Constellation Oil Services Holding S.A. Reports Full-Year 2018 Results

Luxembourg, July 12, 2019 – Constellation Oil Services Holding S.A. ("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 full year 2018.

2018 RESULTS

- Net operating revenue decreased 46.3% year-over-year to US$ 507.9 million in 2018;
- Revenues from UDW units represented 72.9% of total net revenues in 2018, down from 87.8% in 2017;
- In 2018, the Company recognized US$ 260.2 million as other income due to a reversion of non-cash impairment charges based on a more positive outlook for estimated future cash flows mainly related to: (a) the four ultra-deepwater units Alpha Star, Amaralina Star, Gold Star and Lone Star; and (b) the deepwater rig Olinda Star. The Company also recorded US$ 40.8 million of non-cash impairment charges mainly related to: (a) the two ultra-deepwater units Brava Star and Laguna Star; and (b) the three onshore rigs QG-V, QG-VIII and QG-IX. In addition, the Company recorded an impairment loss of US$ 98.9 million on investment in FPSO;
- Adjusted EBITDA totaled US$ 254.6 million and the adjusted EBITDA margin was 50.1%. The result compares with adjusted EBITDA of US$ 634.8 million and an adjusted EBITDA margin of 67.1%, respectively, in 2017;
- Net income during the year was US$ 76.8 million, from a net loss of US$ 1,148.7 in 2017;
- The total backlog as of December 31, 2018 was US$ 1.5 billion, of which US$ 126.7 million relates to the Company's operational offshore drilling fleet;
- Average uptime for the offshore fleet was broadly stable year-over-year at 90% in 2018, compared with 91% in 2017.

RECENT DEVELOPMENTS

- On January 23, 2019, the Atlantic Star offshore drilling charter and service rendering agreements with Petróleo Brasileiro S.A. ("Petrobras") expired;

- On February 11, 2019, the Company announced that the UDW drillship Amaralina Star had been awarded a contract with Total E&P do Brasil Ltda. ("Total"), a subsidiary of Total S.A., for one well intervention with an option for an interception well. The contract had an estimated maximum duration of 140 days. The operations were performed offshore the Brazilian coast, at the Lapa field commencing on February 28, 2019, and the contract expired on April 15, 2019;

- On February 18, 2019, the Laguna Star UDW drillship started operations for its charter and service rendering contract with Enauta Energia S.A. ("Enauta", formerly named Queiroz Galvão Exploração e Produção S.A.);

- On March 7, 2019, the Brava Star drillship commenced operations for its charter and service-rendering contract with Shell Brasil Petróleo Ltda. ("Shell Brasil").

- On June 10, 2019, the Company announced changes in its senior management. Guilherme Lima, former CFO, assumed the CEO position. Camilo McAllister was appointed as CFO as from June 11, 2019, thus succeeding Guilherme Lima.

- On July 2, 2019, the Company announced that it has filed an amended and restated plan (the "Plan") in its judicial recovery ("Recuperação Judicial - RJ") proceeding in Brazil on July 1, 2019. The Plan was approved by approximately 90% of its creditors in amount at the General Creditors Meeting (the *Assembleia Geral de Credores* or "General Meeting") held on June 28, 2019, and was ratified by the RJ Court on July 1, 2019. In connection with the Plan, Constellation entered into a second amended and restated Plan Support and Lock-Up agreement (the "Second A&R PSA") with (i) 100% of the lenders under its project financings consisting of the syndicated secured credit facility with Amaralina Star Ltd. and Laguna Star Ltd. as borrowers and the syndicated secured credit facility with Brava Star Ltd. as borrower; (ii) Banco Bradesco S.A., Grand Cayman Branch, as lender under its working capital facility; (iii) holders of a majority in amount of the 9.00% Cash / 0.50% PIK Senior Secured Notes due 2024 (the "2024 Notes," and the holders of the 2024 Notes, the "Noteholders") issued by the Company pursuant to that indenture dated July 27, 2017, by and among the Company, the subsidiary guarantors party thereto and Wilmington Trust, National Association, as trustee, paying agent, transfer agent and registrar, and (iv) its shareholders. The Company also entered into an Amended and Restated Backstop Commitment Agreement (the "A&R BCA") with the Noteholders that are party to the Second A&R PSA, through which such Noteholders have committed to backstop a rights offering to raise U.S. $27 million of new capital.

