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The Week in Review

A Book Review

While it will never be a best seller, **Navios Maritime Acquisition Corporation's** ("NMAC") proxy statement makes a cogent argument for shareholder approval of the pending transaction for the acquisition of 11 newbuilding product tankers (four LR1s and seven MR2s) and two chemical tankers with an option to acquire two further LR1 product tankers. The acquisition cost is \$457.7 million of which \$334.3 million will be financed with debt. Included in the \$344.3 million in debt facilities is a \$52 million loan facility, which is in advance stages of negotiation, but, unlike the rest, not yet committed. The balance of the purchase price will be funded from the \$250.8 million of proceeds of the initial public offering of 25.3 million units, including 3.3 million units issued upon the exercise of the over-allotment option. Invested in Treasuries, the cash position of the trust account stood at \$251.5 as of year-end. The actual cash availability is uncertain however as unit holders can vote against the acquisition and exercise their conversion rights.

The proxy statement is management's case to the shareholders as to why they should approve the transaction.

While management makes many sound arguments, what stands out is their substantial commitment to the deal backed by dollars. Concurrently, with the announcement of the acquisition, **Navios Maritime Holdings** ("Navios") and Ms. **Angeliki Frangou** announced that they intend to acquire up to \$60 million of NAMC stock in open market or privately negotiated purchases. Currently, the initial shareholders, who include Navios, Ms. Frangou and other insiders, control 6.035 million units, representing approximately 20% of the outstanding shares. Assuming a share price of ~\$10, Navios and Ms. Frangou can acquire a further ~6 million shares increasing their ownership position to approximately 39%. Finally, that position can increase further through the exercise of warrants purchased at the time of the IPO.

The approval process involves, in effect, a syllogism or a two-part condition. The transaction is considered approved if the majority of shares issued in the IPO vote in favor of the transaction and no more than 40% of the unit holders both vote against the transaction and properly exercise their conversion rights. In terms of numbers, there were 25.3 million units issued in the public offering. To approve the

transaction, approximately 12.7 million shares have to be voted in favor and less than 10.2 million can vote no. It is important to note however that the initial shares totaling 6.035 million controlled by insiders will be voted in favor of the transaction but have no impact on whether it is approved, as they are not part of the original IPO. Only those shares they acquire in the recently announced offering can be voted. Third party holders of 5% or more of the common shares, largely hedge funds, control approximately 17 million shares and consequently will determine the outcome of the vote.

Further demonstrating their commitment, Navios states unequivocally that if the transaction is not approved, it will consummate the transaction for its own account. Certainly, there can be no doubt concerning Navios' support of this transaction.

Navios in choosing this deal for the SPAC went outside their comfort zone in terms of assets but yet again demonstrated their key business strengths including their relationships with the banks and the shipyards. The deal exhibits strengths and weaknesses that we highlight below.

Without a doubt the strongest asset in this deal is a liability. The financing that comes with this transaction contains very favorable conditions, particularly the leverage at 73% of the purchase price, which makes Navios' commitment to do the deal, even if shareholders reject it, feasible. Expressing their confidence in Navios while acknowledging market realities, the banks provided an aggressive spread of 2.50 to 2.75 bps, which we believe to be below market, with a highly favorable re-payment schedule. While the term is short for newbuildings, it is made up by the extensive amortization period, which for \$334 million of the debt is 17 years and for the \$52 million facility is 14.5 years. The effect is to create on average a balloon of \$16 million against \$25 million of debt per vessel. Low interest and low principal repayments combine with Navios' highly competitive operating costs to create a highly favorable and manageable breakeven cost. Nevertheless, this loan package must be placed in the context that only two of the vessels have fixed employment as of yet and current spot and time charter rates are anemic. As of today, LR1 spot rates from MEG to Japan stand at \$8.8K per day while the TCE for MR1s is at \$7.3K. Finally, the covenant package can be described as light, with the main covenant being an LTV of 125% initially, which does not go into effect until delivery of the vessels. Although the company can distribute up to 50% of net income, it intends to retain cash to support operations and finance growth.

A key consideration in acquiring these vessels is the fact that they can be construed as being "a bargain" (our word not theirs). As we discussed last week, cheap is a relative and, for us, an indefinable term, but we greatly admired the company's choice of words in describing, from their perspective, the acquisition of the vessels as near historically low (inflation adjusted) prices. Whether they are a bargain, we do not know. From the perspective of the newbuilding price data contained in the proxy, they are paying a slight premium for the LR1s but a discount for the MR2s, but these are for ships already in the pipeline. But more to the point you would have to go back to 2003 to 2004 to find cheaper prices. For us the price paid is just one of many moving parts with operating expenses, debt repayment and returns, if any, being the others. Provided NMAC can employ the vessels at breakeven rates at today's low market rates, a return to more "normal" levels will be a win in this market play.

