

GLOBUS MARITIME LIMITED

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM
SEPTEMBER 15, 2006 (date operations commenced)
TO DECEMBER 31, 2006**

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Corporate Information

Directors

George Feidakis, Chairman and Non-executive Director
George Karageorgiou, Chief Executive Officer
Elias S. Deftereos, Chief Financial Officer

Secretary

Walker Secretaries Limited
Walker House
PO Box 72
28-34 Hill Street
St. Helier
Jersey JE4 8PN

Auditors

Ernst & Young LLP,
Unity Chambers,
28 Halkett Street,
St. Helier,
Jersey JE1 1EY

Bankers

Aegean Baltic Bank S.A.

Solicitors

Gr. J. Timagenis
57, Notara Str., (8th floor)
185 35 Piraeus
Greece

Registrars

Computershare Investor Services PLC

Registered Office

44 Esplanade Street,
St. Helier,
Jersey,
Channel Islands

Statement of Directors' Responsibilities

The directors are responsible for preparing the Group financial statements in accordance with applicable Jersey law and generally accepted accounting principles.

Jersey Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors should:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBUS MARITIME LIMITED

We have audited the group's financial statements for the year ended 31 December 2006 which comprise the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Cash Flow Statement, the Consolidated Statement of Change in Shareholders' Equity and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Article 110 of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable Jersey law as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Jersey) Law 1991. We also report to you if, in our opinion, the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the group's affairs as at 31 December 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies (Jersey) Law 1991.

GLOBUS MARITIME LIMITED
CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2006

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

ASSETS	Note	Restated
NON-CURRENT ASSETS		
Vessels, net	7	97,223
Advance for vessel acquisition	8	2,475
Office furniture and equipment		3
Other assets		10
Total non-current assets		99,711
CURRENT ASSETS		
Cash and cash equivalents	3	2,069
Restricted cash		368
Due from shareholders	4	14
Due from related parties	4	489
Trade receivables		19
Inventories	6	382
Prepayments and other receivables	5	1,049
Total current assets		4,390
TOTAL ASSETS		104,101
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO SHAREHOLDERS		
Share capital	9	14
Share premium	9	28,783
Retained earnings		940
Shareholders' equity attributable to Globus Maritime Limited Shareholders		29,737
Minority interest	11	5,298
Total shareholders' equity		35,035
NON-CURRENT LIABILITIES		
Long-term borrowings, net of current portion	12	53,509
Seller's credit	13	966
Total non-current liabilities		54,475
CURRENT LIABILITIES		
Current portion of long-term borrowings	12	12,574
Trade accounts payable		639
Due to related parties	4	51
Accrued liabilities and other payables	14	504
Deferred revenue		823
Total current liabilities		14,591
TOTAL LIABILITIES		69,066
TOTAL EQUITY AND LIABILITIES		104,101

Director:

George Karageorgiou
Chief Executive Officer

Director:

Elias Deftereos
Chief Financial Officer

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

GLOBUS MARITIME LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD FROM SEPTEMBER 15, 2006 (date operations commenced)
TO DECEMBER 31, 2006
(Expressed in thousands of U.S. Dollars, except share and per share data)

	<u>Note</u>	<u>Restated</u>
REVENUE		
Time charter revenue		5,244
EXPENSES		
Voyage expenses	15	265
Vessels operating expenses	15	1,123
Depreciation	7	1,269
Depreciation of dry docking costs	7	133
Administrative expenses	16	178
Administrative expenses payable to related party	4	<u>400</u>
Operating profit before net finance costs		<u>1,876</u>
Interest expense and finance costs	17	(884)
Interest revenue		56
Foreign exchange losses		<u>(2)</u>
Total finance costs, net		<u>(830)</u>
PROFIT FOR THE PERIOD		<u><u>1,046</u></u>
Attributable to:		
Globus Maritime Limited shareholders		940
Minority interest	11	106
		<u><u>1,046</u></u>
Earnings per share (U.S.\$)		
Basic EPS for the period	10	—
Diluted EPS for the period		146.21
Weighted average number of shares		6,429

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

GLOBUS MARITIME LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM SEPTEMBER 15, 2006 (date operations commenced)
TO DECEMBER 31, 2006
(Expressed in thousands of U.S. Dollars, except share and per share data)

	Common Stock				Retained Earnings (restated)	Minority Interest	Total Shareholders' Equity
	Number of Shares	Par Value	Issued Share Capital	Share Premium			
Balance September 15, 2006	-	-	-	-	-	-	-
Profit for the period (restated)	-	-	-	-	940	106	1,046
Issuance of share capital	7,333	2	14	-	-	-	14
Capital contributions	-	-	-	28,783	-	5,192	33,975
Balance December 31, 2006 (restated)	7,333	2	14	28,783	940	5,298	35,035

The Company's only retained losses as at December 31, 2006 were \$5.
The accompanying notes are an integral part of the consolidated financial statements.

