QGOG Constellation S.A. Reports
First Quarter 2014 Results

Luxembourg, May 30, 2014– 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 first quarter ended March 31, 2014.

HIGHLIGHTS

- Net operating revenue increased 1.4% year-over-year to US$262.4 million in 1Q14.
- Revenues from ultra-deepwater (UDW) rigs represented 62.2% of total net revenues in 1Q14, up from 60.5% in 1Q13.
- EBITDA increased to US$155.7 million and EBITDA margin expanded to 59.3% in 1Q14 from US$145.1 million and 56.1%, respectively, in 1Q13.
- Net income increased 45.6% to US$80.2 million in 1Q14.
- The total backlog as of March 31, 2014 was US$9.7 billion, 4.0 times net debt.
- Average uptime for the UDW fleet increased to 95% in 1Q14 from 93% in 1Q13.

RECENT DEVELOPMENTS

- On May 9, 2014, a new working capital credit line was contracted with Bradesco amounting to US$150 million. The 3-year credit line will bear interest at an annual rate of LIBOR plus 3.05%. To date, the credit line has not been used.
- On May 26, 2014, the Company signed a contract for the newbuild UDW drillship Brava Star with the consortium BM-S-11, operated by Petrobras S.A. (operator), BG E&P Brasil Ltda. and Petrogal, for operations within the pre-salt area offshore Brazil. The three-year contract is expected to commence by March 31, 2015. Brava Star is a state-of-the-art, seventh-generation drillship that will be capable of operating in water depths of up to 12,000 feet and drilling wells up to 40,000 feet deep.

MANAGEMENT COMMENTARY

First quarter earnings increased significantly year-over-year due to solid operating performance and margin expansion, amid an ongoing focus on our cost structure. We are also pleased to strengthen our partnership with Petrobras and the consortium BM-S-11 through the contracting of the Brava Star. We are committed to expanding our ultra-deepwater drilling business and this partnership is an important milestone in the execution of our growth strategy," said Mr. Leduvy Gouvea, CEO of QGOG Constellation.

FIRST QUARTER 2014 RESULTS

Net operating revenue increased 1.4%, or US$3.6 million, to US$262.4 million in 1Q14 when compared to 1Q13. Average uptime of the UDW rigs improved to 95% in 1Q14 from 93% in 1Q13, while deepwater rig uptime increased to 97% in 1Q14 from 90% in 1Q13. Midwater rig uptime was unchanged at 100% in 1Q14, while onshore rigs also maintained stable average uptime of 99% in the first quarter of 2014. The overall rise in net operating revenue was partially offset by a 18.5% appreciation of the average exchange rate of the U.S dollar against the Brazilian Real during the first quarter of 2014 versus 1Q13, which resulted in a 3.8% decrease in net revenues. The Company's offshore fleet had full utilization, operating 720 days during 1Q14, which was in line with 1Q13.

Operating costs decreased 5.2%, or US$7.9 million, to US$143.8 million in 1Q14 when compared to 1Q13. Contract drilling expenses (operating costs excluding depreciation and amortization) decreased 6.5%, or US$6.6 million, to US$96.4 million. The decrease in operating costs was mostly due to a US$4.6 million decline in payroll, charges and benefits, reflecting mainly the year-over-year appreciation of the average exchange rate of the U.S dollar against the Brazilian Real. The currency effect was also the primary driver of a US$2.8 million decrease in material costs in the same period.

General and administrative expenses were stable (+0.8%) at US$11.9 million in 1Q14 versus 1Q13.

EBITDA increased to US$155.7 million and EBITDA margin rose to 59.3% in 1Q14, from US$145.1 million and 56.1%, respectively, in 1Q13. The increase was mainly driven by the improved operational performance of the UDW units and the Company's continued focus on cost control. The exchange rate variation had a small impact of 3.7% on the Company's 1Q14 EBITDA.

Net financial expenses decreased 31.8% year-over-year, or US$13.1 million, to US$28.2 million in 1Q14, primarily due to a US$8.8 million decrease in financial charges on loans and financings and in derivative expenses. This decline mainly reflects the reduction in total debt in the period.

Net income rose to US$80.2 million in 1Q14, up from US$55.1 million in 1Q13.

CASH FLOW & BALANCE SHEET HIGHLIGHTS

Adjusted cash flow provided by operating activities, which excludes the impact of increased short-term investments, totaled US$137.2 million during 1Q14, compared to US$132.4 million in 1Q13, mainly due to increased EBITDA.

Net cash used in investing activities totaled US$38.2 million in 1Q14, compared to US$6.6 million in 1Q13. This increase is mainly explained by capital expenditures of US$16.4 million in 1Q14, compared to US$4.0 million in the same period of 2013, and by investments in partnerships, in the amount of US$14.7 million in 1Q14.