- On July 4, 2019, the Company announced that the UDW Laguna Star drillship had been awarded a contract with the consortiums of BM-S-11, BM-S-11 and AIP (*Acordo de Individualização de Produção, or Production Individualization Agreement*) of Lula, operated by Petrobras. The contract has a firm duration of 730 days. The work will be performed in the Santos Basin, located offshore the Brazilian coast, and operations under the contract are expected to commence by the end of October 2019.

- On July 4, 2019, the Company signed an agreement to charter and render onshore drilling services for Eneva S.A. ("Eneva"). The agreement is for the drilling of three wells in Azulão Field (Amazon basin, Brazil), using the onshore drilling rig QG-VIII. The operation is expected to commence by mid-August 2019.

MANAGEMENT COMMENTARY

Despite another challenging year in the offshore drilling industry, Constellation remained focused on expanding its international client portfolio and maintaining its high standards of operational excellence, superior safety and environmental performance while managing its costs. With expanding global and local client relationships, an improved market outlook within the “Golden Triangle” (Brazil, West Africa and Gulf of Mexico), and the commitment by the Brazilian government to enable greater participation by international oil companies and local independent players to further develop the country’s oil and gas potential, we are more optimistic about the expanded opportunities for Constellation. We continue to build a solid foundation to capitalize on the opportunities in the coming years through the hard work of our highly skilled workforce and our approach to a disciplined and integrated management system.

As part of our strategy to further expand our global presence, the Company has launched a new brand image. Now, we are the Constellation, representing our sea of unique stars and the integration of our operations globally.

On the commercial side, we are executing on our diversification plan and announced contracts with major oil and gas exploration and production companies, including Total and Shell, another important achievement in connection with Constellation’s international expansion. We are also committed to enhancing our position within the Brazilian market and strengthened that with the July 4, 2019 announcement of Laguna Star’s contract with Petrobras. We remain confident in our position in several tendering processes in which the Company is currently participating.

During the year, the Company filed an amended plan in its RJ proceeding in Brazil, which was approved by approximately 90% of its creditors in amount at the General Meeting. With the plan approved with overwhelming support of its creditors, the Company’s path to completing its financial restructuring has significantly advanced. Constellation believes that the reorganization plan provides adequate liquidity and is critical to ensure the sustainability and continuity of the Company’s business. The Company expects that this judicial reorganization plan will be concluded during the second half of 2019.

We continue to believe that the offshore drilling industry is in the early stages of a multi-year recovery. The oil price has stabilized and offshore project economics are improving, with higher demand for floating rig capacity and rising day rates, especially in the “Golden Triangle”. The Company is well positioned to take advantage of this expected upturn and build upon the momentum, particularly with exploration activity heating up in Brazil, where Constellation can deliver a high level of operating expertise and a proven track record. Amidst a challenging global market environment for drillers, focus on safe operations, cost containment and capital discipline remain the key priorities. We are confident that a strong new page of our history is about to be written.

FULL YEAR 2018 RESULTS

In 2018, net operating revenue decreased 46.3%, or US$ 437.9 million, to US$ 507.9 million when compared to 2017. The result was due to the expiration of Alpha Star, Gold Star, Lone Star, Brava Star, Amaralina Star and Laguna Star contracts in July 2017, February 2018, March 2018, August 2018, September 2018 and November 2018, respectively. The decrease was partially offset by the commencement of operations of the DW offshore drilling rig Olinda Star in January 2018.

In 2018, contract drilling expenses (operating costs excluding depreciation) decreased 31.8% year-over-year to US$ 206.9 million, compared with US$ 303.3 million in 2017.

