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INSIDE

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The Week in Review

Liberty Makes Move on ISH

On Monday, after accumulating 5.5% of the outstanding shares of **International Shipholding Corporation** ("ISH"), **Projection LLC**, a wholly owned subsidiary of Liberty Shipping Group LLC ("Liberty") submitted its formal proposal to acquire all the shares of ISH at a purchase price of $25.75 per share, payable in cash, which represents a total enterprise value of $308 million. The price represents a 27% premium over the company's closing stock price on August 29th of $20.25 per share. After the announcement the stock traded up to $24.31and closed at $23.73 up 17.19%. The offer was based solely upon public information and Liberty indicated a willingness to adjust the price based upon non-public information. The proposal is subject to due diligence.

Originally founded in 1947 as **Central Gulf Steamship Corporation**, ISH, through its principal operating subsidiaries, provides specialized maritime transportation services to its customers primarily under medium to long-term contracts. The principal operating subsidiaries include: **Central Gulf Lines**, **Waterman Steamship**, **LCI Shipholdings**, **CG Railway** and **Enterprise Ship Company**. The three major operating segments are time charter contracts, contracts of affreightment and rail-ferry service, which are described below:

Time charter contracts include the **Military Sealift Command** charters, under which the company charters the three ROROs for use by the U.S. Navy in its maritime prepositioning program. The vessels were sold just after being awarded the contract and are now operated by the company. Both the U.S. flag and foreign flag car carriers are chartered to shipping companies who have large fleets of car carriers and contracts with the automobile manufacturers. The Energy Enterprise, a self-unloading car carrier, two container ships and the vessels servicing the Southeast Asian business are also on time charter.

The Contract of Affreightment ("COA") business comprises a transportation contract to carry molten sulphur on the M/T Sulphur Enterprise for 15 years commencing in 1994. Initially, the contract was with Freeport-McMoRan Sulphur but was assigned in 2002 to Gulf Sulphur Services Ltd.

Lastly, the Rail-Ferry Service uses two special purpose built vessels to carry loaded rail cars between the U.S. Gulf and Mexico.

The acquirer, Liberty is the largest privately held independent operator of U.S. flag dry bulk vessels controlling a fleet of six dry bulk carriers and one PCTC. The fleet consists of three 51,000 DWT Handymax bulkcarriers built between 2001 and 2004 and three 64,000 DWT Panamax bulkcarriers built in 1986. The company also operates a PCTC built in 2005 that carries 6,100 cars. In addition, the company has placed orders for an additional two PCTCs at **Daewoo** for delivery in 2009 and 2010.

According to the prospective purchaser's 13-D filing on August 8th, the story began in June when Mr. **Philip Shapiro**, the President and CEO of Liberty, met with Mr. **Niels M. Johnson**, the Chairman and CEO of ISH, to discuss the possibility of completing a business combination between Liberty and the company. Although no specifics were discussed Mr. Johnson agreed to give it further consideration. At the end of July, Mr. Johnson informed Mr. Shapiro, that after discussing the possibility with certain members of the family, the consensus among them was not to engage in a transaction with Liberty at this time. The filing further discloses that Liberty had acquired 373,800 shares or 5.2% of the then outstanding shares of ISH. According to the latest proxy statement, the Johnson family beneficially owns 1,934,154 shares or 25.20% of the outstanding shares.

In a subsequent 13-D filing on September 2nd, Liberty disclosed its formal offer as well as an increase in its shareholding in August to 392,430 shares or 5.5% of the outstanding shares. The average price paid for its entire holdings including brokerage fees and commissions was $18.93.

So what is Mr. Shapiro buying? To be fair it is hard to tell, as ISH's public disclosure of the operating fleet is minimal. Through various third party databases, we tried to piece together the fleet list shown in figure 1. We however cannot represent that is accurate or complete. In fact, we admire Mr. Shapiro for having made his offer based upon what is, in our view, limited public information.

As of February 29, 2008, according to the latest 10-K, the company operates a fleet of 27 vessels of which twelve were 100% owned, four were 50% owned (**Dry Bulk Cape Holdings**), eight were leased or time chartered and three were operated under operating contracts (MSC ROROs). We were only able to identify 23. Three of the vessels serving the Southeast Asian contract including a small tanker, a multipurpose vessel and a container ship are all under operating leases and cannot be identified.

