

WHITE & CASE LLP  
1221 Avenue of the Americas  
New York, New York 10020-1095  
(212) 819-8200  
John K. Cunningham  
Thomas E. MacWright  
Philip M. Abelson

Southeast Financial Center  
200 South Biscayne Blvd., Suite 4900  
Miami, Florida 33131  
(305) 371-2700  
Richard S. Kebrdle (*pro hac vice pending*)  
Laura L. Femino (*pro hac vice pending*)

*Attorneys for Andrew Childe,  
as Petitioner and Foreign Representative*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

	)	
In re	)	
	)	Case No. 18-13952
Serviços de Petróleo Constellation S.A., <i>et al.</i> , <sup>1</sup>	)	(Joint Administration Pending)
	)	
Debtors in a Foreign Proceeding.	)	Chapter 15
	)	

**PETITIONER'S DECLARATION AND VERIFIED PETITION FOR RECOGNITION  
OF THE BRAZILIAN RJ PROCEEDING AND MOTION  
FOR ORDER GRANTING RELATED RELIEF PURSUANT TO  
11 U.S.C. §§ 1515, 1517, AND 1520**

<sup>1</sup> The Debtors in these chapter 15 cases (the "Chapter 15 Cases") and the last four identifying digits of the tax number in the jurisdictions in which they pay taxes are as follows: Serviços de Petróleo Constellation S.A. ("Petróleo Constellation") (Brazil – 01-27); Lone Star Offshore Ltd. ("Lone Star") (BVI – 9322); Gold Star Equities Ltd. ("Gold Star") (BVI – 1368); Olinda Star Ltd. ("Olinda Star") (BVI – 9761); Star International Drilling Limited ("Star Int'l.") (Cayman Islands – 6867); Alpha Star Equities Ltd. ("Alpha Star") (BVI – 0114); Snover International Inc. ("Snover") (BVI – 8260); Arazi S.à r.l. ("Arazi") (Luxembourg – 9812); Constellation Oil Services Holding S.A. ("Constellation") (Luxembourg – 6634); and Constellation Overseas Ltd. ("Constellation Overseas") (BVI – 0641).

## TABLE OF CONTENTS

	<u>Page</u>
Preliminary Statement.....	2
Background.....	5
A. General Background and History.....	5
i. Overview.....	5
ii. The Company’s corporate structure and offices .....	6
B. Company Operations and Assets .....	8
i. Offshore Drilling Rigs and Customer Contracts.....	10
ii. Onshore Drilling Rigs and Customer Contracts .....	11
iii. FPSO units and FPSO services .....	12
C. Capital Structure .....	12
i. The Company’s capital stock.....	12
ii. Prepetition debt structure .....	13
D. Events Precipitating Commencement of the Brazilian RJ Proceeding.....	15
i. Cyclical decline in the drilling industry and the Brazilian financial crisis .....	15
ii. Negotiations with stakeholders and the PSA .....	16
E. Connections to the United States .....	19
Jurisdiction, Eligibility and Venue .....	20
Required Disclosures .....	20
Basis for Relief .....	22
A. The Brazilian RJ Proceeding is a Foreign Proceeding of each of the Debtors and the Petitioner is the Duly-Authorized Foreign Representative thereof and has Properly Petitioned This Court for Recognition.....	23
i. The Verified Petition satisfies the requirements of section 1515 .....	24
ii. The Petitioner is the duly-appointed “foreign representative” of the Brazilian RJ Proceeding for each of the Debtors .....	24
iii. The Brazilian RJ Proceeding is a foreign proceeding.....	25
B. The Court Should Find that the Brazilian RJ Proceeding Is a “Foreign Main Proceeding” with Respect to Each of the Debtors .....	27
i. A COMI analysis under U.S. law focuses on where a debtor’s business interests are principally centered .....	27
ii. A COMI analysis for SPVs serving a larger corporate group is specially tailored .....	31
iii. Substantial evidence across the Constellation Group structure shows that each of the Debtors has its COMI in Brazil .....	33
iv. Entity-specific factors also show that each of the Debtors has its COMI in Brazil.....	38
C. In the Alternative, the Court Should Find that the Brazilian RJ Proceeding is at Least a Foreign Nonmain Proceeding of each of the Debtors and Grant Discretionary Relief .....	43
i. The contextual and flexible factors for recognition of foreign nonmain proceedings under U.S. law .....	43
ii. Each of the Debtors has an establishment in Brazil and therefore qualifies for foreign nonmain recognition.....	45

TABLE OF CONTENTS

	<u>Page</u>
iii. The Court should grant the discretionary relief requested for any Debtor granted nonmain recognition .....	45
Notice.....	48
No Prior Request.....	48
Conclusion .....	48
Verification of Chapter 15 Petition.....	50

## TABLE OF AUTHORITIES

Page(s)

## CASES

<u>Ad Hoc Group of Vitro Noteholders v. Vitro, S.A.B., de C.V. (In re Vitro, S.A.B. de C.V.)</u> , 470 B.R. 408 (Bankr. N.D. Tex. 2012), <u>aff'd</u> , 701 F.3d 1031 (5th Cir. 2012).....	26
<u>Collins v. Oilsands Quest, Inc.</u> , 484 B.R. 593 (S.D.N.Y. 2012).....	29
<u>CT Inv. Mgmt. Co. v. Cozumel Caribe, S.A. de C.V.</u> , 482 B.R. 96 (Bankr. S.D.N.Y. 2012) .....	48
<u>Drawbridge Special Opportunities Fund LP v. Barnet (In re Barnet)</u> , 737 F.3d 238 (2d Cir. 2013).....	21
<u>In re Artimm, S.r.l.</u> , 335 B.R. 149 (Bankr. C.D. Cal. 2005).....	48
<u>In re Avanti Commc'ns Grp. PLC</u> , 582 B.R. 603 (Bankr. S.D.N.Y. 2018) .....	21
<u>In re Basis Yield Alpha Fund (Master)</u> , 381 B.R. 37 (Bankr. S.D.N.Y. 2008) .....	30
<u>In re Bear Stearns High-Grade Structured Credit Strategies Master Fund, Ltd.</u> , 374 B.R. 122 (Bankr. S.D.N.Y. 2007), <u>aff'd</u> , 389 B.R. 325 (S.D.N.Y. 2008) .....	passim
<u>In re Berau Capital Res. PTE Ltd.</u> , 540 B.R. 80 (Bankr. S.D.N.Y. 2015).....	21
<u>In re British Am. Ins. Co.</u> , 425 B.R. 884 (Bankr. S.D. Fla. 2010).....	passim
<u>In re Creative Fin., Ltd. (In Liquidation)</u> , 543 B.R. 498 (Bankr. S.D.N.Y. 2016) .....	31, 46
<u>In re Fairfield Sentry Ltd.</u> , No. 10 Civ. 7311 (GBD), 2011 U.S. Dist. LEXIS 105770 (S.D.N.Y. Sept. 15, 2011).....	30, 31, 46
<u>In re Millennium Glob. Emerging Credit Master Fund Ltd.</u> , 458 B.R. 63 (Bankr. S.D.N.Y. 2011) .....	passim
<u>In re OAS S.A.</u> , 533 B.R. 83 (Bankr. S.D.N.Y. 2015) .....	passim
<u>In re Oi Brasil Holdings Cooperatief U.A.</u> , 578 B.R. 169 (Bankr. S.D.N.Y. 2017) .....	30, 33, 35, 37
<u>In re Oversight &amp; Control Comm'n of Avánzit, S.A.</u> , 385 B.R. 525 (Bankr. S.D.N.Y. 2008) .....	24
<u>In re Pro-Fit Holdings Ltd.</u> , 391 B.R. 850 (Bankr. C.D. Cal. 2008).....	24
<u>In re SPhinX, LTD.</u> , 351 B.R. 103 (Bankr. S.D.N.Y. 2006) .....	31, 32, 47

**TABLE OF AUTHORITIES**

	<u>Page(s)</u>
<u>In re Suntech Power Holdings Co</u> , 520 B.R. 399 (Bankr. S.D.N.Y. 2014) .....	21
<u>In re Tien Chiang</u> , 437 B.R. 397 (Bankr. C.D. Cal. 2010) .....	32, 40
<u>In re Toft</u> , 453 B.R. 186 (Bankr. S.D.N.Y. 2011) .....	48
<u>In re Tri-Cont'l Exch. Ltd.</u> , 349 B.R. 627 (Bankr. E.D. Cal. 2006) .....	31, 32
<u>Jaffe v. Samsung Elecs. Co.</u> , 737 F.3d 14 (4th Cir. 2013) .....	56
<u>Krys v. Farnum Place, LLC (In re Fairfield Sentry Ltd.)</u> , 768 F.3d 239 (2d Cir. 2014) .....	24
<u>Lavie v. Ran (In re Ran)</u> , 607 F.3d 1017 (5th Cir. 2010) .....	46
<u>Morning Mist Holdings Ltd. v. Krys (In re Fairfield Sentry Ltd.)</u> , 714 F.3d 127 (2d Cir. 2013) .....	31, 32, 33, 35
<u>Phoenix Four, Inc. v. Strategic Res. Corp.</u> , 446 F. Supp. 2d 205 (S.D.N.Y. 2006) .....	29

**STATUTES AND RULES**

11 U.S.C. §§ 101 -1532 (“Bankruptcy Code”) .....	passim
11 U.S.C. § 101 .....	passim
11 U.S.C. § 105 .....	1
11 U.S.C. § 109 .....	21
11 U.S.C. § 362 .....	1, 45, 47, 49
11 U.S.C. § 1501 .....	24
11 U.S.C. § 1502 .....	passim
11 U.S.C. § 1504 .....	21, 25
11 U.S.C. § 1509 .....	21, 25
11 U.S.C. § 1515 .....	passim
11 U.S.C. § 1516 .....	29, 40
11 U.S.C. § 1517 .....	passim

**TABLE OF AUTHORITIES**

	<u>Page(s)</u>
11 U.S.C. § 1519.....	1, 4, 47
11 U.S.C. § 1520.....	1, 44
11 U.S.C. § 1521.....	passim
11 U.S.C. § 1522.....	1, 47, 48, 49
28 U.S.C. §157.....	20, 21
28 U.S.C. § 1334.....	20
28 U.S.C. § 1410.....	21
28 U.S.C. § 1746.....	2, 52
Fed. R. Bankr. P. 1007.....	21, 25
Fed. R. Bankr. P. 7007.....	25

**MISCELLANEOUS**

H. Rep. No. 109-31, pt. 1, 109th Cong., 1st Sess. (2005).....	29, 46, 48
Jay Lawrence Westbrook, <u>Chapter 15 at Last</u> , 79 A.M. BANKR. L.J. 713 (2005).....	30
Guide to Enactment of the UNCITRAL Model Law on Cross-Border Insolvency, U.N. Gen. Ass., UNCITRAL 30th Sess. U.N. Doc. A/CN.9/442 (1997) .....	29

I, Andrew Childe (the “Petitioner” or the “Foreign Representative”), in my capacity as the duly-authorized foreign representative of the jointly-administered judicial reorganization (*recuperação judicial* or “RJ”) proceeding (the “Brazilian RJ Proceeding”) of Serviços de Petróleo Constellation S.A. and its affiliated debtors (the “Debtors”) pending in the 1<sup>st</sup> Business Court of Rio de Janeiro (the “Brazilian RJ Court”) pursuant to Federal Law No. 11.101 of February 9, 2005 (the “Brazilian Bankruptcy Law”) of the laws of the Federative Republic of Brazil (“Brazil”), by and through my undersigned counsel, respectfully submit this declaration<sup>2</sup> and verified petition (the “Verified Petition”) in furtherance of the forms of voluntary petition (the “Forms of Voluntary Petition”) [ECF No. 1] filed concurrently herewith, and hereby request that the Court enter an order substantially in the form annexed hereto as Exhibit A (the “Proposed Order”) pursuant to sections 1515, 1517, and 1520 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), effecting the following:

- a) granting recognition of the Brazilian RJ Proceeding pursuant to section 1517 of the Bankruptcy Code as the “foreign main proceeding” (as defined in section 1502(4) of the Bankruptcy Code) of each of the Debtors, and all relief included therewith as provided in section 1520 of the Bankruptcy Code;<sup>3</sup>
- b) recognizing the Petitioner as the “foreign representative” (as defined in section 101(24) of the Bankruptcy Code) of the Brazilian RJ Proceeding for each Debtor for purposes of these Chapter 15 Cases; and
- c) granting such other and further relief as the Court deems just and

---

<sup>2</sup> The Petitioner submits this declaration in support of the Verified Petition and in support of the Petitioner’s *Motion for Provisional Relief Pursuant to 11 U.S.C. §§ 1519, 1521(a)(7), 105(a), and 362* (the “Motion for Provisional Relief”) [ECF No. 5]. The Petitioner’s verification with respect to the factual contents of this Verified Petition and the Motion for Provisional Relief, as well as the factual contents of each of the attachments and appendices thereto, is set forth below in the section titled “Verification of Chapter 15 Petition.”

<sup>3</sup> Alternatively, should the Court decline to recognize the Brazilian RJ Proceeding as the foreign main proceeding for any of the Debtors, the Petitioner respectfully requests that the Court recognize such proceeding as a foreign nonmain proceeding (as defined in section 1502(5) of the Bankruptcy Code) of any such Debtor, and grant appropriate relief, including pursuant to section 1521(a)(6) of the Bankruptcy Code extending any relief previously granted pursuant to section 1519(a) of the Bankruptcy Code, and finding that the interests of creditors and other interested entities, as well as the interests of the Debtors, are sufficiently protected in accordance with section 1522 of the Bankruptcy Code with respect to such relief.

proper.<sup>4</sup>

In support of this request, the Petitioner relies upon and incorporates by reference: (i) the *Declaration of Flavio Galdino Pursuant to 28 U.S.C. § 1746* (the “Brazilian Counsel Declaration”) [ECF No. 4]; and (ii) the *Declaration of Samuel P. Hershey* (the “Hershey Declaration”) [ECF No. 6], both of which were filed concurrently herewith. In further support of this Verified Petition, the Petitioner respectfully represents to the Court as follows:

### **PRELIMINARY STATEMENT**

On December 6, 2018 (the “RJ Petition Date”), each of the Debtors and certain affiliates that are not Debtors in these Chapter 15 Cases (together, the “RJ Debtors”) filed a joint voluntary RJ petition (the “RJ Petition”) <sup>5</sup> with the Brazilian RJ Court under the Brazilian Bankruptcy Law. Also on December 6, the Brazilian RJ Court entered an order formally accepting the RJ Debtors into the Brazilian RJ Proceeding (the “RJ Acceptance Order”). <sup>6</sup> The RJ Debtors are presently operating their businesses under the judicial supervision of the Brazilian RJ Court. <sup>7</sup>

Debtor Constellation, together with its direct and indirect majority-owned subsidiaries, including certain non-Debtor entities (collectively, the “Company” or the “Constellation Group”), <sup>8</sup> own, operate, and manage one of the leading oil and gas drilling companies. The Company has its center of main interests in Brazil and operates rigs and drillships primarily in Brazilian waters.

---

<sup>4</sup> In addition, and in separate motions filed contemporaneously herewith, the Foreign Representative is seeking an order directing the joint administration of these Chapter 15 Cases, and certain interim relief as set forth in the Motion for Provisional Relief.

<sup>5</sup> A true and correct copy of the RJ Petition and a certified English translation of the RJ Petition are annexed hereto as Exhibit B.

<sup>6</sup> A copy of the RJ Acceptance Order is attached hereto as Exhibit G; a translation of the same from Portuguese into English is in process and will be submitted to this Court as soon as possible.

<sup>7</sup> See Brazilian Counsel Decl. ¶ 20 (noting that “the officers and directors of the debtor remain duly authorized to act on the debtor’s behalf and to administer its assets and affairs during the RJ, in a manner similar to what my U.S. counterparts inform me is called a ‘debtor-in-possession’ regime in the United States”).

<sup>8</sup> All references to the “Company” or the “Constellation Group” herein refer to Constellation and its consolidated subsidiaries. References to the “Company” or the “Constellation Group” exclude joint ventures other than those in which the Company is a majority owner.



The Company's current financial distress arises from the well-publicized global decline in the international oil and gas sector, as well as the financial crisis that continues to grip Brazil. Its financial woes have recently become unsustainable as long-term charter and service contracts for seven of its eight Offshore Drilling Rigs (as defined below) either have recently expired or are scheduled to expire in the near future. The Company is actively seeking opportunities both in Brazil and abroad for such Offshore Drilling Rigs, and has recently secured contracts for its ultra-deepwater drillships with international oil and gas companies for drilling offshore of Brazil—demonstrating its stature in the industry as a top operator in Brazilian waters. Nonetheless, the offshore drilling market continues to suffer from an oversupply of rigs, and, as a result, short-term dayrates and utilization rates remain depressed. In light of these market conditions, the Company's debts must now be adjusted to allow the Company the time and liquidity needed to weather the current offshore drilling environment, obtain new contracts, and generate the revenue necessary to service its debt.

To address these concerns, the Company began to evaluate its options to restructure its debt and successfully closed an exchange offer with over 80% of its bondholders in 2017. Since that time, the Company has continued to explore further restructuring alternatives with (i) its lenders under its various project financing and working capital facilities, (ii) a group of certain holders holding a majority of its secured corporate bonds, and (iii) the Company's shareholders. Those negotiations culminated in a restructuring term sheet (the "Term Sheet") and Plan Support and Lock-Up Agreement (together with the exhibits, annexes, and schedules attached thereto, including the Term Sheet, the "PSA")<sup>9</sup> that is supported by certain lenders holding at least 97.5% of the combined aggregate outstanding principal amount under the Company's project financings,

---

<sup>9</sup> A copy of the executed PSA is available at Hershey Declaration, Exhibit A.

its unsecured working capital lender (Bradesco (as defined below)), and the Company's shareholders. As discussed in greater detail below, the PSA provides for a comprehensive restructuring of the Company's debt through a pre-negotiated restructuring plan in the Brazilian RJ Proceeding. The transactions contemplated under the PSA are designed to preserve the going-concern value of the Company, provide the Company with ample liquidity to withstand adverse market conditions, and right-size the Company's debt profile.

As described further below, notwithstanding such broad creditor support, the Company remains vulnerable to creditor actions outside of Brazil, including in the United States. Given these risks, the PSA requires, as one of the conditions precedent to the implementation of the restructuring transactions, an order from this Court granting recognition of the Brazilian RJ Proceeding with respect to each of the Debtors. Accordingly, the Foreign Representative commenced these Chapter 15 Cases on December 6, 2018 (the "Chapter 15 Petition Date") to obtain recognition of the Brazilian RJ Proceeding.<sup>10</sup>

Indeed, Brazil is the proper venue for the main restructuring proceeding of the Debtors, as each maintains its center of main interests in that jurisdiction. The Debtors, together with their affiliates, constitute a corporate group that began its operations over 35 years ago in Brazil. Today, the Constellation Group's main operational centers and principal place of revenue-generating activity are still located in Brazil, as over 93% of the Constellation Group's workforce are related to Brazilian-located operations and up to 99% of the Constellation Group's total gross revenues available to repay the Company's debts has been generated from its Brazilian client groups in recent years. Creditors have also always been on notice that the Company could file restructuring

---

<sup>10</sup> In addition, to protect the Debtors and their assets from adverse creditor actions, one of the "milestones" under the PSA requires an order from this Court granting provisional relief pending recognition of the Brazilian RJ Proceeding pursuant to section 1519 of the Bankruptcy Code within 7 calendar days of the Chapter 15 Petition Date. See PSA § 11.01(p)(viii).

proceedings in Brazil due to the Company's ties to that jurisdiction.<sup>11</sup> For all of these reasons and as described more fully below, the Brazilian RJ Proceeding is the foreign main proceeding of each of the Debtors.

Accordingly, the Petitioner seeks recognition of the Brazilian RJ Proceeding for each of the Debtors and the grant of customary protections in aid of the comprehensive judicial reorganization now underway before the Brazilian RJ Court in the Brazilian RJ Proceeding.

## **BACKGROUND**

### **A. General Background and History**

#### *i. Overview*

1. The Constellation Group originated in Rio de Janeiro, Brazil where Debtor Petróleo Constellation (a Brazilian oil and gas operator) was incorporated in 1980. Since then, Petróleo Constellation's operations have primarily centered on providing services to the Petrobras group ("Petrobras"), Brazil's semi-public, multinational oil & gas group and the Company's largest client. Initially providing onshore drilling services to Petrobras in the north of Brazil, the Company expanded to offshore opportunities in the 1990s, and then to ultra-deepwater operations in 2006.

2. Today, the Company's operational and economic activities remain primarily concentrated in Brazil. Its tripartite business enterprise consists of (i) offshore drilling, (ii) onshore drilling, and (iii) investments in several joint ventures and associated entities related to the operation of floating production storage and offloading ("FPSO") units. It has consistently ranked among the safest, highest-performing, and most cost-effective offshore drilling companies

---

<sup>11</sup> For example, the Exchange Offer Supplement (as defined below) for the 2024 Notes (as defined below) identified Brazil as a possible forum for a restructuring: "it may include . . . Brazil where certain decisions of the Company are made, certain members of the Company's management are located and the location of substantially all of the Company's business is conducted (and, therefore, from which substantially all of the operating revenues that may be available to service the Company's obligations under the [2024] Notes are currently derived)." Exchange Offer Supplement at S-16; see also infra ¶ 66.

operating in Brazil. The Company's state-of-the-art and versatile fleet of Offshore Drilling Rigs and Onshore Drilling Rigs (as defined below) was constructed by some of the world's leading shipyards, is one of the largest fleets in Brazil, and is primarily composed of ultra-deepwater Offshore Drilling Rigs, including three ultra-deepwater drillships—the *Brava Star*, the *Amaralina Star*, and the *Laguna Star*—that are capable of drilling to a total depth of 40,000 feet.

3. In addition to owning a premium fleet of Offshore Drilling Rigs and Onshore Drilling Rigs, and employing a highly experienced management team and other skilled personnel, a number of other competitive advantages have contributed to the Company's success. For example, its lengthy track record of operating offshore drilling rigs<sup>12</sup> and drillships<sup>13</sup> in remote Brazilian waters makes it one of the few contract drillers that can offer experience in Brazil, economies of scale, and ultra-deepwater drilling expertise.

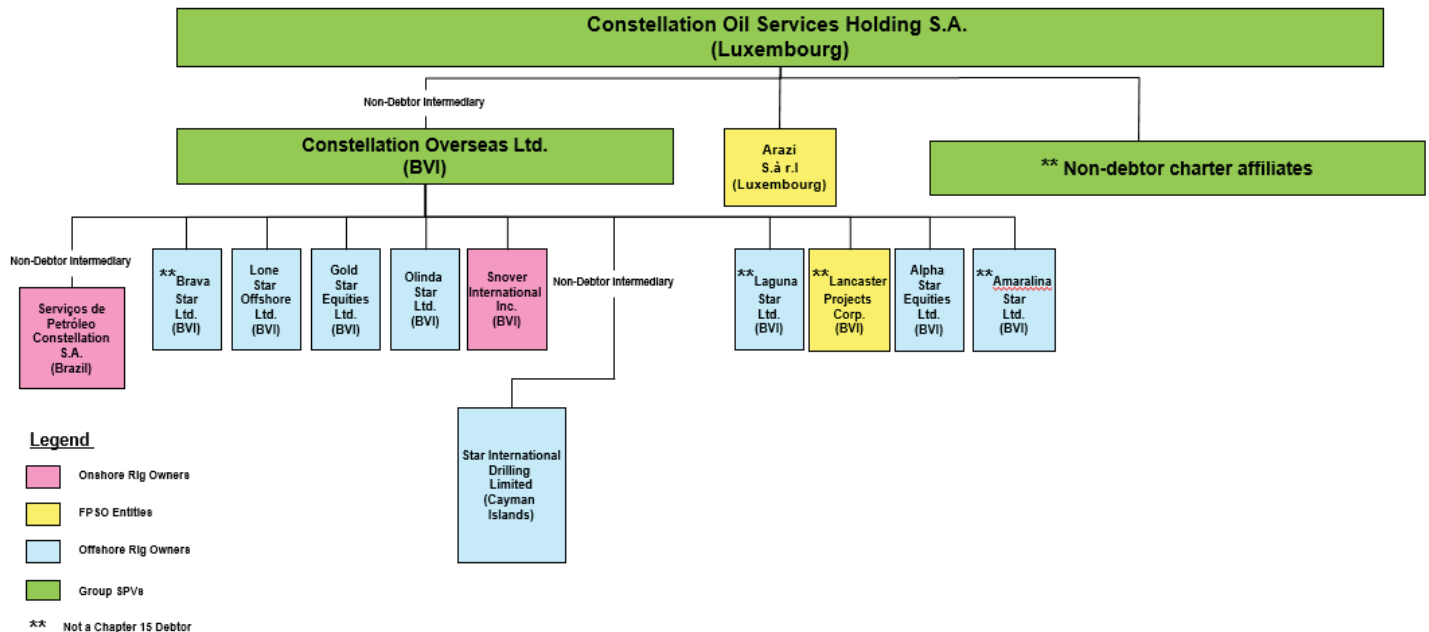
*ii. The Company's corporate structure and offices*

4. The Company's corporate structure reflects its history of financings, expansions, strategic investments, and acquisitions, as well as the common corporate strategy of allocating specific tasks to different corporate entities. The chart below shows, in relevant part, the Company's corporate structure and charts the role of each Debtor and related affiliates in this highly integrated corporate family.

---

<sup>12</sup> Semi-submersible rigs are floating vessels supported by a submerged or partially submerged ballasting platform system that provides stability and protection against ocean conditions such as waves, winds, and currents.

<sup>13</sup> Drillships are vessels resembling a typical ship built for deepwater drilling. They typically carry larger loads than semi-submersible rigs and are self-propelled and highly mobile, making them highly effective for exploratory drilling in remote locations.



As shown above, the Debtors and their key related affiliates are composed of:

a) The **“Onshore Rig Owners”** – Debtors Petróleo Constellation and Snover own the Onshore Drilling Rigs, which are primarily located in Brazil, and Petróleo Constellation employs the majority of the Constellation Group’s employees and provides operational services to Constellation Group customers;

b) The **“FPSO Entities”** – Debtor Arazi (the **“FPSO Entity Debtor”**) and RJ Debtor Lancaster Projects Corp. (**“Lancaster”**) participate in the Constellation Group’s investments in FPSO units as special-purpose holding and financing companies;

c) The **“Offshore Rig Owners”** – Debtors Alpha Star, Gold Star, Olinda Star, Lone Star, and Star Int’l. (together, the **“Offshore Rig Owner Debtors”**), as well as RJ Debtors Amaralina Star Ltd. (**“Amaralina Star”**), Laguna Star Ltd. (**“Laguna Star”**), and Brava Star Ltd. (**“Brava Star”**), each own an Offshore Drilling Rig, which it contracts through intercompany charters to an affiliated bareboat charterer entity in the Constellation Group (for further chartering to Constellation Group customers); and

d) The **“Constellation Group SPVs”** – Debtors Constellation and Constellation Overseas (together, the **“Constellation Group SPV Debtors”**) serve the Constellation Group as special-purpose holding and financing companies.

5. As shown above, the Company is an economically and operationally integrated global group, whose joint operational activities are principally focused on Brazil. Indeed, the

Constellation Group's primary operational activities are in Brazil, as are its primary operational management centers, located in Rio de Janeiro, Brazil (the "Rio Office") and Rio das Ostras (the "Rio das Ostras Office") and, together with the Rio Office, the "Brazilian Offices"). The Rio Office maintains Company staff in charge of operational matters as well as the Constellation Group's legal, human resources, and research and development teams, and the Rio das Ostras Office houses members of the Constellation Group's operations management team.

6. The Company also maintains operational bases in other locations across Brazil, including Manaus in the state of Amazonas and Nova Mutum in the state of Mato Grosso, each in connection with its onshore drilling segment. As a global corporate group, the Company has also established offices in international markets, including: (i) London, England, where several members of the Company's senior management team are based;<sup>14</sup> (ii) Luxembourg, where certain executives hold board meetings; (iii) Paraguay, where an operational base is located; and (iv) Panama City, Panama, which office provides treasury and financial services to certain companies in the Constellation Group. In addition, the Company maintains project offices in India and other locales as part of its focus on strategic markets such as India, West Africa, and the Gulf of Mexico.

7. The Company employs over 1,200 individuals, with the vast majority (approximately 93%) located in Brazil. Its strong employee base is essential to preserving operational stability, safety, and efficiency, which, in turn, are necessary to maximize and maintain the value of the Debtors over the course of the Brazilian RJ Proceeding.

## **B. Company Operations and Assets**

8. The fleet of vessels that the Company owns or in which it holds an ownership

---

<sup>14</sup> These members of the Company's senior management team are located in London and are employed by Constellation Oil Services UK Ltd., a non-Debtor affiliate organized under the laws of the United Kingdom and wholly-owned by Constellation, which provides consulting and management services to Constellation and its subsidiaries.

interest is comprised of the following:

- (a) **Eight offshore rigs and drillships**, including
  - (1) three ultra-deepwater semi-submersible rigs (the *Alpha Star*, the *Lone Star*, and the *Gold Star*),
  - (2) one deepwater semi-submersible rig (the *Olinda Star*),
  - (3) one midwater semi-submersible rig (the *Atlantic Star*), and
  - (4) three ultra-deepwater drillships (the *Amaralina Star*, the *Laguna Star*, and the *Brava Star*) (such offshore rigs and drillships, collectively, the “Offshore Drilling Rigs”);
- (b) **Nine onshore rigs** (the *QG-I*, the *QG-II*, the *QG-III*, the *QG-IV*, the *QG-V*, the *QG-VI*, the *QG-VII*, the *QG-VIII*, and the *QG-IX*) (such onshore rigs, collectively, the “Onshore Drilling Rigs”); and
- (c) **Five FPSO units** (the *Capixaba*, the *Cidade de Paraty*, the *Cidade de Ilhabela*, the *Cidade de Maricá*, and the *Cidade de Saquarema*) (together, the “JV FPSO Units”).

9. The Offshore Drilling Rigs and Onshore Drilling Rigs are the Company’s primary operating assets. As discussed in greater detail below, seven of the eight Offshore Drilling Rigs are presently located in Brazil, eight of its nine Onshore Drilling Rigs are located in Brazil, and all of the JV FPSO Units in which it holds an interest are located in Brazil.

10. Unlike some of its competitors, the Company does not rely on third parties to manage its fleet of Offshore Drilling Rigs and Onshore Drilling Rigs. Instead, it provides chartering and operations services on a “dayrate” contract basis to its customers through, respectively, charter agreements (the “Customer Charter Agreements”) and corresponding service agreements (the “Customer Service Agreements”), each of which have historically been (and presently are) primarily governed by Brazilian law (the Customer Charter Agreements together with the Customer Service Agreements, the “Customer Contracts”).

11. The Company's current and former clients are typically large oil and gas groups (such as Petrobras, its largest customer), as well as other Brazilian-based and multinational oil and gas companies.

12. The majority of the Company's revenues presently derive, and have historically derived, from operations and customer groups located in Brazil. For instance, approximately 99% of the Company's total gross revenue for the years ended December 31, 2016 and December 31, 2017 was derived from Customer Contracts with Petrobras for operations in Brazil.

13. A more detailed explanation of the Company's three operational segments is provided below.

*i. Offshore Drilling Rigs and Customer Contracts*

14. The chart below sets forth the eight Offshore Drilling Rigs alongside their corresponding Offshore Rig Owners, as well as the operational status of the offshore fleet as of the RJ Petition Date:

Offshore Drilling Rig	Offshore Rig Owner	Customer
<i>Olinda Star</i>	Olinda Star	Under contract with a large multinational corporation for drilling in Indian waters
<i>Amaralina Star</i>	Amaralina Star	Operations scheduled to commence between December 2018 and January 2019 pursuant to a conditional letter of award entered into with a Brazilian subsidiary of a large multinational corporation
<i>Laguna Star</i>	Laguna Star	Under contract with a Brazilian oil and gas company (with operations scheduled to commence between November 26, 2018 and June 30, 2019)
<i>Brava Star</i>	Brava Star	Under contract with a Brazilian subsidiary of a large multinational corporation (with operations scheduled to commence between January 1, 2019 and June 30, 2019)
<i>Alpha Star</i>	Alpha Star	Not presently under contract
<i>Gold Star</i>	Gold Star	Not presently under contract
<i>Lone Star</i>	Lone Star	Not presently under contract
<i>Atlantic Star</i>	Star Int'l.	Petrobras



15. Through Brazilian Debtor *Petróleo Constellation*, the Company enters into Customer Service Agreements with its customers to operate the chartered Offshore Drilling Rigs, including providing for employees, management services, fuel, supplies, and other services. With the exception of the *Olinda Star* rig, all Offshore Drilling Rigs have historically been or presently are under contract with Petrobras or other customers located in Brazil, or maintained in shipyards located in Brazil.

16. In the year prior to the RJ Petition Date, Customer Contracts with Petrobras for several of the Offshore Drilling Rigs expired, including Customer Contracts for the *Gold Star*, *Lone Star*, *Laguna Star*, *Brava Star*, and *Amaralina Star*. As many of the Customer Contracts with Petrobras have either expired or are scheduled to expire in the near future, the Company has been working diligently to obtain new offshore drilling contracts in Brazil—where it maintains key competitive advantages—as well as in international markets. Recently, the Company won new Customer Contracts in Brazil for the *Brava Star*, entered into new Customer Contracts in Brazil for the *Laguna Star*, and signed a conditional letter of award for the *Amaralina Star* in Brazil. The Company is currently one of the drilling contractors with the most experience in Brazil and is registered to participate in opportunities for offshore and onshore drilling units both with Petrobras and several other international oil companies.

*ii. Onshore Drilling Rigs and Customer Contracts*

17. The Company's fleet of Onshore Drilling Rigs features five heli-portable rigs and two of the largest onshore rigs in Brazil. As noted, eight of the Company's nine Onshore Drilling Rigs are located in Brazil, and all of the Onshore Drilling Rigs are either owned by *Petróleo Constellation* or *Snover*. As in its offshore operational segment, the Company charters its Onshore Drilling Rigs to oil and gas customers and provides corresponding operating services. Given the

present industry focus on ultra-deep water activities, only one of the Company's nine Onshore Drilling Rigs is currently under contract. The Company is seeking new customers for the remainder of its onshore fleet.

*iii. FPSO units and FPSO services*

18. In addition to the Offshore Drilling Rigs and Onshore Drilling Rigs, the Constellation Group also owns investments in five FPSO units with certain strategic partners as co-investors. The Constellation Group's equity stake related to the operation of the respective JV FPSO Units ranges from 5 to 20 percent and is held by either Debtor Arazi or RJ Debtor Lancaster.<sup>15</sup> The Company does not directly enter into third-party customer contracts for the chartering or the provision of operating services related to the JV FPSO Units, leaving that to the joint venture entities that own and operate the JV FPSO Units. Debtor Petróleo Constellation, however, does provide a limited number of employees to the JV FPSO Unit operators. The Company also generally guarantees obligations owed to Petrobras and/or consortiums led by Petrobras under the charter and service agreements for the JV FPSO Units, as well as the obligations of Arazi and Lancaster under shareholders' agreements with the co-investors relating to the ownership, commissions, and operation of the JV FPSO Units. All of the JV FPSO Units in which the Company is invested are currently under contract in Brazilian waters with customers located in Brazil, with the respective charter and service agreements for four of the five JV FPSO Units expiring between 2033 and 2036 and one expiring in 2022.

**C. Capital Structure**

*i. The Company's capital stock*

---

<sup>15</sup> Each JV FPSO Unit investment project follows a similar structure under which the Company, directly or indirectly, generally owns equity interests in (i) the joint venture or associated entity that owns the applicable JV FPSO Unit through Debtor Arazi, and (ii) the joint venture or associated entity that serves as the operator for the applicable JV FPSO Unit through RJ Debtor Lancaster.

19. The Company's controlling shareholder is LUX Oil and Gas International S.à.r.l. ("LuxCo"), an entity organized under the laws of Luxembourg and indirectly wholly-owned by the private equity fund SUN STAR Fundo de Investimento em Participações Multiestratégia Investimento no Exterior ("SUN STAR"). As of the RJ Petition Date, LuxCo owned 74.14% of the total capital stock and 75.10% of the voting stock of Constellation, and various holding companies and limited partnerships that are affiliates of and/or ultimately managed by Capital International, Inc. ("Capital") owned the remaining 25.86% and 24.90% of the Company's total capital and voting stock, respectively.

*ii. Prepetition debt structure*

20. As of November 30, 2018, the Company was liable for approximately \$1.5 billion in aggregate outstanding third-party financial indebtedness (including accrued interest) under four credit facilities and two bond issuances (together, the "Prepetition Debt"): <sup>16</sup>

- (a) secured syndicated credit facility to finance the *Amaralina Star* and *Laguna Star* drillships (the "A&L Project Loan Facility") with an aggregate principal amount of \$943.9 million entered into with various banks and financial parties and governed by New York law, and secured by mortgages over these drillships, assignments of certain receivables, and other collateral;
- (b) secured syndicated credit facility to finance the *Brava Star* drillship (the "Brava Project Loan Facility" and, together with the A&L Project Loan Facility, the "A/L/B Project Financings") with an aggregate principal amount of \$475 million entered into with various banks and financial parties and governed by New York law, and secured by a mortgage over the *Brava Star*, assignments of certain receivables, and other collateral;
- (c) 6.25% senior unsecured notes due November 2019 (the "2019 Notes") issued by Constellation in an aggregate principal amount

<sup>16</sup> In addition to these credit facilities and bond issuances, the Company also has additional obligations under certain bid and/or performance bonds, and letters of credit, including obligations to Bradesco (as defined below) for two standby letters of credit issued by Bradesco in the aggregate principal amount of \$30.2 million (which amounts remain undrawn as of the RJ Petition Date), by order and for the account of Constellation Overseas, on behalf of RJ Debtors Brava Star and Laguna Star, respectively, under reimbursement agreements, as amended and/or restated from time to time (such obligations, collectively, the "Bradesco L/C Obligations").

outstanding of \$95,432,000 under a New York law-governed indenture;<sup>17</sup>

- (d) 9.00% Cash / 0.500% PIK senior secured notes due 2024 (the “2024 Notes”) issued by Constellation in an aggregate principal amount outstanding of \$604,568,000 under a New York law-governed indenture, and secured by mortgages over certain of the Offshore Drilling Rigs, pledges on certain accounts, and other collateral;<sup>18</sup> and
- (e) two unsecured working capital facilities under which Banco Bradesco S.A., Grand Cayman Branch (“Bradesco”) made available advances in principal amount of up to \$150 million (the “Bradesco I Working Capital Facility”) and \$75 million (the “Bradesco II Working Capital Facility” and, together with the Bradesco I Working Capital Facility, the “Bradesco Working Capital Facilities”), respectively, and which are governed by New York law.

21. The following approximate amounts (including accrued interest) remained outstanding under the Prepetition Debt as of November 30, 2018:

Prepetition Debt Issuance	Amount Outstanding
A&L Project Loan Facility ( <i>Amaralina Star</i> tranches)	\$128.9 million
A&L Project Loan Facility ( <i>Laguna Star</i> tranches)	\$133.1 million
Brava Project Loan Facility	\$334.9 million
2024 Notes	\$639.3 million
2019 Notes	\$98.8 million
Bradesco Working Capital Facilities	\$152.6 million
<b>TOTAL:</b>	<b>\$1.49 billion</b>

<sup>17</sup> Deutsche Bank Trust Company Americas (the “2019 Notes Trustee”) serves as trustee, paying agent, transfer agent, and registrar for the 2019 Notes. Prior to the Exchange Offer (defined below), the principal amount of the 2019 Notes totaled \$700 million.

<sup>18</sup> Wilmington Trust, National Association (the “2024 Notes Trustee” and, together with the 2019 Notes Trustee, the “Notes Trustees”) serves as trustee, paying agent, transfer agent, and registrar for the 2024 Notes.

22. Additionally, the Debtors have operating debts owed to employees and trade creditors, most of whom are located in Brazil, which are generally subject to the Brazilian RJ Proceeding, as well as certain intercompany debt obligations (as the Company is a financially integrated enterprise).

**D. Events Precipitating Commencement of the Brazilian RJ Proceeding**

*i. Cyclical decline in the drilling industry and the Brazilian financial crisis*

23. The Company's financial distress is attributable in large part to the cyclical nature of the deepwater drilling market, which, following a boom in oil and gas prices in the early years of this decade, entered a sustained down cycle and witnessed a number of major bankruptcies in the sector. In 2012, the price of a barrel of oil had risen to over \$125, expanding access to credit for oil and gas companies. During this time, the Company, along with much of the industry, experienced tremendous growth and incurred new debt obligations to expand its operations and investments, including the A/L/B Project Financings to finance the acquisition of the *Amaralina Star*, *Laguna Star*, and *Brava Star* drillships.

24. As has been well documented, oil prices began to decline rapidly in mid-2014, eventually reaching less than \$30 per barrel in early 2016. As a consequence, exploration and production companies reduced their capital spending, yielding an oversupply in the offshore rig industry and a corresponding decrease in dayrates and revenues generated from them. Reduced revenues in turn damaged creditworthiness and restricted access to the credit markets for oil and gas companies.

25. At roughly the same time as oil prices began plummeting, the Brazilian economy entered a recession. A recent combination of political instability, record governmental budget deficits, and a contracting economy has chilled foreign investment in Brazil and frozen the

Brazilian capital markets. With seven of the Company's eight Offshore Drilling Rigs either no longer contracted by or soon to come off contract with Petrobras, the Company has been forced to compete with its peers amid an ever-tightening market for new work.

*ii. Negotiations with stakeholders and the PSA*

26. As a consequence of these operational and financial constraints, the Company began in 2017 to evaluate options for right-sizing its debt profile. In Spring 2017, the Company offered the holders of 2019 Notes new unsecured notes with essentially the same terms as the 2019 Notes (except for increases in maturity and coupon rate). Thereafter, certain of the holders of 2019 Notes formed an ad hoc group (the "2019 Group") seeking better terms for the note exchange. After multiple rounds of negotiations, the 2019 Group agreed in June 2017 to support and participate in an exchange offer (the "Exchange Offer") for all of the Company's outstanding 2019 Notes for newly-issued 2024 Notes. Through the Exchange Offer, which closed in July 2017, Constellation exchanged 86.4% of the Company's 2019 Notes for an equal aggregate principal amount of the 2024 Notes. Significantly, in exchange for their support, the 2019 Group negotiated for material concessions from the Company, including, without limitation, liens on many of the Constellation Group's assets, guaranties from additional entities, tighter bond covenants, and a higher coupon rate.<sup>19</sup> Thus, the terms of the 2024 Notes vastly improved the credit position and priority for the participants in the Exchange Offer.

27. Unfortunately, the maturity extensions achieved by the Exchange Offer were not sufficient to solve all of the Company's financial issues. Thus, thereafter and through the months leading up to the commencement of the Brazilian RJ Proceeding, the Company sought to obtain a

---

<sup>19</sup> Relevant excerpts from the Exchange Offer Memorandum and Consent Solicitation Statement dated April 3, 2017 (the "Exchange Offer Memorandum") and the Supplement to the Exchange Offer Memorandum and Consent Solicitation Statement dated June 28, 2017 (the "Exchange Offer Supplement") are attached as Exhibit E.

comprehensive restructuring of its debt obligations. To that end, the Company and its advisors engaged in good faith, arms'-length negotiations with its key creditors, including Bradesco and the lenders under the A/L/B Project Financings (collectively, the "A/L/B Lenders").

28. The Company and a substantial majority of the A/L/B Lenders reached a restructuring agreement in principle at the end of September 2018, the terms of which were then memorialized in the PSA. These terms include, among others, such A/L/B Lenders' agreement to escrow amortization and cash sweep payments made in August and September, and to re-lend those amounts upon implementation of the restructuring transactions. To ensure the Company has sufficient liquidity during the Brazilian RJ Proceeding,<sup>20</sup> to fund the maintenance of the A/L/B Lenders' collateral, certain A/L/B Lenders have agreed that during the Brazilian RJ Proceeding the Company may access and use cash held in accounts that are pledged to the A/L/B Lenders and comprise their cash collateral.<sup>21</sup> Additionally, to provide the necessary runway to negotiate and execute the PSA, these A/L/B Lenders also agreed to extend the maturities under the A/L/B facilities ultimately until December 8, 2018.

29. In parallel, since November of 2017, the Company also engaged in negotiations with Bradesco. During the course of these discussions, on two separate occasions, the parties agreed to amendments postponing amortization payments originally due in early 2018, each for a period of three months to allow the Company greater flexibility to negotiate with its other

---

<sup>20</sup> The Company's operations are heavily dependent on substantial ongoing expenditures, such as payments to its employees and service providers, which are necessary to ensure the safe operation, maintenance, and preservation of its Drilling Rigs. In summary, the Company's operations require various transactions in the ordinary course of business, such as payments to vendors of goods and services related to the operation and maintenance of the Offshore Drilling Rigs and Onshore Drilling Rigs, including specialized equipment, fuel, and maintenance services, as well as transactions related to the "stacking" of idle Offshore Drilling Rigs and Onshore Drilling Rigs, rig crewing, shared management services, payroll, benefits, and posting of bid and performance bonds. The Company's ability to sustain its business operations and, thereby, its value as a going concern, requires sufficient liquidity to satisfy these and other ongoing expenditures.

<sup>21</sup> See PSA §§ 4.01(a)(vii), 4.02; Exhibit B to the PSA. The relevant cash collateral accounts are owned by certain RJ Debtors and non-Debtor affiliates in the Constellation Group, who are not currently seeking chapter 15 recognition at this time.

stakeholders. Bradesco later agreed to extend the final maturity payments under the Bradesco Working Capital Facilities on several additional occasions, in exchange for consideration including guarantees<sup>22</sup> and grants of collateral,<sup>23</sup> thus extending the final maturity dates so that they were coterminous with the maturities of the A/L/B Project Financings (i.e., ultimately, December 8, 2018). The Company reached a restructuring agreement in principle with Bradesco in early October 2018, pursuant to which, among other conditions, Bradesco agreed to provide a \$15 million letter of credit to be utilized in the event of a liquidity shortfall.

30. At the same time, the Company also engaged in discussions and negotiations with certain holders who now hold a majority of the 2024 Notes (the “Ad Hoc Group”) and their legal and financial advisors. To that end, the Company entered into multiple non-disclosure agreements and even a short-term forbearance agreement with the Ad Hoc Group to facilitate the negotiation of a mutually agreeable restructuring. Such discussions with the Ad Hoc Group will continue during the Brazilian RJ Proceeding.

31. On November 29, 2018, the PSA was agreed and executed between the Company, certain A/L/B Lenders holding at least 97.5% of the combined aggregate outstanding principal amount under the A/L/B Project Financings (collectively, the “Consenting A/L/B Lenders”), Bradesco, and the Company’s shareholders, which include LuxCo and Capital as investment manager for and on behalf of certain funds it manages. Subject to the terms and conditions of the PSA, the Consenting A/L/B Lenders have agreed to re-lend approximately \$39 million in funds that were escrowed in August and September of 2018, Bradesco has agreed to provide a \$15

---

<sup>22</sup> Constellation became a guarantor of the obligations of Constellation Overseas under the Bradesco Working Capital Facilities on July 31, 2018.

<sup>23</sup> In connection with the extensions of the maturity dates under the Bradesco Working Capital Facilities, the Company granted security to Bradesco over certain collateral encumbered by existing security interests—the assets encumbered to secure the obligations under the 2024 Notes—to secure the Bradesco L/C Obligations on a first-lien, pari passu basis with the 2024 Notes.



million letter of credit, and the shareholders have agreed to invest \$27 million of new money at closing, all to ensure the Company has ample liquidity to survive a prolonged downturn in the market post-restructuring. Accordingly, the Company entered the Brazilian RJ Proceeding with a pre-negotiated restructuring deal and will seek approval of a reorganization plan consistent with the terms of the PSA in Brazil. Additionally, given the risks to the Debtors and their assets in the United States, the PSA requires, as one of the conditions precedent to the implementation of the restructuring transactions, an order from this Court granting recognition of the Brazilian RJ Proceeding with respect to each of the Debtors.<sup>24</sup>

#### **E. Connections to the United States**

32. The Debtors have a number of connections to the United States. First, all of the principal documents setting forth the Debtors' Prepetition Debt obligations are governed by New York law and generally contemplate New York as a venue for disputes.<sup>25</sup> Second, the Debtors have cash in U.S. bank accounts (collectively, the "U.S. Bank Accounts") principally located in Manhattan, New York. The Debtors' U.S. Bank Accounts are part of an integrated cash management system with well-established mechanisms for the collection, concentration, management, and disbursement of Company funds. Finally, in addition to holdings in the U.S. Bank Accounts, the Company maintains approximately \$50,000 in a client trust account at White

---

<sup>24</sup> Moreover, to protect the Debtors' U.S. assets from adverse creditor actions, one of the "milestones" under the PSA requires an order from this Court granting the relief sought in the Motion for Provisional Relief within 7 calendar days of the Chapter 15 Petition Date. See PSA § 11.01(p)(viii). The Debtors must satisfy this and other milestones or else a "Termination Right Triggering Event" will occur. Id. §§ 11.01(p)(i)-(viii). The occurrence of a Termination Right Triggering Event has two negative consequences. First, either a majority of the Consenting A/L/B Lenders or Bradesco will have the right to terminate the PSA and withdraw their support from the Debtors' restructuring. Id. Second, the occurrence of a Termination Right Triggering Event will cut off the Debtors' right to access and use certain funds that are the A/L/B Lenders' cash collateral, see supra ¶ 28 & n.21—even if the PSA is not terminated. See Exhibit B to the PSA §§ 2.02; 4(a). Specifically, the Constellation Group's right to use or receive certain funds that are the A/L/B Lenders' cash collateral will be suspended upon a Termination Right Triggering Event unless and until such suspension is waived by the written consent of a majority of the Consenting A/L/B Lenders. See id. Thus, the failure to obtain such relief is potentially harmful to the Debtors and their restructuring.

<sup>25</sup> Additionally, a majority of the Debtors have consented in various debt documents to the jurisdiction and venue of federal courts in the state of New York.

& Case LLP (the “Escrow Account”) in New York, including sums of \$1,000 in separate sub-accounts in the names of each of the Debtors.

### **JURISDICTION, ELIGIBILITY AND VENUE**

33. This Court has jurisdiction to consider the Verified Petition pursuant to sections 157 and 1334 of title 28 of the United States Code, as well as the Amended Standing Order of Reference dated January 31, 2012, Reference M-431, In re Standing Order of Reference Re: Title 11, 12 Misc. 00032 (S.D.N.Y. Feb. 2, 2012) (Preska, C.J.) (the “Amended Standing Order”).

34. These Chapter 15 Cases have been properly commenced with respect to each of the Debtors in accordance with sections 1504 and 1509(a) of the Bankruptcy Code by the filing of the Verified Petition. This is a core proceeding pursuant to section 157(b)(2)(P) of title 28 of the United States Code.

35. Venue is proper in this Court pursuant to section 1410(1) of title 28 of the United States Code, as the principal U.S. assets of each of the Debtors (including cash amounts maintained in the Escrow Account, with individual sub-accounts in the name of each Debtor, each containing \$1,000.00) are located within New York County and thus within this District.

36. The presence of assets within the United States renders the Debtors eligible to file these Chapter 15 Cases pursuant to section 109(a) of the Bankruptcy Code. See In re Suntech Power Holdings Co., 520 B.R. 399, 411 (Bankr. S.D.N.Y. 2014); Drawbridge Special Opportunities Fund LP v. Barnet (In re Barnet), 737 F.3d 238, 247-51 (2d Cir. 2013) (applying section 109(a)’s local property requirement to chapter 15 cases).<sup>26</sup>

### **REQUIRED DISCLOSURES**

---

<sup>26</sup> See also In re Avanti Commc’ns Grp. PLC, 582 B.R. 603, 611 (Bankr. S.D.N.Y. 2018) (finding that the “property in the United States” requirement of section 109(a) is satisfied by a New York law-governed indenture); In re Berau Capital Res. PTE Ltd., 540 B.R. 80, 84 (Bankr. S.D.N.Y. 2015) (same).

37. The Petitioner hereby provides the following disclosures in accordance with Rule 1007(a)(4) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”):

- the following disclosure identifies for the Court any corporation, other than a governmental unit, that directly or indirectly owns 10% or more of any class of each of the Debtors’ equity interests:
  - a. 74.14% of Constellation’s equity is directly owned by LuxCo.
  - b. 100% of LuxCo’s equity is directly owned by SUN STAR.
  - c. 11.05% of Constellation’s equity is indirectly owned by Capital International Private Equity Fund V, L.P.
  - d. 100% of Arazi’s equity is directly owned by Constellation.
  - e. 100% of Constellation Overseas’s equity is directly owned by Constellation Star GmbH.
  - f. 100% of Constellation Star GmbH’s equity is directly owned by Constellation.
  - g. 100% of Lone Star’s equity is owned by Constellation Overseas.
  - h. 100% of Gold Star’s equity is owned by Constellation Overseas.
  - i. 100% of Olinda Star’s equity is owned by Constellation Overseas.
  - j. 100% of Snover’s equity is owned by Constellation Overseas.
  - k. 100% of Alpha Star’s equity is owned by Constellation Overseas.
  - l. 100% of Petróleo Constellation’s equity is owned by Serviços de Petróleo Constellation Participações S.A.
  - m. 99.99% of Serviços de Petróleo Constellation Participações S.A.’s equity is owned by Constellation Overseas.
  - n. 100% of Star Int’l.’s equity is owned by Hopelake Services Ltd.
  - o. 100% of Hopelake Services Ltd.’s equity is owned by Constellation Overseas.
- Other than the Verified Petition, none of the Debtors has a pending petition with this Court for relief under any chapter of the Bankruptcy Code.
- The Brazilian RJ Proceeding is the only foreign proceeding, as that term is defined in section 101(23) of the Bankruptcy Code, of the Debtors presently open at the time of commencement of these Chapter 15 Cases, however, certain of the Debtors may commence additional foreign proceedings in support of the Brazilian RJ Proceeding, and updates will be provided to this Court with respect to any such proceedings.
- Aside from the Petitioner with respect to these Chapter 15 Cases (and Galdino & Coelho

Advogados (“G&C”) with respect to the Brazilian RJ Proceeding),<sup>27</sup> no other persons are presently authorized to administer foreign proceedings of the Debtors at this time.

- Debtor Constellation Overseas is presently engaged in an arbitration proceeding administered by the International Chamber of Commerce (ICC) in New York against Alperon Capital Ltd. (“Alperon”), Alperon’s current shareholders and guarantors, and Alperon’s former shareholders, in a dispute regarding the shareholders’ agreements for RJ Debtors Amaralina Star and Laguna Star.<sup>28</sup> As of the date of the filing of the Verified Petition, the Petitioner is not aware of any other pending litigation involving the Debtors in the United States.
- In conjunction with this Verified Petition, the Petitioner is also seeking provisional relief in the Motion for Provisional Relief against the entities listed on Exhibit B to the *Ex Parte Motion to Shorten Notice and Setting Procedures for Hearing to Consider Motion for Provisional Relief* [ECF No. 9] submitted substantially contemporaneously herewith.

### **BASIS FOR RELIEF**

38. The Court should grant the Verified Petition and recognize the Brazilian RJ Proceeding as the foreign main proceeding for each of the Debtors. Each of the procedural requirements of section 1515 of the Bankruptcy Code are satisfied, as is set out in section A below. Notably, the Petitioner is the duly appointed “foreign representative” of the Brazilian RJ Proceeding with respect to each of the Debtors, and it is well-established that Brazilian RJ proceedings are considered “foreign proceedings” for the purposes of chapter 15. Further, the center of main interests for each of the Debtors is clearly in Brazil. Brazil is presently the situs of substantially all of the Company’s core tangible assets—its Offshore Drilling Rigs and Onshore Drilling Rigs—just as Brazil is the primary source of revenue generation for the Company. Brazil is also currently where 93% of the Company’s workforce is employed and where the Company’s primary operational management centers are located.

39. A finding that each of the Debtors’ center of main interests is located in Brazil also

---

<sup>27</sup> In addition to appointing the Foreign Representative, each of the Debtors also authorized G&C with a power of attorney to file and take actions in the RJ on its behalf. The address of G&C is set forth in the Notice List (as defined below).

<sup>28</sup> The names and addresses of the parties to the litigation and the addresses of each are set forth in the Notice List.

aligns with the expectations of creditors under the terms of the Company's Prepetition Debt. Further, from a pragmatic perspective, Brazil is the sole jurisdiction in which the Debtors' businesses can be comprehensively and efficiently restructured—a restructuring effort on which the jobs of over 1200 individuals depend. Indeed, the very purpose of chapter 15 is to incorporate the Model Law on Cross-Border Insolvency (1997) (the “Model Law”) “to provide effective mechanisms for dealing with cases of cross-border insolvency.”<sup>29</sup> This case is a paradigmatic example of a global enterprise that requires chapter 15 relief to facilitate a logical and efficient coordination of restructuring efforts.<sup>30</sup> The rational hub of those turnaround efforts is Brazil—the Company's principal operational center and where the Company's restructuring process is pending. See supra ¶¶ 26-31.

40. Further, and in the alternative, if this Court declines to recognize the Brazilian RJ Proceeding as the foreign main proceeding of any of the Debtors, those Debtors are eligible for non-main recognition and relief, on the basis set out in section C below, to ensure a comprehensive restructuring of the Company.

**A. The Brazilian RJ Proceeding is a Foreign Proceeding of each of the Debtors and the Petitioner is the Duly-Authorized Foreign Representative thereof and has Properly Petitioned This Court for Recognition**

41. Section 1517(a) of the Bankruptcy Code provides that, after notice and a hearing, the Court shall enter an order recognizing a foreign proceeding if (i) the petition meets the requirements of section 1515 of the Bankruptcy Code, (ii) the foreign representative applying for recognition is a person or body, and (iii) such foreign proceeding is a foreign main proceeding or

---

<sup>29</sup> 11 U.S.C. § 1501(a); In re Pro-Fit Holdings Ltd., 391 B.R. 850, 857 (Bankr. C.D. Cal. 2008); see also Krys v. Farnum Place, LLC (In re Fairfield Sentry Ltd.), 768 F.3d 239, 245 (2d Cir. 2014); In re British Am. Ins. Co., 425 B.R. 884, 899 (Bankr. S.D. Fla. 2010).

nonmain proceeding within the meaning of section 1502 of the Bankruptcy Code. See 11 U.S.C. § 1517(a); In re Oversight & Control Comm'n of Avánzit, S.A., 385 B.R. 525, 532 (Bankr. S.D.N.Y. 2008). These foregoing requirements are satisfied with respect to the Brazilian RJ Proceeding, the Petitioner, and the Verified Petition with respect to each of the Debtors.

