

**OCEAN TANKERS HOLDINGS PUBLIC
COMPANY LIMITED**
CONSOLIDATED FINANCIAL STATEMENTS
31 December 2007

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2007

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OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors: Mr. Michalis Ioannides
Mr. Georgios Ioannides
Mr. Daniel Ioannides
Mr. Antonis Ioannides
Mr. Chrysostomos Chrysostomou
Mr. Michalis Philippou
Mr. Michalis Michael
Mr. Philippos Frangou Appointed 10 September 2007
Mr. Andrian D. Pace Appointed 7 November 2007
Mr. Georgios A. Tsablires Appointed 3 December 2007

Company Secretary: Mr. Georgios Ioannides
4 Parou, Flat 101
1082 Nicosia

Auditors: MOORE STEPHENS STYLIANOU & CO
CERTIFIED PUBLIC ACCOUNTANTS - CY
58 Arch. Makarios III Avenue
Iris Tower
6th Floor, Office 602
1075 Nicosia, Cyprus

Registered Office: 16 Kyriakou Matsi and 4 Parou, Blue Anchor House
Ayioi Omologites
1082 Nicosia
Cyprus

Bankers ABN Amro
Bank of Cyprus Ltd

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report together with the audited financial statements of the Group for the year ended 31 December 2007.

Principal activities

The Company is a Holding company with Investments in the following ship owning companies whose activity is the international transportation of oil and oil products.

- Pisti Maritime Co Limited which is registered in Malta owned the M/T Eleousa Trikoukiotissa tanker (Built 2000, DWT 4.527, NRT 1.303). The tanker was transferred to Eleousa Maritime Co Ltd, a company registered in Cyprus.
- Eleousa Maritime Co Limited which is registered in Cyprus owns the cyprus flag M/T Eleousa Trikoukiotissa tanker (Built 2000, DWT 4.527, NRT 1.303). The tanker was transferred from Pisti Maritime Co Limited which is registered in Malta.
- Timi Maritime Co Limited which is registered in Malta owned the M/T Timi tanker (Built 2005, DWT 7.639, NRT 2.410). The tanker was transferred to Navkios Maritime Co Ltd, a company registered in Cyprus.
- Navkios Maritime Co Limited which is registered in Cyprus owns the cyprus flag M/T Navkios (Ex M/T Timi) (Build 2005, DWT 7.639, NRT 2.410). The tanker was transferred from Timi Maritime Co Ltd which is registered in Malta.
- Limi Maritime Co Limited which is registered in Cyprus owns the cyprus flag M/T Limi (Ex M/T Victor Dubrovskiy) (Build 1997, DWT 8.055, NRT 2.319).
- Kalia Maritime Co Limited which is registered in Cyprus owns the cyprus flag M/T Kalia (Build 1999, DWT 5.771, NRT 1.647).
- Lisa Maritime Co Limited which is registered in Cyprus owns the cyprus flag M/T Lisa (Build 2007, DWT 4.285, NRT 1.292).
- Marim Maritime Co Limited which is registered in Cyprus owns the cyprus flag M/T Marim (Build 2007, DWT 4.285, NRT 1.292).
- Anefani Maritime Co Limited which is registered in Malta owns the maltese flag M/T Anefani (Build 1998, DWT 15.885, NRT 5.057).
- Wall Shipmanagement S.A which is registered in Marshall Islands will own the maltese flag M/T Stavrodromi (Build 1999, DWT 15.441, NRT 5.054), the delivery of which is expected in June 2008.
- Imvros Management Company which is registered in Marshall Islands will own the maltese flag M/T Hartzi (Build 1999, DWT 15.441, NRT 5.054), the delivery of which is expected in June 2008.
- Frachtis Maritime Co Limited which is registered in Malta owns the maltese flag M/T Frachtis (Build 1997, DWT 15.885, NRT 5.057).
- Berengaria Maritime Co Limited which is registered in Malta and owns the maltese flag M/T Berengaria (Build 2001, DWT 19.996, NRT 6.326).
- Prodromi Maritime Co Limited which is registered in Malta and owns the maltese flag M/T Prodromi (Build 2000, DWT 19.996, NRT 6.326).
- Green Forest Maritime Co Limited which is registered in Malta and owns the maltese flag M/T Green Forest (Build 2000, DWT 19.996, NRT 6.326).
- Sultan Management S.A which is registered in Marshall Islands will own the maltese flag M/T Skledros (Build 1999, DWT 15.441, NRT 5.054), the delivery of which will be on the 23 April 2008.
- Vasi Maritime Co Limited which is registered in Cyprus owns the new-built cyprus flag M/T Vasi (DWT 12.750), the delivery of which is expected in September-November 2008.
- Gemi Maritime Co Limited which is registered in Cyprus owns the new-built cyprus flag M/T Gemi (DWT 12.750), the delivery of which is expected in September-November 2008.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

REPORT OF THE BOARD OF DIRECTORS

Major risks of the Group

The group does not face any additional threat beyond the seasonality factor of the merchant tanker industry or other external factors that relate to the political risk when particularly, those merchant tankers approach geographical areas which occasionally suffer from political turmoil.

Future prospects of the Group

The Group plans to continue with the enlargement of its fleet, by adding newer and larger tankers, the funding of which will be based mainly on the increased profitability and cash flow that will result from this year's fleet expansion. The Sales/Purchase Department of Ocean Tankers Holdings Public Company Limited is in continuous contact with international brokers and receives, analyses and examines proposals for development, renewal and improved exploitation options of the fleet. The Group's future actions will depend on market trends, demand and the expected tankers chartering (category and size), the prospects of obtaining long term time charter agreements with fixed rates for particular categories of vessels, on the balanced Group development with a constant growth in profitability and finally upon the maintenance of the Group's presence as an important factor in the international transportation industry.

Results and Dividends

The Group's results for the year are set out on page 10. The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

Share capital

Authorised capital

According to the Articles of Association of the Company its authorised share capital as at 30 June 2005, its incorporation date, amounted to CY£1.000 and was divided into 1.000 shares of CY£1 each. On 2 November 2005 the authorised share capital of the Company was converted into US\$2.000 and was divided into 1.000 shares of US\$2 each. On 2 November 2005 the authorised share capital was increased to US\$50.000 divided into 25.000 shares of US\$2 each. At an extraordinary general meeting on 31 December 2005, the authorised share capital of the Company was increased with a special resolution to US\$10.600.000 divided into US\$5.300.000 shares of US\$2 each and at the same date each share was split in two shares of US\$1 each. Consequently the authorised share capital of the Company amounted to US\$10.600.000 divided into 10.600.000 ordinary shares with a nominal value US\$1 each. As at 3 April 2006 the authorised share capital of the Company was increased from US\$10.600.000 to US\$20.000.000 divided into 20.000.000 of US\$1 each. As at 5 April 2006 the Company split further the nominal value of each share from US\$1 to US\$0,40. As a result the authorised share capital of the Company amounted to US\$20.000.000 divided into 50.000.000 ordinary shares of US\$0,40 each. As at 17 April 2006 the authorised share capital of the Company was increased from US\$20.000.000 to US\$42.000.000 divided into 105.000.000 shares of US\$0,40 each. At an extraordinary general meeting on 2 May 2007, it was decided with a special resolution that the authorised share capital of the Company consisting of US\$42.000.000 divided into 105.000.000 of US\$0,40 each to be to US\$10.600.000 divided into 210.000.000 shares of US\$0,20. On 7 January 2008, with an ordinary resolution, the extraordinary general meeting decided to increase the authorised share capital from US\$42.000.000 divided into 210.000.000 shares of US\$0,20 each to US\$50.000.000 divided into 250.000.000 ordinary shares of US\$0,20 each, by the creation of 40.000.000 additional ordinary shares of nominal value US\$0,20 each.

Issued capital

The issued share capital of the Company on incorporation date (at 30 June 2005) amounted to CY£1.000 and was divided into 1.000 ordinary share of CY£1 each. On 2 November 2005 the share capital of the Company was converted into US\$2.000 and was divided into 1.000 shares of US\$2 each. On 2 November 2005 was decided to increase the share capital by issuing 24.000 ordinary shares of US\$2 each at par. Consequently the issued share capital of the Company increased to US\$50.000 divided to 25.000 ordinary shares amounted to US\$2. On 31 December 2005 each share of US\$2 was split into 2 new shares of a nominal value of US\$1 each. At an extraordinary general meeting the issued share capital of the company was increased with a special resolution to US\$5.275.000 with the issue of 5.275.000 ordinary shares of a nominal value of US\$1 each and the offer of shares on a pro-rata basis at a premium of US\$1 to the existing shareholders. On 15 March 2006 the issued share capital of the Company was increased from US\$5.325.000 to US\$5.475.000 by issuing 150.000 shares of a nominal value of US\$1 each at US\$2 each on a pro-rata basis to the existing shareholders as at 15 March 2005. Those shares were issued at the price of US\$2 each and the difference of US\$150.000 was transferred to the share premium

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

REPORT OF THE BOARD OF DIRECTORS

Share capital(continued)

reserve. On 5 April 2006 the issued share capital of the company was increased from US\$5.475.000 to US\$18.945.546 with the issue of 13.470.546 shares of nominal value US\$1 each at par value by the capitalisation of the share premium reserve amounting to US\$5.118.560 and the fair value reserve amounting to US\$8.351.987. On 5 April 2006 the company proceeded to the split of the nominal value of the shares from US\$1 to US\$0,40 each. Therefore the issued share capital increased to US\$18.945.546 divided by 47.363.865 ordinary shares of a nominal value US\$0,40 each. On 15 June 2006 and based on a special resolution of the extraordinary general meeting of the shareholders of the company it was decided the issue of 24.328.756 shares of a nominal value of US\$0,40 to be offered to the public at the price of US\$0,55. With the same resolution on 15 June 2006 it was decided the issue of 9.123.284 shares at nominal value of US\$0,40 each which will be issued and offered as bonus to the shareholders registered in the companies registry as at 17 April 2006. For the bonus issue the company capitalised US\$3.649.313 which represented the share premium that was derived from the sale of the new shares to the public. On 2 May 2007, with a special resolution, the extraordinary general meeting decided to proceed to the split of the nominal value of the shares from US\$0,40 to US\$0,20 each and therefore the issued share capital to consist of 161.631.812 ordinary shares of nominal value US\$0,20 each instead of 80.815.906 ordinary shares of nominal value US\$0,40 each. On 5 December 2007 the Board of Directors of the Company decided to issue 161.631.810 rights at the ratio of 1:1 shares that will be given to shareholders free. Upon exercise, every five (5) rights will be converted to two (2) new ordinary shares of nominal value US\$ 0,20 each, at the exercise price of EUR0,55 per share. The date of issue of the rights will be determined at a later stage, after the approval from the authorities.

