

GLOBUS MARITIME LIMITED

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD
FROM JANUARY 1, 2007 TO 31 MARCH 2007**

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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS
To The Shareholders of
GLOBUS MARITIME LIMITED**

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Globus Maritime Limited (the “Company”) as at March 31, 2007 and the related interim condensed consolidated statements of income, changes in equity and cash flows for the three-month period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

May 18, 2007

GLOBUS MARITIME LIMITED
INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
AT MARCH 31, 2007
(Expressed in thousands of U.S. Dollars, except share and per share data)

<u>ASSETS</u>	<u>Note</u>	31/03/07 <i>(unaudited)</i>	31/12/06
NON-CURRENT ASSETS			
Vessels, net	5	118,659	97,223
Advance for vessel acquisition	6	3,793	2,475
Office furniture and equipment		3	3
Other assets		<u>10</u>	<u>10</u>
Total non-current assets		122,465	99,711
CURRENT ASSETS			
Cash and cash equivalents	3	1,029	2,069
Restricted cash		1,090	368
Due from shareholders	4	1	14
Due from related parties	4	-	489
Trade receivables, net		-	19
Inventories		409	382
Prepayments and other assets		<u>129</u>	<u>1,049</u>
Total current assets		<u>2,658</u>	<u>4,390</u>
TOTAL ASSETS		<u><u>125,123</u></u>	<u><u>104,101</u></u>
<u>EQUITY AND LIABILITIES</u>			
EQUITY ATTRIBUTABLE TO SHAREHOLDERS			
Share capital	7	19	14
Share premium	7,8	40,167	28,783
Retained earnings		<u>1,588</u>	<u>940</u>
Shareholders' equity attributable to Globus Maritime Limited Shareholders		41,774	29,737
Minority interest	8	<u>-</u>	<u>5,298</u>
Total shareholders' equity		<u>41,774</u>	<u>35,035</u>
NON-CURRENT LIABILITIES			
Long-term borrowings, net of current portion	9	64,994	53,509
Seller's credit		-	966
Total non-current liabilities		<u>64,994</u>	<u>54,475</u>
CURRENT LIABILITIES:			
Current portion of long-term borrowings	9	14,745	12,574
Trade accounts payable		1,064	639
Due to related parties	4	337	51
Provisions		190	-
Accrued liabilities and other payables		599	504
Deferred revenue		<u>1,420</u>	<u>823</u>
Total current liabilities		<u>18,355</u>	<u>14,591</u>
TOTAL LIABILITIES		<u>83,349</u>	<u>69,066</u>
TOTAL EQUITY AND LIABILITIES		<u><u>125,123</u></u>	<u><u>104,101</u></u>

The accompanying condensed notes are an integral part of the interim condensed consolidated financial statements.

GLOBUS MARITIME LIMITED
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS TO MARCH 31, 2007
(Expressed in thousands of U.S. Dollars, except share and per share data)

	<u>Note</u>	31/03/07 <i>(unaudited)</i>
REVENUE:		
Time charter revenue		7,602
EXPENSES:		
Voyage expenses		434
Vessels operating expenses		1,527
Depreciation		2,072
Depreciation of dry docking costs		227
Administrative expenses		100
Administrative expenses payable to related party	4	204
Other expenses		<u>300</u>
Operating profit before finance costs		<u>2,738</u>
Interest expense and finance costs		(1,315)
Interest income		48
Foreign exchange losses		<u>(8)</u>
Total finance costs, net		<u>(1,275)</u>
PROFIT FOR THE PERIOD		<u><u>1,463</u></u>
Attributable to:		
Globus Maritime Limited shareholders		648
Minority interest		815
		<u><u>1,463</u></u>
Earnings per share (U.S.\$):		
- Basic and EPS for the year		87.08
- Diluted EPS for the year		87.05
Weighted average number of shares for basic EPS		7,441
Weighted average number of shares for diluted EPS		7,444

The accompanying condensed notes are an integral part of the interim condensed consolidated financial statements.

GLOBUS MARITIME LIMITED
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS TO MARCH 31, 2007
(Expressed in thousands of U.S. Dollars, except share and per share data)

	<u>Common Stock</u>					Minority Interest	<u>Total Shareholders' Equity</u>
	<u>Number of Shares</u>	<u>Par Value</u>	<u>Issued Share Capital</u>	<u>Share Premium</u>	<u>Retained Earnings</u>		
Balance December 31, 2006	7,333	2	14	28,783	940	5,298	35,035
Profit for the period	-	-	-	-	648	815	1,463
Issuance of share capital	325	2	1	-	-	-	1
Capital contributions (Note 7)				1,275	-	4,000	5,275
Acquisition of Minority Interest (Note 8)	2,342	2	4	10,109	-	(10,113)	-
Balance March 31, 2007 (unaudited)	10,000	2	19	40,167	1,588	-	41,774

The accompanying condensed notes are an integral part of the interim condensed consolidated financial statements.

