QGOG Constellation S.A. Reports
Full-Year 2012 Results

Luxembourg, March 28, 2013– QGOG Constellation S.A., ("QGOG Constellation" or the "Company") a market leading Brazilian-controlled provider of offshore and onshore oil and gas contract drilling and FPSO services in Brazil, today reported results for the full year ended December 31, 2012.

HIGHLIGHTS

- Net operating revenue increased 37.6% year-over-year to US$806.7 million in 2012, with 100% fleet utilization;
- Revenues from UDW rigs represented 50.3% of total net revenues in 2012 compared to 41.1% in 2011;
- Cash flow provided by operating activities increased 157.2% YoY to US$303.2 million in 2012;
- EBITDA margin expanded to 54.7% in 2012 from 36.1% in 2011;
- Net income was US$131.2 million in 2012 compared to a US$43.5 million loss in 2011;
- The total backlog as of December 31, 2012 was US$10.7 billion, over 3.7 times net debt;
- Average uptime for the ultra-deepwater (UDW) fleet was 91% in 4Q12 and 90% in 2012;
- New onshore contract for QG-I signed with Shell in December 2012.

RECENT EVENTS

- The Company was awarded, through its subsidiary Queiroz Galvão Óleo e Gás S.A., two letters of intent for charter and service agreements for two new FPSOs for the Consortium BM-S-11, operated by Petrobras, on March 22, 2013;
- QGOG Constellation announced on February 7, 2013 the postponement of its IPO, due to market conditions.

MANAGEMENT COMMENTARY

QGOG Constellation's full-year results demonstrate the Company's ability to consistently deliver growth, with strong year-over-year revenue expansion driven by new rigs commencing operations and improved uptime. This, in addition to EBITDA and margin improvement, resulted in a significant increase in cash flow from operating activities and net income of US$131.2 million, representing an inflection point from previous year.

FULL-YEAR 2012 RESULTS

Net operating revenue increased 37.6%, or US$220.4 million, to US$806.7 million in 2012 when compared to 2011. This increase reflects the contribution of five new rigs that commenced operations in 2011, namely the UDW rigs Lone Star in April and Alpha Star in July and the onshore rigs QG-V, QG-VIII and QG-IX in April 2011, and the repricing of Atlantic Star midwater rig dayrate in July 2011, following its upgrade concluded in February 2011. In addition, the increase in net revenues in 2012 reflects higher uptime of the offshore fleet and the commencement of operations of two UDW drillships, namely Amaralina Star in September and Laguna Star in November. As a result of the commencement of new rigs in 2011 and 2012, the Company's total offshore utilization days increased by 476 to 2,342 during 2012. The rigs that began operations in 2011 contributed US$131.0 million to the overall increase in net operating revenue in 2012 and Atlantic Star midwater rig contributed US$39.9 million. The commencement of operations of Amaralina Star and Laguna Star in 2012 added another US$46.3 million to net revenues.

Average uptime of the UDW rigs significantly improved from 84% in 2011 to 90% in 2012, while deepwater rig uptime remained stable at 94%. Average uptime of the midwater rigs increased to 93% compared to 91% in 2011. Onshore rigs maintained average uptime of 99% in 2012.

Operating costs increased 5.1%, or US$23.9 million, to US$490.0 million in 2012 when compared to 2011, while contract drilling expenses (operating costs excluding depreciation and amortization) decreased 3.9% to US$322.9 million. The increase in operating costs mainly reflects an increase in depreciation of US$37.0 million due to the start of new rigs. In addition, payroll, charges and benefits increased US$18.0 million, or 10.9%, to US$183.0 million, mainly as a result of the commencement of operations of new rigs and an annual inflation adjustment to salaries. Such increase was partially offset by a decrease in material costs.

General and administrative expenses increased to US$49.7 million in 2012 from US$29.8 million in 2011, which is explained by an increase in administrative headcount to support the expansion of operations, annual inflation adjustments to salaries, profit sharing payment linked to financial and corporate performance goals, additional expenses related to the Company's corporate reorganization and different initiatives to enhance corporate governance.

EBITDA increased to US$441.6 million and EBITDA margin expanded to 54.7% in 2012, from US$211.5 million and 36.1%, respectively, in 2011. The improvement was mainly driven by the expansion of the Company's UDW operations and improved operational performance, as well as the negotiation for a higher dayrate for the midwater rig in mid-2011.

Net financial expenses increased 14.7%, or US$17.5 million, to US$136.0 million during 2012. The increase reflects interest expense related to the financing of the Alpha and Lone Star rigs capitalized prior to the commencement of operations of these units, the project bond issued in July 2011 and the US$ 700 million corporate bond issued in November 2012. These factors were partially offset by higher financial income.

Net income totaled US$131.2 million in 2012 compared to a net loss of US$43.5 million in 2011.

