



January 22, 2016

On January 7, 2016, Integradora de Servicios Petroleros Oro Negro, S.A.P.I. de C.V. (collectively with its subsidiaries, “we” or the “Company”) provided the information attached hereto as **Exhibit A** (the “Supplemental Information”) to the respective ad hoc groups of holders of the Company’s senior secured bonds due 2015 and senior secured bonds due 2019 (the “Ad Hoc Groups”) in support of the proposal previously disclosed on January 20, 2016 (the “Proposal”). The Company is making the Supplemental Information publicly available solely to satisfy its contractual obligation to the Ad Hoc Groups to do so. The Company and the Ad Hoc Groups have not reached any agreement and may not reach any agreement with respect to a global restructuring, or, in the event such an agreement is reached, it may differ materially from the Proposal. At present, the Company and the Ad Hoc Groups are continuing to discuss potential restructuring alternatives, but there can be no assurance that such discussions will continue or that they will be successful.

The Company is disclosing the Supplemental Information solely to satisfy its contractual obligations to the Ad Hoc Groups and intends to satisfy any disclosure obligation other than the aforementioned contractual obligations through a separate, appropriately identified disclosure. Any financial information included in the Supplemental Information is provisional only, is based solely on the limited information actually used in the preparation thereof prior to the date it was provided to the Ad Hoc Groups, and does not reflect the final results of operations of the Company or the actual projected results of the Company’s operations based on all currently available information. The publication of this Supplemental Information should not be regarded as an indication that the Ad Hoc Groups who received this Supplemental Information, the Company’s management, or any other recipient of this Supplemental Information considered, or now considers, it to be a reliable statement of historical financial information or prediction of any future result.

Readers of the Supplemental Information are cautioned not to and should not rely on any information contained in the Supplemental Information, as the Supplemental Information was prepared solely for use in the negotiations between the Ad Hoc Groups and the Company. No representations have been or are being made to any member of the Ad Hoc Groups or otherwise regarding the Proposal, the Supplemental Information or any information contained therein. The Company has not updated the Supplemental Information since it was provided to the Ad Hoc Groups and does not intend to update or otherwise revise the Supplemental Information, even in the event that any or all of the terms of the Proposal or the data and circumstances that were taken into account in the preparation of the Supplemental Information change.

**Exhibit A**

Sources & Uses  
(\$ in thousands)

**CASH 11/27 - 2/26**

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Unrestricted Cash (11/27)	9,566	
Restricted Cash (11/27)	39,006	
<b>Total Cash (11/27)</b>	<b>48,572</b>	<i>Cash as of 11/27</i>
Operational Uses	(49,751)	
Cash Collections	5,402	
<b>Net Cash Deficit</b>	<b>(44,349)</b>	<i>Net cash use through 2/26</i>
Source - Use of Unrestricted Cash	9,566	<i>Full use of unrestricted cash</i>
Source - Contribution of Restricted Cash	34,783	<i>Contribution from restricted accounts to fund unrestricted cash shortfall</i>
<b>Net Cash Deficit</b>	<b>-</b>	
Unrestricted Cash (2/26)	-	
Restricted Cash (2/26)	4,223	
<b>Total Cash (2/26)</b>	<b>4,223</b>	<i>Cash as of 2/26</i>

**TRANSACTION S&U**

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**Sources:**

Factoring	96,438
Equity	15,000
<b>Total Cash Sources</b>	<b>111,438</b>

**Uses:**

Transaction:	
Bondholder Payment	39,900
Upfront Amortization	10,000
Transaction Fees	8,325
Accrued Company Advisor Fees	1,430
Restricted Cash Fill:	
Debt Service/RO	1,388
Min Liquidity	16,928
Cash to B/S:	
From Factoring	21,768
Dry Dock Reserve	11,700
<b>Total Cash Uses</b>	<b>111,438</b>

**CASH ACCOUNT ROLLFORWARD**

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	<u>Unrestricted</u>	<u>Dry Dock</u>	<u>Debt Service/RO</u>	<u>Min Liquidity</u>	<u>Total</u>
<b>2/26 Balance - Pre-Trans</b>	-	-	<b>1,150</b>	<b>3,072</b>	<b>4,223</b>
Inflow to Unrestricted at Parent Entity	7,750	-	-	-	7,750
Inflow to Unrestricted at Rig Entity	14,018	-	-	-	14,018
Inflow to Restricted	-	11,700	1,388	16,928	30,016
<b>2/26 Balance - Post Trans</b>	<b>21,768</b>	<b>11,700</b>	<b>2,538</b>	<b>20,000</b>	<b>56,006</b>



