

PACIFIC DRILLING V LIMITED

Balance Sheets
(in thousands) (unaudited)

	March 31, 2017	December 31, 2016
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents.....	\$ 2,655	\$ 3,722
Intercompany receivable.....	158,459	164,755
Materials and supplies.....	12,920	13,049
Prepaid expenses and other current assets.....	1,882	1,222
Total current assets.....	<u>175,916</u>	<u>182,748</u>
Property and equipment, net.....	573,838	580,969
Other assets.....	2,151	2,303
Total assets.....	<u>\$ 751,905</u>	<u>\$ 766,020</u>
Liabilities and shareholder's equity:		
Accounts payable.....	\$ 1,116	\$ 1,603
Intercompany payable.....	78,120	72,448
Long-term debt, current ^(a)	424,859	419,725
Accrued expenses.....	219	250
Accrued interest.....	10,598	2,635
Total current liabilities.....	<u>514,912</u>	<u>496,661</u>
Intercompany long-term debt.....	260,643	260,643
Other long-term liabilities.....	3,180	3,862
Total long-term liabilities.....	<u>263,823</u>	<u>264,505</u>
Commitments and contingencies		
Shareholder's equity:		
Retained earnings (accumulated deficit).....	<u>(26,830)</u>	<u>4,854</u>
Total shareholder's equity.....	<u>(26,830)</u>	<u>4,854</u>
Total liabilities and shareholder's equity.....	<u>\$ 751,905</u>	<u>\$ 766,020</u>

^(a) Long-term debt, current is presented net of unamortized deferred financing costs as follows:

	March 31, 2017	December 31, 2016
	<u> </u>	<u> </u>
Balance, net of debt discount	\$ 439,003	\$ 438,880
Less: unamortized deferred financing costs	(14,144)	(19,155)
Net	<u>\$ 424,859</u>	<u>\$ 419,725</u>

PACIFIC DRILLING V LIMITED

Statements of Operations
(in thousands) (unaudited)

	Three Months Ended March 31,	
	2017	2016
Costs and expenses		
Operating expenses.....	\$ (2,891)	\$ (4,449)
General and administrative intercompany expenses.....	(2,146)	(1,337)
Depreciation expense.....	(8,552)	(8,442)
	<u>(13,589)</u>	<u>(14,228)</u>
Operating loss	(13,589)	(14,228)
Other expense		
Interest expense.....	(13,097)	(9,916)
Intercompany interest expense.....	(5,672)	(5,646)
Other expense.....	(8)	(9)
	<u>(32,366)</u>	<u>(29,799)</u>
Loss before income taxes.....	(32,366)	(29,799)
Income tax benefit (expense).....	682	(61)
Net loss	<u>\$ (31,684)</u>	<u>\$ (29,860)</u>

PACIFIC DRILLING V LIMITED

Statements of Cash Flows
(in thousands) (unaudited)

	Three Months Ended March 31,	
	2017	2016
Cash flow from operating activities:		
Net loss	\$ (31,684)	\$ (29,860)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation expense.....	8,552	8,442
Amortization of deferred costs.....	8	10
Amortization of deferred financing costs.....	5,011	652
Amortization of debt discount.....	123	137
Deferred income tax.....	(682)	61
Changes in operating assets and liabilities:		
Accounts receivable.....	—	27,356
Materials and supplies.....	129	314
Prepaid expenses and other assets.....	166	(2,733)
Accounts payable and accrued expenses.....	6,699	5,630
Net cash provided by (used in) operating activities.....	(11,678)	10,009
Cash flow from investing activities:		
Capital expenditures.....	(1,357)	(427)
Net cash used in investing activities.....	(1,357)	(427)
Cash flow from financing activities:		
Intercompany, net.....	11,968	(9,582)
Net cash provided by (used in) financing activities.....	11,968	(9,582)
Decrease in cash and cash equivalents.....	(1,067)	—
Cash and cash equivalents, beginning of period.....	3,722	—
Cash and cash equivalents, end of period.....	\$ 2,655	\$ —