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The Week in Review

Announce Deals; Get Check; and List on the NYSE

Only **John Fredriksen** can announce a deal a deal on Tuesday and have financing in place the same day. It has been a very busy week for the management of Seadrill who while in the midst of these transactions travelled to NY to open the New York Stock Exchange in honor of the listing of the shares here. The common theme here is growth capital.

It all began on Monday, when Seadrill acquired an additional 1.3 million shares in **Scorpion Offshore** at a price of NOK 36 per share. With this purchase, Seadrill now controlled ~36 million shares or 40.1% of the outstanding issued shares, triggering an obligation to make a mandatory cash offer for the remaining shares or reduce its holdings below that threshold within 4 weeks.

Viewing its holding as a long-term strategic investment, Seadrill decided to make an all cash offer for the remaining shares in Scorpion.

In another transaction, the company also announced on Monday that it has entered into an option agreement with **Jurong Shipyard** to purchase a high specification, harsh environment jack-up rig of the CJ70 design which is presently under construction, with delivery expected in 1Q 2011. The purchase is subject to obtaining a long-term contract for the rig and discussions are currently underway with a prospective operator. According to **Pareto**, this is the former Petropod unit and total agreed consideration was an estimated \$400 million contingent upon the receipt of a contract with **Statoil** for 5 years at \$342,000 per day, which is expected to be announced soon. There has been no official announcement as of yet.

In order to part finance the mandatory offer for Scorpion and for equity in the potential acquisition of the jack-up, Seadrill successfully issued 12.5 million shares, representing approximately 3.1% of the share capital, in a private placement that same day. The offering was guaranteed by

Hemen Holdings, Seadrill's major shareholder and a company controlled by Mr. Fredriksen.

The shares were offered at a price of NOK 151.5 per share resulting in gross proceeds of NOK 1,894 million or approximately \$322 million.

Carnegie together with **Fearnley Fonds** and **Pareto Securities** were the joint lead managers with **DnB NOR** and **Nordea** serving as co-lead managers.

The company's shares began trading on the NYSE today and traded up \$0.28 or 1.04% on 1.3 million shares concluding a very fruitful and interesting week.

TEN Tops the Charts - 17 years of profits!

Nick Tsakos and **Michael Jolliffe** deserve to have some fun. They have earned it for themselves and their shareholders for their consistent performance during the past 17 years since **TEN**, in a slightly different stage of development, first listed on the Oslo Bors.

You will excuse us if a bit of editorial pride fills these lines because their launch back then coincided with Marine Money's early belief that good management would build real value for shareholders and themselves in concert with the capital markets and the public ones specifically.

A still young Nick Tsakos and Michael Jolliffe have proven the case. **TEN** could boast today at NY's venerable Metropolitan Club, a remarkable track record of profits, RoE (an average 17% per year if you joined them in 1993 and a whopping 23% if you joined them when they listed on the NYSE in 2002.)

Proud, as we are about their achievements, it is the future that was really exciting at the lunch. Their new foray into the drillship business, built off the back of their strong oil company relationships and equally respected shipyard relationships, combined with the smart re-use of bought back treasury shares and their ATM, all effectively reduced their

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costs in the project which will deliver a full payback in 4 years - well our grammar may be bad but the deal is amazing. Remember the average drillship cost is north of 600 million!

Market Commentary

Silence Is Golden

It's Wednesday, as we write this, and for the first time we can remember in months it's been a quiet week in terms of transactions. We took the opportunity of a free moment to meet with **Mark Friedman** and **Hugh Baker** of **Evercore Partners**. Our agenda was twofold: we wanted to understand how Evercore is positioning itself in the competitive landscape of investment banking and to engage in a post-mortem of the recent shipping equity offerings to better understand why some have succeeded while others struggled.

Evercore is different. It is obvious when you walk into their offices, which are quieter than a library should be. There is no trading floor. This is about advisory work in the old style, built on relationships and trust. Like all bankers, they are client-centric, but with a difference. Lacking distribution, they are less driven by the constant need to feed securities through a distribution network. Instead, they are focused on long-term relationships and providing the highest quality advice with respect to their clients' strategic needs.

The firm recently received the regulatory approvals to underwrite securities and they are not averse to participating in equity deals. In fact, the firm's first underwriting was their role as a co-manager on the recent follow-on offering for **Safe Bulkers**, which has been a close, long-standing relationship. While Evercore expects to have similar roles to its involvement in Safe Bulkers, this work is viewed as more incremental to their primary function of providing merger and acquisition and restructuring advice to its clients. Longer-term, the company plans to add sales, trading and research capabilities in the transportation and energy space, but Mr. Friedman expects that it unlikely to happen in 2010. But even here expectations are tempered by a realistic assessment of the competition and what will certainly be their limited distribution capabilities compared to the bulge bracket players. Here again success for this niche player in new areas will be based upon their formula of client trust and judgment not the commitment of capital. As our cultural icon, Superman, says: "Truth, justice and the American way" or, in other words, be true to your model.

