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The Week in Review

Liquidity, Liquidity, Liquidity - Marine Money Week - NYC, June 23-25

The current financial predicament the industry finds itself mired in is unfolding like a slow moving dream. The challenges, to find and secure liquidity, to manage counter party risks, to ascertain the value of our assets and businesses, to work with lenders and stakeholders are clear, but the solutions are complicated. We are all swimming back to the surface, our lungs exploding seeing the sky blue above the surface, if we can just make it.

Marine Money Week is committed to contributing to solutions to the complex challenges. There will be sources of funds, practical experience shared on the best paths forward, practical take aways and opportunity galore...to meet with counterparties, stakeholders and peers to reach the surface and strike forward for solid ground.

Please visit our website

<http://www.marinemoney.com/forums/JAP09/japan2009.html>

and learn more about the people and topics carefully arranged to provide immediate return.

With our partner Dahlman Rose, our Global Sponsors, Jefferies and Dubai Maritime City and all our sponsors and speakers who are all equally committed to the future success and immediate health of this industry, we look forward to seeing you in New York, June 23, 24 & 25, 2009 at the Pierre Hotel.

It is the place to be to best tackle today's challenges and grab hold of the best opportunities for tomorrow. And, as always if there is anything we can do to assist you, please do not hesitate to contact us.

Clear as Mud

When it comes to accounting, we confess to being challenged, but **Excel Maritime's** first quarter earnings release had us scratching our heads. We admit to being late to the party, as the company had been reporting earnings in this manner since the 2nd quarter of 2008. We should at the outset be clear that this obfuscation is not some nefarious scheme by Excel but simply the result of applying straight-forward accounting rules. The outcome is a fine example of the law of unintended consequences.

In the beginning, accountants created the purchase method of accounting, which, is used when businesses are combined or assets acquired. Among other things, this accounting rule requires the purchaser to fair value the assets acquired as a means of allocating the purchase price. In this instance Excel had to fair value the vessels, the associated time charters and the charter-in arrangements that came with the acquisition of **Quintana Maritime Limited**. Excel had to look at comparable charter rates at the time of acquisition and value the charters it acquired. Depending on whether the charters were above or below the then current market rates, they were recorded as assets or liabilities as appropriate.

The company's 20-F for 2008 contains, perhaps, the clearest explanation of what was specifically done in this regard:

"The intangible asset recognized for the fair value of the favorable charter-in contracts relates to the value of the time charters on seven vessels acquired upon acquisition which were previously sold and leased back by Quintana under eight-year term bareboat charters. The intangible liability recognized for the unfavorable charters assumed relates to Quintana's owned fleet, certain new buildings and the seven vessels discussed above, that were subject to operating leases (charters) at the date of acquisition. For the vessels subject to charters and in addition to recording the assets' fair value on a charter free basis, the Company

Excel's Revalued Assets (000s)

Assets:	
Favorable charter-in contracts of sold and leased out vessels	\$292,712
Liabilities:	
Unfavorable charters of owned vessels	\$747,000
Unfavorable charters of newbuildings	\$65,778
Unfavorable charter-out contracts of sold and leased out vessels	\$71,970

assessed whether the underlying operating lease provisions were at market, favorable or unfavorable and to the extent that such leases were favorable or unfavorable, an intangible asset or liability was recorded as part of the purchase accounting. The intangible asset or liability, which represents an adjustment to reflect the fair market value of the charters, was determined by comparing the discounted cash flows under the existing charters with those that could be reached in the current market for the remaining charter period. Such intangible assets and liabilities are amortized over the remaining term of the related charters as an increase in charter hire expense and revenue, respectively and are classified as non current in the accompanying 2008 consolidated balance sheet.”

Although many companies acquired vessels, with time charters attached during the past couple of years, the effect of the accounting promulgation is not as material in those instances. In the chart, above, we highlight the numbers as they relate to the Quintana acquisition:

And, in light of the magnitude of these adjustments, the annual amortization, which will run through the financial statements, is equally significant as shown herein.

In the words of William Shakespeare, this is literally “Much Ado About Nothing.” Amortizing an intangible asset or liability just adds to the confusion of accounting, particularly on the revenue side. We were naive to think that revenues are easily definable and verifiable. After all, they are the total amount of money received by the company for goods sold or services provided. Little did we know! Instead we have actual cash revenues intermingled with non-cash amortization of excess values when compared to the historic cost.

Annual Charter Hire and Time Charter Amortization (000s)

Year	Amortization Asset	Liability
2009	\$40,243	\$348,824
2010	\$40,243	\$260,026
2011	\$40,243	\$18,352
2012	\$40,243	\$8,749
2013	\$40,243	\$4,852
2014 & thereafter	\$62,938	\$9,978
	\$264,153	\$650,781

Scott Burk of **Oppenheimer** describes it best:

“We do not believe that recurring "economic" earnings should include this time charter fair value amortization since EXM has not received, nor will it ever receive, any actual cash associated with this amortization. Accounting rules forced the amortization on Excel when it bought Quintana, but no actual cash receipts will ever happen associated with this revenue. Unfortunately, this accounting-generated phantom revenue will continue to distort earnings until the end of 2010. We note that other companies have similar issues, though typically with just one or two ships, so that the revenue impact is minimal, whereas the amortization makes up half of total 2009 revenue for EXM.”

