

# La Covadonga Limited

## Statements of Financial Position

As of March 31, 2016 and December 31, 2015

(In thousands of US dollars)

### Assets

	March 2016 (Unaudited)	December 2015 (Audited)
Current assets:		
Cash	\$ 3,201	\$ 16
Due from related parties	24,221	34,034
Other accounts receivables	795	1,930
Prepaid expenses, net	364	614
Total current assets	<u>28,582</u>	<u>36,594</u>
Non-current assets:		
Jack ups and equipment, net	<u>217,218</u>	<u>221,736</u>
Total assets	<u>\$ 245,800</u>	<u>\$ 258,330</u>

### Equity and Liabilities

Current liabilities:		
Trade accounts payables	\$ 305	\$ 610
Due to related parties	23,728	28,358
Other accounts payables and accrued liabilities	<u>3,581</u>	<u>4,082</u>
Total current liabilities	27,613	33,050
Non-current liabilities:		
Due to related parties	140,625	148,125
Deferred income taxes	<u>6,398</u>	<u>5,596</u>
Total non-current liabilities	<u>147,023</u>	<u>153,721</u>
Total liabilities	174,636	186,771
Stockholders' equity:		
Capital stock	78,100	60,400
Contributions for future capital increases	-	17,700
Accumulated deficit	<u>(6,936)</u>	<u>(6,541)</u>
Total stockholders' equity	<u>71,164</u>	<u>71,559</u>
Total stockholders' equity and liabilities	<u>\$ 245,800</u>	<u>\$ 258,330</u>

# La Covadonga Limited

## Statements of Loss

For the three months ended March 31, 2016 and for the year end December 31, 2015

(In thousands of US dollars)

	March 2016	December 2015
	(Unaudited)	(Audited)
Continuing operations:		
Operating leases income	\$ 9,737	\$ 39,055
Operating cost	-	1,259
Depreciation of assets under operating leases	4,542	17,732
Gross profit	<u>5,195</u>	<u>20,064</u>
Administrative expenses	947	2,700
Others expenses (incomes)	-	55
Interest expense	3,696	16,322
Exchange loss, net	145	
Loss before tax	<u>407</u>	<u>987</u>
Income tax expense	<u>801</u>	<u>2,696</u>
Net loss	<u>\$ (395)</u>	<u>\$ (1,709)</u>

# La Covadonga Limited

## Statements of Cash Flows

For the three months ended March 31, 2016 and for the year end December 31, 2015

(In thousands of US dollars)

	March 2016	December 2015
	(Unaudited)	(Audited)
Cash flows from operating activities		
Net loss	\$ (395)	\$ (1,709)
Adjustments for:		
Income tax recognized in results	801	2,696
Depreciation	4,542	17,732
Interest expense	3,696	16,322
	<u>8,645</u>	<u>35,041</u>
Movements in working capital:		
(Increase) decrease in:		
Due from related parties	9,813	(15,302)
Other accounts receivables	1,134	1,362
Prepaid expenses	250	140
Increase (decrease) in:		
Trade accounts payables	(305)	(377)
Due to related parties	(12,130)	(8,174)
Other accounts payables and accrued liabilities	(501)	757
Net cash flows generated (used) by operating activities	<u>6,906</u>	<u>13,447</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	(24)	(3,860)
Net cash flows used in investing activities	<u>(24)</u>	<u>(3,860)</u>
Cash flows from financing activities:		
Proceeds from long – term debt	-	(14,892)
Interest paid	(3,696)	(16,322)
Contribution for future capital increases	-	17,700
Net cash flows (used) provided by financing activities	<u>(3,696)</u>	<u>(13,514)</u>
Net (decrease) increase in cash	<u>3,185</u>	<u>(3,927)</u>
Cash at the beginning of the year	<u>16</u>	<u>3,943</u>
Cash at end of the year	<u>\$ 3,201</u>	<u>\$ 16</u>