PIONEER MARINE INC.

Consolidated Financial Statements for the Period September 12, 2013 (Date of Inception) to December 31, 2013

Index to the consolidated financial statements

Deloitte.

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Report of Independent Public Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Pioneer Marine Inc.,
Majuro, Republic of the Marshall Islands

We have audited the accompanying consolidated balance sheet of Pioneer Marine Inc. (the "Company") (see Note 1 to the consolidated financial statements) as of December 31, 2013, and the related consolidated statements of operations, changes in owners' equity, and cash flows for the period September 12, 2013 (date of inception) to December 31, 2013. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2013, and the results of its operations and cash flows for the period September 12, 2013 (date of inception) to December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

Deloitte.

November 10, 2014
Athens, Greece

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Pioneer Marine Inc.
Consolidated balance sheet
As of December 31, 2013
(In thousands of U.S. Dollars)

	Notes	
Assets		
Current assets		
Cash and cash equivalents		1,358
Trade accounts receivables and accrued revenue		586
Inventories	3	1,072
Prepayments and other receivables		423
Total current assets		**3,439**
Non-current assets		
Vessels, net	4	68,170
Other fixed assets	4	75
Advances for vessel acquisition and vessels under construction	5	13,621
Total non-current assets		**81,866**
Total assets		**85,305**
Liabilities and owners' equity		
Current liabilities		
Accounts payable and accrued liabilities		637
Total liabilities		**637**
Commitments and contingencies	6	-
Owners' equity		
Owners' capital	7	85,789
Accumulated deficit		(1,121)
Total owners' equity		**84,668**
Total liabilities and owners' equity		**85,305**

The accompanying notes are an integral part of these consolidated financial statements.

Pioneer Marine Inc.
Consolidated statement of operations
For the period September 12, 2013 (date of inception) to December 31, 2013
(In thousands of U.S. Dollars except per share amounts)

	Notes	
Revenue, net	8	**1,340**
Voyage expenses		(501)
Vessels operating expenses		(1,101)
Depreciation expense		(413)
General and administration expenses		(446)
Total operating expenses		**(2,461)**
Loss before income tax		(1,121)
Income tax	9	-
Net loss		**(1,121)**
Net loss per share, basic and diluted	11	(0.06)

The accompanying notes are an integral part of these consolidated financial statements.

Pioneer Marine Inc.
Consolidated cash flow statement
For the period September 12, 2013 (date of inception) to December 31, 2013
(In thousands of U.S. Dollars)

Cash flows from operating activities	
Net loss	(1,121)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation expense	413
Changes in operating assets and liabilities:	
Trade accounts receivable and accrued revenue	(586)
Inventories	(1,072)
Prepayments and other receivables	(423)
Accounts payable and accrued liabilities	637
Net cash used in operating activities	**(2,152)**
Cash flows from investing activities	
Purchase of vessels	(68,573)
Advances for vessel acquisitions and vessels under construction	(13,621)
Purchase of other fixed assets	(85)
Net cash used in investing activities	**(82,279)**
Cash flows from financing activities	
Contributions from owners	85,789
Net cash provided by financing activities	**85,789**
Net increase in cash and cash equivalents	**1,358**
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	**1,358**

The accompanying notes are an integral part of these consolidated financial statements.

Pioneer Marine Inc.
Consolidated statement of changes in owners' equity
For the period September 12, 2013 (date of inception) to December 31, 2013
(In thousands of U.S. Dollars)

	Owners' capital	Accumulated deficit	Total
Balance, September 12, 2013 (date of inception)	-	-	-
Owners' contributions (refer note 7)	85,789	-	85,789
Net loss	-	(1,121)	(1,121)
Balance, December 31, 2013	**85,789**	**(1,121)**	**84,668**

The accompanying notes are an integral part of these consolidated financial statements.

1. Basis of Presentation and General Information

Pioneer Marine Inc. is an international provider of marine transportation of dry bulk commodities on geared Handysize and Handymax carriers. Pioneer Marine Inc. was incorporated in the Republic of the Marshall Islands on February 14, 2014.