Like the baseball manager, who extols the virtues of his team, Mr. Friedman waxes enthusiastically about Mark Whatley, who he refers to as the best young shipping banker around as well as the newest member of the firm, Hugh Baker, who brings a complementary set

of relationships, including many private owners, to the firm. Hugh also brings important credit and restructuring skills to Evercore, that are particularly important given where we are in the cycle. Affirmation of the firm's capabilities is evident in the substantial number of re-structuring assignments the firm is currently working on in the shipping and marine space.

The conversation then branched out and became more wide ranging. Mention the word strategy and a discussion ensues over what everyone anticipates will be a more active mergers and acquisitions environment beginning, many expect, later this year and in 2011. Mr. Friedman pointed out that for the period 2005 to 2007, the advantage of being a large entity with greater access to public capital was not apparent. Everyone had access to capital and at very low spreads. Today, that is no longer the case; the world is divided into the capital rich "haves" (like **TK** and **OSG**) and "have nots." Differentiated capital access and valuations should lead to greater consolidation. Moreover, as cash flows recover in the industry, CEOs and Boards will gain confidence and those firms that have greater capital access will look to be more acquisitive.

Greater access to capital markets has become critical given that the banking market has shrunk, as key players have been sidelined. When or if they will return is the second most asked question after slippage these days. With a more constrained bank market, the key lending banks are focused on core clients, which are usually characterized as having greater scale with an expectation of being a long-term player.

The subject then turned to the IPO market and we were not surprised to learn that a company does not go public because it is virtuous and wants to share its goodies. There are generally two key drivers to going public. The first is that public market valuations (NAV premiums) are attractive with the second being capital constraints (either equity or debt). The presence of either one or both may be reason for owners to seek the public markets, particularly when the owner or firm has an aggressive growth strategy. Getting to be public is not easy – with valuation, capital needs and investor appetite needing to be aligned.

On the buy side are both retail and institutional investors. While retail prefers yield, as discussed below, institutions prefer large cap

more liquid shares although they are known to also buy yield. Institutions have also recently placed bets on a tanker market rebound based upon a growing economy, with the expectation of increasing energy demand.

For the most part, shipping equities (yield model or MLP) pay a dividend, which makes them attractive to the retail investor who is looking for yield in this period of low interest rates. There is a key caveat and that is the yield should be as advertised and be sustainable. When it is, as in the cases of **TK LNG**, **TK Offshore** and **Navios Maritime Partners** for example, the shares have traded up with yields tightening on improving valuation. On the other hand, the yield, in some cases, has been “volatile” resulting in shares being punished as short-term cash flows have stumbled. Marine MLPs are an example and will certainly be a casualty going forward. The bar has been raised with highly stable long-term cash flows being essential. Investors have also learned from the Jones Act MLPs that “protected markets do not equate to protected cash flows.”

Both gentlemen believe that the IPO market remains open under certain conditions. To be successful going forward, the new IPO will need the right sponsor and fleet. The deal must have a good story and be viewed as having investor friendly structures. And be wary, sponsors that are seen to need to do an IPO are generally treated more harshly by investors.

For the yield model, growth and follow-on offerings go hand-in-hand. Capital is needed to fund vessel acquisitions and, although the acquisitions are accretive, the first couple of offerings typically encounter resistance and require a higher discount to be completed. Subsequent offerings, however, are easier and can be done on a bought or overnight basis, as the regular share issuance creates more liquidity as well as an appreciative, loyal and stronger shareholder base. And, with an increasing share count, the company takes the important step of evolving from a micro to a mid-cap company.

And, lastly, we conclude with Mr. Friedman’s pithy explanation as to why owners and the hedge funds can’t strike a deal. “It’s difficult for two people to share the carry.”

At the end of the meeting, we were certain that not only has Evercore clearly differentiated itself from its competitors, but also that its success will exceed even its own expectations.

The Doctor Is In!

For us, the news of a companies’ placing new orders for ships was largely background noise. Covering the financial markets is a full-time job, in and of itself, although we do like to take a peek at broker reports when we have a chance. But in the main we get our market news largely distilled from the analysts, all of whom are keen stu-

dents of the market. And so the news of new orders barely impinged upon our thoughts as we were more focused on the existing orderbook, and the forever unknowns, slippage and cancellations.

