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The Week in Review

Life in the Equity Markets!

Knowing full well that when you need money you can't get it, **DHT Maritime**, following quickly on the heels of **Teekay LNG's** share offering earlier in the week, announced a secondary offering of its own on Thursday. Originally targeting the retail market, the offering was initially set at 6 million shares, but was priced to attract institutions resulting in the offer being upsized to 9 million shares as institutions joined in. The offering price was \$4.35, a discount of approximately 8.8% from Thursday's closing price. Net proceeds were approximately \$37 million. After the offering, the stock traded down 4.6% on Friday closing at \$4.15.

Concerned about the future of the tanker market, and in particular asset values, the company, in offering these shares, was exercising caution. The offering bolsters its balance sheet and provides a cushion at a time when tanker

valuations may weaken as rates decline. This concern is compounded by the fact that valuations are difficult as few sales are occurring and a wide gap exists between bid and ask prices. Through the offering, the company has preempted the possible breach of the bank's LTV covenant as well as a restriction on dividends also based upon that measure. Despite these concerns, DHT remains liquid with strong cash flow from a creditworthy counterparty.

The price of sobriety and added flexibility is that the transaction is dilutive until the money is spent. The company is also comfortable with the transaction from this perspective as they believe they could put the money to work in transactions today that would be accretive and expect even better opportunities in the future.

Concerns about the availability of credit remain at the forefront of everyone's thinking these days and, in this particu-

Guts Of the Deal - DHT Maritime

Issuer	DHT Maritime Inc.
Number of Units	9,000,000
% of Total O/S Units	18.7%
Offering Price	\$4.35
Deal Size	\$39,150,000
Overallocments	1,350,000
With Over-Allotment	\$45,022,500
Primary Shares	All
Dividend Policy	Fixed quarterly dividend set by BOD
Use of Proceeds	General corporate purposes, including vessel or business acquisitions, or other strategic alliances, repay borrowings, capex and working capital
Credit Facility	\$420 million
Cost of Debt	LIBOR + 0.70% to 0.85%
Lender	The Royal Bank of Scotland
Investment Banks	UBS, Merrill Lynch and Citi
Issuer's Counsel	Reeder & Simpson and Cravath, Swaine & Moore
Underwriter's Counsel	Seward & Kissel
Accountants	Ernst & Young
Stock Exchange	NYSE
Ticker	DHT

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lar case, influenced the use of proceeds. Unlike Teekay LNG, DHT does not have a revolver and therefore will leave the entire proceeds on its balance sheet. Concerned that it may not be able to re-borrow amounts prepaid, the company prefers instead to leave it liquid rather than to pay down some debt. In that way, the cash will be available for acquisitions as well as to cure any defaults, if they should arise. Then, there are the limitations on acquisitions imposed by a lack of availability of leverage. How do you make your money go further? In its description of the use of proceeds, the company mentioned, in addition to the usual uses, the possibility of strategic alliances.

In a world of immediate gratification, managing for the long-term has a price. They were the first to change their dividend model from full payout to a fixed dividend seeing the shortfalls in the former and their share price suffered as investors exited. Here, too, we believe they opportunistically seized an opportunity that will position them well for the future. Unfortunately, in the short-term it will cause pain as shareholders look at the immediate dilution instead of the strengthened balance sheet. There are leaders and followers in every human activity. This company is one of the leaders, which will ensure its survival going forward.

Sayings of Captain Wei

At his press conference at CMA last week, **Captain Wei**, the President of **COSCO**, reminded us that while cash may be king, generally, in shipping, cargo is king. He is an unabashed spokesman for China and for globalization. The latter is essential to keep world trade growing, with his greatest fear being the reversion to protectionism. The world benefits when manufacturing is located at the nexus of the lowest cost of production. Based upon his discussion it is clear that the Chinese Government is carefully managing its economy and that **COSCO**, as you would expect, plays a key role. He told the story of being at a meeting with the Chinese Premier Wen Jiabao, who asked him about the omnipresent BDI and how **COSCO** was faring.

Captain Wei remains optimistic about the markets noting that for the first time in months, electric consumption in China increased 1.44%, which he suggests heralds the recovery of the bulk markets by the end of the year. He is not as hopeful with respect to containers, which are dependent on global trade.

We congratulate **CMA** on the selection of a great and worthy Commodore to enter its pantheon of shipping leaders. We enjoyed his inauguration as much as he did.

Learning From the Master

Seadrill, last week, acquired an 80.2% interest in the **Petromena** NOK 2,000 million bond loan. The bond loan is secured by two new deepwater rigs that have scheduled deliveries from the Jurong shipyard in April and September this year. Seadrill has invested NOK 1,100 million in the bond loan, which gives a credit exposure of substantially less than US\$400 million per rig.

The Company considers the position in the bond loan as an attractive low risk investment in assets where Seadrill has strong expertise and knowledge. Seadrill has, in the last year, taken delivery and successfully commenced operations for two rigs of similar design from the same yard and have, in addition, two further units under construction at the yard for delivery in 2010 and 2011. The investment in the bond loan will provide a direct yield of 14.2 percent and a yield to maturity of 26.2 percent. If a situation should arise where Petromena is not in the position to finance the rigs or repay the amounts due to the Bondholders in accordance with the existing loan agreements, Seadrill might be prepared to assist the projects with senior financing and operational expertise in order to maximize the recovery to bondholders.

