Constellation Oil Services Holding S.A. Reports Full-Year 2022 Results

Luxembourg, March 31st, 2023 – Constellation Oil Services Holding S.A. ("Constellation" or the "Company") a market leading provider of offshore and onshore oil and gas contract drilling services, today reported results for the full-year 2022.

2022 RESULTS

- Net operating revenue increased 4.9% year-over-year to US$ 406.1 million in 2022;
- Revenues from UDW units represented 75.0% of total net revenues in 2022, down from 78.0% in 2021;
- Net income during the year was US$ 859.3 million in 2022, up from a net loss of US$ 0.4 million in 2021;
- In 2022, the Company recognized an impairment reversal in the aggregate amount of US$ 560.8 million in non-cash adjustments related to our offshore fleet;
- In 2022, the Company recognized a gain on restructuring of US$ 513.2 million following the end of its judicial reorganization;
- Adjusted EBITDA[1] totaled US$ 67.2 million and the adjusted EBITDA margin was 16.5% in 2022, compared to US$ 96.8 million and 25.0% in 2021, respectively;
- The total backlog as of December 31, 2022 was $1.3 billion;
- Average uptime for the UDW fleet was slightly lower year-over-year at 92% in 2022, compared with 93% in 2021;
- The total cash as of December 31, 2022 was US$ 61.3 million, down from a total cash of US$ 100.2 million in 2021.

RECENT DEVELOPMENTS

- During 2022, the Company has assessed its accounting policy for rig inventory components, and carried out comparisons with its peers in the industry. As a consequence of those activities, the previous policy has been improved to no longer recognize such items as inventories. In accordance with the new policy, items that are considered as (i) "spare parts" will be classified as Property, Plant and Equipment and (ii) "consumables" will be expensed when purchased, unless if it is acquired to fulfill a specific agreement and is considered significant in an aggregate basis (which will be

[1] Adjusted EBITDA is a non-GAAP measure prepared by us and consists of: net income, plus net financial expenses taxes, depreciation and some specified non cash adjustments.

classified as Property Plant and Equipment as well and will be depreciated over the duration of the agreement).

The impact of this accounting policy change affected prior years and can be summarized as follows:

a) Consolidated statements of financial position

	December 31, 2021		
	As issued	Adjustment	As restated
Current assets - inventories	36,840	(36,840)	-
Other current assets	176,806	-	176,806
Total current assets	213,646	(36,840)	176,806
Non-current assets – inventories	133,801	(133,801)	-
Non-current assets – property, plant and equipment	1,933,561	-	1,933,561
Other non-current assets	24,651	-	24,651
Total – non-current assets	2,092,013	(133,801)	1,958,212
Total Assets	2,305,659	(170,641)	2,135,018
Total - current Liabilities	206,297	-	206,297
Total - non-current Liabilities	1,823,959	-	1,823,959
Shareholder's Equity – Accumulated Profit / (Loss)	275,403	(170,641)	104,762
Total Liabilities and Shareholder's Equity	2,305,659	(170,641)	2,135,018

	January 01, 2021		
	As issued	Adjustment	As Restated
Current assets – inventories	48,424	(48,424)	-
Other current assets	132,966	-	132,966
Total current assets	181,390	(48,424)	132,966
Non-current assets – inventories	119,048	(119,048)	-
Non-current assets – property, plant and equipment	1,868,406	-	1,868,406
Other non-current assets	27,006	-	27,006
Total – non-current assets	2,014,460	(119,048)	1,895,412
Total Assets	2,195,850	(167,472)	2,028,378
Current Liabilities	174,495	-	174,495
Non-current Liabilities	1,742,734	-	1,742,734
Shareholder's Equity – Accumulated Profit / (Loss)	278,621	(167,472)	111,149
Total Liabilities and Shareholder's Equity	2,195,850	(167,472)	2,028,378

b) Consolidated statement of operations

	December 31, 2021		
	As issued	Adjustment	As restated
Net Operating Revenue	387,037	-	387,037
Cost of Services	(402,848)	2,380	(400,468)
General and administrative expenses	(42,866)	-	(42,866)
Other income/expenses	190,573	(5,539)	185,034
Financial expenses, net	(124,079)	-	(124,079)
Taxes	(5,085)	-	(5,085)
Profit / (Loss) for the year	2,732	(3,159)	(427)

c) Consolidated statements of changes in shareholder's equity

	December 31, 2021		
	As issued	Adjustment	As restated
Share capital	981,200	-	981,200
Share premium	(9,721)	-	(9,721)
Reserves	(145,087)	-	(145,087)
Accumulated profit / (loss)	(550,999)	(170,641)	(721,640)
Total shareholder's equity	275,403	(170,641)	104,762