That was the case until we had a look at a short précis on the dry bulk market authored by **Gregory Lewis** of **Credit Suisse** in which he discussed the current dry bulk orderbook and made the following observations:

- YTD -10 million DWT of new orders have been placed. On a TTM basis, 35 million DWT of new orders have been placed. While this is well below the pace of 2007 and 2008 (both over 100 million DWT), the last 12 months have seen orders on pace with pre-boom levels. Looking back over the last 10 years, if the pace of current ordering remains constant (annualized rate of 40 million DWT) 2010 is shaping up to be the 4th strongest year in terms of ordering ever.
- Surprisingly, Greeks, who are not historically renown for purchasing newbuildings have placed 35% of the new orders (perhaps a generational shift) followed by Asian owners with 30%. Of the balance, 15% are assumed to be placed by Chinese owners in Chinese yards.
- The orderbook which stands at -280 million DWT represents 60% of the total dry bulk fleet. The good news, if you can call it that, is that this is down from 2H 2008 when it stood at 80%.
- Looking at the orders placed in Q1 2010, roughly 50% of the new order capacity was for Capes followed by Panamaxes at 30% and Handys/Handymaxes at 20%. The new orderbook represents 80% of the current Cape fleet, 50% of the Panamax fleet and 40% of the Handy fleet.
- There is a possible self-correcting mechanism in that the steady flow of new orders has allowed newbuilding prices to stabilize with indications of price increases on the horizon. Arguably today’s prices could also be a floor as expectations for a tight steel market translate into higher prices for steel plate, one of the primary cost inputs associated with a new ship.
- Newbuilding prices are down about 40% from the peak, when a newbuilding Cape and Panamax cost respectively \$100 million and \$55 million.

Call us crazy but looking at this data, a lack of discipline or even perhaps a touch of insanity is clearly evident. While the numbers do not appear large on their own, in the context of the orderbook they are huge. We do not recall a time when such a substantial portion of the existing fleet was on order. Our last recollection of when the industry worried about the orderbook was when Sanko Steamship undertook a massive expansion by ordering an unheard of 100+ handysize bulkcarriers in the early 1980s in a depressed market and then went under. The current situation does raise a number of questions.

Are the ships needed? From the standpoint of fleet replacement, the answer is unlikely. And while today supply is outstripping demand, the \$64,000 question is whether China's growth trajectory continues at this pace. If it does then the ships will eventually be needed, which brings you to the next question.

Are they cheap? This is like asking how many angels can dance on the head of a pin? Certainly, they are cheap when compared to the orders placed at the peak of the market. Yet these prices remain high in historical context absent inflation adjustment. The steady order flow suggests that sentiment is leaning towards continued strength in the dry bulk market. And more demand generally means higher prices. **Ole Slorer** of **Morgan Stanley** commented in a recent report that newbuild prices have become a relative bargain when compared to pricey second hand vessels available for sale. Has the market gotten ahead of itself? But the important question for owners and bankers alike will be whether future rates can fully amortize the debt and provide an adequate return on capital without a bet on residual value.

Who is providing the capital? Hopefully it isn't the banks, which are having difficulties coping with their existing commitments. Ole Slorer also highlighted that many of the larger ships have attractive long-term employment attached. In some cases, like Vale, shippers have decided to take control of their freight and bring it in-house. This strategy works in a high market, after being squeezed, but is unattractive in a low freight market, leading shippers to often reconsider this strategy. But these do make attractive financing deals and give the banks an opportunity to average down risk/exposure. This is certainly an opportunity for risk capital given the possibility of flipping the contract and/or vessel.

The enormity of the numbers surrounding the existing orderbook is the pressing issue and these newbuild orders are like adding fuel to the fire. While no one knows the answers to slippage and cancellations, it is important to talk through the issues, which brought to mind the following image:



Marine Money will happily pay the cost of the first session.

Obama Order Addressing Somali Conflict Lacks Clarity

By Sarah Noonan, Contributing Editor

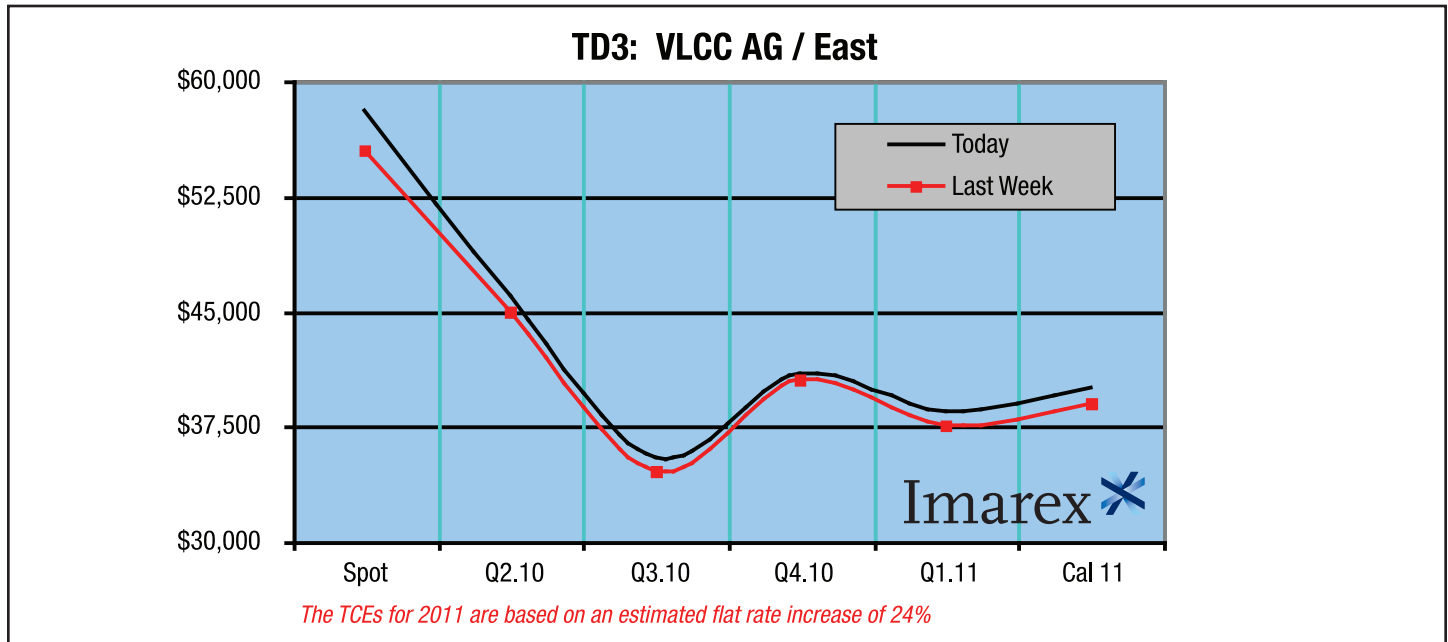
President Obama's issued an Executive Order this week in light of recent acts of violence in Somalia. The order "blocks all property and interests in property of any person listed in the Annex to the Executive Order and any other person determined by the Secretary of the Treasury to have engaged in acts that directly or indirectly threaten the peace, security, or stability of Somalia."

