

Latina Modular Holding Limited and Subsidiary

Consolidated 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	\$ 21	\$ 15
Other accounts receivables	3,705	4,671
Prepaid expenses, net	204	143
Total current assets	<u>3,930</u>	<u>4,829</u>
Non-current assets:		
Modular rig and equipment, net	105,497	110,441
Deferred income tax	4	1
	<u>105,501</u>	<u>110,442</u>
Total assets	<u>\$ 109,431</u>	<u>\$ 115,271</u>
Equity and Liabilities		
Current liabilities:		
Trade accounts payables	\$ -	\$ 73
Due to related parties	18,306	23,282
Other accounts payables and accrued liabilities	808	1,099
Total current liabilities	<u>19,114</u>	<u>24,454</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	19,146	29,238
Stockholders' equity:		
Capital stock	88,500	88,500
Accumulated results	1,785	(2,467)
Total stockholders' equity	<u>90,285</u>	<u>86,033</u>
Total stockholders' equity and liabilities	<u>\$ 109,431</u>	<u>\$ 115,271</u>

Latina Modular Holding Limited and Subsidiary

Consolidated Statement of Losses

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	494	271
Depreciation of assets under operating leases	<u>8,063</u>	<u>4,253</u>
Gross profit	(640)	876
Administrative expenses	-	305
Others expenses	(30)	(36)
Interest expense	-	1,099
Interest income	(37)	-
Exchange loss (gain), net	<u>(70)</u>	<u>(816)</u>
Loss before tax	503	(324)
Income tax	<u>(4,755)</u>	<u>2,870</u>
Consolidated net result	<u>\$ 4,252</u>	<u>\$ (2,546)</u>

Latina Modular Holding Limited and Subsidiary

Consolidated Statement 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:		
Consolidated net profit (loss)	\$ 4,252	\$ (2,546)
Adjustments for:		
Depreciation of assets under operating leases	8,063	4,253
Interest expense	-	1,099
Interest gain	(37)	-
Exchange loss (gain), net	(70)	(816)
Income tax recognized in results	<u>(4,755)</u>	<u>2,870</u>
	7,453	4,860
Movements in working capital:		
(Increase) decrease in:		
Other accounts receivables	966	(2,945)
Prepaid expenses	(61)	(143)
Increase (decrease) in:		
Trade accounts payables	(73)	(135)
Due to related parties	(4,976)	(3,213)
Other accounts payables and accrued liabilities	<u>(221)</u>	<u>1,076</u>
Net cash flows by operating activities	3,088	(500)
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:		
Payments to long-term debt	-	(42,400)
Interest paid	-	(4,537)
Interest again	37	-
Contribution for future capital increases	<u>-</u>	<u>63,500</u>
Net cash flows by financing activities	37	16,563
Net increase in cash	6	0
Cash at the beginning of the year	<u>15</u>	<u>15</u>
Cash at end of the year	<u>\$ 21</u>	<u>\$ 15</u>