La Covadonga Limited

Statements of Financial Position

As of September 30, 2016 and December 31, 2015 (In thousands of US dollars)

Assets		eptember 2016 (Unaudited)	December 2015 (Audited)	
Current assets: Cash Due from related parties Other accounts receivables Prepaid expenses, net Total current assets	\$	40 13,440 932 440 14,852	\$ 	16 34,034 1,930 614 36,594
Non-current assets:				
Jack ups and equipment, net		208,131		221,736
Total assets	\$	222,983	\$	258,330
Equity and Liabilities				
Current liabilities:				
Trade accounts payables Due to related parties Other accounts payables and accrued liabilities Total current liabilities	\$	15,640 2,748 18,388	\$ 	610 28,358 4,082 33,050
Non-current liabilities:				,
Due to related parties Deferred income taxes Total non-current liabilities Total liabilities	_	140,625 3,212 143,837 162,225	_	148,125 5,596 153,721 186,771
Stockholders' equity:				
Capital stock Contributions for future capital increases Accumulated deficit Total stockholders' equity	_	78,100 - (17,342) 60,758		60,400 17,700 (6,541) 71,559
Total stockholders' equity and liabilities	\$	222,983	\$	258,330

La Covadonga Limited

Statements of Loss

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

	Se	September 2016		December 2015	
Continuing operations:		(Unaudited)		(Audited)	
Operating leases income	\$	14,557	\$	39,055	
Operating cost		-		1,259	
Depreciation of assets under operating leases		13,629		17,732	
Gross profit		928		20,064	
Administrative expenses		2,854		2,700	
Others expenses (incomes)		-		55	
Interest expense		11,162		16,322	
Exchange loss, net		97			
(Loss) profit before tax		(13,185)		987	
Income tax		(2,384)		2,696	
Net loss	\$	(10,801)	\$	(1,709)	