	January 01, 2021		
	As issued	Adjustment	As restated
Share capital	981,200	-	981,200
Share premium	(9,721)	-	(9,721)
Reserves	(139,127)	-	(139,127)
Accumulated profit / (loss)	(553,731)	(167,472)	(721,203)
Total shareholder's equity	278,621	(167,472)	111,149

d) Consolidated statement of cash flows

	December 31, 2021		
	As issued	Adjustment	As restated
Profit / (Loss) for the year	2,732	(3,159)	(427)
Net cash (used in) / provided by operating activities	60,694	7,906	68,600
Net cash (used in) / provided by investing activities	(16,097)	(4,747)	(20,845)
Net cash (used in) / provided by financing activities	-	-	-
Increase/(Decrease) in cash and cash equivalents	47,330	-	47,330
Cash and cash equivalents and the end of the year	76,306	-	76,306

- On December 13, 2022, the Group announced that the Brava Star drillship had been awarded a contract with Petrobras. This new contract was signed on December 8th, 2022, and the operations are expected to begin until November 2023, with an execution period of 1.095 days. The work scope is in water depths of up to 2,400m and includes several integrated services.

- On January 06, 2023, a share purchase agreement was signed between Serviços de Petróleo Constellation Participações S.A., Serviços de Petróleo Constellation S.A. and Serviços de Petróleo Onshore Constellation S.A. Ltda. and President Energy Investments (Paraguay) where 100% of the shares from Domenica S.A. were sold, including the onshore rig QG-I. On February 02, 2023, the transfer was concluded, amounting to USD 1,039 and the other installment of USD 1,000 is to be paid on February 02, 2024.

- On March 10, 2023, the liquidation of the company Domenica Argentina S.A. was concluded, and the company has ceased to exist.

- On March 12, 2023, Signature Bank was the subject of an intervention by the New York State Department of Financial Services, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. In that connection, the FDIC transferred all the deposits and substantially all of the assets of Signature Bank to Signature Bridge Bank, N.A.. This means that all deposits, regardless of dollar amount, were transferred to Signature Bridge Bank, N.A. and the total balance in the accounts will be available for transactions. All obligations of the bridge banks are backed by the FDIC and the full faith and credit of the U.S. government. This event does not affect our financial position, results of operations, or cash flows for the current reporting period. On March 20, 2023 FDIC announced that has entered into a purchase and assumption agreement for substantially all deposits and certain loan portfolios of Signature Bridge Bank, National Association, by Flagstar Bank, National Association, Hicksville, New York, a wholly owned subsidiary of New York Community Bancorp, Inc., Westbury, New York.

MANAGEMENT COMMENTARY

The year of 2022 was fundamental for Constellation’s future. The conclusion of our financial restructuring, the successfully contract transitions we had during the year, and our fully operational fleet are solid foundations to build upon our industry momentum.

The commodity price remains strong for the Oil and Gas industry. Since 2022 to now, the oil brent price has been consistent above the $ 70 per barrel, which means offshore projects are attractive for E&P companies. In fact, recent fixtures in the offshore drilling segment support our view we are amidst a multi-year upturn in our sector.

In Brazil, we have seen contract activity not only from Petrobras, but also from local and international oil companies, while dayrates have already broken the $ 400 k/day threshold. We believe there is room for a further increase in daily rates in the future, given the lack of available rigs in the region and ANP's goal of increasing oil production, which may result in stronger presence of international peers in the region. However, Constellation has 28 years of experience in offshore drilling in Brazilian waters, and our costs synergy, scalability in operations and deep knowledge of pre-salt operations enable us to be the leading offshore driller in Brazil, a fact that is reflected in numbers - currently, our Company has a market share of approximately 26% in the country. We strategically positioned our assets to future tenders that will take place in a better environment for offshore drillers, as market reports suggest.

We finished 2022 with an expressive US$ 1.3 billion of backlog to be realized until 2026 and 100% of our offshore drilling fleet operating. Both Alpha Star and Olinda Star have contracts terminating in the second and third quarter of 2023, respectively. We believe there are few available rigs with Alpha's specification in the market, and expect future demand for the rig. On Olinda Star, we are studying alternatives for sustainable business opportunities, although being scrapped or sold after its current contract with ONGC is also a possibility.