From a cost perspective, the proxy does note that the nine-vessel deal contains concessions related to the prospective purchasers inability to continue making payments under the contracts. Concessions from the original contract totaling \$57.3 million, including a \$14.6 million credit for payments made to date, were granted by **Dae Sun Shipbuilding** of South Korea.

For us, the weakness in the deal relates to commercial management. While uncertain as to what "extensive operations in the tanker sector" comprises, we are certain that operating tankers in the South American cabotage trade is different from trading products/chemicals worldwide. But that is a problem easily solved. Although not typically a Greek solution, there are numerous pools that maximize spot earnings through COAs, while minimizing ballast. Alternatively, as with their move into Capes led by the acquisition of **Kleimar**, the company can bring in the necessary experts, both chartering and operations, in-house. While we have every confidence in Navios' ability to technically manage the vessels, both the vessels and their operation will need to pass major oil company vetting. Finally, as long-term employment is currently unlikely to pay the bills, Navios will be required to compete in the spot and short-term charter markets against experienced competitors. The one exception relates to the two LR1s, which are on the water and will enter into 3 year timecharters at \$17,000 per day with a 50-50 profit sharing.

Always a problem, the inherent conflicts between the companies are dealt with in the Acquisition Omnibus Agreement which provides for Navios and Navios Partners to have a right of first refusal on dry vessels with NMAC granted the same right with respect to tankers.

While the proxy formally credits a bank as the deal's source, reliable market sources suggest that the story actually began with a protagonist, not a heroic figure, but one who bet and lost substantial sums. Trying to salvage his position and credibility with the banks, the Greek seller was instrumental in bringing Navios and the banks together. Unlike many who have walked from their obligations in the past, he is an example of borrowers behaving properly. While his motivation may not be pure, he should, nonetheless be commended and perhaps even rewarded by the gods in the future.

Having been threatened with a quiz on the proxy statement by Navios' senior management, we do take pleasure in noting the error in the first full paragraph on page 5 which states: that "...the Navios group of companies controls 72 vessels weighing an aggregate of 7.5 million dwt..." Even we know that dwt refers to cargo carrying capacity not weight. I would say "got ya" but given the massive undertaking in producing this volume in an incredibly tight time frame absolutely no criticism is deserved or warranted. While it is fun, I await the retribution.

But the real story here is the sponsor's commitment and track record. Even if you could get Las Vegas odds-makers to create a betting line, we doubt anyone would take the odds and bet against Navios and Ms. Frangou. The authors are currently on the road giving readings from their hoped for best seller.

The original joint bookrunners for the SPAC were **JPMorgan** and **Deutsche Bank Securities** with **S. Goldman Advisors** as manager.

It's Spring and the Convertible Takes Another Spin

On Tuesday, **DryShips** announced that it would re-open the indenture of its original convertible bond offering done November 25, 2009, and offer an additional \$150 million aggregate principal amount of the 5% Convertible Senior Notes due 2014 ("Convertible Notes"). As a consequence of the strict six-month window, this is a highly unusual occurrence, which we understand has only happened twice in the last five years

By the time it was priced, this deal, like the previous one, was upsized from \$150 million to \$220 million, an increase of almost 47%. The notes are being offered as additional notes under an indenture, as supplemented by a supplemental indenture, under which the company issued the original \$460 million of the Convertible Notes. In addition, the underwriter will be granted an

option to purchase up to an additional amount of \$20 million of the notes to cover over-allotments. The notes offered currently and the previously issued notes will be treated as a single series of debt securities under the indenture. The terms of the new notes, other than the issue date and public offering price will be identical to the previously issued notes. Upon completion of the offering the total outstanding amount of the Convertible Notes will be \$680 million, assuming the overallotment option is not exercised. After the announcement the shares traded down 4.6%, closing yesterday at \$6.19.

Priced at 101% plus accrued interest to the public, the notes will yield 4.95% and generate gross proceeds of \$226.8 million.

Based upon a conversion price set at \$7.19 per the terms of the original offering, the conversion premium is 19.8%, based upon the \$6 price offered by the share borrower.

Net proceeds from the offering, which are estimated to be \$221 million, will be used for vessel acquisitions, acquisition of vessel owning companies and other acquisitions in shipping and related industries and for general corporate purposes, such as capital expenditures for the newbuilding drillships. Further details are included in the Guts of the Deal below

Historically, hedge funds that purchased convertible notes have shorted the shares as a hedge. To accommodate this activity, the company has concurrently with the note offering agreed to lend to Deutsche Bank 10 million shares of its common stock, having a market value of approximately \$60 million. Under the terms of an equity underwriting agreement, Deutsche Bank will have the right to sell the shares they borrow. The shares will be offered under an existing shelf registration. DryShips will not receive any proceeds from the sale but will be compensated by a nominal lending fee. As a result of this borrowing facility arrangement and the fact that Dryships will not receive proceeds from the equity offering, DryShips will not account for the shares in its diluted share count. Deutsche must return the shares at the earlier of conversion, cancellation, repurchase or at maturity.

