ELETSON HOLDINGS INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2018

(unaudited)

Table of Contents

	Page
Management's Discussion	3
Fleet Deployment Overview	4
Results of Operations	6
Liquidity and Capital Resources	8
Derivative Financial Instruments	10
Fleet Overview	11
Consolidated Condensed Balance Sheets	13
Consolidated Statements of Comprehensive Income	14
Consolidated Statements of Cash Flows	15
Consolidated Statements of Shareholders' Equity	16
Restricted Group Selected Financial and Other Data	17
Representative Offices:	19

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion of our financial condition and results of operations for the three months ended March 31, 2018 as compared to the same period in 2017. You should read this section together with the unaudited consolidated financial statements for these periods appearing elsewhere in these Interim Consolidated Financial Statements, and the following discussion is qualified by reference thereto. This discussion includes forward-looking statements based on assumptions about our future business. Our actual results could differ materially from those contained in the forward-looking statements.

Recent Developments

Product Tanker Business

The tanker market remained depressed during the period. Although the general view was that 2018 -- at least the early part -- would be disappointing, the extreme weakness in TCE returns across all sectors in the winter months left many surprised. This poor performance continues to be largely attributable to OPEC-led production cuts but has been exacerbated by the growth of the large crude fleet. The Aframax segment in the Atlantic basin witnessed sharply reduced flows mainly from Venezuela which nearly offset the substantial increase in US crude oil exports. The Panamax segment remained at steady -- albeit low -- levels mainly due to steady demand for fuel oil in the US West Coast. Generally good weather conditions in the US and Europe in January and February resulted in less weather driven delays which normally add market strength during the period.

On the clean side of the product tanker market, charterers took advantage of the depressed state of the dirty sector to secure competitive freights to move products from East to West. By fixing newbuilding VLCC and Suezmax vessels to load gasoil east of Suez and out of the US for European discharge, they collectively displaced a large number of Handymax and Aframax vessels. Conversely, in the US, although clean exports remained robust, they were all short haul into Central America. This, combined with continuous vessel deliveries has kept clean earnings very depressed. Until the pace of new large crude tanker deliveries comes to a pause, these vessels will continue to negatively impact smaller clean cargoes, capping the product tanker earnings potential for all clean segments.

During the period sixteen clean and dirty Aframaxes were delivered while 11 were scrapped (a 0.5% segment growth), six Panamaxes were delivered while three were scrapped (0.7% increase) and thirteen Handymax vessels were delivered and seven scrapped (0.5% increase). The acceleration of scrapping during the quarter provides some cause for optimism in the future.

Liquefied Petroleum Gas Business

The first quarter of 2018 continues to be adversely impacted from an over-supply of tonnage. In contrast, demand for LPG remains positive, growing in spite of global trade tensions and discussion of potential retaliatory tariffs aimed at US energy exports. While during the first quarter there were strong LPG export volumes out of the US, strong local LPG demand affected pricing resulting in unattractive arbitrage levels for long haul voyages for the VLGC sector. As a consequence, VLGC rates were very weak thus negatively impacting vessel sectors below them. In parallel, rising crude oil prices increased bunker costs during the quarter placing further downward pressure on returns.

The weak MGC market conditions of 2017 persisted during the first quarter of 2018. The pressure on this market from the VLGCs has been significant and with the exception of some very specific short haul business, rates have not improved. An improved petrochemical market has moved some of the Handymax fleet out of LPG which has somewhat improved utilisation within that sector.

As Asian customers sought to build up inventory prior to the Chinese New Year there was a steady improvement in petrochemical demand benefiting the first quarter. Although the additional demand did not provide a rapid rise in freights, there was enough additional tonnemiles to improve vessel utilisation over the same period of 2017. Furthermore, in contrast to last year, demand for long haul ethylene cargoes continued after the Chinese New Year, supported by cheap European prices and strong Chinese demand. Consequently, rates for our Handysize vessels improved throughout the quarter.

During the first quarter of 2018 there were deliveries of five fully refrigerated MGC vessels, an increased to the fleet of 5%. For the Handymax fleet, there was one addition each of semi-refrigerated and ethylene-capable vessels, an increase of less than 1%. There were no additions to the Handysize ethylene-capable fleet.

