

## Latina Offshore Limited and Subsidiaries

# Consolidated Statements of Financial Position

As of September 30, 2018 and December 31, 2017

(In thousands of US dollars)

### Assets

	September 2018	December 2017
	Unaudited	Audited
Current assets:		
Cash and restricted cash	\$ 11,842	\$ 5,123
Due from related parties	41,642	42,862
Other accounts receivable	4,479	4,602
Prepaid expenses, net	2,402	316
Total current assets	<u>60,365</u>	<u>52,903</u>
Non-current assets:		
Jack ups and equipment, net	371,770	387,132
Deferred income taxes	11,126	7,202
Total non-current assets	<u>382,896</u>	<u>394,334</u>
Total assets	<u>\$ 443,261</u>	<u>\$ 447,237</u>

### Liabilities and Stockholders' equity

Current liabilities:		
Current portion of long-term debt	\$ 305,500	\$ 305,155
Trade accounts payable	2,428	-
Due to related parties	3,256	1,686
Other accounts payables and accrued liabilities	9,515	7,799
Interest payable	7,145	14,290
Total current liabilities	<u>327,844</u>	<u>328,930</u>
Stockholders' equity:		
Capital stock	180,712	180,712
Deficit	(65,295)	(62,405)
Total stockholders' equity	<u>115,417</u>	<u>118,307</u>
Total stockholders' equity and liabilities	<u>\$ 443,261</u>	<u>\$ 447,237</u>

## Latina Offshore Limited and Subsidiaries

# Consolidated 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	Audited
Continuing operations:		
Operating leases income	\$ 38,917	\$ 47,728
Operating cost	2,045	2,181
Depreciation of assets under operating leases	21,793	36,893
Gross profit	<u>15,079</u>	<u>8,654</u>
Others expenses (incomes), net	17	(72)
Interest expense, net	21,562	29,359
Exchange (loss) gain, net	314	(31)
Loss before income taxes	<u>(6,814)</u>	<u>(20,602)</u>
Deferred income tax benefit	<u>(3,924)</u>	<u>(10,714)</u>
Consolidated net loss	<u>\$ (2,890)</u>	<u>\$ (9,888)</u>

# Latina Offshore Limited and Subsidiaries

## Consolidated 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	Audited
<b>Cash flows from operating activities:</b>		
Consolidated net loss	\$ (2,890)	\$ (9,888)
Adjustments for:		
Deferred income tax benefit	(3,924)	(10,714)
Depreciation	21,793	36,893
Amortization of bond issuance costs	1,095	2,441
Loss on disposal of equipment	-	51
Exchange loss (gain)	314	(31)
Interest income	(1,149)	(1,662)
Interest expense	21,617	28,580
	<u>36,856</u>	<u>45,670</u>
<b>Changes in working capital:</b>		
(Increase) decrease in:		
Due from related parties	2,368	(20,980)
Other accounts receivable	123	(521)
Prepaid expenses	(2,086)	114
Increase (decrease) in:		
Trade accounts payable	2,428	-
Due to related parties	1,388	1,423
Other accounts payable and accrued liabilities	1,403	3,516
Net cash flows by operating activities	<u>42,480</u>	<u>29,222</u>
<b>Cash flows from investing activities:</b>		
Purchase of Jack-ups and equipment	<u>(6,431)</u>	<u>(7,365)</u>
Net cash flows by investing activities	<u>(6,431)</u>	<u>(7,365)</u>
<b>Cash flows from financing activities:</b>		
Bonds issuance costs	(750)	(18)
Interest paid	<u>(28,580)</u>	<u>(28,580)</u>
Net cash flows in financing activities	<u>(29,330)</u>	<u>(28,598)</u>
Net change in cash and restricted cash	6,719	(6,741)
Cash and restricted cash at the beginning of the year	5,123	11,864
Cash and restricted cash at end of the year	<u>\$ 11,842</u>	<u>\$ 5,123</u>