

Latina Offshore Holding Limited

Statement of Financial Position

As of September 30, 2018 and December 31, 2017

(In thousands of US dollars)

Assets	September 2018	December 2017
	Unaudited	Unaudited
Current assets:		
Cash and restricted cash	\$ 4	\$ 5
Due from related parties	4,983	9,274
Other accounts receivable	121	62
Prepaid expenses, net	21	65
Total current assets	<u>5,129</u>	<u>9,407</u>
Non-current assets:		
Investment in subsidiary	203,998	206,464
Deferred income taxes	2,587	2,161
Total non-current assets	<u>206,585</u>	<u>208,625</u>
Total assets	<u>\$ 211,714</u>	<u>\$ 218,031</u>
 Liabilities and Stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 49,314	\$ 51,000
Trade accounts payable	9	-
Due to related parties	6,709	5,864
Other accounts payable and accrued liabilities	741	1,348
Interest payable	2,147	876
Total current liabilities	<u>58,920</u>	<u>59,088</u>
Stockholders' equity:		
Capital stock	227,727	227,727
Deficit	(74,933)	(68,784)
Total stockholders' equity	<u>152,794</u>	<u>158,943</u>
Total stockholders' equity and liabilities	<u>\$ 211,714</u>	<u>\$ 218,031</u>

Latina Offshore Holding Limited

Statements of Operations

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

	September 2018	December 2017
	Unaudited	Unaudited
Continuing operations:		
Operating lease revenues	\$ -	\$ -
Operating cost	<u>130</u>	<u>186</u>
Gross Loss	(130)	(186)
Other income	-	(2)
Interest expense, net	3,960	7,315
Exchange loss, net	19	2
Participation in subsidiary	<u>2,466</u>	<u>7,764</u>
Loss before income taxes	(6,575)	(15,265)
Deferred income tax benefit	<u>(426)</u>	<u>(966)</u>
Net loss	<u>\$ (6,149)</u>	<u>\$ (14,299)</u>

Latina Offshore Holding Limited

Statement of Cash Flows

For the nine months ended September 30, 2018 and for the year end December 31, 2017

(In thousands of US dollars)

	September 2018	December 2017
	Unaudited	Unaudited
Cash flows from operating activities:		
Net loss	\$ (6,149)	\$ (14,299)
Adjustments for:		
Deferred income tax benefit	(426)	(965)
Amortization of bond issuance costs	(296)	1,867
Participation in subsidiary	2,466	7,764
Exchange loss	19	2
Interest expense	<u>4,256</u>	<u>5,448</u>
	(130)	(183)
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	4,291	3,143
Other accounts receivable	(59)	20
Prepaid expenses	44	(38)
Increase (decrease) in:		
Trade accounts payable	9	-
Due to related parties	499	2,548
Other accounts payable and accrued liabilities	<u>(627)</u>	<u>(942)</u>
Net cash flows by operating activities	4,027	4,548
Cash flows from financing activities:		
Payments of long term-debt	(1,000)	-
Bonds issuance costs	(391)	(57)
Interest paid	<u>(2,637)</u>	<u>(4,499)</u>
Net cash flows in financing activities	<u>(4,028)</u>	<u>(4,556)</u>
Net change in cash	(1)	(8)
Cash at the beginning of the year	<u>5</u>	<u>13</u>
Cash at end of the year	<u>\$ 4</u>	<u>\$ 5</u>