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INSIDE

EDITORIAL STAFF

George Weltman, Publisher
gweltman@marinemoney.com

BUSINESS AND SUBSCRIPTION OFFICE

UNITED STATES
One Stamford Landing
Suite 214
62 Southfield Avenue
Stamford, CT 06902 USA
Phone: +1.203.406.0106
Fax: +1.203.406.0110
Email: info@marinemoney.com

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The Week in Review

And the Truth Will Set You Free

Transparency often involves more than simple clarity and disclosure. The information may be there but one may be hard pressed to find it. Unlike some of its peers, **Bank of Ireland** ("BOI") has taken a direct approach in communicating with the marketplace and its clients with respect to its current situation. For them, it was important to get the word out.

Last week, BOI publicly announced that as a result of the Irish government's recapitalization plan, through a Euro 2 billion investment including a 25% voting share, the bank would curtail some of its activities. Included among these is ship lending. Nevertheless, a slimmed down ship lending team will remain in place to support its current activities as well as its future commitments, which run through 2012. The bank is not pulling out of the business but it will not be taking on new clients for the foreseeable future. In between client meetings and conference calls, **Paul Packard**, Head of Maritime Industries, expressed his hope to us that the bank might be in a position to resume its ship lending activities in a year or so presuming the overall financial situation shows some improvement. As BOI is a key lender to the industry, we share his hopes.

Genco Does the Deed

On Monday, **Genco Shipping & Trading** announced that it had amended its ten-year $1.4 billion credit facility led by **DnB NOR** and **Bank of Scotland**. Under the terms of the agreement, the collateral maintenance requirement will be waived until such time that Genco is in a position to satisfy the covenant and is in compliance with all of its financial covenants. Genco will continue to be able to borrow the undrawn portion of the facility during the waiver period and expects to use this capacity to partially fund the three remaining Capesize vessels, which are expected to be delivered this year, with the balance coming from internally generated cash flow.

The quid pro quo for the concession involves increased pricing and, not unsurprisingly, accelerated repayment. Amounts borrowed under the amended credit facility begin to reduce on March 31, 2009 at $12.5 million per quarter, which will increase to 3.5% of the amount outstanding for each quarter after March 31, 2012 until repaid in full at maturity. The loan will bear interest LIBOR + 2%, an increased spread of 1.2%. There is also an increase in the commitment commission payable to each lender from 0.20% to 0.70% per annum of the daily average unutilized commitment of such lender.

In addition to the increased pricing, Genco has agreed to suspend dividends and its stock buyback program immediately. Both can be reinstated once Genco can represent that it is in a position to again satisfy the collateral maintenance agreement and is able to meet the criteria outlined in the credit facility to engage in these two activities. There are no further restrictions on cash.

It is all about preserving cash.

A Better Idea

Last week we described how **BW Gas'** decision to withdraw from the Norwegian tax system and today's declining asset values had stressed its balance sheet requiring a substantial equity infusion in order to avoid breaching its covenants.

To add some cushion to today's equity value in order to prevent the potential breach of its equity covenants as well as to deal with the continued turbulence in the financial and shipping markets, BW Gas has entered into an agreement to purchase **Bergesen LNG** from the company's main shareholder, **World Nordic SE**. The total consideration to be paid for the shares of Bergesen LNG, which owns four LNG vessels, is $720 million, which will be paid through the issuance of 273.6 million new shares to the seller at a price of NOK 18.5 per share. The four modern vessels, built between 2006 and 2008, are on time charters for a remaining term of 20.5 years to Nigeria LNG. The vessels will be transferred debt free further bolstering the company's balance sheet.

As part of the transaction, the company is also planning a rights offering on the same price terms to allow the minority shareholders the possibility of maintaining their proportionate share of the company at the same level as before the acquisition. The offering intends to raise up NOK 1,581 million, which depending on the subscription level will put BW Gas' ownership between 76.2% and 92.6% as calculated by **Pareto** in its company update.

By doing both the acquisition and the rights offering, te company's position should be stabilized.