Messrs. Fredriksen and Troim, despite their issues with Golden Ocean, don't miss an opportunity and they make a good return while they wait.

Learning From the Master – Part II

On the other hand, Mr. **Fredriksen's** investment in **Golden Ocean Group** ("GOGL") is not faring as well, but is well on its way to a cure as Messrs **Fredriksen** and **Troim** continue to work their magic. It appears that they have restructured the company's obligations while restoring the balance sheet back to health. And there was nothing mystical about it as all the players contributed by enduring pain in the short-term, hopeful of a recovery in the long-term.

With the assistance of **Fearnley Fonds, DnB Nor Markets, Nordea Markets, First Securities, Platou Securities, Arctic Securities**, and **ABG Sundal Collier**, the company issued 180 million (upsized from 165 million due to demand) new shares at a subscription price of NOK 4.10 per share resulting in gross proceeds of approximately \$110 million of new equity. The offering was underwritten by Mr. Fredriksen's **Hemen Holdings**, which was allocated 72 million shares. Post-offering, Hemen's interest will remain basically unchanged at 40%.

Having offered to buy back its convertible bonds at 35% of par, GOGL found Hemen was the only willing seller of the five significant holders. The effect of this transaction is to reduce the company's debt by \$155 million, while generating net income of \$96 million in Q2 2009. Only these two gentlemen can make a silk purse out of a sow's ear.

As a pre-condition to the equity offering, the shipyards had to agree to a restructured orderbook and they certainly absorbed their fair share of pain. The restructuring involved a total of nine vessels and included postponements of delivery dates, cancellations and the transfer of a number of vessels into a single purpose company that can be project financed. Could this perhaps be the alter ego of **Ship Finance**? All told, the company's financial commitment to the shipyards was reduced by approximately \$350 million.

The banks' contribution was simple but crucial. The terms on the loan agreements were altered so that the company could draw down on its existing facilities. In addition, covenants were amended to give the company flexibility going forward.

As a consequence of the agreements with the banks and shipyards, the company's entire newbuilding program except for three Kamsarmax, all of which have 10-year time charters attached, and one Capesize to be delivered in 2012, have secured external financing.

A healthy balance sheet, liquidity, reduced debt and a viable capex program are just what the doctor ordered. Add to those, visible earnings in the Capesize and Panamax sectors that respectively show open fleet days of 10% and 40% for 2009/2010. And, by restructuring in line with these contracts, the company will be able to generate positive cash flow after debt service and capex should the market rates for both segments be as low as \$15,000 and \$7,000 per day respectively. Combine all this and you have a company ideally positioned to cover the downside and enjoy the upside when the market bounces back.

GOGL will surely live to fight another day.

Managing Expectations

Over the weekend, **TBS** announced it had secured waivers of certain covenants with respect to its outstanding credit facilities with its syndicate of lenders led by **Bank of America**, its syndicate of lenders led by **The Royal Bank of Scotland** and its syndicate of lenders led by **DVB Group Merchant Bank**, as well as its loan agreements with

AIG Commercial Equipment, Commerzbank AG, Berenberg Bank and Credit Suisse (the " Financing Facilities ").

The company initiated discussions with its lenders to obtain waivers as a result of the current market conditions with a specific focus on the market value of vessels. The Financing Facilities were modified to provide a waiver through December 31, 2009 of loan-to-value and other financial covenants, provided that the company satisfies new covenants, including minimum end of month cash balances of not less than \$40.0 million and a minimum ratio of EBITDA to interest expense. In addition, TBS prepaid all the principal installments that would have been due under the term loan facility this year. This reduced the total non-construction related debt to \$247.5 million.

The company is now in position to report its earnings with a clean opinion from its auditors.

Going Concern?

On Monday, **DryShips** filed its annual report for last year, which included unqualified audit opinions from **Deloitte, Hadjipavlou, Sofianos and Cambanis** on the company and **Ernst & Young (Norway)** on its subsidiary, **Ocean Rig**. However both opinions assume a "going concern," despite breaches in financial covenants, questions about its ability to meet its financial needs and negative working capital.

Unlike TBS, mentioned earlier, the company did not obtain its waivers prior to the issuance of the financial statements. The inability to obtain resolution is likely attributable to the multiplicity of lenders as well as the different prospects for the shipping and off-shore businesses. Footnote 11 to the financial statements lists 13 current credit facilities. Dryships is the obligor on 12 of which 2 relate to Ocean Rig (share purchase and construction loan). The last is an Ocean Rig credit facility. While the spin-off of Ocean Rig sounds logical and appealing, the equity value in its assets and excess cash flows are too valuable to be let go by the DryShips lenders particularly in light of the DryShips' guarantee of the Ocean Rig debt. In light of these complicated interrelationships an unwinding seems unlikely.

As of year-end, DryShips was in breach of the LTV, minimum net worth and other covenants contained in its loan agreements related to \$1.8 billion of the company's debt. The fact that the company is in breach of the covenants could result in an event of default and the

acceleration of the loan. Consequently, the company has classified the related debt as current. In total, the company's current portion of long-term debt is approximately \$2.4 billion with the long-term portion at \$0.8 billion.