On March 5, 2014, based on a Contribution Agreement entered into between Pioneer Marine Holdings LLC ("PMH") and Pioneer Marine Inc., a wholly owned subsidiary of PMH, PMH contributed all its interests in its subsidiaries and its cash on hand to Pioneer Marine Inc. in exchange for 17,419,459 common shares in Pioneer Marine Inc., which represented 100% of the common shares of Pioneer Marine Inc. (the "Reorganization"). Garrison Pioneer LLC (an entity within the Garrison Investment group) is the ultimate controlling shareholder of Pioneer Marine Inc. and accordingly, can control the outcome of matters on which shareholders are entitled to vote, including the election of the Board of Directors and other significant corporate actions.

For the periods prior to the formation of Pioneer Marine Inc. the financial statements represent the combined statements of the entities in the tables below (the "subsidiaries"), using the historical carrying costs of the assets and liabilities of the entities listed below (as if the entities were consolidated subsidiaries of the Pioneer Marine Inc. from their dates of incorporation. The Reorganization is not deemed to be a business combination within the scope of Accounting Standards Codification 805, *Business Combinations* and accordingly, these financial statements reflect the carryover basis of accounting whereby:

- The carrying amount of assets and liabilities included are based on the historical carrying amounts of such assets and liabilities recognized by the subsidiaries;
- The results and cash flows are presented as though the Reorganization occurred on September 12, 2013 and reflects the results and cash flows of the subsidiaries; and
- The amount recognized in equity is based on the historical carrying amounts recognized by the subsidiaries.

All references to the Company hereinafter prior to the formation of the Pioneer Marine Inc. refer to the combined financial statements of the entities incorporated prior to February 14, 2014 and references to the Company subsequent to its formation refer to Pioneer Marine Inc. and its subsidiaries. For convenience hereinafter the financial statements are referred to as consolidated financial statements. The date of inception referred to in these consolidated financial statements (September 12, 2013) is the earliest inception date of the entities listed below.

As a result of the Reorganization as of December 31, 2013, the Company comprises 100% of the interests of the following subsidiaries, which were all wholly owned by PMH:

1. Basis of Presentation and General Information - Continued

Company name	Date of incorporation
Holding Company	
Pioneer Marine LLC (1)	September 12, 2013
Pioneer Marine Acquisitions LLC (1)	September 24, 2013
Pioneer Marine Trading LLC (1)	September 23, 2013
Management Company	
Bay Trading LLC (1)	November 12, 2013
Pioneer Marine Advisers Pte Ltd. (2)	September 24, 2013

Vessel owning company	Date of incorporation	Vessel acquisition date	Vessel name	DWT (3)	Year built
PNR Marine Trading I LLC (1)	September 23, 2013	November 1, 2013	Reunion Bay	32,354	2006
PNR Marine Trading II LLC (1)	September 23, 2013	November 11, 2013	Paradise Bay	46,232	2003
PNR Marine Trading III LLC (1)	September 23, 2013	December 2, 2013	Eden Bay	28,342	2008
PNR Marine Trading IV LLC (1)	September 23, 2013	March 4, 2014	Fortune Bay	28,671	2006
PNR Marine Trading V LLC (1)	November 5, 2013	December 2, 2013	Mykonos Bay	32,411	2009
PNR Marine Trading VI LLC (1)	November 5, 2013	January 27, 2014	Emerald Bay	32,258	2008
PNR Marine Trading VII LLC (1)	November 5, 2013	March 10, 2014	Azure Bay	31,700	2005
PNR Marine Trading VIII LLC (1)	December 11, 2013	January 17, 2014	Teal Bay	32,327	2007
PNR Marine Trading IX LLC (1)	December 11, 2013	March 4, 2014	Calm Bay	37,534	2006
PNR Marine Trading X LLC (1)	December 11, 2013	February 14, 2014	Ha Long Bay	32,311	2007