Fordfinans ASA is advisor to BW Gas and the sole manager for the offering. The company's legal advisors include **Wikborg Rein** and **Conyers Dill & Pearman**. **White & Case** and **Wiersholm** are legal advisors to Fondfinans.

What Do DryShips And The U.S. Government Have In Common?

The answer is they both seem to be issuing lots of paper. Last week, **DryShips** announced two transactions designed to reduce their future financial commitments. In the first instance, it transferred its interest in three Capesize newbuildings to an unaffiliated entity generating savings of $364 million in exchange for total consideration of $116.4 million. The latter consists of $36.4 million in previously paid deposits, $30 million paid to the purchaser and two additional tranches of $25 million payable to the purchaser within 30 and 60 days respectively. The last two tranches are payable either in cash or, at the option of the company, by issuing 2.6 million shares of common stock for each tranche.

Not surprisingly, the company also unwound the previously announced acquisition of 9 Capesize bulkcarriers from affiliates of Cardiff Marine, George Economou and third parties for $1.17 billion, which was to be paid for with 19.4 million shares of the company's common shares and the assumption of $478.3 million in debt and future commitments. The consideration to cancel this transaction will consist of the issuance of 6.5 million shares to the unaffiliated entities, subject to a six-month lock-up. The affiliated entities will receive 3.5 million warrants that give the holders the right to purchase one share of DryShips stock. The warrants will be priced at $0.01 and will have strike prices, depending on the relevant tranches of between $20 and $30 per share. Vesting will be over 18 months with an expiry of 5 years.

In addition, the company has suspended its dividend. All seemingly good news until we perused **Credit Suisse**'s note penned by **Gregory Lewis** who at the time reminded us the real elephant in the room is **Ocean Rig**. In addition to debt repayments of about $400 million in 2009 and $500 million in 2010, DryShips also has $315 million in capex related to two newbuilding drillships that have yet to secure financing or contracts.

But **Mr. Economou** may have a solution to these problems. Yesterday, the company entered into an ATM Equity Offering Sales agreement with **Merrill Lynch** for the offer and sale of up to $500 million of common shares. The proceeds of which will likely be used to re-pay debt. As our friends at **Pareto**, who are good with numbers, calculate "the share count was 43.55 million per Q3 but is now 70.6 million after various transactions made during the last four months that resulted in sale of 27.05 million shares with net proceeds of USD 208m. Assuming an offer price of $11.4 (Jan 26 closing price) the new offering would give another 43.86 million shares. Not included are the 10 million warrants as per the recent cancellation of 9 Capesize vessels." The cost of this partial solution is as you can see is high and again borne by the shareholders in the form of dilution. With respect to the drillships, the company suggests that if the spin-off of the rig assets does not happen, it will cancel the contracts on the two drillships in which event the company stands to lose the deposit money, approximately $430 million.

In the midst of millions of dollars in transactions involving cancellations as well as breached covenants, our curiosity was piqued by what appears to be a loan by DryShips to an affiliate of Cardiff. It appears that Cardiff ordered a sistership to the two Panamaxes that Dryships already has on order. According to the disclosure, DryShips has agreed to increase the price of its two Panamaxes by $5 million each in consideration of a $10 million reduction in the price of the Cardiff vessel and an undertaking that upon the delivery of the company's two vessels that Cardiff will reimburse them by effecting payment to the shipyard. "This transaction has been approved by the independent members of the board of directors as an accommodation to our manager." If anyone needs a concession these days, it is probably DryShips.

Perhaps it is time to hire an unaffiliated CFO?

Deleveraging

With the assistance of A**BG Sundal Collier Norge**, **Fairstar Heavy Transport** this week successfully launched an underwritten equity issue of up to NOK 75 million, which will be used to retire the company's secured bond issue.

The transaction structure combines a share capital increase in the form of a rights issue of up to 10 million new shares, with pre-emption rights for shareholders (i.e. approx. 0.3 new shares per ordinary share) at a subscription price of NOK 5.0 ("Tranche A") and a share issue of up to 4,166,667 new shares directed towards the Bondholders of the Fairstar Heavy Transport Secured Bond Issue 2008/2009 (the "Bond Loan") at a subscription price of NOK 6.0 ("Tranche B") (collectively the "Offering").