Risk appetite and confidence in Mr. Economou surely are at a peak. The notes are considered highly speculative and unrated, not surprising since there was no interest coverage for the last two years. While some banks have waived breaches of financial covenants oth-

Guts Of the Deal

Issuer	DryShips Inc.
Amount	\$220,000,000
Notes Offered	Convertible Senior Notes
Green Shoe	\$20,000,000
Coupon	5.00%
Issue Price	101.00%
Yield	4.95%
Maturity Date	12/1/14
Conversion Premium	19.8% based upon conversion price of \$7.19 and \$6 offer price by share borrower
Optional Redemption	Non-callable for life
Guarantees	None
Ranking	Parri passu with all other senior unsecured debt
Security	Unsecured
Restrictive Covenants	None
Dividends	Suspended
Fundamental Change Repurchase	Repurchase at 100%
Use of Proceeds	Vessel acquisitions, acquisition of vessel owning companies, and other acquisitions in shipping and related industries and for general corporate purposes.
Bookrunner	Deutsche Bank Securities
Issuer's Counsel	Seward & Kissel
Purchaser's Counsel	Morgan, Lewis & Bockius and Cleary Gottlieb Steen & Hamilton
Governing Law	New York
Accountants	Deloitte, Hadjipavlou Sofianos & Cambanis
Incorporation	Marshall Islands

ers have not resulting in a substantial portion of long-term debt being classified as current. This has led auditors to give a going-concern opinion on the company's 2009 financial statements. Then there are the huge capital expenditures required on the drilling side as well as the fact that there is no financing in place yet for the new drillships. While the proceeds from this offering will help, none of these concerns seem to faze investors.

Add to this faith, Deutsche Bank's structuring skills and sales capabilities and you have a recipe for success. Re-opening the convertible indenture was a brilliant move, which enabled the company to raise additional capital on the cheap. Clearly the deal was well received based upon upsizing. But then again a convertible with a share lending facility is meat to the hedge funds. In fact hedge funds picked up about 65% of the notes with institutions taking 85% of the shares.

When it comes to the capital markets, we are often left scratching our head in wonderment. But then we realize a good sales pitch and a well-structured deal are hard to resist.

Deutsche Bank was the sole book running manager for both offerings.

A Tanker Saga

On Wednesday, **Arne Blystad** went to market to raise equity for a new pure play large tanker IPO, **Saga Tankers ASA**, which will acquire three VLCCs from companies controlled by Blystad with the fourth on subjects. The company is looking to raise \$80 million or \$120 million in a private placement, however it intends to list the shares on the Oslo Axess in mid-June. For investors, the main attraction will be the full dividend payout model.

Constructed at **Daewoo Shipbuilding**, two of the VLCCs were built in 2000 with the third in 1995. The two younger vessels were valued at \$69 million each, even though one is spot and the other is on time charter through Q3 2012. The 1995 built vessel is valued at \$49 million and is employed in the spot market as well. The en bloc price is \$187 million, excluding the option vessel, which is financed with the proceeds of the offering, the existing bank debt and an in-kind payment from the seller. The sources and uses of

Sources and Uses

	\$80 MM	\$120MM
Source		
Equity-in-kind	\$41	\$41
Equity Issue	\$80	\$120
Existing Debt	\$100	\$100
Drawdown on new debt facility		\$33
Total	\$221	\$294
Uses		
3 VLCCs	\$187	\$187
Vessel Acquisition		\$70
Working Capital	\$34	\$37
Total	\$221	\$294
Ownership		
Blystad	33.9%	25.5%
New Investors	66.1%	74.5%

funds, as well as the pro forma percentage ownership is shown in the chart above for both the three and four vessel deals.