DryShips continues to negotiate with its lenders to obtain the necessary waivers as well as restructure the debt. Provided the company continues to pay interest and installments as they come due under the existing credit facilities, the company believes the lenders will not demand payment of the loan before maturity. These obligations are expected to be met from internally generated cash flow as well as equity offerings such as the existing \$500 million ATM. As of March 6, the company has raised net proceeds of \$370.5 million from this offering. However, the cash flow from operations and the maximum proceeds from the ATM are insufficient to repay the entire debt if accelerated.

Under the assumption of a going concern, the financial statements have been prepared without any adjustments relating to the recoverability and classification of the assets, the amounts and classification of liabilities, or any adjustments necessary should the company be unable to continue as a going concern except for the current classification of debt mentioned earlier.

Unlike Mr. Fredriksen, Mr. Economou, as yet, has not stepped up and his prior history suggests he is unlikely to do so. And why should he? His interests in the private entity were fully disclosed. Both entities are surely bleeding. Where would you put your money?

More to Come?

Last Friday, **BW Gas** conceded. Following a tepid response by the minority shareholders to the rights offering, the **Sohmen** family plans to take BW Gas private through its investment vehicle, **World Nordic**, which has recently increased its stake to 94.7%. Additionally, it is giving the minority shareholders, although not obligated to do so under Bermudan law, an exit opportunity by making an offer for the remaining shares.

Although the market for gas carriers has not been kind, the write-off of the bulk of its equity as a consequence of the change in Norwegian tax law was certainly a contributing factor. If the Norwegian court rules in its favor, as it likely should, this will be a classic example of winning the battle, while losing the war.

FREE at Last

FreeSeas Inc. has joined the rest of its peers in modifying its loan agreements by obtaining waivers from each of its lenders and refinancing a portion of an existing loan facility.

Credit Suisse has agreed to waive the any potential breach of the LTV covenant on its reducing revolving credit facility (\$79.3 million) from October 1, 2008 to March 31, 2010. In exchange the company will make a partial prepayment in the amount of \$5 million by July 31st.

First Business Bank has agreed to waive any breaches of the same covenant under its term loan (\$24 Million) from December 31, 2008 to January 1, 2010.

Finally, **Hollandsche Bank – Unie** (“HBU”), with \$49.6 million in total facilities outstanding, agreed to waive any breaches of the LTV from October 1, 2008 through July 1, 2010. Moreover, they have also agreed to amend the ratio going forward on all its facilities as follows:

- 100% on July 1, 2010
- 110% on July 1, 2011
- 120% on July 1, 2012
- 125% on December 31, 2012

HBU also agreed to refinance a \$27.1 million balloon payment due on August 1st on the M/V *Maverick* replacing it with a 3.5 year facility, which is payable in 13 quarterly installments of \$600 thousand with a final balloon of \$19.3 million payable on November 1, 2012.

We tip our hat to **Mr. Varouxakis** who has positioned his company to issue an unqualified opinion, eliminated any risk of default at least from the perspective of the LTV covenant for at least a year and eased its principal repayment schedule. All this for foregoing the payment of dividends which cash will be used instead to pay down debt.

Market Commentary

Gleanings from Capital Link

Following the CMA, Capital Link held its 3rd Annual Invest in International Shipping Forum at the Metropolitan Club, which was overflowing for much of the day. There were general presentations, panels as well as company presentations. The following were our main takeaways from this forum.

The container sector has been the hardest hit and so we listened with great interest to that panel led by **Ken Hoexter** of **Banc of America Securities-Merrill Lynch**. The panelists included **Gerry Wang** of **Seaspan**, **Aristides Pittas** of **Euroseas** and **Dimitri Andritsoyiannis** of **Danaos**. The collapse of the market is attributable to simple supply and demand. Overbuilding joined with reduced demand resulting from a slowdown in consumer buying. Mr. Wang believes this is a 12 to 18 month problem with 2012 to 2014 being good years. The lines will survive as they exercise self-help by utilizing alliances, like the airlines. Slot sharing is not as effective as filling a single ship instead of having two partially filled. Mr. Andritsoyiannis espoused the certainty that globalization will continue and that the containership is the only way to efficiently move finished goods. Mr. Pittas reminded everyone that it is a cyclical business and the good market will return. He plays the market more than his fellow panelists. He operates his smaller ships on shorter-term charters taking advantage of good markets and laying up vessels when the market is bad. He currently has three ships in lay-up and is relying on his solid balance sheet to get his company through the downturn.

Mr. Wang sees a number of supply mitigants:

- Newbuildings have been deferred or postponed
- The shortage of capital means some portion of the orderbook will not deliver. The fact that banks are not there is the number one issue facing the industry today. He suggests that banks are lending only 5-10% of the amounts they lent the year before.
- Containership conversion
- Scrapping
- Transit the Cape of Good Hope versus the Suez Canal
- Oil price increase will lead to larger strings on services

Mr. Andritsoyiannis noted that approximately 10% of the containership fleet of 5,000 was in lay-up. However, Mr Wang made the strong distinction that this was not lay up in the sense of de-activating vessels but instead represented idle waiting, with the ships being able to be activated immediately.