GLOBUS MARITIME LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM SEPTEMBER 15, 2006 (date operations commenced)
TO DECEMBER 31, 2006
(Expressed in thousands of U.S. Dollars, except share and per share data)

Cash Flows from Operating Activities:

Profit for the period	1,046
Adjustments for:	
Depreciation	1,269
Depreciation of deferred dry docking costs	133
Interest expense and finance cost	884
Interest income	(56)
Foreign exchange losses	2
Increase in:	
Prepayments and other assets	(44)
Inventories	(382)
Trade receivables	(19)
Due from related parties	(487)
Increase in:	
Trade accounts payable	637
Accrued liabilities and other payables	210
Due to related parties	51
Deferred revenue	823
Net cash provided by operating activities	<u>4,067</u>

Cash Flows from Investing Activities:

Vessel acquisition	(99,750)
Advance for vessel purchase	(2,475)
Seller's credit	1,125
Fixed asset purchases	(3)
Interest received	54
Net cash used in investing activities	<u>(101,049)</u>

Cash Flows from Financing Activities:

Proceeds from issuance of long-term debt	68,000
Repayment of long-term debt	(1,650)
Contributions to paid-in capital	28,783
Contributions from the Minority Interest	5,192
Guarantee deposit with Greek tax authorities	(10)
Restricted cash	(368)
Payment of financing costs	(313)
Interest paid	(583)
Net cash provided by financing activities	<u>99,051</u>

Net increase in cash and cash equivalents 2,069

Cash and cash equivalents at the beginning of the period -

Cash and cash equivalents at the end of the period 2,069

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

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM SEPTEMBER 15, 2006 (date operations commenced)
TO DECEMBER 31, 2006
(in thousands of U.S. dollars)

1. Basis of Presentation and General Information

The consolidated financial statements of Globus 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 Globus.

The 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

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 period from September 15 to December 31, 2006, all vessels operated on unique time charters with three different charterers. The address of the registered office of the Company is: 44 Esplanade Street, St. Helier, Jersey, Channel Islands.

The parent company of Globus is Firment Trading Limited. The ultimate controlling party of the Company is Mr. George Feidakis.

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.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM SEPTEMBER 15, 2006 (date operations commenced)
TO DECEMBER 31, 2006
(in thousands of U.S. dollars)

2. Significant Accounting Policies

- (a) ***Basis of Preparation:*** The revised consolidated financial statements (see note 2 (z) below) have been prepared on a historical cost basis. The revised consolidated financial statements are presented in US dollars and all financial values are rounded to the nearest thousand (\$000) except when otherwise indicated. The revised consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on June 18, 2007.
- (b) ***Statement of Compliance:*** The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).
- (c) ***Basis of Consolidation:*** The 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.

- (d) ***Use of Estimates:*** The preparation of 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.
- (e) ***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 (v) 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.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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TO DECEMBER 31, 2006
(in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)

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.

- (f) **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 year 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 year-end exchange rate. Gains or losses resulting from foreign currency transactions are included in foreign currency gain or loss in the consolidated income statement.
- (g) **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.
- (h) **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.
- (i) **Trade Receivables:** 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 December 31, 2006.
- (j) **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.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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TO DECEMBER 31, 2006
(in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)

- (k) ***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.
- (l) ***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.

- (m) ***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.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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TO DECEMBER 31, 2006
(in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)

- (n) ***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.

The review of the carrying amount in connection with the estimated recoverable amount, as of December 31, 2006, indicated that no impairment loss should be recognised on the vessels.

- (o) ***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.
- (p) ***Borrowing costs:*** The borrowing costs are expensed to the consolidated income statement as incurred.

GLOBUS MARITIME LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM SEPTEMBER 15, 2006 (date operations commenced)
TO DECEMBER 31, 2006
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2. Significant Accounting Policies (continued)

(q) **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.

(r) **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.

