

PARADISE GAS CARRIERS CORP.
CONSOLIDATED BALANCE SHEET, INCOME STATEMENT, CASH FLOW
(Expressed in thousands of United States Dollars)

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CONSOLIDATED BALANCE SHEETS, INCOME STATEMENT, CASH FLOW

(Expressed in thousands of United States Dollars)

	<u>As of June 30,</u> <u>2014</u>	<u>As of December 31,</u> <u>2013</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	18,547	6,453
Accounts receivable, net	3,470	2,357
Inventories	861	1,304
Prepaid expenses	546	38
Due from related parties	-	794
Total current assets	23,424	10,946
NON-CURRENT ASSETS		
Fixed assets, net	55,301	38,030
Deferred charges, net	1,405	-
Total non-current assets	56,706	38,030
Total assets	80,130	48,976
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	1,888	629
Accrued liabilities	595	388
Current portion of long-term debt	2,303	-
Due to related parties	27	-
Other current liabilities	192	63
Total current liabilities	5,005	1,080
NON-CURRENT LIABILITIES		
Long term debt	15,447	-
Total non-current liabilities	15,447	-
Total liabilities	20,452	1,080
STOCKHOLDERS' EQUITY		
Additional paid-in capital	60,000	49,000
Accumulated deficit	(322)	(1,104)
Total stockholders' equity	59,678	47,896
Total liabilities and stockholders' equity	80,130	48,976

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	<u>Period from January 1 to June 30, 2014</u>
Operating revenue	11,459
Voyage expenses	(3,924)
Vessel operating expenses	(3,893)
Depreciation	(1,533)
Commissions	(419)
Management fees	(355)
General and administration expenses	(209)
Net operating expenses	<u>(10,333)</u>
Income From Operations	<u>1,126</u>
OTHER INCOME (EXPENSE):	
Interest income	16
Interest expense	(227)
Other finance expenses	(124)
Other expenses, net	(9)
Total Other Expense, net	<u>(344)</u>
Net Income	<u>782</u>

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	Period from January 1 to June 30,
	2014
Cash Flows from Operating Activities:	
Net income	782
Adjustments to reconcile net profit to net cash generated from operating activities	
Depreciation	1,533
Amortization of deferred finance costs	28
Increase/(Decrease) in:	
Accounts receivable	(1,113)
Prepaid expenses	(508)
Inventories	443
Amounts due from related parties	821
Increase in:	
Accounts payable	1,259
Accrued liabilities	207
Other current liabilities	129
Net Cash generated from Operating Activities	3,581
Cash Flows from Investing Activities:	
Acquisition of vessels	(18,804)
Net Cash used in Investing Activities	(18,804)
Cash Flows from Financing Activities:	
Proceeds from long-term debt	17,750
Deferred finance costs	(1,433)
Capital contribution	11,000
Net Cash generated from Financing Activities	27,317
Net Increase in Cash and Cash Equivalents	12,094
Cash and Cash Equivalents, Beginning of Period	6,453
Cash and Cash Equivalents, End of Period	18,547
Supplementary Cash Flow information	
Cash paid for interest	170