GLOBUS MARITIME LIMITED
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS TO MARCH 31, 2007

(Expressed in thousands of U.S. Dollars, except share and per share data)

	31/03/07 <i>(unaudited)</i>
Cash Flows from Operating Activities:	
Profit for the period	1,463
Adjustments for:	
Depreciation	2,072
Depreciation of deferred dry docking costs	227
Provisions	190
Interest expense and finance cost	1,315
Interest income	(48)
Foreign exchange losses	8
(Increase)/Decrease in:	
Prepayments and other assets	(83)
Inventories	(27)
Trade receivables, net	19
Due from related parties	487
Increase/(Decrease) in:	
Trade accounts payable	426
Accrued liabilities and other payables	(113)
Due to related parties	286
Deferred revenue	597
Net cash provided by operating activities	<u>6,819</u>
Cash Flows from Investing Activities:	
Vessel acquisition	(22,332)
Advance for vessel purchase	(3,793)
Seller's credit	1,072
Interest received	57
Net cash used in investing activities	<u>(24,996)</u>
Cash Flows from Financing Activities:	
Proceeds from issuance of long-term debt	17,000
Repayment of long-term debt	(3,300)
Contributions to paid-in capital	5,275
Proceeds from issuance of share capital	14
Restricted cash	(722)
Payment of financing costs	(56)
Interest paid	(1,074)
Net cash provided by financing activities	<u>17,137</u>
Net decrease in cash and cash equivalents	(1,040)
Cash and cash equivalents at the beginning of the period	2,069
Cash and cash equivalents at the end of the period	<u>1,029</u>

The accompanying condensed notes are an integral part of the interim condensed consolidated financial statements.

GLOBUS MARITIME LIMITED.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS TO MARCH 31, 2007
(in thousands of U.S. dollars)

1. Basis of Presentation and General Information

The interim condensed consolidated financial statements of Globus Maritime Limited (the “Company” or “Globus”) and its subsidiaries (the “Group”) include the accounts of the following companies:

Company	Country of Incorporation	Date of Incorporation	Activity
Globus Maritime Limited	Jersey	July 26, 2006	Holding Co.
Globus Shipmanagement Corp.	Marshall Islands	July 26, 2006	Management Co.

Globus Shipmanagement Corp. is a wholly-owned subsidiary of the Holding Company.

The interim condensed consolidated financial statements also include the accounts of the following vessel-owning subsidiaries:

Company	Country of Incorporation	Vessel Delivery Date	Vessel Owned
Chantal Maritime Co.	Marshall Islands	September 15, 2006	Ocean Globe
Sibelle Marine Inc.	Marshall Islands	September 26, 2006	Sea Globe
Supreme Navigation Co.	Marshall Islands	November 14, 2006	Coral Globe
Adagio Marine S.A.	Marshall Islands	December 6, 2006	Lake Globe
Ambrosia Shipping Inc.	Marshall Islands	January 11, 2007	Gulf Globe
Eleanor Maritime Limited	Marshall Islands	June 15, 2007*	Darya Geeth #

* *expected delivery date*

vessel will be renamed Island Globe

The principal business of the Group is the ownership and operation of a fleet of dry bulk vessels, providing maritime services for the transportation of dry cargo products on a worldwide basis. The Group conducts its operations through its vessel-owning companies. During the three months to March 31, 2007 all delivered vessels operated on unique time charters with four different charterers. The address of the registered office of the Company is: Walker House, PO Box 72, 28-34 Hill Street, St Helier, Jersey, JE4 8PN.

The controlling shareholder of Globus is Firment Trading Limited (“Firment”). The ultimate controlling party of the Company is Mr. George Feidakis.

GLOBUS MARITIME LIMITED
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 3 MONTHS TO MARCH 31, 2007
(in thousands of U.S. dollars)

1. Basis of Presentation and General Information (continued)

The operations of the vessels are managed by Globus Shipmanagement Corp. (the “Manager”), a wholly-owned Marshall Islands corporation. The Manager, together with Globus Maritime Limited, have an office in Greece, located at 128 Vouliagmenis Avenue, 166 74 Glyfada, Athens and provides the commercial, technical, cash management and accounting services necessary for the operation of our fleet in exchange for a management fee. The management fee is eliminated on consolidation.