The question of specifically identifying which is owned or leased is also difficult to ascertain. Of the six U.S. flag PCTCs, two are accounted for under a finance lease and one under an operating leasing with the balance owned. The company also operates four foreign flag PCTCs of which one is owned, one is leased and two are time chartered.

Leaving aside the fleet conundrum, we turn to the numbers. Exhibit 2 provides summary comparative financials for the years ended 2006 and 2007 as well as for the six months ended 2007 and 2008. We have provided only the latest balance sheet to reflect its current financial condition. Even the financials present some difficulties. The company for accounting purposes combines both operating expenses and voyage expenses making it difficult to assess the impact of rising fuel costs, for instance. Fortunately, this does not impact

International Shipholding Corporation Fleet

Vessel	Flag	Type	Delivery	DWT	Ownership	Employment
Central Gulf Lines, Inc.						
Green Lake	USA	PCTC	1998	57,623		
Green Point	USA	PCTC	1994	14,930		NYK
Green Ridge	USA	PCTC	1998	21,523		
Green Cove	USA	PCTC	1994	16,178		NYK
Waterman Steamship Corp.						
Green Dale	USA	PCTC	1999	15,894		NYK through 2011
Green Bay	USA	PCTC	2007	18,090		
Hari Bhum	Marshall Is.	Container	1984	29,930		
Intra Bhum	Marshall Is.	Container	1984	29,930		
Maj. Stephen W. Pless	USA	RoRo	1983	21,529	Managed	MSC charters expire 4thQ 2009 through first 4 months 2010
PFC Eugene A. Obregon	USA	RoRo	1982	25,073	"	"
SGT. Matej Kocak	USA	RoRo	1981	24,032	"	"
LCI Shipholdings Inc.						
Energy Enterprise	USA	Bulk	1983	38,848	Own	Charter expires 2010
Sulphur Enterprise	USA	Sulphur Carrier	1994	27,760	Leased	Base term expires 2009. Charterer has 3x5 year options
Asian Emperor	Panama	PCTC	1999	60,813	Own	Eukor
CG Railway						
Bali Sea	Singapore	RoRo	1985	22,268		Railroad cars from U.S. Gulf to Mexico
Banda Sea	Singapore	RoRo	1986	22,268		"
Java Sea	Singapore	Gen'l Cargo	1988			SE Asia Transport
East Gulf Shipholding						
Newbuilding		PCTC	2010		Own	$68.5 million
Dry Bulk Cape Holdings						
		Capesize			Own-50%	
		Capesize			Own-50%	
		Panamax			Own-50%	Sister sold June 2008
2 x Newbuildings		Handymax	2012		Own-50%	Total Invest. $74 MM

Summary Financials ($ MM)

	Year ended 12/31		Six Months ended 6/30	
	2007	2006	2008	2007
Revenues	197.1	185.5	113.9	95.7
Operating Income	10.6	1.4	3.8	4.9
EBITDA	32.0	30.4	13.9	15.0
Interest Exp.	9.8	11.1	3.6	5.2
Gains/Losses	10.3	19.1	2.4	9.4
Equity in Net Inc-Unconsol. entities	6.6	4.7	17.8	2.6
Net Income	17.4	17.0	22.8	11.7
Current Assets			50.9	
Direct Fin. Leases			105.4	
Net P,P & E			211.7	
Other			58.8	
Total Assets			**426.8**	
Current Liab.			40.8	
LTD			126.2	
Other			48.1	
Shareholder's Equity			211.7	
Total Liab. & Equity			**426.8**	

the time charter business, which is the bulk of the revenues, but makes a calculation of time charter equivalent earnings impossible. Margins are further impacted by their time charter in and time charter out strategy. Despite increasing revenues, operating income remains relatively stable, after giving effect to a $9 million impairment loss in 2006. Net Income has through this period largely been driven by gains and losses from asset sales. For example, the sale of the Panamax this year resulted in an after-tax gain of $15.1 million.

The balance sheet is strong with debt to total capitalization of approximately 30% and a current ratio of 1.25 times. Obligations under operating leases run about $15 million annually through 2012. Interest coverage is adequate at a little over 3 times on average.

The clear attraction for Liberty is ISH's PCTC fleet based upon its recent move into that segment. They would acquire a relatively modern fleet of U.S. and foreign flagged vessels as well as a newbuilding all of which are employed moving automobiles for Japanese and Korean car manufacturers. In addition, they acquire two niche trades in the GOM and Indonesia and a sulphur and coal carrier.