(s) **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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM SEPTEMBER 15, 2006 (date operations commenced)
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2. Significant Accounting Policies (continued)

(t) 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM SEPTEMBER 15, 2006 (date operations commenced)
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(in thousands of U.S. dollars)

2. Significant Accounting Policies (continued)

(u) 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.

(v) 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.

(w) 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.

(x) *IFRS and IFRIC Interpretations not yet effective:* The Group has not applied the following IFRS and IFRIC Interpretations that have been issued but are not yet effective:

IFRS 7, Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective for financial years beginning on or after January 1, 2007). The Group assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital.

IFRS 8, Operating Segments (effective for financial years beginning on or after January 1, 2009). It is not relevant to the Group's operations.

IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (effective for financial years beginning on or after March 1, 2006). It is not relevant to the Group's operations.

IFRIC 8, Scope of IFRS 2 (effective for financial years beginning on or after May 1, 2006). It is not relevant to the Group's operations.

IFRIC 9, Reassessment of Embedded Derivatives (effective for financial years beginning on or after June 1, 2006). It is not relevant to the Group's operations.

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2. Significant Accounting Policies (continued)

IFRIC 10, Interim Financial Reporting and Impairment (effective for financial years beginning on or after November 1, 2006). It is not expected to affect the Group's financial position.

IFRIC 11, IFRS 2-Group and Treasury Share Transactions (effective for financial years beginning on or after March 1, 2007). It is not relevant to the Group's operations.

IFRIC 12, Service Concession Arrangements (effective for financial years beginning on or after January 1, 2008). It is not relevant to the Group's operations.

(y) *IFRS and IFRIC Interpretations that became effective in the year ended December 31, 2006:* The following Standards and Interpretations became effective within the year ended December 31, 2006. None of the Standards and Interpretations (other than IFRIC 4) had an impact in the consolidated financial statements.

- *IAS 1 and IAS 19 Amendment – Actuarial Gains and Losses, Group Plans and Disclosures*
- *IAS 21 Amendment – The Effects of Changes in Foreign Exchange Rates*
- *IAS 39 Amendment – Cash Flow Hedge Accounting of Forecast Intra-group Transactions*
- *IAS 39 Amendment – The Fair Value Option*
- *IAS 39 and IFRS 4 Amendment – Financial Guarantee Contracts*
- *IFRS 6 – Exploration for and Evaluation of Mineral Resources*
- *IFRIC 4 – Determining whether an Arrangement Contains a Lease:* The Group adopted IFRIC Interpretation 4 as of January 1, 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. Additional disclosure regarding future gross minimum lease revenues receivable upon non-cancellable operating leases (in accordance with IAS 17 “Leases”) are provided to this respect.
- *IFRIC 5 – Rights to Interests arising from Decommissioning, Restoration, and Environmental Rehabilitation Funds*
- *IFRIC 6 – Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment*

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. Significant Accounting Policies (continued)

(z) Restatement of previously reported items

In 2007, the Company identified that for one of its vessels, there is a time charter agreement with declining revenue arrangements; that is, the agreement provides for gross revenue of \$22 per day for the first twelve months of the contract and for gross revenue of \$17 per day for the remaining twelve months. As a result, the Company decided to proceed to a revision of previously reported profit for the period and total shareholders' equity to account for revenue and commission on a straight line basis instead of cash basis as previously reported.

The effect of the above restatement on the 2006 profit for the period and total shareholders' equity is as follows:

	Profit for the period	Total Shareholders' Equity
Previously reported	1,154	35,143
Effect of restatement (recognised as deferred revenue)	(108)	(108)
As restated	1,046	35,035

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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 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 December 31, 2006 there is an amount of \$489 due from Master Aim S.A., a company related through common control. This amount relates to a short-term loan of \$487 made in December 2006 and bears interest of 6.5%. During the period to December 31, 2006, interest of \$2 was charged and is outstanding. The loan balance and the outstanding interest were paid after the year end.

In addition, there is \$14 due from shareholders, relating to amounts due for the issued share capital of Globus Maritime Limited. This balance was paid after the year end.

On September 1, 2006, Globus Shipmanagement Corp. entered into an agreement with Eolos Shipmanagement 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. This agreement may be terminated, without notice, by either party. The service agreement fee will be payable, monthly pro-rata up to, and including, the date of termination. During the period, an amount of \$400 is included in the consolidated income statement for the fee payable to Eolos. An amount of \$51 remains unpaid at December 31, 2006.