For the foreseeable future, this is just another instance where EBIT-DA, the non-GAAP accounting measure, will provide the appropriate measure of results until this goes away unless of course you want to undertake the exercise, perhaps better left to the analysts, of backing these numbers out of the financials.

Another One Down

On Wednesday, **Fortescue Metals Group** (“Fortescue”) announced it has reached agreement to settle its shipping dispute with **Classic Maritime** (“Classic”) over its three suspended Contracts of Affreightment. Under the agreement, Classic will discontinue its arbitration action, which was to commence next month in London.

Having settled it’s dispute with **Bocimar**, Fortescue turned its attention to the dispute with Classic, which was the next largest involving three contracts with an average tenure of 5 years.

The key terms of the settlement agreement with Classic are as follows:

- Fortescue will restructure its future cargo obligations and extend the contracted term with Classic from 5 years out to 11 years ending in 2020. The number of contracted shipments with Classic will increase progressively over the term from 4 per month in 2010 rising to 8 per month over the last 3 years out to 2020;
- Fortescue is to pay to Classic an upfront amount of \$25.35 million and then \$0.99 per ton over 21.93 million tons to be shipped

with Classic over a period of 2 _ years under the abovementioned monthly chartering arrangements.

- The freight rate under the restructured arrangements will be aligned to the accepted market index for voyages between Australia and China. This mitigates the risks of fixed price contracts in a volatile market. In moving from a fixed rate under the old contracts to a variable rate, Fortescue has agreed to a participation structure whereby a per ton margin over the index rate may apply depending where future rates trend out to 2020. If average rates move above an agreed base of between \$23,000 – \$30,000 Fortescue is able to claw back this margin and should they fall below a top up mechanism will be activated. While noting the current daily charter rate is ~\$45,000, Fortescue has estimated a net present value of \$66.7 million on these future payments based on a discount rate of 15%.

With this dispute now settled, there remain 5 suspended shipping contracts with terms ranging from 3 to 5 years. One of the remaining contract counterparties has proposed a scheme of arrangement with its creditors, which the company believes is a default under the contract. The other 4 contracts are with 3 separate companies and proceedings are continuing in the UK with the next arbitration scheduled for September 2009.

Fortescue left unchanged its market guidance of an estimated potential exposure at \$171 million, given at the time of the Bocimar settlement.

Although settled, we wonder whether this adversarial approach led to a better or worse result than might have been obtained with cooler heads prevailing?

Market Commentary

Report from Japan

The following presentation was given by Marine Money's Financial analyst, Rodricks Wong at the Marine Money Tokyo Ship Finance and Investment Forum on Tuesday. The comments were widely reported as being indicative of a shift of the center of the shipping universe eastward, led by the shift of financing to Asia as western banks remain moribund.

Over the past year, the massive economic stimulus packages put together by policymakers around the globe have been grabbing the headlines, most notably from the United States, China and Japan. According to the latest estimates from IMF, Asian governments have pledged to pump over USD 950 billion into their economies through increased expenditure, tax cuts and cash hand-outs. And if we look closer at the figures, we would notice that fiscal stimulus in Asia is larger than other parts of the world. China, Japan, Singapore, South Korea, Taiwan and Malaysia have all announced fiscal packages of more than 4% of GDP, twice as large as US's stimulus this year.

It is also interesting to observe that in addition to huge stimulus packages, policy makers have been cutting policy interest rates sharply over the past three months. With policy interest rates at near zero, the United States and Japan have limited room to impact the economy via interest rates and the focus is now on introducing measures to encourage credit flows to businesses and consumers.

Many governments in Asia have come up with plans to lend a helping hand to the shipping or shipbuilding industry – sectors that they consider pivotal to their country's economic well being.

Over in India, the Indian Shipowners Association has urged the government to set up a massive Rs 10,000 crore fund (USD 2.06 billion) to assist local shipping companies in securing financing for purchasing newbuildings. The Indian ship finance sector has been largely dominated by European banks who are now unable to fulfill the financing needs of Indian shipowners due to the financial crisis. It is estimated that India will require at least Rs 100,000 crore (USD 20.6 billion) over the next 4 years for fleet expansion and replacement. The fund, which is subjected to approval from the finance ministry, will provide shipowners loans at competitive rates and encourage them to order newbuildings from domestic shipyards. The proposal was submitted to the Ministry of Finance when the country was heading for elections in April-May. But we expect a decision on the shipping fund to be made shortly, following the governing Congress Party's resounding victory in the polls that set the stage to step up the long delayed economic reforms.