Moving to the operational front, we knew 2022 would be a challenging year as we had six planned contract transitions amidst a period of supply chain difficulties in the industry. Fortunately, we have a very competent team that managed to successfully adequate the vessels for their new commitments. We had Laguna Star starting its contract with Petrobras in March/22, Olinda Star starting its 502 days' contract for ONGC in May/22, Gold Star and Lone Star contracts with Petrobras commencing in August/22 and September/22, respectively, Amaralina Star starting its operations for Petrobras in October/22, and finally, our semisubmersible rig Alpha Star starting its contract with Enauta also in October/22. So, we are delighted we finished the year with our offshore drilling fleet fully operational, and we have begun to see this achievement turning into cash generation.

To conclude, we would like to share the optimistic sentiment around our industry. We are fully committed to realize full potential of our platform as a business which delivers long-term growth and value creation for our stakeholders.

FULL YEAR 2022 RESULTS

In 2022, net operating revenue increased 4.9%, or US$ 19.1 million, to US$ 406.1 million when compared to 2021. The result was mainly due to the start of new contracts with better economics than their legacy commitments. In addition, the Brava Star rig registered higher utilization in 2022, once its current contract with Petrobras has started in March/21. However, 2022 was a year with contract transition for the majority of our rigs. Laguna Star, Gold Star, Lone Star, Amaralina Star and Alpha Star contracts with Petrobras terminated in

November/21, March/22, April/22, July/22, and September/22, respectively, requiring a certain period of time to prepare for a new contract, which started in 2022. Also, Olinda Star's previous contract with ONGC terminated in December/21 and new contract started in May/22. Additionally, we recorded unplanned downtime during 2022, mainly related to the Brava, Laguna and Olinda rigs, impacting our 2022 revenues.

In 2022, contract drilling expenses (operating costs excluding depreciation) increased 12.2% year-over-year to US$ 280.9 million, compared with US$ 250.3 million in 2021. The year-over-year increase was mainly driven by higher maintenance costs in connection to the adequacy of certain rigs to start new contracts, exchange rate and due to collective agreement with employees, reflecting the inflationary pressure faced by the world and, specially, our industry.

In 2022, general and administrative expenses increased US$ 9.8 million to US$ 52.7 million. The increase in general and administrative expenses was mostly due to costs with financial and legal advisors related to our Judicial Restructuring, which was finalized on June 10, 2022.

In 2022, adjusted EBITDA was US$ 67.2 million, and the adjusted EBITDA margin was 16.5%, compared with US$ 96.8 million and 25.0%, respectively, in 2021. The decrease in adjusted EBITDA was mainly due to a lower offshore fleet utilization in connection with six contract transitions during 2022, which also led to higher adequacy costs. The decrease was partially offset by the start of new contracts with better economics than their legacy commitments, as already mentioned.

Net financial expenses increased 6.8% to US$ 132.5 million in 2022, compared with US$ 124.1 million in 2021. The increase is mainly due to the recognition of a derivative expense amounting US$ 44.0 million related to 1,200 Class D warrants to some Shareholders and Lenders in the context of our financial restructuring.

Net income was US$ 859.3 million in 2022, compared to a net loss of US$ 0.4 million in 2021. The results were mainly impacted by a US$ 513.2 million gain on restructuring following our judicial reorganization and by an impairment reversal of US$ 560.8 million recognized in 2022.

CASH FLOW & BALANCE SHEET HIGHLIGHTS

Cash flow provided by operating activities totaled US$ 41.9 million in 2022, compared to US$ 68.2 million in 2021. The decrease is mainly due to the same factors that explained the adjusted EBITDA reduction.

Net cash used in investing activities totaled US$ 102.4 million in 2022, compared to US$ 20.8 million in 2021.

Total cash (which includes cash and cash equivalents, short-term investments and restricted cash) decreased to US$ 61.3 million as of December 31, 2022, compared to US$ 100.2 million as of December 31, 2021.

Total debt decreased by US$ 991.8 million to US$ 942.2 million as of December 31, 2022, compared to US$ 1,933.9 million as of December 31, 2021.

Net debt decreased by US$ 952.8 million to US$ 880.9 million as of December 31, 2022, compared to US$ 1,833.7 million as of December 31, 2021.

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ABOUT CONSTELLATION OIL SERVICES HOLDING S.A.