*i. The Verified Petition satisfies the requirements of section 1515*

42. Each of the procedural requirements of section 1515 of the Bankruptcy Code are satisfied. First, the Petitioner properly commenced these Chapter 15 Cases with respect to each of the Debtors in accordance with sections 1504 and 1509(a) by filing the Verified Petition under section 1515. See In re Bear Stearns High-Grade Structured Credit Strategies Master Fund, Ltd., 374 B.R. 122, 127 (Bankr. S.D.N.Y. 2007) (hereinafter “Bear Stearns I”), aff’d, 389 B.R. 325 (S.D.N.Y. 2008) (hereinafter “Bear Stearns II”). Second, the Petitioner has submitted all documents and other information required by section 1515(b) regarding the Brazilian RJ Proceeding and the appointment of the Petitioner as foreign representative thereof with respect to each of the Debtors for purposes of these Chapter 15 Cases, together with English translations of the same where applicable, as required by section 1515(d).<sup>31</sup> Finally, the Petitioner has submitted in this Verified Petition all information required by section 1515(c) (i.e., a statement by the Petitioner regarding any other foreign proceedings with respect to each of the Debtors), together with all other required disclosures regarding each of the Debtors in accordance with Bankruptcy Rules 1007(a)(4) and 7007.1. See supra ¶ 37.

*ii. The Petitioner is the duly-appointed “foreign representative” of the Brazilian RJ Proceeding for each of the Debtors*

---

<sup>31</sup> See Exhibits B and D (together containing true and correct copies of the RJ Petition (and a certified English translation of the RJ Petition), and the Resolutions (as defined below in the section titled “Verification of Chapter 15 Petition”) authorizing the commencement of the Brazilian RJ Proceeding and these Chapter 15 Cases, and authorizing and appointing the Petitioner to file the Verified Petition and act as the foreign representative with respect to each of the Debtors for purposes of these Chapter 15 Cases); Exhibit G (the RJ Acceptance Order).

43. Section 1517(a) of the Bankruptcy Code also requires that a foreign representative applying for recognition be a person or body. See 11 U.S.C. § 1517(a)(2). Here, the Petitioner is an individual, which is included in the term “person,” 11 U.S.C. § 101(41), who, with respect to each of the Debtors and pursuant to the Resolutions has been duly (i) appointed to act as the foreign representative of the Brazilian RJ Proceeding for such Debtor for purposes of these Chapter 15 Cases and (ii) authorized to commence these Chapter 15 Cases with respect to such Debtor. As explained in the Brazilian Counsel Declaration, the Brazilian Bankruptcy Law authorizes the Debtors to administer the reorganization of their assets and affairs. Brazilian Counsel Decl. ¶ 20. Each of the Debtors appointed the Petitioner in conjunction with the commencement of the Brazilian RJ Proceeding for such Debtor, and thus sections 101(24) and 1517(a)(2) of the Bankruptcy Code are satisfied. See Order Granting Recognition of Foreign Main Proceeding and Certain Related Relief, In re Oi S.A., Case No. 16-11791 (SHL) (Bankr. S.D.N.Y. July 22, 2016), ECF No. 38; In re OAS S.A., 533 B.R. 83, 93-95 (Bankr. S.D.N.Y. 2015) (holding that the Bankruptcy Code does not require the judicial authorization or appointment of the foreign representative).<sup>32</sup>

*iii. The Brazilian RJ Proceeding is a foreign proceeding*

44. The Brazilian RJ Proceeding is a “foreign proceeding” with respect to each of the Debtors, as required under section 1517(a). See 11 U.S.C. § 1517(a)(1) (requiring that as a condition to the entry of a recognition order, the Brazilian RJ Proceeding must be a foreign main proceeding or nonmain proceeding within the meaning of section 1502 of the Bankruptcy Code).

---

<sup>32</sup> See also Ad Hoc Group of Vitro Noteholders v. Vitro, S.A.B., de C.V. (In re Vitro, S.A.B. de C.V.), 470 B.R. 408 (Bankr. N.D. Tex. 2012), aff’d, 701 F.3d 1031 (5th Cir. 2012) (holding that an individual appointed as foreign representative by the debtor’s board in anticipation of a Mexican *concurso* proceeding, which contemplates self-management during the proceeding similar to that of a debtor-in-possession, fit within the scope of the Bankruptcy Code’s definition of “foreign representative,” and recognizing the individual as the foreign representative).

Section 101(23) defines a “foreign proceeding” as (1) a collective judicial or administrative proceeding under a law relating to insolvency or adjustment of debt, (2) pending in a foreign country, (3) in which the assets and affairs of the debtor are subject to control or supervision of a foreign court, and (4) for the purpose of reorganization or liquidation. See 11 U.S.C. § 101(23). The Bankruptcy Code defines “foreign court” as “a judicial or other authority competent to control or supervise a foreign proceeding.” 11 U.S.C. § 1502(3). The Brazilian RJ Proceeding meets this definition.

45. First, as discussed in the Brazilian Counsel Declaration, the Brazilian RJ Proceeding is a “collective” proceeding in that it involves the treatment of multiple creditors and claims together rather than attempting to resolve two-party disputes. See Brazilian Counsel Decl. ¶ 7. An RJ restructuring plan, as contemplated by the Brazilian Bankruptcy Law, is intended to directly or indirectly benefit all creditors collectively rather than to benefit any single creditor alone. Id. ¶¶ 22, 39-42.

46. Second, the Brazilian RJ Proceeding is a proceeding pending in a foreign country (Brazil) under a law relating to adjustment of debt. As noted above, on December 6, 2018, the RJ Debtors filed their joint RJ Petition and the Brazilian RJ Court entered the RJ Acceptance Order.

47. Third, the assets and affairs of the Debtors are subject to the control and supervision of a foreign court (the Brazilian RJ Court) for the purpose of reorganization. See id. ¶ 7. Additionally, for a plan of reorganization to become effective, it must be approved by the Brazilian RJ Court, which also retains jurisdiction to enforce such plan, including by specific performance. Id. ¶¶ 33-34.

48. Accordingly, it is unsurprising that every U.S. bankruptcy court to consider the question, including this Court, has found that restructuring proceedings under the Brazilian



Bankruptcy Law (and other Brazilian restructuring laws) constitute “foreign proceedings.” See, e.g., In re Oi S.A., Case No. 16-11791 (SHL) (Bankr. S.D.N.Y. July 22, 2016), ECF No. 38; In re OAS S.A., 533 B.R. at 83; In re Aralco S.A. Indústria e Comércio, et al., No. 15-10419 (REG) (Bankr. S.D.N.Y. Apr. 21, 2015), ECF No. 22. The same conclusion applies here.

**B. The Court Should Find that the Brazilian RJ Proceeding Is a “Foreign Main Proceeding” with Respect to Each of the Debtors**

49. The Brazilian RJ Proceeding is also the “foreign main proceeding” of each Debtor because it is pending in Brazil, which is each Debtor’s center of main interests (“COMI”). See 11 U.S.C. § 1502(4); 11 U.S.C. § 1517(b)(1) (a foreign main proceeding is the foreign proceeding subject to the petition “pending in the country where the debtor has the center of its main interests”).

*i. A COMI analysis under U.S. law focuses on where a debtor’s business interests are principally centered*

50. Neither the Bankruptcy Code nor the Model Law defines COMI. Although the Bankruptcy Code establishes a presumption that a debtor’s COMI is its “registered office,”<sup>33</sup> see 11 U.S.C. § 1516(c), the legislative history makes clear that this presumption is rebuttable. H. Rep. No. 109-31, Pt. 1, at 113. This Court once observed that:

This presumption “permits and encourages fast action in cases where speed may be essential, while leaving the debtor’s true ‘center’ open to dispute in cases where the facts are more doubtful.” . . . This presumption is not a preferred alternative where there is a separation between a corporation’s jurisdiction of incorporation and its real seat. . . . “[T]he Model Law and Chapter 15 give limited weight to the presumption of jurisdiction of incorporation as the COMI.”

---

<sup>33</sup> “‘Registered office’ is the term used in the Model Law to refer to the place of incorporation or the equivalent for an entity that is not a natural person.” H. Rep. No. 109-31, Pt. 1, 109th Cong., 1st Sess. 112-13 (2005) (citing Guide to Enactment of the UNCITRAL MODEL LAW on Cross-Border Insolvency, at 36, U.N. Gen. Ass., UNCITRAL 30th Sess. U.N. Doc. A/CN.9/442 (1997) (the “Model Law Guide”)).

Bear Stearns I, 374 B.R. at 128 (internal citations omitted) (emphasis added); see also In re Tri-Cont'l Exch. Ltd., 349 B.R. 627, 635 (Bankr. E.D. Cal. 2006) (similar view). Thus, where any “evidence to the contrary” is presented, the presumption has no role to play. Collins v. Oilsands Quest, Inc., 484 B.R. 593, 595 (S.D.N.Y. 2012).

51. As such, courts view COMI as a concept rooted in substance over form—the debtor’s “real seat,” as this Court has found. See Bear Stearns I, 374 B.R. at 128, 130. In short, a COMI analysis inquires as to the debtor’s substantive “locus of operations”—the center of its operations, purpose, function, and activities, among others. See Phoenix Four, Inc. v. Strategic Res. Corp., 446 F. Supp. 2d 205, 214-15 (S.D.N.Y. 2006) (internal citations and quotations omitted). U.S. case law notes that this COMI analysis should be performed on an entity-by-entity basis. See In re Oi Brasil Holdings Cooperatief U.A., 578 B.R. 169, 206 (Bankr. S.D.N.Y. 2017) (noting that the chapter 15 regime “require[s] COMI inquiries for each debtor entity rather than for collective corporate groups”). However, the Court should still take into account a debtor’s integration into and function within an integrated corporate group, particularly where the debtor is a special-purpose vehicle (“SPV”) and/or has no function independent from that of its group. See OAS S.A., 533 B.R. at 101-02 (COMI analysis for a foreign SPV included consideration of its participation in a larger corporate group).

52. Many courts interpret COMI to mean “principal place of business.” See In re Fairfield Sentry Ltd., No. 10 Civ. 7311 (GBD), 2011 U.S. Dist. LEXIS 105770 at \*10 (S.D.N.Y. Sept. 15, 2011) (“A debtor’s COMI has also been equated with the concept of a ‘principal place of business.’”) (citing Bear Stearns I, 374 B.R. at 129). Indeed, courts and commentators have agreed that Congress could have invoked the same substantive inquiry with “principal place of business,” but instead chose to leave unamended the “COMI” phrasing only to keep its statutory

text strictly uniform with the Model Law. See In re Millennium Glob. Emerging Credit Master Fund Ltd., 458 B.R. 63, 72-73 (Bankr. S.D.N.Y. 2011) (“Chapter 15 was drafted to follow the Model Law as closely as possible, with the idea of encouraging other countries to do the same . . .” (quoting In re Tri-Cont’l Exch. Ltd., 349 B.R. 627, 633 (Bankr. E.D. Cal. 2006))); Jay Lawrence Westbrook, Chapter 15 at Last, 79 A.M. BANKR. L.J. 713, 719-20 (2005) (quoted by Tri-Cont’l, 349 B.R. at 633). It is therefore unsurprising that courts have used the terms “center of main interests” and “principal place of business” interchangeably. Millennium Glob., 458 B.R. at 72 (citing In re Basis Yield Alpha Fund (Master), 381 B.R. 37, 48 (Bankr. S.D.N.Y. 2008)) (internal quotations omitted).

53. Thus, many courts inquire first and foremost as to the place in which a debtor actually does business (i.e., the location of its economic activities) when determining its COMI. Morning Mist Holdings Ltd. v. Krys (In re Fairfield Sentry Ltd.), 714 F.3d 127, 130 (2d Cir. 2013) (“The relevant principle . . . is that the COMI lies where the debtor conducts its regular business.”); In re Creative Fin., Ltd. (In Liquidation), 543 B.R. 498 at 499, 517 (Bankr. S.D.N.Y. 2016); see British Am., 425 B.R. 844, 913-14 (Bankr. S.D. Fla. 2010) (rephrasing COMI as “the hub of the debtor’s business” and finding that the debtor’s COMI did not lie in its jurisdiction of incorporation because the debtor “simply did not do business” there). This analysis must sensibly be tailored depending on the nature of the debtor and the type of business in which it engages. British Am., 425 B.R. at 911 (activity relevant to a COMI determination “depend[s] on the nature of the debtor’s business,” e.g., where “[a debtor] operated as an insurance company, actuarial tasks, underwriting, and claims adjustment should be considered”).

54. Courts in this Circuit have developed a list of factors a court may consider when determining a debtor’s COMI where the “registered office” presumption does not govern. These

factors include:

“[T]he location of the debtor’s headquarters; the location of those who actually manage the debtor (which conceivably could be the headquarters of a holding company); the location of the majority of the debtor’s creditors or a majority of the creditors who would be affected by the case; and/or the jurisdiction whose law would apply to most disputes.” . . . [the] “principal place of business” . . . [and] the expectations of third parties [as to the] debtor’s COMI.

Fairfield Sentry, 2011 U.S. Dist. LEXIS 105770 at \*10 (citing Bear Stearns II, 389 B.R. at 336);

In re SPhinX, LTD., 351 B.R. 103, 117 (Bankr. S.D.N.Y. 2006); British Am., 425 B.R. at 720).

The Second Circuit added as additional possible factors “the location of headquarters, decision-makers, assets, creditors, and the law applicable to most disputes.” Fairfield Sentry, 714 F.3d at 130. These factors, the Second Circuit reasoned, are “in the public domain” and thus “ascertainable and not easily subject to tactical removal.” Id. at 136-38 (noting the “importance of factors that indicate regularity and ascertainability”); see also British Am., 425 B.R. at 912 (finding that the “location of a debtor’s COMI should be readily ascertainable by third parties”).

55. While each of the Fairfield Sentry factors serves as a “helpful guide” in assessing a debtor’s COMI, they are not exclusive, nor is any one factor required or dispositive. See Fairfield Sentry, 714 F.3d at 137 (noting that “[c]onsideration of these specific factors is neither required nor dispositive” and warning against a mechanical application of the factors). The factors should be applied in light of pragmatic considerations for the “maximization of the debtor’s value” and “the reasonable interests of parties in interest,” as well as creditors’ support for or acquiescence to a proposed COMI “because their money is ultimately at stake.” SPhinX, 351 B.R. at 117.

56. In determining which jurisdiction is best suited to house the main restructuring proceeding of a debtor, a court should consider which country is most involved in the debtor’s commercial activities. In re Tien Chiang, 437 B.R. 397, 403 (Bankr. C.D. Cal. 2010) (“The

international insolvency legal regime is based on the assumption that every international entity has a home . . . . That country has the greatest interest in the status of the debtor and in the outcome of the insolvency case. That country has also the greatest interest in the debtor because that country provides the legal regime that governs much of the debtor's commercial activities in most cases, including many matters unrelated to insolvency law.”). Lastly, when performing a COMI analysis, the court need not identify a particular place within a jurisdiction, e.g., a given identified office or corporate headquarters, but only the jurisdiction generally in which the debtor's business interests are principally centered. *Id.* at 399 n.3 (“For the purposes of international bankruptcy law, it is necessary only to determine the country where a debtor's [COMI] is located. Where it may be located within a country is not important for these purposes.”).

ii. *A COMI analysis for SPVs serving a larger corporate group is specially tailored*

57. As noted above, courts in this district generally look at the Fairfield Sentry factors to guide the analysis in determining the location of a debtor's COMI, “but consideration of [such] specific factors is neither required nor dispositive.” Fairfield Sentry, 714 F.3d at 137. Indeed, the Second Circuit instructs that the COMI analysis is a flexible one, given that Congress, in declining to provide a definition “for a term that is not self-defining,” left the text “open-ended, and invite[d] development by courts, depending on [the] facts presented, without prescription or limitation.” *Id.* at 138. As such, and consistent with a flexible and pragmatic approach to recognition, U.S. courts have tailored their COMI analyses varyingly across a wide range of facts and circumstances. When determining the location of COMI for an SPV that is integrated with and exists only in the context of a larger corporate group, such as a holding or financing entity, courts focus the COMI analysis on those particular considerations most indicative of this specialized entity's “real seat.” *See Bear Stearns I*, 374 B.R. at 128.

58. First, when considering the COMI of an SPV integrated with a larger corporate group, such as a holding company or financing entity, the court typically begins with a query into the SPV's role within and integration to the larger corporate group. See OAS S.A., 533 B.R. at 101 (observing that the Austrian SPV "had no other business except to pay [the notes] off," and adding that "the Brazilian [b]ankruptcy [p]roceedings provide the only realistic chance to repay [those] [n]otes"); see also Oi Brasil, 578 B.R. at 226-227 (stating that the Dutch SPV's COMI lay in Brazil where the SPVs had "no operations or business independent of the Oi [g]roup and [were] operated within the Oi [g]roup as part of a single, integrated economic unit . . .").

59. SPVs may be considered substantially integrated for the purposes of a COMI analysis in the following situations: (i) when they have no direct employees or directly own no operational assets, as in the case of specialized holding or financing companies; (ii) where they belong to and exist only with reference to a larger corporate group with integrated operations, customers, corporate teams, marketing, research, development, strategy, human resource management, and administrative activities; and/or (iii) where the group is financially integrated and interdependent as a result of intercompany loans and cross-company guarantees. See id. at 227 (finding that the COMI of a Dutch SPV lay in Brazil with its corporate group where it was "managed from the principal executive office of Oi in Rio de Janeiro, Brazil with every aspect of the Oi [g]roup's operations, finances, corporate management, employee management and payroll, and short and long-term strategic planning directed from Brazil").

60. Even where foreign SPVs maintain registered offices in, have directors living in, hold board meetings in, and are individually directed from their jurisdictions of organization, courts have still considered the entity's corporate reality as a part in a larger, more complex organization. See id. at 177 (concluding that the Dutch SPV in question had its COMI in Brazil

even though it “file[d] financial statements with the Dutch Chamber of Commerce. . . pa[id] taxes in the Netherlands. . . file[d] tax returns with Dutch authorities in the Netherlands. . . ha[d] retained various professionals and advisors in the Netherlands. . .” and had an employee in the Netherlands); see also OAS S.A., 533 B.R. at 101 (stating that while the Austrian SPV’s registered office was located in Austria and the SPV satisfied the “services required under Austrian law,” the SPV had no other business beyond borrowing and lending and thus its COMI lay in Brazil with that of its corporate group).

61. Second, courts evaluating the COMI of an SPV focus special attention on the expectations of the debtor’s creditors. While creditor expectations can factor in to a COMI analysis for all debtors—see Fairfield Sentry, 714 F.3d at 130, 137—they are particularly significant for financing SPVs. For example, in both Oi Brasil and OAS, the investors in the bonds issued by the SPV entities were advised in the offering memoranda and/or debt documentation that the entities had substantial connections in Brazil and thus, the creditors assumed the risks of investing in a Brazilian enterprise. Oi Brasil, 578 B.R. at 228-29 (finding that the offering materials and indentures for the notes issued by the Dutch SPV made clear that “any chance of repayment stems from the revenue-producing operations in Brazil”); OAS, 533 B.R. at 103 (noting that purchasers of the notes issued by the Austrian SPV “expected to receive repayment from the cash generated by the operations of the [corporate group], and in the event of a default, might ultimately have to enforce their rights in a Brazilian bankruptcy proceeding”).

*iii. Substantial evidence across the Constellation Group structure shows that each of the Debtors has its COMI in Brazil*

62. Each of the Debtors in these Chapter 15 Cases has its center of main interests in Brazil. The vast majority of the Debtors’ operations have historically taken place and remain in Brazil, are performed primarily in Brazil by Brazilian-citizen employees of Brazilian Debtor

Petróleo Constellation, and derive revenues primarily from Petrobras, the Brazilian oil and gas group, as well as other customers located in Brazil, under contracts primarily governed by Brazilian law. Although the foreign-incorporated Debtors maintain their registered offices outside of Brazil, the registered-office COMI presumption is easily rebutted and should be afforded no weight given the substantial evidence to the contrary. See supra ¶¶ 1-18, 50.

63. While the Constellation Group has expanded its operations in recent years to other jurisdictions, its principal economic activity—the operation of rigs and drillships—has been and continues to be in Brazil. To be sure, each of the foreign-incorporated Debtors has a presence and complies with corporate, tax, and other laws in its jurisdiction of incorporation, but such presence does not outweigh the substantial evidence that the COMI of these Debtors is in Brazil. See supra ¶¶ 1-18, 50, 57-61. For instance, the Rio Office coordinates the operational management of the Constellation Group with staff in charge of operations-related finances, employees, investor relations, research, development, and marketing. These activities speak to the existence of a shared, centralized COMI for all of the Debtors as a part of their fully integrated, shared activities. See British Am., 425 B.R. at 911 (the location of business functions such as “financial, administrative, marketing, information technology, investment, and legal functions” speak to the location of COMI). Moreover, day-to-day activities centered in the Rio das Ostras Office further support a finding of COMI in Brazil, notwithstanding that the boards of directors of the foreign-incorporated Debtors may meet and make decisions outside of Brazil. Id. at 912 (noting that “[w]hile a corporate entity is overseen by a board of directors, in larger organizations the day to day management typically is undertaken by others,” and finding that COMI lay not with the board of directors in the jurisdiction of incorporation, but with the location of the debtor’s “day to day activity” and “primary business function[.]”). The existence of multiple coordinating centers at



different places within Brazil lends substantial support to a finding of COMI in that country. See supra ¶ 56.

64. Additionally, as noted above, what constitutes the business operations of each Debtor, and accordingly the principal place of those business operations, depends on the type of business operations in which that Debtor engages. British Am., 425 B.R. at 911. Here, all of the business functions of the foreign-incorporated Debtors support the Debtors' Brazilian operations, further tying those Debtors to group and their shared COMI in Brazil. For example, the foreign-incorporated Offshore Rig Owner Debtors, whose business is to hold rigs and drillships principally located in Brazilian waters and operated as part of a primarily Brazilian business for primarily Brazilian customers, serve a function that is inextricable from the Debtors' Brazilian-centered operations.

65. As special-purpose holding and/or financing entities, the Constellation Group SPV Debtors should be carefully considered under the U.S.-law COMI analysis. See supra ¶¶ 57-61. Although differing in corporate structure and global strategy, the Constellation Group SPV Debtors, like their counterparts in the Oi and OAS cases, warrant a tailored COMI analysis under the prevailing U.S. case law. That is because each such SPV is "part of, and inseparable from, [its corporate] group in Brazil." OAS, 533 B.R. at 103. Each serves the Constellation Group in the capacity of a holding company and/or financing company, and each is dependent on the Constellation Group to pay back its creditors. Moreover, none of these entities runs its own operations completely independent of those of the Constellation Group. As such, most of the traditional factors courts rely on to identify a debtor's COMI are inapplicable to these entities. See id. at 101; see also Oi Brasil, 578 B.R. at 225-32.

66. With respect to these Constellation Group SPV Debtors and indeed for all the

Debtors, all obligations to creditors derive their creditworthiness and expectations of repayment from revenue earned largely in Brazil from Brazilian client groups. This fact was made abundantly clear in the disclosures relating to the 2019 Notes and the 2024 Notes (together, the “Notes”):<sup>34</sup>

- (1) **2019 Notes:** Bondholders of the 2019 Notes were informed in the November 5, 2012 offering memorandum (the “2019 Notes OM”) that:
- (a) the Company is “a market leading Brazilian-controlled provider of offshore oil and gas contract drilling and FPSO services in Brazil.” 2019 Notes OM at 1.
  - (b) the Constellation Group has a “long-term track record in Brazil and [] relationship with Petrobras.” Id.
  - (c) the Constellation Group has the ability to “capture a significant share of the growing offshore services opportunity in Brazil.” Id.
  - (d) 2019 Notes OM “Risk Factors” include the following:
    - (i) “Gross revenue from Petrobras represented approximately 93% of [the Constellation Group’s] total gross revenue” and “most of [the Constellation Group’s] existing rigs are chartered to Petrobras” and Petrobras’s failure to renew or award new contracts would have a “material adverse effect” on the Constellation Group. Id. at 15.
    - (ii) “We are a holding company that depends on dividend distributions from our operating subsidiaries.” Id. at 17.
    - (iii) “The operation of our rigs requires several authorizations from Brazilian government agencies” which is a “complex, time-consuming process” and failure to obtain such authorizations would have a “material adverse effect on our results of operations . . .” Id. at 22.
    - (iv) “[T]he issuer is a holding company, and all of its assets are held by its direct and indirect subsidiaries. Repayment of our indebtedness, including the notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make available to us . . . in the event that we do not receive distributions from our subsidiaries, we may be unable to make required payments on our own indebtedness, including the notes.” Id. at 25.
  - (e) The 2019 Notes OM also contains a section specifically titled “Risks

---

<sup>34</sup> Excerpts from the Notes documentation cited herein are attached as Exhibit E.

Relating to Brazil” noting that because “all of our operations and customers are located in Brazil,” the Constellation Group’s “financial condition and results of operations are substantially dependent on Brazil’s economy.” Id. at 24. Notably, the 2019 Notes OM did not contain a section warning of risks relating to any specific jurisdiction other than Brazil.

- (2) **2024 Notes:** As noted, Constellation completed the Exchange Offer in 2017. The Exchange Offer Memorandum and the Exchange Offer Supplement reiterated much the same information found in the 2019 Notes OM, describing the Company in precisely the same terms and highlighting the very same risks noted above, including:
- (a) “The issuer is a holding company with no independent operations or assets and it is dependent on cash flow generated by its subsidiaries.” Exchange Offer Memorandum at 34.
  - (b) “As of December 31, 2016, we had a total of 1,885 employees, 99% of which were Brazilian nationals.” Id. at 4.
  - (c) “The Company holds investments in subsidiaries that charter and operate onshore and offshore drilling rigs and drillships for exploration and production entities operating mainly in Brazil. The [Constellation] Group currently charters onshore and offshore drilling rigs and drillships mainly to [Petrobras].” Id. at F-81.

67. Indeed the Exchange Offer Supplement explicitly explained to investors that restructuring proceedings could be commenced in Brazil due to the Company’s significant ties there, stating:

[I]n the event that we do experience financial difficulty, it is not possible to predict with certainty in which jurisdiction insolvency proceedings would be commenced or the outcome of such proceedings, but it may include, among other jurisdictions, Brazil, where certain decisions of the Company are made, certain members of the Company’s management are located and the location of substantially all of the Company’s business is conducted (and, therefore, from which substantially all of the operating revenues that may be available to service the Company’s obligations under the [2024 Notes] are currently derived).

Exchange Offer Supplement at S-16.

68. In sum, purchasers of the notes understood and knew that they were investing in a Brazilian-centered enterprise and that their returns would derive from operations principally taking

place in Brazil.

69. Furthermore, there can be little doubt that the laws and regulations of Brazil primarily govern most of the Debtors' operations, and it is the jurisdiction with the greatest interest in the Debtors' restructuring. The Debtors' onshore and offshore businesses, as well as the operation of the JV FPSO Units in which the Company is invested, largely take place in Brazil and are largely subject to Brazilian maritime, employment, environmental, and other legal and regulatory regimes. The Customer Contracts are primarily governed by Brazilian law and their services are provided primarily in the Brazilian market to Petrobras, a Brazilian-controlled corporate group, as well as other clients located in Brazil. For this reason, Brazil is the COMI of each of the Debtors and the proper home for their main restructuring proceeding. As the Tien Chiang court noted, the jurisdiction best suited to housing a debtor's main restructuring is the "country [with] the greatest interest in the status of the debtor and in the outcome of the insolvency case," and with "the greatest interest in the debtor because that country provides the legal regime that governs much of the debtor's commercial activities in most cases, including many matters unrelated to insolvency law," such as the regime "giving sanction to [the debtor's] contracts and other commercial activities." 437 B.R. at 403-04.

*iv. Entity-specific factors also show that each of the Debtors has its COMI in Brazil*

*a) The Onshore Rig Owners*

70. Petróleo Constellation is an entity organized under the laws of Brazil with its registered office at the Rio Office in Rio de Janeiro, Brazil and thus benefits from the presumption that its COMI lies in Brazil.<sup>35</sup> See 11 U.S.C. § 1516(c); See supra ¶ 50. A substance-over-form

---

<sup>35</sup> A copy of Petróleo Constellation's registration certificate, along with a certified translation of the same from Portuguese to English, is annexed hereto as Exhibit C.

analysis yields the same result. Petróleo Constellation serves the role of primary operator for the Constellation Group and participates in all three of the Constellation Group's business segments—onshore, offshore, and FPSO investments. In the Constellation Group's offshore drilling business segment, it operates the Offshore Drilling Rigs (most of which are located in Brazilian waters), employs the majority of the Constellation Group's employees (most of whom are Brazilian and located in Brazil), and serves as the counterparty on the largely Brazilian law-governed Customer Service Agreements for the Offshore Drilling Rigs. In the Constellation Group's onshore drilling business segment, Petróleo Constellation owns several of the Onshore Drilling Rigs, and in most cases has historically served as the operator for the Company's Onshore Drilling Rigs (most of which are located in Brazil) through Customer Contracts. Finally, it participates in FPSO operations, including by providing a limited number of employees to JV FPSO Unit operators to be staffed on the JV FPSO Units in which the Constellation Group is invested.

71. Snover was formed under the laws of the British Virgin Islands (“BVI”) and performs activities in the BVI to comply with corporate and other applicable BVI laws and regulations, including the maintenance of its registered office in Tortola, BVI. The evidence of a COMI in Brazil, however, is ample to rebut the presumption that COMI lies in the jurisdiction of incorporation. Snover is a fully integrated participant in the Constellation Group's onshore drilling operations—operations that take place in Brazil, utilize Brazilian employees, and are accordingly subject to certain Brazilian legal and regulatory regimes. Snover's creditors (holders of the 2024 Notes) were advised that their investment was an investment in Brazil. See supra ¶¶ 66-68. Its assets, consisting of Onshore Drilling Rigs, are all geographically located in Brazil, and its revenues ultimately derive from operations with primarily Brazilian customers<sup>36</sup> under Customer

---

<sup>36</sup> See supra ¶¶ 9-12, 17.

Contracts which historically have been primarily governed by Brazilian law. Snover's principal place of operations is therefore in Brazil, and so is its COMI.

***b) The FPSO Entity Debtor***

72. FPSO Entity Debtor Arazi serves the Constellation Group's FPSO segment by holding the Company's equity interests in joint ventures and associated entities that own and operate the JV FPSO Units. Arazi is incorporated under the laws of Luxembourg and conducts activities in its jurisdiction of incorporation, including maintaining a registered office, in compliance with applicable law. There can be no doubt that the COMI of Arazi lies in Brazil, however. All of the JV FPSO Units themselves are presently chartered in Brazilian waters to Petrobras (or consortiums led by Petrobras) pursuant to contracts governed by Brazilian law. The primary tangible assets in which Arazi invests are located in Brazil and under contract with Brazilian customer groups, and revenues are therefore mainly derived from Brazil. Further, Arazi, like all of the other Debtors, utilizes and benefits from the operational coordinating activities of the Brazilian Offices, as well as utilizing employee services from Debtor Petróleo Constellation. The COMI of Arazi therefore lies in Brazil.

***c) The Offshore Rig Owner Debtors***

73. As discussed, each of the Offshore Rig Owner Debtors primarily exists to serve the Constellation Group's offshore drilling business by owning an Offshore Drilling Rig and ultimately chartering the same for the Constellation Group's customers. See supra ¶¶ 4, 9-12, 14. They also provide financing support for Constellation Group indebtedness by serving as primary obligors, guarantors, and/or grantors throughout much of the Company's prepetition capital structure. Each of the Offshore Rig Owner Debtors is organized under the laws of either the BVI (Lone Star, Gold Star, Olinda Star, and Alpha Star) or the Cayman Islands (Star Int'l.). All of the

Offshore Rig Owner Debtors maintain their registered offices in their jurisdictions of organization and conduct activities within those jurisdictions in compliance with applicable laws and regulations.

74. As with the other foreign-incorporated debtors, evidence of a COMI in Brazil outweighs the registered office presumption. First, the Offshore Rig Owner Debtors' operations are focused primarily in Brazil, where the majority of their assets (that is, the Offshore Drilling Rigs) are presently located and operated, the majority of employees who work on those Offshore Drilling Rigs are based, and their main revenue is earned. With the exception of the *Olinda Star* rig, which is presently contracted to operate in India to an Indian company, all Offshore Drilling Rigs are now either operating in Brazilian waters under Brazilian-law contracts with Petrobras or with other customer groups located in Brazil, are in the process of completing operations in Brazil, or are being maintained in shipyards located in Brazil. The *Olinda Star*'s engagement in India is a recent change; previously, it operated in Brazilian waters with Brazilian contract counterparties, alongside the other Offshore Drilling Rigs. Additionally, the operational functions of the Offshore Drilling Rigs are coordinated through the Brazilian Offices. Supra ¶ 5. The Constellation Group's shared use of these "hubs" speak strongly to a COMI in Brazil. See British Am., 425 B.R. at 911, 913-14 (rephrasing COMI as the "hub of the debtor's business" and noting that that debtor's administrative hub contributed to location of COMI).

**d) Constellation Group SPV Debtors**

75. Although Constellation (Luxembourg) and Constellation Overseas (BVI) each has a presence in and complies with corporate, tax, and other laws in its jurisdiction of incorporation, their function in the Constellation Group is to own equity interests in other subsidiaries in the Constellation Group and engage in those activities necessary for borrowing and guaranteeing debt,

in each case in service of their roles as members of the Constellation Group. Constellation Overseas serves the further role of providing centralized treasury and financial services for certain companies in the Constellation Group. These active services, however, are conducted out of the Company's Panamanian office by employees of Constellation Panama Corp., a non-Debtor subsidiary organized under the laws of Panama and wholly-owned by Constellation Overseas.

76. Each of Constellation and Constellation Overseas maintains its registered office in its jurisdiction of incorporation and performs other activities in compliance with applicable law and regulations. For example, the board members of Constellation meet at its registered office in Luxembourg. Given the specialized nature of these entities, however, the COMI presumption is easily rebutted and most of the traditional factors courts consider when assessing COMI are inapplicable. See supra ¶¶ 57-61.

77. Each of the Constellation Group SPV Debtors is fully integrated into the Constellation Group. Each is part of an integrated drilling enterprise that is principally located in Brazil. Each benefits from the coordinated group-wide activities that take place in the Brazilian Offices. Each could not feasibly be restructured along with its affiliates in any centralized forum other than the Brazilian RJ Proceeding.

78. Additionally, the creditors of each Constellation Group SPV Debtor have always been fully on notice that their investments would be repaid with revenues earned largely in Brazil from operations largely subject to Brazilian legal and regulatory regimes. As detailed above, the Exchange Offer Memorandum and other documentation related to the Notes provide ample evidence of objective creditor expectations that their obligors maintain a COMI in Brazil. See supra ¶¶ 66-68.

79. Thus, for all of the foregoing reasons, the COMI of the Constellation Group SPV



Debtors lies squarely in Brazil with the rest of their corporate group.

\* \* \*

80. For all of the reasons set forth above, the Petitioner respectfully submits that all of the requirements of section 1517(a) have been satisfied. Thus, the entry of an order recognizing the Brazilian RJ Proceeding as the foreign main proceeding of each of the Debtors is proper, and, accordingly, each of the Debtors is entitled to all of the relief provided under section 1520 of the Bankruptcy Code.

**C. In the Alternative, the Court Should Find that the Brazilian RJ Proceeding is at Least a Foreign Nonmain Proceeding of each of the Debtors and Grant Discretionary Relief**

81. As demonstrated above, the Brazilian RJ Proceeding should be recognized as the “foreign main proceeding” of each of the Debtors. Nevertheless, should this Court conclude that the Brazilian RJ Proceeding is not the foreign main proceeding of any of the Debtors, the Foreign Representative submits that, in the alternative, the Brazilian RJ Proceeding should be recognized as a “foreign nonmain proceeding” within the meaning of section 1502(5) for any such Debtors pursuant to section 1517(b)(2) of the Bankruptcy Code, and that discretionary relief should be granted, namely, the application of a protective stay to the full extent set forth in section 362 with respect to any such Debtors and their U.S.-located property. 11 U.S.C. §§ 1517(b)(2), 1521(a)(6).

*i. The contextual and flexible factors for recognition of foreign nonmain proceedings under U.S. law*

82. Courts will recognize a foreign proceeding as a “foreign nonmain proceeding” if “the debtor has an establishment within the meaning of section 1502 in the foreign country where the proceeding is pending.” 11 U.S.C. § 1517(b)(2). Unlike COMI, chapter 15 provides no evidentiary presumption as to whether a debtor has an establishment in a particular jurisdiction. Bear Stearns II, 389 B.R. at 338. Thus, whether an establishment exists in a particular location is

“essentially a factual question,” id. at 338, and the petitioner bears the burden of proof. British Am., 425 B.R. at 915. Importantly, section 1502 of the Bankruptcy Code defines an “establishment” as “any place of operations where the debtor carries out a nontransitory economic activity.” 11 U.S.C. § 1502(2).

83. The Bankruptcy Code does not define “nontransitory economic activity,” and, as this Court has noted, “[t]here is relatively little U.S. authority construing the term ‘establishment’ as it is used in chapter 15.” Millennium Glob., 458 B.R. at 84. Indeed, “[n]either [c]hapter 15 nor its legislative history explain what it means for a debtor to have ‘any place of operations’ or to have ‘been carrying on a nontransitory economic activity’ in a location.” Lavie v. Ran (In re Ran), 607 F.3d 1017, 1027 (5th Cir. 2010) (citing H. Rep. No. 109-31, Pt. 1, at 107).

84. Accordingly, U.S. courts have interpreted the meaning of “establishment” in the context of the purpose of chapter 15 and the Model Law, and by looking to the meaning ascribed to such term by foreign courts. See, e.g., Millennium Glob., 458 B.R. at 84 n.49; Bear Stearns I, 374 B.R. at 131 n.12. The limited number of U.S. courts to consider the question have determined a debtor has an “establishment” in a place where it has operations, conducts business, or otherwise carries out a nontransitory economic activity in that jurisdiction. See, e.g., Fairfield Sentry, 2011 U.S. Dist. LEXIS 105770 at \*29-30 n.8 (describing an establishment as “a local place of business”); Bear Stearns I, 374 B.R. at 131; Creative Fin., 543 B.R. at 520; British Am., 425 B.R. at 916. Several factors “contribute to identifying an establishment: the economic impact of the debtor’s operations on the market, the maintenance of a ‘minimum level of organization’ for a period of time, and the objective appearance to creditors whether the debtor has a local presence.” Millennium Glob., 458 B.R. at 85. A showing of economic impact of the debtor’s activities on the local market involves a “showing of a local effect on the marketplace,” Creative Fin., 543 B.R. at

520; British Am., 425 B.R. at 915 (same), evidenced by, among other things, “engagement of local counsel and commitment of capital to local banks.” Millennium Glob., 458 B.R. at 85.

ii. *Each of the Debtors has an establishment in Brazil and therefore qualifies for foreign nonmain recognition*

85. In this case, even if the Court were to find that Brazil is not the COMI for any of the Debtors, the Court should still find that such Debtor has an establishment in Brazil for purposes of chapter 15 recognition. The Petitioner submits that the foregoing evidence in support of finding that the COMI of each of the Debtors is in Brazil also provides sufficient evidence that each of the Debtors has an impact on the Brazilian marketplace and therefore maintains an establishment in that jurisdiction.

iii. *The Court should grant the discretionary relief requested for any Debtor granted nonmain recognition*

86. Should the Court find that the Brazilian RJ Proceeding is a nonmain proceeding with respect to any of the Debtors, then the Petitioner requests that the Court grant discretionary relief with respect to such Debtor and its U.S.-located property pursuant to section 1521 of the Bankruptcy Code. Specifically, the Petitioner requests that any protective relief that is the subject of the Motion for Provisional Relief be extended pursuant to section 1521(a)(6) of the Bankruptcy Code,<sup>37</sup> including the continued application of the section 362 stay with respect to any such Debtor and its property within the territorial jurisdiction of the United States.<sup>38</sup> See 11 U.S.C. 1521(a)(6);

---

<sup>37</sup> Section 1521(a) provides that, upon recognition of a foreign main proceeding or nonmain proceeding and at the request of the foreign representative, a court may grant (with exceptions not here relevant) “any appropriate relief” necessary to effectuate the purpose of chapter 15 and to protect the assets of the debtor or the interests of the creditors, including “extending relief granted under section 1519(a).” 11 U.S.C. § 1521(a)(6). Even if this Court does recognize the Brazilian RJ Proceeding as a foreign nonmain proceeding with respect to any of the Debtors, section 1521 relief is available where “the relief relates to assets that, under the law of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.” 11 U.S.C. § 1521(c).

<sup>38</sup> Notably, the Petitioner is entitled to the continued application of the protective stay even if the Court were to recognize the Brazilian RJ Proceeding as a foreign nonmain proceeding with respect to any of the Debtors because “chapter [15] gives the bankruptcy court the ability grant substantially the same types of relief in assistance of foreign nonmain proceedings as main proceedings.” SPhinX, 351 B.R. at 116.

Motion for Provisional Relief ¶ 13. The Petitioner submits that the foregoing evidence concerning the Debtors and their integral role within the Constellation Group justifies such discretionary relief which is critical for the maintenance of the status quo and the preservation of the Debtors' going-concern value.

87. To exercise its discretionary powers under section 1521, the Court must ensure that "the interests of the creditors and other interested entities, including the debtor, are sufficiently protected." 11 U.S.C. § 1522(a) (adopting Article 22 of the Model Law). Relief under section 1521 will not be permitted if "it is shown that the foreign proceeding is seriously and unjustifiably injuring United States creditors." H. Rep. No. 109-31, Pt. 1, at 116. A determination of sufficient protection requires a balancing of the respective parties' interests. CT Inv. Mgmt. Co. v. Cozumel Caribe, S.A. de C.V., 482 B.R. 96, 108 (Bankr. S.D.N.Y. 2012); see In re Toft, 453 B.R. 186, 196 n.11 (Bankr. S.D.N.Y. 2011) ("[A] court should tailor relief balancing the interest of the foreign representative and those affected by the relief.").<sup>39</sup>

88. Here, the balance of interests weighs in favor of granting the relief requested. First, recognition and the application of the stay will allow for the efficient and orderly administration of the Debtors' assets and affairs in a centralized, organized proceeding, thus protecting the interests of creditors and maximizing the value of assets through ensuring their equitable distribution and preventing certain opportunistic creditors from circumventing the Brazilian RJ

---

<sup>39</sup> The analysis of whether the relief sought provides sufficient protection requires a balancing of the interests of the debtor and other affected parties to ensure that the relief does not "impinge excessively on any one entity's interests" and that "each entity must receive at least some protection." See Jaffe v. Samsung Elecs. Co., 737 F.3d 14, 27-28 (4th Cir. 2013) ("The analysis required by § 1522(a) is . . . best done by balancing the respective interests based on the relative harms and benefits in light of the circumstances presented, thus inherently calling for application of a balancing test"). Importantly, courts recognize that interests of the various parties are often at odds with one another and "protection of one side might well come at some expense to the other." Id., 737 F.3d at 27. A balancing test requires the court to consider "the just treatment of all holders of claims against the bankruptcy estate, the protection of U.S. claimants against prejudice and inconvenience in the processing of claims in the [foreign] proceeding, and the distribution of proceeds of the [foreign] estate substantially in accordance with the order prescribed by U.S. law." In re Artimm, S.r.l., 335 B.R. 149, 160 (Bankr. C.D. Cal. 2005).

Proceeding and commencing actions in the United States at the expense of the broader process.

89. Furthermore, interested parties will have the ability to participate in the Brazilian RJ Proceeding and assert their claims therein along with all similarly situated creditors. As set forth more fully below and in the Brazilian Counsel Declaration, the Brazilian RJ Proceeding affords significant procedural protections to creditors and other stakeholders to ensure a fair and equitable process by providing many of the same procedural safeguards present in chapter 11 of the Bankruptcy Code. See Brazilian Counsel Decl. ¶¶ 21, 39-47. The stay will not bar or otherwise disenfranchise parties from participating in the Brazilian RJ Proceeding, where each creditor's right to be heard will remain unaffected. Nor will the requested stay preclude a creditor that feels unduly burdened by the Court's grant of the requested relief to seek to lift the stay for "cause." See generally 11 U.S.C. § 362(d). Instead, the Petitioner merely seeks to prevent creditors from attempting to end-run the Brazilian RJ Proceeding. Accordingly, any prejudice to creditors caused by the discretionary relief requested is extremely limited.

90. In contrast, failure to grant the discretionary relief requested will cause tremendous harm to the Debtors and their stakeholders. As detailed more fully in the Petitioner's Motion for Provisional Relief, absent relief, the Debtors are at risk to adverse creditor action which could threaten their ability to continue as a going concern.<sup>40</sup> Accordingly, the balance between the minimal harm to those seeking to bring adverse actions against the Debtors, and the potential harm to the Debtors and the orderly administration of the Debtors' assets, tips in favor of granting the

---

<sup>40</sup> For example, absent the application of a protective stay, there is a risk that certain of these creditors may seek to attach, setoff, or otherwise seize funds in the U.S. Bank Accounts in New York state court. If the discretionary relief is not granted and the Debtors are forced to face the risk of adverse creditor action, they could lose access to such funds. Given the already limited revenues available to satisfy the Company's ongoing expenditures, the Debtors' U.S. Bank Accounts should be protected from adverse creditor actions and be available for use in the ordinary course. Moreover, forcing the Debtors to defend themselves and their assets in litigation in numerous forums would unnecessarily deplete resources available for distribution to creditors, as well as distract the Company and its management from the more important task at hand: the implementation of the plan of reorganization through the Brazilian RJ Proceeding.

discretionary relief requested.<sup>41</sup>

91. Finally, section 1521(e) provides that the standards, procedures and limitations of an injunction apply to relief sought inter alia under section 1521(a)(6). 11 U.S.C. § 1521(e). The Petitioner has demonstrated in detail in the Motion for Provisional Relief that it meets the requirements for injunctive relief. See Motion for Provisional Relief ¶¶ 20-33.

### **NOTICE**

92. Notice of the Verified Petition has been provided to the parties (the “Notice Parties”) set forth in Exhibit F annexed hereto (the “Notice List”). The Petitioner respectfully submits that no other or further notice is required.

### **NO PRIOR REQUEST**

93. No previous request for the relief requested herein has been made to this or any other court.

### **CONCLUSION**

94. WHEREFORE, the Petitioner respectfully requests that the Court: (i) grant the Verified Petition and enter the Proposed Order annexed hereto as Exhibit A recognizing the Brazilian RJ Proceeding as the foreign main proceeding for each of the Debtors and granting the requested relief in connection therewith; and (ii) grant such other and further relief as the Court deems just and proper.

---

<sup>41</sup> Further, the Petitioner demonstrated in detail in the Motion for Provisional Relief that all parties in interest will be sufficiently protected in the Court’s grant of the discretionary relief requested. See Motion for Provisional Relief ¶¶ 34-35.

Dated: December 6, 2018  
New York, New York

Respectfully submitted,

WHITE & CASE LLP

By: /s/ John K. Cunningham  
John K. Cunningham

WHITE & CASE LLP  
1221 Avenue of the Americas  
New York, New York 10020-1095  
(212) 819-8200  
John K. Cunningham  
Thomas E. MacWright  
Philip M. Abelson

Southeast Financial Center, Suite 4900  
200 S. Biscayne Boulevard  
Miami, Florida 33131-2352  
(305) 371-2700  
Richard S. Kebrdle (*pro hac vice pending*)  
Laura L. Femino (*pro hac vice pending*)

*Attorneys for Andrew Childe, as Petitioner and Foreign  
Representative*

**VERIFICATION OF CHAPTER 15 PETITION**

Pursuant to 28 U.S.C. § 1746, I, Andrew Childe, declare as follows:

I am the authorized foreign representative of each of the Debtors with respect to the Brazilian RJ Proceeding for purposes of these Chapter 15 Cases. I declare under penalty of perjury that the factual contents of the foregoing Verified Petition and the Motion for Provisional Relief, as well as the factual contents of each of the attachments and appendices thereto, are true and accurate to the best of my knowledge, information and belief, and I respectfully represent as follows:

- I am a qualified accountant with the Institute of Chartered Accountants in England and Wales and a qualified insolvency practitioner in the Cayman Islands. I have had extensive experience managing complex cross-border litigation involving a wide range of assets and jurisdictions. I am currently a director and owner of FFP (Cayman) Limited (“FFP”) in the Cayman Islands, where I specialize in providing independent board level governance and dispute resolution advice, as well as acting as a court-appointed and voluntary liquidator. The insolvency engagements that I lead often involve foreign recognition in the U.S. and around the world, and many of my director mandates have involved complex financial debt restructurings.
- Prior to joining FFP, I qualified with PricewaterhouseCoopers in the United Kingdom where I worked in the restructuring and corporate finance market, and was involved in several significant retail and banking restructurings including Northern Rock and Lehman Brothers. Accordingly, I have extensive experience across multiple jurisdictions with a range of assets and companies.
- On December 5, 2018, each of the Debtors, among other things, (i) appointed me as the foreign representative of the Brazilian RJ Proceeding for such Debtor and authorized me to file the Verified Petition and to act on its behalf in these Chapter 15 Cases (each, a “Resolution of Appointment”), and (ii) authorized the commencement of the Brazilian RJ Proceeding and these Chapter 15 Cases with respect to such Debtor (all such resolutions and other authorizations or consents, collectively, together with the Resolutions of Appointment, the “Resolutions”).<sup>42</sup> Accordingly, I am fully authorized

---

<sup>42</sup> Copies of the Resolutions authorizing the commencement of the Brazilian RJ Proceeding and these Chapter 15 Cases and authorizing and appointing me to file the Verified Petition and act as the foreign representative with respect to each of the Debtors are annexed hereto as Exhibit D.



and take related action as the Foreign Representative.

Unless otherwise indicated, all facts set forth in this Verified Petition are based upon: (a) my review of relevant information, data and documents (including oral information) furnished to me by the Company (as defined below) and its legal advisors; (b) information supplied to me by the Debtors' officers, directors, employees and professionals; or (c) my analyses of the information I have received on the Debtors' operations and financial condition. I have also been kept abreast of major discussions with stakeholders, including the Company's primary financial creditors and its shareholders. I am an individual over the age of 18. If I am called to testify, I will do so competently and based on the facts set forth herein.

Dated: December 6, 2018

Respectfully submitted,



*Andrew Childe*

**EXHIBIT A**

**Proposed Order**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

---

In re

Serviços de Petróleo Constellation S.A., *et al.*,<sup>1</sup>

Debtors in a Foreign Proceeding.

---

)

)

) Case No. 18-13952

) (Joint Administration Pending)

)

) Chapter 15

)

**ORDER GRANTING RECOGNITION OF FOREIGN MAIN PROCEEDING  
AND CERTAIN RELATED RELIEF**

Upon the *Petitioner's Declaration and Verified Petition for Recognition of the Brazilian RJ Proceeding and Motion for Order Granting Related Relief pursuant to 11 U.S.C. §§ 1515, 1517, and 1520* (the "Verified Petition")<sup>2</sup> [ECF No. 3] dated December 6, 2018, Andrew Childe (the "Petitioner" or the "Foreign Representative"), in his capacity as the duly-authorized foreign representative of the Brazilian RJ Proceeding (as defined below) of each of the above-captioned debtors (the "Debtors") requesting this Order (the "Order") (a) granting the Verified Petition and recognizing the jointly-administered judicial reorganization proceeding (the "Brazilian RJ Proceeding") pending before the 1<sup>st</sup> Business Court of Rio de Janeiro (the "Brazilian RJ Court") pursuant to Federal Law No. 11.101 of February 9, 2005 (the "Brazilian Bankruptcy Law") of the laws of the Federative Republic of Brazil ("Brazil") as the foreign main proceeding for all of the Debtors pursuant to section 1517 of title 11 of the United States Code (the "Bankruptcy Code"),

---

<sup>1</sup> The Debtors in these chapter 15 cases (the "Chapter 15 Cases") and the last four identifying digits of the tax number in the jurisdictions in which they pay taxes are as follows: Serviços de Petróleo Constellation S.A. ("Petróleo Constellation") (Brazil – 01-27); Lone Star Offshore Ltd. ("Lone Star") (BVI – 9322); Gold Star Equities Ltd. ("Gold Star") (BVI – 1368); Olinda Star Ltd. ("Olinda Star") (BVI – 9761); Star International Drilling Limited ("Star Int'l.") (Cayman Islands – 6867); Alpha Star Equities Ltd. ("Alpha Star") (BVI – 0114); Snover International Inc. ("Snover") (BVI – 8260); Arazi S.à r.l. ("Arazi") (Luxembourg – 9812); Constellation Oil Services Holding S.A. ("Constellation") (Luxembourg – 6634); and Constellation Overseas Ltd. ("Constellation Overseas") (BVI – 0641).

<sup>2</sup> Capitalized terms used but not otherwise defined shall have the meanings ascribed to them in the Verified Petition.

and all relief included therewith as provided in section 1520 of the Bankruptcy Code; (b) recognizing the Petitioner as the foreign representative, as defined in section 101(24) of the Bankruptcy Code, of the Brazilian RJ Proceeding for each of the Debtors; and (c) granting such other and further relief as the Court deems just and proper; and it appearing that this Court has jurisdiction to consider the Verified Petition pursuant to sections 157 and 1334 of title 28 of the United States Code and the Amended Standing Order of Reference dated January 31, 2012, Reference M-431, In re Standing Order of Reference Re: Title 11, 12 Misc. 00032 (S.D.N.Y. Feb. 1, 2012) (Preska, C.J.) (the “Amended Standing Order”); and this being a core proceeding pursuant to section 157(b)(2)(P) of title 28 of the United States Code; and venue for this proceeding being proper before this Court pursuant to section 1410 of title 28 of the United States Code; and this Court having reviewed (i) the Forms of Voluntary Petition, (ii) the Verified Petition, along with the exhibits annexed thereto, (iii) the *Declaration of Flavio Galdino Pursuant to 28 U.S.C. § 1746* (the “Brazilian Counsel Declaration”) [ECF No. 4], (iv) the *Declaration of Samuel P. Hershey* (the “Hershey Declaration”) [ECF No. 6], along with the exhibits annexed thereto, and (v) the statements of counsel with respect to the Verified Petition at a hearing before this Court (the “Hearing”); and appropriate and timely notice of the filing of the Verified Petition and the Hearing having been given; and no other or further notice being necessary or required; and this Court having determined that the legal and factual bases set forth in the Verified Petition, the Brazilian Counsel Declaration, the Hershey Declaration, and all other pleadings and papers in this case establish just cause to grant the relief ordered herein; and after notice and a hearing and due deliberation thereon;

**THIS COURT HEREBY FINDS AND DETERMINES THAT:**

A. The findings and conclusions set forth herein constitute this Court’s findings of fact

and conclusions of law pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction to consider this matter pursuant to sections 157 and 1334 of title 28 of the United States Code, and the Amended Standing Order. This is a core proceeding pursuant to section 157(b)(2)(P) of title 28 of the United States Code. Venue for this proceeding is proper before this Court pursuant to section 1410 of title 28 of the United States Code.

C. The Petitioner is the duly appointed “foreign representative,” within the meaning of section 101(24) of the Bankruptcy Code, of the Brazilian RJ Proceeding with respect to each of the Debtors.

D. These Chapter 15 Cases were properly commenced pursuant to sections 1504, 1509, and 1515 of the Bankruptcy Code.

E. The Petitioner has satisfied the requirements of section 1515 of the Bankruptcy Code, Bankruptcy Rules 1007(a)(4), 2002(q) and 7007.1, and Rules 2002-4 and 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”).

F. The Brazilian RJ Proceeding is a “foreign proceeding” pursuant to section 101(23) of the Bankruptcy Code.

G. The Brazilian RJ Proceeding is entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

H. The COMI of each of the Debtors is in Brazil. Accordingly, the Brazilian RJ Proceeding is the “foreign main proceeding” of each of the Debtors, as that term is defined in

section 1502(4) of the Bankruptcy Code, and is entitled to recognition as such pursuant to section 1517(b)(1) of the Bankruptcy Code.

I. The relief granted hereby is necessary and appropriate to effectuate the purposes and objectives of chapter 15 and to protect the Debtors, their creditors and other parties in interest.

J. Appropriate notice of the filing of and the Hearing on the Verified Petition was given, which notice is deemed adequate for all purposes, and no other or further notice need be given.

For all of the foregoing reasons, and for the reasons stated by the Court at the Hearing and reflected in the record thereof, and after due deliberation and sufficient cause appearing therefor, it is hereby

**ORDERED, ADJUDGED AND DECREED THAT:**

1. The Verified Petition is granted.
2. The Petitioner is the duly appointed foreign representative of the Brazilian RJ Proceeding with respect to each of the Debtors, within the meaning of section 101(24) of the Bankruptcy Code, and is authorized to act on behalf of each of the Debtors in these Chapter 15 Cases.
3. The Brazilian RJ Proceeding is granted recognition as the foreign main proceeding of each of the Debtors pursuant to section 1517 of the Bankruptcy Code.
4. All relief and protection afforded foreign main proceedings under section 1520 of the Bankruptcy Code is hereby granted to the Brazilian RJ Proceeding, the Debtors, the Debtors' property located in the United States, and the Petitioner, as applicable, including application of the section 362 stay to bar actions against the Debtors and/or property of the Debtors located within the territorial jurisdiction of the United States.

5. Notwithstanding any provision in the Bankruptcy Rules or the Local Rules to the contrary: (a) this Order shall be effective immediately and enforceable upon entry; (b) the Petitioner is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order; and (c) the Petitioner is authorized and empowered and may in his discretion and without further delay take any action and perform any act necessary to implement and effectuate the terms of this Order.

6. A copy of this Order, confirmed to be true and correct, shall be served by the Petitioner within seven business days of entry of this Order by facsimile, electronic mail or overnight express delivery on the Notice Parties, and such service shall be good and sufficient service and adequate notice for all purposes.

7. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, enforcement, amendment or modification of this Order.

Dated: \_\_\_\_\_, 2018  
New York, New York

---

UNITED STATES BANKRUPTCY JUDGE



**EXHIBIT A**

**Proposed Order**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

---

In re

Serviços de Petróleo Constellation S.A., *et al.*,<sup>1</sup>

Debtors in a Foreign Proceeding.

