PARADISE GAS CARRIERS CORP.

Financial Statements prepared in accordance with U.S. GAAP for the period from May 9, 2013 to December 31, 2013

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Independent Auditor's Report

To the Board of Directors and Shareholders
of Paradise Gas Carriers Corp.

We have audited the accompanying consolidated financial statements of Paradise Gas Carriers Corp. and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2013, and the related consolidated statements of comprehensive income, shareholders' equity and cash flows for the period from May 9, 2013 to December 31, 2013.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Paradise Gas Carriers Corp. and its subsidiaries at December 31, 2013, and the results of its operations and its cash flows for the period from May 9, 2013 to December 31, 2013 in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers S.A.

Athens, Greece
June 16, 2014

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PARADISE GAS CARRIERS CORP.
CONSOLIDATED BALANCE SHEET
(Expressed in thousands of United States dollars)

	Notes	As of December 31, 2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		6,453
Accounts receivable		2,338
Inventories	3	1,304
Other receivables		19
Prepaid expenses		38
Due from related parties	8	794
Total current assets		**10,946**
NON-CURRENT ASSETS		
Fixed assets, net	4	38,031
Total non-current assets		**38,031**
Total assets		**48,977**
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	5	629
Accrued liabilities	6	388
Other current liabilities	7	63
Total current liabilities		**1,080**
Total liabilities		**1,080**
Commitments and Contingencies	14	-
SHAREHOLDERS' EQUITY		
Common stock (1,000 common shares, no par value, authorized and issued)		-
Additional paid-in capital		49,000
Accumulated deficit		(1,103)
Total shareholders' equity		**47,897**
Total liabilities and shareholders' equity		**48,977**

The accompanying notes on pages 8 to 18 are an integral part of these consolidated financial statements.

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Expressed in thousands of United States dollars)

	Notes	Period from May 9 to December 31, 2013
Operating revenue	11	5,642
Total operating revenue-net		**5,642**
Operating expenses		
Voyage expenses	13	(3,470)
Vessel operating expenses	12	(1,908)
Depreciation	4	(564)
Commissions		(266)
Management fees	8	(164)
General and administrative expenses		(368)
Net operating expenses		**(6,740)**
Loss from operations		**(1,098)**
OTHER INCOME (EXPENSES)		
Other finance expenses		(10)
Other income/expenses, net		5
Total other expenses		**(5)**
Net Loss for the period		**(1,103)**
Other comprehensive income for the period		-
Total comprehensive loss for the period		**(1,103)**

The accompanying notes on pages 8 to 18 are an integral part of these consolidated financial statements.

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
(Expressed in thousands of United States Dollars)

	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total
As of May 9, 2013	-	-	-	-
Net loss for the period	-	-	(1,103)	**(1,103)**
Capital contributions	-	49,000	-	**49,000**
As of December 31, 2013	**-**	**49,000**	**(1,103)**	**47,897**

The accompanying notes on pages 8 to 18 are an integral part of these consolidated financial statements.

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in thousands of United States Dollars)

	Notes	Period from May 9 to December 31, 2013
Cash Flows from operating activities		
Net loss for the period		(1,103)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	4	564
(Increase)/Decrease in:		
Accounts receivable		(2,338)
Prepaid expenses		(38)
Other receivables		(19)
Inventories		(1,304)
Net payments to related parties		(794)
Increase/(Decrease) in:		
Accounts payable		629
Accrued liabilities		388
Other current liabilities		63
Net Cash used in operating activities		**(3,952)**
Cash Flows from investing activities		
Acquisition of vessels	4	(38,595)
Net Cash used in Investing Activities		**(38,595)**
Cash Flows from Financing Activities:		
Capital Contributions		49,000
Net Cash provided by Financing Activities		**49,000**
Net Increase in Cash and Cash Equivalents		6,453
Cash and Cash Equivalents, Beginning of Period		-
Cash and Cash Equivalents, End of Period		**6,453**

The accompanying notes on pages 8 to 18 are an integral part of these consolidated financial statements.

(Expressed in thousands of United States Dollars)

1 Basis of Presentation and General Information

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The reporting and functional currency of the Company is the United States Dollar.

