



OGX Reports Third Quarter 2009 Results

- Drilling Initiated with Two Successful Wells –

- New Estimates of Volume Certified by D&M: Net Risked Prospective Resources of 6.7 billion and Net Contingent Resources of 212 million boe –

- US\$ 4.4 billion in cash exceeds exploratory capex needs for over 3 years -

November 11th, 2009 – OGX S.A. (Bovespa: OGXP3; OTC: OGXPY) announced its third 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.

“This has been a very significant period for OGX. In less than two years since the formation of the Company, we were able to initiate our drilling campaign, gain valuable knowledge about our portfolio and already show substantial results,” noted Paulo Mendonça, OGX’s General Executive Officer. “In our first wholly-owned well, OGX-1, in the shallow waters of the Campos Basin, we made a discovery of an estimated 500 million to 1.5 billion barrels of oil which we believe is the beginning of a highly promising campaign in this area. More broadly, we see this discovery as a validation of our geological model and exploration strategy.

“Furthermore, we have taken the information obtained through the drilling of OGX-1 and turned it over to our technical team for additional analysis. We expect that they will refine the interpretation of the seismic data for the Campos basin taking into consideration this new knowledge, further reducing the exploratory risk associated with the next prospects to be drilled,” added Mr. Mendonça.

Third Quarter and Subsequent Events:

- On August 16th, drilling was initiated on well 1-MRK-2A-SPS, located in the BM-S-29, block in the shallow waters of the Santos Basin where indications of oil and gas were found. OGX holds a 65% working interest while Maersk Oil, the operator, holds 35%;
- On September 17th, drilling was initiated on well 1-OGX-1-RJS, located in the BM-C-43 block, in the shallow waters of the southern part of the Campos Basin. The drilling of this first well was concluded in less than a month and resulted in a discovery of an estimated 500 million to 1.5 billion barrels of recoverable oil;
- On October 22nd, drilling was initiated on well 1-OGX-2-RJS, located in the BM-C-41 block, in the shallow waters of the southern part of the Campos basin. Drilling in this block is still in progress;
- OGX acquired a 70% participation in each of seven exploratory onshore blocks in the Parnaíba Basin, in the state of Maranhão. This Basin is considered a high potential new frontier for onshore gas production, as the drilling of a well there in 1987 confirmed the presence of hydrocarbons. In parallel to this acquisition, OGX signed a Memorandum of Understanding with MPX Energia S.A. (“MPX”), an EBX Group Company focused on power generation. The objective of this agreement is to formalize the transfer, subject to ANP



approval, of OGX's participation to a new special purpose vehicle in which OGX and MPX would hold respectively 66.7% and 33.3% interests, as well as the intention of executing an agreement for the sale of the gas to be produced;

- OGX's controlling shareholder, Chairman and CEO, Mr. Eike Batista, acquired an additional 1.5% stake in OGX through the purchase of 2,423,975 global depositary receipts (GDRs), representing 484,795 common shares, increasing his overall ownership position to approximately 62%;
- Secured a fifth drilling rig, Ocean Star, from Diamond Offshore Netherlands B.V. This decision reflects the Company's positive outlook regarding the potential of OGX's prospects supported by additional analysis of the 3D seismic data, as well as recent successes in the drilling campaign;
- Cash position at the end of the third quarter reached US\$4.4 billion (R\$7.8 billion)

DeGolyer & MacNaughton Report

On November 9th, we disclosed the results of two reports prepared by DeGolyer & MacNaughton (D&M) which certify the new estimates of OGX's potential resources. The Prospective Resource Report certifies our net risked prospective resources at 6.7 billion barrels of oil equivalent ("boe") and the Contingent Resources Report, certified net contingent resources at 212 million boe. Both reports were prepared with information available as of September 30th 2009.

D&M has over 70 years of experience as a leading consultant in reserve certification for the oil and natural gas industry with extensive knowledge of the Brazilian sedimentary basin. D&M was responsible for our first appraisal report in March of 2008 which estimated 4.8 billion boe of net risked resources with an average probability of success of 27% based primarily on 2D seismic data.

The newly-issued Prospective Resource Report, which replaces the previously issued report from March of 2008, certified our risked resources at 6.7 billion boe for the entire portfolio with an average probability of success of 34.5%. This report was based on recently acquired seismic data for the five blocks located in the southern part of the Campos basin and for the five blocks in the Espírito Santo basin. This report also includes preliminary volume estimates based on a few existing seismic lines in the onshore blocks recently acquired in the Parnaíba basin, in the Maranhão state.