Financial assistance is also on the way for shipowners in Malaysia. The government has allocated an additional RM 2 billion (USD 542 million) from its 2009 budget to a RM 1 billion shipping fund, managed by Bank Pembangunan and a shipping venture fund Global Maritime Ventures for the purchase of ships and to upgrade

shipyards. Bank Pembangunan plans to disburse RM800 million worth of loans this year and the remaining in 2010. The ships will have to be managed by Malaysian companies and transport national cargo or call at Malaysian ports. Successful applicants will enjoy lower interest rates ranging from 4 to 6 percent and a further preferential rate will be given to vessels built at domestic shipyards. Bank Pembangunan is the development bank owned by the government to provide medium to long term financing to sectors that are of capital intensive in nature such as shipping. Over the years, Bank Pembangunan had financed more than 300 vessels including tugs, barges, general cargo vessels, tankers, container vessels and other off-shore support vessels.

In Singapore, the government has released its SGD 20.5 billion (USD 13.6 billion) budget for 2009, one that analysts call unprecedented for unprecedented times. This is the first time that the government is digging into its reserves to alleviate the pain of recession. Firstly, the shipping industry will benefit from the extension and enhancement of withholding tax exemption. The withholding tax exemption on interest payable on a foreign loan entered into by a shipping enterprise to acquire a Singapore flagged ship under the Block Transfer Plan has been extended by another five years to 31 December 2013. In addition, effective 1 January 2009, the withholding tax exemption under this scheme will be extended to interest payable on a loan taken by a shipping enterprise from a lender outside Singapore to acquire 100% of the shares in a special purpose company owning 100% of a ship that is a new entrant to the Singapore Registry of Ships (SRS) and registered with the SRS on any date from 1 January 2009 to 31 December 2013.

In addition, the government has introduced an enhanced Bridging Loan Programme (BLP) that will cater to loans of up to SGD 5 million. The government will share 80% of the risk on these loans and the banks are free to set their own interest rates. This will apply to all new loans and will also include the refinancing of existing loans when they are due. This programme will be in operation for one year and be tailored to loans of up to four years. Furthermore, under the Internationalisation Finance Scheme, the government will be taking 80% share of the default risk for loans up to SGD 50 million extended to Singapore based companies used for overseas asset acquisition and working capital for secured overseas projects.

We believe these schemes will work to the advantage of the Singaporean banks if they are able to customize and extend loans to local shipping companies. The local maritime community will also benefit from the government's initiative to step in and share risk for trade financing, up to 75% for trade loans as well as a SGD 45 million top up to the Maritime Cluster Fund, established in 2002 to promote and strengthen the maritime cluster in Singapore.

Korean shipbuilders can also expect more good news on the way. Export-Import Bank of Korea (Korea Eximbank) and Korea Export Insurance Corporation (KEIC) will be extending and providing loans and payment guarantees of up to 9.5 trillion won (USD 7.6 billion) for shipbuilders and suppliers. Out of which, 7 trillion won will be set aside to support small and medium sized shipyards. In addition, the government is looking at providing 11.5 trillion won (USD 9.2 billion) for loans to domestic and foreign shipowners. The objective is to assist owners to finance their existing and new orders. Meanwhile, both state run Korea Asset Management and Korea Development Bank are planning distress funds of up to 6 trillion won (USD 4.8 billion) for ship acquisitions. Korea Asset Management will raise the money from local financial institutions and private equity investors and the government will contribute 1 trillion won.

China is now busy putting in place its USD 586 billion stimulus package to jolt its economy back to life. This package, which is equivalent to 16% of its GDP in 2007, will be spent on upgrading infrastructure, on raising rural incomes and on social welfare projects and environmental protection. In February, the Chinese State Council has approved a stimulus package for the domestic shipbuilders – largely aimed at stabilizing the orderbooks, reducing operating risks and regulating capacity of the shipbuilders.

The plan has outlined six policies as summarised below:

1. Stabilise shipbuilders' orderbooks: By providing more financial support to shipowners, encouraging large shipping companies to adhere to their newbuilding delivery schedules and introducing policies to expedite vessel replacements
2. Stimulate demand for newbuildings: By encouraging the replacement of single hulled and aged vessels and diversifying into other ship types such as specialised offshore support and construction vessels
3. Develop the offshore support sector: By encouraging shipyards to invest into the construction of new generation oil rigs and other offshore equipment
4. Develop the shipbuilding industry: By encouraging shipyards to branch out into ship repairing services for the various vessel types
5. Encourage restructuring and mergers: By promoting strategic alliances between large shipbuilders and their suppliers as well as providing guidance and support to the smaller shipyards
6. Promote research and development in new technology: By encouraging investments in new shipbuilding technologies to improve the quality and types that Chinese shipbuilders can offer.

To achieve these objectives, the Chinese government has put for-

ward some specific measures that include the following.

