



OGX Reports Second Quarter 2009 Results

- Poised to Begin Drilling with Maersk on Block BM-S-29 –

– Strong Cash Position of R\$7.9 billion –

August 12th, 2009 – OGX S.A. (Bovespa: OGXP3; OTC: OGXPY) announced its second quarter results today. The following financial and operating information is presented on a consolidated basis, pursuant to Brazilian corporate law, in thousands of *reais* (R\$), unless stated otherwise.

“On the eve of the initiation of our drilling activities, with Maersk on block BM-S -29 as well as on our wholly-owned and operated blocks, we continue to make progress in all aspects of our operation. During the second quarter, we reviewed the 3D seismic data and completed the first phase of interpretation for the southern blocks of the Campos basin. We were encouraged by the results which not only confirmed the geological models originally envisaged, but also helped us to map new prospects,” commented Paulo Mendonça, OGX’s General Executive Officer. “We are awaiting the next DeGolyer and MacNaughton (“D&M”) report in October which we expect will provide further confirmation of the prospective resource potential of our portfolio.”

“We expect to initiate our drilling momentarily on the BM-S-29 block in partnership with Maersk Oil, the operator of the block,” continued Mr. Mendonça. “Our original interest in this block was 50%, but we increased our stake by 15% during the second quarter. Our working interest is now 65%, which is reflective of our positive expectation regarding the potential of this block.”

BM-S-29 will be drilled with the rig Sovereign Explorer, provided by Transocean, which Repsol has been using at block BM-S-48, adjacent to BM-S-29. It is expected that the well 1-MRK-2-SPS will take approximately three months to reach all five mapped targets. Repsol’s recently announced success in finding hydrocarbons in adjacent area to BM-S-29 block reaffirms OGX’s confidence in our prospect.

Second Quarter Highlights:

- OGX obtained an additional 15% of concession rights and obligations in Block BM-S-29, on the Santos Basin. This transaction brought OGX’s participation interest in the Block to 65%; Maersk Oil remains the operator.
- OGX’s Level I Global Depositary Receipts (GDR) started trading on the over-the-counter market under the symbol “OGXPY”. Each common share represents five GDRs. Banco Itaú S.A. was hired as the custodian and Bank of New York Mellon as the depositary institution;
- OGX has built an integrated well engineering, services and operations support center at its Rio de Janeiro headquarters to provide real time communications and support to the rigs during the drilling campaign.



OGX Drilling Campaign

The drilling campaign on our wholly-owned and operated blocks is scheduled to begin in September, with the drilling of the first well in the Vesúvio prospect, on block BM-C-43 in the Campos basin. It is expected that the rig, Ocean Ambassador, provided by Diamond Offshore, will take approximately 45 days to drill for all of the mapped levels. This block is located 85 km away from the coast where the water depth is approximately 140 meters.

In addition, the Company expects to begin drilling four other wells during the second half of 2009. Of the six wells to be drilled in the Campos and Santos basins, it is anticipated that three of them will be completed this year. The required environmental licensing approval process is underway, and licenses are expected to be received according to the original schedule. The equipment required to support the initial drilling program is on schedule and the rigs, Sea Explorer and Ocean Quest, are expected to arrive in September and November, respectively.

OGX developed an integrated well engineering, services and operations support center that will provide the organization with real-time communications and support to the rigs. The support center, provided by Schlumberger and other keys suppliers, which is outfitted with high technology data transmission and unique software will be manned by a group of experts. OGX expects that this powerful resource will positively impact performance. This center not only connects OGX to real-time events at the rig, but also to a global network of experts and technical resources in all matters related to the oil and gas industry.

The Company is required by law to inform the regulatory agency, ANP, of the status of the well and any detection of hydrocarbons. It is OGX's intent to separately make detailed public disclosures to the market of any discoveries deemed to be material by the technical team. In addition, the Company will provide periodic updates pertaining to the drilling campaign in its quarterly earnings releases and on its corporate website.

Upcoming Events

In addition to the drilling campaign mentioned above, D&M will release a new report based on recently obtained 3D seismic data for the Campos basin. The OGX exploratory team has reviewed this data and is comfortable that it will reinforce its position on potential resources and probability of success.

The D&M report will also include a partial review of the new seismic data for the Espirito Santo Basin, based on the data already made available to OGX's interpretation team. It is expected that D&M will begin working on the report by mid-September and will take approximately four weeks to complete it.



Financial Highlights

“Our cash position at the end of the second quarter reached R\$7.9 billion. The appreciation of the Brazilian currency during the quarter increased our cash level in dollar terms from US\$3.37 as of March 31, 2009, to about US\$4.03 billion. We incurred a net loss during the second quarter of R\$148,819 million primarily impacted by financial losses relating to foreign exchange hedging positions amounting to US\$ 780 million. However, during the first six months of the year, we recorded net financial income of R\$136.2 million. Our fixed income investments are yielding approximately 124% of CDI (Interbank rate). We are on budget for our exploratory campaign and will continue to conservatively manage our cash so that we can fully fund our exploratory campaign and initial production,” noted Marcelo Torres, Chief Financial and Investor Relations Officer.