Fleet Deployment Overview

The following table details the percentage of our fleet operating on time charters and in the spot market during the three months ended March 31, 2018 and 2017:

Time Charter vs. Spot Charter Deployment
(as a percentage of available days)

	For the three months ended March 31, 2017	For the three months ended March 31, 2018
Percent in time charter days	30%	26%
Percent in spot charter days	70%	74%
Total vessel available days	2,998	2,869

The following table details the available days, operating days and utilisation levels for each of the three months ended March 31, 2017 and 2018 that we believe may be useful in better understanding our financial position and results of operations:

	For the three months ended March 31, 2017	For the three months ended March 31, 2018
Total vessel available days	2,998	2,869
Total operating days	3,060	2,880
Laden days as a percent (%) of total ballast and laden days	54%	60%
Fleet utilisation	98.0%	99.6%

Total vessel availability varies with the size of our fleet. The variance in fleet utilisation is mainly due to number of vessels that need to drydock at any given year. Otherwise, fleet utilisation typically varies only due to major incidents affecting the vessels.

Rate Performance

The following table sets forth the average daily TCE Rates earned by our product tanker and LPG fleet for the three months ended March 31, 2017 and 2018:

Average TCE rates *($ /per day, rounded to the nearest hundred)*	For the three months ended March 31, 2017	For the three months ended March 31, 2018
Vessel type		
Handysize	$ 15,300	$ 13,400
Handymax	13,300	11,100
Panamax	13,800	12,100
Aframax	19,100	10,800
LPG/LEG	18,900	14,700
Fleet	**16,200**	**12,800**

Operating Expenses

The following table sets forth the average daily operating expenses per vessel type for the periods indicated:

Average OPEX rates	**For the three months ended March 31,**	
($ /per day, rounded to the nearest hundred)	**2017**	**2018**
Vessel type		
Handysize	$ 6,100	$ 8,100
Handymax	5,600	7,400
Panamax	6,300	8,100
Aframax	7,200	7,700
LPG/LEG	5,800	7,800
Fleet	**6,100**	**7,800**

Results of Operations

We report financial information and evaluate our operations by charter revenues. We do not use discrete financial information to evaluate the operating results for each such type of charter. Although revenue can be identified for these types of charters, management does not identify expenses, profitability or other financial information for these charters. As a result, we review operating results solely by revenue per day and operating results of our fleet.

Three months ended March 31, 2018 compared to the three months ended March 31, 2017

The following table presents revenue and expense information for the three months ended March 31, 2018 and 2017. This information was derived from the Company's unaudited consolidated financial statements for the three months ended March 31, 2018 and 2017 expressed in thousands of US dollars.

	For the three months ended	
	March 31, 2017	**March 31, 2018**
	unaudited	*unaudited*
Voyage revenue	$ 73,275	$ 64,443
Charter-in revenue	2,355	—
Total revenue	**$ 75,630**	**$ 64,443**
Expenses:		
Voyage expenses	(27,013)	(29,271)
Charter-in voyage expense	(737)	—
Vessel operating expenses	(15,308)	(22,546)
Charter-in hire expense	(2,297)	—
Depreciation	(14,048)	(13,678)
Amortisation of deferred charges	(963)	(624)
General and administrative expenses	(2,171)	(3,178)
Profit from operations	**$ 13,093**	**$ (4,854)**
Other income/(expenses), net:		
Interest and finance expenses	$ (11,967)	$ (17,934)
Other income/(expenses)	(843)	(184)
Foreign exchange gain/(loss)	176	(186)
Total other expenses, net	$ **(12,634)**	$ **(18,304)**
Net profit/(loss)	$ **459**	$ **(23,158)**
Net profit/(loss) attributable to non-controlling interest	(746)	(878)
Net profit/(loss) attributable to Eletson Holdings Inc.	$ **1,205**	$ **(22,280)**

Voyage Revenues. Voyage revenues decreased $11.2 million, or 14.8%, to $64.4 million in the first quarter of 2018 from $75.6 million as compared to prior year corresponding period. Overall fleet TCE rates were 21.0% lower compared to the first quarter of 2017. On a sector basis, Handysize, MR, Panamax and Aframax TCE rates were 12.4%, 16.5%, 12.3% and 43.5% lower, respectively. Also, LPG rates decreased 22.2%. Total available days for the first quarter of 2018 were 129 days lower, as compared to prior year corresponding period, fleet reduction due to the sale of the older vessel m/t Stavronisi in July 2017. Special survey days in the first quarter of 2018 totaled 11 days compared to 20 days in the comparative prior year period.

