

VOLUME 7

ISSUE 10

March 12, 2009

## INSIDE

**The Week in Review**  
page 1

**Market Commentary**  
page 3

**Back to the Futures**  
page 5

**Imarex Physical Update**  
page 6

**Deal Tables &  
Bond Prices**  
page 7

**Conference Schedule**  
page 13

### EDITORIAL STAFF

George Weltman, Publisher  
[gweltman@marinemoney.com](mailto: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](mailto:info@marinemoney.com)

To learn more about  
subscribing, please contact us  
via your preferred  
medium at the office listed  
above. Annual Subscription is  
\$1490 US plus postage.

*Freshly Minted may be photocopied  
by license only. Electronic or physi-  
cal reproduction or forwarding of  
this document in whole or in part  
is strictly prohibited, even for  
internal purposes.*

*While Marine Money has taken  
great care in the production of this  
publication, no liability can be  
accepted for any loss incurred in  
any way whatsoever by any person  
who may seek to rely on the infor-  
mation contained herein.*

# The Week in Review

## Banker Survey

By any measure, your initial response was unprecedented. We have clearly struck a chord. However, responses have begun to thin out and we would welcome a larger sample. Please take a few minutes, if you have already not done so to take our Bankers (Lender's) survey using the link below. Thank you very much.

[http://www.surveymonkey.com/s.aspx?sm=UkAlQVC4R0yAIT7zUbj3ZQ\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=UkAlQVC4R0yAIT7zUbj3ZQ_3d_3d)

## Spring Has Arrived

Like the bulbs just breaking through the earth as it warms, the Norwegian bond market has also staged a revival of sorts. Today, **I.M Skaugen SE** ("Skaugen") completed two new note issues, one USD denominated issue in an amount of \$13 million and one NOK denominated issue in an amount of NOK 120 million. Maturing in April 2010, the new issues are floating rate notes with a coupon margin of 6% over 3-month LIBOR/NIBOR. The notes are unsecured and contain similar covenants to the company's previous bond issues. The company intends to swap the NOK repayment obligation to U.S. dollars and list the issues on the Oslo Stock Exchange's ABM. **Fearnley Fonds** acted as manager for the note issues.

## Unwitting Leverage

Lying under the accountant's Damocles sword, **TBS International** announced yesterday that it was delaying its earnings release for the fourth quarter and year-end 2008 as it sought to complete negotiations of waivers of certain financial covenants with respect to its credit facilities. Without the waivers, the debt, under accounting rules, is no longer a long-term liability and instead becomes a current liability due and payable within the year. No one has an interest in that happening. But the fact that negotiations

have been cut so close to the announcement suggests they haven't been easy.

## CSAV Spells It Out

Last week **CSAV**, in a press release, gave a state of the industry report and it was not pleasant reading as you might expect. The company notes that for the first time in 29 years, after many years of double-digit growth, a drop in global container demand is expected this year. This is compounded, of course, by supply, which is growing at a very high rate given an excess of vessels ordered in prior years when the economy looked much brighter. To face the challenge, the industry has taken a number of aggressive initiatives. Operators and owners have laid up over 400 containerships throughout the world. In addition, many ocean carriers are negotiating with the shipyards to delay delivery of the vessels ordered before the crisis. Both actions will helpfully begin the process of restoring the balance between supply and demand.

On its own behalf, CSAV is focusing on costs. It is suspending one of its Asian Northern Europe services. The company is also renegotiating with all of its vendors while optimizing and rationalizing bunker consumption, the container fleet and intermodal moves. Finally, it is implementing cost reductions in its administrative expenses.

But from our perspective, the most interesting aspect was the Board's approval of an equity infusion by its shareholders of \$200 million to strengthen the company's capital base. That is how you stay in business for 136 years.

## Nor is Danaos Immune

In today's earnings release, **Danaos** reported generally satisfactory results but also began to show the effects of the economy and has consequently begun the process of shoring itself up for the future.

The extraordinary drop in vessel values combined with lower interest rates, which resulted in a negative valuation of its interest rate swaps, has resulted in the company's breach of certain financial covenants, including the expected LTV as well as the equity covenant as non-cash charges have been taken against equity. Danaos has or is in the process of obtaining waivers for 2008 and 2009 under their various credit facilities.

In terms of cash saving actions, the company has suspended its dividend until market conditions permit. This will allow the company to take advantage of its strong cash flow while strengthening its balance sheet. The company has increased its financial flexibility by retaining the more than \$100 million that would have been paid out at the prior dividend level.

In order to both address the oversupply and its funding requirements, deferrals were next on the list. In cooperation with its charterers, Danaos has successfully delayed the delivery of five newbuildings, with aggregate remaining payments of \$422 million, for up to 8 months and are in the final stages of pushing back delivery of five more, with aggregate payments of approximately \$386 million for two to seven months.

This solves the financing requirement in the short-term, but how do you deal with the numbers as laid out by Omar Nokta of Dahlman Rose. "The company has 30 vessels on order for delivery through 2011.... With these shifts, Danaos expects its newbuild commitments at \$549 million for the remainder of 2009, \$823 million in 2010 and \$807 million in 2011. The company has roughly \$650 million in credit lines available for its \$2.3 billion remaining commitments, assuming its lenders maintain their facilities. We estimate it can generate \$700 million in cash flow during the next three years, meaning it needs roughly \$1.0 billion in new financing to complete its orders." The company remains confident in their ability to arrange financing for the unfunded portion based upon the fact that all the vessels are chartered for long-term periods.