Total cash (which includes cash and cash equivalents, short-term investments and restricted cash) was stable at US$538.9 million as of March 31, 2014, compared to US$539.6 million as of December 31, 2013.

As of March 31, 2014, total debt was US$2.9 billion, consisting of US$692.3 million of short-term debt (including US$567.4 million of the current portion of long-term debt) and US$2.2 billion of long-term debt. Total debt decreased US$65.5 million in the 1Q14, reflecting amortization in the period. Net debt decreased US$64.9 million to US$2.4 billion, mainly reflecting cash generation in the period.

As discussed in Recent Developments, on May 9, 2014 a new working capital credit line agreement was contracted with Bradesco amounting to US$150 million. The 3-year credit line will bear interest at an annual rate of LIBOR plus 3.05%. The Company will also incur a commitment fee of 0.92% p.a. on the unused portion of the credit line. To date, the credit line has not been used.

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

Statement of Operations Data:	For the three–month period ended March 31, 2014	2013	For the year ended December 31, 2013	2012
	(in millions of $, except per share data)			
Net operating revenue	262.4	258.8	1,079.3	806.7
Operating Costs	(143.8)	(151.6)	(623.9)	(490.0)
Gross profit	118.6	107.2	455.4	316.7
General and administrative expenses	(11.9)	(11.8)	(52.2)	(49.7)
Other operating income (expenses), net	0.1	(1.2)	0.2	2.5
Operating profit	106.8	94.2	403.4	269.5
Financial expenses, net	(28.2)	(41.3)	(125.8)	(136.0)
Share of results of investments	1.2	2.1	42.0	3.8
Profit before taxes	79.9	55.0	319.6	137.3
Taxes	0.3	0.1	(11.1)	(6.1)
Profit for the period	80.2	55.1	308.5	131.2
Profit per share:				
Basic	0.41	0.30	1.74	0.77
Diluted	0.41	0.30	1.74	0.77
Weighted average common shares outstanding (thousands of common shares):				
Basic	189,227	170,477	176,539	170,477
Diluted	189,277	170,477	176,539	170,477

Other Financial Information:	For the three–month period ended March 31, (unaudited) 2014	2013	For the year ended December 31, 2013	2012
	(in millions of $)			
Profit for the period/year	80.2	55.1	308.5	131.2
(+) Financial expenses, net	28.2	41.3	125.8	136.0
(+) Taxes	(0.3)	(0.1)	11.1	6.1
(+) Depreciation	47.6	48.8	191.6	168.3
EBITDA(1)	155.7	145.1	637.0	441.6
EBITDA margin (%) (2)	59.3%	56.1%	59.0%	54.7%

(1) EBITDA is a non-GAAP measure prepared by us. EBITDA consists of: net income, plus net financial expensestaxes 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 net financial expenses, 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 March 31, 2014	As of December 31, 2013	As of December 31, 2012
		(in millions of $)	
Cash and cash equivalents	189.9	217.5	219.6
Short-term investments	295.7	283.4	213.2
Restricted cash	53.4	38.7	25.5
Total assets	5,644.8	5,497.2	5,309.2
Total loans and financings	2,937.7	3,003.3	3,415.5
Total liabilities	3,661.0	3,592.3	4,026.5
Shareholders' equity	1,983.8	1,904.9	1,282.7
Net Debt	2,398.7	2,463.7	2,957.2

Statement of Cash Flows:	For the three-month period ended March 31, 2014	For the three-month period ended March 31, 2013	For the year ended December 31, 2013	For the year ended December 31, 2012
		(in millions of $)		
Cash flows provided/used in operating activities:				
Profit for the period	80.2	55.1	308.5	131.2
Adjustments to reconcile net income (loss) to net cash used in operating activities	77.2	91.3	307.9	297.2
Net income after adjustments to reconcile net income (loss) to net cash used in operating activities	157.4	146.4	616.4	428.4
Increase in working capital related to operating activities	(31.2)	(91.9)	(106.7)	(125.2)
Cash flows provided by operating activities	126.2	54.5	509.7	303.2
Cash flows used in investing activities	(38.2)	(6.6)	(216.0)	(1,136.3)
Cash flows provided by (used in) financing activities	(115.5)	(113.9)	(294.0)	864.0
Increase (decrease) in cash and cash equivalents	(27.5)	(66.0)	(0.2)	30.8

Non-GAAP Adjusted Cash Flows:	For the three-month period ended March 31, 2014	For the three-month period ended March 31, 2013	For the year ended December 31, 2013	For the year ended December 31, 2012
		(in millions of $)		
Cash flows provided/used in operating activities	126.2	54.5	509.7	303.2
Impact of short-term investments	(11.0)	(77.9)	(73.4)	(75.8)
Impact of restricted cash	—	—	—	14.2
Adjusted cash flows provided by operating activities	137.2	132.4	583.1	364.8

