

# La Covadonga Limited

## Statements of Financial Position

As of September 30, 2017 and December 31, 2016

(In thousands of US dollars)

### Assets

	September 2017 (Unaudited)	December 2016 (Audited)
Current assets:		
Cash	\$ 33	\$ 24
Due from related parties	8,873	4,012
Other accounts receivables	943	1,549
Prepaid expenses, net	382	201
Total current assets	<u>10,231</u>	<u>5,786</u>
Non-current assets:		
Jack ups and equipment, net	192,864	204,047
Deferred income tax	4,467	201
	<u>197,331</u>	<u>204,248</u>
Total assets	<u>\$ 207,562</u>	<u>\$ 210,034</u>

### Equity and Liabilities

Current liabilities:		
Due to related parties	\$ 14,897	17,569
Other accounts payables and accrued liabilities	1,706	1,565
Total current liabilities	<u>16,603</u>	<u>19,134</u>
Non-current liabilities:		
Due to related parties	140,625	140,625
Total non-current liabilities	<u>140,625</u>	<u>140,625</u>
Total liabilities	157,228	159,759
Stockholders' equity:		
Capital stock	78,100	78,100
Accumulated deficit	(27,766)	(27,825)
Total stockholders' equity	<u>50,334</u>	<u>50,275</u>
Total stockholders' equity and liabilities	<u>\$ 207,562</u>	<u>\$ 210,034</u>

# La Covadonga Limited

## Statements of Loss

For the nine months ended September 30, 2017 and for the year end December 31, 2016

(In thousands of US dollars)

	September 2017	December 2016
	(Unaudited)	(Audited)
Continuing operations:		
Operating leases income	\$ 20,815	\$ 9,100
Operating cost	485	1,035
Depreciation of assets under operating leases	13,848	18,176
Gross (loss) profit	<u>6,482</u>	<u>(10,111)</u>
Administrative expenses	-	2,082
Interest expense	10,689	14,776
Exchange loss, net	0	112
(Loss) profit before tax	<u>(4,207)</u>	<u>(27,081)</u>
Income tax	<u>(4,266)</u>	<u>(5,797)</u>
Net loss	<u>\$ 59</u>	<u>\$ (21,284)</u>

# La Covadonga Limited

## Statements of Cash Flows

For the nine months ended September 30, 2017 and for the year end December 31, 2016

(In thousands of US dollars)

	September 2017	December 2016
Cash flows from operating activities	(Unaudited)	(Audited)
Net loss	\$ 59	\$ (21,284)
Adjustments for:		
Income tax recognized in results	(4,266)	(5,797)
Depreciation	13,848	18,176
Exchange loss	0	112
Interest expense	10,689	14,776
	<u>20,330</u>	<u>5,983</u>
Movements in working capital:		
(Increase) decrease in:		
Due from related parties	(4,861)	30,022
Other accounts receivables	606	381
Prepaid expenses	(181)	413
Increase (decrease) in:		
Trade accounts payables	-	(610)
Due to related parties	(2,672)	(10,901)
Other accounts payables and accrued liabilities	141	(2,517)
Net cash flows by operating activities	<u>13,363</u>	<u>22,771</u>
Cash flows from investing activities:		
Purchase of Jack up and equipment	(2,665)	(487)
Net cash flows in investing activities	<u>(2,665)</u>	<u>(487)</u>
Cash flows from financing activities:		
Proceeds from long – term debt	-	(7,500)
Interest paid	(10,689)	(14,776)
Net cash flows by financing activities	<u>(10,689)</u>	<u>(22,276)</u>
Net (decrease) increase in cash	9	8
Cash at the beginning of the year	24	16
Cash at end of the year	<u>\$ 33</u>	<u>\$ 24</u>