A syndicate of the Company's current shareholders has underwritten 5.3 million new shares in Tranche A and a syndicate of the Company's current Bondholders has underwritten 3.8 million new shares in Tranche B. NOK 51 million of the Offering is fully underwritten.

The proceeds from the Offering together with the cash flows generated from current contracts and the Company's banking facilities, provide Fairstar with sufficient liquidity to redeem all of its outstanding Bonds no later than October 11, 2009, the Bond Loan redemption date.

Commenting on the transaction, **Philip Adkins**, CEO of Fairstar noted: "Capital markets today are extremely unstable. Access to liquidity is key to corporate survival. As long as there is reason to believe Fairstar will not be able to redeem its outstanding bond obligation it is extremely difficult to demonstrate to the market the true value of our Company…. By issuing equity and redeeming our outstanding bonds, Fairstar will be able to direct this future cash flow away from debt service and back to our shareholders, resulting in a more accurate valuation of our Company's shares by the market."

Even in times of crisis, valuation is not forgotten. Certainly, a sound balance sheet is a factor in that calculation.

Market Commentary

The Great Re-capitalization

"Equity is the new debt," I told an investor luncheon in New York yesterday when asked to describe the current conditions in the ship financing markets.

The comment was intentionally naïve, especially when you consider that many shipping companies have negative net worth on a charter-free basis and are facing a grim outlook of systemically shrinking demand and steadily swelling supply in virtually every asset class (except reefers!).

But my point was with the debt markets dead and owners in need of recapitalization to satisfy loan covenants and maintain adequate working capital, one way or another the majority of cash needed by the industry is going to come from some type of equity market – and this will be either very dilutive, or a complete cramdown, of today's common shareholders.

An Increasing Cost of Capital

The question, of course, is how does a shipping company raise money when it needs more money than its market capitalization? The answer is: any way they can think of. But unlike the bank market, the equity market, especially in America, is never closed – so long as the terms are right and in today's market - that means more expensive than the business models of shipping companies had ever imagined.

In recent weeks, we have seen companies use some different strategies to generate liquidity and reduce capex. With equity embedded in its vessels, **OSG** used outright sales and sale/leasebacks to generate proceeds of about $200 million in 4Q08 - and the company said it plans to do the same in the first quarter of 2009.

DryShips, which doesn't have the luxury of extracting embedded net asset value, chose to go a different route. After paying related parties hundreds of millions of dollars to cancel contracts, the company has been informed by 2 of its lead lenders that it is in breach of covenants. In what is likely a deal agreed between the company and its banks, Dryships hired Merrill Lynch to sell up to $500 million of additional common stock, significantly more than its current market capitalization of $400 million.

Another strategy for raising equity, most recently implemented by First Ship Lease, has been to suspend or limit dividends; after all, why give away precious working capital when you probably wont be able to raise it again. Only gravity-defying Nordic American Tankers, with the help of Morgan Stanley, has been able to raise common equity in a manner that was friendly to current shareholders: $100 million of fresh equity, against a market cap of more than $1 billion, issued at a very respectable valuation. Elsewhere in this issue, you can learn how Fairstar of Norway leveraged its current shareholders and bondholders to raise NOK 75 million of equity.

As for the spending reductions, there is not a contract in the entire shipping industry, from the catering bill to the airline tickets that is not being closely scrutinized and the reduction of capex commitments have been well documented with Excel, Genco, Eagle, Navios, DryShips and others canceling second hand purchases and newbuilding contracts.

Seaspan Preferred Opens a New Chapter in Ship Finance

And then last week, a new form of equity capital made its way into the shipping industry – preferred stock.

Just after the deadline for Freshly Minted closed last week, **Seaspan Corporation** announced that it had reached an agreement to issue and sell Series A Preferred Stock to the company's original founders and sponsors: **Dennis R. Washington**, **Kevin L. Washington**, **Kyle R. Washington** and **Graham Porter**. According to the release, Dennis Washington, perhaps using proceeds generated through the sale of his construction company last year, is investing $160 million with his sons and Graham investing the other $40 million.

