RT Holdings, LLC and Subsidiaries

(A Limited Liability Company)

Consolidated Financial Statements as of December 31, 2014 and 2013, and for the Year Ended December 31, 2014, and the Period From March 26, 2013 (Date of Inception) to December 31, 2013, and Independent Auditors' Report

RT HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members of
RT Holdings, LLC:

We have audited the accompanying consolidated financial statements of RT Holdings, LLC and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2014 and 2013 and the related consolidated statements of operations, changes in members' equity and cash flows for the year ended December 31, 2014 and the period from March 26, 2013 (date of inception) to Decembers 31, 2013, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated 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 Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of RT Holdings, LLC and its subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the year ended December 31, 2014 and the period from March 26, 2013 (date of inception) to December 31, 2013 in accordance with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

March 31, 2015

RT HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2014 and 2013

	2014	2013
ASSETS		
CURRENT ASSETS:		
Cash	$ 14,577,469	$ 13,193,997
Restricted cash	1,500,000	-
Accounts receivable	11,282,894	3,482,805
Prepaid expenses and working capital	14,169,549	2,138,725
Inventory	2,159,065	1,090,661
Total current assets	43,688,977	19,906,188
NONCURRENT ASSETS:		
Vessels—net of accumulated depreciation of $16,600,226 and $451,261, as of 2014 and 2013, respectively	466,957,524	139,366,739
Fixed assets—net of accumulated depreciation and amortization of $226,041 and $25,777, as of 2014 and 2013, respectively	2,558,365	1,248,948
Deferred drydock costs—net of accumulated amortization of $609,387 and $41,469, as of 2014 and 2013, respectively	3,938,673	1,422,611
Deferred financing costs—net of accumulated amortization of $2,107,093 and $50,439, as of 2014 and 2013, respectively	5,364,319	2,184,339
Vessel deposits	-	41,504,775
Restricted cash	11,966,762	5,752,125
Other	18,520	30,000
Total noncurrent assets	490,804,163	191,509,537
TOTAL ASSETS	$ 534,493,140	$ 211,415,725
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 9,263,978	$ 3,588,812
Riverstone demand note	44,000,000	-
Current portion of term loan	9,219,208	6,524,314
Total current liabilities	62,483,186	10,113,126
LONG TERM LIABILITIES:		
Senior secured bonds	210,000,000	-
Term loan—net of current portion	64,302,634	78,518,186
Total liabilities	336,785,820	88,631,312
COMMITMENTS AND CONTINGENCIES (Note 6)		
MEMBERS' EQUITY	197,707,320	122,784,413
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 534,493,140	$ 211,415,725

See notes to consolidated financial statements.

RT HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND THE PERIOD FROM MARCH 26, 2013 (DATE OF INCEPTION) TO DECEMBER 31, 2013

	2014	2013
REVENUES:		
Voyage	$ 1,967,098	$ 3,123,753
Time charter	11,180,304	247,952
Pool	53,456,218	9,776
Total revenues	66,603,620	3,381,481
OPERATING EXPENSES:		
Voyage expense	2,878,974	1,689,118
Vessel operating expense	29,456,315	1,550,553
General and administrative	8,741,724	5,494,728
Depreciation	16,235,985	477,038
Amortization	660,274	41,469
Total expenses	57,973,272	9,252,906
OPERATING INCOME (LOSS)	8,630,348	(5,871,425)
OTHER EXPENSE—Interest expense and financing costs	19,403,281	368,465
NET LOSS	$ (10,772,933)	$ (6,239,890)

See notes to consolidated financial statements.

RT HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)

CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014 AND
FOR THE PERIOD FROM MARCH 26, 2013 (DATE OF INCEPTION) TO DECEMBER 31, 2013

	Paid in Capital	Share-Based Compensation	Distributions	Accumulated Deficit	Total
MARCH 26, 2013 (Date of inception)	$ -	$ -	$ -	$ -	$ -
Contributions	126,129,660	-	-	-	126,129,660
Share-based compensation	-	2,894,643	-	-	2,894,643
Net loss	-	-	-	(6,239,890)	(6,239,890)
BALANCE—December 31, 2013	126,129,660	2,894,643	-	(6,239,890)	122,784,413
Contributions	83,286,476	-	-	-	83,286,476
Share-based compensation	-	2,409,364	-	-	2,409,364
Net loss	-	-	-	(10,772,933)	(10,772,933)
BALANCE—December 31, 2014	$ 209,416,136	$ 5,304,007	$ -	$ (17,012,823)	$ 197,707,320

See notes to consolidated financial statements.