2. Significant Accounting Policies

- (a) ***Basis of Preparation:*** These interim condensed consolidated financial statements have been prepared by management in accordance with IAS 34 Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at December 31, 2006. The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended December 31, 2006. The interim condensed consolidated financial statements are presented in US dollars and all financial values are rounded to the nearest thousand (\$000) except when otherwise indicated.

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 18, 2007.

- (b) ***Basis of Consolidation:*** The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries listed in note 1. The financial statements of the subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies. All material inter-company balances and transactions have been eliminated upon consolidation. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Minority interest represents the portion of profit or loss and the net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from the parent shareholder’s equity. Acquisitions of minority interests are accounted for using the entity concept method, whereby the difference between the consideration and book value of the share of net assets acquired is reflected as an equity transaction. As of March 31, 2007, all subsidiaries were wholly owned by Globus and no minority interest remained.

GLOBUS MARITIME LIMITED
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 3 MONTHS TO MARCH 31, 2007
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2. Significant Accounting Policies (continued)

- (c) *Use of Estimates:* The preparation of interim condensed consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses recognised during the reporting period. Actual results could differ from those estimates. The estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements are estimations in relation to useful lives of vessels, the scrap value of vessels and estimated dry docking dates.
- (d) *Accounting for Revenue and Related Expenses:* The Group generates its revenues from charterers for the charter hire of its vessels. Vessels are chartered using time charters, where a contract is entered into for the use of a vessel for a specific period of time and a specified daily charter hire rate. If a time charter agreement exists and collection of the related revenue is reasonably assured, revenue is recognised on a straight line basis over the period of the time charter. Such revenues are treated in accordance with IAS 17 as lease income as explained in note 2 (u) below. Associated voyage expenses, which primarily consist of commissions, are recognised on a pro-rata basis over the duration of the period of the time charter. Deferred revenue relates to cash received prior to the balance sheet date and is related to revenue earned after such date. Deferred revenue also includes the value ascribed to time charter agreements assumed upon the purchase of a vessel, if any. This ascribed amount is amortised over the remaining term of the time charter and the amortised portion for the period is included in revenue for the period.

Other voyage expenses primarily consisting of port, canal and bunker expenses that are unique to a particular charter are paid for by the charterer under time charter arrangements or by the Group under voyage charter arrangements. Furthermore, voyage expenses include commission on income paid by the Group. The Group defers bunker expenses under voyage charter agreements and amortises them over the related voyage. Vessel operating expenses are accounted for on an accruals basis.

- (e) *Foreign Currency Translation:* The functional currency of the Company is the U.S. dollar, which is also the presentation currency of the Group, because the Group's vessels operate in international shipping markets, whereby the U.S. dollar is the currency used for transactions. Transactions involving other currencies during the period are converted into U.S. dollars using the exchange rates in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities, which are denominated in currencies other than the U.S. dollar, are translated into the functional currency using the period-end exchange rate. Gains or losses resulting from foreign currency transactions are included in foreign currency gain or loss in the interim condensed consolidated income statement.

GLOBUS MARITIME LIMITED
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 3 MONTHS TO MARCH 31, 2007
(in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)

- (f) **Cash and Cash Equivalents:** The Group considers highly liquid investments such as time deposits and certificates of deposit with original maturity of three months or less to be cash and cash equivalents.
- (g) **Restricted cash:** The loan agreements require the vessel-owning companies to fund loan retention accounts in their name. Each month, an amount equivalent to one third of the loan instalments payable on the next instalment date (based on the frequency of the repayment, i.e. quarterly) plus interest for the month, must be deposited into the loan retention account. The funds may only be used for the purpose of loan repayment and are classified as restricted cash under current assets.
- (h) **Trade Receivables, net:** The amount shown as trade receivables at each balance sheet date includes estimated recoveries from charterers for hire, freight and demurrage billings, net of an allowance for doubtful accounts. At each balance sheet date, all potentially uncollectible accounts are assessed individually for the purpose of determining the appropriate allowance for doubtful accounts. There is no provision for doubtful accounts at March 31, 2007.
- (i) **Inventories:** Inventories consist of lubricants and gas cylinders and are stated at the lower of cost or net realisable value. The cost is determined by the first-in, first-out method.
- (j) **Vessels, net:** Vessels are stated at cost, less accumulated depreciation. Vessel cost consists of the contract price for the vessel and any material expenses incurred upon acquisition (initial repairs, improvements and delivery expenses, interest and on-site supervision costs incurred during the construction periods). Any seller's credit, i.e. amounts received from the seller of the vessels until date of delivery is deducted from the cost of the vessel. Subsequent expenditures for conversions and major improvements are also capitalised when the recognition criteria are met. Otherwise these amounts are charged to expenses as incurred. When the Group acquires a vessel with a time charter agreement assumed, the cost of acquisition is allocated between the individual assets and / or liabilities assumed based on their relative fair values at the time of acquisition. The time charter agreement assumed can be assigned either a positive value (asset), negative value (deferred revenue) or zero value. During the period ending December 31, 2006, one vessel was purchased with a time charter agreement attached which was considered to have zero fair value at the time of acquisition. During the 3 months to March 31, 2007, no vessels were purchased with a time charter agreement attached.

