QGOG Constellation S.A. Reports
Third Quarter 2015 Results

Luxembourg, November 24, 2015 – QGOG Constellation S.A. ("QGOG Constellation" or the "Company"), a market leading provider of offshore and onshore oil and gas contract drilling and FPSO services in Brazil, today reported results for the third quarter ended September 30, 2015.

KEY RESULTS

- Net operating revenue was US$263.1 million in 3Q15, a 5.9% decline versus 3Q14. Excluding the depreciation of the Brazilian Real, revenues grew 2.7% year-over-year.
- Revenues from ultra-deepwater (UDW) rigs represented 74.2% of total net revenues in 3Q15, up from 63.4% in 3Q14.
- Average uptime for the UDW fleet was stable year-over-year at 96% in 3Q15.
- EBITDA was US$180.4 million in 3Q15, a 22.0% increase compared with US$147.8 million in 3Q14. The EBITDA margin improved to 68.5% in 3Q15 from 52.8% in 3Q14.
- Net income increased 26.4% year-over-year to US$95.5 million in 3Q15.
- Total backlog as of September 30, 2015 was US$7.8 billion, of which US$3.0 billion relates to the Company's operational offshore fleet.

RECENT DEVELOPMENTS

- In October, 2015, the midwater rig Alaskan Star was certified by the Brazilian National Petroleum Agency (ANP) to meet local content regulations in Brazil, with an index of 37.5%.

THIRD QUARTER 2015 RESULTS

Net operating revenue decreased 5.9% year-over-year to US$263.1 million in 3Q15, versus US$279.8 million in 3Q14. The result primarily reflects the 55.9% year-over-year average depreciation of the Brazilian Real. Excluding the impact of currency translation, revenues increased 2.7% versus 3Q14.

Average uptime of the UDW rigs was stable at 96% in 3Q15, compared with the year-ago period. The commencement of Brava Star's operations contributed US$18.2 million to net revenues. The achievement of a higher dayrate on Gold Star following a contract extension that came into effect in mid-February, 2015, also benefited revenues.

Deepwater rig uptime decreased to 51% in 3Q15 from 87% in 3Q14. The deterioration was mainly due to equipment failure in the slip joint and another incident during crane maneuvering, which resulted in approximately 25 days of downtime. The Olinda Star resumed operations for Petrobras on August 2, 2015, after the conclusion of a scheduled, five-year survey. Midwater rig uptime reached 99% in 3Q15. Average uptime of the onshore rigs reached 100% in the third quarter of 2015.

The Company's offshore fleet utilization increased to 746 days during 3Q15, up from 736 days in 3Q14. The increase is due to the commencement of the Brava Star rig contract with Petrobras on August 18, 2015. Onshore fleet utilization decreased to 276 days in 3Q15, from 765 days in 3Q14.

Contract drilling expenses (operating costs excluding depreciation) decreased 34.9%, or US$42.6 million, to US$79.4 million. The decrease in operating costs was mostly due to a US$22.5 million decline in payroll, charges and benefits, reflecting primarily the year-over-year depreciation of the Brazilian Real. The currency impact, combined with the Company's efforts to streamline the cost structure led to a US$14.4 million decrease in material costs during the period.

General and administrative expenses decreased US$3.6 million to US$8.5 million in 3Q15 versus 3Q14, once again reflecting the currency impact.

EBITDA was US$180.4 million and the EBITDA margin was 68.5% in 3Q15, compared with US$147.8 million and 52.8%, respectively, in 3Q14. The increase in 3Q15 EBITDA was mainly due to a positive exchange rate impact of 8.8%, or US$12.9 million. In addition, the expansion of the Company's UDW operation, following the commencement of Brava Star, and the achievement of a higher dayrate for Gold Star, benefited EBITDA. The overall increase was partially offset by lower utilization of the Company's onshore fleet, which resulted in a US$5.5 million year-over-year decrease in EBITDA.

