

PACIFIC DRILLING V LIMITED

Balance Sheets
(in thousands) (unaudited)

	March 31,	December 31,
	2016	2015
Assets:		
Accounts receivable.....	\$ 3,340	\$ 30,696
Intercompany receivable.....	264,870	249,869
Materials and supplies.....	13,517	13,831
Current portion of deferred costs.....	247	—
Prepaid expenses and other current assets.....	1,537	19
Total current assets.....	283,511	294,415
Property and equipment, net.....	602,774	611,610
Other assets.....	897	—
Total assets.....	\$ 887,182	\$ 906,025
Liabilities and shareholder's equity:		
Accounts payable.....	\$ 2,391	\$ 4,812
Intercompany payable.....	56,236	51,400
Accrued expenses.....	985	2,294
Accrued interest.....	12,083	3,021
Total current liabilities.....	71,695	61,527
Long-term debt, net of current maturities.....	494,325	493,536
Intercompany long-term debt.....	260,643	260,643
Other long-term liabilities.....	3,695	3,635
Total long-term liabilities.....	758,663	757,814
Commitments and contingencies		
Shareholder's equity:		
Retained earnings	56,824	86,684
Total shareholder's equity.....	56,824	86,684
Total liabilities and shareholder's equity.....	\$ 887,182	\$ 906,025

PACIFIC DRILLING V LIMITED

Statements of Operations
(in thousands) (unaudited)

	Three Months Ended March 31,	
	2016	2015
Revenues		
Contract drilling.....	\$ —	\$ 59,204
Costs and expenses		
Operating expenses.....	(4,449)	(15,572)
General and administrative intercompany expenses.....	(1,337)	(1,814)
Depreciation expense.....	(8,442)	(8,359)
	<u>(14,228)</u>	<u>(25,745)</u>
Operating income (loss)	(14,228)	33,459
Other expense		
Interest expense.....	(9,916)	(9,992)
Intercompany interest expense.....	(5,646)	(158)
Other expense.....	(9)	—
	<u>(29,799)</u>	<u>23,309</u>
Income (loss) before income taxes.....	(29,799)	23,309
Income tax expense.....	(61)	(2,906)
	<u>(61)</u>	<u>(2,906)</u>
Net income (loss)	<u>\$ (29,860)</u>	<u>\$ 20,403</u>

PACIFIC DRILLING V LIMITED

Statements of Cash Flows
(in thousands) (unaudited)

	Three Months Ended March 31,	
	2016	2015
Cash flow from operating activities:		
Net income (loss)	\$ (29,860)	\$ 20,403
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation expense.....	8,442	8,359
Amortization of deferred revenue.....	—	(7,866)
Amortization of deferred costs.....	10	2,959
Amortization of deferred financing costs.....	652	603
Amortization of debt discount.....	137	126
Deferred income tax.....	61	(2,238)
Changes in operating assets and liabilities:		
Accounts receivable.....	27,356	3,952
Materials and supplies.....	314	(850)
Prepaid expenses and other assets.....	(2,733)	2,111
Accounts payable and accrued expenses.....	5,630	9,759
Net cash provided by operating activities.....	<u>10,009</u>	<u>37,318</u>
Cash flow from investing activities:		
Capital expenditures.....	(427)	(1,203)
Net cash used in investing activities.....	<u>(427)</u>	<u>(1,203)</u>
Cash flow from financing activities:		
Intercompany, net.....	(9,582)	(41,417)
Net cash used in financing activities.....	<u>(9,582)</u>	<u>(41,417)</u>
Decrease in cash and cash equivalents.....	—	(5,302)
Cash and cash equivalents, beginning of period.....	—	7,001
Cash and cash equivalents, end of period.....	<u>\$ —</u>	<u>\$ 1,699</u>