The current situation contains an interesting role reversal. In this instance, Dr. Coustas, together with officers and directors control more than 80% of the shares and therefore has far more at stake than most. If he is going to bail out the minority there may be an even greater incentive to go private.

### And You Thought Sarbox Was Tough...

Back in April of last year, **TORM** announced the sale of the 1997 built Panamax bulkcarrier, **TORM Marlene**, for total consideration of \$70 million with the deal expected to close the following month. With the sale, **TORM** also adjusted its guidance for 2008..

Apparently, the **Danish Financial Supervisory Authority** ("DFSA") has had discussions with the company as to whether **TORM** made a timely disclosure pursuant to Section 27 of the Danish Securities Trading Act ("Act"). Although the company believes it is in compliance with its obligations the DFSA has referred the matter to the **Danish Securities Council** who has decided to refer the matter of whether **TORM** has violated Section 27(1) of the Act to the public prosecutor for further investigation. Understandably, the company does not intend to make comments while this matter is pending.

### A Tax Reversal

Our friends at **Seward & Kissel** have brought to our attention a proposed devastating change in the tax law that de facto would treat all foreign shipping companies operating out of the U.S. as U.S. taxpayers. The proposal, introduced by Senator Levin, appears in the bill entitled "Stop Tax Haven Abuse Act" (S. 506). Historically, companies have been taxed as domestic or foreign based upon where the company was formed. With this proposal, we would revert to the British system of taxation based upon where the company is managed and controlled.

"Section 103 of the Levin Bill ("Section 103") would tax foreign corporations as though they were United States domestic corporations if:

- (1) either (a) they have aggregate gross assets of \$50 million or more at any time during the taxable year or any preceding taxable year, or (b) are regularly traded on an established securities market; and
- (2) the "management and control" of the corporation occurs, directly or indirectly, primarily within the United States.

The legislation provides that the "management and control" of a corporation shall be treated as occurring primarily within the United States if substantially all of the executive officers and senior management of the corporation who exercise day-to-day responsi-

bility for making decisions involving strategic, financial, and operational policies of the corporation are located primarily within the United States. This proposal would have an effective date for taxable years beginning on or after two years from the date of enactment.

If enacted, Section 103 would represent a dramatic change in United States taxation of foreign shipping companies (inclusive of those that are so-called U.S. Controlled Foreign Corporations or "CFCs") who are managed and controlled from the United States. Under current law, a foreign corporation engaged in the international operation of ships is not subject to United States federal income tax under Section 883 of the United States Internal Revenue Code of 1986, as amended (the "Code"), provided that it (i) is organized in a "qualified foreign country," and (ii) meets one of three specified ownership tests. In addition, there are analogous shipping exemption provisions contained in substantially all existing United States income tax treaties ("Treaty Exemption Provisions"). In each case,

qualification for exemption applies without regard to whether the foreign corporation is wholly managed and controlled from the United States or conducts all or a portion of its shipping operations through a permanent establishment in the United States."

In discussions with the firm, we understand that there is a limited exemption for CFCs which are 80% or more beneficially owned and controlled by a domestic "C" corporation. Beneficiaries of this carve out may include OSG, and International Shipholding.

To put the issue in perspective, it is always helpful to look at numbers. Under the Levin Bill, a foreign company would be subject to a 35% tax on its net profits and if you add the 30% withholding tax applicable to dividends paid to non-U.S. persons, the potential effective tax rate on net profits could reach as high as to 54.5%.

Seward & Kissel believes the chances of enactment are low but they are monitoring the situation.

## Market Commentary

---

### Sages of Shipping

Often we need a fresh perspective or even confirmation of what we are thinking. We are certain that there is much going on behind the scenes, between negotiations with banks and with charterers. Yet we feel that we are missing the proverbial forest through the trees. So this week we sat down with two close friends who gave us their perspective of what, in their view, is going on today in wide ranging discussions. There are many questions but no answers for the moment.

Historically, there were certain truths about shipping which were inviolate. Credit was always available, supply was predictable and demand was the unknown factor. The world has changed drastically. Today, there is an absence of credit, supply is unpredictable, and demand even less so. And, on the practical side, making matters worse, owners don't know what their bankers can do whether it relates to funding, or even restructuring.

With the equity markets virtually closed, lending quiescent and private equity on the sidelines, the question is who will lead us out of this mess. We posited the Greeks who have historically been well

positioned to take advantage of cycles and who have clearly benefited from the last boom. Our two sages had a different view. Noting that in some respects shipping is like a casino and that many Greeks are inherently gamblers, this wise man wondered how much of the cash was actually left. He suggested that with low interest rates, currency risk, and the booming real estate and stock markets at the time, the Greeks might have found newbuildings irresistible. Even today, returns on alternative investments pale in comparison to the potential of a relatively cheap newbuilding. Was anyone really that conservative to cash out in 2006 and leave the cash in the mattress through the boom?

Our other keen observer reminded us that historically, Greeks kept cash or invested in real estate or ships. With the advent of a new generation and their comfort with capital markets, there is some likelihood that some of this wealth may have found its way here and been invested in bonds and stocks and consequently has been decimated. There are even rumors that some of this wealth may have been invested with Bernie Madoff.

Another misconception that should be cleared up is the view that shipping is an asset business. In the ideal world, the perception is that the Greeks would have liquidated their fleets at the top of the market and sat on cash waiting for the next opportunity. In fact, while the ships are fungible, the business is not. As a service provider, this capital-intensive business cannot just stop. A customer cannot be told that we sold our ships so call us the next time around. Even in today's market, there are customers who need ships and how is one to make sense of an acquisition no less fund it in these times. Finally, there are the employees that cannot just be let go. In short, this is a going concern not an investment vehicle.