A large number of the participants left the main room to head upstairs to hear the dry bulk presentations moderated by **Kevin Sterling** of **Stephens**. **Ted Petrone** was on message reminding the audience that **Navios Holdings** (“Navios”) was the low cost operator of a modern fleet. We also saw the benefits of Ms. Frangou’s financial engineering when he disclosed that the dividends Navios receives from Navios Partners covers 75% of Navios’ dividend. Finally, Navios feels somewhat optimistic with respect to the market. By their calculations the orderbook is very soft with slippage over 50% and record scrapping occurring this year. **George Syllantavos** of **Star Bulk** explained that the shelf registration was the outcome of the original SPAC and that the company had no current pressing need for liquidity, having come to terms with the banks regarding covenants. He is also happy to have been financed by German banks that have bigger issues with their local clients.

Robert Bugbee of **Scorpio** began his tanker panel outlining the bull and bear cases for tanker stocks. The bull case rides on hope. The bear case is more widely known and includes:

- \$290 billion unfunded newbuildings
- Reduced banking activity
- No IPO offerings as all stocks are trading at a discount to NAV
- Rates are falling impacting cash flow.

Jeffrey Pribor noted that **Genmar** was prepared for the down market with 77% of the fleet hedged. **Marco Fiori** of **d’amico International Shipping** expressed the opinion that the market might turnaround in the second half.

All the presenters, including Genmar, **Capital Product Partners**, d’Amico, **Omega** and **Tsakos**, are currently paying a dividend. Mr. Pribor noted that Genmar continues to pay a dividend, which is set by its Board of Directors and not the banks. Genmar is not an MLP so the payment of dividends is a choice. Currently, based upon self-imposed low growth, the dividend is higher. If buy side opportunities arise, the company will consider a high growth model with a lower dividend. **Nikolas Tsakos** said that Tsakos was a low dividend payer with the company paying out 25% to 50% of net income, although the chairman and his wife are pressing him to pay out more. Liquidity and cash are key drivers.

In response to a question about the stewardship of capital, Mr. Pribor highlighted transparency and governance. The company must act in a way to provide the greatest value to shareholders.

Dividend and share price appreciation will necessarily follow. For d'Amico's Marco Fiori, stewardship implied ensuring the long-term survivability of the company.

As a good friend suggested: you know banking is in a sad state of affairs when the two principal speakers preface their remarks by updating the audience on the status of their respective institutions.

Dan Rodgers of **Watson, Farley** moderated a panel consisting of **Robin Das** of **HSH Nordbank** and **Harris Antoniou** of **Fortis Bank Nederland**. Both pricing and the related cost of funds remain a major issue for the banks. Mr. Das observed that the market is illiquid with too few transactions to establish a benchmark.

In the background of the pricing issue is the banks' cost of funds. Banks are trying to pass on their funding costs based upon where they fund themselves. Mr. Das gave an example of the government bonds, which HSH Nordbank uses. The cost is in excess of LIBOR, which does not include the guarantee fee they have to pay. Mr. Antoniou also highlighted the fact that European banks, which provide the bulk of funding for the U.S. companies, have a liquidity issue with respect to getting U.S. dollars, which is also an increased cost.

There are few instances thus far of "hard" rather than "soft" defaults. Shipping companies have had a good run and there is liquidity to help. Banks much prefer the default be cured and by being cured, the client, most importantly, can keep a favorable deal in place.

Mr. Antoniou suggested that shipping investments, for the moment, are not as competitive as other alternative investments for private equity. He gave the example of purchasing toxic assets from the government with 50% financing provided by the government.

The mood of the conference was best described by the following exchange that we overheard:

"How is the market treating you?"

"We pay our bills."

The "New" Delphic Oracle

Lately, it is impossible not to be inundated with news of the BDI in whatever business media you listen to or read. Now, even **GE** sees it as a leading indicator. In an article appearing in Tuesday's FT, Richard Milne wrote: "GE has started to see the first glimmers of hope in the world economy." Among the many signs of life, Nani Beccalli, the CEO of GE International, refers to is "...the recent rise in the Baltic dry shipping index, which acts as a proxy for global trade..."

To us, this is rather scary as current data confirms that while BDI was booming we were sinking into the current recession. BDI be damned, let's head to Delphi.

