

PACIFIC DRILLING V LIMITED

Balance Sheets
(in thousands) (unaudited)

	June 30, 2017	December 31, 2016
Assets:		
Cash and cash equivalents.....	\$ 1,681	\$ 3,722
Intercompany receivable.....	140,842	164,755
Materials and supplies.....	11,528	13,049
Prepaid expenses and other current assets.....	1,205	1,222
Total current assets.....	155,256	182,748
Property and equipment, net.....	565,689	580,969
Other assets.....	2,023	2,303
Total assets.....	\$ 722,968	\$ 766,020
Liabilities and shareholder's equity:		
Accounts payable.....	\$ 308	\$ 1,603
Intercompany payable.....	84,170	72,448
Long-term debt, current ^(a)	430,156	419,725
Accrued expenses.....	616	250
Accrued interest.....	2,635	2,635
Total current liabilities.....	517,885	496,661
Intercompany long-term debt.....	260,643	260,643
Other long-term liabilities.....	3,409	3,862
Total long-term liabilities.....	264,052	264,505
Commitments and contingencies		
Shareholder's equity:		
Retained earnings (accumulated deficit).....	(58,969)	4,854
Total shareholder's equity.....	(58,969)	4,854
Total liabilities and shareholder's equity.....	\$ 722,968	\$ 766,020

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

	June 30, 2017	December 31, 2016
Balance, net of debt discount	\$ 439,132	\$ 438,880
Less: unamortized deferred financing costs	(8,976)	(19,155)
Net	\$ 430,156	\$ 419,725

PACIFIC DRILLING V LIMITED

Statements of Operations
(in thousands) (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Costs and expenses				
Operating expenses.....	\$ (2,904)	\$ (3,654)	\$ (5,795)	\$ (8,103)
General and administrative intercompany expenses.....	(1,742)	(1,257)	(3,889)	(2,594)
Depreciation expense.....	(8,552)	(8,492)	(17,104)	(16,933)
	(13,198)	(13,403)	(26,788)	(27,630)
Operating loss	(13,198)	(13,403)	(26,788)	(27,630)
Other income (expense)				
Interest expense.....	(13,261)	(9,547)	(26,358)	(19,463)
Intercompany interest expense.....	(5,672)	(5,646)	(11,344)	(11,293)
Gain on debt extinguishment.....	—	14,231	—	14,231
Other income (expense).....	(8)	6	(15)	(4)
	(32,139)	(14,359)	(64,505)	(44,159)
Loss before income taxes	(32,139)	(14,359)	(64,505)	(44,159)
Income tax benefit (expense).....	—	(61)	682	(121)
	(32,139)	(14,420)	(63,823)	(44,280)
Net loss	\$ (32,139)	\$ (14,420)	\$ (63,823)	\$ (44,280)

PACIFIC DRILLING V LIMITED

Statements of Cash Flows
(in thousands) (unaudited)

	Six Months Ended June 30,	
	2017	2016
Cash flow from operating activities:		
Net loss	\$ (63,823)	\$ (44,280)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation expense.....	17,104	16,933
Amortization of deferred costs.....	19	84
Amortization of deferred financing costs.....	10,178	1,314
Amortization of debt discount.....	253	274
Deferred income tax.....	(682)	121
Gain on debt extinguishment.....	—	(14,231)
Changes in operating assets and liabilities:		
Accounts receivable.....	—	30,554
Materials and supplies.....	1,140	373
Prepaid expenses and other assets.....	960	(2,934)
Accounts payable and accrued expenses.....	(1,247)	(5,701)
Net cash used in operating activities.....	(36,098)	(17,493)
Cash flow from investing activities:		
Capital expenditures.....	(1,578)	(427)
Net cash used in investing activities.....	(1,578)	(427)
Cash flow from financing activities:		
Intercompany, net.....	35,635	27,167
Payments on long-term debt.....	—	(9,247)
Net cash provided by financing activities.....	35,635	17,920
Decrease in cash and cash equivalents.....	(2,041)	—
Cash and cash equivalents, beginning of period.....	3,722	—
Cash and cash equivalents, end of period.....	\$ 1,681	\$ —