EAGLE BULK SHIPCO LLC

Eagle Bulk Shipco LLC ("Shipco" or "Issuer"), a wholly-owned subsidiary of Eagle Bulk Shipping Inc. (the "Parent Company") is providing the unaudited condensed consolidated and unconsolidated financial information of Shipco for the three months ended December 31, 2019 and 2018 as required by those certain bond terms, dated as of November 22, 2017 (the "Bond Terms"), by and between Shipco, as issuer, and Nordic Trustee AS, a company existing under the laws of Norway, pursuant to which on November 28, 2017, Shipco issued \$200.0 million in aggregate principal amount of 8.250% Senior Secured Bonds 2017/2022 (the "Norwegian Bond Debt").

While the accompanying unaudited condensed consolidated and unconsolidated financial information are derived from the Parent Company's audited consolidated financial statements, which were prepared in accordance with accounting principles generally accepted in the United States and included in the Parent Company's Annual Report on Form 10-K for the fiscal years ended December 31, 2019 and 2018 (the "Parent Company 10-K"), they have neither been reviewed nor audited by the Parent Company's independent auditor. In accordance with the Bond Terms, Shipco's audited unconsolidated and consolidated annual financial statements are required to be provided no later than 120 days after the end of the fiscal year end, or April 29, 2020. The unaudited financial information contained herein should be read in conjunction with the Parent Company's audited consolidated financial statements and notes thereto included in the Parent Company 10-K, which was filed with the U.S. Securities and Exchange Commission on March 12, 2020.

EAGLE BULK SHIPCO LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

		For the Three Months Ended			
	Dece	ember 31, 2019	December 31, 2018		
Revenues, net	\$	28,595,909	\$ 38,880,520		
Voyage expenses		8,021,517	10,268,187		
Vessel expenses		11,195,973	11,742,012		
Depreciation and amortization		5,351,315	5,242,408		
General and administrative expenses ¹		3,904,588	3,917,737		
Loss on sale of vessels		65,240	104,496		
Total operating expenses		28,538,633	31,274,840		
Operating income		57,276	7,605,680		
Interest expense		4,200,204	4,358,625		
Interest income		(128,298)	(113,463)		
Other income, net		(667,056)	(92,402)		
Total other expenses, net		3,404,850	4,152,760		
Net (loss)/income	\$	(3,347,574)	\$ 3,452,920		

¹General and administrative expenses for the three months ended December 31, 2019 includes \$1.7 million of management fees and \$1.6 million of general and administrative costs which represent Shipco's share of the Parent Company's general and administrative costs, as per the existing management fee agreements. General and administrative expenses for the three months ended December 31, 2018 includes \$1.8 million of management fees and \$2.1 million of general and administrative costs which represent Shipco's share of the Parent Company's general and administrative costs, as per the existing management fee agreements.

EAGLE BULK SHIPCO LLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

	Dec	ember 31, 2019	December 31, 2018
ASSETS:			
Current assets:			
Cash and cash equivalents	\$	6,444,499	\$ 19,273,74
Restricted cash - current		5,471,469	_
Accounts receivable		9,272,791	9,145,02
Accounts receivable - related party		_	2,620,89
Prepaid expenses		1,162,069	1,342,76
Inventories		7,431,172	8,411,74
Vessels held for sale		_	8,458,44
Other current assets		231,040	421,94
Total current assets		30,013,040	49,674,56
Noncurrent assets:			
Vessels and vessel improvements, at cost, net of accumulated depreciation of \$91,003,680 and \$80,546,984, respectively		342,986,124	330,215,29
Restricted cash - noncurrent		_	10,878,96
Deferred Drydocking costs, net		9,975,466	6,386,37
Deferred financing costs - Super Senior Revolver Facility		166,111	285,34
Advances for scrubbers and ballast water systems and other assets		8,032,399	8,545,91
Total noncurrent assets		361,160,100	356,311,89
Total assets	\$	391,173,140	\$ 405,986,45
LIABILITIES & STOCKHOLDER'S EQUITY			
Current liabilities:			
Accounts payable	\$	4,514,574	\$ 6,521,22
Accrued interest		1,415,333	1,489,91
Other accrued liabilities		9,389,183	3,687,07
Unearned charter hire revenue		1,917,822	1,871,26
Current portion of long-term debt - Norwegian Bond Debt		8,000,000	8,000,00
Total current liabilities		25,236,912	21,569,47
Noncurrent liabilities:			
Norwegian Bond Debt, net of debt discount and debt issuance costs		175,867,310	182,469,15
Total noncurrent liabilities		175,867,310	182,469,15
Total liabilities		201,104,222	204,038,63
Stockholder's equity:			
Total Stockholder's equity		190,068,918	201,947,82
Total liabilities and Stockholder's equity	\$	391,173,140	\$ 405,986,45

