

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

Statement of Financial Position

As of June 30, 2019 and December 31, 2018

(In thousands of US dollars)

Assets	June 2019	December 2018
	Unaudited	Unaudited
Current assets:		
Cash and restricted cash	\$ 20,759	\$ 23,816
Trade accounts receivable	29,901	32,214
Due from related parties	25,308	9,263
Recoverable taxes and other accounts receivable	12,497	15,186
Inventories - net	9,591	10,474
Prepaid expenses	1,929	2,442
Total current assets	<u>99,985</u>	<u>93,395</u>
Non-current assets:		
Jack-ups and equipment – Net	458,827	470,902
Investments in associates	13,494	15,152
Deferred income tax	19,129	14,171
Other assets, net	66	121
Total non-current assets	<u>491,516</u>	<u>500,346</u>
Total assets	<u>\$ 591,501</u>	<u>\$ 593,741</u>
Liabilities and Stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 59,482	\$ 313,187
Advance customers	208	-
Trade accounts payable	8,831	10,840
Taxes and accrued expenses	19,746	22,915
Due related parties	20,641	13
Interest payable	12,954	10,795
Total current liabilities	<u>121,862</u>	<u>357,751</u>
Non-current liabilities:		
Long-term debt	297,423	49,172
Employee benefits	-	1,122
Deferred income taxes	636	689
Total non-current liabilities	<u>298,059</u>	<u>50,983</u>
Total liabilities	<u>419,921</u>	<u>408,734</u>
Stockholders' equity:		
Capital stock	306,096	306,096
Legal reserve	398	398
Deficit	(135,172)	(121,745)
Other comprehensive income	258	258
Total stockholders' equity	<u>171,580</u>	<u>185,007</u>
Total stockholders' equity and liabilities	<u>\$ 591,501</u>	<u>\$ 593,741</u>

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Statements of Profit and Loss

For the six months ended June, 2019 and for the year end December 31, 2018

(In thousands of US dollars)

	June 2019	December 2018
	Unaudited	Unaudited
Continuing operations:		
Operating leases income	\$ 42,465	\$ 94,548
Operating cost	9,601	17,878
Depreciation and amortization	18,327	37,505
Gross profit	<u>14,537</u>	<u>39,165</u>
Administrative expenses	11,177	17,374
Other expenses - Net	3,793	3,071
Interest expenses	17,221	36,362
Exchange loss - Net	288	336
Equity in losses of subsidiary	1,934	7,958
Loss before income taxes	<u>(19,876)</u>	<u>(25,936)</u>
Income taxes benefit	(5,377)	(11,439)
Consolidated net loss	<u>\$ (14,499)</u>	<u>\$ (14,498)</u>

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Statements of Cash Flows

For the six months ended June, 2019 and for the year end December 31, 2018

(In thousands of US dollars)

	June 2019	December 2018
	Unaudited	Unaudited
Cash flows from operating activities:		
Consolidated net loss	\$ (14,499)	\$ (14,498)
Adjustments for:		
Income tax benefit	(5,377)	(11,439)
Depreciation and amortization	18,327	37,505
Equity in losses of associate	1,934	7,958
Labor cost of current service	-	264
Amortization of bond issuance cost	428	931
Adjustment to cash flows due to exchange rate fluctuations	288	336
Interest expenses	16,793	35,431
	<u>17,894</u>	<u>56,488</u>
Movements in working capital:		
(Increase) decrease in:		
Trade accounts receivable	2,314	5,247
Due from related parties	(16,045)	(1,258)
Current taxes and other accounts receivable	2,689	(7,140)
Inventories	883	653
Prepaid expenses	513	(1,010)
Increase (decrease) in:		
Advance customers	208	-
Trade accounts payable	(2,009)	5,169
Taxes and accrued expenses	(3,145)	(2,261)
Due to related parties	20,579	(29,247)
Net cash flows by operating activities	<u>23,881</u>	<u>26,641</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	(6,221)	4,340
Income tax	-	(16)
Investment in subsidiary	(275)	(11,147)
Other assets	25	2,193
Net cash flows in investing activities	<u>(6,471)</u>	<u>(4,630)</u>
Cash flows from financing activities:		
Capital increase	-	29,760
Long-term debt payments	(5,287)	(1,500)
Interest paid	(14,585)	(38,564)
Bonds issuance cost	(595)	(1,227)
Net cash flows in financing activities	<u>(20,467)</u>	<u>(11,531)</u>
Net change in cash and restricted cash	(3,057)	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>\$ 20,759</u>	<u>\$ 23,816</u>