Voyage Expenses. Voyage expenses increased $1.5 million, or 5.5%, to $29.3 million in the first quarter of 2018 from $27.8 million, during the same period last year, mostly driven by the increase in bunker prices and higher port expenses due to increased canal passages.

Vessel Operating Expenses. Operating expenses increased $7.2 million mainly due to timing of expenses incurred and is expected to normalise in the upcoming months.

Charter-in Hire Expenses. Charter-in hire expenses decreased $2.3 million, to nil in the first quarter of 2018 from $2.3 million during the prior year corresponding period as the last charter-in vessel, the m/v Immanuel Schulte redelivered to her owners in May 2017.

Depreciation and Amortisation. Depreciation charges slightly decreased at $13.7 million in the first quarter of 2018 from $14.0 million in the first quarter of 2017, as fleet growth offset the lower depreciation arising from the vessel sold during 2017. Amortisation charges decreased $0.3 million, or 35.2%, to $0.6 million in the first quarter of 2018 from $0.9 million in the first quarter of 2017.

General and Administrative Expenses. General and administrative expenses increased $1.0 million, or $46.4% mainly due to timing.

Interest and Finance Expenses. Interest and finance expenses increased $6.0 million due to the agreement reached with bondholders to defer 2018 coupon payments. According to that agreement, the Senior Notes interest expense for the deferred period only, increased from 9.625% to 12%, reflecting a default penalty of 2.375%. The increased accrued cost for the period from July 15, 2017 to January 15, 2018 is $3.5 million and the additional interest for the period from January 15, 2018 to the end of the quarter amounts to $1.5 million. The Company's weighted average effective interest rate was approximately 8.3% (including bond default penalty interest) compared to 6.2% for the first quarter of 2017.

Other Income / (Expenses) & Foreign Exchange Gain / (Loss). Other income and expenses decreased $0.3 million from the prior year comparative period.

Net Income. The Company recorded a net loss of $22.3 million for the period ended March 31, 2018 compared with a net income of $1.2 million for the corresponding prior year period.

Cash Flow Analysis

The following table shows our sources and uses of cash for the three months ended March 31, 2018 and 2017.

Consolidated Statements of Cash Flows *(in thousands of US dollars)*	**For the three months ended** March 31, 2017	**For the three months ended** March 31, 2018
Net cash provided by operating activities	$ (2,653)	$ 7,487
Net cash used in investing activities	(22,140)	(1,679)
Net cash provided by financing activities	5,660	(8,430)
Net increase/(decrease) in cash and cash equivalents	**$ (19,133)**	**$ (2,622)**
Cash and cash equivalents at the beginning of the period	70,982	42,639
Cash and cash equivalents at the end of the period	**$ 51,849**	**$ 40,017**

Operating Activities

Net cash provided by operating activities for the three months ended March 31, 2017 increased $10.2 million, compared to prior year corresponding period. Cash flow from operating activities utilised from the following:

- Trade accounts receivables increased $4.2 million compared to an increase of $2.6 million for the prior year corresponding period.
- Inventories, prepaid expenses and other assets decreased $2.1 million compared to an decrease of $5.7 million for the prior year.
- Accounts payable and accrued expenses increased $14.3 million compared to a decrease of $15.0 million for the prior year corresponding period.

- Deferred revenue decreased $0.1 million compared to a increase of $0.6 million for the same period last year.
- Deferred charges decreased $0.3 million compared to a decrease of $0.7 million for the prior year corresponding period.

Investing Activities

Net cash used in investing activities was $1.7 million for the three months ended March 31, 2018, compared to net cash used in investing activities of $22.1 million for the three months ended March 31, 2017. The change in cash used in investing activities is primarily due to the following:

- Payments $1.6 million in the first quarter 2018 related to the vessels under constraction compared to newbuilding advances installments of two Aframax ordered vessels totaling $20.7 million and $1.4 million newbuilding capitalized expenses for the first quarter of 2017.

Financing Activities

Net cash used to financing activities was $8.4 million for the three months ended March 31, 2018, compared to net cash provided to financing activities of $5.7 million for the three months ended March 31, 2017. The change in cash used in /provided by financing activities is primarily due to the following:

- Repayments of $8.1 million of debt associated with our credit facilities, compared to $14.1 million for the prior year corresponding period.