EAGLE BULK SHIPCO LLC (ISSUER ONLY)

UNCONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS)/INCOME (Unaudited)

	For the Three Months Ended		
	December 31, 2019	December 31, 2018	
Interest expense	4,200,204	4,358,625	
Interest income	(128,298)	(113,463)	
Other income, net	(667,056)	(92,402)	
Total other expenses, net	3,404,850	4,152,760	
Equity in net income of subsidiaries *	57,276	7,605,680	
Net (loss)/income and comprehensive (loss)/income	\$ (3,347,574)	\$ 3,452,920	

^{*} Eliminated in the consolidated financial statements of the Issuer.

EAGLE BULK SHIPCO LLC (ISSUER ONLY)

UNCONSOLIDATED CONDENSED BALANCE SHEETS (Unaudited)

Current assets: 5 6,359,29 \$ 19,263,334 Restricted eash - current 5,471,469 — — Accounts receivable - related party 5,471,469 — 2,620,894 Prepaid expenses 60,669 42,509 31,891,867 21,926,737 Noncurrent assets 11,891,867 21,926,737 30,940,259 — Restricted eash - noncurrent in subsidiaries 363,910,45 360,940,259 360,940,259 — 10,878,968 10,878,968 10,947,255 372,104,509 360,940,259 — 10,878,968 10,947,255 372,104,509 360,940,259 — 10,878,968 360,940,259 — 10,878,968 10,947,255 372,104,509 360,940,259 — 10,878,968 10,947,255 372,104,509 360,940,259 — 10,041,049 360,940,259 — 10,041,059 372,104,509 360,940,259 — 10,041,059 — 10,041,059 — — 10,041,059 — — 10,041,059 — — — 10,041,059 — <t< th=""><th></th><th></th><th></th><th></th></t<>				
Current assets: 5 6,359,29 \$ 19,263,334 Restricted eash - current 5,471,469 — — Accounts receivable - related party 60,669 42,509 Prepaid expenses 60,669 42,509 Total current assets 11,891,867 21,926,737 Noncurrent assets 363,910,425 360,940,259 Restricted eash - noncurrent in subsidiaries 363,910,425 360,940,259 Deferred financing costs - Super Senior Revolver Facility 166,111 285,342 Total anocurrent assets 364,076,555 372,104,509 Total anocurrent assets 375,968,423 394,031,309 LABILITIES & STOCKHOLDER'S EQUITY 505,156 — Current liabilities 1,415,333 1,489,915 Accrued interest 1,415,333 1,489,915 Other accrued liabilities 8,000,000 8,000,000 Total current liabilities 8,000,000 8,000,000 Total current liabilities 175,867,310 182,469,155 Total inoncurrent liabilities 175,867,310 182,469,155		De	cember 31, 2019	December 31, 2018
Cash and cash equivalents \$ 6,359,292 \$ 19,263,334 Restricted cash - current 5,471,469 — Accounts receivable - related party — 2,620,894 Prepaid expenses 60,469 42,509 Total current assets 11,891,867 21,926,737 Noncurrent assets — 10,878,968 Investment in subsidiaries 363,910,445 360,940,259 Deferred financing costs - Super Senior Revolver Facility 166,111 285,342 Total noncurrent assets 364,076,556 372,104,569 Total assets \$ 375,968,423 \$ 394,031,306 LLABILITIES & STOCKHOLDER'S EQUITY ** ** Current liabilities ** ** Accounts Payable 505,156 ** Accounts Payable 505,156 ** Accounted interest 11,175,873,333 1,489,917 Other accrued liabilities ** ** Current portion of long-term debt - Norwegian Bond Debt ** ** Norwergian Bond Debt, net of debt discount and debt issuance costs 175,867,310 **<	ASSETS:		,	,
Restricted cash - current 5,471,469 — Accounts receivable - related party — 2,620,894 Prepaid expenses 60,469 42,509 Total current assets 11,891,867 21,926,737 Noncurrent assets — 10,878,968 Investment in subsidiaries 363,910,445 360,940,259 Deferred financing costs - Super Senior Revolver Facility 166,111 285,342 Total noncurrent assets 364,076,556 372,104,569 Total assets 364,076,556 372,104,569 Total assets 505,156 — Accounts Payable 505,156 — Accounts Payable 505,156 — Accounts Payable 505,156 — Account profition of long-term debt - Norwegian Bond Debt 111,706 124,411 Current portion of long-term debt - Norwegian Bond Debt 8,000,000 8,000,000 Total current liabilities 110,32,195 9,614,328 Norwegian Bond Debt, net of debt discount and debt issuance costs 175,867,310 182,469,155 Total Inabilities 185,89	Current assets:			
