGEP Crisis Management Plan (Learn more in Crisis Management).

Supplier Selection G4-12 | G4-OG13

The main contracts signed between QGEP and its suppliers contain provisions related to environmental responsibility, social responsibility and human rights. In addition, the Company gives all service providers a copy of the QGEP HSE Guide to ensure quality and compliance with the standards and conduct it establishes. In turn, QGEP selects its suppliers based on their reputation in the market and conducts a technical and financial analysis which includes a questionnaire about HSE performance. Each aspect is assigned weight proportional to its importance and the final grade is a weighted average.

Even though there were no operating activities in 2015, QGEP intensified audits at the units at its service, in suppliers of critical equipment or services, by following the Occupational Safety Management System (OSMS) and Risk Management mitigation initiatives. At drilling rigs, QGEP conducts a well safety inspection by checking control equipment and systems thoroughly.

QGEP audits critical suppliers selected based on HSE criteria It also develops specific documents with each critical supplier so that the management systems of both companies are aligned. There were no significant environmental, social and human rights violations that would warrant the termination of any contracts.

The Company has a team trained for any events in the Crisis Management Plan.

Compliance with Rules and Standards

QGEP follows the procedures established by the Integrated Management System (IMS), structured and documented in accordance with the international standards ISO 14001 (Environment), OHSAS 18001 (Health and Safety) and in the Technical Regulations laid down by ANP Resolution 43/07 (Operational Safety). The Company has a computerized system for tracking and monitoring the legal requirements applicable to its operations.

Prospects

The last 20 months have been troubled for the oil industry, both in Brazil and worldwide. The price of Brent crude oil, the international reference, fell by 35% during the year due to increased oil production in the U.S., the slowdown in China and higher production in the OPEC countries. In addition, the political crisis in Brazil, involving major companies charges with and investigated for corruption, affected economic activity.

In stark contrast to that situation, a number of other factors make Brazil a key player in the global oil chain. According to data published by the Ministry of Mines and Energy on the Brazil portal in 2015, Brazil has three of the large oil wells discovered worldwide and a potential for discoveries over 2.8 million km², 307.7 thousand km² of which have high potential for exploration, with distinct features that make Brazil attractive to investment.

In this regard, the industry is expecting an agreement that will probably be made among the top producing countries to adjust production and reduce supplies, mainly in the U.S. The global economic rebound should also encourage the market to seek a balance in prices – although most probably below the levels recorded two years ago.

For QGEP, 2016 brings both challenges and good prospects. Gas production at Manati is expected to reach 5.7 million m³ per day, which will increase the Company's revenue. In addition, oil production by the Early Production System at the Atlanta Field will start, and QGEP will establish itself as an offshore oil producer. Early production is estimated at 20 thousand barrels per day until full production is reached, in 2019/2020.

The Company will continue focusing on a sound capital structure, which will allow it to improve its portfolio continuously and seize any opportunities to expand its offerings that may arise at attractive conditions while keeping true to its history of disciplined growth.

It expects 2016 to be another year of success and value creation. QGEP admits the challenges faced by the global oil industry and the Brazilian economy have impacted its stock price; however, it delivers results and projects consistently, considering all the factors under control.

Environmental Performance

G4-DMA-GENERAL | G4-EN31

QGEP believes excellence in environmental management is crucial to its success and has been very careful in all processes, especially audits, risk assessments and process safety. QGEP performed no operator activities in 2015; therefore, all its energy and water consumption was related to administrative activities and, as such, fell sharply from 2014.

During the year, the Company focused on improving procedures, offered ongoing training in response to emergencies and increased synergy with other operators to improve performance.

Certifications

In 2015, the Company's IMS maintained the ISO 14001 and OHSAS 18001 certification

- Preparation of environmental assessments: In 2015, QGEP submitted assessments required to obtain environmental permits from ANP. During the year, it obtained a Preliminary Permit for the EPS and submitted to the IBAMA [Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis, or Brazilian Institute of Environment and Renewable Natural Resources] environmental assessments related to drilling activities at the blocks in the Foz do Amazonas and Pará-Maranhão Basins, operated by QGEP. The Company also monitored permitting processes in areas where it does not act as an operator by means of TCMs and OCMs.

- Synergy with other operators: QGEP has been seeking to work jointly with other operators, primarily on the Equatorial Margin where more complex logistics is required. Other benefits are lower costs and greater agility in the permitting process because operators submit environmental data in a consistent manner. In 2015, the companies conducted the environmental characterization study of the Equatorial Margin and started mapping the local stakeholders.

GREEN TECH SHIP

The FPSO unit chartered to operate in the Atlanta Field is designed to optimize the use of fuel gas. The vessel has a system that uses gas produced at the field itself to operate the turbines and generate electricity on the platform.

Environmental Protection Expenditures and Investments (R$)	
Waste treatment and disposal	18,840.85
Prevention and environmental management costs	275,166.74
Total	294,007.59

Energy

G4-DMA - ENERGY | G4-DMA-FOSSIL FUEL SUBSTITUTES | G4-EN3 I G4-EN4 I G4-EN5 I G4-EN6 I G4-EN7 I G4-OG2 I G4-OG3 I G4-OG5 I G4-OG14

Energy was a matter of great concern for Brazilian companies in 2015 due to rising cost. QGEP has always monitored its consumption although it does not invest in renewable and alternative energy sources yet. Energy consumption decreased by 73,682 kilojoule (kJ) per employee in 2015 due to equipment conversion and upgrades, behavior changes as a result of awareness campaigns and operational changes. This calculation is based on per capita consumption. Consumption decreased by 9.5% despite the higher number of employees in 2015.

Energy Consumption in 2015

Electricity consumption 1,097

Consumption of purchased fuel 437

** QGEP sold no type of energy in 2015. The Company monitors the consumption of fuel and other sources of energy by its offices and other operations with a GHG Protocol Brasil model spreadsheet on a monthly basis to compile this information. The sources of the conversion factors used were the GHG Protocol, ANP (www.anp.gov.br) and ANEEL (www.aneel.gov.br).*

Total consumption of fuel from non-renewable sources (purchased) in Gj*

Fuel Source	2015
Combustion engine (land transportation/third-party fleet) – Diesel oil	86
Combustion engine (own fleet) - Regular gasoline	228
Combustion engine (third-party fleet) - Regular gasoline	46
TOTAL	360

** QGEP sold no type of energy in 2015.*
The Company perform no activities related to the production or purchase of biofuels.
The sources of conversion of units were the ANP (www.anp.gov.br) and ANEEL (www.aneel.gov.bwww.aneel.gov.br).

Total consumption of fuel from renewable sources (purchased) in Gj*

Fuel Source	2015
Combustion engine (own fleet) - Ethanol	60
Combustion engine (third-party fleet) - Ethanol	17
TOTAL	77

**The sources of conversion of units were the ANP (www.anp.gov.br) and ANEEL (www.aneel.gov.bwww.aneel.gov.br).*

ENERGY INTENSITY[1] (GJ per employee)

Fonte de combustível	2015
Inside the Company:	8.31
Outside the Company[2]:	3.31

[1]. Energy intensity was calculated based on consumption of both fuel and electricity.
[2]. Including operating activities mostly conducted by third parties in ports, offshore locations, roads; waste transportation and disposal among others

Water and effluents G4-DMA-EFFLUENTS AND WASTE | G4-EN22 | G4-EN26 I G4-OG5 | G4-OG7

QGEP uses water from municipal water supplies or other water utilities. Water is consumed basically in offices since the Company performed no operating activities in 2015. As a result, water was recycled or reused, and no bodies of water were affected significantly.