Fleet summary report

Offshore Rig	% Interest	Type	Water Depth (ft)	Delivery Date	Dayrate ($/day) March 31, 2014	Contract Expiration Date
Ultra-deepwater						
Alpha Star	100%	DP; SS	9,000	July 2011	429,774	July 2017
Lone Star	100%	DP; SS	7,900	April 2011	354,290	March 2018
Gold Star	100%	DP; SS	9,000	February 2010	356,247	February 2015
Amaralina Star (1)	55%	DP drillship	10,000	September 2012	420,869	September 2018
Laguna Star (1)	55%	DP drillship	10,000	November 2012	420,869	November 2018
Urca	15%	DP; SS	10,000	July 2016	528,627	July 2031
Bracuhy	15%	DP; SS	10,000	January 2018	532,674	January 2033
Mangaratiba	15%	DP; SS	10,000	May 2019	536,725	May 2034
Brava Star (3)	100%	DP drillship	12,000	January 2015	-	-
Deepwater						
Olinda Star	100%	Moored; SS	3,600	August 2009	295,237	August 2014
Midwater						
Alaskan Star	100%	Moored; SS	1,700	December 2010 (2)	306,865	November 2016
Atlantic Star	100%	Moored; SS	2,000	February 2011 (2)	295,063	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.
(3) On May 26, 2104 Brava Star contract was signed with a dayrate of $530k/day.

Onshore Rig	Type	Drilling Depth Capacity (ft)	Customer	Charter Expiration Date
QG-I	1600HP	16,500	President Energy	December 2014
QG-II	1600HP	16,500	Petrobras	January 2016(1)
QG-III	Heli-portable; 1200HP	11,500	Petrobras	April 2016(2)
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 2016
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) Subject to early termination from April 2015.
(2) The contract has a stacking period of 180 days within no dayrate is chargeable.

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	Operating	20%	120,000	2,300,000	June 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]	Operating	—	140,000	2,200,000	June 2013	June 2016	89.1
Cidade de Maricá[4]	Construction	5%	150,000	1,600,000	December 2015	November 2035	5,348.0
Cidade de Saquarema[4]	Construction	5%	150,000	1,600,000	January 2016	December 2035	5,273.0

(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.
(4) We currently own an equity interest of 5% with an option to increase our interest to 10% after first oil production.

Backlog[1]

	2014	2015	2016	2017	2018–2034	Total	%
Ultra-deepwater	550.9	615.0	649.3	608.6	3,825.4	6,249.3	64.8%
Deepwater	36.6	-	-	-	-	36.6	0.4%
Midwater	165.5	219.7	205.3	107.7	59.3	757.5	7.8%
FPSOs	112.1	120.3	133.6	134.4	1,969.9	2,470.3	25.6%
Onshore	72.4	48.4	18.9	-	-	139.7	1.4%
Total	**937.5**	**1,003.5**	**1,007.1**	**850.7**	**5,854.5**	**9,653.4**	**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 three-month period ended March 31,		% Change	For the year ended December 31,		% Change
	2014	2013	2014/ 2013	2013	2012	2013/ 2012
Net revenue per asset type:	*(in millions of $)*			*(in millions of $)*		
Ultra-deepwater	161.0	156.6	2.8	663.7	405.4	63.7
Deepwater	23.0	21.2	8.6	92.8	91.3	1.6
Midwater	52.0	52.3	(0.7)	210.6	193.2	9.0
Onshore rigs	22.0	26.7	(17.6)	102.3	113.3	(9.7)
Other	4.4	2.0	122.7	9.9	3.5	182.9
Total	262.4	258.8	1.4	1,079.3	806.7	33.8

Operating Statistics

	For the three-month period ended March 31,		For the year ended December 31,	
	2014	2013	2013	2012
Uptime by asset type:	*(%)*		*(%)*	
Ultra-deepwater	95	93	94	90
Deepwater	97	90	94	94
Midwater	100	100	99	93
Onshore rigs	99	99	99	99

	For the three-month period ended March 31		Change	For the year ended December 31,		Change
	2014	2013	2014/2013	2013	2012	2013/2012
Utilization days [1]:	*(in days)*			*(in days)*		
Ultra-deepwater	450	450	-	1,825	1,244	581
Deepwater	90	90	-	365	366	(1)
Midwater	180	180	-	730	732	(2)
Onshore rigs	720	801	(81)	3,184	3,294	(110)
Total	1,440	1,521	(81)	6,104	5,636	468

(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.