Liberty has retained **Jefferies & Company**, as financial advisor, and **Gibson, Dunn & Crutcher LLP**, as legal advisor, in connection with a potential transaction with the company.

Flavor of the Week

Based upon recent S&P reports, Norwegians are finding the LPG segment an attractive investment. **DnB NOR** is reported to have entered into a sale-leaseback transaction with **Stargas**. DnB has agreed to purchase the following vessels for $70 million en bloc and lease them back to Stargas under a 7-year bareboat charter.

Exmar also announced that it sold the Carli Bay, a 25,000 cbm LPG built in 1998, to **ABG Sundal Collier**. The sales price was $49.5 million resulting in a capital gain of approximately $20 million.

We assume all are destined for K/Ss.

Stargas Vessls

Vessel	Type	Built	DWT
Emerald Star	LPG	1992	7,572
Ruby Star	LPG	1990	3,428
Sapphire Star	LPG	1991	4,825
Diamond Star	LPG	1991	3,444

Offshore Consolidation

E.R. Schiffahrt announced on Monday that it taken over all the shares in **OSM Schiffahrt GmbH**, the former 50/50 joint venture it had with **OSM Norway**. With the takeover, OSM will be renamed **E.R. Offshore GmbH** and will manage a fleet of four platform supply vessels which will expand by an additional fifteen vessels which are currently on order in Norway and South Korea. The first delivery will occur this month as the E.R. Stavanger is delivered by the Aker Yards.

In place of the joint venture agreement both companies have signed a co-operation agreement under which the companies will continue to work closely together, especially in the areas of crewing, safety and quality. By retaining the OSM Schiffahrt staff, E. R. Offshore has ensured a smooth transition.

Market Commentary

China Syndrome

As the commodity markets crash around us, and everyone is trying to assess whether China is going to come back as the main engine of growth for the world's economy, the following announcement by **D/S Norden A/S** provides an interesting perspective on the question:

"Today, D/S Norden A/S entered into its largest ever contract of affreightment covering transportation of more than 15 million tons of coal over a period of 15 years, equivalent to 14 annual Panamax cargoes. Shipments will commence in 2011 and will entail coverage of about 400 ship days per year at an estimated T/C equivalent in the range of USD 23,500-25,000 per day dependent on the exact vessel type. This is to be related to the Company's average cost level on the known Panamax fleet from 2010 of approximately USD 13,500 per day. The contract has been entered into with **Ho-Ping Power Company** ("HPPC"), which is a joint venture between **Taiwan Cement Corporation** and **OneEnergy Limited** - the latter being a joint venture between **CLP Holdings Limited** and **Mitsubishi Corporation**. At present, HPPC runs a 2 x 660MW electricity generating plant in Ho-Ping, Taiwan, which will be the receiver of the transported coal."

Focusing on the term and forward commencement date, this contract highlights the difference between short-term and long-term thinking as well as possibly affirming the significant influence of traders in the marketplace. Energy demand is incessant and needs to be faced realistically.

Newbuilding Crisis?

In a research note published last week, **Morgan Stanley** suggests that as many as $22.7bn of newbuilding dry bulk contracts could be deleted in the next three years, with delivery delays for up to 20% of the scheduled order book. "The US investment bank said around 28.9m DWT of the 407m DWT tonnage on order could eventually be cancelled, while a further 6.2m DWT of vessels due to be delivered in 2008 could be delayed, with a further 13.3m DWT for 2009 and 21.8m DWT for 2010."