---

)

)

) Case No. 18-13952

) (Joint Administration Pending)

)

) Chapter 15

)

**ORDER GRANTING RECOGNITION OF FOREIGN MAIN PROCEEDING  
AND CERTAIN RELATED RELIEF**

Upon the *Petitioner's Declaration and Verified Petition for Recognition of the Brazilian RJ Proceeding and Motion for Order Granting Related Relief pursuant to 11 U.S.C. §§ 1515, 1517, and 1520* (the "Verified Petition")<sup>2</sup> [ECF No. 3] dated December 6, 2018, Andrew Childe (the "Petitioner" or the "Foreign Representative"), in his capacity as the duly-authorized foreign representative of the Brazilian RJ Proceeding (as defined below) of each of the above-captioned debtors (the "Debtors") requesting this Order (the "Order") (a) granting the Verified Petition and recognizing the jointly-administered judicial reorganization proceeding (the "Brazilian RJ Proceeding") pending before the 1<sup>st</sup> Business Court of Rio de Janeiro (the "Brazilian RJ Court") pursuant to Federal Law No. 11.101 of February 9, 2005 (the "Brazilian Bankruptcy Law") of the laws of the Federative Republic of Brazil ("Brazil") as the foreign main proceeding for all of the Debtors pursuant to section 1517 of title 11 of the United States Code (the "Bankruptcy Code"),

---

<sup>1</sup> The Debtors in these chapter 15 cases (the "Chapter 15 Cases") and the last four identifying digits of the tax number in the jurisdictions in which they pay taxes are as follows: Serviços de Petróleo Constellation S.A. ("Petróleo Constellation") (Brazil – 01-27); Lone Star Offshore Ltd. ("Lone Star") (BVI – 9322); Gold Star Equities Ltd. ("Gold Star") (BVI – 1368); Olinda Star Ltd. ("Olinda Star") (BVI – 9761); Star International Drilling Limited ("Star Int'l.") (Cayman Islands – 6867); Alpha Star Equities Ltd. ("Alpha Star") (BVI – 0114); Snover International Inc. ("Snover") (BVI – 8260); Arazi S.à r.l. ("Arazi") (Luxembourg – 9812); Constellation Oil Services Holding S.A. ("Constellation") (Luxembourg – 6634); and Constellation Overseas Ltd. ("Constellation Overseas") (BVI – 0641).

<sup>2</sup> Capitalized terms used but not otherwise defined shall have the meanings ascribed to them in the Verified Petition.

and all relief included therewith as provided in section 1520 of the Bankruptcy Code; (b) recognizing the Petitioner as the foreign representative, as defined in section 101(24) of the Bankruptcy Code, of the Brazilian RJ Proceeding for each of the Debtors; and (c) granting such other and further relief as the Court deems just and proper; and it appearing that this Court has jurisdiction to consider the Verified Petition pursuant to sections 157 and 1334 of title 28 of the United States Code and the Amended Standing Order of Reference dated January 31, 2012, Reference M-431, In re Standing Order of Reference Re: Title 11, 12 Misc. 00032 (S.D.N.Y. Feb. 1, 2012) (Preska, C.J.) (the “Amended Standing Order”); and this being a core proceeding pursuant to section 157(b)(2)(P) of title 28 of the United States Code; and venue for this proceeding being proper before this Court pursuant to section 1410 of title 28 of the United States Code; and this Court having reviewed (i) the Forms of Voluntary Petition, (ii) the Verified Petition, along with the exhibits annexed thereto, (iii) the *Declaration of Flavio Galdino Pursuant to 28 U.S.C. § 1746* (the “Brazilian Counsel Declaration”) [ECF No. 4], (iv) the *Declaration of Samuel P. Hershey* (the “Hershey Declaration”) [ECF No. 6], along with the exhibits annexed thereto, and (v) the statements of counsel with respect to the Verified Petition at a hearing before this Court (the “Hearing”); and appropriate and timely notice of the filing of the Verified Petition and the Hearing having been given; and no other or further notice being necessary or required; and this Court having determined that the legal and factual bases set forth in the Verified Petition, the Brazilian Counsel Declaration, the Hershey Declaration, and all other pleadings and papers in this case establish just cause to grant the relief ordered herein; and after notice and a hearing and due deliberation thereon;

**THIS COURT HEREBY FINDS AND DETERMINES THAT:**

A. The findings and conclusions set forth herein constitute this Court’s findings of fact

and conclusions of law pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction to consider this matter pursuant to sections 157 and 1334 of title 28 of the United States Code, and the Amended Standing Order. This is a core proceeding pursuant to section 157(b)(2)(P) of title 28 of the United States Code. Venue for this proceeding is proper before this Court pursuant to section 1410 of title 28 of the United States Code.

C. The Petitioner is the duly appointed “foreign representative,” within the meaning of section 101(24) of the Bankruptcy Code, of the Brazilian RJ Proceeding with respect to each of the Debtors.

D. These Chapter 15 Cases were properly commenced pursuant to sections 1504, 1509, and 1515 of the Bankruptcy Code.

E. The Petitioner has satisfied the requirements of section 1515 of the Bankruptcy Code, Bankruptcy Rules 1007(a)(4), 2002(q) and 7007.1, and Rules 2002-4 and 9013-1(b) of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”).

F. The Brazilian RJ Proceeding is a “foreign proceeding” pursuant to section 101(23) of the Bankruptcy Code.

G. The Brazilian RJ Proceeding is entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

H. The COMI of each of the Debtors is in Brazil. Accordingly, the Brazilian RJ Proceeding is the “foreign main proceeding” of each of the Debtors, as that term is defined in

section 1502(4) of the Bankruptcy Code, and is entitled to recognition as such pursuant to section 1517(b)(1) of the Bankruptcy Code.

I. The relief granted hereby is necessary and appropriate to effectuate the purposes and objectives of chapter 15 and to protect the Debtors, their creditors and other parties in interest.

J. Appropriate notice of the filing of and the Hearing on the Verified Petition was given, which notice is deemed adequate for all purposes, and no other or further notice need be given.

For all of the foregoing reasons, and for the reasons stated by the Court at the Hearing and reflected in the record thereof, and after due deliberation and sufficient cause appearing therefor, it is hereby

**ORDERED, ADJUDGED AND DECREED THAT:**

1. The Verified Petition is granted.
2. The Petitioner is the duly appointed foreign representative of the Brazilian RJ Proceeding with respect to each of the Debtors, within the meaning of section 101(24) of the Bankruptcy Code, and is authorized to act on behalf of each of the Debtors in these Chapter 15 Cases.
3. The Brazilian RJ Proceeding is granted recognition as the foreign main proceeding of each of the Debtors pursuant to section 1517 of the Bankruptcy Code.
4. All relief and protection afforded foreign main proceedings under section 1520 of the Bankruptcy Code is hereby granted to the Brazilian RJ Proceeding, the Debtors, the Debtors' property located in the United States, and the Petitioner, as applicable, including application of the section 362 stay to bar actions against the Debtors and/or property of the Debtors located within the territorial jurisdiction of the United States.

5. Notwithstanding any provision in the Bankruptcy Rules or the Local Rules to the contrary: (a) this Order shall be effective immediately and enforceable upon entry; (b) the Petitioner is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order; and (c) the Petitioner is authorized and empowered and may in his discretion and without further delay take any action and perform any act necessary to implement and effectuate the terms of this Order.

6. A copy of this Order, confirmed to be true and correct, shall be served by the Petitioner within seven business days of entry of this Order by facsimile, electronic mail or overnight express delivery on the Notice Parties, and such service shall be good and sufficient service and adequate notice for all purposes.

7. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, enforcement, amendment or modification of this Order.

Dated: \_\_\_\_\_, 2018  
New York, New York

---

UNITED STATES BANKRUPTCY JUDGE

**Exhibit B**

RJ Petition (original Portuguese and certified English translation)





Flavio Galdino  
Sergio Coelho  
Rafael Pimenta  
Rodrigo Candido de Oliveira  
Eduardo Takemi Kataoka  
Cristina Biancastelli  
Gustavo Salgueiro  
Isabel Picot França  
Marcelo Atherino  
Marta Alves  
Cláudia Maziteli Trindade  
Pedro C. da Veiga Murgel  
Gabriel Rocha Barreto  
Diogo Rezende de Almeida  
Renata Jordão Natacci

Felipe Brandão  
Adrianna Chambô Eiger  
Pedro Renato de Souza Mota  
Wallace de Almeida Córbo  
Mauro Teixeira de Faria  
Isadora A. R. de Almeida  
Camila Silva de Almeida  
Yuri de Santa Cecília Rodrigues  
Julianne Zanconato  
Rodrigo Saraiva Porto Garcia  
Vanessa F. F. Rodrigues  
Amanda Torres Hollerbach  
Luciana Barsotti Machado  
Aline da Silva Gomes  
Maria Flávia Junqueira F. Macarimi

Ivana Harter Albuquerque  
Carlos Eduardo Brantes  
Bruno Duarte Santos  
Tomás de Sampaio Góes M. Costa  
Júlia Leal Danzinger  
Maria Carolina Bichara  
Milene Pimentel Moreno  
Carolina Bueno de Oliveira  
Maria Eduarda Gamborgi  
Bianca Santos Correa  
Cássio Monteiro Rodrigues  
Isabela Rampini Esteves  
Jacques Felipe Albuquerque Rubens  
Marcela Ruzza Silva Quintana  
Ana Verena Pinheiro Gomes

Marcos de Souza Paula  
Isabela Augusta Xavier da Silva  
Lara Maria Marques M. Cacheado  
Leonardo Mucillo de Mattia  
Letícia Willemann Campanelli  
Yasmin Valle Viana Marques Paiva  
Yuri Athayde da Costa Nascimento  
Ana Caroline S Gasparine  
Carolina Pfeiffer Figueiredo  
Lucas Menezes Ciantelli  
Consultor  
José Eduardo Guimarães Barros

EXMO. SR. DR. JUIZ DE DIREITO DE UMA DAS VARAS EMPRESARIAIS DA COMARCA  
DA CAPITAL DO RIO DE JANEIRO

**GRERJ n. 11902181704-95**

(1) SERVIÇOS DE PETRÓLEO CONSTELLATION S.A., sociedade por ações de capital fechado, inscrita no CNPJ/MF sob n. 30.521.090/0001-27, com sede na Av. Presidente Antônio Carlos, n. 51, 3º, 5º, 6º e 7º andares, Centro, Rio de Janeiro, Estado do Rio de Janeiro, CEP 20020-010; (2) SERVICOS DE PETRÓLEO CONSTELLATION PARTICIPAÇÕES S.A., sociedade por ações de capital fechado, inscrita no CNPJ sob o n. 12.045.924/0001-93, com sede na Av. Presidente Antônio Carlos, n. 51, sala 601, 6º andar, Centro, Rio de Janeiro, Estado do Rio de Janeiro, CEP 20020-010; (3) ALPHA STAR EQUITIES LTD, sociedade com sede em Tortola Pier Park, Building 1, 2º Piso, Wichhams Cay I, Road Town, Tortola, Ilhas Virgens Britânicas; (4) AMARALINA STAR LTD, sociedade com sede em Tortola Pier Park, Building 1, 2º Piso, Wichhams Cay I, Road Town, Tortola, Ilhas Virgens Britânicas; (5) ARAZI S.À.R.L., sociedade com sede em Avenue de la Gare, 8-10, CEP: 1616,

**Rio de Janeiro**  
Av. Rio Branco 138 11º andar  
20040 002 / Centro  
Rio de Janeiro / RJ  
T + 55 21 3195 0240

**São Paulo**  
Av. Brig. Faria Lima 3900 / 11º andar  
04538 132 / Itaim Bibi  
São Paulo / SP  
T +55 11 3041 1500

**Brasília**  
SAUS Sul / quadra 05  
bloco K / Nº 17 / salas 508-511  
70070 050 / Brasília / DF  
T +55 61 3323 3865



Luxemburgo; (6) BRAVA STAR LTD, sociedade com sede em Tortola Pier Park, Building 1, 2º Piso, Wichhams Cay I, Road Town, Tortola, Ilhas Virgens Britânicas; (7) CONSTELLATION OIL SERVICES HOLDING S.A., sociedade com sede na Avenue de la Gare, n. 8-10, Luxemburgo, registrada sob o n. B163424; (8) CONSTELLATION OVERSEAS LTD, sociedade inscrita no CNPJ/MF sob n. 12.981.793/0001-56, com sede em Tortola Pier Park, Building 1, 2º Piso, Wichhams Cay I, Road Town, Tortola, Ilhas Virgens Britânicas; (9) CONSTELLATION SERVICES LTD, sociedade com sede em Tortola Pier Park, Building 1, 2º Piso, Wichhams Cay I, Road Town, Tortola, Ilhas Virgens Britânicas, inscrita no CNPJ/MF sob n. 26.496.540/0001-00; (10) GOLD STAR EQUITIES LTD, sociedade com sede em Tortola Pier Park, Building 1, 2º Piso, Wichhams Cay I, Road Town, Tortola, Ilhas Virgens Britânicas; (11) MANISA SERVIÇOS DE PETRÓLEO LTDA., sociedade por quotas de responsabilidade limitada, inscrita no CNPJ/MF sob o n. 11.801.519/0001-95, com sede na Rua do Engenheiro, n. 736, quadra I, lotes 02, 03, 04, 05, 08, 09 e 10, Rio das Ostras, Estado do Rio de Janeiro, CEP 28890-000; (12) TARSUS SERVIÇOS DE PETRÓLEO LTDA., sociedade por quotas de responsabilidade limitada, inscrita no CNPJ/MF sob n. 11.801.960/0001-77, com sede na Rua do Engenheiro, n. 736, quadra I, lotes 02, 03, 04, 05, 08, 09 e 10, Rio das Ostras, Estado do Rio de Janeiro, CEP 28.890-000; (13) LANCASTER PROJECTS CORP., sociedade com sede em Tortola Pier Park, Building 1, 2º Piso, Wichhams Cay I, Road Town, Tortola, Ilhas Virgens Britânicas; (14) LAGUNA STAR LTD, sociedade com sede em Tortola Pier Park, Building 1, 2º Piso, Wichhams Cay I, Road Town, Tortola, Ilhas Virgens Britânicas; (15) LONE STAR OFFSHORE LTD, sociedade com sede em Tortola Pier Park, Building 1, 2º Piso, Wichhams Cay I, Road Town, Tortola, Ilhas Virgens Britânicas; (16) OLINDA STAR LTD, sociedade com sede em Tortola Pier Park, Building 1, 2º Piso, Wichhams Cay I, Road Town, Tortola, Ilhas Virgens Britânicas; (17) SNOVER INTERNATIONAL INC., sociedade com sede em Tortola Pier Park, Building 1, 2º Piso, Wichhams Cay I, Road Town, Tortola, Ilhas Virgens Britânicas; (18) STAR INTERNATIONAL DRILLING LTD, sociedade inscrita no CNPJ/MF sob n. 05.722.506/0001-28, com sede no Huntlaw Building, Fort Street, HuntLaw Corporate Services Limited, P.O. Box 1350, Ilhas Cayman, (todas em conjunto referidas como “Grupo Constellation” ou



“Sociedades Requerentes”), vêm a V. Exa., por seus advogados abaixo assinados (Doc. 1), com fundamento nos art. 47 e seguintes da Lei n. 11.101/2005 (“LRF”), formular o presente PEDIDO DE RECUPERAÇÃO JUDICIAL, com base nas razões e fatos a seguir.

#### O GRUPO CONSTELLATION, SUA ESTRUTURA E SUA HISTÓRIA.

1. Em que pesem os primeiros registros relativos ao desenvolvimento do setor de petróleo e gás no Brasil remontem o período imperial, foi apenas na Era Vargas – e com a criação da Petróleo Brasileiro S.A. (“Petrobras”) – que a exploração e produção petrolífera ganhou destaque no país.

2. Foi justamente através do incentivo estatal e por meio da Petrobras que, em 1974, ocorreu, por exemplo, a descoberta de poços na Bacia de Campos, uma das maiores reservas de petróleo do país.

3. Nesse contexto de plena expansão do setor no país, em 1980, foi fundada no Rio de Janeiro a Queiroz Galvão Perfurações S.A. – o embrião do Grupo Constellation e, atualmente, denominada Serviços de Petróleo Constellation S.A. –, tendo como missão expandir o serviço de perfuração para exploração de petróleo e gás no Brasil.

4. Inicialmente, prestando serviços à Petrobras, a atuação do Grupo Constellation se deu através de locação de sondas de perfuração terrestres, as chamadas sondas *onshore*, com atuação, principalmente, no Norte e Nordeste do país.

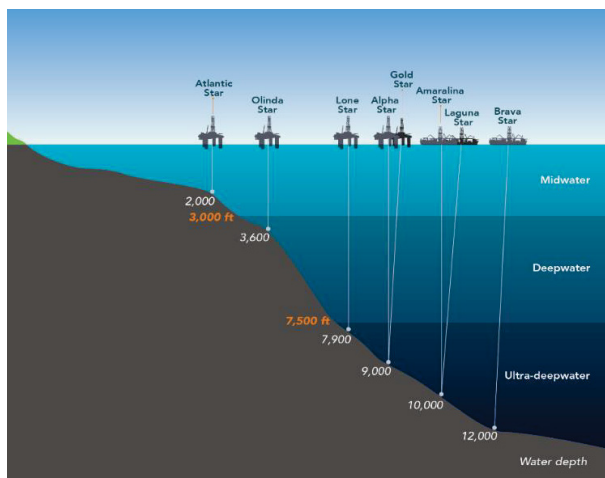
5. Paralelamente ao desenvolvimento da atividade de perfuração *onshore*, em 1994, acompanhando o novo momento econômico do Brasil, o Grupo Constellation passou a se dedicar à atividade de perfuração *offshore*, consolidando, em 2006, sua atuação em águas ultra profundas.



6. Eis o cenário atual: o Grupo Constellation possui 9 sondas de perfuração *onshore*, sendo 4 convencionais e 5 helitransportáveis; bem como 8 sondas de perfuração *offshore*, sendo 2 semissubmersíveis ancoradas para operação em lâmina d'água de até 1.100 metros, 3 de posicionamento dinâmico para operação em lâmina d'água de até 2.700 metros e 3 navios-sonda para operação em lâmina d'água até 3.000 metros<sup>1</sup>.

7. O Grupo Constellation é líder em desempenho em operações no pré-sal devido: (a) ao seu alto nível de produtividade; (b) à tecnologia de monitoramento on-line da base, que otimizou a solução de problemas e vigilância; (c) à larga experiência com as questões operacionais, responsável por aprimorar diversos procedimentos como, por exemplo, da coluna de perfuração para evitar a fadiga das tubulações e o tubo preso em sal; e (d) ao aparelhamento das unidades de perfuração com equipamentos necessários para operação efetiva na área do pré-sal.

8. O gráfico abaixo ilustra a capacidade de todas as sondas *offshore* do Grupo Constellation:



<sup>1</sup> O Grupo Constellation também atua em consórcios que operam FPSOs. No entanto, sua participação naqueles consórcios é minoritária, sendo certo que aquelas operações – e as sociedades a elas vinculadas – não apresentam dívidas ou garantias cruzadas que tornem necessária a recuperação judicial.



9. As referidas sondas foram adquiridas pelo Grupo Constellation conforme a demanda do setor de óleo e gás no Brasil, a fim de atender, prioritariamente, os prospectos empreendidos pela Petrobras no país.

10. Atualmente, as Sociedades Requerentes detêm 17 sondas, sendo 9 *onshore* e 8 *offshore*. A atividade operacional predominante do Grupo é por meio de suas sondas *offshore*, sendo certo que, das 8 sondas, 7 operam no Brasil.

	SONDAS	INÍCIO DAS OPERAÇÕES	CLIENTE ATUAL	LOCALIZAÇÃO
OFFSHORE	Brava Star	2015	Shell	Aracruz - ES
	Amaralina Star	2012	Atracada	Aracruz - ES
	Laguna Star	2012	QGEP	Bacia de Campos e de Santos - RJ
	Alpha Star	2011	Por 7 anos operou para a Petrobras, Atracada em Julho de 2017.	Angra dos Reis - RJ
	Lone Star	2011	Por 8 anos operou para a Petrobras, Atracada em Abril de 2018.	Niterói - RJ
	Gold Star	2010	Por 9 anos operou para a Petrobras, Atracada em Fevereiro de 2018.	Rio de Janeiro - RJ
	Olinda Star	2009	ONGC	Índia
	Atlantic Star	1997	Petrobras	Bacia de Campos - RJ
ONSHORE	QG-I	1981	Armazenada	Paraguai
	QG-II	1981	Armazenada	Maranhão
	QG-III	1987	Armazenada	Manaus - AM
	QG-IV	1996	Armazenada	Manaus - AM
	QG-V	2011	Armazenada	Manaus - AM
	QG-VI	2008	Armazenada	Nova Mutum - MT
	QG-VII	2008	Armazenada	Manaus - AM
	QG-VIII	2011	Armazenada	Manaus - AM
	QG-IX	2011	Armazenada	Manaus - AM

11. Vale destacar ainda que, à exceção da Olinda Star e da Atlantic Star, todas as demais sondas *offshore* do Grupo Constellation estão capacitadas para a exploração do pré-sal brasileiro.



12. A notabilidade das Sociedades Requerentes pela prestação de serviços de excelência no setor de exploração de óleo e gás brasileiro é indiscutível e reconhecido não só pelos seus clientes como por players institucionais. No ano de 2017, por exemplo, o grupo foi o mais premiado do *IADC Brazil Chapter Safety Awards*, por seu desempenho com a segurança ambiental e laboral da sua operação.

13. Mais recentemente, precisamente no último dia 23 de novembro, o Grupo foi premiado pela Agência Nacional do Petróleo, Gás Natural e Biocombustíveis - ANP, no Prêmio ANP de Inovação Tecnológica 2018, sagrando-se vencedor na categoria II “Resultado de projeto(s) desenvolvido(s) por Empresa Brasileira, com ou sem participação de Instituição Credenciada, em colaboração com Empresa Petrolífera, na área temática geral ‘Exploração e Produção de Petróleo e Gás’”.

#### ENDIVIDAMENTO DO GRUPO CONSTELLATION.

#### ACORDO JÁ FORMALIZADO COM PARTE DOS SEUS CREDORES.

14. Ocorre que a atividade de perfuração desenvolvida pelo Grupo Constellation, *onshore* e, principalmente, *offshore*, por ser complexa e altamente custosa, exige uma vultosa estrutura de alavancagem financeira para sua viabilização. No caso do Grupo Constellation, essa estrutura de endividamento consiste, essencialmente, na emissão de títulos de dívida (*Corporate Bond*), financiamentos levantados pela Amaralina Star, Laguna Star e Brava Star (*Project Finances*) e mútuos bancários.

15. Este é fundamentalmente o perfil das dívidas concursais do Grupo Constellation: recursos captados para a aquisição, construção e manutenção das sondas que opera. Adicionalmente, há também dívidas integrantes da classe I e quirografárias contraídas com fornecedores em geral, além de outras despesas operacionais das Companhias.



16. A despeito das múltiplas entidades indicadas no preâmbulo, a existência de garantias cruzadas, bem como a possibilidade de vencimento antecipado de instrumentos de dívida em razão de inadimplemento cruzado, não permite uma reestruturação de forma individualizada. É preciso uma solução conjunta, que permita a continuidade das quase 4 (quatro) décadas de história do Grupo Constellation.

17. E a propósito da inter-relação das dívidas, as Sociedades Requerentes já chegaram a um consenso quanto à reestruturação de parte significativa delas com os seus credores bancários (os “Credores Apoiadores”) – mais especificamente, o grupo de credores integrante do chamado *Project Finance* (10 instituições financeiras) e o Banco Bradesco S.A., Grand Cayman Branch (fornecedor de capital de giro).

18. Os Credores Apoiadores representam o expressivo percentual de 48.3% da classe II e 60.2% da classe III, considerando o quadro de credores apresentado com essa inicial.

19. Esse apoio foi formalizado no último dia 29 de novembro por meio da assinatura, pelos Credores Apoiadores, Sociedades Requerentes e acionistas de um *Plan Support Agreement* (aqui referido como “PSA”), o qual contém as condições de reperfilamento da dívida mantida com os Credores Apoiadores a serem refletidas no Plano de Recuperação Judicial a ser oportunamente apresentado na forma da LRF (Doc. 12).

20. Além das condições comerciais, os Credores Apoiadores anuíram com a implementação do PSA por meio de um processo de recuperação judicial, consentindo expressamente desde logo com a competência da justiça brasileira para processamento deste pedido em relação a todas as Sociedades Requerentes, com o deferimento da consolidação substancial.



21. É justamente nesse contexto que se insere o presente pedido de Recuperação Judicial em que, resumidamente, o valor total do endividamento concursal consiste, nesta data, no montante de R\$ 5.753.783.237,78. A divisão do passivo nas Classes estabelecidas no art. 41 da LRF pode ser observada na listagem de credores contida no Doc. 7 e pode assim ser resumida:

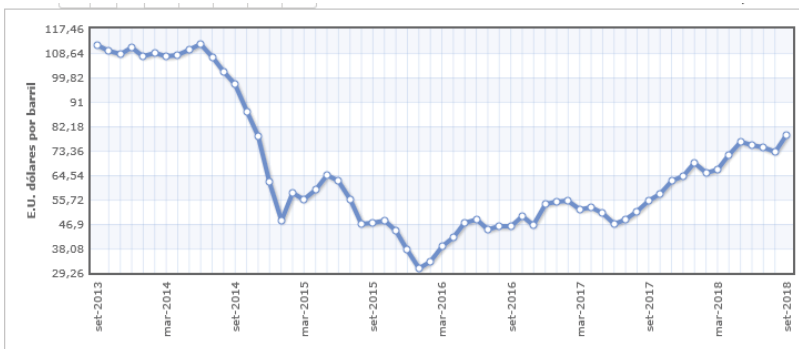
<b>Classe I</b>	R\$ 2.540.429,22
<b>Classe II</b>	R\$ 4.772.275.733,78
<b>Classe III</b>	R\$ 978.955.911,84
<b>Classe IV</b>	R\$ 11.162,93

#### AS RAZÕES DA CRISE.

##### *Uma crise global.*

22. Não obstante o conhecido e dantesco cenário político e econômico brasileiro tenha um peso significativo na crise enfrentada pelo Grupo Constellation, o presente pedido de recuperação judicial tem raízes muito mais profundas.

23. Como se sabe, o setor de óleo e gás é marcado por flutuações cíclicas do preço do petróleo, com quedas e ascensões expressivas e abruptas. Confira-se:



Fonte: <https://www.indexmundi.com/pt/pre%C3%A7os-de-mercado/?mercadoria=petr%C3%B3leo-bruto-brent&meses=60>





24. Com efeito, ultrapassada a crise econômica mundial de 2008, que desacelerou o crescimento econômico mundial, reduzindo o consumo de petróleo, o preço do barril do petróleo voltou a crescer, chegando a custar mais de US\$ 124,00 em março de 2012.

25. O êxtase do setor estimulou o amplo acesso a crédito às empresas ligadas à exploração do petróleo – como aquelas do Grupo Constellation –, bem como, e por consequência, fomentou todo o desenvolvimento do setor, que efetivamente se preparou para um aumento de produção.

26. Foi justamente nesse contexto de crescimento que foram contraídas as principais dívidas do Grupo Constellation, com a aquisição de diversas unidades de perfuração – os contratos (e os respectivos financiamentos) das unidades Amaralina e Laguna, por exemplo, tiveram início em 2012, e o da Brava, em 2014.

27. Ocorre que, desde o segundo semestre de 2014, os preços do barril de petróleo vêm apresentando queda dramaticamente acentuada, sem que a indústria tenha apresentado a recuperação rápida e nos patamares verificados em outros momentos históricos.

28. Os fatores exógenos que causam a queda dos preços do barril do petróleo são conhecidos: (i) a redução do consumo de petróleo da China – dada a sua desaceleração econômica – e de outros países historicamente demandantes, como a Alemanha; (ii) a quase autossuficiência dos Estados Unidos – através da exploração alternativa do chamado “shale oil” –; (iii) a maior demanda e desenvolvimento de outras matrizes energéticas; e (iv) a postura dos países que integram a Organização dos Países Exportadores de Petróleo (OPEP) em manter a produção de petróleo elevada, mesmo diante da redução do consumo, a fim de, em última análise, com preços baixos, tornar inviável a produção alternativa de óleo e gás, notadamente mais cara – como aquela desenvolvida nos Estados Unidos, ou mesmo a que vem se desenvolvendo no pré-sal brasileiro.

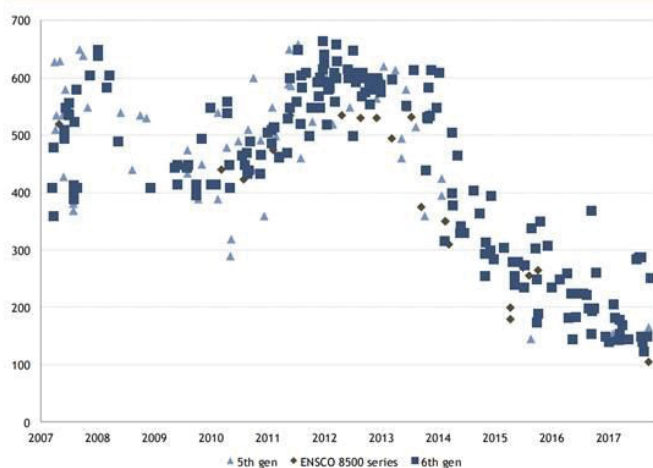


29. Diante de muita oferta e redução da procura, o mercado sabidamente estacionou. A baixa remuneração do barril de petróleo e a insegurança em relação às projeções tornou o crédito mais restrito, impactando diretamente a higidez dos vultosos projetos relacionados à exploração de petróleo.

30. Não só. No caso do Grupo Constellation, os contratos de prestação de serviço e de afretamento, cuja equação econômico-financeira originariamente garantia o pagamento das dívidas contraídas para a fabricação das unidades de perfuração, atualmente, possuem uma taxa de remuneração diária substancialmente inferior à que vinha sendo praticada.

31. O gráfico abaixo é eloquente em demonstrar as oscilações da taxa de remuneração ao longo do tempo e a queda dramática dos contratos nos últimos anos:

UDW dayrates by rig type, 2007 - 2018 (USDk)



Fonte: IHS Petrodata, Arctic Securities, Rystad Energy – Abril 2018<sup>2</sup>.

<sup>2</sup> Tradução livre do título do gráfico: Águas Ultra profundas por tipo de sonda, 2007-2018 (Dólares americanos - mil).



32. O declínio brusco a partir de 2014, acentuado nos últimos dois anos, deixa clara a oscilação do mercado, que afeta diretamente a taxa de remuneração dos contratos, cujo prazo de vigência é de 6 anos, em média. Não é difícil concluir, portanto, pelo desequilíbrio da equação econômico-financeira dos referidos contratos e, conseqüentemente, pelo prejuízo suportado pelo Grupo Constellation.

*A crise brasileira.*

33. A este cenário global soma-se a conjuntura econômica do nosso país. Como se disse, o Grupo Constellation tem sua atividade operacional desenvolvida principalmente no Brasil, fornecia serviços prioritariamente para uma empresa brasileira, sabidamente para a Petrobras. Ou seja, os efeitos da crise no país ressoaram imperdoavelmente sobre as Sociedades Requerentes.

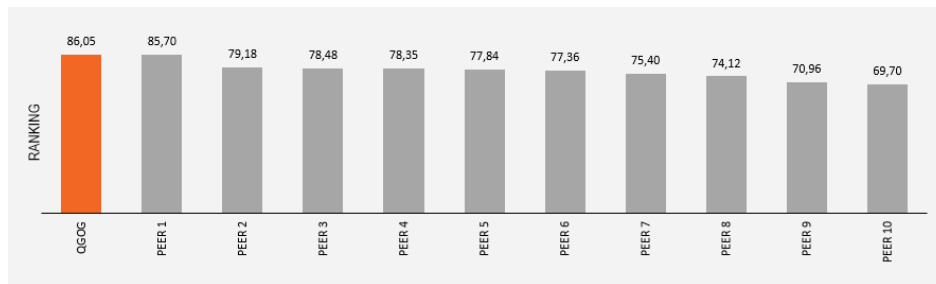
34. Não por outro motivo, a crise sem precedentes gerou dificuldades não só para a estatal, mas, naturalmente, para toda a sua cadeia de fornecedores.

35. Como visto, no ápice do aquecimento da indústria no Brasil, incentivado pela política econômica do nosso governo, bem como pelo apetite da Petrobras, o Grupo Constellation investiu pesadamente na obtenção de unidades de perfuração *offshore*.

36. Como resultado, o Grupo Constellation sempre teve posição de destaque no ranking de principais operadores de sondas de perfuração da Petrobras, tendo ostentado, por longos períodos a primeira colocação. Confira-se, a título ilustrativo, o cenário que se tinha em março de 2017<sup>3</sup>:

---

<sup>3</sup> Fonte Petrobras.



37. Ocorre que, em decorrência da crise, esses 2 vetores foram alterados radicalmente. Isto é: a Petrobras, por razões evidentes, interrompeu projetos, estacionou investimentos e vem contratando de forma menos acelerada que no passado e o governo, por sua vez, começa a estabelecer uma nova política para o setor de óleo gás.

38. O Programa de Desinvestimento iniciado pela Petrobras que, entre outras medidas, deixou de participar de novos leilões para exploração do pré-sal, é um claro exemplo de retração do mercado. Aliás, a meta divulgada pela empresa para este biênio de 2017-2018 era de garantir o levantamento do valor expressivo de 21 bilhões de dólares<sup>4</sup> com as medidas implementadas por meio do referido programa.

39. Não fosse o bastante, cita-se as exigências regulatórias cada vez mais rigorosas, que aumentaram a necessidade de capital para operação, manutenção e mão-de-obra das unidades de perfuração, bem como o aumento na carga tributária sobre a importação de alguns dos principais equipamentos relacionados à exploração e produção de petróleo, o que também aumenta o custo operacional do Grupo Constellation no Brasil.

40. Portanto, apesar das Sociedades Requerentes serem altamente reconhecidas no mercado pela sua solidez e pela sua capacidade administrativa-operacional e eficiência – o que se revela evidente pelo próprio apoio antecipado de

<sup>4</sup> Último acesso em 05.12.2018: <https://exame.abril.com.br/negocios/petrobras-preve-30-desinvestimentos-e-parcerias-ainda-em-2017/>



parte significativa dos seus credores com a assinatura do PSA, conforme exposto anteriormente -, a crise econômica e petrolífera que se instaurou internacionalmente e, principalmente, no território brasileiro, terminou afetando de forma brutal o seu fluxo de caixa.

41. Por essa razão, há mais de um ano o Grupo Constellation conduz a reestruturação da sua dívida com seus credores financeiros fora do ambiente judicial. Embora a negociação tenha sido especialmente exitosa, o acordo não foi possível com uma parte dos credores, tornando inevitável esse pedido a fim de se obter a proteção judicial na forma da LRF.

#### VIABILIDADE ECONÔMICA E OPERACIONAL.

42. O Grupo Constellation tem a confiança de que a crise de liquidez enfrentada é passageira e não deve afetar de forma definitiva a solidez das atividades por ele desenvolvidas.

43. Em que pese não se espere, no curto prazo, a recuperação do preço do barril do petróleo, as Sociedades Requerentes confiam que o descasamento no seu fluxo de caixa que conduziu à presente Recuperação Judicial é transitório.

44. Isso porque as Sociedades Requerentes são sociedades altamente capacitadas e especializadas e estão aptas a participar do novo cenário do setor de óleo e gás no país, que irá, necessariamente, proporcionar a exploração do petróleo do pré-sal. Adicionalmente, as Sociedades Requerentes já estão sendo muito bem-sucedidas em relação a novos negócios.

45. Ainda em 2017, o Grupo Constellation firmou contrato *offshore* internacional com a *Oil and Natural Gas Corporation* (“ONGC”), empresa estatal de exploração de petróleo indiana, para afretamento da sonda Olinda Star, com duração de 3 (três) anos. A operação está sendo desenvolvida em um dos blocos de gás

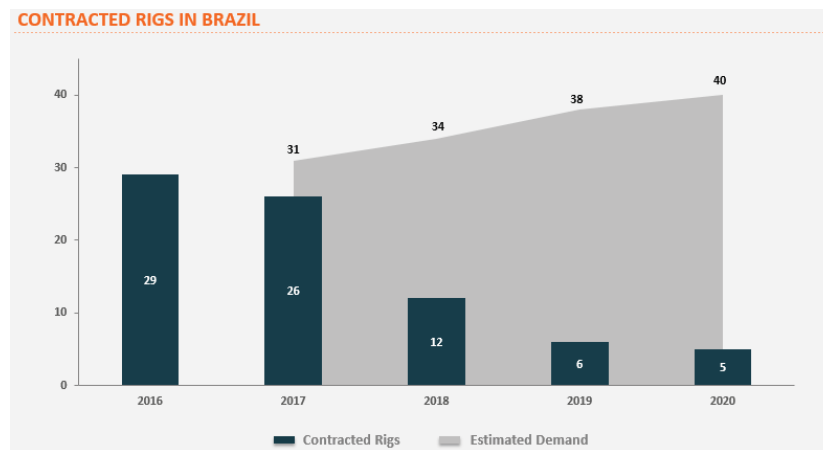


natural em águas profundas na bacia Krishna Godavaria, localizada na costa leste indiana.

46. Mesmo no Brasil, o Grupo Constellation tem obtido vitórias importantes em licitações, refletidas em contratos de curto e curtíssimo prazo, respectivamente, com a Shell Brasil Petróleo Ltda. e com a Queiroz Galvão Exploração e Produção S.A.

47. Tal fato apenas ressalta que, não obstante a situação de crise singular vivida pelo país, o mercado nacional possui uma enorme demanda potencial que pode ser atendida pelo Grupo Constellation, dada sua notoriedade no mercado brasileiro.

48. O gráfico<sup>5</sup> a seguir demonstra com clareza a projeção quanto à demanda do mercado brasileiro *vis-à-vis* a projeção em relação à vigência dos contratos existentes à época do estudo:



End of December each year. Not considering 7BR rigs.  
Source: IHS Petrodata, March 22, 2017 and company analysis / Morgan Stanley - The Offshore Drilling Manual - Winter (Feb17)

<sup>5</sup> Tradução livre do título do gráfico: sondas contratadas no Brasil. Barra verde refere-se a sondas contratadas e barra cinza a demanda estimada. Tradução livre da nota de rodapé da sonda: Final de dezembro de cada ano, sem considerar sondas da Sete Brasil. Fonte: IHS Petrodata, Março 22, 2017 e análise das companhias/ Morgan Stanley – Manual de perfuração offshore – Inverno (Fev. 2017)

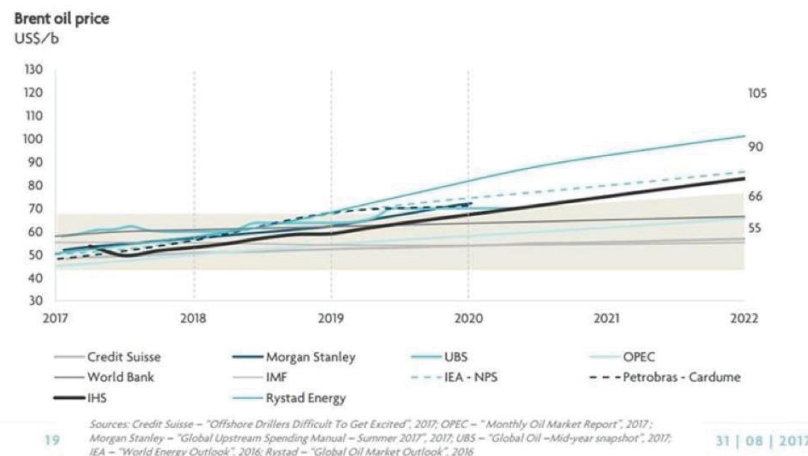


49. O gráfico acima é efetivamente eloquente em relação à necessidade da Recuperação Judicial requerida: sem as proteções conferidas pelo instituto, o Grupo Constellation não conseguirá fazer frente às suas dívidas, e nem dirigir seus esforços para obtenção e renovação de contratos com vistas a suprir uma demanda que está plenamente apto a atender com a excelência de 35 anos de atuação.

50. Para além disso, em uma perspectiva global, o cenário futuro é positivo para o setor de óleo e gás, diante da grande demanda de energia mundial e, principalmente, da previsão de aumento do preço dos produtos básicos energéticos – para esse ano, a estimativa era de um aumento próximo a 4%<sup>6</sup>.

51. O quadro abaixo<sup>7</sup> indica as projeções para os próximos 4 anos, consultado em dez fontes diferentes e, em todos os cenários, a perspectiva é felizmente positiva:

### Oil price perspectives Market assumptions



<sup>6</sup> Último acesso em 05.12.2018: <http://www.worldbank.org/pt/news/press-release/2017/10/26/commodity-prices-likely-to-rise-further-in-2018-world-bank>

<sup>7</sup> Tradução livre do título do gráfico: Perspectivas do preço do petróleo (premissas do mercado).



52. Além disso, superando as projeções da indústria, no último ano, se verificou uma reação positiva de mercado e o preço do barril de petróleo chegou muito próximo de US\$ 80,00, o que estava previsto para ocorrer apenas em meados de 2019<sup>8</sup>.

53. Portanto, está claro o grande interesse no estímulo às atividades das Sociedades Requerentes. A presente Recuperação Judicial possibilitará a manutenção de mais de 1.200 postos de trabalho diretos no país – e tantos outros indiretos –, a implementação de medidas e eficiência operacional e reestruturação societária, permitindo a atuação competitiva no setor de óleo e gás do país – e internacionalmente.

54. De qualquer maneira, antes mesmo do ajuizamento do presente pedido, o Grupo Constellation adotou no último ano (i) ajustes nos orçamentos anuais de suas diversas áreas, tendo em vista a realidade atual; (ii) congelamento de reajustes salariais espontâneos; (iii) redimensionamento das estruturas organizacionais (“*rightsizing*”); e (iv) adequação do quadro de pessoal.

55. Nada obstante, em que pese toda a série de medidas que o Grupo Constellation vem adotando para se adaptar ao novo momento, nenhuma delas, isoladamente ou em conjunto, surtirá os efeitos desejados caso não seja concedida a proteção conferida pela LRF, com a suspensão da exigibilidade das suas dívidas, garantindo o fôlego necessário para que as Requerentes possam se reorganizar e propor um plano de pagamento da dívida existente aos seus credores, adequado à nova realidade, conforme refletido no PSA.

56. Conforme já indicado acima, a retração do mercado gerou a necessidade de readequação dos financiamentos, já que as taxas de remuneração das sondas, atualmente, são muito inferiores às aquelas praticadas à época da formalização dos

---

<sup>8</sup> Último acesso em 05.12.2018: <https://www.bloomberg.com/energy>





contratos. Assim, mesmo num cenário hipotético em que o Grupo Constellation mantivesse em operação todas as suas sondas, ainda assim seria necessário reestruturar seu endividamento para solucionar o descasamento do fluxo de caixa, sem a perda de seus principais ativos, quais sejam: as unidades de perfuração, que, em última análise, possibilitam sua atividade fim.

*Mudanças regulatórias relacionadas ao setor de petróleo e gás natural  
e a relevância do pré-sal.*

57. Desde o início de 2017, o Governo Federal e a ANP realizaram diversas alterações regulatórias relacionadas ao setor de Petróleo e Gás Natural, a fim de tornar mais atraentes as rodadas de licitação e, conseqüentemente, estimular novos investimentos na área do pré-sal.

58. A principal alteração foi a mudança do regime de concessão para partilha de produção, através do qual o Estado e as empresas exploradoras dividem entre si a produção do óleo e gás. Contudo, espera-se, ainda, uma maior abertura dos campos de exploração do pré-sal a outras operadoras, o relaxamento das regras de Desinvestimento da Petrobras, bem como o desenvolvimento comercial da região localizada na margem equatorial, apoiado no desenvolvimento alcançado pela ExxonMobil Corporation na Guiana.

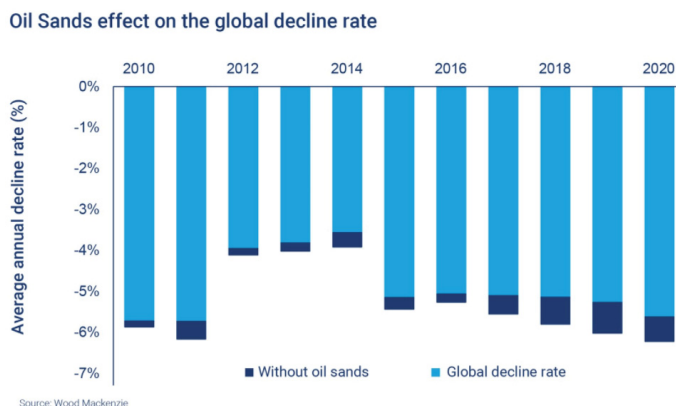
59. A expectativa do governo com essas alterações é que a exploração renda valor superior a R\$ 100 bilhões em investimento<sup>9</sup>.

---

<sup>9</sup> Última consulta em 05.12.2018: <http://www.brasil.gov.br/economia-e-emprego/2017/10/com-regras-mais-claras-leilao-do-pre-sal-cria-expectativa-positiva-na-economia>



60. Além disso, é notório que a produção de óleo no mundo em países não pertencentes à OPEC vem declinando a taxas constantes nos últimos anos, conforme indicado no gráfico<sup>10</sup> abaixo:



Fonte: <https://www.woodmac.com/news/feature/non-opec-decline-rates-remain-stable-until-2020/>

61. Neste sentido, o pré-sal brasileiro e as áreas petrolíferas do Canadá são tratados como meios de compensação das taxas de declínio global<sup>11</sup>.

62. Com efeito, o cenário para o setor é positivo e a demanda por sondas *offshore* para exploração em águas ultra profundas tende a aumentar para os próximos anos. Neste sentido, a relevância do Grupo Constellation desponta no setor, já que 6 de suas 8 sondas são aptas para perfuração em águas ultra profundas, conforme gráfico indicado.

63. Neste ponto, frisa-se a relevância histórica do Grupo Constellation, que atua há 35 anos no mercado brasileiro e permanece bem posicionado na assunção de novos negócios, por cinco razões principais: (a) os custos de mobilização em relação às operadoras internacionais são bem menores, já que por circunstâncias

<sup>10</sup> Tradução livre das legendas do gráfico: Efeitos do petróleo das areias betuminosas no declínio global da taxa. A coluna do gráfico refere-se à média anual de declínio das taxas. As barras azuis claras referem-se às taxas de declínio global.

<sup>11</sup> Último acesso em 05.12.2018: <https://www.woodmac.com/news/feature/non-opec-decline-rates-remain-stable-until-2020/>



comerciais as sondas já estão localizadas no Brasil; (b) registro operacional e de segurança exemplar do Grupo; (c) a excelência organizacional e *expertise* no mercado de extração brasileiro; (d) equipe de gestão experiente e altamente qualificada; e (e) **frota excepcional, eleita consecutivamente, de março de 2016 a março de 2018, o equipamento líder em frotas da Petrobras<sup>12</sup>.**

64. Todos esses fatores induzem a conclusão de que esta é uma recuperação plenamente possível, que atende aos fins da LRF e que, por isso, deve ser deferida por este d. Juízo.

**LISTISCONSÓRCIO ATIVO UNITÁRIO E PROCESSAMENTO CONJUNTO.**

65. Como já indicado, as Sociedades Requerentes, em que pese tenham personalidades jurídicas diversas, patrimônios autônomos, estruturas próprias adequadas para exercício de suas atividades (substância econômica) e sejam em sua maioria sociedades estrangeiras, reúnem esforços no sentido de possibilitar o desenvolvimento da operação de sondas *onshore* e *offshore* no Brasil. Isso fica bastante evidente por meio das inúmeras garantias cruzadas e iminente possibilidade de inadimplemento cruzado, o que, em última análise, impossibilita a reestruturação isolada de suas dívidas.

66. Dito de outro modo: as Sociedades Requerentes, a toda evidência, compõem grupo econômico. Sociedades que, apesar de juridicamente independentes, com personalidades jurídicas, estruturas operacionais e patrimônios próprios, são economicamente interligadas.

67. Ora, há muito já se consolidou o entendimento, neste d. Tribunal e nos Tribunais pátrios, de que o litisconsórcio no processo recuperacional é plenamente admissível, quando verificada, justamente, a configuração de grupo econômico.

---

<sup>12</sup> O navio sonda Laguna Star ficou em primeiro lugar da frota da Petrobras, que conta com mais de 25 (vinte e cinco) navios sondas.



68. E de outra forma não poderia ser, eis que o art. 189 da LRF indicou o Código de Processo Civil como norma subsidiária aplicável, sendo certo ainda que o inciso I, do art. 113 da Lei n. 13.105/2015 (“CPC”) prevê que o litisconsórcio facultativo tem lugar quando *“entre elas houver comunhão de direitos ou de obrigações relativamente à lide”*. É o caso.

69. Não só. Apesar de a LRF também não ser expressa quanto aos processos recuperacionais transnacionais, é certo que não há impeditivo à formação de litisconsórcio com empresas estrangeiras. Demais disso, vale reforçar que os Credores Apoiadores igualmente reconheceram que este pedido deve ser processado em consolidação substancial.

70. Com efeito, os Tribunais pátrios já tiveram oportunidade de analisar situações muito semelhantes à presente, concluindo pela possibilidade de processamento de recuperação judicial conjunta, por empresas estabelecidas no exterior.

71. Adicionalmente, no capítulo a seguir, será demonstrado que este MM. Juízo igualmente detém competência, à luz da disciplina jurídica brasileira, para processar e deferir a recuperação de todo o Grupo Constellation, considerando que o centro das operações atuais (“foro do principal estabelecimento”) se situa no Rio de Janeiro.



72. Sob esse prisma, pode-se citar o caso do Grupo OGX<sup>13</sup>, do Grupo Sete Brasil<sup>14</sup> e do Grupo Oi<sup>15</sup>, no Rio de Janeiro; bem como o caso do Grupo OAS<sup>16</sup>, em São Paulo, nos quais sociedades estrangeiras foram autorizadas a pedir recuperação judicial no Brasil porque aqui tinham os seus principais centros de operações.

73. Em todas as decisões, os Tribunais se valeram (i) da existência de grupo econômico – facilmente demonstrada pela estrutura da dívida submetida à reestruturação, como visto –, bem como (ii) realização de atividades no Brasil.

74. Dessa forma, apesar de muitas delas serem sociedades internacionais, a atividade das Sociedades Requerentes direciona-se para a mesma atividade empresarial, com foco em prestação de serviços no Brasil e historicamente predominantemente para um cliente brasileiro – a Petrobras.

75. Destarte, **só se faz possível a preservação da atividade empresarial no Brasil** – a lei trata de preservação da *empresa* enquanto atividade econômica no Brasil, pouco importando a sua nacionalidade – possibilitando-se a inclusão de todas as Sociedades Requerentes – nacionais e estrangeiras – no polo ativo do presente pedido, sob pena de se esvaziar a finalidade do instituto da recuperação judicial.

76. Apenas a título de exemplo, o inadimplemento da Constellation Oil Services Holding S.A. nos seus títulos de dívida compromete a garantia dada por ela nos contratos de financiamento da Amaralina Star Ltd. e Laguna Star Ltd., acarretando, por consequência, o vencimento antecipado daquele contrato. Em outras palavras, os contratos e as operações estão entrelaçadas, de modo que há

---

<sup>13</sup> TJRJ. AI n. 0064658-77.2013.8.19.0000. Relator: Des. Gilberto Guarino. 14<sup>a</sup> Câmara Cível do Tribunal de Justiça do Estado do Rio de Janeiro. Julgamento em 19.02.2014.

<sup>14</sup> TJRJ. AI n. 0034171- 22.2016.8.19.0000. Relator: Des. Carlos Eduardo Moreira da Silva. 22<sup>a</sup> Câmara Cível do Tribunal de Justiça do Estado do Rio de Janeiro em 07.02.2017.

<sup>15</sup> TJRJ. AI n. 0064658-77.2013.8.19.0000. Relator: Des. Gilberto Guarino. 14<sup>a</sup> Câmara Cível. Julgamento em 19.02.2014.

<sup>16</sup> TJSP. AI n. 2084295-14.2015.8.26.0000. Relator: Des. Carlos Alberto Garbi. 2<sup>a</sup> Câmara Reservada de Direito Empresarial. Julgamento em 31.08.2015.



uma relação de interdependência entre sociedades, ativos e operações que torna imperativo o deferimento da consolidação substancial desta Recuperação Judicial.

77. Por todos esses motivos, estão presentes no caso todas as características necessárias à aceitação do litisconsórcio ativo e unitário e, consequentemente do processamento conjunto deste pedido de Recuperação Judicial.

COMPETÊNCIA DESSE D. JUÍZO.

78. Consoante previsão contida no art. 3º da LRF, é competente para o processamento de pedido de recuperação judicial o foro do local em que se encontra o principal estabelecimento do devedor.

79. Como se sabe, a noção de “*principal estabelecimento*” não é interpretada restritivamente. Isto é, o principal estabelecimento não é necessariamente a sede da sociedade empresária prevista no contrato ou estatuto social.

80. O critério material que define o “*principal estabelecimento do devedor*” ora é identificado pela doutrina como o local onde se situa o seu centro das atividades e influência econômica. Neste sentido, sempre se posicionou o E. Superior Tribunal de Justiça<sup>17</sup>:

PROCESSUAL CIVIL. RECURSO ESPECIAL. PEDIDO DE RECUPERAÇÃO JUDICIAL AJUIZADO NO DISTRITO FEDERAL. DECLINAÇÃO DA COMPETÊNCIA PARA O RIO DE JANEIRO – RJ. PRINCIPAL ESTABELECIMENTO. ARTS. 3º E 6º, § 8º, DA LEI N. 11.101/2005. VIOLAÇÃO NÃO CARACTERIZADA. INDISPONIBILIDADE DE BENS E INATIVIDADE DA EMPRESA. POSTERIOR MODIFICAÇÃO DA SEDE NO CONTRATO SOCIAL. QUADRO FÁTICO IMUTÁVEL NA INSTÂNCIA ESPECIAL. ENUNCIADO N. 7 DA SÚMULA DO STJ.

---

<sup>17</sup> E também este d. TJ RJ. A título ilustrativo, vejamos: (i) TJRJ. Agravo de Instrumento n. 0031931-70.2010.8.19.0000. Relator: Des. Claudio Dell Orto. 18ª Câmara Cível. Julgamento em 17.07.2010; (ii) TJRJ. Agravo de Instrumento n. 0025000-56.2007.8.19.0000. Relator: Des. Benedicto Abicair. 6ª Câmara Cível. Julgamento em 19.09.2007; (iii) TJRJ. Agravo de Instrumento n. 0007340-49.2007.8.19.0000. Relator: Des. Galdino Siqueira Netto. 15ª Câmara Cível. Julgamento em 23.05.2007.



1. O quadro fático-probatório descrito no acórdão recorrido não pode ser modificado em recurso especial, esbarrando na vedação contida no Enunciado n. 7 da Súmula do STJ. Em tal circunstância, não produzem efeito algum neste julgamento as alegações recursais a respeito da suposta atividade econômica exercida nesta Capital e da eventual ausência de citação nos autos do pedido de falência referido pela recorrente, aspectos que nem mesmo foram enfrentados pelo Tribunal de origem.

2. A qualificação de principal estabelecimento, referido no art. 3º da Lei n. 11.101/2005, revela uma situação fática vinculada à apuração do local onde exercidas as atividades mais importantes da empresa, não se confundindo, necessariamente, com o endereço da sede, formalmente constante do estatuto social e objeto de alteração no presente caso.

3. Tornados os bens indisponíveis e encerradas as atividades da empresa cuja recuperação é postulada, firma-se como competente o juízo do último local em que se situava o principal estabelecimento, de forma a proteger o direito dos credores e a tornar menos complexa a atividade do Poder Judiciário, orientação que se concilia com o espírito da norma legal.

4. Concretamente, conforme apurado nas instâncias ordinárias, o principal estabelecimento da recorrente, antes da inatividade, localizava-se no Rio de Janeiro – RJ, onde foram propostas inúmeras ações na Justiça comum e na Justiça Federal, entre elas até mesmo um pedido de falência, segundo a recorrente, em 2004, razão pela qual a prevenção do referido foro permanece intacta.

5. Recurso especial improvido.

(STJ). Recurso Especial n. 1.006.093/DF. Relator: Min. Antonio Carlos Ferreira. 4ª Turma. Julgamento em 20.05.2014. DJ em 16.10.2014)

\*\*\*

COMPETÊNCIA. CONFLITO. FALÊNCIA. FORO DO ESTABELECIMENTO PRINCIPAL DA RÉ. PRECEDENTES. MUDANÇA DE DOMICÍLIO. INTENÇÃO DE FRAUDAR. CONFLITO CONHECIDO.

I – Segundo o art. 7º do Decreto-Lei 7.661/45, “é competente para declarar a falência o juiz em cuja jurisdição o devedor tem o seu principal estabelecimento ou casa filial de outra situada fora do Brasil”.

II – Consoante entendimento jurisprudencial, respaldado em abalizada doutrina, “estabelecimento principal é o local onde a atividade se mantém centralizada”, não sendo, de outra parte, “aquele a que os estatutos conferem o título principal, mas o que forma o corpo vivo, o centro vital das principais atividades do devedor”.

III – A transferência da sede da empresa do Rio de Janeiro, RJ, onde manteve seus negócios por muitos anos, para Caucaia, CE, depois de mais de trezentos títulos protestados e seis pedidos de falência distribuídos na Comarca fluminense, e o subsequente pedido de autofalência no domicílio cearense, evidenciam a pretensão de fraudar credores e garantir o deferimento da continuidade dos negócios em antecipação a qualquer credor ou interessado.

(STJ). Conflito de Competência n. 32.988/RJ. Relator: Min. Sálvio de Figueiredo Teixeira. 2ª Seção. Julgamento em 14.11.2001. DJ em 04.02.2002)



\*\*\*

COMPETÊNCIA. CONFLITO. FALÊNCIA. FORO DO ESTABELECIMENTO PRINCIPAL ATUAL DA RÉ. LUGAR ONDE A ATIVIDADE COMERCIAL DA EMPRESA SE MANTÉM CENTRALIZADA. PRECEDENTES.

I – Segundo o art. 7. Do Decreto-Lei 7.661/45, “é competente para declarar a falência o Juiz em cuja jurisdição o devedor tem o seu principal estabelecimento ou casa filial de outra situada fora do Brasil”.

II – Consoante entendimento jurisprudencial, invocado pelo suscitante e adotado pela Seção, respaldado também em abalizada doutrina, “estabelecimento principal é o local onde a atividade se mantém centralizada”, não sendo, de outra parte, “aquele a que os estatutos conferem o título principal, mas o que forma o corpo vivo, o centro vital das principais atividades do devedor”.