CASH FLOW & BALANCE SHEET HIGHLIGHTS

Cash flows provided by operating activities totaled US$303.2 million in 2012 compared to US$117.9 million in 2011, mainly due to new rigs commencing operations and in line with increased EBITDA. Excluding the impact of increased short-term investments and reduced restricted cash, cash flow provided by operating activities would have been US$363.8 million. The remaining difference between EBITDA and cash flow provided by operating activities mainly reflects changes in working capital.

Capital expenditures recorded as cash flow from investing activities totaled US$ 1,017.3 million in 2012, compared to US$230.2 million in 2011. The increase was mainly due to milestone payments in connection with the construction of the Amaralina Star and Laguna Star rigs, amounting to US$942.5 million, and payments in connection with the new ultra-deepwater drillship under construction, through one of our subsidiaries, at Samsung Heavy Industries (SHI).

Total cash (which includes cash and cash equivalents, short-term investments and restricted cash) increased to US$458.3 million as of December 31, 2012 compared to US$353.9 million as of December 31, 2011. As of December 31, 2012, debt totaled US$3.4 billion, consisting of US$567.9 million of short-term debt (including US$443.8 million of the current portion of long-term debt) and US$2.8 billion of long-term debt. Net debt increased US$870.7 million to US$2.9 billion mainly due to Amaralina Star and Laguna Star loan facilities, and the corporate bond of US$ 700 million issued in November 2012, which were partially offset by the decrease in working capital loans of US$283.9 million.

ABOUT QGOG CONSTELLATION S.A.

QGOG Constellation is a market leading Brazilian-controlled provider of offshore and onshore oil and gas contract drilling and FPSO services in Brazil through its subsidiary Queiroz Galvão Óleo e Gás S.A. (QGOG). With continuous operations since 1981, QGOG has built an unmatched reputation for excellence in service for onshore and offshore drilling, obtaining ISO 9001, ISO 14001 and OHSAS 18001 certification for its quality management, environmental and safety records and systems.

FORWARD LOOKING STATEMENTS

Matters discussed in this release may constitute forward-looking statements. Forward-looking statements relate to QGOG Constellation's expectations, beliefs, intentions or strategies regarding the future. These statements may be identified by the use of words like "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project," "should," "seek," and similar expressions. Forward-looking statements reflect QGOG Constellation's current views and assumptions with respect to future events and are subject to risks and uncertainties.

The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in QGOG Constellation's records and other data available from third parties. Although QGOG Constellation believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond QGOG Constellation's control, QGOG Constellation cannot assure you that it will achieve or accomplish these expectations, beliefs or projections described in the forward-looking statements contained herein. Actual and future results and trends could differ materially from those set forth in such statements.

Important factors that could cause actual results to differ materially from those discussed in the forward-looking statements include (i) factors related to the offshore drilling market, including supply and demand, utilization and day rates; (ii) hazards inherent in the drilling industry causing personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage, claims by third parties or customers and suspension of operations; (iii) changes in laws and governmental regulations, particularly with respect to environmental or tax matters; (iv) the availability of competing offshore drilling rigs; (v) the performance of our rigs; (vi) our ability to procure or have access to financing and comply with our loan covenants; (vii) our ability to successfully employ our drilling rigs; (viii) our capital expenditures, including the timing and cost of completion of capital projects; and (ix) our revenues and expenses. Due to such uncertainties and risks, investors are cautioned not to place undue reliance upon such forward-looking statements.

Investor Relations
Phone: +352 20 20 2401
ir@qgogconstellation.com
www.qgogconstellation.com/ir

IR Team:

Andrea Azeredo	aazeredo@qgogconstellation.com
Bernardo Guttmann	bguttmann@qgogconstellation.com
Raquel Smolka	rsmolka@qgogconstellation.com

QGOG Constellation– Financial and Operating Highlights

	For the year ended December 31,		
	2012	**2011**	**2010**
Statement of Operations Data:	*(in millions of $, except per share data)*		
Net operating revenue	806.7	586.3	346.8
Operating Costs	(490.0)	(466.1)	(264.5)
Gross profit	316.7	120.2	82.3
General and administrative expenses	(49.7)	(29.8)	(24.7)
Other operating expenses, net	2.5	(11.3)	(34.3)
Operating profit (loss)	269.5	79.1	(23.3)
Financial expenses, net	(136.0)	(118.5)	(76.3)
Share of results of investments	3.8	1.0	6.2
Profit (loss) before taxes	137.3	(38.4)	(46.8)
Taxes	(6.1)	(5.1)	1.5
Profit (loss) for the year	131.2	(43.5)	(45.3)
Profit (loss) per share:			
Basic	0.77	(0.23)	(0.27)
Diluted	0.77	(0.23)	(0.27)
Weighted average common shares outstanding (thousands of common shares):			
Basic	170,477	170,477	170,477
Diluted	170,477	170,477	170,477

