

PACIFIC DRILLING V LIMITED

Balance Sheets
(in thousands) (unaudited)

	March 31,	December 31,
	2015	2014
Assets:		
Cash and cash equivalents.....	\$ 1,699	\$ 7,001
Accounts receivable.....	38,083	42,035
Intercompany receivable.....	300,973	252,297
Materials and supplies.....	14,404	13,554
Deferred financing costs, current.....	2,534	2,484
Deferred costs, current.....	8,549	11,508
Prepaid expenses and other current assets.....	4,562	4,435
Total current assets.....	370,804	333,314
Property and equipment, net.....	632,796	640,165
Deferred financing costs.....	4,697	5,350
Total assets.....	\$ 1,008,297	\$ 978,829
Liabilities and shareholder's equity:		
Accounts payable.....	\$ 4,175	\$ 3,079
Intercompany payable.....	143,732	136,473
Accrued expenses.....	2,954	1,327
Accrued interest.....	12,083	3,021
Deferred revenue, current.....	22,812	30,678
Total current liabilities.....	185,756	174,578
Long-term debt, net of current maturities.....	498,495	498,369
Intercompany long-term debt.....	260,643	260,643
Other long-term liabilities.....	1,618	3,857
Total long-term liabilities.....	760,756	762,869
Commitments and contingencies		
Shareholder's equity:		
Retained earnings	61,785	41,382
Total shareholder's equity.....	61,785	41,382
Total liabilities and shareholder's equity.....	\$ 1,008,297	\$ 978,829

PACIFIC DRILLING V LIMITED

Statements of Operations
(in thousands) (unaudited)

	Three Months Ended March 31,	
	2015	2014
Revenues		
Contract drilling.....	\$ 59,204	\$ 38,980
Costs and expenses		
Operating expenses.....	(15,572)	(16,256)
General and administrative intercompany expenses.....	(1,814)	(2,571)
Depreciation expense.....	(8,359)	(8,327)
	<u>(25,745)</u>	<u>(27,154)</u>
Operating income	33,459	11,826
Other income (expense)		
Interest expense.....	(9,992)	(9,734)
Intercompany interest expense.....	(158)	—
Other income.....	—	12
	<u>23,309</u>	<u>2,104</u>
Income before income taxes	23,309	2,104
Income tax expense.....	(2,906)	—
Net income	<u>\$ 20,403</u>	<u>\$ 2,104</u>

PACIFIC DRILLING V LIMITED

Statements of Cash Flows
(in thousands) (unaudited)

	Three Months Ended March 31,	
	2015	2014
Cash flow from operating activities:		
Net income	\$ 20,403	\$ 2,104
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense.....	8,359	8,327
Amortization of deferred revenue.....	(7,866)	(8,010)
Amortization of deferred costs.....	2,959	2,973
Amortization of deferred financing costs.....	603	556
Amortization of debt discount.....	126	115
Deferred income tax.....	(2,238)	—
Changes in operating assets and liabilities:		
Accounts receivable.....	3,952	39,737
Materials and supplies.....	(850)	(440)
Prepaid expenses and other assets.....	2,111	(1,124)
Accounts payable and accrued expenses.....	9,759	198
Deferred revenue.....	—	9,061
Net cash provided by operating activities.....	37,318	53,497
Cash flow from investing activities:		
Capital expenditures.....	(1,203)	(3,806)
Net cash used in investing activities.....	(1,203)	(3,806)
Cash flow from financing activities:		
Intercompany, net.....	(41,417)	(48,323)
Net cash used in financing activities.....	(41,417)	(48,323)
Increase (decrease) in cash and cash equivalents.....	(5,302)	1,368
Cash and cash equivalents, beginning of period.....	7,001	1,309
Cash and cash equivalents, end of period.....	\$ 1,699	\$ 2,677