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 period ended December 31, 2006 rent expense was \$72 and rental payments of \$26 were outstanding at the period end.

As at December 31, 2006, the Group had one key executive employee, whose salary and employer’s contributions amounted to \$30 for the period.

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5. Prepayments and Other Receivables

Prepayments and other receivables at December 31, 2006 are analysed as follows:

Due from seller of M/V Gulf Globe	966
Other prepayments	83
Total	<u>1,049</u>

As per note 13 below, this amount is due from the seller of M/V Gulf Globe upon delivery of the vessel to us (see also note 22).

6. Inventories

Inventories in the consolidated balance sheet are analysed as follows:

Lubricants	352
Gas cylinders	30
Total	<u>382</u>

7. Vessels, net

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

Vessel Cost

	Cost	Accumulated Depreciation	Net Book Value
Opening balance	-	-	-
Vessel additions	98,627	-	98,627
Initial costs	250	-	250
Seller's credit	(1,125)	-	(1,125)
Depreciation for period	-	(1,269)	(1,269)
Balance at December 31, 2006	<u>97,752</u>	<u>(1,269)</u>	<u>96,483</u>

Dry docking Cost

	Cost	Accumulated Depreciation	Net Book Value
Opening balance	-	-	-
Dry docking additions	873	-	873
Depreciation for period	-	(133)	(133)
Balance at December 31, 2006	<u>873</u>	<u>(133)</u>	<u>740</u>

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

98,625	(1,402)	<u>97,223</u>
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7. Vessels, net (continued)

During the period ended December 31, 2006, the Group took delivery of four vessels, Ocean Globe, Sea Globe, Coral Globe and Lake Globe, for a combined purchase price of \$99.5 million. Upon delivery of one of the vessels, Sea Globe, the Group assumed the vessel's time charter. The time charter rate assumed upon purchase was equivalent to the market rates at the time and therefore no value was ascribed to it.

The Group estimated, as of the date of acquisition of each vessel, an aggregate amount of \$873 representing the component of the cost of the purchase price of the vessels that relates to the economic benefits derived from each vessel's previous dry docking.

For a discussion of the seller's credit, please refer to note 13 below.

8. Advance for Vessel Acquisition

In August 2006, Ambrosia Shipping Inc., entered into a memorandum of agreement with a third party to purchase the vessel M/V Gulf Ranger (later renamed Gulf Globe) for \$24,750. A 10% deposit amounting to \$2,475 was paid and accounted for as advance for vessel acquisition in the consolidated balance sheet. The vessel was delivered in January 2007 (see note 22).

9. Share Capital and Share Premium

The share capital of Globus Maritime Limited at December 31, 2006, consisted of the following:

	USD 000's
Authorised	
10,000 Ordinary Shares of GBP 1.00 each	19
Issued and unpaid	
7,333 Ordinary Shares of GBP 1.00 each	14

The share premium represents the contribution of the Group's shareholders to the acquisition of the Group's vessels.

10. Earnings per Share ("EPS")

Basic earnings per share ("EPS") are calculated by dividing the profit for the period attributable to Globus Maritime Limited shareholders by the weighted average number of shares issued, paid and outstanding. No basic EPS are presented, since the Company's shares were not paid as at December 31, 2006 and thus not entitled to participate in dividends during the period then ended, according to the Articles of Association of the Company.

Diluted EPS reflects the potential dilution that could occur if share options or other contracts to issue shares were exercised or converted into shares. Since the Company's shares were not entitled to participate in dividends during the period ended December 31, 2006, as discussed above, these shares are treated as the equivalent of options in the

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calculation of diluted earnings per share. Diluted EPS are calculated by dividing the profit for the period attributable to Globus Maritime Limited shareholders (\$940) by the weighted average number of shares issued but not paid (6,429).

11. Minority Interest

Minority interest in the equity of consolidated subsidiaries relates to the participation in Adagio Marine S.A. by a company related through common control. As at December 31, 2006, the related party owns 67% of the share capital of Adagio Marine S.A. and the Group owns the remaining 33%. As Globus Maritime Limited has 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 has been consolidated with the capital invested by the related party and the net profit attributable to the related party of \$106 disclosed as a minority interest.

