

## Latina Offshore Holding Limited and Subsidiaries

# Consolidated Statements of Financial Position

As of December 31, 2016 and 2015

(In thousands of US dollars)

<b>Assets</b>	<b>December 2016 (Unaudited)</b>	<b>December 2015 (Audited)</b>
Current assets:		
Cash and restricted cash	\$ 11,893	\$ 459
Due from related parties	20,221	34,217
Other accounts receivables	8,835	6,503
Prepaid expenses, net	<u>601</u>	<u>1,240</u>
Total current assets	41,550	42,419
Non-current assets:		
Due from related parties	-	16,320
Jack ups and equipment, net	527,152	544,465
Deferred income taxes	<u>1,397</u>	<u>577</u>
Total non-current assets	<u>528,549</u>	<u>561,362</u>
Total assets	<u>\$ 570,099</u>	<u>\$ 603,781</u>
 <b>Equity and Liabilities</b>		
Current liabilities:		
Current portion of long-term debt	\$ -	\$ 64,956
Trade accounts payables	74	1,441
Due to related parties	14,069	220
Other accounts payables and accrued liabilities	7,947	13,160
Interest payable	<u>13,787</u>	<u>-</u>
Total current liabilities	35,877	79,777
Non-current liabilities:		
Long-term debt	351,333	291,097
Deferred income taxes	<u>8,998</u>	<u>15,128</u>
Total non-current liabilities	<u>360,331</u>	<u>306,225</u>
Total liabilities	396,208	386,002
Stockholders' equity:		
Capital stock	227,727	150,812
Contributions for future capital increases	-	76,915
Deficit	<u>(53,836)</u>	<u>(9,948)</u>
Total stockholders' equity	<u>173,891</u>	<u>217,779</u>
Total stockholders' equity and liabilities	<u>\$ 570,099</u>	<u>\$ 603,781</u>

## Latina Offshore Holding Limited and Subsidiaries

# Consolidated Statements of Losses

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	\$ 23,600	\$ 78,110
Operating cost	2,706	2,967
Depreciation of assets under operating leases	<u>40,664</u>	<u>35,521</u>
(Loss) gross profit	(19,770)	39,622
Administrative expenses	4,320	5,400
Others expenses, net	(35)	110
Interest expense	30,581	30,415
Exchange loss (gain), net	<u>(2,708)</u>	<u>61</u>
(Loss) profit before tax	(51,928)	3,636
Deferred income tax expense	<u>(8,039)</u>	<u>6,421</u>
Consolidated net loss	<u>\$ (43,889)</u>	<u>\$ (2,785)</u>

# Latina Offshore Holding Limited and Subsidiaries

## Consolidated Statements of Cash Flows

For the years ended December 31, 2016 and 2015

(In thousands of US dollars)

	December 2016 (Unaudited)	December 2015 (Audited)
Cash flows from operating activities		
Consolidated net loss	\$ (43,889)	\$ (2,785)
Adjustments for:		
Deferred income tax expenses	(8,039)	6,421
Depreciation	40,664	35,521
Interest income	-	(2,530)
Interest expense	30,581	32,945
	<u>19,317</u>	<u>69,572</u>
Movements in working capital:		
(Increase) decrease in:		
Due from related parties	30,316	(28,905)
Other accounts receivables	(2,332)	3,085
Prepaid expenses	639	285
Increase (decrease) in:		
Trade accounts payables	(1,367)	269
Due to related parties	13,849	(42)
Other accounts payables and accrued liabilities	<u>(676)</u>	<u>(136)</u>
Net cash flows generated by operating activities	59,746	44,128
Cash flows from investing activities:		
Purchase of machinery and equipment	<u>(22,261)</u>	<u>(48,184)</u>
Net cash flows used in investing activities	(22,261)	(48,184)
Cash flows from financing activities:		
Proceeds from long-term debt	-	(63,750)
Payments of long term-debt	(5,000)	(269)
Bonds issuance cost	-	(47,405)
Interest paid	(21,051)	2,530
Contribution for future capital increases	<u>-</u>	<u>76,915</u>
Net cash flows provided by financing activities	(26,051)	(31,979)
Net (decrease) increase in cash and restricted cash	11,434	(36,034)
Cash and restricted cash at the beginning of the year	459	36,493
Cash and restricted cash at end of the year	<u>\$ 11,893</u>	<u>\$ 459</u>