### UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

In re Tuscany International Holdings (U.S.A.) Ltd., et al.

Case No. 14-10193 (KG)

Reporting Period:

Mar-14

#### MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month,

Submit copy of report to any official committee appointed in the case

are true and correct to the best of my knowledge and belief.

		Document	Explanation	Affidavit/Supplement
REQUIRED DOCUMENTS	Form No.	Attached	Attached	Attached
Schedule of Cash Receipts and Disbursements		MOR-1		
Bank Reconciliation (or copies of debtor's bank reconciliations)		MOR-1a		X
Schedule of Professional Fees Paid		MOR-1b		
Copies of bank statements	STORES NAS AND	MOR-1a		
Cash disbursements journals		MOR-1c		
Statement of Operations		MOR-2		
Balance Sheet		MOR-3		
Status of Postpetition Taxes		N/A		X
Copies of IRS Form 6123 or payment receipt	Lance Street Street Street	N/A		
Copies of tax returns filed during reporting period		N/A		
Summary of Unpaid Postpetition Debts		MOR-4		
Listing of aged accounts payable		MOR-4		
Accounts Receivable Reconciliation and Aging		MOR-5		
Debtor Questionnaire		MOR-5		

Signature of Debtor	Date
Signature of Joint Debtor	Date
JUMNIN	Apr 29/14
Signature of Authorized Individual*	Date
DERVIK HELENIT	(90
Printed Name of Authorized Individual	Title of Authorized Individual

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents

<sup>\*</sup>Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

# MOR-1: Schedule of Cash Receipts and Disbursements

	Week.8	28-Mar-14			Actuals				
Tuscany International Drilling		February	ary			March			28-Mar-14
Consolidated 11 Week Cash Flow Week Ending	Actual Week 1 7-Feb-14	Actual Week 2 14-Feb-14	Actual Week 3 21-Feb-14	Actual Week 4 28-Feb-14	Actual Week 5 7-Mar-14	Actual Week 6 14-Mar-14	Actual Week 7 21-Mar-14	Actual Week 8 28-Mar-14	Actual Week 8 Total
Beginning Cash	1,868,235	(2,604,215)	(3,920,575)	(5,110,788)	(7,737,285)	(8,640,327)	(6,804,038)	(9,169,972)	1,868,235
Receipts from Customers	80,258	1,903,806	299,402	1,089,379	7.819	2,835,751	535,557	384,071	7,128,223
Total - Receipts	87,545	1,903,806	300,212	1,089,379	7,819	2,835,751	535,557	384,731	7,144,799
Disbursements Payro!l	63,717	46,910	24,350	383,144	28,526	43,308	24,933	330,227	945,115
Fuel and Lubricants		1,258	15,411	ı	1		2,626	Í	19,295
Catering	ı	96,592	9,291	847	13,640	5,346	81,120	8,964	215,800
Other OPEX	91,595	801,877	290,728	83,331	128,051	236,620	577,085	268,797	2,478,083
Mob Expense	' (	66,500	799'02	' (C	148,579	10,395	729,207	750,037	528,385
Taxes	8,176	120,112	86,602	5,249	15,616	133,117	88,090	5,758	462,720
o≪A Restructuring Costs	65,360 269	701,076	3,2,6 214,624	34,042 41,715	90,667	152,525	27,958	8,418	1,237,253
Professional Fees	30,040	i.	816,903	1	,	•	1	1	846,943
CAPEX	1	ı	1	•	t	335,110	1	Ĭ	335,110
Interest and Fees on new funding	1,100,000	•	•	•	1	1	439,648	•	1,539,648
FX Loss (Gain)	838	(5,646)	6,573	(2,452)	(4,454)	7,432	526	(15,558)	(12,741)
Total - Disbursements	1,359,995	1,870,166	1,490,425	565,876	460,861	999,461	1,601,492	679,956	9,028,232
Change in cash	(1,272,450)	33,640	(1,190,213)	523,503	(453,042)	1,836,290	(1,065,935)	(295,225)	(1,883,433)
Intercompany Receipts Intercompany Disbursements Net Intercompany Transfers	3,200,000	1,350,000	1 1	3,150,000	450,000	1 1	1,300,000		9,450,000
Ending Cash	(2,604,215)	(3,920,575)	(5,110,788)	(7,737,285)	(8,640,327)	(6,804,038)	(9,169,972)	(9,465,198)	(9,465,198)
Anticipated DIP funding Advance Cumulative Draw Ending Cash after DIP funding Advance	14,700,000 14,700,000 12,095,785	- 14,700,000 10,779,425	- 14,700,000 9,589,212	14,700,000	- 14,700,000 <b>6,059,673</b>	- 14,700,000 <b>7,895,962</b>	- 14,700,000 5,530,028	14,700,000	- 14,700,000 5,234,802

**MOR-1a: Bank Reconciliations** 

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In re Tuscany International Holdings (U.S.A.) Ltd., <u>et al.</u>
Debtors