GLOBUS MARITIME LIMITED
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 3 MONTHS TO MARCH 31, 2007
(in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)

- (k) **Deferred Dry-docking Costs:** Vessels are required to be dry-docked for major repairs and maintenance that cannot be performed while the vessels are operating. Dry-dockings occur approximately every 2.5 years. The costs associated with the dry-dockings are capitalised and depreciated on a straight-line basis over the period between dry-dockings, to a maximum of 2.5 years.

At the date of acquisition of a second-hand vessel, management estimates the component of the cost that corresponds to the economic benefit to be derived until the first scheduled dry-docking of the vessel under the ownership of the Group, and this component is depreciated on a straight-line basis over the remaining period through the estimated dry-docking date.

- (l) **Depreciation:** The cost of each of the Group's vessels is depreciated on a straight-line basis over each vessel's remaining useful economic life, after considering the estimated salvage value of each vessel, beginning when the vessel is ready for its intended use. Management estimates that the useful life of new vessels is 25 years, which is consistent with industry practice. The salvage value of a vessel is the product of its lightweight tonnage and estimated scrap value per lightweight ton.
- (m) **Impairment of Long-lived Assets:** The Group assesses at each reporting date whether there is an indication that the vessel may be impaired. The vessel's recoverable amount is estimated when events or changes in circumstances indicate the carrying value may not be recoverable. If such indication exists and where the carrying value exceeds the estimated recoverable amounts, the vessel is written down to its recoverable amount. The recoverable amount is the greater of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the vessel. Impairment losses are recognised in the consolidated income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

As at March 31, 2007, no impairment indications existed.

GLOBUS MARITIME LIMITED
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 3 MONTHS TO MARCH 31, 2007
(in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)

- (n) **Long-term Debt:** Long-term debt is initially recognised at the fair value of the consideration received net of issue costs directly attributable to the borrowing. After initial recognition, long-term debt is subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognised in net profit or loss when the liabilities are derecognised or impaired, as well as through the amortisation process.
- (o) **Borrowing costs:** The borrowing costs are expensed to the consolidated income statement as incurred.
- (p) **Segment Reporting:** The Group reports financial information and evaluates its operations by charter revenues and not by length of ship employment for its customers i.e. spot or time charters. The Group does 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 cannot and does not identify expenses, profitability or other financial information for these charters. As a result, management, including the chief operating decision maker, reviews operating results solely by revenue per day and operating results of the fleet and thus the Group has determined that it operates under one reportable segment. Furthermore, when the Group charters a vessel to a charterer, the charterer is free to trade the vessel worldwide and, as a result, the disclosure of geographical information is impracticable.
- (q) **Provisions and Contingencies**
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.
- (r) **Offsetting of Financial Assets and Liabilities**
Financial assets and liabilities are offset and the net amount is presented in the balance sheet only when the Group has a legally enforceable right to set off the recognised amounts and intend either to settle such asset and liability on a net basis or to realise the asset and settle the liability simultaneously.

GLOBUS MARITIME LIMITED
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 3 MONTHS TO MARCH 31, 2007
(in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)

(s) Derecognition of Financial Assets and Liabilities

(i) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but have assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Group has transferred their rights to receive cash flows from the asset and either (a) have transferred substantially all the risks and rewards of the assets, or (b) have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred their rights to receive cash flows from an asset and have neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

GLOBUS MARITIME LIMITED
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 3 MONTHS TO MARCH 31, 2007
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2. Significant Accounting Policies (continued)

(t) Leases – where the Group is the lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated income statement on a straight-line basis over the period of the lease.