RT HOLDINGS LLC AND SUBSIDIARIES
(A Limited Liability Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014 AND THE PERIOD FROM MARCH 26, 2013 (DATE OF INCEPTION) TO DECEMBER 31, 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (10,772,933)	$ (6,239,890)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	16,235,985	477,038
Amortization of drydock and other costs	660,274	41,469
Amortization of debt financing costs	2,056,654	50,439
Write-off of debt financing costs related to prepayment	584,648	-
Share based compensation	2,409,364	2,894,643
Changes in assets and liabilities:		
Accounts receivables	(7,800,088)	(3,482,805)
Prepaid expenses and working capital	(11,985,937)	(2,138,725)
Inventory	(1,068,404)	(1,090,661)
Other assets	15,000	30,000
Drydock costs	(3,083,981)	(1,464,080)
Accounts payable and accrued liabilities	5,647,646	3,588,812
Net cash used in operating activities	(7,101,772)	(7,333,760)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to vessels and fixed assets	(303,744,655)	(141,152,725)
Vessel deposits	-	(41,504,775)
Additions to restricted cash	(7,714,637)	(5,752,125)
Net cash used in investing activities	(311,459,292)	(188,409,625)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions from members	83,286,476	126,129,660
Proceeds from Senior Secured Bond	210,000,000	-
Proceeds from Riverstone Demand Note	44,000,000	-
Proceeds from Term Loan	20,123,875	85,042,500
Repayment of Term Loan	(31,644,533)	-
Payment of deferred financing costs	(5,821,282)	(2,234,778)
Net cash provided by financing activities	319,944,536	208,937,382
NET INCREASE IN CASH	1,383,472	13,193,997
CASH—Beginning of period	13,193,997	-
CASH—Ending of period	$ 14,577,469	$ 13,193,997
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Cash paid for interest	$ 11,147,087	$ -

See notes to consolidated financial statements.

1. DESCRIPTION OF BUSINESS

RT Holdings, LLC (the "Company") is a limited liability holding company formed in March 2013 under the laws of the Republic of the Marshall Islands. The Company owns and operates tanker vessels providing international transportation of crude oil and petroleum products. The Company's fleet consists of seven Suezmax tankers, six Medium Range tankers and two Aframax tankers, all owned by Marshall Island incorporated subsidiaries. The table below provides information regarding each vessel.

Vessel and Vessel Owning Company	Deadweight Tonnage	Year Built	Date Acquired	Country of Origin
Suezmax:				
Ridgebury Lessley B—Ridgebury Alpha LLC	158,319	2013	September 2013	South Korea
Ridgebury John Zipser—Ridgebury Whiskey LLC	164,772	2009	January 2014	South Korea
Ridgebury Nicholas A—Ridgebury Romeo LLC	159,395	2007	April 2014	Japan
Ridgebury Astari—Ridgebury Sierra LLC	149,991	2002	April 2014	Japan
Ridgebury Captain Drogin—Ridgebury Tango LLC	166,468	2007	April 2014	South Korea
Ridgebury Mary Selena—Ridgebury Uniform LLC	146,427	2006	April 2014	Japan
Ridgebury Lindy B—Ridgebury Victor LLC	146,356	2007	April 2014	Japan
Medium range:				
Ridgebury John B—Ridgebury Bravo LLC	45,975	2007	January 2014	Japan
Ridgebury Alexandra Z—Ridgebury Delta LLC	50,251	2009	December 2013	South Korea
Ridgebury Cindy A—Ridgebury Foxtrot LLC	50,162	2009	December 2013	South Korea
Ridgebury Katherine Z—Ridgebury Echo LLC	50,216	2009	December 2013	South Korea
Ridgebury Rosemary E—Ridgebury Golf LLC	50,261	2009	January 2014	South Korea
Ridgebury Julia M—Ridgebury Charlie LLC	45,980	2007	September 2014	Japan
Aframax:				
Ridgebury Alice M—Ridgebury Zulu LLC	105,745	2003	December 2014	Japan
Ridgebury Sally B—Ridgebury Yankee LLC	105,672	2003	December 2014	Japan

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). All amounts are stated in United States (U.S.) dollars.

