

Constructora y Perforadora Latina , S.A. de C.V. and Subsidiaries

Statement of Financial Position

As of March 31, 2019 and December 31, 2018

(In thousands of US dollars)

Assets	March 2019	December 2018
	Unaudited	Unaudited
Current assets:		
Cash and restricted cash	\$ 20,331	\$ 23,816
Trade accounts receivable	30,671	32,214
Due from related parties	23,618	9,263
Recoverable taxes and other accounts receivable	14,436	15,186
Inventories - net	9,783	10,474
Prepaid expenses	2,633	2,442
Total current assets	<u>101,472</u>	<u>93,395</u>
Non-current assets:		
Jack-ups and equipment – Net	464,246	470,902
Investments in associates	14,564	15,152
Deferred income tax	16,847	14,171
Other assets, net	81	121
Total non-current assets	<u>495,738</u>	<u>500,346</u>
Total assets	<u>\$ 597,210</u>	<u>\$ 593,741</u>
 Liabilities and Stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 356,292	\$ 313,187
Advance customers	149	-
Trade accounts payable	10,439	10,840
Taxes and accrued expenses	20,979	22,915
Due related parties	20,639	13
Interest payable	11,787	10,795
Total current liabilities	<u>420,285</u>	<u>357,751</u>
Non-current liabilities:		
Long-term debt	-	49,172
Employee benefits	-	1,122
Deferred income taxes	662	689
Total non-current liabilities	<u>662</u>	<u>50,983</u>
Total liabilities	<u>420,947</u>	<u>408,734</u>
Stockholders' equity:		
Capital stock	306,096	306,096
Legal reserve	398	398
Deficit	(130,489)	(121,745)
Other comprehensive income	258	258
Total stockholders' equity	<u>176,263</u>	<u>185,007</u>
Total stockholders' equity and liabilities	<u>\$ 597,210</u>	<u>\$ 593,741</u>

Constructora y Perforadora Latina , S.A. de C.V. and Subsidiaries

Statements of Profit and Loss

For the three months ended March, 2019 and for the year end December 31, 2018

(In thousands of US dollars)

	March 2019	December 2018
	Unaudited	Unaudited
Continuing operations:		
Operating leases income	\$ 19,364	\$ 94,548
Operating cost	4,035	17,878
Depreciation and amortization	9,181	37,505
Gross profit	<u>6,148</u>	<u>39,165</u>
Administrative expenses	5,644	17,374
Other expenses - Net	3,758	3,071
Interest expenses	8,592	36,362
Exchange loss - Net	232	336
Equity in losses of subsidiary	808	7,958
Loss before income taxes	<u>(12,886)</u>	<u>(25,936)</u>
Income taxes benefit	<u>(3,070)</u>	<u>(11,439)</u>
Consolidated net loss	<u>\$ (9,816)</u>	<u>\$ (14,498)</u>

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Statements of Cash Flows

For the three months ended March, 2019 and for the year end December 31, 2018

(In thousands of US dollars)

	March 2019	December 2018
	Unaudited	Unaudited
Cash flows from operating activities:		
Consolidated net loss	\$ (9,816)	\$ (14,498)
Adjustments for:		
Income tax benefit	(3,070)	(11,439)
Depreciation and amortization	9,181	37,505
Equity in losses of associate	808	7,958
Labor cost of current service	(1,122)	264
Amortization of bond issuance cost	154	931
Adjustment to cash flows due to exchange rate fluctuations	232	336
Interest expenses	8,438	35,431
	<u>4,805</u>	<u>56,488</u>
Movements in working capital:		
(Increase) decrease in:		
Trade accounts receivable	1,543	5,247
Due from related parties	(14,355)	(1,258)
Current taxes and other accounts receivable	750	(7,140)
Inventories	691	653
Prepaid expenses	(191)	(1,010)
Increase (decrease) in:		
Advance customers	149	-
Trade accounts payable	(402)	5,169
Taxes and accrued expenses	(731)	(2,261)
Due to related parties	20,598	(29,247)
Net cash flows by operating activities	<u>12,857</u>	<u>26,641</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	(2,509)	4,340
Income tax	-	(16)
Investment in subsidiary	(219)	(11,147)
Other assets	23	2,193
Net cash flows in investing activities	<u>(2,705)</u>	<u>(4,630)</u>
Cash flows from financing activities:		
Capital increase	-	29,760
Long-term debt payments	(6,135)	(1,500)
Interest paid	(7,416)	(38,564)
Bonds issuance cost	(86)	(1,227)
Net cash flows in financing activities	<u>(13,637)</u>	<u>(11,531)</u>
Net change in cash and restricted cash	(3,485)	10,480
Cash and restricted cash at the beginning of the year	23,816	13,336
Cash and restricted cash at end of the year	<u>\$ 20,331</u>	<u>\$ 23,816</u>