Accounts receivable - related party — 2,620,894 Prepaid expenses 60,469 42,509 Total current assets 11,891,867 21,926,737 Noncurrent assets Restricted cash - noncurrent 363,910,445 360,940,259 Deferred financing costs - Super Senior Revolver Facility 166,111 285,342 Total anoncurrent assets 364,076,556 372,104,569 Total anoncurrent assets 375,968,423 394,031,06 Total anoncurrent assets 505,156 — Accounts Payable 505,156 — Accounts Payable 505,156 — Accounts Payable 505,156 — Accounts Payable 505,156 — Accounts proper in debt - Norwegian Bond Debt 111,706 124,411 Current portion of long-term debt - Norwegian Bond Debt 8,000,000 8,000,000 Total current liabilities 175,867,310 182,469,155 Total individual 175,867,310 182,469,155 Total individual 175,867,310 182,469,155 Total li	Cash and cash equivalents	\$	6,359,929	\$ 19,263,334
Prepaid expenses 60,469 42,509 Total current assets 11,891,867 21,926,737 Noncurrent assets 8 10,878,968 Restricted cash - noncurrent 363,910,445 360,940,259 Deferred financing costs - Super Senior Revolver Facility 166,111 285,342 Total anocurrent assets 364,076,556 372,104,569 Total assets 375,968,423 3 394,031,306 LIABILITIES & STOCKHOLDER'S EQUITY 505,156 — Accounts Payable 505,156 — Accounts Payable 505,156 — Accured interest 1,415,333 1,489,917 Other accured liabilities 111,706 124,411 Current portion of long-term debt - Norwegian Bond Debt 8,000,000 8,000,000 Total current liabilities 10,032,195 9,614,328 Norwegian Bond Debt, net of debt discount and debt issuance costs 175,867,310 182,469,155 Total Inocurrent liabilities 175,867,310 182,469,155 Total liabilities 175,867,310 182,469,155 Total liabilities	Restricted cash - current		5,471,469	_
Total current assets 11,891,867 21,926,737 Noncurrent assets: 2 10,878,968 Restricted cash - noncurrent 363,910,445 360,940,259 Deferred financing costs - Super Senior Revolver Facility 166,111 285,342 Total noncurrent assets 364,076,556 372,104,569 Total sexts \$ 375,968,23 394,031,306 LIABILITIES & STOCKHOLDER'S EQUITY Current liabilities 505,156 — Accounts Payable 505,156 — Accounts Payable 505,156 — Accounts Payable 11,176 124,411 Other accrued interest 111,766 124,411 Other accrued interior 8,000,000 8,000,000 Total current portion of long-term debt - Norwegian Bond Debt 8,000,000 8,000,000 Total current liabilities 175,867,310 182,469,155 Total innocurrent liabilities 175,867,310 182,469,155 Total liabilities 175,867,310 182,469,155 Total liabilities 185,899,55 192,083,483 <	Accounts receivable - related party		_	2,620,894
Noncurrent assets: In 1,878,968 Restricted cash - noncurrent 363,910,445 360,940,259 Deferred financing costs - Super Senior Revolver Facility 166,111 285,342 Total noncurrent assets 364,076,555 372,104,569 Total assets 375,968,423 394,031,306 LIABILITIES & STOCKHOLDER'S EQUITY STOCKHOLDER'S EQUITY Accounts Payable 505,156 — Accounts Payable 505,156 — Accounts Payable 111,706 124,411 Current portion of long-term debt - Norwegian Bond Debt 8,000,000 8,000,000 Total current liabilities 10,032,195 9,614,328 Noncurrent liabilities 175,867,310 182,469,155 Total noncurrent liabilities 175,867,310 182,469,155 Total liabilities 185,899,505 192,083,483 Stockholder's equity 190,068,918 201,947,823	Prepaid expenses		60,469	42,509