The Chinese Establish a Beachhead

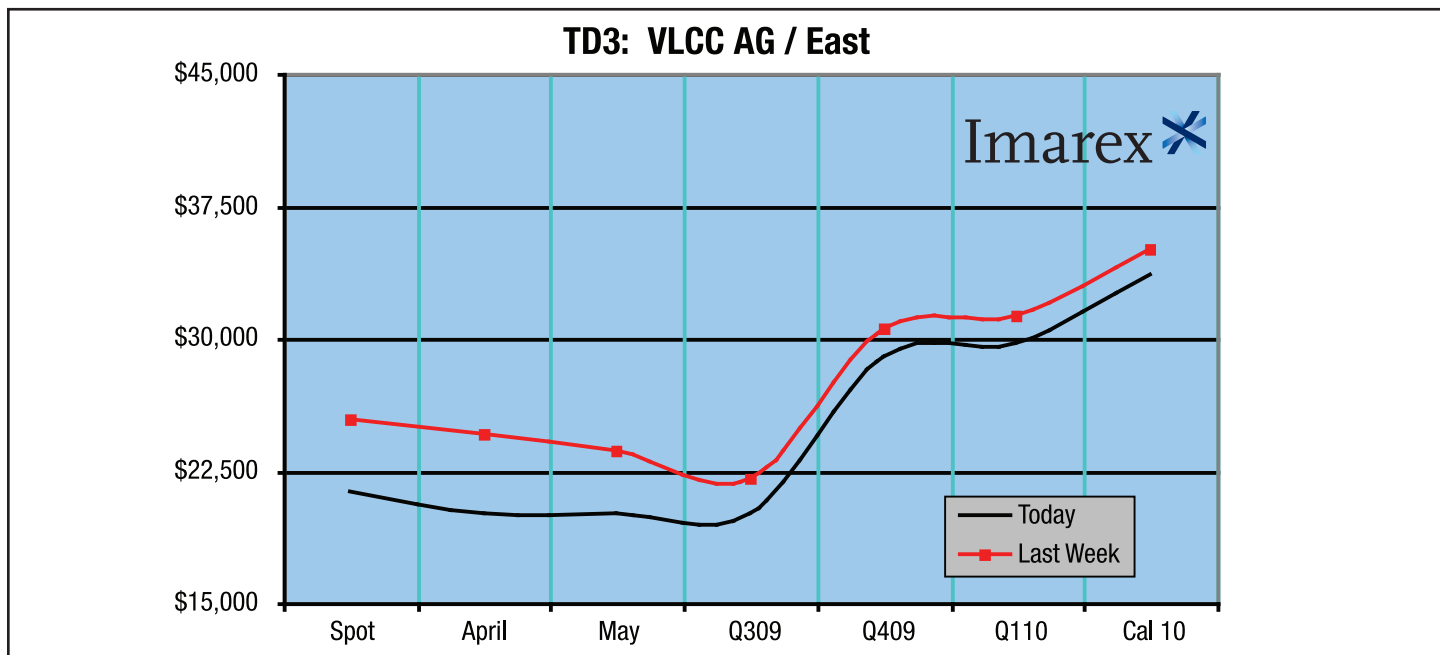
On Tuesday, Australia's Foreign Investment Review Board and Federal Treasurer gave regulatory approval for **Hunan Valin Iron and Steel Group Co.** ("Valin") to acquire 260 million new shares in **Fortescue Metals Group** ("FMG"), at a purchase price of AUD 644.8 million, thereby increasing its holdings to 17.4%. The level of ownership is below the 17.55% limit agreed between the parties. The proceeds will strengthen FMG's balance sheet as the company consolidates its base 55 million ton per annum infrastructure platform.

Structured so that it would be a model for investment from China, the structure is simpler than the **Chinalco** investment in **Rio Tinto** requiring only that the Valin's representative on the board, Chairman Li Xiaowei, recuse himself from marketing and pricing decisions.

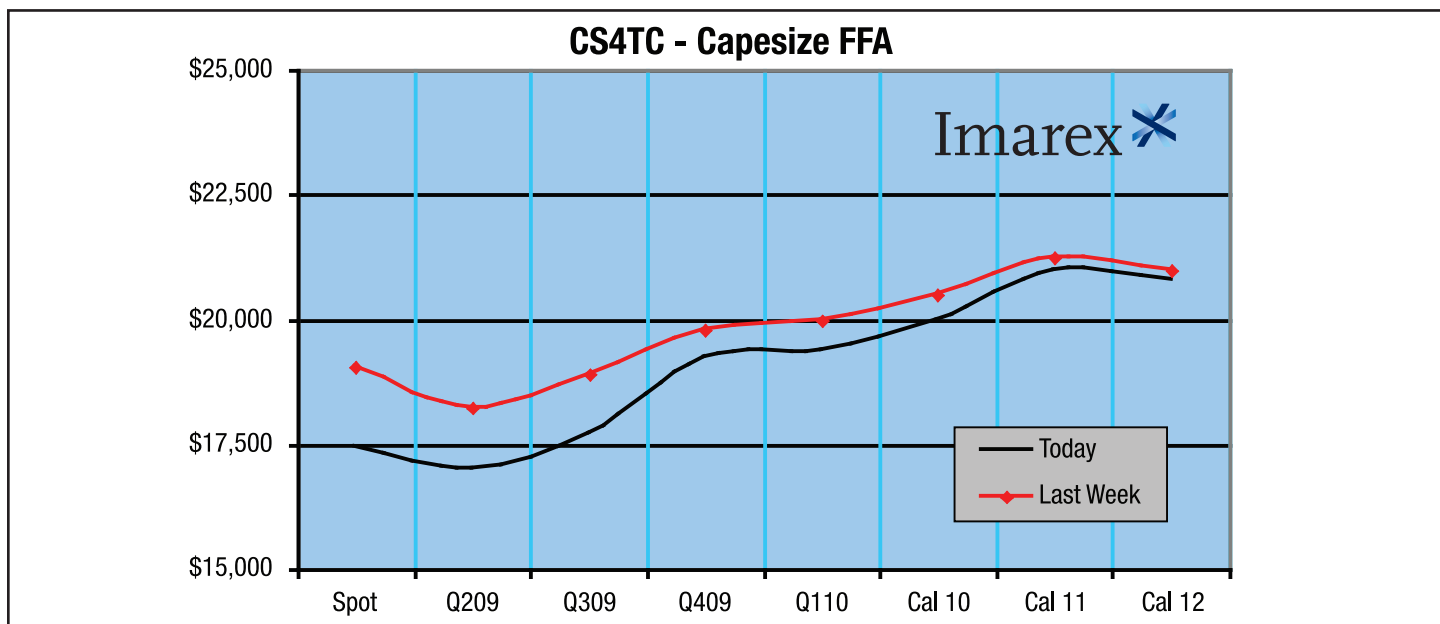
For the moment, the Rio Tinto/Chinalco and Minmetals/Oz Minerals transactions await approval and the world waits to see whether China's appetite in Australia has been sated and, if so, where it will next spend its cash horde.

