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The Week in Review

“Don’t Give Up the Ship” – Marathon Acquisition Restructures Deal

This morning Marathon Acquisition Corp. (“MAQ”) announced amendments to its Agreement and Plan for Merger for its previously announced merger with Global Ship Lease Inc. (“GSL”), a subsidiary of CMA CGM. In order to allow enough time for the shareholders to consider these changes, the special meeting of the shareholders has been deferred to August 12th. As one might expect, the sponsor and GSL have taken haircuts in order to increase the returns to the prospective shareholders clearly reading the messages from the Street over the past couple of weeks. Or, as our esteemed President was explaining to me the other day they have picked up the tab for the dilution created by the carried interest.

In the revised agreement, holders of Marathon common stock will continue to receive one Class A common share for each share of Marathon common stock. However, the amendment provides for the following modifications to the transaction:

- The charter rates payable by CMA CGM for the 17 vessel initial and contracted fleet will be increased approximately \$7.8 million per year in addition to the prior agreed increase of \$3.6 million per year. This increase results in an approximately 8% increase in run-rate EBITDA.
- The consideration paid to CMA CGM will decrease by approximately 1.07 million Class A common shares and 1.07 million Class B subordinated shares, for a total purchase price reduction of approximately 2.13 million shares, or approximately 8.5% of its stock consideration.
- Marathon Founders, LLC and other initial stockholders of Marathon have agreed to forfeit approximately 3.06 million, or approximately 33%, of the sponsor shares. The shares will be cancelled equally between Class A common shares and Class B subordinated shares.
- CMA CGM will receive \$48 million in preferred shares with a dividend of 3 month LIBOR + 2.00% and a maturity of three years in lieu of \$48 million in cash that was previously to be paid to it.

In exchange for the concessions above, CMA CGM will receive warrants to acquire approximately 3.13 million Class A common shares and Marathon Founders, LLC and other initial stockholders of Marathon will receive warrants to acquire an aggregate of approximately 3.06 million Class A common shares. The warrants will have a strike price of \$9.25 and expire on September 1, 2013.

The company intends to use the additional \$48 million in cash that it is retaining to purchase shares of common stock of Marathon at the closing or Class A common shares after the closing to reduce the number of Class A common shares outstanding.

This is good news for the shareholders whose dividend yield rises from the initial 9.3% to 11.6% as a result of these modifications. By the company’s calculations as of July 23rd, this gives them a favorable valuation over Seaspan and Danaos, which are yielding respectively 7.8% and 7.5%.

We believe these lower yields, in fact, may be attributable to investors’ concerns about the container shipping industry in general. Mr. Gross was certainly correct and mirrored his competitor’s views that the opportunity for operating lessors in these troubled times could not be better as the lines will likely pursue sale-leaseback transactions to manage their balance sheets. Nonetheless, there still remains the nagging question in investors’ minds that, despite decades of excellent history in both good times and bad, performance under the time charters may be at risk as the market weakens and the credit fundamentals of the lines may follow. It is hard to accept a decoupling of the two. Unfortunately, it is also difficult to describe to outsiders that, although the rest of the world has changed, shipping remains a business where your word and a handshake are all that matter. Moreover, the failure to honor a contract is far more devastating in our small world.

Now it is the hands of the shareholders to determine if the improved valuation is sufficient.

Hapag-Lloyd Ponders Its Future

As questions about Hapag-Lloyd's future continue to circulate, we thought it worth a refreshed look at how the deal came about and where it might be going. Hapag-Lloyd parent TUI's interests have long been split between its core tourism business and a fairly substantial container shipping business, representing EUR 449 million and EUR 197 million respectively in 2007 underlying EBITDA. TUI bolstered the shipping side of its business with the \$2.3 billion acquisition of CP Ships in late 2005 that was also the catalyst for a \$1.8 billion bank refinancing, handled by HVB, Deutsche Bank and Citi, and a EUR \$1.75 billion bond issue handled by HVB, HSH, Citi and RBS.