In 2018, general and administrative expenses increased US$ 53.1 million to US$ 80.5 million. The increase in general and administrative expenses was mostly due to costs in connection with the financial restructuring discussions and ongoing proceedings.

The Company recognized US$ 260.2 million as other income due to a reversion of non-cash impairment charges mainly related to: (a) the four UDW units Alpha Star, Amaralina Star, Gold Star and Lone Star; and (b) the DW rig Olinda Star. During 2018, the Company also recognized US$ 40.8 million of non-cash impairment charges mainly related to: (a) the two UDW units Brava Star and Laguna Star; and (b) the three onshore rigs QG-V, QG-VIII and QG-IX. In addition, the Company recorded an impairment loss of US$ 98.9 million on investment in FPSO. During 2018, the Company also recorded non-cash losses of: (a) US$ 18.7 million due to the onerous contract provision related to the contract between Brava Star and Shell Brasil; and (b) US$ 3.6 million due to the onerous contract provision related to the contract between Laguna Star and Enauta. In addition, the Company recognized US$ 5.0 million in non-cash adjustments due to a reversal of the onerous contract provision related to the contract between Olinda Star and ONGC. The provision was originally recorded in 4Q17, in the amount of US$ 36.0 million. During 2017, the Company recognized US$ 1,400.5 million in non-cash impairment charges mainly related to: (a) the DW rig Olinda Star; and (b) the six UDW units Alpha Star, Gold Star, Lone Star, Amaralina Star, Laguna Star, and Brava Star.

The reversal of non-cash impairment and the impairment loss for the offshore drilling units were determined based on estimated future cash flows (notes 3.12 and 4.5 to the 2018 year-ended consolidated financial statements of the Company).

In 2018, adjusted EBITDA was US$ 254.6 million and the adjusted EBITDA margin was 50.1%, compared with US$ 634.8 million and 67.1%, respectively, in 2017. The decrease in 2018 adjusted EBITDA was mainly due to the lower utilization of the offshore fleet following the end of the previously mentioned contracts, combined with lower operating performance for our midwater rig.

Net financial expenses decreased 21.6% year-over-year. This result was mainly due to lower financial expenses in the period while financial income was higher year-over-year.

Net financial expenses decreased 8.0% to US$ 107.9 million in 2018 (US$ 117.2 in 2017). This result was mainly impacted by a decrease on loans and financings due to the reduction on the average balance, and a decrease in derivate expenses due to the termination of Lone Star and Alpha Star swap agreements.

In 2018, net income was US$ 76.8 million, compared with a net loss of US$ 1,148.7 million in 2017.

CASH FLOW & BALANCE SHEET HIGHLIGHTS

Net cash used in investing activities (acquisition of property, plant and equipment) totaled US$ 30.0 million in 2018, compared to US$ 80.2 million in 2017. The decrease was mainly due to the investment additions in Amaralina Star, Laguna Star and Olinda Star totaling US$ 28.0 million in 2018, compared with additions of US$ 63.6 million during 2017.

Total cash (which includes cash and cash equivalents, short-term investments and restricted cash) decreased to US$ 178.0 million as of December 31, 2018, compared to US$ 268.8 million as of December 31, 2017. Available cash, free of liens, was US$ 99.4 million at the end of the fourth quarter.

Total debt decreased US$ 180.0 million to US$ 1.5 billion as of December 31, 2018, compared to December 31, 2017.

Net debt decreased US$ 89.2 million to US$ 1.3 billion as of December 31, 2018, compared to December 31, 2017.

ABOUT CONSTELLATION OIL SERVICES HOLDING S.A.

Constellation is a market leading provider of offshore and onshore oil and gas contract drilling and FPSO services in Brazil 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.