- Expedite the establishment of ship investment funds to provide shipping companies with an alternative source of financing
- Increase financial support to ship buyers in the form of buyer's credit
- Provide financial incentives to encourage Chinese shipowners to pick up cancelled shipbuilding contracts – 17% subsidy
- Provide shipbuilders working capital loans at preferential interest rates
- Provide shipowners competitive bank loans until 2012 to encourage fleet renewal and replacement
- Provide capital for M&A
- Provide qualified shipping companies the necessary support to list or issue bonds
- Provide mortgage financing for vessels under construction
- Encourage state owned enterprises, such as COSCO, China Shipping Group and Sinotrans, and leasing companies to pick up cancelled shipbuilding orders from state owned shipyards - China State Shipbuilding Corporation and China Shipbuilding Industry Corporation

In support of the government's expansionary stimulus package, banks in China are stepping up their lending activities to support the shipbuilding and shipping sectors. Credit is now more available. According to the latest figures released by the People's Bank of China, new loans extended by Chinese banks across all industries including shipping and shipbuilding grew to RMB 4.58 trillion (USD 670 billion) in the first quarter of this year. This is the third straight month new yuan-denominated loans exceeded RMB 1 trillion. Large shipyards are the main beneficiaries.

The Export-Import Bank of China ("China Exim Bank") has been an instrumental player in providing financial support to the Chinese and foreign shipowners who have placed orders at Chinese shipyards. It raised a few eyebrows recently when it provided China State Shipbuilding Corporation and China Shipbuilding Industry Corporation – the country's largest shipbuilders credit facilities amounting to RMB 100 billion (USD 14.6 billion) and RMB 60 billion (USD 8.8 billion) respectively.

Privately owned Jiangsu Rongsheng has also signed a strategic cooperative agreement of up to RMB 25 billion with China Exim Bank in which the policy bank will assist the shipbuilder in arranging refund guarantee syndication and provide RMB credit facilities and trade finance.

China Exim bank was one of the pioneers in syndicated refund guarantees. In April 2008, Jiangsu New Century Shipbuilding had successfully secured a USD 3 billion credit facility from a consor-

tium of Chinese banks. This is one of the largest syndicated transaction involving a single shipbuilding entity in China. Mandated lead arrangers Bank of China and China Exim Bank committed USD 1 billion and USD 800 million respectively while the remaining was taken up by Agricultural Bank of China, China Everbright Bank, China Minsheng Bank, China Merchants Bank and Shanghai Pudong Development Bank. The success of this syndication deal marked a new chapter in the Chinese financial industry. Banks have traditionally provided credit facilities for refund guarantees independently and more often than not, these facilities are offered for not more than five vessels. Buoyed by this accomplishment, a similar USD 3.5 billion syndication was carried out for Dayang Shipyard based in Jiangsu province and the bank is currently in the process of planning more refund guarantee syndications between USD 8 to 10 billion for three shipyards based in Zhejiang province.

Since its establishment in 1994, China Exim Bank has granted shipping/shipbuilding related loans of over RMB 102.5 billion (USD 15 billion) and USD 7.45 billion as at the end of 2008. The policy bank has also disbursed refund guarantees of over USD 20.3 billion to support the export of 2,698 vessels totaling 92.58 million dead-weight tons.

Other policy-driven financial institutions such as China Export & Credit Insurance Corporation and China Development Bank are also said to be actively finding solutions independently in cooperation with foreign banks to supply buyer's credit. The message is clear. China simply cannot allow her core shipyards to fail. The economic and social costs will be too overwhelming to manage.

We will also like to point out that Chinese banks remain supportive towards established foreign shipbuilders. Just last month, South Korea's STX Group announced that it has secured RMB 2.85 billion (USD 417 million) from China Construction Bank and one other unnamed lender for the construction of its shipbuilding base in Dalian, China. The debts carry an interest rate of 6.14 percent and have a tenor of 9 years.

Chinese commercial banks are likewise playing their part in supporting shipping and industry, in particular the state-owned shipping companies. Bank of Communications has signed a comprehensive cooperation agreement with state owned China Shipping Group to provide credit loans of a total USD 5.4 billion – USD 1 billion in dollars and RMB 30 billion (USD 4.4 billion) in RMB earlier this month. In a similar agreement concluded last December, Bank of China has committed to provide COSCO credit of not more than RMB 74.5 billion (USD 10.9 billion) over the next three years. This massive credit line will certainly come handy as COSCO replaces its old vessels with newbuildings from domestic yards.

Last but not least, here are some possible future developments from government intervention policies:

In Asia where shipping and shipbuilding are important pillars to the domestic economies, we would expect Asian banks to take up an even greater role in ship finance, hence accelerating a dramatic shift eastward in the centre of ship finance.

China and South Korea's aggressive support for the shipyards will likely incur the resentment of other shipbuilding nations such as Japan. Excessive state financial intervention can lead to competitive distortions and market inefficiencies and all hopes of a significantly reduced orderbook may be dashed if the shipyard rescue plans materialise.

China will continue fleet expansion, lock in shipping capacity at competitive rates and reduce reliance on independent shipowners, having paid exorbitant freight rates during the previous dry bulk boom.

