

Queiroz Galvão Óleo e Gás Names New Ultra-Deepwater Rig

--Alpha Star to be Delivered Ahead of Schedule--

RIO DE JANEIRO, February, 15, 2011 -- Queiroz Galvão Óleo e Gás (QGOG), the largest privately-held drilling contractor and provider of drilling and production services in Brazil, today announced that it has named its newly-built, ultra-deepwater dynamically positioned ("DP") semisubmersible rig, "The Alpha Star". The rig is scheduled to be delivered by Keppel FELS in Singapore in March 2011, four months ahead of schedule.

The unit has been leased to Petrobras for a six-year period with a renewal option for an additional six years.

The Alpha Star is a sixth generation, ultra-deepwater, state-of-the-art semisubmersible drilling rig. Its Gusto DSS-38 design has been enhanced based on operating experience from the similar semisubmersible rig, our QGOG Gold Star. Alpha Star is rated for water depth of 9,000 feet and drilling depth of 30,000 feet. Operating specifications include ten diesel-generator sets and eight thrusters, four 2,200-hp mud pumps, and a leading-edge drilling package built to perform in high seas, with a one million pound capacity motion compensator. The unit accommodates up to 130 personnel.

"We are pleased to welcome the Alpha Star to our fleet, which is currently fully deployed in the most promising and prolific offshore and onshore exploration areas of Brazil," said Antonio Augusto de Queiroz Galvão, Chairman of the Board of Directors of Queiroz Galvão Óleo e Gás. "With over 30 years of continuous operating experience in this market, we have developed a diversified asset portfolio that enables us to efficiently serve the fast-growing oil and gas exploration industry in Brazil. We added our first ultra-deepwater rig, the Gold Star in 2010, and it is currently operating in the Iracema Sul field. The Alpha Star will be delivered four months ahead of schedule as a result of our close collaboration with Keppel FELS, a globally renowned builder," said Leduvy Gouvea, Chief Executive Officer of Queiroz Galvão Óleo e Gás.

QGOG has two additional drillships, one FPSO and three onshore rigs under construction, all of which are already contracted. Today, QGOG operates six onshore and five offshore drilling rigs in Brazil, one of which, "The Lone Star", was recently delivered to Petrobras.

About QGOG

Queiroz Galvão Óleo e Gás (QGOG) is the largest privately-held drilling contractor and provider of drilling and production services in Brazil. Over the last 30 years of continuous operations, QGOG has built an unparalleled reputation for excellence in onshore and offshore drilling services, achieving ISO 9001, 14001 and OHSAS 18001 certifications for its quality management, environmental and safety records and systems. As part of one of Brazil's largest industrial groups Queiroz Galvão, QGOG enjoys synergies with group companies such as Queiroz Galvão Exploração e Produção (QGEP), the oil and gas exploration and production arm, as well as with one of Brazil's leading construction and engineering firms, Construtora Queiroz Galvão S.A., one of the shareholders and the operator of the largest shipyard in the Americas.

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