

**Latina Offshore Holding Limited**  
**Unaudited consolidated financial information**  
**Second quarter results 2019**  
**(In thousands of US dollars)**

Mexico City, 31 July 2019, Latina Offshore Holding Limited (the “Company”), a subsidiary of Constructora y Perforadora Latina, S.A. de C.V. (“Latina”), reports the unaudited consolidated financial results as of 30 June 2019.

The Company, through its subsidiaries, owns two (2) Jack-ups (La Santa Maria and La Covadonga, jointly referred to as the “Jack-ups”) and one (1) modular rig (Modular 01, referred to as the “Modular”). The Jack-ups and the Modular are indirectly leased (as part of services) to Pemex on long-term drilling and repairing contracts. La Santa Maria commenced operations on 15 February 2014, La Covadonga on 28 May 2014, and the Modular on 5 July 2016.

Latina has long-term drilling contracts that are expected to end as follows:

- La Santa Maria on 1 April 2023
- La Covadonga on 14 March 2023
- Modular on 8 September 2020

The Jack-ups are working to drill wells in the Gulf of Mexico, La Santa Maria in Abkatun Pol Chuc, and La Covadonga and the Modular in Xanab-D, Litoral Tabasco.

## **1. Contracts with PEMEX**

The new daily rates from July 1st to December 31, 2019 are \$119,452.20 and \$56,447.02 for the Jack-ups and the Modular, respectively.

## **2. Restructuring bonds**

The Company and Latina Offshore Limited (a direct subsidiary of the Company) have recently agreed amendments to their respective bonds outstanding. Please see below for a short summary of the agreed and/or amended terms:

### **USD\$298m bond – Key amendments:**

- The Monthly Reporting Date was rescheduled from the 20th of each month, to the first day after the conclusion of each calendar month.
- The Interest Payment Date was rescheduled from 3 January, 3 April, 3 July and 3 October of each year to 15 January, 15 April, 15 July and 15 October of each year.
- The Maturity Date was extended to 15 October 2022.
- A liquidity buffer equal to 30 days of Deductible Operating Expenses, Deductible SG&A Costs and Deductible Capital Expenditure, \$ 1,515 per Rig and \$ 3,030 for both Rigs will be built up and reserved in the Parent Earnings Account (the "Liquidity Buffer").

### **USD\$49m bond – Key amendments:**

- The Monthly Reporting Date was rescheduled to the first day after the conclusion of each calendar month.
- The Interest Payment Date was rescheduled from 31 January, 30 April, 31 July and 31 October of each year to 15 January, 15 April, 15 July and 15 October of each year.
- The interest payments originally due on the Interest Payment Dates from July 2018 to April 2019 were capitalized and added to the Outstanding Bonds at 110%.
- There shall be no fixed instalments, it will be regulated by a cash sweep. From 15 January 2020, the cash sweep shall not be less than USD 500,000 plus 2 %.
- The Maturity Date was extended to 15 October 2020.
- A liquidity buffer equal to 30 days of Deductible Operating Expenses, Deductible SG&A Costs and Deductible Capital Expenditure, USD 860 in total will be built up and reserved in the Parent Modular Earnings Account (the "Liquidity Buffer").

The interest accrued from 30 April 2019 to 31 July 2019 could not be paid as scheduled. The interest will be paid as soon as the Company is allowed to submit the invoice of the services corresponding to June 2019 and made the factoring of such invoice.

### 3. Operations Highlights

	<b>Q2 2019</b>	<b>YTD 2019</b>	<b>Q2 2018</b>	<b>FY 2018</b>
Revenue	12,999	23,979	14,516	57,438
EBITDA	12,914	23,081	13,589	53,867
Interest expenses	8,391	16,929	8,797	34,500
Total debt	349,615	347,018	355,250	355,250

	Santa Maria		Covadonga		Modular (1)	
	Efficiency					
	Earnings	Operational	Earnings	Operational	Earnings	Operational
Q2 2019	100%	99.96%	100%	100%	92.26%	91.90%
YTD 2019	100%	99.98%	100%	100%	92.26%	91.90%
Q2 2018	100%	99.96%	100%	100%	100%	99.87%
FY 2018	100%	99.85%	100%	99.99%	100%	99.91%

#### Revenue

The revenue for Q2 2019 was \$12,999, 10.45% less than Q2, 2018 because of the Modular's mobilization. The Modular restarted operations on April 8, 2019.

