

**Oro Negro Drilling PTE., Limited
and subsidiaries**



Consolidated Statements of Financial Position
For the six months ended June 30, 2017 and December 31, 2016

All amounts in thousands of US dollars, unless otherwise indicated

	<u>June 30,</u>	<u>December 31,</u>
	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 37,827	\$ 14,476
Trade and other receivables	150,814	179,510
Prepaid expenses	<u>1,389</u>	<u>1,484</u>
Total current assets	<u>190,030</u>	<u>195,470</u>
NON - CURRENT ASSETS:		
Deferred income tax asset	11,490	11,490
Property, plant and equipment	<u>904,511</u>	<u>922,748</u>
Total assets	<u>\$ 1,106,031</u>	<u>\$ 1,129,708</u>
<u>Liabilities and stockholders' equity</u>		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 45,112	\$ 79,346
Current portion of deferred revenue	3,136	6,260
Trade payable	7,680	9,729
Other liabilities	<u>13,393</u>	<u>11,155</u>
Total current liabilities	69,321	106,490
NON-CURRENT LIABILITIES:		
Long-term debt	880,325	879,094
Deferred revenue	<u>6,356</u>	<u>6,356</u>
Total liabilities	<u>956,002</u>	<u>991,940</u>
STOCKHOLDERS' EQUITY:		
Share capital	351,777	351,771
Retained earnings	<u>(201,748)</u>	<u>(214,003)</u>
Total stockholders' equity	<u>150,029</u>	<u>137,768</u>
Total liabilities and stockholders' equity	<u>\$ 1,106,031</u>	<u>\$ 1,129,708</u>

Edgar Rodrigo García García
General Controller

**Oro Negro Drilling PTE., Limited
and subsidiaries**



Consolidated Statements of Comprehensive Income (No Audit)
For the six months ended June 30, 2017 and 2016

All amounts in thousands of US dollars, unless otherwise indicated

	For the six months ended June 30,	
	2017	2016
Revenue	\$ 73,150	\$ 73,993
Operating costs	<u>(21,909)</u>	<u>(22,266)</u>
Gross profit	51,241	51,727
Administrative expenses	<u>(4,567)</u>	<u>(2,444)</u>
Operating profit	<u>46,674</u>	<u>49,283</u>
Financing income	2,066	-
Financing costs	<u>(36,485)</u>	<u>(42,943)</u>
Financing cost - Net	<u>(34,419)</u>	<u>(42,943)</u>
Profit before income taxes	12,255	6,340
Income tax benefit	<u>-</u>	<u>-</u>
Profit for the year	12,255	6,340
Other comprehensive income Items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to owners of the parent group	<u>\$ 12,255</u>	<u>\$ 6,340</u>

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Consolidated Statements of Changes in Stockholders' Equity (No Audit)
For the six months ended June 30, 2017 and 2016

All amounts in thousands of US dollars, unless otherwise indicated

	<u>Attributable to owners of the parent company</u>		
	<u>Share capital</u>	<u>Accumulated losses</u>	<u>Total equity</u>
Balances at January 1, 2016	286,172	16,846	303,018
Transfer investment Oro Negro Impetus, PTE., Limited	75,457	(43,281)	32,176
Proceeds from decrease of shares	(10,107)	-	(10,107)
Total comprehensive profit for the year	<u>-</u>	<u>6,340</u>	<u>6,340</u>
Balances at June 30, 2016	<u>\$351,522</u>	<u>(\$ 20,095)</u>	<u>\$331,427</u>
Balances at January 1, 2017	\$351,771	(\$214,003)	\$137,768
Proceeds from decrease of shares	6	-	6
Total comprehensive profit for the year	<u>-</u>	<u>12,255</u>	<u>12,255</u>
Balances at June 30, 2017	<u>\$351,777</u>	<u>(\$201,748)</u>	<u>\$150,029</u>



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**Oro Negro Drilling PTE., Limited
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Consolidated Statements of Cash Flows (No Audit)
For the six months ended June 30, 2017 and 2016



All amounts in thousands of US dollars, unless otherwise indicated

	For the six months ended June 30,	
	<u>2017</u>	<u>2016</u>
Operating activities		
Profit before income tax	\$ 12,255	\$ 6,340
Adjustment for:		
Depreciation	20,283	20,139
Amortization deferred revenue	(3,124)	(2,283)
Certification	1,626	2,127
Interest on borrowings	36,485	42,943
Prepaid expenses, trade payables and other liabilities	28,791	4,268
Trade and other receivables	<u>(562)</u>	<u>(62,810)</u>
Net cash used in operating activities	<u>95,754</u>	<u>10,724</u>
Investing activities		
Net cash used in property, plant and equipment	<u>(2,046)</u>	<u>(5,326)</u>
Financing activities		
Proceeds from issuance of ordinary shares	6	(10,759)
Transfer investment Impetus	-	(5,674)
Proceeds from borrowing	-	(63,100)
Interest paid	<u>(70,363)</u>	<u>(1,414)</u>
Net cash flows provided by financing activities	<u>(70,357)</u>	<u>(5,731)</u>
Increase in cash and cash equivalents	23,351	24,935
Cash and cash equivalents at beginning of the year	<u>14,476</u>	<u>29,414</u>
Cash and cash equivalents at end of the year	<u>\$ 37,827</u>	<u>\$ 54,349</u>


 Edgar Rodrigo García García
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