



**Q3/2017 CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)**

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

	<u>As of September 30,</u> <u>2017</u>	<u>As of December 31,</u> <u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5,811	5,844
Trade receivable	4,848	3,610
Inventories	1,577	927
Insurance and other claims	14	7
Other receivables	2,673	1,446
Prepaid expenses	697	168
Total current assets	15,620	12,002
NON-CURRENT ASSETS		
Fixed assets, net	104,222	59,776
Vessels under construction	19,569	34,450
Deferred charges, net	3,089	4,656
Seller credit guarantee	2,000	2,000
Total non-current assets	128,880	100,882
Total assets	144,500	112,884
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	2,706	1,968
Accrued liabilities	1,503	311
Current portion of long-term debt	3,226	7,266
Unearned revenue	-	227
Loan from shareholders	2,073	-
Due to related parties	488	66
Other current liabilities	485	-
Provisions for other liabilities and charges	597	481
Total current liabilities	11,078	10,319
NON-CURRENT LIABILITIES		
Deferred gain on sale of vessel, net of current portion	1,088	1,581
Long term debt, net of current portion	52,319	21,947
Total non-current liabilities	53,407	23,528
Total liabilities	64,485	33,847
SHAREHOLDERS' EQUITY		
Additional paid-in capital	71,500	71,500
Preferred stock	2,838	-
Retained earnings	5,677	7,537
Total stockholders' equity	80,015	79,037
Total liabilities and stockholders' equity	144,500	112,884



PARADISE GAS CARRIERS CORP.
CONSOLIDATED INCOME STATEMENT (unaudited)
(Expressed in thousands of United States Dollars)

	Period from January 1 to September 30, 2017	Period from January 1 to September 30, 2016
Operating revenue	20,175	28,244
Voyage expenses	(2,488)	(1,751)
Vessel operating expenses	(11,090)	(11,131)
Charter hire expenses	(1,276)	(2,192)
Depreciation	(3,614)	(3,737)
Amortization of deferred dry-docking and survey costs	(1,397)	(1,088)
Commissions	(517)	(499)
Management fees	(1,138)	(986)
Extraordinary items	(132)	-
General and administration expenses	(47)	(265)
Net operating expenses	(21,699)	(21,649)
(Loss)/Income From Operations	(1,524)	6,595
Gain on vessel's disposal	493	494
OTHER INCOME (EXPENSE):		
Interest expense	(648)	(263)
Other finance expenses	(49)	(39)
Other income, net	(65)	29
Total Other Expense, net	(762)	(273)
Net (loss)/ Income	(1,793)	6,816



PARADISE GAS CARRIERS CORP.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY (unaudited)
(Expressed in thousands of United States Dollars)

	Common Stock	Preferred Stock	Additional Paid-in Capital	Retained Earnings	Total
As of January 1, 2016	-	-	68,750	7,169	75,919
Net Profit for the period	-	-	-	3,585	3,585
Capital Contribution	-	-	2,750	-	2,750
Dividends	-	-	-	(3,217)	(3,217)
As of December 31, 2016	-	-	71,500	7,537	79,037
As of January 1, 2017	-	-	71,500	7,537	79,037
Capital Contribution	-	2,838	-	-	2,838
Dividends	-	-	-	(67)	(67)
Net loss for the period	-	-	-	(1,793)	(1,793)
As of June 30, 2017	-	2,838	71,500	5,677	80,015

PARADISE GAS CARRIERS CORP.

CONSOLIDATED CASHFLOW STATEMENT (unaudited)
(Expressed in thousands of United States Dollars)

	Year ended September 30, 2017	Period ended September 30, 2016
Cash Flows from Operating Activities:		
Net income	(1,793)	6,816
Adjustments to reconcile net profit to net cash generated from operating activities		
Depreciation	3,614	3,737
Amortization of deferred dry-docking and special survey costs	1,397	1,088
Amortization of deferred finance costs	5	22
Gain on sale of vessel	(493)	(494)
Increase/(Decrease) in:		
Accounts receivable	(1,238)	1,087
Other receivables	(1,227)	(866)
Prepaid expenses	(529)	490
Inventories	(650)	(473)
Insurance and other claims	(7)	-
Amounts due to related parties	422	228
Due to Shareholders	-	(2,200)
Accounts payable	737	(391)
Payments for dry-docking/special survey	(357)	(233)
Provisions for other liabilities and charges	116	-
Unearned revenue	(227)	-
Loan from related parties	2,073	-
Accrued liabilities	1,192	(402)
Other current liabilities	485	(717)
Net Cash generated from Operating Activities	3,520	7,692
Cash Flows from Investing Activities:		
Proceeds from sale of vessel	3,953	-
Advances for vessels under construction	(35,196)	(5,790)
Net Cash used in Investing Activities	(31,243)	(5,790)
Cash Flows from Financing Activities:		
Proceeds from long-term debts	30,291	-
Payments on bank borrowings	(4,040)	(4,898)
Capitalized deferred finance costs	(1,332)	(857)
Capital contribution	2,838	2,750
Dividends paid	(67)	(3,135)
Net Cash generated from Financing Activities	27,690	(6,140)
Net (Decrease) / Increase in Cash and Cash Equivalents	(33)	(4,238)
Cash and Cash Equivalents, Beginning of Period	5,844	15,543
Cash and Cash Equivalents, End of Period	5,811	11,305