For investors, it is an attractive story (full details are provided in the attached Guts of the Deal). The sponsor, Arne Blystad, a renowned long-term shipping investor, will be contributing \$41 million in equity-in-kind from ownership in the existing fleet. The full payout dividend model is supported by a low breakeven estimated to be \$22,000/day made possible by the purchase price, competitive operating costs and favorable debt terms. This will ensure dividends will be paid even at low market levels and could even provide returns of 25% based upon current VLCC rates of \$60,000 per day. Like the big boys, the company plans to operate two of the three initial vessels, as well as the fourth if acquired, in the spot market. To be sure of better than market returns, they have, in fact, enlisted one of the

Guts Of the Deal

Issuer	Saga Tankers ASA
Number of Shares	40 million or 60 million
Offering Price Range	NOK 12 (~\$2.00)
Deal Size	Minimum of \$80 million with a maximum of \$120 million
Primary Shares	All
Employment	Mix of spot and term employment
Dividend Policy	Full payout
Use of Proceeds	Funding of 3 vessel acquisitions from Blystad, potential 4th vessel on subs and working capital.
Credit Facility	Fleet loan of \$100M plus \$50M acquisition loan. 5 year term at LIBOR+300 bps
Banks	Underwritten by DnB NOR
Management - Commercial	Frontline Management
Management - Technical	V-Ships and Songa Ship Management
Joint Bookrunners	Pareto, Arctic Securities, DnB NOR & Fearnley Fonds
Incorporation	Norway
Stock Exchange	Application made to list on the Oslo Axess

big boys, **Frontline Ltd**, to commercially manage the spot vessels. There is also the possibility of upside should asset values, down approximately 45% from the peak, recover. And, finally, the shares will become liquid when they are initially registered for trading on the OTC immediately after the equity issue and then when listed in June.

Financing for both the fleet and the acquisition of the fourth vessel has been fully underwritten by **DnB NOR**. DnB has agreed to provide a term loan of \$100 million, which can increase to \$150 million if the larger equity amount is raised and the fourth vessel purchased. The loan matures in five years and bears interest at LIBOR + 300 bps. A fairly stringent covenant package includes a change of control provision, positive working capital, a minimum 40% market value adjusted equity to market value adjusted assets, minimum cash of \$3.5 million if no dividends are paid which increases to \$5 million after dividends, and a minimum value clause of 135%.

Overnight, we learned that the company and its advisors were very busy and successfully completed the placement and closed the books when the \$120 million milestone was reached. Assuming the subjects on the fourth VLCC are lifted on Tuesday, allocation will be done that afternoon on the basis of \$120 million. There was no struggle to fill the books or any issue with respect to price, as has been the case here recently. The moral to this saga according to an insider is that “when you have a clean story, quality ships and quality people behind it, you can rain equity in today’s market.”

Pareto Securities, Arctic Securities, DnB NOR Markets and Fearnley Fonds served as joint lead managers and joint bookrunners.

Aker Bonds

Norway continues to be the go to source for capital, particularly high yield bonds, for small energy companies. Highly leveraged already, the companies use the bonds, mostly short-term, to provide an equity bridge and a source of cash to meet an immediate cash need.

Last week, **Aker Drilling ASA** successfully completed a NOK 1.5 billion three year unsecured bond issue, which was guaranteed by its parent, **Aker ASA**. The bonds pay interest on a floating rate of NIBOR + 400 bps. Proceeds will be used to refinance NOK 800 million of an existing convertible bond maturing in October 2010 and for general corporate purposes. Details of the transaction are shown in the Guts of the Deal below.

Aker Drilling owns and operates two Aker H-6e semisubmersible drilling rigs, which are deepwater, harsh environment and cold climate capable. The Aker Spitsbergen is currently on contract to **Statoil** for \$480,000 per day until July 2013 with 5 x 2 year optional extensions. Employed by **DNO**, the Aker Barents is on contract

at a rate of \$520,000 per day until July 2012 with 2 x 1 year options.

Although the bonds are unsecured, there is “equity” in the rigs. Based upon a liquidation value of \$650 million per rig, the senior LTV at the closing of the bond is ~62% which will reduce during the tenor of the bond as the bank loan amortizes.

In addition Aker ASA, which owns 100% of Aker drilling, will provide an irrevocable and unconditional on-demand payment guarantee (“Selvskyldnergaranti”) of the bond. With a market capitalization of NOK 11.5 billion, Aker ASA was given a shadow credit rating of BB by DnB NOR Markets, which translates over to the issue given the guarantee.

The deal was led by **DnB NOR Markets** and **Pareto Securities**.

The combination of state of the art rigs, the contracts, the credit enhancement and short tenor make this well structured deal attractive to investors and to the issuer as well who pays a reasonable all-in rate for the funds.

