

PACIFIC DRILLING V LIMITED

Balance Sheets
(in thousands) (unaudited)

	December 31,	
	2014	2013
Assets:		
Cash and cash equivalents.....	\$ 7,001	\$ 1,309
Accounts receivable.....	42,035	70,255
Intercompany receivable.....	252,297	111,495
Materials and supplies.....	13,554	10,673
Deferred financing costs, current.....	2,484	2,294
Deferred costs, current.....	11,508	11,582
Prepaid expenses and other current assets.....	4,435	501
Total current assets.....	333,314	208,109
Property and equipment, net.....	640,165	670,714
Deferred financing costs.....	5,350	7,833
Other assets.....	—	13,551
Total assets.....	\$ 978,829	\$ 900,207
Liabilities and shareholder's equity:		
Accounts payable.....	\$ 3,079	\$ 7,761
Intercompany payable.....	136,473	76,699
Accrued expenses.....	1,327	4,190
Accrued interest.....	3,021	3,021
Deferred revenue, current.....	30,678	30,545
Total current liabilities.....	174,578	122,216
Long-term debt, net of current maturities.....	498,369	497,892
Intercompany long-term debt.....	260,643	—
Deferred revenue.....	3,857	29,207
Total long-term liabilities.....	762,869	527,099
Commitments and contingencies		
Shareholder's equity:		
Additional paid-in capital.....	—	260,904
Retained earnings (accumulated deficit).....	41,382	(10,012)
Total shareholder's equity.....	41,382	250,892
Total liabilities and shareholder's equity.....	\$ 978,829	\$ 900,207

PACIFIC DRILLING V LIMITED

Statements of Operations
(in thousands) (unaudited)

	Years Ended December 31,	
	2014	2013
Revenues		
Contract drilling.....	\$ 230,356	\$ 9,487
Costs and expenses		
Operating expenses.....	(66,128)	(2,450)
General and administrative intercompany expenses.....	(5,612)	(7,509)
Depreciation expense.....	(33,431)	(1,259)
	(105,171)	(11,218)
Operating income (loss).....	125,185	(1,731)
Other expense		
Interest expense.....	(39,160)	(1,569)
Intercompany interest expense.....	(24,657)	—
Other expense.....	(75)	(211)
Income (loss) before income taxes.....	61,293	(3,511)
Income tax expense.....	(9,899)	(568)
Net income (loss).....	\$ 51,394	\$ (4,079)

Note to Statements of Operations: the years ended December 31, 2014 and December 31, 2013 include 365 and approximately 15 days of revenues and contract drilling expenses, respectively, exclusive of training costs incurred during mobilization in 2013. Each period presented includes a full twelve months of non-capitalizable corporate overhead costs.

PACIFIC DRILLING V LIMITED

Statements of Cash Flows
(in thousands) (unaudited)

	Years Ended December 31,	
	2014	2013
Cash flow from operating activities:		
Net income (loss).....	\$ 51,394	\$ (4,079)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense.....	33,431	1,259
Amortization of deferred revenue.....	(32,132)	(992)
Amortization of deferred costs.....	12,019	476
Amortization of deferred financing costs.....	2,293	89
Amortization of debt discount.....	477	19
Deferred income tax.....	2,268	(2,446)
Changes in operating assets and liabilities:		
Accounts receivable.....	28,220	(70,255)
Materials and supplies.....	(2,881)	(8,111)
Prepaid expenses and other assets.....	(4,596)	(23,551)
Accounts payable and accrued expenses.....	(1,833)	36,507
Deferred revenue.....	6,915	31,537
Net cash provided by (used in) operating activities.....	95,575	(39,547)
Cash flow from investing activities:		
Capital expenditures.....	(8,594)	(441,346)
Net cash used in investing activities.....	(8,594)	(441,346)
Cash flow from financing activities:		
Payments for financing costs.....	—	(294)
Contributed capital from parent.....	—	74,565
Intercompany, net.....	(81,289)	172,261
Net cash provided by (used in) financing activities.....	(81,289)	246,532
Increase (decrease) in cash and cash equivalents.....	5,692	(234,361)
Cash and cash equivalents, beginning of period.....	1,309	235,670
Cash and cash equivalents, end of period.....	\$ 7,001	\$ 1,309