A few months back however TUI began to explore strategic alternatives for its containership unit. This was not apparently due to lackluster performance in the shipping unit or even a negative view towards the market – TUI looks for a CAGR of 7% for global volume development in container shipping through 2013. It appears to have more to do with a desire to focus on its core business of tourism and the financial attraction of a sale or spin-off of the shipping busi-

ness. Specifically the company looks for an impact on its group financials that would significantly reduce net debt and enhance financial flexibility for further investments in the tourism division.

Though TUI has indicated it is prepared to reject all bids in the event it finds they do not sufficiently value the Hapag-Lloyd assets, notably in a recent presentation the company considered container shipping as a discontinued operation with effect from Q108 and simultaneously began to classify its cruise business as part of its tourism rather than shipping division.

While TUI determined to examine all options including a spin-off, merger or divestment of Hapag-Lloyd, the company has since indicated it does not view favorably 15% holder John Fredriksen's preferred option of a spin-off. Though TUI will hold off on a final determination until binding bids are submitted in autumn, the company noted concern that a spin-off of Hapag-Lloyd would require a prior repurchase of outstanding bonds in excess of two billion euros, something it fears would weaken the credit standings of both itself and Hapag-Lloyd in a lasting way and also necessitate a refinancing of the two groups that would be "practically impossible

Cash Flow Multiples by Vessel Type

Ship Type	Sub-type*	Charterfree Value (US\$)	EBITDA Multiple			
			Spot	1-year TC	3-year TC	2003-06 Average Spot
TANKER						
VLCC	Modern 300,000 dwt	\$155,000,000	2.8	5.1	6.9	7.1
	Vintage 250-285,000 dwt	\$45,000,000	0.8	2.2	-	2.4
Suezmax	Modern 150,000 dwt	\$100,000,000	3.5	6.1	7.3	5.7
Aframax	Modern 95-105,000 dwt	\$75,000,000	3.9	5.5	7.4	5.8
	Mid-aged 95-105,000 dwt	\$60,000,000	3.2	10.7	6.3	5.0
Clean Product	Modern 70-75,000 dwt	\$59,000,000	4.1	6.3	7.3	5.5
	Mid-aged 30-35,000 dwt	\$37,000,000	2.8	-	-	4.6
Dirty Product	Modern 45-47,000 dwt	\$51,000,000	3.3	7.5	7.7	4.9
BULK CARRIERS						
Capesize	Modern 170,000 dwt	\$153,000,000	2.9	2.8	4.1	7.1
	Mid-aged 150,000 dwt	\$113,000,000	2.4	2.1	3.1	6.5
	Vintage 150,000 dwt	\$92,500,000	2.0	4.7	-	5.4
Panamax	Modern 73,000 dwt	\$88,000,000	3.7	3.2	4.1	9.6
	Mid-aged 72,000 dwt	\$76,500,000	3.2	2.8	3.6	8.5
	Vintage 60,000 dwt	\$47,000,000	2.3	2.1	3.2	5.9
Handymax	Modern 52,000 dwt	\$72,500,000	3.5	4.1	5.0	9.1
	Mid-aged 42-45,000	\$60,500,000	3.3	3.4	4.2	7.7
Handysize	Modern 25-30,000 dwt	\$54,000,000	-	4.1	5.9	-
	Mid-aged 25-30,000 dwt	\$47,000,000	-	3.6	5.2	-
CONTAINER**						
	Mid-aged 3,500 teu	\$50,300,000	5.3	-	-	6.2

*The ship Sub-type is associated with the charterfree market value of the vessel; all corresponding rate data is chosen using a "best fit" method.

** Average spot is 2001-2006

Data for ship values and market rates is sourced from Clarkson Research Studies.

to implement without an injection of new capital (a share issue)", making it destructive of value. Such a spin-off would also require a 75% majority of votes at a general meeting.