Companies with vessels under construction	Date of incorporation	Expected vessel delivery date	Hull number	DWT(3)
PNR Guoyu I LLC (1)	September 18, 2013	2015	GY311	38,800
PNR Guoyu II LLC (1)	September 18, 2013	2015	GY312	38,800
PNR Guoyu III LLC (1)	September 18, 2013	2015	GY313	38,800
PNR Guoyu IV LLC (1)	September 18, 2013	2015	GY314	38,800
PNR Sanfu I LLC (1)	September 24, 2013	2016	SF130111	38,000
PNR Sanfu II LLC (1)	September 24, 2013	2016	SF130112	38,000

(1) Incorporated under the laws of the Republic of the Marshall Islands.
(2) Incorporated under the laws of Singapore.
(3) DWT: Dead Weight Ton, a standard measure for dry bulk carriers indicating how much weight a ship can carry.

Except for vessel technical management and crew management which is outsourced to a third-party ship manager, Synergy Marine Pte Ltd ("Synergy"), vessel management is performed by in-house staff employed by Pioneer Marine Advisers Pte Ltd. Agreements with Synergy are for a minimum contract period of two months and one-month management fee payable upon contract termination.

1. Basis of Presentation and General Information - Continued

Major charterers: The following charterers accounted for more than 10% of the Company's charter revenue for the period from September 12, 2013 (date of inception) to December 31, 2013:

Charterer	Percentage of charter revenue
Charterer A	31%
Charterer B	24%
Charterer C	21%
Charterer D	10%

2. Significant Accounting Policies

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The significant accounting policies are set out below.

Principles of consolidation

The consolidated financial statements incorporate the financial statements of the entities listed in Note 1 (the "subsidiaries"). Income and expenses of subsidiaries are included in the consolidated statements of income from the effective date of acquisition and up to the effective date of disposal, as appropriate. All significant intercompany balances and transactions are eliminated upon consolidation.

Accounting estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates. Additionally, significant estimates include the residual value and the useful life of vessels.

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits with an original maturity of three months or less and which are not restricted for use or withdrawal.

Trade Accounts Receivable

Trade accounts receivable reflect receivables from charterers for hire, freight and demurrage billings, net of a provision for doubtful accounts. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. There has been no provision for doubtful accounts for the period presented.

2. Significant Accounting Policies - Continued

Foreign currencies

The consolidated financial statements of the Company are presented in U.S. dollars which is the functional currency of the Company because the Company's vessels operate in international shipping markets and therefore primarily transact business in U.S. dollars.

Transactions in currencies other than the U.S. dollar are recorded at the rate of exchange prevailing on the dates of the transactions. Any change in exchange rate between the date of recognition and the date of settlement may result in a gain or loss which is recognized in the consolidated statement of operations as incurred. At the end of each reporting period, monetary assets and liabilities denominated in a currency other than the functional currency are retranslated into U.S. dollars at rates prevailing at that date and all resulting exchange differences are recognized in the consolidated statement of operations.

Vessels

Vessels are stated at cost, less accumulated depreciation. The cost of vessels purchased consists of the contract price, less discounts, plus any direct expenses incurred upon acquisition, including improvements, broker commission paid, delivery expenses and other expenditures to prepare the vessel for initial voyage. Vessels are depreciated on a straight-line basis over the estimated useful life of the vessels which management estimates to be 25 years from the date of initial delivery from the shipyard. Second-hand vessels are depreciated from the date of their acquisition through their remaining estimated useful life. Depreciation is based on cost less the estimated residual value which is the lightweight tonnage ("LWT") of each vessel multiplied by estimated scrap value per ton. The Company, based on Management's best estimate, estimated the residual value of its vessels to be $250 per LWT.

Advances for vessel acquisition and vessels under construction

Advances paid for vessel acquisitions and vessels under construction are presented at cost, less identified impairment losses, if any. Advances for vessel acquisition include advances and other directly attributable costs, including commissions, if any. Advances for vessels under construction include shipyard instalment payments and other costs incurred during the construction period that are directly attributable to the acquisition or construction of the vessels, net of any commissions or discounts received from the shipyard. Vessels under construction are not depreciated until such time as they are ready for use. On delivery of the vessel, the related cost is transferred to the vessels and accounted in accordance with the accounting policy for vessels.

