

## Latina Offshore Holding Limited and Subsidiaries

# Consolidated Statements 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 and restricted cash	\$ 5,172	\$ 5,141
Due from related parties	27,547	28,000
Other accounts receivable	7,342	8,003
Prepaid expenses, net	<u>1,386</u>	<u>471</u>
Total current assets	<u>41,447</u>	<u>41,615</u>
Non-current assets:		
Jack ups and equipment, net	481,043	490,922
Deferred income taxes	<u>7,867</u>	<u>9,368</u>
Total non-current assets	<u>488,910</u>	<u>500,290</u>
Total assets	<u>\$ 530,357</u>	<u>\$ 541,905</u>
 <b>Liabilities and Stockholders' equity</b>		
Current liabilities:		
Current portion of long-term debt	\$ 305,771	\$ 356,155
Other accounts payable and accrued liabilities	12,253	9,692
Interest payable	<u>8,019</u>	<u>15,166</u>
Total current liabilities	<u>326,043</u>	<u>381,013</u>
Non-current liabilities:		
Long-term debt	50,500	-
Deferred income taxes	<u>1,471</u>	<u>1,949</u>
Total non-current liabilities	<u>51,971</u>	<u>1,949</u>
Total liabilities	<u>378,014</u>	<u>382,962</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>\$ 530,357</u>	<u>\$ 541,905</u>

## Latina Offshore Holding Limited and Subsidiaries

# 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 lease revenues	\$ 16,389	\$ 58,313
Operating cost	933	3,024
Depreciation of assets under operating leases	12,144	47,725
Gross profit	<u>3,312</u>	<u>7,564</u>
Other income	-	(101)
Interest expense, net	8,800	36,577
Exchange loss (gain), net	89	(93)
Loss before income taxes	<u>(5,577)</u>	<u>(28,819)</u>
Deferred income tax expense (benefit)	<u>1,023</u>	<u>(14,520)</u>
Consolidated net loss	<u>\$ (6,600)</u>	<u>\$ (14,299)</u>

# Latina Offshore Holding Limited and Subsidiaries

## Consolidated Statements 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 loss	\$ (6,600)	\$ (14,299)
Adjustments for:		
Deferred income tax expense (benefit)	1,023	(14,520)
Depreciation	12,144	47,725
Amortization of bond issuance costs	616	4,233
Interest income	(283)	(1,718)
Income on disposal of equipment	-	(71)
Exchange loss (gain)	89	(93)
Interest expense	8,468	34,035
	<u>15,457</u>	<u>55,292</u>
<b>Changes in working capital:</b>		
(Increase) decrease in:		
Due from related parties	736	(9,557)
Other accounts receivable	661	832
Prepaid expenses	(915)	129
Increase (decrease) in:		
Trade accounts payable	-	(73)
Due to related parties	-	(1,330)
Other accounts payable and accrued liabilities	2,471	2,261
Net cash flows by operating activities	<u>18,410</u>	<u>47,554</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	(2,264)	(11,546)
Loans granted to related parties	-	(9,242)
Sale of equipment	-	122
Net cash flows by investing activities	<u>(2,264)</u>	<u>(20,666)</u>
Cash flows from financing activities:		
Payments of long term-debt	(500)	-
Bonds issuance costs	-	(560)
Interest paid	(15,615)	(33,079)
Net cash flows in financing activities	<u>(16,115)</u>	<u>(33,639)</u>
Net change in cash and restricted cash	31	(6,751)
Cash and restricted cash at the beginning of the year	5,141	11,892
Cash and restricted cash at end of the year	<u>\$ 5,172</u>	<u>\$ 5,141</u>

## Latina Offshore Holding Limited and Subsidiaries

### Notes

a. Transaction with related parties:

	<b>March 2018</b>	<b>December 2017</b>
	<b>Unaudited</b>	<b>Audited</b>
Operating lease revenues	16,389	58,313
Interest income	437	1,718
Purchases of spare parts and tools	(2,265)	(11,423)
Interest expenses	(172)	(382)
Other expenses	(77)	(58)

b. Balance with related parties:

	<b>March 2018</b>	<b>December 2017</b>
	<b>Unaudited</b>	<b>Audited</b>
Due from related parties-		
Constructora y Perforadora Latina S.A. de C.V.	\$ 27,547	\$ 28,000
	<u>\$ 27,547</u>	<u>\$ 28,000</u>
	<u><u>\$ 27,547</u></u>	<u><u>\$ 28,000</u></u>