Net financial expenses increased 20.3% year-over-year, or US$4.9 million, to US$29.3 million in 3Q15, primarily due to a US$3.2 million increase in derivative expenses (mark to market) related to financings of our projects due to the decline in the LIBOR yield curves in September 2015.

Net income increased to US$95.5 million in 3Q15, compared with US$75.6 million in 3Q14.

CASH FLOW & BALANCE SHEET HIGHLIGHTS

Adjusted cash flow provided by operating activities, which excludes the impact of increased short-term investments, totaled US$178.0 million during 3Q15, compared to US$116.8 million in 3Q14. In addition to higher EBITDA, the rise reflects an increase in mobilization income (revenues less costs) for Brava Star in the amount of US$34.4 million. Also, the cash flow provided by operating activities during 3Q14 was impacted by a delay in the collection of receivables totaling US$28.8 million from Petrobras as of September 30, 2014, due to a temporary issue related to documentation. In October 2014, this issue was resolved and the outstanding amount was collected.

Net cash used in the acquisition of property, plant and equipment totaled US$14.4 million in 3Q15, compared to US$25.7 million in 3Q14.

Total cash (which includes cash and cash equivalents, short-term investments and restricted cash) amounted to US$508.7 million as of September 30, 2015, compared to US$403.4 million as of June 30, 2015. Cash available free of liens was US$387 million at the end of the third quarter. Total debt decreased US$56.0 million to US$2.8 billion as of September 30, 2015, compared to June 30, 2015.

Net debt decreased US$161.4 million to US$2.2 billion as of September 30, 2015 compared to June 30, 2015, mainly reflecting cash generation in the period.

As a result of the Company's strong cash generation during 9M15, QGOG's credit metrics improved, resulting in an interest coverage ratio of 6.6x and Net Debt/LTM EBITDA of 3.3x at the end of September compared to 6.0x and 3.4x, respectively, at end of December, 2014.

ABOUT QGOG CONSTELLATION S.A.

QGOG Constellation is a market leading 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 offshore and onshore drilling services, 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.

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QGOG Constellation– Financial and Operating Highlights

	For the three–month period ended September 30,		For the nine-month period ended September 30,	
	2015	2014	2015	2014
Statement of Operations Data:	*(in millions of $, except per share data)*			
Net operating revenue	263.1	279.8	771.7	817.3
Operating Costs	(131.5)	(169.9)	(402.6)	(469.0)
Gross profit	131.6	109.8	369.1	348.3
General and administrative expenses	(8.5)	(12.1)	(27.2)	(36.6)
Other operating income (expenses), net	(0.2)	0.1	(0.7)	0.4
Operating profit	122.9	97.9	341.2	312.1
Financial expenses, net	(29.3)	(24.3)	(78.2)	(81.2)
Share of results of investments	5.2	1.7	18.0	10.0
Profit before taxes	98.8	75.3	281.1	240.9
Taxes	(3.3)	0.3	(15.8)	0.9
Profit for the period	95.5	75.6	265.3	241.8
Profit per share:				
Basic	0.48	0.40	1.31	1.25
Diluted	0.48	0.40	1.31	1.25
Weighted average common shares outstanding (thousands of common shares):				
Basic	189,227	189,227	189,227	189,227
Diluted	189,227	189,227	189,227	189,227

	For the three–month period ended September 30, (unaudited)		For the nine-month period ended September 30, (unaudited)	
	2015	2014	2015	2014
Other Financial Information:	*(in millions of $)*			
Profit for the period/year	95.5	75.6	265.3	241.8
(+) Financial expenses, net	29.3	24.3	78.2	81.2
(+) Taxes	3.3	(0.3)	15.8	(0.9)
(+) Depreciation	52.3	48.2	148.1	143.7
EBITDA (1)	180.4	147.8	507.4	465.8
EBITDA margin (%) (2)	68.5%	52.8%	65.7%	57.0%