After careful reading of the order, we cannot conclude whether or not the statement took a clear stance on the payment of ransom to Somali pirates, who, as we have reported, have attacked many vessels throughout the past year. Therefore, we defer the opinion of maritime lawyer Dennis Bryant, who offered this interpretation of the Order on his blog, <http://bryantsmaritimeblog.blogspot.com>:

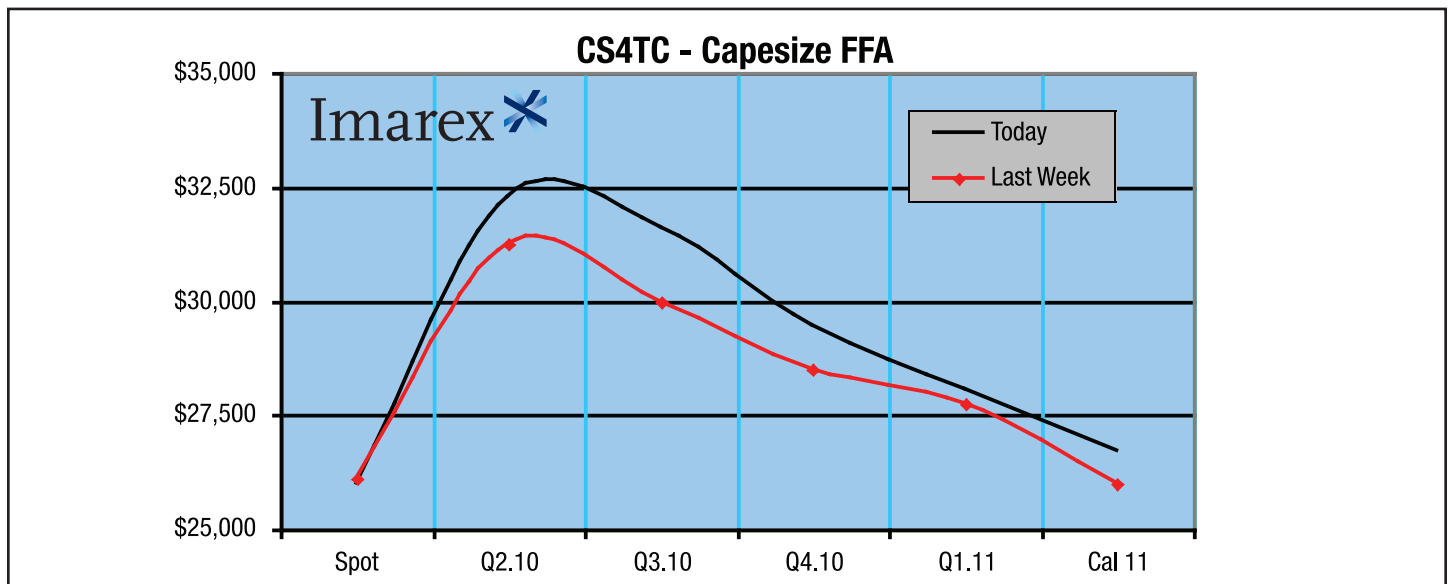
I find the new Executive Order re Somalia to be highly confusing. Piracy and armed robbery at sea off the coast of Somalia are mentioned in the preamble of the Executive Order, but the real focus seems to be on individuals and entities that threaten the Transitional Federal Government of Somalia and the African Union Mission in Somalia (AMISOM). The OFAC Bulletin revising the list of Specially Designated Nationals (SDNs) seems to be addressing Al-Shabaab and its leadership. There may be a pirate or two on the list, but I can't tell for sure, not knowing the pirates or Al-Shabaab that well. The Executive Order does not mention whether the payment of ransom to pirates, Al-Shabaab, or anyone else is prohibited. Certainly, the federal government took no action when at least one US company paid ransom to rebels/terrorists in Latin America. The Executive Order does succeed in causing uncertainty within the international maritime community. At the moment, there are no US citizens or US-registered vessels being held hostage by Somali pirates. There are citizens and ships of allied nations being held hostage though. Could a zealous US Attorney charge a foreign ship owner (or its insurer) that has a US presence for paying a ransom to the pirates? It is now a possibility. While there might not be a conviction, there could easily be a messy court proceeding if such charges were brought. Assuming that Al-Shabaab (and their fellow-travelers) is the real target here, inclusion of the mention of piracy in the Executive Order is unfortunately misleading. If piracy is one of the intended targets of the Executive Order, then it should have been more clearly stated. Then again, possibly this uncertainty was intentional.