Given the hard hit container markets, we then wondered about the Japanese liner companies, which are highly leveraged with little equity. With debt problematic in a country reliant upon debt financing and negative cash flow, where will the necessary funding come from?

And perhaps an even more crucial question is how this country will respond not only to declining demand in both Europe and the United States but also the shift of manufacturing to China. The economies of Japan and China have depended in recent years on exports of manufactured goods. When U.S. and European markets for those goods become stressed, as households switch from consuming to saving, Japan has no ready answer, and we are seeing double-digit percentage declines in GDP. China, however, does have a counter-move: stimulate the vast domestic market to support many, even most, of the country's manufacturers. So Chinese GDP doesn't decline at all; in fact, it should increase by several percent in 2009. This is good news for the dry bulk shipping market, but not (yet) for the container shipping industry.

For the moment, at least, banks, owners, charterers and shipyards are dealing with each other as partners. Wisdom has prevailed as the parties realize there is nothing to be gained by taking an adversarial position. All have to deal with what is possible in light of the current reality. Unfortunately, the foundation is soft. Will government controlled banks be compelled to dispose of shipping assets? Valuations which are being perhaps artificially held up by a thin trading market could very well collapse under that scenario forcing the hands of the bank.

Not surprisingly, M&A activity is at a virtual standstill lacking a debt market and paper currency. On the other hand, hedge funds

and private equity are studying many opportunities including shipping. This is a simple case of whoever has the most compelling story will get the cash.

The containership market is confused. Instead of large ships displacing smaller, based upon economies of scale, smaller ships are now replacing larger. A possible explanation might be that, unlike the more mature bulk and tanker markets, the container industry is evolving and an optimum size vessel has yet to be defined.

The large container ships are sailing half full to a limited number of ports following the airlines' hub and spoke model. Smaller ships calling on multiple ports would save fuel and port costs. On the other hand, if large ships come back, get back in with a vengeance because the market will take off. Bear in mind there would be no global trade without container companies. The question is what will the industry look like in the future?

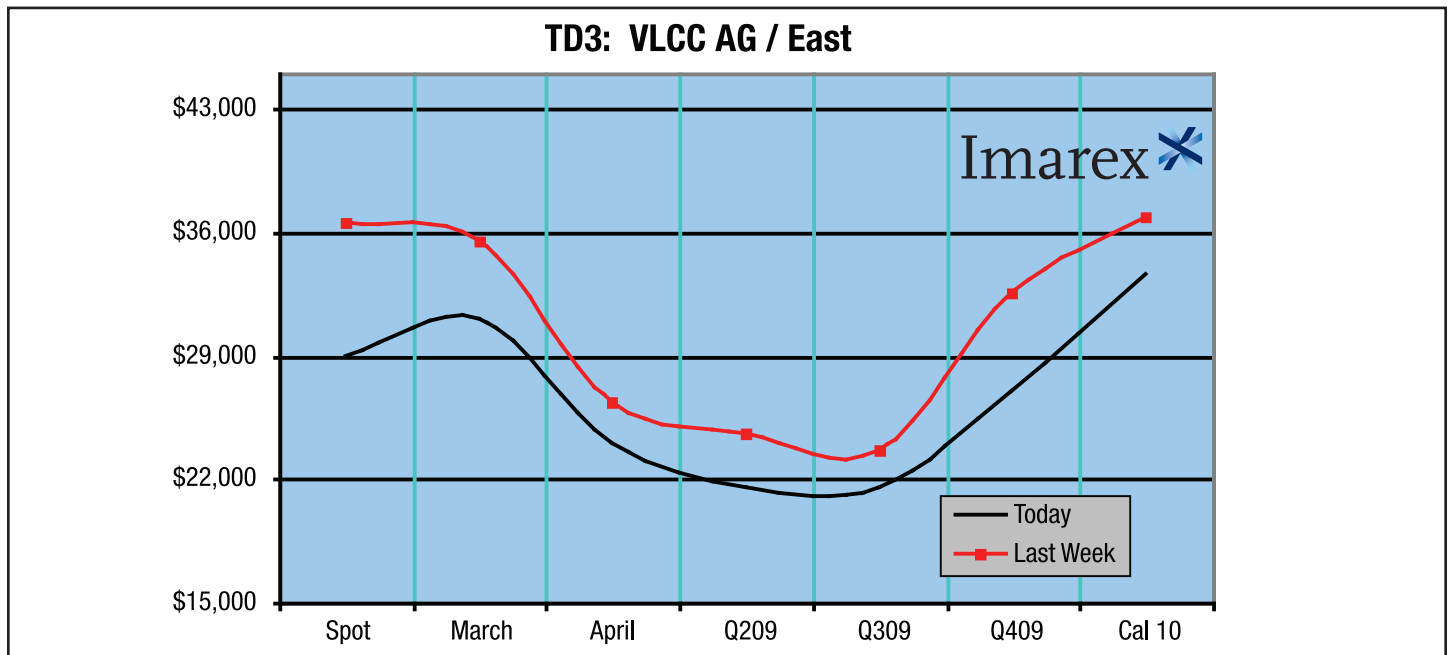
Given their size and importance, it is likely that the major lines will be able to delay and/or cancel orders. Would a shipyard chance offending a client that builds expensive, but not sophisticated, ships in numbers. We laughed at the thought of a yard taking an adversarial position with the likes of an AP Moeller, which would simply turn around, buy the yard and then close it down.