(STJ). Conflito de Competência n. 21.896/MG. Relator: Min. Sálvio de Figueiredo Teixeira. 2ª Seção. Julgamento em 10.06.1998. DJ em 08.09.1998)

81. No caso o Grupo Constellation, apesar de hoje seu centro decisório estar no exterior, o principal centro operacional está no Rio de Janeiro – a primeira Requerente - SERVIÇOS DE PETRÓLEO CONSTELLATION S.A - é a operadora de todas as sondas do Grupo –, atraindo a competência deste MM. Juízo. As evidências da centralidade nesta comarca são diversas:

(i) O Grupo Constellation teve origem no Rio de Janeiro, onde foi estabelecida a primeira sociedade empresária do Grupo, hoje representada pela primeira Requerente, cuja sede e centro decisório é mantida no Brasil;

(ii) A razão para o estabelecimento do Grupo Constellation no Rio de Janeiro está na concentração das suas atividades operacionais no Brasil, focadas durante anos na prestação de serviços para a Petrobras;

(iii) As atividades operacionais e econômicas permanecem, até os dias atuais, concentradas no Brasil – praticamente todas as sondas estão no Brasil e todos serviços prestados por todas as Sociedades Requerentes são prestados por trabalhadores brasileiros e executados em território nacional, à exceção da sonda Olinda Star;

(iv) 98,7% dos empregados que operam as sondas do Grupo Constellation (empregados da Primeira Requerente) são brasileiros. Para além disso, também em razão da localização da prestação dos serviços, parte substancial do corpo técnico e operacional de funcionários estão concentrados no Brasil.





82. Há consenso na jurisprudência em se admitir a inclusão das sociedades estrangeiras na recuperação do grupo econômico, tendo exatamente como critério de determinação de competência o centro principal de atividade do grupo.

83. O TJRJ já permitiu, por diversas vezes, que o processamento conjunto da recuperação abarque empresas estrangeiras.

84. No caso do Grupo OGX, a 14ª Câmara Cível do TJRJ reconheceu a estrutura societária comum entre as companhias brasileiras e as austríacas:

Pois bem... As duas empresas estrangeiras subsidiárias, excluídas, em primeiro grau, do procedimento de recuperação judicial, operam apenas e tão somente em estrita função da controladora, servindo como veículos das sociedades brasileiras para a emissão de títulos de dívidas e recebimento de receitas no exterior, colimando o financiamento das atividades de exploração e produção de petróleo e gás natural no Brasil.

Têm-se, portanto, sociedades empresárias estrangeiras que se erigem em estrutura de financiamento de sua controladora nacional, formando um grupo econômico único, em prol de uma única atividade empresarial, o que não é nada incomum na era contemporânea, de globalização de mercados, mais ainda quando se pondera a própria atividade explorada, que intensifica as relações jurídicas transfronteiriças.<sup>18</sup>

85. O emblemático caso da Oi também suscitou a discussão sobre a competência da justiça brasileira para processar a Recuperação Judicial de entidades estrangeiras. Na hipótese, a 8ª Câmara Cível do TJRJ admitiu a inclusão das sociedades estrangeiras na recuperação do grupo econômico, tendo como critério de determinação de competência o centro principal de atividade do grupo:

O mecanismo jurídico adotado no Brasil para a PTIF e a FinCo, que tem o escopo precípua a proteção da unidade produtiva, é a solução apropriada entre as duas alternativas colocadas para a solução dos problemas decorrentes do fato transnacional, quais sejam, a falência ou a recuperação judicial. Não obstante a decretação judicial da falência na Holanda a adoção do modelo universalista para firmar a jurisdição brasileira para processar e julgar a recuperação do Grupo Oi, englobando

<sup>18</sup> TJRJ. AI n. 0064658-77.2013.8.19.0000. Relator: Des. Gilberto Guarino. 14ª Câmara Cível. Julgamento em 19.02.2014.



as devedoras constituídas naquele país, não demonstra, de plano, prejuízos para os credores, que ao contrário podem ser beneficiados com a perspectiva de preservação da atividade econômica, geradora de riqueza. Por força da igualdade jurídica de estados soberanos cabe frisar que os efeitos das decisões aqui proferidas, por óbvio, limitam-se ao território nacional e, assim, também em razão das restrições do modelo territorialista, atingem apenas os bens localizados no Brasil, não impactando, em princípio, eventuais bens localizados fora do território nacional, pois, para dotar as decisões aqui proferidas de eficácia extraterritorial é imprescindível a cooperação entre os judiciários brasileiro e estrangeiro.

86. Mais recentemente, na recuperação extrajudicial do Grupo Odebrecht<sup>19</sup>, a C. 4ª Câmara deste E. Tribunal confirmou a homologação do plano de recuperação extrajudicial das 11 sociedades sujeitas ao processo, sendo que 10 dessas sociedades são estrangeiras, afastando a alegação de incompetência do Juízo, sob o argumento de que *“em relação aos grupos societários multinacionais incide a regra prevista no art. 3º da LRF”*.

87. Acertadamente, foi confirmada a competência da jurisdição brasileira, reconhecendo-se que a cidade do Rio de Janeiro é a sede do principal estabelecimento do grupo e, portanto, onde se localiza seu “centro de interesses”:

Da análise do pedido destaca-se o afastamento da alegação de incompetência do Juízo, porquanto **também em relação aos grupos societários multinacionais incide a regra prevista no art. 3º da Lei n. 11.101/2005**. Não é demasiado lembrar que a realidade empresarial não comporta a burocracia do Estado. Por este motivo o legislador, na tentativa de desburocratizar soluções que podem ser consideradas como peças-chave para o soerguimento da atividade econômica, elegeu ferramentas normativas que, de algum modo, visam assegurar meios isonômicos para a recuperação de sociedades empresárias que atravessam grave crise financeira. (...) Ora, o hodierno contexto globalizado em que companhias possuem subsidiárias em países distintos – como se dá no caso concreto, em que o grupo OOG é composto por subsidiárias com sede nas Ilhas Cayman e na Áustria –, cujo capital possui feição transnacional, do qual fluem investimentos intercontinentais – envolvendo, no caso, instituição financeira francesa como garantidora de saldo em fundo de investimento no mercado de capitais internacional –, **não há como simplesmente ignorar que a**

---

<sup>19</sup> Apelação n. 0121854-60.2017.8.19.0001. Relator: Des. Myriam Medeiros da Fonseca Costa. 4ª Câmara Cível. Julgamento em 18.06.2018.



aplicação do art. 3º da Lei n. 11.101/2005 deve se submeter à interpretação teleológica (art. 5º da LINDB), ou se melhor convier, colmatando-se lacuna legislativa expressa (art. 4º da LINDB), sob pena de engessamento do sistema de recuperação ou falimentar ao retrógrado modelo puramente territorial, em que somente é possível fazer valer leis locais, aplicáveis a empresas locais, em relação a bens e impactos econômico-financeiros também locais. Nesta ótica exclusivamente territorialista, por exemplo, empresas multinacionais ou grupos com subsidiárias internacionais, como se dá nos autos, deveriam formalizar distintos procedimentos de recuperação em cada uma de suas bases, ou sedes formais, submetendo-os à legislação local, que, não se sabe como, sequer em quanto tempo, mas de alguma forma seus resultados deveriam convergir, em absoluta segurança, para o mesmo objetivo, a recuperação célere da sociedade. É inegável que apenas neste cenário utópico seria impossível evitar a quebra (!). A problematização emerge exatamente da dinâmica contratual, em que, conforme bem acentuado nos autos, sequer o “navio-sonda”, no qual se explora a atividade no Brasil, possui bandeira nacional. As relações obrigacionais são também essencialmente transfronteiriças. (...) Portanto, não subsiste, em um exame superficial da controvérsia, atecnicismo do julgador na homologação do plano de recuperação extrajudicial, de ínsito caráter contratual – obrigacional – o qual firmado, em primeira fase, sob a jurisdição Brasileira, observado o quórum legal (art. 163, caput da Lei n. 11.101/2005), submete-se, em sua execução, às normas estrangeiras, no caso, ao UNCITRAL das Nações Unidas<sup>9</sup> (incorporado ao direito norte-americano pelo “Chapter 15” do *Bankruptcy Code*); como verdadeiro exemplo de solução coordenada e cooperativa para soerguimento das requeridas. Vale lembrar que o art. 3º da Lei n. 11.101/2005 estabelece que a competência é absoluta do foro do local do principal estabelecimento do devedor, leia-se, do “centro de interesses”, o qual, a princípio, pode ser perfeitamente identificado pela sede do grupo OOG, no Rio de Janeiro, pois em razão dela foram criadas as demais companhias subsidiárias para capitalizar as operações empreendidas pela primeira. (Grifos nossos)

88. Vale destacar que, assim como *in casu*, no caso do Grupo Odebrecht, a propriedade dos ativos do Grupo é titularizada por sociedades estrangeiras.

89. O fato de uma sociedade estrangeira deter ativo no Brasil foi argumento utilizado também pelo TJSP para manter o deferimento do processamento de recuperação judicial do Grupo Schahin também em relação à sociedade estrangeira<sup>20</sup>.

---

<sup>20</sup> Agravo de Instrumento n. 2106998-36.2015.8.26.0000. Relator: Des. Caio Marcelo Mendes de Oliveira. 2ª Câmara Reservada de Direito Empresarial. Julgamento em 13.03.2017.



90. Em síntese, é a cidade do Rio de Janeiro o centro vital que concentra as atividades operacionais relacionadas à operação de sondas de perfuração das empresas Sociedades Requerentes integrantes do Grupo Constellation, o que atrai a competência de uma das Varas Empresariais da Comarca do Rio de Janeiro para processar o presente pedido de Recuperação Judicial.

ATENDIMENTO A TODOS OS REQUISITOS OBJETIVOS.

91. Consoante se passa a demonstrar, as Sociedades Requerentes preenchem todos os requisitos objetivos necessários para o processamento da sua Recuperação Judicial (cf. arts. 48 e 51 da LRF).

92. Declaram, por conseguinte, que (i) exercem regularmente as suas atividades há muito mais do que os 2 (dois) anos exigidos por lei (Doc. 8); (ii) jamais foram falidas (Doc. 3 e 8); (iii) jamais obtiveram concessão de Recuperação Judicial (Doc. 3 e 8); e (iv) seus administradores e sócios controladores jamais foram condenados pela prática de quaisquer crimes falimentares (Docs. 4 e 5)

93. Outrossim, e como forma de evitar qualquer questionamento por quem quer que seja, esclarecem que receberam, na forma da legislação vigente, as autorizações necessárias ao ajuizamento deste pedido de recuperação judicial (Doc. 2).

94. Além de estarem inequivocamente atendidos todos os requisitos objetivos previstos no art. 48 da LRF, as Sociedades Requerentes informam que este pedido está instruído com todos os documentos exigidos pelo art. 51 da LRF, a saber:

- (i) Demonstrações financeiras relativas aos exercícios de 2015, 2016 e 2017 (art. 51, inciso II) (Doc. 6);
- (ii) Demonstrações financeiras levantadas especialmente para instruir o pedido (art. 51, inciso II) (Doc. 6);



(iii) Relatórios gerenciais do fluxo de caixa e de sua projeção de forma consolidada (art. 51, inciso II) (Doc. 6);

(iv) Relação de nominal de credores, com todas as informações exigidas por lei (art. 51, inciso III) (Doc. 7);

(v) Certidão de regularidade no registro público de empresas, consubstanciadas nas certidões de regularidade, emitidas pela Junta Comercial (art. 48, *caput*, e art. 51, inciso V) (Doc. 8);

(vi) Extratos atualizados das contas-corrente e aplicações (art. 51, inciso VII) (Doc. 9);

(vii) Certidões dos cartórios de protesto (art. 51, inciso VIII) (Doc. 10);

(viii) Relação de ações judiciais que contempla todas as ações judiciais de natureza cível, fiscal e trabalhista em que as Sociedades Requerentes figuram como parte, subscrita por seus representantes (art. 51, inciso IX) (Doc. 11);

(ix) Relação de empregados, com todas as informações exigidas por lei (art. 51, inciso IV) (Doc. 13); e

(x) Relação de bens dos acionistas controladores e administradores (art. 51, inciso VI) (Doc. 14).

95. Uma vez demonstrado pelas razões expostas e pelos documentos ora apresentados que as Sociedades Requerentes são empresas recuperáveis e que todos os requisitos objetivos e formais foram atendidos, impõe-se o deferimento do processamento desta Recuperação Judicial na forma adiante requerida.

#### CONCLUSÃO E PEDIDOS.

96. À luz de todas as razões precedentes, o Grupo Constellation requer que V.Exa. defira o processamento da sua Recuperação Judicial, consoante art. 52 da LRF, seguindo o seu trâmite regular, e, em especial:



- (i) Seja nomeado Administrador Judicial;
- (ii) Seja ordenada a suspensão de todas as ações e execuções em curso contra o Grupo Constellation pelo prazo legal;
- (iii) Seja intimado o Ministério Público;
- (iv) Seja determinada a dispensa da apresentação de certidões negativas para o exercício de suas atividades;
- (v) Sejam expedidos ofícios competentes a fim de comunicar as Fazendas Públicas Federal, Estadual e Municipal; e
- (vi) Seja publicado o edital a que se refere o §1º do art. 52 da LRF.

97. Com fundamento nas garantias constitucionais de proteção da intimidade e do sigilo fiscal, o Grupo Constellation requer que a relação de empregados e as declarações de bens apresentadas em cumprimento ao art. 51, incisos IV e VI, da LRF, a serem entregues em envelopes lacrados, sejam recebidas e devidamente acauteladas nas dependências da i. Serventia deste d. Juízo, sob segredo de justiça, de modo que o acesso a elas fique restrito apenas a esse d. Juízo, ao Administrador Judicial e ao representante do Ministério Público e, no caso desses dois últimos, apenas mediante requerimento fundamentado.

98. O Grupo Constellation declara-se ciente da necessidade de apresentação de contas mensais e protesta, desde logo, pela apresentação de outros documentos que se façam necessários e pela eventual retificação das informações e declarações constantes desta peça.

99. Ademais, informa que o seu Plano de Recuperação Judicial será apresentado a esse d. Juízo no prazo legal de 60 (sessenta) dias, a ser computado da data da intimação da decisão que deferir o processamento da Recuperação Judicial, em linha com o disposto no PSA.



100. Por fim, requer-se que todas as intimações referentes ao feito sejam realizadas exclusivamente em nome de Flavio Galdino, advogado inscrito na OAB/RJ sob o n. 94.605, com endereço profissional na Avenida Rio Branco, n. 138, 11º andar, Centro, Rio de Janeiro, RJ, sob pena de nulidade.

101. Atribui-se à causa o valor de R\$ 5.753.783.237,78 (cinco bilhões, setecentos e cinquenta e três milhões, setecentos e oitenta e três mil, duzentos e trinta e sete reais e setenta e oito centavos) apenas para efeitos fiscais e de alçada.

Nestes termos,

Pedem deferimento.

Rio de Janeiro, 06 de dezembro de 2018.

FLAVIO GALDINO  
OAB/RJ n. 94.605

ISABEL PICOT FRANÇA  
OAB/RJ n. 142.099

VANESSA FERNANDES FIGUEIRA RODRIGUES  
OAB/RJ n. 173.012

CAROLINA BUENO DE OLIVEIRA  
OAB/SP n. 510.139

CRISTINA BIANCASTELLI  
OAB/RJ n. 151.178



RELAÇÃO DE DOCUMENTOS

- Doc. 1 Procurações outorgadas pelas Sociedades Requerentes;
- Doc. 2 Autorizações para o ajuizamento da recuperação judicial\*;
- Doc. 3 Certidões de distribuição de Recuperação Judicial e Falência;
- Doc. 4 Declarações Criminais dos administradores;
- Doc. 5 Certidões Criminais dos administradores;
- Doc. 6 Demonstrações financeiras relativas aos exercícios de 2015, 2016 e 2017; demonstrações financeiras levantadas especialmente para instruir o pedido; e (iii) relatórios gerenciais do fluxo de caixa e sua projeção de forma consolidada;
- Doc. 7 Relação nominal de credores;
- Doc. 8 Atos Societários e Certidões de Registro das Sociedades Requerentes;
- Doc. 9 Extratos das contas-corrente e aplicações das Sociedades Requerentes;
- Doc. 10 Certidões dos cartórios de protesto;
- Doc. 11 Relação de ações judiciais;
- Doc. 12 *Plan Support Agreement*;
- Doc. 13 Relação de empregados das Sociedades Requerentes; e
- Doc. 14 Relação de bens dos acionistas controladores e administradores.

\* Na forma do art. 192 da Lei n. 13.105/2015 (CPC), as Sociedades Requerentes comprometem-se a apresentar a tradução juramentada dos documentos apresentados em inglês no menor prazo possível.





STATE OF NEW YORK            )  
   )  
   )  
 COUNTY OF NEW YORK        )            ss

**CERTIFICATION**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Portuguese into English of the attached Petition.

Ethan Ly, Managing Editor  
 Geotext Translations, Inc.

Sworn to and subscribed before me

this 6 day of December, 20 18.

JEFFREY AARON CURETON  
 NOTARY PUBLIC-STATE OF NEW YORK  
 No. 01CU6169789  
 Qualified in New York County  
 My Commission Expires September 23, 2019

Petition. Pg 35 of 65  
**Galdino & Coelho**  
 /Attorneys

Flavio Galdino	Felipe Brandão	Ivana Harter Albuquerque	Marcos de Souza Paula
Sergio Coelho	Adrianna Chambô Eiger	Carlos Eduardo Brantes	Isabela Augusta Xavier da Silva
Rafael Pimenta	Pedro Renato de Souza Mota	Bruno Duarte Santos	Lara Maria Marques M. Cacheado
Rodrigo Candido de Oliveira	Wallace de Almeida Córbo	Tomás de Sampaio Góes M. Costa	Leonardo Mucillo de Mattia
Eduardo Takemi Kataoka	Mauro Teixeira de Faria	Júlia Leal Danzinger	Letícia Willemann Campanelli
Cristina Biancastelli	Isadora A. R. de Almeida	Maria Carolina Bichara	Yasmin Valle Viana Marques Paiva
Gustavo Salgueiro	Camila Silva de Almeida	Milene Pimentel Moreno	Yuri Athayde da Costa Nascimento
Isabel Picot França	Yuri de Santa Cecília Rodrigues	Carolina Bueno de Oliveira	Ana Caroline S Gasparine
Marcelo Atherino	Julianne Zanonato	Maria Eduarda Gamborgi	Carolina Pfeiffer Figueiredo
Marta Alves	Rodrigo Saraiva Porto Garcia	Bianca Santos Correa	Lucas Menezes Ciantelli
Cláudia Mazitelli Trindade	Vanessa F. F. Rodrigues	Cássio Monteiro Rodrigues	
Pedro C. da Veiga Murgel	Amanda Torres Hollerbach	Isabela Rampini Esteves	
Gabriel Rocha Barreto	Luciana Barsotti Machado	Jacques Felipe Albuquerque Rubens	
Diogo Rezende de Almeida	Aline da Silva Gomes	Marcela Ruzza Silva Quintana	Consultant
Renata Jordão Natacci	Maria Flávia Junqueira F. Macarimi	Ana Verena Pinheiro Gomes	José Eduardo Guimarães Barros

HONORABLE JUDGE OF ONE OF THE BUSINESS COURTS OF THE CAPITAL OF RIO DE JANEIRO

**GRERJ n. 11902181704-95**

(1) SERVIÇOS DE PETRÓLEO CONSTELLATION S.A., a private corporation, registered with the CNPJ/MF under no. 30.521.090/0001-27, with its head office at Av. Presidente Antônio Carlos, n. 51, floors 3, 5, 6 and 7, Centro, Rio de Janeiro, State of Rio de Janeiro, CEP 20020-010; (2) SERVICOS DE PETRÓLEO CONSTELLATION PARTICIPAÇÕES S.A., a private corporation, registered with the CNPJ under no. 12.045.924/0001-93, with its head office at Av. Presidente Antônio Carlos, n. 51, room 601, 6<sup>th</sup> floor,, Centro, Rio de Janeiro, State of Rio de Janeiro, CEP 20020-010; (3) ALPHA STAR EQUITIES LTD, a company with its head office at Tortola Pier Park, Building 1, 2<sup>nd</sup> floor, Wichhams Cay I, Road Town, Tortola, British Virgin Islands; (4) AMARALINA STAR LTD, a company with its head office at Tortola Pier Park, Building 1, 2<sup>nd</sup> floor, Wichhams Cay I, Road Town, Tortola, British Virgin Islands; (5) ARAZI S.À.R.L., a company with its head office at Avenue de la Gare, 8-10, CEP: 1616, Luxembourg; (6) BRAVA STAR LTD, a company with its head office at Tortola Pier Park, Building 1, 2<sup>nd</sup> floor, Wichhams Cay I, Road Town, Tortola, British Virgin

**Rio de Janeiro**  
 Av. Rio Branco 138 / 11º andar  
 20040 002 / Centro  
 Rio de Janeiro / RJ  
 T +55 21 3195 0240

**São Paulo**  
 Av. Brig. Faria Lima 3900 / 11º andar  
 04538 132 / Itaim Bibi  
 São Paulo / SP  
 T +55 11 3041 1500

**Brasília**  
 SAUS Sul / quadra 05  
 bloco K / Nº 17 / salas 501-507  
 70070 050 / Brasília / DF  
 T +55 61 3323 3865



Islands; (7) CONSTELLATION OIL SERVICES HOLDING S.A., a company with its head office at Avenue de la Gare, n. 8-10, Luxembourg, registered under No. B163424; (8) CONSTELLATION OVERSEAS LTD, a company registered with the CNPJ/MF under No. 12.981.793/0001-56, with its head office at Tortola Pier Park, Building 1, 2<sup>nd</sup> floor, Wichhams Cay I, Road Town, Tortola, British Virgin Islands; (9) CONSTELLATION SERVICES LTD, a company with its head office at Tortola Pier Park, Building 1, 2<sup>nd</sup> floor, Wichhams Cay I, Road Town, Tortola, British Virgin Islands, registered with the CNPJ/MF under No. 26.496.540/0001-00; (10) GOLD STAR EQUITIES LTD, a company with its head office at Tortola Pier Park, Building 1, 2<sup>nd</sup> floor, Wichhams Cay I, Road Town, Tortola, British Virgin Islands; (11) MANISA SERVIÇOS DE PETRÓLEO LTDA, a limited liability company, registered with CNPJ/MF under no. , 11.801.519/0001-95, with its head office at Rua do Engenheiro, No. 736, block I, lots 02, 03, 04, 05, 08, 09 and 10, Rio das Ostras, State of Rio de Janeiro, CEP 28.890-000; (12) TARSUS SERVIÇOS DE PETRÓLEO LTDA, a private limited company, registered with the CNPJ/MF under No. 11.801.960/0001-77, with its head office at Rua do Engenheiro, n. 736, block I, lots 02, 03, 04, 05, 08, 09 and 10, Rio das Ostras, State of Rio de Janeiro, CEP 28.890-000; (13) LANCASTER PROJECTS CORP., a company with its head office at Tortola Pier Park, Building 1, 2<sup>nd</sup> floor, Wichhams Cay I, Road Town, Tortola, British Virgin Islands; (14) LAGUNA STAR LTD, a company with its head office at Tortola Pier Park, Building 1, 2<sup>nd</sup> Floor, Wichhams Cay I, Road Town, Tortola, British Virgin Islands; (15) LONE STAR OFFSHORE LTD, a limited liability company, with its head office at Tortola Pier Park, Building 1, 2<sup>nd</sup> Floor, Wichhams Cay I, Road Town, Tortola, British Virgin Islands; (16) OLINDA STAR LTD, a company with its head office at Tortola Pier Park, Building 1, 2<sup>nd</sup> Floor, Wichhams Cay I, Road Town, Tortola, British Virgin Islands; (17) SNOVER INTERNATIONAL INC., a company with its head office at Tortola Pier Park, Building 1, 2<sup>nd</sup> Floor, Wichhams Cay I, Road Town, Tortola, British Virgin Islands; (18) STAR INTERNATIONAL DRILLING LTD, a company registered with the CNPJ/MF under No. 05.722.506/0001-28 with its head office at Huntlaw Building, Fort Street, HuntLaw Corporate Services Limited, P.O. Box 1350, Cayman Islands (all together referred to as "Constellation Group" or "Applicant");



Companies”), by their undersigned attorneys (Doc. 1), based on art. 47 et seq. of Federal Law no. 11.101/2005 (“LRF”), hereby submit this APPLICATION FOR JUDICIAL REORGANIZATION, based on the following reasons and facts.

THE CONSTELLATION GROUP, ITS STRUCTURE AND ITS HISTORY.

1. Although the first records related to the development of the oil and gas sector in Brazil date back to the imperial period, it was only in the Vargas Era—and with the creation of Petr leo Brasileiro S.A. (“Petrobras”)—that oil exploration and production became relevant in the country.

2. In particular, it was due to state incentives and through Petrobras that in 1974, for example, the discovery of wells in the Campos Basin, one of the country’s largest oil reserves, occurred.

3. In the context of the sector’s full expansion in the country, Queiroz Galv o Perfura  es SA—the embryo of the Constellation Group and currently named Servi os de Petr leo Constellation S.A.—was founded in 1980, with the mission of expanding the drilling service for exploration of oil and gas in Brazil.

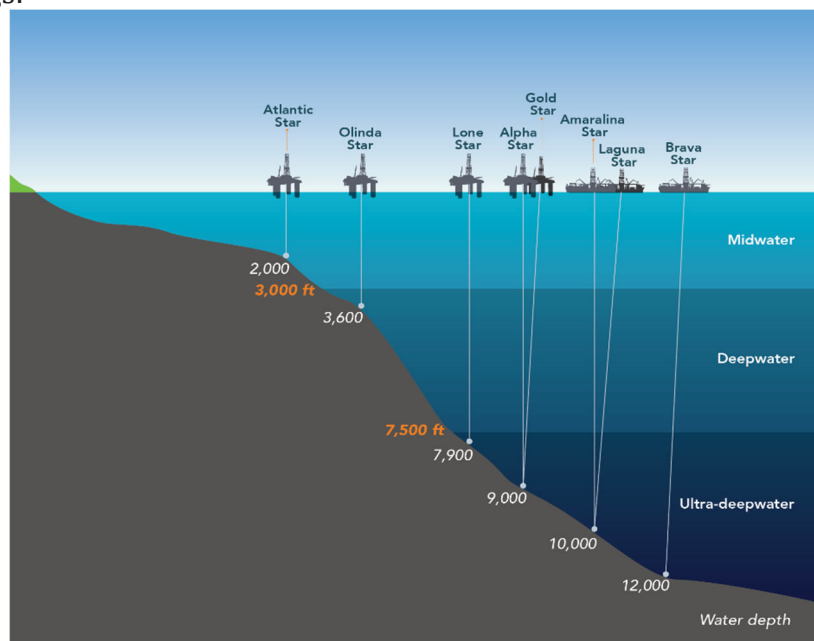
4. Initially, while providing services to Petrobras, the Constellation Group’s operations were carried out by means of leasing onshore drilling rigs, mainly in the North and Northeast of the country.

5. Parallel to the development of its onshore drilling activity, in 1994, under the new economic scenario in Brazil, the Constellation Group began to focus on establishing offshore drilling activities, consolidating its operations in ultra-deep waters in 2006.

6. Nowadays the Constellation Group owns 9 onshore drilling rigs, of which 4 are conventional and 5 are heli-transferable; as well as 8 offshore drilling rigs, of which 2 are semi-submersible and anchored for operation in water depths of up to 1,100 meters, 3 are dynamic positioning rigs for operation in water depths of up to 2,700 meters and 3 are drill ships for operation in water depths of up to 3,000 meters.<sup>1</sup>

7. Currently, the Constellation Group is a leader in pre-salt operations performance due to: (a) a high level of productivity; (b) the online monitoring technology from headquarters, which optimized troubleshooting and surveillance; (c) experience dealing with operational issues, responsible for improving various procedures such as: installation of a drilling column to avoid pipeline fatigue, and securing pipes in salt; and (d) equipping drilling units with the required tools for effective operation in the pre-salt area.

8. The chart below illustrates the capacity of all the Constellation Group's offshore rigs:



<sup>1</sup> The Constellation Group also participates in joint ventures that operate FPSOs. However, its participation in these joint ventures is as a minority, and those operations—and the companies linked to them—do not hold debts or cross-guarantees that make judicial reorganization necessary.



9. These rigs were acquired by the Constellation Group according to demand in the oil and gas sector in Brazil, in order to serve, as a priority, undertakings of Petrobras in the country.

10. Currently, the Applicant Companies have 17 rigs, of which 9 are onshore and 8 offshore. The predominant operational activity of the Group is through its offshore rigs, and it is the case that of the 8 rigs, 7 operate in Brazil.

	RIG:	START OF OPERATIONS	CLIENT:	LOCATION:
OFFSHORE	Brava Star	2015	Shell	Aracruz - ES
	Amaralina Star	2012	Berthed	Aracruz - ES
	Laguna Star	2012	QGEP	Bacia de Campos e de Santos - RJ
	Alpha Star	2011	<i>It operated for 7 years for Petrobras. Stacked in July 2017.</i>	Angra dos Reis - RJ
	Lone Star	2011	<i>It operated for 8 years for Petrobras. Stacked in April 2018.</i>	Niterói - RJ
	Gold Star	2010	<i>It operated for 9 years for Petrobras, Stacked in February 2018.</i>	Rio de Janeiro - RJ
	Olinda Star	2009	ONGC	India
	Atlantic Star	1997	Petrobras	Bacia de Campos - RJ
ONSHORE	QG-I	1981	<i>Stacked</i>	Paraguai
	QG-II	1981	<i>Stacked</i>	Maranhão
	QG-III	1987	<i>Stacked</i>	Manaus - AM
	QG-IV	1996	<i>Stacked</i>	Manaus - AM
	QG-V	2011	<i>Stacked</i>	Manaus - AM
	QG-VI	2008	<i>Stacked</i>	Nova Mutum - MT
	QG-VII	2008	<i>Stacked</i>	Manaus - AM
	QG-VIII	2011	<i>Stacked</i>	Manaus - AM
	QG-IX	2011	<i>Stacked</i>	Manaus - AM

11. It is also worth noting that, with the exception of Olinda Star and Atlantic Star, all the other offshore rigs of the Constellation Group are capable of exploring the Brazilian pre-salt area.



12. The notability of the Applicant Companies in the provision of excellent services in the Brazilian oil and gas exploration sector is indisputable and recognized not only by their clients [but also] by institutional players: the group was the most awarded nominee by the IADC Brazil Chapter Safety Awards for its performance related to the environmental and occupational safety of its operation.

13. More recently, specifically last November 23, the Group received an award from the Oil, Natural Gas and Biofuels National Agency (ANP), in the ANP 2018 Award for Technological Innovation, becoming the winner in category II “Result of project(s) developed by a Brazilian Company, with or without the participation of an Accredited Institution, in collaboration with an Oil Company, in the general thematic area ‘Exploration and Production of Oil and Gas’.”

DEBTS OF THE CONSTELLATION GROUP. AGREEMENT ALREADY FORMALIZED  
WITH PART OF ITS CREDITORS.

14. The drilling activity developed by the Constellation Group, onshore, and mainly offshore, due to its complexity and high costs, requires a considerable financial leverage structure to be feasible. In the case of the Constellation Group, this debt structure consists essentially of bond issuances (*Corporate Bond*), financings raised by Amaralina Star, Laguna Star and Brava Star (*Project Finances*) respectively, and bank loans.

15. This is essentially the profile of the Constellation Group’s debts: funds raised for the acquisition, construction and maintenance of the rigs it operates. Additionally, there are debts belonging to class I and unsecured debts to suppliers in general, among other operational expenses of the Companies.



16. Despite the multiple entities indicated in the preamble, the existence of cross-guarantees, as well as the possibility of early maturity of debt instruments due to cross-default, does not allow a restructuring to be carried out by individual entities. A joint solution is needed that will enable the continuity of almost 4 (Doc. 4) decades of the Constellation Group history.

17. And regarding the interrelationship of the debts, the Applicant Companies have already reached a consensus about the restructuring of a significant portion of them with their bank creditors (the “Supporting Creditors”) – more specifically, the group of creditors that constitute what is known as Project Finance (10 financial institutions) and Banco Bradesco S.A., Grand Cayman Branch (provider of working capital).

18. The supporting Creditors represent the significant percentage of 48.3% of class II and 60.2% of class III, taking into account the list of creditors presented with that initial [sic].

19. This support was formalized last November 29 with the signing by the Supporting Creditors, the Applicant Companies, and shareholders of a Plan Support Agreement (hereinafter the “PSA”), which contains the reformulation conditions of the debt maintained with the Supporting Creditors to be reflected in the Judicial Reorganization Plan, which will in due course be presented in the form of the LRF (Doc. 12).

20. In addition to the commercial conditions, the Supporting Creditors have agreed to the implementation of the PSA through a judicial reorganization process, expressly and promptly consenting to the jurisdiction of Brazilian courts for the processing of this application in connection with all the Applicant Companies, with the approval of the substantial consolidation.



21. It is precisely in this context that the present application for Judicial Reorganization is set, in which, in summary, the total amount of the bankruptcy debts currently consists of the amount of BRL 5,753,783,237.78. The division of the liabilities in Classes provided in Article 41 of the LRF [Brazilian Reorganization and Bankruptcy Act] can be observed in the list of creditors contained in Doc. 7 and can be summarized as follows:

<b>Class I</b>	BRL 2,540,429.22
<b>Class II</b>	BRL 4,772,275,733.78
<b>Class III</b>	BRL 978,955,911.84
<b>Class IV</b>	BRL 11,162.93

#### THE REASONS FOR THE CRISIS.

##### *A global crisis.*

22. Although the known and Dantesque Brazilian political and economic scenario has had significant impact on the crisis faced by the Constellation Group, the genesis of this request for judicial reorganization goes much deeper.

23. As is well known, the oil and gas sector is marked by cyclical fluctuations in the price of oil, with sudden and sharp declines and rises.



Source: <https://www.indexmundi.com/pt/pre%C3%A7os-de-mercado/?mercadoria=petr%C3%B3leo-bruto-brent&meses=60>



24. In fact, after the world economic crisis of 2008, which slowed world economic growth and reduced oil consumption, the price of a barrel of oil rose again, reaching the price of more than USD \$ 124.00 in March 2012.

25. The euphoria in the industry stimulated broad access to credit for oil-related companies—such as those in the Constellation Group—and, as a consequence, fostered all development in the sector, which effectively prepared for an increase of production.

26. It was precisely in this context of growth that the main debts of the Constellation Group were incurred with the acquisition of several drilling units—the contracts (and respective financing) of the Amaralina and Laguna units, for example, beginning in 2012, and the Brava unit in 2014.

27. Since the second half of 2014, oil prices have been dropping dramatically, without the industry showing signs of the rapid recovery and levels seen at other times in history.

28. The exogenous factors causing the drop in oil prices are known: (i) the reduction of China's oil consumption—given its economic slowdown—together with those of other historically high consuming countries, such as Germany; (ii) the quasi-self-sufficiency of the United States due to the alternative exploration of so-called "shale oil;" (iii) the greater demand and development of alternative energy sources; and (iv) the position of OPEC countries in maintaining high oil production and low prices, even in the face of a reduction in consumption, in order ultimately to prevent alternative, and notably more expensive oil and gas production methods, such as those developed in the United States, or even as have been developed in the Brazilian pre-salt area.

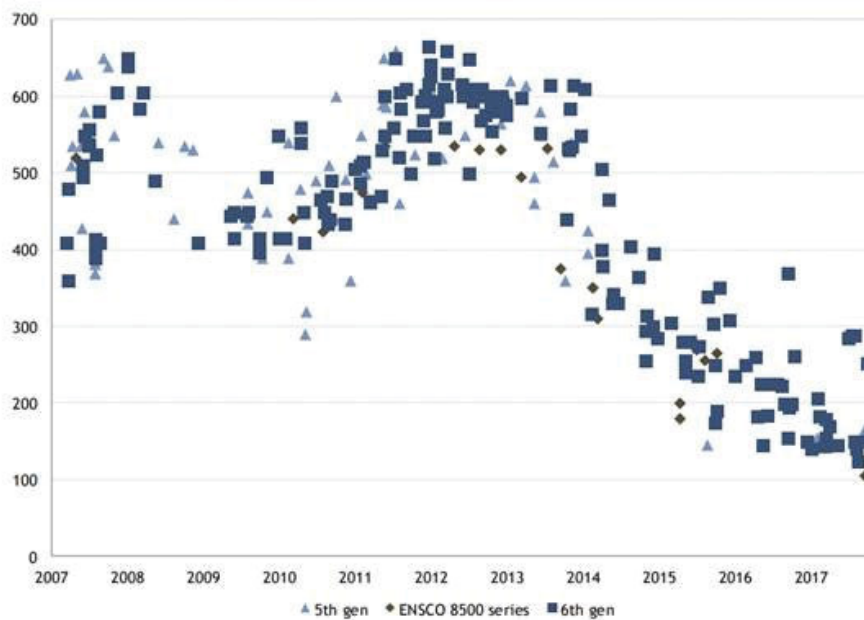


29. Faced with a lot of supply and a reduction in demand, the market has slowed to a halt. Low oil prices and uncertainty regarding projections has restricted access to credit, directly impacting the feasibility of large projects related to oil exploration.

30. That is not all. In the case of the Constellation Group, the contracts for the provision of service and charter, whose economic-financial bases originally guaranteed the payment of debts contracted for the manufacturing of the drilling units, currently have a daily compensation rate substantially lower than the one that had been practiced.

31. The chart below clearly demonstrates the fluctuation of the compensation rates over time and the dramatic reduction in contracts in the last few years.

UDW dayrates by rig type, 2007 - 2018 (USDk)



Source: IHS Petrodata, Arctic Securities, Rystad Energy – Abril 2018.<sup>2</sup>

32. The abrupt decline since 2014, accentuated in the last two years, leaves no doubt about the fluctuation of the market, which directly affects the compensation

<sup>2</sup> Free translation of graph title: UDW dayrates by rig type, 2007-2018 (USDk)



rates of contracts, whose average term is 6 years. It is not difficult to conclude, therefore, that there is an imbalance in the economic and financial bases of those contracts, resulting in the losses sustained by the Constellation Group.

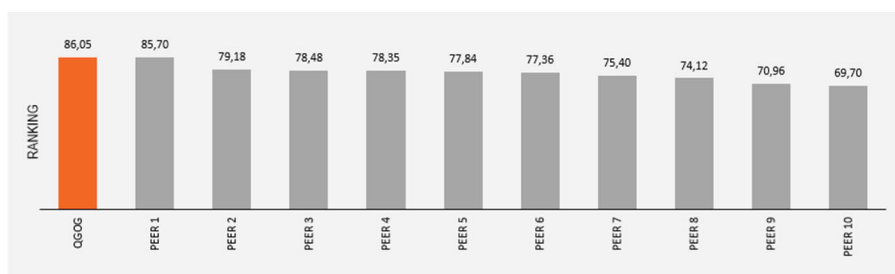
### *The Brazilian Crisis*

33. To this global scenario we must add the economic situation of our country. As mentioned, the Constellation Group has developed its operational activity mainly in Brazil and is widely known for having provided services primarily to a Brazilian company, namely Petrobras. In other words, the effects of the crisis in the country have impacted the Applicant Companies ruthlessly.

34. For this reason, the unprecedented crisis has generated difficulties not only for the state-owned company, but, of course, for its entire supply chain.

35. As observed, at the industry's peak in Brazil the Constellation Group invested heavily in obtaining offshore drilling units, encouraged by the economic policy of our government as well as by the appetite of Petrobras.

36. As a result, the Constellation Group had a prominent position in the ranking of main operators in the highest number of Petrobras drilling rigs, having held the first place for long periods. One can consider, for instance, the scenario in March 2017:<sup>3</sup>





37. It so happens that, after Operation *Lava Jato*, both the Government and Petrobras radically altered. That is: Petrobras, for obvious reasons, interrupted projects, parked investments and has been contracting less hastily than in the past; and the government, in turn, is establishing new policies for the oil and gas sector.

38. The Divestment Program initiated by Petrobras, which, among other measures, stopped participating in new auctions to exploit the pre-salt area, is a clear example of a market downturn. In fact, the goal announced by the company for this biennium 2017-2018 was to raise the significant amount of 21 billion dollars<sup>4</sup> with the measures implemented through this program.

39. As if that were not enough, it is worth mentioning the ever more stringent regulatory requirements, which have increased the capital requirements for operation, maintenance and manpower of drilling units, as well as the increase in the tax burden on imports of some of the main equipment related to the exploration and production of oil, which also increase the operational cost of the Constellation Group in Brazil.

40. Therefore, despite the fact that the Applicant Companies are highly regarded companies in the market due to their reliability and their administrative and operational capacity and efficiency – which is clearly revealed by the early support of a significant part of its creditors with the signing of the PSA, as stated above –, the crisis that struck the economy and the oil sector internationally, but particularly in the Brazilian territory, ended up brutally affecting the Company's cash flow.

---

<sup>4</sup> Last accessed on December 5, 2018: <https://exame.abril.com.br/negocios/petrobras-preve-30-desinvestimentos-e-parcerias-ainda-em-2017/>



41. For that reason, more than a year ago the Constellation Group performed a restructuring of its debt with its financial creditors outside the judiciary. Although the negotiation has been particularly successful, the agreement was not possible with a number of the creditors, making unavoidable that request in order to obtain the judicial protection under the LRF.

ECONOMIC AND OPERATIONAL FEASIBILITY.

42. The Constellation Group is confident that the liquidity crisis it faces is temporary and should not permanently affect the soundness of its activities.

43. Although the recovery of the price-per-barrel of oil is not expected in the short term, the Applicant Companies trust that the shortage in their cash flow that led to this Judicial Reorganization is transitory.

44. This is because the Applicant Companies are highly qualified and specialized companies and are able to participate in the new environment of the oil and gas sector in the country, which will necessarily allow for the exploration of pre-salt oil. In addition, the Applicant Companies are already being very successful in connection with new businesses.

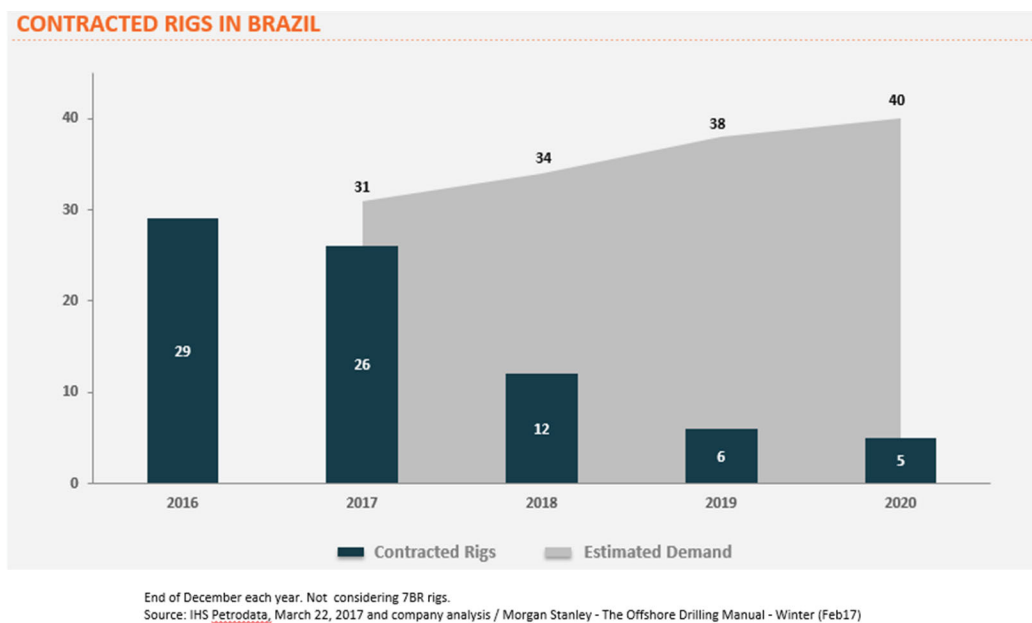
45. Yet in 2017, the Constellation Group entered into an international offshore contract with the *Oil and Natural Gas Corporation* ("ONGC"), a state-owned Indian oil exploration company, to charter the Olinda Star oil rig for three years. The operation is being developed in one of the deep-water natural gas blocks in the Krishna Godavaria basin, located on the east coast of India (Doc. 13).

46. Even in Brazil, the Constellation Group has obtained important victories in bidding processes, reflected in short- and very-short-term contracts, respectively,

with Shell Brasil Petróleo Ltda. and with Queiroz Galvão Exploração e Produção S.A.

47. That fact only underscores that despite the country's unique crisis situation, the domestic market has a huge potential demand that can be met by the Constellation Group, given its notoriety in the Brazilian market.

48. The graph<sup>5</sup> below clearly shows the projection of demand in the Brazilian market in connection with the projection of duration of contracts existing at the time of the study:

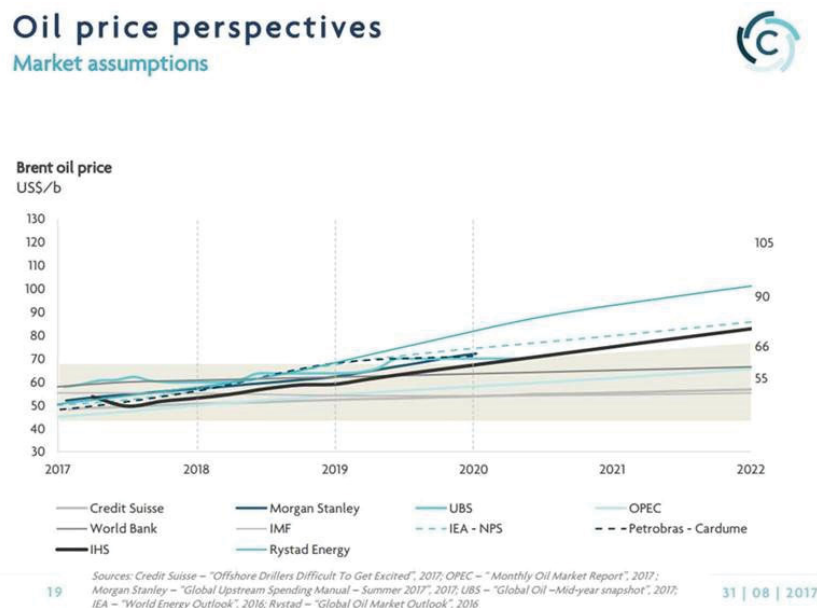


49. The chart above articulates the need for the proposed Judicial Reorganization: without the protections conferred by the proceeding, the Constellation Group will not be able to pay its debts nor to direct its efforts to obtaining and renewing contracts in order to satisfy demand, which the Constellation Group is fully capable of meeting given its excellent track-record of 35 years.

<sup>5</sup> Free translation of graph title: Contracted Rigs in Brazil. The green bar refers to contracted rigs and the gray bar to estimated demand. Free translation of the rig footnote: End of December each year. Not considering 7BR rigs. Source: HIS Petrodata, March 22, 2017 and company analysis / Morgan Stanley – The Offshore Drilling Manual – Winter (Feb 2017)

50. Additionally, from a global perspective, the future scenario is positive for the oil and gas sector, given the large worldwide demand for energy and, mainly, the forecast of an increase in the price of basic energy products for that year, the estimate was an increase close to 4%<sup>6</sup>.

51. The chart below<sup>7</sup> shows the projections for the next five years, according to the ten different sources consulted and, in all scenarios, the prospects are fortunately positive:



52. Furthermore, overcoming all industry expectations, last year saw a positive market response with the price-per-barrel of oil reaching close to US\$ 80, which was initially expected to happen only in mid-2019.<sup>8</sup>

53. Therefore, the country's great interest in stimulating the activities of the Applicant Companies is clear. This Judicial Reorganization will enable the maintenance of an additional 1,200 direct jobs in the country—and many indirect ones—, the implementation of measures and operational efficiency and corporate

<sup>6</sup> Last accessed on December 5, 2018: <http://www.worldbank.org/en/news/press-release/2017/10/26/commodity-prices-likely-to-rise-further-in-2018-worldbank>

<sup>7</sup> Free translation of graph title: Oil price perspectives (market assumptions)

<sup>8</sup> Last accessed on December 5, 2018: <https://www.bloomberg.com/energy>.





restructuring, enabling the competitive activity in the oil and gas sector in the country – and internationally.

54. In any event, even before filing this application, the Constellation Group last year adopted: (i) adjustments to the annual budgets of its various areas, in view of the current situation; (ii) the freezing of spontaneous wage adjustments; (iii) resizing organizational structures (“rightsizing”); and (iv) adaptation of the workforce.

55. Nevertheless, despite all the measures that the Constellation Group has been implementing to adapt to the current scenario, none of these measures, individually or jointly, will have the desired effects if the protection provided by the LRF is not granted, with the suspension of debts affording the Petitioners the necessary breathing-room to reorganize themselves and to propose a feasible payment plan for the existing debt to their creditors in line with the new reality, as reflected in the PSA.

56. As indicated above, the market downturn has generated the need for refinancing of the debt facilities, since the contract rates of the rigs are currently much lower than those in place at the time the charter contracts were executed. Thus, even in a hypothetical scenario in which the Constellation Group maintains in operation all its rigs, even in that situation it would be necessary to restructure its debts in order to solve the cash-flow shortage without losing its main assets, namely, the drilling units, which, ultimately, are necessary to its basic business function.

*Regulatory changes related to the oil and natural gas sector and the relevance of the pre-salt.*

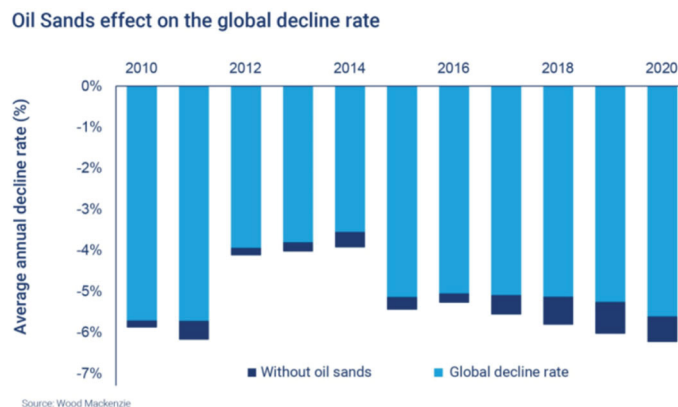
57. Since the beginning of 2017, the Federal Government and the ANP) have made several regulatory changes related to the Oil and Natural Gas sector, in order

to make bidding rounds more attractive and, consequently, stimulate new investments in the pre-salt area.

58. The main change was the shift in the concession regime for production sharing, through which the State and the exploration companies share oil and gas production. However, it is also expected that the pre-salt exploration fields will be more open to other operators and the Petrobras Divestment rules will be loosened, as well as the commercial development of the region located at the equatorial margin, building on the development achieved by ExxonMobil Corporation in Guyana.

59. The government's expectation with these changes is that the exploration will generate in excess of BRL 100 billion in investments.<sup>9</sup>

60. Furthermore, it is well known that world oil production in non-OPEC countries has been declining at a constant rate in recent years, as shown in the graph below:<sup>10</sup>



Source: <https://www.woodmac.com/news/feature/non-opec-decline-rates-remain-stable-until-2020/>

<sup>9</sup> Last accessed on December 5, 2018: <http://www.brasil.gov.br/economia-e-emprego/2017/10/com-regras-mais-claras-leilao-do-pre-sal-cria-expectation-positive-in-the-economy>.

<sup>10</sup> Free translation of the graph key: Oil Sands effect on the global decline rate. The y-axis refers to the average annual decline rate. The light blue bars refer to global decline rate.



61. Because of this, the Brazilian pre-salt and the Canadian oil fields are seen as ways of offsetting the rate of global decline.<sup>11</sup>

62. Indeed, the industry scenario is positive and the demand for offshore drilling for ultra-deepwater exploration is likely to increase over the next few years. In this sense, the Constellation Group's relevance in the sector is highlighted by the above graph, since 6 of its 8 rigs are suitable for drilling in ultra-deepwater, according to the indicated graph.

63. In this context, emphasis should be given to the Constellation Group's historical relevance, which has been operating in the Brazilian market for over 35 years and maintains a good position for obtaining new business for five main reasons: (a) its costs of mobilization are less than those of international operators, since its rigs are already located in Brazil because of business circumstances; (b) the Group's exemplary operational and safety record; (c) organizational excellency and expertise in the Brazilian drilling market; (d) an experienced and highly qualified management team; and (e) **an exceptional fleet, awarded leading equipment fleet by Petrobras consecutively from March 2016 to March 2018.**<sup>12</sup>

64. All these factors lead to the conclusion that this is an entirely feasible recovery that meets the purposes of the LRF and that, therefore, should be granted by this Honorable Court.

#### CONSOLIDATION AND JOINT ADMINISTRATION.

65. As already indicated, the Applicant Companies, despite being individual legal entities that have autonomous assets, their own structures appropriate for the exercise of their activities (economic substance) and the majority of which are

---

<sup>11</sup> Last accessed on December 5, 2018: <https://www.woodmac.com/news/feature/non-opec-decline-rates-remain-stable-until-2020/>.

<sup>12</sup> The Laguna Star rig was ranked first place in Petrobras' fleet of over 25 (twenty five) rigs.



foreign companies, are working together to enable the development of onshore and offshore drilling operations in Brazil. That is evidenced by the numerous cross-guarantees and imminent possibility of cross-defaults, which, ultimately, make it impossible for their debts to be restructured individually.

66. Put another way: the Applicant Companies, by all evidence, make up a de facto economic group. Entities that, although legally independent, with individual legal personality and equity, their own operational structures and assets are economically interconnected.

67. Case law has long been uniform in this Court and in the courts of the country, that joint administration in a judicial reorganization proceeding is admissible, precisely when it concerns a de facto economic group.

68. This is the only possible interpretation of the law, given that art. 189 of the LRF provides for the subsidiary application of the Code of Civil Procedure, and furthermore item I of art. 113 of Law no. 13.105/2015 (the “CPC”) stipulates that the “voluntary joint administration” takes place when “*there is a communion of rights or obligations in relation to the dispute.*” Such is the case here.

69. Furthermore, although the LRF is silent in terms of transnational reorganization proceedings, there is no impediment to joint administration with foreign entities. In addition, it is worth emphasizing that the Supporting Creditors also recognize that this request must be processed in substantial consolidation.

70. It is evident that domestic courts have already had the opportunity to analyze situations very similar to the present one, having permitted the possibility in judicial reorganizations of joint administration of companies incorporated abroad.



71. Additionally, in the following chapter, it will be demonstrated that this Honorable Court also has jurisdiction, in light of the Brazilian legal regime, to administer and grant the reorganization of the entire Constellation Group, considering that its vital center of operations is located in Rio de Janeiro.

72. In this light, we can cite the Rio de Janeiro cases of the OGX Group,<sup>13</sup> Grupo Sete Brasil<sup>14</sup> and the Oi Group<sup>15</sup>, as well as the São Paulo case of the OAS Group,<sup>16</sup> all of which are very similar to this case in that there was a de facto economic group formed by Brazilian and foreign companies, with the latter used as vehicles for raising funds abroad to develop business activity in Brazil.

73. In all of these cases, the courts considered (i) the existence of a de facto economic group, easily established here by the demonstrated debt structure subject to this reorganization proceeding, as well as (ii) the development of activities in Brazil.

74. Thus, although many of them are international companies, the activity of the Applicant Companies is directed to the same business activity, focused on the provision of services in Brazil and historically predominantly for a Brazilian customer: Petrobras.

75. Therefore, **it is only possible to preserve the business activity in Brazil** – the law addresses the preservation of the *company* regarding economic activity in Brazil, and its nationality matters little – making possible the inclusion of all the

---

13 TJRJ. No. 0064658-77.2013.8.19.0000. Reporting Judge: Des. Gilberto Guarino. 14th Civil Chamber of the Court of Justice of the State of Rio de Janeiro. Hearing on February 19, 2014.

14 TJRJ. AI No. 0034171- 22.2016.8.19.0000 . Rapporteur: Des. Carlos Eduardo Moreira da Silva. 22<sup>nd</sup> Chamber of the Civil Court of the State of Rio de Janeiro. Hearing on February 7, 2017.

15 TJRJ. No. 0064658-77.2013.8.19.0000. Rapporteur: Des. Gilberto Guarino. 14<sup>th</sup> Civil Chamber. Hearing on February 19, 2014.

16 TJSP. AI no. 2084295-14.2015.8.26.0000. Rapporteur: Des. Carlos Alberto Garbi. 2<sup>nd</sup> Restricted Chamber of Business Law. Hearing on August 31, 2015.



Applicant Companies – national and foreign – as the active parties of this application, otherwise the goal of the institution of judicial reorganization would be thwarted.

76. For example, the default of the holding company Constellation Oil Services Holding S.A. on its debt securities jeopardizes the guarantee given by it in the financing agreements of Amaralina Star Ltd. and Laguna Star Ltd., consequently causing the acceleration of the debt. In other words, contracts and operations are intertwined, so there is a relationship of interdependence between the entities, assets and operations that makes it imperative to grant the substantive consolidation of this Judicial Recovery.

77. For all these reasons, all the requisites for consolidation are present in this case, and consequently the joint administration of this application for Judicial Reorganization must be granted.

#### JURISDICTION OF THIS COURT.

78. According to the provisions of art. 3 of the LRF, the court where the principal place of business of the debtor is located has jurisdiction to hear the application for judicial reorganization.

79. As it is known, the notion of “*principal place of business*” is not interpreted restrictively. That is, the principal place of business is not necessarily the place of the corporate headquarters provided in the articles of incorporation or bylaws.

80. The material criteria that define the “*principal place of business of the debtor*” are now identified by the jurisprudence as the place where its center of



**activities and economic influence** is located. In this sense, the Superior Court of Justice has always held that<sup>17</sup>:

CIVIL PROCEEDING. SPECIAL APPEAL. APPLICATION FOR JUDICIAL REORGANIZATION FILED IN THE FEDERAL DISTRICT. JURISDICTION DECLINED FOR RIO DE JANEIRO – RJ. PRINCIPAL PLACE OF BUSINESS. ARTS. 3 AND 6, PARAGRAPH 8, OF LAW NO. 11.101/2005. UNSPECIFIED VIOLATION. UNAVAILABILITY OF ASSETS AND INACTIVITY OF THE COMPANY. SUBSEQUENT MODIFICATION OF THE HEAD OFFICE IN THE ARTICLES OF INCORPORATION. FACTUAL FRAMEWORK IMMUTABLE IN THE SPECIAL JURISDICTION. STATEMENT NO. 7 OF THE SUMMARY OF THE FEDERAL SUPERIOR COURT OF APPEALS.

1. The evidentiary-factual framework described in the appealed decision cannot be modified in a special appeal, coming into conflict with the prohibition contained in Statement No. 7 of the Summary of the Federal Superior Court of Appeals. In those circumstances, the appellate arguments regarding the alleged economic activity carried out in this Capital and the eventual absence of summons in the records of the bankruptcy request mentioned by the appellant do not produce any effect on this judgment, [given that] those aspects were not even addressed by the original court.