Paradise Gas Carriers Corp. ("Paradise" or the "Company" and together with its subsidiaries the "Group"), was formed on May 9, 2013, in Monrovia, Liberia and is presently the sole owner of all outstanding shares of the companies (the "Paradise Subsidiaries") listed below.

The Group's vessels operate worldwide, carrying oil and LPG for many of the world's leading charterers. The Company manages its operations from its offices in Athens, Greece.

The Group's principal business is the acquisition and operation of vessels. Paradise conducts its operations through the vessel owning subsidiaries that have as principal activity the ownership and operation of oil tanker and gas carrier vessels that are under the exclusive management of a related party of the Group (refer to Note 8–Related Party Transactions).

The consolidated financial statements have been prepared to reflect the consolidation of the companies listed below. The historical balance sheet and results of operations of the companies listed below have been reflected in the consolidated balance sheet and consolidated statement of income, cash flows and shareholders' equity at and for each period since their respective incorporation.

As of December 31, 2013, Paradise consolidated the companies listed below:

Company	Date of Incorporation	% Shareholding	Vessel Name	Vessel Type	Year Built	DWT
Marina Maritime and Trading Ltd	May 8, 2013	100	PGC MARINA	Oil Tanker	2005	72,854
Aratos Maritime Ltd	July 24, 2013	100	PGC ARATOS	Gas Carrier	2003	9,328

2 Significant Accounting Policies

Principles of Consolidation: The accompanying consolidated financial statements represent the consolidation of the accounts of the Company and subsidiaries it controls. The subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The Company also consolidates entities that are determined to be variable interest entities as defined in Financial Accounting Standards Board ("FASB") Interpretation No. 46(R) if it determines that it is the primary beneficiary. A variable interest entity is defined as a legal entity where either (a) equity interest holders as a group lack the characteristics of a controlling financial interest, including decision making ability and an interest in the entity's residual risks and rewards, or (b) the equity holders have not provided sufficient equity investment to permit the entity to finance its activities without additional subordinated financial support, or (c) the voting rights of some investors are not proportional to their obligations to absorb the expected losses of the entity, their rights to receive the expected residual returns of the entity, or both and substantially all of the entity's activities either involve or are conducted on behalf of an investor that has disproportionately few voting rights.

All intercompany balances and transactions are eliminated on consolidation.

Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Foreign Currency Translation: The functional currency of the Group is the U.S. dollar. Transactions involving other currencies during the year are converted into U.S. dollars using the exchange rates in effect at the time of the transaction. On the balance sheet dates, monetary assets and liabilities denominated in other currencies are translated to reflect the current exchange rates. Resulting gains or losses are reflected in the accompanying consolidated statements of income.

Cash and Cash Equivalents: Cash and cash equivalents consist of current, call, and time deposits with original maturity of three months or less which are not restricted for use or withdrawal.

Accounts Receivable: The amount shown as Accounts Receivable at each balance sheet date includes estimated recoveries from charterers for freight and demurrage billings, net of allowance for doubtful accounts. An estimate is made of the allowance for doubtful accounts based on a review of all outstanding amounts at each period, and an allowance is made for any accounts which management believes are not recoverable. Bad debts are written off in the year in which they are identified. No allowance for doubtful accounts has been taken in any period included in these consolidated financial statements.

Insurance: The Group accounts for the cost of possible additional call amounts under its insurance arrangements in accordance with accounting for contingencies based on the Group's historical experience and the historical experience of the shipping industry. There were no calls and no call expenses for the period ended December 31, 2013, and no amounts have been accrued in the consolidated financial statements on December 31, 2013.

2 Significant Accounting Policies (continued)

Prepaid Expenses and Inventories: Prepaid expenses consist mainly of prepayment of insurance expenses. Inventories, consisting mainly of bunkers, lubricants and provisions remaining on board the vessels at each period end, are valued at the lower of market value or cost as determined using the first-in first-out method.

