Pioneer Marine Inc. Announces Financial Results for the Third Quarter and Nine Months Ended September 30, 2017

MAJURO, MARSHALL ISLANDS -- (Marketwired – November 8th, 2017) – Pioneer Marine Inc. and its subsidiaries (OSLO-OTC: PNRM) ("Pioneer Marine," or the "Company") a leading shipowner and global drybulk handysize transportation service provider announced its financial and operating results for the third quarter and nine months ended September 30, 2017.

Financial Highlights:

- **Time Charter equivalent (TCE) revenue**
  - $10.9 million for Q3 2017, increased by $3.1 million or 39% compared to Q3 2016; Similarly, TCE per day was increased by 30% to $7,498 per day for the same period.
  - $32 million for the nine months in 2017, increased by $12.4 million or 63% compared to the same period in 2016; Similarly, TCE per day was increased by 55% to $7,496 per day for the same period.

- **Adjusted EBITDA***
  - $2.8 million positive Adjusted EBITDA for Q3 2017, increased by $2.3 million compared to $0.4 million for Q3 2016
  - $7.1 million positive Adjusted EBITDA for the nine months in 2017, increased by $9.5 million compared a negative figure for the same period in 2016

- **Net loss**
  - $0.8 million or $0.03 per share for Q3 2017, decreased by $2.1 million compared to Q3 2016
  - $7.5 million or $0.26 per share for the nine months in 2017, decreased by $15.9 million compared to the same period in 2016

Net loss for the third quarter and nine months ended September 30, 2017 include $1.3 million of restructuring costs and $0.1 million loss on vessel disposition, excluding these expenses, the net loss is $0.5 million or $0.02 per share basic and diluted for the third quarter of 2017 and $6.2 million or $0.21 per share basic and diluted for the nine months ended September 30, 2017, respectively.

During the nine-month period ended September 30, 2017, six vessels completed their Special Surveys resulting in Drydock expenditure of $3.2 million that are recognized as operating costs in the period.

Recent Events:

The Company entered into an agreement with BaltNav A/S of Copenhagen, Denmark ("BaltNav") whereby part of the fleet will be commercially managed by BaltNav at an agreed daily fee. To date, two vessels have been delivered to BaltNav, with another six vessels expected to be delivered within the fourth quarter of 2017.

Liquidity & Capital Resources:

As of September 30, 2017, the Company had a total liquidity of $69.1 million inclusive of $12.8 million in restricted cash. The Company has no capital commitments.

*For reconciliation and definition of Adjusted EBITDA refer to "Summary of Operating Data (unaudited)" section within this press release.

Management's Commentary:

"The general sense of optimism pervading the freight market in the last three months or so, was in line with the latest update by the International Monetary Fund (IMF). The projected growth of 3.7% in 2018 is expected to be reflected to the demand for dry bulk market with a raise of tonmile and consequently the freight rates. Slower pace of bulker recycling caused a slight increase in the fleet growth rate, since the orderbook keeps declining from the subdued level of contracting.

"Dry bulk market made an impressive run during Q3 due to the constant demand for coal and iron ore along grains. BHSI index started the quarter around $6,800 per day before reaching around $9,000 per day by quarter end, a 32% increase. The market increase was mainly driven by Chinese demand. China is aiming to use higher quality iron ore and coal which creates optimistic prospects of growth for the fourth quarter. In the Atlantic, market turned around drastically and rates in USG kept going upwards. We anticipate good days to continue in the East as well.

"After the successful completion of the organizational changes over the last 6 months, the new Executive Management Team is fully committed to work towards successful accomplishment of the goal to maximize shareholders value. Our focus is on the two main drivers of profitability:

- Strategic decisions to increase current fleet earnings and exploring new potential sources of revenues
- Implementation of cost reduction measures for both operating expenses and general administration expenses without jeopardizing quality and safety of our fleet and people aiming to make Pioneer platform even more competitive and efficient.