Principles of Consolidation—The consolidated financial statements include the assets, liabilities, revenues and expenses of all subsidiaries of the Company. All significant intercompany transactions and balances with consolidated subsidiaries are eliminated in consolidation.

Management Estimates—The preparation of the consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. As a result, actual results could differ from these estimates.

Revenue and Expense Recognition—Since inception, the Company has generated its revenues from both spot market exposed arrangements and fixed-rate charter agreements. The Company's strategy has generally been to remain exposed to the spot market by participating in pooling arrangements with its vessels. Certain vessels were purchased with expiring short term charters, and were added to pools on the expiration of those charters.

Under the Company's pooling arrangements, the costs of bunkers and port expenses are borne by the pools, while operating costs including crews, maintenance and insurance are typically paid by the owner of the vessel. Since the members of the pools share in the revenue less voyage expenses generated by the entire group of vessels in the pool, the revenue earned by these vessels is subject to the fluctuation of the spot market. The Company recognizes revenue from these pool arrangements based on its portion of the net distributable income reported by the relevant pool, which represents the net voyage revenue of the pool after voyage expenses and pool manager fees.

All revenues from voyage charters are recognized on a pro-rata basis based on the relative transit time in each period. The Company does not begin recognizing revenue until a charter has been agreed to by the customer and the Company. Vessels that operate under fixed rate time charters receive monthly payments at a fixed rate. The Company recognizes this revenue in the month it is earned.

Voyage expenses associated with charter revenue represent all expenses related to particular voyages, including bunker fuel expenses, port fees, cargo loading and unloading expenses, canal tolls, agency fees and commissions. Vessel operating expenses associated with pool revenue and charter revenue include crewing, repairs and maintenance, insurance, stores, lube oils and communication expenses. Voyage expenses and vessel operating expenses are recognized when incurred.

Cash—Cash and Cash Equivalents includes cash on hand and in banks, as well as highly liquid investments such as money market funds with an original maturity of three months or less at the time of purchase.

Accounts Receivable—Accounts receivable represents trade amounts owed to the Company from vessel earnings and do not bear interest. At each balance sheet date, the Company assesses the potential credit loss and risk of collectability on these receivables and has determined it to be minimal. If amounts become uncollectible, a reserve will be established in the Company's consolidated statements of operations when that determination is made. For the year ended December 31, 2014 and the period from March 26, 2013 (date of inception) to December 31, 2013, the Company did not record an allowance for doubtful accounts.

Inventory—Inventory, which is comprised primarily of lubricants, is recorded at cost. Cost is determined using the FIFO method.

Vessels and Equipment—The acquisition cost and all costs incurred to restore used vessels purchased by the Company to the standard required to properly service the Company's customers are capitalized. Vessel capital modifications include the addition of new equipment or can encompass various modifications to the vessel which are aimed at improving or increasing the operational efficiency and functionality of the asset. This type of expenditure is capitalized and generally depreciated over the remaining useful life of the vessel.

Vessel depreciation is calculated on a straight-line basis over a vessel's estimated useful life, less an estimated residual value. For vessels, the Company uses an estimated useful life of 25 years from the vessel's original build date. The Company estimates residual value based on the lightweight tonnage of each vessel multiplied by the average scrap value per lightweight ton of $250 per ton.

Generally the Company drydocks each vessel every two and a half to five years. The Company defers a substantial portion of the costs incurred during a drydocking and amortizes those costs on a straight- line basis from the completion of a drydocking or intermediate survey to the estimated completion of the next drydocking. The Company includes in deferred drydocking those costs incurred as part of the drydock to meet classification and regulatory requirements. Such costs include expenses relating to the dock preparation and port charges at the drydock facility, expenses relating to hull inspections, external surfaces for pressure cleaning, scraping and bottom painting, expenses relating to machinery and engines of the vessel, and safety equipment on board. Costs that are considered normal repair and maintenance costs, such as routine replacement of parts, crew and fuel costs incurred at the drydock, and system overhauls; generator, boiler, refrigeration and repairs, whether incurred as part of the dry docking or not, are expensed as incurred. When significant drydocking expenditures occur prior to the expiration of the original amortization period, the remaining unamortized balance of the original drydocking cost is expensed.