Case No. 14-10193 (KG)
Reporting Period: March 1 to 31, 2014

#### BANK RECONCILIATIONS

MOR-1a

Bank Name	Account Number	Currency	Account Description	GL Balance (different currency)
Scotiabank USD Operating	xxxxx xxx70 12	USD	Operating	4,764,017.95
Scotiabank CAD Operating	xxxxx xxx70 10	CAD	Operating	104,013.03
Scotiabank USD Payroll	xxxxx xxx72 17	USD	Payroll	310.71
Scotiabank CAD Payroll	xxxxx xxxx00 11	CAD	Payroll	288.47
Scotiabank USD Treasury	xxxxx xxx68 14	USD	Treasury - Dormant	-
Scotiabank CAD Treasury	xxxxx xxx96 17	CAD	Treasury - Dormant	-
The Bank of Nova Scotia	xxxxx xxx75 19	USD	Dormant	-
The Bank of Nova Scotia	xxxxx xxx03 13	CAD	Dormant	-
Scotiabank Houston Payroll	xxx6932	USD	Payroll	43.19
The Bank of Nova Scotia	xxx7238	USD	Dormant	
The Bank of New York Mellon	x-xxxxx4008	USD	Receipt	-
The Bank of New York Mellon	x-xxxxx4009	USD	DSRA	-

Bank International	xxxxx3240	USD	Operating	227,531.40
Bank Pichincha	xxxxxx70-04	USD	Operating	266,778.01
Trust Account	xxxxxx8704	USD		1,294.05

In re: Tuscany International Holdings (U.S.A.) Ltd, et al. Debtors

Case No. 14-10183 (KG) Reporting Period: 3/1/14 – 3/31/14

## DECLARATION REGARDING RECONCILIATION OF THE DEBTORS' BANK ACCOUNTS AS OF MARCH 31, 2014

I, Matt Moorman, hereby declare under penalty of perjury under 28 U.S.C. § 1746:

- 1. I am the Chief Financial Officer of the above-captioned debtors and debtors in possession (together, the "Debtors"). I am familiar with the Debtors' day-to-day operations, business, affairs and books and records.
- 2. All statements in this Declaration are based on my personal knowledge, my review of the relevant documents, my discussions with other employees of the Debtors, or my opinion based upon my experience and knowledge of the Debtors' operations and financial condition. If I were called upon to testify, I could and would testify to each of the facts set forth herein based on such personal knowledge, review of documents or opinion. I am authorized to submit this Declaration of behalf of the Debtors.
- 3. To the best of my knowledge, all of the Debtors' bank balances as of March 31, 2014 have been reconciled in an accurate and timely manner.

Dated: May 7, 2014

Respectfully submitted,

Matt Moorman

Clifef Financial Officer

In re Tuscany International Holdings (U.S.A.) Ltd., <u>et al.</u>
Debtors

Case No. 14-10193 (KG)
Reporting Period: Feb and Mar 2014

MOR-1b: SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID This schedule is to include all retained professional payments from case inception to current month.

		Amount		Ö	Check	Amour	Amount Paid
Payee	Period Covered	Approved	Payor	Number	Date	Fees	Expenses
Holland & Knight		30,039.50	Tuscany International Drilling Inc.	Wire	February 6, 2014		
Arendt & Medernach		25,763.45	Tuscany International Drilling Inc.	Wire	February 20, 2014		
Brigard & Urrutia		13,312.92	Tuscany International Drilling Inc.	Wire	February 20, 2014		
Hogan Lovells		09'682'6	Tuscany International Drilling Inc.	Wire	February 20, 2014		
Mayer Brown		393,880.48	Tuscany International Drilling Inc.	Wire	February 20, 2014		
RPA Advisors		162,820.00	Tuscany International Drilling Inc.	Wire	February 20, 2014		
Perez Bustamante		11,936.16		Wire	February 20, 2014		
Stikeman Elliott		199,400.84	199,400.84 Tuscany International Drilling Inc.	Wire	February 20, 2014		
Ogier		27,673.10	27,673.10 Tuscany International Drilling Inc.	Wire	March 12, 2014		
McGinnis Lochridge		16,783.69	16,783.69 Tuscany International Drilling Inc.	Wire	March 12, 2014		
McGinnis Lochridge		16,694.90	16,694.90 Tuscany International Drilling Inc.	Wire	March 26, 2014		
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### **MOR-1c:** Cash Disbursement Journals

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In re: Tuscany International Holdings (U.S.A.) Ltd, <u>et al.</u> Debtors Case No. 14-10193 (KG)

**Reporting Period: 3/1/14 – 3/31/14** 

#### MOR-1c: SCHEDULE OF DISBURSEMENTS BY LEGAL ENTITY

Debtor Entity	Bankruptcy Case Number	Disbursements (1)	Estimated Trustee Fees
Tuscany International	14-10194	\$5,491,770	\$13,000
Drilling Inc.			

#### Notes:

- (1) All disbursements for the Debtors are made by Tuscany International Drilling Inc.
- (2) Includes disbursements to non-debtor subsidiaries in the amount of \$1.75 million.

