

Latina Offshore 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	\$ 19,402	\$ 22,702
Due from related parties	32,925	31,687
Other accounts receivable	3,236	3,574
Prepaid expenses, net	1,482	1,868
Total current assets	<u>57,045</u>	<u>59,831</u>
Non-current assets:		
Jack ups and equipment, net	363,574	368,736
Deferred income taxes	11,589	10,560
Total non-current assets	<u>375,163</u>	<u>379,296</u>
Total assets	<u>\$ 432,208</u>	<u>\$ 439,127</u>

Liabilities and Stockholders' equity

Current liabilities:		
Current portion of long-term debt	\$ 300,182	\$ 305,687
Trade accounts payable	1,940	1,945
Due to related parties	4,206	9
Other accounts payables and accrued liabilities	6,351	9,227
Interest payable	7,028	7,329
Total current liabilities	<u>319,707</u>	<u>324,197</u>
Stockholders' equity:		
Capital stock	180,712	180,712
Deficit	(68,211)	(65,782)
Total stockholders' equity	<u>112,501</u>	<u>114,930</u>
Total stockholders' equity and liabilities	<u>\$ 432,208</u>	<u>\$ 439,127</u>

Latina Offshore 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	December 2018
	Unaudited	Audited
Continuing operations:		
Operating leases income	\$ 10,980	\$ 51,467
Operating cost	622	2,718
Depreciation of assets under operating leases	6,853	26,641
Gross profit	<u>3,505</u>	<u>22,108</u>
Others expenses, net	-	17
Interest expenses, net	6,935	28,550
Exchange loss, net	28	276
Loss before income taxes	<u>(3,458)</u>	<u>(6,735)</u>
Deferred income tax benefit	<u>(1,029)</u>	<u>(3,358)</u>
Consolidated net loss	<u>\$ (2,429)</u>	<u>\$ (3,377)</u>

Latina Offshore Limited and Subsidiaries

Consolidated Statement 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	\$ (2,429)	\$ (3,377)
Adjustments for:		
Deferred income tax benefit	(1,029)	(3,358)
Depreciation	6,853	26,641
Amortization of bond issuance costs	199	1,282
Loss on disposal of equipment	-	58
Exchange loss	28	276
Interest income	(397)	(1,568)
Interest expenses	7,133	28,836
	<u>10,358</u>	<u>48,790</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(907)	12,596
Other accounts receivable	337	1,027
Prepaid expenses	387	(1,552)
Increase (decrease) in:		
Trade accounts payable	(5)	1,945
Due to related parties	4,122	(1,933)
Other accounts payable and accrued liabilities	(2,904)	1,153
Net cash flows by operating activities	<u>11,388</u>	<u>62,026</u>
Cash flows from investing activities:		
Purchase of Jack-ups and equipment	<u>(1,690)</u>	<u>(8,303)</u>
Net cash flows by investing activities	(1,690)	(8,303)
Cash flows from financing activities:		
Payments of long term-debt	(5,635)	-
Bonds issuance costs	(70)	(750)
Interest income	66	148
Interest paid	<u>(7,359)</u>	<u>(35,542)</u>
Net cash flows in financing activities	<u>(12,998)</u>	<u>(36,144)</u>
Net change in cash and restricted cash	(3,300)	17,579
Cash and restricted cash at the beginning of the year	22,702	5,123
Cash and restricted cash at end of the year	<u>\$ 19,402</u>	<u>\$ 22,702</u>