There is a danger that the governments in Asia might carry out huge investments in navies to save established shipyards and strengthen national defence.

Weapon of Mass Conversion

In his crisis management role, our chairman, a renowned spinmeister, must be quick on his feet in responding to the many parties involved in an incident, the majority of which are uncompromising and have firmly staked out their positions. The following seemed to be the perfect challenge for a man of his talents.

The following link was provided by a good friend, who quickly saw the persuasive power of this "sound bite."

<http://www.usdebtclock.org/>

What's a Democrat to do? After all numbers never lie. We turn to Jim. "Your mission, should you decide to accept it..."

Although, we are being somewhat jovial, the facts are inescapable. The world economy still views the U.S. consumer as one of the means out of the economic morass. Can these numbers, which grow at ever increasing speed, be overcome and the economy here righted and, if so, at what cost? We are not sure who is right or wrong on these important issues but at the end of the day all must realize that we are on the same boat and need to pull together.

MARINE MONEY
CONFERENCES

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DnB NOR & **Nordea**

11th Annual
Norway Ship & Offshore Finance Forum
Oslo Concert Hall, Oslo
Thursday, June 11, 2009

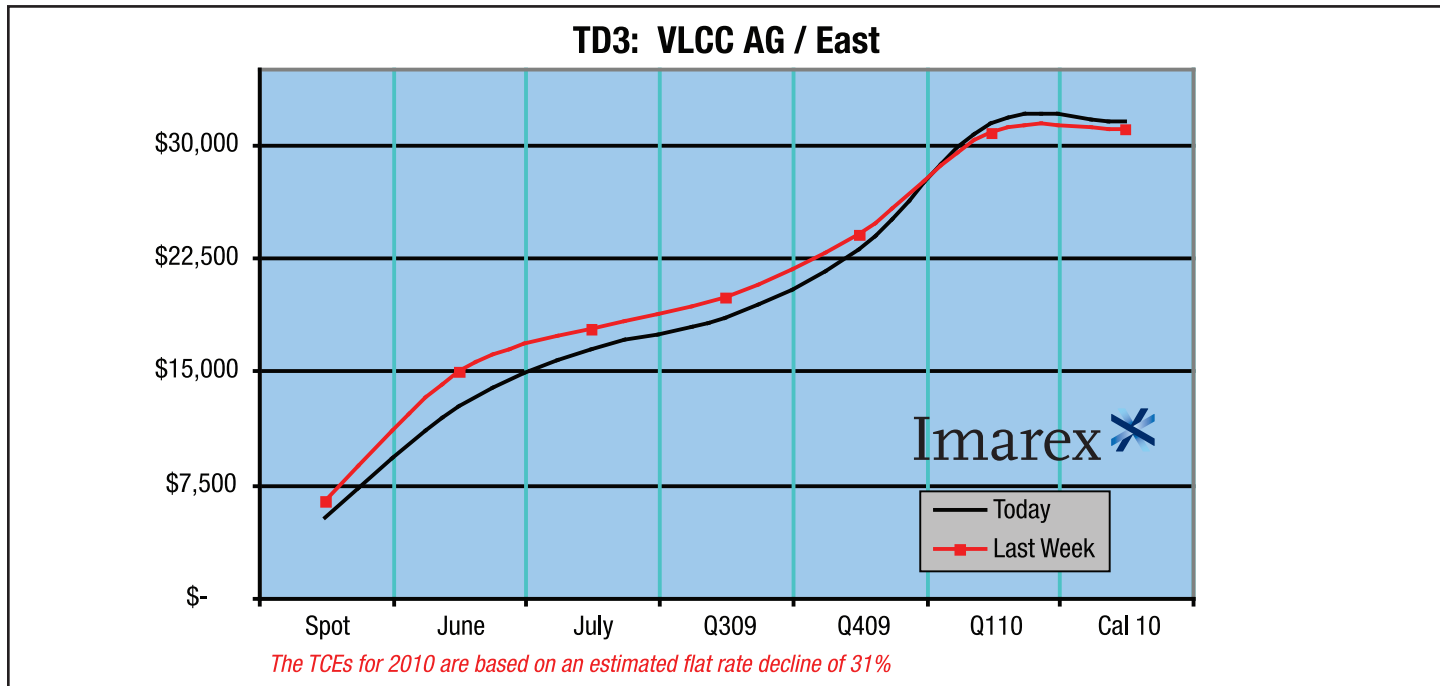
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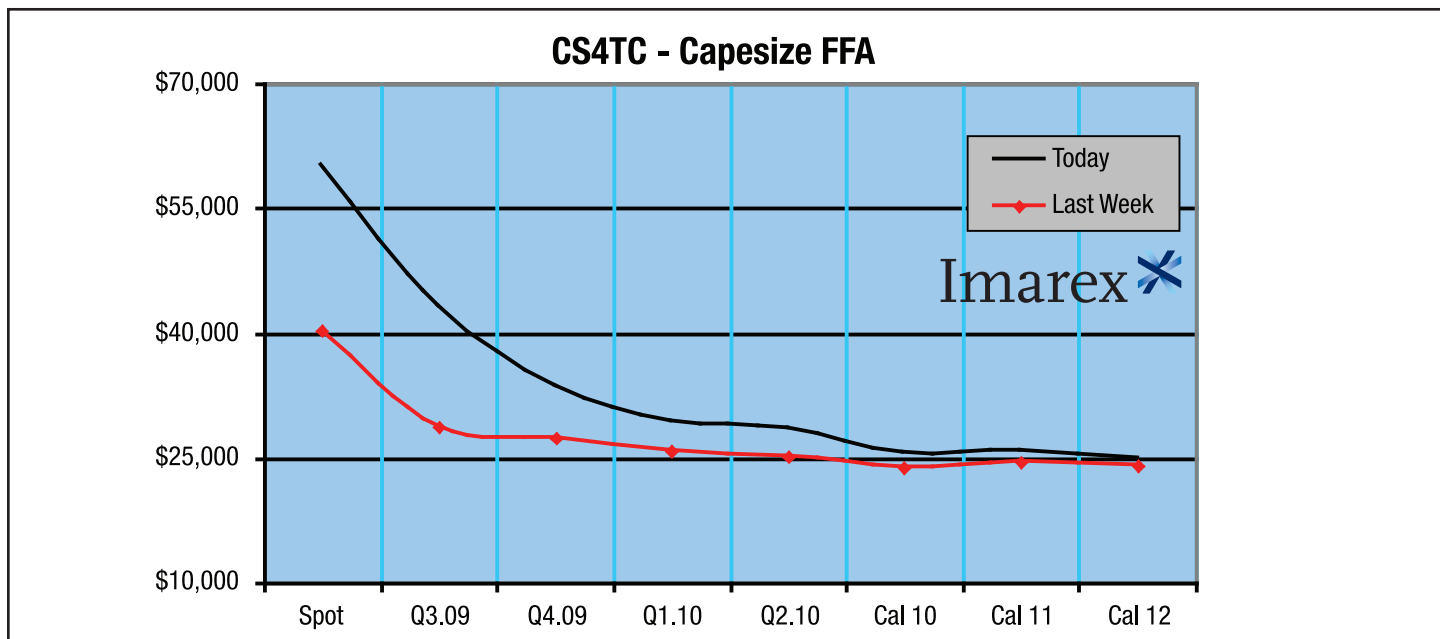
For more information about the forum, visit www.marinemoney.com