## **MOR-2: Statement of Operations**

#### Tuscany International Drilling Inc. Income Statement Detail Report TID

#### Period ended

Name	Back to Table of			
Drilling				
Drilling         0         877,503         877,503           Force Majeure         0         0         0         0           Standby         877,503         877,503         877,503         877,503           Standby         878,503         877,503	D	<u>Canada</u>	Ecuador	Consolidated
Drilling         0         877,503         877,003           Force Majeure         0         877,503         877,503           Standby         Serpton         2         87,503         877,503           Standby         Serpton         3         877,503         877,503           Standby w/crew         0         0         0         0         0         0         1,995         1,996         1,1990				
Force Majeure	3	_		
Standby         Standby w/crew Workover         0         1,925         1,925           Standby w/crew Workover         0         1,925         1,925           Standby w/crew Drilling         0         11,990         11,990           Standby w/crew Drilling         0         11,990         11,990           Standby w/out crew Drilling         0         601,804         601,804           Workover         0         601,804         601,804           Mobilization         0         155,726         155,726           Rig move b/w wells Workover         0         103,342         103,342           Rig move b/w wells Workover         0         103,342         103,342           Initial Mob/Demob Drilling         0         0         0         0           Rig move b/w wells Drilling         0         0         0         0         0           Rig move b/w wells Drilling         0         16,958         114,918         114,918         114,918         114,918         114,918         114,918         114,918         114,918         114,918         114,918         114,918         114,918         114,918         114,918         114,918         114,918         114,918         114,918         114,918         11	9			877,503
Standby   Standby   Worke   Worke   Standby   Worke   Worke   Worke   Standby   Worke   Worke   Standby   Worke   Worke   Standby   Worke   Worke   Standby   Worke   Dilling   Standby   Standby   Worke   Dilling   Standby   Stan	Force Majeure	***************************************		
Standby w/crew Workover         0         1,925         1,925           Standby w/out crew Workover         0         0         0           Standby w/crew Drilling         0         11,990         11,990           Standby w/cut crew Drilling         0         0         0           Workover         0         601,804         601,804           Mobilization         0         155,726         155,726           Initial Mob/Demob Workover         0         103,342         103,342           Rig move b/w wells Workover         0         103,342         103,342           Rig move b/w wells Drilling         0         0         0           Rig move b/w wells Drilling         0         25,068         259,068           Rig move b/w wells Drilling         0         16,958         114,918           Extra Labour         0         16,958         114,918           Extra Labour         0         1,912         1,912           Others, Catering, Lodging         0         67,658         67,658           Equipment/Tool sales         0         2,066         2,066           Reimbursable Labour         0         0         0           Reimbursable Fuel         0 <t< td=""><td>Or II</td><td>0</td><td>877,503</td><td>877,503</td></t<>	Or II	0	877,503	877,503
Standby w/ore w Drilling         0         11,990         11,990           Standby w/out crew Drilling         0         11,990         11,990           Standby w/out crew Drilling         0         13,915         13,915           Workover         0         601,804         601,804           Mobilization         0         155,726         155,726           Rig move b/w wells Workover         0         103,342         103,342           Initial Mob/Demob Drilling         0         0         0         0           Rig move b/w wells Drilling         0         259,068         259,068           Rig move b/w wells Drilling         0         259,068         259,068           Other Revenue         0         16,958         114,918           Equipment/Tool rental         97,960         16,958         114,918           Extra Labour         0         1,912         1,912           Others, Catering, Lodging         0         67,658         67,658           Equipment/Tool sales         0         2,06         2,06           Reimbursable         0         0         0         0           Reimbursable Fuel         0         0         0         0				
Standby w/crew Drilling         0         11,990         10           Standby w/out crew Drilling         0         0         0           Workover         0         601,804         601,804           Mobilization         0         155,726         155,726           Initial Mob/Demob Workover         0         103,342         103,342           Initial Mob/Demob Drilling         0         0         0           Rig move b/w wells Workover         0         103,342         103,342           Initial Mob/Demob Drilling         0         0         0         0           Rig move b/w wells Workover         0         16,958         114,918           Rig move b/w wells Drilling         0         0         0         0           Rig move b/w wells Drilling         97,960         16,958         114,918<				
Standby wout crew Drilling         0         0         13,915         13,915           Workover         0         601,804         601,804           Mobilization         0         155,726         155,726         155,726         150,324           Rig move b/w wells Workover         0         155,726         150,324         103,342         104,342         104,342         104,342         104,342         104,342         104,342         104,342         104,342         104,342         104,342         104				
Workover         0         601,804         601,804           Mobilization         0         601,804         601,804           Initial Mob/Demob Workover         0         155,726         155,726           Rig move b/w wells Workover         0         103,342         103,342           Initial Mob/Demob Drilling         0         0         0           Rig move b/w wells Drilling         0         0         0           Chier Revenue         97,960         16,958         114,918           Extra Labour         0         1912         1,912           Chiers, Catering, Lodging         0         70,966         2,656           Equipment/Tool sales         0         2,066         2,066           Equipment/Tool sales         0         0         0           Reimbursable         0         0         0           Reimbursable Fuel         0         0         0      <			11,990	11,990
Workover         0         601,804         601,804           Mobilization         0         601,804         601,804           Imitial Mob/Demob Workover         0         155,726         155,726           Rig move b/w wells Workover         0         103,342         103,342           Initial Mob/Demob Drilling         0         0         0           Rig move b/w wells Drilling         0         0         0           Other Revenue         0         259,068         259,068           Other Revenue         97,960         16,958         114,918           Extra Labour         97,960         16,958         114,918           Extra Labour         97,960         16,958         114,918           Equipment/Tool sales         0         67,658         67,658           Equipment/Tool sales         0         2,066         2,066           Reimbursable Labour         0         0         0           Reimbursable Labour         0         0         0           Reimbursable Fuel         0         0         0           Reimbursable Sale         0         0         0           Reimbursable Well         0         0         0	Standby w/out crew Drilling	· · · · · · · · · · · · · · · · · · ·		
Mobilization         0           Initial Mob/Demob Workover         0         155,726         155,726           Rig move b/w wells Workover         0         103,342         103,342           Initial Mob/Demob Drilling         0         0         0           Rig move b/w wells Drilling         0         0         0           Rig move b/w wells Drilling         0         0         0           Other Revenue         8         259,068         259,068           Equipment/Tool rental         97,960         16,958         114,918           Extra Labour         0         1,912         1,912           Others, Catering, Lodging         0         67,658         67,658           Equipment/Tool sales         97,960         88,594         186,554           Reimbursables         0         2,066         2,066           Reimbursable Labour         0         0         0           Reimbursable Fuel         0         0         0           Reimbursable Catering         0         0         0           Other Reimbursables         97,960         2,127,152         2,225,112           Expenses         Initial Mob/Demob Workover         0         101,900         101		0	13,915	13,915