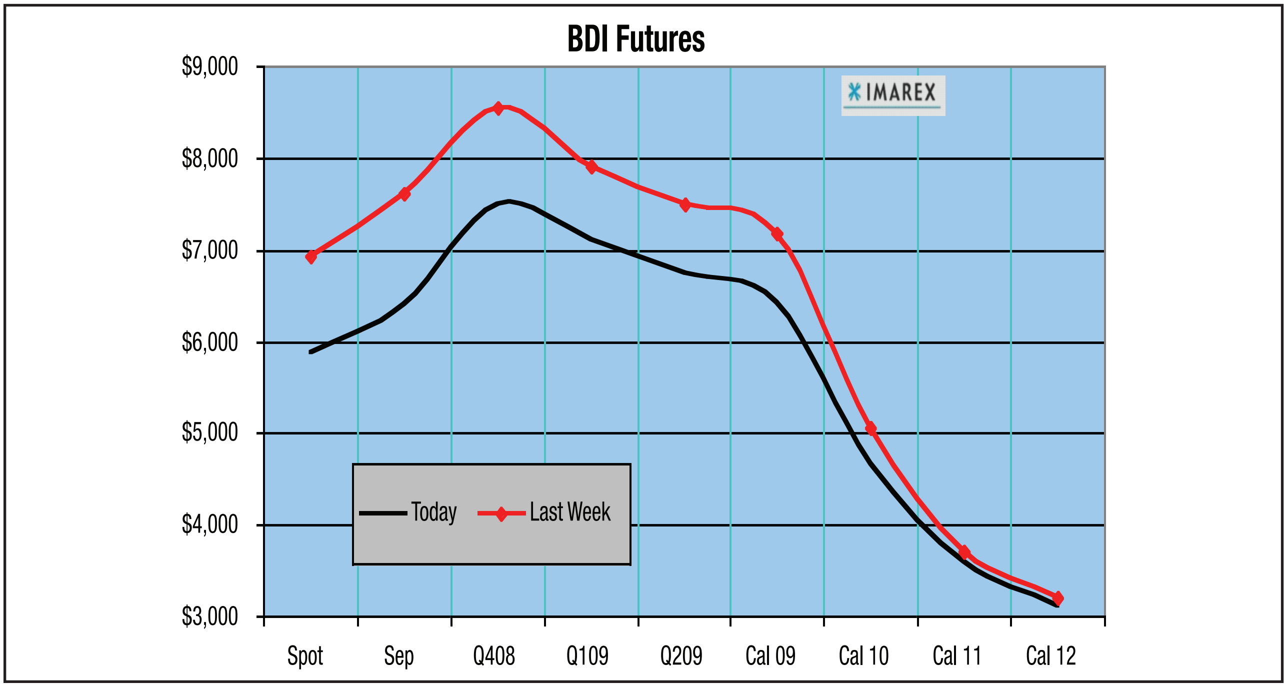
"The bank noted that in 2007, delivery delays affected 2.6m DWT, or 41 vessels, representing 10% of the scheduled dry bulk order book."

Delays are attributed to equipment shortages as well as an inability to raise financing, particularly those orders which have been placed speculatively with smaller unlisted Chinese ship yards.

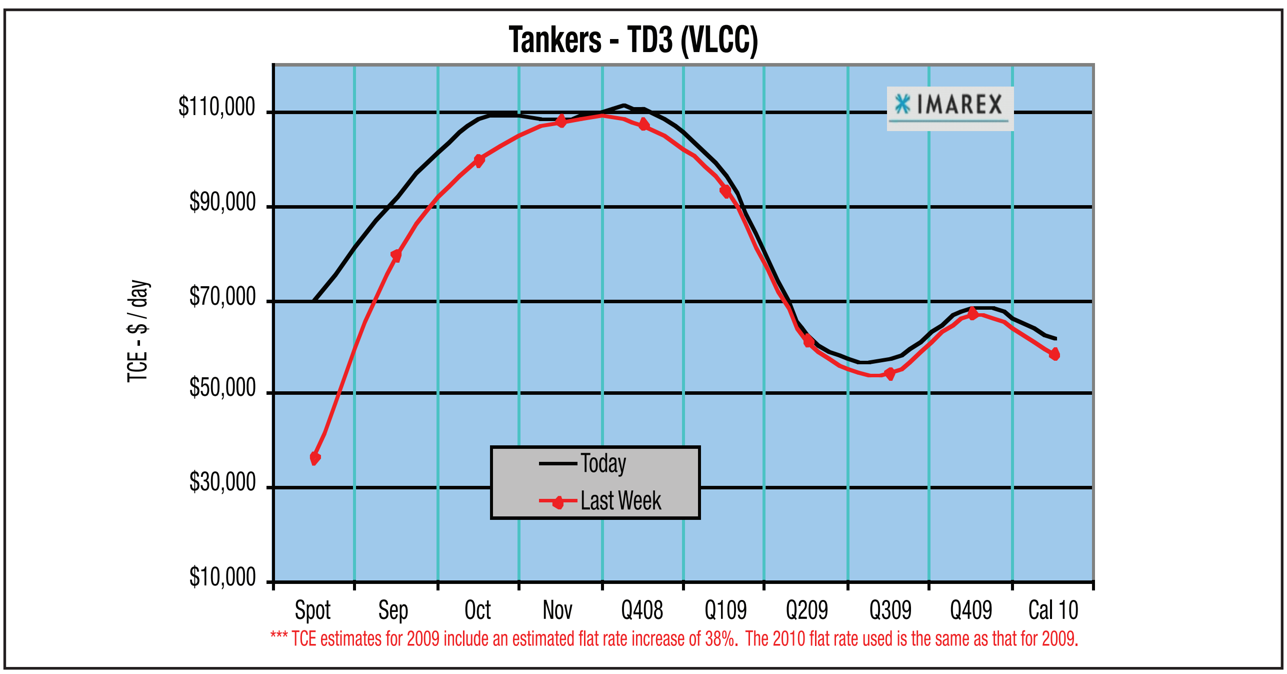
"Anecdotal evidence from shipping industry participants indicates that up to 75% of newbuild orders across all ship types may not have secured financing and 30% ($150bn) of the newbuild orders could face a shortage of debt financing. Assuming an order book period of three years, this implies a potential funding shortage of $50bn a year."

