QGOG Constellation S.A. Reports
First Quarter 2013 Results

Luxembourg, May 24, 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 three-month period ended March 31, 2013.

HIGHLIGHTS

- Net operating revenue increased 44.9% year-over-year to US$258.8 million in 1Q13;
- Revenues from ultra-deepwater (UDW) rigs represented 60.5% of total net revenues in 1Q13, up from 45.1% in 1Q12;
- EBITDA expanded to US$145.1 million and EBITDA margin expanded to 56.1% in 1Q13 from US$92 million and 51.5%, respectively, in 1Q12;
- Net income increased 112.9% to US$55.1 million in 1Q13, compared to US$25.9 million in the same period of 2012;
- The total backlog as of March 31, 2013 was US$10.5 billion, over 3.6 times net debt;
- Average uptime for the UDW fleet increased to 93% in 1Q13 from 78% in 1Q12;
- The Company signed, 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.

MANAGEMENT COMMENTARY

Net income more than doubled year-over-year due to EBITDA and margin expansion, combined with a 45% increase in net operating revenue. This increase was driven by new ultra-deepwater rigs commencing operations and improved operational performance on certain units, underscoring the Company's ability to consistently deliver growth.

FIRST QUARTER 2013 RESULTS

Net operating revenue increased 45%, or US$80.2 million, to US$258.8 million in 1Q13 when compared to 1Q12. This increase mainly reflects the commencement of operations of Amaralina Star and Laguna Star in September and November 2012, respectively, which contributed US$63.6 million to the increase in 1Q13 revenues. In addition, the increase in net revenues also reflects higher uptime of the offshore fleet. Average uptime of the UDW rigs significantly improved to 93% in 1Q13 from 78% in 1Q12, while deepwater rig uptime decreased to 90% in 1Q13 from 97% in 1Q12 mainly due to an equipment failure on the

Olinda Star rig which was resolved during 1Q13. Average uptime of the midwater rigs increased to 100% in 1Q13 compared to 88% in 1Q12. Onshore rigs maintained average uptime of 99% in the first quarter of 2013. As a result of the commencement of new rigs in 2012, the Company's total offshore utilization days increased by 177 to 450 during 1Q13.

Operating expenses increased 29.5%, or US$34.6 million, to US$151.6 million in 1Q13 when compared to 1Q12. Contract drilling expenses (operating expenses excluding depreciation and amortization) increased 32.3%, or US$25.2 million, to US$103.1 million. The increase in operational expenses was mostly due to the commencement of operations of Amaralina Star and Laguna Star. Payroll, charges and benefits increased by US$14.0 million, reflecting the expansion of the Company's fleet and an annual adjustment to salaries. For the same reason, depreciation and material costs also increased US$9.4 million and US$5.2 million, respectively, in the same period.

General and administrative expenses increased to US$11.8 million in 1Q13 from US$9.8 million in the 1Q12, primarily due to an increase in payroll, charges and benefits explained by an increase in administrative headcount to support the expansion of operations and an annual adjustment to salaries.

EBITDA increased to US$145.1 million and EBITDA margin expanded to 56.1% in 1Q13, from US$92.0 million and 51.5%, respectively, in 1Q12. The improvement was mainly driven by the expansion of the Company's UDW operations, with two new drillships deployed during the second half of 2012, and improved operational performance of the units that started operations in 2011.

Net financial expenses increased 53.3% year-over-year, or US$14.4 million, to US$41.3 million in 1Q13. This increase reflects higher interest expense related to the US$700 million corporate bond issued in November 2012 and to the financing of the Amaralina Star and Laguna Star rigs, which was capitalized prior to the commencement of operation of these units. These factors were partially offset by lower interest expenses on other project financings due to the amortization of these facilities over the year.

Net income totaled US$55.1 million in 1Q13 compared to US$25.9 million in 1Q12.

<u>CASH FLOW & BALANCE SHEET HIGHLIGHTS</u>

Adjusted cash flow provided by operating activities, excluding the impact of increased short-term investment and reduced restricted cash totaled US$ 132.4 million during 1Q13 compared to an adjusted cash flow of US$79.9 million in the same period of 2012, mainly due to rigs commencing operations in 2012, increased EBITDA and the positive impact of decreased trade and other receivables as consequence of contract based VAT reimbursements, amounting to US$36.9 million.

