

## Latina Modular Holding Limited and Subsidiary

# Consolidated Statement of Financial Position

As of March 31, 2018 and December 31, 2017

(In thousands of US dollars)

<b>Assets</b>	March 2018	December 2017
	Unaudited	Audited
Current assets:		
Cash	\$ 13	\$ 13
Other accounts receivable	3,246	3,340
Prepaid expenses, net	312	90
Total current assets	<u>3,571</u>	<u>3,443</u>
Non-current assets:		
Modular rig and equipment, net	101,379	103,790
Deferred income taxes	6	5
Total non-current assets	<u>101,385</u>	<u>103,795</u>
Total assets	<u>\$ 104,956</u>	<u>\$ 107,238</u>
<b>Liabilities and Stockholders' equity</b>		
Current liabilities:		
Trade accounts payable	\$ -	\$ 11
Due to related parties	14,259	16,586
Other accounts payable and accrued liabilities	1,026	535
Total current liabilities	<u>15,285</u>	<u>17,132</u>
Non-current liabilities:		
Deferred income taxes	1,242	1,950
Total non-current liabilities	<u>1,242</u>	<u>1,950</u>
Total liabilities	<u>16,527</u>	<u>19,082</u>
Stockholders' equity:		
Capital stock	88,500	88,500
Deficit	(71)	(344)
Total stockholders' equity	<u>88,429</u>	<u>88,156</u>
Total stockholders' equity and liabilities	<u>\$ 104,956</u>	<u>\$ 107,238</u>

# Latina Modular Holding Limited and Subsidiary

## Consolidated Statements of Operations

For the three months ended March 31, 2018 and for the year end December 31, 2017  
(In thousands of US dollars)

	March 2018	December 2017
	Unaudited	Audited
Continuing operations:		
Operating leases revenues	\$ 2,438	\$ 10,585
Operating cost	158	658
Depreciation of assets under operating leases	2,795	10,833
Gross loss	<u>(515)</u>	<u>(906)</u>
Other expenses	-	(30)
Interest income	(75)	(97)
Exchange gain, net	(3)	(64)
Loss before income taxes	<u>(437)</u>	<u>(715)</u>
Deferred income tax benefit	<u>(710)</u>	<u>(2,838)</u>
Consolidated net result	<u>\$ 273</u>	<u>\$ 2,123</u>

# Latina Modular Holding Limited and Subsidiary

## Consolidated Statement of Cash Flows

For the three months ended March 31, 2018 and for the year end December 31, 2017  
(In thousands of US dollars)

	March 2018	December 2017
	Unaudited	Audited
Cash flows from operating activities:		
Consolidated net profit	\$ 273	\$ 2,123
Adjustments for:		
Depreciation	2,795	10,833
Interest gain	(75)	(97)
Exchange gain, net	(3)	(64)
Deferred income tax benefit	(710)	(2,838)
	<u>2,280</u>	<u>9,957</u>
<b>Changes in working capital:</b>		
(Increase) decrease in:		
Due from related parties	-	(543)
Other accounts receivable	94	1,331
Prepaid expenses	(222)	53
Increase (decrease) in:		
Trade accounts payable	(11)	(73)
Due to related parties	(2,327)	(6,153)
Other accounts payable and accrued liabilities	495	(489)
Net cash flows by operating activities	<u>309</u>	<u>4,083</u>
Cash flows from investing activities:		
Purchase of equipment	(384)	(4,182)
Net cash flows in investing activities	<u>(384)</u>	<u>(4,182)</u>
Cash flows from financing activities:		
Interest again	75	97
Net cash flows by financing activities	<u>75</u>	<u>97</u>
Net change in cash	(0)	(2)
Cash at the beginning of the year	<u>13</u>	<u>15</u>
Cash at end of the year	<u>\$ 13</u>	<u>\$ 13</u>

## Latina Modular Holding Limited and Subsidiary

### Notes

a. Transaction with related parties:

	<b>March 2018</b>	<b>December 2017</b>
	<b>Unaudited</b>	<b>Audited</b>
Operating lease revenues	2,438	10,585
Interest income	75	-
Purchases of spare parts and tools	(383)	(4,182)
Interest expenses	-	(97)
Other expenses	(9)	(9)

b. Balance with related parties:

	<b>March 2018</b>	<b>December 2017</b>
	<b>Unaudited</b>	<b>Audited</b>
Due to related parties-		
Constructora y Perforadora Latina S.A. de C.V.	\$ 6,744	\$ 7,310
Latina Offshore Holding Limited	7,515	9,276
	<u>\$ 14,259</u>	<u>\$ 16,586</u>