Our conclusions up front: this is an elegant deal and clearly demonstrates the value of having a sponsor with substantial resources that is committed to the success of the company. Although this deal was not done on an arm's length basis, in this case we think the result is better than the company could have achieved working with an opportunistic financial investor.

Here is the essence of what makes it work in one sentence: Messrs Washington and Porter have more insight and more faith in the performance of COSCO and China Shipping (which account for a whopping 70% of the company's revenue), than any outside investor would – so the risk premium that they are charging for the capital is lower than market rate.

Although preferred stock has the potential to impact common shareholders because it has a higher rank in the capital structure than the common stock, the reality is that the terms of this deal appear very reasonable in light of current yields and will go a long way towards placating the company's commercial bankers – very important considering Seaspan's massive orderbook of large container ships.

Here's how it works: the newly printed preferred shares, issued at $9.54, will automatically convert into common shares at an exercise price of $15.00 at any time on or after January 31, 2014 if the trailing 30 day average trading price of the common shares is equal to or above $15.00 – a premium of 57% to the issue price. If at any time on or after January 31, 2014 the trailing 30 day average price of the common shares is less than $15.00, Seaspan has the option to convert the preferred shares at an exercise price of $15.00 and pay the investor 115% of the difference between the exercise price and the trailing 30 day average price of the common shares, payable in cash or common shares at Seaspan's option. The preferred shares have a 12% coupon, but they've been structured as non-cash so as not to reduce the company's distributable cash flow. If the preferred shares have not converted into common shares on or after January 31, 2014, the rate will increase to 15%, which will be payable at the investors' option in cash or by continuing to increase the liquidation value of the preferred shares by 15% per annum.

The road ahead for Seaspan will not be an easy one, but with the strong support of its sponsors, the Company, and its common shareholders, have a much better chance of still owning the company when the market turns up again – and the preservation of optionality is what really matter in today's market.

When I asked an investor what we thought of the deal, he said tenderly, "Hey, I think its sweet that someone cares enough about this company to even bother."

Imarex

DRYBULKUPDATE

JAN 26, 2009

126 trip fixtures reported, 6 less than a week ago

24 period deals reported, 9 more than a week ago

The BDI finished the week at 980 points, an increase of 99 points (11%) week-on-week

Average Day Rates (as of 1/23)
Capesize: $17,984 +23.2%
Panamax: $4,234 +7.2%
Supramax: $4,627 +5.7%
Handysize: $4,157 -0.1%

Iron ore stockpiles at Chinese ports have fallen to 58.34mt, a drop of 430,000 tons (-0.6%) from last week

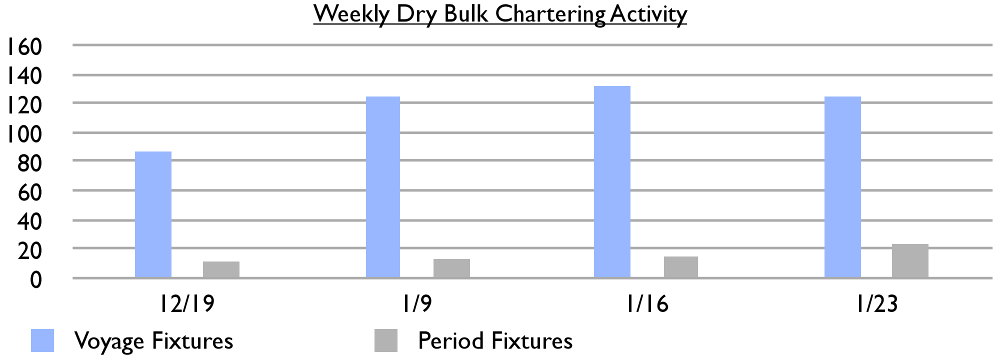
11 vessels scrapped last week; scrap prices have fallen by to $215 - $275/ldt

Iron ore talks on hold due to Lunar New Year; steel mills want a 40% price cut while miners are proposing 10%

Dry Bulk Chartering Activity Remains Robust

For the week ending January 23, a robust amount of dry bulk chartering activity was reported. 126 total voyage fixtures (6 less than last week) were reported. In addition, 24 period deals (9 more than last week) were reported - 9 of which for one year or more. In the last few weeks, a large amount ships have been fixed to haul iron ore from Australia, Brazil, and India. Thermal coal fixtures have begun to increase as well.