Leaning toward the sale strategy, TUI began a formal solicitation of offers under the advisory of Deutsche Bank and JP Morgan. The company has indicated it is looking for something next to the decimal that's not a three, insinuating acceptable bids should be in the EUR 4 billion plus range. Reports suggest at least four indicative offers have been made, including one from long-routed bidder NOL and one from a Hamburg consortium opposed to an NOL takeover. It is worth noting that Singapore investment vehicle Temasek holds 66% of NOL while the city of Hamburg is now involved in a counter bid, suggesting that state investment in port infrastructure is now extending back toward state concern over investments in the containerships that serve that infrastructure.

Reports in Singapore indicate that NOL's bid values Hapag-Lloyd at around \$7 billion, or circa EUR 4.5 billion, and would see the

world's eighth largest liner company taking on its fifth largest. The strategy would be to integrate Hapag-Lloyds operations with those of APL. In order to finance the issue reports indicate NOL is seeking a one-year bridge loan in the amount of \$6 billion or more. Preliminary term sheets have been circulated, and pricing for the deal is expected somewhere in the range of 150 to 180 basis points over LIBOR.

Dry "Rigs" Credit

Despite lingering clouds in the credit markets, Mr. Economou's DryShips announced on Monday the closing of a \$1.125 Billion senior secured credit facility jointly arranged by Deutsche Bank AG – Global Principal Finance, London and Dexia Credit Local, New York Branch for the financing of the two ultra-deep water drillships to be constructed at Samsung Heavy Industries. Based upon an estimated construction cost of \$800 million each, the loan to value is approximately 70%. The drillships are scheduled to be delivered in the 3rd quarter of 2011 and will be operated by the newly acquired Ocean Rig.

Commentary

Credit Outlook

The credit crisis in most respects is beyond our ken. Thankfully that is not the case for Nordea's Mr. Morten Heiner Pedersen who last month in his Credit Strategy Outlook presented, in a concise and understandable manner, the key factors involved and their implications, both positive and negative, for the future. We have tried our best to summarize the key points below.

The liquidity facilities made available by the Federal Reserve, European Central Bank and the Bank of England have eased the liquidity crisis as planned. The decision to make the facility available to primary dealers was instrumental in easing concerns. Both the ECB and BoE provided supplementary facilities.

Also positive was the fact that write downs were matched by significant capital raising. Banks have raised at least \$269 billion in capital and reported \$382 billion in write downs and credit losses since the sub-prime crisis began. Sovereign wealth funds were key contributors to balance sheet repair having made \$43 billion in capital infusions.

In Mr. Pedersen's estimation most bank losses have already been accounted for. The IMF estimates, of the entire financial sectors potential total losses, range from \$785 billion to \$1.14 trillion as of March 2008.

Despite estimates that show nearly six quarters of industry earnings will be wiped out largely due to mark to market losses, the spreads on investment banks CDS are pricing in full recovery, which is a very strong technical sign given the dire outlook for investment banks. On the negative side, the crisis has already lasted 3 quarters but estimates suggest that it could take a further 8-10 quarters until earning return to pre-crisis levels. Hope is riding on a steeper yield curve and low real rates to improve earnings.

Credit deterioration in structured products continues. Downgrades in the first four months of 2008 outnumber upgrades 5,681 to 20. The downgrade risk is further increased by the ratings agencies changing their models.

Fear of the CDO unwind seems overblown. CDO unwinds could potentially lead to huge buying of CDS protection and subsequent widening. Although many investors have rating triggers on their portfolios, they prefer the re-structuring option to unwinding in order to avoid fully crystallizing mark-to-market losses. Nevertheless, losses on CDOs will lead to less risk appetite. The structured credit market is probably dead and demand for credit products will slow.

New syndicated loans to the corporate sector are declining. Leveraged loans fell 83% to \$16.7 billion in Europe and this has begun to impact high grade lending which previously seemed immune. In fact, high grade lending was \$122 billion of which M&A represented \$72 billion. Some of the shortfall has been made up by companies drawing on existing facilities and increasing primary activity in the investment grade bond market. New issues are

carrying a new issue premium of 30 to 50 bps in the 5 year and 7 year segments respectively. The high yield market remains quiescent.

