



OGX Declares Commerciality in California and Fazenda São José Accumulations in the Parnaíba Basin

OGX PETRÓLEO E GÁS PARTICIPAÇÕES S.A.

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Publicly Held Company – BOVESPA: OGXP3

**– OGX Declares Commerciality in California and Fazenda São José Accumulations in the Parnaíba Basin –
– Identifies the Presence of Hydrocarbons in Wells OGX-34 and OGX-38 –**

Rio de Janeiro, May 17th, 2011 – A OGX Petróleo e Gás Participações S.A. (“OGX”) (Bovespa: OGXP3; OTC: OGXPY.PK), the Brazilian oil and gas company responsible for the largest private sector exploratory campaign in Brazil, announced today that it has presented to the National Petroleum Agency (“ANP”), through its subsidiary OGX Maranhão Petróleo e Gás Ltda., declarations of commerciality for the California and Fazenda São José accumulations discovered in the PN-T-68 block within the Parnaíba Basin.

“These declarations of commerciality in the Parnaíba Basin represent a milestone in the Company’s development in a new exploratory frontier only 20 months after the acquisition of the concessions. With this declaration, we have taken an important step towards production,” stated Paulo Mendonça, General Executive Officer and Exploration Officer for OGX.

OGX has presented to the ANP the declarations of commerciality for the California accumulation, which the new proposed designation is Gavião Azul Field and for the Fazenda São José accumulation that is expected to be designated as the Gavião Real Field, following the Agency’s approval. The development plans for the fields were properly submitted to ANP’s approval by OGX and are still under analysis.

Additionally, the Company today announced that it has identified the presence of hydrocarbons in wells 1-OGX-34-MA and 3-OGX-38-MA, both in the PN-T-68 block within the Parnaíba Basin.

The OGX-34 well, a wildcat well in the Bom Jesus prospect, discovered a net pay of 23 meters of gas in two intervals, within the Poti and Cabeças formation, which is the third accumulation the Company has discovered in the region. The OGX-38 well, the first appraisal well in the Fazenda São José accumulation which was discovered by the OGX-22 wildcat well, encountered a net pay of 43 meters of gas in the Poti formation, surpassing initial volume expectations for this accumulation. The exploration of this well is ongoing.

The California and Fazenda São José accumulations will be OGX’s first natural gas fields. The Company estimates that these fields will reach a production of 5.7 million m³ per day by 2013, which will correspond to a total production of 1.1 Tcf of gas. The natural gas to be produced in this region will be preferentially provided to the power plants to be constructed by MPX Energia S.A., an EBX group company, in association with Petra Energia S.A., both of whom are partners of OGX in the PN-T-68 block.

MPX has already acquired the site to construct a power plant in the PN-T-68 block and has also obtained an installation

license for 1,863 MW, which was granted by the Secretaria Estadual do Meio Ambiente do Estado do Maranhão. In addition, MPX has initiated the environmental licensing process for the development of an additional 1,859 MW in the region.

OGX Maranhão Petróleo e Gás Ltda., an entity controlled by OGX S.A. (66.6%) and MPX Energia S.A. (33.3%), is the operator and holds a 70% stake in this block, with Petra Energia S.A. owning the remaining 30%.

ABOUT OGX

OGX Petróleo e Gás S.A. is focused on oil and natural gas exploration and production, and is conducting the largest private sector exploratory campaign in Brazil. OGX has a diversified, high-potential portfolio, comprised of 29 exploratory blocks in the Campos, Santos, Espírito Santo, Pará-Maranhão and Parnaíba Basins in Brazil, and five exploratory blocks in Colombia, in Middle Magdalena Valley, in Lower Magdalena Valley and in the Cesar-Ranchería basins. The total extension area is approximately 7,000 km² in sea and approximately 34,000 km² in land, with 21,500 km² in Brazil and 12,500 km² in Colombia. OGX possesses an experienced management team and holds a solid cash position, with approximately US\$ 2.9 billion in cash (as of December, 2010) on hand to fund its E&P investments and new opportunities. In June 2008, the company went public, raising R\$ 6.7 billion, which is to-date the largest amount ever raised in a Brazilian primary IPO. OGX is a member of the EBX Group, an industrial group founded and under the leadership of Brazilian entrepreneur Eike F. Batista, who has a proven track record in developing new ventures in the natural resources and infrastructure sectors. For more information, please visit www.ogx.com.br/ir

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