

## Latina Modular Holding Limited and Subsidiary

# Consolidated Statement of Financial Position

As of June 30, 2016 and December 31, 2015

(In thousands of US dollars)

<b>Assets</b>	<b>June 2016</b>	<b>December 2015</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Current assets:		
Cash	\$ 15	\$ 15
Other accounts receivables	4,141	1,726
Total current assets	<u>4,156</u>	<u>1,741</u>
Non-current assets:		
Modular rig and equipment	111,642	94,102
Deferred income taxes	503	52
	<u>112,145</u>	<u>94,154</u>
Total assets	<u>\$ 116,301</u>	<u>\$ 95,895</u>
<b>Equity and Liabilities</b>		
Current liabilities:		
Trade accounts payables	\$ 209	\$ 208
Due to related parties	43,665	27,309
Other accounts payables and accrued liabilities	697	23
Total current liabilities	<u>44,571</u>	<u>27,540</u>
Non-current liabilities:		
Latina Offshore Holding Limited, parent company	42,400	42,400
Deferred income tax	1,812	876
Total non-current liabilities	<u>44,212</u>	<u>43,276</u>
Total liabilities	88,783	70,816
Stockholders' equity:		
Capital stock	25,000	-
Contributions for future capital increases	-	25,000
Accumulated results	2,518	79
Total stockholders' equity	<u>27,518</u>	<u>25,079</u>
Total stockholders' equity and liabilities	<u>\$ 116,301</u>	<u>\$ 95,895</u>

# Latina Modular Holding Limited and Subsidiary

## Consolidated Statement of Losses

For the six months ended June 30, 2016 and for the year end December 31, 2015  
(In thousands of US dollars)

	June 2016 (Unaudited)	December 2015 (Audited)
Continuing operations:		
Administrative expenses	8	8
Interest expense	(1,131)	203
Exchange loss (gain), net	<u>(865)</u>	<u>(258)</u>
Loss before tax	1,988	47
Deferred income tax	<u>(451)</u>	<u>(46)</u>
Consolidated net loss	<u>\$ 2,439</u>	<u>\$ 93</u>

# Latina Modular Holding Limited and Subsidiary

## Consolidated Statement of Cash Flows

For the six months ended June 30, 2016 and for the year end December 31, 2015

(In thousands of US dollars)

	June 2016	December 2015
	(Unaudited)	(Audited)
Cash flows from operating activities:		
Consolidated net loss	\$ 2,439	\$ 93
Adjustments for:		
Interest expense	(1,131)	203
Income tax recognized in results	<u>(451)</u>	<u>(46)</u>
	857	250
Movements in working capital:		
(Increase) decrease in:		
Other accounts receivables	(2,415)	(1,690)
Increase (decrease) in:		
Trade accounts payables	1	208
Due to related parties	16,356	17,289
Other accounts payables and accrued liabilities	<u>674</u>	<u>(20)</u>
Net cash flows generated by operating activities	15,473	16,037
Cash flows from investing activities:		
Purchase of machinery and equipment	<u>(16,604)</u>	<u>(40,219)</u>
Net cash flows used in investing activities	(16,604)	(40,219)
Cash flows from financing activities:		
Payments to long-term debt	-	(600)
Interest net	1,131	(203)
Contribution for future capital increases	<u>-</u>	<u>25,000</u>
Net cash flows provided by financing activities	1,131	24,197
Net increase in cash	<u>0</u>	<u>15</u>
Cash at the beginning of the year	15	-
Cash at end of the year	<u>\$ 15</u>	<u>\$ 15</u>