

# Latina Offshore 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</b>	<b>December 2015</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Current assets:		
Cash and restricted cash	\$ 11,865	\$ 435
Due from related parties	20,221	71,226
Other accounts receivables	4,083	4,777
Prepaid expenses, net	430	1,240
Total current assets	<u>36,599</u>	<u>77,678</u>
Non-current assets:		
Jack ups and equipment, net	416,711	450,363
Deferred income taxes	201	337
Total non-current assets	<u>416,912</u>	<u>450,700</u>
Total assets	<u>\$ 453,511</u>	<u>\$ 528,378</u>
 <b>Equity and Liabilities</b>		
Current liabilities:		
Current portion of long-term debt	\$ -	\$ 15,000
Trade accounts payables	-	1,232
Due to related parties	264	23,187
Other accounts payables and accrued liabilities	5,018	11,187
Interest payable	13,590	-
Total current liabilities	<u>18,872</u>	<u>50,606</u>
Non-current liabilities:		
Long-term debt	301,629	291,097
Deferred income taxes	4,214	14,252
Total non-current liabilities	<u>305,843</u>	<u>305,349</u>
Total liabilities	<u>324,715</u>	<u>355,955</u>
Stockholders' equity:		
Capital stock	180,712	150,812
Contributions for future capital increases	-	29,900
Accumulated deficit	(51,916)	(8,290)
Total stockholders' equity	<u>128,796</u>	<u>172,423</u>
Total stockholders' equity and liabilities	<u>\$ 453,511</u>	<u>\$ 528,378</u>

# Latina Offshore Limited and Subsidiaries

## Consolidated Statements of Losses

For the years ended December 31, 2016 and 2015

(In thousands of US dollars)

	December 2016	December 2015
	(Unaudited)	(Audited)
Continuing operations:		
Operating leases income	\$ 18,200	\$ 78,110
Operating cost	2,333	2,904
Depreciation of assets under operating leases	36,411	35,522
(Loss) gross profit	<u>(20,544)</u>	<u>39,684</u>
Administrative expenses	4,050	5,400
Others expenses (incomes), net	1	112
Interest expense	28,700	30,542
Exchange loss (gain), net	233	111
(Loss) Profit before tax	<u>(53,528)</u>	<u>3,519</u>
Income tax expense	<u>(9,902)</u>	<u>5,806</u>
Consolidated net loss	<u>\$ (43,626)</u>	<u>\$ (2,287)</u>

# Latina Offshore Limited and Subsidiaries

## Consolidated Statement 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		
Consolidated net loss	\$ (43,626)	\$ (2,287)
Adjustments for:		
Income tax recognized in results	(9,902)	5,806
Depreciation	36,411	35,522
Interest expense	<u>28,700</u>	<u>30,542</u>
	11,583	69,583
Movements in working capital:		
(Increase) decrease in:		
Due from related parties	51,005	(66,335)
Other accounts receivables	694	4,775
Prepaid expenses	810	285
Increase (decrease) in:		
Trade accounts payables	(1,232)	87
Due to related parties	(22,923)	23,187
Other accounts payables and accrued liabilities	<u>(5,479)</u>	<u>(2,946)</u>
Net cash flows generated by operating activities	34,458	28,636
Cash flows from investing activities:		
Purchase of machinery and equipment	<u>(2,759)</u>	<u>(7,793)</u>
Net cash flows used in investing activities	(2,759)	(7,793)
Cash flows from financing activities:		
Payments from long-term debt	(5,000)	(38,750)
Interest paid	(15,269)	(46,176)
Contribution for future capital increases	<u>-</u>	<u>29,900</u>
Net cash flows provided by financing activities	(20,269)	(55,026)
Net (decrease) increase in cash and restricted cash	11,430	(34,183)
Cash and restricted cash at the beginning of the year	<u>435</u>	<u>34,618</u>
Cash and restricted cash at end of the year	<u>\$ 11,865</u>	<u>\$ 435</u>