QGEP's offices in Rio de Janeiro and Salvador are located in commercial buildings supplied by water utilities and have no individual meters.

At Manati, 4,133 m3 of water was produced.

Emissions G4-EC2 | G4-EN15 I G4-EN16 I G4-EN17 I G4-EN18 I G4-EN19 I G4-EN20 I G4-EN21

QGEP's greenhouse gas (GHG) emissions decreased by 56% (Scope 1), 7.6% (Scope 2) and 78.51% (Scope 3) year-over-year in 2015. That significant fall was due to the period when the Company performed no operating activities. Indeed, the numbers may vary considerably from one year to the next because there are no operations in some periods. QGEP has been considering setting goals based on future schedules to improve monitoring and undertake emissions reduction initiatives in a consistent manner. Software designed to record and monitor air emissions – an essential sophisticated tool to manage those figures – is currently being installed at the Company.

Carbon Inventory: QGEP has not developed a specific carbon strategy yet. However, it undertakes management initiatives based on the annual inventory of air emissions and conducts risk assessments at all stages of its projects. It constantly seeks to anticipate and minimize the causes of emissions and monitor legislation changes. Some of the risks identified are related to the burning gas and oil, and temporary shutdowns due to adverse weather and ocean conditions (wind and wave patterns, and ocean currents), both of which have a direct impact on the Company's revenue since production is halted. QGEP's carbon inventory has followed the GHG Protocol methodology since 2012 and includes a survey of all the activities QGEP operates. The Company answers the CDP (Carbon Disclosure Project) questionnaire, a good business practice adopted by publicly-held companies. In 2015, the third part of this inventory was audited by Instituto Totum. QGEP is considering adopting FGV's [Fundação Getúlio Vargas, or Getúlio Vargas Foundation] GHG Protocol in 2016.

In 2015, the third part of this inventory was audited by Instituto Totum. QGEP is considering adopting Fundação Getúlio Vargas's GHG Protocol in 2016.

GHG Emissions (in tCO2e)*

	2015	2014	2013
Direct GHG emissions (Scope 1)	29.6	36,687.10	24,649.66
Indirect GHG emissions (Scope 2)	37.8	41	24.97
Indirect GHG emissions (Scope 3)	119	622.8	1,00.07

** Gases included in the calculation: CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3.*
Methodologies adopted and source of the emission factors: NBR ISO 14064-3:2007 Standard, GHG Protocol (2014).
Scope 1: transportation by car (own fleet); Scope 2: electricity purchased; Scope 3: transportation by car (third-party fleet), air travel (business) and transportation of materials by land (third-party fleet).

The GHG emissions intensity ratio was 0.00054 tCO2e/hour worked in 2015, including Scopes 1, 2 and 3, as well as CO2, CH4, N2O HFC, PFC and SF6. This ratio was calculated based on the number of hours worked by the whole workforce during the year, considering the direct employees from QGEP's offices in Rio de Janeiro, Rio de Janeiro State, and Salvador, Bahia State, including Scope 1, 2 and 3. In turn, Scope 1 and Scope 3 biogenic emissions totaled 2.58 tCO2e and 12.61 58 tCO2e respectively.

There was an 8% fall in Scope 2 emissions (electricity purchased), from 41 tCO2e in 2014 to 37.85 tCO2e in 2015. This drop resulted from technology upgrades and awareness-raising initiatives.

Zero ODS emissions: QGEP, including its offices, emitted no ozone-depleting substances (ODS) since there were no operating activities in 2015.

Significant air pollutants emitted in 2015

	Emission source	Amount emitted-in tCO_2e*	Business unit
CH_4	Own car fleet (scope 1)	0.38	Rio Office
N_2O	Own car fleet (scope 1)	0.41	Rio Office
CH_4	Air travel and third-party car fleet (taxis) (scope 3)	0.06	Rio Office/Salvador Office/BS-4
N_2O	Air travel and third-party car fleet (taxis) (scope 3)	1.20	Rio Office/Salvador Office/BS-4

**Methodologies adopted and source of the emission factors: NBR ISO 14064-3:2007 Standard, GHG Protocol (2014).*

Waste G4-EN23 | G4-EN25

All the paper, plastic and metal waste produced by the Rio de Janeiro office was recycled. QGEP generated no hazardous waste in 2015 because it conducted no operating activities.

Total weight of non-hazardous waste generated in 2015 – in kg

Disposal Method

Environmental Management G4-DMA-PRODUCTS AND SERVICES | G4-DMA-ECOSYSTEM SERVICES INCLUDING BIODIVERSITY | G4-EN27 I G4-OG4

QGEP introduced an Integrated Management System (IMS), based on the ISO 14001 and OHSAS 18001 standards, and adopted the best industry practices to prevent and assess the potential impacts of its activities on the environment and local communities to achieve excellence in HSE issues. A committee composed of senior management and chaired by QGEP's Chief Executive Officer is responsible for the IMS. It oversees and manages environmental, operational safety, occupational health and social responsibility issues.

Impacts and Mitigation Actions G4-EN12

Environmental impacts from oil production are not caused by oil spills only (potential impacts). Some impacts occur during routine operations (actual impacts), such as changes in water quality due to discharges of sanitary effluents and in air quality due to fuel burning to generate power. The Company's environmental assessments cover both actual and potential impacts, and propose measures to prevent, reduce or monitor those impacts, the so-called mitigation or control measures.

Emergencies and crises: QGEP continued investing in training staff to respond to emergencies and crises even though it performed no operating activities in 2015. It developed new plans, trained employees in the ICS methodology and conducted drills of the Crisis Management Plan, which will play a key role when the Atlanta Early Production System goes into operation.

Biodiversity G4-DMA-BIODIVERSITY | G4-EN11 | G4-EN13 | G4-EN14

In 2015, QGEP made progress in its environmental assessments, which involve identifying local biodiversity (Learn more in Impacts and Mitigation Actions and Preparation of Environmental Assessments). The Company was also engaged in IBP's [Instituto Brasileiro de Petróleo, Gás e Biocombustíveis, or Brazilian Institute of Oil, Gas and Biofuels] Coast Protection and Cleaning Project, the third stage of which was the preparation of a Wildlife Protection Plan.

Location of conservation list species*

	International Union for Conservation of Nature (IUCN)	Ministry of the Environment
Critically endangered	5	2
Endangered	8	6
Vulnerable	9	9
Near threatened	11	0

**Area of influence of BS-4*

Social Performance G4-DMA-LOCAL COMMUNITIES | G4-HR8 | G4-SO1 | G4-SO2

QGEP's social initiatives focus on producing results and helping the communities in which the Company is present. The Company invests in projects that have a positive impact on those communities' lives. Therefore, it supports cultural initiatives and sports projects, such as *Viva Vôlei*.

Viva Vôlei: QGEP supported the *Viva Vôlei* Project under the terms of the Federal Sports Incentive Law, in fishing communities in the area of influence of the drilling activities in Block BM-J-2, in southern Bahia State. Created by the CBV [*Confederação Brasileira de Voleibol*, or Brazilian Volleyball Confederation] and managed by *Instituto Viva Vôlei*, the initiative is designed to reduce school dropout rates, keep children away from crime and drugs and promote ethical and moral citizenship values.