(u) Leases – where a Group entity is the lessor

Leases of vessels where the Group does not transfer substantially all the risks and benefits of ownership of the vessel are classified as operating leases. Lease income on operating leases is recognised on a straight line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

(v) Insurance

The Group recognises insurance claim recoveries for insured losses incurred on damage to vessels. Insurance claim recoveries are recorded, net of any deductible amounts, at the time the Group's vessels suffer insured damages. They include the recoveries from the insurance companies for the claims, provided there is evidence the amounts are virtually certain to be received.

GLOBUS MARITIME LIMITED
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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3. Cash and Cash Equivalents

Cash and cash equivalents consists of cash at banks earning interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. At March 31, 2007, all of the Group's cash and cash equivalents were held in bank current accounts. At December 31, 2006, the Group had \$1,000 on short-term deposit with the remaining balance of \$1,069 in bank current accounts.

4. Transactions with Related Parties

As at March 31, 2007 there is an amount of \$302 due to Firment Trading Limited, Globus's controlling shareholding. This amount relates to a short-term loan of \$300 obtained in February 2007 in connection with the deposit payment of 10% of the purchase price of Island Globe and bears interest of 6.5%. During the period to March 31, 2007, interest of \$2 was charged and is outstanding. The loan balance and the outstanding interest totaling \$304 were paid on May 7, 2007 (see note 13).

On August 20, 2006, Globus Shipmanagement Corp. entered into a rental agreement for 350m² office space for its operations within a building owned by Cyberonica S.A. (a company related through common control). Rental expense is Euro 13 (\$17) per month up to August 20, 2008. The rental agreement provides for a yearly increase in rent of 2% above the rate of inflation as set by the National Bank of Greece. The contract runs for 9 years and may be terminated by the Group with 6 months notice. During the 3 months to March 31, 2007, rent expense was \$51 and rental payments of \$35 were outstanding.

In addition, there is \$1 due from shareholders, relating to amounts due for the issued share capital of Globus Maritime Limited. This balance was repaid during May 2007. The company received \$14 from shareholders during the period in relation to shares issued by Globus prior to December 31, 2006.

During the three months to March 31, 2007 the Company received cash for the repayment of a short-term loan of \$487 and the associated interest of \$8 from Master Aim S.A., a company related through common control.

On September 1, 2006, Globus Shipmanagement Corp. entered into an agreement with Eolos Shipmanagment S.A. ("Eolos"), a company related through common control. The agreement provides for a fee of \$100 per month for services rendered in connection with the management of dry bulk vessels. The amount of the service fee is unaffected by the number of vessels and timing of delivery or sale of any such vessels. The agreement was amended in March 2007 to reflect that for the period from September 1, 2006 to March 31, 2007, only those expenses incurred by Eolos in relation to the management of Globus fleet during that period would be charged to Globus. Such expenses totaled \$604, of which \$204 were charged in the period to March 31, 2007. The agreement was terminated on March 31, 2007 and there was no balance outstanding as of such date.

GLOBUS MARITIME LIMITED
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(in thousands of U.S. dollars)

4. Transactions with Related Parties (continued)

As at March 31, 2007, the Group had one key executive employee, whose salary and employer's contributions amounted to \$29 for the period.

5. Vessels, net

The amounts in the consolidated balance sheet are analysed as follows:

Vessel Cost

	Cost	Accumulated Depreciation	Net Book Value
Balance at December 31, 2006	97,752	(1,269)	96,483
Vessel additions	24,686	-	24,686
Initial costs	57	-	57
Seller's credit	(1,072)	-	(1,072)
Depreciation for period	-	(2,072)	(2,072)
Balance at March 31, 2007	<u>121,423</u>	<u>(3,341)</u>	<u>118,082</u>

Dry docking Cost

	Cost	Accumulated Depreciation	Net Book Value
Balance at December 31, 2006	873	(133)	740
Dry docking additions	64	-	64
Depreciation for period	-	(227)	(227)
Balance at March 31, 2007	<u>937</u>	<u>(360)</u>	<u>577</u>

**Vessel Net Book Value at
December 31, 2006**

<u>98,625</u>	<u>(1,402)</u>	<u>97,223</u>
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**Vessel Net Book Value at
March 31, 2007**

<u>122,360</u>	<u>(3,701)</u>	<u>118,659</u>
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During the three months to March 31, 2007, the Group took delivery of one vessel, Gulf Globe, for a purchase price of \$24.8 million. The vessel was delivered charter free.