Guts Of the Deal

Issuer	Aker Drilling ASA
Amount	NOK 1,500,000,000
Borrowing Limit	NOK 1,500,000,000
Minimum Amount	NOK 800,000,000
Notes Offered	FRN Senior Unsecured Bond
Coupon	3 month NIBOR + 400 bps
Issue Price	100%
Maturity Date	30-Apr-2013
Call Options	Anytime at a price of 104.5% in year 1, 103% in year 2 and 101.5% in year 3.
Guarantees	Aker ASA will provide a Norwegian "Selvskyldnergaranti" (irrevocable unconditional guarantee)
Ranking	Parri passu with all other senior unsecured obligations.
Security	Unsecured
Undertakings	Standard loan covenant package plus negative pledge
Restrictive Covenants-Issuer	Minimum free cash of \$25M. Positive working capital.
Restrictive Covenants-Guarantor	Total debt to total equity < 0.8.
Subordinated Capital	May service Guarantor loans from cash from operations provided the borrower maintains a minimum equity ratio of 35%
Dividends	May pay dividends not to exceed 30% of net profit after tax of prior year.
Change of Control	Put at 100%
Use of Proceeds	Refinance NOK 800M convertible bond maturing in October 2010 and to cover estimated funding requirement of up to USD 150M and for general corporate purposes.
DnB Shadow Credit Rating Issue/Guarantor	BB/BB
Joint Arrangers	DnB NOR Markets & Pareto Securities
Incorporation	Norway
Listing	Will apply for listing on the Oslo ABM
Trustee	Norsk Tillitsmann

Market Commentary

WOMAR and Nordic Envision Small Chemical Tanker Consolidation

A press release jointly issued by **Nordic Tankers**, a Danish shipping company listed on NASDAQ OMX Copenhagen and **WOMAR**, a privately held company with its head office in Singapore operating 3 commercial pool's, stated, "Commencing 1 June 2010 it is the intention that, Nordic Tankers and WOMAR will start marketing each others' coated chemical tankers in the range of 10,000 to 17,000 deadweight tonnes (dwt) in their individual areas of primary marketing strength. The Letter of Intent is subject to execution of a final agreement."

The marketing concept is dead simple – WOMAR will market its strength East of the Suez and Nordic their strength West of Suez. The combination is potentially huge, producing an integrated global service for their customers and increased efficiency and utilization of ships under management.

It is the aim that the parties establish a jointly owned independent pool management company. The name, location and jurisdiction of this new company will be mutually agreed.

Together the two companies envision becoming the major players in a consolidation of the small chemical sector, a highly fragmented market place - both globally and regionally based - with 100's of small owners and 100's of charterers. The WOMAR / Nordic alliance aims to bring efficiencies to this market place. The successful pool operation of WOMAR brings its reach of global cargo providers to tonnage providers - big and small.

WOMAR operates 3 pools; Marida, Yamuna and Ganges with a fleet of about 40 chemical and product tankers below 20,000 tdw. Nordic Tankers operates a fleet of around 70 chemical and product tankers, with a main strategic focus on chemical tankers in the segment below 25,000 dwt.

Nordic Tankers, which consists primarily of **Clipper's** former tanker business, has offices in Copenhagen (headquarters), Stamford

(Connecticut, U.S.), Houston (Texas, U.S.) and Bogota (Columbia) and has about 115 employees. WOMAR has offices in Singapore (headquarters), Mumbai (India) and London (UK) totaling about 37 employees.

"This Letter of Intent is in line with our strategy of prudent and profitable growth with a target of more than 150 vessels under management in 2013. WOMAR's strong position in Asia is a perfect match for Nordic Tankers as it supplements our strong position west of the Suez Canal," said Nordic Tankers CEO, **Tommy Thomsen**.

"Nordic Tankers' well known presence in Western markets and this potential strategic alliance will further enhance our services to our customers providing efficient access to the global markets. The complementary activities of Nordic Tankers provide a natural next logical step of our motto – "Leadership Through Service" said WOMAR CEO – Hans Van Der Zijde

Nordic Tankers is also in the process of raising capital through a Rights Offering.