Floating just under the surface, there are two critical imponderables. The first is the lack of disclosure on the private side and the other is the status and collectability of receivables (i.e. charter payments) in that arena. The public entities are providing some disclosures of payment defaults and restructurings but this could be one big black hole.

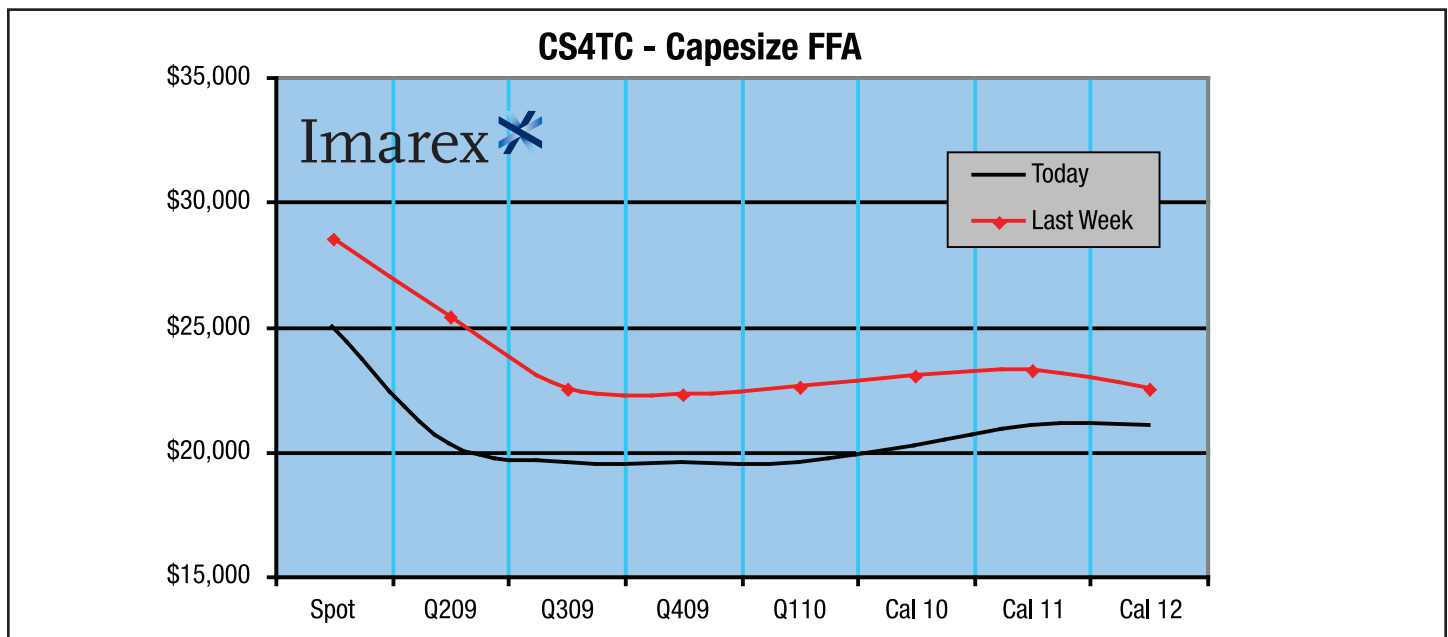
In conclusion, we both wished we were younger given today's opportunities in shipping which today is a growth business. The growth in China and India is logically irreversible as billions seek to emerge into the middle class. The opportunities for today's finest minds are endless. This simple business needs new solutions. And, in what other business can one get international exposure as well as experience in currency, derivatives, financial markets and, if you want to get your hands dirty, engineering. Although you will not make the quick millions that were available in investment banking, if that ever comes back, we can assure you that a number of entrepreneurs have made fortunes in this business.

# Back to the Futures

By Mike Reardon and Jeffrey Landsberg of Imarex Inc., Email: [jsl@imarex.com](mailto:jsl@imarex.com)



The tanker market faces a daunting task, as the supply/demand scenario appears bleak. With worldwide economies showing negative growth prospects, the need for oil dwindles accordingly. OPEC is still keen to get the crude price much higher than it is today – and will therefore decide between additional production cuts, or simply enforcing compliance with those cuts already announced. Either outcome will further reduce the need for tankers over the near to medium term. A light demand schedule is already being seen in the AG lift count for March, where we may only see 75-80 VLCC cargos – about 20 below the norm. The supply of vessels will increase up to 10% this year, providing more than enough steel to carry bulk liquids around the globe. Futures activity has been fair as prices have shown a downward bias alongside a softening physical market. The forward curve confirms the negative backdrop outlined above, as tankers are expected to earn a meager \$24,000/day for the balance of this year.



Dry bulk has lost some momentum this week as softening physical rates have moved futures prices and overall sentiment to the downside. Reports from the Middle Kingdom show that inventories of both iron ore and finished steel products are healthy. The ore negotiations are not likely to provide any clarity to the matter – as both sides can be expected to ensure that their own interests are best protected. The Panamax class had been leading the sector to the upside, though there are reports that a majority of the grain cargos from South America have now been covered. The combination of reduced grain and ore shipments will have the obvious effect of moving spot rates lower. FFA volumes have been fair, with forward prices confirming the specter of a return to softer times.