In comparing this downturn to 2000/2002, Mr. Pedersen believes the current problem is not as abrupt or severe. Industrial spreads are not far from the peak during that period and look overdone compared to fundamentals.

Looking at the net debt to equity ratio on corporates, excluding utilities, balance sheets look much stronger and it is unlikely that the same sort of credit deterioration as occurred in 2000/2002 will repeat itself.

Unfortunately the equity markets are beginning to correct and appear fragile. On the other hand, default predictions on high yield bonds have been revised downward.

Marine Money "Fair Value" Table for Shipping Equities

Company	Price*	NAV	P/NAV	Marine Money's "Fair Value"***	Difference from Actual Price
Aries Maritime Transport	\$3.12	10.50	30%	\$8.13	\$5.01
B+H Ocean Carriers	\$11.70	25.87	45%	\$20.03	\$8.33
d'Amico International Shipping	€2.03	4.09	50%	\$3.17	€1.14
Teekay Shipping	\$40.21	67.82	59%	\$52.50	\$12.29
Tsakos Energy Navigation	\$35.22	58.27	60%	\$45.11	\$9.89
TORM	\$31.01	50.14	62%	\$38.81	\$7.80
Overseas Shipholding Group	\$77.69	120.65	64%	\$93.40	\$15.71
Seaspan Corporation	\$22.93	34.20	67%	\$26.47	\$3.54
DHT Maritime	\$9.65	14.00	69%	\$10.84	\$1.19
Excel Maritime	\$37.35	51.81	72%	\$40.11	\$2.76
General Maritime	\$25.36	35.29	72%	\$27.32	\$1.96
Danaos Corporation	\$22.31	30.51	73%	\$23.62	\$1.31
Globus Maritime	£4.18	5.69	73%	\$4.40	£0.22
Ship Finance International Ltd.	\$29.09	38.78	75%	\$30.02	\$0.93
Eagle Bulk Shipping	\$29.50	37.80	78%	\$29.26	-\$0.24
StealthGas	\$14.50	18.30	79%	\$14.17	-\$0.33
Arlington Tankers	\$22.69	28.04	81%	\$21.71	-\$0.98
Hellenic Carriers	£2.16	2.64	82%	\$2.04	-£0.12
Goldenport Holdings	£3.47	4.16	83%	\$3.22	-£0.25
DryShips	\$78.88	78.72	100%	\$60.94	-\$17.94
Omega Navigation	\$15.75	15.53	101%	\$12.02	-\$3.73
Nordic American Tanker Shipping Ltd.	\$38.40	35.57	108%	\$27.54	-\$10.86
Diana Shipping	\$30.21	27.43	110%	\$21.23	-\$8.98
Knightsbridge Tankers Ltd.	\$30.55	26.30	116%	\$20.36	-\$10.19
Genco Shipping & Trading	\$64.23	51.81	124%	\$40.11	-\$24.12
		Average:	77%		

*Price data current as of closing on June 16, 2008

**Based on current average P/NAV

Compiled based on Jefferies & Company, Inc. Energy Group Estimates, Marine Money Research, Company information

All in all a mixed bag of news, but clearly, although apparently immune earlier on, shipping is starting to feel the effects of the credit crunch. Earlier, it appeared funding was available to all albeit at a higher price, now there is even a question of availability, particularly if you are not an existing client. These are interesting times indeed.

Thanks Mr. Pedersen for your insights.

Voting With Their Feet

Early last year there was much press on the globalization of the stock exchanges and how the New York exchanges would decline in importance. The revolution has faltered and some of it is attributable to the inability of companies to achieve the valuations that can be obtained in NY. We hear this complaint constantly from owners listed on smaller regional exchanges.

So it came as no surprise to us that Premuda and now Navigazione Montanari are preparing to de-list their shares leaving d'Amico International as the sole publicly listed company in Milan. Was it solely valuation? Who knows for sure? After all, the three companies remained under the control of the founding families who were accustomed to controlling their destinies. Moreover, the old shipping model, before capital markets, provided expansive growth via leverage with a modicum of equity. Throwing off the yoke of public reporting and going back to their roots may have suited them particularly when they weren't getting value.

