

Latina Offshore Holding Limited

Statement 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	\$ 5	\$ 4
Due from related parties	4,733	4,844
Other accounts receivable	159	139
Prepaid expenses, net	46	7
Total current assets	<u>4,943</u>	<u>4,994</u>
Non-current assets:		
Investment in subsidiary	197,689	201,959
Deferred income taxes	3,411	3,161
Total non-current assets	<u>201,100</u>	<u>205,120</u>
Total assets	<u>\$ 206,043</u>	<u>\$ 210,114</u>

Liabilities and Stockholders' equity

Current liabilities:		
Current portion of long-term debt	\$ 49,110	\$ 49,172
Trade accounts payable	5	-
Due to related parties	6,995	6,857
Other accounts payable and accrued liabilities	671	682
Interest payable	4,723	3,435
Total current liabilities	<u>61,504</u>	<u>60,146</u>
Stockholders' equity:		
Capital stock	227,727	227,727
Deficit	(83,189)	(77,759)
Total stockholders' equity	<u>144,538</u>	<u>149,968</u>
Total stockholders' equity and liabilities	<u>\$ 206,042</u>	<u>\$ 210,114</u>

Latina Offshore Holding Limited

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 cost	\$ <u>48</u>	\$ <u>136</u>
Gross Loss	(48)	(136)
Interest expense, net	1,359	5,313
Exchange loss, net	3	22
Participation in subsidiary	<u>4,270</u>	<u>4,505</u>
Loss before income taxes	(5,680)	(9,976)
Deferred income tax benefit	<u>(250)</u>	<u>(1,000)</u>
Net loss	\$ <u><u>(5,430)</u></u>	\$ <u><u>(8,976)</u></u>

Latina Offshore Holding Limited

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:		
Net loss	\$ (5,430)	\$ (8,976)
Adjustments for:		
Deferred income tax benefit	(250)	(1,000)
Amortization of bond issuance costs	(46)	(352)
Participation in subsidiary	4,270	4,505
Exchange loss	3	22
Interest expense	<u>1,405</u>	<u>5,666</u>
	(48)	(135)
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	111	4,430
Other accounts receivable	(20)	(77)
Prepaid expenses	(38)	58
Increase (decrease) in:		
Trade accounts payable	5	-
Due to related parties	21	524
Other accounts payable and accrued liabilities	<u>(14)</u>	<u>(687)</u>
Net cash flows by operating activities	<u>17</u>	<u>4,113</u>
Cash flows from financing activities:		
Proceeds from long-term debt	-	-
Interest received	-	-
Payments of long term-debt	-	(1,000)
Bonds issuance costs	(16)	(477)
Interest paid	<u>-</u>	<u>(2,637)</u>
Net cash flows in financing activities	<u>(16)</u>	<u>(4,114)</u>
Net change in cash	1	(1)
Cash at the beginning of the year	<u>4</u>	<u>5</u>
Cash at end of the year	<u>\$ 5</u>	<u>\$ 4</u>