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(Translation from the original issued
in the Greek Language)

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INDEPENDENT AUDITORS' REPORT

**To the Shareholders of
POLIKOS N.E**

Report to the financial statements

We have audited the accompanying financial statements of Polikos NE, which comprise the statement of Financial Position as at 31 December, 2009, and the statements of Comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control system relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes the selection and application of appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Greek Auditing Standards which conform with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relative to the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Auditor's Responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Emphasis of matters

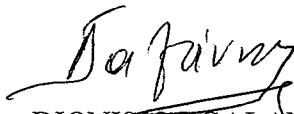
Without qualifying our report we draw the attention to the fact that the Company has not any operating activities during the year due the constructive total loss of its vessel.

Report on other Legal and Regulatory Requirements

The Board of Directors report is consistent with the accompanying financial statements and in line with articles 43a and 37 of law 2190/1920.

Piraeus, 05 February, 2010

CERTIFIED PUBLIC ACCOUNTANT



DIONISIOS GALANIS

A.M.SOEL 17531

MOORE STEPHENS

CHARTERED ACCOUNTANTS A.E.

AKTI MIAOULI 93-PIRAEUS

A.M SOEL 119

POLIKOS MARITIME COMPANY
STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2009
(AMOUNTS IN EURO)

	2009	2008
<u>ASSETS</u>		
Tangible assets	-	-
Total non current assets	0.00	0.00
Inventories	-	-
Receivables and prepayments	269,754.35	880,152.70
Cash and cash equivalents	582,051.91	582,641.88
Total current assets	851,806.26	1,462,794.58
TOTAL ASSETS	851,806.26	1,462,794.58
<u>EQUITY AND LIABILITIES</u>		
Trade payables and other creditors	581,753.04	582,176.22
Current liabilities	581,753.04	582,176.22
Total liabilities (a)	581,753.04	582,176.22
Share capital (28,367 shares of € 10.00)	283,670.00	283,670.00
Accumulated Losses/ Retained earnings	-13,616.78	596,948.36
Total Equity (b)	270,053.22	880,618.36
TOTAL EQUITY AND LIABILITIES (a+b)	851,806.26	1,462,794.58

The present Financial Statements have been approved by the Board of Directors for publishment on 25/01/2010

POLIKOS MARITIME COMPANY**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2009****(AMOUNTS IN EURO)**

	2009	2008
Revenue	0.00	15,675.00
Cost of sales	-16,739.36	-154,761.29
Gross profit before depreciation	-16,739.36	-139,086.29
Other operating income	1,413.16	1,671,316.02
Administrative expenses	-13,050.00	-23,658.19
Other operating expenses	0.00	-652,214.08
Profits before interest, taxes, depreciation and amortization	-28,376.20	856,357.46
Depreciation and amortization	0	-275,297.17
(Losses)/ Profit before interest and taxes	-28,376.20	581,060.29
Finance income	12,846.39	10,926.49
Finance expenses	-35.33	-685.09
(Losses)/ Profit before taxes	-15,565.14	591,301.69
Less: Corporate income tax expense	0.00	0.00
Profit after taxes	-15,565.14	591,301.69

POLIKOS MARITIME COMPANY

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009
(AMOUNTS IN EURO)**

	Notes	Share Capital	Accumulated Losses/ Retained earnings	Total
Year ended 31 December 2008				
Balance as of 1 January 2008		283,670.00	1,455,646.67	1,739,316.67
Distributed dividends			-1,450,000.00	-1,450,000.00
Profit for the year			591,301.69	591,301.69
Balance as of 31 December 2008		<u><u>283,670.00</u></u>	<u><u>596,948.36</u></u>	<u><u>880,618.36</u></u>
Year ended 31 December 2009				
Balance as of 1 January 2009		283,670.00	596,948.36	880,618.36
Profit for the year			-15,565.14	-15,565.14
Distributed dividends			-595,000.00	-595,000.00
Balance as of 31 December 2009		<u><u>283,670.00</u></u>	<u><u>-13,616.78</u></u>	<u><u>270,053.22</u></u>

POLIKOS MARITIME COMPANY
STATEMENT CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2009

(AMOUNTS IN EURO)

	2009	2008
Cash flows from operating activities		
(Losses)/Profit of the year	-15,565.14	591,301.69
Adjustments in relation to the following transactions:		
Profit from ship loss	0.00	-662,269.90
Interest income and exchange difference losses	-12,811.06	-10,241.40
Operating Losses/Profit before changes in working capital	-28,376.20	-81,209.61
Decrease / (increase) in inventories	0.00	70,364.00
Decrease/ (increase) in trade and other receivables	610,398.35	564,271.13
(Decrease)/increase in short-term liabilities	-423.18	525,717.11
Cash generated from operations	<u>581,598.97</u>	<u>1,079,142.63</u>
Cash generated from discontinued operations	0.00	937,567.08
Net cash generated from operating activities (a)	<u>581,598.97</u>	<u>2,016,709.71</u>
Cash flows from investing activities		
Interest received	<u>12,846.39</u>	<u>10,926.49</u>
Net cash inflows from investing activities (b)	<u>12,846.39</u>	<u>10,926.49</u>
Cash flows from financing activities		
Interest paid	-35.33	-685.09
Dividends paid	<u>-595,000.00</u>	<u>-1,450,000.00</u>
Net cash outflows from financing activities (c)	<u>-595,035.33</u>	<u>-1,450,685.09</u>
Net increase/ (decrease) in cash and cash equivalents (a+b+c)	-589.97	576,951.11
Cash and cash equivalents at the beginning of the year	<u>582,641.88</u>	<u>5,690.77</u>
Cash and cash equivalents at the end of the year	<u>582,051.91</u>	<u>582,641.88</u>