Just a Matter of When?

Although we do our best to report on the happenings in the financial world as it relates to shipping, our knowledge of how bankers and owners come to grips in choosing the correct capital product is at best unclear. It is no surprise that the commercial banks lending activities, as we have reported, continue to slow down as the credit crisis continues. The same holds true for the equity markets, which are also struggling except for follow-on offerings from MLPs and full dividend payout companies. Yet as we continue to report in this issue no one is issuing or has issued high yield debt. Clearly, there is an appetite in the market for yield. Should the investment bankers be dusting off the old prospectuses from the late 1990s? Surely we would not deny that it is expensive but certainly at today's freight rates it is affordable and with no amortization it remains attractive. In fact, we noted with interest that Norwegian borrowers have tapped the market for short-term borrowings in effect bridging themselves to more permanent financing. Hmmm! A secured bond paying say 9.5 to 10%, now that's not a bad trade.

No Surprise But Perhaps a Bit Worrisome

Bloomberg's Shamim Adam wrote this week that "Asia's developing economies will expand at a slower than expected pace this year as easing U.S. growth weighs on exports and accelerating inflation crimps consumer spending, the Asian Development Bank said. East Asia may expand 7.6% in 2008, less than a December estimate of 8%...Next year's growth is also estimated to be 7.6%."

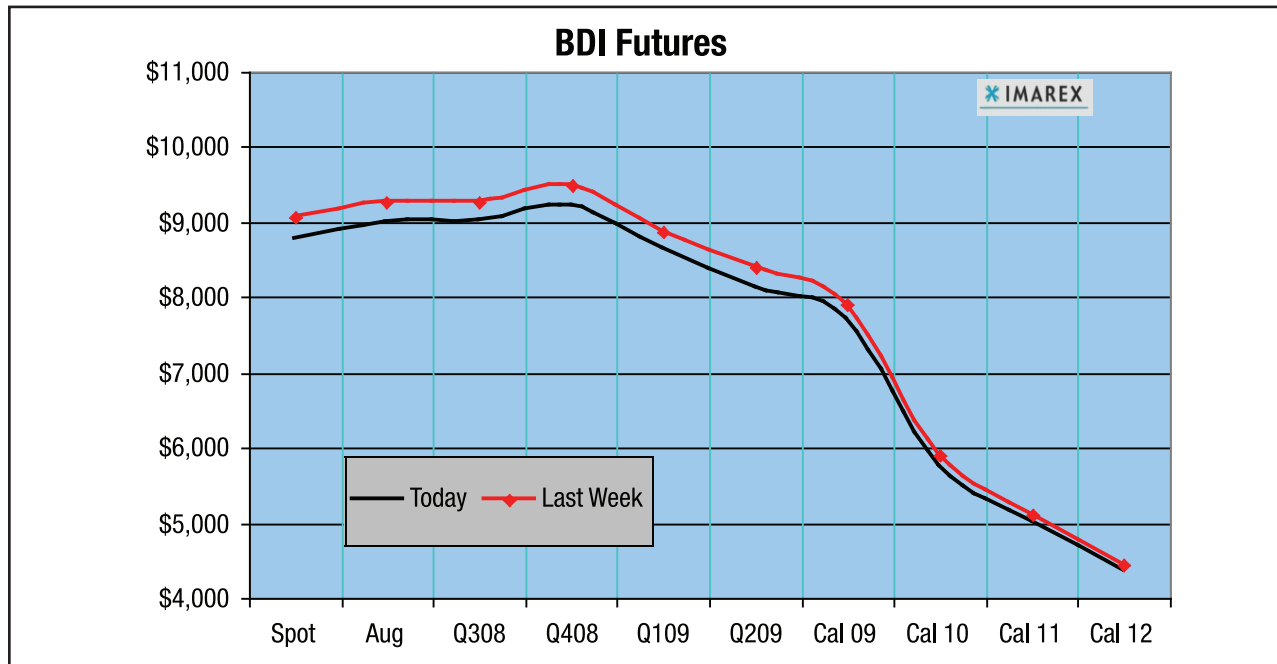
In nominal terms, these numbers are not significant in and of themselves. However, the threat of inflation is pressing. Record fuel prices and commodity costs have fueled inflation across Asia and there are few signs that price pressures will subside soon, the ADB said, predicting inflation in the region will average 6.3% this year more than double the average in the 10 years to 2006 and ease to 4.6% in 2009. "Rapidly rising inflation threatens to dampen consumer spending and risks a wage-price spiral that could derail the regions recent solid growth." This increase in inflation has led to tightening monetary policies by the central banks.

