

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Financial Position

As of March 31, 2019 and December 31, 2018

(In thousands of US dollars)

Assets	March 2019	December 2018
	Unaudited	Audited
Current assets:		
Cash and restricted cash	\$ 19,411	\$ 22,712
Due from related parties	9,920	14,338
Other accounts receivable	6,898	7,168
Prepaid expenses, net	1,930	2,375
Total current assets	<u>38,159</u>	<u>46,593</u>
Non-current assets:		
Jack ups and equipment, net	462,070	468,482
Deferred income taxes	15,584	14,170
Total non-current assets	<u>477,654</u>	<u>482,652</u>
Total assets	<u>\$ 515,813</u>	<u>\$ 529,245</u>
 Liabilities and Stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 349,292	\$ 305,687
Trade accounts payable	2,454	2,455
Due to related parties	45	141
Other accounts payable and accrued liabilities	7,733	10,672
Interest payable	11,751	10,767
Total current liabilities	<u>371,275</u>	<u>329,722</u>
Non-current liabilities:		
Long-term debt	-	49,172
Deferred income taxes	-	384
Total non-current liabilities	<u>-</u>	<u>49,556</u>
Total liabilities	<u>371,275</u>	<u>379,278</u>
Stockholders' equity:		
Capital stock	227,727	227,727
Deficit	(83,189)	(77,760)
Total stockholders' equity	<u>144,538</u>	<u>149,967</u>
Total stockholders' equity and liabilities	<u>\$ 515,813</u>	<u>\$ 529,245</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Operations

For the three months ended March, 2019 and for the year end December 31, 2018
(In thousands of US dollars)

	March 2019 Unaudited	December 2018 Audited
Continuing operations:		
Operating lease revenues	\$ 10,980	\$ 57,438
Operating cost	813	3,553
Depreciation of assets under operating leases	<u>9,086</u>	<u>35,180</u>
Gross profit	1,081	18,705
Other expenses	-	17
Interest expenses, net	8,294	33,712
Exchange loss, net	<u>14</u>	<u>318</u>
Loss before income taxes	(7,227)	(15,342)
Deferred income tax benefit	<u>(1,798)</u>	<u>(6,366)</u>
Consolidated net loss	<u>\$ (5,429)</u>	<u>\$ (8,976)</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated 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	Audited
Cash flows from operating activities		
Consolidated net loss	\$ (5,429)	\$ (8,976)
Adjustments for:		
Deferred income tax benefit	(1,798)	(6,367)
Depreciation	9,086	35,180
Amortization of bond issuance costs	154	931
Interest income	(397)	(1,719)
Exchange loss	14	318
Interest expenses	8,538	34,500
	<u>10,168</u>	<u>53,867</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	4,623	14,660
Other accounts receivable	270	835
Prepaid expenses	445	(1,904)
Increase (decrease) in:		
Trade accounts payable	(1)	2,455
Due to related parties	(96)	141
Other accounts payable and accrued liabilities	(2,953)	662
Net cash flows by operating activities	<u>12,456</u>	<u>70,716</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	(2,676)	(12,740)
Net cash flows by investing activities	<u>(2,676)</u>	<u>(12,740)</u>
Cash flows from financing activities:		
Payments of long term-debt	(5,635)	(1,000)
Bonds issuance costs	(86)	(1,227)
Interest paid	(7,360)	(38,178)
Net cash flows in financing activities	<u>(13,081)</u>	<u>(40,405)</u>
Net change in cash and restricted cash	(3,301)	17,571
Cash and restricted cash at the beginning of the year	22,712	5,141
Cash and restricted cash at end of the year	<u>\$ 19,411</u>	<u>\$ 22,712</u>

Latina Offshore Holding Limited and Subsidiaries

Notes

a. Transaction with related parties:

	March 2019 Unaudited	December 2018 Audited
Operating lease revenues	10,980	57,438
Interest income	331	1,232
Purchases of spare parts and tools	(2,676)	(9,628)
Interest expenses	(193)	(530)
Other expenses	(78)	(89)

b. Balance with related parties:

	March 2019 Unaudited	December 2018 Audited
Due from related parties- Short term:		
Constructora y Perforadora Latina S.A. de C.V.	\$ <u>9,920</u>	\$ <u>14,338</u>

	March 2019 Unaudited	December 2018 Audited
Due to related parties- Short term:		
Servicios Corporativos Latina S.A. de C.V.	\$ <u>45</u>	\$ <u>141</u>