Taco van der Mast Returns to His Former Corporate Finance Boutique

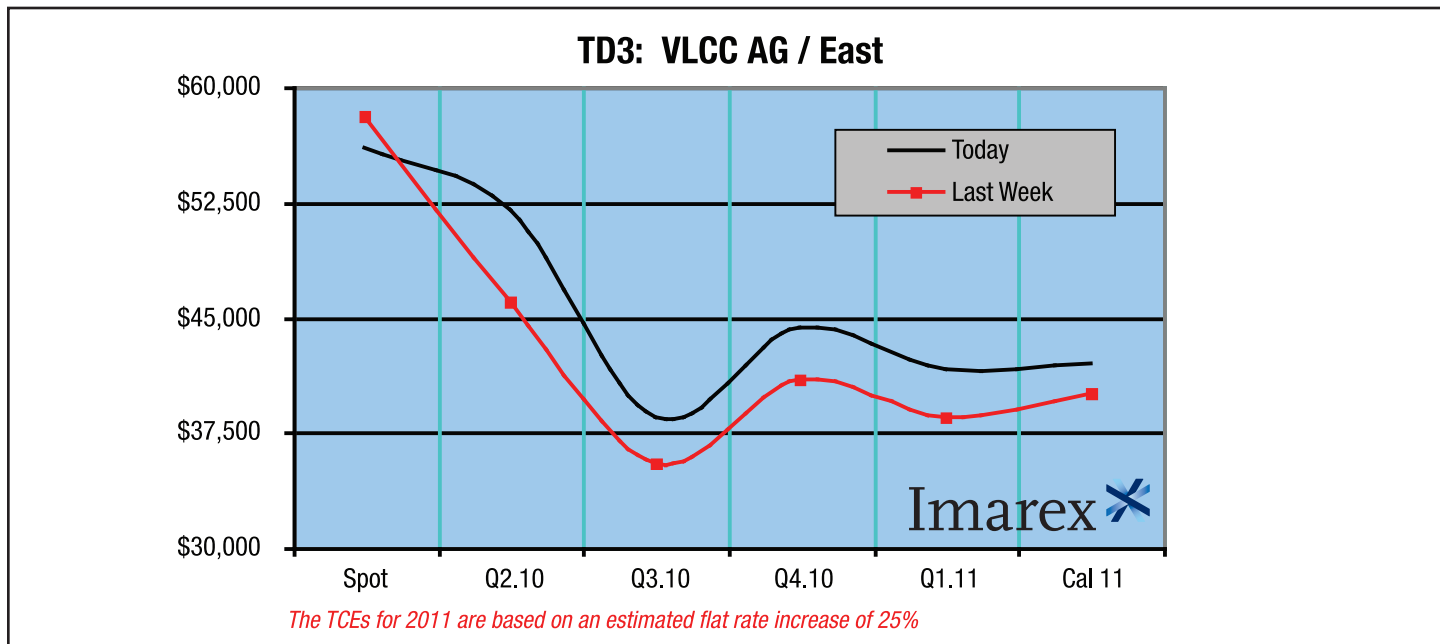
Who says you can't go back? **Taco van der Mast** long time head of JP Morgan's shipping group has returned to the scene of one of his best known successes as he returns to **Bendel, Van der Mast & Co. B.V.**

It was at Bendel a firm he founded that he and colleagues arranged newbuilding finance for the four giant white 440,000 dwt ULCC's ordered in Korea by Basil Papachristidis. He has spent the past 7 years at **NIBC Bank** building out their shipping practice and re-establishing that banks position in international ship finance.

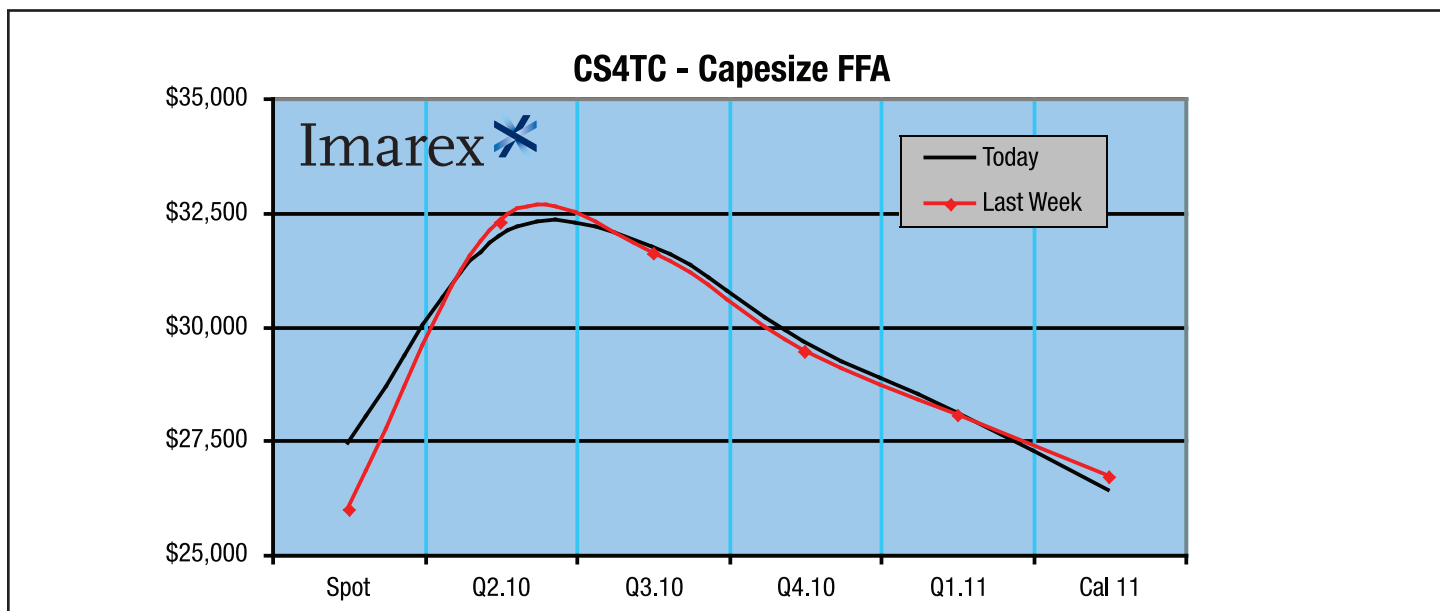
Back at Bendel he will focus on arranging financing for international shipping and energy industries. Taco.van.der.mast@bvdmc.com