Long-Lived Assets—The Company reviews the recoverability of its long-lived assets and intangible assets when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. This assessment is made at the individual vessel level since separately identifiable cash flow information for each vessel is available. Evaluation of possible impairment is based on the Company's ability to recover the asset from the expected future cash flows (undiscounted and without interest charges) of the related operations. If the expected undiscounted cash flows are less than the carrying value of such asset, an impairment loss would be recognized for the difference between estimated fair value and carrying value.

Depreciation and Amortization—Office furniture and equipment is depreciated on a straight-line basis over its estimated useful life, typically between 5 and 7 years. For vessels and deferred drydock expenses, see the discussion under Vessels and Equipment, above.

Taxes—The Company believes that it and its subsidiaries are not subject to taxation on its income under the laws of the Republic of the Marshall Islands. The subsidiaries of the Company are subject to registration and tonnage taxes in the Republic of the Marshall Islands, which taxes are recorded within 'Vessel operating expenses' in the Company's consolidated statements of operations. Ridgebury Holdings LLC, a wholly-owned subsidiary of the Company, is subject to U.S. federal tax at a rate of four percent on the U.S. source gross transportation income of its subsidiaries derived from voyages that begin or end in the United States. The Company has recognized an expense of $417,770 in the year ended December 31, 2014, which taxes are recorded within 'Vessel operating expenses' in the Company's consolidated statements of operations. No voyages began or ended in the U.S. during the period ended December 31, 2013, and the Company therefore recorded no tax expense in 2013. The Company may also be subject to U.S. federal tax on the gains it derives from the sales of its vessels.

Deferred Financing Costs—Costs including bank fees, commissions, and legal expenses associated with securing the Term Loans and Senior Secured Bonds are deferred and amortized over the maturity of the related debt. Amortization of deferred financing costs is included in the Company's consolidated statements of operations using the effective interest method as part of 'Interest expense and financing costs'.

Share-Based Compensation—Share-based compensation represents the cost related to share-based awards granted to employees and non-employee directors. The Company measures share-based compensation cost at the grant date, based on the estimated fair value of the award, and recognizes the cost on an accelerated basis (net of estimated forfeitures) over the grantee's requisite service period, which is generally the vesting period of the award. The Company estimates the fair value of stock options using a Black-Scholes option pricing model. Key assumptions used in estimating the fair value

of options are dividend yield, expected volatility, risk-free interest rate and expected term. Share-based compensation expense is recorded in general and administrative expense in the accompanying consolidated statements of operations. See Note 7, Members' Equity and Incentive Units for additional information on share-based compensation.

Concentration of Credit Risk—The Company, from time to time, has cash in financial institutions in excess of insured limits. In assessing its risk, the Company's policy is to maintain funds only with highly rated financial institutions. Amounts held in excess of FDIC insured limits is $27,445,849 as of December 31, 2014.

For the year ended December 31, 2014, 52% and 28%, respectively, of the Company's revenues were earned under the Company's pooling arrangements with Heidmar Blue Fin Pool and with Norient Product Pool. At December 31, 2014, 47% and 48%, respectively, of Accounts receivable related to receivables from the Heidmar Blue Fin Pool and from the Norient Product Pool. As a result of the timing of vessel purchases and initial voyages of newly acquired vessels, 93% of the revenue for the period from March 26, 2013 (date of inception) to December 31, 2013, was associated with one customer. At December 31, 2013, 90% of the Accounts receivable related to the same customer.

Fair Value of Financial Instruments—The Company's financial instruments, including cash and cash equivalents, restricted cash, short-term investments, accounts receivable, account payable, and accrued expenses are carried at cost, which approximates their fair value because of the short-term nature of these financial instruments. The carrying value of the Company's debt approximates fair value.

Derivatives—The Company utilizes derivative contracts in the form of interest rate swaps to manage interest rate risk arising from debt that has variable interest rates. The Company recognizes interest rate swaps at fair value in 'Accounts payable and accrued liabilities' in the consolidated balance sheets. Changes in fair value are recorded in 'Interest expense and financing costs' in the consolidated statements of operations.

Reclassification—Certain prior year items have been reclassified to conform with the current year presentation.

Restatement of Prior Period—Subsequent to the issuance of the consolidated financial statements as of December 31, 2013 and the period from March 26, 2013 (date of inception) to December 31, 2013, the Company determined that certain cash balances should have been disclosed as restricted cash in accordance with the Term Loan agreement. Therefore, the Company reclassified $5,752,125 from cash to non-current restricted cash as of December 31, 2013 to properly present such amount.