# DRYBULKWEEKLY

MAR 9, 2009

134 trip fixtures reported,  
2 more than a week ago

38 period deals reported,  
16 more than a week ago

The BDI finished the week at  
2225 points, an increase of 239  
points (12%) from last week

Average Day Rates (as of 3/6)  
Capesize: \$28,485 **-6%**  
Panamax: \$17,855 **+45%**  
Supramax: \$17,653 **+10%**  
Handysize: \$10,221 **+12%**

Iron ore stockpiles at Chinese  
ports total 60.6mt, an increase  
of 1.3mt (2.2%) from last week

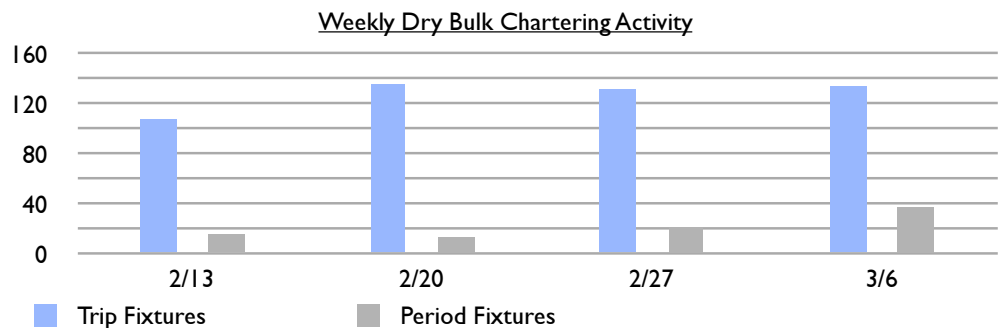
7 vessels scrapped last week;  
scrap prices have increased to  
\$275 - \$295/ldt

Imarex Market Services  
+65.6413.0041  
response@imarex.com

Oslo: +47.2389.4200  
Singapore: +65.6413.005

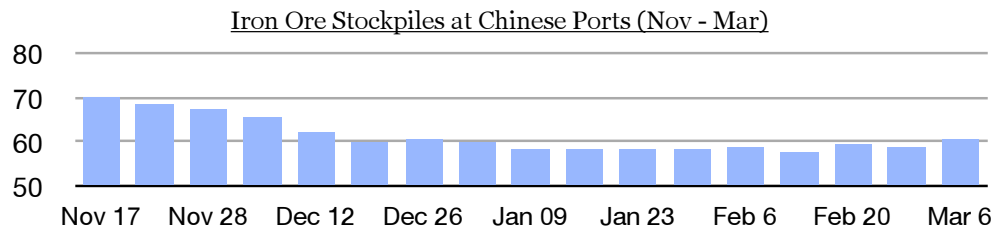
## Most Rates Firming; Period Activity Surging

For the week ending March 6, dry bulk chartering activity increased compared with the previous week. 134 trip fixtures (2 more than last week) and 38 period deals (16 more than last week) were reported. Of the 38 period deals, 5 were for one year or more. A large amount of activity has been focused on hauling grain and coal, although iron ore fixtures also increased significantly towards the end of the week.



## Iron Ore Stockpiles at Chinese Ports Rising

As of March 6, iron ore stockpiles at Chinese ports have increased to 60.6 million tons, an increase of 1.3mt (2.2%) from a week ago.



## Dry Bulk Vessel Scrapping Continues

7 dry bulk vessels were sold for scrap last week. The ships' ages ranged from 25 to 42 years old and were all Handysize vessels. Scrap prices have increased to \$275 to \$295/ldt, roughly \$10 more than last week's levels.

## Thirty-Two Cents on the Dollar?

New details have surfaced regarding Armada's bankruptcy proceedings. The struggling maritime behemoth reported a \$523 million net loss in 2008 and is now working on a plan to pay creditors roughly thirty-two cents on the dollar on all claims owed to them. Without this proposed payout plan, a forced liquidation would allegedly result in creditors receiving only five cents on the dollar. However things go forward, it is very clear that we are not out of the woods just yet. Not even close.

# 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
Calulo Petrochemicals (15%), Adopt-A-School Foundation (10%)		\$28	Grindrod South Africa (GSA)	Grindrod sells 25% of GSA to local business and charity as part of social responsibility obligation. Financed with seller credit.
Arcade SPAC/Conbulk		\$262	10 feeder containerships	Palmosa and Tsakos vessel deal cancelled
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

## 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
★✓ Vietnam Shipbuilding Industry Corporation		\$400			Working capital	In Progress
★ I. M. Skaugen	Fearnley Fonds ASA	\$31	Base Rate+ 6%	2010	Two unsecured FRN denominated in USD and NOK	Completed
STX Panocean		\$107	8.20%	2011	Straight bond issue for working capital	In Progress
China Shipbuilding Development		Up to \$732			To finance newbuildings and replay bank loans	In Progress
Alexander & Baldwin	Prudential	\$100	6.90%	2020	Extension of shelf agreement through 2009. Proceeds to pay down revolver	Pending Approval
Oceanografia	Morgan Stanley, Citi, Dexia, Baker & McKenzie	\$335		2016	144A bond secured by 7 vessels. Proceeds to service existing debt and new acquisitions. 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
BC Ferries	Undisclosed syndicate of investment banks	\$140	6.21%	2012	Undisclosed	In Progress