Communities G4-OG9 | G4-DMA-INDIGENOUS RIGHTS

QGEP engages in discussions and interacts with its stakeholders, mainly fishing communities in the areas of influence of its activities. The purpose is to establish a relationship based on transparency and respect. In 2015, the Company started mapping stakeholders affected by its activities in Blocks FZA-M-90 and PAMA-M-265 and PAMA-M-337 jointly with other operators of the Equatorial Margin.

Other initiatives involving indigenous communities:

BM-J-2: This block was returned to ANP in December 2015. The traditional indigenous fishing community of Acuípe was benefited by the Fishing Activity Compensation Plan implemented in the area, in compliance with the constraints imposed by the Operating Permits for drilling activities. The compensation process, which engaged the community, was completed in 2015.

FZA-M-90, PAMA-M-265 and 337: There are no indigenous peoples in the area of influence; however, those communities were taken into account in the assessed area.

PEPB and SEAL: QGEP has conducted no social and economic assessment of the activities to be performed in those blocks yet.

Contributing to Brazil

QGEP's projects play an important role in the communities in which the Company is present; in addition, they promote economic and social development more broadly. One example is the ecosystem mapping project of the coastal area of Una, Canavieiras and Belmonte, in Bahia State, conducted jointly with Coppe/UFRJ's LAMCE [*Laboratório de Métodos Computacionais em Engenharia*, or Laboratory of Computational Engineering Methods]. This project, which has been completed and will be published in 2016, also contains an assessment of the impact of climate change based on scenarios developed by the IPCC (Intergovernmental Panel on Climate Change). Local communities were actively engaged in gathering data, and the findings include important information for the preparation of projects for the area.

The creation of a georeferenced database about the Brazilian coast, which resulted from a joint effort of IBP and IBAMA, is an unprecedented project in Brazil

Another project along the same lines is the development of a georeferenced database about the Brazilian coast, including information about environmental and physical features, and accessibility among others. This project, unprecedented in Brazil, resulted from a technical cooperation agreement between IBP and IBAMA [*Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis*, or Brazilian Institute of Environment and Renewable Natural Resources] and was coordinated by several operations. The data will serve as a basis for planning and managing specific coast protection and cleaning plans in case of incidents involving oil spills at sea. In addition, they may be used as tools for the Brazilian National Contingency Plan. This project was started in 2014, with other phases conducted in 2015. In 2016, coastal islands will be mapped and a wildlife protection plan will be developed.

Agreements and Memberships G4-15 I G4-16

QGEP has been a member of the UN Global Compact since its foundation, in 2011, and has focusing on disseminating information about its Ten Principles. The Company is a member of the Carbon Disclosure Project (CDP) and publishes information about its emissions every year. QGEP intends to join the Brazilian GHG Protocol Program in 2016 and start using this platform to publish its emissions inventories in a transparent manner. QGEP believes it is essential to share experiences to develop its processes and improve them continuously. It also encourages its employees to participate in different operating and social and environmental responsibility committees at institutions such as IBP, ONIP [Organização Nacional da Indústria do Petróleo, or Brazilian National Organization of the Petroleum Industry] and FIRJAN [*Federação das Indústrias do Rio de Janeiro*, or Rio de Janeiro Federation of Industries].

QGEP follows the practices laid down by the Novo Mercado Listing Regulation – Novo Mercado is BM&FBovespa's segment comprised of companies adopting the highest Corporate Governance standards – and works systematically to improve its processes, systems, internal controls, regulations and policies. This is how it builds and strengthens the sound foundations of its longevity.

This practice results from QGEP's natural expansion, which is, in this case, fully based on the principles of transparency, fairness, accountability and monitoring, as well as clear guidelines that ensure the Company's long-term prospects. QGEP reviewed and upgraded its Corporate Governance structure swiftly in 2015, prompted by new anti-corruption legislation and its ongoing search for the best market practices, in line with its own, its shareholders' and business partners' requirements, with a view to management excellence.

One of the initiatives in this regard was the creation of the Compliance Department, under the Legal Department, to engage the entire Company and its subsidiaries. The Compliance Department made significant strides as early as in 2015, by updating QGEP's Code of Ethical Conduct, introducing the Canal Confidencial [Confidential Channel] and training employees and managers in the implementation of the Code and related policies. All those are important anti-corruption tools in keeping with the new regulatory environment.

Canal Confidencial is another channel available to anyone who wants to report to the Company – anonymously or not – any situations in conflict with the Code of Ethical Conduct, policies, procedures or the applicable legislation. It is used by the Compliance Department to monitor and review QGEP's Code, policies and procedures.

New training programs and internal communication campaigns are scheduled for 2016 to continue disseminating the compliance culture at QGEP. In addition, the Department is going to develop new procedures for the Anti-Corruption Policy during the year to improve current processes, focused primarily on hiring third parties and establishing partnerships.

PLATFORM UNDER CONSTRUCTION

2011 | 2012 | 2013 | 2014 | **2015**

131 EMPLOYEES

NET REVENUE OF R$496 MILLION

FPSO UNIT FOR THE ATLANTA FIELD'S EARLY PRODUCTION SYSTEM ADAPTED IN ROTTERDAM

TWO BLOCKS IN THE SERGIPE-ALAGOAS BASIN (SEAL-M-351 AND SEAL-M-428) ACQUIRED AT THE 13TH ANP BIDDING ROUND

SURFACE GAS COMPRESSION STATION INSTALLED AT THE MANATI FIELD

INVESTMENT IN THE FIRST PHASE OF THE EARLY PRODUCTION SYSTEM (EPS) FOR THE ATLANTA FIELD COMPLETED, INCLUDING OBTAINING THE REQUIRED DOCUMENTATION, AND HIRING THE SUBSEA EQUIPMENT AND THE FPSO UNIT, WHICH IS IN THE FINAL STAGE OF CUSTOMIZATION IN ROTTERDAM

Additionally, Internal Rules and Regulations were approved for the Board of Directors in 2015. They introduced a themed schedule and meetings at which the Board determines focus issues to be monitored on a monthly basis. Moreover, the Company is going to implement a governance portal, a tool intended to facilitate communication between Board members and the Company, in 2016.

QGEP also organized its internal governance structure by adopting a Competence Policy setting boundaries for asset sales, encumbrances, transfers, sales, swaps and acquisitions by the Company and its subsidiaries. The Executive Board also scheduled for 2016 the adoption of Internal Rules and Regulations not only establishing rules for the Executive Board as a governance body, but also reflecting the boundaries set by the Competence Policy, subject to the Company's Bylaws and the applicable representation rules.

The Board of Directors approved the creation of the Ethics, Governance and Sustainability Committee, a permanent advisory governance body, not required by the Bylaws, intended to assist the Board in matters related to Ethics, Governance and Sustainability. The Company is also planning to establish in 2016 a Compensation Committee, not required by the Bylaws, to assist the Board in matters related to top executives' Fixed and Variable Compensation.

