

Latina Modular 01 Limited

Statement of Financial Position

As of December 31, 2018 and 2019

(In thousands of US dollars)

Assets

	December 2019 Unaudited	December 2018 Audited
Current assets:		
Cash	\$ 2	\$ 2
Other accounts receivable	2,731	2,801
Prepaid expenses, net	20	499
Total current assets	<u>2,753</u>	<u>3,302</u>
Non-current assets:		
Modular rig and equipment, net	93,090	99,745
Deferred income taxes	3,319	63
Total non-current assets	<u>96,409</u>	<u>99,808</u>
Total assets	<u>\$ 99,162</u>	<u>\$ 103,110</u>

Liabilities and Stockholders' equity

Current liabilities:		
Trade accounts payable	\$ -	\$ 510
Due to related parties	12,224	15,291
Other accounts payable and accrued liabilities	1,074	362
Total liabilities	<u>13,298</u>	<u>16,163</u>
Stockholders' equity:		
Capital stock	88,768	88,500
Deficit	(2,904)	(1,553)
Total stockholders' equity	<u>85,864</u>	<u>86,947</u>
Total stockholders' equity and liabilities	<u>\$ 99,162</u>	<u>\$ 103,110</u>

Latina Modular 01 Limited

Statements of Operations

For the years ended December 31, 2018 and 2019
(In thousands of US dollars)

	December 2019	December 2018
	Unaudited	Audited
Continuing operations:		
Operating lease revenues	\$ 7,233	\$ 5,971
Operating cost	173	648
Depreciation of assets under operating leases	11,781	8,538
Gross loss	<u>(4,721)</u>	<u>(3,215)</u>
Interest expenses (income), net	\$ (97)	\$ (86)
Exchange (gain) loss, net	<u>(18)</u>	<u>20</u>
Loss before income taxes	<u>(4,606)</u>	<u>(3,149)</u>
Deferred income tax benefit	<u>(3,255)</u>	<u>(2,013)</u>
Net result	<u>\$ (1,351)</u>	<u>\$ (1,136)</u>

Latina Modular 01 Limited

Statements of Cash Flows

For the years ended December 31, 2018 and 2019
(In thousands of US dollars)

	December 2019	December 2018
	Unaudited	Audited
Cash flows from operating activities:		
Net result	\$ (1,351)	\$ (1,136)
Adjustments for:		
Depreciation	11,781	8,538
Interest expenses (income)	(97)	(86)
Exchange (gain) loss	(18)	20
Deferred income tax benefit	(3,255)	(2,013)
	<u>7,060</u>	<u>5,323</u>
Changes in working capital:		
(Increase) decrease in:		
Other accounts receivable	70	(81)
Prepaid expenses	479	(427)
Increase (decrease) in:		
Trade accounts payable	(510)	510
Due to related parties	(3,067)	(1,178)
Other accounts payables and accrued liabilities	729	255
Net cash flows by operating activities	<u>4,761</u>	<u>4,402</u>
Cash flows from investing activities:		
Purchase of equipment	(5,126)	(4,493)
Net cash flows in investing activities	<u>(5,126)</u>	<u>(4,493)</u>
Cash flows from financing activities:		
Capital increase	268	-
Interest gain (paid)	97	86
Net cash flows by financing activities	<u>365</u>	<u>86</u>
Net change in cash	(0)	(5)
Cash at the beginning of the year	<u>2</u>	<u>7</u>
Cash at end of the year	<u>\$ 2</u>	<u>\$ 2</u>