The bareboat charters were as follows:

	<b>Q2 2019 bareboat</b>	<b>Q2 2019 revenues</b>	<b>Q2 2018 bareboat</b>	<b>Q2 2018 revenues</b>
La Santa María	61.00	5,551	68.20	6,207
La Covadonga	61.00	5,551	68.20	6,207
Modular	23.09	1,897	23.10	2,102

	<b>YTD 2019 bareboat</b>	<b>YTD 2019 (revenues)</b>	<b>FY 2018 bareboat</b>	<b>FY 2018 (revenues)</b>
La Santa María	61.00	11,041	70.50	25,734
La Covadonga	61.00	11,041	70.50	25,734
Modular	23.09	1,897	24.57	5,971

## EBITDA

The EBITDA for Q2, 2019 was \$12,914, representing 4.96% less than Q2, 2018. This corresponds to a percentage of accumulated revenue equal to 96.25%.

### 4. Invoice and factoring

As of 30 June 2019 and up to today, Latina's account receivables are as follows:

	Jack-ups- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 31 March 2019	\$ 8,276	\$ 1,325	\$ 9,601	\$ 7,401	\$1,184	\$ 8,585
Invoice in Q2 2019	19,016	3,043	22,058	2,681	429	3,109
Collection in Q2 2019	(8,277)	(1,324)	(9,601)	(7,401)	(1,184)	(8,585)
Balance as of 30 June 2019	19,015	3,043	22,058	2,681	429	3,109
Invoice in Q3 2019	6,362	1,018	7,380	-	-	-
Collection in Q3 2019	(6,080)	(973)	(7,053)	-	-	-
Balance as of today	\$19,297	\$ 3,088	\$ 22,385	\$ 2,681	\$ 429	\$ 3,109

  

	Modular- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 31 March 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Invoice in Q2 2019	-	-	-	6,038	966	7,004
Collection in Q2 2019	-	-	-	-	-	-
Balance as of 30 June 2019	-	-	-	6,038	966	7,004
Invoice in Q3 2019	-	-	-	-	-	-
Collection in Q3 2019	-	-	-	-	-	-
Balance as of today	\$ -	\$ -	\$ -	\$ 6,038	\$ 966	\$ 7,004

As of today, The Modular invoice submission for the month of June 2019 is pending, Latina expects to be allowed to invoice in the next few days.

The account receivables are paid 90 days after issuing the invoices. The invoices factored have been made without any form of resource.

## 5. Latina's pro-forma consolidated income statement

The following consolidated income statements are included only for additional information, reflecting the business offshore as a project.

**For the six months ended June 30, 2019 and 2018**

**(In thousands of US dollars)**

	Q2 2019			Q2 2018		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	19,297	3,761	23,058	19,141	4,510	23,651
Operating expenses:						
Operating cost and expenses	5,587	1,958	7,545	5,348	2,173	7,521
Other expenses (incomes), net	(127)	173	46	50	(10)	40
Corporate expenses	2,730	273	3,003	1,365	273	1,638
Depreciation	6,597	2,239	8,836	9,414	2,763	12,177
Total operating expenses	14,787	4,643	19,430	16,177	5,199	21,376
Operating results	4,510	(882)	3,628	2,964	(689)	2,275
EBITDA	<b>11,107</b>	<b>1,357</b>	<b>12,464</b>	<b>12,378</b>	<b>2,074</b>	<b>14,452</b>

  

	FY 2019			FY 2018		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	38,481	3,761	42,242	76,227	12,073	88,300
Operating expenses:						
Operating cost and expenses	11,036	1,958	12,994	21,832	5,516	27,348
Other expenses (incomes), net	(176)	4,187	4,011	48	(126)	(78)
Corporate expenses	5,430	543	5,973	6,303	1,095	7,398
Depreciation	13,676	4,492	18,168	29,330	8,780	38,110
Total operating expenses	29,966	11,180	41,146	57,513	15,265	72,778
Operating results	8,515	(7,419)	1,096	18,714	(3,192)	15,522
EBITDA	<b>22,191</b>	<b>(2,927)</b>	<b>19,264</b>	<b>48,044</b>	<b>5,588</b>	<b>53,632</b>