Back to the Futures

By Mike Reardon, Imarex Inc., Email: mr@imarex.com



First - the bad news. The BDI has dropped below 6,000 for the first time since the end of January. Sentiment has begun to turn – as visions of the eternal punchbowl have shifted closer to a state of cautious optimism. Dry bulk futures continue to sell off on good volume. Omar Nokta at Dahlman Rose and Urs Dur at Lazard both downgraded some tier-1 dry names from buy to hold. The Cape sector has taken the brunt of the punishment, as the Baltic time-charter average for this class has lost almost $34,000/day in the last seven days – and now sits at about $86,000/day. Adding to the unease are the high ore inventories in China, which increased another 2.5 million tons this past week to 74.5 million tons. The good news is that rates, by historical standards, are still quite high. Though freight levels have been roughly halved since their May peak, most Owners are still making good money. No one should be surprised that it's still all about China.



The tanker segment has gotten some of its mojo back. Significant fixing activity in the AG has allowed VLCCs headed East to add 40 points and about $50,000/day to their earnings. Though most of September's requirements have been covered, October inquiry is not far off. As expectations for a strong Q4 are abundant, Owners ability to keep the momentum in their favor a few weeks longer will be crucial. The futures saw a fair amount of fluctuations this week as prices rose. Volumes have been good. Forward prices are clearly higher for the near term – as traders feel the bottom is well behind us and that the seasonal upturn in Q4 should allow for further freight increases. Looking to 2009, however, it appears the specter of the order book has turned the curve to backwardation.

Deal Tables & Bond Prices

M&A and Joint Venture Deal Table

★ = New ✍ = Updated ✓ = For full analysis see Marine Money's Asia Edition

	Acquirer, New Partners, or Parent Seller	Advisors	Amount (US$ M)	Target / New Company	Comments
★	Pacific Transportation Asia Fund		Up to $650	20-25 products/chemical tanker fleet	Asian arm of Credit Agricole; To be financed through existing $250m with plans to raise further $400m
★	Liberty Shipping Group	Jefferies	$308	International Shipholding Group	Offer for all outstanding shares of the Company's common stock for $25.75 per share, in cash
★	Oceanaut		$352	3 panamaxes, 1 supra-panamax from Irika Shipping	On 3.3 yr average charters to Cargill, COSCO and MOL; To be financed by existing loan proceeds
	Seanergy Maritime	Maxim	$400- $450	6 Restis bulk carriers	Proposed fleet acquisition and merger of SPAC with Restis interests; Approved
	Tailwind Financial			20 bulkers from GrandUnion	Reverse merger of blank-check Tailwind and shipping JV; Grand-Union to head remaining company
	Genco Shipping and Trading		$530	6 drybulk newbuildings	From Lambert, Northville, Providence and Prime Bulk Navigation to be delivered through 4Q 2009
	Marathon Acquisition Corp	Jefferies, Citi	$988	Global Ship Lease	Acquisition by AMEX listed SPAC from CMA CGM; Approved
	BW Gas		Circa $2,000	40 ship LPG fleet	For Sale; Potential buyers to inclde Solvang, Stolt-Nielsen, Maersk, OSG and John Fredriksen
	European Bank for Reconstruction and Development		$120	3.8% in Far Eastern . Shipping Co	Minority stake in Russian container company
	General Maritime	UBS for GMR, Jefferies for ATB	$283- $300	Arlington Tankers	Each GMR share to receive 1.34 shares of new entity; Each ATB share to receive 1 new share

