

## Latina Offshore Limited and Subsidiaries

# Consolidated Statements of Financial Position

As of September 30, 2017 and December 31, 2016

(In thousands of US dollars)

<b>Assets</b>	<b>September 2017</b>	<b>December 2016</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Current assets:		
Cash and restricted cash	\$ 5,127	\$ 11,864
Due from related parties	30,323	20,220
Other accounts receivables	4,211	4,082
Prepaid expenses, net	810	430
Total current assets	<u>40,471</u>	<u>36,596</u>
Non-current assets:		
Jack ups and equipment, net	394,444	416,711
Deferred income taxes	7,755	636
Total non-current assets	<u>402,199</u>	<u>417,347</u>
Total assets	<u>\$ 442,670</u>	<u>\$ 453,943</u>
<b>Equity and Liabilities</b>		
Current liabilities:		
Current portion of long-term debt	\$ 304,299	\$ -
Due to related parties	-	264
Other accounts payables and accrued liabilities	6,352	4,313
Interest payable	7,145	14,290
Total current liabilities	<u>317,796</u>	<u>18,867</u>
Non-current liabilities:		
Long-term debt	-	302,732
Deferred income taxes	-	4,149
Total non-current liabilities	<u>-</u>	<u>306,881</u>
Total liabilities	<u>317,796</u>	<u>325,748</u>
Stockholders' equity:		
Capital stock	180,712	180,712
Accumulated deficit	(55,838)	(52,517)
Total stockholders' equity	<u>124,874</u>	<u>128,195</u>
Total stockholders' equity and liabilities	<u>\$ 442,670</u>	<u>\$ 453,943</u>

# Latina Offshore Limited and Subsidiaries

## Consolidated Statements 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	December 2016
	(Unaudited)	(Audited)
Continuing operations:		
Operating leases income	\$ 36,136	\$ 18,200
Operating cost	1,480	2,092
Depreciation of assets under operating leases	27,609	36,411
Gross (loss) profit	<u>7,047</u>	<u>(20,303)</u>
Administrative expenses	-	4,292
Others expenses (incomes), net	(71)	(0)
Interest expense	21,758	29,801
Exchange loss (gain), net	<u>(51)</u>	<u>234</u>
(Loss) Profit before tax	<u>(14,589)</u>	<u>(54,630)</u>
Income tax expense	<u>(11,268)</u>	<u>(10,402)</u>
Consolidated net loss	<u>\$ (3,321)</u>	<u>\$ (44,228)</u>

# Latina Offshore Limited and Subsidiaries

## 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 loss	\$ (3,321)	\$ (44,228)
Adjustments for:		
Income tax recognized in results	(11,268)	(10,402)
Depreciation	27,609	36,411
Amortization of bond issuance cost	1,584	2,876
Interest income	(1,261)	-
Exchange loss	(51)	234
Interest expense	<u>21,435</u>	<u>29,801</u>
	34,727	14,692
Movements in working capital:		
(Increase) decrease in:		
Due from related parties	(8,842)	51,005
Other accounts receivables	(129)	695
Prepaid expenses	(380)	810
Increase (decrease) in:		
Trade accounts payables	-	(1,232)
Due to related parties	(264)	(22,499)
Other accounts payables and accrued liabilities	<u>2,090</u>	<u>(7,808)</u>
Net cash flows by operating activities	<u>27,202</u>	<u>35,663</u>
Cash flows from investing activities:		
Bond issuance cost	(17)	(1,241)
Purchase of machinery and equipment	<u>(5,342)</u>	<u>(2,759)</u>
Net cash flows in investing activities	<u>(5,359)</u>	<u>(4,000)</u>
Cash flows from financing activities:		
Payments from long-term debt	-	(5,000)
Interest paid	<u>(28,580)</u>	<u>(15,234)</u>
Net cash flows by financing activities	<u>(28,580)</u>	<u>(20,234)</u>
Net (decrease) increase in cash and restricted cash	(6,737)	11,429
Cash and restricted cash at the beginning of the year	<u>11,864</u>	<u>435</u>
Cash and restricted cash at end of the year	<u>\$ 5,127</u>	<u>\$ 11,864</u>