The Contingent Resources Report certified our net contingent resources at 212 million boe in the Parnaíba Basin, based on data derived from a well drilled in 1987 on block PN-T-68, where hydrocarbons were discovered.



The table below shows the new numbers:

In million of boe

Basin	Blocks	Total Unrisked Resources ⁽¹⁾	Probability of Success ⁽²⁾	Total Risked Resources	OGX Risked Resources	Total Contingent Resources	OGX Contingent Resources
Campos	7	9,350	44.1%	4,124	3,693	-	-
Santos	5	6,659	27.0%	1,796	1,688	-	-
Espírito Santo	5	5,017	32.6%	1,634	817	-	-
Pará-Maranhão	5	2,104	21.3%	447	447	-	-
Parnaíba	7	186	19.9%	37	26	303	212
Total	29	23,317	34.5%	8,039	6,672	303	212

(1) Gross Prospective Resources

(2) Pg = Probability of geological success

OGX Drilling Campaign

The drilling campaign on our wholly-owned and operated blocks was initiated on September 17th with the drilling of well 1-OGX-1 in block BM-C-43 in shallow waters of the southern part of the Campos Basin. The rig Ocean Ambassador took 27 days to drill all mapped targets and encountered an oil column of over 200 meters and sandy reservoirs (net pay) of 57 meters. Based on the well information and existing 3D seismic data interpretation, OGX estimates a recoverable oil volume of between 500 million and 1.5 billion barrels.

As a consequence of this excellent result, we have raised the priority given to drilling activity in the Campos Basin during 2009. Data derived from the initial drilling is being evaluated by our technical team in conjunction with the seismic interpretation. This work will improve our understanding and help to “de-risk” future targets.

Drilling of one additional well in the southern part of the Campos Basin has been initiated. Ocean Ambassador, the rig also responsible for drilling of OGX-1, commenced work on well OGX-2 on October 22nd. This well is located on the BM-C-41 block, 77 km from the coast of the Rio de Janeiro state at a water depth of approximately 130 m.

Drilling on BM-S-29 is still in progress, with very promising results so far.

Upcoming Events

For the coming months, we expect to highlight results related to the ongoing drilling activity on wells OGX-2, as well as the initiation of drilling for wells OGX-3, OGX-4 and OGX-5, all located in the Campos Basin. The drilling of well OGX-2, located in block BM-C-41, was initiated on October 22nd and it is estimated that it will take approximately 60 days to reach all of the targets. The drilling of well OGX-3 will be initiated in a few days and it is anticipated that it will also be concluded in about 60 days. It is currently expected that the drilling of the wells OGX-4 and OGX-5 will be initiated in December and concluded in the beginning of 2010.

In the next few months, we expect to acquire new seismic data for the Parnaíba basin, as only a small part of the seven blocks is currently covered by sparse 2D seismic. This new data should increase our

confidence in the mapped prospects and help us to identify new structures. We expect to initiate drilling in this area by mid 2010.

At the Board of Directors meeting held on October 7th, the Board approved a stock split which is subject to approval at the next Shareholders Meeting. The proportion of the split, 100 newly issued shares of OGX stock for one existing OGX share, is intended to promote liquidity and expand the shareholder base. We expect this split to occur in December.

Financial Highlights

“We ended this quarter with R\$7.8 billion in cash, essentially flat with the prior quarter despite having incurred additional charges related to the initiation of our drilling campaign. Interest income on our cash investment associated with an efficient cost management helped us to optimize our financial resources. Our strong cash position is a critical element supporting the implementation of our business plan into the next few years,” noted Marcelo Torres, Chief Financial and Investor Relations Officer.

At the beginning of the Exploratory Campaign, OGX put in place an insurance program to cover risks associated with its operations. OGX purchased the following policies: (i) Property with Maximum Insurance Limit (“MIL”) of US\$ 38 million for both onshore and offshore operations, (ii) Third Party Liability with MIL of US\$ 100 million for each occurrence, and (iii) Control of Well with MIL of US\$ 250 million for the Santos Basin and MIL of US\$ 125 million for the Campos Basin. This coverage is valid for 18 months from September 16th, 2009.

