

Latina Offshore Holding Limited
Unaudited consolidated financial information
Fourth quarter results 2018
(In thousands of US dollars)

Mexico City, 28 February 2019, Latina Offshore Holding Limited (the “Company”), a subsidiary of Constructora y Perforadora Latina, S.A. de C.V. (“Latina”), reports the unaudited consolidated financial results as of 31 December 2018.

The Company, through its subsidiaries, owns two (2) Jack-ups (La Santa Maria and La Covadonga, jointly referred to as the “Jack-ups”) and one (1) modular rig (Modular 01, referred to as the “Modular”). The Jack-ups and the Modular are indirectly leased to Pemex on long-term drilling and repairing contracts. La Santa Maria commenced operations on 15 February 2014, La Covadonga on 28 May 2014, and the Modular on 5 July 2016.

Latina has long-term drilling contracts that are expected to end as follows:

- La Santa Maria on 1 April 2023
- La Covadonga on 14 March 2023
- Modular on 8 September 2020

The Jack-ups are working to repair and drill wells in the Gulf of Mexico, La Santa Maria in Abkatun Pol Chuc, and La Covadonga in Xanab-D, Litoral Tabasco. The Modular, as explained on point one below, is going to work on Xanab-D.

1. Contracts with PEMEX

- The semiannual adjustment of the daily rates in accordance with the formula based on the Global Jack-ups Index published by Clarkson Research has been reached. The new day rates from January 1st to June 30, 2019 are \$106.029 and \$50.104 for the Jack-ups and the Modular, respectively.
- In relation to the relocation of the Modular, we announce the following conditions.
 - ✓ The installation of Pemex’s platform for Xanab-D is in process. We estimate it to be finish at the end of March 2019 and to restart operations during the first week of April 2019. It was delayed because of weather conditions.

- ✓ The Modular's relocation affected activity and operations were suspended without any day rate from September 1st 2,018 to the end of March 2, 2019 (the suspension period is for seven months). The suspension period is going to be extended in the contract to march 2021
- ✓ During the mobilization to Xanab-D oilfield, the Modular will not earn any day rate, but will receive a mobilization fee of \$3,764. The cost during the suspension period will be approximately \$8,300.

The Relocation does not represent a material change to the Pemex Contract, due to the fact that such a relocation is included within the Pemex Contract.

2. Restructuring bonds

As mentioned above, the Modular has been delayed, affecting the liquidity which is required for continued operations. The Company needs to confirm the operation date and the total cash necessary for its operations and, if it is necessary, a new waiver with the bondholder.

3. Operations Highlights

	Q4 2018	FY 2018	Q4 2017	FY 2017
Revenue	12,550	57,438	14,261	58,313
EBITDA	11,669	53,867	13,295	55,390
Interest expenses	8,628	34,500	8,843	34,035
Total debt	355,250	355,250	356,250	356,250

	Santa Maria		Covadonga		Modular (1)	
	Efficiency					
	Earnings	Operational	Earnings	Operational	Earnings	Operational
Q4 2018	100%	99.73%	100%	100%	N/A	N/A
YTD 2018	100%	99.85%	100%	99.99%	100%	99.91%
Q4 2017	100%	100%	100%	99.82%	100%	100%
FY2017	99.91%	99.81%	99.53%	99.32%	99.54%	99.19%

(1) In 2018 the Modular worked from January to September.

Revenue

The revenue for Q4 2018 was \$12,550, 12% less than Q4, 2017 because of the Modular's suspension.

The bareboat charters were as follows:

	Q4 2018 bareboat	Q4 2018 revenues	Q4 2017 bareboat	Q4 2017 revenues
La Santa María	68.21	6,276	63.00	5,796
La Covadonga	68.21	6,276	63.00	5,796
Modular	0.00	0	29.00	2,668

	FY 2018 bareboat	FY 2018 (revenues)	FY 2017 bareboat	FY 2017 (revenues)
La Santa María	70.50	25,734	57.85	21,117
La Covadonga	70.50	25,734	72.90	26,611
Modular	24.57	5,971	29.00	10,585

EBITDA

The EBITDA for Q4, 2018 was \$11,669, 12% less than Q4, 2017. This corresponds to a percentage of accumulated revenue equal to 92.98%.

4. Invoice and factoring

As of 31 December 2018 up to today, Latina's account receivables are as follows:

	Jack-ups- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 30 September 2018	\$12,379	\$ 1,981	\$ 14,360	\$ -	\$ -	\$ -
Invoice in Q4 2018	18,657	2,985	21,642			-
Collection in Q4 2018	(12,379)	(1,981)	(14,360)			-
Balance as of 31 December 2018	18,657	2,985	21,642	-	-	-
Invoice in Q1 2019	6,324	1,012	7,336			-
Collection in Q1 2019	(10,561)	(1,690)	(12,250)			-
Balance as of today	\$14,420	\$ 2,307	\$ 16,727	\$ -	\$ -	\$ -

	Modular- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 30 September 2018	\$ 2,820	\$ 451	\$ 3,271	\$ -	\$ -	\$ -
Invoice in Q4 2018	1,494	239	1,733			-
Collection in Q4 2018	(2,820)	(451)	(3,271)			-
Balance as of 31 December 2018	1,494	239	1,733	-	-	-
Invoice in Q1 2019	-	-	-	-	-	-
Collection in Q1 2019	(1,494)	(239)	(1,733)			-
Balance as of today	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The account receivables are paid 90 days after issuing the invoices.

5. Latina's pro-forma consolidated income statement

The following consolidated income statements are included only for additional information, reflecting the business offshore as a project.

For the year ended December 31, 2018 and 2017

(In thousands of US dollars)

	Q4 2018			Q4 2017		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	18,861	-	18,861	19,458	4,880	24,338
Operating expenses:						
Operating cost and expenses	5,626	-	5,626	5,607	2,273	7,880
Other expenses (incomes), net	37	(23)	14	(143)	(46)	(189)
Corporate expenses	2,208	276	2,484	1,380	276	1,656
Depreciation	7,456	2,221	9,677	9,317	2,779	12,096
Total operating expenses	15,327	2,474	17,801	16,161	5,282	21,443
Operating results	3,534	(2,474)	1,060	3,297	(402)	2,895
EBITDA	10,990	(253)	10,737	12,614	2,377	14,991

	FY 2018			FY 2017		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	76,227	12,073	88,300	72,949	19,042	91,991
Operating expenses:						
Operating cost and expenses	21,832	5,516	27,348	20,721	8,660	29,381
Other expenses (incomes), net	48	(126)	(78)	131	(144)	(13)
Corporate expenses	6,303	1,095	7,398	5,475	1,095	6,570
Depreciation	29,330	8,780	38,110	37,046	10,872	47,918
Total operating expenses	57,513	15,265	72,778	63,373	20,483	83,856
Operating results	18,714	(3,192)	15,522	9,576	(1,441)	8,135
EBITDA	48,044	5,588	53,632	46,622	9,431	56,053

During 2018, the Company reviewed and changed some estimated useful lives of the Jack-ups and the Modular, consequently, the depreciation had a benefit in the amount of \$10.6 million.