

PACIFIC DRILLING V LIMITED

Balance Sheets
(in thousands) (unaudited)

	September 30, 2014	December 31, 2013
	<u>2014</u>	<u>2013</u>
Assets:		
Cash and cash equivalents.....	\$ 20,851	\$ 1,309
Accounts receivable.....	23,457	70,255
Intercompany receivable.....	231,193	111,495
Materials and supplies.....	12,907	10,673
Deferred financing costs, current.....	2,435	2,294
Deferred costs, current.....	12,142	11,582
Prepaid expenses and other current assets.....	504	501
Total current assets.....	<u>303,489</u>	<u>208,109</u>
Property and equipment, net.....	647,815	670,714
Deferred financing costs.....	5,989	7,833
Other assets.....	5,008	13,551
Total assets.....	<u>\$ 962,301</u>	<u>\$ 900,207</u>
Liabilities and shareholders' equity:		
Accounts payable.....	\$ 4,624	\$ 7,761
Intercompany payable.....	107,468	76,699
Accrued expenses.....	4,642	4,190
Accrued interest.....	12,083	3,021
Deferred revenue, current.....	31,955	30,545
Total current liabilities.....	<u>160,772</u>	<u>122,216</u>
Long-term debt.....	498,246	497,892
Deferred revenue.....	6,829	29,207
Total long-term liabilities.....	<u>505,075</u>	<u>527,099</u>
Commitments and contingencies		
Shareholders' equity:		
Additional paid-in capital.....	260,904	260,904
Retained earnings (accumulated deficit).....	35,550	(10,012)
Total shareholders' equity.....	<u>296,454</u>	<u>250,892</u>
Total liabilities and shareholders' equity.....	<u>\$ 962,301</u>	<u>\$ 900,207</u>

PACIFIC DRILLING V LIMITED

Statements of Operations
(in thousands) (unaudited)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues				
Contract drilling.....	\$ 64,429	\$ —	\$ 166,766	\$ —
Costs and expenses				
Operating expenses.....	(17,211)	(253)	(50,082)	(253)
Intercompany expenses.....	(2,602)	(2,355)	(7,404)	(5,166)
Depreciation expense.....	(8,384)	—	(25,054)	—
	<u>(28,197)</u>	<u>(2,608)</u>	<u>(82,540)</u>	<u>(5,419)</u>
Operating income (loss).....	36,232	(2,608)	84,226	(5,419)
Other income (expense)				
Interest expense.....	(9,762)	—	(29,245)	—
Other income (expense).....	(7)	45	(71)	(94)
Income (loss) before income taxes.....	<u>26,463</u>	<u>(2,563)</u>	<u>54,910</u>	<u>(5,513)</u>
Income tax expense.....	(3,322)	—	(9,348)	—
Net income (loss).....	<u>\$ 23,141</u>	<u>\$ (2,563)</u>	<u>\$ 45,562</u>	<u>\$ (5,513)</u>

Note to Statements of Operations: the nine months ended September 30, 2014 and September 30, 2013 include 273 and 0 days of revenues and contract drilling expenses, respectively, exclusive of training costs incurred during mobilization. Each period presented includes a full nine months of non-capitalizable corporate overhead costs.

PACIFIC DRILLING V LIMITED

Statements of Cash Flows
(in thousands) (unaudited)

	For the Nine Months Ended September 30,	
	2014	2013
Cash flow from operating activities:		
Net income (loss).....	\$ 45,562	\$ (5,513)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense.....	25,054	—
Amortization of deferred revenue.....	(24,134)	—
Amortization of deferred costs.....	9,105	—
Amortization of deferred financing costs.....	1,703	—
Amortization of debt discount.....	354	—
Changes in operating assets and liabilities:		
Accounts receivable.....	46,798	(4,516)
Materials and supplies.....	(2,234)	(6,639)
Prepaid expenses and other assets.....	(1,125)	(8,644)
Accounts payable and accrued expenses.....	11,690	5,592
Deferred revenue.....	3,166	1,513
Net cash provided by (used in) operating activities.....	115,939	(18,207)
Cash flow from investing activities:		
Capital expenditures.....	(7,468)	(404,283)
Net cash used in investing activities.....	(7,468)	(404,283)
Cash flow from financing activities:		
Payments for financing costs.....	—	(294)
Contributed capital from parent.....	—	74,507
Intercompany, net.....	(88,929)	113,043
Net cash provided by (used in) financing activities.....	(88,929)	187,256
Increase (decrease) in cash and cash equivalents.....	19,542	(235,234)
Cash and cash equivalents, beginning of period.....	1,309	235,670
Cash and cash equivalents, end of period.....	\$ 20,851	\$ 436