La Covadonga Limited

Statements of Cash Flows

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

Cash flows from operating activities (Unaudited) (Audited) Net loss \$ (10,801) \$ (1,709) Adjustments for: \$ (2,384) 2,696 Income tax recognized in results (2,384) 2,696 Depreciation 13,629 17,732 Interest expense 11,162 16,322 Interest expense 11,606 35,041 Movements in working capital: \$ (15,302) (15,302) Other accounts receivables 998 1,362 Other accounts receivables 998 1,362 Prepaid expenses 174 140 Increase (decrease) in: \$ 998 1,362 Trade accounts payables (610) (377) Due to related parties (20,218) (8,174) Other accounts payables and accrued liabilities (1,334) 757 Net cash flows generated (used) by operating activities 11,210 13,447 Cash flows from investing activities: (24) (3,860) Proceeds from long – term debt - (4,482) Interest paid		5	September 2016	December 2015		
Net loss \$ (10,801) \$ (1,709) Adjustments for:	Cash flows from operating activities		(Unaudited)		(Audited)	
Income tax recognized in results (2,384) 2,696 Depreciation 13,629 17,732 Interest expense 11,162 16,322 Movements in working capital: 11,606 35,041 Movements in working capital: 20,594 (15,302) Other acrounts receivables 998 1,362 Prepaid expenses 174 140 Increase (decrease) in: (610) (377) Trade accounts payables (610) (377) Due to related parties (20,218) (8,174) Other accounts payables and accrued liabilities (1,334) 757 Net cash flows generated (used) by operating activities 11,210 13,447 Cash flows from investing activities: 24 (3,860) Purchase of Jack up and equipment (24) (3,860) Net cash flows used in investing activities (24) (3,860) Cash flows from financing activities: - (14,892) Interest paid (11,162) (16,322) Contribution for future capital increases - 17,700		\$	(10,801)	\$	(1,709)	
Depreciation 13,629 17,732 Interest expense 11,162 16,322 Movements in working capital: 11,606 35,041 Movements in working capital: 11,606 35,041 Movements receivables 20,594 (15,302) Other accounts receivables 998 1,362 Prepaid expenses 174 140 Increase (decrease) in: (610) (377) Trade accounts payables (610) (377) Due to related parties (20,218) (8,174) Other accounts payables and accrued liabilities (1,334) 757 Net cash flows generated (used) by operating activities 11,210 13,447 Cash flows from investing activities: 24 (3,860) Purchase of Jack up and equipment (24) (3,860) Net cash flows used in investing activities (24) (3,860) Cash flows from financing activities: - (14,892) Interest paid (11,162) (16,322) Contribution for future capital increases - 17,700	Adjustments for:					
Interest expense 11,162 16,322 Movements in working capital: 11,606 35,041 Movements in working capital: (Increase) decrease in: 35,041 Due from related parties 20,594 (15,302) Other accounts receivables 998 1,362 Prepaid expenses 174 140 Increase (decrease) in: 172 140 Trade accounts payables (610) (377) Due to related parties (20,218) (8,174) Other accounts payables and accrued liabilities (1,334) 757 Net cash flows generated (used) by operating activities 11,210 13,447 Cash flows from investing activities: 24 (3,860) Purchase of Jack up and equipment (24) (3,860) Net cash flows used in investing activities (24) (3,860) Cash flows from financing activities: (24) (3,860) Contribution for future capital increases - (14,892) Interest paid (11,162) (16,322) Contribution for future capital increases -	Income tax recognized in results		(2,384)		2,696	
Movements in working capital: 11,606 35,041 (Increase) decrease in: 20,594 (15,302) Other accounts receivables 998 1,362 Prepaid expenses 174 140 Increase (decrease) in: 377 Trade accounts payables (610) (377) Due to related parties (20,218) (8,174) Other accounts payables and accrued liabilities (1,334) 757 Net cash flows generated (used) by operating activities 11,210 13,447 Cash flows from investing activities: (24) (3,860) Purchase of Jack up and equipment (24) (3,860) Net cash flows used in investing activities (24) (3,860) Cash flows from financing activities: Proceeds from long – term debt - (14,892) Interest paid (11,162) (16,322) Contribution for future capital increases - 17,700 Net cash flows (used) provided by financing activities (11,162) (13,514) Net (decrease) increase in cash 24 (3,927) Cash at the beginning of the year 16 3,943 <td>Depreciation</td> <td></td> <td>13,629</td> <td></td> <td>17,732</td>	Depreciation		13,629		17,732	
Movements in working capital: (Increase) decrease in: Due from related parties 20,594 (15,302) Other accounts receivables 998 1,362 Prepaid expenses 174 140 Increase (decrease) in: (610) (377) Trade accounts payables (610) (377) Due to related parties (20,218) (8,174) Other accounts payables and accrued liabilities (1,334) 757 Net cash flows generated (used) by operating activities 11,210 13,447 Cash flows from investing activities: (24) (3,860) Purchase of Jack up and equipment (24) (3,860) Net cash flows used in investing activities (24) (3,860) Cash flows from financing activities: - (14,892) Interest paid (11,162) (16,322) Contribution for future capital increases - 17,700 Net cash flows (used) provided by financing activities (11,162) (13,514) Net (decrease) increase in cash 24 (3,927) Cash at the beginning of the year <	Interest expense	_	11,162	_	16,322	