Main Accounts	3Q09	2Q09	Variance	YTD09
Net Financial Results	13,845	(107,357)	121,202	150,050
Exploration Expenses	(12,577)	(12,594)	17	(80,681)
General and Administrative Expenses	(28,547)	(24,187)	(4,360)	(69,600)
Net Loss	(31,856)	(148,819)	116,963	(33,088)

Main Accounts	09/30/2009	06/30/2009	Variance
Intangibles	2,293,958	2,052,672	241,286
Property, plant and equipment	18,898	16,980	1,918
Cash and cash equivalents	7,790,067	7,854,954	(64,887)



Net Financial Results

The net financial gain of R\$ 13.8 million was mainly driven by the financial income of R\$ 180 million in the period, partially offset by the negative impact on the Mark to Market (“MtM”) position in comparison to the previous quarter (R\$ 72.9 million) and the realized losses of the foreign exchange hedge position (R\$ 92.7 million).

Exploration Expenses

Exploration expenses were stable quarter-over-quarter, amounting to R\$ 12.6 million. In this quarter, our activities were more focused on the interpretation of the seismic data and the beginning of our drilling campaign.

General and Administrative Expenses

General and administrative expenses were predominantly impacted by an increase in the number of employees to 126. This expansion is associated with the ramping up of our drilling campaign.

Net Loss

The net loss of R\$ 31.9 million during the third quarter was R\$ 117 million lower than that of the previous quarter mainly due to reduced impact of unrealized hedging losses.

Intangible Assets

Intangible assets represent capitalized expenditures occurred during the start-up period, relating to the acquisition of concession rights, minimum work program and well costs related to the exploratory phase. The increase in the third quarter is driven by the initiation of the drilling campaign and the Parnaíba basin farm-in.

Cash and Cash Equivalents

The reduction in Cash and Cash Equivalents was not material (0.8%). Despite the fact that the beginning of the drilling campaign significantly increased payments to suppliers and partners, the financial income generated during the period partially offset this impact. These resources are managed by OGX 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), which invests primarily in fixed income securities of the most solid banks in Brazil. The year-to-date average accumulated gross interest rate for the investment funds was equivalent to 118.74% of the Interbank Deposit Certificate rate (CDI).



Assets	09/30/2009	06/30/2009
Total Assets	10,306,268	10,098,974
Current	7,992,412	8,029,322
Cash and cash equivalents	7,790,067	7,854,954
Recoverable taxes	146,193	144,972
Inventory	39,359	7,146
Others	16,793	22,250
Non-current	2,313,856	2,069,652
Investments	1,000	-
PPE, net	18,898	16,980
Intangibles	2,293,958	2,052,672

Liabilities + Shareholder's Equity	09/30/2009	06/30/2009
Total Liabilities	10,306,268	10,098,974
Current	1,171,082	933,107
Suppliers	13,250	12,731
Taxes and contributions payable	34,096	29,107
Provisions	642,774	552,174
Compensations & benefits	18,028	3,226
Financial instruments - derivatives	381,820	308,908
Others	81,114	26,961
Non-current	2,442	1,370
Related parties	2,442	1,370
Shareholder's equity	9,132,744	9,164,497
Capital	8,799,004	8,798,901
Revenue reserves	366,828	366,828
Retained losses	(33,088)	(1,232)

P&L	3Q09	YTD 09	3Q08	YTD 08
Operating income (expenses)				
Exploration expenses	(12,577)	(80,681)	(18,876)	(35,250)
General and administrative	(28,547)	(69,600)	(15,895)	(35,454)
Financial Income	181,115	704,579	304,249	390,731
Financial expenses	(167,270)	(554,529)	(5,133)	(29,028)
Profit (loss) before income tax and social contribution	(27,279)	(231)	264,345	290,999
(-) Income tax and social contribution	(4,577)	(32,857)	(16,691)	(121,779)
Net profit (loss) for the period	(31,856)	(33,088)	247,654	169,220
Number of shares		32,320,041		32,319,606
Profit (loss) per shares - R\$		(1.0238)		5.2358

**Conference Call Information:**

Thursday, 12th - 10:00h (Brazilian Time); 7:00h (NY Time)

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Access Code: OGX

Webcast: www.ccall.com.br/ogx/3q09.htm

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

The conference call will be held in English with simultaneous translation to Portuguese.

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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 approximately 7,000 km², as well as 21,500 km² onshore area. OGX has a high potential and diversified portfolio, composed of 29 exploratory blocks in the Campos, Santos, Espírito Santo, Pará-Maranhão and Parnaíba Basins. OGX relies on an experienced 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

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