

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



Consolidated Statements of Financial Position (No Audit)
For the six months ended June 30, 2016 and December 31, 2015

Thousands of US dollars, unless otherwise indicated

	<u>June 30,</u>	<u>December 31,</u>
	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 17,211	\$ 29,414
Related parties	142,826	72,976
Other receivables	2	2
Prepaid expenses	<u>3,165</u>	<u>428</u>
Total current assets	<u>163,204</u>	<u>102,820</u>
NON - CURRENT ASSETS:		
Deferred income tax asset	24,345	29,591
Property, plant and equipment	<u>1,118,270</u>	<u>913,274</u>
Total assets	<u>\$ 1,305,819</u>	<u>\$ 1,045,685</u>
<u>Liabilities and stockholders' equity</u>		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 59,934	\$ 71,532
Current portion of deferred revenue	3,044	4,566
Related parties	1,592	2,237
Value-added tax and trade payables	11,341	6,024
Other liabilities	<u>9,479</u>	<u>7,790</u>
Total current liabilities	<u>85,390</u>	<u>92,149</u>
NON-CURRENT LIABILITIES:		
Long-term debt	884,638	645,393
Deferred revenue	<u>4,364</u>	<u>5,125</u>
Total liabilities	<u>974,392</u>	<u>742,667</u>
STOCKHOLDERS' EQUITY:		
Share capital	351,522	286,172
Accumulated deficit	(26,435)	(23,536)
Profit for the year	<u>6,340</u>	<u>40,382</u>
Total stockholders' equity	<u>331,427</u>	<u>303,018</u>
Total liabilities and stockholders' equity	<u>\$ 1,305,819</u>	<u>\$ 1,045,685</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, 2016 and 2015

Thousands of US dollars, unless otherwise indicated

	For the six months ended June 30,	
	2016	2015
Revenue	\$ 73,993	\$ 64,255
Operating costs	<u>(22,266)</u>	<u>(18,414)</u>
Gross profit	51,727	45,841
Administrative expenses	<u>(2,444)</u>	<u>(2,317)</u>
Operating profit	<u>49,283</u>	<u>43,524</u>
Financing income	-	9
Financing costs	<u>(42,943)</u>	<u>(29,820)</u>
Financing cost - Net	<u>(42,943)</u>	<u>(29,811)</u>
Profit before income taxes	6,340	13,713
Income tax	<u>-</u>	<u>-</u>
Profit for the year	6,340	13,713
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>\$ 6,340</u>	<u>\$ 13,713</u>

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Consolidated Statements of Changes in Stockholders' Equity (No Audit)
For the six months ended June 30, 2016 and 2015

Thousands of US dollars, unless otherwise indicated

	Attributable to owners of the parent company		
	Share capital	Accumulated losses	Total equity
Balances at January 1, 2015	\$328,229	(\$ 23,536)	\$304,693
Proceeds from decrease of shares	(42,828)	-	(42,828)
Total comprehensive profit for the year	-	13,713	13,713
Balances at June 30, 2015	<u>\$285,401</u>	<u>(\$ 9,823)</u>	<u>\$275,578</u>
Balances at January 1, 2016	\$286,172	\$ 16,846	\$303,018
Transfer investment Oro Negro Impetus, PTE., Limited	75,457	(43,281)	32,175
Proceeds from decrease of shares	(10,107)	-	(10,107)
Total comprehensive profit for the year	-	6,340	6,340
Balances at June 30, 2016	<u>\$351,522</u>	<u>(\$ 20,095)</u>	<u>\$331,427</u>

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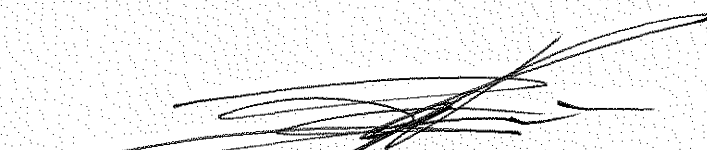
**Oro Negro Drilling PTE., Limited
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Consolidated Statements of Cash Flows (No Audit)
For the six months ended June 30, 2016 and 2015



All amounts in thousands of US dollars, unless otherwise indicated

	For the six months ended <u>June 30,</u>	
	<u>2016</u>	<u>2015</u>
Operating activities		
Profit (loss) before income tax	\$ 6,340	\$ 13,713
Adjustment for:		
Depreciation	20,139	16,379
Deferred income amortization	(2,283)	(2,271)
Increase in other liabilities	2,127	2,035
Interest on borrowings	42,943	29,820
Trade payables and other liabilities Related parties	4,268 <u>(62,810)</u>	2,718 <u>26,158</u>
Net cash used in operating activities	<u>10,724</u>	<u>88,552</u>
Investing activities		
Net cash used in property, plant and equipment	<u>(5,326)</u>	<u>-</u>
Financing activities		
Proceeds from issuance of ordinary shares	(10,759)	(42,828)
Transfer investment Impetus	(5,674)	-
Proceeds from borrowings	63,100	-
Interest paid	<u>(64,920)</u>	<u>(28,601)</u>
Net cash flows provided by financing activities	<u>(17,601)</u>	<u>(71,429)</u>
Increase in cash and cash equivalents	(12,203)	17,123
Cash and cash equivalents at beginning of the year	<u>29,414</u>	<u>49,223</u>
Cash and cash equivalents at end of the year	<u>\$ 17,211</u>	<u>\$ 49,346</u>


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