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5. Vessels, net (continued)

The Group estimated, as of the date of acquisition of Gulf Globe, an aggregate amount of \$64 representing the component of the cost of the purchase price of the vessel that relates to the economic benefits derived from the vessel's previous dry docking.

Upon entering into the purchase agreements for Gulf Globe, it was agreed with the seller that, from a pre-agreed date, a seller's credit would accrue daily until the date of delivery of the vessel. This credit was in proportion to the hire earned by the vessel up to the date of delivery and was received shortly after delivery. The seller's credit has been accounted for as a reduction to vessel cost.

6. Advance for Vessel Acquisition

In February 2007, Eleanor Maritime Limited, entered into a memorandum of agreement with a third party to purchase the vessel M/V Darya Geeth (to be renamed M/V Island Globe) for \$37,925. The vessel is expected to be delivered by June 15, 2007. A 10% deposit amounting to \$3,793 was paid and accounted for as advance for vessel acquisition in the consolidated balance sheet (see note 10).

7. Share Capital and Share Premium

The share capital of Globus Maritime Limited at March 31, 2007, consisted of the following:

	USD 000's
Authorised	
10,000 Ordinary Shares of GBP 1.00 each	19
Issued and paid	
9,675 Ordinary Shares of GBP 1.00 each	18
Issued and unpaid	
325 Ordinary Shares of GBP 1.00 each	1

Within the period the Company issued 2,342 shares that were exchanged for the minority interest shares in Adagio Marine S.A. and Ambrosa Shipping Inc. as described in note 8 below. In addition, Globus issued another 325 shares at par value to Firment. The par value was unpaid as at March 31, 2007.

Share premium represents the contribution of the Group's shareholders to the acquisition of the Group's vessels. In connection with the purchase of M/V Gulf Globe, Firment contributed \$1,275 and another party related through common control contributed \$4,000 to the purchase price. Additionally, share premium represents the effects of the acquisition of Minority Interest described in note 8.

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8. Acquisition of Minority Interest

Minority interest in the equity of consolidated subsidiaries at December 31, 2006, relates to the participation in Adagio Marine S.A. by a company related through common control. As at December 31, 2006, the related party owned 67% of the share capital of Adagio Marine S.A. and the Group owned the remaining 33%. As Globus Maritime Limited had, by virtue of an agreement with the related party, full operational control over Adagio Marine S.A. and power to appoint the Board of Directors of Adagio Marine S.A., the latter was consolidated in the Group's financial statements with the capital invested by the related party and the net profit attributable to the related party disclosed as a minority interest.

On January 11, 2007, the same related party mentioned above participated in the increase of the share capital of Ambrosa Shipping Inc. and obtained a 52% ownership in the subsidiary (before January 11, 2007, 100% of Ambrosa Shipping Inc.'s issued share capital was owned by Globus). Globus had by virtue of an agreement with the related party, full operational control over Ambrosa Shipping Inc. and power to appoint the Board of Directors of this subsidiary, therefore, the latter was consolidated in the Group's financial statements, with the capital invested by the related party and the net profit attributable to the related party disclosed as a minority interest.

On March 21, 2007, the minority interest sold its ownership in Adagio Marine S.A. and Ambrosa Shipping S.A. to a third party, Lipati Shipping Company Limited ("Lipati"). On March 22, 2007 the share certificates of Lipati in the two entities were cancelled and new share certificates in the name of Globus were issued. As a result as of March 22, 2007, Globus was the 100% shareholder of all its subsidiaries.

On March 30, 2007, Globus issued 2,342 shares, with a nominal value of GBP 1 each, to Lipati as consideration for the shares held in Adagio Marine S.A. and Ambrosa Shipping S.A.. As of that date, the minority interest in these entities was \$10,113. This transaction was effectively treated as an acquisition by Globus of the minority interest with issuance of shares in Globus as consideration. The difference between the carrying value of the minority interest at transaction date the nominal value of share capital issued as consideration (\$4) was accounted for in accordance with the Company's policy for acquisition of minority interest (entity concept method), i.e. reflected as an equity transaction in share premium. There was no cash flow impact as a result of the reorganisation.