3. PROPERTY AND EQUIPMENT

At December 31, 2014 and 2013, property and equipment, at cost, consisted of the following:

	2014	2013
Vessel equipment	$ 2,684,512	$ 1,190,852
Office, furniture and equipment	99,894	83,873
Total fixed asset cost	2,784,406	1,274,725
Less accumulated depreciation	(226,041)	(25,777)
Fixed assets—net of accumulated depreciation	$ 2,558,365	$ 1,248,948
Vessels	$ 483,557,750	$ 139,818,000
Less accumulated depreciation	(16,600,226)	(451,261)
Vessels—net of accumulated depreciation	$ 466,957,524	$ 139,366,739

Depreciation expense was $16,235,985 for the year ended December 31, 2014 and $477,038 for the period from March 26, 2013 (date of inception) to December 31, 2013.

4. DEFERRED DRYDOCK COSTS, NET

At December 31, 2014 and 2013, the deferred drydock costs consisted of the following:

	2014	2013
Deferred drydock cost	$ 4,548,060	$ 1,464,080
Less accumulated amortization	(609,387)	(41,469)
Total	$ 3,938,673	$ 1,422,611

Total amortization of drydock costs was $576,176 for the year ended December 31, 2014 and $41,469 for the period from March 26, 2013 (date of inception) to December 31, 2013.

5. DEBT

Term Loan—On November 21, 2013, Ridgebury Tankers LLC, a wholly-owned subsidiary of the Company entered into an agreement (the "Credit Agreement") with several financial institutions. The Credit Agreement provided for term loans in the maximum aggregate amount of $105,175,000 ("Term Loans") to be borrowed in tranches specifically related to vessel purchases as they occurred. At December 31, 2014 and 2013, the Company had $73,521,842 and $85,042,500, respectively, outstanding under this agreement.

The proceeds of the Term Loans were used in conjunction with the acquisition of the Medium Range tankers and the Ridgebury Lessley B listed in the table of vessel-owning companies in Note 1. The borrowings under the Credit Agreement are collateralized by mortgages on the Medium Range tankers and are guaranteed by the Company. As is further described below, the Term Loan that related to the Ridgebury Lessley B was repaid in March 2014 in conjunction with the closing on the Senior Secured Bonds, and the mortgage on the Ridgebury Lessley B was released from the Credit Agreement at that time.

The remaining Term Loans in the aggregate amount of $73,521,842 are payable in quarterly installments that began on February 26, 2014 and continue through November 2018, when the remaining outstanding principal balance becomes due. The Term Loans bear interest at LIBOR plus an applicable margin of 3.65%. The interest rate in effect as of December 31, 2014 and 2013 was 3.88% and 3.91%, respectively. Interest expense on the Term Loans amounted to $2,978,641 for the year ended December 31, 2014 and $203,785 for the period from March 26, 2013 (date of inception) to December 31, 2013. The Company also incurred a commitment fee expense related to the unused portion of the Credit Agreement until the last tranche was drawn. The commitment fee amounted to $117,296 in 2014 and $101,444 in 2013.

The Company can make voluntary prepayments of the Term Loans under the Credit Agreement. The Company is obligated to use 100% of proceeds from certain defined sources to prepay the borrowings. Further, after the end of each fiscal year, starting with the year ending December 31, 2014, the Company is obligated to make mandatory prepayments in the amount of 100% of Excess Cash Flow of Ridgebury Tankers LLC (as defined in the Credit Agreement) for the immediately preceding fiscal year until an aggregate amount of $7,350,000 has been repaid. After the initial $7,350,000 of Excess Cash Flow prepayment has been repaid, the Company is obligated to make mandatory prepayments in the amount of 50% of Excess Cash Flow of Ridgebury Tankers LLC (as defined in the Credit Agreement) for the immediately preceding fiscal year until an additional aggregate amount of $7,350,000 has been repaid.