Back to the Futures

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



VLCCs are still holding their ground at impressive levels, though near term sentiment in the AG has gone from firm to mixed. While the position list is still somewhat balanced, there are doubts that May will produce the same strong inquiry seen for March and April loaders. Suezmaxes have witnessed a much welcomed boost to earnings on the back of a demand spree for 1h May loaders in West Africa. TCE has increased from about \$20,000/day to \$35,000/day in the span of just a few days. The VLCC futures curve has shifted to upside for the balance of the year and beyond on the back of global macro optimism and less sector pessimism. Clean markets in the East have seen mildly better demand while earnings in the Atlantic basin still hover near opex levels. Tanker equities have had a good run with many of the names approaching their 52-week highs.



Dry bulk assets continue to earn profits though sector volatility has been minimal. Triple-digit moves in the Baltic sub-indices have become rare, whereas only months ago they were widely expected. Supply/demand fundamentals appear to be in balance for the near term. While fleet growth is still a serious concern, Chinese ore demand is not expected to evaporate anytime soon. Port congestion continues to provide additional support. Commodore Research has followed the drought in Southwest China closely and reports that hydropower production remains restricted – thereby keeping demand for thermal coal quite healthy. The forward curve is mostly unchanged as FFA volumes have been light. Dry bulk equities have traded mixed as we approach Q1 earnings season.