## Deal Tables & Bond Prices continued

### Equity Deal Table

★ = New

📄 = Updated

✓ = For full analysis see Marine Money's Asia Edition

Issuer	Underwriters / Advisors	Amount (US\$ M)	Structure / Pricing / Comments	Status
★✓ STX Eutope (formerly Aker Yards)			Plans to relist this year	In Progress
✓ Yujin International	Seymour Pierce	\$14.20	Listed successfully on the London AIM	Done
Eagle Bulk Shipping	UBS Securities	\$500	Filed mixed securities shelf registration including ATM to sell up to \$100MM of common stock for vessel acquisitions, capex, debt repayment, working capital, and general corporate purposes	Done
Star Bulk Carriers Corp.		\$250	Shelf registration to issue various securities	Effective
Hurtigruten		\$46	Oslo listed specialty cruise operator looking to raise fresh funds; Approved by bondholders after delay due to creditor consent issues. Pending final approval on 2/20	In Progress
STX Europe (formerly Aker Yards)			Applied for delisting from Oslo Stock Exchange	Done
DVB Bank		\$250	Closed-end fund to focus on opportunistic investments in shipping & offshore. Existing vessels < 15 years. Targeting \$300-400 MM from 5-7 institutional investors.	Launched
OceanFreight	YA Global Master SPV	Up to \$148	Entered into purchase agreement to sell shares over 2 years. Initial proceeds to repay debt related to seller's credit from Economou affiliate	In Progress
Compania Sud Americana de Vapores		\$200	Share sale approved by shareholders in effort to benefit from cheap charter rates and low cost container vessel acquisitions	Approved
BW Gas	Fondsfinans ASA	\$720	Purchasing Bergesen from parent Nordic SE for new shares. Rights offering also to minority shareholders	Announced

### Restructuring Deal Table

★ = New

📄 = Updated

✓ = For full analysis see Marine Money's Asia Edition

Company	Advisors	Banks	Comments
★ Danaos Corporation			Waivers sought for breach of LTV and equity covenants. Dividend suspended.
★ TBS International			Delayed 4Q earnings release pending receipt of waivers for breach of covenants
Golden Ocean	ABG Sundal Collier Norge		Hemen Holding (Fredriksen) makes conditional offer for 2/3 of 3.625% convertible bond issue to remove market adjusted equity ratio covenant
American Commercial Lines		Wells Fargo, Bank of America, JPMorgan, Fortis, National Association	2 year extension of \$550m facility provides for initial reduction to \$475 with annual reductions thereafter. LIBOR spread increased to 550bps with annual 50 bps increase. Fixed charge coverage and total leverage covenants tightened.
	Wighams Capital Partners/ MPC Longberry		Debt restructuring advisory practice formed.
C& Heavy Industries	Lazard, Mirae Asset Securities	Woori Bank	2 PE funds emerge as buyers. Creditors agree to extend workout by one month by rolling over debt.
Oceanaut			Excel sponsored SPAC intends to liquidate and pay out approximately \$8.27 per share. Excel as owner of 20% will write-off \$6m of original \$11m investment.
Excel Maritime			Suspension of dividends concurrent with announcement of two charterers' unilateral decision to reduce hire on 3 vessels by 50%.
Star Bulk			LTV waivers through 2009 obtained in exchange for cash collateral and mortgages on unencumbered vessels. Margin increased to 2%. Dividends and buybacks suspended.

## Bank Debt Deal Table

★ = New

📄 = Updated

✓ = For full analysis see Marine Money's Asia Edition

Borrower	Arrangers / Buyers	Amount (US\$ M)	Pricing / Purpose / Remarks
★ Danaos Corporation	Deutsche Schiffsbank	\$299	Primarily to fund newbuildings.
★✓ Precious Shipping	DnB NOR and 2 other banks	\$100	Extension of existing credit facility for 2nd hand vessel acquisitions
★✓ Precious Shipping	Krung Thai, Bank of Ayudhya and Siam City Bank	\$250	Extension of existing credit facility for 2nd hand vessel acquisitions
✓ STX Pan Ocean	DVB Bank, Fortis Bank, KDB	\$41	5 yr loan
✓ NWS Transport	Bank of China, Calyon, HSBC, Standard Chartered	\$168	3 yr club deal
Navios Maritime Holdings	Deka Bank, Marfin, Egnatia Bank	\$354	10yr \$120m term loan to partially fund 2 capesize newbuildings, 3yr \$34m convertible loan to fund . Navios Vega, 2yr \$200m revolver for general corporate purposes. Spreads range from 190-275 bps. Facilities fund all remaining acquisitions
Aegean Marine Petroleum	HSH Nordbank, Royal Bank of Scotland	\$300	2 yr senior secured revolving and L/C facility. LIBOR+ 50 bps for L/C, +150 bps for Standby L/C, +250 bps for direct borrowings.
Arkas Group	KfW IPEX Bank	\$68	12 yr loan to finance 2x 1,600 teu new building boxships to be delivered in July and September 2009; CIRR hedges rate fluctuations.
BC Ferries	KfW	\$86	12 yr loan at 2.95% rate to fund construction of ferry newbuilding
Lamalco Group	Standard-Chartered Bank, Rabobank, ING	\$125	To refinance existing fleet of 15 AHTS vessels and for new acquisitions

## 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
★ A top ten liner company	TAL International	\$80	Purchase-leaseback in 4Q of 53,000 teu of in-service equipment on LTL.
Ship Finance International	Golden Ocean	\$160	Cancelled sale-lease-back with GOGL for 2 x capesize newbuildings
Overseas Shipholding Group		\$64.50	Sale and bareboat back of 2008 built Aframax tanker (Everglades) for 12 years with purchase options
Overseas Shipholding Group		\$65.60	Sale and bareboat back of 2008 built LR1 product carrier (Palawan) for 12 years with purchase options
✓ 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

