QGOG Constellation S.A. Reports
First Quarter 2016 Results

Luxembourg, May 30, 2016 – 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 first quarter ended March 31, 2016.

HIGHLIGHTS

- Net operating revenue increased 6.8% year-over-year to US$278.9 million in 1Q16;
- Revenues from ultra-deepwater (UDW) rigs represented 80.2% of total net revenues in 1Q16, up from 65.8% in 1Q15.
- EBITDA increased to US$190.0 million and EBITDA margin expanded to 68.1% in 1Q16, from US$166.1 million and 63.6%, respectively, in 1Q15.
- Net income increased 10% to US$92.3 million in 1Q16.
- The total backlog as of March 31, 2016 was US$4.1 billion of which US$2.4 billion relates to the Company´s operational offshore fleet.
- Average uptime for the UDW fleet was stable at 97%.

RECENT DEVELOPMENTS

- The Lone Star concluded its scheduled 5-year survey in the last week of April on schedule and on budget. The rig resumed operations for Petrobras on April 26, 2016.

- On April 20, 2016 the Company issued a press release stating that its subsidiary Queiroz Galvão Óleo e Gás S.A. received a letter from Petrobras with a request to discuss the terms and conditions of its existing charter and service agreements, as part of an initiative that Petrobras is undertaking with certain of its suppliers.

- In April, 2016, the midwater rig Atlantic Star was certified by the Brazilian National Petroleum Agency (ANP) to meet local content regulations, with an index of 25.6%.

FIRST QUARTER 2016 RESULTS

Net operating revenue increased 6.8%, or US$17.9 million, to US$278.9 million in 1Q16. This increase mainly reflects the commencement of Brava Star operations in the second half of 2015 and contributed US$43.0 million in 1Q16. The increase in revenue was partially offset by the contract end of Olinda Star, a deepwater rig, in December/2015 and a US$ 12.9 million decrease in onshore revenues due to lower utilization. Following minor upgrades, the Olinda Star is expected to recommence operation during the third quarter of 2016 under a contract with Karoon Petróleo e Gás Ltda. The result was also impacted by the 36.5% year-over-year average depreciation of the Brazilian Real versus the U.S. dollar during the first quarter of 2016. Excluding the depreciation of the BRL, revenues would have grown 13.0% year-over-year.

UDW rigs maintained average uptime of 97% in the first quarter of 2016. Average uptime of the midwater rigs increased to 97% in 1Q16 from 88% in the first quarter of 2015. Average uptime of the onshore rigs reached 100% in the 1Q16.

The Company´s offshore utilization was stable and reached 728 during 1Q16. The commencement of the Brava Star offset the stacking days related to Olinda Star after the contract ended in December/2015. Onshore fleet utilization decreased to 182 days in 1Q16 from 540 days in 1Q15.

Contract drilling expenses (operating costs excluding depreciation) decreased 21.4%, or US$21.5million, to US$70.5 million in 1Q16. The decrease in operating costs was mostly due to a US$11.1 million decline in payroll, charges and benefits, reflecting the impact of the year-over-year depreciation of the Brazilian Real, in addition to a decrease in the number of employees in the onshore business and also in the Olinda Star. The currency effect, combined with the Company's efforts to streamline the cost structure led to a US$3.2 million decrease in material costs during the period.

General and administrative expenses increased US$ 1.4 million to US$ 9.7 million in 1Q16 versus 1Q15. The increase is mainly explained by higher consulting and legal expenses related to our internationalization initiatives.

During 1Q16, the Company recognized a non-cash loss of US$12.8 million from asset impairments related to the share of results from its investments in the Sete Brasil project whose shareholders agreed to file for judicial recovery procedure on April 20.
(Note 9 in the March 31, 2016 Financial Statements)

EBITDA increased to US$190.0 million and EBITDA margin rose to 68.1% in 1Q16, from US$166.1 million and 63.6%, respectively, in 1Q15. The increase in 1Q16 EBITDA was mainly due to the expansion of the Company's UDW operation, following the commencement of the Brava Star. EBITDA also benefited from a net positive exchange rate impact of 3.0% or US$5.0 million. The overall increase was partially offset by lower utilization from our deepwater fleet and onshore fleet, in addition to the non-cash losses related to the Sete Brasil project.

Net financial expenses increased 22.3% year-over-year, or US$5.6 million, to US$30.9 million in 1Q16, primarily due to a US$5.4 million increase in financial expenses on loans and financings. This increase mainly reflects the increase in total debt in the period due to the disbursement of the Brava Star project financing in the 2Q15.

Net income increased to US$92.3 million in 1Q16, compared with US$83.9 million in 1Q15.