	For the year ended December 31,		
	2012	**2011**	**2010**
Other Financial Information:		*(in millions of $)*	
Net income (loss) for the period/year	131.2	(43.5)	(45.3)
(+) Financial costs, net	136.0	118.5	76.3
(+) Taxes	6.1	5.1	(1.5)
(+) Depreciation	168.3	131.3	90.6
EBITDA[1]	441.6	211.5	120.1
EBITDA margin (%) [2]	54.7%	36.1%	34.6%

(1) EBITDA is a non-GAAP measure prepared by us. EBITDA consists of: net income, plus financial costs, net, taxes and depreciation. EBITDA is not a measure defined under IFRS, should not be considered in isolation, does not represent cash flow for the periods indicated and should not be regarded as an alternative to cash flow or net income, or as an indicator of operational performance or liquidity. EBITDA does not have a standardized meaning, and different companies may use different EBITDA definitions. Therefore our definition of EBITDA may not be comparable to the definitions used by other companies. We use EBITDA to analyze our operational and financial performance, as well as a basis for administrative decisions. The use of EBITDA as an indicator of our profitability has limitations because it does not account for certain costs in connection with our business, such as financial costs, net, taxes, depreciation, capital expenses and other related expenses.

(2)EBITDA margin is a non-GAAP measure prepared by us. EBITDA margin is calculated by dividing EBITDA by net operating revenue for the applicable period.

Statement of Financial Position:	As of December 31, 2012	2011	2010
	(in millions of $)		
Cash and cash equivalents	219.6	188.9	84.3
Short-term investments	213.2	138.7	8.5
Restricted cash	25.5	26.3	29.6
Total assets	5,309.2	4,734.1	3,678.5
Total loans and financings	3,415.5	2,440.5	2,006.3
Total liabilities	4,026.5	3,611.7	2,451.5
Shareholders' equity	1,282.7	1,122.4	1,227.0

Statement of Cash Flows:	For the year ended December 31, 2012	2011	2010
	(in millions of $)		
Cash flows provided by (used in) operating activities:			
Net income (loss) for the period	131.2	(43.5)	(45.3)
Adjustments to reconcile net income (loss) to net cash provided by operating activities	297.2	260.7	192.5
Net income after adjustments to reconcile net income (loss) to net cash provided by operating activities	428.4	217.2	147.2
Increase in working capital related to operating activities	(125.2)	(99.3)	(67.8)
Cash flows provided by operating activities	303.2	117.9	79.4
Cash flows used in investing activities	(1,136.3)	(277.8)	(799.9)
Cash flows provided by financing activities	864.0	262.4	739.3
Increase in cash and cash equivalents	30.8	102.5	18.8

Fleet summary report

Offshore Rig	% Interest	Type	Water Depth (ft)	Delivery Date	Dayrate ($/day) December 31, 2012	Contract Expiration Date
Ultra-deepwater						
Alpha Star	100%	DP; SS	9,000	July 2011	431,252	July 2017
Lone Star	100%	DP; SS	7,900	April 2011	348,268	March 2018
Gold Star	100%	DP; SS	9,000	February 2010	354,517	February 2015
Amaralina Star [1]	55%	DP drillship	10,000	September 2012	422,315	September 2018
Laguna Star [1]	55%	DP drillship	10,000	November 2012	422,315	November 2018
Urca	15%	DP; SS	10,000	July 2016	564,413	July 2031
Bracuhy	15%	DP; SS	10,000	January 2018	568,771	January 2033
Mangaratiba	15%	DP; SS	10,000	May 2019	573,158	May 2034
Drillship Nº3	100%	DP drillship	12,000	January 2015	No Contract	No Contract
Deepwater						
Olinda Star	100%	Moored; SS	3,600	August 2009	294,419	August 2014
Midwater						
Alaskan Star	100%	Moored; SS	1,700	December 2010 [2]	308,560	November 2016
Atlantic Star	100%	Moored; SS	2,000	February 2011 [2]	296,693	July 2018

(1) We hold a 55% interest in these drillships through a strategic partnership with Alperton Capital Ltd., or Alperton,. We will receive 100% of the charter and services revenues from these drillships until the repayment in full of loans we have made to Alperton (with a maximum term of 12 years) to fund its related equity contributions.
(2) Delivery date corresponds to the date the upgrade of these rigs was concluded.