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: \$278 mm				B1/-		
12.5% Sr Sec Nts due '17	109.000	10.22%	763	Jul-17	B2 / B+	07/15/13	106.250
Berlian Laju Tanker (BLTAIJ)	IDX: BLTA IJ, Market Cap: \$444 mm				-/-		
7.5% Sr Nts due '14	81.500	13.57%	1,140	May-14	- / CCC+	05/15/12	103.750
CMA CGM (CMACG)	Private				WR/NR		
5.5% Sr Nts due '12	79.006	18.14%	1,720	May-12	- / NR	any time	MW+50
7.25% Sr Nts due '13	78.488	17.33%	1,583	Feb-13	- / NR	02/01/11	101.813
General Maritime (GMR)	NYSE: GMR, Market Cap: \$462 mm				B1/BB-		
12% Sr Nts due '17	107.500	10.20%	738	Nov-17	B3 / B-	11/15/13	106.000
Golden State Petro (GOLDEN)	Private				-/-		
8.04% Sr Sec Nts due '19	104.620	7.31%	377	Feb-19	Baa3 / BBB	any time	MW+37.5
Great Lakes Dredge & Dock (GREATL)	NASDAQ: GLDD, Market Cap: \$317 mm				B2/B		
7.75% Sr Sub Nts due '13	101.000	7.09%	626	Dec-13	B3 / B-	05/21/10	102.583
Excel Maritime (EXM)	NYSE: EXM, Market Cap: \$524 mm				-/-		
1.875% Sr Nts due '27	66.625	11.67%	929	Oct-27	- / -	10/22/14	100.000
Horizon Lines (HRZ)	NYSE: HRZ, Market Cap: \$180 mm				B3/B		
L+350 1L TL-A due '12	91.875	9.95%	873	Aug-12	Ba3 / BB-		
4.25% Sr Nts due '12	88.500	9.94%	871	Aug-12	Caa2 / CCC+		
Marquette Transportation (MARTRA)	Private				-/-		
10.875% Sr Sec Nts due '17	105.000	9.71%	686	Jan-17	B3 / B-	01/15/13	108.156
Navios Maritime (NAVIOS)	NYSE: NM, Market Cap: \$682 mm				B1/BB-		
8.875% Sr Sec Nts due '17	105.750	7.58%	478	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	109.250	9.56%	676	Nov-16	B3 / B+	11/15/13	105.875
Overseas Shipholding Group (OSG)	NYSE: OSG, Market Cap: \$1,471 mm				Ba2/BB-		
8.75% Sr Nts due '13	107.500	6.38%	446	Dec-13	Ba3 / BB-	any time	MW
8.125% Sr Nts due '18	104.000	7.45%	406	Mar-18	Ba3 / BB-	NC	MW+50
7.5% Sr Nts due '24	90.000	8.76%	484	Feb-24	Ba3 / BB-	NC	NC
Royal Caribbean Lines (RCL)	NYSE: RCL, Market Cap: \$7,295 mm				Ba2/BB-		
8% Sr Nts due '10	100.200	4.56%	441	May-10	Ba3 / BB-	NC	NC
8.75% Sr Nts due '11	104.100	3.34%	300	Feb-11	Ba3 / BB-	NC	NC
7% Sr Nts due '13	103.000	5.94%	424	Jun-13	Ba3 / BB-	NC	NC
6.875% Sr Nts due '13	102.000	6.24%	436	Dec-13	Ba3 / BB-	NC	NC
5.625% Sr Nts due '14	98.000	6.23%	464	Jan-14	Ba3 / BB-	NC	NC
11.875% Sr Nts due '15	117.000	7.84%	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: \$7,295 mm				Ba2/BB-		
7.25% Sr Nts due '16	102.000	6.84%	393	Jun-16	Ba3 / BB-	NC	NC
7.25% Sr Nts due '18	100.500	7.16%	379	Mar-18	Ba3 / BB-	NC	NC
7.5% Sr Nts due '27	90.000	8.62%	447	Oct-27	Ba3 / BB-	NC	NC
Ship Finance International Ltd. (SHIPFI)	NYSE: SFL, Market Cap: \$1,586 mm				Ba3/BB		
8.5% Sr Nts due '13	100.750	7.99%	717	Dec-13	B1 / B+	05/21/10	102.833
Stena AB (STENA)	Private				Ba1/BB+		
7.5% Sr Nts due '13	102.750	-7.05%	(720)	Nov-13	Ba2 / BB+	04/29/10	102.500
7% Sr Nts due '16	98.000	7.39%	429	Dec-16	Ba2 / BB+	05/21/10	103.500
6.125% Sr Nts due '17	98.000	6.49%	390	Feb-17	Ba2 / BB+	any time	MW+50
5.875% Sr Nts due '19	92.000	7.11%	413	Feb-19	Ba2 / BB+	any time	MW+50
7.875% Sr Nts due '20	104.750	7.19%	408	Mar-20	Ba2 / BB+	any time	MW+50
Titan Petrochemicals (TITAN)	HKE: 1192 HK, Market Cap: \$5,777 mm				Caa3/CC		
8.5% Sr Nts due '12	41.250	68.03%	6,706	Mar-12	C / C	any time	MW+100
Teekay (TK)	NYSE: TK, Market Cap: \$1,872 mm				Ba3/BB		
8.5% Sr Nts due '20	107.000	7.47%	375	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	102.250	5.06%	481	Nov-11	B3 / B-	05/21/10	102.313
Ultrapetrol Limited (ULTR)	NASDAQ: ULTR, Market Cap: \$183 mm				B2/B		
9% Sr Sec Nts due '14	99.500	9.13%	680	Nov-14	B2 / B	05/21/10	104.500
United Maritime Group (UNMTGR)	Private				-/		
11.75% Sr Sec Nts due '15	107.000	9.42%	748	Jun-15	B3 / B	12/15/12	105.875
US Shipping (USPZ)	Private				-/		
L(2.0%FLR)+720 1L TL-EXIT due '13	85.000	15.40%	1,357	Aug-13	- / -		
L(2.0%FLR)+50 2L TL-EXIT due '13	34.500	38.54%	3,664	Aug-13	- / -		
Windsor Petroleum (WINPET)	Private				-/		
7.84% Notes due '21	96.000	8.41%	456	Jan-21	Baa2 / BB+		
SUPPLY VESSELS							
Gulfmark Offshore (GMRK)	NASDAQ: GMRK, Market Cap: \$749 mm				Ba3 / BB-		
7.75% Sr Nts due '14	102.000	6.76%	559	Jul-14	B1 / BB-	05/21/10	103.875
Hornbeck Offshore Services (HOS)	NYSE: HOS, Market Cap: \$518 mm				Ba3 / BB-		
6.125% Sr Nts due '14	97.000	6.89%	444	Dec-14	Ba3 / BB-	05/21/10	103.063
8% Sr Nts due '17	102.000	7.54%	478	Sep-17	Ba3 / BB-	09/01/13	104.000
Seacor Holdings (CKH)	NYSE: CKH, Market Cap: \$1,892 mm				Ba1 / BBB-		
5.875% Sr Nts due '12	103.000	4.56%	326	Oct-12	Ba1 / BBB-	any time	MW+12.5
7.375% Sr Nts due '19	104.500	6.72%	305	Oct-19	Ba1 / BBB-	any time	MW+50

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