

Latina Modular 01 Limited

Statement of Financial Position

As of September 30, 2017 and December 31, 2016

(In thousands of US dollars)

Assets	September 2017	December 2016
	(Unaudited)	(Audited)
Current assets:		
Cash	\$ 16	\$ 11
Due from related parties	2,881	-
Other accounts receivables	2,964	4,001
Prepaid expenses, net	200	125
Total current assets	<u>6,061</u>	<u>4,137</u>
Non-current assets:		
Modular rig and equipment, net	<u>105,497</u>	<u>110,441</u>
Total assets	<u>\$ 111,558</u>	<u>\$ 114,578</u>
Equity and Liabilities		
Current liabilities:		
Trade accounts payables	\$ -	\$ 73
Due to related parties	21,082	23,205
Other accounts payables and accrued liabilities	236	558
Total current liabilities	<u>21,318</u>	<u>23,836</u>
Non-current liabilities:		
Deferred income tax	<u>32</u>	<u>4,784</u>
Total non-current liabilities	<u>32</u>	<u>4,784</u>
Total liabilities	<u>21,350</u>	<u>28,620</u>
Stockholders' equity:		
Capital stock	88,500	88,500
Accumulated results	1,708	(2,542)
Total stockholders' equity	<u>90,208</u>	<u>85,958</u>
Total stockholders' equity and liabilities	<u>\$ 111,558</u>	<u>\$ 114,578</u>

Latina Modular 01 Limited

Statements of Profit and Loss

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

(In thousands of US dollars)

	September 2017 (Unaudited)	December 2016 (Audited)
Continuing operations:		
Operating leases income	\$ 7,917	\$ 5,400
Operating cost	475	271
Depreciation of assets under operating leases	<u>8,063</u>	<u>4,253</u>
Gross (loss) profit	(621)	876
Administrative expenses	\$ -	\$ 288
Others expenses	(30)	(36)
Interest expense	(38)	307
Exchange loss (gain), net	<u>(51)</u>	<u>42</u>
(Loss) profit before tax	(502)	275
Income tax	<u>(4,752)</u>	<u>2,817</u>
Net result	<u>\$ 4,250</u>	<u>\$ (2,542)</u>

Latina Modular 01 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
	(Unaudited)	(Audited)
Cash flows from operating activities:		
Net profit (loss)	\$ 4,250	\$ (2,542)
Adjustments for:		
Depreciation	8,063	4,253
Interest expense	(38)	307
Exchange loss	(51)	42
Income tax recognized in results	<u>(4,752)</u>	<u>2,817</u>
	7,472	4,877
Movements in working capital:		
(Increase) decrease in:		
Other accounts receivables	1,037	(2,277)
Due from related parties	(2,881)	-
Prepaid expenses	(75)	(125)
Increase (decrease) in:		
Trade accounts payables	(73)	(135)
Due to related parties	(2,123)	(4,171)
Other accounts payables and accrued liabilities	<u>(271)</u>	<u>541</u>
Net cash flows by operating activities	3,086	(1,290)
Cash flows from investing activities:		
Purchase of machinery and equipment	<u>(3,119)</u>	<u>(16,063)</u>
Net cash flows in investing activities	(3,119)	(16,063)
Cash flows from financing activities:		
Interest gain (paid)	38	(3,745)
Payments to long-term debt	-	(42,400)
Increase in capital stock	<u>-</u>	<u>63,500</u>
Net cash flows by financing activities	<u>38</u>	<u>17,355</u>
Net increase in cash	5	2
Cash at the beginning of the year	11	9
Cash at end of the year	<u>\$ 16</u>	<u>\$ 11</u>