Liquidity and Capital Resources

Liquidity Needs and Sources of Liquidity

Our liquidity requirements relate to servicing our debt, funding the equity portion of investments in vessels, funding working capital requirements and maintaining cash reserves against fluctuations in operating cash flow. Our current sources of funds are internally generated cash from operations and external borrowing. We have three working capital facilities totaling $35.0 million. As of March 31, 2018, the outstanding principal amount of these facilities was approximately $35.0 million. We believe that, based upon actions taken from the Company's management mentioned above, the current levels of operations and anticipated freight market conditions, cash flow from operations, together with other available sources of funds (in the form of either debt financing or equity), will be adequate to meet required payments of principal and interest on debt, to permit anticipated capital expenditures, including payments for vessel under construction to fund working capital requirements.

Our business is capital intensive and its future success will depend in part on our ability to maintain a high-quality fleet through the acquisition of newer vessels and the selective sale of older vessels. We have historically financed the purchase of our vessels primarily through a combination of borrowings from commercial banks and cash generated from operations. Consistent with our long-standing and conservative approach to risk and financial management, we have signed sale and leaseback financing for four of our LPG/LEG newbuildings in 2018. The first three delivered in May 2018 and June and the last to be delivered in July 2018. On the Aframax newbuildings during 2016 we concluded to a sale and leaseback transaction with Bank of Communications ("Bocomm") regarding the fisrt two Aframax vessels the first of which delivered in April 2018 and the other to be delivered in July 2018. During 2017 we concluded to a sale and leaseback transaction with Oriental Fleet International Company Ltd (Cosco) regarding the last two Aframax vessels that will be delivered in 2019. We will continue to consider strategic opportunities, including the acquisition of additional vessels and expansion into new markets. We may choose to pursue such opportunities through internal growth, joint ventures or business acquisitions. We intend to finance any future acquisitions through various sources of capital, including internally generated cash flow, existing credit facilities, additional debt borrowings and the issuance of additional debt or equity securities or any combination thereof.

As of March 31, 2018, our total cash, cash equivalents, and short-term investments were $44.3 million compared with $47.0 million as of December 31, 2017. As of March 31, 2018, restricted cash amounted to $8.1 million, related to the escrowed proceeds from sale of four mortgaged vessel during 2015, one during 2016, and the sale of m/t Stavronisi in July 2017, decreased by the acquisition of two secondhand Hansysizes product Tankers.

We conduct our funding and treasury activities pursuant to a conservative strategy designed to minimise borrowing costs and maximise investment returns while maintaining the safety of the funds and appropriate levels of liquidity for our purposes. We hold cash and cash equivalents primarily in U.S. Dollars, with some balances held in Euro, British Pounds and other major currencies.

Working capital

We believe that the management will incorporate the adequate initiatives to enhance the liquidity. Working capital is defined as total current assets less total current liabilities. Working capital at March 31, 2018 was approximately $19.4 million. Quarter end figures have been adjusted to exclude the balloon payment related to our unrestricted subsidiary loan facility maturing in February 2019, captured in financial statements under "Current portion of long term debt" in both periods. Refinancing of this loan facility expected in the upcoming months.

Capital Expenditures

Our capital expenditures primarily include drydocking, capital improvements and vessel acquisitions.

Drydocking. In addition to vessel acquisitions and newbuilding contracts, other major capital expenditures include funding our drydock program of regularly scheduled in-water survey or drydocking necessary to preserve the quality of our vessels as well as to comply with international shipping standards and environmental laws and regulations. Vessels which are younger than 10 years are required to undergo drydocking every five years and may, in lieu of drydocking, undergo in-water surveys two and a half years after a drydock, while vessels 15 years or older are to be drydocked every two and a half years, in which case the additional drydockings take the place of these in-water surveys. In general, we drydock each of our vessels every two and a half to five years, depending upon their age and in compliance with Class requirements.

For the quarter ended March 31, 2018, we incurred drydock related costs of $0.2 million, as compared to $0.8 million for the quarter ended March 31, 2017. All such drydocking related costs were capitalised in deferred charges.

Capital Improvements. During the three months ended March 31, 2018, we capitalised $0.1 million relating to capital projects including vessel and equipment upgrades and for compliance with environmental rules and regulations. During the same period in 2017, we capitalised $0.1 million relating to such projects.

Vessel Acquisitions. No vessels acquisitions, incurred in the first quarter of 2018 and 2017.

