

Latina Offshore Holding Limited

Statement of Financial Position

As of March 31, 2018 and December 31, 2017

(In thousands of US dollars)

Assets	March 2018	December 2017
	Unaudited	Unaudited
Current assets:		
Cash and restricted cash	\$ 5	\$ 5
Due from related parties	7,515	9,276
Other accounts receivable	81	62
Prepaid expenses, net	<u>21</u>	<u>65</u>
Total current assets	<u>7,622</u>	<u>9,407</u>
Non-current assets:		
Investment in subsidiary	201,260	206,464
Deferred income taxes	<u>2,328</u>	<u>2,161</u>
Total non-current assets	<u>203,588</u>	<u>208,625</u>
Total assets	<u>\$ 211,210</u>	<u>\$ 218,032</u>
 Liabilities and Stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ -	\$ 51,000
Due to related parties	6,407	5,864
Other accounts payable and accrued liabilities	1,086	1,348
Interest payable	<u>874</u>	<u>876</u>
Total current liabilities	<u>8,367</u>	<u>59,089</u>
Non-current liabilities:		
Long-term debt	<u>50,500</u>	<u>-</u>
Total liabilities	<u>58,867</u>	<u>59,089</u>
Stockholders' equity:		
Capital stock	227,727	227,727
Deficit	<u>(75,384)</u>	<u>(68,784)</u>
Total stockholders' equity	<u>152,343</u>	<u>158,943</u>
Total stockholders' equity and liabilities	<u>\$ 211,210</u>	<u>\$ 218,032</u>

Latina Offshore Holding Limited

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	Unaudited
Continuing operations:		
Operating lease revenues	\$ -	\$ -
Operating cost	<u>108</u>	<u>186</u>
Gross Loss	(108)	(186)
Other income	-	(2)
Interest expense, net	1,434	7,315
Exchange loss, net	20	2
Participation in subsidiary	<u>5,204</u>	<u>7,764</u>
Loss before income taxes	(6,766)	(15,265)
Deferred income tax expense	<u>(166)</u>	<u>(966)</u>
Net loss	<u>\$ (6,600)</u>	<u>\$ (14,299)</u>

Latina Offshore Holding Limited

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	Unaudited
Cash flows from operating activities:		
Net loss	\$ (6,600)	\$ (14,299)
Adjustments for:		
Deferred income tax expense (benefit)	(166)	(965)
Amortization of bond issuance costs	-	1,867
Participation in subsidiary	5,204	7,764
Exchange loss	19	2
Interest expense	1,434	5,448
	<u>(109)</u>	<u>(183)</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	1,761	3,143
Other accounts receivable	(20)	20
Prepaid expenses	44	(38)
Increase (decrease) in:		
Due to related parties	432	2,548
Other accounts payable and accrued liabilities	(283)	(942)
Net cash flows by operating activities	<u>1,825</u>	<u>4,548</u>
Cash flows from financing activities:		
Payments of long term-debt	(500)	-
Bonds issuance costs	-	(57)
Interest paid	(1,325)	(4,499)
Net cash flows in financing activities	<u>(1,825)</u>	<u>(4,556)</u>
Net change in cash	(0)	(8)
Cash at the beginning of the year	<u>5</u>	<u>13</u>
Cash at end of the year	<u>\$ 5</u>	<u>\$ 5</u>