Revenue

Revenue, which is presented net of commissions or discounts to charterers (address commissions), is recognized when an agreement exists, the vessel is made available to the charterer or services are provided, the charter hire is determinable and collection of the related revenue is reasonably assured.

2. Significant Accounting Policies - Continued

Revenue - Continued

Vessel revenue is comprised of time charter revenue and voyage revenue.

(a) Time charter revenue is recognized rateably over the term of the charter as service is provided, excluding any off-hire period. Time charter revenues received in advance of the provision of charter service are recorded as deferred income and recognized when the charter service is rendered.

(b) Voyage charter agreements are charter hires, where a contract is made in the spot market for the use of a vessel for a specific voyage for a specified charter rate. Revenue from voyage charter agreements is recognized on a pro rata basis based on the relative transit time in each period. The period over which voyage revenues are recognized commences at the time the vessel departs from its last discharge port and ends at the time the discharge of cargo at the next discharge port is completed, however, the Company does not begin recognizing revenue until a charter has been agreed to by the customer, even if the vessel has discharged its cargo and is sailing to the anticipated load port on its next voyage. Estimated losses on voyages are provided for in full at the time such losses become evident. Demurrage income represents payments by the charterer to the vessel owner when loading or discharging time exceeds the stipulated time in the voyage charter and is recognized when earned and collection is reasonably assured. Dispatch expense represents payments by the Company to the charterer when loading or discharging time is less than the stipulated time in the voyage charter and is recognized as incurred. Voyage charter revenue relating to voyages in progress as of the balance sheet date are accrued and presented within Trade accounts receivable and accrued revenue in the consolidated balance sheet.

Voyage expenses

Voyage expenses, which primarily include bunkers (fuel oil used to operate a vessel's engines, generators and boilers), port charges, canal tolls, cargo handling operations, war risk insurances and brokerage commissions paid by the Company under voyage charters are expensed as incurred. Voyage expenses also include losses from the sale of bunkers to charterers and bunkers consumed during off-hire periods and while travelling to and from dry-docking.

Vessel operating expenses

Vessel operating expenses, which include crewing, repairs and maintenance, insurance, spares and consumable stores, lube oils and communication expenses are expensed as incurred.

Additionally, these costs include technical management fees that are payable to our technical ship manager.

Dry-docking and special survey expenses

Dry-docking and special survey expenses are expensed in the period incurred.

2. Significant Accounting Policies - Continued

Impairment of long-lived assets

The Company reviews its tangible fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. If indicators of impairment are present, the Company performs an analysis of the anticipated undiscounted future net cash flows of the related long-lived assets. If the carrying value of the related asset exceeds the undiscounted future net cash flows, the carrying value is reduced to its fair value.

Inventories

Inventories consist of bunker fuel on board when vessels are unemployed or are operating under voyage charters and lubricating oils on board vessels. Inventories are stated at the lower of cost and market. Cost is determined using the first in first out method. Stores and spares are charged to vessel operating costs when purchased.

Segment reporting

Each of the Company's vessels serve the same type of customer, have similar operations and maintenance requirements, operate in the same regulatory environment, and are subject to similar economic characteristics. Based on this, the Company has determined that it operates in one reportable segment, the international marine transportation of dry bulk commodities, with its fleet of vessels. Furthermore, when the Company charters a vessel to a charterer, the charterer is free to trade the vessel worldwide and, as a result, the disclosure of geographic information is impracticable.

Other comprehensive income/(loss)

The Company follows the accounting guidance relating to comprehensive income, which requires separate presentation of certain transactions that are recorded directly as components of equity. The Company has no other comprehensive income/(loss) and accordingly, comprehensive loss equals the net loss for the period presented and thus has not presented this in the statement of operations or in a separate statement.