Newbuilding deliveries. No vessel deliveries, incurred in the first quarter of 2018 and 2017.

Contractual Obligations

As of March 31, 2017, Eletson Holdings had commitments of future contractual obligations for shipbuilding activity, as described below. We expect Eletson Gas and its subsidiaries obligations to be funded by the committed equity from Blackstone, our joint venture partner in Eletson Gas and additional debt. Commitments of Eletson Holdings or its restricted group subsidiaries are expected to be funded through operating cash flows and additional financing.

	2018	2019
Payments to shipyards - Restricted group (1)	$ 71.7	$ 72.1
Advances to shipyards - Unrestricted group (2)	118.8	-

(1) *As per contractual agreements of Eletson Holdings with Shanghai Waigaoqiao Shipbuilding (SWS) for the construction of four newbuilding Aframax vessels.*

(2) *As per contractual agreements of Eletson Gas with Hyundai Mipo and Sinopacific for the construction of four newbuilding LPG vessels.*

Off-Balance Sheet Arrangements

As of March 31, 2018, we did not have any significant off-balance sheet arrangements.

Derivative Financial Instruments

Bunker Derivatives

As of March 31, 2017, we were not party to any bunker derivative contracts.

Currency Derivative Contracts

The U.S. dollar is the functional currency of the international tanker industry and almost all of our revenue and most of our operating costs are in U.S. dollars. However, we incur certain operating costs, such as crew expenses and overhead costs in foreign currencies, the most significant of which is the Euro (which account for approximately $65 million on an annual basis).

As of March 31, 2017 and December 31, 2016, we had no forward foreign exchange contracts or foreign exchange options outstanding.

Interest Rate Derivatives

As of March 31, 2017 and December 31, 2016 we were not party to any interest rate swap agreements.

Interest expense pertaining to interest rate swaps for the three months ended March 31, 2017 and 2016 was nil for both periods.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements which have been prepared in accordance with U.S. GAAP. The preparation of those financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues, expenses and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions and conditions.

Critical accounting policies are those that reflect significant judgments of uncertainties and potentially result in materially different results under different assumptions and conditions. We have described below what we believe are our most critical accounting policies, because they generally involve a comparatively higher degree of judgment in their application. For a description of all our significant accounting policies, see Note 2 to our consolidated financial statements included in the F-pages of the Annual Report.

Fleet Overview

As of March 31, 2018 our fleet consists of 32 vessels, including two Handysize, four Handymax, 11 Panamax and four Aframax product tankers with a combined capacity of approximately 1.5 million dwt, and 11 LPG/LEG carriers with a combined capacity of approximately 257,500 cbm, or 227,680 dwt. The following table provides certain information about our vessels as of March 31, 2018.

Our Fleet

Vessel	Year built	Builder	DWT	Current employment status
Product tanker fleet				
Handysize				
m/t Skyros [1]	2006	Hyundai Mipo	36,660	Hafnia Pool
m/t Sikinos [1]	2006	Hyundai Mipo	37,620	Hafnia Pool
Handymax				
m/t Kinaros	2009	Hyundai Mipo	51,601	Spot
m/t Kimolos	2010	Hyundai Mipo	51,601	Short Term Timecharter [4]
m/t Kastos	2010	Hyundai Mipo	51,601	Spot
m/t Fourni	2010	Hyundai Mipo	51,601	Spot
Panamax				
m/t Pelagos [1]	1999	Halla	76,020	Spot
m/t Angistri [1]	2000	Halla	76,002	Spot
m/t Erikoussa [1]	2003	Hyundai	70,146	Spot
m/t Skopelos [1]	2003	Hyundai	70,146	Spot
m/t Antikeros	2004	Daewoo	69,714	Spot
m/t Dhonoussa	2005	Daewoo	69,714	Spot
m/t Polyaigos	2005	Daewoo	69,714	Spot
m/t Strofades	2006	Daewoo	69,714	Spot
m/t Keros [1]	2004	Hyundai	74,999	Spot
m/t Antimilos [1]	2004	Samsung	72,514	Spot
m/t Meganisi [1]	2004	Samsung	72,514	Spot
Aframax				
m/t Agathonissos [1]	2002	Hyundai	106,149	Spot
m/t Makronissos [1]	2002	Hyundai	106,149	Spot
m/t Alonissos [1]	2004	Hyundai	106,149	Spot
m/t Megalonissos [1]	2004	Hyundai	106,149	Spot
Operating product tanker fleet vessels: 21			**1,496,477**	