12. 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	16,175	(65)	16,110
(b) Sibelle Marine Inc.	Sea Globe	16,175	(67)	16,108
(c) Supreme Navigation Co.	Coral Globe	17,000	(67)	16,933
(d) Adagio Marine S.A.	Lake Globe	17,000	(68)	16,932
Total		66,350	(267)	66,083
Less: Current Portion		12,640	(66)	12,574
Long-Term Portion		53,710	(201)	53,509

During September 2006, the five vessel owning subsidiaries entered into a joint and several loan agreement with a bank for \$85,000 to part finance the purchase of 5 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 December 31, 2006, 4 of the 5 tranches had been drawn down and the fifth and final tranche was drawn down in January 2007 (see note 22).

(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 \$16,175 is repayable in 33 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 December 31, 2006, including the margin, was 6.4%.

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12. Long-term Debt, net (continued)

- (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 \$16,175 is repayable in 33 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 December 31, 2006, including the margin, was 6.4%.
- (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 \$17,000 is repayable in 34 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 December 31, 2006, including the margin, was 6.4%.
- (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 \$17,000 is repayable in 34 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 December 31, 2006, including the margin, was 6.4%.

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.

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12. Long-term Debt, net (continued)

The required annual loan principal payments per bank loan to be made subsequent to December 31, 2006 are as follows:

December 31,	Bank Loan				Total
	(a)	(b)	(c)	(d)	
2007	3,020	3,020	3,300	3,300	12,640
2008	1,905	1,905	2,180	2,180	8,170
2009	1,080	1,080	1,080	1,080	4,320
2010	1,080	1,080	1,080	1,080	4,320
2011	1,080	1,080	1,080	1,080	4,320
Thereafter	8,010	8,010	8,280	8,280	32,580
Total	16,175	16,175	17,000	17,000	66,350

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13. Seller's Credit

Upon entering into the purchase agreements for all the Group's vessels, other than Sea Globe, it was agreed with the seller that, from pre-agreed dates, a seller's credit would accrue daily until the date of delivery of each vessel. These credits are in proportion to the hire earned by these vessels up to the date of delivery and are payable shortly after delivery. These credits are accounted for as a reduction to vessel cost (see note 7 above). As of December 31, 2006, the seller's credit is analysed as follows:

Vessel owing company

Chantal Maritime Co.	160
Supreme Navigation Co.	375
Adagio Marine S.A.	590
Ambrosa Shipping Inc.	966
	2,091
Seller's credit received up to December 31, 2006	1,125
Seller's credit due as at December 31, 2006	966

The seller's credit due as at December 31, 2006 will be offset with the vessel's cost upon receipt from the seller, which will occur following delivery of the vessel.

14. Accrued Liabilities and Other Payables

The amount in the consolidated balance sheet is analysed as follows:

Accrued interest	294
Accrued wages	6
Accrued audit fees	39
Other accruals	114
Other payables	47
Tax payable- other than income tax	4
Total	504

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15. Voyage Expenses and Vessel Operating Expenses

Voyage expenses and vessel operating expenses in the consolidated income statement consist of the following:

Voyage expenses consist of:

Commissions	251
Other voyage expenses	14
Total	<u>265</u>

Vessel operating expenses consist of:

Crew wages and related costs	601
Insurance	93
Spares, repairs and maintenance	99
Stores and lubricants	300
Other	30
Total	<u>1,123</u>

16. Administrative Expenses

The amount shown in the consolidated income statement is analysed as follows:

Directors remuneration	18
Directors employer's contributions	12
Audit fees	39
Rent	72
Travelling expenses	12
Other	25
Total	<u>178</u>

17. Interest Expense and Finance Costs

The amounts in the consolidated income statement are analysed as follows:

Interest payable on long-term borrowings	850
Commitment fees payable on long-term borrowings	25
Bank charges	2
Amortisation of debt discount	7
Total	<u>884</u>

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18. Financial Instruments

Risk management objectives and policies

The Group's principal financial instruments are long-term bank borrowings. The main purpose of such borrowings is to assist in financing vessel purchases. The Group has various other financial instruments such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk and credit risk. As the long-term borrowings and the majority of the Group's revenues and cost transactions are denominated in U.S. dollars, its exposure to foreign currency risk is minimal.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of the Group's long-term debt. The Group does not currently use any interest rate derivatives to hedge its floating interest rate risk. The interest rate profile of the financial liabilities of the Group as at December 31, 2006, is analysed in note 12.

Credit risk

The Group's maximum exposure to credit risk in the event the counterparties fail to perform their obligations as of December 31, 2006, in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the balance sheet.

