

Latina Modular 01 Limited

Statement of Financial Position

As of September 30, 2016 and December 31, 2015

(In thousands of US dollars)

Assets	September 2016	December 2015
	(Unaudited)	(Audited)
Current assets:		
Cash	\$ 56	\$ 9
Other accounts receivables	4,239	1,724
Prepaid expenses, net	248	-
Total current assets	<u>4,543</u>	<u>1,733</u>
Non-current assets:		
Modular rig and equipment, net	<u>113,097</u>	<u>94,102</u>
Total assets	<u>\$ 117,640</u>	<u>\$ 95,835</u>
 Equity and Liabilities		
Current liabilities:		
Trade accounts payables	\$ 779	\$ -
Due to related parties	-	27,334
Other accounts payables and accrued liabilities	659	225
Total current liabilities	<u>1,438</u>	<u>27,559</u>
Non-current liabilities:		
Due to related parties	25,680	42,400
Deferred income tax	<u>3,590</u>	<u>876</u>
Total non-current liabilities	<u>29,270</u>	<u>43,276</u>
Total liabilities	30,708	70,835
Stockholders' equity:		
Capital stock	88,500	-
Contributions for future capital increases	-	25,000
Loss of the year	<u>(1,568)</u>	<u>-</u>
Total stockholders' equity	<u>86,932</u>	<u>25,000</u>
Total stockholders' equity and liabilities	<u>\$ 117,640</u>	<u>\$ 95,835</u>

Latina Modular 01 Limited

Statements of Profit and Loss

For the nine months ended September 30, 2016 and for the year end December 31, 2015

(In thousands of US dollars)

	September 2016 (Unaudited)	December 2015 (Audited)
Continuing operations:		
Operating leases income	\$ 2,640	\$ -
Operating cost	145	-
Depreciation of assets under operating leases	<u>1,705</u>	<u>-</u>
Gross profit	790	-
Administrative expenses	270	-
Interest expense	442	-
Exchange loss (gain), net	<u>24</u>	<u>-</u>
Profit before tax	54	-
Income tax expense	<u>1,622</u>	<u>-</u>
Net result	<u><u>\$ (1,568)</u></u>	<u><u>\$ -</u></u>

Latina Modular 01 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)

	September 2016	December 2015
	(Unaudited)	(Audited)
Cash flows from operating activities:		
Net result	\$ (1,568)	\$ -
Adjustments for:		
Depreciation	1,705	
Interest expense	442	
Income tax recognized in results	<u>1,622</u>	<u>-</u>
	2,201	-
Movements in working capital:		
(Increase) decrease in:		
Other accounts receivables	(2,515)	(1,688)
Increase (decrease) in:		
Trade accounts payables	779	-
Due to related parties	(44,054)	17,314
Prepaid expenses	(248)	
Other accounts payables and accrued liabilities	<u>434</u>	<u>202</u>
Net cash flows generated by operating activities	(43,403)	15,828
Cash flows from investing activities:		
Purchase of machinery and equipment	<u>(19,608)</u>	<u>(40,219)</u>
Net cash flows used in investing activities	(19,608)	(40,219)
Cash flows from financing activities:		
Interest paid	(442)	
Payments to long-term debt	-	(600)
Contribution for future capital increases	<u>63,500</u>	<u>25,000</u>
Net cash flows provided by financing activities	63,058	24,400
Net increase in cash	47	9
Cash at the beginning of the year	<u>9</u>	<u>-</u>
Cash at end of the year	<u>\$ 56</u>	<u>\$ 9</u>