

PARADISE GAS CARRIERS CORP.

**Consolidated Unaudited Financial Statements prepared
for the period ended June 30, 2018**

PARADISE GAS CARRIERS CORP.
CONSOLIDATED BALANCE SHEETS AS AT JUNE 30, 2018 AND DECEMBER 31, 2017
(Expressed in thousands of United States dollars or unless otherwise stated)

	As of June 30, 2018	As of December 31, 2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	6,599	7,851
Restricted cash	-	901
Trade and other receivables	5,356	5,077
Inventories	1,637	1,394
Accrued Revenue	-	356
Insurance and other claims	-	99
Prepaid expenses	561	155
Total current assets	14,153	15,833
NON-CURRENT ASSETS		
Vessels, net	160,647	133,418
Vessels under construction	-	9,864
Seller's credit	2,000	2,000
Deferred charges, net	3,143	2,861
Total non-current assets	165,790	148,143
Total assets	179,943	163,976
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	3,452	5,224
Accrued liabilities	2,645	1,018
Current portion of long-term debt	4,442	7,443
Other borrowings	-	500
Unearned revenue	255	552
Due to related parties	453	362
Dividends payable	96	50
Related parties' loan	115	425
Shareholders' loan	1,435	1,435
Other current liabilities	-	145
Total current liabilities	12,893	17,154
LONG-TERM LIABILITIES		
Long-term debt, net of current portion and deferred financing costs	87,068	68,003
Deferred gain on sale of vessel, net of current portion	594	923
Total long-term liabilities	87,662	68,926
Total liabilities	100,555	86,080
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	7,400	4,121
Retained earnings	488	2,275
Total shareholders' equity	79,388	77,896
Total liabilities and shareholders' equity	179,943	163,976

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME AS AT JUNE 30, 2018
AND 2017

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

	<u>As of June 30, 2018</u>	<u>As of June 30, 2017</u>
Operating revenue	18,716	12,974
Total operating revenue-net	<u>18,716</u>	<u>7,418</u>
Operating expenses		
Voyage expenses	(1,825)	(1,551)
Vessels' operating expenses	(8,786)	(7,228)
Depreciation	(3,556)	(2,411)
Amortization of deferred dry-docking and special survey costs	(958)	(978)
Commissions	(628)	(316)
Management fees	(1,011)	(714)
General and administrative expenses	(48)	(47)
Charter hire expenses	(1,358)	(902)
Gain on sale of vessel	329	329
Net operating expenses	<u>17,841</u>	<u>(14,147)</u>
Operating (loss)/profit	<u>875</u>	<u>(1,173)</u>
Other income/ (expenses)		
Interest income	43	-
Interest expense	(2,254)	-
Other finance expenses	(143)	(21)
Other income, net	(72)	(34)
Total other expenses, net	<u>(2,426)</u>	<u>(55)</u>
(Loss)/Profit for the year	<u>(1,551)</u>	<u>(899)</u>
Other comprehensive income for the year	-	-
Total comprehensive (loss)/income for the year	<u>(1,551)</u>	<u>(899)</u>

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY AS AT JUNE
30, 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	-	-	-	(1,552)	(1,552)
Capital contributions	-	3,279	-	-	3,279
Dividends	-	-	-	(235)	(235)
As of June 30, 2018	-	7,400	71,500	488	79,388

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 June 30, 2018	Period ended June 30, 2017
Cash Flows from operating activities:		
Net (loss)/ profit for the year	(1,551)	(899)
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation	3,556	2,411
Amortization of deferred dry-docking and special survey costs	958	978
Amortization of deferred financing costs	36	-
(Gain) on sale of vessels	(329)	(329)
Accounts and other receivables	(279)	1
Prepaid expenses	(406)	(649)
Inventories	(243)	(482)
Accrued Revenue	356	-
Insurance and other claims	96	-
Net receipts/ (payments) to related parties	91	34
Accounts payable	(1,772)	144
Accrued liabilities	1,627	449
Payments for dry dock and special survey costs	(1,240)	(357)
Loan from related parties	-	673
Unearned revenue	(297)	(227)
Other current liabilities	(145)	219
Net cash provided by operating activities	458	1,966
Cash Flows from investing activities:		
Net cash proceeds from sale of vessel	-	3,953
Payments for vessels under construction	(20,860)	(22,320)
Net cash used in investing activities	(20,860)	(18,367)
Cash flows from financing activities:		
Proceeds from bank borrowings	19,500	15,275
Payments to other borrowings	(500)	-
Deferred financing fees paid	(74)	-
Repayment of bank borrowings	(3,457)	(3,575)
Capital contributions	-	2,100
Proceeds from issuance of preferred shares	3,279	-
Dividends paid	(189)	(31)
Repayment of related parties' loan	(310)	-
Net Cash provided by (used in) financing activities	18,249	13,769
Net (decrease)/increase in cash and cash equivalents	(2,153)	(2,632)
Cash and cash equivalents, beginning of year	8,752	5,844
Cash and cash equivalents, end of year	6,599	3,212