(1) EBITDA is a non-GAAP measure prepared by us. EBITDA consists of: net income, plus net financial expenses 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 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 September 30, 2015	As of December 31, 2014	As of December 31, 2013
	(in millions of $)		
Cash and cash equivalents	189.4	147.1	217.5
Short-term investments	297.6	83.5	283.4
Restricted cash	21.7	37.8	38.7
Total assets	5,818.9	5,614.9	5,497.2
Total loans and financings	2,752.2	2,434.7	3,003.3
Total liabilities	3,369.6	3,386.8	3,592.3
Shareholders' equity	2,449.4	2,228.1	1,904.9
Net Debt	2,243.4	2,166.3	2,463.7

Statement of Cash Flows:	For the nine-month period ended September 30, 2015	For the nine-month period ended September 30, 2014	For the year ended December 31, 2014	For the year ended December 31, 2013
	(in millions of $)			
Cash flows provided/used in operating activities:				
Profit for the period	265.3	241.8	348.6	308.5
Adjustments to reconcile net income to net cash used in operating activities	236.1	224.3	282.2	307.9
Net income after adjustments to reconcile net income to net cash used in operating activities	501.5	466.1	630.8	616.4
Decrease (increase) in working capital related to operating activities	(239.4)	65.6	143.6	(106.7)
Cash flows provided by operating activities	262.1	531.7	774.5	509.7
Cash flows used in investing activities	(438.7)	(95.3)	(117.2)	(216.0)
Cash flows provided by (used in) financing activities	220.2	(536.0)	(727.5)	(294.0)
Increase (decrease) in cash and cash equivalents	43.6	(99.6)	(70.3)	(0.2)

Non-GAAP Adjusted Cash Flows:	For the nine-month period ended September 30, 2015	For the nine-month period ended September 30, 2014	For the year ended December 31, 2014	For the year ended December 31, 2013
	(in millions of $)			
Cash flows provided/used in operating activities	262.1	531.7	774.5	509.7
Impact of short-term investments	(224.3)	152.0	195.8	(73.4)
Adjusted cash flows provided by operating activities	486.4	379.7	578.7	583.1

Fleet summary report

Offshore Rig	% Interest	Type	Water Depth (ft)	Delivery Date	Dayrate ($/day) September 30, 2015	Contract Expiration Date
Ultra-deepwater						
Alpha Star	100%	DP; SS	9,000	July 2011	422,365	July 2017
Lone Star	100%	DP; SS	7,900	April 2011	320,557	March 2018
Gold Star	100%	DP; SS	9,000	February 2010	446,647	February 2018
Amaralina Star (1)	55%	DP drillship	10,000	September 2012	413,613	September 2018
Laguna Star (1)	55%	DP drillship	10,000	November 2012	413,613	November 2018
Urca	15%	DP; SS	10,000	July 2016	551,777	July 2031
Bracuhy	15%	DP; SS	10,000	January 2018	556,072	January 2033
Mangaratiba	15%	DP; SS	10,000	May 2019	560,420	May 2034
Brava Star	100%	DP drillship	12,000	August 2015	524,138	August 2018
Deepwater						
Olinda Star(3)	100%	Moored; SS	3,600	August 2009	254,651	December 2015
Midwater						
Alaskan Star	100%	Moored; SS	1,700	December 2010 (2)	293,020	November 2016
Atlantic Star	100%	Moored; SS	2,000	February 2011 (2)	281,750	July 2018

(1) The Company holds 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 August 26, 2014, Petrobras contract extension was signed for a period of 150 days starting on August 1, 2015 and with a dayrate of $257k/day plus performance bonus ($255k/day as of September 30, 2015). The unit resumed operations for Petrobras on August 2, 2015 under a five-month contract.