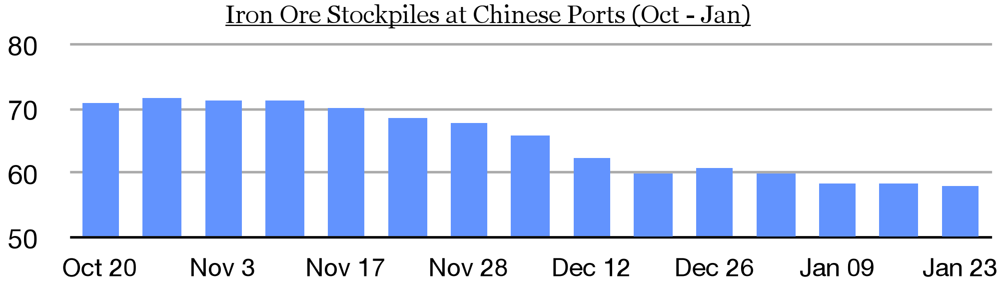
Weekly Dry Bulk Chartering Activity



Chinese Iron Ore Stockpiles Down Slightly

As of January 23, iron ore stockpiles at Chinese ports have fallen to 58.34 million tons, a decrease increase of 430,000 tons (-0.6%) from a week ago.

Iron Ore Stockpiles at Chinese Ports (Oct - Jan)



Surge in Vessel Scrapping Continues

11 dry bulk vessels were sold for scrap last week. The ships' ages ranged from 20 to 31 years old and included 4 Handymax and 7 Handysize vessels. Scrap prices have fallen to $215 to $275/ldt, roughly $10 less than last week's levels.

Ore Negotiations Pause For Lunar New Year

The ongoing iron ore contract negotiations between Chinese steel mills and ore miners have taken a break due to the Lunar New Year. The most recent round of talks ended with Chinese still mills demanding a 40% year-on-year price decrease. Miners, however, have suggested they will cut prices by only 10%.

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
★	World Nordic SE			BW Gas	May seek to make offer to minority shareholders to take BW Gas private
	AP Moller-Maersk		$567	Brostrom	Ups stake to 96% with plans to initiate proceedings for remaining shares and de-list from OMX Nordic Exchange
	Seacove Shipping, Greenbriar Equity Group		$100	Seacove Shipping Partners	New joint venture to pursue investments in shipping companies and assets
	Hapag-Lloyd	Lazard, Citi, Deutsche, Greenhill, HSH; JP Morgan for NOL as potential buyer	$5,900	For Sale	Albert Ballin consortium: City of Hamburg, Klaus-Michael Kuhne, HSH Nordbank, MM Warburg, Signal Iduna, Hanse Merkur; On hold
	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; Abandoned
	Vesterhavet-DSV		$140	DFDS	Through a share exchange, DSV and JL-Fondet establish a joint holding of 56% in DFDS
	Northern Shipping Fund I LLC		$112	Northern Navigation and MTMM JV	To invest and provide alternative finance in the maritime and offshore service sector
	General Maritime	UBS for GMR, Jefferies for ATB	$283- $300	Arlington Tankers	Share swap; 1 GMR share to receive 1.34 shares of new entity; Combined fleet to have 31 tankers; Concluded.
	Allco Finance Group	Citi		Allocean	53 ship fleet for sale with management as platform for non-strategic buyers

