

Latina Offshore Holding Limited
Unaudited consolidated financial information
For the year ended 31 December 2016
(In thousands of US dollars)

Mexico City, 28 February 2017, Latina Offshore Holding Limited (the “Company”), a subsidiary of Constructora y Perforadora Latina, S.A. de C.V. (“Latina”), reports the unaudited consolidated financial results as of 31 December 2016.

The Company, through its subsidiaries, owns two (2) jack-ups (La Santa Maria and La Covadonga, jointly referred to as the “Jack-ups”) and one (1) modular rig (Modular 01, referred to as the “Modular”). The Jack-ups and the Modular are indirectly leased to Pemex on long-term drilling contracts. La Santa Maria commenced operation on 15 February 2014, La Covadonga on 28 May 2014, and the Modular on 5 July 2016.

The long-term contracts are expected to end as follows:

- La Santa Maria on 5 February 2023
- La Covadonga on 14 March 2023
- Modular on 9 March 2020

1. Contracts with PEMEX

With regards to the previously announced amendments of the drilling contracts and more specifically regarding the anticipated increase in day rate for certain rigs, we hereby confirm that the day rate for La Covadonga has been increased from \$70 to \$111.3, effective from and including 1 January 2017.

2. Operations

Highlights

	YTD 2016
Revenue	\$23,600
Average Efficiency of La Santa Maria	100%
Average Efficiency of La Covadonga	99%
Average Efficiency of Modular	79.72%
EBITDA	\$16,609
Interest expenses	\$30,581

Revenue

The accumulated revenue for the year ended 2016 was \$23,600 all of which was received under the bareboat charter contracts between La Santa Maria Limited, La Covadonga Limited and Latina Modular 01 Limited (indirect subsidiaries of the Company) and Latina.

During 2016 the bareboat charters were as follows:

	Bareboat rate	YTD 2016
La Santa María	\$35	\$9,100
La Covadonga	\$35	\$9,100
Modular	\$30	\$5,400

During the previous quarter, the Jack-up bareboat rates were adjusted in accordance with the new terms agreed to as per the restructuring of the bond. In the case of La Covadonga, the bareboat rate has been adjusted from ~\$35 to ~\$76 as of 1 January 2017. The bareboat rate remains the same for La Santa Maria and the Modular

EBITDA

The accumulated EBITDA for 2016 was \$16,609. This corresponds to a percentage of accumulated revenue equal to 70.37%.

3. Invoice and factoring

As of 31 December 2016, the total amount of invoices factored in relation to the Jack-ups by Latina with HSBC was equal to \$94,779, of which \$82,994 has been paid by PEMEX. The outstanding balance not yet due was equal to \$11,785, which has been factored without any form of recourse. The total amount of invoices factored in relation to the Modular by Latina with HSBC was equal to \$15,368, an amount that was not yet due and which has been factored without any form of recourse.

As of today, the total amount of invoices factored in relation to the Jack-ups by Latina with HSBC is equal to \$97,275, of which \$88,370 has been paid by PEMEX. The outstanding balance not yet due is equal to \$8,905, which has been factored without any form of recourse. The total amount of invoices factored in relation to the Modular by Latina with HSBC is equal to \$17,855, of which \$3,118 has been paid by PEMEX. The outstanding balance not yet

due is equal to \$14,737, which has been factored without any form of recourse.

As of 31 December 2016, the total amount of invoice not yet factored for the Jack-ups was equal to \$5,384, and as of today the same amount is equal to \$11,941. Latina has received a total of \$3,178 through payments from Pemex and invoiced another \$9,735 for the Jack-ups as of today.

All invoices related to the Modular were factored and we have no pending factored invoices.

As of 31 December 2016, the total amount not yet invoiced for the Jack-ups was equal to \$9,511, and as of today the same amount is equal to \$4,563. This amount corresponds to; (i) 17 days from August 2016 for both Jack-ups, and (ii) 30 days from September 2016 for La Covadonga. During this period, the Jack-ups were available for use in accordance with the agreed amendments signed by Pemex.

4. Latina's pro-forma consolidated income statement

The following consolidated income statements are included only for additional information, reflecting the business offshore as a project.

For the year ended 31 December 2016 and 2015

(In thousands of US dollars)

	YTD 2016	FY 2015
Operating lease income	\$ 58,737	\$ 95,537
Operating expenses:		
Operating cost and expenses	19,891	20,881
Other expenses (incomes), net	1,509	924
Corporate expenses	5,958	5,400
Depreciation	<u>40,857</u>	<u>35,587</u>
Total operating expenses	68,215	62,792
Operating profit	<u>(\$ 9,478)</u>	<u>\$ 32,745</u>
EBITDA	<u>\$ 31,379</u>	<u>\$ 68,332</u>