Bond Deal Table

★ = New ✍ = Updated ✓ = For full analysis see Marine Money's Asia Edition

	Borrower	Arrangers / Advisors	Amount (US$ M)	Interest Rate	Maturity	Purpose / Remarks	Status
	Titan Shipyard Holdings		$25	1.00%	2013	Convertible notes exchangeable for up to 5% of Titan Shipyard issued share capital	Done
	Grupo TMM				2028	3rd tranche of Mexican Trust Certficates for vessel purchases	
	Master Marine	DnB NOR	EUR 60	3 m EURIBOR +12%	2011	Senior secured 2nd priority pledge	Done
	Trico Marine	Lazard	$300	6.50%	2028	Senior convertible debentures	In Progress
✓	Noble Group	Citi and JP Morgan	500	8.5 - 8.75%	2013	For general corporate funding	In Progress
✓	Swire Pacific	HSBC and JP Morgan	$500	6.25%	2018	For general corporate funding	Done
	Fairstar Heavy Transport	DnB NOR Markets	$30	3 mo NIBOR+ 3%	2009	18 month secured bonds to fund newbuilding	Done
✓	Swiber Holdings	OCBC	$72	4% and 3 mo SIBOR + 2.2%	2011	2 tranche bond offering to fund vessel acquisitions	Done
	Northern Offshore	DnB NOR Markets, Nordea Markets	$25	NIBOR+ 4.5%	2008	9 month commercial paper issue for modification of Energy Driller	Done
	Thule Drilling		$11	18.00%	2008	8 month commercial paper to refinance previous bond issue	In Progress

Equity Deal Table

★ = New ✍ = Updated ✓ = For full analysis see Marine Money's Asia Edition

Issuer	Underwriters / Advisors	Amount (US$ M)	Structure / Pricing / Comments	Status
✓ KS Energy	Kim Eng Securities	$122	Proposing a 2 for 5 rights issue to enhance capital base and support business expansion	In Progress
K-Sea Transportation	Lehman Brothers, RBC Capital Markets	$57	2 million unit public offering with 300,000 share overallotment option; Net proceeds to pay off debt and fund construction of new vessels	Planned
✓ Pacific Shipping Trust	UBS	$92	Planning a non-renounceable preferential offering of new units	In Progress
Paragon Shipping		$250	Shelf registration to periodically issue common shares, preferred shares or other securities	Filed
Sealink International	AmInvestment Bank	$43	IPO in Malaysia priced at RM 1.25 per share and oversubscribed by 0.03 times	Done
SeaDrill		Undisclosed	Acquired another 2.4 million SapuraCrest Petroleum shares raising stake to 19.7%	Done
✓ Marco Polo Marine		$5	Sold 18 million new shares or 6.7% of existing paid-up capital at SGD 0.346 per share	
✓ Trada Marine	PT Danatama Makmur and PT HD Capital	$54	Indonesian tanker and FPSO company seeking an IPO in Jakarta via a sale of 45.81% stake btwn Rp120 to Rp130 per share	In Progress
✓ Penguin International		$10	Sold 88 million placement shares or 16.7% of enlarged capital at SGD 0.157 per share	
Svithoid Tankers		$9	Rights issue; Additional $10 million second tranche expected to be raised in 2009	Announced
Frontline	Carnegie, Fearnley Fonds, DnB NOR, Dahlman Rose	$210	3 million new shares at NOK 37 per share	Priced
Navios Maritime Acquisition	JP Morgan, Deutsche Bank, S. Goldman Advisors	$253	25.3 million share SPAC sponsored by Navios at $10 per share; Overallotment of 3.3 million shares exercised	Done
✓ Far Eastern Shipping Co (FESCO)		$767	Plans to sell 590.25 m new shares or 25% of its share capital to fund acquisitions	In Progress
Eitzen Maritime Services	Fondsfinans ASA, Kaupthing ASA, Orion Securities AS	$50	The Private placement at NOK 3.0 per share, fully underwritten by Camillo Eitzen & Co., to fund acquisition of Seven Seas Shipchandlers	In Progress
Seawell	Pareto, DnB NOR Markets	$39	Private placement of 10 million shares at NOK 19.50/share to part finance the company's recent acquisitions and for working capital	Done
Teekay Offshore Partners	Citi, Merrill Lynch, Lehman Brothers	Up to $162	Follow-on offering of 7million untis	Priced
Britannia Bulk	Goldman Sachs, Banc of America, Dahlman Rose, Oppenheimer	Up to $144	NYSE IPO priced below range at $15 per share	Priced
Trico Marine	Lazard for Trico, Carnegie for Deep Ocean	$126	20 m new shares in DeepOcean at NOK 32 per share, the value of the offer price and announced dividend combined represents a premium of 28%	In Progress
✓ Wah Kwong Maritime Transport	Cazenove and Anglo-Chinese	up to $150	Seeking to relist in Hong Kong	In Progress
✓ Pacific Basin	Goldman Sachs	$275	Private placement of 158.6 million new shares at HKD 13.52	Done
Safe Bulkers	Merrill Lynch, Credit Suisse	$190	Hadjioannou-led 10 million share IPO with fleet of 11bulk carriers; Priced at $19/share with 1.5 m share over allotment option	Priced