Corporate Governance

The group has decided, based on a decision of the Board of Directors made on 2 November 2005 on the full implementation of the Code on Corporate Governance, issued by the Cyprus Stock Exchange on September 2002 (as amended on November 2003). For the better implementation of the Code, the company also adopted the Corporate Governance manual that refers to the Board of Directors (composition meetings, secretary and independent directors, Board of Directors, responsibilities of the Board of Directors, authority and executive directors, education of Board of Directors, judgement of the Board of Directors), to the Board of Directors appointment (Nomination Committee, composition of the Committee, terms of reference and responsibility of the nomination Committee, resignation and re appointment of the Board of Directors), to the remuneration of the Board of Directors (the principles applicable to the remuneration of the Board of Directors, the nomination Committee, the composition of the remuneration Committee, the terms of reference and the responsibilities of the remuneration Committee, the remuneration policy and the contracts of employment of the Board of Directors), to the internal audit (contents of the financial statements, the principal of internal audit, the Internal Audit Committee, the composition of the Internal Audit Committee, the terms of reference and responsibilities of the Internal Audit Committee) and to the General Meetings (principles and procedures of the General Meetings, treatment of the shareholders, communication officer). The Board of Directors has prepared a report on corporate governance.

Board of Directors

The members of the Board of Directors of the Company as at 31 December 2007 and at the date of this report are shown on page 1. All of them were members of the board throughout the year ended 31 December 2006 except from:

On 10 September 2007, the Board of Directors decided that Mr. Philippos Frangou is appointed as Independent Non-Executive Director and on 7 November Mr. Andrian D. Pace was appointed as Independent Non-Executive Director. On 3 December 2007, the Board of Directors decided to appoint Mr. Georgios A. Tsavlires as Independent Non-Executive Director.

In accordance with the Company's Articles of Association, one third of the board of directors must resign each year. The Company's directors Messrs. Philippos Frangou, Georgios A. Tsavlires, Georgios Ioannides and Andrian D. Pace will resign from their current position at the next Annual General Meeting and, being eligible, will offer themselves for re-election. The remaining directors, presently members of the Board, will continue in office.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

REPORT OF THE BOARD OF DIRECTORS

Participation of the members of the Board of Directors in the share capital of the company

The percentage of shareholding held directly or indirectly by the members of the Board of Directors, their spouses and children and companies in which they own directly or indirectly more than 20%, on 31 December 2007 and on 31 December 2006 was as follows:

	2007	2007	2006	2006
	Number	%	Number	%
Michalis Ioannides (direct)	104.064.083	64,38	56.148.215	69,48
Michalis Ioannides (indirect - spouse)	112.978	0,07	59.489	0,07
Michalis Ioannides (indirect-child)	112.978	0,07	59.489	0,07
Michalis Ioannides(indirect-companies)	802.471	0,49	178.467	0,22
Georgios Ioannides	112.978	0,07	59.489	0,07

There was no fluctuation in the above percentages between 31 December 2007 and 28 April 2008.

Shareholders with more than 5% of the company share capital

The shareholders with direct or indirect participation of more than 5% in the company's share capital as at 31 of December 2007 and 31 December 2006 were as follows:

	2007	2007	2006	2006
	Number	%	Number	%
Michalis Ioannides	105.092.510	65,01	56.445.660	69,84

Contract with the members of the Board of Directors and their related parties

The shipowning companies of the Group entered into agreements for the administration and agent services of their vessels with the related company named AdmiBros Shipmanagement Co Limited, which were effected from 1st November 2005. These agreements provide for the payment of trade commission of 1.25% and the agent commission of 1,25% on the total charter fees, as well as the daily payment of US\$500 from the shipowning companies to AdminBros Shipmanagement Co Limited. The (daily payment US\$500) was effected from 7 December 2006 when the administration of the vessels was transferred to AdmiBros Shipmanagement Co Limited. The term was not effected before 7 December 2006 since the shipmanagement was carried out by V.Ships Limited for the subsidiary shipowning companies Timi Maritime Co Limited and Pisti Maritime Co Limited and Prisco (Singapore) PTE Limited for Limi Maritime Co Limited.

These agreements were made strictly on an arms length basis. The company has enquired on rates from approved international agents on trading agent commissions. Based on evidence collected by the company from Braemar Seascope, SSY and Clarksons it was decided that the company's agreements with the related company AdmiBros Shipmanagement Co Limited have been made on an arm length basis as approved international agents charge for the same purpose 2.5%.

On 4 November 2005 an agreement between the related company AdmiBros Shipmanagement Limited for the provision of office equipment (computers, faxes, printers, etc) and accounting programmes for use came into effect. According to the terms of agreement the company will be pay AdmiBros Shipmanagement Limited the amount of CY£2.000 per month for the services provided.

The Company has signed a contract with the related company Blue Anchor Trading Limited for renting office space at its registered address. According to the contract the rental fees were agreed at CY£1.000 per month.

On 2 November 2005 the company in accordance with the decision of the general meeting approved the Share Option Scheme and Share Option Scheme for takeovers. The scheme was available to executive officers and management staff, company associates and any other companies that would qualify as group members immediately after the listing of the company in the Cyprus Stock Exchange. Up to the date of approval of these financial statements there were no Share Options offered under the above schemes.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

REPORT OF THE BOARD OF DIRECTORS

Post Balance Sheet Events

In 2008, the Board of Directors continues with the process of preparing the Prospectus and all necessary documents for filing with the authorities in relation to the rights issue (161,631,810 rights) in accordance with the resolution on 5 December 2007.

On 21 April 2008, the Company signed an agreement with the Ministry of Agriculture, Natural Resources and Environment for the transfer of drinking water from Greece to Cyprus by tankers and for the construction of infra-structure in Limassol.

On 23 April 2008, the maltese flag tankers (capacity 15,500 tonnes) M/T Skledros and M/T Hartzi were delivered to the Company. Both of them are under time charter agreement with Litasco/Lukoil for seven (7) plus three (3) years term with a net income of \$15,300 per day.

During 2008, Mr. Michalis Ioannides proceeded with further Group funding by assigning new personal loans amounting to US\$16,300,000 that have the same terms with the previous personal loans assigned to the Company by Mr. Ioannides. The total funding of the Group in terms of loans assigned by Mr. Ioannides amounts to US\$38,300,000.

The following three tankers will be added in the Company's fleet:

<u>Name of Tanker</u>	<u>Capacity</u>	<u>Delivery expected in:</u>
M/T Stavrodromi	15,500dwt	June 2008
M/T Gemi	12,800dwt	July 2008
M/T Vasi	12,800dwt	October - November 2008

Auditors

The auditors, MOORE STEPHENS STYLIANOU & CO, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Mr. Michalis Ioannides
Director

Nicosia, Cyprus, 29 April 2008

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

In accordance with the Article 9, Sections (3)(c) and (7) of Conditions of Transparency (Mobile Values for Negotiation in Regulated Market) of the Cyprus Stock Exchange Laws and Regulations, we, the members of the Board of Directors and other responsible for the preparation of the financial statements of Ocean Tankers Holdings Public Company Limited for the year ended 31 December 2007, we confirm, to our knowledge, that:

(a) the financial statements presented in the pages 10 to 40:

(i) were prepared in accordance with the International Financial Reporting Standards and the provisions of section (4), and

(ii) give a true and fair view of the assets and liabilities, the financial position and the financial performance of Ocean Tankers Holdings Public Company Limited and the businesses included in the consolidated financial statements in total and

(b) the directors' report gives a fair view of future developments and review of operations and of the position of Ocean Tankers Holdings Public Limited Company and the businesses included in the consolidated financial statements in total, together with a description of the major risks and uncertainties that they face.