Mobilization	Workover	0	601,804	601,804
Initial Mob/Demob Workover   0   155,726   155,726   Rig move b/w wells Workover   0   103,342   103,342   Initial Mob/Demob Drilling   0   0   0   0   0   0   0   0   0				0
Rig move b/w wells Workover         0         103,342         103,342           Initial Mob/Demob Drilling         0         0         0           Rig move b/w wells Drilling         0         259,068         259,068           Other Revenue         Equipment/Tool rental         97,960         16,958         114,918           Extra Labour         0         1,912         1,912           Others, Catering, Lodging         0         67,658         67,658           Equipment/Tool sales         97,960         88,594         186,554           Reimbursables         97,960         88,594         186,554           Reimbursable Labour         0         0         0         0           Reimbursable Eatering         0         0         0         0         0           Reimbursable Fuel         0	Mobilization			0
Initial Mob/Demob Drilling   0   0   0   0   0   0   0   0   0	Initial Mob/Demob Workover	0	155,726	155,726
Initial Mob/Demob Drilling   0	Rig move b/w wells Workover	0	103,342	
Other Revenue           Equipment/Tool rental         97,960         16,958         114,918           Extra Labour         0         1,912         1,912           Others, Catering, Lodging         0         67,658         67,658           Equipment/Tool sales         97,960         88,594         186,554           Reimbursables         0         2,066         2,066           Reimbursable Labour         0         0         0           Reimbursable Fuel         0         0         0         0           Reimbursable Catering         0         20         0         0         0           Other Reimbursables         97,960         2,127,152         2,225,112         2,225,112           Expenses           Initial Mob/Demob Workover         97,960         2,127,152         2,225,112           Expenses           Initial Mob/Demob Workover         0         101,900         101,900           Rig Move b/w wells Workover         0         73,180         73,180           Initial Mob/Demob Drilling         0         0         0           Rig Move b/w wells Drilling         0         0         0           Direct Rig Costs	Initial Mob/Demob Drilling	0		
Other Revenue           Equipment/Tool rental         97,960         16,958         114,918           Extra Labour         0         1,912         1,912           Others, Catering, Lodging         0         67,658         67,658           Equipment/Tool sales         97,960         88,594         186,554           Reimbursables         0         2,066         2,066           Reimbursable Labour         0         0         0           Reimbursable Fuel         0         0         0         0           Reimbursable Catering         0         20         0         0         0           Other Reimbursables         97,960         2,127,152         2,225,112         2,225,112           Expenses           Initial Mob/Demob Workover         97,960         2,127,152         2,225,112           Expenses           Initial Mob/Demob Workover         0         101,900         101,900           Rig Move b/w wells Workover         0         73,180         73,180           Initial Mob/Demob Drilling         0         0         0           Rig Move b/w wells Drilling         0         0         0           Direct Rig Costs	Rig move b/w wells Drilling	0	0	0
Other Revenue           Equipment/Tool rental         97,960         16,958         114,918           Extra Labour         0         1,912         1,912           Others, Catering, Lodging         0         67,658         67,658           Equipment/Tool sales         0         2,066         2,066           Equipment/Tool sales         97,960         88,594         186,554           Reimbursables           Reimbursable Labour         0         0         0           Reimbursable Fuel         0         0         0           Reimbursable Catering         0         0         0         0           Other Reimbursables         97,960         2,86,268         286,268           Total Revenue         97,960         2,127,152         2,225,112           Expenses           Initial Mob/Demob Workover         0         101,900         101,900           Rig Move b/w wells Workover         0         73,180         73,180           Initial Mob/Demob Drilling         0         0         0           Rig Move b/w wells Drilling         0         0         0           Rig Move b/w wells Drilling         0         10         0	_	0	259,068	259,068
Extra Labour         0         1,912         1,912           Others, Catering, Lodging         0         67,658         67,658           Equipment/Tool sales         0         2,066         2,066           Prince of the prince o	Other Revenue			
Extra Labour         0         1,912         1,912           Others, Catering, Lodging         0         67,658         67,658           Equipment/Tool sales         0         2,066         2,066           97,960         88,594         186,554           Reimbursables           Reimbursable Labour         0         0         0           Reimbursable Fuel         0         0         0           Reimbursable Catering         0         0         0           Other Reimbursables         0         286,268         286,268           286,268         286,268         286,268           Total Revenue         97,960         2,127,152         2,225,112           Expenses         Initial Mob/Demob Workover         0         101,900         101,900           Rig Move b/w wells Workover         0         73,180         73,180           Initial Mob/Demob Drilling         0         0         0           Rig Move b/w wells Drilling         0         0         0           Direct Rig Costs         20         175,080         175,080           Direct Labour         3         209,703         209,703           Overtime         0         0	Equipment/Tool rental	97,960	16,958	114,918
Others, Catering, Lodging Equipment/Tool sales         0         67,658         67,658           Equipment/Tool sales         0         2,066         2,066           97,960         88,594         186,554           Reimbursables           Reimbursable Labour         0         0         0           Reimbursable Fuel         0         0         0         0           Reimbursable Catering         0         286,268         286,268           Other Reimbursables         97,960         2,127,152         2,225,112           Expenses         1         0         101,900         101,900           Rig Move blow wells Workover         0         73,180         73,180           Initial Mob/Demob Drilling         0         0         0         0           Rig Move blow wells Drilling         0         0         0         0           Rig Move blow wells Drilling         0         0         0         0           Direct Rig Costs         0         175,080         175,080           Direct Labour         0         0         0         0           Salaries         0         0         0         0           Overtime	Extra Labour			
Equipment/Tool sales         0         2,066         2,066           97,960         88,594         186,554           Reimbursables           Reimbursable Labour         0         0         0           Reimbursable Fuel         0         0         0           Reimbursables         0         286,268         286,268           Other Reimbursables         97,960         2,127,152         2,225,112           Total Revenue         97,960         2,127,152         2,225,112           Expenses         1         101,900         101,900         101,900           Rig Move b/w wells Workover         0         73,180         73,180           Initial Mob/Demob Drilling         0         0         0         0           Rig Move b/w wells Drilling         0         0         0         0           Rig Move b/w wells Drilling         0         0         0         0           Direct Rig Costs         Direct Labour         209,703         209,703           Salaries         0         209,703         209,703           Overtime         0         0         0           Vacation         0         3,883         3,883	Others, Catering, Lodging	0		
Reimbursables         Reimbursable Labour         0         0         0           Reimbursable Fuel         0         0         0         0           Reimbursable Catering         0         286,268	5 5 5			