Back to the Futures

By Mike Reardon of Imarex Inc., Email: Mike.Reardon@Imarex.com



The tanker sector has been a bit quieter than what we have become used to, though the market is still considered firm by most. With both March and April posting 105 or more spot fixtures in the AG – the regional position list has thinned and Owners are optimistic. The past few days have only seen moderate inquiry, yet rates have still moved up a few points. VLCCs are currently earning close to \$60,000/day. The Atlantic basin has been steady the past few weeks, with Suezmaxes earning close to \$20,000/day on most voyages. Clean markets continue to lag due to a continual supply/demand imbalance that has resulted in soft rates. FFA volumes have been good, though the forward curve is largely unchanged. The equities have continued their move to the upside alongside an 11,100 Dow Jones average. Frontline is now trading above \$36/share, up \$3 from last week at this time.



Dry bulk rates may be coming back a touch as ore demand into China is slowly returning. While there had been concerns that the outcome of the recent ore negotiations may push Chinese buyers into some form of a purchasing slowdown, general inquiry has returned the past day or so. The positive changes in the indices have been relatively mild, but when combined with improved FFA prices, they imply the dry bulk market has plenty of fight left in it. The continued drought in Southwest China has led to a noticeable increase in thermal coal demand, thereby providing incremental support to the sector. The forward curve seems to have bottomed earlier in the week after a one day decline of about 7% and is now higher than where it stood 7 days ago. Dry equities have moved higher alongside the rising FFAs and continually improving global economic backdrop. Sector leader GNK now trades above \$22/share – up from the \$20 level seen earlier this month.

Deal Tables & Bond Prices

Equity Deal Table

★ = New

📄 = Updated

Issuer	Underwriters / Advisors	Amount (US\$ M)	Structure / Pricing / Comments	Status
📄 Gaia Maritime AS	DnB Nor, Fearnley Fonds, Pareto	\$100	NOK 600M private placement to create a pure asset play in container shipping	On Hold
★ TBS International PLC		\$500	Shelf registration to offer senior or subordinated debt securities, Class A shares, preferred shares, depository shares, and warrants. Proceeds for general corporate purposes.	Done
★ Teekay Tankers Ltd.	UBS, Citi, JPMorgan, Deutsche Bank, Oppenheimer, Danske Markets	\$108	Issued 7.7M shares at \$12.25, a 6% discount to prior closing. Using proceeds, borrowing and issuance of shares to acquire 2 Suezmax and 1 Aframax from parent company.	Done
📄 Navios Maritime Acquisition Corp.	JPMorgan, Deutsche Bank, S. Goldman Advisors	-	SPAC targets acquisition of 11 product tankers and 2 chemical tankers for \$457.7M, including debt financing of \$334.3M (73%). Goes to work end of May.	In Progress
★ SeaCube Container Leasing Ltd.	JPMorgan, Citi, Deutsche Bank, Wells Fargo	\$165	IPO of Seacastle container leasing business. Proceeds to be used for working capital, investment in new containers and general corporate purposes.	In Progress
OceanFreight	Yorkville Advisors/YA Global Master SPV	\$100	Terminated Standby Equity Distribution Agreement with original availability of \$450M. Company raised \$99.7M of gross proceeds.	Done
Scorpio Tankers Inc.	Morgan Stanley, Dahlman Rose	\$163	Sold 12.5M shares at \$13/shares (below range). Equity contribution from founders comprised 3 Panamax tankers with employment. Proceeds for debt repayment plus expansion..	Done
Newlead Holdings		\$500	Shelf to issue common shares, preference shares, warrants, and debt securities. Proceeds to be used for general corporate purchases including working capital and acquisitions.	Done
Crude Carriers Corp.	UBS, BoA Merrill Lynch, Wells Fargo, Nordea, Oppenheimer, Cantor Fitzgerald, Pareto, RS Platou, ING	\$257	Sold 13.5M shares at \$19/share. Capital Maritime invested \$40M. Proceeds to purchase 2006 Suezmax and 2 VLCCs.	Done
Teekay Offshore Partners LP	Morgan Stanley, BofA Merrill Lynch, Barclays, Raymond James, DnB NOR, ING	\$99	Priced at \$19.48, a discount of 5% from prior day's close. Proceeds to repay unsecured subordinated debt facility with TK and to partially finance the acquisition of the FSO Falcon Spirit	Done
Capital Product Partners	UBS, Citi, Barclays, Oppenheimer, Stifel Nicolaus	\$56	Offered 5.8M common units at \$8.85/unit and partial exercise of greenshoe allocation. Proceeds to acquire dropdown vessel for \$43M which is to be chartered to Mexican charterer and sub-chartered to PEMEX	Done
Safe Bulkers Inc.	BofA Merrill Lynch, Credit Suisse, Evercore, Cantor Fitzgerald, DnB NOR, Oppenheimer, RBS	\$72	Controlling shareholder to purchase 1M shares at offered price. Offering also included exercise of full over-allotment of 1.35M shares.	Done
Alma Maritime Ltd.	BofA Merrill Lynch, UBS, Sunrise Securities, Clarkson Johnson Rice, BNP Paribas, UniCredit	-	Postponed due to market conditions after failing to price	Cancelled
OSG	Goldman Sachs	\$159	Bought deal at \$45.33, a 3.5% discount to prior close. Proceeds for general corporate purposes.	Done
Baltic Trading Limited	Morgan Stanley, Dahlman Rose, Jefferies, Lazard, DnB NOR	\$228	Deal for 16.3M shares (2.455M green shoe) priced at \$14/share. Genco contributing \$75M. Proceeds of both to purchase 2 Capesize N/B and 4 Supramax.	Done