Members of the Board of Directors

Mr. Michalis Ioannides
Mr. Georgios Ioannides
Mr. Daniel Ioannides
Mr. Antonis Ioannides
Mr. Michalis Philippou
Mr. Michalis Michael
Mr. Philippos Frangou
Mr. Andrian D. Pace
Mr. Georgios A. Tsablire

Person responsible for the preparation of the financial statements

Mr. Chrysostomos Chrysostomou (Finance Director)

Nicosia, Cyprus, 29 April 2008

Independent Auditors' Report

To the Members of OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of Ocean Tankers Holdings Public Company Limited (the "Company") and its subsidiaries ("the Group") on pages 10 to 36, which comprise the consolidated balance sheet as at 31 December 2007 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap 113. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance 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 about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 the Board of Directors as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2007 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other Legal Requirements

Pursuant to the requirements of the Companies Law, Cap. 113, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 2 to 6 is consistent with the consolidated financial statements.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 156 of the Companies Law, Cap.113 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

MOORE STEPHENS STYLIANOU & CO
CERTIFIED PUBLIC ACCOUNTANTS - CY

29 April 2008

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2007

		2007	2006	<i>Additional information</i>	
	Note	US\$	US\$	2007	2006
				<i>(Note 30)</i>	
				€	€
Revenue	4	16.414.906	9.788.470	11.152.615	6.650.482
Commissions on hires		<u>(711.057)</u>	(390.737)	<u>(483.106)</u>	(265.475)
Vessel operating expenses		15.703.849	9.397.733	10.669.509	6.385.007
Vessel operating expenses	5	<u>(433.438)</u>	(943.445)	<u>(294.486)</u>	(640.995)
Vessel running costs	6	<u>(5.277.385)</u>	(2.327.883)	<u>(3.585.561)</u>	(1.581.610)
Total operating & running expenses		(5.710.823)	(3.271.328)	(3.880.047)	(2.222.605)
Gross profit from vessels operations		9.993.026	6.126.405	6.789.462	4.162.402
Management fees	7	<u>(1.913.067)</u>	(855.389)	<u>(1.299.776)</u>	(581.168)
Profit before depreciation amortisation interests and tax		8.079.959	5.271.016	5.489.686	3.581.234
Depreciation of vessels and other fixed assets	14 & 17	<u>(3.524.447)</u>	(1.550.272)	<u>(2.394.580)</u>	(1.053.286)
Bad and doubtful debts		<u>(320.369)</u>	-	<u>(217.665)</u>	-
Amortisation of special survey and dry docking		<u>(146.336)</u>	-	<u>(99.424)</u>	-
Profit before interests and tax		4.088.807	3.720.744	2.778.017	2.527.948
Finance income	11	<u>174.834</u>	170.495	<u>118.786</u>	115.838
Finance costs	12	<u>(2.773.122)</u>	(2.134.228)	<u>(1.884.115)</u>	(1.450.037)
Profit before tax		1.490.519	1.757.011	1.012.688	1.193.749
Taxes	13	<u>(19.483)</u>	(14.425)	<u>(13.237)</u>	(9.801)
Net profit for the year	8	<u>1.471.036</u>	<u>1.742.586</u>	<u>999.451</u>	<u>1.183.948</u>
		Cents	Cents	Cents	Cents
Profit per share attributable to equity holders of the parent	9	<u>1,15</u>	<u>2,66</u>	<u>0,78</u>	<u>1,81</u>

The notes on pages 14 to 36 form an integral part of these financial statements.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

CONSOLIDATED BALANCE SHEET

31 December 2007

	Note	2007 US\$	2006 US\$	Additional information (Note 30)	
				2007 €	2006 €
ASSETS					
Non-current assets					
Vessels at valuation	14	271,344,950	48,950,000	184,357,186	33,257,609
Initial capitalised expenses	16	2,155,050	-	1,464,184	-
Prepayments for purchase of vessels/ vessels under construction	15	8,476,197	1,132,016	5,758,898	769,114
Other plant and equipment	17	7,399	10,385	5,027	7,056
		<u>281,983,596</u>	<u>50,092,401</u>	<u>191,585,295</u>	<u>34,033,779</u>
Current assets					
Inventories	19	1,149,284	413,703	780,847	281,078
Receivables and prepayments	20	10,540,374	1,993,335	7,161,341	1,354,312
Cash at bank and in hand	21	1,000,496	10,806,627	679,757	7,342,239
		<u>12,690,154</u>	<u>13,213,665</u>	<u>8,621,945</u>	<u>8,977,629</u>
Total assets		<u>294,673,750</u>	<u>63,306,066</u>	<u>200,207,240</u>	<u>43,011,408</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	22	32,326,363	32,326,363	21,963,178	21,963,178
Fair value reserves	23	23,521,071	826,736	15,980,686	561,701
Retained earnings		4,337,353	998,845	2,946,884	678,635
		<u>60,184,787</u>	<u>34,151,944</u>	<u>40,890,748</u>	<u>23,203,514</u>
Non-current liabilities					
Borrowings	24	184,346,032	25,644,705	125,248,381	17,423,525
Derivatives designated as hedging instrument	25	13,121,622	-	8,915,094	-
		<u>197,467,654</u>	<u>25,644,705</u>	<u>134,163,475</u>	<u>17,423,525</u>
Current liabilities					
Trade and other payables	26	4,838,265	1,597,094	3,287,214	1,085,098
Borrowings	24	32,172,268	1,903,500	21,858,482	1,293,276
Current tax liabilities	27	10,776	8,823	7,321	5,995
		<u>37,021,309</u>	<u>3,509,417</u>	<u>25,153,017</u>	<u>2,384,369</u>
Total liabilities		<u>234,488,963</u>	<u>29,154,122</u>	<u>159,316,492</u>	<u>19,807,894</u>
Total equity and liabilities		<u>294,673,750</u>	<u>63,306,066</u>	<u>200,207,240</u>	<u>43,011,408</u>

On 29 April 2008 the Board of Directors of Ocean Tankers Holdings Public Company Limited authorised these financial statements for issue.

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Director

.....
Director

The notes on pages 14 to 36 form an integral part of these financial statements.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2007

	Share capital US\$	Share premium US\$	Fair value reserves US\$	Retained earnings US\$	Total US\$
Balance - 1 January 2006	5.325.000	4.968.560	8.351.987	(1.068.317)	17.577.230
Vessel fair value gains	-	-	2.347.990	-	2.347.990
Share capital increase expenses	-	-	(1.196.678)	-	(1.196.678)
Net gains and losses not recognised in the income statement	-	-	1.151.312	-	1.151.312
Issue of share capital	9.881.503	3.799.313	-	-	13.680.816
Net profit for the year	-	-	-	1.742.586	1.742.586
Capitalisation of revaluation reserves for issue of bonus shares	17.119.860	(8.767.873)	(8.351.987)	-	-
Transfer due to revaluation	-	-	(324.576)	324.576	-
At 31 December 2006 / 1 January 2007	32.326.363	-	826.736	998.845	34.151.944
Vessel fair value gains	-	-	37.683.429	-	37.683.429
Net gains and losses not recognised in the income statement	-	-	37.683.429	-	37.683.429
Net profit for the year	-	-	-	1.471.036	1.471.036
Transfer due to revaluation	-	-	(1.867.472)	1.867.472	-
Loss due to SWAP contract	-	-	(13.121.622)	-	(13.121.622)
At 31 December 2007	32.326.363	-	23.521.071	4.337.353	60.184.787

The notes on pages 14 to 36 form an integral part of these financial statements.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2007

	Note	2007 US\$	2006 US\$	Additional information (Note 30) 2007 €	2006 €
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit for the year before tax		1.490.519	1.757.011	1.012.688	1.193.748
Adjustments for:					
Depreciation of vessels and other fixed assets	15,17	3.524.447	1.550.272	2.394.580	1.053.286
Dry docking and special survey deferred expenditure amortisation	16	146.336	-	99.424	-
Interest income	12	(324.053)	-	(220.168)	-
Interest expense	12	2.515.029	(1.901.298)	1.708.761	(1.291.780)
Operating profit before working capital changes		7.352.278	1.405.985	4.995.285	955.254
Changes in working capital:					
Inventories		(735.581)	(187.455)	(499.768)	(127.361)
Receivables and prepayments		(8.547.039)	(1.117.097)	(5.807.029)	(758.978)
Trade and other payables		3.241.171	(228.432)	2.202.116	(155.201)
Cash flows from / (used in) operations		1.310.829	(126.999)	890.604	(86.286)
Tax paid		(17.530)	(14.424)	(11.911)	(9.800)
Net cash from / (used in) operating activities		1.293.299	(141.423)	878.693	(96.086)
CASH FLOWS FROM INVESTING ACTIVITIES					
Dry docking and special survey deferred expenditure additions	16	(2.301.386)	-	(1.563.608)	-
Purchase of vessels and other fixed assets	15,17	(188.232.982)	(1.591.017)	(127.889.253)	(1.080.969)
Prepayments for purchase of vessels/vessels under construction	16	(7.344.181)	(1.132.016)	(4.989.783)	(769.114)
Net cash (used in) investing activities		(197.878.549)	(2.723.033)	(134.442.644)	(1.850.083)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of share capital		-	13.680.816	-	9.295.020
Proceeds from shareholder's loan		22.000.000	-	14.947.240	-
Repayment of borrowings		(27.548.205)	(1.015.545)	(18.716.801)	(689.982)
Proceeds from borrowings		194.518.300	-	132.159.623	-
Interest paid		(2.515.029)	1.901.298	(1.708.761)	1.291.780
Interest received		324.053	-	220.168	-
Share issue costs		-	(1.196.678)	-	(813.047)
Net cash from financing activities		186.779.119	13.369.891	126.901.469	9.083.771
Net (decrease) / increase in cash and cash equivalents					
		(9.806.131)	10.505.435	(6.662.482)	7.137.602
Cash and cash equivalents:					
At beginning of the year	21	10.806.627	301.192	7.342.239	204.636
At end of the year	21	1.000.496	10.806.627	679.758	7.342.239

The notes on pages 14 to 36 form an integral part of these financial statements.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

1. Principal activities

Country of incorporation

The Company was incorporated in Cyprus on 30 June 2005 as a public company with limited liability under the Companies Law, Cap. 113. Its registered office is at 16 Kyriakou Matsi and 4 Parou, Blue Anchor House, Ayioi Omologites, 1082 Nicosia, Cyprus. On 3 November the Company changed its status to a Public Company with limited liability under the Companies Law, Cap113. On 6 December 2006 the Company was listed on the Cyprus Stock Exchange.

