

Latina Offshore Holding Limited
Unaudited consolidated financial information
Fourth quarter results 2017
(In thousands of US dollars)

Mexico City, 28 February 2018, Latina Offshore Holding Limited (the “Company”), a subsidiary of Constructora y Perforadora Latina, S.A. de C.V. (“Latina”), reports the unaudited consolidated financial results as of 31 December 2017.

The Company, through its subsidiaries, owns two (2) Jack-ups (La Santa Maria and La Covadonga, jointly referred to as the “Jack-ups”) and one (1) modular rig (Modular 01, referred to as the “Modular”). The Jack-ups and the Modular are indirectly leased to Pemex on long-term drilling and repairing contracts. La Santa Maria commenced operations on 15 February 2014, La Covadonga on 28 May 2014, and the Modular on 5 July 2016.

Latina has long-term drilling contracts that are expected to end as follows:

- La Santa Maria on 1 April 2023
- La Covadonga on 14 March 2023
- Modular on 8 September 2020

Today all these assets are working to repair drilling holes in the Gulf of Mexico, La Santa Maria in Abkatun Pol Chuc, and La Covadonga and Modular in Litoral Tabasco.

1. Contracts with PEMEX

The Company is still in talks with Pemex about the early termination clause by decision of Pemex, we hope to modify it as soon as possible.

For the Modular on 1 December 2017 and 1 January 2018 for the Jack-ups, the first adjustment of the daily rate in accordance with the formula based on the Global Jack-ups Average Index published by Clarkson Research did not happen as there was no change.

2. Restructuring bonds

The Company finalized the restructuring of the \$50,000 bond, with the following conditions: Maturity on January 31, 2020, quarterly amortization on the same interest payments date in the amount of \$500 plus 2%, and report additional information.

With regards to the \$306,250 bond which matures on 3 July 2018, the Company is in talks with the bondholder group about the conditions of the restructuring.

3. Operations Highlights

	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Revenue	\$12,690	\$15,663	\$15,699	\$14,261
EBITDA	\$11,979	\$14,943	\$15,173	\$13,297
Interest expenses	\$8,324	\$8,410	\$8,458	\$8,461
Total debt	\$356,250	\$356,250	\$356,250	\$356,250

	FY 2017	FY 2016
Revenue	\$58,313	\$23,600
EBITDA	\$55,392	\$16,608
Interest expenses	\$33,653	\$30,915
Total debt	\$356,250	\$356,250

	Santa Maria		Covadonga		Modular	
	Earnings	Operational	Earnings	Operational	Earnings	Operational
Q1	99.64%	99.26%	97.97%	97.65%	98.91%	98.71%
Q2	100.00%	100.00%	100.00%	100.00%	99.31%	98.75%
Q3	100.00%	100.00%	100.00%	99.61%	99.84%	99.19%
Q4	100.00%	100.00%	100.00%	99.82%	100.00%	100.00%
YTD	99.91%	99.81%	99.53%	99.32%	99.54%	99.19%
FY2016	100.00%	100.00%	99.66%	99.11%	81.00%	79.56%

Revenue

The revenue for Q4 2017 was \$14,261, all of which was received under the bareboat charter contracts between La Santa Maria Limited, La Covadonga Limited, and Latina Modular 01 Limited (indirect subsidiaries of the Company) and Latina.

The bareboat charters were as follows:

	FY 2017 bareboat rate	FY 2017 (revenues)	FY 2016 bareboat rate	FY 2016 (revenues)
La Santa María	\$57.85	\$21,117	\$35	\$9,100
La Covadonga	\$72.90	\$26,611	\$35	\$9,100
Modular	\$29.00	\$10,585	\$30	\$5,400

EBITDA

The EBITDA for Q4, 2017 was \$13,297. This corresponds to a percentage of accumulated revenue equal to 93.24%. The accumulated EBITDA was \$55,392, 95 % of the revenue.

4. Invoice and factoring

As of 31 December 2017 up to today, Latina's account receivables are as follows:

	Jack-ups- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 30 September 2017	\$13,739	\$ 2,198	\$15,937	\$ 6,789	\$1,086	\$ 7,876
Invoice in Q4 2017	22,497	3,600	26,097	-	-	-
Collection in Q4 2017	(13,739)	(2,198)	(15,937)	(6,789)	(1,086)	(7,876)
Balance as of 31 December 2017	22,497	3,600	26,097	-	-	-
Invoice in Q1 2018	12,791	2,046	14,837	-	-	-
Collection in Q1 2018	(16,797)	(2,688)	(19,485)	-	-	-
Balance as of today	\$18,491	\$ 2,958	\$21,449	\$ -	\$ -	\$ -
	Modular- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 30 September 2017	\$ -	\$ -	\$ -	\$ 6,320	\$1,011	\$ 7,331
Invoice in Q4 2017	3,658	585	4,243	-	-	-
Collection in Q4 2017	-	-	-	(6,320)	(1,011)	(7,331)
Balance as of 31 December 2017	3,658	585	4,243	-	-	-
Invoice in Q1 2018	2,849	456	3,305	-	-	-
Collection in Q1 2018	(2,505)	(401)	(2,905)	-	-	-
Balance as of today	\$ 4,003	\$ 640	\$ 4,643	\$ -	\$ -	\$ -

The account receivables are paid 90 days after issuing the invoices.

The invoices factored have been made without any form of recourse.

5. Latina's pro-forma consolidated income statement

The following consolidated income statements are included only for additional information, reflecting the business offshore as a project.

For the year ended 31 December 2017 and 2016 (In thousands of US dollars)

	FY 2017			FY 2016		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	72,949	19,042	91,991	51,311	7,426	58,737
Operating expenses:						
Operating cost and expenses	20,721	8,660	29,381	16,876	3,015	19,891
Other expenses (incomes), net	131	(144)	(13)	1,912	(403)	1,509
Corporate expenses	5,475	1,095	6,570	5,415	543	5,958
Depreciation	37,046	10,872	47,918	36,604	4,253	40,857
Total operating expenses	63,373	20,483	83,856	60,807	7,408	68,215
Operating results	9,576	(1,441)	8,135	(9,496)	18	(9,478)
EBITDA	46,622	9,431	56,053	27,108	4,271	31,379