2. The characterization of the principal place of business, mentioned in Art. 3 of Law No. 11.101/2005, reveals a factual situation linked to the verification of the premises where the most important activities of the company were exercised, without confusing it, necessarily, with the address of the head office, which appears formally in the bylaws and is the object of modification in this case.

3. [Given that] the assets became unavailable and the activities of the company whose reorganization is sought were shut down, the judge with competence is the judge of the last place where the principal place of business was located, in order to protect the right of creditors and make the courts' task less complex, an approach that is consistent with the spirit of the legal provision.

4. In particular, as was verified in the lower courts, the appellant's principal place of business, before the inactivity, was located in Rio de Janeiro – RJ, where many actions were filed before ordinary courts and federal courts, among them even a bankruptcy application, according to the appellant, in 2004, and for this reason the retention of that forum remains intact.

5. Special appeal not granted.

(Federal Superior Court of Appeals. Special Appeal No. 1.006.093/DF. Reporting Judge: Antonio Carlos Ferreira. 4<sup>th</sup> Panel. Hearing on 05.20.2014. Judgment on 10.16.2014)

\* \* \*

JURISDICTION. CONFLICT. BANKRUPTCY. FORUM OF PRINCIPAL PLACE OF BUSINESS OF DEFENDANT. PRECEDENTS. CHANGE OF DOMICILE. INTENT TO DEFRAUD. KNOWN CONFLICT.

---

<sup>17</sup> And also, this Court of Justice of Rio de Janeiro [TJRJ]. For instance, see: TJRJ. Interlocutory Appeal No. 0031931-70.2010.8.19.0000. Reporting Judge: Claudio Dell Orto. 18<sup>th</sup> Civil Chamber. Hearing on 07.17.2010; (ii) TJRJ. Interlocutory Appeal No. 0025000-56.2007.8.19.0000. Reporting Judge: Benedicto Abicair. 6<sup>th</sup> Civil Chamber. Hearing on 09.19.2007; (iii) TJRJ. Interlocutory Appeal No. 0007340-49.2007.8.19.0000. Reporting Judge: Galdino Siqueira Netto. 15<sup>th</sup> Civil Chamber. Hearing on 05.23.2007.



I - According to art. 7 of Decree-Law 7.661/45, “the competence to declare bankruptcy belongs to the court in whose jurisdiction the debtor has his principal establishment or subsidiary of another entity located outside of Brazil”.

II - Consistent with precedents, and supported by well-established jurisprudence, “principal place of business is the place where the activity remains centralized”, and is not “the one to which the articles of association confer the title of headquarters, but that which forms the living body, the vital center of the debtor’s main activities”.

III - The transfer of the headquarters of the company from Rio de Janeiro, RJ, where it maintained its business for many years, to Caucaia, CE, after more than 300 protests and six bankruptcy petitions in the District of Rio de Janeiro, and the subsequent request for self-bankruptcy in the domicile of Ceará, evidences the intent to defraud creditors and ensure the granting of business continuity in anticipation of any creditor or interested party.

(STJ), Conflict of Jurisdiction no.32.988/RJ, Reporting Judge: Min Sálvio de Figueiredo Teixeira, 2<sup>nd</sup> Section. Hearing on 11.14.2001. Judgment on 02.04.2002)

\*. \*. \*

JURISDICTION. CONFLICT. BANKRUPTCY. FORUM OF THE CURRENT PRINCIPAL PLACE OF BUSINESS OF THE DEFENDANT. PLACE WHERE THE COMPANY'S COMMERCIAL ACTIVITY IS CENTRALIZED. PRECEDENTS.

I - According to art. 7. Of Decree-Law 7.661/45, “competence to declare bankruptcy belongs to the court in whose jurisdiction the debtor has his principal establishment or subsidiary of another entity located outside of Brazil”.

II - In accordance with the precedents, invoked by the claimant and also supported by established jurisprudence, “principal place of business is the place where the activity is centralized”, and is not “the one to which the articles of association confer the title of headquarters, but that which forms the living body, the vital center of the principal activities of the debtor”.

(STJ). Conflict of Jurisdiction no. 21.896/MG. Reporting Judge: Min. Sálvio de Figueiredo Teixeira, 2<sup>nd</sup> Section. Hearing on 06.10.1998. Judgment on 09.08.1998)

81. In the case of the Constellation Group, although nowadays its decision center is abroad, the vital center of the activities is in Rio de Janeiro – the first Applicant – SERVIÇOS DE PETRÓLEO CONSTELLATION S.A. – is the operator of all the Group’s rigs – attributing competence to this Honorable Court. Evidence of the centrality in this district are ample:

(i) The Constellation Group originated in **Rio de Janeiro**, where the Group’s first business entity was incorporated, today represented by the First Applicant, whose head office and decision center is kept in Brazil;

(ii) The reason for the incorporation of the Constellation Group in Rio de Janeiro is the focus of its operating and economic activities in **Brazil**, centered on providing services to **Petrobras**;





(iii) Operational and economic activities remain, to date, concentrated in Brazil: practically **all** rigs are in Brazil and **all** services provided by **all** Applicant Companies are provided by Brazilian workers and executed in the national territory, with the exception of the Olinda Star rig;

(iv) **98.7%** of the employees who operate the rigs of the Constellation Group (employees of the Lead Applicant) are Brazilian. Furthermore, also because of the location of the provision of services, a substantial part of the technical and operational employees is located in Brazil;

82. There is consensus in the jurisprudence of admitting the inclusion of foreign companies in the recovery of the economic group, having the main center of activity of the group as criterion of the determination of competence.

83. In similar cases, the TJRJ has allowed, on several occasions, the joint administration of the reorganization to include foreign entities.

84. In the case of the OGX Group, the 14<sup>th</sup> Civil Chamber of the TJRJ accepted the grounds for recognizing the common corporate structure between the Brazilian and Austrian entities:

The two foreign subsidiaries, which were excluded in the first instance from the judicial reorganization procedure, operate solely under the strict control of the parent entity, serving as vehicles of Brazilian entities for the issuance of debt securities and raising funds abroad to finance oil and natural gas exploration and production activities in Brazil.

Therefore, there are foreign entities that are established as part of a financing structure of their national parent company, forming a single economic group for a single business activity, which is currently not uncommon given the globalization of markets, especially when one considers the activity being developed, which intensifies cross-border legal relations.<sup>18</sup>

---

18 TJRJ. No. 0064658-77.2013.8.19.0000. Rapporteur: Des. Gilberto Guarino. 14<sup>th</sup> Civil Chamber. Hearing on February 19, 2014.



85. The emblematic case of Oi also led to a discussion about the jurisdiction of the Brazilian justice system to administer the Judicial Reorganization of foreign entities. In that case, the 8<sup>th</sup> Civil Chamber of the TJRJ accepted the inclusion of foreign entities in the reorganization of the economic group, having as its criterion in determining jurisdiction the location of the main center of activity of the group:

The legal mechanism adopted in Brazil for PTIF and FinCo, which has the primary goal of protecting the production unit, is the appropriate solution between the two alternatives for solving the problems arising from the transnational fact, namely, bankruptcy or judicial reorganization. Notwithstanding the judicial decree of bankruptcy in the Netherlands, the adoption of the universalist model to establish Brazilian jurisdiction to preside over the reorganization of the Oi Group, including the debtors established in that country, does not, in any way, cause any damages to the creditors, who can otherwise benefit from the prospect of preserving the economic activity which generates income. By virtue of the legal equality of sovereign states, it should be emphasized that the effects of the decisions issued here are, of course, confined to the national territory and, also due to the constraints of the territorialist model, affect only the assets located in Brazil, and do not affect, in principle, any assets located outside the national territory, because, to endow the decisions rendered here with extraterritorial effectiveness, cooperation between the Brazilian and foreign judiciaries is imperative.

86. More recently, in the extrajudicial reorganization of the Odebrecht Group,<sup>19</sup> the Honorable 4<sup>th</sup> Chamber of this Hon. Court ratified the confirmation of the plan of extrajudicial reorganization of the eleven entities subject to the proceeding, with ten of these companies incorporated abroad, rejecting the claim that the Court lacked jurisdiction under the reasoning that “*with respect to multinational corporate groups, the rule provided in art. 3 of the LRF applies.*”

87. The competence of the Brazilian jurisdiction was rightly confirmed, recognizing that the city of Rio de Janeiro is the center of the group’s main establishment and, therefore, where its “center of interests” is located:

---

<sup>19</sup> Appeal no. 0121854-60.2017.8.19.0001. Rapporteur: Des(a) Myriam Medeiros da Fonseca Costa, 4<sup>th</sup> Civil Chamber. Hearing on June 18, 2018.



From the analysis of the application, emphasis must be given to the rejection of the allegation of lack of jurisdiction of the Court, **since also with respect to multinational corporate groups, the rule set forth in art. 3 of Law 11.101/2005 applies.** It must be remembered that business reality does not withstand State bureaucracy. For this reason, the legislator, in an attempt to streamline solutions that can be considered as linchpins for the resurgence of economic activity, has chosen normative tools that, in some way, aim to assure the isonomic means for the recovery of companies that are in serious financial crisis. (...) Nowadays, the global context in which companies have subsidiaries in different countries—as in the case in point, where the OOG group is composed of subsidiaries based in the Cayman Islands and Austria—with transnational capital from which intercontinental investments flow, involving, in this case, a French financial institution as guarantor of the balance of the investment fund in the international capital market, there is no way of simply ignoring that the application of art. 3 of Law 11.101/2005 must be subject to a teleological interpretation (art. 5 of the LINDB), or if more suitable, by closing the express legislative loophole (art. 4 of LINDB), under penalty of limiting the system of recovery or bankruptcy to the retrograde, purely territorial model, in which only local laws, applicable to local companies can be enforced in relation to local economic-financial goods and impacts. From this exclusively territorialist perspective, for example, multinational companies or groups with international subsidiaries, as in this case, would need to formalize different recovery procedures in each one of their main offices, or formal headquarters, subjecting them to local legislation under which it is not known how, nor even how long, and somehow expecting the results to converge, safely and for the same purpose, to achieve the speedy recovery of the company. It is undeniable that only in this utopian scenario would it be impossible to avoid failure(!). The problem emerges precisely from the contractual dynamics, in which, as is well emphasized in the pleadings, not even the “drillship” in which the activity in Brazil is explored has a national flag. Obligation-oriented relationships are also essentially cross-border. (...) Therefore, a superficial examination of the controversy reveals no lack of technical competence on the part of the judge in approving the extrajudicial recovery plan, of a marked contractual and binding nature and which was signed, in the first phase, under Brazilian jurisdiction, with the required quorum (art. 163, caput of Law no. 11.101/2005), and subject, in its execution, to foreign regulations, in this case, to the UNCITRAL of the United Nations (incorporated into United States law by Chapter 15 of the Bankruptcy Code) as a true example of a coordinated and cooperative solution for the recovery of the respondents. It is worth remembering that art. 3 of Law 11.101/2005 establishes that the forum of the debtor’s principal place of business, i.e., its “center of interests,” which, in principle, can be perfectly identified as the headquarters of the OOG group in Rio de Janeiro, has absolute jurisdiction, because the other subsidiary companies were created on its account to capitalize its operations. (emphasis added)



88. It should be noted that, as in this case, in the Grupo Odebrecht case, the ownership of the Group's assets is held by foreign companies.

89. The fact that a foreign company has assets in Brazil was the argument also used by the Court of Justice of São Paulo to keep the granting of the judicial reorganization process of Grupo Schahin also in connection with the foreign company<sup>20</sup>.

90. In summary, the city of Rio de Janeiro is the vital management center that concentrates the operational activities related to the operation of drilling rigs of the Constellation Group Applicant Companies, which attributes jurisdiction to one of the Business Courts of Rio de Janeiro to preside over this application for Judicial Reorganization.

#### FULFILLMENT OF ALL OBJECTIVE REQUIREMENTS.

91. As it is shown hereunder, the Applicant Companies fulfill all the objective requirements necessary for the processing of their Judicial Reorganization (see articles 48 and 51 of the LRF).

92. They declare, therefore, that (i) they have been regularly conducting their activities for much longer than the 2 (two) years required by law (Doc. 8); (ii) have never been bankrupt (Docs. 3 and 8); (iii) have never been granted a Judicial Reorganization (Docs. 3 and 8); and (iv) the administrators and controlling shareholders have never been convicted of committing any bankruptcy crimes (Docs. 4 and 5).

93. In addition, and as a means of avoiding any questions, they clarify that they have received, in accordance with the current legislation, the necessary

---

20 Interlocutory Appeal No. 2106998-36.2015.8.26.0000. Reporting Judge: Caio Marcelo Mendes de Oliveira. 2nd Reserved Chamber of Business Law. Hearing on 03.13.2017.



authorizations for the filing of this request for judicial reorganization (Doc. 2).

94. Other than unequivocally meeting all the objective requirements set forth in art. 48 of the LRF, the Applicant Companies inform that this application is accompanied by all the documents required by art. 51 of the LRF, namely:

(i) Financial statements for the years 2015, 2016 and 2017 (article 51, item II) (Doc. 6);

(ii) Financial statements specifically prepared to accompany the application (Article 51, item II) (Doc. 6);

(iii) Management reports on cash flow and its projection on a consolidated basis (article 51, item II) (Doc. 6);

(iv) Nominal list of creditors, with all the information required by law (article 51, item III) (Doc. 7);

(v) Certificate of good-standing in the public registry of companies, embodied in the certificates of good-standing, issued by the Commercial Registry (article 48, *caput*, and article 51, item V) (Doc. 8);

(vi) Up-to-date statements of current accounts and investments (article 51, item VII) (Doc. 9);

(vii) Certificates of protest notices (article 51, item VIII) (Doc. 10);

(viii) List of lawsuits that include all civil, tax and labor lawsuits in which the Applicant Companies appear as parties, subscribed by their representatives (article 51, item IX) (Doc. 11).

(ix) List of employees, with all information required by law (article 51, item IV) (Doc. 13); and

(x) List of assets of the controlling shareholders and administrators (article 51, item VI) (Doc. 14).



95. Having demonstrated by the reasons given above and the documents presented herein that the Applicant Companies are recoverable companies, and that all objective and formal requirements have been met, the administration of this Judicial Reorganization must be ordered in the manner petitioned below.

CONCLUSION AND PETITIONS.

96. In light of all the foregoing reasons, the Constellation Group requests that Your Honor order the administration of its Judicial Reorganization, pursuant to art. 52 of the LRF, following its regular procedure, and in particular:

- (i) the appointment a Judicial Administrator;
- (ii) the suspension of all actions and enforcement proceedings in progress against the Constellation Group for the legal term;
- (iii) the service of notice on the Public Prosecutor's Office;
- (iv) the waiver of the presentation of negative certificates for the exercise of its activities;
- (v) the issuance of communications to the Federal, State and Municipal Public Treasuries; and
- (vi) the publishing of the notice referred to in paragraph 1 of art. 52 of the LRF.

97. Pursuant to the constitutional guarantees of privacy protection and fiscal confidentiality, the Constellation Group requests that the list of employees and the declarations of assets presented pursuant to art. 51, items IV and VI, of the LRF, to be delivered in sealed envelopes, are received and duly guarded in the premises of this Honorable Court, under judicial secrecy so that access to them is restricted only to this Honorable Court, the Judicial Administrator, and the representative of the Public Prosecutor's Office and, in the case of the latter two, only by means of a reasoned request.



98. The Constellation Group declares that it is aware of the need to present monthly accounts and undertakes to submit other documents that may be necessary, and to rectify the information and statements contained in this petition if required.

99. In addition, it informs that its Judicial Reorganization Plan will be presented to this Honorable Court within the legal term of 60 days, to be counted from the date of the notice of the decision that orders the administration of the Judicial Reorganization, in line with the provisions of the PSA.

100. Finally, it is requested that all notices relating to the case be served exclusively in the name of Flavio Galdino, a lawyer registered at OAB/RJ under no. 94,605, with professional address at Avenida Rio Branco, no. 138, 11<sup>th</sup> floor, Centro, Rio de Janeiro, RJ, under penalty of nullity.

101. The amount of BRL 5,753,783,237.78 (five billion, seven hundred and fifty-three million, seven hundred and eighty-three thousand, two hundred and thirty-seven *reais* and seventy-eight cents) is attributed to the case only for fiscal and competence purposes.

In these terms,  
the Petitioners request that the above be granted.

Rio de Janeiro, December 6, 2018.

A handwritten signature in blue ink, appearing to read 'Flavio Galdino'.

FLAVIO GALDINO  
OAB/RJ n. 94.605

A handwritten signature in blue ink, appearing to read 'Isabel Picot França'.

ISABEL PICOT FRANÇA  
OAB/RJ n. 142.099

A handwritten signature in blue ink, appearing to read 'Vanessa Fernandes Figueira Rodrigues'.

VANESSA FERNANDES FIGUEIRA  
RODRIGUES  
OAB/RJ n. 173.012

A handwritten signature in blue ink, appearing to read 'Carolina Bueno de Oliveira'.

CAROLINA BUENO DE OLIVEIRA

OAB/SP n. 510.139

A handwritten signature in blue ink, appearing to read 'Cristina Biancastelli'.

CRISTINA BIANCASTELLI  
OAB/RJ n. 151.178



### SCHEDULE OF DOCUMENTS

- |         |  |
|---------|--|
| Doc. 1  | Powers of attorney executed by Applicant Companies;  |
| Doc. 2  | Authorizations for filing of request for judicial reorganization*;   |
| Doc. 3  | Certificates of applications for Judicial Reorganization and Bankruptcy;   |
| Doc. 4  | Criminal declarations of administrators;   |
| Doc. 5  | Criminal records certificates of administrators;   |
| Doc. 6  | Financial statements for the years 2015, 2016 and 2017; financial statements specifically prepared to accompany the application; and (iii) management reports on cash flow and its projection on a consolidated basis; |
| Doc. 7  | Nominal list of creditors;   |
| Doc. 8  | Company documents and Certificates of Registration of the Applicant Companies;   |
| Doc. 9  | Statements of current accounts and investments of the Applicant Companies;   |
| Doc. 10 | Certificates of protest notices;   |
| Doc. 11 | List of lawsuits;  |
| Doc. 12 | Plan Support Agreement;  |
| Doc. 13 | List of employees of the Applicant Companies; and  |
| Doc. 14 | List of assets of the controlling shareholders and administrators.   |

\* In accordance with Art. 192 of Law No. 13.105/2015 (CPC), the Applicant Companies agree to submit a certified translation of the documents submitted in English as soon as possible.




**Exhibit C**

Registration Certificate of Serviços de Petróleo Constellation S.A.

(formerly known as Queiroz Galvão Óleo e Gás S.A.)

(original Portuguese and certified English translation)

			
<b>PREFEITURA DE MANAUS</b>			
<b>CADASTRO MUNICIPAL DE PESSOA JURÍDICA</b>			
<b>COMPROVANTE DE INSCRIÇÃO E DE SITUAÇÃO CADASTRAL</b>			
DATA DE ABERTURA <b>22/07/1987</b>	NÚMERO DE INSCRIÇÃO <b>4418801</b>	CNPJ/CPF: <b>30.521.090/0003-99</b>	Inscrição Estadual
NOME EMPRESARIAL <b>QUEIROZ GALVAO OLEO E GAS S/A</b>			
TÍTULO DO ESTABELECIMENTO (NOME DE FANTASIA)			
CÓDIGO E DESCRIÇÃO DA ATIVIDADE ECONÔMICA PRINCIPAL <b>060000100 - 0% - EXTRAÇÃO DE PETRÓLEO E GÁS NATURAL</b> <b>091060001 - 7.19.1 5% - ATIVIDADES DE APOIO À EXTRAÇÃO DE PETRÓLEO E GÁS NATURAL</b>			
LOGRADOURO <b>AVN DO TURISMO</b>	NÚMERO <b>7000</b>	COMPLEMENTO	
CEP <b>69041-010</b>	BAIRRO/DISTRITO <b>TARUMÃ</b>	MUNICÍPIO <b>MANAUS</b>	UF <b>AM</b>
SITUAÇÃO CADASTRAL <b>ATIVA</b>		DATA DA SITUAÇÃO CADASTRAL <b>22/07/1987</b>	
SITUAÇÃO ESPECIAL <b>****</b>		DATA DA SITUAÇÃO ESPECIAL <b>****</b>	
DATA E HORÁRIO DE EMISSÃO <b>09/01/2017 16:43.</b>			

[www.informe.issqn.com.br](http://www.informe.issqn.com.br)

© 2002-2007 Informe - Inteligência Fiscal é fazer Acontecer. Todos os direitos reservados.  
Para instalar a última versão do flash player necessária para navegação no site, [Clique aqui](#).



STATE OF NEW YORK        )  
                                       )  
                                       )        ss  
 COUNTY OF NEW YORK     )

**CERTIFICATION**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Portuguese into English of the attached "Certificate of Entry and Registration Status" from the Manaus City Council, Municipal Register of Legal Entities.

Lynda Green, Senior Managing Editor  
 Geotext Translations, Inc.

Sworn to and subscribed before me

this 17<sup>th</sup> day of September, 20 18.

KRISTEN DUFFY  
 NOTARY PUBLIC-STATE OF NEW YORK  
 No. 01DU6121852  
 Qualified In Queens County  
 My Commission Expires 01-31-2021

New York  
 t: +1.212.631.7432

Washington, D.C.  
 t: +1.202.828.1267

Chicago  
 t: +1.312.242.3756

Houston  
 t: +1.713.353.3909

San Francisco  
 t: +1.415.576.9500


London  
 t: +44.20.7553.4100

Paris  
 t: +33.1.42.68.51.47

Stockholm  
 t: +46.8.463.11.87

Frankfurt  
 t: +49.69.7593.8434

Hong Kong  
 t: +852.2159.9143

 <div style="text-align: center;"> <b>MANAUS CITY COUNCIL</b>  <b>MUNICIPAL REGISTER OF LEGAL ENTITIES</b> </div>			
<b>CERTIFICATE OF ENTRY AND REGISTRATION STATUS</b>			
DATE OF ENTRY <b>07/22/1987</b>	REGISTRATION NUMBER <b>4418801</b>	NATIONAL REGISTRY OF LEGAL ENTITIES/TAXPAYER IDENTIFICATION NUMBER: <b>30.521.090/0003-99</b>	State Registration
COMPANY NAME <b>QUEIROZ GALVAO OLEO E GAS S/A</b>			
NAME OF ESTABLISHMENT (TRADING NAME)			
CODE AND DESCRIPTION OF MAIN ECONOMIC ACTIVITY <b>060000100 - 0% - EXTRACTION OF OIL AND NATURAL GAS</b> <b>091060001 - 7.19.1 5% - SUPPORT ACTIVITIES FOR EXTRACTION OF OIL AND NATURAL GAS</b>			
ADDRESS <b>AVN DO TURISMO</b>		NUMBER <b>7000</b>	ADDRESS (continued)
ZIP CODE <b>69041-010</b>	NEIGHBORHOOD/DISTRICT <b>TARUMÃ</b>	MUNICIPALITY <b>MANAUS</b>	STATE <b>AM</b>
REGISTRATION STATUS <b>ACTIVE</b>		REGISTRATION STATUS DATE <b>07/22/1987</b>	
SPECIAL STATUS <b>****</b>		SPECIAL STATUS DATE <b>****</b>	
DATE AND TIME OF ISSUANCE <b>01/09/2017 16:43</b>			

[www.informe.issqn.com.br](http://www.informe.issqn.com.br)

© 2002-2007 Informe - Inteligência Fiscal é fazer Acontecer [Report – Tax Intelligence and make Happen]. All rights reserved.  
 Click here to install the latest version of Flash Player required to navigate the site.

**Exhibit D**

Resolutions Authorizing Commencement of RJ and Appointment of Foreign Representative

SERVIÇOS DE PETRÓLEO CONSTELLATION S.A.  
CNPJ/MF n. 30.521.090/0001-27  
NIRE 333.0000697-4  
COMPANHIA FECHADA

**ATA DA ASSEMBLEIA GERAL EXTRAORDINÁRIA**  
**REALIZADA EM 05 DE DEZEMBRO DE 2018**

1. **Local, dia e hora:** Aos 05 dias do mês de dezembro de 2018, às 12 horas, na sede da SERVIÇOS DE PETRÓLEO CONSTELLATION S.A. ("Companhia"), na Avenida Presidente Antônio Carlos, n. 51, 5º andar, Centro, na Cidade e Estado do Rio de Janeiro, CEP: 20020-010.
2. **Convocação e Presença:** Dispensadas as formalidades de convocação em virtude da presença de acionistas representando a totalidade do capital social Companhia, conforme disposto no art. 124, § 4º da Lei n. 6.404/76 ("Lei das Sociedades por Ações"), conforme assinaturas constantes dos Livros de Presença dos Acionistas.
3. **Mesa:** Presidente: José Augusto Fernandes Filho e Secretário: Valdir Moreira Bufon.
4. **Agenda:**
  - (i) Analisar e deliberar sobre a autorização para o ajuizamento de pedido de recuperação judicial da Companhia, na forma da Lei n. 11.101/2005 ("LRF"), diante da exigência prevista no art. 122, inciso IX, da Lei das Sociedades por Ações;
  - (ii) Analisar e deliberar sobre a possível propositura de processos auxiliares ao processo de recuperação judicial a ser desenvolvido no Brasil, a fim de possibilitar o seu reconhecimento perante outras jurisdições, mais especificamente, Capítulo 15 do Código de Insolvência dos EUA ("Capítulo 15"), perante a Corte de Insolvência dos EUA.
  - (iii) Analisar e deliberar sobre a indicação de representante estrangeiro ("Representante Estrangeiro"), conforme definido na seção 101 (24) do Código de Insolvência dos EUA, o qual será autorizado a iniciar o processo auxiliar indicado no item (ii) da agenda.
5. **Deliberações:** Dispensada a leitura da ordem do dia, foi deliberado e aprovado pela unanimidade dos presentes que:

(i) A ata desta Assembleia fosse lavrada na forma sumária, nos termos do art. 130, § 1º, da Lei de Sociedade por Ações, sendo facultado o direito de apresentação de manifestações de votos e protestos que, se apresentados à mesa, ficarão arquivados na sede da Companhia.

(ii) Tendo em vista a situação financeira atual da Companhia, de crise econômico-financeira, , decidiu-se autorizar a propositura de procedimento de recuperação judicial pela Companhia, em conformidade com o disposto no art. 20 do seu Estatuto Social, bem como no art. 122, inciso IX, da Lei das Sociedades por Ações, buscando, com tal medida, assegurar a preservação de seus direitos, bem como de seus empregados e credores, promovendo a preservação da função social da Companhia e, conseqüentemente, o estímulo à atividade econômica.

Fica esclarecido que tal decisão somente foi tomada após quase 1 (um) ano de negociações com credores, que restaram infrutíferas, com ampla consulta e apoio da administração da Companhia e de consultores jurídicos e financeiros, que indicaram o processo de reestruturação mencionado acima. Todos os numerosos materiais produzidos e apresentados pela administração e consultores foram devidamente analisados e discutidos, bem como os passivos e a iliquidez da Companhia, com o objetivo de buscar as alternativas estratégicas disponíveis, ponderando o impacto do processo de reestruturação mencionado acima nos negócios da Companhia.

(iii) Tendo em vista, entre outras razões, que as principais operações do Grupo Constellation estão centralizadas no Brasil, concluiu-se que é recomendável para a justiça, eficiência na administração, proteção e maximização do valor de seus ativos, e, portanto, no melhor interesse da Companhia, implementar a reestruturação mediante a apresentação de pedido de recuperação judicial perante uma das Varas Empresariais da Comarca do Rio de Janeiro, podendo a Companhia, se e quando necessário, iniciar um processo auxiliar ao procedimento indicado no item (ii) acima, o chamado Capítulo 15 do Código de Insolvência dos EUA ("Capítulo 15"), perante a Corte de Insolvência dos EUA do Distrito Sul de Nova Iorque. E

(iv) Buscando realizar todos os compromissos necessários envolvendo o procedimento identificado no item (iii) acima, decidiu-se ser necessário nomear um Representante Estrangeiro, conforme definido na seção 101 (24) do Código de Insolvência dos EUA, cuja nomeação e poderes serão devidamente concedidos pelos administradores da Companhia, por meio de instrumento específico em inglês, para atendimento aos requisitos do Código

de Insolvência dos EUA, em conformidade com o art. 16 do Estatuto Social da Companhia, pelo prazo requerido, mesmo que superior a 12 (doze) meses.

**6. Encerramento:** Nada mais a tratar, foi encerrada a assembleia e redigida a presente ata; lida, aprovada e assinada por todos os presentes.

**7. Assinaturas:** Presidente: José Augusto Fernandes Filho e Secretário: Valdir Moreira Bufon.

Confere com a original lavrada em livro próprio.

*[Páginas de assinaturas a seguir]*



*[Página de assinaturas da Ata da Assembleia Geral Extraordinária de Serviços de  
Petróleo Constellation S.A.]*


Mesa:

  
\_\_\_\_\_  
Presidente

  
\_\_\_\_\_  
Secretário

Acionistas:

  
\_\_\_\_\_  
**Serviços de Petróleo Constellation  
Participações S.A.**  
Por José Augusto Fernandes Filho

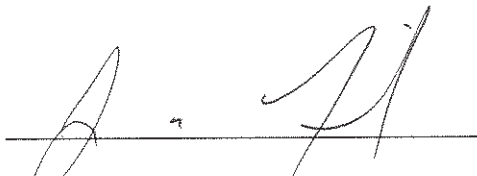
  
\_\_\_\_\_  
**Serviços de Petróleo Constellation  
Participações S.A.**  
Por Valdir Moreira Bufon



STATE OF NEW YORK        )  
                                   )  
                                   )  
 COUNTY OF NEW YORK    )        ss

**CERTIFICATION**

This is to certify that the attached translation is, to the best of my knowledge and belief, a true and accurate translation from Portuguese into English of the attached Minutes of the Special General Meeting.

  
 \_\_\_\_\_  
 Laura Musich, Managing Editor  
 Geotext Translations, Inc.

Sworn to and subscribed before me

this 5 day of December, 20 18.

  
 \_\_\_\_\_

JEFFREY AARON CURETON  
 NOTARY PUBLIC-STATE OF NEW YORK  
 No. 01CU6169789  
 Qualified in New York County  
 My Commission Expires September 23, 2019

**SERVIÇOS DE PETRÓLEO CONSTELLATION S.A.**

CNPJ/MF [Corporate Tax ID of the Ministry of Finance] No. 30.521.090/0001-27

NIRE [Company Reg. ID No.] 333.0000697-4

**CLOSED COMPANY**

**MINUTES OF THE SPECIAL GENERAL MEETING**

**HELD ON DECEMBER 5, 2018**

**1. Place, date and time:** On the 5th day of the month of December 2018, at 12.00 noon, at the head office of SERVIÇOS DE PETRÓLEO CONSTELLATION S.A. (the “Company”), at Avenida Presidente Antônio Carlos, n. 51, 5º andar, in the City Center and State of Rio de Janeiro, CEP: 20020-010.

**2. Call Notice and Attendance:** The call notice formalities were waived by virtue of attendance of the shareholders representing the company’s entire share capital, pursuant to art. 124, § 4º of Law No. 6.404/76 of the (“Law of Corporations”), in accordance with the Shareholder’s Attendance Book.

**3. Board:** Chairperson: José Augusto Fernandes Filho and Secretary: Valdir Moreira Bufon.

**4. Agenda:**

**(i)** To analyze and vote on authorizing the filing of a court-supervised reorganization procedure for the Company, pursuant to Law No. 11.101/2005 (“LRF”), in view of the requirement set forth in art. 122, item IX of the Law of Business Corporations;

**(ii)** To analyze and vote on the possible filing of ancillary procedures to the court-supervised reorganization procedure undertaken in Brazil, to enable the recognition by other jurisdictions, more specifically, Chapter 15 of the U.S. Bankruptcy Code (“Chapter 15”), before the U.S. Bankruptcy Court;

**(iii)** To analyze and vote on appointing a foreign representative (“Foreign Representative”) who will be authorized to initiate the ancillary proceeding indicated under item (ii) of the agenda.

**5. Resolutions:** Once the need for reading the agenda was waived, it was unanimously resolved by those present that:

**(i)** The minutes of this Meeting be drawn up in summary form; in accordance with Art. 130, § 1, of the Law of Corporations, with the right to present manifestations of votes and protests that, if presented to the board, will be filed at the Company's head offices.

**(ii)** In view of the current financial situation of the Company, and the financial economic crisis, it was decided to authorize the filing of a court-supervised reorganization procedure by the Company, in compliance with the provisions of Art. 20 of the Company's Articles of Association, as well as Art. 122, item IX, of the Law of Corporations, seeking, with such measure, to ensure the preservation of its rights, as well as those of its employees and creditors, thereby preserving the company's social function and, consequently, stimulus to economic activity.

It is hereby clarified that the decision was only taken after almost 1 (one) year of negotiations with creditors, which were ultimately unsuccessful, with extensive consultation and with support from the Company's management and financial and legal advisors, who suggested the aforementioned restructuring procedure. All of the numerous materials produced and presented by management and consultants were duly analyzed and discussed, as well as the Company's liabilities and illiquidity, in order to seek available strategic alternatives, weighing the impact of the aforementioned reorganization on the Company's business.

**(iii)** In light of, among other reasons, the fact that Grupo Constellation's main operations are centered in Brazil, it was concluded that it is advisable for the sake of fairness, efficiency of administration, as well as protection and maximization of the value of its assets, and therefore in the best interest of the Company, to implement the reorganization by filing the request for court-supervised reorganization before one of the Special Lower Courts of the Judiciary District of Rio de Janeiro, the Company may, if and when needed, initiate an ancillary procedure to support the procedure indicated in item (ii) above, the so-called Chapter 15 of the US Bankruptcy Code ("Chapter 15"), before the United States Bankruptcy Court of the Southern District of New York. And

**(iv)** Seeking to meet all necessary commitments, involving the procedure identified in item (iii) above, it was decided that a Foreign Representative had to be appointed, as defined in section 101 (24) of the U.S. Bankruptcy Code, whose appointment and powers will be duly granted by the Company's managers through a specific instrument in English to comply with the

requirements of the U.S. Bankruptcy Code, in compliance with Art. 16 of the Company's Articles of Association, for the period required, even if such period exceeds 12 (twelve) months.

**6. Closing:** There being nothing further to discuss, the meeting was closed, the present minutes were drawn up, read, approved and signed by all present.

**7. Signatures:** Chairperson: José Augusto Fernandes Filho; Secretary: Valdir Moreira Bufon.

Matches the original, drawn up in a specific book.

*[Signature pages to follow]*

*[Signature page of the Minutes of the Special General Meeting of Serviços de Petróleo  
Constellation S.A.]*

Board:

_____ [signature] Chairperson	_____ [signature] Secretary
-------------------------------------	-----------------------------------

Shareholders:

_____ [signature]	_____ [signature]
<b>Serviços de Petróleo Constellation Participações S.A.</b>	<b>Serviços de Petróleo Constellation Participações S.A.</b>
pp. José Augusto Fernandes Filho	pp. Valdir Moreira Bufon

PROCURAÇÃO

POWER OF ATTORNEY

Pelo presente instrumento particular SERVIÇOS DE PETRÓLEO CONSTELLATION S.A., companhia fechada com sede na Avenida Presidente Antônio Carlos, n. 51, 5º andar, Centro, na Cidade e Estado do Rio de Janeiro, inscrita perante o Cadastro Nacional de Pessoas Jurídicas do Ministério da Fazenda (CNPJ/MF) sob o n. 30.521.090/0001-27 (doravante designada "OUTORGANTE"), neste ato representada de acordo com o seu Estatuto Social nomeia e constitui o Sr. **Andrew Childe**, (doravante designado "REPRESENTANTE ESTRANGEIRO"), como seu representante legal, com poderes específicos para, em seu nome e benefício, obrigar e representar individualmente a OUTORGANTE, com a finalidade de (i) representar a OUTORGANTE em relação ao seu processo de recuperação judicial perante uma das Varas Empresarias do Foro Central da Comarca da Capital do Estado do Rio de Janeiro, nos termos da Lei n. 11.101/2005 e outras leis aplicáveis ("PROCESSO DE RECUPERAÇÃO JUDICIAL"), incluindo para os fins de buscar qualquer medida disponível a um representante estrangeiro (conforme definido no Código dos Estados Unidos), nos termos do Capítulo 15, do título 11, do Código dos Estados Unidos, ou outra legislação aplicável e autorizar o REPRESENTANTE ESTRANGEIRO a atuar como agente da OUTORGANTE na administração da reorganização dos seus bens e assuntos no Processo de Recuperação Judicial; (ii) praticar todos os atos necessários ao fiel cumprimento do presente mandato; e (iii) a seu critério, substabelecer, com reservas, quaisquer dos poderes conferidos pelo presente instrumento, nos termos e condições em que o REPRESENTANTE ESTRANGEIRO julgar apropriado.

Rio de Janeiro, 05 de dezembro de 2018



VALDIR MOREIRA BUFON

SERVIÇOS DE PETRÓLEO CONSTELLATION S.A.

By this private instrument, SERVIÇOS DE PETRÓLEO CONSTELLATION S.A., a closely-held company, with its registered office at Avenida Presidente Antônio Carlos, no. 51, 5<sup>th</sup> floor, Centro, in the City and State of Rio de Janeiro, with the Taxpayers' Register of the Ministry of Finance (CNPJ/MF) under no. 30.521.090/0001-27, herein represented in accordance with its by-laws (hereinafter referred to as the "GRANTOR"), does hereby appoint Mr. **Andrew Childe** (hereinafter referred to as the ("FOREIGN REPRESENTATIVE") as its legal representative, for it and in its name place and stead, with specific powers to individually bind and represent the GRANTOR in order to (i) represent the GRANTOR with respect to its judicial reorganization proceedings before one of the Special Lower Courts for Business Restructuring and Insolvency in the Judicial District of Rio de Janeiro, pursuant to Law no. 11.101/2005 and other applicable Laws ("JUDICIAL REORGANIZATION PROCEEDINGS") including for the purpose of seeking any relief available to a "foreign representative" (as defined in the US Code) according to the terms of the US Code, Title 11, Chapter 15, and to authorize the FOREIGN REPRESENTATIVE to act as the GRANTOR's agent in administering the reorganization of the GRANTOR's assets and affairs in the JUDICIAL REORGANIZATION PROCEEDINGS; (ii) perform all acts necessary for the faithful execution of this Power of Attorney; and (iii) at his discretion, delegate any of the powers hereby granted, under such terms and conditions as the FOREIGN REPRESENTATIVE shall deem proper.

Rio de Janeiro, December 05, 2018



JOSÉ AUGUSTO FERNANDES FILHO



**Lone Star Offshore Ltd.**

**BC Number: 1039322**

**(the Company)**

Written resolutions of the sole director (the **Director**) of the Company adopted pursuant to Regulation 96 of the Company's Articles of Association (the **Articles**) and pursuant to Section 129 of the BVI Business Companies Act, 2004 (the **Act**)

**Judicial reorganisation in Brazil and Chapter 15 filing**

- 1 It was noted that the Company is part of a worldwide group of companies, whose holding company is Constellation Oil Services Holding S.A.<sup>1</sup> (the **Parent** and, together with its subsidiaries, the **Constellation Group**). It was noted that the Parent has consented to the resolutions adopted herein.
- 2 It was noted that, as a result of the difficult financial situation which the Company and Constellation Group currently faces, the Director has investigated, discussed, and considered all options for addressing the Company's financial challenges and, after consultation with the Company's management and financial and legal advisors, and having had opportunity to ask questions and receive satisfactory answers from such management and advisors, have determined that it is advisable and in the best interest of the Company (1) to undertake a restructuring of its capital structure (the **Restructuring**) and (2) to engage in certain other transactions related to the Restructuring as set forth below.
- 3 It was noted that, as a result of the Constellation Group's declining financial performance and the upcoming maturity of certain of the Constellation Group's indebtedness, the directors of certain members of the Constellation Group had reviewed the materials presented by the management and the advisors of the Company and had reviewed and discussed the financial and operational condition of the Company, the liabilities and liquidity situation of the Company, the strategic alternatives available to it and the impact of the foregoing on the Company's businesses.
- 4 It was noted that the Director has had the opportunity to consult with the management and the advisors of the Company and fully considered each of the strategic alternatives available to the Company, including pursuing a reorganization through (1) a judicial reorganization (*recuperação judicial*) under Brazilian Federal Law Nº 11.101 of February 9, 2005 (the **RJ**) and (2), if and when needed, a proceeding under chapter 15 (**Chapter 15**) of title 11 of the United States Code (the **U.S. Bankruptcy Code**), and (3), if and when needed, a proceeding under the BVI Insolvency Act for the appointment of provisional liquidators (the **BVI Provisional Liquidation**).
- 5 It was noted that the Director, having considered the financial, operational and other aspects of the Company's business and in view of the fact that, among other reasons, the

---

<sup>1</sup> Formerly known as QGOG Constellation S.A.



- main operations of the Constellation Group are centered in Brazil, the Director has determined that it is advisable for fairness, efficiency of administration, and for protection and maximization of the value of the Company's assets, and therefore in the best interest of the Company, to implement the Restructuring by (1) commencing an RJ proceeding in the bankruptcy court in Rio de Janeiro, Brazil (the **Brazilian Court**), (2) if and when needed, commencing a proceeding under Chapter 15 (the **Chapter 15 Proceeding**), (3) if and when needed, commencing a proceeding under the BVI Insolvency Act for the appointment of provisional liquidators (the **BVI Provisional Liquidation Proceeding**), and (4) undertaking and consummating all other necessary, proper and desirable transactions required to commence and facilitate the RJ and, if and when needed, the Chapter 15 and/ or BVI Provisional Liquidation Proceeding, including, without limitation, appointing one or more attorneys-in-fact (*procuradores*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor in possession) before the Brazilian Court and in connection with the RJ (the **Restructuring Undertakings**).
- 6 It was noted that the Director has determined that it is advisable and in the best interest of the Company to negotiate and /or prepare, enter into, execute, verify, file and /or deliver (1) petitions to commence the RJ and (if and when needed) a Chapter 15 Proceeding and/ or BVI Provisional Liquidation Proceeding, and (2) such other documents necessary to effect the Restructuring Undertakings (all of the foregoing (1) through (2), collectively the **Restructuring Documents**).
- 7 It was noted that financial and legal advisors, including Houlihan Lokey, Alvarez & Marsal Holdings, LLC, White & Case LLP, Ogier and Loyens & Loeff N.V. (the **Advisors**), had been appointed by the Constellation Group to assist the Constellation Group in coordinating the proposed Restructuring Documents.
- 8 It was noted the Company proposed to grant a power of attorney (the **Power of Attorney**) to each of Flavio Galdino, Cristina Biancastelli, Isabel Picot França, Vanessa Fernandes Figueira Rodrigues, Julianne Zanconato and Ivana Harter Albuquerque (each an **Attorney** and together the **Attorneys**), all members of the law firm Galdino Coelho Advogados, in order to empower each of them to act on behalf of the Company in connection with the RJ and in particular, to attend court on behalf of the Company. It was noted that the Attorneys were to be appointed for 60 months but that this could be revoked at any time by the Company on written notice.
- 9 The Director has been provided with substantially final drafts of the RJ, Chapter 15 petition and BVI Provisional Liquidation documents and the Power of Attorney. The Director confirms by his signature below that he has reviewed the documents and wishes to make no amendments. The Director also confirms that he will keep the Power of Attorney and the actions taken there under continuous review.
- 10 The Director confirmed, for the purposes of Section 124 of the BVI Business Companies Act, 2004 (as amended) (the **Act**), that he had no interest in any of the matters the subject of these resolutions, other than as a director of the Company and as a director of the entities listed in the Schedule to these resolutions.

- 11 The Director has taken advice from the Advisors on directors' duties in circumstances where a company is financially distressed and facing liquidity issues. The Director has been advised that where a company is insolvent or likely to become insolvent, there is an obligation on the directors to act in the best interests of the creditors of the company with a view to minimising losses to creditors, and that these duties belong to the Director individually.
- 12 The Advisors noted that there were certain actions that a Director should take in circumstances where a company is facing financial difficulty, including a Director taking professional advice so that he is aware of his obligations to creditors and meeting regularly as a board in order to review any new material information that has come to light. The Director noted that he was at present taking these steps. The decision to voluntarily commence insolvency proceedings should be taken when the Director's view is that there is no reasonable prospect that the Company could avoid insolvency proceedings.
- 13 It was noted that the Director, having considered the financial, operational and other aspects of the Company's business, and the best course of action to maximize value, has determined that it is advisable, desirable and in the best interests of the Company and its stakeholders, including its creditors and other interested parties, that the Company proceed with the Restructuring Undertakings and the completion, execution, delivery and /or filing of the Restructuring Documents.
- 14 The Director, by his signature, confirms that he has carefully considered the commencement of the RJ and potential Chapter 15 Proceeding, the potential BVI Provisional Liquidation Proceeding, the Power of Attorney and his own duties as Director.
- 15 The Director hereby adopts the following written resolutions (the **Resolutions**):
  - (a) the Power of Attorney be and is hereby approved, including for the purposes of Regulation 88 of the Articles; that each of the Attorneys is severally appointed, authorized, empowered and directed (1) to represent the Company as attorney-in-fact (*procurador*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor-in-possession) before the Brazilian Court and act as the Company's agent in administering the reorganization of the Company's assets and affairs in the RJ Proceeding, with such person being conferred with *ad judicium* powers in accordance with Article 38 of the Brazilian Civil Procedure Code (*Código de Processo Civil*), and (2) to take, or to cause the taking of, any and all actions with regard to the Restructuring and the Restructuring Documents, as further described in this written consent;
  - (b) that the filing of the RJ proceeding for the Company is approved in all respects, and that each of the Attorneys hereby is authorised, empowered and directed on behalf of the Company to execute the petition to commence the RJ and to cause the same to be filed with the Brazilian Court; that each of the Attorneys be and he hereby is severally authorised, empowered and directed to execute and file all petitions, schedules, lists and other papers and to take any and all actions which they may deem necessary or proper in connection with the RJ Proceeding;

- (c) that Andrew Childe (the **Foreign Representative**) be appointed as the “foreign representative” of the Company’s RJ proceeding, including as that term is defined in section 101(24) of the U.S. Bankruptcy Code, and is authorized to commence, if and when needed, any ancillary or recognition proceeding in support of the Brazilian Judicial Reorganization (a **Supporting Foreign Proceeding**), including to file the petition for Chapter 15 relief with the Bankruptcy Court for the Southern District of New York (the U.S. Bankruptcy Court), and is hereby authorised to take all such actions on behalf of the Company (to the extent allowed under applicable law) as necessary for such relief and any further related relief that he deems prudent to seek in any Supporting Foreign Proceeding, and therein any and all relief available to a “foreign representative” under the U.S. Bankruptcy Code, and to act as the Company’s agent in administering the reorganization of the Company’s assets and affairs in a Supporting Foreign Proceeding;
- (d) that the Company is hereby authorised to file with the BVI court, if and when needed, an originating application for the appointment of a liquidator or joint liquidators, and to the extent necessary, an ordinary application for the appointment of a provisional liquidator or joint provisional liquidators; and that in such event, Eleanor Fisher and Paul Pretlove be nominated for appointment by the Courts of the BVI to act as liquidators or joint provisional liquidators of the Company as the case may be, subject to the Company receiving a BVI law compliant consent to act as such from each of Eleanor Fisher and Paul Pretlove;
- (e) all actions heretofore taken consistent with the purpose and intent of the foregoing resolutions are hereby authorised, ratified, approved, confirmed and adopted in all respects as the acts and deeds of the Company as fully as if such actions had been presented to the Director for its prior approval, including, but not limited to, all such actions taken by any director, officer or employee of the Company; and
- (f) that the Director be and is hereby authorised severally to execute the Power of Attorney, under hand or under the common seal of the Company (or otherwise as a deed) as appropriate, for and on behalf of the Company, with such amendments (substantive or otherwise) as he or she sees fit.

*Signature page follows.*



.....  
Michael Pearson

5 December 2018  
Date signed

**SCHEDULE**

**Companies of which Michael Pearson is a director**

Amaralina Star Ltd.  
Laguna Star Ltd.  
Alpha Star Equities Ltd.  
Brava Star Ltd.  
Constellation Overseas Ltd.  
Constellation Services Ltd.  
Gold Star Equities Ltd.  
Snover International Inc.  
Lone Star Offshore Ltd.  
Olinda Star Ltd.  
Lancaster Projects Corp.  
Star International Drilling Limited

**Gold Star Equities Ltd.**

**BC Number: 1031368**

**(the Company)**

Written resolution of the sole director (the **Director**) of the Company adopted pursuant to Regulation 96 of the Company's Articles of Association (the **Articles**) and pursuant to Section 129 of the BVI Business Companies Act, 2004 (the **Act**)

**Judicial reorganisation in Brazil and Chapter 15 filing**

- 1 It was noted that the Company is part of a worldwide group of companies, whose holding company is Constellation Oil Services Holding S.A.<sup>1</sup> (the **Parent** and, together with its subsidiaries, the **Constellation Group**). It was noted that the Parent has consented to the resolutions adopted herein.
- 2 It was noted that, as a result of the difficult financial situation which the Company and Constellation Group currently faces, the Director has investigated, discussed, and considered all options for addressing the Company's financial challenges and, after consultation with the Company's management and financial and legal advisors, and having had opportunity to ask questions and receive satisfactory answers from such management and advisors, have determined that it is advisable and in the best interest of the Company (1) to undertake a restructuring of its capital structure (the **Restructuring**) and (2) to engage in certain other transactions related to the Restructuring as set forth below.
- 3 It was noted that, as a result of the Constellation Group's declining financial performance and the upcoming maturity of certain of the Constellation Group's indebtedness, the directors of certain members of the Constellation Group had reviewed the materials presented by the management and the advisors of the Company and had reviewed and discussed the financial and operational condition of the Company, the liabilities and liquidity situation of the Company, the strategic alternatives available to it and the impact of the foregoing on the Company's businesses.
- 4 It was noted that the Director has had the opportunity to consult with the management and the advisors of the Company and fully considered each of the strategic alternatives available to the Company, including pursuing a reorganization through (1) a judicial reorganization (*recuperação judicial*) under Brazilian Federal Law Nº 11.101 of February 9, 2005 (the **RJ**) and (2), if and when needed, a proceeding under chapter 15 (**Chapter 15**) of title 11 of the United States Code (the **U.S. Bankruptcy Code**), and (3), if and when needed, a proceeding under the BVI Insolvency Act for the appointment of provisional liquidators (the **BVI Provisional Liquidation**).
- 5 It was noted that the Director, having considered the financial, operational and other aspects of the Company's business and in view of the fact that, among other reasons, the main operations of the Constellation Group are centered in Brazil, the Director has determined that it is advisable for fairness, efficiency of administration, and for protection

---

<sup>1</sup> Formerly known as QGOG Constellation S.A.

- and maximization of the value of the Company's assets, and therefore in the best interest of the Company, to implement the Restructuring by (1) commencing an RJ proceeding in the bankruptcy court in Rio de Janeiro, Brazil (the **Brazilian Court**), (2) if and when needed, commencing a proceeding under Chapter 15 (the **Chapter 15 Proceeding**), (3) if and when needed, commencing a proceeding under the BVI Insolvency Act for the appointment of provisional liquidators (the **BVI Provisional Liquidation Proceeding**), and (4) undertaking and consummating all other necessary, proper and desirable transactions required to commence and facilitate the RJ and, if and when needed, the Chapter 15 and/ or BVI Provisional Liquidation Proceeding, including, without limitation, appointing one or more attorneys-in-fact (*procuradores*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor in possession) before the Brazilian Court and in connection with the RJ (the **Restructuring Undertakings**).
- 6 It was noted that the Director has determined that it is advisable and in the best interest of the Company to negotiate and /or prepare, enter into, execute, verify, file and /or deliver (1) petitions to commence the RJ and (if and when needed) a Chapter 15 Proceeding and/ or BVI Provisional Liquidation Proceeding, and (2) such other documents necessary to effect the Restructuring Undertakings (all of the foregoing (1) through (2), collectively the **Restructuring Documents**).
- 7 It was noted that financial and legal advisors, including Houlihan Lokey, Alvarez & Marsal Holdings, LLC, White & Case LLP, Ogier and Loyens & Loeff N.V. (the **Advisors**), had been appointed by the Constellation Group to assist the Constellation Group in coordinating the proposed Restructuring Documents.
- 8 It was noted the Company proposed to grant a power of attorney (the **Power of Attorney**) to each of Flavio Galdino, Cristina Biancastelli, Isabel Picot França, Vanessa Fernandes Figueira Rodrigues, Julianne Zanconato and Ivana Harter Albuquerque (each an **Attorney** and together the **Attorneys**), all members of the law firm Galdino Coelho Advogados, in order to empower each of them to act on behalf of the Company in connection with the RJ and in particular, to attend court on behalf of the Company. It was noted that the Attorneys were to be appointed for 60 months but that this could be revoked at any time by the Company on written notice.
- 9 The Director has been provided with substantially final drafts of the RJ, Chapter 15 petition and BVI Provisional Liquidation documents and the Power of Attorney. The Director confirms by his signature below that he has reviewed the documents and wishes to make no amendments. The Director also confirms that he will keep the Power of Attorney and the actions taken there under continuous review.
- 10 The Director confirmed, for the purposes of Section 124 of the BVI Business Companies Act, 2004 (as amended) (the **Act**), that he had no interest in any of the matters the subject of these resolutions, other than as a director of the Company and as a director of the entities listed in the Schedule to these resolutions.
- 11 The Director has taken advice from the Advisors on directors' duties in circumstances where a company is financially distressed and facing liquidity issues. The Director has been advised that where a company is insolvent or likely to become insolvent, there is an

obligation on the directors to act in the best interests of the creditors of the company with a view to minimising losses to creditors, and that these duties belong to the Director individually.

- 12 The Advisors noted that there were certain actions that a Director should take in circumstances where a company is facing financial difficulty, including a Director taking professional advice so that he is aware of his obligations to creditors and meeting regularly as a board in order to review any new material information that has come to light. The Director noted that he was at present taking these steps. The decision to voluntarily commence insolvency proceedings should be taken when the Director's view is that there is no reasonable prospect that the Company could avoid insolvency proceedings.
- 13 It was noted that the Director, having considered the financial, operational and other aspects of the Company's business, and the best course of action to maximize value, has determined that it is advisable, desirable and in the best interests of the Company and its stakeholders, including its creditors and other interested parties, that the Company proceed with the Restructuring Undertakings and the completion, execution, delivery and /or filing of the Restructuring Documents.
- 14 The Director, by his signature, confirms that he has carefully considered the commencement of the RJ and potential Chapter 15 Proceeding, the potential BVI Provisional Liquidation Proceeding, the Power of Attorney and his own duties as Director.
- 15 The Director hereby adopts the following written resolutions (the **Resolutions**):
  - (a) the Power of Attorney be and is hereby approved, including for the purposes of Regulation 88 of the Articles; that each of the Attorneys is severally appointed, authorized, empowered and directed (1) to represent the Company as attorney-in-fact (*procurador*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor-in-possession) before the Brazilian Court and act as the Company's agent in administering the reorganization of the Company's assets and affairs in the RJ Proceeding, with such person being conferred with *ad judicium* powers in accordance with Article 38 of the Brazilian Civil Procedure Code (*Código de Processo Civil*), and (2) to take, or to cause the taking of, any and all actions with regard to the Restructuring and the Restructuring Documents, as further described in this written consent;
  - (b) that the filing of the RJ proceeding for the Company is approved in all respects, and that each of the Attorneys hereby is authorised, empowered and directed on behalf of the Company to execute the petition to commence the RJ and to cause the same to be filed with the Brazilian Court; that each of the Attorneys be and he hereby is severally authorised, empowered and directed to execute and file all petitions, schedules, lists and other papers and to take any and all actions which they may deem necessary or proper in connection with the RJ Proceeding;
  - (c) that Andrew Childe (the **Foreign Representative**) be appointed as the "foreign representative" of the Company's RJ proceeding, including as that term is defined in section 101(24) of the U.S. Bankruptcy Code, and is authorized to commence, if



and when needed, any ancillary or recognition proceeding in support of the Brazilian Judicial Reorganization (a **Supporting Foreign Proceeding**), including to file the petition for Chapter 15 relief with the Bankruptcy Court for the Southern District of New York (the U.S. Bankruptcy Court), and is hereby authorised to take all such actions on behalf of the Company (to the extent allowed under applicable law) as necessary for such relief and any further related relief that he deems prudent to seek in any Supporting Foreign Proceeding, and therein any and all relief available to a "foreign representative" under the U.S. Bankruptcy Code, and to act as the Company's agent in administering the reorganization of the Company's assets and affairs in a Supporting Foreign Proceeding;

- (d) that the Company is hereby authorised to file with the BVI court, if and when needed, an originating application for the appointment of a liquidator or joint liquidators, and to the extent necessary, an ordinary application for the appointment of a provisional liquidator or joint provisional liquidators; and that in such event, Eleanor Fisher and Paul Pretlove be nominated for appointment by the Courts of the BVI to act as liquidators or joint provisional liquidators of the Company as the case may be, subject to the Company receiving a BVI law compliant consent to act as such from each of Eleanor Fisher and Paul Pretlove;
- (e) all actions heretofore taken consistent with the purpose and intent of the foregoing resolutions are hereby authorised, ratified, approved, confirmed and adopted in all respects as the acts and deeds of the Company as fully as if such actions had been presented to the Director for its prior approval, including, but not limited to, all such actions taken by any director, officer or employee of the Company; and
- (f) that the Director be and is hereby authorised severally to execute the Power of Attorney, under hand or under the common seal of the Company (or otherwise as a deed) as appropriate, for and on behalf of the Company, with such amendments (substantive or otherwise) as he or she sees fit.

*Signature page follows.*

A handwritten signature in dark ink, appearing to read 'MP', with a long horizontal flourish extending to the right.