It is always welcome to have numbers and we include herein a table of the estimated annual GDP growth for the region for your perusal.

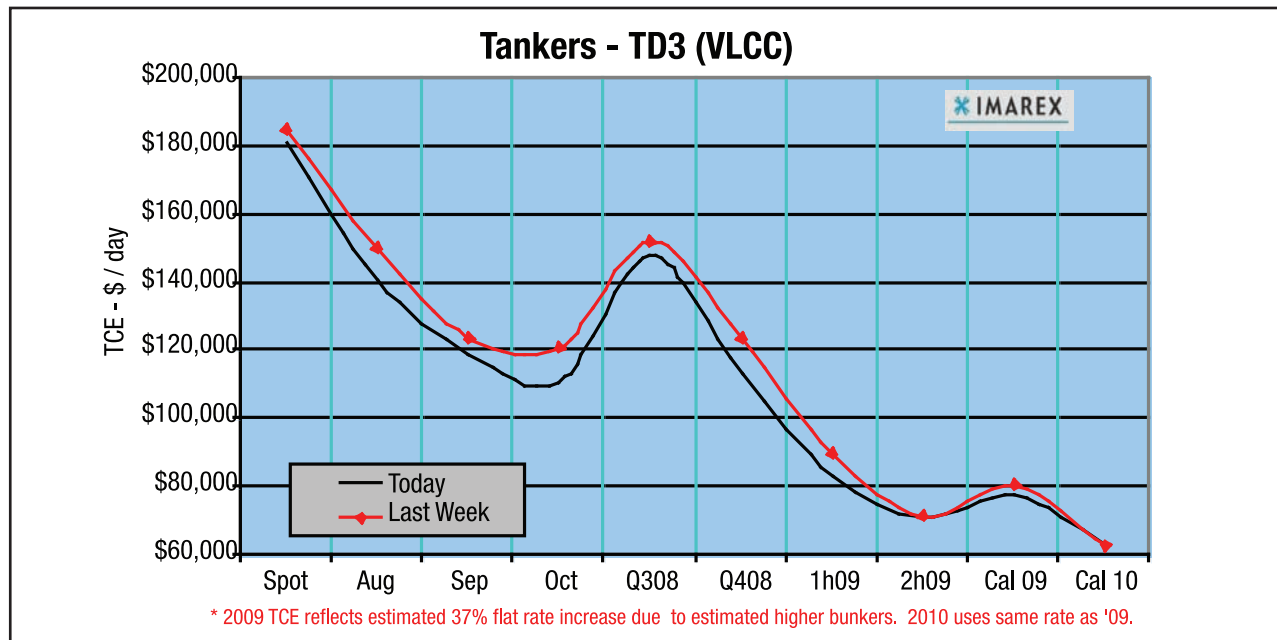
	2008 New	2008 Prior	2009
Annual GDP Growth			
Emerging East Asia	7.6%	8.0%	7.6%
ASEAN	5.5%	6.1%	5.8%
Cambodia	7.5%	8.0%	7.0%
Indonesia	6.0%	6.4%	6.2%
Lao PDR	7.7%	7.9%	7.8%
Malaysia	5.4%	5.9%	5.6%
Philippines	5.5%	6.4%	5.6%
Thailand	5.0%	4.8%	5.2%
Vietnam	6.5%	8.5%	6.8%
Newly Industrialized			
Economies	4.7%	5.1%	4.9%
Hong Kong	4.9%	5.4%	4.9%
South Korea	4.7%	5.0%	4.9%
Singapore	4.9%	6.3%	5.8%
Taipei, China	4.5%	4.8%	4.8%
China	9.9%	10.5%	9.7%
Japan	.5%	1.7%	1.5%
U.S.	1.5%	1.9%	1.6%
Euro Area	1.8%	2.1%	2.0%