Concentration of Credit Risk

Financial instruments, which potentially subject the Group to significant concentrations of credit risk, consist principally of cash and cash equivalents, long-term borrowings and trade accounts receivables and payables. The Group places its cash and cash equivalents, consisting of deposits, with financial institutions. The Group performs annual evaluations of the relative credit standing of counterparties. Credit risk with respect to trade accounts receivable is generally managed by the chartering of vessels to major trading houses (including commodities traders), major producers and government-owned entities rather than to more speculative or undercapitalised entities.

Fair values of financial assets and financial liabilities

The historical cost carrying values of financial assets and financial liabilities in the consolidated balance sheet of the Group approximate fair values as at December 31, 2006.

Financial assets and financial liabilities of the Group are carried at fair values in the balance sheet, unless otherwise disclosed in the financial statements.

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18. Financial Instruments (continued)

Foreign currency risk

The majority of the Group's transactions are denominated in U.S. dollars therefore its exposure to foreign currency risk is minimal.

Liquidity risk

The Group aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection targets appropriately. The vessels are normally chartered under time-charter agreements where as per the industry practice the charterer pays for the transportation service 15 days in advance, supporting the management of cash generation. Investment is carefully controlled, with authorisation limits operating up to board level and cash payback periods applied as part of the investment appraisal process. In this way the Group aims to maintain a good credit rating to facilitate fund raising.

In its funding strategy, the Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans.

Excess cash used in managing liquidity is only invested in financial instruments exposed to insignificant risk of changes in market value, being placed on interest-bearing deposits with maturities fixed at no more than 3 months. Short term flexibility is achieved if required by overdraft facilities.

19. 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, or for which provision should be established in the consolidated financial statements.

20. Commitments

The Group has paid an advance of 10%, of the purchase price, for the acquisition of M/V Gulf Globe and upon delivery in January 2007, is committed to pay the remaining 90% of the agreed price, amounting to \$22,275.

The Group has entered into time charter arrangements on its vessels. These non cancellable arrangements have remaining terms between 4-24 months as of December 31, 2006, assuming redelivery at the earliest possible date.

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20. Commitments (continued)

Future gross minimum lease revenues receivable upon non-cancellable operating leases as at December 31, 2006, 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	21,600
After one year but not more than five years	4,930
More than five years	-
Total	<u><u>26,530</u></u>

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 December 31, 2006, 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 December 31, 2006 are as follows:

Within one year	198
After one year but not more than five years	792
More than five years	726
Total	<u><u>1,716</u></u>

Total rent expense under operating leases for 2006 amounted to \$72.

21. Income Tax

Under Article 123A of the Income Tax (Jersey) law 1961, as amended, the Company has obtained Jersey exempt company status for the year and is therefore exempt from Jersey income tax on non Jersey source income and bank interest (by concession). A £600 annual exempt company fee is payable by the company.

Also, under the laws of the respective jurisdictions of the consolidated subsidiaries of the Group, the Group is not subject to tax on international shipping income. Instead, a tax is levied based on the tonnage of the vessels, which is included in operating expenses in the consolidated income statement.

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21. Income Tax (continued)

Pursuant to the Internal Revenue Code of the United States (the “Code”), U.S. source income from the international operations of ships is generally exempt from U.S. tax if the company operating the ships meets both of the following requirements, (a) the company is incorporated in a foreign country that grants an equivalent exemption to corporations incorporated in the United States and (b) either (i) more than 50% of the value of the company’s stock is owned, directly or indirectly, by individuals who are “residents” of the company’s country of incorporation or of another foreign country that grants an “equivalent exemption” to corporations incorporated in the United States (50% Ownership Test) or (ii) the company’s stock is “primarily and regularly traded on an established securities market” in its country of incorporation, in another country that grants an “equivalent exemption” to United States corporations, or in the United States (Publicly-Traded Test). Under the regulations, company’s stock will be considered to be “regularly traded” on an established securities market if (i) one or more classes of stock representing 50% or more of its outstanding shares, by voting power and value, is listed on the market and is traded on the market, other than in minimal quantities, on at least 60 days during the taxable year; and (ii) the aggregate number of shares of stock traded during the taxable year is at least 10% of the average number of shares of the stock outstanding during the taxable year. Notwithstanding the foregoing, the regulations provide, in pertinent part, that each class of the company’s stock will not be considered to be “regularly traded” on an established securities market for any taxable year in which 50% or more of the vote and value of the outstanding shares of such class are owned, actually or constructively under specified stock attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the value of such class of the company’s outstanding stock (“5 Percent Override Rule”).

