

# La Covadonga Limited

## Statements of Financial Position

As of June 30, 2018 and December 31, 2017

(In thousands of US dollars)

### Assets

	June 2018	December 2017
	Unaudited	Audited
Current assets:		
Cash	\$ 25	\$ 22
Due from related parties	17,101	8,002
Other accounts receivable	1,404	1,243
Prepaid expenses, net	207	119
Total current assets	<u>18,737</u>	<u>9,386</u>
Non-current assets:		
Jack ups and equipment, net	182,219	189,377
Deferred income taxes	4,980	4,130
Total non-current assets	<u>187,199</u>	<u>193,507</u>
Total assets	<u>\$ 205,936</u>	<u>\$ 202,893</u>

### Liabilities and Stockholders' equity

Current liabilities:		
Due to related parties	\$ 159,075	153,719
Other accounts payable and accrued liabilities	2,676	1,900
Total current liabilities	<u>161,751</u>	<u>155,619</u>
Stockholders' equity:		
Capital stock	78,100	78,100
Deficit	(33,915)	(30,826)
Total stockholders' equity	<u>44,185</u>	<u>47,274</u>
Total stockholders' equity and liabilities	<u>\$ 205,936</u>	<u>\$ 202,893</u>

## La Covadonga Limited

# Statements of Operations

For the six months ended June 30, 2018 and for the year end December 31, 2017

(In thousands of US dollars)

	June 2018	December 2017
	Unaudited	Audited
Continuing operations:		
Operating lease revenues	\$ 13,183	\$ 26,611
Operating cost	618	779
Depreciation of assets under operating leases	9,370	18,512
Gross profit	<u>3,195</u>	<u>7,320</u>
Interest expense, net	7,134	14,251
Exchange profit, net	0	(1)
Loss before income taxes	<u>(3,939)</u>	<u>(6,930)</u>
Deferred income tax benefit	<u>(850)</u>	<u>(3,929)</u>
Net loss	<u>\$ (3,089)</u>	<u>\$ (3,001)</u>

# La Covadonga Limited

## Statements of Cash Flows

For the six months ended June 30, 2018 and for the year end December 31, 2017  
(In thousands of US dollars)

	June 2018	December 2017
	Unaudited	Audited
Cash flows from operating activities		
Net loss	\$ (3,089)	\$ (3,001)
Adjustments for:		
Deferred income tax benefit	(850)	(3,929)
Depreciation	9,370	18,512
Exchange loss (gain)	0	(1)
Interest expense	7,134	14,251
	<u>12,565</u>	<u>25,832</u>
<b>Changes in working capital:</b>		
(Increase) decrease in:		
Due from related parties	(9,099)	(5,670)
Other accounts receivable	(161)	306
Prepaid expenses	(88)	82
Increase (decrease) in:		
Due to related parties	(1,777)	1,680
Other accounts payable and accrued liabilities	775	336
Net cash flows by operating activities	<u>2,215</u>	<u>22,566</u>
Cash flows from investing activities:		
Purchase of equipment	(2,212)	(3,842)
Net cash flows by investing activities	<u>(2,212)</u>	<u>(3,842)</u>
Cash flows from financing activities:		
Interest paid	-	(18,726)
Net cash flows in financing activities	<u>-</u>	<u>(18,726)</u>
Net change in cash	3	(2)
Cash at the beginning of the year	22	24
Cash at end of the year	<u>\$ 25</u>	<u>\$ 22</u>