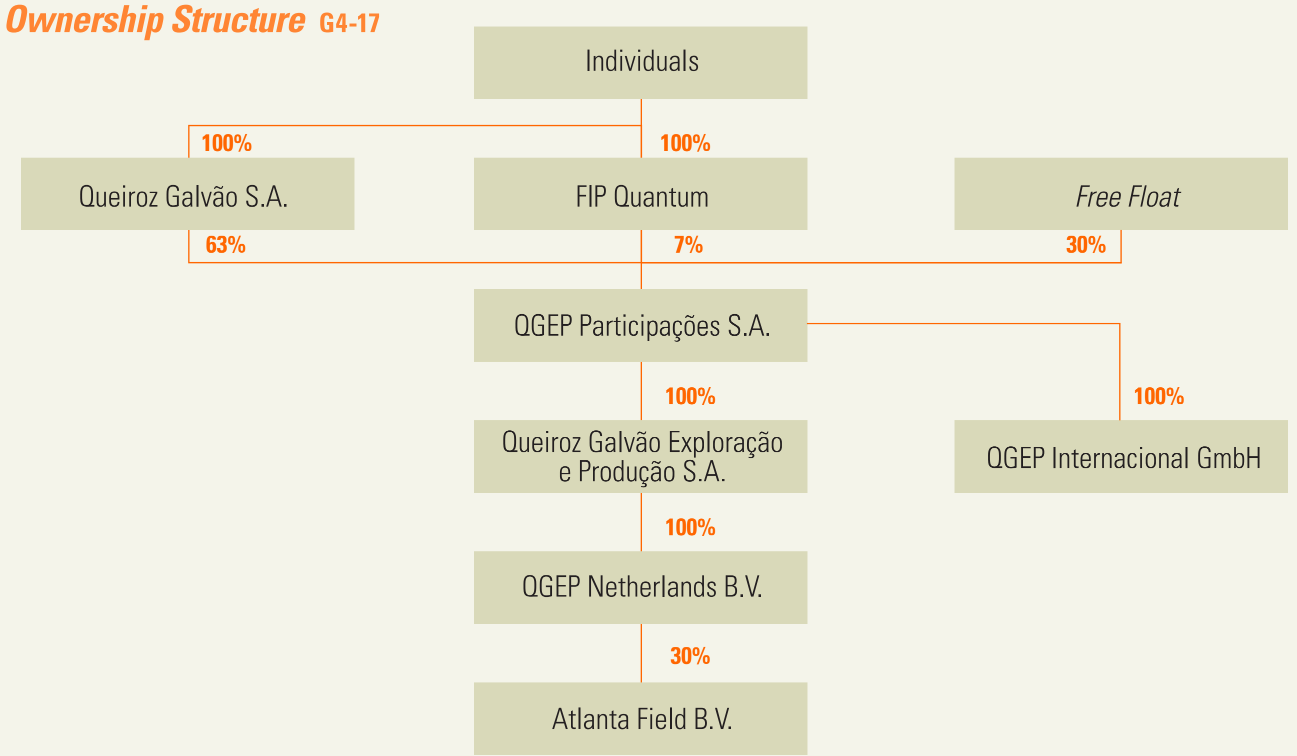
Board of Directors G4-37 | G4-38 | G4-39 | G4-40 | G4-41 | G4-45 | G4-46 | G4-49 | G4-52

The Board of Directors is composed of seven members – two of whom are independent directors – elected at the Annual General Meeting. It sets long-term policies and strategies; oversees the Executive Board's management activities; supervises, and develops guidelines for, the Company's Compliance Program through the Ethics, Governance and Sustainability Committee, among other duties. Directors serve a two-year term of office and may be re-elected. In accordance with the good Corporate Governance practices established in the Novo Mercado Listing Regulation, the Chairman of the Board of Directors does not sit on the Executive Board. The Brazilian Corporations Law prevents members of the Board of Directors from voting at meetings at which any issues involving conflicts of interest with the Company are submitted to a vote. Any decisions to be made by the Board of Directors on related-party transactions, as defined by the applicable legislation, must be approved by the independent members of the Company's Board of Directors.

In addition, QGEP's Investor Relations Department receives recommendations and suggestions from shareholders and employees. The Board of Directors examines any issues submitted to it in strict compliance with the Brazilian Corporations Law and follows the transparent practices set by internal rules when dealing with them.

Please refer to item 13 of QGEP's Reference Form, available on the CVM [Comissão de Valores Mobiliários, or Brazilian Securities Commission] website (www.cvm.gov.br) and the Company's Investor Relations website (http://ri.qgep.com.br/ptb/s-4-ptb.html?idioma=ptb) for information about Directors' and Officers' compensation.

Ownership Structure G4-17



Members of the Board of Directors*

Antônio Augusto de Queiroz Galvão
Chairman

Ricardo de Queiroz Galvão
Deputy Chairman

Maurício José de Queiroz Galvão
Director

José Augusto Fernandes Filho
Director

Leduvy de Pina Gouvêa Filho
Director

José Luiz Alquéres
Independent Director

Luiz Carlos de Lemos Costamilan
Independent Director

** The résumés of all Board members are available on www.qgep.com.br/ri.*

Statutory Audit Committee G4-38

Created two years ago at minority shareholders' request, QGEP's Statutory Audit Committee is being reinstated by initiative of the controlling shareholder, with the support of minority shareholders. It expands shareholder control mechanisms, thus ensuring all the legal, administrative and financial issues within its competence are addressed properly.

Members of the Statutory Audit Committee*

Sérgio Tuffy Sayeg
Chairman

José Ribamar Lemos de Souza
Full Member

Axel Ehrard Brod
Full Member

Nelson Mitimasa Jinzenji
Alternate Member

Gil Marques Mendes
Alternate Member

William Bezerra Cavalcanti Filho
Alternate Member

** The résumés of all the members of the Statutory Audit Committee are available on www.qgep.com.br/ri.*

Ethics, Governance and Sustainability Committee G4-35 | G4-36 | G4-50

The Ethics, Governance and Sustainability Committee is a permanent advisory governance body, not required by the Bylaws and with no executive functions, intended to assist the Board of Directors in matters related to Ethics, Governance and Sustainability. It is composed of the following members of the Board of Directors: José Augusto Fernandes Filho, José Luiz Alquéres and Luiz Carlos de Lemos Costamilan.

The Committee makes suggestions and monitors initiatives related to ethical issues designed to, among others: (i) preserve ethics by remaining alert to acts that may violate applicable legal provisions, QGEP's activities and the Code of Ethical Conduct; and (ii) assess risks inherent in QGEP's industry. Regarding Governance, the Committee makes suggestions and oversees initiatives designed to, among others: (i) ensure, in accordance with the law and the best governance practices, information is provided for shareholders, investors and other stakeholders of the Company in a transparent, accurate and timely manner; and (ii) promote, monitor and ensure the adoption of the best corporate governance practices and manage the implementation and maintenance of those practices at the Company, as well as their effectiveness by proposing changes, updates and improvements whenever necessary. Regarding Sustainability, the Committee focuses on internal sustainability management by identifying, addressing and tackling issues that may pose risks to, or have a significant impact on, QGEP's long-term performance, relationship with stakeholders and image. In addition, it makes recommendations, implements and disseminates different initiatives developed to strengthen all the Company's processes increasingly.

In 2016, QGEP intends to establish of a Compensation Committee. G4-51 | G4-53 | G4-54 | G4-55

Executive Board G4-38

The Executive Board is responsible for conducting business and executing the policies and guidelines set by the Board of Directors. Its four members are appointed by the Board of Directors for two-year terms and may be re-elected. Executive Officers representing the Company at General Meetings of companies controlled indirectly by a QGEP company must follow a voting guidance in compliance with the Company's competence boundaries and values. It is up to the Company's executives to escalate competences and execute any corporate documents as needed.

