

## Latina Modular Holding Limited and Subsidiary

# Consolidated Statement of Financial Position

As of March 31, 2016 and December 31, 2015

(In thousands of US dollars)

<b>Assets</b>	<b>March 2016</b>	<b>December 2015</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Current assets:		
Cash	\$ 19	\$ 15
Other accounts receivables	2,401	1,726
Total current assets	<u>2,420</u>	<u>1,741</u>
Non-current assets:		
Modular rig and equipment	98,815	94,102
Deferred income taxes	26	52
	<u>98,841</u>	<u>94,154</u>
Total assets	<u>\$ 101,261</u>	<u>\$ 95,895</u>
 <b>Equity and Liabilities</b>		
Current liabilities:		
Trade accounts payables	\$ 209	\$ 208
Due to related parties	32,525	27,309
Other accounts payables and accrued liabilities	3	23
Total current liabilities	<u>32,736</u>	<u>27,540</u>
Non-current liabilities:		
Latina Offshore Holding Limited, parent company	42,400	42,400
Deferred income tax	1,677	876
Total non-current liabilities	<u>44,077</u>	<u>43,276</u>
Total liabilities	76,813	70,816
Stockholders' equity:		
Capital stock	25,000	-
Contributions for future capital increases	-	25,000
Accumulated results	(552)	79
Total stockholders' equity	<u>24,448</u>	<u>25,079</u>
Total stockholders' equity and liabilities	<u>\$ 101,261</u>	<u>\$ 95,895</u>

# Latina Modular Holding Limited and Subsidiary

## Consolidated Statement of Losses

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

	March 2016 (Unaudited)	December 2015 (Audited)
Continuing operations:		
Administrative expenses	4	8
Interest expense	1,466	203
Exchange loss (gain), net	<u>(866)</u>	<u>(258)</u>
Loss before tax	(604)	47
Deferred income tax (benefit) expense	<u>27</u>	<u>(46)</u>
Consolidated net (loss) profit	<u>\$ (631)</u>	<u>\$ 93</u>

## Latina Modular Holding Limited and Subsidiary

# Consolidated Statement 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:		
Consolidated net loss	\$ (631)	\$ 93
Adjustments for:		
Interest expense	1,466	203
Income tax recognized in results	<u>27</u>	<u>(46)</u>
	862	250
Movements in working capital:		
(Increase) decrease in:		
Other accounts receivables	(676)	(1,690)
Increase (decrease) in:		
Trade accounts payables	1	208
Due to related parties	5,216	17,289
Other accounts payables and accrued liabilities	<u>781</u>	<u>(20)</u>
Net cash flows generated by operating activities	6,183	16,037
Cash flows from investing activities:		
Purchase of machinery and equipment	<u>(4,713)</u>	<u>(40,219)</u>
Net cash flows used in investing activities	(4,713)	(40,219)
Cash flows from financing activities:		
Payments to long-term debt	-	(600)
Interest paid	(1,466)	(203)
Contribution for future capital increases	<u>-</u>	<u>25,000</u>
Net cash flows provided by financing activities	(1,466)	24,197
Net increase in cash	4	15
Cash at the beginning of the year	15	-
Cash at end of the year	<u>\$ 19</u>	<u>\$ 15</u>