Reimbursable Labour         0         0         0           Reimbursable Fuel         0         0         0           Reimbursable Catering         0         286,268         286,268           Other Reimbursables         0         286,268         286,268           Total Revenue         97,960         2,127,152         2,225,112           Expenses         0         101,900         101,900           Rig Move b/w wells Workover         0         73,180         73,180           Initial Mob/Demob Drilling         0         0         0           Rig Move b/w wells Drilling         0         0         0           Rig Move b/w wells Drilling         0         0         0           Direct Rig Costs         0         175,080         175,080           Direct Labour         0         0         0           Salaries         0         209,703         209,703           Overtime         0         0         0           Vacation         0         3,883         3,883           Benefits         0         88,958         88,958	· ·	97,960		
Reimbursable Labour         0         0         0           Reimbursable Fuel         0         0         0           Reimbursable Catering         0         286,268         286,268           Other Reimbursables         0         286,268         286,268           Total Revenue         97,960         2,127,152         2,225,112           Expenses         0         101,900         101,900           Rig Move b/w wells Workover         0         73,180         73,180           Initial Mob/Demob Drilling         0         0         0           Rig Move b/w wells Drilling         0         0         0           Rig Move b/w wells Drilling         0         0         0           Direct Rig Costs         0         175,080         175,080           Direct Labour         0         0         0           Salaries         0         209,703         209,703           Overtime         0         0         0           Vacation         0         3,883         3,883           Benefits         0         88,958         88,958	Reimbursables			
Reimbursable Fuel         0         0         0           Reimbursable Catering         0         286,268         286,268           Other Reimbursables         97,960         2,127,152         2,86,268           Total Revenue         97,960         2,127,152         2,225,112           Expenses         State of the company of the		0	Λ	
Reimbursable Catering         0         0         0           Other Reimbursables         0         286,268         286,268           Total Revenue         97,960         2,127,152         2,225,112           Expenses         Unitial Mob/Demob Workover         0         101,900         101,900           Rig Move b/w wells Workover         0         73,180         73,180           Initial Mob/Demob Drilling         0         0         0           Rig Move b/w wells Drilling         0         0         0           Rig Move b/w wells Drilling         0         175,080           Direct Rig Costs         Direct Labour           Salaries         0         209,703         209,703           Overtime         0         0         0           Vacation         0         3,883         3,883           Benefits         0         88,958         88,958				
Other Reimbursables         0         286,268         286,268           Total Revenue         97,960         2,127,152         2,225,112           Expenses         Sig Move b/w wells Workover         0         101,900         101,900           Rig Move b/w wells Workover         0         73,180         73,180           Initial Mob/Demob Drilling         0         0         0           Rig Move b/w wells Drilling         0         0         0           Rig Move b/w wells Drilling         0         0         0           Direct Rig Costs         0         175,080         175,080           Direct Labour         Salaries         0         209,703         209,703           Overtime         0         0         0         0           Vacation         0         3,883         3,883           Benefits         0         88,958         88,958				
Total Revenue         97,960         2,127,152         2,225,112           Expenses         Sig Move b/w wells Workover         0         101,900         101,900         101,900         101,900         101,900         101,900         101,900         73,180         73,180         73,180         73,180         73,180         73,180         73,180         90         0 <t< td=""><td>9</td><td></td><td></td><td></td></t<>	9			
Total Revenue         97,960         2,127,152         2,225,112           Expenses         Salaries         0         101,900         101,900           Rig Move b/w wells Workover         0         73,180         73,180           Initial Mob/Demob Drilling         0         0         0           Rig Move b/w wells Drilling         0         0         0           Rig Move b/w wells Drilling         0         175,080         175,080           Direct Rig Costs           Direct Labour         Salaries         0         209,703         209,703           Overtime         0         0         0         0           Vacation         0         3,883         3,883           Benefits         0         88,958         88,958	State Remoutoures			
Expenses	Total Royanya	07.00	2 127 152	2.225.112
Initial Mob/Demob Workover         0 101,900         101,900           Rig Move b/w wells Workover         0 73,180         73,180           Initial Mob/Demob Drilling         0 0 0         0           Rig Move b/w wells Drilling         0 175,080         175,080           Direct Rig Costs           Direct Labour         5         209,703         209,703           Overtime         0 0 0 0         0           Vacation         0 3,883         3,883           Benefits         0 88,958         88,958	Total Revenue	97,960	2,127,152	2,225,112
Rig Move b/w wells Workover       0       73,180       73,180         Initial Mob/Demob Drilling       0       0       0         Rig Move b/w wells Drilling       0       0       0       0         Direct Rig Costs       Salaries       0       209,703       209,703         Overtime       0       0       0       0         Vacation       0       3,883       3,883         Benefits       0       88,958       88,958	Expenses			
Rig Move b/w wells Workover       0       73,180       73,180         Initial Mob/Demob Drilling       0       0       0         Rig Move b/w wells Drilling       0       175,080       175,080         Direct Rig Costs         Direct Labour       0       209,703       209,703         Salaries       0       209,703       0       0         Overtime       0       3,883       3,883         Vacation       0       88,958       88,958	Initial Mob/Demob Workover	0	101,900	101,900
Initial Mob/Demob Drilling       0       0       0         Rig Move b/w wells Drilling       0       0       0       0         Direct Rig Costs         Direct Labour         Salaries       0       209,703       209,703         Overtime       0       0       0       0         Vacation       0       3,883       3,883         Benefits       0       88,958       88,958	Rig Move b/w wells Workover	0		73,180
Direct Rig Costs         Variable           Direct Labour         0         209,703         209,703           Salaries         0         0         0         0           Overtime         0         3,883         3,883           Vacation         0         88,958         88,958	Initial Mob/Demob Drilling			
Direct Rig Costs         Variable           Direct Labour         0         209,703         209,703           Salaries         0         0         0         0           Overtime         0         3,883         3,883           Vacation         0         88,958         88,958	Rig Move b/w wells Drilling	0		
Direct Labour       0       209,703       209,703         Salaries       0       209,703       209,703         Overtime       0       0       0         Vacation       0       3,883       3,883         Benefits       0       88,958       88,958			·	
Direct Labour       0       209,703       209,703         Salaries       0       209,703       209,703         Overtime       0       0       0         Vacation       0       3,883       3,883         Benefits       0       88,958       88,958	Direct Rig Costs			
Salaries       0       209,703       209,703         Overtime       0       0       0         Vacation       0       3,883       3,883         Benefits       0       88,958       88,958				
Overtime       0       0       0         Vacation       0       3,883       3,883         Benefits       0       88,958       88,958		^	900 F05	202 =22
Vacation         0         3,883         3,883           Benefits         0         88,958         88,958				
Benefits 0 88,958 88,958				
Kon Dany 0 155,535 155,535				
	Kon Dany	U	155,535	155,535