"We strongly believe that the positive Drybulk market sentiment and the prospects for the forthcoming year as expected by various market players, will create opportunities for Pioneer to successfully accomplish its goals."

Financial Review: Third quarter ended September 30, 2017

Time Charter Equivalent ("TCE") revenue amounted to $10.9 million in the third quarter of 2017 compared to $7.9 million for the third quarter of 2016. TCE per day for the third quarter of 2017 increased by 39% to $7,498 per day and utilization rate increased to 99% as compared to $5,763 per day and utilization rate of 98.6% for the third quarter of 2016.

The Company continues to keep vessels operating expenses ("OPEX") under control at $6.8 million or $4,647 per day for the third quarter of 2017. The total Opex are increased by only 10% in line with a similar increase of 7% to the ship days within the period.

General and administration expenses for the third quarter of 2017 decreased to $0.9 million or $620 per day, which is significantly reduced by 24% as compared to same quarter in 2016. The decrease in G&A expenses per day is attributed to the successful restructuring of the Company. The restructuring was completed within the third quarter of 2017and has positively contributed to our bottom line for the third quarter of 2017.

Interest expense and finance cost for both the three-month period ended September 30, 2017 and September 30, 2016 amounted to $1.4 million which is due to increased floating rates despite the decreased indebtedness.

Restructuring costs for the third quarter of 2017 amounted to $0.3 million and mainly includes consulting fees, legal fees and various expenses incurred in same period.

Financial Review: Nine months ended September 30, 2017

Time Charter Equivalent ("TCE") revenue amounted to $32 million for the nine months ended September 30, 2017 or $7,496 per day compared to $19.6 million or $4,830 per day in the same prior year period. The above figures present an increase of 63% in TCE revenues and 55% in TCE per day figures.

Vessel Operating Expenses ("OPEX") in line with Company's effort to maintain low operating cost, have amounted to $21.4 million for the nine months ended September 30, 2017 or at $4,794 per day. This represent a slight increase of 7% in the daily OPEX figures mainly attributable to the additional expenses incurred for the vessels that went into drydock in the first half of 2017 in relation to routine repair work and spares delivered while in drydock.

Drydock expense for the nine-month period ended September 30, 2017 amounted to $3.2 million since six vessels completed their special surveys within this period. No vessels were drydocked during the same period in 2016.

General and administration expenses for the nine-month period ended September 30, 2017 decreased to $3.1 or $696 per day as compared to $3.5 million or $858 per day during the same period in 2016. The decrease in G&A expenses per day is attributed to the successful restructuring the Company that was completed within the third quarter of 2017.

Interest expense and finance cost for the nine-month period ended September 30, 2017 increased to $4.2 million mainly due to reduction of capitalised interest given that Company's newbuilding program was effectively terminated on May 23, 2016.

Restructuring costs for the nine-month period ended September 30, 2017 amounted to $1.3 million and mainly includes severance payments to senior management, consulting fees, legal fees and various expenses incurred following the change of senior management announced by the Company on May 30, 2017.

Current Fleet List

Vessel	Yard	DWT	Year Built
Handysize			
Calm Bay	Saiki Heavy Industries	37,534	2006
Reunion Bay	Kanda Shipbuilding	32,354	2006
Fortune Bay	Shin Kochijyuko	28,671	2006
Ha Long Bay	Kanda Kawajiri	32,311	2007
Teal Bay	Kanda Kawajiri	32,327	2007
Eden Bay	Shimanami Shipyard	28,342	2008
Emerald Bay	Kanda Shipbuilding	32,258	2008
Mykonos Bay	Jinse Shipbuilding	32,411	2009
Resolute Bay	Hyundai Vinashin	36,767	2012
Jupiter Bay	Tsuji Heavy Industries	29,997	2012
Venus Bay	Tsuji Heavy Industries	30,003	2012
Orion Bay	Tsuji Heavy Industries	30,009	2012
Falcon Bay	Yangzhou Guoyu Shipbuilding	38,464	2015
Kite Bay	Yangzhou Guoyu Shipbuilding	38,419	2016
Handymax			
Paradise Bay	Oshima Shipbuilding	46,232	2003
Supramax			
Tenacity Bay	Jiangsu Hantong Ship Heavy Industry	56,842	2008