Back to the Futures

By Mike Reardon and Jeffrey Landsberg of Imarex Inc., Email: jsl@imarex.com



The tanker market continues its slow and steady descent as threadbare activity has been met with abundant tonnage. All told, things could be a lot worse. With OPEC production cuts seeing a surprising amount of compliance while a healthy orderbook rolls out of the yards, Owner's are putting up a good fight. We have come to expect this in the tanker world and have seen countless examples of Owners "playing above the rim". They will need to stay in battle mode until demand is able to return. The AG fixture count is currently about 36, leaving us just under the halfway mark, though in this market – no one has any realistic idea as to what the final tally might be. Futures volumes have been light, as the measured decline of the physical market has provided minimal volatility. The forward curve portends a dismal year, with the balance of 2009 expected to fetch about Worldscale 35 for TD3, which equates to a \$25,000/day TCE. Let's not forget, however, that few had expected this year to be good for tanker Owners in the first place.



Dry bulk continues its slow retreat. With demand for grain and ore liftings slowing, physical rates have witnessed a steady erosion. Though this is preferable to the kind of rate crash we have seen in the past, it unfortunately implies that a global turnaround is not imminent. The world now watches the Baltic Dry Index with a discerning eye in order to possibly determine just when an upturn might be at hand – though the recent slide in dry freight rates would indicate any such move north is not to be had today. Fleet growth is of course a major concern for this sector, as 2009 will see a solid delivery schedule despite delays and cancellations. High inventories of ore and steel in China also paint a bleak picture, as any near-term demand surge would have to eat through the current supply of existing stockpiles before we would see sustainable ship fixing activity.



DRYBULKWEEKLY

MAR 30, 2009

119 trip fixtures reported,
6 less than a week ago

3 period deals reported,
4 less than a week ago

The BDI finished the week at
1678 points, a decrease of 104
points (-6%) from last week

Average Day Rates (as of 3/27)

Capesize: \$18,464 **-8%**
Panamax: \$11,950 **+1%**
Supramax: \$13,987 **-13%**
Handysize: \$10,240 **-7%**

Stockpiles of iron ore at
Chinese ports have grown to
67.44mt, an increase of 2.44mt
(3.7%) from last week

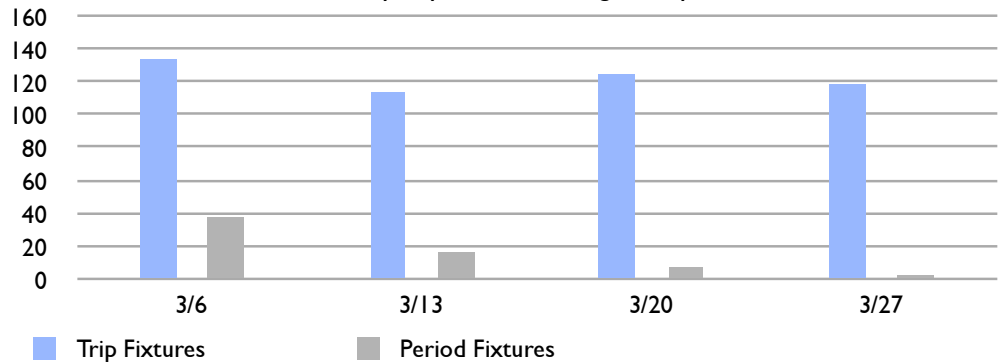
Additional iron ore will likely
come into Chinese ports in the
next few days

Regional thermal coal prices
have collectively increased by
over 7% w-o-w; Indian iron ore
prices may finally be firming
as well

Period Activity Virtually Nonexistent

For the week ending March 27, spot chartering activity decreased slightly compared with the previous week, while period activity was virtually nonexistent. 119 trip fixtures (6 less than last week) and 3 period deals (4 less than last week) were reported. None of the period deals were for a year or more. The dearth of period deals is a strong indication of negative sentiment taking hold in the market.

