

Santa Maria Offshore Limited

Statement of Financial Position

As of December 31, 2017 and 2016

(In thousands of US dollars)

Assets

	December 2017	December 2016
	(Unaudited)	(Audited)
Current assets:		
Cash	\$ 22	\$ 23
Due from related parties	25,757	16,052
Other accounts receivables	3,223	2,278
Prepaid expenses, net	119	203
Total current assets	<u>29,121</u>	<u>18,556</u>
Non-current assets:		
Jack ups and equipment, net	197,755	212,664
Deferred income tax	1,077	-
Total non-current assets	<u>198,832</u>	<u>212,664</u>
Total assets	<u>\$ 227,953</u>	<u>\$ 231,221</u>

Equity and Liabilities

Current liabilities:

Due to related parties	\$ 18,558	\$ 9,180
Other accounts payables and accrued liabilities	<u>1,737</u>	<u>144</u>
Total current liabilities	20,295	9,324

Non-current liabilities:

Due to related parties	140,000	145,000
Deferred income tax	<u>-</u>	<u>4,149</u>
Total non-current liabilities	<u>140,000</u>	<u>149,149</u>
Total liabilities	160,295	158,473

Stockholders' equity:

Capital stock	96,000	96,000
Accumulated deficit	<u>(28,342)</u>	<u>(23,253)</u>
Total stockholders' equity	<u>67,658</u>	<u>72,747</u>
Total stockholders' equity and liabilities	<u>\$ 227,953</u>	<u>\$ 231,220</u>

Santa Maria Offshore Limited

Statements of Loss and Profit

For the years ended December 31, 2017 and 2016

(In thousands of US dollars)

	December 2017	December 2016
	(Unaudited)	(Audited)
Continuing operations:		
Operating leases income	\$ 21,117	\$ 9,100
Operating cost	1,235	1,057
Depreciation of assets under operating leases	<u>18,381</u>	<u>18,235</u>
Gross (loss) profit	1,501	(10,192)
Administrative expenses	-	2,082
Others expenses, net	(73)	-
Interest expense	11,919	12,086
Exchange loss (gain), net	<u>(32)</u>	<u>209</u>
Loss before tax	(10,313)	(24,569)
Income tax expense	<u>(5,226)</u>	<u>(4,507)</u>
Net loss	<u>\$ (5,088)</u>	<u>\$ (20,062)</u>

Santa Maria Offshore Limited

Statement of Cash Flows

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

	December 2017	December 2016
	(Unaudited)	(Audited)
Cash flows from operating activities		
Net profit (loss)	\$ (5,088)	\$ (20,062)
Adjustments for:		
Income tax recognized in results	(5,226)	(4,507)
Depreciation	18,381	18,235
Exchange (gain) loss	(32)	209
Interest expense	11,919	12,086
	<u>19,954</u>	<u>5,961</u>
Movements in working capital:		
(Increase) decrease in:		
Due from related parties	(9,705)	16,861
Other accounts receivables	(946)	560
Prepaid expenses	84	424
Increase (decrease) in:		
Trade accounts payables	-	(624)
Due to related parties	(5,000)	245
Other accounts payables and accrued liabilities	1,624	(1,847)
Net cash flows by operating activities	<u>6,012</u>	<u>21,580</u>
Cash flows from investing activities:		
Purchase of Jack up and equipment	(3,472)	(2,272)
Net cash flows in investing activities	<u>(3,472)</u>	<u>(2,272)</u>
Cash flows from financing activities:		
Proceeds from long-term debt	-	(7,500)
Interest paid	(2,541)	(12,086)
Net cash flows by financing activities	<u>(2,541)</u>	<u>(19,586)</u>
Net change in cash	(1)	(278)
Cash at the beginning of the year	23	301
Cash at end of the year	<u>\$ 22</u>	<u>\$ 23</u>