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9. Long-term Debt, net

The amounts in the consolidated balance sheet are analysed as follows:

<u>Borrower</u>	<u>Vessel</u>	<u>Loan Balance</u>	<u>Unamortised Debt Discount</u>	<u>Total Borrowings</u>
(a) Chantal Maritime Co.	Ocean Globe	15,350	(59)	15,291
(b) Sibelle Marine Inc.	Sea Globe	15,350	(62)	15,288
(c) Supreme Navigation Co.	Coral Globe	16,175	(61)	16,114
(d) Adagio Marine S.A.	Lake Globe	16,175	(66)	16,109
(e) Ambrosa Shipping Inc.	Gulf Globe	17,000	(63)	16,937
Total		80,050	(311)	79,739
Less: Current Portion		14,820	(75)	14,745
Long-Term Portion		65,230	(236)	64,994

During September 2006, the five vessel owning subsidiaries entered into a joint and several loan agreement with a bank for \$85,000 to partly finance the purchase of five vessels. As per the loan agreement, the loan was to be drawn down in separate tranches of \$17,000 upon delivery of each vessel. As of March 31, 2007, all five tranches had been drawn down.

- (a) During September 2006, Chantal Maritime Co. drew down \$17,000 of the loan amount to partly finance the purchase of the vessel, Ocean Globe. The loan amount outstanding of \$15,350 is repayable in 32 consecutive variable quarterly instalments through March 2015, with a balloon payment payable together with the final instalment. The loan bears interest at LIBOR plus a margin and the interest rate at March 31, 2007, including the margin, was 6.3%.
- (b) During September 2006, Sibelle Marine Inc. drew down \$17,000 of the loan amount to partly finance the purchase of the vessel, Sea Globe. The loan amount outstanding of \$15,350 is repayable in 32 consecutive variable quarterly instalments through March 2015, with a balloon payment payable together with the final instalment. The loan bears interest at LIBOR plus a margin and the interest rate at March 31, 2007, including the margin, was 6.3%.
- (c) During November 2006, Supreme Navigation Co. drew down \$17,000 of the loan amount to partly finance the purchase of the vessel, Coral Globe. The loan amount outstanding of \$16,175 is repayable in 33 consecutive variable quarterly instalments through May 2015, with a balloon payment payable together with the final instalment. The loan bears interest at LIBOR plus a margin and the interest rate at March 31, 2007, including the margin, was 6.3%.

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9. Long-term Debt, net (continued)

(d) During December 2006, Adagio Marine S.A. drew down \$17,000 of the loan amount to partly finance the purchase of the vessel, Lake Globe. The loan amount outstanding of \$16,175 is repayable in 33 consecutive variable quarterly instalments through June 2015, with a balloon payment payable together with the final instalment. The loan bears interest at LIBOR plus a margin and the interest rate at March 31, 2007, including the margin, was 6.3%.

(e) During January 2007, Ambrosa Shipping Inc. drew down \$17,000 of the loan amount to partly finance the purchase of the vessel, Gulf Globe. The loan amount outstanding of \$17,000 is repayable in 34 consecutive variable quarterly instalments through July 2015, with a balloon payment payable together with the final instalment. The loan bears interest at LIBOR plus a margin and the interest rate at March 31, 2007, including the margin, was 6.3%.

The loan is secured as follows:

- First preferred mortgage over the vessels;
- First priority assignment of all insurances and earnings of mortgaged vessels;
- First priority charge and pledge on the mortgaged vessels' earnings and retention accounts;
- Corporate guarantee of Globus Maritime Limited;
- Personal guarantee of a related party.

The loan agreement contains various covenants, including, amongst others, restrictions as to (a) changes in management and ownership of the mortgaged vessels (b) the incurrence of additional indebtedness, (c) mortgaging the vessel and payment of dividends without the bank's prior consent, and (d) minimum requirements for the vessel's market value and insured value in relation to the loan's outstanding balance.

The required annual loan principal payments per bank loan to be made subsequent to March 31, 2007 are as follows:

To March 31,	Bank Loan					Total
	(a)	(b)	(c)	(d)	(e)	
2008	2,740	2,740	3,020	3,020	3,300	14,820
2009	1,630	1,630	1,905	1,905	2,180	9,250
2010	1,080	1,080	1,080	1,080	1,080	5,400
2011	1,080	1,080	1,080	1,080	1,080	5,400
2012	1,080	1,080	1,080	1,080	1,080	5,400
2013 and thereafter	7,740	7,740	8,010	8,010	8,280	39,780
Total	15,350	15,350	16,175	16,175	17,000	80,050

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10. Contingencies

Various claims, suits and complaints, including those involving government regulations, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, environmental claims, agents, insurers and from claims with suppliers relating to the operations of the Group's vessels. Currently, management is not aware of any such claims or contingent liabilities, which are material for disclosure. At March 31, 2007, a provision of \$190 was established for penalties and other costs relating to the grounding of M/V Ocean Globe at Cadiz in Spain. The vessel was subsequently refloated and is currently undergoing major repairs at a ship yard in Spain, the cost of which will be covered by the insurers except from the insurance deductibles totalling \$100, that will be covered by the Group.