Vehicle Maintenance	0	47	47
Fuel and Lubricants	0		14 292
Catering	0	14,382 63,586	14,382
Transportation of Materials and Fuel	U	03,360	63,586 0
International Freight	0	0	0
In-Country	0	13,120	13,120
Insurance and Bonds	0	15,368	15,368
Rental Expenses	U	13,300	15,508
Tools and Instruments	0	17,903	17,903
Vehicles	0	24,930	24,930
Equipment	0	194,456	194,456
Treatment Plants	0	6,160	6,160
Land and Building (Camps)	0	0,100	0,100
Others	0	0	0
Other Direct Expenses	0	22,125	22,125
Reimbursable Expenses	V	22,120	22,123
Reimbursable Labour	0	286,432	
Reimbursable Fuel	0	200,432	286,432
Reimbursable Catering	0	0	0
Other Reimbursables	0	0	0
Subcontracted Services	U	U	0
Technical Assistance	0	376	376
General Professional Services	0	6,548	6,548
Environmental	0	18,980	
QHSE & Training	Ų	10,500	18,980 0
QHSE	0	34,862	34,862
Training	0	18,425	18,425
TT Computers /Communications	0	5,450	
Direct Labour Travel & Accommodation	0		5,450
Taxes	U	15,398	15,398 0
Municipal	0	46,369	46,369
Other Taxes	0	40,309	40,309
Rig Maintenance	U	U	0
Tubular Repair and Inspection	0	16,607	
Drawworks, Swabbing	0		16,607
Hoists, Traveling Block, Equip	0	12,044 0	12,044
Soft Rope/Lifting	0	0	0
Mud/Centrifuge Pumps	0	54,650	
Rotary Table	0	258	54,650 258
Other R&M	0		
Pneumatic/Air system		3,369 947	3,369
BOP/Well Control	0	13,636	947
Camps & Houses	0	9,456	13,636
Carrier Unit	0	70	9,456
Electric system	0	13,907	70 12.007
Engines Engines			13,907
Transmission, Chains/Belts	0	11,231	11,231
Instrumentation	0	0 2,012	2.012
General Maintenance/Supplies	0	7,012	2,012 7,086
Safety equipment			
Low Pressure Lines	0	727	0
Mud System	0	737	737
· · · · · · · · · · · · · · · · · · ·	0	11,051	11,051
Hydraulic system	0	1,441	1,441
Rotary equipment	0	8,636	8,636
Top Drive	0	1,336	1,336
High pressure lines	0	10,097	10,097
Generators SCP System	0	10,671	10,671
SCR System	0	550 506	550
Mast/Derrick	0	596	596