Summary of Operating Data (unaudited)

(In thousands of U.S. Dollars except per share data)

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Revenue, net	12,387	9,998	35,655	23,492
Voyage expenses	(1,465)	(2,153)	(3,633)	(3,885)
Time charter equivalent revenue	10,922	7,845	32,022	19,607
Vessel operating expense	(6,840)	(6,211)	(21,384)	(18,388)
Drydock expense	-	-	(3,216)	-
Depreciation expense	(2,003)	(1,974)	(6,152)	(5,916)
General and administration expense	(912)	(1,206)	(3,106)	(3,520)
Write off of capitalised expenses and fees	-	33	-	(11,614)
Loss on vessel disposition	-	-	(62)	-
Restructuring costs	(284)	-	(1,286)	-
Interest expense and finance cost	(1,379)	(1,391)	(4,231)	(3,697)
Interest income	157	107	455	203
Other expenses and taxes, net	(430)	(29)	(585)	(129)
Net loss	(769)	(2,826)	(7,545)	(23,454)
Adjusted net loss(2)	(485)	(2,859)	(6,197)	(11,840)
Net loss per share, basic and diluted	(0.03)	(0.10)	(0.26)	(0.78)
Adjusted net loss per share, basic and diluted(2)	(0.02)	(0.10)	(0.21)	(0.39)

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Net loss	(769)	(2,826)	(7,545)	(23,454)
Add: Loss on vessel disposition	-	-	62	-
Add: Restructuring costs	284	-	1,286	-
Add: Write off of capitalised expenses and fees	-	(33)	-	11,614
Adjusted Net loss	**(485)**	**(2,859)**	**(6,197)**	**(11,840)**
Add: Depreciation expense	2,003	1,974	6,152	5,916
Add: Drydock expense	-	-	3,216	-
Add: Interest expense and finance cost	1,379	1,391	4,231	3,697
Add: Other taxes	29	23	132	61
Less: Interest income	(157)	(107)	(455)	(203)
Adjusted EBITDA(1)	**2,769**	**422**	**7,079**	**(2,369)**

(1) Adjusted EBITDA represents net loss before interest, other taxes, depreciation and amortization, drydock expense, loss on vessel disposition, restructuring costs and write off capitalised expenses and fees and is used as a supplemental financial measure by management to assess our financial and operating performance. We believe that Adjusted EBITDA assists our management and investors by increasing the comparability of our performance from period to period. We believe that including Adjusted EBITDA as a financial and operating measure benefits investors in selecting between investing in us and other investment alternatives. Adjusted EBITDA does not represent and should not be considered as an alternative to net income/(loss) or cash flow from operations, as determined by United States generally accepted accounting principles, or U.S. GAAP, and our calculation of Adjusted EBITDA may not be comparable to that reported by other companies.

(2) Adjusted net loss and related per share amounts is not a measure prepared in accordance with U.S. GAAP and should not be used in isolation or substitution of Company's results.

Vessel Utilization:	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Ship days (2)	1,472	1,380	4,461	4,103
Less: Off-hire days	15	19	89	44
Less: Off-hire days due to drydock	-	-	100	-
Operating days (3)	1,457	1,361	4,272	4,059
Fleet Utilization (4)	99%	98.6%	95.8%	98.9%
TCE per day- $ (1)	7,498	5,763	7,496	4,830
Opex per day- $ (6)	4,647	4,500	4,794	4,481
G&A expenses per day- $ (7)	620	873	696	858
Vessels at period end	16	15	16	15
Average number of vessels during the period (5)	16	15	16	15

(1) Time Charter Equivalent, or TCE revenue, are non-GAAP measures. Our method of computing TCE revenue is determined by voyage revenues less voyage expenses (including bunkers and port charges). Such TCE revenue, divided by the number of our operating days during the period, is TCE per day, which is consistent with industry practice. TCE revenue is included because it is a standard shipping industry performance measure used primarily to compare period-to-period changes in a shipping company's performance irrespective of changes in the mix of charter types (i.e., spot charters and time charters), and it provides useful information to investors and management.