Constellation is a market leading provider of offshore and onshore oil and gas contract drilling services through its subsidiary Serviços de Petróleo Constellation S.A. ("Serviços de Petróleo Constellation"). With continuous operations since 1981, Serviços de Petróleo Constellation has built an unmatched reputation for excellence in offshore and onshore drilling services, obtaining ISO 9001, ISO 14001, OHSAS 18001 and API Spec Q2 certifications 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 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 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 Constellation's records and other data available from third parties. Although 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 Constellation's control, 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 drilling units; (vi) our ability to procure or have access to financing and comply with our loans and financings covenants; (vii) our ability to successfully employ our drilling units; (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.

CONTACTS

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

IR Team:

Monique Fares	mfares@theconstellation.com
Gabriel Calvano	gcalvano@theconstellation.com

Constellation– Financial and Operating Highlights

Consolidated Statement of Operations Data:	For the year ended December 31, 2022	2021 (as restated)
	(in millions of US$, except per share amounts)	
Net operating revenue	406.1	387.0
Operating Costs	(429.7)	(400.5)
Gross profit	(23.5)	(13.4)
General and administrative expenses	(52.7)	(42.9)
Other operating income (expenses), net	1,070.1	185.0
Operating profit	993.9	128.7
Financial expenses, net	(132.5)	(124.1)
Share of results of investments	-	-
Profit before taxes	861.4	4.7
Taxes	(2.1)	(5.1)
Profit for the period/year	859.3	(0.4)

Other Financial Information:	For the year ended December 31, (unaudited) 2022	2021 (as restated)
	(in millions of US$)	
Profit/ (loss) for the period/year	859.3	(0.4)
(+) Financial expenses, net	132.5	124.1
(+) Taxes	2.1	5.1
(+) Depreciation	148.9	150.3
EBITDA [1]	1,142.8	279.0
EBITDA margin (%) [2]	281.4%	72.1%
Non-cash adjustments [3]		
Onerous contract provision,net	(1.7)	(2.1)
Impairment	(560.8)	(180.1)
Gain on Restructuring	(513.2)	-
Adjusted EBITDA [1]	67.2	96.8
Adjusted EBITDA margin (%) [2]	16.5%	25.0%

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(1) EBITDA is a non-GAAP measure prepared by us and 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. Adjusted EBITDA is also a non-GAAP measure prepared by us and consists of: net income, plus net financial expenses taxes, depreciation and some specified non cash adjustments.

(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. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by net operating revenue for the applicable period.

(3) In 2022, the Group identified indicators that part of the impairment loss recognized in prior periods of its offshore asset groups may have decreased. Such indicators included recovery in commodity prices and projected day rates. As a result, the Company recognized an impairment reversal of US$ 560.8 million in 2022. On June 10, 2022, the Group entered into Amended and Restated Credit Agreements and also into new arrangements with its creditors that propose to convert part of the debt held by some creditors into the share capital of the Company, with the dilution of original shareholders. The extinguishment of debt in exchange for the Company's own equity instruments on June 10, 2022, has resulted in an estimated gain of USD 513.2 million for the group recognized in the 2nd quarter of 2022. In addition, the Group reversed a provision for onerous contract in the total amount of US$ 1.7 million due to the end of Alpha Star's last contract with Petrobras, which ended on September 14, 2022. In 2021, the Company recognized an impairment reversal in the aggregate amount of US$ 180.1 million in non-cash adjustments related to our offshore fleet. The Company also recognized US$ 2.1 million in non-cash adjustments due to the onerous contract provision reversal related to Alpha Star's contract with Petrobras in 2021.

	For the year ended December 31,		
	2022	**2021 (as restated)**	**2020 (as restated)**
Consolidated Statement of Financial Position:		*(in millions of US$)*	
Cash and cash equivalents	59.5	76.3	34.9
Short-term investments	0.1	4.7	18.0
Restricted cash	1.7	19.2	22.7
Total assets	2,687.2	2,135.0	2,028.4
Total loans and financings	942.2	1,933.9	1,809.1
Total liabilities	1,117.2	2,030.3	1,917.2
Shareholders' equity	1,570.0	104.8	111.1
Net Debt	880.9	1,833.7	1,733.5

