

Latina Offshore Holding Limited
Unaudited consolidated financial information
First quarter results 2017
(In thousands of US dollars)

Mexico City, 30 May 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 March 2017.

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 operations on 15 February 2014, La Covadonga on 28 May 2014, and the Modular on 5 July 2016.

Latina has long-term drilling contracts that 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

Latina is currently in dialogue with PEMEX regarding a possible amendment of its contractual terms under the existing drilling contracts for the Jack-ups and the Modular. As previously disclosed, the contractual terms were amended during 2016 (please refer to the ‘Second quarter results 2016’ for further details), and it was expected that the contractual terms under each of the drilling contracts would return to their original level after 31 May 2017 for the Modular and 14 August 2017 for the Jack-ups respectively. Latina is still in dialogue with PEMEX, and no conclusion has been made as of this date. As a result, Latina cannot predict the outcome of the ongoing discussions with PEMEX and the corresponding effects it could have on its operation, the valuation of the Jack-ups and the Modular and the obligations of the Bonds.

2. Operations

Highlights Q1

	Q1 2017
Revenue	\$12,690
Average Efficiency of La Santa Maria	99.26%
Average Efficiency of La Covadonga	97.65%
Average Efficiency of Modular	99.00%
EBITDA	\$11,979
Interest expenses	\$8,552
Total debt	\$356,250

	Q1 2017	FY 2016
Revenue	\$12,690	\$23,600
Average Efficiency of La Santa Maria	99.26%	100.00%
Average Efficiency of La Covadonga	97.65%	99.74%
Average Efficiency of Modular	99.00%	79.72%
EBITDA	\$11,979	\$21,237
Interest expenses	\$8,552	\$31,728
Total debt	\$356,250	\$356,250

Revenue

The revenue for Q1 2017 was \$12,690 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.

The bareboat charters were as follows:

	Q1 2017 bareboat rate	Q1 2017 (revenues)	FY 2016 bareboat rate	FY 2016 (revenues)
La Santa María	\$35	\$3,150	\$35	\$9,100
La Covadonga	\$76	\$6,840	\$35	\$9,100
Modular	\$30	2,700	\$30	\$5,400

The bareboat rate for La Santa Maria has been adjusted from ~\$35 to ~\$76 as of 15 May 2017.

EBITDA

The EBITDA for Q1, 2017 was \$11,979. This corresponds to a percentage of accumulated revenue equal to 94.40%.

3. Invoice and factoring

As of 31 March 2017, and as of today the account receivables are as follows:

	Jack-ups- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 31 December 2016	\$ 4,641	\$ 743	\$ 5,384	\$ 10,159	\$ 1,625	\$ 11,785
Invoice in Q1 2017	13,278	2,125	15,403	2,153	344	2,497
Collection in Q1 2017	4,641	743	5,384	10,159	1,625	11,785
Balance as of 31 March 2017	13,278	2,125	15,403	2,153	344	2,497
Invoice in Q2 2017	11,089	1,774	12,863	-	-	-
Collection in Q2 2017	8,392	1,343	9,735	2,153	344	2,497
Balance as of today	\$ 15,975	\$ 2,556	\$ 18,531	\$ -	\$ -	\$ -

	Modular- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 31 December 2016	\$ -	\$ -	\$ -	\$ 13,240	\$ 2,128	\$ 15,368
Invoice in Q1 2017	-	-	-	3,094	495	3,588
Collection in Q1 2017	-	-	-	6,336	1,014	7,350
Balance as of 31 March 2017	-	-	-	9,997	1,610	11,607
Invoice in Q2 2017	-	-	-	1,839	294	2,134
Collection in Q2 2017	-	-	-	7,107	1,147	8,254
Balance as of today	\$ -	\$ -	\$ -	\$ 4,730	\$ 757	\$ 5,487

The invoices factored have been made without any form of recourse.

As of today, the total amount not yet invoiced for the Jack-ups is equal to \$4,480. 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 Q1 2017 and the year ended 31 December 2016

(In thousands of US dollars)

	Q1 2017	FY 2016
Operating lease income	\$ 20,921	\$ 58,737
Operating expenses:		
Operating cost and expenses	6,361	19,891
Other expenses (incomes), net	496	1,509
Corporate expenses	1,620	5,958
Depreciation	<u>18,875</u>	<u>40,857</u>
Total operating expenses	27,352	68,215
Operating loss	<u>(\$ 6,431)</u>	<u>(\$ 9,478)</u>
EBITDA	<u>\$ 12,244</u>	<u>\$ 31,379</u>