(2) Ship days: We define ship days as the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ship days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.

(3) Operating days: We define operating days as the number of our ship days in a period less days required to prepare vessels acquired for their initial voyage and off-hire days associated with off-hire for undergoing repairs, drydocks or special surveys. The Company uses operating days to measure the number of days in a relevant period during which vessels should be capable of generating revenues.

(4) Fleet utilization is defined as the ratio of operating days to ship days.

(5) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the sum of the number of ship days divided by the number of calendar days in that period.

(6) Opex per day: is calculated by dividing vessel operating expenses by ship days for the relevant time period.

(7) G&A expenses per day: is calculated by dividing general and administrative expenses by ship days for the relevant time period.

Condensed Consolidated Balance Sheets (Unaudited)
(In thousands of U.S. Dollars)

As at	September 30, 2017	December 31, 2016
ASSETS		
Cash & cash equivalents	56,298	59,017
Restricted cash (current and noncurrent)	12,805	22,805
Vessels, net	173,377	185,938
Other receivables	4,681	3,824
Other assets	1,081	1,448
Total assets	**248,242**	**273,032**
LIABILITIES AND EQUITY		
Accounts payable and accrued liabilities	3,858	4,773
Deferred revenue	1,141	1,088
Total debt, net of deferred finance costs	92,503	108,886
Total liabilities	**97,502**	**114,747**
Shareholders' equity	150,740	158,285
Total liabilities and shareholders' equity	**248,242**	**273,032**

Condensed Consolidated Statement of Cash Flows (Unaudited)
(In thousands of U.S. Dollars)

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Cash flows from operating activities		
Net Loss	(7,545)	(23,454)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	6,152	5,916
Amortization of deferred finance fees	610	669
Write off of capitalised expenses and fees	-	11,640
Loss on vessel disposition	62	-
Changes in operating assets and liabilities	(1,628)	(800)
Net cash used in operating activities	**(2,349)**	**(6,029)**
Cash flows from investing activities		
Payments for vessel acquisition and vessels improvements	(357)	(12,919)
Cash proceed from vessel sale	6,982	-
Refund for shipbuilding contracts terminated	-	54,122
Purchase of other fixed assets	(10)	(48)
Decrease/(increase) in restricted cash	10,000	(6,783)
Net cash provided by investing activities	**16,615**	**34,372**
Cash flows from financing activities		
Loan repayments	(16,895)	(10,506)
Payment of deferred finance fees and other loan fees	(90)	(6,225)
Repurchase of common stock	-	(606)
Net cash used in financing activities	**(16,985)**	**(17,337)**
Net (decrease)/increase in cash and cash equivalents	**(2,719)**	**11,006**
Cash and cash equivalents at the beginning of the period	59,017	60,003
Cash and cash equivalents at period end	**56,298**	**71,009**

About Pioneer Marine Inc.

Pioneer Marine is a leading ship owner and global drybulk handysize transportation service provider. Pioneer Marine currently owns fourteen Handysize, one Handymax and one Supramax drybulk carriers.

Forward-Looking Statements

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions identify forward-looking statements.

The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the failure of counterparties to fully perform their contracts with us, the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand for dry bulk vessel capacity, changes in our operating expenses, including bunker prices, drydock and insurance costs, the market for our vessels, availability of financing and refinancing, charter counterparty performance, ability to obtain financing and comply with covenants in such financing arrangements, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires and other factors.

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