CASH FLOW & BALANCE SHEET HIGHLIGHTS

Adjusted cash flow provided by operating activities, which excludes the impact of increased short-term investments, totaled US$192.0 million during 1Q16, compared to US$166.1 million in 1Q15. The improvement is mainly due to increased EBITDA.

Net cash used in investing activities totaled US$16.2 million in 1Q16, compared to US$46.7 million in 1Q15. The reduction reflects the higher investments related to the construction of Brava Star incurred in 1Q15.

Total cash (which includes cash and cash equivalents, short-term investments and restricted cash) increased to US$498.8 million as of March 31, 2016, compared to US$423.4 million as of December 31, 2015. Cash available, free of liens, was US$316.2 million at the end of the first quarter.

Total debt decreased US$58.8 million to US$2.6 billion as of March 31, 2016, reflecting the amortization in the first quarter of 2016.

Net debt decreased US$134.2 million to US$2.1 billion as of March 31, 2016 compared to December 31, 2015, mainly reflecting cash generation in the period.

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.

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 three–month period ended March 31,		For the year ended December 31,	
	2016	2015	2015	2014
Statement of Operations Data:	*(in millions of $, except per share data)*			
Net operating revenue	278.9	261.1	1,057.6	1,101.7
Operating Costs	(128.6)	(137.5)	(535.7)	(628.0)
Gross profit	150.3	123.6	521.9	473.7
General and administrative expenses	(9.7)	(8.3)	(43.9)	(56.7)
Other operating income (expenses), net	0.1	(1.3)	(52.3)	7.9
Operating profit	140.7	114.0	425.7	424.8
Financial expenses, net	(30.9)	(25.3)	(108.1)	(106.7)
Share of results of investments	(9.2)	4.2	23.6	26.8
Profit before taxes	100.6	92.9	341.2	344.9
Taxes	(8.2)	(9.0)	(24.2)	3.7
Profit for the period	92.3	83.9	316.9	348.6
Profit per share:				
Basic	0.45	0.41	1.56	1.80
Diluted	0.45	0.41	1.56	1.80
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 March 31, (unaudited)		For the year ended December 31,	
	2016	2015	2015	2014
Other Financial Information:	*(in millions of $)*			
Profit for the period/year	92.3	83.9	316.9	348.6
(+) Financial expenses, net	30.9	25.3	108.1	106.7
(+) Taxes	8.2	9.0	24.2	(3.7)
(+) Depreciation	58.5	47.9	207.3	191.8
EBITDA[(1)]	190.0	166.1	656.5	643.4
EBITDA margin (%) [(2)]	68.1%	63.6%	62.1%	58.4%

(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 March 31, 2016	As of December 31, 2015	As of December 31, 2014
		(in millions of $)	
Cash and cash equivalents	224.6	154.8	147.1
Short-term investments	252.4	246.9	83.5
Restricted cash	21.8	21.7	37.8
Total assets	5,696.9	5,672.2	5,614.9
Total loans and financings	2,562.5	2,621.4	2,434.7
Total liabilities	3,172.8	3,223.8	3,386.8
Shareholders' equity	2,524.1	2,448.4	2,228.1
Net Debt	2,063.7	2,197.9	2,166.3

	For the three-month period ended March 31,		For the year ended December 31,	
Statement of Cash Flows:	**2016**	**2015**	**2015**	**2014**
		(in millions of $)		
Cash flows provided/used in operating activities:				
Profit for the period	92.3	83.9	316.9	348.6
Adjustments to reconcile net income to net cash used in operating activities	105.2	80.4	387.2	282.2
Net income after adjustments to reconcile net income to net cash used in operating activities	197.5	164.3	704.1	630.8
Decrease (increase) in working capital related to operating activities	(9.6)	(119.9)	(196.6)	143.6
Cash flows provided by operating activities	187.9	44.4	507.5	774.5
Cash flows used in investing activities	(22.1)	(28.3)	(483.8)	(117.2)
Cash flows provided by (used in) financing activities	(95.6)	24.6	(16.5)	(727.5)
Increase (decrease) in cash and cash equivalents	70.1	40.8	7.2	(70.3)

	For the three-month period ended March 31,		For the year ended December 31,	
Non-GAAP Adjusted Cash Flows:	**2016**	**2015**	**2015**	**2014**
		(in millions of $)		
Cash flows provided/used in operating activities	187.9	44.4	507.5	774.5
Impact of short-term investments	(4.1)	(121.6)	(172.1)	195.8
Adjusted cash flows provided by operating activities	192.0	166.1	679.6	578.7