Onshore Rig	Type	Drilling Depth Capacity (ft)	Customer	Charter Expiration Date
QG-I	1600HP	16,500	—	—
QG-II	1600HP	16,500	Petrobras	July 2015(1)
QG-III	Heli-portable; 1200HP	11,500	Petrobras	April 2016
QG-IV	Heli-portable; 550HP	9,800	—	—
QG-V	Heli-portable; 1600HP	14,800	—	—
QG-VI	2000HP	23,000	Petrobras	June 2016
QG-VII	2000HP	23,000	—	—
QG-VIII	Heli-portable; 1600HP	14,800	—	—
QG-IX	Heli-portable; 1600HP	14,800	—	—

(1) Contract termination on November 08, 2015.

FPSO	Status	% Interest	Daily Production Capacity (bbl/day)	Storage Capacity (bbl)	Expected/ Delivery Date	Charter Expiration Date	Total Contract Amount (in millions of $)(1)
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.....	Operating	12.75%	150,000	2,400,000	November 2014	November 2034	5,220.5
P-63 (Papa Terra) (2)..	Operating	—	140,000	2,200,000	June 2013	June 2016	89.1
Cidade de Maricá(3)....	Construction	5%	150,000	1,600,000	1Q2016	1Q2036	5,348.0
Cidade de Saquarema(3)...........	Construction	5%	150,000	1,600,000	2Q2016	2Q2036	5,273.0

(1) 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.
(2) The Company owns 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.
(3) We currently own an equity interest of 5% with an option to increase our interest to 10% after first oil production.

Backlog(1)

	2015	2016	2017	2018	2019–2036	Total	%
Ultra-deepwater	301.1	980.7	930.4	534.7	2,473.8	5,220.6	67.1%
Deepwater.............	22.9	-	-	-	-	22.9	0.3%
Midwater	52.9	196.3	102.8	56.9	-	408.9	5.2%
FPSOs..................	22.6	123.8	124.6	124.6	1,725.8	2,121.4	27.2%
Onshore	6.4	10.2	-	-	-	16.6	0.2%
Total....................	**405.9**	**1,310.9**	**1,157.8**	**716.2**	**4,199.6**	**7,790.5**	**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 September 30,		% Change	For the nine-month period ended September 30,		% Change
	2015	2014	2015/ 2014	2015	2014	2015/ 2014
Net revenue per asset type:	*(in millions of $)*			*(in millions of $)*		
Ultra-deepwater............................	195.3	177.3	10.2	534.0	512.3	4.2
Deepwater	6.1	21.0	(70.9)	44.3	64.6	(31.5)
Midwater.......................................	51.2	53.7	(4.7)	142.3	159.1	(10.5)
Onshore rigs.................................	8.2	22.3	(63.4)	39.5	66.8	(40.9)
Other	2.4	5.5	(56.5)	11.7	14.5	(18.9)
Total	263.1	279.7	(5.9)	771.7	817.3	(5.6)

Operating Statistics

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2015	2014	2015	2014
Uptime by asset type: [1]	*(%)*		*(%)*	
Ultra-deepwater	96	96	96	95
Deepwater	51	87	82	90
Midwater	99	100	93	100
Onshore rigs	100	99	99	99

	For the three-month period ended September 30,		Change	For the nine-month period ended September 30,		Change
	2015	2014	2015/ 2014	2015	2014	2015/ 2014
Utilization days [2]**:**	*(in days)*			*(in days)*		
Ultra-deepwater	503	462	41	1,408	1,365	43
Deepwater	59	92	(33)	207	273	(66)
Midwater	184	184	-	546	546	-
Onshore rigs	276	765	(489)	1,214	2,239	(1,025)
Total	1,022	1,501	(479)	3,375	4,423	(1,048)

(1) Uptime is derived by dividing (i) the number of days the rigs effectively earned a contractual dayrate by (ii) utilization days. Uptime adjusts for planned downtime, such as rig upgrades and surveys.

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