

Constellation Oil Services

Updated Business Plan to YE-2021

May 2020



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Asset Portfolio: Offshore Fleet



OFFSHORE FLEET

	ULTRA-DEEPWATER						DEEP WATER	MID WATER
	GOLD STAR ⁽⁴⁾	LONE STAR ⁽⁴⁾	ALPHA STAR ⁽⁴⁾	AMARALINA STAR ⁽⁵⁾	LAGUNA STAR ⁽³⁾	BRAVA STAR ⁽²⁾	OLINDA STAR ⁽¹⁾	ATLANTIC STAR ⁽⁶⁾
								
WATER DEPTH (FEET)	9,000	7,900	9,000	10,000	10,000	12,000	3,600	2,000
CONTRACTOR	Petrobras	Petrobras	Petrobras	Petrobras	Petrobras	Shell	ONGC	Petrobras
CONTRACT START	February 2020	April 2020	August 2020	April 2020	October 2019	March 2019	January 2018	October 2020
CONTRACT END	February 2022	April 2022	August 2022	April 2022	October 2021	September 2020	January 2021	October 2023

¹ On April 25, 2017, the Company announced that Olinda Star was awarded a three-year contract with Oil and Natural Gas Corporation (“ONGC”), an Indian state-owned oil and gas exploration and production company, for operations within an offshore area in India. The operations commenced on January 12, 2018. ONGC invoked Force Majeure clause based on COVID-19 crisis. Force Majeure began on May 10, 2020; however The Company is disputing such Force Majeure and will engage in negotiations with ONGC. Any Force Majeure period could be added to the contractual period date, which is January 12, 2021.

² On August 1, 2018, the Company announced that its ultra-deepwater drillship Brava Star was awarded a contract with Shell Brasil. The operations under the contract commenced on March 7, 2019. The total contract duration is now estimated in 552 days.

³ On July 04, 2019, the Company announced that the Laguna Star was awarded a contract with the consortiums of BM-S-11, BM-S-11A and AIP (Acordo de Individualização de Produção, or Production Individualization Agreement) of Lula, operated by Petrobras. The contract has a firm duration of 730 days. The work is being performed in the Santos Basin, located offshore of Brazil, and operations under the contract commenced on October 30, 2019.

⁴ On July 22, 2019, the Company announced that three of the Company’s ultra-deepwater (UDW) rigs, Alpha Star, Gold Star, and Lone Star, have been awarded new firm contracts with Petrobras for two years. The drilling activities will be performed offshore of Brazil. The operations under Gold Star’s and Lone Star’s contract commenced on February 18, 2020 and April 24, 2020, respectively, whereas Alpha Star’s operations are expected to commence in August 2020.

⁵ On January 02, 2020, the Company announced that the Amaralina Star was awarded a contract with the consortiums of BM-S-11, BM-S-11A and AIP (Acordo de Individualização de Produção, or Production Individualization Agreement) of Lula, operated by Petrobras. The contract has a duration of 730 days. The work will be performed in the Santos Basin, located offshore of Brazil. The operations commenced on April 15, 2020.

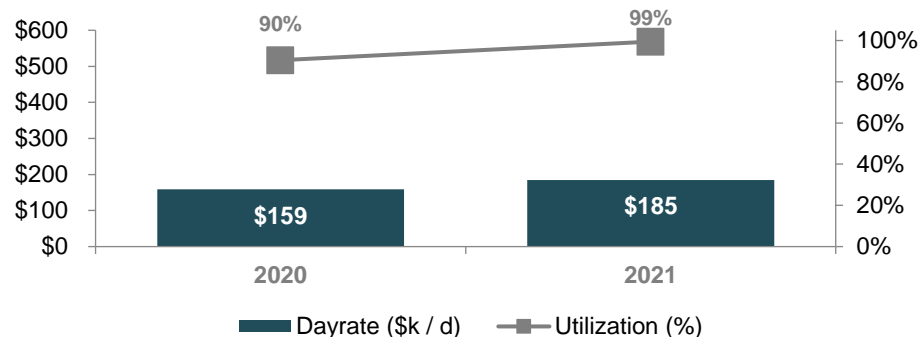
⁶ On February 05, 2020, the Company announced that the Atlantic Star was awarded a contract with Petrobras S.A.. The contract has a firm duration of 1095 days. The work will be performed in the Campos Basin, located offshore Brazil, and operations under the contract are expected to commence up to the end of October 2020.

Key Assumptions and Historical Data



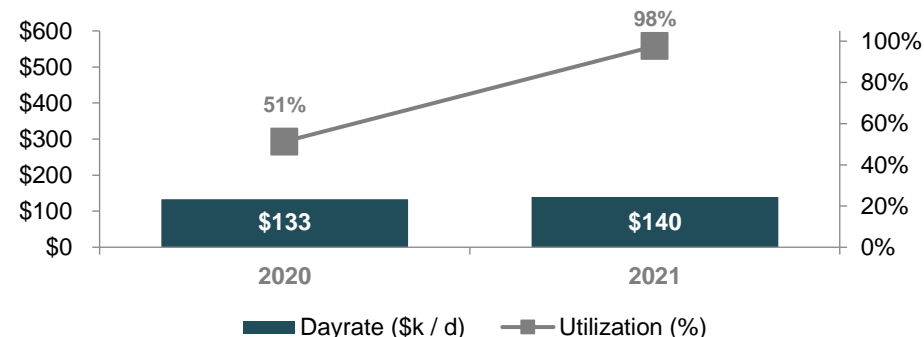
A/L/B Rigs ⁽¹⁾⁽²⁾⁽³⁾

Amaralina Star, Brava Star and Laguna Star



2024 Notes Collateral Rigs ⁽¹⁾⁽²⁾⁽³⁾

Lone Star, Gold Star, Alpha Star, Atlantic Star and Olinda Star



► Projected day rates and utilization reflect current contracts and revised third party view for medium-term analysis