Vessels' Cost: Vessels are stated at cost, less accumulated depreciation, which consists of the contract purchase price and any material expenses incurred upon acquisition (improvements and delivery expenses). Subsequent expenditures for conversions and major improvements are also capitalized when they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels. Otherwise these expenditures are charged to expenses as incurred. Vessels acquired in the secondhand market are treated as a business combination to the extent that such acquisitions include continuing operations and business characteristics such as management agreements, employees and customer base. Otherwise these are treated as purchase of assets. Where the Group identifies any intangible assets or liabilities associated with the acquisition of a vessel purchased in the secondhand market, the Group records all identified tangible and intangible assets or liabilities at fair value. Fair value is determined by reference to market data and the discounted amount of expected future cash flows.

Vessels' Depreciation: The cost of the Group's vessels is depreciated on a straight-line basis over the vessels' remaining economic useful lives after considering the estimated residual value. Management has estimated the useful life of the Group's vessels for the Tankers and Gas Carriers to be 25 years

Accounting for Special Survey and Dry-docking Costs: The Group follows the accounting guidance for planned major maintenance activities. Dry-docking and special survey costs, which are reported in the balance sheet within "Deferred charges, net", include planned major maintenance and overhaul activities for ongoing certification. The Group follows the deferral method of accounting for special survey and dry-docking costs, whereby actual costs incurred are deferred and are amortized on a straight-line basis over the period until the next scheduled survey, which is between two and a half and three years. If special survey or dry-docking is performed prior to the scheduled date, the remaining unamortized balances are immediately written off.

The amortization periods reflect the estimated useful economic life of the deferred charge, which is the period between each special survey and dry-docking. Costs incurred during the dry-docking period relating to routine repairs and maintenance are expensed.

Impairment of Long-lived Assets: Vessels held and used by the Company are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. In accordance with accounting for long-lived assets, management reviews valuations and compares them to the asset's carrying amounts. Should the valuations indicate potential impairment, management determines projected undiscounted cash flows for each asset and compares it to its carrying amount. In the event that impairment occurs, an impairment charge is recognized by comparing the asset's carrying amount to its estimated fair value. For the purposes of assessing impairment, long lived-assets are grouped at the lowest levels for which there are separately identifiable cash flows. No impairment loss was recognized for the period presented.

2 Significant Accounting Policies (continued)

Pension and Retirement Benefit Obligations-Crew: The crew on board the companies' vessels serves in such capacity under short-term contracts (usually up to nine months) and accordingly, the vessel-owning companies are not liable for any pension or post retirement benefits.

Accounting for Revenue and Expenses: Revenue is recorded when services are rendered, under a signed charter agreement or other evidence of an arrangement, the price is fixed or determinable, and collection is reasonably assured. Revenues are generated from time charters and spot voyage charters.

Revenues from freight of vessels are accounted for as operating leases and are thus recognized on a straight line basis as the average revenue over the rental periods of such charter agreements, as service is performed, except for loss generating time charters, in which case the loss is recognized in the period when such loss is determined. A time charter involves placing a vessel at the charterers' disposal for a period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Under time charters, operating costs such as for crews, maintenance and insurance are typically paid by the owner of the vessel.

Under a spot voyage charter the revenues and associated voyage costs are recognized rateably over the estimated relative transit time of each voyage based on the days of voyage completed compared to the estimated voyage time. Revenue is a factor of the weight of the cargo which is known at the time of loading and before the voyage begins.

Voyage revenues begin to be recognized at the time the vessel begins loading its cargo and end upon completion of the discharge of the same cargo. Probable losses on voyages are provided for in full at the time such losses can be estimated.

Commissions: Address and brokerage commissions from freight of vessels represent discounts and fees provided directly to the charterers and brokers based on a fixed percentage of the agreed upon charter or freight rate.

Commercial management fees represent commissions charged by the commercial manager of the pool, calculated on a fixed percentage of the pool revenues.

2 Significant Accounting Policies (continued)

General and Administrative Expenses: General and administrative expenses include audit and accounting services, legal and insurance services, administrative and clerical services, and banking and financial services.

Repairs and Maintenance: All repair and maintenance expenses including major overhauling and underwater inspection expenses are charged against income incurred and are included in vessel operating expenses in the accompanying consolidated statements of income.

