QGOG Constellation Announces Additional Information Regarding its Amended and Extended Exchange Offer for Any and All of its 6.250% Senior Notes due 2019 for 9.000% Cash / 0.500% PIK Senior Secured Notes due 2024 and Related Consent Solicitation

Luxembourg, July 3, 2017 -- QGOG Constellation S.A. ("QGOG Constellation" or the "Company") announced today additional information regarding its previously announced private exchange offer (the "Exchange Offer") for any and all of its outstanding 6.250% Senior Notes due 2019 (the "Existing Notes"). This additional information can be found in the Company's supplement to the exchange offer memorandum and consent solicitation statement, dated June 28, 2017 (the "Supplement"). Eligible Holders (as defined below) may contact the exchange agent identified below for a copy of the Supplement and the exchange offer memorandum.

In connection with the amended and extended exchange offer, the Company has prepared a brief presentation which includes certain material terms relating to the Exchange Offer. Eligible Holders can access this presentation by visiting the Company's website. The information contained in the presentation is subject to the terms and conditions set forth in the Supplement and the exchange offer memorandum, and the presentation and any other information on the Company's website shall not be deemed to be part of the Supplement or the exchange offer memorandum.

Under the amended terms of the Exchange Offer, the Company is offering to exchange its Existing Notes for 9.000% Cash / 0.500% PIK Senior Secured Notes due 2024 (the "New Notes"). The amended terms increase the interest rate of the New Notes from the previously proposed rate of 8.500% per annum to 9.500% per annum (which includes a 0.500% PIK component). In addition, Eligible Holders who validly tender their Existing Notes and deliver their consents by the Early Expiration Date (as defined below) will receive a cash fee equal to 2.00% of the principal amount that they tender (subject to the terms described below and in the Supplement).

The New Notes will amortize semi-annually at the following rates (expressed as a percentage of principal outstanding): (i) 1.25% from November 2019 up to but not including November 2020, (ii) 2.50% from November 2020 up to but not including November 2022 and (iii) 3.75% thereafter, until the final stated maturity.

The New Notes will initially be secured by certain assets of the Company, including but not limited to, each of the Company's current unencumbered offshore rigs and drilling vessels (the "Unencumbered Drilling Rigs") and the insurance receivables and charter receivables related thereto, subject to the terms and conditions of the New Notes.

The New Notes will also have a springing collateral package that could consist of additional offshore rigs and drilling vessels as well as their related insurance receivables and charter receivables, subject to the terms and conditions of the New Notes.

In addition, the New Notes will be guaranteed on a senior secured basis by certain subsidiaries of the Company, including but not limited to the guarantor of the Existing Notes (Constellation Overseas Ltd.) and the entities that own the Unencumbered Rigs. The New Notes will also be guaranteed on a subordinated basis by Star International Drilling Ltd., subject to the terms and conditions of the New Notes.

Finally, the New Notes will have a more restrictive covenant package, including a restriction on dividend payments and additional limitations on the incurrence of indebtedness.

For the complete terms of the Exchange Offer, Eligible Holders should carefully review the Supplement and the exchange offer memorandum, including the risks described therein, before making any decision to exchange its Existing Notes. This press release is neither an offer to sell nor the solicitation of an offer to buy any security. This press release is also not a solicitation of any consent to the proposed amendments to the indenture dated as of November 9, 2012, pursuant to which the Existing Notes were issued (the "Existing Notes Indenture"). The Exchange Offer is being made solely pursuant to the exchange offer memorandum and consent solicitation statement, as supplemented by the Supplement. No recommendation is made as to whether the holders of Existing Notes should tender their Existing Notes for exchange and deliver their consents in the Exchange Offer.