Principal activities

The Company is a Holding company with Investments in the following ship owning companies whose activity is the international transportation of oil and oil products.

- Pisti Maritime Co Limited which is registered in Malta owned the M/T Eleousa Trikoukiotissa tanker (Built 2000, DWT 4.527, NRT 1.303). The tanker was transferred to Eleousa Maritime Co Ltd, a company registered in Cyprus.
- Eleousa Maritime Co Limited which is registered in Cyprus owns the cyprus flag M/T Eleousa Trikoukiotissa tanker (Built 2000, DWT 4.527, NRT 1.303). The tanker was transferred from Pisti Maritime Co Limited which is registered in Malta.
- Timi Maritime Co Limited which is registered in Malta owned the M/T Timi tanker (Built 2005, DWT 7.639, NRT 2.410). The tanker was transferred to Navkios Maritime Co Ltd, a company registered in Cyprus.
- Navkios Maritime Co Limited which is registered in Cyprus owns the cyprus flag M/T Navkios (Ex M/T Timi) (Build 2005, DWT 7.639, NRT 2.410). The tanker was transferred from Timi Maritime Co Ltd which is registered in Malta.
- Limi Maritime Co Limited which is registered in Cyprus owns the cyprus flag M/T Limi (Ex M/T Victor Dubrovskiy) (Build 1997, DWT 8.055, NRT 2.319).
- Kalia Maritime Co Limited which is registered in Cyprus owns the cyprus flag M/T Kalia (Build 1999, DWT 5.771, NRT 1.647).
- Lisa Maritime Co Limited which is registered in Cyprus owns the cyprus flag M/T Lisa (Build 2007, DWT 4.285, NRT 1.292).
- Marim Maritime Co Limited which is registered in Cyprus owns the cyprus flag M/T Marim (Build 2007, DWT 4.285, NRT 1.292).
- Anefani Maritime Co Limited which is registered in Malta owns the maltese flag M/T Anefani (Build 1998, DWT 15.885, NRT 5.057).
- Wall Shipmanagement S.A which is registered in Marshall Islands will own the maltese flag M/T Stavrodromi (Build 1999, DWT 15.441, NRT 5.054), the delivery of which is expected in June 2008.
- Imvros Management Company which is registered in Marshall Islands will own the maltese flag M/T Hartzi (Build 1999, DWT 15.441, NRT 5.054), the delivery of which is expected in June 2008.
- Frachtis Maritime Co Limited which is registered in Malta owns the maltese flag M/T Frachtis (Build 1997, DWT 15.885, NRT 5.057).
- Berengaria Maritime Co Limited which is registered in Malta and owns the maltese flag M/T Berengaria (Build 2001, DWT 19.996, NRT 6.326).
- Prodromi Maritime Co Limited which is registered in Malta and owns the maltese flag M/T Prodromi (Build 2000, DWT 19.996, NRT 6.326).
- Green Forest Maritime Co Limited which is registered in Malta and owns the maltese flag M/T Green Forest (Build 2000, DWT 19.996, NRT 6.326).
- Sultan Management S.A which is registered in Marshall Islands will own the maltese flag M/T Skledros (Build 1999, DWT 15.441, NRT 5.054), the delivery of which will be on the 23 April 2008.
- Vasi Maritime Co Limited which is registered in Cyprus owns the new-built cyprus flag M/T Vasi (DWT 12.750), the delivery of which is expected in September-November 2008.
- Gemi Maritime Co Limited which is registered in Cyprus owns the new-built cyprus flag M/T Gemi (DWT 12.750), the delivery of which is expected in September-November 2008.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Cyprus Companies Law, Cap.113. The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of vessels.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of 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 reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised IFRSs and International Accounting Standards (IAS), which are relevant to its operations and are effective for accounting periods commencing on 1 January 2007.

The adoption of these Standards did not have a material effect on the financial statements.

At the date of authorisation of these financial statements some Standards were in issue but not yet effective. The Board of Directors expects that the adoption of these Standards in future periods will not have a material effect on the financial statements of the Company.

Consolidation

The consolidated financial statements of the group consist of the financial statements of the holding company Ocean Tankers Holdings Public Company Limited 2007 and its subsidiaries, for the year ended 31 December 2007. Analysis of these companies is presented in note 18.

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

Revenue recognition

Hire Income from Voyage and Time charters is recognized in the period it becomes payable or on an accrual basis according to the voyage completion. Expenditure on vessel operations are recognized using the accruals basis. Deferred Income represents amounts received in advance against future hires, which refer to periods after the 31st December of each year

Other revenues earned by the Group are recognised on the following bases:

- Interest income - on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

Finance costs

Interest expense and other borrowing costs are recognised as expenses in the period in which they fall due, unless they are related to the purchase, construction or creation of fixed assets.

Interest expense and other borrowing costs directly attributable to the acquisition, construction or production of fixed assets are added to the cost of those assets according to IAS 23 "Borrowing Costs".

Foreign currency translation

(1) Measurement currency

The financial statements are prepared in USA Dollar (the measurement currency), which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Group.

(2) Foreign currency translation

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Tax

Under the Shipping Law the parent company as a resident in Cyprus can elect to be taxed under the corporation tax at the rate of 4.25% on net profits that result from ship management services or on the total tonnage tax of vessels under the company's management. Other income is taxed at the rate of 10%.

Cyprus and Malta do not impose any corporate taxes on income derived from shipping activities. However according to Cyprus and Malta Legislation ship owning companies incorporated in Cyprus and Malta, suffer registration duties and annual tonnage taxes according to the vessel tonnage classification. Furthermore, companies incorporated in Cyprus are taxed at the rate of 10% on income derived from activities other than shipping.

Dividends paid to the parent company from the ship owning companies are not subject to tax.

Dividends paid by the parent company to individuals resident in Cyprus are subject to 15% special contribution for defence fund, to the extent that those dividends are not paid out of profits earned by the operation of Cyprus vessels in shipping activities or from the provision of ship management services. Non- tax residents are exempt from special contribution for defence.

Vessels at valuation

Vessels of the Group are stated at fair value based on revaluations from independent valuers. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the balance sheet date.

Depreciation of vessels is calculated using the straight line method based on the useful economic life of the vessel estimated to be around 30 years from the day of their commissioning to sea and after having accounted for the vessel scrap value (650 per light weight tonnage-LWT) 2006 (US\$500) per light weight tonnage-LWT)

Material expenditure on the vessels, which will bring future economic benefits to the ship owning company, are capitalized and depreciated over the remaining useful economic life of the vessel whereas repair and maintenance expenditure is written off to the profit and loss account in the year it is incurred.

In the case where a disposal of a vessel takes place the difference between sales proceeds from disposal and Net Book Value is debited or credited to the profit and loss account for the year.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

Other plant and equipment

Plant and equipment are stated at historical cost less depreciation.

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful life. The annual depreciation rates used are as follows:

	%
Furniture, fixtures and office equipment	5-10 Years

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the income statement of the year in which they were incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit from operations.

Dry docking

According to International Accounting Standard 16 (Property, plant and equipment) expenses relating to vessel dry-docking are treated as deferred expenditure and are amortised over the period until the next scheduled dry-dock or the actual disposal date of the vessel. These expenses are the cost of repairs that vessels are required to undergo in order to adhere to regulations set by the different Registers of Shipping. Such repairs are deemed necessary at intervals usually not exceeding two and a half years.

Special survey

Special surveys of vessels are required every five years and the relevant expenditure is treated as deferred expenditure (therefore capitalised) and amortised according to International Accounting Standard 16 (Property, plant and equipment). This expenditure represents the cost of repairs that all vessels are required to undergo in order to adhere to shipping code and regulations adopted by the different Registers of Shipping, and are included together with dry-docking deferred expenditure.

Claims from P&I Clubs

Claims concerning insurance compensation represent amounts, which have been submitted, or in the process of evidence being collected for submission to the insurers. Claims are accounted having satisfied the following criteria: (a) when incurred, (b) when they represent only items which come under insurance cover within the relevant year ended 31st December and (c) when it is reasonable to expect compensation from Insurers after the deduction of relevant expenditure. The classification into short term and long-term claims from insurers is based on the Company management's assessment as to the date of their receipt.

P & I back calls

P&I back calls which are expected to mature in future periods are provided for under "Accrued expenses".

Operating leases

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 income statement on a straight-line basis over the period of the lease.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

Impairment of long-lived assets

Vessels and non-current assets, including goodwill and other intangible assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Loans

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

Claims from charterers

Claims from charterers in the consolidated balance sheet consist of amounts invoiced in relation to voyage and time charter agreements. Management examines the recoverability of these amounts regularly, and a provision for impairment of receivables is made, when there is an indication that the Group is not in the position of collecting from charterers the amounts due in accordance with the initial terms and conditions. Provision for impairment is the difference between the book value and the recoverable amount of the amount receivable.

Share issue costs

Share issue costs are set against the share premium reserve and subsequently against the retained earnings and fair value reserves, in accordance with the International Financial Reporting Standards.

Share issue costs

Share issue costs are set against the share premium reserve and subsequently against the retained earnings and fair value reserves, in accordance with the International Financial Reporting Standards.

Long-term liabilities

Long-term liabilities represent amounts that are due more than twelve months from the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

Non-recurring costs

In accordance with IAS1 "presentation of Financial Statements", costs incurred from events that differ in frequency are disclosed separately to assist the better understanding of the Group's financial performance. Such costs include director's travelling expenses in search of and purchase of tankers, bank charges upon signing of loans and initial repairs to newly-acquired tankers.