Capital expenditures recorded as cash flow used in investing activities totaled US$4.0 million in 1Q13, compared to US$19.5 million in 1Q12. The decrease is explained by the delivery of two new units in 4Q12 and lower capital expenditures associated with the new builds.

Total cash (which includes cash and cash equivalents, short-term investments and restricted cash) increased to US$477.5 million as of March 31, 2013 compared to US$458.3 million as of December 31, 2012. This increase mainly reflects the higher cash flow from operating activities and lower capital expenditures in the period.

As of March 31, 2013, debt totaled US$3.4 billion, consisting of US$569.9 million of short-term debt (including US$445.0 million of the current portion of long-term debt) and US$2.8 billion of long-term debt. The total debt decreased US$56 million in the 1Q13 reflecting the amortization in the period. As a result, net debt decreased US$75.2 million to US$2.9 billion.

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.

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QGOG Constellation– Financial and Operating Highlights

	For the three–month period ended March 31,		For the year ended December 31,	
	2013	2012	2012	2011
Statement of Operations Data:	*(in millions of $, except per share data)*			
Net operating revenue	258.8	178.6	806.7	586.3
Operating Costs	(151.6)	(117.1)	(490.0)	(466.1)
Gross profit	107.2	61.5	316.7	120.2
General and administrative expenses	(11.8)	(9.8)	(49.7)	(29.8)
Other operating expenses, net	(1.2)	(0.2)	2.5	(11.3)
Operating profit	94.2	51.5	269.5	79.1
Financial expenses, net	(41.3)	(26.9)	(136.0)	(118.5)
Share of results of investments	2.1	1.0	3.8	1.0
Profit (loss) before taxes	55.0	25.6	137.3	(38.4)
Taxes	0.1	0.3	(6.1)	(5.1)
Profit (loss) for the period	55.1	25.9	131.2	(43.5)
Profit (loss) per share:				
Basic	0.30	0.15	0.77	(0.23)
Diluted	0.30	0.15	0.77	(0.23)
Weighted average common shares outstanding (thousands of common shares):				
Basic	170,477	170,477	170,477	170,477
Diluted	170,477	170,477	170,477	170,477

	For the three–month period ended March 31, (unaudited)		For the year ended December 31,	
	2013	2012	2012	2011
Other Financial Information:	*(in millions of $)*			
Profit (loss) for the period/year	55.1	25.9	131.2	(43.5)
(+) Financial expenses, net	41.3	26.9	136.0	118.5
(+) Taxes	(0.1)	(0.3)	6.1	5.1
(+) Depreciation	48.8	39.5	168.3	131.3
EBITDA(1)	145.1	92.0	441.6	211.4
EBITDA margin (%) (2)	56.1%	51.5%	54.7%	36.1%

(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, 2013	As of December 31, 2012	2011
		(in millions of $)	
Cash and cash equivalents	155.4	219.6	188.9
Short-term investments	291.2	213.2	138.7
Restricted cash	30.9	25.5	26.3
Total assets	5,292.9	5,309.2	4,734.1
Total loans and financings	3,359.6	3,415.5	2,440.5
Total liabilities	3,946.0	4,026.5	3,611.7
Shareholders' equity	1,346.9	1,282.7	1,122.4

Statement of Cash Flows:	For the three-month period ended March 31, 2013	2012	For the year ended December 31, 2012	2011
		(in millions of $)		
Cash flows provided/used in operating activities:				
Net income (loss) for the period	55.1	25.9	131.2	(43.5)
Adjustments to reconcile net income (loss) to net cash used in operating activities	91.3	63.6	297.2	260.7
Net income after adjustments to reconcile net income (loss) to net cash used in operating activities	146.4	89.5	428.4	217.2
Increase in working capital related to operating activities	(91.9)	(11.4)	(125.2)	(99.3)
Cash flows provided by operating activities	54.5	78.1	303.2	117.9
Cash flows used in investing activities	(6.6)	(41.5)	(1,136.3)	(277.8)
Cash flows provided by (used in) financing activities	(113.9)	(76.6)	864.0	262.4
Increase (decrease) in cash and cash equivalents	(66.0)	(40.0)	30.8	102.5