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Constellation– Financial and Operating Highlights

Consolidated Statement of Operations Data:	For the year ended December 31, 2018	2017
	(in millions of US$, except per share amounts)	
Net operating revenue	507.9	945.8
Operating Costs	(380.8)	(532.4)
Gross profit	127.1	413.3
General and administrative expenses	(80.5)	(27.5)
Other operating income (expenses), net	129.2	(1,439.7)
Operating profit/ (loss)	175.8	(1,053.9)
Financial expenses, net	(107.9)	(117.2)
Share of results of investments	7.7	22.3
Profit/ (loss) before taxes	75.6	(1,148.8)
Taxes	1.2	0.1
Profit/ (loss) for the period/year	76.8	(1,148.7)
Profit/ (loss) per share:		
Basic	0.38	(5.55)
Diluted	0.38	(5.55)
Weighted average common shares outstanding (thousands of common shares):		
Basic	189,227	189,227
Diluted	189,227	189,227

Other Financial Information:	For the year ended December 31, (unaudited) 2018	2017
	(in millions of US$)	
Profit/ (loss) for the period/year	76.8	(1,148.7)
(+) Financial expenses, net	107.9	117.2
(+) Taxes	(1.2)	(0.1)
(+) Depreciation	174.4	229.9
EBITDA [(1)]	357.9	(801.7)
EBITDA margin (%) [(2)]	70.5%	-84.8%
(+) Non cash adjustments [(3)]	(103.3)	1,436.5
Adjusted EBITDA [(1)]	254.6	634.8
Adjusted EBITDA margin (%) [(2)]	50.1%	67.1%

(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 2018, the Company recognized US$ 260.2 million as other income due to a reversion of non-cash impairment charges mainly related to: (a) the four UDW units Alpha Star, Amaralina Star, Gold Star and Lone Star; and (b) the DW rig Olinda Star. During 2018 the Company also recognized US$ 40.8 million of non-cash impairment charges mainly related to: (a) the two UDW units Brava Star and Laguna Star; and (b) the three onshore rigs QG-V, QG-VIII and QG-IX. In addition, the Company recorded an impairment loss of US$ 98.9 million on investment in FPSO. During 2018, the Company also recorded non-cash losses of: (a) US$ 18.7 million due to the onerous contract provision related to the contract between Brava Star and Shell Brasil; and (b) US$ 3.6 million due to the onerous contract provision related to the contract between Laguna Star and Enauta. In addition, the Company recognized US$ 5.0 million in non-cash adjustments due to a reversal of the onerous contract provision related to the contract between Olinda Star and ONGC. The provision was originally recorded in 4Q17, in the amount of US$ 36.0 million. During 2017, the Company also recognized US$ 1,400.5 million in non-cash impairment charges mainly related to: (a) the DW rig Olinda Star; and (b) the six UDW units Alpha Star, Gold Star, Lone Star, Amaralina Star, Laguna Star, and Brava Star. The impairment loss for the offshore drilling units was determined based on estimated future cash flows (notes 3.12 and 4.5 to the 2018 year-ended consolidated financial statements of the Company).

	As of December 31,		
	2018	**2017**	**2016**
Consolidated Statement of Financial Position:	*(in millions of US$)*		
Cash and cash equivalents	109.4	216.3	293.2
Short-term investments	26.0	13.5	113.9
Restricted cash	42.6	39.0	43.2
Total assets	3,063.2	3,586.7	5,280.5
Total loans and financings	1,475.2	1,655.2	2,195.7
Total liabilities	1,643.7	2,197.9	2,752.3
Shareholders' equity	1,419.5	1,388.8	2,528.1
Net Debt	1,297.2	1,386.4	1,745.4

	For the year ended December 31,		
Consolidated Statement of Cash Flows:	**2018**	**2017**	**2016**
	(in millions of US$)		
Cash flows provided by/used in operating activities:			
Profit for the year	76.8	(1,148.7)	159.6
Adjustments to reconcile net income to net cash used in operating activities	121.5	1,708.7	594.5
Net income after adjustments to reconcile net income to net cash used in operating activities	198.4	560.0	754.1
Decrease (increase) in working capital related to operating activities	28.3	117.8	162.5
Cash flows provided by operating activities	226.6	677.8	916.6
Cash flows used in investing activities	(25.3)	(71.0)	(71.9)
Cash flows provided by (used in) financing activities	(304.6)	(671.0)	(681.0)
Increase (decrease) in cash and cash equivalents	(103.3)	(64.2)	163.7