Bank Debt Deal Table

★ = New ✍ = Updated ✓ = For full analysis see Marine Money's Asia Edition

	Borrower	Arrangers / Buyers	Amount (US$ M)	Pricing / Purpose / Remarks
★	Prosperity Bay Shipping	Marfin Egnatia Bank	$112	11 yr $90m loan plus $22m revolving credit for 75,961 dwt 1999-built Japanese bulk carrier
★	Avin International	Credit Suisse, Deutsche Schiffsbank	$142	12 yr loan for Korean tanker newbuild secured on fleet collateral
★	Costamare	Credit Suisse, Deustche Schiffsbank, HSH Nordbank, HVB, Fortis	$1,000	10 yr loan for 3 sister 81,209 dwt and 1x 66,818 dwt containerships built in Japan in 2003 and 2000 respectively
✓	Neptune Marine Services	National Australia Bank	undisclosed	3 yr commercial bill facility for the acquisition of a AHTS vessel
✓	Regional Container Lines	KfW IPEX Bank	$107	10 yr term loan to finance 2 x 2,732 TEU container vessels
	König & Cie. GmbH & Co. KG	Dresdner Kleinwort as mla, SEB	$123	15 yr post- delivery financing for 4x 1,700 TEU container vessels
	GMMOS Group	Standard-Chartered Bank, Noor Islamic Bank	$46	8 year Shari'a compliant financing facility to refinance, construct, and purchase 12 offshore service vessels
	Neptune Orient Lines	BTMU, Citi, HSBC, ISP, JP Morgan, Mizuho, Natixis, OCBC, Societe Generale, SMBC, UOBH	$6,000	1 year bridge loan with all-in pricing; Indicative pricing at LIBOR + 150-180; To bid for Hapag-Lloyd
	Genco	Nordea, HVB, SMBC, DnB NOR	$320	5 year senior secured amortizing term loan at LIBOR + 120- 125 bps concurrent with acquisition of 6 newbuilds
	Nakilat (Qatar Gas Transport)	Syndicate of international banks; SMBC as financial advisors	$1,500	Plans to borrow further $1,000 in next 18 months; To finance 54 LNG tankers

Lease Deal Table

★ = New ✍ = Updated ✓ = For full analysis see Marine Money's Asia Edition

	Lessee	Lessor(s)/Advisor(s)	Amount (US$ M)	Structure / Pricing / Comments
★	Exmar NV	ABG Sundall Collier KS	$49.50	Sale of 25,000 cbm LPG vessel
✓	Wan Hai International	A Cayman Islands company, Citigroup as advisors	$300	Sale and leaseback of 4x 6,000 TEU containerships for 7 years
	Pemex	ICP Capital as arranger		Purchase and 10 year bareback of 2x MR product tankers with purchase option at end
	Chang Myung	Koenig/Scorpio	$119.50	Sale and leaseback of 2008-built 170,000 dwt bulker for 5 years at $48,000/day
	Teekay Corporation	OPCO	$106	Plus assumption of $90m debt for 2x 2008-built lightering tankers on 10 year fixed rate charter to Teekay JV Skaugen PetroTrans
✓	Yang Ming Marine Transport	First Ship Lease	$210	12 yr bareboat charter of 3x 4,250 teu container vessels with purchase options
	Seadrill	Ship Finance International	$850	15-yr sale and bareboat back of ultra deepwater drillship; Two fixed price purchase options after 51 months and 15 years;
	Maersk	HCI Hammonia	$300	Sale and bareboat back of 3 containerships for 10 years at undisclosed daily rates
	I. M. Skaugen	Teekay LNG Partners	$90	Sale and leaseback of 2x 12,000 cbm multigas carriers for 12 years at a fixed-rate with three five year extension options without fixed price purchase option
✓	West Asia Maritime	Mitsubish Corporation	$110	Bareboat charter of 2 handymax bulkers for 12.5 years

