

QGOG Expands Drilling and Production Services with the Operation of Three Drilling Rigs for Sete Brasil

- Partnership begins at the project engineering phase -

Luxembourg, August 6, 2012 - Queiroz Galvão Óleo e Gás (QGOG), the largest Brazilian provider of drilling and production services, announced today that, in partnership with Sete Brasil, signed, on August 3, 2012, a charter and services agreements for three semisubmersible ultra-deep water drilling rigs, named Urca, Bracuhy and Mangaratiba. QGOG will operate the rigs and QGOG Constellation, through one of its subsidiaries, holds a 15% equity stake in each rig.

The drilling rigs will be built at the BrasFels shipyard in Angra dos Reis, Rio de Janeiro, Brazil with local content above 55%. They are expected to begin operating in 2016, 2018 and 2019, respectively and are part of the package of 21 drilling rigs negotiated between Sete Brasil and Petrobras. The charter and services agreements with Petrobras have a 15-year term on each rig, with a renewal option of an additional 5 years.

QGOG will bring to each project expertise gained through the managing of six drilling rigs built within the last five years, as well as 30 years of drilling services experience.

Once constructed, the rigs will operate in the Brazilian pre-salt layer in water depths of up to 3,000 meters, with the ability to reach up to 10,000 meters of drilling depth capacity.

QGOG will have engineering teams dedicated to each drilling rig. The Company will be involved in all stages of the process, beginning with the rig's construction which includes engineering and building through the rig's commissioning and acceptance phase.

About QGOG and QGOG Constellation

QGOG Constellation, a market leading Brazilian-controlled provider of offshore oil and gas contract drilling and FPSO services in Brazil through its subsidiary Queiroz Galvão Óleo e Gás S.A. (QGOG). Since 1981 with continuous operations, QGOG has built an unmatched reputation for excellence in service onshore and offshore drilling, obtaining ISO 9001, 14001 and OHSAS 18001 certification for its quality management, environmental and safety records and systems.

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