Newbuildings	Expected delivery year	Builder	DWT	Current employment status
Aframax (Hull No. H1423)	2018	SWS	109,900	Spot [5]
Aframax (Hull No. H1424)	2018	SWS	109,900	n/a
Aframax (Hull No. H1425)	2019	SWS	109,900	n/a
Aframax (Hull No. H1426)	2019	SWS	109,900	n/a
Total tanker newbuildings: 4			**439,600**	

Vessel	Year built	Builder	Cargo capacity	Current employment status
LPG/LEG fleet				
Handysize				
m/v Othoni (3)	2015	Hyundai Mipo	12,000 cbm	E3 Pool
m/v Astipalea (3)	2015	Hyundai Mipo	12,000 cbm	E3 Pool
m/v Paros (3)	2015	Hyundai Mipo	12,000 cbm	E3 Pool
m/v Kithnos (3)	2016	Hyundai Mipo	12,000 cbm	E3 Pool / Timecharter
m/v Dilos (3)	2016	Hyundai Mipo	12,000 cbm	E3 Pool
Handymax				
m/v Mathraki (3)	2003	Namura	22,500 cbm	Short Term Timecharter (4)
MGC				
m/v Anafi (2)	2009	Hyundai Mipo	35,000 cbm	Short Term Timecharter (4)
m/v Nisyros (2)	2009	Hyundai Mipo	35,000 cbm	Short Term Timecharter (4)
m/v Tilos (2)	2009	Hyundai Mipo	35,000 cbm	Short Term Timecharter (4)
m/v Telendos (2)	2010	Hyundai Mipo	35,000 cbm	Short Term Timecharter (4)
m/v Symi (2)	2012	Hyundai Mipo	35,000 cbm	Short Term Timecharter (4)
Operating LPG/LEG fleet vessels: 11			**257,500 cbm**	

Newbuildings	Expected delivery year	Builder	Cargo capacity	Current employment status
Handysize (Hull No. 8209) (3)	2018	Hyundai Mipo	12,000 cbm	n/a
Handysize (Hull No. 8210) (3)	2018	Hyundai Mipo	12,000 cbm	E3 Pool (5)
Handysize (Hull No. 8213) (3)	2018	Hyundai Mipo	12,000 cbm	E3 Pool (5)
Handysize (Hull No. 8214) (3)	2018	Hyundai Mipo	12,000 cbm	E3 Pool (5)
Total LPG/LEG newbuildings: 4			**48,000 cbm**	

(1) *Mortgaged vessels. Denotes vessels that are mortgaged in favor of the trustee to secure the notes and the obligations of each Guarantor under the indenture and the security documents.*

(2) *Fully-ref vessel*

(3) *Semi-ref LPG/LEG capable vessel*

(4) *We define "Short term Timecharter" as the timecharter with duration up to one year.*

(5) *The vessels delivered after the Q1 2018 quarter end.*

ELETSON HOLDINGS INC.

Consolidated Condensed Balance Sheets

(expressed in thousands of US dollars)

	December 31, 2017	March 31, 2018
		unaudited
ASSETS		
Cash, cash equivalents, restricted cash and short term investments	$ 55,009	$ 52,401
Trade accounts receivable, net	26,397	22,238
Other current assets	20,416	22,401
Vessels under construction and advances	119,886	121,959
Vessels, net	983,683	970,121
Property and Equipment, net	2,897	2,871
Other non current assets	14,164	13,816
Total Assets	$ **1,222,452**	$ **1,205,807**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities, including current portion of long-term debt	$ 546,398	$ 139,002
Long term debt, net of current portion and deferred financing costs	—	387,996
First Preferred Ship Mortgage Notes Due 2022	293,167	319,084
Other non current liabilities	21,331	25,985
Eletson Holdings Inc. Shareholders' Equity	277,698	255,418
Non-controlling interest	83,858	78,322
Total Liabilities and Shareholders' Equity	$ **1,222,452**	$ **1,205,807**

Consolidated Statements of Comprehensive Income

(expressed in thousands of US dollars)