Back to the Futures

By Mike Reardon, Imarex Inc., Email: mr@imarex.com



The Panamax sector has witnessed a noteworthy rate erosion since we last wrote. Ship availability has outweighed demand, pushing rates lower by the day – with the Pacific basin providing the majority of concern. The Capes have managed to remain mostly flat throughout, with the average of the t/c routes now at about \$158,000. FFA volumes have been fair – but the declining indices have weighed on the forward curve (see above). Despite the downtrend, positive sentiment for Q4 remains intact before giving way to order book trepidation in 2009. The dry equities had remained non-volatile until recently, when they rose for no apparent reason only to soon fall back to where they started. Suggested reading for dry sector investors is the recent report on DryShips' valuation by Doug Mavrinar at Jefferies.



Though rates in the AG have begun to come off a touch, Atlantic basin strength has provided good support to the market-at-large. Issues concerning the practicality of co-loading VLCCs from Nigeria put upward pressure on Suezmaxes and increased their TCE levels to about \$135,000/day. The contagion soon spread to the Med – where this asset class has been able to earn well over \$200,000/day. As the supply of these ships became depleted, demand for VLCCs increased, with rates moving up to about \$180,000/day for WAFR/USG. Strangely enough, this is the same level that Vs are earning on the benchmark AG/East route. Given enough time, the law of one price still applies! FFA volumes have been good, though TD3 Q4 is still priced below Q3 – a rare seasonal backwardation. FRO and NAT got a good boost from a Jon Chappell upgrade – though the bounce was short lived, as the softening AG market has encouraged sector selling.

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
★✓ Sinotrans			China Yangtze Transpot Group	Pending approval from China's state assets regulator
★✓ Hyundai Mipo		\$744	CJ Investment & Securities, CJ Asset Management	Plans to acquire 75% of CJ Investment & Securities and 7.6% of CJ Asset Management
★✓ China Oilfield Services	Lehman, JP Morgan for COS; Fearnley Fonds, Pareto for Awilco	\$2,500	Awilco Offshore	Full acquisition of Norwegian drilling company
★ Marathon Acquisition Corp	Jefferies, Citi	\$988	Global Ship Lease	Acquisition by AMEX listed SPAC from CMA CGM; CMA CGM to retain 30% slice in new company
★ Ampal-American Israel Corporation			Gadot Chemical Tankers and Terminals	Bid for 20.7% or all outstanding shares at \$1.67/share in 6 ship chemical tanker company
★ FLC West			70% share in 3 Aker shipyards in Germany & Ukraine	Russian investment firm received the approval of Ukrainian competition authorities
Hapag-Lloyd	J.P. Morgan and Deutsche	Circa \$6,000	For Sale	Hamburg consortium bidding against NOL
Dryships	DnB NOR Markets	\$1,447	Ocean Rig	Acquisition at a 4.9% premium of last closing share price completed through Primelead Limited
Teekay	DnB NOR Markets		Remaining 5.2% of Teekay Petrojarl	Exercised right to effect compulsory acquisition at \$11.54/share
Newport Holdings	Jefferies, Noble	\$136	Global Oceanic Carriers	Privatization by Tsartsinis-affiliate for 170 p/per share, circa 29% premium