Deal Tables & Bond Prices continued

M&A and Joint Venture Deal Table

★ = New

📝 = Updated

Acquirer, New Partners, or Parent Seller	Advisors	Amount (US\$ M)	Target / New Company	Comments
📝 Diana Shipping	FBR	\$83	Container ships	Invested \$50M for 60% interest in newco to invest in containerships over the next 12-18 months. Private investors provided balance
Aegean Marine Petroleum			Verbeke Bunkering N.V.	Family owned company has strong market position in Antwerp-Rotterdam-Amsterdam range. Includes fleet of 18 bunkering tankers
Euroseas Ltd		-		Euromar LLC, a Joint Venture with Eton Park Capital and Rhone Capital, with \$175M in equity, will acquire, maintain, manage, operate, and dispose of shipping assets.
Diana Shipping	FBR	\$132		Invested \$50M for 38% interest in newco to invest in containerships over the next 12-18 months. Private investors provided balance
Hoegh LNG & Prosafe Production				Cooperation in LNG FPSO segment. HLNG will be responsible for design, completion, operation and funding while Prosafe will deal with the operation and maintenance of the LNG FPSOs.
DFDS Group		\$497	Norfolkline	Debt and cash-free acquisition of ferry and logistics company. Seller, APM will end up owning ~31% of DFDS.

Bond Deal Table

★ = New

📝 = Updated

Borrower	Arrangers / Advisors	Amount (US\$ M)	Interest Rate	Maturity	Purpose / Remarks	Status
★ Frontline Ltd.	ABG Sundal Collier, Deutsche Bank, Arctic Securities, First Securities AS, Nordea Bank Norge ASA	225	4.50%	5	Proceeds to be used to finance remaining equity investments in newbuildings and for general corporate purposes. Conversion premium of 31%.	
OSG	Citi, Morgan Stanley, HSBC, Deutsche Bank, DnB NOR, Goldman Sachs, ING	\$300	8.13%	2018	Proceeds to repay outstandings under unsecured revolver	In Progress
STX Europe AS	Nordea & Pareto	\$43	13.50%	2019	NOK 250M senior, unsecured issue. Proceeds for general corporate purposes	Done
Songa Offshore	Citi	\$200	t/b/d	2017	Refinance existing debt and general corporate purposes	On Hold
Navios Maritime Holdings		\$3	2.00%	2014	Mandatorily convertible preferred issued to shipyard in partial payment.	Done
Berlian Laju Tankers	JPMorgan, RS Platou	\$125	12.00%	2015	Convertible Notes at 10% premium.	Done
Regent Seas Cruises S. DE R.L.	Barclays, HSBC, Deutsche, DnB, DVB, UBS	\$200	12.00%	2017	Pulled due to market conditions.	Cancelled
Rem Offshore ASA	DnB NOR		NIBOR+ 500 bps	2015	Sr. unsecured FRN. General corporate purposes.	Done
Teekay Corporation	JPMorgan, Citi, Deutsche, BNP, DnB, ING & Scotia	\$450	8.50%	2020	Upsized from \$300M. Senior unsecured notes priced to yield 8.625%.	Done