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
	Oceanografia	Morgan Stanley, Citi, Dexia, Baker & McKenzie	$335		2016	144A bond secured by 7 vessels. Proceeds to service existing debt and new acqusitions. Co. rated B+	Done
	China Cosco		Up to $1460		2019	For working capital and repay bank loans	In Progress
✓	China Shipbuilding Industry Corporation	China Construction Bank and CICC	$439	3.90%	2012	To enhance shipbuilding and ocean engineering capacity, repay bank loans	Done
	BD Ferries	Undisclosed syndicate of investment banks	$140	6.21%	2012	Undisclosed	In Progress
✓	Sinotrans Ltd		$219	3.60%	2012	To fund construction of strategic logistics infrastructure projects in the Pearl River Delta, the Yangtze River Delta and the Bohai Bay area	In Progress
	Noble Group	9 bank deal led by Goldman Sachs, Citi and SunTrust Robinson Humphrey	$250	7.74%	2014	Senior unsecured notes to pay down $183m including loans maturing in March	In Progress
	Hanjin Shipping	Hana IB Securities, KB Investment, Korea Development Bank	$169	7.00%	2011	Planned KRW 200bn bond sale	Early stages
	IM Skaugen	Fearnley Fonds	$35	10.50%	2011	To finance repurchase of existing bonds	Done
✓	Syarikat Borkos Shipping	Bank Muamalat Malaysia Bhd	$108			Islamic medium term notes	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
★ BW Gas	Fondsfinans ASA	$720	Purchasing Bergesen from parent Nordic SE for . new shares. Rights offering also to minority shareholders	Announced
★ Seaspan	Tudor, Pickering & Holt, Vincent & Elkins	$200	Preferred share issue by company's original sponsors Washington Group and Tiger Group.	Done
★ Fairstar Heavy Transport	ABG Sundal Collier as mla	$11	Rights issue to share holders and new issue to bondholders. Proceeds to redeem bonds, both partially underwritten	In Progress
Hurtigruten		$46	Oslo listed specialty cruise operator looking to raise fresh funds; Delayed due to creditor consent issues	In Progress
✓ Penguin International	Kim Eng Securities	$4	Completed its 1 for 4 rights issue. Priced at S$0.05 per rights share.	In Progress
✓ Mermaid Maritime	Pareto Private Equity ASA	$2	Acquired 20% stake in Nemo Subsea IS, a dive support vessel owner	Done
Nordic American Tanker Shipping	Morgan Stanley	$112	3m common shares at $32.5 each; 450,000 share over-allotment option exercised; To fund further acquisitions under planning	Done
✓ CSBC Corp	Fubon Securities and SinoPac Securities	$145	Taiwanese govt sold 54% stake in the island's largest shipbuilder	Done
Ship Finance International	Merrill Lynch	Around $87	7 million share offering at market price	Filed
Pareto			To launch distress fund	Announced
Safe Ship Investment Fund		$200	Leo Polemis-led Distress Fund to launch in early 2009 to take advantage of expected increase in distress sales of ships	Announced

Restructuring Deal Table

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

Company	Advisors	Banks	Comments
★ Genco		DnB NOR, Bank of Scotland	Tradeoff collateral maintenance for increased pricing and amortization; No dividends or buybacks.
DryShips			Cancels 9 capes and 3 newbuilds on order; 2nd time in 2 months DRYS pulled out of deals to buy new vessels
BW Group subsidiary World Nordic SE			After purchasing 77% of BW Gas, they will consider an offer to minority shareholders for the remaining shares so privatizing the company
Cecon	First Securities, Pareto	DnB NOR	Loan withdrawan by DnB NOR after covenant breach; Advisors to assist in reviewing all options open to Cecon
Korea Line Corp (KLC)			Trying to build liquidity and reducing cash outflow by renogiating charter rates and cancelling newbuildings to avoid distress
Schichaus Seebeck Shipyard (SSW)			German shipyard goes into administration after inability to pay its bills and massive debt
Nepline		Bank Pembangunan Malaysia	2 vessels and 1 newbuilding under construction seized by creditor bank after default on 3 debt facilities taken out with the bank in September 2007
Eagle Bulk Shipping		RBS	Succesfully restructured yard contracts
Oceanfreight		Nordea	Amendment to $325 credit facility. Waiver and amendment of collateral maintenance