.....  
Michael Pearson

5 December 2018

Date signed

**SCHEDULE**

**Companies of which Michael Pearson is a director**

Amaralina Star Ltd.  
Laguna Star Ltd.  
Alpha Star Equities Ltd.  
Brava Star Ltd.  
Constellation Overseas Ltd.  
Constellation Services Ltd.  
Gold Star Equities Ltd.  
Snover International Inc.  
Lone Star Offshore Ltd.  
Olinda Star Ltd.  
Lancaster Projects Corp.  
Star International Drilling Limited

**Olinda Star Ltd.**

**BC Number: 1049761**

**(the Company)**

Written resolution of the sole director (the **Director**) of the Company adopted pursuant to Regulation 96 of the Company's Articles of Association (the **Articles**) and pursuant to Section 129 of the BVI Business Companies Act, 2004 (the **Act**)

**Judicial reorganisation in Brazil and Chapter 15 filing**

- 1 It was noted that the Company is part of a worldwide group of companies, whose holding company is Constellation Oil Services Holding S.A.<sup>1</sup> (the **Parent** and, together with its subsidiaries, the **Constellation Group**). It was noted that the Parent has consented to the resolutions adopted herein.
- 2 It was noted that, as a result of the difficult financial situation which the Company and Constellation Group currently faces, the Director has investigated, discussed, and considered all options for addressing the Company's financial challenges and, after consultation with the Company's management and financial and legal advisors, and having had opportunity to ask questions and receive satisfactory answers from such management and advisors, have determined that it is advisable and in the best interest of the Company (1) to undertake a restructuring of its capital structure (the **Restructuring**) and (2) to engage in certain other transactions related to the Restructuring as set forth below.
- 3 It was noted that, as a result of the Constellation Group's declining financial performance and the upcoming maturity of certain of the Constellation Group's indebtedness, the directors of certain members of the Constellation Group had reviewed the materials presented by the management and the advisors of the Company and had reviewed and discussed the financial and operational condition of the Company, the liabilities and liquidity situation of the Company, the strategic alternatives available to it and the impact of the foregoing on the Company's businesses.
- 4 It was noted that the Director has had the opportunity to consult with the management and the advisors of the Company and fully considered each of the strategic alternatives available to the Company, including pursuing a reorganization through (1) a judicial reorganization (*recuperação judicial*) under Brazilian Federal Law Nº 11.101 of February 9, 2005 (the **RJ**) and (2), if and when needed, a proceeding under chapter 15 (**Chapter 15**) of title 11 of the United States Code (the **U.S. Bankruptcy Code**), and (3), if and when needed, a proceeding under the BVI Insolvency Act for the appointment of provisional liquidators (the **BVI Provisional Liquidation**).
- 5 It was noted that the Director, having considered the financial, operational and other aspects of the Company's business and in view of the fact that, among other reasons, the

---

<sup>1</sup> Formerly known as QGOG Constellation S.A.

- main operations of the Constellation Group are centered in Brazil, the Director has determined that it is advisable for fairness, efficiency of administration, and for protection and maximization of the value of the Company's assets, and therefore in the best interest of the Company, to implement the Restructuring by (1) commencing an RJ proceeding in the bankruptcy court in Rio de Janeiro, Brazil (the **Brazilian Court**), (2) if and when needed, commencing a proceeding under Chapter 15 (the **Chapter 15 Proceeding**), (3) if and when needed, commencing a proceeding under the BVI Insolvency Act for the appointment of provisional liquidators (the **BVI Provisional Liquidation Proceeding**), and (4) undertaking and consummating all other necessary, proper and desirable transactions required to commence and facilitate the RJ and, if and when needed, the Chapter 15 and/ or BVI Provisional Liquidation Proceeding, including, without limitation, appointing one or more attorneys-in-fact (*procuradores*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor in possession) before the Brazilian Court and in connection with the RJ (the **Restructuring Undertakings**).
- 6 It was noted that the Director has determined that it is advisable and in the best interest of the Company to negotiate and /or prepare, enter into, execute, verify, file and /or deliver (1) petitions to commence the RJ and (if and when needed) a Chapter 15 Proceeding and/ or BVI Provisional Liquidation Proceeding, and (2) such other documents necessary to effect the Restructuring Undertakings (all of the foregoing (1) through (2), collectively the **Restructuring Documents**).
- 7 It was noted that financial and legal advisors, including Houlihan Lokey, Alvarez & Marsal Holdings, LLC, White & Case LLP, Ogier and Loyens & Loeff N.V. (the **Advisors**), had been appointed by the Constellation Group to assist the Constellation Group in coordinating the proposed Restructuring Documents.
- 8 It was noted the Company proposed to grant a power of attorney (the **Power of Attorney**) to each of Flavio Galdino, Cristina Biancastelli, Isabel Picot França, Vanessa Fernandes Figueira Rodrigues, Julianne Zanconato and Ivana Harter Albuquerque (each an **Attorney** and together the **Attorneys**), all members of the law firm Galdino Coelho Advogados, in order to empower each of them to act on behalf of the Company in connection with the RJ and in particular, to attend court on behalf of the Company. It was noted that the Attorneys were to be appointed for 60 months but that this could be revoked at any time by the Company on written notice.
- 9 The Director has been provided with substantially final drafts of the RJ, Chapter 15 petition and BVI Provisional Liquidation documents and the Power of Attorney. The Director confirms by his signature below that he has reviewed the documents and wishes to make no amendments. The Director also confirms that he will keep the Power of Attorney and the actions taken there under continuous review.
- 10 The Director confirmed, for the purposes of Section 124 of the BVI Business Companies Act, 2004 (as amended) (the **Act**), that he had no interest in any of the matters the subject of these resolutions, other than as a director of the Company and as a director of the entities listed in the Schedule to these resolutions.

- 11 The Director has taken advice from the Advisors on directors' duties in circumstances where a company is financially distressed and facing liquidity issues. The Director has been advised that where a company is insolvent or likely to become insolvent, there is an obligation on the directors to act in the best interests of the creditors of the company with a view to minimising losses to creditors, and that these duties belong to the Director individually.
- 12 The Advisors noted that there were certain actions that a Director should take in circumstances where a company is facing financial difficulty, including a Director taking professional advice so that he is aware of his obligations to creditors and meeting regularly as a board in order to review any new material information that has come to light. The Director noted that he was at present taking these steps. The decision to voluntarily commence insolvency proceedings should be taken when the Director's view is that there is no reasonable prospect that the Company could avoid insolvency proceedings.
- 13 It was noted that the Director, having considered the financial, operational and other aspects of the Company's business, and the best course of action to maximize value, has determined that it is advisable, desirable and in the best interests of the Company and its stakeholders, including its creditors and other interested parties, that the Company proceed with the Restructuring Undertakings and the completion, execution, delivery and /or filing of the Restructuring Documents.
- 14 The Director, by his signature, confirms that he has carefully considered the commencement of the RJ and potential Chapter 15 Proceeding, the potential BVI Provisional Liquidation Proceeding, the Power of Attorney and his own duties as Director.
- 15 The Director hereby adopts the following written resolutions (the **Resolutions**):
  - (a) the Power of Attorney be and is hereby approved, including for the purposes of Regulation 88 of the Articles; that each of the Attorneys is severally appointed, authorized, empowered and directed (1) to represent the Company as attorney-in-fact (*procurador*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor-in-possession) before the Brazilian Court and act as the Company's agent in administering the reorganization of the Company's assets and affairs in the RJ Proceeding, with such person being conferred with *ad judicium* powers in accordance with Article 38 of the Brazilian Civil Procedure Code (*Código de Processo Civil*), and (2) to take, or to cause the taking of, any and all actions with regard to the Restructuring and the Restructuring Documents, as further described in this written consent;
  - (b) that the filing of the RJ proceeding for the Company is approved in all respects, and that each of the Attorneys hereby is authorised, empowered and directed on behalf of the Company to execute the petition to commence the RJ and to cause the same to be filed with the Brazilian Court; that each of the Attorneys be and he hereby is severally authorised, empowered and directed to execute and file all petitions, schedules, lists and other papers and to take any and all actions which they may deem necessary or proper in connection with the RJ Proceeding;

- (c) that Andrew Childe (the **Foreign Representative**) be appointed as the “foreign representative” of the Company’s RJ proceeding, including as that term is defined in section 101(24) of the U.S. Bankruptcy Code, and is authorized to commence, if and when needed, any ancillary or recognition proceeding in support of the Brazilian Judicial Reorganization (a **Supporting Foreign Proceeding**), including to file the petition for Chapter 15 relief with the Bankruptcy Court for the Southern District of New York (the U.S. Bankruptcy Court), and is hereby authorised to take all such actions on behalf of the Company (to the extent allowed under applicable law) as necessary for such relief and any further related relief that he deems prudent to seek in any Supporting Foreign Proceeding, and therein any and all relief available to a “foreign representative” under the U.S. Bankruptcy Code, and to act as the Company’s agent in administering the reorganization of the Company’s assets and affairs in a Supporting Foreign Proceeding;
- (d) that the Company is hereby authorised to file with the BVI court, if and when needed, an originating application for the appointment of a liquidator or joint liquidators, and to the extent necessary, an ordinary application for the appointment of a provisional liquidator or joint provisional liquidators; and that in such event, Eleanor Fisher and Paul Pretlove be nominated for appointment by the Courts of the BVI to act as liquidators or joint provisional liquidators of the Company as the case may be, subject to the Company receiving a BVI law compliant consent to act as such from each of Eleanor Fisher and Paul Pretlove; and
- (e) all actions heretofore taken consistent with the purpose and intent of the foregoing resolutions are hereby authorised, ratified, approved, confirmed and adopted in all respects as the acts and deeds of the Company as fully as if such actions had been presented to the Director for its prior approval, including, but not limited to, all such actions taken by any director, officer or employee of the Company;
- (f) that the Director be and is hereby authorised severally to execute the Power of Attorney, under hand or under the common seal of the Company (or otherwise as a deed) as appropriate, for and on behalf of the Company, with such amendments (substantive or otherwise) as he or she sees fit.

*Signature page follows.*



.....  
Michael Pearson

5 December 2018  
Date signed



**SCHEDULE**

**Companies of which Michael Pearson is a director**

Amaralina Star Ltd.  
Laguna Star Ltd.  
Alpha Star Equities Ltd.  
Brava Star Ltd.  
Constellation Overseas Ltd.  
Constellation Services Ltd.  
Gold Star Equities Ltd.  
Snover International Inc.  
Lone Star Offshore Ltd.  
Olinda Star Ltd.  
Lancaster Projects Corp.  
Star International Drilling Limited

**Star International Drilling Limited**

**Company registration number: 56867**

**(the Company)**

Written resolutions of the sole director (the **Director**) of the Company adopted pursuant to the Company's Articles of Association (the **Articles**).

**Judicial reorganisation in Brazil and Chapter 15 filing**

- 1 It was noted that the Company, a non-resident company incorporated in the Cayman Islands, is part of a worldwide group of companies, whose holding company is Constellation Oil Services Holding S.A.<sup>1</sup> (the **Parent**, and together with its subsidiaries the **Constellation Group**). It was noted that the Parent has consented to the resolutions adopted herein.
- 2 It is noted that, as a result of the difficult financial situation which the Company and Constellation Group currently faces, the Director has investigated, discussed, and considered all options for addressing the Company's financial challenges and, after consultation with the Company's management and financial and legal advisors, and having had opportunity to ask questions and receive satisfactory answers from such management and advisors, has determined that it is advisable and in the best interest of the Company (1) to undertake a restructuring of its capital structure (the **Restructuring**) and (2) to engage in certain other transactions related to the Restructuring as set forth below.
- 3 It was noted that, as a result of the upcoming maturity of certain of the Constellation Group's indebtedness, the directors of certain members of the Constellation Group had reviewed the materials presented by the management and the advisors of the Company and had reviewed and discussed the financial and operational condition of the Company, the liabilities and liquidity situation of the Company, the strategic alternatives available to it and the impact of the foregoing on the Company's businesses.
- 4 It was noted that the Director has had the opportunity to consult with the management and the advisors of the Company and fully considered each of the strategic alternatives available to the Company, including pursuing a reorganization through (1) a judicial reorganization (*recuperação judicial*) under Brazilian Federal Law Nº 11.101 of February 9, 2005 (the **RJ**) and/ or (2), if and when needed, a proceeding under chapter 15 (Chapter 15) of title 11 of the United States Code (the **U.S. Bankruptcy Code**) and if and when needed, a proceeding under the Companies Law (2018 Revision) for the appointment of provisional liquidators (the **Cayman Provisional Liquidation Proceeding**).
- 5 It was noted that the Director, having considered the financial, operational and other aspects of the Company's business and in view of the fact that, among other reasons, the main operations of the Constellation Group are centered in Brazil, the Director has determined that it is advisable for fairness, efficiency of administration, and for protection and maximization of the value of the Company's assets, and therefore in the best interest

---

<sup>1</sup> Formerly known as QGOG Constellation S.A.

- of the Company, to implement the Restructuring by (1) commencing an RJ proceeding in the bankruptcy court in Rio de Janeiro, Brazil (the **Brazilian Court**), (2) if and when needed, commencing a proceeding under Chapter 15 (the **Chapter 15 Proceeding**), and (3) if and when needed the Cayman Provisional Liquidation Proceeding and (4) undertaking and consummating all other necessary, proper and desirable transactions required to commence and facilitate the RJ and (if and when needed) the Chapter 15 Proceeding and/or Cayman Provisional Liquidation Proceeding, including, without limitation, appointing one or more attorneys-in-fact (*procuradores*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor in possession) before the Brazilian Court and in connection with the RJ (the **Restructuring Undertakings**).
- 6 It was noted that the Director has determined that it is advisable and in the best interest of the Company to negotiate and /or prepare, enter into, execute, verify, file and /or deliver (1) petitions to commence the RJ and/ or (if and when needed) a Chapter 15 Proceeding, and (if and when needed) the Cayman Provisional Liquidation Proceeding (2) such other documents necessary to effect the Restructuring Undertakings (all of the foregoing (1) through (2), collectively the **Restructuring Documents**).
- 7 It was noted that financial and legal advisors including Houlihan Lokey, Alvarez & Marsal Holdings, LLC, White & Case LLP, Ogier and Loyens & Loeff N.V. (the **Advisors**) had been appointed by the Constellation Group to assist the Constellation Group in coordinating the proposed Restructuring Documents.
- 8 It was noted the Company proposed to grant a power of attorney (the **Power of Attorney**) to each of Flavio Galdino, Cristina Biancastelli, Isabel Picot França, Vanessa Fernandes Figueira Rodrigues, Julianne Zanconato, Ivana Harter Albuquerque (each an **Attorney** and together the **Attorneys**), all members of the law firm Galdino Coelho Advogados, in order to empower each of them to act on behalf of the Company in connection with the RJ and in particular, to attend court on behalf of the Company. It was noted that the Attorneys were to be appointed for 60 months but that this could be revoked at any time by the Company on written notice.
- 9 The Director has been provided with substantially final drafts of the RJ and Chapter 15 petitions and the court papers prepared to seek the appointment of liquidators and/or provisional liquidators over certain of the Company's related companies also within the Constellation Group and established in the British Virgin Islands which are intended to be used to prepare the necessary court papers to commence the/ Cayman Provisional Liquidation Proceeding in relation to the Company and the Power of Attorney. The Director confirms by his signature below that he has reviewed the documents and wishes to make no amendments. The Director confirms that he will keep the Power of Attorney and the actions taken thereunder under continuous review.
- 10 The Director confirmed that he had no interest in any of the matters the subject of these resolutions, other than confirming that he is also a director of the entities listed in the Schedule.
- 11 The Director has taken advice from the Advisors on directors' duties in circumstances where a company is financially distressed and facing liquidity issues. The Director has

been advised that where a company is insolvent or likely to become insolvent, there is an obligation on the directors to act in the best interests of the creditors of the company with a view to minimising losses to creditors, and that these duties belong to the Director individually.

- 12 The Advisors noted that there were certain actions that the Director should take in circumstances where a company is facing financial difficulty, including the Director taking professional advice so that he is aware of his obligations to creditors and meeting regularly as a board in order to review any new material information that has come to light. The Director noted that he was at present taking these steps. The decision to voluntarily commence insolvency proceedings should be taken when the Director's view is that there is no reasonable prospect that the Company could avoid insolvency proceedings.
- 13 It was noted that the Director, having considered the financial, operational and other aspects of the Company's business, and the best course of action to maximize value, has determined that it is advisable, desirable and in the best interests of the Company and its stakeholders, including its creditors and other interested parties, that the Company proceed with the Restructuring Undertakings and the completion, execution, delivery and / or filing of the Restructuring Documents.
- 14 The Director by his signature confirms that he has carefully considered the commencement of the RJ and potential Chapter 15 Proceeding, the potential Cayman Provisional Liquidation Proceeding, the Power of Attorney and his own duties as Director.
- 15 The Director, does hereby adopt the following written resolutions (the **Resolutions**):
  - (a) the Power of Attorney be and is hereby approved, including for the purposes of the Articles; and that each of the Attorneys is severally appointed, authorized, empowered and directed (1) to represent the Company as attorney-in-fact (*procurador*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor-in-possession) before the Brazilian Court and act as the Company's agent in administering the reorganization of the Company's assets and affairs in the RJ proceeding, with such person being conferred with *ad judicia* powers in accordance with Article 38 of the Brazilian Civil Procedure Code (*Código de Processo Civil*), and (2) to take, or to cause the taking of, any and all actions with regard to the Restructuring and the Restructuring Documents, as further described in this written consent;
  - (b) that the filing of the RJ proceeding for the Company is approved in all respects, and that each of the Attorneys hereby is authorised, empowered and directed on behalf of the Company, to execute the petition to commence the RJ and to cause the same to be filed with the Brazilian Court; that each of the Attorneys hereby is severally, authorised, empowered and directed to execute and file all petitions, schedules, lists and other papers and to take any and all actions which he or she may deem necessary or proper in connection with the RJ proceeding;
  - (c) that Michael Pearson (the **Foreign Representative**) hereby is appointed as the "foreign representative" of the Company's RJ proceeding, including as that term is

defined in section 101(24) of the U.S. Bankruptcy Code, and is authorized to commence, if and when needed, any ancillary or recognition proceeding in support of the Brazilian Judicial Reorganization (a Supporting Foreign Proceeding), including to file the petition for Chapter 15 relief with the Bankruptcy Court for the Southern District of New York (the U.S. Bankruptcy Court), and is hereby authorised to take all such actions on behalf of the Company (to the extent allowed under applicable law) as necessary for such relief and any further related relief he deems prudent to seek in any Supporting Foreign Proceeding, and therein any and all relief available to a "foreign representative" under the U.S. Bankruptcy Code, and to act as the Company's agent in administering the reorganization of the Company's assets and affairs in any Supporting Foreign Proceeding;

- (d) that the Director be and is hereby authorised severally to execute the Power of Attorney, under hand or under the common seal of the Company (or otherwise as a deed) as appropriate, for and on behalf of the Company, with such amendments (substantive or otherwise) as he or she sees fit; and
- (e) to file with the Cayman court, if and when needed, a petition seeking the appointment of joint liquidators over the Company, and to the extent necessary, a summons for the appointment of joint provisional liquidators over the Company; and that in such event, Eleanor Fisher and Paul Pretlove be nominated for appointment by the Cayman courts to act as liquidators and/or joint provisional liquidators of the Company as the case may be, subject to the Company receiving a Cayman law compliant consent to act as such from each of Eleanor Fisher and Paul Pretlove; and
- (f) all actions heretofore taken consistent with the purpose and intent of the foregoing resolutions are hereby authorised, ratified, approved, confirmed and adopted in all respects as the acts and deeds of the Company as fully as if such actions had been presented to the Directors for its prior approval, including, but not limited to, all such actions taken by any director, officer or employee of the Company.

**SCHEDULE**

**Companies of which Michael Pearson is a director**

Amaralina Star Ltd  
Laguna Star Ltd  
Alpha Star Equities Ltd  
Brava Star Ltd  
Constellation Overseas Ltd  
Constellation Services Ltd  
Gold Star Equities Ltd  
Snover International Inc  
Lone Star Offshore Ltd  
Olinda Star Ltd  
Lancaster Projects Corp  
Star International Drilling Limited



.....  
Michael Pearson

5 December 2018  
Date signed

**Alpha Star Equities Ltd.**

**BC Number: 1470114**

**(the Company)**

Written resolution of the sole director (the **Director**) of the Company adopted pursuant to Regulation 96 of the Company's Articles of Association (the **Articles**) and pursuant to Section 129 of the BVI Business Companies Act, 2004 (the **Act**)

**Judicial reorganisation in Brazil and Chapter 15 filing**

- 1 It was noted that the Company is part of a worldwide group of companies, whose holding company is Constellation Oil Services Holding S.A.<sup>1</sup> (the **Parent** and, together with its subsidiaries, the **Constellation Group**). It was noted that the Parent has consented to the resolutions adopted herein.
- 2 It was noted that, as a result of the difficult financial situation which the Company and Constellation Group currently faces, the Director has investigated, discussed, and considered all options for addressing the Company's financial challenges and, after consultation with the Company's management and financial and legal advisors, and having had opportunity to ask questions and receive satisfactory answers from such management and advisors, have determined that it is advisable and in the best interest of the Company (1) to undertake a restructuring of its capital structure (the **Restructuring**) and (2) to engage in certain other transactions related to the Restructuring as set forth below.
- 3 It was noted that, as a result of the Constellation Group's declining financial performance and the upcoming maturity of certain of the Constellation Group's indebtedness, the directors of certain members of the Constellation Group had reviewed the materials presented by the management and the advisors of the Company and had reviewed and discussed the financial and operational condition of the Company, the liabilities and liquidity situation of the Company, the strategic alternatives available to it and the impact of the foregoing on the Company's businesses.
- 4 It was noted that the Director has had the opportunity to consult with the management and the advisors of the Company and fully considered each of the strategic alternatives available to the Company, including pursuing a reorganization through (1) a judicial reorganization (*recuperação judicial*) under Brazilian Federal Law N° 11.101 of February 9, 2005 (the **RJ**) and (2), if and when needed, a proceeding under chapter 15 (**Chapter 15**) of title 11 of the United States Code (the **U.S. Bankruptcy Code**), and (3), if and when needed, a proceeding under the BVI Insolvency Act for the appointment of provisional liquidators (the **BVI Provisional Liquidation**).
- 5 It was noted that the Director, having considered the financial, operational and other aspects of the Company's business and in view of the fact that, among other reasons, the main operations of the Constellation Group are centered in Brazil, the Director has determined that it is advisable for fairness, efficiency of administration, and for protection

---

<sup>1</sup> Formerly known as QGOG Constellation S.A.



- and maximization of the value of the Company's assets, and therefore in the best interest of the Company, to implement the Restructuring by (1) commencing an RJ proceeding in the bankruptcy court in Rio de Janeiro, Brazil (the **Brazilian Court**), (2) if and when needed, commencing a proceeding under Chapter 15 (the **Chapter 15 Proceeding**), (3) if and when needed, commencing a proceeding under the BVI Insolvency Act for the appointment of provisional liquidators (the **BVI Provisional Liquidation Proceeding**), and (4) undertaking and consummating all other necessary, proper and desirable transactions required to commence and facilitate the RJ and, if and when needed, the Chapter 15 and/ or BVI Provisional Liquidation Proceeding, including, without limitation, appointing one or more attorneys-in-fact (*procuradores*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor in possession) before the Brazilian Court and in connection with the RJ (the **Restructuring Undertakings**).
- 6 It was noted that the Director has determined that it is advisable and in the best interest of the Company to negotiate and /or prepare, enter into, execute, verify, file and /or deliver (1) petitions to commence the RJ and (if and when needed) a Chapter 15 Proceeding and/ or BVI Provisional Liquidation Proceeding, and (2) such other documents necessary to effect the Restructuring Undertakings (all of the foregoing (1) through (2), collectively the **Restructuring Documents**).
- 7 It was noted that financial and legal advisors, including Houlihan Lokey, Alvarez & Marsal Holdings, LLC, White & Case LLP, Ogier and Loyens & Loeff N.V. (the **Advisors**), had been appointed by the Constellation Group to assist the Constellation Group in coordinating the proposed Restructuring Documents.
- 8 It was noted the Company proposed to grant a power of attorney (the **Power of Attorney**) to each of Flavio Galdino, Cristina Biancastelli, Isabel Picot França, Vanessa Fernandes Figueira Rodrigues, Julianne Zanconato and Ivana Harter Albuquerque (each an **Attorney** and together the **Attorneys**), all members of the law firm Galdino Coelho Advogados, in order to empower each of them to act on behalf of the Company in connection with the RJ and in particular, to attend court on behalf of the Company. It was noted that the Attorneys were to be appointed for 60 months but that this could be revoked at any time by the Company on written notice.
- 9 The Director has been provided with substantially final drafts of the RJ, Chapter 15 petition and BVI Provisional Liquidation documents and the Power of Attorney. The Director confirms by his signature below that he has reviewed the documents and wishes to make no amendments. The Director also confirms that he will keep the Power of Attorney and the actions taken there under continuous review.
- 10 The Director confirmed, for the purposes of Section 124 of the BVI Business Companies Act, 2004 (as amended) (the **Act**), that he had no interest in any of the matters the subject of these resolutions, other than as a director of the Company and as a director of the entities listed in the Schedule to these resolutions.
- 11 The Director has taken advice from the Advisors on directors' duties in circumstances where a company is financially distressed and facing liquidity issues. The Director has been advised that where a company is insolvent or likely to become insolvent, there is an

obligation on the directors to act in the best interests of the creditors of the company with a view to minimising losses to creditors, and that these duties belong to the Director individually.

- 12 The Advisors noted that there were certain actions that a Director should take in circumstances where a company is facing financial difficulty, including a Director taking professional advice so that he is aware of his obligations to creditors and meeting regularly as a board in order to review any new material information that has come to light. The Director noted that he was at present taking these steps. The decision to voluntarily commence insolvency proceedings should be taken when the Director's view is that there is no reasonable prospect that the Company could avoid insolvency proceedings.
- 13 It was noted that the Director, having considered the financial, operational and other aspects of the Company's business, and the best course of action to maximize value, has determined that it is advisable, desirable and in the best interests of the Company and its stakeholders, including its creditors and other interested parties, that the Company proceed with the Restructuring Undertakings and the completion, execution, delivery and /or filing of the Restructuring Documents.
- 14 The Director, by his signature, confirms that he has carefully considered the commencement of the RJ and potential Chapter 15 Proceeding, the potential BVI Provisional Liquidation Proceeding, the Power of Attorney and his own duties as Director.
- 15 The Director hereby adopts the following written resolutions (the **Resolutions**):
  - (a) the Power of Attorney be and is hereby approved, including for the purposes of Regulation 88 of the Articles; that each of the Attorneys is severally appointed, authorized, empowered and directed (1) to represent the Company as attorney-in-fact (*procurador*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor-in-possession) before the Brazilian Court and act as the Company's agent in administering the reorganization of the Company's assets and affairs in the RJ Proceeding, with such person being conferred with *ad judicium* powers in accordance with Article 38 of the Brazilian Civil Procedure Code (*Código de Processo Civil*), and (2) to take, or to cause the taking of, any and all actions with regard to the Restructuring and the Restructuring Documents, as further described in this written consent;
  - (b) that the filing of the RJ proceeding for the Company is approved in all respects, and that each of the Attorneys hereby is authorised, empowered and directed on behalf of the Company to execute the petition to commence the RJ and to cause the same to be filed with the Brazilian Court; that each of the Attorneys be and he hereby is severally authorised, empowered and directed to execute and file all petitions, schedules, lists and other papers and to take any and all actions which they may deem necessary or proper in connection with the RJ Proceeding;
  - (c) that Andrew Childe (the **Foreign Representative**) be appointed as the "foreign representative" of the Company's RJ proceeding, including as that term is defined in section 101(24) of the U.S. Bankruptcy Code, and is authorized to commence, if

and when needed, any ancillary or recognition proceeding in support of the Brazilian Judicial Reorganization (a **Supporting Foreign Proceeding**), including to file the petition for Chapter 15 relief with the Bankruptcy Court for the Southern District of New York (the U.S. Bankruptcy Court), and is hereby authorised to take all such actions on behalf of the Company (to the extent allowed under applicable law) as necessary for such relief and any further related relief that he deems prudent to seek in any Supporting Foreign Proceeding, and therein any and all relief available to a "foreign representative" under the U.S. Bankruptcy Code, and to act as the Company's agent in administering the reorganization of the Company's assets and affairs in a Supporting Foreign Proceeding;

- (d) that the Company is hereby authorised to file with the BVI court, if and when needed, an originating application for the appointment of a liquidator or joint liquidators, and to the extent necessary, an ordinary application for the appointment of a provisional liquidator or joint provisional liquidators; and that in such event, Eleanor Fisher and Paul Pretlove be nominated for appointment by the Courts of the BVI to act as liquidators or joint provisional liquidators of the Company as the case may be, subject to the Company receiving a BVI law compliant consent to act as such from each of Eleanor Fisher and Paul Pretlove;
- (e) all actions heretofore taken consistent with the purpose and intent of the foregoing resolutions are hereby authorised, ratified, approved, confirmed and adopted in all respects as the acts and deeds of the Company as fully as if such actions had been presented to the Director for its prior approval, including, but not limited to, all such actions taken by any director, officer or employee of the Company; and
- (f) that the Director be and is hereby authorised severally to execute the Power of Attorney, under hand or under the common seal of the Company (or otherwise as a deed) as appropriate, for and on behalf of the Company, with such amendments (substantive or otherwise) as he or she sees fit.

*Signature page follows.*



.....  
Michael Pearson

5 December 2018  
Date signed

**SCHEDULE**

**Companies of which Michael Pearson is a director**

Amaralina Star Ltd.  
Laguna Star Ltd.  
Alpha Star Equities Ltd.  
Brava Star Ltd.  
Constellation Overseas Ltd.  
Constellation Services Ltd.  
Gold Star Equities Ltd.  
Snover International Inc.  
Lone Star Offshore Ltd.  
Olinda Star Ltd.  
Lancaster Projects Corp.  
Star International Drilling Limited

**Snover International Inc.**

**BC Number: 1408260**

**(the Company)**

Written resolutions of the sole director (the **Director**) of the Company adopted pursuant to Regulation 96 of the Company's Articles of Association (the **Articles**) and pursuant to Section 129 of the BVI Business Companies Act, 2004 (the **Act**)

**Judicial reorganisation in Brazil and Chapter 15 filing**

- 1 It was noted that the Company is part of a worldwide group of companies, whose holding company is Constellation Oil Services Holding S.A.<sup>1</sup> (the **Parent** and, together with its subsidiaries, the **Constellation Group**). It was noted that the Parent has consented to the resolutions adopted herein.
- 2 It was noted that, as a result of the difficult financial situation which the Company and Constellation Group currently faces, the Director has investigated, discussed, and considered all options for addressing the Company's financial challenges and, after consultation with the Company's management and financial and legal advisors, and having had opportunity to ask questions and receive satisfactory answers from such management and advisors, have determined that it is advisable and in the best interest of the Company (1) to undertake a restructuring of its capital structure (the **Restructuring**) and (2) to engage in certain other transactions related to the Restructuring as set forth below.
- 3 It was noted that, as a result of the Constellation Group's declining financial performance and the upcoming maturity of certain of the Constellation Group's indebtedness, the directors of certain members of the Constellation Group had reviewed the materials presented by the management and the advisors of the Company and had reviewed and discussed the financial and operational condition of the Company, the liabilities and liquidity situation of the Company, the strategic alternatives available to it and the impact of the foregoing on the Company's businesses.
- 4 It was noted that the Director has had the opportunity to consult with the management and the advisors of the Company and fully considered each of the strategic alternatives available to the Company, including pursuing a reorganization through (1) a judicial reorganization (*recuperação judicial*) under Brazilian Federal Law N° 11.101 of February 9, 2005 (the **RJ**) and (2), if and when needed, a proceeding under chapter 15 (**Chapter 15**) of title 11 of the United States Code (the **U.S. Bankruptcy Code**), and (3), if and when needed, a proceeding under the BVI Insolvency Act for the appointment of provisional liquidators (the **BVI Provisional Liquidation**).
- 5 It was noted that the Director, having considered the financial, operational and other aspects of the Company's business and in view of the fact that, among other reasons, the

---

<sup>1</sup> Formerly known as QGOG Constellation S.A.

- main operations of the Constellation Group are centered in Brazil, the Director has determined that it is advisable for fairness, efficiency of administration, and for protection and maximization of the value of the Company's assets, and therefore in the best interest of the Company, to implement the Restructuring by (1) commencing an RJ proceeding in the bankruptcy court in Rio de Janeiro, Brazil (the **Brazilian Court**), (2) if and when needed, commencing a proceeding under Chapter 15 (the **Chapter 15 Proceeding**), (3) if and when needed, commencing a proceeding under the BVI Insolvency Act for the appointment of provisional liquidators (the **BVI Provisional Liquidation Proceeding**), and (4) undertaking and consummating all other necessary, proper and desirable transactions required to commence and facilitate the RJ and, if and when needed, the Chapter 15 and/ or BVI Provisional Liquidation Proceeding, including, without limitation, appointing one or more attorneys-in-fact (*procuradores*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor in possession) before the Brazilian Court and in connection with the RJ (the **Restructuring Undertakings**).
- 6 It was noted that the Director has determined that it is advisable and in the best interest of the Company to negotiate and /or prepare, enter into, execute, verify, file and /or deliver (1) petitions to commence the RJ and (if and when needed) a Chapter 15 Proceeding and/ or BVI Provisional Liquidation Proceeding, and (2) such other documents necessary to effect the Restructuring Undertakings (all of the foregoing (1) through (2), collectively the **Restructuring Documents**).
- 7 It was noted that financial and legal advisors, including Houlihan Lokey, Alvarez & Marsal Holdings, LLC, White & Case LLP, Ogier and Loyens & Loeff N.V. (the **Advisors**), had been appointed by the Constellation Group to assist the Constellation Group in coordinating the proposed Restructuring Documents.
- 8 It was noted the Company proposed to grant a power of attorney (the **Power of Attorney**) to each of Flavio Galdino, Cristina Biancastelli, Isabel Picot França, Vanessa Fernandes Figueira Rodrigues, Julianne Zanconato and Ivana Harter Albuquerque (each an **Attorney** and together the **Attorneys**), all members of the law firm Galdino Coelho Advogados, in order to empower each of them to act on behalf of the Company in connection with the RJ and in particular, to attend court on behalf of the Company. It was noted that the Attorneys were to be appointed for 60 months but that this could be revoked at any time by the Company on written notice.
- 9 The Director has been provided with substantially final drafts of the RJ, Chapter 15 petition and BVI Provisional Liquidation documents and the Power of Attorney. The Director confirms by his signature below that he has reviewed the documents and wishes to make no amendments. The Director also confirms that he will keep the Power of Attorney and the actions taken there under continuous review.
- 10 The Director confirmed, for the purposes of Section 124 of the BVI Business Companies Act, 2004 (as amended) (the **Act**), that he had no interest in any of the matters the subject of these resolutions, other than as a director of the Company and as a director of the entities listed in the Schedule to these resolutions.

- 11 The Director has taken advice from the Advisors on directors' duties in circumstances where a company is financially distressed and facing liquidity issues. The Director has been advised that where a company is insolvent or likely to become insolvent, there is an obligation on the directors to act in the best interests of the creditors of the company with a view to minimising losses to creditors, and that these duties belong to the Director individually.
- 12 The Advisors noted that there were certain actions that a Director should take in circumstances where a company is facing financial difficulty, including a Director taking professional advice so that he is aware of his obligations to creditors and meeting regularly as a board in order to review any new material information that has come to light. The Director noted that he was at present taking these steps. The decision to voluntarily commence insolvency proceedings should be taken when the Director's view is that there is no reasonable prospect that the Company could avoid insolvency proceedings.
- 13 It was noted that the Director, having considered the financial, operational and other aspects of the Company's business, and the best course of action to maximize value, has determined that it is advisable, desirable and in the best interests of the Company and its stakeholders, including its creditors and other interested parties, that the Company proceed with the Restructuring Undertakings and the completion, execution, delivery and /or filing of the Restructuring Documents.
- 14 The Director, by his signature, confirms that he has carefully considered the commencement of the RJ and potential Chapter 15 Proceeding, the potential BVI Provisional Liquidation Proceeding, the Power of Attorney and his own duties as Director.
- 15 The Director hereby adopts the following written resolutions (the **Resolutions**):
  - (a) the Power of Attorney be and is hereby approved, including for the purposes of Regulation 88 of the Articles; that each of the Attorneys is severally appointed, authorized, empowered and directed (1) to represent the Company as attorney-in-fact (*procurador*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor-in-possession) before the Brazilian Court and act as the Company's agent in administering the reorganization of the Company's assets and affairs in the RJ Proceeding, with such person being conferred with *ad judicia* powers in accordance with Article 38 of the Brazilian Civil Procedure Code (*Código de Processo Civil*), and (2) to take, or to cause the taking of, any and all actions with regard to the Restructuring and the Restructuring Documents, as further described in this written consent;
  - (b) that the filing of the RJ proceeding for the Company is approved in all respects, and that each of the Attorneys hereby is authorised, empowered and directed on behalf of the Company to execute the petition to commence the RJ and to cause the same to be filed with the Brazilian Court; that each of the Attorneys be and he hereby is severally authorised, empowered and directed to execute and file all petitions, schedules, lists and other papers and to take any and all actions which they may deem necessary or proper in connection with the RJ Proceeding;



- (c) that Andrew Childe (the **Foreign Representative**) be appointed as the “foreign representative” of the Company’s RJ proceeding, including as that term is defined in section 101(24) of the U.S. Bankruptcy Code, and is authorized to commence, if and when needed, any ancillary or recognition proceeding in support of the Brazilian Judicial Reorganization (a **Supporting Foreign Proceeding**), including to file the petition for Chapter 15 relief with the Bankruptcy Court for the Southern District of New York (the U.S. Bankruptcy Court), and is hereby authorised to take all such actions on behalf of the Company (to the extent allowed under applicable law) as necessary for such relief and any further related relief that he deems prudent to seek in any Supporting Foreign Proceeding, and therein any and all relief available to a “foreign representative” under the U.S. Bankruptcy Code, and to act as the Company’s agent in administering the reorganization of the Company’s assets and affairs in a Supporting Foreign Proceeding;
- (d) that the Company is hereby authorised to file with the BVI court, if and when needed, an originating application for the appointment of a liquidator or joint liquidators, and to the extent necessary, an ordinary application for the appointment of a provisional liquidator or joint provisional liquidators; and that in such event, Eleanor Fisher and Paul Pretlove be nominated for appointment by the Courts of the BVI to act as liquidators or joint provisional liquidators of the Company as the case may be, subject to the Company receiving a BVI law compliant consent to act as such from each of Eleanor Fisher and Paul Pretlove;
- (e) all actions heretofore taken consistent with the purpose and intent of the foregoing resolutions are hereby authorised, ratified, approved, confirmed and adopted in all respects as the acts and deeds of the Company as fully as if such actions had been presented to the Director for its prior approval, including, but not limited to, all such actions taken by any director, officer or employee of the Company; and
- (f) that the Director be and is hereby authorised severally to execute the Power of Attorney, under hand or under the common seal of the Company (or otherwise as a deed) as appropriate, for and on behalf of the Company, with such amendments (substantive or otherwise) as he or she sees fit.

*Signature page follows.*



.....  
Michael Pearson

5 December 2018  
Date signed

**SCHEDULE**

**Companies of which Michael Pearson is a director**

Amaralina Star Ltd.  
Laguna Star Ltd.  
Alpha Star Equities Ltd.  
Brava Star Ltd.  
Constellation Overseas Ltd.  
Constellation Services Ltd.  
Gold Star Equities Ltd.  
Snover International Inc.  
Lone Star Offshore Ltd.  
Olinda Star Ltd.  
Lancaster Projects Corp.  
Star International Drilling Limited

**Arazi S. à r.l.**  
*Société à responsabilité limitée*  
Siège social: 8-10, avenue de la Gare  
L- 1610 Luxembourg, Grand-Duché de Luxembourg  
R.C.S. Luxembourg: B 160.782  
(the **Company**)

---

**MINUTES OF THE MEETING OF THE BOARD OF MANAGERS OF THE COMPANY  
HELD AT THE REGISTERED OFFICE OF THE COMPANY ON 5 DECEMBER 2018,  
AT 6:30PM (CET)**

---

**I. ATTENDANCE**

This meeting of the board of managers of the Company (the **Board**) is opened at the registered office of the Company in the presence of:

- **Paul de Quant**, manager (attending by conference call)
- **Sébastien François**, manager (attending by conference call)

(collectively, the **Managers** and each individually a **Manager**).

Also in attendance:

- **Carlos Parcias**, Consultant (attending by telephone conference);
- **Andrea Rangel de Azeredo**, Head of Finance and IR (attending by telephone conference);
- **Claudia Mathias Bueno Hesse**, General Counsel (attending by telephone conference);
- **Fabrizzia Chinaglia da Costa Lima**, Legal Manager (attending by telephone conference);
- **Gavin Kagan**, financial advisor (attending by telephone conference);
- **Anne-Marie Nicolas**, counsel for the Company (attending by telephone conference);
- **John Cunningham**, counsel for the Company (attending by telephone conference);
- **Thomas MacWright**, counsel for the Company (attending by telephone conference);  
and
- **Flavio Galdino**, counsel for the Company (attending by telephone conference).

With the approval of the meeting of the Board, Sébastien François presides as chairman of the meeting (the **Chairman**).

The Chairman declares and the meeting agrees:

- that all Managers have been duly informed on all the items of the agenda below prior to the meeting;
- that all convening formalities or procedures are waived;

- that the present meeting is duly constituted in accordance with the Articles and the provisions of the Luxembourg law and can therefore validly deliberate on the agenda set forth below.

## II. **AGENDA**

1. Update on the Restructuring (as defined below);
2. Approval of the Restructuring Filing (as defined below);
3. Appointment of authorized signatories; and
4. Miscellaneous.

## III. **BACKGROUND**

The Board recalls that the sole shareholder of the Company, Constellation Oil Services Holding S.A (previously QGOG Constellation S.A.) (the **Shareholder**) is the issuer of 9.5% Senior Notes due 2024 (the **2024 Notes**) and 6.25% Senior Notes due 2019 (the **2019 Notes** and, together with the 2024 Notes, the **Notes**).

The Board further recalls that the Shareholder has interest payments due under the 2024 Notes and 2019 Notes, in the amount of 27,300,000 USD and 3,000,000 USD, respectively, on November 9<sup>th</sup>, 2018 (the **Interest Payments**). Under the terms of each of the indentures governing the 2024 Notes and the 2019 Notes, the Shareholder has a 30-day grace period after the November 9<sup>th</sup> interest payment date before the failure to make such payments would mature into an “*Event of Default*” under Section 6.01(2) of the indentures relating to the 2024 Notes and the 2019 Notes unless such default is cured or waived before the expiration of the 30-day grace period on December 9, 2018 (the **Grace Period**). The Shareholder decided to use the Grace Period.

The Board further recalls that the Company has, under the Indenture, granted a guarantee (the **Guarantee**) in respect of the payments owed by the Company under the Notes.

### ***The Restructuring***

It is further noted that the Shareholder and its direct and indirect subsidiaries, including the Company (together, the **Constellation Group**) have been engaging with (1) an informal committee of noteholders that purports to hold over 75% of the principal amount of the 2024 Notes, (2) Banco Bradesco S.A., as one of the principal working capital lenders to the Constellation Group, and (3) the lenders under the Amaralina, Laguna and Brava project facilities (which are projects run by indirect subsidiaries of the Company which benefit or may benefit from a guarantee by the Company) with the intent to restructure the Constellation Group's debt (the **Restructuring**).

It is further noted that the Company and the Constellation Group have continued their operations during such Restructuring negotiations and continue to meet all of their operational obligations in the ordinary course of business.

In light of the fact, among other reasons, that the Constellation Group's main operations are centered in Brazil, the Board has determined that it is advisable for fairness, efficiency of administration, and the protection and maximization of the value of its assets, and therefore in

the best interest of the Company, to implement the restructuring by (1) commencing, together with certain of its affiliates, a proceeding for judicial reorganization (*recuperação judicial*) under Brazilian Federal Law Nº 11.101 of February 9, 2005 (the **RJ**) in the bankruptcy court in Rio de Janeiro, Brazil (the **Brazilian Court**), (2) commencing, if and when needed, a proceeding under chapter 15 (**Chapter 15 Proceeding**) of title 11 of the United States Code (the **U.S. Bankruptcy Code**) in the bankruptcy court for the Southern District of New York (the **U.S. Bankruptcy Court**), and (3) undertaking and consummating all other necessary, proper and desirable undertakings required to commence and facilitate the RJ, the Chapter 15 Proceeding (if and when needed), and related processes including, without limitation, appointing one or more attorneys-in-fact (procuradores) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian-law equivalent of a debtor-in-possession) before the Brazilian Court and in connection with the RJ proceeding

The Board notes that it has reviewed the materials presented by the management of the Constellation Group and the advisors of the Company and has reviewed and discussed the financial and operational condition of the Company, the liabilities and liquidity situation of the Company, the strategic alternatives available to the Company, and the impact of the foregoing on the Company's businesses. The Board also notes that it has been given the benefit of the memorandum on directors liability prepared for the Shareholder and notes in particular its sections on director duties and liability as well as on the insolvency test, which would also apply or be relevant to it.

The Board notes that it has had the opportunity to consult with management and the advisors of the Company and has fully considered each of the strategic alternatives available to the Company including pursuing a reorganization through a RJ proceeding and corresponding Chapter 15 Proceeding.

The Board has determined that it is advisable and in the best interest of the Company to negotiate and/or prepare, enter into, execute, verify, file and/or deliver (1) petitions to commence the RJ Proceeding and, if and when needed, the Chapter 15 Proceeding, and (2) such other documents necessary to effect the Restructuring (all of the foregoing (1) through (2), collectively the **Restructuring Documents**).

After due and careful consideration, the Board notes that it is advisable and in the best interest of the Company to proceed with the Restructuring and the completion, execution, delivery and/or filing of the Restructuring Documents.

#### **IV. DOCUMENTS**

All available information and documents in connection with the Restructuring include, but are not limited to, a presentation entitled "Restructuring Implementation: Judicial Filing Strategies, dated 5 December 2018", and a memorandum on "Duties and liability of the directors of a Luxembourg public limited company (*société anonyme*)" prepared by Loyens & Loeff dated April, 2018.

#### **V. DELIBERATION AND DECLARATIONS**

After having considered and discussed the Restructuring, the Restructuring Documents and the Presentation Documents and taking into account all relevant circumstances and the advice given by the Company's advisors, including Houlihan Lokey, Alvarez & Marsal Holdings, LLC,

White & Case LLP and Loyens & Loeff Luxembourg S.à r.l. (the **Company Advisors**), the members of the Board, acting independently from any third party considerations and without any direct or indirect conflict of interest with any of the matters related to the Restructuring, are of the opinion that the voluntary entering by the Company into a restructuring proceeding by submitting the Restructuring Filing to the relevant courts:

- (i) is in compliance with the Articles and the applicable legal provisions;
- (ii) would not result in any breach of any restriction imposed by law or the Articles; and
- (iii) would materially benefit the Company and would be for the purpose of carrying on its business and would be the best option in order for the Company and its assets to be successfully restructured while preserving value and customers.

**HAVING CAREFULLY REVIEWED AND CONSIDERED THE RESTRUCTURING, THE RESTRUCTURING DOCUMENTS, THE ADVICE OF THE COMPANY ADVISORS AND THE PRESENTATION DOCUMENTS, THE BOARD ADOPTS THE FOLLOWING RESOLUTIONS WHICH IT DEEMS IN THE CORPORATE INTEREST AND FOR THE CORPORATE BENEFIT OF THE COMPANY:**

**FIRST RESOLUTION**

The Board resolves to approve and authorize the Restructuring by the Company.

The Board resolves to approve and authorize the Company's continued engagement and negotiation with its creditors to the extent identified, in connection with the restructuring of its capital structure and its engagement with the Brazilian and (if and when needed) U.S. courts with respect to the Restructuring.

**SECOND RESOLUTION**

The Company's RJ Filing is approved in all respects, and pursuant to a power-of-attorney executed concurrently herewith, the attorneys named therein (the **Authorised Persons**) are hereby authorised, empowered and directed on behalf of the Company (a) to execute the petition seeking relief under the RJ Proceeding and to cause the same to be filed with the Brazilian Bankruptcy Court at such time as the Authorised Person executing such petition shall determine; (b) to file all petitions, schedules, lists and other papers and to take any and all actions which they may deem necessary or proper in connection with the RJ Proceeding; and (c) to represent the Company as attorney-in-fact (*procurador*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor-in-possession) before the Brazilian Court and act as the Company's agent in administering the reorganisation of the Company's assets and affairs in the RJ Proceeding, with each such person being conferred with *ad judicium* powers in accordance with Article 38 of the Brazilian Civil Procedure Code (*Código de Processo Civil*);

**THIRD RESOLUTION**

The Board resolves to appoint Mr. Andrew Childe (the **Foreign Representative**) as the foreign representative of the Company's RJ (as the term is defined in section 101(24) of the U.S. Bankruptcy Code), with full power of substitution, in the name and for the account of the

Company, and undertakes to ratify and indemnify any costs or expenses properly incurred by the Foreign Representative, and authorizes, empowers and entitles the Foreign Representative:

- (i) to file, if and when needed, the petition for chapter 15 relief with the U.S. Bankruptcy Court and to commence the Chapter 15 Proceeding on behalf of the Company, and to take all such actions on behalf of the Company as necessary for such relief being granted in the Chapter 15 Proceeding, including for the purpose of seeking any relief available to a "foreign representative" according to the terms of the U.S. Bankruptcy Code, and to act as the Company's agent in administering the reorganization of the Company's assets and affairs in the Chapter 15 Proceeding; and it is further;
- (ii) subsequently to execute and file all petitions, schedules, lists, and other papers and to take any and all actions which the Foreign Representative may deem necessary or proper in connection with the Chapter 15 Proceeding, and in connection therewith for the Foreign Representative to retain and employ all assistance by legal counsel, financial advisors or other professionals and advisors, which the Foreign Representative may deem necessary or proper with a view to the successful resolution of the Chapter 15 Proceeding.

#### **FOURTH RESOLUTION**

The Board further resolves that:

- (i) all acts lawfully done or actions lawfully taken by an Authorized Person or the Foreign Representative to file the RJ proceeding related proceedings, and the Chapter 15 Proceeding or any manner related thereto, respectively, are hereby in all respects ratified, confirmed and approved; and
- (ii) the Authorised Persons with respect to the Brazilian Judicial Reorganisation, and the Foreign Representative with respect to the Chapter 15 Proceeding, are hereby authorized, at such time as each may determine, (1) to seek orders from the applicable court, including without limitation, orders pertaining to the operation of the business of the Company and the financing thereof; (2) to receive and grant quittances; (3) to enter into settlement and other agreements; (4) to commence, acknowledge, settle, defend against and desist from proceedings and counter-proceedings; and (5) to undertake all actions as each may deem necessary or advisable and in the best interest of the Company during the pendency of the applicable restructuring proceeding as are reasonably related to, incident to, or which will serve to facilitate or otherwise benefit of the Company with respect to the Restructuring Undertakings (collectively, the "**Activities**"), including, without limitation, modification, extension or expansion of the Restructuring Documents and of any Activities resulting therefrom, in each case as such Authorised Person or the Foreign Representative, as applicable, shall approve;
- (iii) the Authorized Persons and the Foreign Representative are hereby authorized and empowered to retain, on behalf of the Company, attorneys, financial advisors, communications and public relations consultants, investment bankers, accountants, restructuring professionals, financial advisors and other professionals to assist in the Company's RJ proceeding and Chapter 15 Proceeding, respectively, upon such terms and conditions as each shall approve, to assist the Company in connection with the RJ proceeding and Chapter 15 Proceeding,



respectively, on such terms as are deemed by each (respectively) necessary, proper and desirable;

(iv) all actions heretofore taken consistent with the purpose and intent of the foregoing resolutions are hereby authorized, ratified, approved, confirmed and adopted in all respects as the acts and deeds of the Company as fully as if such actions had been presented to the Board for its prior approval, including, but not limited to, all such actions taken by any manager, officer or employee of the Company;

(v) each of the Authorized Persons and the Foreign Representative is hereby granted the power, at his or her own discretion, to appoint or remove any substitutes in connection with any of the aforesaid purposes upon such terms as each, as applicable, deems proper, as well as the power to delegate each and every one of the powers contemplated by the foregoing resolutions;

(vi) any person dealing with the Authorized Persons and the Foreign Representative authorized by the foregoing resolutions in connection with any of the foregoing matters shall be conclusively entitled to rely upon the authority of each, including his or her execution in the name or on behalf of the Company, of any document, agreement or instrument, the same being a valid and binding obligation of the Company enforceable in accordance with its terms;

(vii) these resolutions may be executed in counterpart, and if different counterparts shall bear different dates, then these resolutions shall take effect on the latest date on any such counterpart; and

(viii) the Board further resolves to ratify, to the extent necessary, the execution of any documents in connection with or contemplated by the Restructuring, including any documents ancillary thereto, as well as the performance of all acts carried out or required in connection therewith, or contemplated thereby.


#### **FIFTH RESOLUTION**

The Board resolves to approve the issuance by any manager of the Company of one or several certified copies of the present resolutions in order to evidence the due authorization and empowerment of the persons appointed as Authorized Signatories by virtue of the above resolutions.

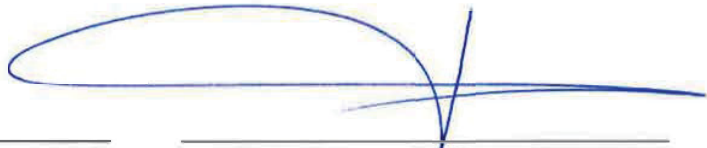
#### **VI. CLOSE OF BUSINESS**

There being no further business, the meeting was closed at 6:30PM (CET).

***[Remainder of page intentionally left blank. Signature page follows.]***



Name: Paul de Quant  
Title: Manager A



Name: Sebastien François  
Title: Manager B

**Constellation Oil Services Holding S.A<sup>1</sup>**

*Société Anonyme*

Siège social: 8-10, avenue de la Gare

L- 1610 Luxembourg, Grand-Duché de Luxembourg

R.C.S. Luxembourg: B 163.424

(the **Company**)

---

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY  
HELD AT THE REGISTERED OFFICE OF THE COMPANY ON DECEMBER 5, 2018, AT  
5:00PM (CET)**

---

**I. ATTENDANCE**

This meeting of the board of directors of the Company (the **Board**) is opened at the registered office of the Company in the presence of:

- **Luiz Rodolfo Landim Machado**, class A director (attending by proxy via power of attorney granted to Antonio Augusto De Queiroz Galvao);
- **Maria Claudia Mello Guimarães**, class A director (attending by telephone conference);
- **Guilherme De Araujo Lins**, class B director (attending by telephone conference);
- **Sébastien François**, class B director, present; and
- **Marcos Grodetzky**, class B director (attending by proxy via power of attorney granted to Guilherme De Araujo Lins)
- **Paul de Quant**, class B director (attending by proxy via power of attorney granted to Sébastien François)

(collectively, the **Directors** and each individually, a **Director**).

With the approval of the Board, Luiz Rodolfo Landim Machado presides as chairman of the meeting (the **Chairman**).

The Chairman declares and the attendees of the meeting agree:

- that all Directors have been duly informed of all the items of the agenda below prior to the meeting;
- that all convening formalities or procedures are waived;
- that the present meeting is duly constituted in accordance with the articles of association of the Company (the **Articles**) and the provisions of the applicable Luxembourg law, and that the Directors can therefore validly deliberate on the agenda set forth below.

---

<sup>1</sup> Formerly known as QGOG Constellation S.A.

## **II. AGENDA**

1. Update on the Restructuring (as defined below);
2. Approval of the Restructuring (as defined below);
3. Appointment of authorized signatories; and
4. Miscellaneous.

## **III. BACKGROUND**

The Board notes that as a result of the difficult financial situation which the Company and its direct and indirect subsidiaries (together, the **Constellation Group**) currently face, the Board has investigated, discussed, and considered all options for addressing the Company's financial challenges. After consultation with the Company's management and financial and legal advisors, and after the opportunity to ask questions and receive satisfactory answers from such management and advisors, the Board has determined that it is advisable and in the best interest of the Company to restructure its capital structure, including certain undertakings related to such restructuring as set forth below (the **Restructuring**).

It is further noted that the Company and the Constellation Group have continued their operations during such Restructuring negotiations and continue to meet all of their operational obligations in the ordinary course of business.

In light of the fact, among other reasons, that the Constellation Group's main operations are centered in Brazil, the Board has determined that it is advisable for fairness, efficiency of administration, and the protection and maximization of the value of its assets, and therefore in the best interest of the Company, to implement the restructuring by (1) commencing, together with certain of its affiliates, a proceeding for judicial reorganization (*recuperação judicial*) under Brazilian Federal Law Nº 11.101 of February 9, 2005 (the **RJ**) in the bankruptcy court in Rio de Janeiro, Brazil (the **Brazilian Court**), (2) commencing, if and when needed, a proceeding under chapter 15 (**Chapter 15 Proceeding**) of title 11 of the United States Code (the **U.S. Bankruptcy Code**) in the bankruptcy court for the Southern District of New York (the **U.S. Bankruptcy Court**), and (3) undertaking and consummating all other necessary, proper and desirable undertakings required to commence and facilitate the RJ, the Chapter 15 Proceeding (if and when needed), and related processes including, without limitation, appointing one or more attorneys-in-fact (*procuradores*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian-law equivalent of a debtor-in-possession) before the Brazilian Court and in connection with the RJ proceeding.

### ***The Restructuring***

The Board notes that it has reviewed the materials presented by the management of the Constellation Group and the advisors of the Company and has reviewed and discussed the financial and operational condition of the Company, the liabilities and liquidity situation of the Company, the strategic alternatives available to the Company, and the impact of the foregoing on the Company's businesses.

The Board notes that it has had the opportunity to consult with management and the advisors of the Company and has fully considered each of the strategic alternatives available to the Company including pursuing a reorganization through a RJ proceeding and corresponding Chapter 15 Proceeding.

The Board has determined that it is advisable and in the best interest of the Company to negotiate and/or prepare, enter into, execute, verify, file and/or deliver (1) petitions to commence the RJ Proceeding and, if and when needed, the Chapter 15 Proceeding, and (2) such other documents necessary to effect the Restructuring (all of the foregoing (1) through (2), collectively the **Restructuring Documents**).

After due and careful consideration, the Board notes that it is advisable and in the best interest of the Company to proceed with the Restructuring and the completion, execution, delivery and/or filing of the Restructuring Documents.

#### **IV. DOCUMENTS**

All available information and documents in connection with the Restructuring include, but are not limited to, a presentation entitled "Restructuring Implementation: Judicial Filing Strategies, dated 5 December 2018".