Recent accounting pronouncements

On May 28, 2014, the FASB issued the final standard on revenue from contracts with customers. The standard, issued as ASU 2014-09 by the FASB, outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The ASU is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2016, for public entities. Early application is not permitted. For non-public companies, the new guidance will be required for annual reporting periods beginning after December 15, 2017, and interim and annual reporting periods after those reporting periods. A non-public entity may elect early application, but no earlier than the effective date for public entities. Entities have the option of using either a full retrospective or a modified approach to adopt the guidance in the ASU. The Company has not yet evaluated the impact, if any, of the adoption of this new standard.

3. Inventories

Inventories comprise of bunkers and lubricants and the details are as follows.

USD in thousands	December 31, 2013
Bunkers	734
Lubricants	338
Total	**1,072**

4. Vessels, Net/Other Fixed Assets

The amounts shown in the accompanying consolidated balance sheets are analyzed as follows:

USD in thousands	Vessel cost	Accumulated depreciation	Net book value
Balance, September 12, 2013 (inception)	-	-	-
Vessel acquisitions	68,573	-	68,573
Depreciation expense		(403)	(403)
Balance, December 31, 2013	**68,573**	**(403)**	**68,170**

The vessel acquisitions during the period relate to the cost of the M/V Reunion Bay, M/V Paradise Bay, M/V Eden Bay and M/V Mykonos Bay, purchased from unrelated third parties on a charter free basis. There were no indications of impairment of the vessels as of December 31, 2013 and no impairment loss was recorded.

As of December 31, 2013, other fixed assets amounted to $0.08 million consisting of office assets stated at cost, less depreciation of $0.01 million. Depreciation for other fixed assets is calculated using the straight-line method over the useful life of the assets which ranges from 1 to 3 years.

5. Advances for Vessel Acquisitions and Vessels under Construction

USD in thousands	Advances for vessels acquisition	Advances for vessels under construction	Total
Balance, September 12, 2013 (inception)	-	-	-
Additions	5,015	8,606	13,621
Balance, December 31, 2013	**5,015**	**8,606**	**13,621**

Advances for vessel acquisitions relates to initial instalments paid to the respective third party sellers relating to the contracts entered into to purchase the M/V Fortune Bay, M/V Emerald Bay and M/V Azure Bay , which were delivered to the Company during the three months ended March 31, 2014.

Advances for vessels under construction represent the scheduled payments to the shipyard relating to Hulls GY311, GY312, GY313 and GY314.

6. Capital Commitments and Contingencies

As of December 31, 2013, the Company's outstanding commitments relating to contracts to construct or purchase second hand vessels are set out below:

USD in thousands	2014	2015	Total
Shipbuilding contracts	25,740	95,360	121,100
Vessel purchase contracts	62,985	-	62,985
Total	**88,725**	**95,360**	**184,085**

7. Owners' Capital

Owners' capital represents contributions made by the owners in order to finance the acquisition of the vessels and advances for vessels under construction as well as to provide working capital for the entities listed in Note 1.

8. Revenue, Net

Revenue, net was comprised of the following for the period September 12, 2013 (date of inception) to December 31, 2013:

USD in thousands	
Time charter revenue	1,218
Voyage charter revenue	97
Other revenue	82
Less: Address commission	(57)
Total	**1,340**

9. Income Tax

The entities which are incorporated in the Republic of the Marshall Islands are not subject to Marshall Islands' income tax in accordance with the income tax laws of the Marshall Islands. In addition the entities tax liability under Section 883 of the United States Internal Revenue Code (the "Code") and the regulations thereunder for the current fiscal period is not expected to be material.

Our subsidiary, Pioneer Marine Advisers Pte Ltd. is registered in Singapore and is subject to Singaporean income taxes on profits derived from services provided to related parties within the Pioneer Marine group of companies. Current year income tax liability is not material, expected to amount to approximately $1 thousand.

10. Financial Instruments

The principal financial assets of the Company consist of cash and cash equivalents and trade accounts receivable. The principal financial liabilities of the Company consist of accounts payables and accrued liabilities.

