

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



Consolidated Statements of Financial Position

For the three months ended March 31, 2017 and December 31, 2016

All amounts in thousands of US dollars, unless otherwise indicated

	<u>March</u>	<u>December 31,</u>
	<u>2017</u>	<u>2016</u>
<b><u>Assets</u></b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 40,276	\$ 14,476
Trade and other receivables	131,115	179,510
Prepaid expenses	<u>3,353</u>	<u>1,484</u>
<b>Total current assets</b>	<u>174,744</u>	<u>195,470</u>
<b>NON - CURRENT ASSETS:</b>		
Deferred income tax asset	11,490	11,490
Property, plant and equipment	<u>913,376</u>	<u>922,748</u>
<b>Total assets</b>	<u>\$ 1,099,610</u>	<u>\$ 1,129,708</u>
<b><u>Liabilities and stockholders' equity</u></b>		
<b>CURRENT LIABILITIES:</b>		
Current portion of long-term debt	\$ 45,112	\$ 79,346
Current portion of deferred revenue	4,696	6,260
Trade payable	10,721	9,729
Other liabilities	<u>12,133</u>	<u>11,155</u>
<b>Total current liabilities</b>	72,662	106,490
<b>NON-CURRENT LIABILITIES:</b>		
Long-term debt	878,705	879,094
Deferred revenue	<u>6,356</u>	<u>6,356</u>
<b>Total liabilities</b>	<u>957,723</u>	<u>991,940</u>
<b>STOCKHOLDERS' EQUITY:</b>		
Share capital	351,771	351,771
Retained earnings	<u>(209,884)</u>	<u>(214,003)</u>
<b>Total stockholders' equity</b>	<u>141,887</u>	<u>137,768</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 1,099,610</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 three months ended March 31, 2017 and 2016

*All amounts in thousands of US dollars, unless otherwise indicated*

	For the three months ended March 31,	
	<u>2017</u>	<u>2016</u>
Revenue	\$ 34,952	\$ 35,715
Operating costs	<u>(11,091)</u>	<u>(9,236)</u>
Gross profit	23,861	26,479
Administrative expenses	<u>(2,838)</u>	<u>(1,197)</u>
Operating profit	<u>21,023</u>	<u>25,282</u>
Financing income	1,068	-
Financing costs	<u>(17,972)</u>	<u>(14,626)</u>
Financing cost - Net	<u>(16,904)</u>	<u>(14,626)</u>
Profit before income taxes	4,119	10,656
Income tax benefit	-	-
Profit for the year	4,119	10,656
Other comprehensive income Items that may be reclassified subsequently to profit or loss	-	-
Total comprehensive income for the year attributable to owners of the parent group	<u>\$ 4,119</u>	<u>\$ 10,656</u>

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# Oro Negro Drilling PTE., Limited and subsidiaries



## Consolidated Statements of Changes in Stockholders' Equity (No Audit) For the three months ended March 31, 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
Proceeds from decrease of shares	(4,317)	-	(4,317)
Total comprehensive profit for the year	-	10,656	10,656
Balances at March 31, 2016	<u>\$281,855</u>	<u>\$ 27,502</u>	<u>\$309,357</u>
Balances at January 1, 2017	\$351,771	(\$214,003)	\$137,768
Total comprehensive profit for the year	-	4,119	4,119
Balances at March 31, 2017	<u>\$351,771</u>	<u>(\$209,884)</u>	<u>\$141,887</u>

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General Controller

**Oro Negro Drilling PTE., Limited  
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Consolidated Statements of Cash Flows (No Audit)  
For the three months ended March 31, 2017 and 2016



All amounts in thousands of US dollars, unless otherwise indicated

	For the three months ended March 31,	
	<u>2017</u>	<u>2016</u>
<b>Operating activities</b>		
Profit before income tax	\$ 4,119	\$ 10,656
Adjustment for:		
Depreciation	10,111	8,213
Amortization deferred revenue	(1,564)	(1,135)
Certification	980	1,023
Interest on borrowings	17,972	14,626
Prepaid expenses, trade payables and other liabilities	(1,181)	(5,124)
Trade and other receivables	<u>48,395</u>	<u>2,407</u>
Net cash used in operating activities	<u>78,832</u>	<u>30,666</u>
<b>Investing activities</b>		
Net cash used in property, plant and equipment	<u>(739)</u>	<u>-</u>
<b>Financing activities</b>		
Proceeds from issuance of ordinary shares	-	(4,317)
Interest paid	<u>(52,293)</u>	<u>(1,414)</u>
Net cash flows provided by financing activities	<u>(52,293)</u>	<u>(5,731)</u>
Increase in cash and cash equivalents	25,800	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>\$ 40,276</u>	<u>\$ 54,349</u>

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