Global Term Sheet	2016		Q1 2016		Q2 2016				2016				2017				2018				2019			
Consolidated Free Cash Flow	Feb - 16	Feb - 16 PF	Mar - 16	Apr - 16	May - 16	Jun - 16	Mar - 16	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Revenue			\$19,143	\$18,525	\$19,143	\$20,825	\$19,143	\$58,493	\$65,310	\$56,810	\$55,575	\$56,193	\$56,810	\$56,810	\$55,575	\$52,488	\$56,810	\$53,105	\$52,117	\$52,488	\$56,810	\$56,810		
Change in WC			(5,149)	173	(1,047)	173	(5,149)	(700)	(1,318)	(1,921)	(1,289)	(700)	(1,318)	(1,921)	(1,289)	3,005	(4,937)	(1,835)	(1,209)	3,005	(4,937)	(1,921)		
Consolidated Collections			\$13,994	\$18,698	\$18,095	\$20,998	\$13,994	\$57,792	\$63,992	\$54,889	\$54,286	\$55,492	\$55,492	\$54,889	\$54,286	\$55,492	\$51,873	\$51,270	\$50,908	\$55,492	\$51,873	\$54,889		
<b>Operating Costs</b>																								
Total Opex and SG&A			(8,674)	(8,394)	(8,674)	(8,394)	(8,674)	(25,462)	(25,741)	(25,741)	(25,182)	(25,462)	(25,741)	(25,741)	(25,182)	(25,462)	(25,741)	(25,741)	(25,182)	(25,462)	(25,741)	(25,741)		
EBITDA			\$5,320	\$10,304	\$9,421	\$12,604	\$5,320	\$32,330	\$38,251	\$29,147	\$29,104	\$30,030	\$29,751	\$29,147	\$29,104	\$30,030	\$26,131	\$25,528	\$25,726	\$30,030	\$26,131	\$29,147		
<b>Other Operating Costs</b>																								
Less: Net Interest / Withholding Expense																								
Less: Taxes																								
Less: Change in Dry Dock Reserve																								
Less: Net Insurance / Perf. Bond Expense																								
Consolidated Operating Costs																								
<b>Consolidated Operating Cash Flow</b>			<b>(\$1,082)</b>	<b>\$4,005</b>	<b>\$3,038</b>	<b>\$6,339</b>	<b>(\$1,082)</b>	<b>\$13,382</b>	<b>\$19,260</b>	<b>\$10,208</b>	<b>\$2,323</b>	<b>\$11,667</b>	<b>\$11,478</b>	<b>\$10,994</b>	<b>\$3,106</b>	<b>\$18,393</b>	<b>\$8,624</b>	<b>\$14,102</b>	<b>\$6,419</b>	<b>\$19,312</b>	<b>\$9,693</b>	<b>\$12,827</b>		
<b>One-Time Cash Events</b>																								
CapEx																								
Total Consolidated One-time Events																								
<b>Consolidated FCF Before Amortization</b>			<b>(\$3,872)</b>	<b>\$1,913</b>	<b>\$891</b>	<b>(\$881)</b>	<b>(\$3,872)</b>	<b>\$1,923</b>	<b>\$17,965</b>	<b>\$9,328</b>	<b>\$323</b>	<b>\$11,667</b>	<b>\$11,478</b>	<b>\$10,994</b>	<b>\$1,106</b>	<b>\$13,393</b>	<b>\$8,624</b>	<b>\$9,102</b>	<b>(\$581)</b>	<b>\$14,312</b>	<b>\$9,693</b>	<b>\$12,827</b>		
Less: Mandatory Amortization																								
<b>Consolidated Free Cash Flow</b>			<b>(\$6,789)</b>	<b>(\$1,003)</b>	<b>(\$2,026)</b>	<b>(\$3,798)</b>	<b>(\$6,789)</b>	<b>(\$6,827)</b>	<b>\$9,215</b>	<b>\$578</b>	<b>(\$8,427)</b>	<b>\$2,917</b>	<b>\$2,728</b>	<b>\$2,244</b>	<b>(\$7,644)</b>	<b>\$4,643</b>	<b>(\$126)</b>	<b>\$352</b>	<b>(\$9,331)</b>	<b>\$5,562</b>	<b>\$943</b>	<b>\$4,077</b>		
Less: Cash Swept																								