Non-GAAP Adjusted Cash Flows [1]:	**For the year ended December 31, 2018**	**2017**	**2016**
Cash flows provided/used in operating activities ..	226.6	677.8	916.6
Impact of short-term investments	(15.4)	100.4	136.2
Adjusted cash flows provided by operating activities..	242.0	577.4	780.4

(1) This is a non-GAAP adjusted measure prepared by the Company to adjust the impact of short-term investments as part of the cash flow provided by operating activities.

Fleet summary report

Offshore Rig	% Interest	Type	Water Depth (ft)	Delivery Date	Dayrate [3] ($/day) December 31, 2018	Customer	Contract Expiration Date
Ultra-deepwater							
Alpha Star [5]	100%	DP; SS	9,000	July 2011	-	-	-
Lone Star [7]	100%	DP; SS	7,900	April 2011	-	-	-
Gold Star [6]	100%	DP; SS	9,000	February 2010	-	-	-
Amaralina Star [1] [10]	100%	DP drillship	10,000	September 2012	-	-	-
Laguna Star [1] [9]	100%	DP drillship	10,000	November 2012	-	Enauta	September 2019
Brava Star [8]	100%	DP drillship	12,000	August 2015	-	Shell	November 2019
Deepwater							
Olinda Star [4]	100%	Moored; SS	3,600	August 2009 [2]	116,300	ONGC	January 2021
Midwater							
Atlantic Star [11]	100%	Moored; SS	2,000	February 2011 [2]	293,678	Petrobras	January 2019

(1) In 2010, the Company and Alperton signed shareholders' and loan agreements in order to construct, charter and operate the Amaralina Star and the Laguna Star drillships for Petrobras. The Company held a 55% interest in these drillships, but was entitled to receive 100% of the charter and services revenues from these drillships until the repayment in full of loans the Company made to Alperton to fund its related equity contributions On September 21, 2018, the remaining 45% shares held by Alperton were transferred to the Company's indirect subsidiary, Constellation Overseas, as a result of Alperton's failure to transfer such shares following the occurrence of a deadlock pursuant to the terms of the shareholders' agreements between Alperton and Constellation Overseas, such that Constellation Overseas Ltd. became the 100% owner of the shares in each of Amaralina Star and Laguna Star.

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

(3) 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.

(4) On April 25, 2017, the Company announced that Olinda Star was awarded a three-year contract with Oil and Natural Gas Corporation Ltd. ("ONGC"), an Indian state-owned oil and gas exploration and production company, for operations within an offshore area in India. The operations commenced on January 12, 2018.

(5) On July 8, 2017, the Alpha Star offshore drilling charter and service rendering agreements with Petrobras expired.

(6) On February 12, 2018, the Gold Star offshore drilling charter and service rendering agreements with Petrobras expired.

(7) On March 31, 2018, the Lone Star offshore drilling charter and service rendering agreements with Petrobras expired.

(8) On August 16, 2018, the Brava Star offshore drilling charter and service rendering agreements with Petrobras expired. On August 1, 2018, the Company announced that its ultra-deepwater drillship Brava Star was awarded a contract with Shell Brasil. The operations under the contract commenced on March 7, 2019.

(9) On November 18, 2018, the Laguna Star offshore drilling charter and service rendering agreements with Petrobras expired. On September 17, 2018, the Company announced that its UDW drillship Laguna Star was awarded a contract with Enauta for a campaign of one firm well up to 90 days, and two additional options for well interventions of 45 days each. The operations under the contract commenced on February 18, 2019. On July 04, 2019, the Company announced that the Laguna Star was awarded a contract with the consortiums of BM-S-11, BM-S-11 and AIP (Acordo de Individualização de Produção, or Production Individualization Agreement) of Lula, operated by Petrobras. The contract has a firm duration of 730 days. The work will be performed in the Santos Basin, located offshore of Brazil, and operations under the contract are expected to commence by the end of October 2019.