(a) ***Interest rate risk:*** The Company is not exposed to movements in interest rates as of December 31, 2013 as it does not have any interest bearing debt.

(b) ***Concentration of credit risk:*** Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of trade accounts receivable and cash and cash equivalents. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition and generally does not require collateral for its trade accounts receivable. The trade accounts receivable as of December 31, 2013 mainly relate to receivable from charterers for services rendered and accrued income. The Company places its cash and cash equivalents, with high credit quality financial institutions. The Company performs periodic evaluations of the relative credit standing of those financial institutions.

(c) ***Fair value:*** The carrying values of trade accounts receivable, cash and cash equivalents, accounts payable and accrued liabilities are reasonable estimates of their fair value due to the short-term nature of these financial instruments.

11. Net Loss per Share

The computation of net loss per share for the period September 12, 2013 (date of inception) to December 31, 2013 gives retroactive effect to the 17,419,459 shares issued under the Reorganization (refer to Note 1). There are no dilutive securities during the period presented.

Net loss (USD in thousands)	(1,121)
Weighted average number of common shares outstanding, basic and diluted	17,419,459
Net loss per share, basic and diluted in USD	**(0.06)**

12. Subsequent Events

In January and February 2014 the Company entered into purchase agreements to acquire the vessels M/V Ha Long Bay, M/V Calm Bay, M/V Venus Bay, M/V Orion Bay and M/V Jupiter Bay for an aggregate price of $92.4 million from unrelated third parties, on a charter free basis, with the exception of the M/V Calm Bay. The M/V Calm Bay was purchased with a time charter attached, which was novated to the Company with a remaining term of approximately two months at no additional consideration because the charter rate was at market rates.. These vessels were delivered to the Company over the period February to April 2014. In addition, the M/V Fortune Bay, M/V Emerald Bay, M/V Azure Bay and M/V Teal Bay, which the Company had contracted to purchase in 2013, were delivered to the Company during the quarter ended March 31, 2014.

12. Subsequent Events - Continued

In January and April 2014, the Company entered into construction agreements with a shipyard for construction of eight Handysize Green Dolphin newbuild vessels (Hull GY 315 to Hull GY 322) for an aggregate price of $174 million.

On March 5, 2014, the Company completed its Reorganization, (refer Note 1).

On March 18, 2014, Pioneer Marine Inc. issued to Garrison Pioneer Profits D LLC, a Garrison Investment group owned entity, for no consideration, warrants to purchase up to 0.6 million shares of common shares at an exercise price of US$13.00 per warrant.

On March 25, 2014, Pioneer Marine Inc. completed a private placement with the sale and issue of 5.8 million common shares at a price of $13.00 per share and raised gross proceeds of $75.0 million and registered its shares on the Norwegian OTC market under the symbol PNRM.

On June 16, 2014, Pioneer Marine Inc. and Pioneer Trading LLC, as guarantors, and eight of our ship-owning subsidiaries entered into a secured term loan facility with DVB Group Merchant Bank (Asia) Ltd. and ABN AMRO Bank BV, for up to $72 million on a joint and several basis to partly refinance the purchase price of respective vessels and for general corporate purposes. The loan bears interest at LIBOR plus a margin and is secured over the respective vessels. The principal is to be repaid over five years in quarterly instalments, with a balloon payment of $36.7 million concurrently with the last instalment. The facility was fully drawn down on July 2, 2014.

On August 11, 2014, five of our ship-owning subsidiaries entered into a secured loan facility with CIT Finance LLC for an amount up to $47.4 million on a joint and several basis to partly refinance the purchase price of respective vessels and for general corporate purposes. The loan bears interest at LIBOR plus a margin and is secured over the respective vessels. The principal is to be repaid over 21 quarterly instalments commencing on September 30, 2014 with a balloon payment of $25.3 million concurrently with the last instalment. The facility was fully drawn down on August 18, 2014.

Subsequent events have been evaluated through November 10, 2014 the date that the financial statements were available to be issued.