Mobile equipment	0	636	636
Hand tools	0	10,389	10,389
Water Treatment	0	2,662	2,662
Allocation Costs	0	0	0
Safety	0	0	0
Base Camp	0	53,044	53,044
	0	1,520,115	1,520,115
Total expenses	0	1,695,195	1,695,195
Gross Margin	97,960	431,957	529,917
Gross Margin %	100%	20%	120%
General & Administration Expenses			
Salaries	132,293	73,412	205,705
Travel	2,010	1,757	3,767
Insurance	41,928	0	41,928
Freight	0	0	0
Audit	(200,000)	0	(200,000)
Legal	0	4,196	4,196
Other Professional	(511,790)	1,850	(509,940)
Recruitment	0	0	0
Office Supplies & Equipment	2,499	8,709	11,208
Parking	3,093	0	3,093
Business & Prop. Tax	29,982	159	30,142
Marketing	0	0	0
Investor Relations	2,404	0	2,404
IT Expenses	2,511	1,402	3,912
Rent & Utilities	58,245	6,843	65,088
Repairs & Maintenance	0	1,815	1,815
Telephone Bank fees	1 202	5,224	5,224
Bad debt Expense	1,302 0	255 0	1,557
Other Administration	1,325	1,558	0 2,883
outer running and	(434,199)	107,178	(327,020)
			(027,020)
EBITDA	532,159	324,778	
Other Expenses			
Depreciation	0	299,917	299,917
Stock based compensation	174,538	0	174,538
Amortization of Financing fees	4,315,278	0	4,315,278
Interest Expense	6,261,842	0	6,261,842
Foreign Exchange Loss (Gain)	(2,069)	0	(2,069)
Interest Income	0	0	0
Equity Income	0	0	0
Hedges	0	(2, 625)	0
Other	10,749,580	(2,027) 297,890	(2,036)
Net Income (loss) before income taxes			
reconce (1055) before income taxes	(10,217,421)	26,888	(10,190,533)
Income taxes	0	0	0
Future income taxes	0	0	0
	0	0	0
Net Income (loss)	(10,217,421)	26,888	(10,190,533)

