

QGOG Constellation Announces Decision to Defer Interest Payment on 2019 and 2024 Notes

Luxembourg, May 07, 2018 – QGOG Constellation S.A. ("QGOG Constellation" or the "Company") today announced that it intends to utilize the 30-day grace period and defer payment of an approximate \$27 million cash interest payment on its 9.5% Senior Notes due 2024 (the "2024 Notes") and an approximate \$3 million cash interest payment on its 6.25% Senior Notes due 2019 (the "2019 Notes"), both of which are due on May 9, 2018. The Company intends to make the payment of the PIK portion of the interest payment on the 2024 Notes due on May 9, 2018. The Company has more than sufficient liquidity to make these cash interest payments, but has made the strategic decision to use the 30-day grace period to advance the ongoing discussions with certain of its key lenders and a group of noteholders holding a material amount of the 2024 Notes, related to a comprehensive re-profiling of its capital structure to match its operating business and the industry's current economic environment.

The decision to use the grace period is of a financial, rather than an operational, nature. QGOG Constellation and its subsidiaries will continue their operations uninterrupted, and will continue to meet all of their obligations in the ordinary course with respect to their employees, customers, and suppliers in a safe, responsible, and high-quality manner.

As previously announced on April 27, 2018, Banco Bradesco S.A. agreed to extend \$75 million of amortization payments that were previously due April 26, 2018 until July 25, 2018 to accommodate the ongoing comprehensive restructuring discussions.

About QGOG Constellation

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 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.

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