Additionally, under the Credit Agreement, Ridgebury Tankers LLC is obligated to meet certain financial and non-financial covenants and to maintain minimum balances in segregated deposit accounts with the lead lender. At December 31, 2014 and 2013, these balances totaled $5,966,762 and $5,752,125, respectively. Among other things, the Credit Agreement limits Ridgebury Tankers LLC's ability to enter into business activities outside those specifically defined, incur and repay debt, assume liens, make investments and acquisitions, dissolve or liquidate subsidiaries, change its tax status, pay dividends, enter into sale-leaseback transactions, modify certain existing agreements, enter into contracts with affiliates, change its fiscal year end, or make any significant change in its accounting treatment or reporting practices. Further, at the end of each semi-annual period, Ridgebury Tankers LLC and the Company must achieve certain liquidity and financial ratios as defined in the Credit Agreement. Ridgebury Tankers LLC and the Company were in compliance with the financial covenants of the Credit Facility as of December 31, 2014 and 2013.

Senior Secured Bonds—On March 20, 2014, Ridgebury Crude Tankers LLC, an indirect wholly-owned subsidiary of the Company, placed $210,000,000 principal amount Senior Secured Bonds ("Bonds"), maturing March 20, 2017. The use of proceeds was to acquire five additional Suezmax tankers (bringing the total Suezmax fleet to seven), to refinance the portion of the Credit Agreement loan tranche secured by the Ridgebury Lessley B, described above, and for working capital and reserves. The Bonds bear interest at a rate of 7.625% and are secured by mortgages on the seven Suezmax tankers, as well as an on-demand guarantee of the Company. Interest expense on the Bonds amounted to $12,721,041 for the year ended December 31, 2014.

The Bonds do not require any repayments of principal before their maturity, but allow for repayments of up to $10,000,000 at par during each twelve month period if certain conditions are met. Additionally, Ridgebury Crude Tankers LLC is obligated to meet certain financial and non-financial covenants and to maintain a minimum balance of $7,500,000 in a segregated deposit account approved by the Bond trustee. Among other things, the Bonds limit Ridgebury Crude Tankers LLC's ability to enter into business activities outside those specifically defined, incur and repay debt, assume liens, make investments and acquisitions, dissolve or liquidate subsidiaries, change its tax status, pay dividends, enter into sale-leaseback transactions, modify certain existing agreements, enter into contracts with affiliates, change its fiscal year end, or make any significant change in its accounting treatment or

reporting practices. Further, at the end of each quarter, Ridgebury Crude Tankers LLC and the Company must achieve certain liquidity and financial ratios as defined by the Senior Secured Bonds Agreement. Ridgebury Crude Tankers LLC and the Company were in compliance with the financial covenants of the Senior Secured Bonds Agreement as of December 31, 2014.

Riverstone Demand Note—On December 12, 2014, Ridgebury Aframax Tankers LLC, an indirect wholly-owned subsidiary of the Company, executed a $44,000,000 principal amount demand note from Riverstone Global Energy and Power Fund V (Cayman), L.P. ("Riverstone"), a related party which owns 97.148% of the Company at December 31, 2014. The use of proceeds was to acquire two Aframax tankers. The demand note bears interest at 6.00%, which can be paid in cash quarterly or added to the principal as a 'payment in kind'. Total interest expense on the Riverstone Note amounted to $119,342 for the year ended December 31, 2014. The Riverstone Note has a maturity date that occurs six months from the date of the first draw on December 12, 2014, or June 12, 2015. The Company expects either to refinance the debt or to extend the maturity date at that time.

At December 31, 2014, total debt outstanding amounted to $327,521,842. The maturities of total outstanding debt over the next five years ending December 31 are as follows:

2015	$ 53,219,208
2016	9,219,208
2017	219,219,208
2018	45,864,218
	$ 327,521,842

Derivatives—The Company utilizes derivative contracts in the form of interest rate swaps to manage interest rate risk arising from debt that has variable interest rates. The Company recognizes interest rate swaps at fair value in 'Accounts payable and accrued liabilities' in the consolidated balance sheets. Changes in fair value are recorded in 'Interest expense and financing costs' in the consolidated statements of operations. At December 31, 2014, the fair value of the Company's interest rate swap was a liability of $31,596 and the Company recorded an expense of $31,596 related to the change in fair value for the year ended December 31, 2014. There were no interest rate swaps held by the Company in 2013.

6. COMMITMENTS AND CONTINGENCIES

Leases—The Company leased its headquarters facilities under a long-term lease which expires on November 30, 2018, and which contains one five-year option to extend. As of December 31, 2014, minimum annual lease payments for all leases are as follows:

2015	$ 128,876
2016	132,648
2017	136,421
2018	127,935
	$ 525,880

Total rent expense for the year ended December 31, 2014 was $125,105 and for the period from March 26, 2013 (date of inception) to December 31, 2013 was $20,746.