#### **V. DELIBERATION AND DECLARATIONS**

After having considered and discussed the Restructuring and the Restructuring Documents and having taken into account all relevant circumstances and the advice given by advisors to the Company and advisors to the Constellation Group, including Houlihan Lokey, Alvarez & Marsal Holdings, LLC, White & Case LLP, and Loyens & Loeff Luxembourg (the **Advisors**), the members of the Board, acting independently from any third-party considerations and without any direct or indirect conflict of interest regarding any of the matters related to the Restructuring, are of the opinion that the voluntary entry by the Company into a RJ proceeding in the Brazilian Court, as well as, if and when needed, the filing for recognition of the RJ under chapter 15 in the U.S. Bankruptcy Court for the Southern District of New York (and for any similar recognition proceedings in any other court as the Company deems appropriate):

- (i) is in compliance with the Articles and applicable laws;
- (ii) would not result in any breach of any restriction imposed by applicable law or the Articles; and
- (iii) would materially benefit the Company and would be for the purpose of carrying on its business and would be the best option in order for the Company and its assets to be successfully restructured while preserving value and customers.

**HAVING CAREFULLY REVIEWED AND CONSIDERED THE RESTRUCTURING, THE RESTRUCTURING DOCUMENTS AND THE ADVICE OF THE ADVISORS, THE BOARD ADOPTS THE FOLLOWING RESOLUTIONS WHICH IT DEEMS IN THE CORPORATE INTEREST AND FOR THE CORPORATE BENEFIT OF THE COMPANY:**

#### **FIRST RESOLUTION**

The Board resolves to approve and authorize the Restructuring by the Company.

The Board resolves to approve and authorize the Company's continued engagement and negotiation with its creditors to the extent identified, in connection with the restructuring of its

capital structure and its engagement with the Brazilian and (if and when needed) U.S. courts with respect to the Restructuring.

### **SECOND RESOLUTION**

The Company's RJ filing is approved in all respects, and pursuant to a power-of-attorney executed concurrently herewith, the attorneys named therein (the **Authorised Persons**) are hereby authorised, empowered and directed for and on behalf of the Company (a) to execute the petition seeking relief under the RJ Proceeding and to cause the same to be filed with the Brazilian Bankruptcy Court at such time as the Authorised Person executing such petition shall determine; (b) to file all petitions, schedules, lists and other papers and to take any and all actions which they may deem necessary or proper in connection with the RJ Proceeding; and (c) to represent the Company as attorney-in-fact (*procurador*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor-in-possession) before the Brazilian Court and act as the Company's agent in administering the reorganisation of the Company's assets and affairs in the RJ Proceeding, with each such person being conferred with *ad judicia* powers in accordance with Article 38 of the Brazilian Civil Procedure Code (*Código de Processo Civil*).

### **THIRD RESOLUTION**

The Board resolves to appoint Mr. Andrew Childe (the **Foreign Representative**) as the foreign representative of the Company's RJ (as the term is defined in section 101(24) of the U.S. Bankruptcy Code), with full power of substitution, in the name and for the account of the Company, and undertakes to ratify and indemnify any costs or expenses properly incurred by the Foreign Representative, and authorizes, empowers and entitles the Foreign Representative:

- (i) to file, if and when needed, the petition for chapter 15 relief with the U.S. Bankruptcy Court and to commence the Chapter 15 Proceeding on behalf of the Company, and to take all such actions on behalf of the Company as necessary for such relief being granted in the Chapter 15 Proceeding, including for the purpose of seeking any relief available to a "foreign representative" according to the terms of the U.S. Bankruptcy Code, and to act as the Company's agent in administering the reorganization of the Company's assets and affairs in the Chapter 15 Proceeding; and
- (ii) subsequently to execute and file all petitions, schedules, lists, and other papers and to take any and all actions which the Foreign Representative may deem necessary or proper in connection with the Chapter 15 Proceeding, and in connection therewith for the Foreign Representative to retain and employ all assistance by legal counsel, financial advisors or other professionals and advisors, which the Foreign Representative may deem necessary or proper with a view to the successful resolution of the Chapter 15 Proceeding.

### **FOURTH RESOLUTION**

The Board further resolves that:

- (i) all acts lawfully done or actions lawfully taken by an Authorised Person or the Foreign Representative to file the RJ and related proceedings, and the Chapter 15 Proceeding or any

manner related thereto, respectively, are hereby in all respects ratified, confirmed and approved;

(ii) the Authorised Persons with respect to the RJ, and the Foreign Representative with respect to the Chapter 15 Proceeding, are hereby authorized, at such time as each may determine, (1) to seek orders from the applicable court, including without limitation, orders pertaining to the operation of the business of the Company and the financing thereof; (2) to receive and grant quittances; (3) to enter into settlement and other agreements; (4) to commence, acknowledge, settle, defend against and desist from proceedings and counter-proceedings; and (5) to undertake all actions as each may deem necessary or advisable and in the best interest of the Company during the pendency of the applicable restructuring proceeding as are reasonably related to, incident to, or which will serve to facilitate or otherwise benefit the Company with respect to the Restructuring Undertakings (collectively, the “**Activities**”), including, without limitation, modification, extension or expansion of the Restructuring Documents and of any Activities resulting therefrom, in each case as such Authorised Person or the Foreign Representative, as applicable, shall approve;

(iii) the Authorised Persons and the Foreign Representative are hereby authorized and empowered to retain, for and on behalf of the Company, attorneys, financial advisors, communications and public relations consultants, investment bankers, accountants, restructuring professionals, financial advisors and other professionals to assist the Company in connection with the RJ proceeding and Chapter 15 Proceeding, respectively, on such terms as are deemed by each (respectively) necessary, proper and desirable;

(iv) all actions heretofore taken consistent with the purpose and intent of the foregoing resolutions are hereby authorized, ratified, approved, confirmed and adopted in all respects as the acts and deeds of the Company as fully as if such actions had been presented to the Board for its prior approval, including, but not limited to, all such actions taken by any director, officer or employee of the Company;

(v) each of the Authorised Persons and the Foreign Representative is hereby granted the power, at his or her own discretion, to appoint or remove any substitutes in connection with any of the aforesaid purposes upon such terms as each, as applicable, deems proper, as well as the power to delegate each and every one of the powers contemplated by the foregoing resolutions;

(vi) any person dealing with the Authorised Persons and the Foreign Representative authorized by the foregoing resolutions in connection with any of the foregoing matters shall be conclusively entitled to rely upon the authority of each, including his or her execution in the name or on behalf of the Company, of any document, agreement or instrument, the same being a valid and binding obligation of the Company enforceable in accordance with its terms;

(vii) these resolutions may be executed in counterpart, and if different counterparts shall bear different dates, then these resolutions shall take effect on the latest date on any such counterpart; and

(viii) the Board further resolves to ratify, to the extent necessary, the execution of any documents in connection with or contemplated by the Restructuring, including any documents ancillary thereto, as well as the performance of all acts carried out or required in connection therewith, or contemplated thereby.

**FIFTH RESOLUTION**

The Board resolves to approve the issuance by any director of the Company of one or several certified copies of the present resolutions in order to evidence the due authorization and empowerment of the persons appointed as Authorised Signatories by virtue of the above resolutions.

**VI. CLOSE OF BUSINESS**

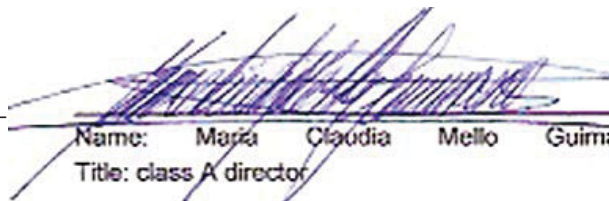
There being no further business, the meeting was closed at 6:00PM (CET).

***[Remainder of page intentionally left blank. Signature page follows.]***





Name: Luiz Rodolfo Landim Machado  
Title: class A diretor



Name: Maria Claudia Mello Guimarães  
Title: class A diretor



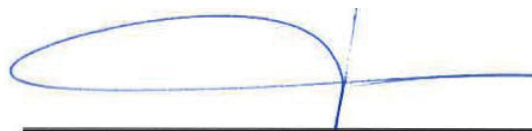
Name: Guilherme De Araujo Lins  
Title: class B diretor



Name: Marcos Grodetzky  
Title: class B diretor



Name: Sébastien François  
Title: class B diretor



Name: Paul de Quant  
Title: class B diretor

**Constellation Overseas Ltd.**

**BC Number: 1020641**

**(the Company)**

Written resolution of the sole director (the **Director**) of the Company adopted pursuant to Regulation 96 of the Company's Articles of Association (the **Articles**) and pursuant to Section 129 of the BVI Business Companies Act, 2004 (the **Act**)

**Judicial reorganisation in Brazil and Chapter 15 filing**

- 1 It was noted that the Company is part of a worldwide group of companies, whose holding company is Constellation Oil Services Holding S.A.<sup>1</sup> (the **Parent** and, together with its subsidiaries, the **Constellation Group**). It was noted that the Parent has consented to the resolutions adopted herein.
- 2 It was noted that, as a result of the difficult financial situation which the Company and Constellation Group currently faces, the Director has investigated, discussed, and considered all options for addressing the Company's financial challenges and, after consultation with the Company's management and financial and legal advisors, and having had opportunity to ask questions and receive satisfactory answers from such management and advisors, have determined that it is advisable and in the best interest of the Company (1) to undertake a restructuring of its capital structure (the **Restructuring**) and (2) to engage in certain other transactions related to the Restructuring as set forth below.
- 3 It was noted that, as a result of the Constellation Group's declining financial performance and the upcoming maturity of certain of the Constellation Group's indebtedness, the directors of certain members of the Constellation Group had reviewed the materials presented by the management and the advisors of the Company and had reviewed and discussed the financial and operational condition of the Company, the liabilities and liquidity situation of the Company, the strategic alternatives available to it and the impact of the foregoing on the Company's businesses.
- 4 It was noted that the Director has had the opportunity to consult with the management and the advisors of the Company and fully considered each of the strategic alternatives available to the Company, including pursuing a reorganization through (1) a judicial reorganization (*recuperação judicial*) under Brazilian Federal Law Nº 11.101 of February 9, 2005 (the **RJ**) and (2), if and when needed, a proceeding under chapter 15 (**Chapter 15**) of title 11 of the United States Code (the **U.S. Bankruptcy Code**), and (3), if and when needed, a proceeding under the BVI Insolvency Act for the appointment of provisional liquidators (the **BVI Provisional Liquidation**).
- 5 It was noted that the Director, having considered the financial, operational and other aspects of the Company's business and in view of the fact that, among other reasons, the main operations of the Constellation Group are centered in Brazil, the Director has determined that it is advisable for fairness, efficiency of administration, and for protection

---

<sup>1</sup> Formerly known as QGOG Constellation S.A.

- and maximization of the value of the Company's assets, and therefore in the best interest of the Company, to implement the Restructuring by (1) commencing an RJ proceeding in the bankruptcy court in Rio de Janeiro, Brazil (the **Brazilian Court**), (2) if and when needed, commencing a proceeding under Chapter 15 (the **Chapter 15 Proceeding**), (3) if and when needed, commencing a proceeding under the BVI Insolvency Act for the appointment of provisional liquidators (the **BVI Provisional Liquidation Proceeding**), and (4) undertaking and consummating all other necessary, proper and desirable transactions required to commence and facilitate the RJ and, if and when needed, the Chapter 15 and/ or BVI Provisional Liquidation Proceeding, including, without limitation, appointing one or more attorneys-in-fact (*procuradores*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor in possession) before the Brazilian Court and in connection with the RJ (the **Restructuring Undertakings**).
- 6 It was noted that the Director has determined that it is advisable and in the best interest of the Company to negotiate and /or prepare, enter into, execute, verify, file and /or deliver (1) petitions to commence the RJ and (if and when needed) a Chapter 15 Proceeding and/ or BVI Provisional Liquidation Proceeding, and (2) such other documents necessary to effect the Restructuring Undertakings (all of the foregoing (1) through (2), collectively the **Restructuring Documents**).
- 7 It was noted that financial and legal advisors, including Houlihan Lokey, Alvarez & Marsal Holdings, LLC, White & Case LLP, Ogier and Loyens & Loeff N.V. (the **Advisors**), had been appointed by the Constellation Group to assist the Constellation Group in coordinating the proposed Restructuring Documents.
- 8 It was noted the Company proposed to grant a power of attorney (the **Power of Attorney**) to each of Flavio Galdino, Cristina Biancastelli, Isabel Picot França, Vanessa Fernandes Figueira Rodrigues, Julianne Zanconato and Ivana Harter Albuquerque (each an **Attorney** and together the **Attorneys**), all members of the law firm Galdino Coelho Advogados, in order to empower each of them to act on behalf of the Company in connection with the RJ and in particular, to attend court on behalf of the Company. It was noted that the Attorneys were to be appointed for 60 months but that this could be revoked at any time by the Company on written notice.
- 9 The Director has been provided with substantially final drafts of the RJ, Chapter 15 petition and BVI Provisional Liquidation documents and the Power of Attorney. The Director confirms by his signature below that he has reviewed the documents and wishes to make no amendments. The Director also confirms that he will keep the Power of Attorney and the actions taken there under continuous review.
- 10 The Director confirmed, for the purposes of Section 124 of the BVI Business Companies Act, 2004 (as amended) (the **Act**), that he had no interest in any of the matters the subject of these resolutions, other than as a director of the Company and as a director of the entities listed in the Schedule to these resolutions.
- 11 The Director has taken advice from the Advisors on directors' duties in circumstances where a company is financially distressed and facing liquidity issues. The Director has been advised that where a company is insolvent or likely to become insolvent, there is an

obligation on the directors to act in the best interests of the creditors of the company with a view to minimising losses to creditors, and that these duties belong to the Director individually.

- 12 The Advisors noted that there were certain actions that a Director should take in circumstances where a company is facing financial difficulty, including a Director taking professional advice so that he is aware of his obligations to creditors and meeting regularly as a board in order to review any new material information that has come to light. The Director noted that he was at present taking these steps. The decision to voluntarily commence insolvency proceedings should be taken when the Director's view is that there is no reasonable prospect that the Company could avoid insolvency proceedings.
- 13 It was noted that the Director, having considered the financial, operational and other aspects of the Company's business, and the best course of action to maximize value, has determined that it is advisable, desirable and in the best interests of the Company and its stakeholders, including its creditors and other interested parties, that the Company proceed with the Restructuring Undertakings and the completion, execution, delivery and /or filing of the Restructuring Documents.
- 14 The Director, by his signature, confirms that he has carefully considered the commencement of the RJ and potential Chapter 15 Proceeding, the potential BVI Provisional Liquidation Proceeding, the Power of Attorney and his own duties as Director.
- 15 The Director hereby adopts the following written resolutions (the **Resolutions**):
  - (a) the Power of Attorney be and is hereby approved, including for the purposes of Regulation 88 of the Articles; that each of the Attorneys is severally appointed, authorized, empowered and directed (1) to represent the Company as attorney-in-fact (*procurador*) in respect, in the name and on behalf of the Company (including in its capacity as the Brazilian law-equivalent of a debtor-in-possession) before the Brazilian Court and act as the Company's agent in administering the reorganization of the Company's assets and affairs in the RJ Proceeding, with such person being conferred with *ad judicium* powers in accordance with Article 38 of the Brazilian Civil Procedure Code (*Código de Processo Civil*), and (2) to take, or to cause the taking of, any and all actions with regard to the Restructuring and the Restructuring Documents, as further described in this written consent;
  - (b) that the filing of the RJ proceeding for the Company is approved in all respects, and that each of the Attorneys hereby is authorised, empowered and directed on behalf of the Company to execute the petition to commence the RJ and to cause the same to be filed with the Brazilian Court; that each of the Attorneys be and he hereby is severally authorised, empowered and directed to execute and file all petitions, schedules, lists and other papers and to take any and all actions which they may deem necessary or proper in connection with the RJ Proceeding;
  - (c) that Andrew Childe (the **Foreign Representative**) be appointed as the "foreign representative" of the Company's RJ proceeding, including as that term is defined in section 101(24) of the U.S. Bankruptcy Code, and is authorized to commence, if

and when needed, any ancillary or recognition proceeding in support of the Brazilian Judicial Reorganization (a **Supporting Foreign Proceeding**), including to file the petition for Chapter 15 relief with the Bankruptcy Court for the Southern District of New York (the U.S. Bankruptcy Court), and is hereby authorised to take all such actions on behalf of the Company (to the extent allowed under applicable law) as necessary for such relief and any further related relief that he deems prudent to seek in any Supporting Foreign Proceeding, and therein any and all relief available to a "foreign representative" under the U.S. Bankruptcy Code, and to act as the Company's agent in administering the reorganization of the Company's assets and affairs in a Supporting Foreign Proceeding;

- (d) that the Company is hereby authorised to file with the BVI court, if and when needed, an originating application for the appointment of a liquidator or joint liquidators, and to the extent necessary, an ordinary application for the appointment of a provisional liquidator or joint provisional liquidators; and that in such event, Eleanor Fisher and Paul Pretlove be nominated for appointment by the Courts of the BVI to act as liquidators or joint provisional liquidators of the Company as the case may be, subject to the Company receiving a BVI law compliant consent to act as such from each of Eleanor Fisher and Paul Pretlove;
- (e) all actions heretofore taken consistent with the purpose and intent of the foregoing resolutions are hereby authorised, ratified, approved, confirmed and adopted in all respects as the acts and deeds of the Company as fully as if such actions had been presented to the Director for its prior approval, including, but not limited to, all such actions taken by any director, officer or employee of the Company; and
- (f) that the Director be and is hereby authorised severally to execute the Power of Attorney, under hand or under the common seal of the Company (or otherwise as a deed) as appropriate, for and on behalf of the Company, with such amendments (substantive or otherwise) as he or she sees fit.

*Signature page follows.*

A handwritten signature in dark ink, appearing to read 'MTP', with a long horizontal flourish extending to the right.

.....  
Michael Pearson

5 December 2018  
Date signed

**SCHEDULE**

**Companies of which Michael Pearson is a director**

Amaralina Star Ltd.  
Laguna Star Ltd.  
Alpha Star Equities Ltd.  
Brava Star Ltd.  
Constellation Overseas Ltd.  
Constellation Services Ltd.  
Gold Star Equities Ltd.  
Snover International Inc.  
Lone Star Offshore Ltd.  
Olinda Star Ltd.  
Lancaster Projects Corp.  
Star International Drilling Limited

**Exhibit E**

Excerpts from Exchange Offer Memorandum and Exchange Offer Supplement



OFFERING MEMORANDUM

CONFIDENTIAL

# QGOG Constellation

**\$700,000,000**

**QGOG Constellation S.A.**

*(A public limited liability company (société anonyme) incorporated in the Grand Duchy of Luxembourg)*

## **6.250% Senior Notes due 2019**

We are offering \$700.0 million in aggregate principal amount of 6.250% senior notes due 2019. We will pay interest on the notes on May 9 and November 9 of each year, beginning May 9, 2013. The notes will mature on November 9, 2019.

On or after November 9, 2016, we may, on any one or more occasions, redeem the notes, in whole or in part, at any time at the applicable redemption prices set forth in this offering memorandum, plus accrued and unpaid interest. Prior to November 9, 2016, we may also, on any one or more occasions, redeem the notes, in whole or in part, at a redemption price based on a “make-whole” premium, plus accrued and unpaid interest. In addition, at any time prior to November 9, 2015, we may redeem up to 35% of the notes at a redemption price equal to 106.250% of their principal amount, plus accrued and unpaid interest, using the proceeds of certain equity offerings. The notes also may be redeemed, in whole but not in part, at 100% of their principal amount plus accrued and unpaid interest, at any time upon the occurrence of specified events relating to the tax laws of Luxembourg or other relevant jurisdictions, as set forth in this offering memorandum.

If a specified change of control event as described in this offering memorandum occurs that results in a ratings decline, unless we have previously exercised our option to redeem the notes, we will be required to offer to purchase the notes at 101% of their principal amount plus accrued and unpaid interest.

The notes will initially be fully and unconditionally guaranteed on a senior unsecured basis by Constellation Overseas Ltd., or Constellation.

The notes will be our general unsecured senior obligations and rank equally in right of payment with our existing and future senior indebtedness. The guarantee will rank equally in right of payment with the existing and future senior indebtedness of the guarantor.

There is currently no public market for the notes. We have applied to admit the notes to listing on the Official List of the Irish Stock Exchange and traded on the Global Exchange Market of the Irish Stock Exchange. This offering memorandum comprises “Listing and General Information” for the purpose of the application to the Irish Stock Exchange for the listing of the notes. The notes will be issued only in registered form in minimum denominations of \$200,000 and integral multiples of \$1,000 in excess thereof.

**Investing in the notes involves risks that are described in the “Risk Factors” section beginning on page 15 of this offering memorandum.**

---

**Price: 98.612% plus accrued interest, if any, from November 9, 2012.**

---

The notes (and the guarantee) have not been registered under the U.S. Securities Act of 1933, as amended, or the Securities Act, or the securities laws of any other jurisdiction. Unless they are registered, the notes (and the guarantee) may be offered only in transactions that are exempt from registration under the Securities Act or the securities laws of any other jurisdiction. Accordingly, we are offering the notes only to qualified institutional buyers in accordance with Rule 144A under the Securities Act and outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act. For further details about eligible offerees and resale restrictions, see “Notice to Investors.”

The notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company, or DTC, for the accounts of its participants, including Euroclear Bank S.A./N.V., or Euroclear, and Clearstream Banking, *société anonyme*, Luxembourg, or Clearstream, on or about November 9, 2012.

---

*Global Coordinators and Joint Bookrunners*

**HSBC**

**BofA Merrill Lynch**

*Joint Bookrunner*

**Citigroup**

---

The date of this offering memorandum is November 5, 2012.

## SUMMARY

*This summary highlights selected information contained elsewhere in this offering memorandum. This summary does not contain all the information that you should consider before deciding to invest in our notes. You should read the entire offering memorandum carefully, including the information presented under “Risk Factors” and our financial statements and notes to our combined financial statements, before making an investment decision.*

### Overview

We are a market leading Brazilian-controlled provider of offshore oil and gas contract drilling and FPSO services in Brazil. We are also one of the ten largest drilling companies globally, as measured by ultra-deepwater and deepwater drilling rigs in operation. We believe that our size and over 30 years of continuous operating experience in this industry provides us a competitive advantage in the Brazilian oil and gas market. In particular, we believe we are well positioned to benefit from the expected increase in ultra-deepwater drilling activity in Brazil, a market segment driven primarily by the recent discoveries of vast potential oil and gas reserves in the pre-salt layer offshore Brazil. We own and hold ownership interests in a fleet of state-of-the-art offshore and onshore drilling rigs and FPSOs, including eight ultra-deepwater rigs in operation, under mobilization or under construction. In 2011, we recorded net operating revenues of \$586.3 million and an EBITDA margin of 36%. For the six-month period ended June 30, 2012, we recorded net operating revenues of \$376.8 million and an EBITDA margin of 54%, which represented an increase of 58.4% and 18 p.p., respectively, when compared to the corresponding period in 2011. We are part of the Queiroz Galvão Group, which through QG S.A., the group’s Brazilian holding company, is one of the largest Brazilian conglomerates with \$3.4 billion in consolidated gross revenues in 2011 and with a proven track record in heavy construction, energy, oil and gas, infrastructure, real estate, agriculture and steel. We have successfully capitalized on our market-leading position and industry expertise to accumulate a contract backlog of \$11.1 billion as of June 30, 2012. As of June 30, 2012, we had total loans and financings of \$3.0 billion, equivalent to 55.3% of our total assets as of that date.

We have a strong, long-term relationship with Petrobras, one of the world’s largest integrated oil and gas companies, which has been our principal client since we commenced operations in 1981. We believe that our long-term track record in Brazil and our relationship with Petrobras, together with our premium drilling assets, investments in FPSOs and affiliation with the Queiroz Galvão Group, will allow us to capture a significant share of the growing offshore services opportunity in Brazil.

### Our Assets

Our assets consist of eight ultra-deepwater drilling rigs in operation, under mobilization or under construction, including three ultra-deepwater drilling rigs recently awarded by Petrobras to our strategic partner Sete Brasil, one deepwater drilling rig, two midwater drilling rigs, investments in four FPSOs and nine onshore drilling rigs. Our services subsidiary QGOG will be the sole operator of the rigs owned in partnership with Sete Brasil and will receive 100% of the services revenues from these rigs.

### Offshore Drilling Rigs

Our offshore drilling assets are currently contracted to Petrobras under long-term contracts. The following table sets forth additional information with respect to each of our offshore drilling assets.

Rig	% Interest	Type	Water Depth (ft)	Drilling Depth (ft)	Delivery Date	Dayrate (\$/day) (6)	Contract Expiration Date (7)
<b>Ultra-deepwater</b>							
Alpha Star	100%	DP; SS	9,000	30,000	July 2011	427,842	July 2017
Lone Star	100%	DP; SS	7,900	30,000	April 2011	349,890	March 2018
Gold Star	100%	DP; SS	9,000	30,000	February 2010	354,986	February 2015
Amaralina Star (1)	55%	DP drillship	10,000	40,000	September 2012	422,762	September 2018
Laguna Star (1)	55%	DP drillship	10,000	40,000	December 2012	422,762	November 2018
Urca (2)	15%	DP; SS	10,000	32,800	July 2016	568,465	July 2031
Bracuhy (2)	15%	DP; SS	10,000	32,800	January 2018	572,858	January 2033
Mangaratiba (2)	15%	DP; SS	10,000	32,800	May 2019	577,284	May 2034

## RISK FACTORS

*Prospective purchasers of the notes should carefully consider the risks described below, as well as the other information in this offering memorandum, before deciding to purchase any notes. Our business, results of operations, financial condition or prospects could be negatively affected if any of these risks occurs, and as a result, the trading price of the notes could decline and you could lose all or part of your investment.*

*For purposes of this section, the indication that a risk, uncertainty or problem may or will have a “material adverse effect on us” or that we may experience a “material adverse effect” means that the risk, uncertainty or problem could have a material adverse effect on our business, financial condition or results of operations and/or the market price of our notes, except as otherwise indicated or as the context may otherwise require. You should view similar expressions in this section as having a similar meaning.*

### **Risks Related to Our Company**

***Currently, we derive nearly all of our revenue from Petrobras. The loss of Petrobras as our customer, or a reduction of our revenue from Petrobras, could have a material adverse impact on us.***

During each of the six-month period ended June 30, 2012 and the year ended December 31, 2011 our gross revenue from Petrobras represented approximately 93% of our total gross revenue. Most of our existing rigs, including six onshore rigs and six semi-submersible rigs and one FPSO in which we have an investment, are chartered to Petrobras. In addition, we currently have three FPSOs (in which we have invested) under construction, one drillship in operation and one drillship under mobilization for which we have entered into long-term charter agreements with Petrobras. Our results of operations would be materially adversely affected if Petrobras were to terminate its contracts with us, fail to renew its existing contracts with us or refuse to award new contracts to us, as there are only a limited number of potential customers that are available to replace Petrobras. Petrobras is the largest E&P company in Brazil, so if it were to take any of these actions, we may be unable to enter into new charter agreements for our rigs and the FPSOs in which we have invested on similar terms or on a timely basis, if at all, which would have a material adverse effect on us.

***Our customers may seek to renegotiate or terminate certain of our drilling contracts if we experience excessive delivery and acceptance delays for our assets, downtime, operational difficulties or safety-related issues, or in case of non-compliance with our obligations set forth in the drilling contracts, which would materially adversely affect our ability to realize our backlog of contract revenue.***

Our contracts with our customers permit them to terminate or seek to renegotiate their contracts, or seek to impose penalties, if we experience (1) delays in delivering a contracted rig, (2) any failure of a contracted rig to pass initial acceptance testing within the period specified in the contract, (3) downtime or operational problems that exceed permissible levels under our contracts, (4) specified safety-related issues, or (5) any failure to comply with other obligations set forth in such contracts. The damages we suffer and the expenses we may incur from any of these events are not always fully payable or reimbursable by the shipyards constructing the units. Furthermore, certain of our contracts include termination provisions in the event of our poor performance, our bankruptcy or other events, with little prior notice and without reimbursement to us or any early termination payment. Early termination of a contract may result in a rig being idle for an extended period of time. If our customers were to cancel any of our contracts, and we are unable to secure a replacement contract on substantially similar terms, or at all, our revenue and profitability could be materially adversely affected.

As of June 30, 2012, our contract backlog was approximately \$11.1 billion. This backlog included: (1) an aggregate amount of \$3,635.1 million from charter and service contracts (including management fees) that our joint ventures (with Sete Brasil) and QGOG, respectively, entered into in August 2012 (relating to our 15% interest in three SPVs, each of which owns an ultra-deepwater semi-submersible rig: Urca, Bracuhy and Mangaratiba); (2) \$1,908.5 million from the Amaralina Star and Laguna Star drillships in which we have a 55% interest, but with respect to which we will receive 100% of the charter and services revenues until the repayment in full of loans we have made to Alperion (with a maximum term of 12 years) to fund its related equity contributions; and (3) 1,109.2 million from our 25.5% interest in a joint venture with SBM related to our investment in FPSO Cidade de Ilhabela (assuming we exercise the option to increase our existing 12.75% interest by an additional 12.75% by 2014).

- shortage of shipyard capacity globally and in Brazil;
- shipyard availability or disputes with shipyards;
- financial and other difficulties at shipyards and other suppliers;
- work stoppages; and
- impact of new governmental regulations, among others.

Significant cost overruns or delays for these or other reasons could materially adversely affect our financial condition and results of operations. The damages we suffer and the expenses we incur from any of these events are not always fully reimbursable by the shipyards constructing the units. Additionally, our actual capital expenditures for rig upgrade, refurbishment and construction projects could materially exceed our budgeted capital expenditures.

***We are a holding company that depends on dividend distributions from our operating subsidiaries, and we have a substantial amount of indebtedness, which could restrict our financing and operating flexibility.***

As of June 30, 2012, our total aggregate outstanding consolidated indebtedness was \$3,025.1 million. Our existing level of indebtedness and the requirements and limitations imposed by our debt instruments could materially adversely affect us. In particular, our loans incurred by the SPVs that own our rigs to finance their construction or refurbishment are secured by the rigs and related assets, including accounts into which the amounts payable under our charter and services agreements are required to be paid. We are a holding company that depends on dividend distributions from our operating subsidiaries. The terms of most of our debt instruments restrict the ability of our project subsidiaries, to pay dividends, incur additional debt, grant additional liens, sell or dispose of assets and enter into certain acquisitions, mergers and consolidations, except with the prior consent of the respective creditors. Furthermore, some of our debt instruments include financial covenants that require us and/or our subsidiaries to maintain compliance with certain specified financial ratios. The terms of the credit agreement for our Alpha Star semi-submersible drilling rig and our Amaralina Star and Laguna Star drillships provide that if the charter or service agreements for these units are not renewed or replaced on terms reasonably satisfactory to the lenders, a cash sweep will be implemented on the eighteenth month prior to the maturity of the respective loans.

Even though we are currently in compliance with the terms of our debt instruments, the occurrence of a payment event of default or acceleration under any of our debt instruments may trigger events of defaults or cross-defaults under our other debt instruments. We may be unable to incur additional debt in an amount necessary to finance our capital expenditure needs, which could materially and adversely affect us.

If we are unable to meet our debt service obligations or comply with our debt covenants, we could be forced to renegotiate or refinance our indebtedness, sell assets or seek to raise additional equity capital, which could restrict our financing and operating flexibility.

***The ownership and operation of rigs and FPSO units involves numerous operating hazards, and the insurance we purchase may not cover all of our losses and may not be renewed on favorable terms, including reasonable premiums. Accidents may subject us to civil, property, environmental and other damage claims, including by Petrobras, federal, state or municipal governmental entities in Brazil, and third parties.***

Although we follow industry best practices, our oil and gas service operations, particularly our rigs and FPSOs in which we hold investments, are subject to hazards inherent to drilling and FPSO activities and operation of oil and gas wells, such as: fires; explosions; pressures and irregularities in formations; blowouts and surface cratering; uncontrollable flows of underground gas, oil and formation water; natural disasters, such as adverse weather conditions, pipe or cement failures, casing collapses and, lost or damaged oilfield drilling and service tools; and environmental hazards, such as gas leaks, oil spills, pipeline ruptures and discharges of toxic gases and oil. The occurrence of any of these events could result in the suspension of our drilling or FPSO operations, severe damage to, or destruction of our rigs, injury or death to our personnel and environmental damage and resulting containment and clean-up costs, in addition to administrative and criminal penalties. We are also subject to personal injury and other claims by the crews of our rigs as a result of both marine and drilling operations. We may also be subject to

Furthermore, we provide services under interrelated charter and services agreements, as described under “Business—Backlog and Drilling Contracts.” We receive the charter payments outside Brazil, and these payments are not subject to Brazilian income tax, while we receive payments under the services agreements in Brazil, which payments are subject to Brazilian taxes. The Brazilian tax authorities from time to time have questioned other market participants as to whether the contractual split applied to charter and service revenues in these agreements is appropriate. If Brazilian tax authorities were to disapprove of our contractual revenue split, we may be required to pay additional taxes on amounts that may be required to be allocated to service revenues, which could have a material adverse effect on us.

Our results of operations are directly affected by the special customs regime for exportation and importation of goods related to the oil and gas sector (*Regime Aduaneiro Especial de Exportação e Importação de bens destinados à exploração e à produção de petróleo e gás natural*), or REPETRO, a Brazilian tax incentive program that allows the use of a special customs arrangement for our importation of goods and equipment for the term of any concession agreement if we use the goods or equipment for the research and development of petroleum and natural gas. The REPETRO system benefits equipment imported - listed by the Federal Revenue Office - under a temporary admission regime, granting full suspension of federal import taxes. This suspension may be applied until December 31, 2020. Moreover, Brazilian States are allowed to reduce the assessment basis of the value-added tax on goods and services (*Imposto Sobre Operações Relativas à Circulação de Mercado e Sobre Prestação de Serviço de Transporte Interestadual e Intermunicipal e de Comunicação*), or ICMS, triggered by the import of assets under REPETRO (temporary admission regime) for use in oil and gas production facilities, resulting in a tax burden equivalent to 7.5% (non-cumulative basis) or 3% (cumulative basis). Brazilian States are also authorized to exempt or reduce the ICMS calculation basis (burden equivalent to 1.5% under a cumulative basis) for application in oil exploration facilities. For a more detailed description of the REPETRO regime, see “Business—Brazilian Regulatory Framework—REPETRO.” Our current charter contracts protect us from changes in the REPETRO regime, any termination or modification of this tax incentive program could have a material adverse effect on us.

In accordance with our proposed corporate reorganization, our future effective tax rates are based on tax laws, treaties and regulations, both in Brazil and internationally (especially Brazilian, Dutch, Switzerland and Luxembourg tax treaties). Such tax laws and regulations are frequently challenged and are subject to interpretation. Due to our corporate and operational structure, if we or our clients lose a relevant tax dispute or if there is a material change in the interpretation of such treaties or regulations, or in case any tax authority disregards our fiscal residency in any jurisdiction, our revenue and/or our tax rate could increase substantially and, consequently, our financial results could be materially adversely affected.

***Our failure to maintain or renew all necessary authorizations and certifications required for the operation of our rigs, and changes in current licensing regimes may have a material adverse effect on our operations.***

The operation of our rigs requires several authorizations from Brazilian government agencies, including the Brazilian Institute of Environment and Renewable Resources (*Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis*), or IBAMA, ANTAQ and the Brazilian Port and Coast Division (*Diretoria de Portos e Costas*), or DPC. Obtaining and maintaining necessary authorizations and certifications is a complex, time-consuming process, and we cannot guarantee that we will be able to obtain or maintain all authorizations required for the continued operation of each of our rigs. Our failure to obtain, maintain or renew any such required authorizations or any disputes in connection with any such authorizations, could result in the suspension or termination of the operation of certain of our rigs or the imposition of material fines, penalties or other liabilities, which could have a material adverse effect on our results of operations. In addition, as a result of a decision by the ANP, Petrobras or any other charterer of our rigs may require that we maintain additional quality and safety certifications, or meet certain additional quality and safety targets, during the term of a relevant charter agreement. Our failure to obtain and maintain these certifications or to otherwise meet these targets may result in the early termination of the affected charter agreements or in our failure to be eligible to enter into additional charters which could have a material adverse effect on our revenues and results of operations.

In addition, certain of our drilling contracts require that we comply with applicable international standards, including the International Marine Organization’s Code for the Construction and Equipment of Mobile Offshore Drilling Units. We and our drilling rigs are also subject to laws and regulations governing maritime and drilling operations in Brazil and the technical requirements of third parties, including classification societies and insurers.



If Brazil were to experience high inflation in the future, our operating costs such as payroll expenses and materials may increase and our operating and net margins may decrease. For the year ended December 31, 2011, our payroll, charges and benefits costs were \$165.0 million and our materials costs were \$72.8 million, representing 35.4% and 15.6% of our total operating costs, respectively. For the six-month period ended June 30, 2012, our payroll, charges and benefits costs were \$85.6 million and our materials costs were \$24.7 million, representing 36.8% and 10.6% of our total operating costs, respectively. Inflationary pressures may also curtail our ability to access the international financial markets and may lead to further government intervention in the economy, including the introduction of government policies that may adversely affect the overall performance of the Brazilian economy. In addition, most of our operating costs are denominated in *reais* and incurred in Brazil, which therefore exposes us to the effects of inflation in Brazil, which may adversely affect us.

***Political, economic and social developments and the perception of risk in other countries, especially emerging market countries, may adversely affect the market value of our securities.***

The market for securities issued by a company that is significantly exposed to the Brazilian market and economy, such as us, may be influenced, to varying degrees, by economic and market conditions in other countries, especially other Latin American and other emerging market countries. Although economic conditions are different in each country, the reaction of investors to developments in one country may cause the capital markets in other countries to fluctuate. Adverse economic conditions in other countries have at times resulted in significant outflows of funds from Brazil including, for example, in economic crises in Greece, Spain, Portugal, Ireland and Italy. The Brazilian economy also is affected by international economic and market conditions generally. These factors could materially adversely affect the market value of our securities and impede our ability to access the international capital markets and finance our operations in the future on terms acceptable to us or at all.

***Exchange rate instability may adversely affect our financial condition and expected results of operations.***

The Brazilian currency has during the past decades experienced frequent and substantial variations in relation to the U.S. dollar and other foreign currencies. Between 2000 and 2002, the *real* depreciated significantly against the U.S. dollar, reaching an exchange rate of R\$3.53 per \$1.00 at the end of 2002. Between 2003 and mid-2008, the *real* appreciated significantly against the U.S. dollar due to the stabilization of the macroeconomic environment and a strong increase in foreign investment in Brazil, with the exchange rate reaching R\$1.56 per \$1.00 in August 2008. As a result of the crisis in the global financial markets since mid-2008, the *real* depreciated 31.9% against the U.S. dollar over the course of 2008 and reached R\$2.34 per \$1.00 on December 31, 2008. The exchange rate as of December 31, 2011 and June 30, 2012 was R\$1.88 and R\$2.02, respectively, per \$1.00. If the *real* appreciates significantly against the U.S. dollar, our results of operations may be adversely affected.

***Risks Related to the Offering and to the Notes and the Guarantee***

***The issuer is a holding company with no independent operations or assets and it is dependent on cash flow generated by its subsidiaries.***

The issuer is a holding company, and all of its assets are held by its direct and indirect subsidiaries. Repayment of our indebtedness, including the notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. The ability of our subsidiaries to make dividend or other payments to us is affected by, among other factors, the obligations of these subsidiaries to their creditors, requirements of the relevant corporate and other laws in the jurisdiction in which each subsidiary operates, and restrictions contained in agreements entered into by or relating to these entities. The ability of our Project Finance Subsidiaries (as defined in "Description of the Notes") to distribute dividends or make other payments to us is severely restricted under the financings of our Project Finance Subsidiaries.

Our subsidiaries that are not guaranteeing the notes, including our Project Finance Subsidiaries, which represented the bulk of our revenues in 2011, do not have any obligation to pay amounts due on the notes or to make funds available for that purpose. While the indenture governing the notes limits the ability of our restricted subsidiaries to incur consensual restrictions on their ability to pay dividends or make intercompany payments to us, these limitations are subject to certain qualifications and exceptions, and, in particular, do not apply to the terms of any indebtedness of any Project Finance Subsidiary. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required payments on our indebtedness, including the notes.

## **Risks Relating to Brazil**

***The Brazilian government has exercised, and continues to exercise, significant influence over the Brazilian economy. This influence, as well as Brazilian political and economic conditions, could adversely impact our business, results of operations and financial condition.***

All of our operations and customers are located in Brazil. Accordingly, our financial condition and results of operations are substantially dependent on Brazil's economy. The Brazilian government frequently intervenes in the Brazilian economy and occasionally makes significant changes in policies and regulations. The Brazilian government's actions to control inflation and other regulations and policies have in the past involved, among other measures, increases in interest rates, changes in tax policies, price controls, currency devaluations, capital controls, limits on imports and other actions. We have no control over, and cannot predict the measures or policies that the Brazilian government may adopt in the future. Our business, results of operations and financial condition may be adversely affected by changes in public policies at the federal, state and municipal levels, related to taxes, currency exchange control, as well as other factors, such as:

- applicable regulations and increase fines for any violations of law applied by the Brazilian government, including through the ANP, as well as state and local governments;
- expansion or contraction of the Brazilian economy, as measured by the variation of Brazil's gross domestic product;
- interest rates;
- currency depreciation and other fluctuations in exchange rates;
- inflation rates;
- liquidity of domestic capital and financial markets;
- fiscal policy and the applicable tax regime;
- social and political instability;
- energy shortages; and
- other diplomatic, political, social and economic developments in or affecting Brazil.

These and other future developments in the Brazilian economy and governmental policies may materially adversely affect us.

***If Brazil were to experience higher inflation, our margins and our ability to access the international financial markets may be reduced. Government measures to curb inflation may have material adverse effects on the Brazilian economy and on us.***

Brazil has in the past experienced extremely high rates of inflation, which led its government to pursue monetary policies that have contributed to one of the highest real interest rates in the world. Since the introduction of the *Real Plan* in 1994, the annual rate of inflation in Brazil has decreased significantly, as measured by the National Broad Consumer Price Index (*Índice Nacional de Preços ao Consumidor Amplo*), or IPCA. Inflation measured by the IPCA index was 4.3%, 5.9% and 6.5% in the years ended December 31, 2009, 2010 and 2011, respectively. Inflation and the Brazilian government's inflation containment measures, principally through monetary policies, have had and may have significant effects on the Brazilian economy and our business. Tight monetary policies with high interest rates may restrict Brazil's growth and the availability of credit. Conversely, more lenient policies and lower interest rates may trigger higher inflation, with the consequent reaction of sudden and significant interest rate increases, which could have a material adverse effect on the Brazilian economic growth and us.

If Brazil were to experience high inflation in the future, our operating costs such as payroll expenses and materials may increase and our operating and net margins may decrease. For the year ended December 31, 2011, our payroll, charges and benefits costs were \$165.0 million and our materials costs were \$72.8 million, representing 35.4% and 15.6% of our total operating costs, respectively. For the six-month period ended June 30, 2012, our payroll, charges and benefits costs were \$85.6 million and our materials costs were \$24.7 million, representing 36.8% and 10.6% of our total operating costs, respectively. Inflationary pressures may also curtail our ability to access the international financial markets and may lead to further government intervention in the economy, including the introduction of government policies that may adversely affect the overall performance of the Brazilian economy. In addition, most of our operating costs are denominated in *reais* and incurred in Brazil, which therefore exposes us to the effects of inflation in Brazil, which may adversely affect us.

***Political, economic and social developments and the perception of risk in other countries, especially emerging market countries, may adversely affect the market value of our securities.***

The market for securities issued by a company that is significantly exposed to the Brazilian market and economy, such as us, may be influenced, to varying degrees, by economic and market conditions in other countries, especially other Latin American and other emerging market countries. Although economic conditions are different in each country, the reaction of investors to developments in one country may cause the capital markets in other countries to fluctuate. Adverse economic conditions in other countries have at times resulted in significant outflows of funds from Brazil including, for example, in economic crises in Greece, Spain, Portugal, Ireland and Italy. The Brazilian economy also is affected by international economic and market conditions generally. These factors could materially adversely affect the market value of our securities and impede our ability to access the international capital markets and finance our operations in the future on terms acceptable to us or at all.

***Exchange rate instability may adversely affect our financial condition and expected results of operations.***

The Brazilian currency has during the past decades experienced frequent and substantial variations in relation to the U.S. dollar and other foreign currencies. Between 2000 and 2002, the *real* depreciated significantly against the U.S. dollar, reaching an exchange rate of R\$3.53 per \$1.00 at the end of 2002. Between 2003 and mid-2008, the *real* appreciated significantly against the U.S. dollar due to the stabilization of the macroeconomic environment and a strong increase in foreign investment in Brazil, with the exchange rate reaching R\$1.56 per \$1.00 in August 2008. As a result of the crisis in the global financial markets since mid-2008, the *real* depreciated 31.9% against the U.S. dollar over the course of 2008 and reached R\$2.34 per \$1.00 on December 31, 2008. The exchange rate as of December 31, 2011 and June 30, 2012 was R\$1.88 and R\$2.02, respectively, per \$1.00. If the *real* appreciates significantly against the U.S. dollar, our results of operations may be adversely affected.

***Risks Related to the Offering and to the Notes and the Guarantee***

***The issuer is a holding company with no independent operations or assets and it is dependent on cash flow generated by its subsidiaries.***

The issuer is a holding company, and all of its assets are held by its direct and indirect subsidiaries. Repayment of our indebtedness, including the notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. The ability of our subsidiaries to make dividend or other payments to us is affected by, among other factors, the obligations of these subsidiaries to their creditors, requirements of the relevant corporate and other laws in the jurisdiction in which each subsidiary operates, and restrictions contained in agreements entered into by or relating to these entities. The ability of our Project Finance Subsidiaries (as defined in "Description of the Notes") to distribute dividends or make other payments to us is severely restricted under the financings of our Project Finance Subsidiaries.

Our subsidiaries that are not guaranteeing the notes, including our Project Finance Subsidiaries, which represented the bulk of our revenues in 2011, do not have any obligation to pay amounts due on the notes or to make funds available for that purpose. While the indenture governing the notes limits the ability of our restricted subsidiaries to incur consensual restrictions on their ability to pay dividends or make intercompany payments to us, these limitations are subject to certain qualifications and exceptions, and, in particular, do not apply to the terms of any indebtedness of any Project Finance Subsidiary. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required payments on our indebtedness, including the notes.



**SUPPLEMENT TO THE EXCHANGE OFFER MEMORANDUM  
AND CONSENT SOLICITATION STATEMENT DATED APRIL 3, 2017**

**STRICTLY CONFIDENTIAL**



**QGOG CONSTELLATION S.A.**

*(A public limited liability company (société anonyme)  
incorporated in the Grand Duchy of Luxembourg)*

**Offer to Exchange any and all of its outstanding 6.250% Senior Notes due 2019**

*(CUSIP Nos. 74735PAA9/L7877XAA7 and ISIN Nos. US74735PAA93/USL7877XAA74)*

**held by Eligible Holders for its newly issued 9.000% Cash / 0.500% PIK Senior Secured Notes due 2024**

**and**

**Solicitation of Consents to Proposed Amendments to the Indenture  
for its 6.250% Senior Notes due 2019**

This Supplement to the Exchange Offer Memorandum and Consent Solicitation Statement (this “**Supplement**”) supplements the Exchange Offer Memorandum and Consent Solicitation Statement dated April 3, 2017 (the “**Offering Memorandum**”), relating to the offer by QGOG Constellation S.A. (“**QGOG Constellation**”) to exchange (the “**Exchange Offer**”) any and all of its outstanding 6.250% Senior Notes due 2019 (the “**Existing Notes**”) for new Senior Notes due 2024 (the “**New Notes**”) and the related solicitation of consents with respect to certain amendments to the Existing Notes and the indenture governing the Existing Notes. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Offering Memorandum.

This Supplement includes (i) unaudited condensed consolidated interim financial information for QGOG Constellation and its Subsidiaries as of and for the three-month period ended March 31, 2017 as well as a discussion regarding the results of operations for the period then-ended compared to the corresponding period of the prior year and (ii) certain amendments to the Offering Memorandum as further described herein. The Offering Memorandum shall be updated and modified as set forth herein and shall be read in a manner consistent with the modifications made pursuant to this Supplement; however, except as set forth herein, the contents of the Offering Memorandum, including the terms of the Exchange Offer and Consent Solicitation, remain as set forth therein.

The table appearing on the cover page of the Offering Memorandum is hereby replaced in its entirety with the following table:

CUSIP/ISIN	Series of Existing Notes	Aggregate Principal Amount Outstanding of Existing Notes	Series of New Notes	Exchange Consideration <sup>(1)(2)</sup>	+	Early Exchange Payment <sup>(1)(2)</sup>	=	Total Exchange Consideration <sup>(1)(2)(3)</sup>
74735PAA9/US74735PAA93 (Rule 144A) L7877XAA7/USL7877XAA74 (Reg. S)	6.250% Senior Notes due 2019	\$700,000,000	9.000% Cash / 0.500% PIK Senior Secured Notes due 2024	\$1,000		\$20		\$1,020

- (1) Consideration in the form of principal amount of New Notes per \$1,000 principal amount of Existing Notes that are validly tendered and not validly withdrawn, subject to any rounding as described herein, plus Accrued Interest.
- (2) The Early Exchange Payment will be payable in cash to holders who validly tender (and not validly withdraw) Existing Notes on or prior to the Early Expiration Date.
- (3) Includes the Early Exchange Payment for Existing Notes validly tendered (and not validly withdrawn) on or prior to the Early Expiration Date.

The Exchange Offer and Consent Solicitation will expire on at 11:59 p.m., New York City time, on July 17, 2017, unless extended by us (such time and date, as the same may be extended by us, the “**Expiration Date**”). Eligible Holders who validly tender Existing Notes on or prior to 5:00 p.m., New York City time, on July 12, 2017, unless extended by us (such time and date, as the same may be extended by us, the “**Early Expiration Date**”) and do not validly withdraw their tender prior to the Effective Time will receive the Total Exchange Consideration, which includes an early tender payment equal to \$20 principal amount of New Notes for each \$1,000 principal amount of Existing Notes tendered and accepted by us (the “**Early Exchange Payment**”). “**Total Exchange Consideration**” means, for each \$1,000 principal amount of Existing Notes tendered and accepted by us, (i) \$1,000 principal amount of New Notes and (ii) \$20 in cash. Eligible Holders who validly tender Existing Notes after the Early Expiration Date but prior to the Expiration Date and do not validly withdraw their tender prior to the Effective Time will receive the Exchange Consideration. “**Exchange Consideration**” means, for each \$1,000 principal amount of Existing Notes tendered and accepted by us, \$1,000 principal amount of New Notes. The Total Exchange Consideration and the Exchange Consideration will be paid together with the payment, in cash, of Accrued Interest.

The date of this Supplement is June 28, 2017.

## **Risks Relating to the Offering and to the New Notes and the Guarantees**

***The issuer is a holding company with no independent operations or assets and it is dependent on cash flow generated by its subsidiaries.***

The issuer is a holding company, and all of its assets are held by its direct and indirect subsidiaries. Repayment of our indebtedness, including the New Notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. The ability of our subsidiaries to make dividend or other payments to us is affected by, among other factors, the obligations of these subsidiaries to their creditors, requirements of the relevant corporate and other laws in the jurisdiction in which each subsidiary operates, and restrictions contained in agreements entered into by or relating to these entities. The ability of our Project Finance Subsidiaries (as defined in “Description of the New Notes”) to distribute dividends or make other payments to us is severely restricted under the financings of our Project Finance Subsidiaries.

Our subsidiaries that are not guaranteeing the New Notes, which represented the bulk of our revenues in 2016, do not have any obligation to pay amounts due on the New Notes or to make funds available for that purpose. While the Indenture governing the New Notes limits the ability of our restricted subsidiaries to incur consensual restrictions on their ability to pay dividends or make intercompany payments to us, these limitations are subject to certain qualifications and exceptions, and, in particular, do not apply to the terms of any indebtedness of any Project Finance Subsidiary. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required payments on our indebtedness, including the New Notes.

***Payments on the notes and the guarantees will be junior to any secured debt obligations of the issuer and the guarantors, respectively, and to the liabilities of the issuer’s and the guarantors’ respective subsidiaries (other than the guarantors), affiliates or joint ventures to their own creditors.***

The notes and the guarantees will constitute unsecured obligations of the issuer and the guarantors, respectively, and will rank equally in right of payment with all of the other existing and future unsecured, unsubordinated indebtedness of the issuer and the guarantors, respectively, including, for example, guarantees by the issuer of project indebtedness as a result of non-renewal of charter agreements. Although the holders of the notes will have a direct, but unsecured, claim on the assets and property of the issuer and the guarantors, payment on the guarantees will be subordinated to payments on the guarantors’ secured debt to the extent of the assets and property securing such debt. As of December 31, 2016, we had total consolidated indebtedness outstanding of \$2,195.7 million, of which \$1,267.9 million was secured, and \$927.8 million was unsecured.

The issuer and the guarantors may, in the future, grant additional liens to secure indebtedness without equally and ratably securing the notes or the guarantees. If the issuer or the guarantors become insolvent or are liquidated, or default in the payment of these obligations, these secured creditors will be entitled to exercise the remedies available to them under applicable law. These creditors will have a prior claim on the assets of the issuer and/or the guarantors subject to such liens. Furthermore, a majority of our existing indebtedness will mature prior to the maturity of the new notes.

Our subsidiaries (other than the guarantors), which include a SPV established to finance a project for the acquisition, construction, upgrade or development of any drillship, drilling rig, floating production, storage and offloading vessel or other related vessel or facility, and any of our subsidiaries that are prevented by contract, law or applicable regulations from guaranteeing the New Notes will not be required to guarantee the New Notes. See “Description of the New Notes—Certain Covenants—Additional Note Guarantees.”

In the event that any of our non-guarantor restricted subsidiaries becomes insolvent, liquidates, reorganizes, dissolves or otherwise winds up, holders of their debt, and their trade creditors generally, will be entitled to payment on their claims from the assets of that subsidiary before any of those assets are made available to us or any guarantor. Consequently, your claims in respect of the New Notes will be effectively subordinated to all of the liabilities of our subsidiaries (other than the guarantors), including trade payables. In addition, the Indenture will, subject to certain limitations, permit these subsidiaries to incur additional indebtedness and will not contain any limitation on the amount of other liabilities, such as trade payables, that these subsidiaries may incur.

As of the date of this offering memorandum, all of our ultra-deepwater drilling rigs are less than eight years old, with an average fleet age of approximately five years.

**Financial ability to execute strategy.** The majority of our offshore drilling rigs and FPSOs are operating under long-term charter contracts. Our contract profile coupled with our operational performance has provided for revenue visibility which enabled access to various sources of capital and which allowed us to deleverage consistently in recent years. As we repay our project financings and continue to deleverage, we intend to increasingly refinance and/or extend existing debt maturities.

Given the currently challenging industry environment, we conservatively manage our balance sheet. In addition, we remain focused on cost reduction, capital discipline and liquidity preservation. We are well positioned to navigate market headwinds, with a high level of fleet utilization, strong cash position, one of the lowest levels of leverage in the offshore drilling industry and operational expenses below the sector average. We believe our disciplined approach to capital spending and our balance sheet, including the consummation of the Exchange Offer and Consent Solicitation, will help position us to take advantage of the future recovery in market conditions.

**High safety standards and strong track record.** In addition to our focus on operational performance and drilling efficiency, we operate with the highest Quality, Health, Safety and Environment (“QHSE”) standards. All of our drilling operations are certified by ISO 9001:2008, ISO14001:2004 and OHSAS18001:2007 standards, which were renewed in November 2014. Although not mandatory in our line of business, our receipt of these certifications is a testament to our commitment to QHSE. In addition to our current certifications, we are currently applying for the API Spec Q2 certification, a quality management system designed specifically for drilling services providers which focuses on the quality of the execution of drilling services and the interface with well service providers. API Spec Q2 provides several recommendations and guidelines to enhance our drilling services and mitigate potential risks.

**Proven track record with Petrobras.** We strive to maintain a strong and long-standing relationship with Petrobras for whom we have performed continuous drilling services since 1981. Our extensive knowledge, experience and consistent top ranking in the Brazilian drilling market is the principal basis of our strong relationship with Petrobras and other clients. Other than Olinda Star, all of our operating offshore drilling rigs and all of the FPSOs in which we have invested are currently contracted to Petrobras. We believe we are well positioned to act as a strategic service provider to Petrobras and other clients operating in Brazil.

**Strong competence in ultra-deepwater drilling in Brazil.** We have a long track record of operating drilling rigs for the exploration of oil and gas in remote Brazilian waters. In the ultra-deepwater segment, we currently operate a modern fleet of six drilling rigs which drilled 85 wells between 2010 and 2016. Our fleet of ultra-deepwater drilling rigs is one of the largest in the industry. Ultra-deepwater drilling is inherently more complex and operationally challenging than drilling in shallower water depths. We are one of a small group of Brazilian contract drillers with commercial scale and demonstrated ultra-deepwater drilling know-how, achieving certain pre-salt drilling time records. Our ultra-deepwater contract drilling operations achieved 95%, 96% and 96% average uptime in 2016, 2015 and 2014, respectively, demonstrating our ability to improve our fleet productivity and achieve high average uptime.

**Highly experienced management team combined with highly skilled employees with low turnover.** We employ skilled personnel to operate and provide support for our rigs. As of December 31, 2016, we had a total of 1,885 employees, 99% of which were Brazilian nationals. We enjoy low turnover levels among the crew and key officers of our drilling units, which is an important factor in achieving high levels of uptime of our rigs and which is especially critical in the skilled-personnel labor market in Brazil. We maintain a good mix of seasoned employees and younger, highly-trained professionals, which ensures the sustainability of our business through career development and succession planning. We employ an ongoing, robust training program for all of our employees, which promotes, among other factors, superior safety practices. We use this program to develop talent organically and to regularly promote people from within our company to more senior positions. We also take advantage of our onshore rigs to train our personnel for work on our more complex offshore drilling rigs.

Our management team is comprised of senior executives, most with more than 30 years of experience in the Brazilian and global oil and gas sector. Our executives have in-depth knowledge of drilling and FPSO operations, including project bidding, procurement, overseeing construction, upgrades of drilling rigs and the operation of our

QGOG CONSTELLATION S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2015 AND FOR THE YEAR THEN ENDED

(Amounts expressed in thousands of U.S. dollars - US\$, unless otherwise stated)

1. GENERAL INFORMATION

QGOG Constellation S.A. (the “Company”, or together with its subsidiaries, the “Group”) was incorporated in Luxembourg on August 30, 2011, as a “*société anonyme*” (i.e., “public company limited by shares”) and is indirectly controlled by members of the Queiroz Galvão family. The Company has its registered address at 40, Avenue Monterey, L-2163 Luxembourg.