3. Financial risk management

(1) Financial risk factors

The Group is exposed to interest rate risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

(1.1) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	2007	2006
	US\$	US\$
Fixed rate instruments		
Financial liabilities	194.518.300	27.548.205
Variable rate instruments		
Financial assets	<u>983.780</u>	<u>10.800.067</u>

Financial assets are constituted by deposits in financial institutions of Cyprus and abroad.

(1.2) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date. The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Group has policies to limit the amount of credit exposure to any financial institution.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2007	2006
	US\$	US\$
Derivatives designated as hedging instruments	<u>(13.121.622)</u>	<u>-</u>
	<u>(13.121.622)</u>	<u>-</u>

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

(1.9) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from last year.

(2) Fair value estimation

The carrying amounts and fair values of certain non-current borrowings are as follows:

	Carrying amounts		2007 US\$	2006 US\$
	2007 US\$	2006 US\$		
Financial assets				
Cash	983.780	10.800.067	983.780	10.800.067
Financial liabilities				
Derivative instruments in designated hedge	(13.121.622)	-	(11.763.776)	-
Amortised cost	(194.518.300)	(27.548.205)	(194.518.300)	(27.548.205)
	(206.656.142)	(16.748.138)	(205.298.296)	(16.748.138)

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the balance sheet date.

4. Revenue

	2007 US\$	2006 US\$
Voyage Charters	2.125.123	2.771.563
Time charters	14.154.665	6.525.292
Demurrages	122.211	157.987
Other income from hire	12.907	33.628
Commissions receivable	-	300.000
	16.414.906	9.788.470

5. Vessel operating expenses

	2007 US\$	2006 US\$
Fuel	26.349	573.906
Port expenses	29.973	330.851
Other Hire expenses	377.116	38.688
	433.438	943.445

6. Vessel running expenses

	2007 US\$	2006 US\$
Crew costs	3.270.458	1.541.215
Insurance costs	535.694	296.160
Stores	293.229	71.640
Repairs and maintenance	516.691	138.715
Other hire expenses	252.023	98.244
Spare parts expenses	187.536	91.110
Lubricants	221.754	90.799
	5.277.385	2.327.883

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

7. Management fees

	2007	2006
	US\$	US\$
Tankers management fees	1.242.065	335.475
Communication fees	87.177	36.075
Legal fees	40.785	18.633
Audit fees	58.265	18.722
Directors fees	292.895	263.621
Salaries	6.532	16.380
Social Insurance and other funds	19.298	20.955
Rent	79.621	79.256
Sundry expenses	86.429	66.272
	<u>1.913.067</u>	<u>855.389</u>

8. Net profit for the year

	2007	2006
	US\$	US\$
Net profit for the year is stated after charging the following items:		
Depreciation of vessels and other fixed assets	3.524.447	1.550.272
Crew costs	3.270.458	1.541.215
Other Salaries	6.532	16.380
Rent	79.261	79.256
Audit fees - (included in management fees)	58.265	16.672
Directors fees - (included in management fees)	292.895	263.621
Amortisation of special survey and dry docking	146.336	-
	<u>146.336</u>	<u>-</u>

9. Earnings/ (Losses) per share

	2007	2006
	US\$	US\$
Profit / (loss) attributable to shareholder	1.471.036	1.742.586
Weighted average number of shares assumed to be in issue during the year of nominal value US\$0,50 each	128.198.381	65.450.047
	Cents	Cents
	1,15	2,66

10. Staff costs

	2007	2006
	US\$	US\$
Crew costs	3.270.458	1.541.215
Directors fees	292.895	263.621
Other salaries	6.532	16.380
Social insurance and other funds	19.298	20.955
	<u>3.589.183</u>	<u>1.842.171</u>
Average number of crew members	190	50
Average number of management staff	10	4

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

11. Finance income

	2007	2006
	US\$	US\$
Net (loss)/gain on foreign exchange transaction	(149.219)	82.264
Interest income	324.053	88.231
	<u>174.834</u>	<u>170.495</u>

12. Finance costs

	2007	2006
	US\$	US\$
Interest expense	2.515.029	1.901.298
Sundry finance expenses	258.093	232.930
	<u>2.773.122</u>	<u>2.134.228</u>

Sundry finance expenses include an amount of US\$110,562 which represents the amortisation for 2007 of the arrangement fees in relation of the loan obtained from ABN AMRO and an amount of US\$75,056 which represents a provision for commitment fees of this loan.

13. Tax

	2007	2006
	US\$	US\$
Tonnage taxes	8.708	5.602
Defence contribution - current	10.775	8.823
Total charge for the year	<u>19.483</u>	<u>14.425</u>

Under the Shipping Law the parent company as a resident in Cyprus can elect to be taxed under the corporation tax at the rate of 4.25% on net profits that result from ship management services or on the total tonnage tax of vessels under the company's management. Other income is taxed at the rate of 10%.

Cyprus and Malta do not impose any corporate taxes on income derived from shipping activities. However according to Cyprus and Malta Legislation ship owning companies incorporated in Cyprus and Malta, suffer registration duties and annual tonnage taxes according to the vessel tonnage classification. Furthermore, companies incorporated in Cyprus are taxed at the rate of 10% on income derived from activities other than shipping.

Dividends paid to the parent company from the ship owning companies are not subject to tax.

Dividends paid by the parent company to individuals resident in Cyprus are subject to 15% special contribution for defence fund, to the extent that those dividends are not paid out of profits earned by the operation of Cyprus vessels in shipping activities or from the provision of ship management services. Non- tax residents are exempt from special contribution for defence.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

14. Vessels at valuation

	Pisti Maritime Co Limited / Eleousa Maritime Co Limited M/T Eleousa Trikoukiotissa	Timi Maritime Co Limited / Nafkios Maritime Co Limited M/T Nafkios	Limi Maritime Co Limited M/T Victor Dubrovskiy	Kalia Maritime Co Limited M/T Kalia	Lisa Maritime Co Limited M/T Lisa	Marim Maritime Co Limited M/T Marim	Anefani Maritime Co Limited M/T Anefani	Berengaria Maritime Co Limited M/T Berengaria	Frachtis Maritime Co Limited M/T Frachtis	Green Forest Maritime Co Limited M/T Green Forest	Prodromi Maritime Co Limited M/T Prodromi	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Cost /Valuation												
At 1 January 2007	12.975.000	19.500.000	16.475.000	-	-	-	-	-	-	-	-	48.950.000
Additions	201.253	59.321	1.822.420	12.617.289	11.381.456	11.559.053	25.594.887	34.136.042	24.592.050	33.130.746	33.136.451	188.230.968
Adjustment on revaluation	451.788	913.393	(1.053.225)	4.882.711	4.868.544	4.690.947	3.405.113	4.863.958	3.407.950	3.869.254	3.863.549	34.163.982
At 31 December 2007	<u>13.628.041</u>	<u>20.472.714</u>	<u>17.244.195</u>	<u>17.500.000</u>	<u>16.250.000</u>	<u>16.250.000</u>	<u>29.000.000</u>	<u>39.000.000</u>	<u>28.000.000</u>	<u>37.000.000</u>	<u>37.000.000</u>	<u>271.344.950</u>
Depreciation												
Charge for the Year	533.704	645.248	819.389	558.874	256.886	179.589	133.537	86.582	130.984	87.498	87.156	3.519.447
Adjustment on revaluation	(533.704)	(645.248)	(819.389)	(558.874)	(256.886)	(179.589)	(133.537)	(86.582)	(130.984)	(87.498)	(87.156)	(3.519.447)
At 31 December 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book amount												
At 31 December 2007	<u>13.628.041</u>	<u>20.472.714</u>	<u>17.244.195</u>	<u>17.500.000</u>	<u>16.250.000</u>	<u>16.250.000</u>	<u>29.000.000</u>	<u>39.000.000</u>	<u>28.000.000</u>	<u>37.000.000</u>	<u>37.000.000</u>	<u>271.344.950</u>
Cost /Valuation												
At 1 January 2006	11.847.168	18.877.576	15.875.000	-	-	-	-	-	-	-	-	46.599.744
Additions	692.742	566.803	323.379	-	-	-	-	-	-	-	-	1.582.924
Adjustment on revaluation	435.090	55.621	276.621	-	-	-	-	-	-	-	-	767.332
At 31 December 2006	<u>12.975.000</u>	<u>19.500.000</u>	<u>16.475.000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48.950.000</u>
Depreciation												
At 1 January 2006	7.325	28.067	-	-	-	-	-	-	-	-	-	35.392
Charge for the Year	427.879	537.821	579.566	-	-	-	-	-	-	-	-	1.545.266
Adjustment on revaluation	(435.204)	(565.888)	(579.566)	-	-	-	-	-	-	-	-	(1.580.658)
Net book amount												
At 31 December 2006	<u>12.975.000</u>	<u>19.500.000</u>	<u>16.475.000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48.950.000</u>

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Vessels at valuation(continued)

Revaluation 31 December 2006

On 31 December 2006 the board of directors of Pisti Maritime Company Limited revalued 'M.T Eleousa Trikoukiotissa' vessel to US\$12.975.000 and the surplus on revaluation amounting to US\$870.293 was credited to the revaluation reserve.

On 31 December 2006 the board of directors of Limi Maritime Company Limited revalued 'M.T Victor Dubrovskiy' vessel to US\$16.475.000 and the surplus on revaluation amounting to US\$856.187 was credited to the revaluation reserve.