| Main Accounts | 2Q09 | 1Q09 | Variance | YTD09 |
|-------------------------------------|-----------|----------|-----------|----------|
| Net Financial Results | (107,357) | 243,562 | (350,919) | 136,205 |
| Exploration Expenses | (12,594) | (55,510) | 42,916 | (68,104) |
| General and Administrative Expenses | (24,187) | (16,867) | (7,320) | (41,053) |
| Net Loss / Profit | (148,819) | 147,586 | (296,405) | (1,232) |

| Main Accounts | 06/30/2009 | 03/31/2009 | Variance |
|-------------------------------|------------|------------|----------|
| Intangibles | 2,052,672 | 2,040,837 | 11,835 |
| Property, plant and equipment | 16,980 | 13,237 | 3,743 |
| Cash and cash equivalents | 7,854,954 | 7,809,941 | 45,013 |

Net Financial Results

The net financial loss of R\$107.4 million was impacted by losses primarily relating to foreign exchange hedging positions equivalent to R\$315.4 million. During the second quarter, the financial income was R\$208 million.

Exploration Expenses

Included in the first quarter exploration expenses was much of the cost of acquiring the seismic data. During the second quarter, the Company’s activities were focused on the interpretation of the seismic data and thus, the expenses registered during the second quarter decreased.

General and Administrative Expenses

The administrative and general expenses were predominantly impacted by an increase in the number of employees to 110 from 85 at the end of the previous quarter, as well as the expansion in the associated infrastructure to support the Company’s activities.



Net Loss / Profit

The net loss of R\$148.8 million during the second quarter of 2009 was primarily impacted by a decline in the fair market value of derivative instruments and other expenses as mentioned above. The Company registered net loss of R\$ 1.2 million during the first half of 2009.

Intangible Assets/Property, Plant and equipment

Intangible assets represent capitalized expenditures occurring during the start-up period, relating to acquisition of concession rights, minimum work program and well cost. There have been no material changes since the previous quarter.

Cash and Cash Equivalents

Financial income was generated through investing the net resources of the Company in OGX's exclusive investment funds. These resources are managed by the Company through Fundo de Investimento em Cotas de Fundos de Investimento Multimercado Crédito Privado OGX63 (Investment Fund in Quotas of Private Credit Multi-market Investment Funds). On June 30, 2009, the average accumulated gross interest rate for the investment funds was equivalent to 123.67% of the Interbank Deposit Certificate rate (CDI).



| Accounts | 06/30/2009 | 03/31/2009 |
|---------------------------|------------|------------|
| Total Assets | 10,098,974 | 9,942,813 |
| Current Assets | 8,029,322 | 7,888,739 |
| Cash and cash equivalents | 7,854,954 | 7,809,941 |
| Credits | 144,972 | 70,938 |
| Stocks | 7,146 | 0 |
| Others | 22,250 | 7,860 |
| Non-current Assets | 2,069,652 | 2,054,074 |
| Immobilized | 16,980 | 13,237 |
| Intangibles | 2,052,672 | 2,040,837 |

| Accounts | 06/30/2009 | 03/31/2008 |
|---------------------------------|------------|------------|
| Total Liabilities | 10,098,974 | 9,942,813 |
| Current Liabilities | 933,107 | 629,302 |
| Suppliers | 12,731 | 326 |
| Taxes and contributions payable | 29,107 | 25,127 |
| Provisions | 864,308 | 572,141 |
| Others | 26,961 | 31,708 |
| Non-current Liabilities | 1,370 | 196 |
| Related Liabilities | 1,370 | 196 |
| Shareholder's equity | 9,164,497 | 9,313,315 |
| Capital | 8,798,901 | 8,798,901 |
| Revenue reserves | 366,828 | 366,828 |
| Retained earnings | (1,232) | 147,586 |

| P&L | 2Q09 | YTD 09 | 2Q08 | YTD 08 |
|--|------------|------------|------------|------------|
| Operating income (expenses) | | | | |
| General and administrative expenses | (36,781) | (109,157) | (24,317) | (35,933) |
| Financial Income | 208,017 | 523,464 | 34,938 | 86,481 |
| Financial Expenses | (315,374) | (387,259) | (15,361) | (23,894) |
| Profit before income tax and social contribution | (144,138) | 27,048 | (4,740) | 26,654 |
| Provision for income tax and social contribution | (4,681) | (28,280) | (90,959) | (105,088) |
| Net profit | (148,819) | (1,232) | (95,699) | (78,434) |
| Number of shares | 32,319,606 | 32,319,606 | 32,319,606 | 32,319,606 |
| Profit per lot of thousand shares - R\$ | (4.60460) | (0.03812) | (2.96102) | (2.42682) |

**Conference Call Information:**

Thursday, 13th - 12:00h (Brazilian Time); 11:00h (NY Time)

Telephone USA: +1 888-700-0802

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Access Code: OGX

Audio will be available two hours after the conference call on: <http://ri.ogx.com.br/enu/s-10-enu.html>

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ABOUT OGX

OGX Petróleo e Gás SA is focused on oil and natural gas exploration and production in Brazilian offshore sedimentary basins and is Brazil’s largest private sector oil and gas company in terms of offshore exploration area, with around 7,000 km². OGX has a high potential and diversified portfolio, composed of 22 exploratory blocks in the Campos, Santos, Espírito Santo and Pará-Maranhão Basins. OGX counts with a highly successful management team and holds a solid cash position, with more than US\$ 4 billion in cash to fund its E&P investments and new opportunities. In June 2008, the company went public raising R\$6.7 billion, 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/ri