

Santa Maria Offshore 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	\$ 23	\$ 301
Due from related parties	16,052	32,913
Other accounts receivables	2,280	2,838
Prepaid expenses, net	203	627
Total current assets	<u>18,558</u>	<u>36,679</u>
Non-current assets:		
Jack ups and equipment, net	212,664	228,627
Total assets	<u>\$ 231,222</u>	<u>\$ 265,306</u>

Equity and Liabilities

Current liabilities:

Trade accounts payables	\$ -	\$ 624
Due to related parties	13,555	13,101
Other accounts payables and accrued liabilities	146	1,991
Total current liabilities	<u>13,701</u>	<u>15,716</u>

Non-current liabilities:

Due to related parties	140,625	148,125
Deferred income tax	4,149	8,656
Total non-current liabilities	<u>144,774</u>	<u>156,781</u>
Total liabilities	158,475	172,497

Stockholders' equity:

Capital stock	96,001	90,400
Contributions for future capital increases	-	5,600
Accumulated deficit	<u>(23,254)</u>	<u>(3,191)</u>
Total stockholders' equity	<u>72,747</u>	<u>92,809</u>
Total stockholders' equity and liabilities	<u>\$ 231,222</u>	<u>\$ 265,306</u>

Santa Maria Offshore Limited

Statements of Loss and Profit

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	\$ 9,100	\$ 39,055
Operating cost	3,139	4,125
Depreciation of assets under operating leases	18,235	17,790
(Loss) gross profit	<u>(12,274)</u>	<u>17,140</u>
Others expenses, net	1	123
Interest expense	12,086	21,151
Exchange loss (gain), net	209	
Loss before tax	<u>(24,570)</u>	<u>(4,134)</u>
Income tax expense	<u>(4,507)</u>	<u>1,837</u>
Net loss	<u><u>\$ (20,063)</u></u>	<u><u>\$ (5,971)</u></u>

Santa Maria Offshore Limited

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		
Net profit	\$ (20,063)	\$ (5,971)
Adjustments for:		
Income tax recognized in results	(4,507)	1,837
Depreciation	18,235	17,790
Interest expense	12,086	21,151
	<u>5,751</u>	<u>34,807</u>
Movements in working capital:		
(Increase) decrease in:		
Due from related parties	16,861	(2,884)
Other accounts receivables	558	2,621
Prepaid expenses	423	143
Increase (decrease) in:		
Trade accounts payables	(624)	491
Due to related parties	(7,043)	(733)
Other accounts payables and accrued liabilities	(1,845)	(2,000)
Net cash flows generated (used) by operating activities	<u>14,081</u>	<u>22,445</u>
Cash flows from investing activities:		
Purchase of Jack up and equipment	<u>(2,273)</u>	<u>(3,933)</u>
Net cash flows used in investing activities	(2,273)	(3,933)
Cash flows from financing activities:		
Proceeds from long-term debt	-	(18,774)
Interest paid	(12,086)	(21,151)
Contribution for future capital increases	-	5,600
Net cash flows (used) provided by financing activities	<u>(12,086)</u>	<u>(34,325)</u>
Net (decrease) increase in cash	(278)	(5,813)
Cash at the beginning of the year	<u>301</u>	<u>6,114</u>
Cash at end of the year	<u>\$ 23</u>	<u>\$ 301</u>