The Company’s objective is to hold investments in Luxembourg or foreign countries; to acquire any securities and rights through participation, contribution, underwriting firm purchase or option, negotiation or in any other way and namely to acquire patents and licenses, and other property, rights and interest in property as deemed necessary, and generally to hold, manage, develop, sell or dispose of the same, in whole or in part, for such consideration as deemed necessary, and in particular for shares or securities of any entity purchasing the same; to enter into, assist or participate in financial, commercial and other transactions, and to grant to any holding entity, subsidiary, or fellow subsidiary, or any other entity associated in any way with the Company, or the said holding entity, subsidiary or fellow subsidiary, in which the Company has a direct or indirect financial interest, any assistance, loans, advances or guarantees; to borrow and raise funds in any manner and to secure the repayment of any funds borrowed; and finally, to perform any operation that is directly or indirectly related to its purpose. The Company’s fiscal year is from January 1 to December 31.

The Company holds investments in subsidiaries that charter and operate onshore and offshore drilling rigs and drillships for exploration and production entities operating mainly in Brazil. The Group currently charters onshore and offshore drilling rigs and drillships mainly to Petróleo Brasileiro S.A. (“Petrobras”).

The Group’s fleet is currently comprised by the following drilling rigs and drillships:

Drilling rigs and drillships	Type	Start of operations
QG-I (*)	Onshore drilling rig	1981
QG-II (*)	Onshore drilling rig	1981
QG-III	Onshore drilling rig	1987
QG-IV (*)	Onshore drilling rig	1996
QG-V (*)	Onshore drilling rig	2011
QG-VI	Onshore drilling rig	2008
QG-VII (*)	Onshore drilling rig	2008
QG-VIII (*)	Onshore drilling rig	2011
QG-IX (*)	Onshore drilling rig	2011
Alaskan Star	Offshore drilling rig	1994
Atlantic Star	Offshore drilling rig	1997
Olinda Star	Offshore drilling rig	2009
Gold Star	Offshore drilling rig	2010
Lone Star	Offshore drilling rig	2011
Alpha Star	Offshore drilling rig	2011
Amaralina Star	Drillship	2012
Laguna Star	Drillship	2012
Brava Star	Drillship	2015

(\*) As of December 31, 2015, these onshore drilling rigs were not hired under charter and service-rendering agreements, and thus the Group is seeking for new customers.



- the value of the Collateral at the time of the bankruptcy petition; or
- whether or to what extent holders of the New Notes would be compensated for any delay in payment or loss of value of the Collateral through the requirement of “adequate protection.”

***The international nature of our operations may make the jurisdiction and outcome of any bankruptcy proceedings difficult to predict and the insolvency laws of jurisdiction(s) may not be as favorable to holders of the New Notes as U.S. insolvency laws or those of other jurisdictions with which you may be familiar.***

The Company is incorporated in the laws of the Grand Duchy of Luxembourg, and the Company conducts most of its business from Brazil. Our Drilling Rig owning subsidiaries are organized under the laws of the British Virgin Islands and the Cayman Islands and certain other of our subsidiaries are incorporated under the laws of the Grand Duchy of Luxembourg. Consequently, in the event of any bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceedings involving us or any of our subsidiaries, bankruptcy laws other than those of the United States could apply. We have limited operations in the United States. If we become a debtor under U.S. bankruptcy laws, bankruptcy courts in the United States may seek to assert jurisdiction over all of our assets, wherever located, including property situated in other countries. There can be no assurance, however, that we would become a debtor in the United States, or that a U.S. bankruptcy court would be entitled to, or accept, jurisdiction over such a bankruptcy case, or that courts in other countries that have jurisdiction over us and our operations would recognize a U.S. bankruptcy court’s jurisdiction if any other bankruptcy court determined that it had jurisdiction. Rather, in the event we do experience financial difficulty, it is not possible to predict with certainty in which jurisdiction insolvency proceedings would be commenced or the outcome of such proceedings, but it may include, among other jurisdictions, Brazil, where certain decisions of the Company are made, certain members of the Company’s management are located and the location of substantially all of the Company’s business is conducted (and, therefore, from which substantially all of the operating revenues that may be available to service the Company’s obligations under the New Notes are currently derived). The insolvency laws of foreign jurisdictions may vary as to treatment of secured creditors, and such laws may be different from and/or not be as favorable to your interests as the laws of the U.S. or those of other jurisdictions with which you are familiar.

In Brazil, the right of the Collateral Trustee to repossess and dispose of the Collateral securing the New Notes upon acceleration may be significantly impaired by applicable bankruptcy law if bankruptcy proceedings were commenced by or against the issuer or the Subsidiary Guarantors prior to or possibly even after the time that the Collateral Trustee repossesses and disposes of the Collateral. In the event of a cross-border insolvency, Brazilian courts may impair the seizure of the Drilling Rigs located in Brazil, in order to protect the business activities in Brazil and/or ensure the payment of the relevant debt in accordance with Brazilian laws.

In addition, in case of judicial reorganization or liquidation under Brazilian law, it is impossible to estimate the period that payments under the New Notes could be delayed following commencement of a bankruptcy proceeding. With respect to the judicial reorganization, the debtor may continue to retain and to use the collateral and the proceeds, products, rents or profits therefrom. The judicial reorganization proceeding binds all pre-filing secured debts, even those not yet due, and they will be paid in accordance with the restructuring plan submitted by the debtor, which must be approved by the majority of creditors in a creditors’ meeting and, subsequently, ratified by the Brazilian court. In certain circumstances, the Brazilian bankruptcy law also grants the debtor the possibility to cram down the plan. The reorganization plan results in the replacement and renewal of all debts existing prior to the filing of the reorganization, and is binding on the debtor and all creditors subject to it.

In relation to a bankruptcy proceeding, the Collateral Trustee is prohibited from repossessing or disposing of the Collateral securing the New Notes because all assets of the debtor, including the Collateral, will be sold in order to pay the creditors according to the priority order established in the Brazilian bankruptcy law. Secured debt have priority in the ranking and are paid just after laborers’ claims, up to the amount of the Collateral. Any shortfall will be classified as “unsecured debt”.

***Luxembourg bankruptcy laws may be less favorable to you than bankruptcy and insolvency laws in other jurisdictions.***

The Company and Arazi are incorporated under the laws of Luxembourg, and as such, any insolvency proceedings applicable to them are in principle governed by Luxembourg law. The insolvency laws of Luxembourg

may not be as favorable to your interests as creditors as the laws of the United States or other jurisdictions with which you may be familiar. See “Certain Luxembourg Insolvency Law Considerations” of the Offering Memorandum, which should be read as applicable to both the Company and Arazi.

***The guarantee granted by Arazi may be subject to limitations under Luxembourg law.***

The granting of a guarantee by a Luxembourg company is subject to specific limitations and requirements relating to corporate object and corporate benefit. The granting of a guarantee by a company incorporated and existing in the Grand Duchy of Luxembourg must be permitted by the corporate object (*objet social*) of the Company and not prohibited by its legal form of that company. In addition, there is also a requirement according to which the granting of security by a company has to be for its “corporate interest.” The test regarding the guarantor’s corporate interest is whether the company that provides the guarantee receives some consideration in return (such as an economic or commercial benefit) and whether the benefit is proportional to the burden of the assistance. A guarantee that substantially exceeds the guarantor company’s ability to meet its obligations to the beneficiary of the guarantee and to its other creditors would expose its directors or managers to personal liability. Furthermore, under certain circumstances, the managers of the Luxembourg company might incur criminal penalties based on the concept of misappropriation of corporate assets (article 171-1 of the Luxembourg law dated August 10, 1915 on commercial companies, as amended). It cannot be ruled out that, if the Commercial District Court held that the relevant transaction constituted a misappropriation of corporate assets or if it could be evidenced that the other parties to the transaction were aware of the fact that the transaction was not for the corporate benefit of the Luxembourg company, the transaction might be declared void or ineffective based on the concept of illegal cause (*cause illicite*). To mitigate these risks, the up-stream / cross-stream guarantees granted by a Luxembourg guarantor will be limited to a certain percentage of, among others, the relevant company’s net worth (*capitaux propres*).

***Noteholders’ rights in any proceeding against a mortgaged Drilling Rig may depend on the laws of the country where any proceeding is brought, and noteholders may have difficulty enforcing their rights in certain jurisdictions.***

The right of the Collateral Trustee to repossess and dispose of the mortgaged Drilling Rigs upon acceleration or in case of bankruptcy may be significantly impaired by the need to take judicial action in the jurisdiction where the Drilling Rig is operating to enforce a possessory claim in respect of the mortgaged Drilling Rigs. Although ownership of the Atlantic Star Drilling Rig will be registered in the Bahamas, ownership of the Alpha Star, Gold Star, Lone Star, Amaralina Star, Laguna Star and the Brava Star Drilling Rigs will be registered in Panama, and ownership of the Olinda Star Drilling Rig will be registered in Liberia, as the mortgaged Drilling Rigs will be operating within the territorial waters of Brazil and India (in the case of the Olinda Star Drilling Rig), the arrest and seizure of a mortgaged Drilling Rig would likely be a matter of Brazilian or Indian law, as applicable, and will require a judicial order issued by a Brazilian or Indian court, as applicable. The issuance of such judicial order may be challenged by third parties claiming to have a possessory or other interest in the mortgaged Drilling Rigs. For example, Petrobras may resist any attempt to physically remove the Drilling Rigs from their then operating locations on the grounds that the Charter Agreements provide that Petrobras should be ensured the quiet enjoyment of the Drilling Rigs during their term. In addition, the Encumbered Charter Agreements may be early terminated in case of the foreclosure of a mortgage. Furthermore, there may be third-party claims under certain maritime liens, including: (1) ports and maritime costs and taxes; (2) seamen’s wages; (3) salvage and general average; (4) repairs, supplies and necessities contracted outside the mortgaged Drilling Rigs’ home port; (5) collision and tort liens; and (6) simple and general damages to the Drilling Rigs. For example, under Brazilian law, the filing of such a maritime lien by any third party could lead to the arrest and seizure of a mortgaged Drilling Rig in port. Any judicial proceedings in Brazil or India could be subject to lengthy delays resulting in increased custodial costs, and possibly a deterioration in the condition of the Drilling Rigs and a substantial reduction in the value of the mortgaged Drilling Rigs.

Furthermore, Brazilian courts may not recognize a foreign mortgage. In a recent precedent involving the mortgage over an FPSO, the São Paulo court decided that such mortgage should not be valid under Brazilian law, based on the fact that the mortgage was governed by Liberian law and Liberia is not a signatory of the 1928 Havana Convention on International Private Law (the “**Bustamante Code**”) and of the Brussels Convention of 1926 for the unification of certain rules relating to maritime liens (the “**Brussels Convention**”). Thus, Drilling Rigs operating within the territorial waters of Brazil with a mortgage governed by foreign jurisdictions or by the laws of countries

**Exhibit F**

Notice List

Notice Party Name	Notice Party Address
Office of the United States Trustee for the Southern District of New York	201 Varick Steet, Suite 1006 New York, NY 10014 Email: <a href="mailto:USTP.Region02@usdoj.gov">USTP.Region02@usdoj.gov</a>
<b>Debtors and Affiliates</b>	
Serviços de Petróleo Constellation S.A.	Avenida Presidente Antonio Carlos No. 51 5th Floor, Centro Rio de Janeiro, Brazil 20020 Attn: Claudia Mathias Bueno Hesse; <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a> ; Attn: Fabrizzia Chinaglia Da Costa Lima; <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a> Attn: Lenita Braga Magalhaes Ribeiro; <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a>
Amaralina Star Ltd.	Vanterpool Place 2nd Floor, Wickhams Cay I Road Town, Tortola British Virgin Islands VG110 Attn: Claudia Mathias Bueno Hesse; <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a> ; Attn: Fabrizzia Chinaglia Da Costa Lima; <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a> Attn: Lenita Braga Magalhaes Ribeiro; <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a>
Laguna Star Ltd.	Vanterpool Place 2nd Floor, Wickhams Cay I Road Town, Tortola British Virgin Islands VG110 Attn: Claudia Mathias Bueno Hesse; <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a> ; Attn: Fabrizzia Chinaglia Da Costa Lima; <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a> Attn: Lenita Braga Magalhaes Ribeiro; <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a>
Brava Star Ltd.	Vanterpool Place 2nd Floor, Wickhams Cay I Road Town, Tortola British Virgin Islands VG110 Attn: Claudia Mathias Bueno Hesse; <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a> ; Attn: Fabrizzia Chinaglia Da Costa Lima; <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a> Attn: Lenita Braga Magalhaes Ribeiro; <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a>
Lone Star Offshore Ltd.	Vanterpool Place 2nd Floor, Wickhams Cay I Road Town, Tortola British Virgin Islands VG110 Attn: Claudia Mathias Bueno Hesse; <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a> ; Attn: Fabrizzia Chinaglia Da Costa Lima; <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a> Attn: Lenita Braga Magalhaes Ribeiro; <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a>
Gold Star Equities Ltd.	Vanterpool Place 2nd Floor, Wickhams Cay I Road Town, Tortola British Virgin Islands VG110



	<p>Attn: Claudia Mathias Bueno Hesse;  <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a>;          Attn: Fabrizzia Chinaglia Da Costa Lima;  <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a>          Attn: Lenita Braga Magalhaes Ribeiro;  <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a></p>
Olinda Star Ltd.	<p>Vanterpool Place          2nd Floor, Wickhams Cay I          Road Town, Tortola British Virgin Islands VG110          Attn: Claudia Mathias Bueno Hesse;  <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a>;          Attn: Fabrizzia Chinaglia Da Costa Lima;  <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a>          Attn: Lenita Braga Magalhaes Ribeiro;  <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a></p>
Star International Drilling Limited	<p>75 Fort Street Clifton House          PO Box 1350          Grand Cayman, Cayman Islands KY1-1108          Attn: Claudia Mathias Bueno Hesse;  <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a>;          Attn: Fabrizzia Chinaglia Da Costa Lima;  <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a>          Attn: Lenita Braga Magalhaes Ribeiro;  <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a></p>
Alpha Star Equities Ltd.	<p>Vanterpool Place          2nd Floor, Wickhams Cay I          Road Town, Tortola British Virgin Islands VG110          Attn: Claudia Mathias Bueno Hesse;  <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a>;          Attn: Fabrizzia Chinaglia Da Costa Lima;  <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a>          Attn: Lenita Braga Magalhaes Ribeiro;  <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a></p>
Palase Management B.V.	<p>126 Zuidplein Tower H          15th Floor          Amsterdam, The Netherlands 1077 XV          Attn: Claudia Mathias Bueno Hesse;  <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a>;          Attn: Fabrizzia Chinaglia Da Costa Lima;  <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a>          Attn: Lenita Braga Magalhaes Ribeiro;  <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a></p>
Podocarpus Management B.V.	<p>126 Zuidplein Tower H          15th Floor          Amsterdam, The Netherlands 1077 XV          Attn: Claudia Mathias Bueno Hesse;  <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a>;          Attn: Fabrizzia Chinaglia Da Costa Lima;  <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a>          Attn: Lenita Braga Magalhaes Ribeiro;  <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a></p>
Amaralina Coöperatief U.A.	<p>126 Zuidplein Tower H          15th Floor          Amsterdam, The Netherlands 1077 XV</p>

	<p>Attn: Claudia Mathias Bueno Hesse;  <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a>;          Attn: Fabrizzia Chinaglia Da Costa Lima;  <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a>          Attn: Lenita Braga Magalhaes Ribeiro;  <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a></p>
Laguna Coöperatief U.A.	<p>126 Zuidplein Tower H          15th Floor          Amsterdam, The Netherlands 1077 XV          Attn: Claudia Mathias Bueno Hesse;  <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a>;          Attn: Fabrizzia Chinaglia Da Costa Lima;  <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a>          Attn: Lenita Braga Magalhaes Ribeiro;  <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a></p>
Brava Drilling B.V.	<p>126 Zuidplein Tower H          15th Floor          Amsterdam, The Netherlands 1077 XV          Attn: Claudia Mathias Bueno Hesse;  <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a>;          Attn: Fabrizzia Chinaglia Da Costa Lima;  <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a>          Attn: Lenita Braga Magalhaes Ribeiro;  <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a></p>
Palase C.V.	<p>126 Zuidplein Tower H          15th Floor          Amsterdam, The Netherlands 1077 XV          Attn: Claudia Mathias Bueno Hesse;  <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a>;          Attn: Fabrizzia Chinaglia Da Costa Lima;  <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a>          Attn: Lenita Braga Magalhaes Ribeiro;  <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a></p>
Podocarpus C.V.	<p>126 Zuidplein Tower H          15th Floor          Amsterdam, The Netherlands 1077 XV          Attn: Claudia Mathias Bueno Hesse;  <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a>;          Attn: Fabrizzia Chinaglia Da Costa Lima;  <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a>          Attn: Lenita Braga Magalhaes Ribeiro;  <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a></p>
Snover International Inc.	<p>126 Zuidplein Tower H          15th Floor          Amsterdam, The Netherlands 1077 XV          Attn: Claudia Mathias Bueno Hesse;  <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a>;          Attn: Fabrizzia Chinaglia Da Costa Lima;  <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a>          Attn: Lenita Braga Magalhaes Ribeiro;  <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a></p>
Lancaster Projects Corp.	<p>126 Zuidplein Tower H          15th Floor          Amsterdam, The Netherlands 1077 XV</p>

	Attn: Claudia Mathias Bueno Hesse; <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a> ; Attn: Fabrizzia Chinaglia Da Costa Lima; <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a> Attn: Lenita Braga Magalhaes Ribeiro; <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a>
Arazi s.à r.l.	8-10 Avenue de la Gare Luxembourg, L-1610 Attn: Claudia Mathias Bueno Hesse; <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a> ; Attn: Fabrizzia Chinaglia Da Costa Lima; <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a> Attn: Lenita Braga Magalhaes Ribeiro; <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a>
Constellation Oil Services Holding S.A.	8-10 Avenue de la Gare Luxembourg, L-1610 Attn: Claudia Mathias Bueno Hesse; <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a> ; Attn: Fabrizzia Chinaglia Da Costa Lima; <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a> Attn: Lenita Braga Magalhaes Ribeiro; <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a>
Constellation Overseas Ltd.	Vanterpool Place 2nd Floor, Wickhams Cay I Road Town, Tortola British Virgin Islands VG110 Attn: Claudia Mathias Bueno Hesse; <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a> ; Attn: Fabrizzia Chinaglia Da Costa Lima; <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a> Attn: Lenita Braga Magalhaes Ribeiro; <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a>
Constellation Netherlands B.V.	126 Zuidplein Tower H 15th Floor Amsterdam, The Netherlands 1077 XV Attn: Claudia Mathias Bueno Hesse; <a href="mailto:chesse@theconstellation.com">chesse@theconstellation.com</a> ; Attn: Fabrizzia Chinaglia Da Costa Lima; <a href="mailto:fclima@theconstellation.com">fclima@theconstellation.com</a> Attn: Lenita Braga Magalhaes Ribeiro; <a href="mailto:lbraga@theconstellation.com">lbraga@theconstellation.com</a>
<b>Counsels</b>	
Cleary Gottlieb Steen & Hamilton LLP	One Liberty Plaza New York, NY 1006 Attn: Richard Cooper; <a href="mailto:rcooper@cgsh.com">rcooper@cgsh.com</a> Attn: Francisco L. Cestero; <a href="mailto:fcestero@csgh.com">fcestero@csgh.com</a>
Maples and Calder	Sea Meadow House P.O. Box 173 Road Town, Tortola VG1110, British Virgin Islands Attn: Alex Hall Taylor; <a href="mailto:alex.halltaylor@maplesandcalder.com">alex.halltaylor@maplesandcalder.com</a> Attn: Chris Newton; <a href="mailto:chris.newton@maplesandcalder.com">chris.newton@maplesandcalder.com</a>
Galdino, Coelho, Mendes Advogados	Av. Rio Branco 138 / 11º andar

	Rio de Janeiro - RJ 20040 002 Brazil Attn: Flavio Galdino; <a href="mailto:galdino@gc.com.br">galdino@gc.com.br</a> Attn: Isabel Picot Franga; <a href="mailto:ipicot@gc.com.br">ipicot@gc.com.br</a> Attn: Cristina Biancastelli; <a href="mailto:cbiancastelli@gc.com.br">cbiancastelli@gc.com.br</a>
Loyens & Loeff Netherlands	P.O. Box 71170, 1008 BD Amsterdam Fred. Roeskestraat 100, 1076 ED Amsterdam The Netherlands Attn: Vincent Vroom; <a href="mailto:Vincent.vroom@loyensloeff.com">Vincent.vroom@loyensloeff.com</a>
Ogier	Ritter House Wickhams Cay II PO Box 3170 Road Town, Tortola British Virgin Islands VG1110 Attn: Brian Lacy; <a href="mailto:brian.lacy@ogier.com">brian.lacy@ogier.com</a>
Stocche, Forbes, Padis, Filizzola, Clápis, Passaro, Meyer E Refinetti- Sociedade de Advogados	Av. Magalhães de Castro 4800-18º Andar, Torre 2 - Edificio Park Tower São Paulo 05676-120 Brazil Attn: Domingos Fernando Refinetti; <a href="mailto:drefinetti@stoccheforbes.com.br">drefinetti@stoccheforbes.com.br</a>
Milbank, Tweed, Hadley & McCloy LLP	28 Liberty Street New York, NY 10005-1413 Attn: Abhilash M. Raval; <a href="mailto:araval@milbank.com">araval@milbank.com</a>
E. Munhoz Sociedade de Advogados	Av. Pres. Juscelino Kubitschek 1600, 2º andar São Paulo 04543 000 Brazil Attn: Eduardo Secchi Munhoz; <a href="mailto:felipe@emunhoz.com.br">felipe@emunhoz.com.br</a>
Loyens & Loeff Luxembourg S.à r.l.	18-20, rue Edward Steichen L-2540 Luxembourg Grand Duchy of Luxembourg Luxembourg Attn: Anne-Marie Nicolas; <a href="mailto:anne-marie.nicolas@loyensloeff.com">anne-marie.nicolas@loyensloeff.com</a> Attn: Veronique Hoffeld; <a href="mailto:veronique.hoffeld@loyensloeff.com">veronique.hoffeld@loyensloeff.com</a>
Conyers Dill & Pearman	Commerce House Wickhams Cay 1 PO Box 3140 Road Town, Tortola VG1110 British Virgin Islands <a href="mailto:bvi@conyersdill.com">bvi@conyersdill.com</a>
Machado Meyer Advogados	Avenida Brigadeiro Faria Lima 3144 – 11 <sup>th</sup> Floor São Paulo, Brasil 01451-000 Attn: Pedro Henrique Jardim; <a href="mailto:pjardim@machadomeyer.com.br">pjardim@machadomeyer.com.br</a>

Norton Rose Fulbright US	1301 Avenue of the Americas New York, NY 10019 United States Attn: Andrew Rosenblatt; <a href="mailto:andrew.rosenblatt@nortonrosefulbright.com">andrew.rosenblatt@nortonrosefulbright.com</a> Attn: Michael McCourt; <a href="mailto:michael.mccourt@nortonrosefulbright.com">michael.mccourt@nortonrosefulbright.com</a>
Walkers	171 Main Street PO Box 92, Road Town Tortola VG1110 British Virgin Islands <a href="mailto:info@walkersbvi.com">info@walkersbvi.com</a>
Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados	Praia do Flamengo, 200 RJ Rio de Janeiro 22210-901 Brazil <a href="mailto:mattosfilho@mattosfilho.com.br">mattosfilho@mattosfilho.com.br</a>
Barbosa Müssnich Aragão Advogados	Av. Alm. Barroso, 52 Centro Rio de Janeiro, RJ, 20031 Brazil Attn: Plínio Simões Barbosa; <a href="mailto:plinio@bmalaw.com.br">plinio@bmalaw.com.br</a> Attn: Sergio Savi; <a href="mailto:Sergio.savi@bmalaw.com.br">Sergio.savi@bmalaw.com.br</a>
Skadden, Arps, Slate, Meagher & Flom LLP	4 Times Square New York, NY 10036 Attn: Paul Leake; <a href="mailto:paul.leake@skadden.com">paul.leake@skadden.com</a> Attn: Lisa Lautikis; <a href="mailto:lisa.lautikis@skadden.com">lisa.lautikis@skadden.com</a>
Pinheiro Neto Advogado	Rua Hungria, 1100 São Paulo 01455-906 Brazil Attn: Giuliano Colombo; <a href="mailto:gcolombo@pn.com.br">gcolombo@pn.com.br</a>
Debevoise & Plimpton LLP	919 Third Avenue New York, NY 10022 Attn: My Chi To; <a href="mailto:mcto@debevoise.com">mcto@debevoise.com</a> Attn: Gregory Gooding; <a href="mailto:ggooding@debevoise.com">ggooding@debevoise.com</a>
Kalo Advisors	PO Box 4571, 4 <sup>th</sup> Floor LM Business Centre Fish Lock Road Road Town, Tortola British Virgin Islands Attn: Eleanor Fisher; <a href="mailto:EFisher@kaloadvisors.com">EFisher@kaloadvisors.com</a> Attn: Paul Pretlove; <a href="mailto:PPretlove@kaloadvisors.com">PPretlove@kaloadvisors.com</a> Attn: Terri Mulgrew; <a href="mailto:TMulgrew@kaloadvisors.com">TMulgrew@kaloadvisors.com</a>
Cravath, Swaine & Moore LLP	Worldwide Plaza 825 Eighth Avenue New York, NY 10019 Attn: David Mercado <a href="mailto:dmercado@cravath.com">dmercado@cravath.com</a> Attn: Michael T. Reynolds <a href="mailto:mreynolds@cravath.com">mreynolds@cravath.com</a>
Lennox Patton	Fleming House 4 <sup>th</sup> Floor, Wickhams Cay PO Box 4012 Road Town, Tortola British Virgin Islands VG1110 Attn: Scott M. Cruickshank; <a href="mailto:scruickshank@lennoxpatton.com">scruickshank@lennoxpatton.com</a>

Leoni Siquerira Advogados	Avenida Borges de Medeiros 633, suite 508 22430-041, Rio de Janeiro, RJ Brazil Attn: Felipe Torres; <a href="mailto:felipe@lsa.com.br">felipe@lsa.com.br</a> Attn: Carlos Leoni Siqueira; <a href="mailto:leoni@lsa.com.br">leoni@lsa.com.br</a>
Pryor Cashman LLP	7 Times Square New York, NY Attn: Seth Lieberman; <a href="mailto:slieberman@pryorcashman.com">slieberman@pryorcashman.com</a> Attn: Patrick Sibley; <a href="mailto:psibley@pryorcashman.com">psibley@pryorcashman.com</a>
Moses & Singer LLP	405 Lexington Avenue New York, NY 10174 Attn: Alan Kolod; <a href="mailto:akolod@mosessinger.com">akolod@mosessinger.com</a> Attn: Alan Gamza; <a href="mailto:agamza@mosessinger.com">agamza@mosessinger.com</a> Attn: Kent Kolbig; <a href="mailto:kkolbig@mosessinger.com">kkolbig@mosessinger.com</a>
<b>Creditors</b>	
HSBC Bank USA, National Association (Administrative Agent and Collateral Agent)	452 Fifth Avenue New York, NY, 10018 Attention: Asma Alghofailey; <a href="mailto:asma.x.alghofailey@us.hsbc.com">asma.x.alghofailey@us.hsbc.com</a>
DNB Capital LLC	200 Park Avenue 31 <sup>st</sup> Floor New York, NY 10166
Nordea Bank Abp, London Branch	5 Aldermanbury Square 6th floor London EC2V 7AZ
The Bank of Nova Scotia	720 King St., West 2nd Floor Ontario M5V 2T3
The Norwegian Export Credit Guarantee Agency	PO Box 1763 Vika, 0112 Oslo <a href="mailto:postmottak@giek.no">postmottak@giek.no</a>
The Norwegian state, represented by Eksportkreditt Norge AS	PO Box 1315 Vika, 0112 Oslo <a href="mailto:kontakt@eksportkreditt.no">kontakt@eksportkreditt.no</a>
BNP Paribas S.A. – Shipping & Offshore	37, Place Du Marché Saint Honoré Aci : Chd03a1 75031 Paris Cedex 01 <a href="mailto:relations.actionnaires@bnpparibas.com">relations.actionnaires@bnpparibas.com</a>
ING Capital Markets LLC	1133 Avenue of the Americas New York, NY 10036 United States <a href="mailto:wholesale.banking.portal@ing.com">wholesale.banking.portal@ing.com</a>
MUFG Bank, LTD (formerly known as the Bank of Tokyo - Mitsubishi UFJ, Ltd)	1221 Avenue Of The Americas 7th Floor New York NY 10020
Citibank, N.A. (Administrative Agent and Collateral Agent)	388 Greenwich Street 14th Floor New York, NY 10013

	United States <a href="mailto:Kevin.l.vargas@citi.com">Kevin.l.vargas@citi.com</a>
Deutsche Bank Trust Company Americas	Trust & Securities Services 60 Wall Street MS NYC 60-2710 New York, NY 10005
Deutsche Bank	Winchester House, 1 Great Winchester Street, London, EC2N 2DB
Wilmington Trust, National Association	50 South Sixth Street Suite 1290 Minneapolis, MN 55402
Banco Bradesco S.A. Grand Cayman Branch	75 Fort Street Appleby Tower, 5th Floor Georgetown P.O. Box 1818 Grand Cayman Cayman Islands KY1-1109 Attn: Márcio Martins Bonilha Neto; <a href="mailto:marcio.bonilha@bradesco.com.br">marcio.bonilha@bradesco.com.br</a> Attn: Pedro Victor Nascimento Xavier; <a href="mailto:pedro.xavier@bradesco.com.br">pedro.xavier@bradesco.com.br</a>
Moneda S.A., AGF	Isidora Goyenechea 3621 8th Floor Santiago, Chile Attn: Alexander Sideman; <a href="mailto:asideman@moneda.cl">asideman@moneda.cl</a> Attn: Fernando Tisne; <a href="mailto:ftisne@moneda.cl">ftisne@moneda.cl</a>
Moneda International, Inc.	Isidora Goyenechea 3621 8th Floor Santiago, Chile Attn: Alexander Sideman; <a href="mailto:asideman@moneda.cl">asideman@moneda.cl</a> Attn: Fernando Tisne; <a href="mailto:ftisne@moneda.cl">ftisne@moneda.cl</a>
<b>Contract Counterparties</b>	
Worldwide Oilfield Machine	11625 Fairmont St. Houston, TX. 77035, USA
Aspen Technology, Inc.	200 Wheeler Road Burlington, MA 01803 USA <a href="mailto:info@aspectech.com">info@aspectech.com</a>
Fitch, Inc.	33 Whitehall Street, New York, NY 10004
International Compass Group, LLC	16602 Canterra Way, Houston, TX 77095
Mayer Brown LLP	1999 K Street, N.W. Washington, D.C. 20006-1101
Innova Business Development	10810 Katy Freeway Suite 106 Houston, Texas 77043

July Claussen Frescas LLC	17511 S Summit Canyon Dr. Houston, TX 77095
Briggs & Veselka Co.	Nine Grenway Plaza Suite 1700 Houston, Texas 77046
Evercore Group LLC.	55 E. 52nd Street New York, NY 10055 Attn: Stephen Hannan <a href="mailto:Hannan@Evercore.com">Hannan@Evercore.com</a>
Preferred Bank	9350 Flair Drive, Suite 425 El Monte, CA 91731 Attn: Ronnia Ching Attn: Paul Nazari <a href="mailto:Ronnia.ching@preferredbank.com">Ronnia.ching@preferredbank.com</a> <a href="mailto:Paul.nazari@preferredbank.com">Paul.nazari@preferredbank.com</a>
<b>Litigants</b>	
Alpertor Capital Ltd.	Vanterpool Plaza, Wickhams Cay I, P.O. Box 873, Road Town, Tortola, British Virgin Islands Attn: Newton N. Lins; <a href="mailto:nicklins@delbabaiana.com.br">nicklins@delbabaiana.com.br</a> Attn: Drilmar Jaci Monteiro; <a href="mailto:drilmar@interoil.com.br">drilmar@interoil.com.br</a>
Universal Investment Fund Capinvest Fund Limited	3 Bayside Executive Park, West Bay Street PO Box No. 4875 Nassau, The Bahamas Attn: Michael Paton; <a href="mailto:mpaton@lennoxpaton.com">mpaton@lennoxpaton.com</a>
Comercial Perfuradora Delba Baiana Ltda.	Ladeira de Nossa Senhora no. 163 5th Floor, Rio de Janeiro, RJ, Brazil Attn: Newton Lins Filho; <a href="mailto:nicklins@delbabaiana.com.br">nicklins@delbabaiana.com.br</a>
Interoil Representação Ltda.	Avenida Marechal Floriano no. 19, sala 2201 -16- Rio de Janeiro, RJ, Brazil Attn: Drilmar Jaci Monteiro; <a href="mailto:drilmar@interoil.com.br">drilmar@interoil.com.br</a>
<b>Shareholders</b>	
Lux Oil & Gas International S.à r.l.	8-10, avenue de la Gare L-1610 Luxembourg Grand Duchy of Luxembourg Attn: Mr. Gabriel Puppo Moreno; <a href="mailto:gabriel.pupo@reag.com.br">gabriel.pupo@reag.com.br</a>
Capital International, Inc.	6455 Irvine Center Drive Irvine, CA 92618 Attn: <a href="mailto:ciipe_accounting@capgroup.com">ciipe_accounting@capgroup.com</a>
Capital International Research, Inc.	3 Place des Bergues 1201 Geneva, Switzerland Attn: Guilherme Lins



**Exhibit G**

RJ Acceptance Order

(Portuguese only; English translation forthcoming)

Fls.

Processo: 0288463-96.2018.8.19.0001

**Processo Eletrônico**

Classe/Assunto: Recuperação Judicial - Recuperação Judicial

Autor: SERVIÇOS DE PETRÓLEO CONSTELLATION S.A.  
Autor: CONSTELLATION OVERSEAS LTD  
Autor: CONSTELLATION SERVICES LTD  
Autor: GOLD STAR EQUITIES LTD  
Autor: LANCASTER PROJECTS CORP.  
Autor: LAGUNA STAR LTD  
Autor: LONE STAR OFFSHORE LTD  
Autor: OLINDA STAR LTD  
Autor: SNOVER INTERNATIONAL INC.  
Autor: STAR INTERNATIONAL DRILLING LTD  
Autor: SERVICOS DE PETRÓLEO CONSTELLATION PARTICIPAÇÕES S.A.  
Autor: MANISA SERVIÇOS DE PETRÓLEO LTDA.  
Autor: TARSUS SERVIÇOS DE PETRÓLEO LTDA.  
Autor: ALPHA STAR EQUITIES LTD  
Autor: AMARALINA STAR LTD  
Autor: ARAZI S.À.R.L.  
Autor: BRAVA STAR LTD  
Autor: CONSTELLATION OIL SERVICES HOLDING S.A.

---

Nesta data, faço os autos conclusos ao MM. Dr. Juiz  
Alexandre de Carvalho Mesquita

Em 06/12/2018

**Decisão**

Trata-se de pedido de recuperação judicial com base nos artigos 47 e seguintes da Lei 11.101/05, formulado por SERVIÇOS DE PETRÓLEO CONSTELLATION S/A, SERVICOS DE PETRÓLEO CONSTELLATION PARTICIPAÇÕES S/A, ALPHA STAR EQUITIES LTD, AMARALINA STAR LTD, ARAZI S.À.R.L., BRAVA STAR LTD, CONSTELLATION OIL SERVICES HOLDING S/A, CONSTELLATION OVERSEAS LTD, CONSTELLATION SERVICES LTD, GOLD STAR EQUITIES LTD, MANISA SERVIÇOS DE PETRÓLEO LTDA., TARSUS SERVIÇOS DE PETRÓLEO LTDA., LANCASTER PROJECTS CORP., LAGUNA STAR LTD, LONE STAR OFFSHORE LTD, OLINDA STAR LTD, SNOVER INTERNATIONAL INC. e STAR INTERNATIONAL DRILLING LTD, alegando as requerentes, em resumo, que em 1980, foi fundada no Rio de Janeiro a Queiroz Galvão Perfurações S/A - o embrião do Grupo Constellation e, atualmente, denominada Serviços de Petróleo Constellation S/A. -, tendo como missão expandir o serviço de perfuração para exploração de petróleo e gás no Brasil. Afirma que, inicialmente, prestando serviços à Petrobras, a atuação do Grupo Constellation se deu através de locação de sondas de perfuração terrestres, as chamadas sondas onshore, com atuação, principalmente, no Norte e Nordeste do país. Aduz que paralelamente ao desenvolvimento da atividade de perfuração onshore, em 1994, acompanhando o novo momento econômico do Brasil, o Grupo Constellation passou a se dedicar à atividade de perfuração





offshore, consolidando, em 2006, sua atuação em águas ultra profundas. Assevera que atualmente o Grupo Constellation possui 9 sondas de perfuração onshore, sendo 4 convencionais e 5 helitransportáveis; bem como 8 sondas de perfuração offshore, sendo 2 semissubmersíveis ancoradas para operação em lâmina d'água de até 1.100 metros, 3 de posicionamento dinâmico para operação em lâmina d'água de até 2.700 metros e 3 navios-sonda para operação em lâmina d'água até 3.000 metros. Argumenta que o Grupo Constellation é líder em desempenho em operações no pré-sal devido: (a) ao seu alto nível de produtividade; (b) à tecnologia de monitoramento on-line da base, que otimizou a solução de problemas e vigilância; (c) à larga experiência com as questões operacionais, responsável por aprimorar diversos procedimentos como, por exemplo, da coluna de perfuração para evitar a fadiga das tubulações e o tubo preso em sal; e (d) ao aparelhamento das unidades de perfuração com equipamentos necessários para operação efetiva na área do pré-sal. Diz que as referidas sondas foram adquiridas pelo Grupo Constellation conforme a demanda do setor de óleo e gás no Brasil, a fim de atender, prioritariamente, os prospectos empreendidos pela Petrobras no país. Sustenta que atualmente as requerentes detêm 17 sondas, sendo 9 onshore e 8 offshore e que a atividade operacional predominante do Grupo é por meio de suas sondas offshore, sendo certo que, das 8 sondas, 7 operam no Brasil. Alega que a notabilidade das requerentes pela prestação de serviços de excelência no setor de exploração de óleo e gás brasileiro é indiscutível e reconhecido não só pelos seus clientes como por players institucionais, sendo que no ano de 2017, por exemplo, o grupo foi o mais premiado do IADC Brazil Chapter Safety Awards, por seu desempenho com a segurança ambiental e laboral da sua operação. Afirma que mais recentemente, precisamente no último dia 23 de novembro, o Grupo foi premiado pela Agência Nacional do Petróleo, Gás Natural e Biocombustíveis - ANP, no Prêmio ANP de Inovação Tecnológica 2018, sagrando-se vencedor na categoria II "Resultado de projeto (s) desenvolvido (s) por Empresa Brasileira, com ou sem participação de Instituição Credenciada, em colaboração com Empresa Petrolífera, na área temática geral 'Exploração e Produção de Petróleo e Gás'". Aduz que a atividade de perfuração desenvolvida pelo Grupo Constellation, onshore e, principalmente, offshore, por ser complexa e altamente custosa, exige uma vultosa estrutura de alavancagem financeira para sua viabilização e que no caso do Grupo Constellation, essa estrutura de endividamento consiste, essencialmente, na emissão de títulos de dívida (Corporate Bond), financiamentos levantados pela Amarelinha Star, Laguna Star e Brava Star (Project Finances) e mútuos bancários. Assevera que este é fundamentalmente o perfil das dívidas concursais do Grupo Constellation: recursos captados para a aquisição, construção e manutenção das sondas que opera e que adicionalmente, há também dívidas integrantes da classe I e quirografárias contraídas com fornecedores em geral, além de outras despesas operacionais das companhias. Argumenta que a despeito das múltiplas entidades indicadas no preâmbulo, a existência de garantias cruzadas, bem como a possibilidade de vencimento antecipado de instrumentos de dívida em razão de inadimplemento cruzado, não permite uma reestruturação de forma individualizada e que é preciso uma solução conjunta, que permita a continuidade das quase 4 (quatro) décadas de história do Grupo Constellation. Diz que a propósito da inter-relação das dívidas, as requerentes já chegaram a um consenso quanto à reestruturação de parte significativa delas com os seus credores bancários (os "Credores Apoiadores") - mais especificamente, o grupo de credores integrante do chamado Project Finance (10 instituições financeiras) e o Banco Bradesco S/A, Grand Cayman Branch (fornecedor de capital de giro). Sustenta que os Credores Apoiadores representam o expressivo percentual de 48.3% da classe II e 60.2% da classe III, considerando o quadro de credores apresentado com essa inicial. Alega que esse apoio foi formalizado no último dia 29 de novembro por meio da assinatura, pelos Credores Apoiadores, requerentes e acionistas de um Plan Support Agreement (aqui referido como "PSA"), o qual contém as condições de reperfilamento da dívida mantida com os Credores Apoiadores a serem refletidas no Plano de Recuperação Judicial a ser oportunamente apresentado na forma da LRF. Afirma que além das condições comerciais, os Credores Apoiadores anuíram com a implementação do PSA por meio de um processo de recuperação judicial, consentindo expressamente desde logo com a competência da justiça brasileira para

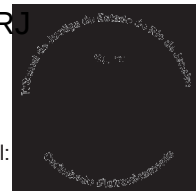




processamento deste pedido em relação a todas as requerentes, com o deferimento da consolidação substancial. Aduz que é justamente nesse contexto que se insere o presente pedido de Recuperação Judicial em que, resumidamente, o valor total do endividamento concursal consiste, nesta data, no montante de R\$ 5.753.783.237,78 e que a divisão do passivo nas Classes estabelecidas no art. 41 da LRF pode ser observada na listagem de credores contida no documento 7 que instrui a presente. Assevera que não obstante o conhecido e dantesco cenário político e econômico brasileiro tenha um peso significativo na crise enfrentada pelo Grupo Constellation, o presente pedido de recuperação judicial tem raízes muito mais profundas. Argumenta que o setor de óleo e gás é marcado por flutuações cíclicas do preço do petróleo, com quedas e ascensões expressivas e abruptas. Diz que, ultrapassada a crise econômica mundial de 2008, que desacelerou o crescimento econômico mundial, reduzindo o consumo de petróleo, o preço do barril do petróleo voltou a crescer, chegando a custar mais de US\$ 124,00 em março de 2012. Sustenta que o êxtase do setor estimulou o amplo acesso a crédito às empresas ligadas à exploração do petróleo - como aquelas do Grupo Constellation -, bem como, e por consequência, fomentou todo o desenvolvimento do setor, que efetivamente se preparou para um aumento de produção. Alega que foi justamente nesse contexto de crescimento que foram contraídas as principais dívidas do Grupo Constellation, com a aquisição de diversas unidades de perfuração - os contratos (e os respectivos financiamentos) das unidades Amaralina e Laguna, por exemplo, tiveram início em 2012, e o da Brava, em 2014. Afirma que, desde o segundo semestre de 2014, os preços do barril de petróleo vêm apresentando queda dramaticamente acentuada, sem que a indústria tenha apresentado a recuperação rápida e nos patamares verificados em outros momentos históricos. Aduz que os fatores exógenos que causam a queda dos preços do barril do petróleo são conhecidos: (i) a redução do consumo de petróleo da China - dada a sua desaceleração econômica - e de outros países historicamente demandantes, como a Alemanha; (ii) a quase autossuficiência dos Estados Unidos - através da exploração alternativa do chamado "shale oil" -; (iii) a maior demanda e desenvolvimento de outras matrizes energéticas; e (iv) a postura dos países que integram a Organização dos Países Exportadores de Petróleo (OPEP) em manter a produção de petróleo elevada, mesmo diante da redução do consumo, a fim de, em última análise, com preços baixos, tornar inviável a produção alternativa de óleo e gás, notadamente mais cara - como aquela desenvolvida nos Estados Unidos, ou mesmo a que vem se desenvolvendo no pré-sal brasileiro. Assevera que diante de muita oferta e redução da procura, o mercado sabidamente estacionou e que a baixa remuneração do barril de petróleo e a insegurança em relação às projeções tornou o crédito mais restrito, impactando diretamente a higidez dos vultosos projetos relacionados à exploração de petróleo. Argumenta que no caso do Grupo Constellation, os contratos de prestação de serviço e de afretamento, cuja equação econômico-financeira originariamente garantia o pagamento das dívidas contraídas para a fabricação das unidades de perfuração, atualmente, possuem uma taxa de remuneração diária substancialmente inferior à que vinha sendo praticada. Diz que o declínio brusco a partir de 2014, acentuado nos últimos dois anos, deixa clara a oscilação do mercado, que afeta diretamente a taxa de remuneração dos contratos, cujo prazo de vigência é de 6 anos, em média e que não é difícil concluir, portanto, pelo desequilíbrio da equação econômico-financeira

a dos referidos contratos e, conseqüentemente, pelo prejuízo suportado pelo Grupo Constellation. Sustenta que a este cenário global soma-se a conjuntura econômica do nosso país. Alega que o Grupo Constellation tem sua atividade operacional desenvolvida principalmente no Brasil, fornecia serviços prioritariamente para uma empresa brasileira, sabidamente para a Petrobras, ou seja, os efeitos da crise no país ressoaram imperdoavelmente sobre as requerentes. Afirma que não por outro motivo, a crise sem precedentes gerou dificuldades não só para a estatal, mas, naturalmente, para toda a sua cadeia de fornecedores. Aduz que no ápice do aquecimento da indústria no Brasil, incentivado pela política econômica do nosso governo, bem como pelo apetite da Petrobras, o Grupo Constellation investiu pesadamente na obtenção de unidades de perfuração offshore. Assevera que, como resultado, o Grupo Constellation sempre teve posição de destaque no ranking de principais operadores de sondas de perfuração da Petrobras, tendo ostentado, por longos períodos a primeira colocação. Argumenta que, em decorrência da crise, esses 2 vetores

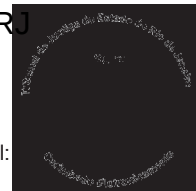




foram alterados radicalmente, isto é, a Petrobras, por razões evidentes, interrompeu projetos, estacionou investimentos e vem contratando de forma menos acelerada que no passado e o governo, por sua vez, começa a estabelecer uma nova política para o setor de óleo gás. Diz que o Programa de Desinvestimento iniciado pela Petrobras que, entre outras medidas, deixou de participar de novos leilões para exploração do pré-sal, é um claro exemplo de retração do mercado, sendo que a meta divulgada pela empresa para este biênio de 2017-2018 era de garantir o levantamento do valor expressivo de 21 bilhões de dólares com as medidas implementadas por meio do referido programa. Sustenta que, não fosse o bastante, cita-se as exigências regulatórias cada vez mais rigorosas, que aumentaram a necessidade de capital para operação, manutenção e mão-de-obra das unidades de perfuração, bem como o aumento na carga tributária sobre a importação de alguns dos principais equipamentos relacionados à exploração e produção de petróleo, o que também aumenta o custo operacional do Grupo Constellation no Brasil. Alega que, apesar das requerentes serem altamente reconhecidas no mercado pela sua solidez e pela sua capacidade administrativa-operacional e eficiência - o que se revela evidente pelo próprio apoio antecipado de parte significativa dos seus credores com a assinatura do PSA, conforme exposto anteriormente -, a crise econômica e petrolífera que se instaurou internacionalmente e, principalmente, no território brasileiro, terminou afetando de forma brutal o seu fluxo de caixa. Afirma que, por essa razão, há mais de um ano o Grupo Constellation conduz a reestruturação da sua dívida com seus credores financeiros fora do ambiente judicial e que embora a negociação tenha sido especialmente exitosa, o acordo não foi possível com uma parte dos credores, tornando inevitável esse pedido a fim de se obter a proteção judicial na forma da LRF. Aduz que o Grupo Constellation tem a confiança de que a crise de liquidez enfrentada é passageira e não deve afetar de forma definitiva a solidez das atividades por ele desenvolvidas. Assevera que, em que pese não se espere, no curto prazo, a recuperação do preço do barril do petróleo, as requerentes confiam que o descasamento no seu fluxo de caixa que conduziu à presente Recuperação Judicial é transitório, isso porque as são sociedades altamente capacitadas e especializadas e estão aptas a participar do novo cenário do setor de óleo e gás no país, que irá, necessariamente, proporcionar a exploração do petróleo do pré-sal, bem como que já estão sendo muito bem-sucedidas em relação a novos negócios. Argumenta que ainda em 2017, o Grupo Constellation firmou contrato offshore internacional com a Oil and Natural Gas Corporation ("ONGC"), empresa estatal de exploração de petróleo indiana, para afretamento da sonda Olinda Star, com duração de 3 (três) anos e que a operação está sendo desenvolvida em um dos blocos de gás natural em águas profundas na bacia Krishna Godavaria, localizada na costa leste indiana. Diz que mesmo no Brasil, o Grupo Constellation tem obtido vitórias importantes em licitações, refletidas em contratos de curto e curtíssimo prazo, respectivamente, com a Shell Brasil Petróleo Ltda. e com a Queiroz Galvão Exploração e Produção S/A. Sustenta que tal fato apenas ressalta que, não obstante a situação de crise singular vivida pelo país, o mercado nacional possui uma enorme demanda potencial que pode ser atendida pelo Grupo Constellation, dada sua notoriedade no mercado brasileiro. Alega que, em uma perspectiva global, o cenário futuro é positivo para o setor de óleo e gás, diante da grande demanda de energia mundial e, principalmente, da previsão de aumento do preço dos produtos básicos energéticos - para esse ano, a estimativa era de um aumento próximo a 4%. Afirma que, além disso, superando as projeções da indústria, no último ano, se verificou uma reação positiva de mercado e o preço do barril de petróleo chegou muito próximo de US\$ 80,00, o que estava previsto para ocorrer apenas em meados de 2019. Aduz que está claro o grande interesse no estímulo às atividades das requerentes e que a presente Recuperação Judicial possibilitará a manutenção de mais de 1.200 postos de trabalho diretos no país - e tantos outros indiretos -, a implementação de medidas e eficiência operacional e reestruturação societária, permitindo a atuação competitiva no setor de óleo e gás do país - e internacionalmente. Assevera que, antes mesmo do ajuizamento do presente pedido, o Grupo Constellation adotou no último ano (i) ajustes nos orçamentos anuais de suas diversas áreas, tendo em vista a realidade atual; (ii) congelamento de reajustes salariais espontâneos; (iii) redimensionamento das estruturas organizacionais ("rightsizing"); e (iv) adequação do quadro de pessoal. Argumenta que, nada obstante, em que







pese toda a série de medidas que o Grupo Constellation vem adotando para se adaptar ao novo momento, nenhuma delas, isoladamente ou em conjunto, surtirá os efeitos desejados caso não seja concedida a proteção conferida pela LRF, com a suspensão da exigibilidade das suas dívidas, garantindo o fôlego necessário para que as Requerentes possam se reorganizar e propor um plano de pagamento da dívida existente aos seus credores, adequado à nova realidade, conforme refletido no PSA. Diz que a retração do mercado gerou a necessidade de readequação dos financiamentos, já que as taxas de remuneração das sondas, atualmente, são muito inferiores àquelas praticadas à época da formalização dos contratos e que assim, mesmo num cenário hipotético em que o Grupo Constellation mantivesse em operação todas as suas sondas, ainda assim seria necessário reestruturar seu endividamento para solucionar o descasamento do fluxo de caixa, sem a perda de seus principais ativos, quais sejam: as unidades de perfuração, que, em última análise, possibilitam sua atividade fim. Sustenta que desde o início de 2017, o Governo Federal e a ANP realizaram diversas alterações regulatórias relacionadas ao setor de Petróleo e Gás Natural, a fim de tornar mais atraentes as rodadas de licitação e, conseqüentemente, estimular novos investimentos na área do pré-sal. Alega que a principal alteração foi a mudança do regime de concessão para partilha de produção, através do qual o Estado e as empresas exploradoras dividem entre si a produção do óleo e gás e que contudo, espera-se, ainda, uma maior abertura dos campos de exploração do pré-sal a outras operadoras, o relaxamento das regras de Desinvestimento da Petrobras, bem como o desenvolvimento comercial da região localizada na margem equatorial, apoiado no desenvolvimento alcançado pela ExxonMobil Corporation na Guiana. Afirma que a expectativa do governo com essas alterações é que a exploração renda valor superior a R\$ 100 bilhões em investimento. Aduz que é notório que a produção de óleo no mundo em países não pertencentes à OPEC vem declinando a taxas constantes nos últimos anos. Assevera que, neste sentido, o pré-sal brasileiro e as áreas petrolíferas do Canadá são tratados como meios de compensação das taxas de declínio global. Argumenta que o cenário para o setor é positivo e a demanda por sondas offshore para exploração em águas ultra profundas tende a aumentar para os próximos anos e que neste sentido, a relevância do Grupo Constellation desponta no setor, já que 6 de suas 8 sondas são aptas para perfuração em águas ultra profundas. Diz que, neste ponto, frisa-se a relevância histórica do Grupo Constellation, que atua há 35 anos no mercado brasileiro e permanece bem posicionado na assunção de novos negócios, por cinco razões principais: (a) os custos de mobilização em relação às operadoras internacionais são bem menores, já que por circunstâncias comerciais as sondas já estão localizadas no Brasil; (b) registro operacional e de segurança exemplar do Grupo; (c) a excelência organizacional e expertise no mercado de extração brasileiro; (d) equipe de gestão experiente e altamente qualificada; e (e) frota excepcional, eleita consecutivamente, de março de 2016 a março de 2018, o equipamento líder em frotas da Petrobras. Sustenta que todos esses fatores induzem a conclusão de que esta é uma recuperação plenamente possível, que atende aos fins da LRF e que, por isso, deve ser deferida por este Juízo. Requereu, ao final, o deferimento do processamento da recuperação judicial. A inicial veio instruída com os documentos de fls. 35/2077.

É O RELATÓRIO. DECIDO.

Inicialmente, cumpre apreciar a questão relativa ao litisconsórcio ativo. Como as requerentes ressaltaram na sua petição inicial, em que pese tenham personalidades jurídicas diversas, patrimônios autônomos, estruturas próprias adequadas para exercício de suas atividades e sejam em sua maioria sociedades estrangeiras, todas elas reúnem esforços no sentido de possibilitar o desenvolvimento da operação de sondas onshore e offshore no Brasil, compondo um grupo econômico.

Como lá dito também, há muito já se consolidou o entendimento jurisprudencial de que o litisconsórcio no processo recuperacional é plenamente admissível, quando verificada, justamente,





a configuração de grupo econômico, aplicando-se ao caso o art. 113, I do NCPC em razão de haver entre as requerentes comunhão de direitos e de obrigações relativamente a esta recuperação judicial. Além do mais, além de não ser a Lei nº 11.101/05 expressa quanto aos processos recuperacionais transnacionais, é certo que não há impeditivo à formação de litisconsórcio com empresas estrangeiras. Ressalte-se que os Credores Apoiadores, principais interessados na recuperação das requerentes, igualmente reconheceram que este pedido deve ser processado em consolidação substancial. Assim, defiro o litisconsórcio ativo como pretendido.

Com relação à questão da competência, não há dúvidas no sentido de que o centro das operações atuais das recuperandas se situa na cidade do Rio de Janeiro, levando-se em conta também um fato relevantíssimo: apesar de muitas delas serem sociedades internacionais, a sua atividade direciona-se para a mesma atividade empresarial, com foco em prestação de serviços no Brasil e historicamente predominantemente para um cliente brasileiro, a saber, a Petrobras.

A empresa requerente atendeu aos requisitos do artigo 48 da Lei 11.101/05, ao comprovar que está em atividade há mais de 02 (dois) anos conforme se constata dos atos constitutivos e do comprovante de CNPJ.

A inicial expõe as causas da crise econômico-financeira, conforme impõe o inciso I do art. 51 da Lei 11.101/05, vindo acompanhada da documentação exigida pelo inciso II do mesmo artigo.

A requerente apresentou certidões negativas de protestos, de interdições e tutelas, e demonstra a inexistência de procedimentos falimentares ou de anterior recuperação judicial e inexistência de procedimentos criminais em face dos administradores.

Por tais fundamentos, defiro o processamento da recuperação judicial das referidas empresas e determino, nos termos do artigo 52 da Lei 11.101/05:

- I - Que a requerente acrescente após seu nome empresarial a expressão "em recuperação judicial";
- II - A suspensão de todas as ações e execuções contra a requerente, na forma do art. 6º da Lei 11.101/05 e mais as exceções previstas no art. 49, parágrafos 3º e 4º da mesma Lei;
- III - Que a requerente apresente contas demonstrativas mensais durante todo o processamento da recuperação judicial, sob pena de destituição de seus administradores;
- IV - A expedição e publicação do edital previsto no parágrafo 1º do art. 52 da Lei 11.101/05;
- V - A intimação do Ministério Público e comunicação às Fazendas Públicas Federal, Estadual e do Município do Rio de Janeiro.

Considerando os argumentos expostos na petição inicial, determino que a relação de empregados e as declarações de bens apresentadas em cumprimento ao art. 51, incisos IV e VI, da LRF, fiquem acauteladas no gabinete deste julgador, sob segredo de justiça, ficando o acesso a elas restrito apenas ao juiz, ao Administrador Judicial e ao representante do Ministério Público, cabendo a esses a vista mediante requerimento fundamentado.

Nomeio Administrador Judicial Marcello Ignácio Pinheiro de Macêdo, com escritório na rua do Carmo, 57, 4º andar, Rio de Janeiro, RJ, (tel.: 2252-7095), que desempenhará suas funções na forma do inciso III do caput do artigo 22 da Lei 11.101/05, sem prejuízo do disposto no inciso I do caput do artigo 35 do mesmo diploma legal.

Para a fixação da remuneração do Administrador Judicial, traga o mesmo planilha indicando precisamente os valores que pretende cobrar a título de honorários.

Intime-se o Administrador para, aceitando o encargo, assinar o termo de compromisso em cartório.



Estado do Rio de Janeiro Poder Judiciário  
Tribunal de Justiça  
Comarca da Capital  
Cartório da 1ª Vara Empresarial  
Erasmó Braga, 115 Lam. Central sala703CEP: 20020-903 - Centro - Rio de Janeiro - RJ Tel.: 3133 3735/3603 e-mail: cap01vemp@tjrj.jus.br

Acceptance Offer Pg 8 of 8



Dê-se ciência ao MP (art. 3º, X da Deliberação OECJPJ nº 30 de 29 de agosto de 2011).

Rio de Janeiro, 06/12/2018.

**Alexandre de Carvalho Mesquita - Juiz Titular**

---

Autos recebidos do MM. Dr. Juiz

Alexandre de Carvalho Mesquita

Em \_\_\_\_/\_\_\_\_/\_\_\_\_

Código de Autenticação: **4KZQ.8BFB.8TZS.WK62**

Este código pode ser verificado em: [www.tjrj.jus.br](http://www.tjrj.jus.br) – Serviços – Validação de documentos