Contingencies—The Company is involved from time to time in claims, proceedings, and litigation arising from the operation of its business. The Company does not believe that any such claim, proceeding, or litigation, either alone or in the aggregate, will have a material adverse effect on the Company's financial position, results of operations, or cash flows.

7. MEMBERS EQUITY AND INCENTIVE UNITS

At December 31, 2014, Riverstone Global Energy and Power Fund V (Cayman), L.P. ("Riverstone") owned 97.148% of RT Holdings, LLC. The remaining 2.852% is owned by officers and directors of the Company. There have been no distributions or dividends declared or paid since the inception of the Company. As of December 31, 2014, the Company has committed capital of $256,775,000 from its members, of which $209,438,627 has been contributed.

On April 10, 2013, RT Holdings, LLC issued 470,000 Class B units to certain officers and directors of the Company. On June 21, 2013, an additional 16,667 Class B units were issued to a director and on August 1, 2013 an additional 8,333 Class B units were issued to an officer, bringing the total number of issued and outstanding Class B units to 495,000. On March 5, 2014, 83,333 Class B units were forfeited by an officer in conjunction with a severance and separation agreement. On July 30, 2014, an additional 86,605 Class B units were issued to certain officers of the Company, bringing the total number of issued and outstanding Class B units to 498,272. Under the Company's LLC agreement, there are 1,000,000 Class B units authorized for grant. The deemed exercise price for each incentive unit for purposes of the LLC agreement is $0. The units vest over 48 months based on continued service to the Company, with 25% vesting on each of the first, second, third and fourth anniversaries of the grant date. As of December 31, 2014, there were 102,917 vested units.

For purposes of determining the compensation expense associated with the Class B units, management valued the business enterprise using a variety of widely accepted valuation techniques which considered the expected financial performance of the Company as well as the lack of marketability of the Company's equity. The Company then used the Black-Scholes option pricing model to determine the fair value of these units at the time of grants using valuation assumptions consisting of the following:

Assumptions	**2014**	**2013**
Expected term	3.7 yrs	5 yrs
Risk free rate	1.30 %	0.74 %
Expected dividend	None	None
Expected volatility	46.0 %	51.0 %
Weighted average value	$ 16.87	$ 17.13

In accordance with Accounting Standards Codification 718 "Compensation—Stock Compensation", the Company recorded share-based compensation expense of $2,409,364 for the year ended December 31, 2014 and $2,894,653 for the period ended December 31, 2013 which is included in general and administrative expense in the consolidated statement of operations. As of December 31, 2014 and 2013, there was approximately $3,208,875 and $5,585,000, respectively, of total unrecognized compensation expense related to the Class B units, which is expected to be recognized over a weighted average of four years.

8. EMPLOYEE BENEFITS

Defined Contribution Plans—Ridgebury Management LLC, an indirect wholly-owned subsidiary of the Company, sponsors a defined contribution plan that covers all eligible employees. The Company's matching contributions are determined as a percentage of each covered employee's salary, and also are based on contributions by each employee. The Company's contribution expense for the year ended December 31, 2014 and the period from March 27, 2013 (date of inception) to December 31, 2013 were $56,347 and $34,910, respectively.

9. RELATED-PARTY TRANSACTIONS

The Company reimburses Riverstone for cash expenses, such as legal fees and travel expenses, incurred on its behalf. During 2014 and 2013, the Company reimbursed Riverstone $49,161 and $207,893, respectively. One of Riverstone's nominated directors of the Company is paid $150,000 on an annual basis, pro-rated to $108,971 in 2013 for the partial year. All of these related party expenses were included in general and administrative expenses in the consolidated statements of operations. Additionally, in 2014, the Company entered into the Riverstone Note, further described in Note 5.

10. SUBSEQUENT EVENTS

As permitted under the Senior Secured Bonds Agreement, the Company elected to prepay a principal amount of $10,000,000 of the Bonds on March 20, 2015, coincident with the scheduled interest payment date.

Management has evaluated subsequent events through the date of the Auditors' report, which is the date the financial statements were available to be issued. Management has determined that there are no other material events that would require adjustment to or disclosures in the Company's consolidated financial statements.

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