Bank Debt Deal Table

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

	Borrower	Arrangers / Buyers	Amount (US$ M)	Pricing / Purpose / Remarks
	BC Ferries	KFW	$86	12 yr loan at 2.95% rate to fund construction of ferry newbuilding
	Lamnalco Group	Standard-Chartered Bank, Rabobank, ING	$125	To refinance existing fleet of 15 AHTS vessels and for new acquisitions
	Scorpion Offshore	HVB	$169	Subsidiaries secure financing for remaining progress payments and to re-finance bridge loan for Offshore Freedom. Two tranches amortizing over an average period of 4 years
	Stena	Citi, Korea Export Insurance Corporation, Eksportfinans; Watson, Farley & Williams as advisors to Citi	$850	Pre- and post delivery financing for new drillship built at Samsung in Korea for delivery in 2011
	Pacific Drilling and Transocean	DnB NOR and Fortis as mlas	$1,200	To help fund two drillships building in South Korea
✓	Yang Ming Marine Transportation	13 banks including Mega International Commercial Bank, Taipei Fubon Commercial Bank	$480	20 year loan
✓	PetroVietnam Transportation	Citibank, Calyon, Fortis Bank, Societe Generale	$175	13 year term loan
✓	PetroVietnam Drilling Investment	ABN AMRO, ANZ, HSBC, OCBC, First Commercial, Far East National Bank, Land Bank of Taiwan	$115	6 year amortising facility priced at L+300 bps for debt repayment and general corporate purposes
✓	North China Shipping	DVB, SEB and HVB		To finance the acquisition of two VLCC newbuildings
✓	STX Europe	Nordea, Woori Bank	$88	50/50 financing of credit facility for 3 years

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
★	Dong Fang International Investment Limited	DCM Deutsche Capital Management, arranged by DVB Bank	Undisclosed	Sale and manage-back of a fleet of 38,983 CEU of containers
	China Huaneng Group	ICBC Leasing	About $420	Sale and leaseback of 6x Supramax bulkers for 10 years
	Berlian Laju Tankers	Jointly by DnB NOR Markets and R.S. Platou Finans	$107.75	Sale leaseback for 2x chemical tankers for 12 years
	Odfjell Group	nabCapital (National Australia Bank Limited) , MDT	$84.50	Sale-leaseback of Bow Sky.11 year operating lease using UK cross border lease.
	Pemex	Blue Marine/ ICP Capital	$121	Sale and leaseback of 2x 40,000 dwt product tankers for 10 yrs with purchase options at end
✓	Woo Min Shipping	ABG Sundal Collier ASA	$88	Sale and leaseback for 3x chemical tankers for 8 years
	Golden Ocean Group	Undisclosed	$65.30	10 yr sale and bareboatback of Q3 2009 newbuilding delivery; $21,975/day, fixed price purchase option in 3 yrs and every year after until contract matures; $40m option in 10 yrs
	Wavefield Inseis	Norwegian Oilfield Services	$144	Sale and 7 yr charterback for 1x 5,000-gt newbuilding; Arrangement includes 33.3% stake in NOS
	Seadrill	Ship Finance International	$1,700	Sale and leaseback of 2 ultra-deepwater semi-submersible rigs for 15 yrs
✓	Swiber Holdings	RS Platou Finans Shipping A.S., Atlantis Navigation A.S.	$225	Sale and leaseback of 3x AHTS and 2x diving support vessels for 10 years