Restricted cash - noncurrent — 10,878,968 Investment in subsidiaries 363,910,445 360,940,259 Deferred financing costs - Super Senior Revolver Facility 166,111 285,342 Total noncurrent assets 364,076,556 372,104,569 Total assets \$ 375,968,423 \$ 394,031,306 LIABILITIES & STOCKHOLDER'S EQUITY Current liabilities: Accounts Payable 505,156 — Accounted interest 1,415,333 1,489,917 Other accrued liabilities 111,706 124,411 Current portion of long-term debt - Norwegian Bond Debt 8,000,000 8,000,000 Total current liabilities 10,032,195 9,614,328 Noncurrent liabilities Total noncurrent liabilities 175,867,310 182,469,155 Total liabilities 185,899,505 192,083,483 Stockholder's equity 190,068,918 201,947,823	Total current assets		11,891,867	21,926,737
Street S	Noncurrent assets:			
Deferred financing costs - Super Senior Revolver Facility 166,111 285,342 Total noncurrent assets 364,076,556 372,104,569 Total assets \$375,968,423 \$394,031,306 LIABILITIES & STOCKHOLDER'S EQUITY Current liabilities: Accounts Payable 505,156 — Accured interest 1,415,333 1,489,917 Other accrued liabilities 111,706 124,411 Current portion of long-term debt - Norwegian Bond Debt 8,000,000 8,000,000 Total current liabilities 10,032,195 9,614,328 Noncurrent liabilities 175,867,310 182,469,155 Total noncurrent liabilities 175,867,310 182,469,155 Total liabilities 185,899,505 192,083,483 Stockholder's equity 190,068,918 201,947,823	Restricted cash - noncurrent		_	10,878,968
Total noncurrent assets 364,076,556 372,104,569 Total assets 375,968,423 394,031,306 LIABILITIES & STOCKHOLDER'S EQUITY Current liabilities: Accounts Payable 505,156 — Accrued interest 1,415,333 1,489,917 Other accrued liabilities 111,706 124,411 Current portion of long-term debt - Norwegian Bond Debt 8,000,000 8,000,000 Total current liabilities 10,032,195 9,614,328 Noncurrent liabilities 175,867,310 182,469,155 Total noncurrent liabilities 175,867,310 182,469,155 Total liabilities 185,899,505 192,083,483 Stockholder's equity 190,068,918 201,947,823	Investment in subsidiaries		363,910,445	360,940,259
Total assets \$ 375,968,423 \$ 394,031,306 LIABILITIES & STOCKHOLDER'S EQUITY Current liabilities: Accounts Payable 505,156 — Accrued interest 1,415,333 1,489,917 Other accrued liabilities 111,706 124,411 Current portion of long-term debt - Norwegian Bond Debt 8,000,000 8,000,000 Total current liabilities 10,032,195 9,614,328 Norwegian Bond Debt, net of debt discount and debt issuance costs 175,867,310 182,469,155 Total noncurrent liabilities 175,867,310 182,469,155 Total liabilities 185,899,505 192,083,483 Stockholder's equity 190,068,918 201,947,823	Deferred financing costs - Super Senior Revolver Facility		166,111	285,342
LIABILITIES & STOCKHOLDER'S EQUITY Current liabilities: Accounts Payable 505,156 — Accrued interest 1,415,333 1,489,917 Other accrued liabilities 111,706 124,411 Current portion of long-term debt - Norwegian Bond Debt 8,000,000 8,000,000 Total current liabilities 10,032,195 9,614,328 Noncurrent liabilities: 175,867,310 182,469,155 Total noncurrent liabilities 175,867,310 182,469,155 Total liabilities 185,899,505 192,083,483 Stockholder's equity: 190,068,918 201,947,823	Total noncurrent assets		364,076,556	372,104,569
Current liabilities: Accounts Payable 505,156 — Accrued interest 1,415,333 1,489,917 Other accrued liabilities 111,706 124,411 Current portion of long-term debt - Norwegian Bond Debt 8,000,000 8,000,000 Total current liabilities 10,032,195 9,614,328 Noncurrent liabilities: Norwegian Bond Debt, net of debt discount and debt issuance costs 175,867,310 182,469,155 Total noncurrent liabilities 175,867,310 182,469,155 Total liabilities 185,899,505 192,083,483 Stockholder's equity: 190,068,918 201,947,823	Total assets	\$	375,968,423	\$ 394,031,306