As discussed in note 6 above, the Group paid a 10% deposit amounting to \$3,793 relating to the purchase of M/V Island Globe. The remaining 90% of the purchase price is payable on delivery of the vessel. Should the purchase price not be paid in accordance with the terms of the purchase memorandum, the sellers have the right to cancel the agreement and the 10% deposit will be forfeited, together with compensation for losses and expenses.

The Group has received indicative terms from a bank regarding loan financing for the payment of the remaining 90% of the purchase price of the vessel. Payment of the remaining 90% is contingent upon finalisation of the loan financing arrangements or upon obtaining alternative sources of financing.

11. Commitments

The Group has paid an advance of 10%, of the purchase price, for the acquisition of M/V Island Globe and upon delivery in June 2007, is committed to pay the remaining 90% of the agreed price, amounting to \$34,133.

The Group has entered into time charter arrangements on its vessels. These non cancellable arrangements have remaining terms between three to twenty two months as of March 31, 2007, assuming redelivery at the earliest possible date.

Future gross minimum lease revenues receivable upon non-cancellable operating leases as at March 31, 2007, are as follows (vessel off-hires and dry-docking days that could occur but are not currently known are not taken into consideration; in addition early delivery of the vessels by the charterers are not accounted for):

Within one year	25,145
After one year but not more than five years	9,714
More than five years	-
Total	<u>34,859</u>

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11. Commitments (continued)

These amounts include consideration for other elements of the arrangement apart from the right to use the vessel such as maintenance and crewing and its related costs.

At March 31, 2007, the Group was a party to an operating lease agreement as lessee. The operating lease relates to the office premises of the Group (expiring in August 2015).

The future minimum lease payments under this agreement as at March 31, 2006 are as follows:

Within one year	207
After one year but not more than five years	829
More than five years	708
Total	<u>1,744</u>

Total rent expense under operating leases for the 3 months to March 31, 2007, amounted to \$51.

12. Initial Public Offering

In March 2007, the Company commenced preparation for an initial public offering in the United Kingdom.

13. Events after the balance sheet date

Issuance of share capital. In lieu of cash repayment of the loan from Firment of \$300 and the associated interest of \$4 due thereon, Globus issued 77 shares to Firment, on May 7, 2007 resulting in total authorised share capital of 10,077 shares.

Transfer of Staff to Globus. As discussed in note 4 above, on March 31, 2007, Globus terminated its management services agreement with Eolos. On April 1, 13 employees of Eolos were transferred to Globus Shipmanagement Corp. All rights and benefits the staff accrued under their employment with Eolos were also transferred to Globus Shipmanagement Corp.

Remuneration and Share Incentive Plans. On 18 May 2007, the Company adopted a Compensation Policy and approved the key terms of a Long- Term Incentive Plan (the "Plan"). The Plan sets out the terms of share-based incentives and bonuses which are conditional on the successful completion of the initial public offering. It has been designed for both executives and employees.

Annual salary reviews and bonuses will be based upon certain factors considered important by the Compensation Committee which help evaluate both the Company's overall performance and the individual's contribution to that performance.

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Share-based incentives will take the form of grants of ordinary shares that vest in portions over a period of time, currently three years. Share-based awards may be granted to executives and employees and will be granted at the discretion of the Compensation Committee. The level of grants awarded to Directors is designed to reflect the Company's performance relative to a peer group of public listed drybulk shipping companies.

Capital Restructuring. On May 14, 2007, the following actions were agreed by way of unanimous written resolution of the shareholders:

(a) The authorised share capital of Globus be converted from Pounds Sterling to US Dollars at an exchange rate of GBP 2.002. As of the conversion date, 10,077 were authorised, issued and paid-up. The conversion of the share capital has resulted in total share capital of approximately \$20. The shares were then divided into 20,174,154 ordinary shares with par value of \$0.001 each.

(b) The authorised share capital of Globus be increased by 79,825,846 ordinary shares with par value of \$0.001 each. The total authorised share capital of Globus is 100,000,000 ordinary shares with par value of \$0.001 each.