Eligible Holders who validly tender their Existing Notes and deliver their consents on or prior to 5:00 p.m., New York City time, on July 12, 2017, unless extended by us (the "Early Expiration Date"), will now be eligible to receive U.S.$1,000 in principal amount of New Notes and U.S.$20 in cash for each U.S.$1,000 in principal amount of Existing Notes accepted for exchange. Eligible Holders who validly tender their Existing Notes on or prior to 11:59 p.m., New York City time, on July 17, 2017, unless extended by us (the "Expiration Date"), but after the Early Expiration Date, will receive U.S.$1,000 in principal amount of New Notes for each U.S.$1,000 in principal amount of Existing Notes accepted for exchange. The aggregate principal amount of New Notes issued to each participating holder for all Existing Notes properly tendered (and not withdrawn) and accepted by us will be rounded, if necessary, to U.S.$150,000 or the nearest whole multiple of U.S.$1,000 in excess thereof. This rounded amount will be the principal amount of New Notes a participating holder will receive, and no additional cash will be paid in lieu of any principal amount of New Notes not received as a result of rounding down. All Eligible Holders who validly tender, without subsequent withdrawal, their Existing Notes will receive a cash payment for the accrued interest on their Existing Notes upon closing of the Exchange Offer. All Existing Notes previously tendered and related consents for the Existing Notes previously delivered will remain so tendered and delivered (unless subsequently withdrawn) and no other action with respect to these Notes is required.

Tendered Existing Notes may not be withdrawn and consents may not be revoked subsequent to the time of execution and delivery of the supplemental indenture containing the proposed amendments to the Existing Notes Indenture, except as required by applicable law. Prior to such time, if a holder withdraws its tendered Existing Notes, such holder will be deemed to have revoked its consent and may not deliver consent without re-tendering its Existing Notes. Any Eligible Holder who tenders Existing Notes for exchange must also deliver its consent to the proposed amendments.

The consummation of the Exchange Offer is conditioned upon the valid tender, without subsequent withdrawal, of at least 90% of the aggregate principal amount of the outstanding Existing Notes. The consummation of the Exchange Offer is also subject to the satisfaction or waiver of certain other conditions. In addition, the Company has the right to terminate, modify or withdraw the Exchange Offer and Consent Solicitation and extend the Expiration Date or Early Expiration Date in its sole discretion, but in accordance with that certain previously announced voting agreement with certain noteholders, and subject to applicable law.

The Exchange Offer is being made, and the New Notes are being offered and will be issued, only (a) in the United States to holders of Existing Notes who are "qualified institutional buyers" (as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act")) and (b) outside the United States to holders of Existing Notes who are persons other than U.S. persons in reliance upon Regulation S under the Securities Act. The holders of Existing Notes who have certified to the Company that they are eligible to participate in the Exchange Offer and Consent Solicitation pursuant to at least one of the foregoing conditions are referred to as "Eligible Holders."

The New Notes have not been registered under the Securities Act or any state securities laws. Accordingly, the New Notes will be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and other applicable securities laws, pursuant to registration or exemption therefrom.

Rothschild Inc. is acting as the Company's financial advisor in connection with the Exchange Offer. White & Case LLP and Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados are serving as New York and Brazilian legal advisors, respectively, to the Company. Ipreo LLC has been appointed as the information agent and the exchange agent for the Exchange Offer. Holders may contact the information agent to request the eligibility letter in order to become an Eligible Holder at the contact information set forth below:

Ipreo LLC
1359 Broadway, 2nd Floor
New York, New York 10018
Attn: Aaron Dougherty
Email: exchangeoffer@ipreo.com
(212) 849-3880 or toll free at (888) 593-9546

NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbor created by such sections and other applicable laws. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, such statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by the "forward-looking statements." The Company undertakes no obligation to release publicly revisions to any "forward-looking statement," including, without limitation, outlook, to reflect events or circumstances after the date of this news release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. Investors should not assume that any lack of update to a previously issued "forward-looking statement" constitutes a reaffirmation of that statement. Continued reliance on "forward-looking statements" is at investors' own risk.

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