- (1) Includes mobilization payments
- (2) Average day rate represents weighted average rate based on utilization
- (3) X-rate \$ 5,0 in 2020 and \$ 4,75 on 2021

Historical Uptime⁽¹⁾ by Asset Type (%):

	FULL YEAR 2014	FULL YEAR 2015	FULL YEAR 2016	FULL YEAR 2017	FULL YEAR 2018	FULL YEAR 2019	1Q 2020
ULTRA-DEEPWATER	96	96	95	91	89	96	92
DEEPWATER	92	76	-	-	87	93	95
MIDWATER	99	95	98	99	96	100	-

(1) 1 Uptime is derived by dividing (i) the number of days the rigs effectively earned a contractual dayrate by (ii) utilization days. Uptime adjusts for planned downtime, such as rig upgrades and surveys.

Rig by Rig (Operating Cash Flows)



1 Previous Business Plan

US\$ in mm	2020	2021	TOTAL
Cash Flows			
Amaralina	23,8	35,2	59,0
Laguna	12,9	14,2	27,1
Brava	(28,1)	18,8	(9,3)
Gold	6,8	9,3	16,1
Lone	13,6	14,9	28,5
Alpha	3,7	5,1	8,8
Olinda	10,3	15,1	25,4
Atlantic	26,5	26,0	52,5
CAPEX	30,6	7,7	38,3
Total Unlevered Free Cash Flow	69,4	138,7	208,0
Memo:			
A/L/B CapEx	26,2	1,2	27,4
2024 Notes Collateral CapEx	4,3	6,4	10,7

2 Current Business Plan (\$mm)

US\$ in mm	2020	2021	TOTAL
Cash Flows			
Amaralina	(7,6)	20,2	12,7
Laguna	10,1	16,1	26,2
Brava	(21,5)	22,3	0,8
Gold	(12,6)	10,2	(2,4)
Lone	(26,5)	13,4	(13,1)
Alpha	(52,1)	9,8	(42,3)
Olinda	(5,1)	9,1	4,0
Atlantic	(36,4)	43,9	7,5
CAPEX	105,3	13,6	118,9
Total Unlevered Free Cash Flow	(151,6)	145,0	(6,7)
Memo:			
A/L/B CapEx	53,8	8,9	62,6
2024 Notes Collateral CapEx	51,5	4,7	56,3

Note: Capex increase in 2020 is related to renegotiation with suppliers and postponement in the start of operations, so that approximately \$ 96 mm of capex forecasted to be spent in 2019 in previous BP is now allocated to 2020 cashflow in the new BP.

Cash Flows 2020-2021



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1 Previous Business Plan

<i>US\$ in mm</i>	2020	2021
Total Revenue	\$402,7	\$441,5
(-) OpEx ¹	(275,0)	(271,8)
EBITDA	\$127,8	\$169,7
(+/-) Other ²	(27,8)	(23,4)
(-) CapEx	(30,6)	(7,7)
Unlevered Free Cash Flow	\$69,4	\$138,7
Other Cash Flow³	(\$1,0)	\$4,0
Total Cash Interest	(\$46,0)	(\$49,0)
New Financing	-	-
Total Principal Repayments	-	(\$75,0)
Total Cash Sweep	-	(\$14,0)
Levered Cash Flow	\$22,4	\$4,7
Total PIK	\$90,0	\$97,0
Total Debt (EOP)	\$1.789,0	\$1.797,0
Available Cash	\$128,0	\$140,0
Restricted Cash	4,0	-
Reserve Accounts	42,0	37,0
Net Leverage	10,3x	8,1x

2 Current Business Plan (\$mm)

<i>US\$ in mm</i>	2020	2021
Total Revenue	\$249,9	\$414,9
(-) OpEx ¹	(224,1)	(233,3)
EBITDA	\$25,7	\$181,6
(+/-) Other ²	(72,1)	(23,0)
(-) CapEx	(105,3)	(13,6)
Unlevered Free Cash Flow	(\$151,6)	\$145,0
Other Cash Flow¹	\$1,7	(\$1,5)
Total Cash Interest	(\$32,2)	(\$34,2)
New Financing	-	-
Total Principal Repayments	-	(\$75,0)
Total Cash Sweep	-	-
Levered Cash Flow	(\$182,1)	\$34,4
Total PIK	\$96,8	\$99,2
Total Debt (EOP)	\$1.810,2	\$1.841,3
Available Cash	\$24,6	\$64,3
Restricted Cash	8,1	3,1
Reserve Accounts	35,3	35,0
Net Leverage	67,7x	9,6x

(1) Includes SG&A and Onshore Base expenses

(2) Includes non-cash items, working capital and taxes

(3) Includes letter of credit and bank short-term investment