**MOR-3: Balance Sheet** 

### Tuscany International Drilling Inc.

#### Balance Sheet

#### TID Period ended

Back to Table of		March	
	<u>Canada</u>	Ecuador	Consolidated
Assets			
Current Assets			
Cash	4,872,684	504,603	5,377,288
Restricted cash	0	0	0
Accounts receivable	5,352,002	16,971,445	22,323,447
Prepaid expenses and deposits	816,472	646,462	1,462,933
Inventory	0	2,881,178	2,881,178
Foreign VAT recoverable - ST	0	317,184	317,184
	11,041,158	21,320,872	32,362,030
Assets held for sale	0	0	0
Deferred tax asset	0	0	0
Foreign VAT recoverable - LT	0	0	0
Long-term investments	3,555,989	0	3,555,989
Property and equipment	80,125,461	33,823,014	113,948,475
	94,722,608	55,143,886	149,866,493
Liabilities			
Current Liabilities			
Bank Indebtedness	0	0	0
Accounts payable and accrued liabilities	15,338,629	1,828,218	17,166,847
Intercompany	(438,657,878)	48,781,501	(389,876,377)
Current portion of LTD	0	0	0
Income Taxes Payable	(42,428)	645,601	603,173
Due to shareholders	875,547	0	875,547
Foreign VAT Payable - ST	0	0	0
	(422,486,130)	51,255,319	(371,230,811)
Loan payable	216,714,480	0	216,714,480
Hedges	0	0	0
Deferred taxes payable	0	4,719	4,719
	(205,771,650)	51,260,039	(154,511,612)
Shareholder's Equity			
Share capital	381,797,962	50,014	381,847,976
Contributed Surplus Warrants	24,136,269	0	24,136,269
	0	0	0
Other Comprehensive Income Retained earnings	(105 420 072)	2 022 022	(101 (0( 120)
Round	(105,439,973)	3,833,833	(101,606,139)
	300,494,258	3,883,847	304,378,105
	94,722,608	55,143,886	149,866,493

In re: Tuscany International Holdings (U.S.A.) Ltd, et al. Debtors

Case No. 14-10183 (KG) Reporting Period: 3/1/14 – 3/31/14

# DECLARATION REGARDING THE STATUS OF THE DEBTORS' POST-PETITION TAXES OF AS OF MARCH 31, 2014

- I, Matt Moorman, hereby declare under penalty of perjury under 28 U.S.C. § 1746:
  - 1. I am the Chief Financial Officer of the above-captioned debtors and debtors in possession (collectively, the "<u>Debtors</u>"). I am familiar with the Debtors' day-to-day operations, business, affairs and books and records.
- 2. All statements in this Declaration are based on my personal knowledge, my review of the relevant documents, my discussions with other employees of the Debtors, or my opinion based upon my experience and knowledge of the Debtors' operations and financial condition. If I were called upon to testify, I could and would testify to each of the facts set forth herein based on such personal knowledge, review of documents or opinion. I am authorized to submit this Declaration of behalf of the Debtors.
- 3. To the best of my knowledge, from the Petition Date through March 31, 2014 the Debtors have filed all necessary federal, state and local tax returns and made all required postpetition tax payments in connection therewith on a timely basis or have promptly remediated any late filings or payments that may have occurred due to unintentional oversights.
- 4. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: May 7, 2014

Respectfully submitted,

Maty Moorman

Chief Financial Officer

# **MOR-4: Summary of Unpaid Postpetition Debt**

In re: Tuscany International Holdings (U.S.A.) Ltd, <u>et al.</u>
Debtors

Case No. 14-10193 (KG) Reporting Period: 3/1/14 – 3/31/14

#### MOR-4: SUMMARY OF UNPAID POST-PETITION DEBTS

		Number of Da	ys Past Due			
	Current	0-30	31-60	61-90	Over 90	Total
Total Gross Accounts Payable	984,137.73	1,010,553.25	303,770.42	15,040.09	54,731.69	2,368,233.18

#### Notes:

- (1) The Debtors' are paying post-petition debts as they become due in the ordinary course.
- (2) The Debtors' maintain accruals for goods and services received but not invoiced. They do not consider these due until they are involved, therefore certain payables may not be included based on timing of invoicing from vendor.
- (3) The Debtors' are continuing to bifurcate pre and post-petition invoices in their AP system as they come in from vendors.

**MOR-5: Accounts Receivable and Aging** 

In re: Tuscany International Holdings (U.S.A.) Ltd, <u>et al.</u> Debtors Case No. 14-10193 (KG)

**Reporting Period: 3/1/14 – 3/31/14** 

#### MOR-5: ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

(in thousands)

Net Accounts Receivable Aging	Amount
0 - 30 Days	\$ 2,438,923.82
31 – 60 Days	\$ 11,879.30
61 – 90 Days	\$ 12.00
91 – 180 Days	\$ 36,259.47
181 – 360 Days (1)	\$ 709,358.36
361 + Days (1)	\$ 10,563,883.99
Total Aged Accounts Receivable	\$13,760,316.95
Other Accounts Receivable	\$0
Total Accounts Receivable (Net)	\$13,760,316.95

#### Notes:

<sup>(1) –</sup> Includes accounts receivable owing from Servicios Intergrados CYA of approximately \$11.25 million. This receivable is classified as a doubtful account and is currently subject to ongoing litigation.

In re Tuscany International Holdings (U.S.A.) Ltd.,  $\underline{et}$   $\underline{al}$ . Debtors

#### **MOR-5: DEBTOR QUESTIONNAIRE**

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business		
this reporting period? If yes, provide an explanation below.		Х
2. Have any funds been disbursed from any account other than a debtor in possession		
account this reporting period? If yes, provide an explanation below.	X	
3. Have all postpetition tax returns been timely filed? If no, provide an explanation		
below.		
4. Are workers compensation, general liability and other necessary insurance		
coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide		Control of the second second second
documentation identifying the opened account(s). If an investment account has been opened		
provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X

All disbursements made are consistent with the Cash Management Order.