(Increase) decrease in: 20,594 (15,302) Other accounts receivables 998 1,362 Prepaid expenses 174 140 Increase (decrease) in: (610) (377) Trade accounts payables (610) (377) Due to related parties (20,218) (8,174) Other accounts payables and accrued liabilities (1,334) 757 Net cash flows generated (used) by operating activities 11,210 13,447 Cash flows from investing activities: Purchase of Jack up and equipment (24) (3,860) Net cash flows used in investing activities (24) (3,860) Cash flows from financing activities: Proceeds from long – term debt – (14,892) Interest paid (11,162) (16,322) Contribution for future capital increases – 17,700 Net cash flows (used) provided by financing activities (11,162) (13,514) Net (decrease) increase in cash 24 (3,927) Cash at the beginning of the year 16 3,943			11,606		35,041	
Due from related parties 20,594 (15,302) Other accounts receivables 998 1,362 Prepaid expenses 174 140 Increase (decrease) in: Trade accounts payables (610) (377) Due to related parties (20,218) (8,174) Other accounts payables and accrued liabilities (1,334) 757 Net cash flows generated (used) by operating activities 11,210 13,447 Cash flows from investing activities: Purchase of Jack up and equipment (24) (3,860) Net cash flows used in investing activities (24) (3,860) Cash flows from financing activities: Proceeds from long – term debt - (14,892) Interest paid (11,162) (16,322) Contribution for future capital increases - 17,700 Net cash flows (used) provided by financing activities (11,162) (13,514) Net (decrease) increase in cash 24 (3,927) Cash at the beginning of the year 16 3,943	Movements in working capital:					
Other accounts receivables 998 1,362 Prepaid expenses 174 140 Increase (decrease) in: Trade accounts payables (610) (377) Due to related parties (20,218) (8,174) Other accounts payables and accrued liabilities (1,334) 757 Net cash flows generated (used) by operating activities 11,210 13,447 Cash flows from investing activities: Purchase of Jack up and equipment (24) (3,860) Net cash flows used in investing activities (24) (3,860) Cash flows from financing activities: Proceeds from long – term debt - (14,892) Interest paid (11,162) (16,322) Contribution for future capital increases - 17,700 Net cash flows (used) provided by financing activities (11,162) (13,514) Net (decrease) increase in cash 24 (3,927) Cash at the beginning of the year 16 3,943	(Increase) decrease in:					
Prepaid expenses 174 140 Increase (decrease) in: Trade accounts payables (610) (377) Due to related parties (20,218) (8,174) Other accounts payables and accrued liabilities (1,334) 757 Net cash flows generated (used) by operating activities 11,210 13,447 Cash flows from investing activities: Purchase of Jack up and equipment (24) (3,860) Net cash flows used in investing activities (24) (3,860) Cash flows from financing activities: Proceeds from long – term debt - (14,892) Interest paid (11,162) (16,322) Contribution for future capital increases - 17,700 Net cash flows (used) provided by financing activities (11,162) (13,514) Net (decrease) increase in cash 24 (3,927) Cash at the beginning of the year 16 3,943	Due from related parties		20,594		(15,302)	
Increase (decrease) in: (610) (377) Trade accounts payables (20,218) (8,174) Other accounts payables and accrued liabilities (1,334) 757 Net cash flows generated (used) by operating activities 11,210 13,447 Cash flows from investing activities: 24 (3,860) Purchase of Jack up and equipment Net cash flows used in investing activities (24) (3,860) Cash flows from financing activities: (24) (3,860) Cash flows from long – term debt - (14,892) Interest paid (11,162) (16,322) Contribution for future capital increases - 17,700 Net cash flows (used) provided by financing activities (11,162) (13,514) Net (decrease) increase in cash 24 (3,927) Cash at the beginning of the year 16 3,943	Other accounts receivables		998		1,362	
Trade accounts payables Due to related parties Other accounts payables and accrued liabilities Net cash flows generated (used) by operating activities Purchase of Jack up and equipment Net cash flows used in investing activities Proceeds from long – term debt Interest paid Contribution for future capital increases Net cash flows (used) provided by financing activities Net (decrease) increase in cash Cash at the beginning of the year (610) (377) (20) (11,334) (11,347) (24) (3,860) (24) (3,860) (24) (3,860) (14,892) (11,162) (14,892) (11,162) (13,514) (13,514)	Prepaid expenses		174		140	