## Jefferies – High-Yield Shipping Bonds

	Offer Price	YTW	STW	Maturity	Ratings	Call Date	Call Price
<b>SHIPPING</b>							
<b>CMA CGM (CMACG)</b>							
5.5% Sr Unsecured due '12	36.000	45.30%	4,368	05/16/12	– / BB-	any time	MW+50
7.25% Sr Unsecured due '13	46.000	32.74%	3,111	02/01/13	– / BB-	02/01/10	103.625
<b>Great Lakes Dredge&amp;Dock (GREATL)</b>							
7.75% Senior Notes due '13	86.000	11.65%	977	12/15/13	Caa1 / B-	04/06/09	103.875
<b>Excel Maritime (EXM)</b>							
1.875% Sr Unsecured due '27	16.000	41.59%	3,944	10/15/27	– / –	10/22/14	100.000
<b>Horizon Lines (HRZ)</b>							
4.25% Sr Unsecured due '12	48.250	29.05%	2,756	08/15/12	Caa1 / B-		
<b>Navios Maritime (BULK)</b>							
9.5% Senior Notes due '14	64.000	20.38%	1,816	12/15/14	B3 / B+	12/15/10	104.750
<b>Royal Caribbean Lines (RCL)</b>							
8% Sr Unsecured due '10	83.813	24.52%	2,379	05/15/10	Ba2 / BB		
8.75% Sr Unsecured due '11	73.500	27.58%	2,666	02/02/11	Ba2 / BB		
7% Sr Unsecured due '13	54.000	25.18%	2,344	06/15/13	Ba2 / BB		
6.875% Sr Unsecured due '13	54.000	23.47%	2,161	12/01/13	Ba2 / BB		
5.625% Sr Unsecured due '14	47.000	25.95%	2,376	01/27/14	Ba2 / BB		
7.25% Sr Unsecured due '16	53.025	19.65%	1,697	06/15/16	Ba2 / BB		
7.25% Sr Unsecured due '18	48.000	19.87%	1,699	03/15/18	Ba2 / BB		
7.5% Sr Unsecured due '27	44.550	17.79%	1,452	10/15/27	Ba2 / BB		
<b>Ship Finance International Ltd. (SHIPFI)</b>							
8.5% Senior Notes due '13	64.500	20.50%	1,853	12/15/13	B1 / B+	04/06/09	104.250
<b>Stena AB (STENA)</b>							
7.5% Sr Unsecured due '13	77.000	14.46%	1,253	11/01/13	Ba2 / BB+	11/01/09	102.500
7% Sr Unsecured due '16	73.000	12.55%	981	12/01/16	Ba2 / BB+	12/01/09	103.500
6.125% Sr Unsecured due '17	50.000	18.36%	1,543	02/01/17	Ba2 / BB+	any time	MW+50
5.875% Sr Unsecured due '19	45.000	17.95%	1,480	02/01/19	Ba2 / BB+	any time	MW+50
<b>Trailer Bridge (TRBR)</b>							
9.25% Sr Secured due '11	82.000	17.97%	1,673	11/15/11	B3 / B-	04/06/09	104.625
<b>Ultrapetrol Limited (ULTR)</b>							
9% 1St Mortgage due '14	64.000	19.79%	1,759	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
<b>SUPPLY VESSELS</b>							
<b>Gulfmark Offshore (GMRK)</b>							
7.75% Sr Unsecured due '14	75.700	14.41%	1,234	07/15/14	B1 / BB-	07/15/09	103.875
<b>Hornbeck Offshore Services (HOS)</b>							
6.125% Senior Notes due '14	75.000	12.33%	1,013	12/01/14	Ba3 / BB-	12/01/09	103.063
<b>Seabulk International (SBLK)</b>							
9.5% Senior Notes due '13	100.000	9.49%	836	08/15/13	Ba1 / BBB-	04/06/09	104.750
7.2% Sr Unsecured due '09	100.500	6.20%	575	09/15/09	Ba1 / BBB-	any time	
5.875% Sr Unsecured due '12	88.000	9.96%	843	10/01/12	Ba1 / BBB-	any time	
<b>TANKERS</b>							
<b>Berlian Laju Tanker</b>							
7.5% Senior Notes due '14	20.000	55.97%	5,396	05/15/14	- / CCC+	05/15/12	103.750
<b>Golden State Petro (GOLDEN)</b>							
8.04% 1St Mortgage due '19	107.400	6.99%	402	02/01/19	Baa2 / BBB	any time	MW+37.5
<b>Overseas Shipholding Group (OSG)</b>							
8.75% Sr Unsecured due '13	90.000	11.55%	968	12/01/13	Ba1 / BB	any time	MW
7.5% Sr Unsecured due '24	68.000	12.21%	906	02/15/24	Ba1 / BB	NC	NC
<b>Titan Petrochemicals (TITAN)</b>							
8.5% Senior Notes due '12	18.000	93.42%	9,205	03/18/12	Caa2 / CCC-	any time	MW+100
<b>Teekay Shipping (TK)</b>							
8.875% Senior Notes due '11	88.000	15.11%	1,401	07/15/11	B1 / BB	any time	MW+50
<b>US Shipping Partners (USS)</b>							
13% Sr Secured due '14	20.000	74.44%	7,234	08/15/14	C / NR	02/15/11	106.500

**Marine Money** is the premier provider of maritime finance transactional information and maritime deal analysis. Relied upon by shipowners, financiers, investors, ship managers, brokers, lawyers and accountants for the past 20 years, **Marine Money International** through its publications, studies and conferences has bridged the gap between shipowners and the international capital markets. Our goal is to make you money, save you money and provide access to investment opportunities and the most cost efficient sources of global capital.