Accounts Payable 505,156 — Accrued interest 1,415,333 1,489,917 Other accrued liabilities 111,706 124,411 Current portion of long-term debt - Norwegian Bond Debt 8,000,000 8,000,000 Total current liabilities 10,032,195 9,614,328 Noncurrent liabilities: Norwegian Bond Debt, net of debt discount and debt issuance costs 175,867,310 182,469,155 Total noncurrent liabilities 175,867,310 182,469,155 Total liabilities 185,899,505 192,083,483 Stockholder's equity: Total Stockholder's equity 190,068,918 201,947,823	LIABILITIES & STOCKHOLDER'S EQUITY			
Accrued interest 1,415,333 1,489,917 Other accrued liabilities 111,706 124,411 Current portion of long-term debt - Norwegian Bond Debt 8,000,000 8,000,000 Total current liabilities 10,032,195 9,614,328 Norwegian Bond Debt, net of debt discount and debt issuance costs 175,867,310 182,469,155 Total noncurrent liabilities 175,867,310 182,469,155 Total liabilities 185,899,505 192,083,483 Stockholder's equity: 190,068,918 201,947,823	Current liabilities:			
Other accrued liabilities 111,706 124,411 Current portion of long-term debt - Norwegian Bond Debt 8,000,000 8,000,000 Total current liabilities 10,032,195 9,614,328 Norwegian Bond Debt, net of debt discount and debt issuance costs 175,867,310 182,469,155 Total noncurrent liabilities 175,867,310 182,469,155 Total liabilities 185,899,505 192,083,483 Stockholder's equity: Total Stockholder's equity 190,068,918 201,947,823	Accounts Payable		505,156	_
Current portion of long-term debt - Norwegian Bond Debt 8,000,000 8,000,000 Total current liabilities 10,032,195 9,614,328 Norwegian Bond Debt, net of debt discount and debt issuance costs Total noncurrent liabilities 175,867,310 182,469,155 Total liabilities 185,899,505 192,083,483 Stockholder's equity: Total Stockholder's equity 190,068,918 201,947,823	Accrued interest		1,415,333	1,489,917
Total current liabilities 10,032,195 9,614,328 Noncurrent liabilities: Norwegian Bond Debt, net of debt discount and debt issuance costs 175,867,310 182,469,155 Total noncurrent liabilities 175,867,310 182,469,155 Total liabilities 185,899,505 192,083,483 Stockholder's equity: Total Stockholder's equity 190,068,918 201,947,823	Other accrued liabilities		111,706	124,411
Noncurrent liabilities: 175,867,310 182,469,155 Total noncurrent liabilities 175,867,310 182,469,155 Total liabilities 185,899,505 192,083,483 Stockholder's equity: Total Stockholder's equity 190,068,918 201,947,823	Current portion of long-term debt - Norwegian Bond Debt		8,000,000	8,000,000
Norwegian Bond Debt, net of debt discount and debt issuance costs 175,867,310 182,469,155 Total noncurrent liabilities 175,867,310 182,469,155 Total liabilities 185,899,505 192,083,483 Stockholder's equity: 190,068,918 201,947,823	Total current liabilities		10,032,195	9,614,328
Total noncurrent liabilities 175,867,310 182,469,155 Total liabilities 185,899,505 192,083,483 Stockholder's equity: 190,068,918 201,947,823	Noncurrent liabilities:			
Total liabilities 185,899,505 192,083,483 Stockholder's equity: 190,068,918 201,947,823	Norwegian Bond Debt, net of debt discount and debt issuance costs		175,867,310	182,469,155
Stockholder's equity: Total Stockholder's equity 190,068,918 201,947,823	Total noncurrent liabilities		175,867,310	182,469,155
Total Stockholder's equity 190,068,918 201,947,823	Total liabilities		185,899,505	192,083,483
	Stockholder's equity:			
Total liabilities and Stockholder's equity \$ 375,968,423 \$ 394,031,306	Total Stockholder's equity		190,068,918	201,947,823
	Total liabilities and Stockholder's equity	\$	375,968,423	\$ 394,031,306