Jefferies – High-Yield Shipping Bonds

	Offer Price	YTW	STW	Maturity	Ratings	Call Date	Call Price
SHIPPING							
CMA CGM (CMACG)							
5.5% Sr Unsecured due '12	51.000	29.77%	2,786	05/16/12	– / BB-	any time	MW+50
7.25% Sr Unsecured due '13	46.625	31.63%	3,026	02/01/13	– / BB-	02/01/10	103.625
Great Lakes Dredge&Dock (GREATL)							
7.75% Senior Notes due '13	82.000	12.83%	1,114	12/15/13	Caa1 / B-	03/02/09	103.875
Navios Maritime (BULK)							
9.5% Senior Notes due '14	56.000	22.14%	2,026	12/15/14	B3 / B+	12/15/10	104.750
Royal Caribbean Lines (RCL)							
8% Sr Unsecured due '10	93.750	13.42%	1,282	05/15/10	Ba1 / BB	NC	NC
8.75% Sr Unsecured due '11	88.750	15.51%	1,460	02/02/11	Ba1 / BB	NC	NC
7% Sr Unsecured due '13	69.250	17.31%	1,574	06/15/13	Ba1 / BB	NC	NC
6.875% Sr Unsecured due '13	67.000	17.20%	1,552	12/01/13	Ba1 / BB	NC	NC
5.625% Sr Unsecured due '14	52.000	22.64%	2,013	01/27/14	Ba1 / BB	NC	NC
7.25% Sr Unsecured due '16	62.000	16.28%	1,410	06/15/16	Ba1 / BB	NC	NC
7.25% Sr Unsecured due '18	63.250	14.69%	1,215	03/15/18	Ba1 / BB	NC	NC
7.5% Sr Unsecured due '27	53.000	15.08%	1,207	10/15/27	Ba1 / BB	NC	NC
Ship Finance International Ltd. (SHIPFI)							
8.5% Senior Notes due '13	79.000	14.68%	1,299	12/15/13	B1 / B+	03/02/09	104.250
Stena AB (STENA)							
7.5% Sr Unsecured due '13	77.000	14.33%	1,268	11/01/13	Ba2 / BB+	11/01/09	102.500
7% Sr Unsecured due '16	73.000	12.50%	1,022	12/01/16	Ba2 / BB+	12/01/09	103.500
6.125% Sr Unsecured due '17	49.000	18.64%	1,555	02/01/17	Ba2 / BB+	any time	MW+50
5.875% Sr Unsecured due '19	43.000	18.66%	1,541	02/01/19	Ba2 / BB+	any time	MW+50
Trailer Bridge (TRBR)							
9.25% Sr Secured due '11	82.000	17.69%	1,650	11/15/11	B3 / B-	03/02/09	104.625
Ultrapetrol Limited (ULTR)							
9% 1St Mortgage due '14	68.000	18.12%	1,624	11/24/14	B2 / B	11/24/09	104.500

Jefferies – High-Yield Shipping Bonds continued

	Offer Price	YTW	STW	Maturity	Ratings	Call Date	Call Price
SUPPLY VESSELS							
Gulfmark Offshore (GMRK)							
7.75% Sr Unsecured due '14	77.500	13.75%	1,194	07/15/14	B1 / BB-	07/15/09	103.875
Hornbeck Offshore Services (HOS)							
6.125% Senior Notes due '14	72.000	13.14%	1,127	12/01/14	Ba3 / BB-	12/01/09	103.063
Seabulk International (SBLK)							
9.5% Senior Notes due '13	100.000	9.50%	840	08/15/13	Ba1 / BBB-	03/02/09	104.750
7.2% Sr Unsecured due '09	100.000	7.18%	679	09/15/09	Ba1 / BBB-	any time	
5.875% Sr Unsecured due '12	88.000	9.85%	844	10/01/12	Ba1 / BBB-	any time	
TANKERS							
Berlian Laju Tanker							
7.5% Senior Notes due '14	25.000	46.83%	4,507	05/15/14	– / CCC+	05/15/12	103.750
Golden State Petro (GOLDEN)							
8.04% 1St Mortgage due '19	112.380	6.35%	367	02/01/19	Baa2 / BBB	any time	MW+37.5
Overseas Shipholding Group (OSG)							
8.75% Sr Unsecured due '13	90.000	11.50%	982	12/01/13	Ba1 / BB	any time	MW
7.5% Sr Unsecured due '24	68.000	12.19%	932	02/15/24	Ba1 / BB	NC	NC
Titan Petrochemicals (TITAN)							
8.5% Senior Notes due '12	25.000	71.01%	6,973	03/18/12	Caa2 / CCC+	any time	MW+100
Teekay Shipping (TK)							
8.875% Senior Notes due '11	86.000	15.99%	1,493	07/15/11	B1 / BB	any time	MW+50
US Shipping Partners (USS)							
13% Sr Secured due '14	20.000	74.06%	7,224	08/15/14	C / D	02/15/11	106.500

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