Recent Accounting Pronouncements:

Comprehensive Income

In February 2013, the FASB issued new guidance for reporting of amounts reclassified out of accumulated other comprehensive income. The amendment requires an entity to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income if the amount being reclassified is required under U.S. GAAP to be reclassified in its entirety to net income. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income in the same reporting period, an entity is required to cross-reference other disclosures required under U.S. GAAP that provide additional detail about those amounts. Public companies are required to comply with these amendments for all reporting periods presented, including interim periods. The amended guidance was effective for the Company for reporting periods beginning after December 15, 2012. The adoption of the new guidance did not have a material effect on the Group's consolidated financial statements.

(Expressed in thousands of United States Dollars)

3 Inventories

The amounts shown in the accompanying consolidated balance sheets are analyzed as follows:

	December 31, 2013
Bunkers	998
Lubricants	223
Stores	83
Total	**1,304**

4 Vessels

Vessels' cost and accumulated depreciation and changes are analyzed as follows:

	Vessels' Cost	Accumulated Depreciation	Net Book Value
May 9, 2013	-	-	-
Additions	38,595	-	**38,595**
Depreciation	-	(564)	**(564)**
December 31, 2013	**38,595**	**(564)**	**38,031**

On July 18, 2013, the Group acquired the vessel PGC Marina for a consideration of SGD $19,800.

On October 24, 2013, the Group acquired the vessel PGC Aratos, subject to a Memorandum of Agreement ("MoA") dated on August 5, 2013, for a consideration of $22,500.

The scrap value of the Group's vessels was determined by multiplying their light displacement weight (ldt) by an estimated price for scrap of $390 per ldt.

5 Accounts Payable

Accounts payable is comprised of the following:

	December 31, 2013
Suppliers	602
Agents	27
Total	**629**

6 Accrued Liabilities

Accrued liabilities consist of the following:

	December 31, 2013
Accrued operating expenses	388
	388

(Expressed in thousands of United States Dollars)

7 Other Current Liabilities

Other current liabilities consist of the following:

	December 31, 2013
Masters	63
	63

8 Related Party Transactions

Technical Management Services: Pursuant to a ship management agreement between each of the vessel owning companies and Paradise Navigation S.A. (the "Technical Manager"), the Technical Manager acts as the fleet's technical manager responsible for (i) recruiting qualified officers and crews, (ii) managing day to day vessel operations and relationships with charterers, (iii) purchasing of stores, supplies and new equipment for the vessels, (iv) performing general vessel maintenance, reconditioning and repair, including commissioning and supervision of shipyards and subcontractors of dry-dock facilities required for such work, (v) ensuring regulatory and classification society compliance, (vi) performing operational budgeting and evaluation, (vii) arranging financing for vessels and (viii) providing accounting, treasury and finance services, (ix) supervising the sale and physical delivery of the Vessel under the sale agreement, (x) arranging for the sampling and testing of bunkers, (xi) arranging crew insurances and (xi) providing information technology software and hardware in the support of the Group's processes.

For the services rendered during 2013, the Manager charged Group's vessels management fees of $140.

Commercial Management Services: The Company has employed Paradise Navigation S.A. to act as the "Commercial Manager" for its vessels. The Commercial Manager charges a commission of 1.25% on all time-charter hire, voyage freight, dead freight, demurrage, and any other income earned by the vessels. For the services rendered during 2013, the Manager charged Group's vessels fees of $24.

The companies in the Group pay monthly advances on account of the above management fees. Related party balances presented within current assets represent amounts due from the Technical Manager at the balance sheet dates.

Due from Related Parties as of December 31:

	December 31, 2013
Paradise Navigation SA	794
Total	**794**

9 Taxes

Under the laws of the countries of the Company's ship owning subsidiaries' incorporation and/or vessels' registration, the Company's ship operating subsidiaries are not subject to tax on international shipping income, however, they are subject to registration and tonnage taxes, which have been included in Vessel Operating Expenses in the accompanying consolidated Statements of Comprehensive Income.

10 Financial Instruments

The principal financial assets of the Group consist of cash and cash equivalents, trade receivables and other assets. The principal financial liabilities of the Group consist of accounts payable.

