

**PACIFIC DRILLING V LIMITED**

Balance Sheets  
(in thousands) (unaudited)

	<b>June 30,</b>	<b>December 31,</b>
	<b>2016</b>	<b>2015</b>
<b>Assets:</b>		
Accounts receivable.....	\$ 142	\$ 30,696
Intercompany receivable.....	228,970	249,869
Materials and supplies.....	13,458	13,831
Prepaid expenses and other current assets.....	1,407	19
Total current assets.....	243,977	294,415
Property and equipment, net.....	598,091	611,610
Other assets.....	1,341	—
Total assets.....	\$ 843,409	\$ 906,025
<b>Liabilities and shareholder's equity:</b>		
Accounts payable.....	\$ 1,330	\$ 4,812
Intercompany payable.....	61,437	51,400
Accrued expenses.....	20	2,294
Accrued interest.....	2,880	3,021
Total current liabilities.....	65,667	61,527
Long-term debt, net of current maturities.....	471,646	493,536
Intercompany long-term debt.....	260,643	260,643
Other long-term liabilities.....	3,049	3,635
Total long-term liabilities.....	735,338	757,814
Commitments and contingencies		
Shareholder's equity:		
Retained earnings .....	42,404	86,684
Total shareholder's equity.....	42,404	86,684
Total liabilities and shareholder's equity.....	\$ 843,409	\$ 906,025

**PACIFIC DRILLING V LIMITED**

Statements of Operations  
(in thousands) (unaudited)

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Revenues</b>				
Contract drilling.....	\$ —	\$ 63,342	\$ —	\$ 122,546
<b>Costs and expenses</b>				
Operating expenses.....	(3,654)	(16,888)	(8,103)	(32,713)
General and administrative intercompany expenses.....	(1,257)	(1,320)	(2,594)	(2,881)
Depreciation expense.....	(8,492)	(8,424)	(16,933)	(16,784)
	(13,403)	(26,632)	(27,630)	(52,378)
<b>Operating income (loss) .....</b>	<b>(13,403)</b>	<b>36,710</b>	<b>(27,630)</b>	<b>70,168</b>
<b>Other expense</b>				
Interest expense.....	(9,547)	(10,000)	(19,463)	(19,993)
Intercompany interest expense.....	(5,646)	(10,985)	(11,293)	(11,143)
Gain on debt extinguishment.....	14,231	—	14,231	—
Other income (expense).....	6	(37)	(4)	(35)
	(14,359)	15,688	(44,159)	38,997
<b>Income (loss) before income taxes.....</b>	<b>(14,359)</b>	<b>15,688</b>	<b>(44,159)</b>	<b>38,997</b>
Income tax expense.....	(61)	(3,008)	(121)	(5,914)
<b>Net income (loss) .....</b>	<b>\$ (14,420)</b>	<b>\$ 12,680</b>	<b>\$ (44,280)</b>	<b>\$ 33,083</b>

**PACIFIC DRILLING V LIMITED**

Statements of Cash Flows  
(in thousands) (unaudited)

	<b>Six Months Ended June 30,</b>	
	<b>2016</b>	<b>2015</b>
<b>Cash flow from operating activities:</b>		
Net income (loss) .....	\$ (44,280)	\$ 33,083
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense.....	16,933	16,784
Amortization of deferred revenue.....	—	(16,306)
Amortization of deferred costs.....	84	5,952
Amortization of deferred financing costs.....	1,314	1,218
Amortization of debt discount.....	274	254
Deferred income tax.....	121	(2,238)
Gain on debt extinguishment.....	(14,231)	—
Changes in operating assets and liabilities:		
Accounts receivable.....	30,554	(527)
Materials and supplies.....	373	(1,319)
Prepaid expenses and other assets.....	(2,934)	2,131
Accounts payable and accrued expenses.....	(5,701)	3,025
Deferred revenue.....	—	1,013
Net cash provided by (used in) operating activities.....	(17,493)	43,070
<b>Cash flow from investing activities:</b>		
Capital expenditures.....	(427)	(3,167)
Net cash used in investing activities.....	(427)	(3,167)
<b>Cash flow from financing activities:</b>		
Intercompany, net.....	27,167	(46,904)
Payments on long-term debt.....	(9,247)	—
Net cash provided by (used in) financing activities.....	17,920	(46,904)
Decrease in cash and cash equivalents.....	—	(7,001)
Cash and cash equivalents, beginning of period.....	—	7,001
Cash and cash equivalents, end of period.....	\$ —	\$ —