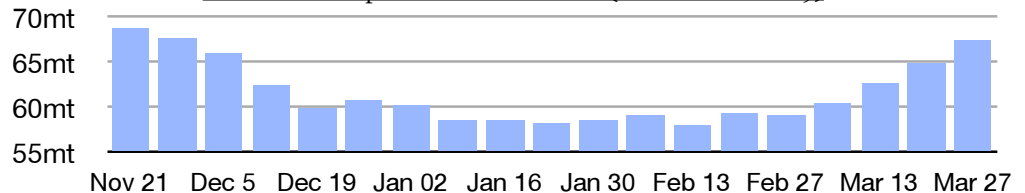
Weekly Dry Bulk Chartering Activity



Iron Ore Stockpiles at Chinese Ports Rising

The amount of iron ore stockpiled at Chinese ports now totals 67.44 million tons, 2.44mt (3.7%) more than last week. More ore is expected to come into China in the next few days as several dry bulk vessels are still moored off of the Chinese coast waiting to unload new payloads of iron ore.

Iron Ore Stockpiles at Chinese Ports (Nov '08 - Mar '09)



Dry Bulk Commodity Prices Possibly Firming

Although dry bulk freight rates have continued to fall, various dry bulk commodity prices show signs of firming. Regional thermal coal prices are up collectively by over 7% week-on-week, including DES ARA (destination Amsterdam, Rotterdam, or Antwerp) prices up by more than 11% and the price of coal from Richards Bay up by more than 8%. Indian iron ore prices may finally be firming as well. Indian iron ore spot prices (which had fallen for five straight weeks up until March 16) have been hovering around \$60/ton FOB for the last two weeks. An increase in Indian iron ore fixtures to China was reported last week as well.

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
★ Teekay Corporation/ Merrill Lynch Commodities			Teekay LNG has option to participate	JV to convert vessel into floating LNG plant in Kitimat, BC.
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

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

Equity Deal Table

★ = New

✎ = Updated

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

Issuer	Underwriters / Advisors	Amount (US\$ M)	Structure / Pricing / Comments	Status
★ Double Hull Tankers	UBS, Merrill Lynch, Citi	\$45	Follow-on offering of 9m priced at \$4.35. Proceeds can be used for vessel and business acquisitions, strategic alliances debt repayment and working capital.	Done
★ Golden Ocean	Fearnley Fonds, DnB NOR, Nordea, First Securities, Platou Securities, Arctic Securities, ABG Sundal Collier	\$100	Issuing 165m new shares at NOK4.1/share as part of restructuring plan combining bond buyback, loan and orderbook restructuring.	Done
✎ Teekay LNG Partners	Citi, Morgan Stanley, UBS as mlas. Deutsche Bank Securities, Raymond James & Associates as co-managers	\$81	Follow-on offering of 4m common units at \$17.60 per unit. Proceeds used to repay outstanding revolving credit facility which amounts can be reborrowed	Done
Fairstar Heavy Transport	ABG Sundal Collier as mla	\$8	Sold 6.02MM of 10MM shares in rights offering. New issue oversubscribed with all 4.2MM shares sold. Proceeds to redeem bonds.	Done
Mari-Time Asset Fund	Simmons & Simmons	\$160	New PE fund to be launched in 2nd half of 2009 targeting institutional and high net worth investors. Focusing on newer tonnage using 100% equity	Early Stages
Compania Sud Americana de Vapores		\$200	Recapitalization of company by shareholders	Approved
✓ 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

Restructuring Deal Table

★ = New

✎ = Updated

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

Company	Advisors	Banks	Comments
★ Excel Maritime		Nordea (syndicate), Credit Suisse (bilateral)	Covenant waivers through 2010; \$150.5M principal due 2009/10 deferred to 2016; margins raised to 2.5% & 2.25%. \$45M equity infusion from Panayotides.
★ FreeSeas		Credit Suisse, FBB, Hollandsche Bank-Unie	LTV waivers secured for credit facilities through 1Q and 2Q 2010; Upcoming balloon refinanced with HBU; dividends discontinued
★ TBS International		BoA, DVB, RBS, AIG, Commerzbank, Berenberg Bank, Credit Suisse	LTV and other covenant waivers secured through December 2009; In exchange, new covenants added: minimum cash balace & EBITDA/Interest; 2009 principal prepaid.
✎ Golden Ocean	ABG Sundal Collier Norge		Company restructures its balance sheet and obligations; Purchases from Hemen (Fredriksen) previously aquired convertible issue; Underwrites new \$100m share issue; Yards restructure orderbook and banks make credit facilities available.
★ Eitzen Chemical			Rectified last quarter's covenant breach by receiving approval for loan agreements to allow higher net debt to EBITDA ratio through 2010; New margin will be 2.75%.
✎ Compania Sud Americana de Vapores		HSH Nordbank	To sell 13% stake in Compania Chilena de Navegacion Interocanica and 25% share in its subsidiary Agunsa
Seanergy			Secured LTV covenant waivers with dividend suspension as quid pro quo
Paragon Shipping			Cut dividends and made amendments to 6 credit facilities in efforts to maintain liquidity
Company associated with John Fredriksen			Distressed-asset shipping fund under consideration

Bank Debt Deal Table

★ = New

📄 = Updated

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

Borrower	Arrangers / Buyers	Amount (US\$ M)	Pricing / Purpose / Remarks
★ Farstad Shipping	Eksportfinans ASA with DnB NOR, GIEK and Handelsbanken as guarantors	NOK 680 (\$101)	To finance newbuilding CSV with 5 yr contract with Saipem.
James Fisher	Barclays Bank	\$36	For further expansion opportunities
Danaos Corporation	Deutsche Schiffsbank	\$299	Primarily to fund newbuildings.
📄✓ Precious Shipping	DnB NOR, Natixis and NIBC	\$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.