Concentration of Credit Risk: Financial instruments that potentially subject the Group to significant concentrations of credit risk consist principally of cash and trade accounts receivable. The Group places its temporary cash investments, consisting mostly of deposits, with high credit qualified financial institutions. The Group performs periodic evaluations of the relative credit standing of those financial institutions that are considered in the Group's investment strategy. The Group does not require collateral on these financial instruments. Credit risk with respect to trade receivables is generally diversified as a result of the management's close monitoring of the charterers' performance and periodic evaluation of the charterers' creditworthiness.

Foreign Exchange risk: Foreign currency transactions are translated into the measurement currency rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

Fair Value of Financial Instruments
The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amounts reported in the consolidated balance sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

Trade receivables: Carrying amounts are considered to approximate fair value due to the short-term nature of these accounts receivables and no significant changes in interest rates. All amounts that are assumed to be uncollectible are written off and/or reserved.

Accounts payable: The carrying amount of accounts payable reported in the balance sheet approximates its fair value due to the short-term nature of these accounts payable and no significant changes in interest rates.

Due from related parties: The carrying amount of due from related parties reported in the balance sheet approximates its fair value due to the short-term nature of these accounts payable and no significant changes in interest rates.

(Expressed in thousands of United States Dollars)

10 Financial Instruments (cont'd)

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments at December 31, 2013.

	December 31, 2013	
	Carrying amount	Fair value
Assets		
Cash and cash equivalents	6,453	6,453
Accounts receivable	2,338	2,338
Amounts due from related parties	794	794
Liabilities		
Accounts payable	629	629

Fair value Hierarchy

The guidance on fair value measurements prescribes methods for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and expands disclosures about the use of fair value measurements.

The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurement involving significant unobservable inputs (Level 3 measurement) The three levels of the fair value hierarchy are as follows:
Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets
Level 2: Significant Observable Inputs other than quoted prices included in Level 1
Level 3: Significant unobservable inputs.

The estimated fair value of our financial instruments that are not measured at fair value on a non-recurring basis, categorized based upon the fair value hierarchy, are as follows:

Fair value December 31, 2013 using

	Total	Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	6,453	6,453	-	-

(Expressed in thousands of United States Dollars)

11 Operating Revenue

Revenue from significant customers/charterers (constituting more than 10% of total revenue), are as follows:

Charterer	May 9, 2013 to December 31, 2013
Penfield Marine LLC	82%
Prime Maritime	17%

12 Vessels' Operating Expenses

	May 9, 2013 to December 31, 2013
Wages	903
Victualling	57
Insurances	146
Lubricants	166
Repairs & Maintenance	350
Components & Spares	147
Tonnage tax	9
Crew travelling & other expenses	91
Water & Laundry	3
Other expenses	36
	1,908

13 Voyage Expenses

	May 9, 2013 to December 31, 2013
Bunkers	2,528
Port expenses	843
Agency fees	12
Other voyage expenses	87
	3,470

14 Commitments and Contingencies

There are no legal proceedings to which the Group is a party or to which any of its properties are the subject, and there are no other contingencies that the Group is aware of.

15 Subsequent Events

i. On February 14, 2014 the Company entered into a new loan facility with DVB BANK SE amounting to $35,250, in order to finance part of the acquisition cost of its already acquired vessels PGC Marina, PGC Aratos and SYN Antares, which will be acquired in 2014.

   Under the new loan agreement, the lenders shall make available to the borrowers a loan facility divided into three tranches: (i) tranche A for the finance of PGC Marina, (ii) tranche B for the finance of PGC ARATOS and (iii) tranche C for the finance of SYN Antares.

   The loan bears interest at 3.55% over Libor.

   On May 14, 2014 under a cancellation note the Company cancelled the tranche C, an amount of $17,500, for the finance of vessel SYN Antares, as it had not managed to reach an agreement with the seller.

ii. On January 13, 2014 the Company acquired the LPG Carrier "Newmarket 1" for an amount of $12,000. The vessel was delivered to the Group on March 12, 2014 and renamed as PGC Strident Force.

   On January 13, 2014 the Company acquired the LPG Carrier "Aintree" for an amount of $6,500. The vessel was delivered to the Group on March 17, 2014 and renamed as PGC Darko King.