On 31 December 2006 the board of directors of Timi Maritime Company Limited revalued 'M.T Timi' vessel to US\$19.500.000 and the surplus on revaluation amounting to US\$621.510 was credited to the revaluation reserve.

Revaluation 6 August 2007

On 6 August 2007 the board of directors of Kalia Maritime Company Limited revalued 'M.T Kalia' vessel to US\$17.000.000 and the surplus on revaluation amounting to US\$4.556.130 was credited to the revaluation reserve.

On 6 August 2007 the board of directors of Nafkios Maritime Company Limited revalued 'M.T Nafkios' vessel to US\$20.500.000 and the surplus on revaluation amounting to US\$791.784 was credited to the revaluation reserve.

Revaluation 12 September 2007

On 12 September 2007 the board of directors of Marim Maritime Company Limited revalued 'M.T Marim' vessel to US\$16.250.000 and the surplus on revaluation amounting to US\$5,779,406 was credited to the revaluation reserve.

On 12 September 2007 the board of directors of Eleousa Maritime Company Limited revalued 'M.T Eleousa Trikoukiotissa' vessel to US\$14.500.000 and the surplus on revaluation amounting to US\$812,532 was credited to the revaluation reserve.

On 12 September 2007 the board of directors of Limi Maritime Company Limited revalued 'M.T Limi' vessel to US\$18.000.000 and the surplus on revaluation amounting to US\$477,644 was credited to the revaluation reserve.

On 12 September 2007 the board of directors of Lisa Maritime Company Limited revalued 'M.T Lisa' vessel to US\$16.250.000 and the surplus on revaluation amounting to US\$5,856,703 was credited to the revaluation reserve.

Revaluation 31 December 2007

On 31 December 2007 the board of directors of Nafkios Maritime Company Limited revalued 'M.T Nafkios' vessel to US\$21.000.000 and the surplus on revaluation amounting to US\$766,857 was credited to the revaluation reserve.

On 31 December 2007 the board of directors of Kalia Maritime Company Limited revalued 'M.T Kalia' vessel to US\$17.500.000 and the surplus on revaluation amounting to US\$785,455 was credited to the revaluation reserve.

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Year ended 31 December 2007

Vessels at valuation(continued)

On 31 December 2007 the board of directors of Anefani Maritime Company Limited revalued 'M.T Anefani' vessel to US\$29.000.000 and the surplus on revaluation amounting to US\$3,538,650 was credited to the revaluation reserve.

On 31 December 2007 the board of directors of Frachtis Maritime Company Limited revalued 'M.T Frachtis' vessel to US\$28.000.000 and the surplus on revaluation amounting to US\$3,538,934 was credited to the revaluation reserve.

On 31 December 2007 the board of directors of Eleousa Maritime Company Limited revalued 'M.T Eleousa Trikoukiotissa' vessel to US\$14.500.000 and the surplus on revaluation amounting to US\$172,960 was credited to the revaluation reserve.

On 31 December 2007 the board of directors of Limi Maritime Company Limited revalued 'M.T Limi' vessel to US\$18.000.000 and the surplus on revaluation amounting to US\$243,808 was credited to the revaluation reserve.

On 31 December 2007 the board of directors of Lisa Maritime Company Limited revalued 'M.T Lisa' vessel to US\$16.250.000 and the surplus on revaluation amounting to US\$150,183 was credited to the revaluation reserve.

On 31 December 2007 the board of directors of Marim Maritime Company Limited revalued 'M.T Marim' vessel to US\$16.250.000 and the surplus on revaluation amounting to US\$150,183 was credited to the revaluation reserve.

On 31 December 2007 the board of directors of Berengaria Maritime Company Limited revalued 'M.T Berengaria' vessel to US\$39.000.000 and the surplus on revaluation amounting to US\$4,950,541 was credited to the revaluation reserve.

On 31 December 2007 the board of directors of Green Forrest Maritime Company Limited revalued 'M.T Green Forrest' vessel to US\$37.000.000 and the surplus on revaluation amounting to US\$3,956,753 was credited to the revaluation reserve.

On 31 December 2007 the board of directors of Prodromi Maritime Company Limited revalued 'M.T Prodromi' vessel to US\$37.000.000 and the surplus on revaluation amounting to US\$3,950,705 was credited to the revaluation reserve.

Dry docking & special survey deferred expenditure

Revaluation value of vessels M/T Eleousa, M/T Nafkios and M/T Limi includes also dry docking expenses (note 16).

The vessels are held as collateral in order for the Group to obtain the loan and credit facilities offered by the banks (note24).

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Year ended 31 December 2007

Vessels at valuation(continued)

The net book value of the vessels if presented under the historical cost would be as follows:-

	2007	2006
	US\$	US\$
Cost	228,363,544	40,132,667
Accumulated Depreciation	<u>(5,077,516)</u>	<u>(1,558,069)</u>
Net Book Value	<u>223,286,028</u>	<u>38,574,598</u>

15. Prepayments for purchase of vessels/ vessels under construction

	2007	2006
	US\$	US\$
Opening net book amount	1,132,016	-
Decreases due to delivery of vessel	(1,132,016)	-
Advance payment for purchase of vessel	6,883,500	1,132,016
Capitalised expenses	<u>1,592,697</u>	<u>-</u>
Closing net book amount	<u>8,476,197</u>	<u>1,132,016</u>

At 31 December 2007 advance payments for purchase of vessel includes the following:

An advance payment amounting to US\$ 2,294,500 which represents 10% of the purchase price of the vessel Vasi. Also includes capitalisation of expenses amounting to US\$ 500,028.

An advance payment amounting to US\$ 4,589,000 which represents 20% of the purchase price of the vessel Gemi. Also includes capitalisation of expenses amounting to US\$ 545,026.

Capitalisation of expenses amounting to US\$ 151,649 for the purchase of vessel Skledros.

Capitalisation of expenses amounting to US\$ 151,649 for the purchase of vessel Stavrodromi.

Capitalisation of expenses amounting to US\$ 151,649 for the purchase of vessel Hartzi.

Capitalised expenses

Capitalised expenses include loan expenses which are directly attributable to the vessels under construction.

	2007	2006
	US\$	US\$
Capitalised of loan expenses and interest	<u>1,067,101</u>	<u>337,730</u>

16. Dry docking & special survey deferred expenditure

	Dry docking	Total	Total
	US\$	2007	2006
		US\$	US\$
Additions	2,301,386	2,301,386	-
Amortisation for the year (Note 8)	<u>(146,336)</u>	<u>(146,336)</u>	<u>-</u>
Closing net book amount	<u>2,155,050</u>	<u>2,155,050</u>	<u>-</u>

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Year ended 31 December 2007

17. Other plant and equipment

	Furniture, fixtures and office equipment US\$	Total 2007 US\$	Total 2006 US\$
Cost			
At 1 January	15.925	15.925	7.832
Additions	2.014	2.014	8.093
At 31 December	<u>17.939</u>	<u>17.939</u>	<u>15.925</u>
Depreciation			
At 1 January	5.540	5.540	533
Charge for the year	5.000	5.000	5.007
At 31 December	<u>10.540</u>	<u>10.540</u>	<u>5.540</u>
Net book amount			
At 31 December	<u>7.399</u>	<u>7.399</u>	<u>10.385</u>

18. Investments in subsidiaries

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	Holding %
Eleousa Maritime Company Limited	Cyprus	100
Nafkios Maritime Company Limited	Cyprus	100
Kalia Maritime Company Limited	Cyprus	100
Limi Maritime Company Limited	Cyprus	100
Lisa Maritime Company Limited	Cyprus	100
Marim Maritime Company Limited	Cyprus	100
Anefani Maritime Company Limited	Malta	100
Berengaria Maritime Company Limited	Malta	100
Frachtis Maritime company Limited	Malta	100
Prodromi Maritime Company Limited	Malta	100
Green Forest Maritime Company Limited	Malta	100
Gemi Maritime Company Limited	Cyprus	100
Vasi Maritime Company Limited	Cyprus	100
Wall Shipmanagement S.A	Marshall Island	100
Invros Management Company	Marshall Island	100
Sultan Management S.A	Marshall Island	100

The principal activity of the companies is the owning of vessels for the transportation of cargo oil and petroleum by products.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

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Year ended 31 December 2007

19. Inventories

	2007	2006
	US\$	US\$
Lubricants	531.160	128.000
Victualling	67.328	3.000
Spare parts and other consumables	550.796	282.703
	<u>1.149.284</u>	<u>413.703</u>

Inventories are stated at cost.

20. Receivables and prepayments

	2007	2006
	US\$	US\$
Charterers	4.340.447	666.244
Less: Provision for impairment of receivables	(320.369)	-
Trade receivables - net	4.020.078	666.244
Unamortised amount of loan arrangement fees (Note 28)	4.463.438	-
Receivables from related companies (Note 28)	187.462	353.182
Deposits and prepayments	1.288.689	396.118
Other claims	114.612	202.699
Receivable from administrative company	15.860	195.989
Agents	450.235	179.103
	<u>10.540.374</u>	<u>1.993.335</u>

The Group has incurred arrangement fees of the amount of US\$4,574,000 upon inception of the loan from ABN AMRO for the amount of US\$284,000,000. These fees will be amortised over the term of the loan.