## PUBLICATIONS

Annual subscription to **Marine Money** includes:

1. **Marine Money Magazine** (8 magazine issues per year, including the annual Awards Issue, the Rankings of publicly traded shipping companies, the definitive Debt Finance report, the world's most complete ship finance directory of capital providers, plus a year end CD compiling a year's worth of **Marine Money** conference presentations – an invaluable resource.)
2. Access to **Marine Money's Archive** via [www.marinemoney.com](http://www.marinemoney.com)
3. **Marine Money Freshly Minted Weekly** (published electronically every week)
4. **Marine Money Asia Edition** (published electronically bi-weekly)
5. Discounted delegate fee on ALL **Marine Money Events**

One Year: US\$1,490, Two Years: \$2,286 Three Years: \$2,883

(Outside North America, please add \$200 postage for express hand delivery service.)

(Connecticut Residents please add 6% Sales tax.)

Through our publications: **Marine Money Magazine**, **Marine Money Asia** (our bi-weekly internet newsletter focused on Asia), and **Marine Money Freshly Minted** (our weekly news letter focused on Europe and North America), we give you in-depth analysis of the latest deals, including structures, pricing and financing techniques used as well as details on the lenders, principals and investors involved. From single ship transactions to capital markets financing, we at **Marine Money** are in the market every day learning everything we can for our readers who are interested in capital formation for the maritime transportation industry.

## CONSULTING SERVICES

**Marine Money** has extensive experience representing both shipowners and providers of capital in vessel financing transactions. From major consulting projects for Governments and NGOs, to advising on optimal financial structures to writing the industry portion of public prospectus, **Marine Money**, its extensive transaction database and the knowledge and experience of its editorial and research team deliver value.

**MARINE MONEY FORUMS AND CONFERENCES**

As the premier provider of ship finance news, data and analysis, Marine Money hosts the world's most important ship finance forums and conferences. Whether we are in New York, Tokyo, Greece, Singapore, Oslo or anywhere else where the formation of capital for shipping is taking place, Marine Money conferences provide the most educational and best networking opportunities available in the industry.



March 25	2nd Ann. Hong Kong Ship Finance & Investment Forum	Hong Kong
April 30	6th Ann. Istanbul Ship Finance Forum	Istanbul
May 26	4th Ann. Japan Ship Finance Forum	Tokyo
June 11	11th Ann. Norway Ship & Offshore Finance Forum	Oslo
June 23-25	22nd Ann. Marine Money Week	New York City
September 22	2nd Ann. Super Yacht Finance Forum	Monaco
September TBA	8th Ann. Marine Money Week Asia	Singapore
October 15	10th Ann. Marine Finance Forum–Americas	New York City
October TBA	11th Ann. Greek Ship Finance Forum	Athens
November TBA	3rd Ann. Dublin Ship Finance & Investment Forum	Dublin
November TBA	3rd Ann. Korea Ship Finance Forum	Seoul
November TBA	6th Ann. Marine Finance Forum–Latin America	Miami

**FOR MORE INFORMATION PLEASE CONTACT:  
Marine Money International**

Phone: +1.203.406.0106  
Email: [conferences@marinemoney.com](mailto:conferences@marinemoney.com)

Fax: +1.203.406.0110  
Web: [www.marinemoney.com](http://www.marinemoney.com)

# MARINE MONEY SUBSCRIPTION FORM

INTERNATIONAL

Annual subscription to Marine Money includes:

1. Marine Money Magazine (8 issues per year plus a year end DVD)
2. Access to Marine Money's Archive
3. Marine Money Freshly Minted Weekly (published electronically every week)
- NEW!** 4. Marine Money Asia Edition (published electronically bi-weekly)
5. Discounted delegate fee on ALL Marine Money Events

One Year: \$1,490       Two Years: \$2,533       Three Years: \$3,576

*(Outside North America, please add \$200 postage per year for express hand delivery service.)*

*(Connecticut Residents please add 6% Sales tax to Marine Money Magazine and Marine Money Online.)*

Subscription commencement date: \_\_\_\_\_

Mrs./Ms./Mr./Dr./Capt. \_\_\_\_\_  
First Name Last Name

Company \_\_\_\_\_ Job Position \_\_\_\_\_

Address \_\_\_\_\_

*International subscribers must provide a street mailing/delivery address as the magazine is delivered by hand via a courier service to the subscriber's door.*

City \_\_\_\_\_ Region/State \_\_\_\_\_ Postal/Zip \_\_\_\_\_ Country \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_

Credit Card # \_\_\_\_\_  Amex  MasterCard  Visa  Diners Club

Credit card security code – 3 or 4 digit number located on the back of card \_\_\_\_\_

Signature \_\_\_\_\_ Expiration \_\_\_\_\_

### 3 easy ways to process your subscription...

**FAX** your completed form to +1 (203) 406-0110. We will acknowledge your fax with an invoice.

**PHONE** +1 (203) 406-0106. We accept American Express, Master Card, Visa and Diner Club.

**MAIL** your completed form, along with a check in US dollars drawn on a bank with a US branch, to:

International Marketing Strategies, Inc., One Stamford Landing, Suite 214, 62 Southfield Avenue, Stamford, CT 06902 USA

Please make checks payable to International Marketing Strategies, Inc. in US dollars drawn on a bank with a US branch.

**Email: [info@marinemoney.com](mailto:info@marinemoney.com)**