

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Financial Position

As of June 30, 2016 and December 31, 2015

(In thousands of US dollars)

Assets	June 2016 (Unaudited)	December 2015 (Audited)
Current assets:		
Cash and restricted cash	\$ 28,904	\$ 459
Due from related parties	24,015	34,217
Other accounts receivables	5,309	6,503
Prepaid expenses	234	1,240
Total current assets	58,462	42,419
Non-current assets:		
Due from related parties	-	16,320
Jack ups and equipment, net	545,841	544,465
Deferred income taxes	503	577
Total non-current assets	546,344	561,362
Total assets	\$ 604,806	\$ 603,781
Equity and Liabilities		
Current liabilities:		
Current portion of long-term debt	\$ 80,002	\$ 64,956
Trade accounts payables	209	1,441
Due to related parties	-	220
Other accounts payables and accrued liabilities	6,680	12,327
Interest payable	14,645	833
Total current liabilities	101,536	79,777
Non-current liabilities:		
Long-term debt	276,971	291,097
Deferred income taxes	17,547	15,128
Total non-current liabilities	294,518	306,225
Total liabilities	396,054	386,002
Stockholders' equity:		
Capital stock	227,727	150,812
Contributions for future capital increases	-	76,915
Deficit	(18,975)	(9,948)
Total stockholders' equity	208,752	217,779
Total stockholders' equity and liabilities	\$ 604,806	\$ 603,781

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements 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:		
Operating leases income	\$ 25,894	\$ 78,110
Operating cost	1,329	2,967
Depreciation of assets under operating leases	<u>18,201</u>	<u>35,521</u>
Gross profit	6,364	39,622
Administrative expenses	2,700	5,400
Others expenses, net	-	110
Interest expense	13,972	30,415
Exchange loss (gain), net	<u>(2,839)</u>	<u>61</u>
Profit before tax	<u>(7,469)</u>	<u>3,636</u>
Deferred income tax expense	<u>1,558</u>	<u>6,421</u>
Consolidated net loss	<u><u>\$ (9,027)</u></u>	<u><u>\$ (2,785)</u></u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements 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 (Unaudited)	December 2015 (Audited)
Cash flows from operating activities		
Consolidated net loss	\$ (9,027)	\$ (2,785)
Adjustments for:		
Deferred income tax expenses	1,558	6,421
Depreciation	18,201	35,521
Interest income	-	(2,530)
Interest expense	13,972	32,945
	24,704	69,572
Movements in working capital:		
(Increase) decrease in:		
Due from related parties	26,522	(28,905)
Other accounts receivables	1,194	3,085
Prepaid expenses	1,006	285
Increase (decrease) in:		
Trade accounts payables	(1,232)	269
Due to related parties	(220)	(42)
Other accounts payables and accrued liabilities	1,197	(136)
Net cash flows generated by operating activities	53,171	44,128
Cash flows from investing activities:		
Purchase of machinery and equipment	(20,512)	(48,184)
Net cash flows used in investing activities	(20,512)	(48,184)
Cash flows from financing activities:		
Proceeds from long-term debt	-	(63,750)
Payments of long term-debt	-	(269)
Bonds issuance cost	-	2,530
Interest paid	(4,214)	(47,405)
Contribution for future capital increases	-	76,915
Net cash flows by financing activities	(4,214)	(31,979)
Net in cash and restricted cash	28,445	(36,034)
Cash and restricted cash at the beginning of the year	459	36,493
Cash and restricted cash at end of the year	\$ 28,904	\$ 459