Members of the Executive Board

Lincoln Rumenos Guardado
Chief Executive Officer

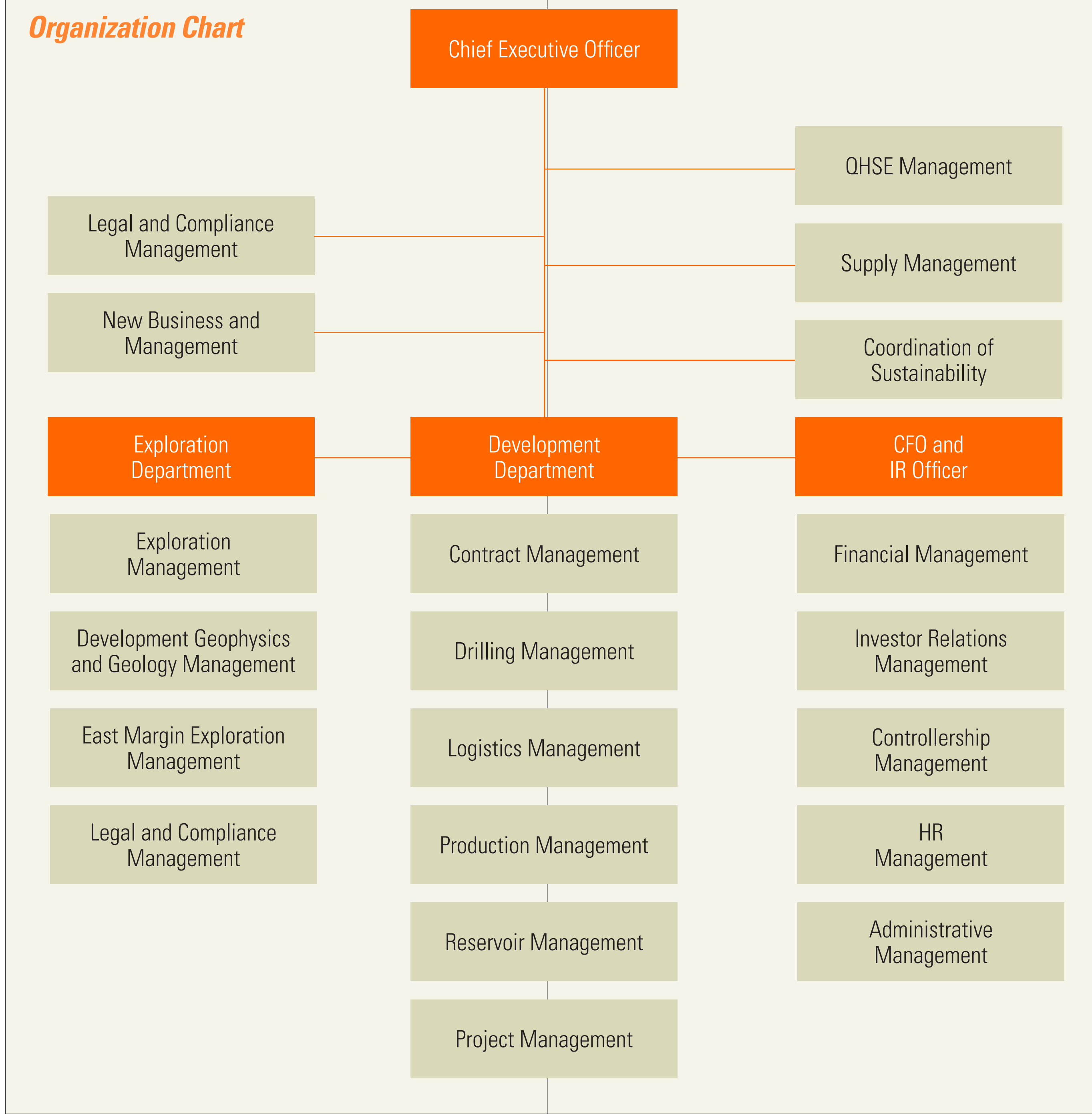
Sergio Michelucci
Chief Exploration Officer

Paula Costa Côrte-Real
Chief Financial Officer and Investor Relations Officer

Danilo Oliveira
Chief Production Officer

** The résumés of all the members of the Executive Board are available on www.qgep.com.br/ri.*

Organization Chart



Dividend Payment Policy: QGEP approved its Dividend Payment Policy in March 2015, thus showing it is committed to creating long-term value for investors. It provides for the annual payment of dividends in the amount of R$0.15 per share depending on operating and financial factors. QGEP's Dividend Payment Policy is available on its Investor Relations (IR) website (www.qgep.com.br/ri) and on CVM's website (www.cvm.gov.br).

COMPLIANCE

Compliance G4-57 | G4-SO4 | G4-SO5 | G4-HR2

QGEP believes it is essential to improve its Compliance Program continuously to ensure good governance, based primarily on ethical principles. As mentioned at the beginning of this section, the Company created a Compliance Department in 2015 to manage all its compliance initiatives, as well as those of its associates and subsidiaries, and help disseminate among its employees rules of conduct for situations they face in QGEP's routine. In its first year of activity, the Department revised documents, such as QGEP's Code of Ethical Conduct and Anti-Corruption Policy, and created Canal Confidencial to receive complaints, queries and forms.

It provides support for the Ethics, Corporate Governance and Sustainability Committee, the arm of the Board of Directors responsible for remaining alert to any acts that may violate ethical principles, laws applicable to QGEP's activities and the Company's Code of Ethical Conduct, as well as any other policies and procedures. This Committee also assesses any risks inherent in the industry and develops guidelines for the Compliance Program. In 2015, it revised the Code of Ethical Conduct and other policies, and offered compliance training sessions to all workforce members – including senior executives –, all of whom were required to attend them.

QGEP'S CODE OF ETHICAL CONDUCT AND ANTI-CORRUPTION POLICY WERE REVISED IN 2015

100%

OF QGEP'S CONTRACTS INCLUDE HUMAN RIGHTS CLAUSES

IN 2015, THE WHOLE WORKFORCE, INCLUDING SENIOR EXECUTIVES, WAS TRAINED IN COMPLIANCE ISSUES

Anti-Corruption G4-58 | G4-SO3

QGEP's vision clearly states the Company seeks recognition for its transparent responsible management. Thus, the Company adopts anti-corruption policies and tools, the most important of which are the Code of Ethical Conduct and the Anti-corruption Policy, available on QGEP's website. Those documents, which serve as guidelines for all employees and people acting on behalf of QGEP, reinforce the conduct they are expected to have and set rules of behavior applicable to the most common situations they face. Another anti-corruption tool is Canal Confidencial, created so employees can report, anonymously or not, any problems that need to be examined. QGEP strongly encourages employees to report any irregularities or violations of its Code of Conduct, policies and regulations, as well as the legislation applicable to its activity. The Company was neither a plaintiff nor a defendant in any corruption-related legal actions in 2015, as well as in previous years.