Bank Debt Deal Table

★ = New

✎ = Updated

Borrower	Arrangers / Buyers	Amount (US\$ M)	Pricing / Purpose / Remarks
Newlead Holdings Ltd.	Bank of Scotland, BTMU Capital Corp., Bank of Ireland	\$80	Partially finance acquisition of 2 N/B Kamsarmaxes for \$112.7M. \$80M loan split into two tranches: Senior (\$66.7M) and Junior (\$13.3M)
D/S Norden	BNP Paribas, SINOSURE	\$200	10 year secured term loan to finance vessels to be delivered from China in 2010-11.
Clipper Group	Fortis Bank Nederland, China EXIM, NIBC	\$170	Pre & post delivery for 2 n/b VLCCs
Ship Finance International		\$675	5 year loan facility for Frontline vessels.
Torm	CEXIM	\$170	8 year loan to finance 6 MRs delivering in 2010-12
Marquette Transportation	Wells Fargo & JPMorgan	\$225	5-year revolver in conjunction with HY bond
CMA CGM		\$500	Bridge to further restructuring. Conditioned upon new corporate governance including independent board members and new CEO.
Aegean Marine Petroleum	BNP Paribas	\$100	One year uncommitted trade finance w/ LC facility
Goldenport Holdings		\$37	\$15M to fund acquisition, \$11.9M to refinance debt and \$10M for WC. 2 unencumbered vessels added as collateral.
Torm	Bank of China, SocGen, Sinosure	\$167	Export credit financing for 6 MRs to be delivered between 2010/12.

Lease Deal Table

★ = New

✎ = Updated

Lessee	Lessor(s)/Advisor(s)	Amount (US\$ M)	Structure / Pricing / Comments
Seacor Grant DIS		38	K/S acquired AHTS/ROV from Seacor with 4-year T/C to Sonangol
PDVSA	Dynacom Tankers	\$208	BBHP. Four 2009 LR1s for \$52M each. 15% upfront payment with a balloon at the end of 10 yr BB. Hi-Lo rents.
North China Shipping Holdings	Ship Finance International		Conversion of outright sale to hire purchase of 2 Suezmax tankers. 5 year BB at \$16K/day with options and put.
Odfjell	Star Tankers		Sale-leaseback of Bow Pioneer and Bow Hunter, while terminating Bow Asir and Bow Arar.
Eitzen Chemical	Pareto K/S	\$34	Sale & 5 year BB back of Sichern Pace. Senior debt provided by Nordea with Northern Shipping Funds providing \$4MM sub debt.
Ocean Tankers	KFH Oceanic Portfolio Company Ltd (Tufton Oceanic)/DnB NOR Markets	\$70	Sale and 5-7 year bareboat back of 2008 built Aframax LR1I tanker with purchase options.
STX Pan Ocean	Korea Asset Management Corp.		3 handysize and 1 supramax bulker
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 accommodation 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

Jefferies – High-Yield Shipping Bonds

	Offer Price	YTW	STW	Maturity	Ratings	Call Date	Call Price
SHIPPING							
American Commercial Lines (ACLI)	NASDAQ: ACLI, Market Cap: \$268 mm				B1/-		
12.5% Sr Sec Nts due '17	107.500	10.59%	787	Jul-17	B2 / B+	07/15/13	106.250
Berlian Laju Tanker (BLTAIJ)	IDX: BLTA IJ, Market Cap: \$471 mm				-/		
7.5% Sr Nts due '14	81.125	13.70%	1,152	May-14	- / CCC+	05/15/12	103.750
CMA CGM (CMACG)	Private				WR/NR		
5.5% Sr Nts due '12	79.006	18.09%	1,709	May-12	- / NR	any time	MW+50
7.25% Sr Nts due '13	78.951	17.05%	1,554	Feb-13	- / NR	02/01/11	101.813
General Maritime (GMR)	NYSE: GMR, Market Cap: \$467 mm				B1/BB-		
12% Sr Nts due '17	107.500	10.20%	737	Nov-17	B3 / B-	11/15/13	106.000
Golden State Petro (GOLDEN)	Private				-/		
8.04% Sr Sec Nts due '19	104.000	7.41%	378	Feb-19	Baa3 / BBB	any time	MW+37.5
Great Lakes Dredge & Dock (GREATL)	NASDAQ: GLDD, Market Cap: \$323 mm				B2/B		
7.75% Sr Sub Nts due '13	101.000	7.09%	625	Dec-13	B3 / B-	05/17/10	102.583
Excel Maritime (EXM)	NYSE: EXM, Market Cap: \$534 mm				-/		
1.875% Sr Nts due '27	66.500	11.68%	929	Oct-27	- / -	10/22/14	100.000
Horizon Lines (HRZ)	NYSE: HRZ, Market Cap: \$175 mm				B3/B		
L+350 1L TL-A due '12	91.875	9.93%	871	Aug-12	Ba3 / BB-		
4.25% Sr Nts due '12	89.000	9.65%	841	Aug-12	Caa2 / CCC+		
Marquette Transportation (MARTRA)	Private				-/		
10.875% Sr Sec Nts due '17	104.500	9.82%	695	Jan-17	B3 / B-	01/15/13	108.156
Navios Maritime (NAVIOS)	NYSE: NM, Market Cap: \$710 mm				B1/BB-		
8.875% Sr Sec Nts due '17	105.750	7.58%	477	Nov-17	Ba3 / BB-	11/01/13	104.438
9.5% Sr Nts due '14	103.000	8.21%	678	Dec-14	B3 / B+	12/15/10	104.750
Norwegian Cruise Line (STRC)	Private				-/		
11.75% Sr Sec Nts due '16	109.750	9.45%	663	Nov-16	B3 / B+	11/15/13	105.875
Overseas Shipholding Group (OSG)	NYSE: OSG, Market Cap: \$1,470 mm				Ba2/BB-		
8.75% Sr Nts due '13	107.000	6.54%	459	Dec-13	Ba3 / BB-	any time	MW
8.125% Sr Nts due '18	102.000	7.78%	432	Mar-18	Ba3 / BB-	NC	MW+50
7.5% Sr Nts due '24	89.000	8.90%	488	Feb-24	Ba3 / BB-	NC	NC
Royal Caribbean Lines (RCL)	NYSE: RCL, Market Cap: \$7,584 mm				Ba2/BB-		
8% Sr Nts due '10	100.000	7.73%	758	May-10	Ba3 / BB-	NC	NC
8.75% Sr Nts due '11	104.100	3.39%	305	Feb-11	Ba3 / BB-	NC	NC
7% Sr Nts due '13	103.250	5.85%	414	Jun-13	Ba3 / BB-	NC	NC
6.875% Sr Nts due '13	102.250	6.17%	422	Dec-13	Ba3 / BB-	NC	NC
5.625% Sr Nts due '14	98.000	6.23%	458	Jan-14	Ba3 / BB-	NC	NC
11.875% Sr Nts due '15	117.000	7.85%	513	Jul-15	Ba3 / BB-	NC	NC