Back to the Futures

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



The tanker sector has been unable to gather any momentum despite patches of healthy inquiry. Though the Suezmax sector in the Atlantic basin has been the star pupil the past few weeks, even that market is now operating near opex levels. As VLCCs entered the region seeking improved returns, Charterers played the asset classes against one another, thereby dropping the Suezmax TCE to below \$10,000/day. While the rising price of oil might imply increased demand, it also brings us the other side of the sword, which is rising bunker prices. With Worldscale rates either staying flat or decreasing while fuel costs rise, Owners find themselves in a less-than-preferred situation. OPECs decision to keep production levels where they are could be viewed as good news, though the punchbowl will need to remain locked deep in the attic until the cartel begins to announce production increases.



Dry bulk has seen its best week in a long time. The physical market has continued to rise even as doubts increased as to its sustainability. Optimism has been taken at face value, without the usual "cautious" preface. The Capes have been the driving force, as ore demand into the seemingly well supplied Middle Kingdom shifted supply/demand fundamentals towards Owners. Though the forward curves remain backwardated, futures prices moved up the length of the curve as stronger physical numbers continued to hit the wires. Concerns over high inventories of ore and steel remain – though recent agreements on lower ore pricing should improve demand incentive. The equities have provided their usual level of volatility, as improving returns to Owners run into fears of further secondary equity issues.

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
Omega Navigation			Glencore International	Form 50-50 JV to purchase Omega Duke which simultaneously entered into 5yr TC to Glencore affiliate, ST Shipping
Wilh. Wilhelmsen		\$78	Glovis Logistics	Divestment of 5% shareholding to strengthen liquidity. WW to be left with 15% of company and a \$40m gain.
World Nordic SE		\$392	BW Gas	Offer to buy out minority shareholders' resulted in acquisition of additional 4.6% bringing total to 99.3%. Minority holders squeezed out under Bermudian law.
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
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

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
★ Mitsui O.S.K. Lines		\$317	1.28%	2014	Working capital	In Progress
★ Mitsui O.S.K. Lines		\$211	2.00%	2019	Working capital	In Progress
★ Mitsui O.S.K. Lines		\$160	7.95%	2011	Working capital	Done
Oceanteam		NOK 90			Working capital while re-structuring continues	
Color Group ASA	DnB NOR, Pareto	NOK 200 + 5.00%	NIBOR	2011	Working capital	Done
Cecon		\$10	25.00%	2010	Sr bond secured by 1st priority pledge of Davie Yards shares; To finance related equity purchase	In Progress
I. M. Skaugen		NOK175	NIBOR+ 6.00%	2010	Unsecured FRN. Repayment swapped to USD	Done
I. M. Skaugen		\$10	LIBOR+ 6.00%	2010	Unsecured FRN.	Done
✓ Daewoo Shipbuilding & Marine Engineering		\$361	6.00%	2012	To pay suppliers	Done

