

## Latina Modular 01 Limited

# Statement of Financial Position

As of March 31, 2017 and December 31, 2016

(In thousands of US dollars)

<b>Assets</b>	<b>March 2017</b>	<b>December 2016</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Current assets:		
Cash	\$ 3	\$ 11
Due from related parties	2,142	-
Other accounts receivables	3,538	4,001
Prepaid expenses, net	<u>54</u>	<u>125</u>
Total current assets	<u>5,737</u>	<u>4,137</u>
Non-current assets:		
Modular rig and equipment	<u>108,392</u>	<u>110,441</u>
Total assets	<u>\$ 114,129</u>	<u>\$ 114,578</u>
<b>Equity and Liabilities</b>		
Current liabilities:		
Trade accounts payables	\$ 29	\$ 73
Due to related parties	23,014	23,205
Other accounts payables and accrued liabilities	<u>418</u>	<u>558</u>
Total current liabilities	23,461	23,836
Non-current liabilities:		
Deferred income tax	<u>6,739</u>	<u>4,784</u>
Total non-current liabilities	<u>6,739</u>	<u>4,784</u>
Total liabilities	30,200	28,620
Stockholders' equity:		
Capital stock	88,500	88,500
Loss of the year	<u>(4,571)</u>	<u>(2,542)</u>
Total stockholders' equity	<u>83,929</u>	<u>85,958</u>
Total stockholders' equity and liabilities	<u>\$ 114,129</u>	<u>\$ 114,578</u>

## Latina Modular 01 Limited

# Statements of Profit and Loss

For the three months ended March 31, 2017 and for the year end December 31, 2016

(In thousands of US dollars)

	March 2017 (Unaudited)	December 2016 (Audited)
Continuing operations:		
Operating leases income	\$ 2,700	\$ 5,400
Operating cost	148	271
Depreciation of assets under operating leases	<u>2,660</u>	<u>4,253</u>
Gross (loss) profit	(108)	876
Administrative expenses	\$ -	\$ 288
Others expenses	-	(36)
Interest expense	-	307
Exchange loss (gain), net	<u>(33)</u>	<u>42</u>
(Loss) profit before tax	(75)	275
Income tax	<u>1,954</u>	<u>2,817</u>
Net result	<u><u>\$ (2,029)</u></u>	<u><u>\$ (2,542)</u></u>

# Latina Modular 01 Limited

## Statements of Cash Flows

For the three months ended March 31, 2017 and for the year end December 31, 2016

(In thousands of US dollars)

	March 2017	December 2016
	(Unaudited)	(Audited)
Cash flows from operating activities:		
Net result	\$ (2,029)	\$ (2,542)
Adjustments for:		
Depreciation	2,660	4,253
Interest expense	-	307
Exchange loss	(33)	42
Income tax recognized in results	1,954	2,817
	<u>2,552</u>	<u>4,877</u>
Movements in working capital:		
(Increase) decrease in:		
Other accounts receivables	463	(2,277)
Due from related parties	(2,142)	-
Prepaid expenses	71	(125)
Increase (decrease) in:		
Trade accounts payables	(44)	(135)
Due to related parties	(191)	(4,171)
Other accounts payables and accrued liabilities	(106)	541
Net cash flows by operating activities	<u>603</u>	<u>(1,290)</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	<u>(611)</u>	<u>(16,063)</u>
Net cash flows in investing activities	(611)	(16,063)
Cash flows from financing activities:		
Proceeds from long-term debt		
Interest paid	-	(3,745)
Payments to long-term debt	-	(42,400)
Increase in capital stock	-	63,500
Contribution for future capital increases	-	-
Net cash flows by financing activities	<u>-</u>	<u>17,355</u>
Net increase in cash	(8)	2
Cash at the beginning of the year	<u>11</u>	<u>9</u>
Cash at end of the year	<u>\$ 3</u>	<u>\$ 11</u>