	For the year ended December 31,		
	2022	**2021 (as restated)**	**2020 (as restated)**
Consolidated Statement of Cash Flows:		*(in millions of US$)*	
Cash flows provided by/used in operating activities:			
Profit for the year	859.3	(0.4)	(1,245.6)
Adjustments to reconcile net income to net cash used in operating activities	(793.8)	92.6	1,186.1
Net income after adjustments to reconcile net income to net cash used in operating activities	65.5	92.1	(59.5)
Decrease (increase) in working capital related to operating activities	(23.6)	(24.0)	40.9
Cash flows provided by operating activities	41.9	68.2	(18.7)
Cash flows used in investing activities	(102.4)	(20.8)	(25.3)
Cash flows provided by (used in) financing activities	40.8	-	(28.6)
Increase (decrease) in cash and cash equivalents	(19.7)	47.3	(72.6)

Fleet summary report

Offshore Rig	% Interest	Type	Water Depth (ft)	Delivery Date	Customer	Contract Start	Contract End	New Contract Start	New Contract End
Ultra-deepwater									
Alpha Star [2][3]	100%	DP; SS	9,000	July 2011	Enauta	October 2022	May 2023		
Lone Star [2]	100%	DP; SS	7,900	April 2011	Petrobras	September 2022	September 2025		
Gold Star [2]	100%	DP; SS	9,000	February 2010	Petrobras	August 2022	August 2025		
Amaralina Star [4]	100%	DP drillship	10,000	September 2012	Petrobras	October 2022	October 2024		
Laguna Star [5]	100%	DP drillship	10,000	November 2012	Petrobras	March 2022	March 2025		
Brava Star [6]	100%	DP drillship	12,000	August 2015	Petrobras	March 2021	June 2023	August 2023	August 2026
Deepwater									
Olinda Star [7]	100%	Moored; SS	3,600	August 2009 [1]	ONGC	May 2022	September 2023		
Midwater									
Atlantic Star [8]	100%	Moored; SS	2,000	February 2011 [1]	Petrobras	January 2021	January 2024		

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(1) Delivery date corresponds to the date the upgrade of these rigs was concluded.

(2) On July 22, 2019, the Company announced that Alpha Star, Gold Star, and Lone Star were awarded new firm contracts with Petrobras for two years. The operations under Gold Star's, Lone Star's and Alpha Star's contract commenced on February 18, 2020, April 24, 2020 and August 17, 2020, respectively. The Gold Star, Lone Star and Alpha Star's contract ended on March 04, 2022, April 23, 2022 and September 14, 2022, respectively. On January 03, 2022, the Company announced that the Gold and Lone Star rigs had been awarded contracts with Petrobras S.A. ("Petrobras"). Each contract has a total duration of 1095 days and includes a termination for convenience after 365 days subject to a demobilization fee. The jobs are being performed offshore Brazil. The operations under Gold Star contract started on August 09, 2022, while Lone Star's operations commenced on September 14, 2022.

(3) On February 09, 2022, the Company announced that the Alpha Star rig was awarded a contract with Enauta for a campaign at the Atlanta field. The agreement has a firm period of 210 days (3 wells), and operations under the contract commenced on October 27, 2022.

(4) On January 02, 2020, the Company announced that the Amaralina Star was awarded a contract with the consortiums of BM-S-11, BM-S-11A and AIP (Acordo de Individualização de Produção, or Production Individualization Agreement) of Lula, operated by Petrobras. The contract had a firm duration of 730 days. On February 22, 2022, the contract had its first amendment to add additional 19 days to its duration. It was amended again on April 20, 2022, with additional 85 days of backlog, being the new total duration of the contract 834 days. The work was performed in the Santos Basin, located offshore of Brazil, and operations commenced on April 15, 2020, and ended on July 28, 2022. On December 06, 2021, the Company announced a new contract for the Amaralina Star drillship with Petrobras. The job has a total duration of 1095 days, consisting of 730 days of a firm scope plus options to extend the contract in up to 365 days. The work is being performed offshore Brazil, and operations commenced on October 18, 2022.

(5) On July 6, 2021, the group announced that the Laguna Star drillship was awarded a new contract with Petrobras. The contract has a 3-year estimated duration, and includes integrated services, as well as the use of the MPD system. The operations commenced on March 01, 2022.

(6) On January 06, 2021, the Company announced that Brava Star was awarded a contract with Petrobras S.A. ("Petrobras"). The contract has an estimated duration of 810 days and includes a termination for convenience after 180 days subject to a demobilization fee. Work scope is in water depths up to 3,048m, and includes a full integrated package of services plus MPD. The work is being performed offshore Brazil and operations under the contract commenced on March 30, 2021. On December 09, 2022, the Company announced that the Brava Star drillship was awarded a new contract with Petrobras S.A.. The contract has a firm duration of 1095 days plus a mutually agreed option to extend it till the same period, and it is subjected to a mobilization fee. The work scope includes additional integrated services, without MPD, and will be performed in water depths up to 2,400 meters offshore Brazil, with a mobilization window that goes from January 2023 until November 2023.