<b>Consolidated Change in Cash</b>			<b>(\$6,789)</b>	<b>(\$1,003)</b>	<b>(\$2,026)</b>	<b>(\$3,798)</b>	<b>(\$6,789)</b>	<b>(\$6,827)</b>	<b>\$9,215</b>	<b>\$578</b>	<b>(\$8,427)</b>	<b>\$2,917</b>	<b>\$2,728</b>	<b>\$2,244</b>	<b>(\$7,644)</b>	<b>\$4,643</b>	<b>(\$126)</b>	<b>\$352</b>	<b>(\$9,331)</b>	<b>\$5,562</b>	<b>\$943</b>	<b>\$4,077</b>		
Total Debt Ending Balance (\$'s in mm)			\$872.2	\$872.2	\$872.2	\$872.2	\$872.2	\$872.2	\$857.0	\$857.0	\$839.5	\$839.5	\$822.0	\$822.0	\$804.5	\$804.5	\$787.0	\$787.0	\$769.5	\$769.5	\$752.0	\$752.0		
<b>Available Cash</b>	Feb - 16	Feb - 16 PF																						
Beginning Available Cash			\$21,768	\$14,979	\$13,975	\$11,949	\$21,768	\$14,979	\$8,152	\$17,367	\$17,946	\$9,518	\$12,435	\$15,163	\$17,408	\$9,764	\$14,407	\$14,281	\$14,633	\$5,301	\$10,863	\$11,807		
Consolidated Free Cash Flow			(6,789)	(1,003)	(2,026)	(3,798)	(6,789)	(6,827)	9,215	578	(8,427)	2,917	2,728	2,244	(7,644)	4,643	(126)	352	(9,331)	5,562	943	4,077		
<b>Consolidated Available Cash</b>	<b>(\$29,061)</b>	<b>\$21,768</b>	<b>\$14,979</b>	<b>\$13,975</b>	<b>\$11,949</b>	<b>\$8,152</b>	<b>\$14,979</b>	<b>\$8,152</b>	<b>\$17,367</b>	<b>\$17,946</b>	<b>\$9,518</b>	<b>\$12,435</b>	<b>\$15,163</b>	<b>\$17,408</b>	<b>\$9,764</b>	<b>\$14,407</b>	<b>\$14,281</b>	<b>\$14,633</b>	<b>\$5,301</b>	<b>\$10,863</b>	<b>\$11,807</b>	<b>\$15,883</b>		
Dry Docking Reserve	\$,234	11,700	12,134	12,554	12,988	13,409	12,134	13,409	14,697	15,985	17,246	18,520	19,809	21,097	22,357	18,632	19,920	16,209	12,469	8,743	10,032	11,320		
<b>Consolidated Available Cash (Inc. Dry Dock)</b>	<b>(\$20,827)</b>	<b>\$33,468</b>	<b>\$27,113</b>	<b>\$26,530</b>	<b>\$24,938</b>	<b>\$21,560</b>	<b>\$27,113</b>	<b>\$21,560</b>	<b>\$32,064</b>	<b>\$33,931</b>	<b>\$26,764</b>	<b>\$30,955</b>	<b>\$34,972</b>	<b>\$38,505</b>	<b>\$32,121</b>	<b>\$33,039</b>	<b>\$34,201</b>	<b>\$30,841</b>	<b>\$17,770</b>	<b>\$19,606</b>	<b>\$21,838</b>	<b>\$27,203</b>		
<b>Restricted Cash</b>																								
Minimum Liquidity																								
Interest / Withholding Provision																								
Amortization Provision																								
<b>Consolidated Restricted Cash</b>	<b>(\$25,050)</b>	<b>(\$22,538)</b>	<b>(\$29,218)</b>	<b>(\$37,853)</b>	<b>(\$46,488)</b>	<b>(\$55,123)</b>	<b>(\$29,218)</b>	<b>(\$55,123)</b>	<b>(\$37,071)</b>	<b>(\$62,678)</b>	<b>(\$36,842)</b>	<b>(\$62,104)</b>	<b>(\$36,612)</b>	<b>(\$61,530)</b>	<b>(\$36,383)</b>	<b>(\$60,957)</b>	<b>(\$36,153)</b>	<b>(\$60,383)</b>	<b>(\$35,924)</b>	<b>(\$59,809)</b>	<b>(\$35,694)</b>	<b>(\$59,235)</b>		
<b>Consolidated Total Cash</b>	<b>\$4,223</b>	<b>\$56,006</b>	<b>\$56,331</b>	<b>\$64,383</b>	<b>\$71,426</b>	<b>\$76,683</b>	<b>\$56,331</b>	<b>\$76,683</b>	<b>\$69,135</b>	<b>\$96,608</b>	<b>\$63,606</b>	<b>\$93,059</b>	<b>\$71,584</b>	<b>\$100,035</b>	<b>\$68,504</b>	<b>\$93,995</b>	<b>\$70,354</b>	<b>\$91,224</b>	<b>\$53,694</b>	<b>\$79,416</b>	<b>\$57,533</b>	<b>\$86,439</b>		