

Santa Maria Offshore 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	Audited
Current assets:		
Cash	\$ 26	\$ 22
Due from related parties	25,379	25,757
Other accounts receivables	2,071	3,223
Prepaid expenses, net	1,221	119
Total current assets	<u>28,697</u>	<u>29,121</u>
Non-current assets:		
Jack ups and equipment, net	190,258	197,755
Deferred income tax	2,654	1,077
Total non-current assets	<u>192,912</u>	<u>198,832</u>
Total assets	<u>\$ 221,609</u>	<u>\$ 227,953</u>

Liabilities and Stockholders' equity

Current liabilities:

Trade accounts payable	\$ 1,240	\$ -
Due to related parties	150,829	158,558
Other accounts payables and accrued liabilities	1,475	1,736
Total current liabilities	<u>153,544</u>	<u>160,294</u>

Stockholders' equity:

Capital stock	96,000	96,000
Deficit	(27,935)	(28,341)
Total stockholders' equity	<u>68,065</u>	<u>67,659</u>
Total stockholders' equity and liabilities	<u>\$ 221,609</u>	<u>\$ 227,953</u>

Santa Maria Offshore 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
Continuing operations:	Unaudited	Audited
Operating leases revenues	\$ 19,458	\$ 21,117
Operating cost	909	1,235
Depreciation of assets under operating leases	10,817	18,380
Gross profit	<u>7,732</u>	<u>1,502</u>
Other income, net	8	(71)
Interest expenses, net	8,892	11,919
Exchange loss (gain), net	<u>3</u>	<u>(32)</u>
Loss before income taxes	(1,171)	(10,314)
Deferred income tax benefit	<u>(1,577)</u>	<u>(5,226)</u>
Net loss	<u>\$ 406</u>	<u>\$ (5,088)</u>

Santa Maria Offshore 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	Audited
Cash flows from operating activities		
Net loss	\$ 406	\$ (5,088)
Adjustments for:		
Deferred income tax benefit	(1,577)	(5,226)
Depreciation	10,817	18,380
Loss on disposal of equipment	-	(71)
Exchange (profit) loss	3	(32)
Interest expense	8,892	11,919
	<u>18,541</u>	<u>19,882</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	378	(9,705)
Other accounts receivables	1,152	(945)
Prepaid expenses	(1,102)	84
Increase (decrease) in:		
Trade accounts payable	1,240	
Due to related parties	(16,621)	-
Other accounts payable and accrued liabilities	(264)	1,624
Net cash flows by operating activities	<u>3,324</u>	<u>10,940</u>
Cash flows from investing activities:		
Purchase of equipment	(3,320)	(3,522)
Sale of equipment	-	122
Net cash flows by investing activities	<u>(3,320)</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	4	(1)
Cash at the beginning of the year	22	23
Cash at end of the year	<u>\$ 26</u>	<u>\$ 22</u>