

PARADISE GAS CARRIERS CORP.

**Consolidated Unaudited Financial Statements prepared
for the period ended March 31, 2018**

PARADISE GAS CARRIERS CORP.
CONSOLIDATED BALANCE SHEETS AS AT MARCH 31, 2018 AND DECEMBER 31,
2017

(Expressed in thousands of United States dollars or unless otherwise stated)

	<u>As of March 31, 2018</u>	<u>As of December 31, 2017</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	6,249	7,851
Restricted cash	-	901
Trade and other receivables	4,240	5,077
Inventories	1,225	1,394
Accrued Revenue	-	356
Insurance and other claims	-	99
Prepaid expenses	834	155
Total current assets	<u>12,548</u>	<u>15,833</u>
NON-CURRENT ASSETS		
Vessels, net	162,411	133,418
Vessels under construction	-	9,864
Seller's credit	2,000	2,000
Deferred charges, net	3,535	2,861
Total non-current assets	<u>167,946</u>	<u>148,143</u>
Total assets	<u>180,494</u>	<u>163,976</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	5,313	5,224
Accrued liabilities	729	1,018
Current portion of long-term debt	5,643	7,443
Other borrowings	-	500
Unearned revenue	254	552
Due to related parties	453	362
Dividends payable	16	50
Related parties' loan	123	425
Shareholders' loan	1,435	1,435
Other current liabilities	-	145
Total current liabilities	<u>13,966</u>	<u>17,154</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current portion and deferred financing costs	86,020	68,003
Deferred gain on sale of vessel, net of current portion	759	923
Total long-term liabilities	<u>86,779</u>	<u>68,926</u>
Total liabilities	<u>100,745</u>	<u>86,080</u>
Commitments and Contingencies	-	-
SHAREHOLDERS' EQUITY		
Common stock (1,000 common shares with no par value, authorized and issued)	-	-
Additional paid-in capital	71,500	71,500
Preferred Stock	7,121	4,121
Retained earnings	1,128	2,275
Total shareholders' equity	<u>79,749</u>	<u>77,896</u>
Total liabilities and shareholders' equity	<u>180,494</u>	<u>163,976</u>

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AS AT MARCH 31, 2018
and 2017

(Expressed in thousands of United States dollars or unless otherwise stated)

	<u>As of</u> <u>March 31,</u> <u>2018</u>	<u>As of</u> <u>March 31,</u> <u>2017</u>
Operating revenue	8,757	7,418
Total operating revenue-net	<u>8,757</u>	<u>7,418</u>
 Operating expenses		
Voyage expenses	(972)	(560)
Vessels' operating expenses	(4,350)	(3,785)
Depreciation	(1,662)	(1,223)
Amortization of deferred dry-docking and special survey costs	(436)	(503)
Commissions	(288)	(162)
Management fees	(494)	(366)
General and administrative expenses	(38)	(21)
Charter hire expenses	(675)	(557)
Gain on sale of vessel	164	164
Net operating expenses	<u>(8,751)</u>	<u>(7,013)</u>
Operating (loss)/profit	<u>6</u>	<u>405</u>
 Other income/ (expenses)		
Interest income	3	-
Interest expense	(946)	(4)
Other finance expenses	(85)	(9)
Other income, net	(40)	8
Total other expenses, net	<u>(1,068)</u>	<u>(5)</u>
 (Loss)/Profit for the year	 <u>(1,062)</u>	 <u>400</u>
 Other comprehensive income for the year	 -	 -
 Total comprehensive (loss)/income for the year	 <u>(1,062)</u>	 <u>400</u>

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY AS AT
MARCH 31, 2018 and 2017

(Expressed in thousands of United States dollars or unless otherwise stated)

	Common Stock	Preferred Stock	Additional Paid-in Capital	Retained earnings	Total
As of January 1, 2017	-	-	71,500	7,537	79,037
Net loss for the year	-	-	-	(5,178)	(5,178)
Capital contributions	-	4,121	-	-	4,121
Dividends	-	-	-	(84)	(84)
As of December 31, 2017	-	-	71,500	2,275	77,896
As of January 1, 2018	-	4,121	71,500	2,275	77,896
Net loss for the year	-	-	-	(1,062)	(1,062)
Capital contributions	-	3,000	-	-	3,000
Dividends	-	-	-	(85)	(85)
As of March 31, 2018	-	7,121	71,500	1,128	79,749

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS AS AT MARCH 31, 2018 and 2017
(Expressed in thousands of United States dollars or unless otherwise stated)

	Period ended March 31, 2018	Period ended March 31, 2017
Cash Flows from operating activities:		
Net (loss)/ profit for the year	(1,062)	400
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation	1,662	1,223
Amortization of deferred dry-docking and special survey costs	436	503
Amortization of deferred financing costs	18	47
(Gain) on sale of vessels	(164)	(164)
Accounts and other receivables	837	(261)
Prepaid expenses	(679)	(890)
Inventories	169	(52)
Accrued Revenue	356	-
Insurance and other claims	96	-
Net receipts/ (payments) to related parties	89	(43)
Accounts payable	89	138
Accrued liabilities	(289)	216
Payments for dry dock and special survey costs	(1,110)	-
Loan from related parties	-	500
Unearned revenue	(298)	(227)
Other current liabilities	(145)	205
Net cash provided by operating activities	5	1,595
Cash Flows from investing activities:		
Net cash proceeds from sale of vessel	-	3,946
Payments for vessels under construction	(20,712)	(7,836)
Net cash used in investing activities	(20,712)	(3,890)
Cash flows from financing activities:		
Proceeds from bank borrowings	18,000	-
Payments to other borrowings	(500)	-
Deferred financing fees paid	(74)	-
Repayment of bank borrowings	(1,801)	(2,290)
Capital contributions	-	2,100
Proceeds from issuance of preferred shares	3,000	-
Dividends paid	(119)	-
Repayment of related parties' loan	(302)	-
Net Cash provided by (used in) financing activities	18,204	(190)
Net (decrease)/increase in cash and cash equivalents	(2,503)	(2,485)
Cash and cash equivalents, beginning of year	8,752	5,844
Cash and cash equivalents, end of year	6,249	3,359