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
Hoegh Autoliners	Marenave Schiffharts AG	\$95	Sale and 10 yr bareboat back of 2005 built car carrier at \$32,150/day; Lessee option for 3 yr extension at \$35,700/day
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

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	33.000	50.25%	4,847	05/16/12	– / BB-	any time	MW+50
7.25% Sr Unsecured due '13	38.500	39.91%	3,851	02/01/13	– / BB-	02/01/10	103.625
Great Lakes Dredge&Dock (GREATL)							
7.75% Senior Notes due '13	85.000	12.02%	1,044	12/15/13	Caa1 / B-	05/04/09	103.875
Excel Maritime (EXM)							
1.875% Sr Unsecured due '27	19.000	37.80%	3,594	10/15/27	– / –	10/22/14	100.000
Horizon Lines (HRZ)							
4.25% Sr Unsecured due '12	47.000	30.58%	2,930	08/15/12	Caa1 / B-		
Navios Maritime (NAVIOS)							
9.5% Senior Notes due '14	62.000	21.33%	1,941	12/15/14	B3 / B+	12/15/10	104.750
Royal Caribbean Lines (RCL)							
8% Sr Unsecured due '10	88.330	20.24%	1,966	05/15/10	Ba2 / BB-		
8.75% Sr Unsecured due '11	75.000	26.96%	2,618	02/02/11	Ba2 / BB-		
7% Sr Unsecured due '13	57.000	23.73%	2,228	06/15/13	Ba2 / BB-		
6.875% Sr Unsecured due '13	51.000	25.40%	2,383	12/01/13	Ba2 / BB-		
5.625% Sr Unsecured due '14	51.000	23.75%	2,147	01/27/14	Ba2 / BB-		
7.25% Sr Unsecured due '16	51.518	20.37%	1,809	06/15/16	Ba2 / BB-		
7.25% Sr Unsecured due '18	48.000	19.93%	1,740	03/15/18	Ba2 / BB-		
7.5% Sr Unsecured due '27	50.500	15.83%	1,281	10/15/27	Ba2 / BB-		
Ship Finance International Ltd. (SHIPFI)							
8.5% Senior Notes due '13	72.000	17.48%	1,590	12/15/13	B1 / B+	05/04/09	104.250
Stena AB (STENA)							
7.5% Sr Unsecured due '13	77.000	14.56%	1,302	11/01/13	Ba2 / BB+	11/01/09	102.500
7% Sr Unsecured due '16	72.000	12.85%	1,051	12/01/16	Ba2 / BB+	12/01/09	103.500
6.125% Sr Unsecured due '17	50.000	18.44%	1,556	02/01/17	Ba2 / BB+	any time	MW+50
5.875% Sr Unsecured due '19	47.000	17.26%	1,417	02/01/19	Ba2 / BB+	any time	MW+50
Trailer Bridge (TRBR)							
9.25% Sr Secured due '11	82.000	18.21%	1,718	11/15/11	B3 / B-	05/04/09	104.625
Ultrapetrol Limited (ULTR)							
9% 1St Mortgage due '14	64.000	19.90%	1,806	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	74.125	15.01%	1,328	07/15/14	B1 / BB-	07/15/09	103.875
Hornbeck Offshore Services (HOS)							
6.125% Senior Notes due '14	76.000	12.11%	1,026	12/01/14	Ba3 / BB-	12/01/09	103.063
Seabulk International (SBLK)							
9.5% Senior Notes due '13	100.500	9.25%	827	08/15/13	Ba1 / BBB-	05/04/09	104.750
7.2% Sr Unsecured due '09	100.000	7.17%	681	09/15/09	Ba1 / BBB-	any time	
5.875% Sr Unsecured due '12	88.000	10.04%	877	10/01/12	Ba1 / BBB-	any time	
TANKERS							
Berlian Laju Tanker							
7.5% Senior Notes due '14	25.000	47.91%	4,618	05/15/14	- / CCC+	05/15/12	103.750
Golden State Petro (GOLDEN)							
8.04% 1St Mortgage due '19	110.200	6.61%	390	02/01/19	Baa2 / BBB	any time	MW+37.5
Overseas Shipholding Group (OSG)							
8.75% Sr Unsecured due '13	86.000	12.83%	1,127	12/01/13	Ba1 / BB	any time	MW
7.5% Sr Unsecured due '24	61.000	13.71%	1,079	02/15/24	Ba1 / BB	NC	NC
Titan Petrochemicals (TITAN)							
8.5% Senior Notes due '12	12.000	125.25%	12,407	03/18/12	Caa2 / CCC-	any time	MW+100
Teekay Shipping (TK)							
8.875% Senior Notes due '11	92.000	13.03%	1,212	07/15/11	B1 / BB	any time	MW+50
US Shipping Partners (USS)							
13% Sr Secured due '14	20.000	74.56%	7,280	08/15/14	C / NR	02/15/11	106.500

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