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
★✓	Ezra Holdings	Credit Suisse (Singapore)	\$63	Placement of 78 million new shares at S\$1.185 each	Done
★✓	Noble Group	Cazenove and J. P. Morgan	\$87	Placement of 84.7 million new shares at S\$1.52 each	Done
★	Petroleum Geo-Services	ABG Sundal Collier, DnB NOR, SEB Enskilda	NOK790	Private placement of 21.6m shares consisting of new (18.0) and treasury (3.6) at NOK36.50; Strengthen balance sheet.	Done
✎	OceanFreight	Yorkville Advisors (YS Global Master SPV)	\$112	Standby Equity Purchase Agreement terminated before reaching the maximum issuance of \$147.9	Done
	Nordic American Tanker Shipping	Morgan Stanley and DnB NOR, as co-manager	\$130	4m common shares at \$32 each; 600,000 share greenshoe; To fund further acquisitions under planning and general corporate purposes	Done
	Pacific Basin	UBS AG	HK\$762 (\$97.8)	Fully underwritten sale of 174.7 million new shares at HK\$4.36 each. Equity financing for expansion initiatives.	Priced
✎	DryShips	Merrill Lynch	\$475	\$475m ATM equity offering, equating to approximately 47.5m shares; 3rd ATM equity offering since November	Done
✓	Guangzhou Shipyard			Planning a rights issue to fund the acquisition of a shipyard from its state owned parent for up to USD 452 million	Cancelled
✓	Rongsheng Heavy Industries	Goldman Sachs		Seeking a listing possibly in Hong Kong by end of 2009	In Progress
	COSCO Group			Considering listing its tanker fleet in China	In Progress

Restructuring Deal Table

★ = New

✎ = Updated

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

	Company	Advisors	Banks	Comments
★	Compania Sud Americana de Vapores	HSH Nordbank Corporate Financing, Freshfields		Announced plan to inject \$750m of new capital into company via a capitalization of charter party commitments (400m), a new rights issue (220m) and renegotiation of newbuilding contracts
★	Dryships		Deutsche Bank	Obtained waivers on facility on \$1.125 billion facility including drillships under construction.
	DryShips		DnB NOR	Obtained waivers on facility covering 2 drybulk vessels.
	DryShips		HSH Nordbank	Obtained waivers on \$654 million facility
	Eitzen			Pending approval from yard and guarantors Eitzen to sell 3 remaining newbuilding contracts to Laurin Marine. Reduces newbuilding commitments to \$0.
	US Shipping Partners	Weil, Gotshal	CIBC, Lehman, KeyBank	Pre-arranged Chapter XI filing with \$332m senior debt affirmed at reduced interest and \$100m 2nd lien swapped for 50% equity. Senior lenders get balance of equity.
	Danaos Corporation			Delayed delivery of 5x8530 TEU by 200 days and 5x6,500 teu and 5x3,400 teu by one quarter. Remaining capex \$465m in 2009, \$875m in 2010 and \$785 for 2011. CF and credit availability cover 2009 and part 2010.
	Seaspan			Negotiated options to defer deliveries of 15 newbuildings for up to 15 months. Temporarily reduced dividend to \$0.10 reducing equity needs by approx \$320m to \$360m

Bank Debt Deal Table

★ = New

✎ = Updated

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

Borrower	Arrangers / Buyers	Amount (US\$ M)	Pricing / Purpose / Remarks
★ PT Berlian Laju	DnB NOR & NIBC	\$31.50	4 year term loan secured by a chemical tanker, a product tanker and LPG carrier.
Vinalines	Credit Suisse	Up to \$600	Credit Suisse has been mandated on a 5yr amortising facility
Cecon	Export Development Canada	\$200	Construction loan for Cecon's 3 newbuilds at Davie. 12 yr tenor post-delivery and secured by 1st mortgage. Contingent upon 20m equity issue and amendment of 2nd priority bond loan.
Odessa Terminal Holdco	European Bank for Reconstruction and Development	\$37	Partially finance CMA CGM-sponsored \$130m project to construct new container terminal at Port of Odessa; EBRD will also take 5% equity stake.
GC Rieber Shipping	Handelsbanken	NOK250 (\$37)	Agreement to extend existing undrawn credit facility from Dec 2009 through Dec 2011
Euronav	Nordea, Calyon, SG, BoA, Scotiabank as mlas, Nordea, Calyon, SG as bookrunners	\$300	Partially finance 2 VLCC's: 2008-built 'Olympia' 2009 built 'Antarctica' and 4 Suezmaxes: Cap Felix (2008) Cap Theodora (2008) and 2 newbuildings delivering June and Nov 2009
Wisdom Marine Lines	Mega International Commercial Bank	\$170	Mega Bank has been mandated by the Taiwanese bulk ship owner for a JPY16.26 billion financing
Contender Marine	Standard Chartered Bank	\$21	Re-financing part of the existing indebtedness of Contender Marine's parent company
Farstad Shipping	Eksporthfinans ASA with DnB NOR, GIEK and Handelsbanken as guarantors	NOK 680 (\$101)	To finance newbuilding CSV with 5 yr contract with Saipem.