	For the three months ended	
	March 31, 2017	March 31, 2018
	unaudited	*unaudited*
Voyage revenue	$ 73,275	$ 64,443
Charter-in revenue	2,355	—
Total revenue	**$ 75,630**	**$ 64,443**
Expenses:		
Voyage expenses	(27,013)	(29,271)
Charter-in voyage expense	(737)	—
Vessel operating expenses	(15,308)	(22,546)
Charter-in hire expense	(2,297)	—
Depreciation	(14,048)	(13,678)
Amortisation of deferred charges	(963)	(624)
General and administrative expenses	(2,171)	(3,178)
Profit from operations	**$ 13,093**	**$ (4,854)**
Other income/(expenses), net:		
Interest and finance expenses	$ (11,967)	$ (17,934)
Other income/(expenses)	(843)	(184)
Foreign exchange gain/(loss)	176	(186)
Total other expenses, net	**$ (12,634)**	**$ (18,304)**
Net profit/(loss)	**$ 459**	**$ (23,158)**
Net profit/(loss) attributable to non-controlling interest	(746)	(878)
Net profit/(loss) attributable to Eletson Holdings Inc.	**$ 1,205**	**$ (22,280)**
Other comprehensive income/(loss)		
Gain/(Loss) from investments	(893)	—
Total other comprehensive income/(loss)	**$ (893)**	$ —
Comprehensive income/(loss)	**$ 312**	**$ (22,280)**
EBITDA	**$ 28,783**	**$ 9,448**

Consolidated Statements of Cash Flows

(expressed in thousands of US dollars)

	For the three months ended	
	March 31, 2017	March 31, 2018
	unaudited	*unaudited*
Cash flows from operating activities:		
Net profit/(loss)	$ 459	$ (23,158)
Adjustments to reconcile net profit/(loss) to net cash provided by operating activities:		
Depreciation	14,048	13,678
Amortisation of special surveys and drydockings	963	624
Amortisation of debt discount	592	650
Imputed interest capitalized	(422)	(474)
Changes in operating assets and liabilities:		
Trade accounts receivable	2,602	4,158
Inventories, prepaid expenses and other assets	(5,767)	(2,052)
Due from related parties	(48)	3
Insurance claims	109	66
Other long term liabilities	—	(4)
Accounts payable, accrued expenses, finance charges	(15,021)	14,348
Deferred revenue	580	(74)
Deferred charges	(748)	(278)
Net cash provided by operating activities	**$ (2,653)**	**$ 7,487**
Cash flows from investing activities:		
Payments for vessels under construction	$ (22,055)	$ (1,599)
Vessels acquisitions and improvements	(68)	(89)
Purchases and improvements of property and equipment	(17)	—
(Aquisition)/Sale of short term investments	—	9
Net cash used in investing activities	**$ (22,140)**	**$ (1,679)**
Cash flows from financing activities:		
Restricted Cash	$ (5)	$ (23)
Proceeds from long-term debt	20,679	—
Proceeds/(repayment) of short-term debt	(1,891)	385
Reduction of long-term revolving credit	(1,730)	(1,730)
Principal payments of long-term debt	(7,488)	(6,407)
Repayment of long-term revolving credit	(3,000)	—
Financing fees paid	(905)	(655)
Net cash provided by financing activities	**$ 5,660**	**$ (8,430)**
Net increase/(decrease) in cash and cash equivalents	$ (19,133)	$ (2,622)
Cash and cash equivalents at the beginning of the period	70,982	42,639
Cash and cash equivalents at the end of the period	**$ 51,849**	**$ 40,017**

Consolidated Statements of Shareholders' Equity

(expressed in thousands of US dollars)

	Additional Paid-in Capital	Accumulated Other Comprehensive Income / (Loss)	Retained Earnings	Total Eletson Holdings Inc. Stockholders' Equity	Non-Controlling Interest	Total Stockholders' Equity
Balance December 31, 2015	$ 41,133	$ 279	$ 335,937	$ 377,349	$ 108,075	$ 485,424
Loss from investments	-	(2,529)	-	(2,529)	-	(2,529)
Net profit/(loss)	-	-	(18,958)	(18,958)	(659)	(19,617)
Capital contribution	-	-	-	-	10,248	10,248
Dividends paid	-	-	-	-	(15,280)	(15,280)
Balance December 31, 2016	$ 41,133	$ (2,250)	$ 316,979	$ 355,862	$ 102,384	$ 458,246
Loss from investments	-	(877)	-	(877)	-	(877)
Net profit/(loss)	-	-	(74,251)	(74,251)	(6,664)	(80,915)
Capital contribution	-	-	-	-	8,443	8,443
Adjustement due to change in revenue standard	-	-	(3,036)	(3,036)	(20,305)	(23,341)
Balance December 31, 2017	$ 41,133	$ (3,127)	$ 239,692	$ 277,698	$ 83,858	$ 361,556
Loss from investments	-	-	-	-	-	-
Net profit/(loss)	-	-	(22,280)	(22,280)	(878)	(23,158)
Capital contribution	-	-	-	-	-	-
Dividends declared	-	-	-	-	(4,658)	(4,658)
Balance March 31, 2018	$ 41,133	$ (3,127)	$ 217,412	$ 255,418	$ 78,322	$ 333,740

