

Santa Maria Offshore 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	Audited
Current assets:		
Cash	\$ 21	\$ 22
Due from related parties	29,752	25,757
Other accounts receivables	3,002	3,223
Prepaid expenses, net	510	119
Total current assets	<u>33,285</u>	<u>29,121</u>
Non-current assets:		
Jack ups and equipment, net	194,192	197,755
Deferred income tax	-	1,077
Total non-current assets	<u>194,192</u>	<u>198,832</u>
Total assets	<u>\$ 227,477</u>	<u>\$ 227,953</u>

Liabilities and Stockholders' equity

Current liabilities:		
Due to related parties	\$ 159,507	\$ 158,558
Other accounts payables and accrued liabilities	2,346	1,736
Total current liabilities	<u>161,852</u>	<u>160,294</u>
Non-current liabilities:		
Deferred income tax	230	-
Total non-current liabilities	<u>230</u>	<u>-</u>
Total liabilities	<u>162,083</u>	<u>160,294</u>
Stockholders' equity:		
Capital stock	96,000	96,000
Deficit	(30,605)	(28,341)
Total stockholders' equity	<u>65,395</u>	<u>67,659</u>
Total stockholders' equity and liabilities	<u>\$ 227,477</u>	<u>\$ 227,953</u>

Santa Maria Offshore 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	Audited
Continuing operations:		
Operating leases revenues	\$ 6,976	\$ 21,117
Operating cost	306	1,235
Depreciation of assets under operating leases	4,664	18,380
Gross profit	<u>2,006</u>	<u>1,502</u>
Other income, net	-	(71)
Interest expenses, net	2,962	11,919
Exchange loss (gain), net	2	(32)
Loss before income taxes	<u>(958)</u>	<u>(10,314)</u>
Deferred income tax expense (benefit)	<u>1,306</u>	<u>(5,226)</u>
Net loss	<u>\$ (2,264)</u>	<u>\$ (5,088)</u>

Santa Maria Offshore 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	Audited
Cash flows from operating activities		
Net loss	\$ (2,264)	\$ (5,088)
Adjustments for:		
Deferred income tax	1,306	(5,226)
Depreciation	4,664	18,380
Loss on disposal of equipment	-	(71)
Exchange (profit) loss	2	(32)
Interest expense	2,962	11,919
	<u>6,670</u>	<u>19,882</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(3,995)	(9,705)
Other accounts receivables	221	(945)
Prepaid expenses	(391)	84
Increase (decrease) in:		
Due to related parties	(2,013)	-
Other accounts payable and accrued liabilities	608	1,624
Net cash flows by operating activities	<u>1,100</u>	<u>10,940</u>
Cash flows from investing activities:		
Purchase of equipment	(1,101)	(3,522)
Sale of equipment	-	122
Net cash flows by investing activities	<u>(1,101)</u>	<u>(3,400)</u>
Cash flows from financing activities:		
Long-term debt payments	-	(5,000)
Interest paid	-	(2,541)
Net cash flows in financing activities	<u>-</u>	<u>(7,541)</u>
Net change in cash	(1)	(1)
Cash at the beginning of the year	22	23
Cash at end of the year	<u>\$ 21</u>	<u>\$ 22</u>