Due to related parties (20,218) (8,174) Other accounts payables and accrued liabilities (1,334) 757 Net cash flows generated (used) by operating activities 11,210 13,447 Cash flows from investing activities: Purchase of Jack up and equipment (24) (3,860) Net cash flows used in investing activities (24) (3,860) Cash flows from financing activities: Proceeds from long – term debt - (14,892) Interest paid (11,162) (16,322) Contribution for future capital increases - 17,700 Net cash flows (used) provided by financing activities (11,162) (13,514) Net (decrease) increase in cash 24 (3,927) Cash at the beginning of the year 16 3,943	Increase (decrease) in:					
Other accounts payables and accrued liabilities (1,334) 757 Net cash flows generated (used) by operating activities 11,210 13,447 Cash flows from investing activities: Purchase of Jack up and equipment (24) (3,860) Net cash flows used in investing activities (24) (3,860) Cash flows from financing activities: Proceeds from long – term debt - (14,892) Interest paid (11,162) (16,322) Contribution for future capital increases - 17,700 Net cash flows (used) provided by financing activities (11,162) (13,514) Net (decrease) increase in cash 24 (3,927) Cash at the beginning of the year 16 3,943	Trade accounts payables		(610)		(377)	
Net cash flows generated (used) by operating activities Cash flows from investing activities: Purchase of Jack up and equipment Net cash flows used in investing activities Cash flows from financing activities: Proceeds from long – term debt Interest paid Contribution for future capital increases Net cash flows (used) provided by financing activities Net (decrease) increase in cash Cash at the beginning of the year 11,210 13,447 14,847 16,349 17,210 18,460 19,460 19,460 19,460 19,460 19,460 19,460 11,162 11,16	Due to related parties		(20,218)		(8,174)	
Cash flows from investing activities: Purchase of Jack up and equipment Net cash flows used in investing activities Cash flows from financing activities: Proceeds from long – term debt Interest paid Contribution for future capital increases Net cash flows (used) provided by financing activities Net (decrease) increase in cash Cash at the beginning of the year (14,892) (11,162) (11,162) (13,514) (13,514) (13,514)	Other accounts payables and accrued liabilities		(1,334)		757	
Purchase of Jack up and equipment Net cash flows used in investing activities Cash flows from financing activities: Proceeds from long – term debt Interest paid Contribution for future capital increases Net cash flows (used) provided by financing activities Net (decrease) increase in cash Cash at the beginning of the year (24) (3,860) (14,892) (11,162) (11,162) (16,322) (17,700) (11,162) (13,514) (13,514) (13,927)	Net cash flows generated (used) by operating activities		11,210		13,447	
Net cash flows used in investing activities Cash flows from financing activities: Proceeds from long – term debt Interest paid Contribution for future capital increases Net cash flows (used) provided by financing activities Net (decrease) increase in cash Cash at the beginning of the year (24) (3,860) (14,892) (11,162) (11,162) (16,322) (17,700) (11,162) (13,514) (13,514) (13,514)	Cash flows from investing activities:					
Net cash flows used in investing activities (24) (3,860) Cash flows from financing activities: Proceeds from long – term debt - (14,892) Interest paid (11,162) (16,322) Contribution for future capital increases - 17,700 Net cash flows (used) provided by financing activities (11,162) (13,514) Net (decrease) increase in cash 24 (3,927) Cash at the beginning of the year 16 3,943	Purchase of Jack up and equipment		(24)		(3,860)	
Proceeds from long – term debt Interest paid Contribution for future capital increases Net cash flows (used) provided by financing activities Net (decrease) increase in cash Cash at the beginning of the year (14,892) (16,322) (17,700) (11,162) (13,514) (13,514) (13,927) (14,892) (11,162) (13,212) (13,927) (14,892) (16,322) (17,700) ((24)			
Interest paid (11,162) (16,322) Contribution for future capital increases - 17,700 Net cash flows (used) provided by financing activities (11,162) (13,514) Net (decrease) increase in cash 24 (3,927) Cash at the beginning of the year 16 3,943	Cash flows from financing activities:					
Interest paid (11,162) (16,322) Contribution for future capital increases - 17,700 Net cash flows (used) provided by financing activities (11,162) (13,514) Net (decrease) increase in cash 24 (3,927) Cash at the beginning of the year 16 3,943	Proceeds from long – term debt		-		(14,892)	
Contribution for future capital increases-17,700Net cash flows (used) provided by financing activities(11,162)(13,514)Net (decrease) increase in cash24(3,927)Cash at the beginning of the year163,943			(11,162)			
Net (decrease) increase in cash24(3,927)Cash at the beginning of the year163,943	Contribution for future capital increases		-			
Net (decrease) increase in cash24(3,927)Cash at the beginning of the year163,943	·	_	(11,162)			
Cash at the beginning of the year 16 3,943		_				
			16			
		\$		\$		