Restricted Group Selected Financial and Other Data

The following table summarises certain unaudited consolidated financial information and other operating data of the restricted group of Companies for the dates and periods indicated below and should be read in conjunction with, and are qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the unaudited consolidated financial statements.

	For the three months ended March 31,			
Selected restricted group financial data:		**2017**		**2018**
		(in thousands of US dollars)		
Restricted group voyage revenue	$	51,309	$	45,919
Restricted group EBITDA [1]		13,560		4,016
Total assets [2]		707,332		684,764
Cash, restricted cash, cash equiv. and short-term inv		43,450		46,492
Total debt [3]		477,803		529,239

	For the three months ended March 31,			
Restricted group EBITDA reconciliation:		**2017**		**2018**
		(in thousands of US dollars)		
Net profit/(loss)	$	(6,403)	$	(20,883)
Interest and finance expenses		9,270		14,804
Depreciation expense		9,532		9,160
Amortisation expense		821		506
Other income/(expenses)		340		429
Restricted group EBITDA	**$**	**13,560**	**$**	**4,016**

	For the three months ended March 31,			
Restricted group fleet data, at end of period:		**2017**		**2018**
Total dwt of vessels	$	1,564,709	$	1,496,477
Number of vessels [4]		22		21
Vessels on order		4		4
Commitments for advances of newbuildings [5]		159,947		143,458
TCE rate [6] per vessel per day [7]				
Handysize	$	15,300	$	13,400
Handymax		13,300		11,100
Panamax		13,800		12,100
Aframax		19,100		10,800
Daily operating expenses per vessel [7] [8]				
Handysize	$	6,100	$	8,100
Handymax [9]		5,600		7,400
Panamax [9]		6,300		8,100
Aframax [9]		7,200		7,700

(1) *EBITDA is defined as net income before taxes, depreciation expense, amortisation expense and gain/(loss) arising from disposal of vessels and other income / (expenses). EBITDA is used by analysts in the shipping industry as a common performance measure to compare results with peers. We believe that EBITDA is useful to investors as the shipping industry is capital intensive, which often requires significant costs of financing. EBITDA is not an item recognised by U.S.GAAP, and should not be considered as an alternative to net income, operating income, cash flow from operating*

activity or any other indicator of a company's operating performance or liquidity required by U.S.GAAP. The definition of EBITDA used here may not be comparable to that used by other companies.

(2) *As of March 31, 2017, we did not have any goodwill or intangibles on our balance sheet.*

(3) *Total debt amount includes short-term and long-term debt, and is presented net of related fees.*

(4) *Number of vessels that constituted our fleet as of the end of the relevant reporting period.*

(5) *Commitments for advances of newbuildings are reported gross of committed financing arrangements as of the end of each period (in thousands of dollars).*

(6) *Time charter equivalent rate ("TCE rate") is a standard industry measure of the average daily revenue performance of a vessel. TCE rate is equal to spot and time charter revenues, less voyage expenses during a period, divided by the number of available days during the period. We do not deduct commission, as commission is payable on all types of charter. Time charter equivalent revenue and TCE rate are not measures of financial performance under U.S.GAAP and may not be comparable to similarly titled measures of other companies.*

(7) *TCE rate and Daily Operating Expenses are presented rounded to the nearest hundred.*

(8) *Daily Operating Expenses, which include crewing, repairs and maintenance, insurance, stores, lube oils and communication expenses, are calculated by dividing vessel operating expenses by the aggregate number of calendar days that we owned each vessel for the relevant time period.*

(9) *During the three month period ended March 31, 2017, one Panamax m/t and one m/v MGC-LPG of our vessels underwent to planned special survey in drydock. This compares with one m/t Panamax of Special Surveys during the first quarter of 2018.*

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