(7) On January 7, 2022, Olinda Star was awarded a 502 days contract with Oil and Natural Gas Corporation ("ONGC"), an Indian state-owned oil and gas exploration and production company, for operations within an offshore area in India. The operations commenced on May 04, 2022.

(8) On February 05, 2020, the Company announced that the Atlantic Star was awarded a contract with Petrobras S.A.. The contract has a firm duration of 1095 days. The work is being performed in the Campos Basin, located offshore Brazil. The operations commenced on January 06, 2021.

Onshore Rig [1]	Type	Drilling Depth Capacity (ft)	Customer	Charter Expiration Date
QG-II	1600HP	16,500	-	-
QG-IV	Heli-portable; 550HP	9,800	-	-
QG-V	Heli-portable; 1600HP	14,800	-	-
QG-VI	2000HP	23,000	-	-
QG-VII	2000HP	23,000	-	-
QG-VIII [(2)]	Heli-portable; 1600HP	14,800	Eneva S.A.	July 2022
QG-IX	Heli-portable; 1600HP	14,800	-	-

(1) On January 09, 2023, the Group announced that it had agreed to sell the onshore rig "QG-I" for an aggregate purchase price of U.S.$2,000,000. Pursuant to the terms of a share purchase agreement, dated January 6, 2023 (the "SPA"), the Company's wholly-owned subsidiaries, Serviços de Petróleo Constellation S.A., Serviços de Petróleo Constellation Participações S.A., Serviços de Petróleo Onshore Constellation Ltda. (collectively the "Sellers"), will sell to certain third parties 100% of the Seller's interests in the Company's indirect, wholly-owned subsidiary, Domenica S.A., whose sole asset is the onshore rig "QG-I" and related inventory. In accordance with the terms of the SPA, the Purchaser shall pay the Seller, as consideration for the Asset Sale: (i) U.S.$1,000,000 in cash on the closing date of the Asset Sale and (ii) U.S.$1,000,000 in cash on the one-year anniversary of the closing date of the Asset Sale. The consummation of the Asset Sale remains subject to customary conditions precedent, and there is no guarantee that all such conditions will be satisfied. The Company has received consent from the requisite amount of holders of the Company's debt in order to consummate the Asset Sale and the receipt of the related consideration as described above. The Company shall apply the net cash proceeds from the consummation of the Asset Sale following receipt thereof in accordance with the terms of its debt documents.

(2) On July 26, 2021, the Group announced that the onshore drilling rig QG-VIII was awarded a contract with Eneva S.A. This contract for an exploratory campaign in the field of Azulão in Amazonas, commenced on September 15, 2021, and ended on July 12, 2022.

Backlog [(1)]

	(in millions of $)					
	2023	2024	2025	2026	Total	%
Ultra-deepwater.............	432.1	411.1	234.4	100.7	1.178.1	91.0%
Deepwater........................	52.7	-	-	-	52.7	4.1%
Midwater.........................	62.6	0.9	-	-	63.5	4.9%
Onshore...........................	-	-	-	-	-	-
Total.........................	**547.3**	**411.9**	**234.4**	**100.7**	**1.294.3**	100.0%

(1) Contract drilling backlog is calculated by multiplying the contracted operating dayrate by the firm contract period. 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 (unaudited)

Net revenue per asset type:	For the year ended December 31, 2022	2021	% Change 2022/2021
	(in millions of US$)		
Ultra-deepwater	304.5	301.8	0.9%
Deepwater	44.0	31.6	39.5%
Midwater	53.8	52.3	2.9%
Onshore rigs	3.8	1.6	132.4%
Other	-	(0.2)	-
Total	406.1	387.0	4.9%

Operating Statistics (unaudited)

Uptime by asset type [1]:	For the year ended December 31, 2022	2021
	(%)	
Ultra-deepwater	92	93
Deepwater	91	98
Midwater	94	95
Onshore rigs	100	94

Utilization days [2]:	For the year ended December 31, 2022	2021	Change 2022/2021
	(in days)		
Ultra-deepwater	1,700	1,963	(262)
Deepwater	241	328	(87)
Midwater [3]	365	358	7
Onshore rigs	195	104	91
Total	2,501	2,752	(251)

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