21. Cash and cash equivalents

For the purposes of the cash flow statement, the cash and cash equivalents comprise the following:

	2007	2006
	US\$	US\$
Cash at bank and in hand	1.000.496	10.806.627
	<u>1.000.496</u>	<u>10.806.627</u>

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

22. Share capital

	2007 Number of shares	2007 US\$	2006 Number of shares	2006 US\$
Authorised				
Ordinary shares of US\$0,20 each (31/12/2006 US\$0,40 each)	210.000.000	42.000.000	105.000.000	42.000.000
Issued and fully paid				
At 1 January	80.815.906	32.326.363	5.325.000	5.325.000
Issue of shares	-	-	24.478.757	9.881.503
Share split	-	-	28.418.320	-
Rights issue	80.815.906	-	22.593.829	17.119.860
At 31 December	161.631.812	32.326.363	80.815.906	32.326.363

Authorised capital

According to the Articles of Association of the Company its authorised share capital as at 30 June 2005, its incorporation date, amounted to CY£1.000 and was divided into 1.000 shares of CY£1 each. On 2 November 2005 the authorised share capital of the Company was converted into US\$2.000 and was divided into 1.000 shares of US\$2 each. On 2 November 2005 the authorised share capital was increased to US\$50.000 divided into 25.000 shares of US\$2 each. At an extraordinary general meeting on 31 December 2005, the authorised share capital of the Company was increased with a special resolution to US\$10.600.000 divided into US\$5.300.000 shares of US\$2 each and at the same date each share was split in two shares of US\$1 each. Consequently the authorised share capital of the Company amounted to US\$10.600.000 divided into 10.600.000 ordinary shares with a nominal value US\$1 each. As at 3 April 2006 the authorised share capital of the Company was increased from US\$10.600.000 to US\$20.000.000 divided into 20.000.000 of US\$1 each. As at 5 April 2006 the Company split further the nominal value of each share from US\$1 to US\$0,40. As a result the authorised share capital of the Company amounted to US\$20.000.000 divided into 50.000.000 ordinary shares of US\$0,40 each. As at 17 April 2006 the authorised share capital of the Company was increased from US\$20.000.000 to US\$42.000.000 divided into 105.000.000 shares of US\$0,40 each. At an extraordinary general meeting on 2 May 2007, it was decided with a special resolution that the authorised share capital of the Company consisting of US\$42.000.000 divided into 105.000.000 of US\$0,40 each to be to US\$10.600.000 divided into 210.000.000 shares of US\$0,20. On 7 January 2008, with an ordinary resolution, the extraordinary general meeting decided to increase the authorised share capital from US\$42.000.000 divided into 210.000.000 shares of US\$0,20 each to US\$50.000.000 divided into 250.000.000 ordinary shares of US\$0,20 each, by the creation of 40.000.000 additional ordinary shares of nominal value US\$0,20 each.

Issued capital

The issued share capital of the Company on incorporation date (at 30 June 2005) amounted to CY£1.000 and was divided into 1.000 ordinary share of CY£1 each. On 2 November 2005 the share capital of the Company was converted into US\$2.000 and was divided into 1.000 shares of US\$2 each. On 2 November 2005 was decided to increase the share capital by issuing 24.000 ordinary shares of US\$2 each at par. Consequently the issued share capital of the Company increased to US\$50.000 divided to 25.000 ordinary shares amounted to US\$2. On 31 December 2005 each share of US\$2 was split into 2 new shares of a nominal value of US\$1 each. At an extraordinary general meeting the issued share capital of the company was increased with a special resolution to US\$5.275.000 with the issue of 5.275.000 ordinary shares of a nominal value of US\$1 each and the offer of shares on a pro-rata basis at a premium of US\$1 to the existing shareholders. On 15 March 2006 the issued share capital of the Company was increased from US\$5.325.000 to US\$5.475.000 by issuing 150.000 shares of a nominal value of US\$1 each at US\$2 each on a pro-rata basis to the existing shareholders as at 15 March 2005. Those shares were issued at the price of US\$2 each and the difference of US\$150.000 was transferred to the share premium reserve. On 5 April 2006 the issued share capital of the company was

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

Issued capital(continued)

increased from US\$5.475.000 to US\$18.945.546 with the issue of 13.470.546 shares of nominal value US\$1 each at par value by the capitalisation of the share premium reserve amounting to US\$5.118.560 and the fair value reserve amounting to US\$8.351.987. On 5 April 2006 the company proceeded to the split of the nominal value of the shares from US\$1 to US\$0,40 each. Therefore the issued share capital increased to US\$18.945.546 divided by 47.363.865 ordinary shares of a nominal value US\$0,40 each. On 15 June 2006 and based on a special resolution of the extraordinary general meeting of the shareholders of the company it was decided the issue of 24.328.756 shares of a nominal value of US\$0,40 to be offered to the public at the price of US\$0,55. With the same resolution on 15 June 2006 it was decided the issue of 9.123.284 shares at nominal value of US\$0,40 each which will be issued and offered as bonus to the shareholders registered in the companies registry as at 17 April 2006. For the bonus issue the company capitalised US\$3.649.313 which represented the share premium that was derived from the sale of the new shares to the public. On 2 May 2007, with a special resolution, the extraordinary general meeting decided to proceed to the split of the nominal value of the shares from US\$0,40 to US\$0,20 each and therefore the issued share capital to consist of 161.631.812 ordinary shares of nominal value US\$0,20 each instead of 80.815.906 ordinary shares of nominal value US\$0,40 each. On 5 December 2007 the Board of Directors of the Company decided to issue 161.631.810 rights at the ratio of 1:1 shares that will be given to shareholders free. Upon exercise, every five (5) rights will be converted to two (2) new ordinary shares of nominal value US\$ 0,20 each, at the exercise price of EUR0,55 per share. The date of issue of the rights will be determined at a later stage, after the approval from the authorities.

23. Fair value reserves

	Revaluation reserve US\$	Total US\$
Balance - 1 January 2006	8.351.987	8.351.987
Revaluation (Note 14)	2.347.990	2.347.990
Transfer of additional depreciation due to revaluation	(324.576)	(324.576)
Capitalisation of revaluation reserves for issue of bonus shares	(8.351.987)	(8.351.987)
Share capital increase expenses	<u>(1.196.678)</u>	<u>(1.196.678)</u>
At 31 December 2006 /1 January 2007	826.736	826.736
Revaluation (Note 14)	37.683.429	37.683.429
Transfer of additional depreciation due to revaluation	(1.867.472)	(1.867.472)
Loss arised from a SWAP contract	<u>(13.121.622)</u>	<u>(13.121.622)</u>
At 31 December 2007	<u>23.521.071</u>	<u>23.521.071</u>

24. Borrowings

	2007 US\$	2006 US\$
Current borrowings		
Bank loans	16.172.268	1.903.500
Shareholder's loan	16.000.000	-
	<u>32.172.268</u>	<u>1.903.500</u>
Non current borrowings		
Bank loans	178.346.032	25.644.705
Shareholder's loan	6.000.000	-
	<u>184.346.032</u>	<u>25.644.705</u>

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

24. Borrowings (continued)

Maturity of non-current borrowings

between one to two years	22.526.417	3.686.425
between two and five years	50.482.849	9.336.276
after five years	<u>111.336.766</u>	<u>12.622.004</u>
	<u>184.346.032</u>	<u>25.644.705</u>

The bank loans and overdrafts are secured as follows:

- A first priority mortgage on vessels.
- A General lien over income derived from vessels under mortgage.
- A specific lien over time charter contracts in relation to vessels under a minimum of one year finance terms, upon bank's approval. The specific lien should be approved by the charterers.
- Company guarantees from all the companies of the group.
- A letter of subordination of rights and letter of undertaking from the company shipmanagers Admibros Shipmanagement Co Limited vessels.
- A General primary lien over the insurance of the mortgaged vessels which the group companies have undertaken through intermediaries and/or agents and insurers which are acceptable by the bank, with special covers which were prescribed by the lending banks, in the banks terms of engagement. The bank reserves the right to secure other insurance liens from time to time.

Interest rates and repayment terms

Bank loans are denominated in United States Dollars and bear interest at the rate of LIBOR +1.375% per annum. They will be fully repaid by the year 2017.

The Company has entered into an interest rate swap agreement (SWAP) with ABN AMRO. With this derivative financial instrument, Ocean Tankers Public Holding Company Limited swaps the floating interest rate of the loan (LIBOR + 1.375%) with a fixed interest rate of 2% until January 2009, at which time the fixed interest rate will be revised to 6.2% for the rest of the loan term.

As per the letter from ABN AMRO, dated 17 April 2008, if Ocean Tankers Holding Public Company Limited does not unwind the SWAP before January 2009, then there will be no breakage cost or earn a profit for the Company. The Company will then return to its previous interest rate status.

Shareholder's loan

During 2007, Mr. Michalis Ioannides obtained personal loans on behalf of the Group of the amount of US\$22,000,000. This amount was obtained by the inception of two loans, the first being on 15 October 2007 for the amount of US\$12,000,000 and the second on 19 November 2007 for the remaining US\$10,000,000. The interest rate was set at 9% per annum for both loans.

Ocean Tankers Holding Public Company Limited incurred arrangement fees for the above loans of the amount of US\$130,760.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

24. Borrowings (continued)

Securities

Guarantees by Ocean Tankers Holdings Public Company Limited.

Mortgage on the eight newly acquired tankers (Palmali Fleet) with ABN AMRO's consent.

Repayment terms

If the above loans are not settled by the Company by 30 April 2008, the Company has a commitment of paying to Mr. Michalis Ioannides two million dollars per month until the loans are fully repaid. The first intallment would be on the 1st of May 2008 and the last in March 2009.

Post Balance Sheet Events

During 2008, Mr. Michalis Ioannides proceeded with further Group funding by assigning new personal loans amounting to US\$16,300,000 that have the same terms with the previous personal loans assigned to the Company by Mr. Ioannides.

25. Cash flow hedge derivatives

At 31 December 2007, Ocean Tankers Holding Public Company Limited has a liability to ABN AMRO amounting to US\$13,121,622 due to the valuation of the interest rate swap derivative.