The Group anticipates its income will continue to be exempt in the future, including U.S. federal income tax. However, in the future, the Group may not continue to satisfy certain criteria in the U.S. tax laws and as such, may become subject to the U.S. federal income tax on future U.S. source shipping income.

22. Events after the balance sheet date

Delivery of M/V Gulf Globe. On January 11, 2007, the 43,245 dwt handymax dry bulk carrier, M/V Gulf Globe was delivered. On the same date, a loan of \$17,000 was drawn down, together with additional equity of \$5,275 to pay the remaining 90% of the purchase price of the vessel. The seller’s credit in the consolidated balance sheet of \$966 was subsequently paid by the sellers of the vessel, together with an additional credit of \$106 up to the date of delivery. The total of this amount was deducted from the cost of the vessel.

Of the \$5,275 additional equity noted above, \$4,000 was paid to Ambrosa Shipping Inc. (“Ambrosa”) by a party related through common control. As a result of this payment, Globus Maritime Limited’s ownership in the share capital of Ambrosa was reduced to approximately 48%. Globus retained, by virtue of an agreement with the related party, full operational control over Ambrosa after this payment and continued to consolidate its operations and assets and liabilities.

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22. Events after the balance sheet date (continued)

Purchase of M/V Island Globe. On February 26, 2007, the Group concluded an agreement to purchase the 1995 built, dry bulk panamax vessel, M/V Darya Geeth, to be renamed M/V Island Globe, for \$37,925. On February 28, 2007, a deposit of \$3,793 was paid, representing 10% of the purchase price. It is expected that the vessel will be delivered around June 2007.

In connection with the purchase of M/V Island Globe, the Marshall Islands company, Eleanor Maritime Limited, was incorporated on February 14, 2007. Eleanor Maritime Limited is a wholly owned subsidiary of Globus Maritime Limited.

Grounding of M/V Ocean Globe. On January 22, 2007, M/V Ocean Globe grounded at Cadiz in Spain and was subsequently refloated. The vessel 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 deductible of \$100 that will be covered by the Group.

Reorganisation. On March 21, 2007, the minority interest in Adagio Marine S.A. and Ambrosa Shipping S.A. transferred its ownership to a third party, Lipati Shipping Company Limited ("Lipati"). On March 22, 2007, the share certificates were then cancelled and new share certificates in the name of Globus were issued. 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 minority interest. As of this date, the minority interest in Globus was \$10,113. On reorganisation, the minority interest was removed and an amount equal to the minority interest, net of \$4 share capital, was recorded in share premium. There was no cash flow impact as a result of the reorganisation.

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

Termination of agreement with Eolos. As mentioned in note 4, on September 1, 2006, Globus Shipmanagement Corp. entered into an agreement with Eolos, a company related through common control. The agreement provided for a fee of \$100 per month for services rendered in connection with the management of dry bulk 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 at the year end.

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22. Events after the balance sheet date (continued)

Transfer of Staff to Globus. On March 31, 2007, Globus terminated its management services agreement with Eolos. On April 1, 2007, 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.

Placing and Admission to AIM. In March 2007, the Company commenced preparation for a Placing and Admission of the Company's shares to AIM. Following the completion of the Placing, on June 1, 2007, existing shareholders own directly or indirectly approximately 70.7% of the Company's outstanding common shares.

Interim Dividend. On 31 May 2007, the Company declared an extraordinary interim dividend to its existing Shareholders of in aggregate US\$2,100 (approximately US\$0.104 per Ordinary Share). Such dividend will be payable to the existing shareholders in or around September 2007.

Remuneration and Share Incentive Plans. On May 18, 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 and is conditional on Admission. It has been designed for both executive directors and employees.

Annual salary reviews and bonuses will be based upon certain factors considered important by the Remuneration Committee which help evaluate both the Company's overall performance and the individual's contribution to that performance. Share-based incentives will take the form of awards over Ordinary Shares subject to the terms of the Plan that vest in tranches over a three-year period.

Share-based awards may be granted to executive Directors and employees. The level of grants awarded to Directors is designed to reflect the Company's performance relative to a peer group of publicly 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 shares 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.

22. Events after the balance sheet date (continued)

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(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.