(10) On September 17, 2018, the Amaralina Star offshore drilling charter and service rendering agreements with Petrobras expired. On February 11, 2019, the Company announced that the ultra-deepwater drillship Amaralina Star has been awarded a contract with Total. The contract has an estimated maximum duration of 140 days. The operations will be performed offshore the Brazilian coast, at the Lapa field. The contract was signed in early February 2019 and operations commenced on February 28, 2019.

(11) On January 23, 2019, the Atlantic Star offshore drilling charter and service rendering agreements with Petrobras expired.

Onshore Rig	**Type**	**Drilling Depth Capacity (ft)**	**Customer**	**Charter Expiration Date**
QG-I (1)	1600HP	16,500	-	-
QG-II (2)	1600HP	16,500	-	-
QG-III..................	Heli-portable; 1200HP	11,500	-	-
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 (3)	Heli-portable; 1600HP	14,800	-	-
QG-IX	Heli-portable; 1600HP	14,800	-	-

(1) In October 2017, the Company signed an agreement to charter and render onshore drilling services for Zeus ÖL, a Paraguayan company based in Asunción. The agreement was for the drilling of up to two wells in Paraguay using the onshore drilling rig QG-I. The operation commenced on December 28, 2017, and the contract expired on July 13, 2018.
(2) In January 2018, the Company signed an agreement to charter and render onshore drilling services for Ouro Preto Óleo e Gás. The agreement was for the drilling of two wells in Parnaíba Basin (Brazil), using the onshore drilling rig QG-II. The operation started on August 1, 2018, and the contract expired on October 23, 2018.
(3) On July 4, 2019, the Company announced that it has signed an agreement to charter and render onshore drilling services for Eneva S.A. ("Eneva"). The agreement is for the drilling of three wells in Azulão Block (Amazon basin, Brazil), using the onshore drilling rig QG-VIII. The operation is expected to commence by mid-August 2019.

FPSO	**Status**	**% Interest**	**Daily Production Capacity (bbl/day)**	**Storage Capacity (bbl)**	**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
Cidade de Maricá...........	Operating	5%	150,000	1,600,000	February 2016	February 2036	5,348.0
Cidade de Saquarema	Operating	5%	150,000	1,600,000	July 2016	July 2036	5,273.0

(1) The total contract amount refers to 100% of the amounts to be paid under both the charter and corresponding services contract.

Backlog [(1)]

	2019	2020	2021	2022–2036	Total	%
Ultra-deepwater	40.4	-	-	-	40.4	2.4%
Deepwater.............	42.4	42.6	1.3	-	86.3	5.7%
FPSOs...................	106.6	106.9	106.6	1,064.7	1,384.8	91.6%
Total....................	**189.5**	**149.5**	**107.9**	**1,064.7**	**1,511.5**	**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. The Company is no longer considering the backlog from Sete Brasil. In December 2015, 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 year ended December 31,		% Change
	2018	**2017**	**2018/ 2017**
Net revenue per asset type:	*(in millions of US$)*		
Ultra-deepwater	370.4	830.8	-55.4%
Deepwater..	37.1	4.0	828.0%
Midwater	94.3	103.4	-8.8%
Onshore rigs	6.1	7.5	-18.7%
Other	-	0.1	-
Total	507.9	945.8	-46.3%

Operating Statistics

	For the year ended December 31,	
	2018	**2017**
Uptime by asset type [(1)]:	*(%)*	
Ultra-deepwater	89	91
Deepwater................................	87	-
Midwater	96	99
Onshore rigs	98	99

	For the year ended December 31,		Change
	2018	2017	2018/ 2017
Utilization days [(2)]**:**	*(in days)*		
Ultra-deepwater..........................	929	2,002	(1,073)
Deepwater	335	-	335
Midwater [(3)]...............................	365	365	-
Onshore rigs	274	136	138
Total	1,903	2,503	(600)

(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.