

Latina Modular 01 Limited

Statement of Financial Position

As of December 31, 2016 and 2015

(In thousands of US dollars)

Assets	December 2016	December 2015
	(Unaudited)	(Audited)
Current assets:		
Cash	\$ 11	\$ 9
Other accounts receivables	4,001	1,724
Prepaid expenses, net	125	-
Total current assets	<u>4,137</u>	<u>1,733</u>
Non-current assets:		
Modular rig and equipment	110,441	94,102
Total assets	<u>\$ 114,578</u>	<u>\$ 95,835</u>
Equity and Liabilities		
Current liabilities:		
Trade accounts payables	\$ 74	\$ -
Due to related parties	23,204	27,334
Other accounts payables and accrued liabilities	557	225
Total current liabilities	<u>23,835</u>	<u>27,559</u>
Non-current liabilities:		
Due to related parties	-	42,400
Deferred income tax	4,784	876
Total non-current liabilities	<u>4,784</u>	<u>43,276</u>
Total liabilities	28,619	70,835
Stockholders' equity:		
Capital stock	88,500	-
Contributions for future capital increases	-	25,000
Loss of the year	(2,541)	-
Total stockholders' equity	<u>85,959</u>	<u>25,000</u>
Total stockholders' equity and liabilities	<u>\$ 114,578</u>	<u>\$ 95,835</u>

Latina Modular 01 Limited

Statements of Profit and Loss

For the years ended December 31, 2016 and 2015
(In thousands of US dollars)

	December 2016 (Unaudited)	December 2015 (Audited)
Continuing operations:		
Operating leases income	\$ 5,400	\$ -
Operating cost	289	-
Depreciation of assets under operating leases	4,253	-
Gross profit	<u>858</u>	<u>-</u>
Administrative expenses	\$ 268	\$ -
Others expenses	(35)	-
Interest expense	307	-
Exchange loss (gain), net	42	-
Loss before tax	<u>276</u>	<u>-</u>
Income tax	<u>2,817</u>	<u>-</u>
Net result	<u>\$ (2,541)</u>	<u>\$ -</u>

Latina Modular 01 Limited

Statements of Cash Flows

For the years ended December 31, 2016 and 2015
(In thousands of US dollars)

	December 2016	December 2015
	(Unaudited)	(Audited)
Cash flows from operating activities:		
Net result	\$ (2,541)	\$ -
Adjustments for:		
Depreciation	4,253	
Interest expense	307	
Income tax recognized in results	<u>2,817</u>	<u>-</u>
	4,836	-
Movements in working capital:		
(Increase) decrease in:		
Other accounts receivables	(2,277)	(1,688)
Increase (decrease) in:		
Trade accounts payables	74	-
Due to related parties	(46,531)	17,314
Prepaid expenses	(125)	
Other accounts payables and accrued liabilities	<u>332</u>	<u>202</u>
Net cash flows generated by operating activities	(43,691)	15,828
Cash flows from investing activities:		
Purchase of machinery and equipment	<u>(19,500)</u>	<u>(40,219)</u>
Net cash flows used in investing activities	(19,500)	(40,219)
Cash flows from financing activities:		
Interest paid	(307)	-
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	<u>63,193</u>	<u>24,400</u>
Net increase in cash	2	9
Cash at the beginning of the year	9	-
Cash at end of the year	<u>\$ 11</u>	<u>\$ 9</u>