Non-GAAP Adjusted Cash Flows:	For the three-month period ended March 31, 2013	2012	For the year ended December 31, 2012	2011
		(in millions of $)		
Cash flows provided/used in operating activities	54.5	78.1	303.2	117.9
Impact of short-term investments	(77.9)	(11.5)	(75.9)	(131.8)
Impact of restricted cash	—	9.7	14.2	3.3
Adjusted cash flows provided by operating activities	132.4	79.9	364.8	246.4

Fleet summary report

Offshore Rig	% Interest	Type	Water Depth (ft)	Delivery Date	Dayrate ($/day) March 31, 2013	Contract Expiration Date
Ultra-deepwater						
Alpha Star	100%	DP; SS	9,000	July 2011	431,859	July 2017
Lone Star	100%	DP; SS	7,900	April 2011	360,272	March 2018
Gold Star	100%	DP; SS	9,000	February 2010	357,972	February 2015
Amaralina Star (1)	55%	DP drillship	10,000	September 2012	422,910	September 2018
Laguna Star (1)	55%	DP drillship	10,000	November 2012	422,910	November 2018
Urca	15%	DP; SS	10,000	July 2016	566,022	July 2031
Bracuhy	15%	DP; SS	10,000	January 2018	570,392	January 2033
Mangaratiba	15%	DP; SS	10,000	May 2019	574,792	May 2034
Brava Star	100%	DP drillship	12,000	January 2015	No Contract	No Contract
Deepwater						
Olinda Star	100%	Moored; SS	3,600	August 2009	295,185	August 2014
Midwater						
Alaskan Star	100%	Moored; SS	1,700	December 2010 (2)	309,103	November 2016
Atlantic Star	100%	Moored; SS	2,000	February 2011 (2)	297,214	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	Shell	November 2013
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

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	548.9	728.5	613.6	645.9	4,537.6	7,074.5	67.3%
Deepwater.............	81.2	63.2	—	—	—	144.3	1.4%
Midwater...............	166.7	221.3	221.3	206.8	168.2	948.3	9.4%
FPSOs...................	63.9	128.6	122.1	114.1	1,697.4	2,126.1	20.2%
Onshore................	92.0	67.8	17.7	—	—	177.5	1.7%
Total....................	**952.7**	**1,209.4**	**974.7**	**966.8**	**6,403.2**	**10,506.7**	**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**
	2013	**2012**	**2013/ 2012**	**2012**	**2011**	**2012/ 2011**
Net revenue per asset type:	*(in millions of $)*			*(in millions of $)*		
Ultra-deepwater	156.6	80.6	94.3	405.4	240.8	68.4
Deepwater....................................	21.2	24.1	(12.2)	91.3	89.3	2.2
Midwater	52.3	42.9	21.9	193.2	150.8	28.1
Onshore rigs	26.7	30.2	(11.4)	113.3	105.4	7.5
Other	2.0	0.8	151.2	3.5	—	100.0
Total	258.8	178.6	44.9	806.7	586.3	37.6

Operating Statistics

	For the three-month period ended March 31,		For the year ended December 31,	
	2013	2012	2012	2011
Uptime by asset type:	*(%)*		*(%)*	
Ultra-deepwater	93	78	90	84
Deepwater	90	97	94	94
Midwater	100	88	93	90
Onshore rigs	99	99	99	99

	For the three-month period ended March 31		Change	For the year ended December 31,		Change
	2013	2012	2012/ 2011	2012	2011	2012/ 2011
Utilization days [(1)]:	*(in days)*			*(in days)*		
Ultra-deepwater	450	273	177	1,244	813	431
Deepwater	90	91	(1)	366	365	1
Midwater	180	182	(2)	732	688	44
Onshore rigs	801	819	(18)	3,294	2,970	324
Total	1,521	1,365	156	5,636	4,836	800

(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.