

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Financial Position

As of March 31, 2016 and December 31, 2015

(In thousands of US dollars)

Assets	March 2016	December 2015
	(Unaudited)	(Audited)
Current assets:		
Cash and restricted cash	\$ 26,376	\$ 459
Due from related parties	19,501	34,217
Other accounts receivables	3,928	6,503
Prepaid expenses, net	783	1,240
Total current assets	<u>50,588</u>	<u>42,419</u>
Non-current assets:		
Due from related parties	16,320	16,320
Jack ups and equipment, net	540,128	544,465
Deferred income taxes	319	577
Total non-current assets	<u>556,767</u>	<u>561,362</u>
Total assets	<u>\$ 607,355</u>	<u>\$ 603,781</u>
 Equity and Liabilities		
Current liabilities:		
Current portion of long-term debt	\$ 79,979	\$ 64,956
Trade accounts payables	825	1,441
Due to related parties	-	220
Other accounts payables and accrued liabilities	6,817	13,160
Interest payable	7,739	-
Total current liabilities	<u>95,360</u>	<u>79,777</u>
Non-current liabilities:		
Long-term debt	276,534	291,097
Deferred income taxes	17,720	15,128
Total non-current liabilities	<u>294,254</u>	<u>306,225</u>
Total liabilities	389,614	386,002
Stockholders' equity:		
Capital stock	227,727	150,812
Contributions for future capital increases	-	76,915
Deficit	(9,987)	(9,948)
Total stockholders' equity	<u>217,741</u>	<u>217,779</u>
Total stockholders' equity and liabilities	<u>\$ 607,355</u>	<u>\$ 603,781</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements 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	December 2015
	(Unaudited)	(Audited)
Continuing operations:		
Operating leases income	\$ 19,474	\$ 78,110
Operating cost	655	2,967
Depreciation of assets under operating leases	9,099	35,521
Gross profit	<u>9,720</u>	<u>39,622</u>
Administrative expenses	1,350	5,400
Others expenses, net	-	110
Interest expense	9,086	30,415
Exchange loss (gain), net	(2,726)	61
Profit before tax	<u>2,011</u>	<u>3,636</u>
Deferred income tax expense	<u>2,050</u>	<u>6,421</u>
Consolidated net loss	<u>\$ (39)</u>	<u>\$ (2,785)</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated 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		
Consolidated net loss	\$ (39)	\$ (2,785)
Adjustments for:		
Deferred income tax expenses	2,050	6,421
Depreciation	9,099	35,521
Interest income	-	(2,530)
Interest expense	9,086	32,945
	20,196	69,572
Movements in working capital:		
(Increase) decrease in:		
Due from related parties	14,716	(28,905)
Other accounts receivables	2,575	3,085
Prepaid expenses	457	285
Increase (decrease) in:		
Trade accounts payables	(616)	269
Due to related parties	(220)	(42)
Other accounts payables and accrued liabilities	(5,082)	(136)
	32,025	44,129
Net cash flows generated by operating activities	32,025	44,129
Cash flows from investing activities:		
Purchase of machinery and equipment	(4,762)	(48,184)
Net cash flows used in investing activities	(4,762)	(48,184)
Cash flows from financing activities:		
Proceeds from long-term debt	-	(63,750)
Payments of long term-debt	-	(269)
Interest paid	(1,347)	2,530
Contribution for future capital increases	-	76,915
Net cash flows provided by financing activities	(1,347)	(31,979)
Net (decrease) increase in cash and restricted cash	25,917	(36,034)
Cash and restricted cash at the beginning of the year	459	36,493
Cash and restricted cash at end of the year	\$ 26,376	\$ 459