Jefferies – High-Yield Shipping Bonds

	Offer Price	YTW	STW	Maturity	Ratings	Call Date	Call Price
SHIPPING							
Altus Group Ltd							
11% Secured Notes due '13	101.000	10.65%	801	04/01/13	– / –	04/01/10	105.500
Great Lakes Dredge&Dock (GREATL)							
7.75% Sr Sub Notes due '13	94.000	9.21%	618	12/15/13	Caa1 / B-	12/15/08	103.875
Navios Maritime (BULK)							
9.5% Senior Notes due 2014	96.000	10.38%	724	12/15/14	B3 / B+	12/15/10	104.750
Sea Containers (SCR)							
10.75% Senior Notes due '06	48.000			10/15/06	WR / NR		
7.875% Senior Notes due '08	48.000			02/15/08	WR / NR		
12.5% Senior Notes due '09	48.000			12/01/09	– / –		
10.5% Senior Notes due '12	48.000			05/15/12	WR / –		
Ship Finance International Ltd. (SHIPFI)							
8.5% Senior Notes due '13	100.250	8.40%	586	12/15/13	B1 / B+	12/15/08	104.250
Stena AB (STENA)							
7.5% Senior Notes due '13	99.000	7.74%	473	11/01/13	Ba2 / BB+	11/01/08	103.750
7% Senior Notes due '16	95.000	7.83%	439	12/01/16	Ba2 / BB+	12/01/09	103.500
Trailer Bridge (TRBR)							
9.25% Secured due '11	94.000	11.54%	899	11/15/11	B3 / B-	11/15/08	104.625
Ultrapetrol Limited (ULTR)							
9% 1St Mortgage due '14	94.500	10.21%	708	11/24/14	B2 / B	11/24/09	104.500
SUPPLY VESSELS							
Gulfmark Offshore (GMRK)							
7.75% Senior Notes due '14	98.000	8.18%	507	07/15/14	B1 / BB-	07/15/09	103.875
Hornbeck Offshore Services (HOS)							
6.125% Senior Notes due '14	93.500	7.44%	431	12/01/14	Ba3 / BB-	12/01/09	103.063
Seabulk International (SBLK)							
9.5% Senior Notes due '13	104.625	7.61%	554	08/15/13	Ba1 / BBB-	10/06/08	104.750
7.2% Seacor Senior Notes due '09	101.000	6.17%	408	09/15/09	Ba1 / BBB-	any time	
5 7/8% Seacor Senior Notes due '12	95.000	7.32%	455	10/01/12	Ba1 / BBB-	any time	

Jefferies – High-Yield Shipping Bonds continued

	Offer Price	YTW	STW	Maturity	Ratings	Call Date	Call Price
TANKERS							
Berlian Laju Tanker							
7.5% Senior Notes due '14	67.500	16.52%	1,347	05/15/14	– / CCC+	05/15/12	103.750
Golden State Petro (GOLDEN)							
8.04% 1St Mortgage due '19	104.573	7.40%	368	02/01/19	Baa2 / BBB-	any time	MW + 37.5
Overseas Shipholding Group (OSG)							
8.75% Debentures due '13	104.500	7.68%	466	12/01/13	Ba1 / BB	any time	MW
7.5% Senior Notes due '24	92.000	8.44%	453	02/15/24	Ba1 / BB	NC	NC
Titan Petrochemicals (TITAN)							
8.5% Senior Secured Notes due '12	54.000	30.75%	2,815	03/18/12	Caa2 / CCC+	any time	MW + 100
Teekay Shipping (TK)							
8.875% Senior Notes due '11	103.500	7.48%	504	07/15/11	Ba3 / BB	any time	MW + 50
US Shipping Partners (USS)							
13% Secured due '14	61.000	26.32%	2,320	08/15/14	Ca / CC	02/15/11	106.500

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