Employee Engagement

G4-DMA-INVESTMENTS | G4-HR1

The "Work Environment" section of the Code of Ethical Conduct states all employees must treat others and be treated in a respectful and fair manner. Diversity must also be respected so that no acts of discrimination is tolerated. To engage everyone in this effort, the Company organized an internal event to promote the launch of the new Code of Ethical Conduct in 2015. Each employee received a copy of the Code and signed an instrument of acceptance. QGEP places a heavy emphasis on the quality of its activities, especially when they are developed jointly with or through other companies. Accordingly, it also seeks to engage all its suppliers, service providers and contractors by having them sign statements of responsibility or equivalent documents. In addition, all its contracts contain anti-corruption provisions requiring the ethical conduct that serves as a guideline for QGEP's business be followed.

Human Rights

All QGEP's significant agreements and contracts include human rights clauses or undergo human rights screening.

Risk Management G4-12 I G4-14

Different factors pose great risk to oil and gas exploration and production companies: technological challenges, regulations and other risks associated with the business itself, as well as safety and environmental issues. In short, identifying, monitoring and mitigating risks – involved in both the company's and its suppliers' activities – are essential activities for QGEP's success.

In view of the oil production expected for 2016, the risk management policy will have to be expanded to include oil price risks. The Company's revenue will have one more variable: the oil price per barrel, unlike revenue from the Manati Field (fixed gas prices in Brazilian Reais).

The start-up of the Atlanta Field's Early Production System will bring yet another type of risk the Company will have to manage: Operational Risk. This type of risk reflects the possibility of losses resulting from flawed, defective or inadequate internal processes and systems, as well as inappropriate people or external events. Both price and operational risks have been addressed at strategic planning meetings.

Committed to conducting business in a sustainable manner, QGEP uses recognized risk management methodologies. A committee not required by the Bylaws is currently responsible for managing the Company's risks.

Risk Management Methodologies

- Preliminary Risk Assessment (PRA)
- Hazard Identification (Hazid)
- Hazard Operability Study (Hazop)
- Quantitative Risks Assessment (QRA)

Environmental Risks

The Company's environmental assessments include an risk assessment of the activities under environmental permitting. This risk assessment allows QGEP to learn more about: the operational risk of its activity, possible routes of oil at sea in case of spills of different sizes, natural resources in the area that could be impacted by oil spills and the recovery time of those resources. Once the environmental risk is assessed, QGEP decides whether or not it is acceptable, based on the estimated frequency of the accident causing the damage vs. the recovery time of the natural resources affected.

In 2015, QGEP remained a member of the Coast Protection and Cleaning Plan. Developed jointly with other operators, IBP and IBAMA, the Plan standardizes data obtained so that all members have the same information and are able to respond to any incidents that may occur, such as oil spills. The Plan documents address items such as: collection areas, access, details about the local flora and fauna, and other local environmental features.

identifying, monitoring and mitigating risksinvolved in both the company's and its suppliers' activitiesare essential activities for QGEP's success

The local islands and fauna are also being mapped to complement this material. As a result, the Company will improve risk management and be able to take action more quickly whenever necessary. It is also an important contribution to Brazil since it will provide information about Brazilian ecosystems. In addition, QGEP constantly runs response drills to accidents and incidents such as oil spills.

Market Risks G4-47

The Company has a Market Risk Management Policy approved by the Board of Directors. It outlines principles and mitigation actions for changes in prices, exchange rates, interest rates and inflation, as well as prices of oil and oil by-products, in both free or regulated markets. QGEP's market risks are managed by a Workgroup reporting to the Board. The Workgroup, which meets on a monthly basis, approves initiatives needed to address any related problems and outlines the best strategy to mitigate the risks identified. In recent years, the Company has been focusing more closely on its currency risk since most of its cash and cash generation are denominated in Brazilian Reais whereas much of its investment plan is denominated in U.S. Dollars. Thanks to the Company's aggressive hedging strategy in 2015, the impact of a higher dollar rate was mitigated by financial gains from operations on a foreign exchange hedge fund and natural hedge. This allowed QGEP to maintain its investment capacity.

Crisis Committee

Since its business involves risks, QGEP improves its crisis management practices continuously. Since 2013, the Company has been using the ICS methodology to respond to emergencies. It is a standardized management strategy for all types of incidents. The Incident Command System allows a coordinated response and establishes a common procedure for planning and managing response resources.

The Company created the Crisis Management Team (CMT), composed of key Company professionals (Officers and some managers), to integrate crisis management into business management. The Crisis Management Plan was developed in a collaborative and multidisciplinary manner to adapt potential risks and consequences to the Company's everyday practices and situation. In addition, QGEP organized training sessions and ran response drills involving the CMT members.

Internal stakeholders G4-10

People management at QGEP has been improving year after year to create an increasingly engaging work environment open to dialogue. In 2015, the Company had 131 employees, 57 of whom were female and 74 were male. Part of QGEP's operating activities require highly-skilled teams. As a result, having experienced O&G exploration and production professionals working together with young talents is one of the Company's HR strategies to maintain an innovative skillful team.

More than half of the Company's staff is comprised of mature professionals, many of whom with over 30 years' experience in the industry. 41% have a college degree and 46% of these have a Master's degree or MBA. Consequently, QGEP's professionals have above-average expertise and give the Company a competitive edge.

One of the industry's challenges in 2016 is to develop leaders and train potential successors, essential activities for a fast-growing company that stands out for the value it generates from internal knowledge.

Workforce – G4-10

	Mulheres	Homens
Direct employees	57	72
Bylaw-mandated Officers	0	2
Interns	3	2
Contractors	7	12
Southeast Region		
Direct employees	56	71
Bylaw-mandated Officers	0	2
Interns	3	2
Contractors	7	12
Northeast Region		
Direct employees	1	1
Contractors	0	0

A highly-skilled technical staff:

- Extensive experience in Brazilian basins
- Development of challenging Fields
- Leading position in important discoveries in Brazil, the Gulf of Mexico and West Asia
- International experience

Automated time and attendance systems and flexitime

QGEP installed an automated time and attendance systems at the Rio de Janeiro headquarters. This allowed it to introduce flexitime. The Company is aware its employees have different needs, so flexitime allows them to clock in between 8:00 a.m. and 10:00 a.m. and clock out between 5:00 p.m. and 7:00 p.m.

Health Program

QGEP redesigned its employees' health program regarding prevention and occupational medical examinations. Seeking better quality services, the Company migrated to a top medical service provider. Currently, all employees have a recent doctor's statement.

The higher incidence of some diseases, such as high blood pressure, dyslipidemia and diabetes, among people over age 45, was also a concern. Accordingly, managers, officers and employees from that age group are eligible for a general checkup, with tests conducted in a single location on a single day. An occupational physician is working closely to employees permanently at headquarters to monitor the results of pre-employment and regular examinations and provide a customized service.

Health in Focus

This project comprises new initiatives such as encouraging employees to exercise, adopting new criteria and locations for periodic examinations, and establishing partnerships/agreements with gyms and restaurants, in addition to other existing initiatives: workplace exercise programs, flu vaccination and awareness-raising campaigns throughout the year.

- Health talks
- Pink October
- Blue November

Compensation G4-11 | G4-51

QGEP's pay ranges are based on surveys the Company conducts annually to compare them with their peers'. They are compatible with the industry, and some specific positions are paid above the market average since the Company has prominent, highly-skilled professionals. The Company also adjusts salaries for inflation in connection with the collective bargaining agreement and general wage agreements made with Sindipetro, the Union of Oil Company Employees, covering all employees.