Basis of presentation

Shipco is engaged in the ocean transportation of dry bulk cargoes worldwide through the ownership, charter and operation of dry bulk vessels. Shipco's fleet is comprised of Supramax and Ultramax bulk carriers and Shipco operates its business in one business segment. The operations of the vessels are managed by Eagle Bulk Management LLC, a wholly-owned subsidiary of the Parent Company. As of December 31, 2019, the Company owned and operated a modern fleet of 24 oceangoing vessels.

On November 28, 2017, Shipco issued into escrow \$200,000,000 in aggregate principal amount of 8.250% Senior Secured Bonds 2017/2022 (the "Norwegian Bond Debt"), pursuant to the Bond Terms, dated as of November 22, 2017, by and between the Issuer and Nordic Trustee AS, as the Bond Trustee. After giving effect to an original issue discount of approximately 1% and deducting offering expenses of \$3.1 million, the net proceeds from the issuance of the Norwegian Bond Debt were approximately \$195.0 million.

Shipco entered into a commercial and technical management agreement on December 8, 2017 with Eagle Bulk Management LLC, a wholly-owned subsidiary of the Parent Company, for performance of technical and commercial services to vessels owned by Shipco at a fee of \$150,000 per vessel per annum for commercial management services and \$135,000 per vessel per annum for technical management services. Shipco also entered into an overhead sharing agreement which provides for an additional fee allocation of cash general and administrative expenses of Eagle Bulk Management LLC, based on relative ownership days of Shipco and its subsidiaries to the total consolidated ownership days of the Parent Company and all of its subsidiaries. The condensed statement of operations for the quarter ended December 31, 2019 consisted of \$1.7 million of management fees and \$1.6 million of allocated general and administrative expenses. Accounts payable in the condensed consolidated balance sheets at December 31, 2019 and 2018 include \$0.5 million and \$0.2 million, respectively, of management fees owed to Eagle Bulk Management LLC, a wholly-owned subsidiary of the Parent Company as per the existing management fee agreements.