

Latina Offshore Holding Limited
Unaudited consolidated financial information
Third quarter results 2015
(In thousands of US dollars)

Mexico City, November 17th, 2015, Latina Offshore Holding Limited (the “Company”) an indirect subsidiary of Constructora y Perforadora Latina, S. A. de C. V. (“Latina”), reported the unaudited consolidated results as of September 30th, 2015.

The Company owns two (2) jack-ups (Santa Maria and La Covadonga) for oil and gas drilling, which are indirectly leased to Pemex. Latina is responsible for maintaining both jack-ups under operative conditions, including spare parts and maintenance, while Pemex is responsible for the drilling activities. Santa Maria started operations on February 15th, 2014 and La Covadonga on May 28th, 2014. Given that the operations started during the year, the results for 2014 are not comparable with 2015.

Each jack-up is leased to Latina at \$ 107 daily bareboat charterer.

Q3 2015 Highlights

Revenue of \$ 21,068

Efficiency for the two (2) jack-ups on average was 98.8%

EBITDA of \$ 19,190

Interest Expense of \$ 4,572

Revenue

The accumulated revenue for the first nine months of 2015 was \$ 58,422, received under the bareboat charter contract for each jack-up between Latina Offshore Limited and Latina.

Efficiency

Efficiency for the two (2) jack-ups on average for the first nine months of 2015 was 91.9%.

EBITDA

The accumulated EBITDA for the first nine months of 2015 was \$ 51,949, corresponding to a percentage of accumulated revenue equal to 88.9%.

Bond amortization (\$ 350,000)

Bond amortization payments for the first nine months of 2015 was \$23,750.

Modular construction

As of September 30th, 2015, the construction of the modular rig was completed, and the rig is ready to be imported to Mexico. The mobilization and installation is expected to take three (3) months, following which the rig will commence operations under the contract with Pemex.

Pemex has requested a second delay to the start of operations, which is now estimated to occur in February 2016. We are currently in dialogue with Pemex to confirm the exact date for start of operations.

New collection terms

During the quarter, Latina agreed to amend the original collection terms under the two (2) contracts with Pemex for Santa Maria and La Covadonga. Under the amended contract terms, Latina will, following issuance of the respective invoice, be able to collect revenues under each of the contracts after 180 days. Latina expects to finalize the contract amendment over the next couple of weeks.

Once the contract amendment has been finalized, it will be possible for Latina to issue the account receivables accumulated from July 2015 to October 2015, following which payment is expected to be received 180 days thereafter.

Latina is currently in the process of obtaining an invoice factoring solution, which is expected to be in place by the first week of December. For the avoidance of doubt, Latina will absorb the cost of such invoice factoring solution.

The account receivables as of September 30th, 2015 were \$ 28,600.

Covenant

As of September 30th, 2015, Latina Offshore Limited was in breach of the minimum liquidity covenant under the \$ 326,250 Senior Secured Bond 13/18 (ISIN NO0010683832). In order to comply with the aforementioned covenant, Latina gave an unsecured subordinated shareholder loan to Latina Offshore Limited. As of this date, the total cash & cash equivalents of Latina Offshore Limited is equal to \$ 10,157 (see appendix 1), hence Latina Offshore Limited is in compliance with the aforementioned covenant.

Important events

- a) In August 2015, Latina signed an amendment to the contracts with Pemex related to the lease of Santa Maria and La Covadonga. The following main changes have occurred:
 1. The daily rate: \$125 for both jack-ups for one year; from June 2015 to May 2016. After this period the daily rate will return to \$158.
 2. The contract length: an additional 365 days will be added to the original agreement. This means that the Santa Maria contract expires August 8th, 2021 and the La Covadonga contract expires September 19th, 2021.
- b) In August 2015, the Company concluded a refinancing of the \$ 75,000 Senior Secured Bond 14/16 (ISIN NO0010715212). The outstanding amount was reduced to \$ 50,000, of which the \$ 25,000 difference was recognized as a stockholders' equity contribution. Given that the

\$ 25,000 was purchased under par value in the amount of \$ 22,015, the difference of \$ 2,985 has been recognized as an interest gain.

Offshore business operation

The following consolidated income statements are included only for additional information, reflecting the business as a project.

Constructora y Perforadora Latina, S.A. de C.V.

Consolidated Income Statements

For the period of nine months ended September 30, 2015 and for the year ended December 31, 2014

(In thousands of US dollars)

	September 2015	December 2014
Operating leases income	\$ 72,333	\$ 83,412
Operating cost and expenses	15,191	18,441
Other expenses (incomes), net	814	(1,112)
Corporate expenses	4,068	3,188
Depreciation	<u>26,496</u>	<u>22,256</u>
Operating profit	25,764	40,639
Interest expenses, net	18,164	29,685
Exchange (gain), net	(661)	-
Income tax	<u>4,918</u>	<u>3,499</u>
Consolidated net profit	<u>\$ 3,343</u>	<u>\$ 7,455</u>

Appendix 1

OFFSHORE BUSINESS - BANK ACCOUNTS

(In thousands of US dollars)

Account held by:

			3Q15 30-sep-15	Today 17-nov-15
Constructora y Perforadora Latina S.A. de C.V. (Mexico)	Account number	Bank	Cash	Cash
Parent Earnings Account	1250.05.01152	DNB Bank ASA	\$ 1	\$ 1
Other account - Mexican pesos	000000000142308142	BBVA Bancomer	20	0
Other account - Mexican pesos	000000000147451954	BBVA Bancomer	1,786	11,377
Other account - Mexican pesos	000000000190836664	BBVA Bancomer	1	4
Other account - Mexican pesos	36180500257983584	Inbursa	3	4
Other account - Mexican pesos	00234444026	Banamex	1	0
Other account - US dollars	36180500257986617	Inbursa	7	7
Other account - US dollars	00234444506	Banamex	10	10
Other account - US dollars	000000000142308967	BBVA Bancomer	51	1,754
Other account - trustee - Mexican pesos	0197965834	BBVA Bancomer	1	1
Other account - trustee - US dollars	0197965877	BBVA Bancomer	1	1
Other account - trustee - Mexican pesos	300055719	Banco Interacciones	4	4
			<u>1,887</u>	<u>13,164</u>
Latina Offshore Limited (Bermuda)				
Interest Retention Account	1250.05.05298	DNB Bank ASA	4,836	10,037
Guarantor Liquidity Account	1250.05.01292	DNB Bank ASA	11	10
Other account - Mexican pesos	000000000194310543	BBVA Bancomer	136	52
Other account - US dollars	000000000194310675	BBVA Bancomer	18	18
Santa Maria Offshore Limited (Bermuda)				
Rigowner Earnings Account / Issuer Earnings Account	1250.05.01179	DNB Bank ASA	0	0
Rigowner Liquidity Account / Issuer Liquidity Account	1250.05.01187	DNB Bank ASA	5	4
Other account - NOK	1503.39.29207	DNB Bank ASA	12	12
Other account - Mexican pesos	000000000194310292	BBVA Bancomer	1	0
Other account - US dollars	000000000194310489	BBVA Bancomer	53	7
La Covadonga Limited (Bermuda)				
Earnings Account	1250.05.06014	DNB Bank ASA	0	0
Liquidity Account	1250.05.06022	DNB Bank ASA	11	11
Other account - Mexican pesos	000000000194310772	BBVA Bancomer	1	1
Other account - US dollars	000000000194310853	BBVA Bancomer	5	5
			<u>5,089</u>	<u>10,157</u>
Total			<u>\$ 6,975</u>	<u>\$ 23,320</u>