

Santa Maria Offshore Limited

Statement 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	\$ 35	\$ 23
Due from related parties	25,838	16,052
Other accounts receivables	3,086	2,278
Prepaid expenses, net	387	203
Total current assets	<u>29,346</u>	<u>18,556</u>
Non-current assets:		
Jack ups and equipment, net	201,580	212,664
Total assets	<u>\$ 230,926</u>	<u>\$ 231,220</u>

Equity and Liabilities

Current liabilities:		
Due to related parties	\$ 20,098	\$ 13,555
Other accounts payables and accrued liabilities	1,555	144
Total current liabilities	<u>21,653</u>	<u>13,699</u>
Non-current liabilities:		
Due to related parties	140,625	140,625
Deferred income tax	(1,949)	4,149
Total non-current liabilities	<u>138,676</u>	<u>144,774</u>
Total liabilities	160,329	158,473
Stockholders' equity:		
Capital stock	96,000	96,000
Accumulated deficit	(25,403)	(23,253)
Total stockholders' equity	<u>70,597</u>	<u>72,747</u>
Total stockholders' equity and liabilities	<u>\$ 230,926</u>	<u>\$ 231,220</u>

Santa Maria Offshore Limited

Statements of Loss and Profit

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	\$ 15,321	\$ 9,100
Operating cost	944	1,057
Depreciation of assets under operating leases	<u>13,761</u>	<u>18,235</u>
Gross (loss) profit	616	(10,192)
Administrative expenses	-	2,082
Others expenses, net	(73)	-
Interest expense	8,967	12,086
Exchange loss (gain), net	<u>(30)</u>	<u>209</u>
Loss before tax	(8,248)	(24,569)
Income tax expense	<u>(6,098)</u>	<u>(4,507)</u>
Net loss	<u>\$ (2,150)</u>	<u>\$ (20,062)</u>

Santa Maria Offshore Limited

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		
Net profit (loss)	\$ (2,150)	\$ (20,062)
Adjustments for:		
Income tax recognized in results	(6,098)	(4,507)
Depreciation	13,761	18,235
Exchange (gain) loss	(30)	209
Interest expense	8,967	12,086
	<u>14,450</u>	<u>5,961</u>
Movements in working capital:		
(Increase) decrease in:		
Due from related parties	(9,786)	16,861
Other accounts receivables	(808)	560
Prepaid expenses	(184)	424
Increase (decrease) in:		
Trade accounts payables	-	(624)
Due to related parties	6,543	245
Other accounts payables and accrued liabilities	1,441	(1,847)
Net cash flows by operating activities	<u>11,656</u>	<u>21,580</u>
Cash flows from investing activities:		
Purchase of Jack up and equipment	<u>(2,677)</u>	<u>(2,272)</u>
Net cash flows in investing activities	<u>(2,677)</u>	<u>(2,272)</u>
Cash flows from financing activities:		
Proceeds from long-term debt	-	(7,500)
Interest paid	<u>(8,967)</u>	<u>(12,086)</u>
Net cash flows by financing activities	<u>(8,967)</u>	<u>(19,586)</u>
Net (decrease) increase in cash	12	(278)
Cash at the beginning of the year	23	301
Cash at end of the year	<u>\$ 35</u>	<u>\$ 23</u>