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
Eitzen Chemical	Platou Finance	\$51	Sale and 5yr bareboat-back of 2007 built 46,200dwt tanker at \$15,500/day.
Teekay Shipping	Fairsky Shipping	\$114	Sale and long term charterback of 2x114,830dwt tankers built in 2005
Swiber Offshore Marine	Swiber Holdings/ICON Capital	\$42.50	Partial sale and leaseback of a 300 men accomodation work barge for 3 years
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

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	59.000	26.30%	2,443	05/16/12	– / BB-	any time	MW+50
7.25% Sr Unsecured due '13	38.500	41.10%	3,928	02/01/13	– / BB-	02/01/10	103.625
Great Lakes Dredge&Dock (GREATL)							
7.75% Senior Notes due '13	85.000	12.15%	993	12/15/13	Caa1 / B-	06/29/09	103.875
Excel Maritime (EXM)							
1.875% Sr Unsecured due '27	35.000	24.07%	2,149	10/15/27	– / –	10/22/14	100.000
Horizon Lines (HRZ)							
4.25% Sr Unsecured due '12	62.000	21.17%	1,957	08/15/12	Caa1 / B-		
Navios Maritime (NAVIOS)							
9.5% Senior Notes due '14	78.000	15.57%	1,293	12/15/14	B3 / B+	12/15/10	104.750
Royal Caribbean Lines (RCL)							
8% Sr Unsecured due '10	100.109	7.87%	741	05/15/10	Ba2 / BB-		
8.75% Sr Unsecured due '11	97.600	10.34%	952	02/02/11	Ba2 / BB-		
7% Sr Unsecured due '13	84.000	12.13%	1,014	06/15/13	Ba2 / BB-		
6.875% Sr Unsecured due '13	82.000	12.19%	999	12/01/13	Ba2 / BB-		
5.625% Sr Unsecured due '14	71.000	14.62%	1,200	01/27/14	Ba2 / BB-		
7.25% Sr Unsecured due '16	74.000	13.00%	982	06/15/16	Ba2 / BB-		
7.25% Sr Unsecured due '18	71.000	12.85%	940	03/15/18	Ba2 / BB-		
7.5% Sr Unsecured due '27	65.500	12.26%	827	10/15/27	Ba2 / BB-		
Ship Finance International Ltd. (SHIPFI)							
8.5% Senior Notes due '13	76.000	16.16%	1,395	12/15/13	B1 / B+	06/29/09	104.250
Stena AB (STENA)							
7.5% Sr Unsecured due '13	81.000	13.33%	1,116	11/01/13	Ba2 / BB+	11/01/09	102.500
7% Sr Unsecured due '16	76.000	11.93%	868	12/01/16	Ba2 / BB+	12/01/09	103.500
6.125% Sr Unsecured due '17	67.000	13.06%	970	02/01/17	Ba2 / BB+	any time	MW+50
5.875% Sr Unsecured due '19	65.000	12.12%	853	02/01/19	Ba2 / BB+	any time	MW+50
Trailer Bridge (TRBR)							
9.25% Sr Secured due '11	82.000	20.25%	1,903	11/15/11	B3 / B-	06/29/09	104.625
Ultrapetrol Limited (ULTR)							
9% 1St Mortgage due '14	67.000	18.93%	1,632	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
TANKERS							
Berlian Laju Tanker							
7.5% Senior Notes due '14	35.000	37.08%	3,468	05/15/14	– / CCC+	05/15/12	103.750
Golden State Petro (GOLDEN)							
8.04% 1St Mortgage due '19	98.200	8.31%	473	02/01/19	Baa2 / BBB	any time	MW+37.5
Overseas Shipholding Group (OSG)							
8.75% Sr Unsecured due '13	93.500	10.60%	840	12/01/13	Ba1 / BB	any time	MW
7.5% Sr Unsecured due '24	72.500	11.39%	757	02/15/24	Ba1 / BB	NC	NC
Titan Petrochemicals (TITAN)							
8.5% Senior Notes due '12	20.000	91.99%	9,058	03/18/12	Caa2 / CCC-	any time	MW+100
Teekay Shipping (TK)							
8.875% Senior Notes due '11	99.000	9.40%	835	07/15/11	B1 / BB	any time	MW+50
US Shipping Partners (USS)							
13% Sr Secured due '14	20.000	75.26%	7,276	08/15/14	WR / NR	02/15/11	106.500

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