Onshore Rig	Type	Drilling Depth Capacity (ft)	Customer	Charter Expiration Date
QG-I	1600HP	16,500	OGX	February 2013[1]
QG-II	1600HP	16,500	Petrobras	January 2014
QG-III	Heli-portable; 1200HP	11,500	Petrobras	April 2014
QG-IV	Heli-portable; 550HP	9,800	Petrobras	April 2014
QG-V	Heli-portable; 1600HP	14,800	Petrobras	April 2015
QG-VI	2000HP	23,000	Petrobras	June 2014
QG-VII	2000HP	23,000	Petrobras	June 2014
QG-VIII	Heli-portable; 1600HP	14,800	HRT	April 2015
QG-IX	Heli-portable; 1600HP	14,800	HRT	April 2015

(1) On December 19, 2012 we signed a contract with Shell to provide onshore drilling services in the São Francisco Basin, Brazil. We expect to begin providing these services during the second half of 2013, after the end of contract with OGX.

FPSO	Status	% Interest	Daily Production Capacity (bbl/day)	Storage Capacity (bbl)	Expected Delivery Date	Charter Expiration Date	Total Contract Amount (in millions of $)[3]
Capixaba	Operating	20%	100,000	1,600,000	May 2006	May 2022	1,774.9
Cidade de Paraty	Construction	20%	120,000	2,300,000	May 2013	April 2033	4,254.2
Cidade de Ilhabela	Construction	12.75% [1]	150,000	2,400,000	September 2014	August 2034	5,220.5
P-63 (Papa Terra) [2] ..	Construction	—	140,000	2,200,000	July 2013	June 2016	89.1

(1) We currently own an equity interest of 12.75% with an option to increase our interest to 25.5% after first oil production.
(2) We own a 40% participation in the operating contract, but not an ownership interest in the asset. The term of the operating contract is 50 months. Petrobras owns this FPSO and no charter agreement exists.
(3) Except in the case of P-63, for which the total contract amount refers to 100% of the amounts to be paid under the service contract, total contract amount refers to 100% of the amounts to be paid under both the charter and corresponding services contract.

Backlog[1]

	2013	2014	2015	2016	2017–2034	Total	%
Ultra-deepwater	722.2	722.2	608.4	640.6	4,502.9	7,196.3	67.0%
Deepwater.............	107.5	63.0	—	—	—	170.5	1.6%
Midwater...............	220.9	220.9	220.9	206.4	167.9	1,037.0	9.7%
FPSOs...................	68.8	128.2	121.8	113.9	1,694.9	2,127.6	19.8%
Onshore................	119.2	66.2	17.2	—	—	202.6	1.9%
Total....................	**1,238,6**	**1,200.5**	**968.3**	**960.9**	**6,365.7**	**10,734.0**	**100.0%**

(1) Contract drilling backlog is calculated by multiplying the contracted operating dayrate by the firm contract period and adding any potential rig performance bonuses, which we have assumed will be paid to the maximum extent provided for in the respective contracts. Our calculation also assumes 100% uptime of our drilling rigs for the contract period; however, the amount of actual revenue earned and the actual periods during which revenues are earned may be different from the amounts and periods shown in the tables below due to various factors, including, but not limited to, stoppages for maintenance or upgrades, unplanned downtime, the learning curve related to commencement of operations of additional drilling units, weather conditions and other factors that may result in applicable dayrates lower than the full contractual operating dayrate. Contract drilling backlog includes revenues for mobilization and demobilization on a cash basis and assumes no contract extensions.

Revenue per asset type

	For the year ended December 31,			% Change	
	2012	2011	2010	2012/ 2011	2011/ 2010
Net revenue per asset type:	*(in millions of $)*				
Ultra-deepwater	405.4	240.8	100.2	164.6	140.3
Deepwater..	91.3	89.3	85.9	2.0	4.0
Midwater	193.2	150.8	91.8	42.4	64.3
Onshore rigs	113.3	105.4	67.6	7.9	55.9
Other	3.5		1.3	3.5	—
Total	806.7	586.3	346.8	216.9	69.1

Operating Statistics

	For the year ended December 31,		
	2012	2011	2010
Uptime by asset type:		*(%)*	
Ultra-deepwater	90	84	89
Deepwater	94	94	92
Midwater	93	90	98
Onshore rigs	99	99	99

	For the three-month period ended			
	March 31, 2012	June 30, 2012	September 30, 2012	December 31, 2012
Uptime:	*(%)*	*(%)*	*(%)*	*(%)*
Ultra-deepwater	78	94	98	91
Deepwater	97	95	98	87
Midwater	88	90	94	100
Onshore rigs	99	99	99	98

	For the year ended December 31,			Change	
	2012	2011	2010	2012/ 2011	2011/ 2010
Utilization days [(1)]:		*(in days)*			
Ultra-deepwater	1,244	813	321	431	492
Deepwater	366	365	365	1	—
Midwater	732	688	472	44	216
Onshore rigs	3,294	2,970	2,004	324	966
Total	5,636	4,836	3,162	800	1,674

(1) Utilization days are derived by multiplying the number of rigs by the days under contract, excluding upgrade periods. Except for certain of our onshore rigs, our rigs are currently under long-term contracts.