

Latina Offshore Holding Limited

Statement of Financial Position

As of June 30, 2018 and December 31, 2017

(In thousands of US dollars)

Assets	June 2018	December 2017
	Unaudited	Unaudited
Current assets:		
Cash and restricted cash	\$ 5	\$ 5
Due from related parties	5,188	9,274
Other accounts receivable	103	62
Prepaid expenses, net	35	65
Total current assets	5,331	9,407
Non-current assets:		
Investment in subsidiary	198,564	206,464
Deferred income taxes	2,710	2,161
Total non-current assets	201,274	208,625
Total assets	\$ 206,605	\$ 218,031
 Liabilities and Stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 49,427	\$ 51,000
Trade accounts payable	22	-
Due to related parties	6,563	5,864
Other accounts payable and accrued liabilities	873	1,348
Interest payable	866	876
Total current liabilities	57,751	59,088
Stockholders' equity:		
Capital stock	227,727	227,727
Deficit	(78,874)	(68,784)
Total stockholders' equity	148,854	158,943
Total stockholders' equity and liabilities	\$ 206,605	\$ 218,031

Latina Offshore Holding 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	Unaudited
Continuing operations:		
Operating lease revenues	\$ -	\$ -
Operating cost	<u>101</u>	<u>186</u>
Gross Loss	(101)	(186)
Other income	-	(2)
Interest expense, net	2,633	7,315
Exchange loss, net	6	2
Participation in subsidiary	<u>7,899</u>	<u>7,764</u>
Loss before income taxes	(10,639)	(15,265)
Deferred income tax benefit	<u>(549)</u>	<u>(966)</u>
Net loss	<u>\$ (10,090)</u>	<u>\$ (14,299)</u>

Latina Offshore Holding Limited

Statement 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	Unaudited
Cash flows from operating activities:		
Net loss	\$ (10,090)	\$ (14,299)
Adjustments for:		
Deferred income tax benefit	(549)	(965)
Amortization of bond issuance costs	(224)	1,867
Participation in subsidiary	7,899	7,764
Exchange loss	6	2
Interest expense	<u>2,856</u>	<u>5,448</u>
	(102)	(183)
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	4,086	3,143
Other accounts receivable	(41)	20
Prepaid expenses	30	(38)
Increase (decrease) in:		
Trade accounts payable	22	-
Due to related parties	474	2,548
Other accounts payable and accrued liabilities	<u>(482)</u>	<u>(942)</u>
Net cash flows by operating activities	3,986	4,548
Cash flows from financing activities:		
Payments of long term-debt	(1,000)	-
Bonds issuance costs	(349)	(57)
Interest paid	<u>(2,637)</u>	<u>(4,499)</u>
Net cash flows in financing activities	<u>(3,986)</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>