Fleet summary report

Offshore Rig	% Interest	Type	Water Depth (ft)	Delivery Date	Dayrate[4] ($/day) March 31, 2016	Contract Expiration Date
Ultra-deepwater						
Alpha Star	100%	DP; SS	9,000	July 2011	425,676	July 2017
Lone Star	100%	DP; SS	7,900	April 2011	387,937	March 2018
Gold Star	100%	DP; SS	9,000	February 2010	474,678	February 2018
Amaralina Star (1)	55%	DP drillship	10,000	September 2012	416,855	September 2018
Laguna Star (1)	55%	DP drillship	10,000	November 2012	416,855	November 2018
Brava Star	100%	DP drillship	12,000	August 2015	564,026	August 2018
Deepwater						
Olinda Star(3)	100%	Moored; SS	3,600	August 2009	-	-
Midwater						
Alaskan Star	100%	Moored; SS	1,700	December 2010 (2)	298,965	November 2016
Atlantic Star	100%	Moored; SS	2,000	February 2011 (2)	287,466	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 December 29, 2015, the Company signed a contract for the deepwater rig Olinda Star with Karoon Petróleo e Gás Ltda. The new contract is expected to commence during the third quarter of 2016, following minor upgrades to the rig in accordance with Karoon's operational standards. The two-well contract can be extended to two additional wells.
(4) The dayrates reflect 100% of the charter and corresponding service contract dayrates and include the applicable performance bonus under each offshore charter and corresponding service contract.

Onshore Rig	Type	Drilling Depth Capacity (ft)	Customer	Charter Expiration Date
QG-I (1)	1600HP	16,500	Amerisur	June 2016
QG-II	1600HP	16,500	-	-
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) On February 15, 2016, the Company signed an agreement to charter and render drilling services for Amerisur Resources PLC and Amerisur S.A. The drilling operations started on April 20, 2016 and shall have a 40 days minimum term. The scope of the agreement includes the drilling of one well in Paraguay. As of today the rig is still drilling under contract.

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	February 2022	1,774.9
Cidade de Paraty	Operating	20%	120,000	2,300,000	June 2013	May 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	November 2016	89.1
Cidade de Maricá[(3)]	Operating	5%	150,000	1,600,000	February 2016	February 2036	5,348.0
Cidade de Saquarema[(3)]	Construction	5%	150,000	1,600,000	July 2016	July 2036	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)]

	2016	2017	2018	2019	2020–2036	Total	%
Ultra-deepwater	743.4	905.9	427.9	-	-	2,077.2	50.8%
Deepwater.............	23.7	-	-	-	-	23.7	0.6%
Midwater...............	146.9	104.9	58.1	-	-	309.9	7.6%
FPSOs...................	80.0	104.5	104.5	104.5	1,274.3	1,667.9	40.8%
Onshore................	7.6	-	-	-	-	7.6	0.2%
Total....................	**1,001.6**	**1,115.4**	**590.5**	**104.5**	**1,274.3**	**4,086.3**	**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. The Company is no longer considering the backlog from Sete Brasil. In December 2015, QGOG Constellation exercised a Put Option whereby it has formalized its intention to cease its ownership interest in the Sete Brasil rigs by transferring its shares to Sete International in accordance with the Shareholders´ Agreement.

Revenue per asset type

	For the three-month period ended March 31,		% Change	For the year ended December 31,		% Change
	2016	2015	2016/ 2015	2015	2014	2015/ 2014
Net revenue per asset type:	*(in millions of $)*			*(in millions of $)*		
Ultra-deepwater	223.8	171.7	30.3%	747.4	688.2	8.6%
Deepwater....................................	0.0	23.3	-	55.8	90.9	-38.6%
Midwater	47.4	43.3	9.5%	193.6	210.2	-7.9%
Onshore rigs	5.9	18.8	-68.6%	46.9	93.8	-50.0%
Other	1.9	4.0	-52.9%	14.0	18.7	-25.1%
Total	278.9	261.1	6.8%	1,057.6	1,101.7	-4.0%

Operating Statistics

	For the three-month period ended March 31,		For the year ended December 31,	
	2016	2015	2015	2014
Uptime by asset type (1):	*(%)*		*(%)*	
Ultra-deepwater	97	97	96	96
Deepwater	-	90	76	92
Midwater	97	88	95	99
Onshore rigs	100	98	99	99

	For the three-month period ended March 31		Change	For the year ended December 31,		Change
	2016	2015	2016/ 2015	2015	2014	2015/ 2014
Utilization days (2):	*(in days)*			*(in days)*		
Ultra-deepwater	546	450	96	1,945	1,825	120
Deepwater	-	90	(90)	299	365	(66)
Midwater	182	180	2	730	730	-
Onshore rigs	182	540	(358)	1,437	2,680	(1,243)
Total	910	1,249	(339)	4,411	5,600	(1,189)

(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. Utilization days consider the impact of scheduled maintenance, reflecting the days without revenue related to planned upgrades and surveys.