Private Pension Fund G4-EC3

In 2015, QGEP invested over R$1.2 million in its defined benefit plan obligations. Every new hire is informed about the Private Pension Plan; however, participation is voluntary. The Company matches officers' contributions up to 6.5% of their salaries and other employees' up to 4% of their salaries.

Performance Reviews

Participation in performance reviews has increased each year. In 2015, 100% of the workforce participated in them, which shows how employees trust the performance review and feedback system. All executives were trained to give feedback to their teams properly. The whole system has been based on an online tool since 2015, thus ensuring greater trust and transparency in the process.

Training

In 2015, the Company offered employees almost 12 thousand hours of training, i.e., an average of 90 hours per employee.

Communication Channels

QGEP reviewed and updated its policies and internal processes, as well as its communication channels, extensively during 2015. The intranet was upgraded, with expanded features and contents. The institutional and Investor Relations website was also revamped; as a result, it now has new high quality content to serve as a reliable source of relevant information. The brand's visual identity is going to be redesigned in 2016.

About this Report G4-18 | G4-19 | G4-20 | G4-21 | G4-22 | G4-23 | G4-28 | G4-29 | G4-30 | G4-31 | G4-33 | G4-48

QGEP Participações S.A. presents its 5th Annual Sustainability Report to the general public. The information contained here covers the year 2015 and follows the same pattern of reporting periods used in previous years. The report has been prepared 'In accordance' with GRI's G4 Guidelines' Comprehensive option, including the GRI'sb oil and gas industry indicators. Throughout the document, the QGEP abbreviation is used to refer to QGEP Participações S.A. and all its direct and indirect subsidiaries.

The contents of the 2015 Report is based on the main facts about the Company during the reporting period and the topics of the Materiality Matrix, developed based on documents and consultations with internal and external stakeholders, with a focus on the main issues to be addressed.

The financial information posted on QGEP's website covers the entire Company whereas the social and environmental information refers only to the blocks QGEP operates. Exceptions are pointed out throughout the text. This information follows the International Financial Reporting Standards (IFRS) and was audited by Deloitte Touche Tohmatsu Auditores Independentes. Hydrocarbon reserves, certified annually, were certified by external consulting firm Gaffney, Cline & Associates in 2015.

QGEP has been a member of the UN Global Compact since 2011, and the initiatives related to it are described here. In turn, the relation between the GRI indicators and the principles of the UN Global Compact is described in the Index.

This publication was submitted to GRI assurance. GRI does not examine the quality of the report contents, but only checks whether the disclosure standards provided for in items G4-17 to G4-27 were correctly set out both in the GRI Index and in the texts.

The Executive Board examines and approves the contents of the Sustainability Report.
Queries and comments on this report should be sent to qgep@qgep.com.br.

Materiality Matrix G4-24 | G4-25 | G4-26 | G4-27

This Report has been prepared based on a new Materiality Matrix developed for QGEP by an expert consulting firm following the GRI-G4 guidelines. The Matrix sets out economic, environmental and social impacts and their influence on stakeholders' evaluations and decisions.

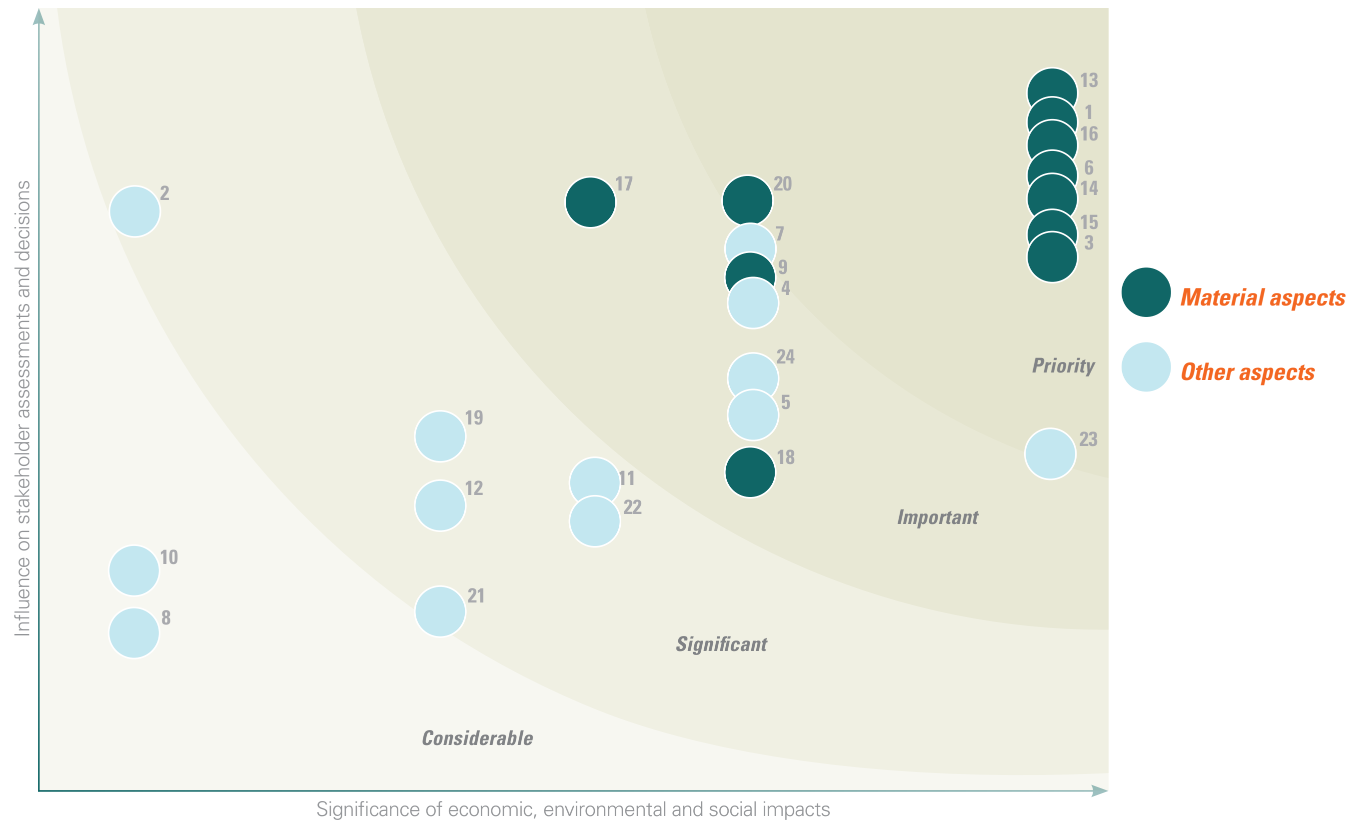
The following sources of information were used initially to determine the main topics to be addressed in the Report: (i) QGEP's 2014 Materiality; (ii) topics relevant for peers; and (iii) the GRI-G4 Guidelines themselves, including the Oil and Gas Sector Disclosures.

During this stage, 24 potentially relevant topics, all related to the Company's sustainability context, were chosen. Afterwards, they were assessed, set in order of priority and divided into two Axes:

- Influence axis: online and face-to-face consultations with internal stakeholders (employees) and external stakeholders (suppliers, service providers, partners, Directors, representatives of government bodies and regulators) to the select the main topics based on their influence on those stakeholders' decisions; and a survey about the facts with the widest media coverage to select the main topics based on their impact on QGEP's image and/or reputation.
- Impact axis: the impact of each topic on QGEP or its value chain was assessed to select the main topics based on their impact on business; and QGEP's corporate strategy and policies were evaluated and set in order of priority based on their impact of on each topic.