26. Trade and other payables

	2007	2006
	US\$	US\$
Trade payables-Suppliers	683.834	86.966
Agents	121.689	48.098
Deferred income	1.165.297	116.250
Other creditors	2.250.698	1.045.526
Payables to related companies (Note 28)	616.747	300.254
	<u>4.838.265</u>	<u>1.597.094</u>

27. Current tax liabilities

	2007	2006
	US\$	US\$
Special contribution for defence	10.776	8.823
	<u>10.776</u>	<u>8.823</u>

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

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Year ended 31 December 2007

28. Related party transactions

The following transactions were carried out with related parties:

28.1 Directors' remuneration

The total remuneration of the Directors was as follows:

	2007 US\$	2006 US\$
Michalis Ioannides	128.517	110.307
Georgios Ioannides	70.014	67.772
Chrysostomos Chrysostomou	81.001	74.542
Daniel Ioannides	2.200	2.200
Antonios Ioannides	2.200	2.200
Michalis Philippou	2.200	2.200
Michalis Michael	4.400	4.400
Philippos Frangou	338	-
Georgios Tsavlires	663	-
Adrian D. Pace	1.362	-
	<u>292.895</u>	<u>263.621</u>

28.2 Charges to related parties

Name	Nature of transaction	2007 US\$	2006 US\$
Admibros Shipmanagement Limited (Cyprus)	Commission from sale of M/V "Arrow"	-	193.750
Admibros Shipmanagement Limited (Cyprus)	Commission from purchase of M/V "Dimitris Manios II"	-	106.250
		<u>-</u>	<u>300.000</u>

Sales and purchases from/to the associated undertakings were made at cost.

28.3 Charges from related parties

Name	Nature of transaction	2007 US\$	2006 US\$
Admibros Shipmanagement Limited (Cyprus)	Use of office equipment	53.081	52.772
Blue Anchor Trading Limited	Rent	26.540	26.484
Admibros Shipmanagement Limited (Greece)	Commission payables	205.186	67.698
Admibros Shipmanagement Limited (Cyprus)	Commission payables	205.186	116.716
Admibros Shipmanagement Limited (Cyprus)	Management Expenses	987.000	37.500
Woodlanders Limited	Capitalisation expenses	-	6.409
Admibros Shipmanagement Limited (Cyprus)	Management expenses- Predelivery costs	666.500	90.000
		<u>2.143.493</u>	<u>397.579</u>

Mr Michalis Ioannides owns 100% of share capital of Admibros Shipmanagement Co Ltd (Cyprus and Greece), of Blue Anchor Trading Ltd and of Woodlanders Limited.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

28. Related party transactions (continued)

28.4 Receivables from related parties (Note 20)

<u>Name</u>	<u>Nature of balance</u>	2007 US\$	2006 US\$
Woodlanders Limited	Advances	14.530	6.682
Admibros Shipmanagement Co Limited	Commission on sale of M/V "Arrow"	-	193.750
Admibros Shipmanagement Co Limited	Prepayment of management fees	2.432	106.250
Admibros Shipmanagement Co Limited	Prepayment of management fees	170.500	46.500
		<u>187.462</u>	<u>353.182</u>

28.5 Payables to related parties (Note 26)

<u>Name</u>	<u>Nature of balance</u>	2007 US\$	2006 US\$
Admibros Shipmanagement Limited (Cyprus)	Commission, management fees, Rent	437.074	194.980
Admibros Shipmanagement Limited (Greece)	Commission payables	179.673	105.274
		<u>616.747</u>	<u>300.254</u>

28.6 Shareholding by directors

The percentage of shareholding held directly or indirectly by the members of the Board of Directors, their spouses and children and companies in which they own directly or indirectly more than 20%, on 31 December 2007 and on 31 December 2006 was as follows:

	2007 Number	2007 %	2006 Number	2006 %
Michalis Ioannides (Direct)	104.064.083	64,38	56.148.215	69,48
Michalis Ioannides (indirect-spouse)	112.978	0,07	59.489	0,07
Michalis Ioannides(indirect-child)	112.978	0,07	59.489	0,07
Michalis Ioannides(indirect-companies)	802.471	0,49	178.467	0,22
Georgios Ioannides	112.978	0,07	59.489	0,07

There was no fluctuation in the above percentages between 31 December 2007 and 28 April 2008.

28.7 Μετόχοι που κατέχουν πέραν του 5% του κεφαλαίου

The shareholders with direct or indirect participation of more than 5% in the company's share capital as at 31 of December 2007 and 31 December 2006 were as follows:

	2007 Number	2007 %	2006 Number	2006 %
Michalis Ioannides	105.092.510	65,01	56.445.660	69,84

28.8 Shareholder's loan (Note 26)

	2007 US\$	2006 US\$
Michalis Ioannides	22.000.000	-
	<u>22.000.000</u>	<u>-</u>

The loan bears interest 9% per annum.

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2007

29. Commitments

As at 31 December 2007 the group had capital commitments amounting to US\$ 27.166.667 under the agreement of 9 October 2007 for the purchase of M/T "Hartzi" vessel, capacity of 15.441 tons. The owner of the vessel will be the subsidiary company Hartzi Maritime Co Limited.

As at 31 December 2007 the group had capital commitments amounting to US\$ 27.166.667 under the agreement of 9 October 2007 for the purchase of M/T "Stavrodromi" vessel, capacity of 15.441 tons. The owner of the vessel will be the subsidiary company Stavrodromi Maritime Co Limited.

As at 31 December 2007 the group had capital commitments amounting to US\$ 27.166.667 under the agreement of 9 October 2007 for the purchase of M/T "Skledros" vessel, capacity of 15.441 tons. The owner of the vessel will be the subsidiary company Skledros Maritime Co Limited.

As at 31 December 2007 the group had capital commitments amounting to US\$ 29.000.000 under the agreement of 2 March 2007 for the purchase of M/T "Gemi" vessel, capacity of 12,800 tons. The owner of the vessel will be the subsidiary company Gemi Maritime Co Limited.

As at 31 December 2007 the group had capital commitments amounting to US\$ 29.000.000 under the agreement of 2 March 2007 for the purchase of M/T "Vasi" vessel, capacity of 12,800 tons. The owner of the vessel will be the subsidiary company Vasi Maritime Co Limited.

Ocean Tankers Holdings Public Company Limited offered a bank guarantee amounting to Euro 1.000.000 to the Republic of Cyprus at the ratification of the agreement dated 21 April 2008 for the transportation of potable water.

30. Additional Information

The consolidated balance sheet as at 31 December 2007 and 31 December 2006, as well as the consolidated income statement and cash flow for the years ended 31 December 2007 and 31 December 2006 in Euros are additional information to the financial statements. This additional information, for current and comparative years was translated in Euro at the rate as at 31 December 2006 of US\$1=€0,67942.

31. Post balance sheet events

In 2008 the Board of Directors continues with the process of preparing the Prospectus and all necessary documents for filing with the authorities in relation to the rights issue (161,631,810 rights) in accordance with the resolution on 5 December 2007.

On 21 April 2008, the Company signed an agreement with the Ministry of Agriculture, Natural Resources and Environment for the transfer of drinking water from Greece to Cyprus by tankers and for the construction of infra-structure in Limassol.

On 23 April 2008, the maltese flag tankers (capacity 15,500 tonnes) M/T Skledros and M/T Hartzi were delivered to the Company. Both of them are under time charter agreement with Litasco/Lukoil for seven (7) plus three (3) years term with a net income of \$15,300 per day.

During 2008, Mr. Michalis Ioannides proceeded with further Group funding by assigning new personal loans amounting to US\$16,300,000 that have the same terms with the previous personal loans assigned to the Company by Mr. Ioannides. The total funding of the Group in terms of loans assigned by Mr. Ioannides amounts to US\$38,300,000.

The following three tankers will be added in the Company's fleet:

<u>Name of Tanker</u>	<u>Capacity</u>	<u>Delivery expected in:</u>
M/T Stavrodromi	15,500dwt	June 2008
M/T Gemi	12,800dwt	July 2008
M/T Vasi	12,800dwt	October - November 2008

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

DETAILED INCOME STATEMENT

Year ended 31 December 2007

	Page	2007 US\$	2006 US\$
Revenue			
Voyage Charters		2.125.123	2.771.563
Time charters		14.154.665	6.525.292
Demurrages		122.211	157.987
Other income from hire		12.907	33.628
Management fees receivable		-	300.000
Total revenue		16.414.906	9.788.470
Commissions on hire		(711.057)	(390.737)
Net revenue from vessels operations		15.703.849	9.397.733
Vessel operating expenses	38	(433.438)	(943.445)
Vessel running expenses	39	(5.277.385)	(2.327.883)
Gross profit from vessels operations		9.993.026	6.126.405

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

VESSEL OPERATING EXPENSES

Year ended 31 December 2007

	2007	2006
	US\$	US\$
Fuel	26.349	573.906
Port expenses	29.973	330.851
Other Hire expenses	377.116	38.688
	<u>433.438</u>	<u>943.445</u>

OCEAN TANKERS HOLDINGS PUBLIC COMPANY LIMITED

RUNNING EXPENSES

Year ended 31 December 2007

	2007	2006
	US\$	US\$
Crew costs	3.270.458	1.541.215
Insurance costs	535.694	296.160
Stores	293.229	71.640
Repairs and maintenance	516.691	138.715
Other hire expenses	252.023	98.224
Spare parts expenses	187.536	91.110
Lubricants	221.754	90.799
	<u>5.277.385</u>	<u>2.327.883</u>