Jefferies – High-Yield Shipping Bonds continued

	Offer Price	YTW	STW	Maturity	Ratings	Call Date	Call Price
SHIPPING CONTINUED							
Royal Caribbean Lines (RCL) con't	NYSE: RCL, Market Cap: \$7,584 mm				Ba2/BB-		
7.25% Sr Nts due '16	100.000	7.25%	424	Jun-16	Ba3 / BB-	NC	NC
7.25% Sr Nts due '18	99.250	7.38%	392	Mar-18	Ba3 / BB-	NC	NC
7.5% Sr Nts due '27	89.750	8.65%	447	Oct-27	Ba3 / BB-	NC	NC
Ship Finance International Ltd. (SHIPFI)	NYSE: SFL, Market Cap: \$1,638 mm				Ba3/BB		
8.5% Sr Nts due '13	99.750	8.58%	661	Dec-13	B1 / B+	05/17/10	102.833
Stena AB (STENA)	Private				Ba1/BB+		
7.5% Sr Nts due '13	102.750	-2.35%	(250)	Nov-13	Ba2 / BB+	04/29/10	102.500
7% Sr Nts due '16	95.000	7.99%	483	Dec-16	Ba2 / BB+	05/17/10	103.500
6.125% Sr Nts due '17	98.000	6.49%	385	Feb-17	Ba2 / BB+	any time	MW+50
5.875% Sr Nts due '19	92.000	7.11%	409	Feb-19	Ba2 / BB+	any time	MW+50
7.875% Sr Nts due '20	102.000	7.58%	442	Mar-20	Ba2 / BB+	any time	MW+50
Titan Petrochemicals (TITAN)	HKE: 1192 HK, Market Cap: \$4,987 mm				Caa3/CC		
8.5% Sr Nts due '12	40.000	69.91%	6,892	Mar-12	C / C	any time	MW+100
Teekay (TK)	NYSE: TK, Market Cap: \$1,882 mm				Ba3/BB		
8.5% Sr Nts due '20	105.750	7.65%	383	Jan-20	B1 / BB	any time	MW+50
Trailer Bridge (TRBR)	NASDAQ: TRBR, Market Cap: \$61 mm				B3/B-		
9.25% Sr Sec Nts due '11	102.000	5.62%	536	Nov-11	B3 / B-	05/17/10	102.313
Ultrapetrol Limited (ULTR)	NASDAQ: ULTR, Market Cap: \$185 mm				B2/B		
9% Sr Sec Nts due '14	92.000	11.27%	883	Nov-14	B2 / B	05/17/10	104.500
United Maritime Group (UNMTGR)	Private				-/		
11.75% Sr Sec Nts due '15	104.500	10.23%	827	Jun-15	B3 / B	12/15/12	105.875
US Shipping (USPZ)	Private				-/		
L(2.%FLR)+720 1L TL-EXIT due '13	85.000	15.39%	1,355	Aug-13	- / -		
L(2.%FLR)+50 2L TL-EXIT due '13	34.500	38.45%	3,654	Aug-13	- / -		

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