The Report covers 24 topics: eight priority topics, eight material topics, five significant topics and three relevant topics.

Next, all information was cross-checked and the data were consolidated, leading to 24 topics in the following categories: eight priority topics, five material topics, five significant topics and three relevant topics as seen below.



01 **Economic and financial performance**
02 Market presence
03 **Reserves**
04 Public policies
05 Compliance
06 **Anti-corruption**
07 Anti-competitive behavior
08 Indirect economic impacts
09 **Impacts on communities**
10 Child or compulsory labor
11 Indigenous rights and local communities
12 Stakeholder grievance mechanisms
13 **Accident and oil spill prevention, and emergency preparedness**
14 **Asset integrity and process safety**
15 **Oil and gas in deep waters**
16 **Emissions and climate change**
17 **Waste and effluents**
18 **Energy efficiency**
19 Water
20 **Biodiversity**
21 Use of natural resources and materials
22 Employees and service providers
23 Occupational health and safety
24 Suppliers and labor practices

The Investor Relations and Sustainability Departments decided to address the eight priority topics in the 2015 Report:

(01) Economic and Financial Performance
(13) Accident and oil spill prevention, and emergency preparedness
(06) Anti-corruption
(16) Emissions and climate change
(14) Asset integrity and process safety
(15) Oil and gas in deep waters
(03) Reserves and
(20) Biodiversity.

QGEP's senior management, while reviewing and validating the Materiality Matrix, decided to include three more topics for which there are specific oil and gas industry indicators although they are not priority issues. Those topics are:

(09) impacts on communities
(17) waste and effluents, and
(18) energy efficiency.

GRI-G4 Content index

GRI Empowering Sustainable Decisions
Materiality Disclosures
QGEP Participações S.A.
June 2016 Service

GRI G4 Content Index 'in accordance' Comprehensive option – GRI G4-32

Standard General Content	Page	Omissions	Global compact principles
Strategy and analysis			
G4-1	4 and 6	-	
G4-2	44	-	
Organizational profile			
G4-3	12	-	
G4-4	17	-	
G4-5	78 (Corporate Information)	-	
G4-6	12 - Brazil, the Netherlands and Austria	-	
G4-7	12	-	
G4-8	17	-	
G4-9	8 and 10	-	
G4-10	68	-	6
G4-11	69	-	3
G4-12	46 and 66	-	
G4-13	8	-	
G4-14	66	-	
G4-15	55	-	
G4-16	55	-	
Identified material aspects and boundaries			
G4-17	20 and 58	-	
G4-18	70	-	
G4-19	70	-	
G4-20	70	-	
G4-21	70	-	
G4-22	70	-	
G4-23	70	-	
Stakeholder engagement			
G4-24	72	-	
G4-25	72	-	
G4-26	72	-	
G4-27	72 - QGEP conducted no surveys about indigenous peoples' perspectives and opinions because it performed no operating activities in 2015.	-	

Standard General Content	Page	Omissions	Global compact principles
Report profile			
G4-28	70	-	
G4-29	70	-	
G4-30	70	-	
G4-31	70	-	
G4-32	74	-	
G4-33	70	-	
Governance			
G4-34	56	-	
G4-35	60	-	
G4-36	60	-	
G4-37	40 and 58	-	
G4-38	58, 60 and 61	-	
G4-39	58	-	
G4-40	58	-	
G4-41	58	-	
G4-42	16	-	
G4-43	16	-	
G4-44	16	-	
G4-45	16 and 58	-	
G4-46	16 and 58	-	
G4-47	67	-	
G4-48	70	-	
G4-49	58	-	
G4-50	60	-	
G4-51	56, 60 and 69	-	
G4-52	58	-	
G4-53	56 and 60	-	
G4-54	60 - The Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country: 5.38	-	
G4-55	60 - Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country: 0.70.	-	
Ethics and integrity			
G4-56	13	-	10
G4-57	63	-	10
G4-58	64	-	10

Economic

Specific Standard Disclosures	Form of management and indicators	Page	Omissions	Global compact principles
Categoria: econômica				
Economic performance	G4-DMA	32	-	
	G4-EC1	36	-	
	G4-EC2	50	-	7
	G4-EC3	69	-	
	G4-EC4	37	-	
Environment				
Energy	G4-DMA	49	-	
	G4-EN3	49	-	7 | 8
	G4-EN4	49	-	8
	G4-EN5	49	-	8
	G4-OG2	49		
	G4-OG3	49		
	G4-EN6	49	-	8 | 9
	G4-EN7	49	-	8 | 9
Biodiversity	G4-DMA	52	-	
	G4-EN11	17 and 52	-	8
	G4-EN12	52	-	8
	G4-EN13	52	-	8
	G4-EN14	52	-	8
Emissions	G4-DMA	50	-	
	G4-EN15	50	-	7 | 8
	G4-EN16	50	-	8
	G4-EN17	50	-	8
	G4-EN18	50	-	8
	G4-EN19	50	-	8 | 9
	G4-EN20	50	-	7 | 8
	G4-EN21	50	-	7 | 8
Effluents and Waste	G4-DMA	50	-	
	G4-EN22	50	-	8
	G4-EN23	51	-	8
	G4-EN24	44	-	8
	G4-OG5	49 and 50		
	G4-OG6	26		
	G4-OG7	50		
	G4-EN25	51	-	8
	G4-EN26	50	-	8
Products and Services	G4-DMA	52	-	
	G4-EN27	52	-	7 | 8 | 9
	G4-OG8	QGEP has no refineries, nor does it sell fuel.		
	G4-EN28	17	-	8
Transport	G4-DMA	44		
	G4-EN30	44		8
Overall	G4-DMA	48	-	
	G4-EN31	48	-	7 | 8 | 9

Specific Standard Disclosures	Form of management and indicators	Page	Omissions	Global compact principles
SOCIAL				
Human rights				
Investments	G4-DMA	64	-	
	G4-HR1	64	-	2
	G4-HR2	63	-	1
Indigenous rights	G4-DMA	54	-	
	G4-HR8	54 - there were no cases of violation of indigenous rights	-	1
	G4-OG9	54	-	
Society				
Local Communities	G4-DMA	54		
	G4-SO1	54		1
	G4-SO2	54		1
	G4-OG10	54		
	G4-OG11	23		
Anticorruption	G4-DMA	56	-	
	G4-SO3	64	-	10
	G4-SO4	63	-	10
	G4-SO5	63	-	10
Oil & Gas Sector Supplement				
Economic				
Reserves	G4-DMA	17	-	
	G4-OG1	26	-	
Environment				
Ecosystem services, including biodiversity	G4-DMA	52	-	
	G4-OG4	52	-	
Society				
Asset integrity and process safety	G4-DMA	44	-	
	G4-OG13	44 and 46	-	
Product Responsibility				
Fossil fuels substitutes	G4-DMA	49	-	
	G4-OG14	49	-	

Corporate Information G4-5

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Credits

GRI consulting and contents,
text, english version and graphic design
globalRI – www.globalri.com.br


queiroz galvão
EXPLORAÇÃO E PRODUÇÃO