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
Grupo TMM				2028	3rd tranche of Mexican Trust Certificates for vessel purchases	
Master Marine	DnB NOR	EUR 60	3 m EURIBOR +12%	2011	Senior secured 2nd priority pledge	Done
Trico Marine	Lazard	\$300	6.50%	2028	Senior convertible debentures	In Progress
✓ Noble Group	Citi and JP Morgan	500	8.5 - 8.75%	2013	For general corporate funding	In Progress
✓ Swire Pacific	HSBC and JP Morgan	\$500	6.25%	2018	For general corporate funding	Done
Fairstar Heavy Transport	DnB NOR Markets	\$30	3 mo NIBOR+ 3%	2009	18 month secured bonds to fund newbuilding	Done
✓ Swiber Holdings	OCBC	\$72	4% and 3 mo SIBOR + 2.2%	2011	2 tranche bond offering to fund vessel acquisitions	Done
Northern Offshore	DnB NOR Markets, Nordea Markets	\$25	NIBOR+ 4.5%	2008	9 month commercial paper issue for modification of Energy Driller	Done
Thule Drilling		\$11	18.00%	2008	8 month commercial paper to refinance previous bond issue	In Progress
FPS Ocean	Pareto, Fearnley Fonds	NOK 175	9.00%	2011	Fixed with NOK 72 per share conversion price	Done

Equity Deal Table

★ = New

✎ = Updated

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

Issuer	Underwriters / Advisors	Amount (US\$ M)	Structure / Pricing / Comments	Status
★✓ Marco Polo Marine		\$5	Sold 18 million new shares or 6.7% of existing paid-up capital at SGD 0.346 per share	
★✓ Trada Marine	PT Danatama Makmur and PT HD Capital	\$54	Indonesian tanker and FPSO company seeking an IPO in Jakarta via a sale of 45.81% stake btwn Rp120 to Rp130 per share	In Progress
★✓ Penguin International		\$10	Sold 88 million placement shares or 16.7% of enlarged capital at SGD 0.157 per share	
Svithoid Tankers		\$9	Rights issue; Additional \$10 million second tranche expected to be raised in 2009	Announced
Frontline	Carnegie, Fearnley Fonds, DnB NOR, Dahlman Rose	\$210	3 million new shares at NOK 37 per share	Priced
Navios Maritime Acquisition	JP Morgan, Deutsche Bank, S. Goldman Advisors	\$253	25.3 million share SPAC sponsored by Navios at \$10 per share; Overallotment of 3.3 million shares exercised	Done
✓ Far Eastern Shipping Co (FESCO)		\$767	Plans to sell 590.25 m new shares or 25% of its share capital to fund acquisitions	In Progress
Eitzen Maritime Services	Fondsfinans ASA, Kaupthing ASA, Orion Securities AS	\$50	The Private placement at NOK 3.0 per share, fully underwritten by Camillo Eitzen & Co., to fund acquisition of Seven Seas Shipchandlers	In Progress
Seawell	Pareto, DnB NOR Markets	\$39	Private placement of 10 million shares at NOK 19.50/share to part finance the company's recent acquisitions and for working capital	Done
Teekay Offshore Partners	Citi, Merrill Lynch, Lehman Brothers	Up to \$162	Follow-on offering of 7million unts	Priced
Britannia Bulk	Goldman Sachs, Banc of America, Dahlman Rose, Oppenheimer	Up to \$144	NYSE IPO priced below range at \$15 per share	Priced
Trico Marine	Lazard for Trico, Carnegie for Deep Ocean	\$126	20 m new shares in DeepOcean at NOK 32 per share, the value of the offer price and announced dividend combined represents a premium of 28%	In Progress
✓ Wah Kwong Maritime Transport	Cazenove and Anglo-Chinese	up to \$150	Seeking to relist in Hong Kong	In Progress
✓ Pacific Basin	Goldman Sachs	\$275	Private placement of 158.6 million new shares at HKD 13.52	Done
Safe Bulkers	Merrill Lynch, Credit Suisse	\$190	Hadjoannou-led 10 million share IPO with fleet of 11bulk carriers; Priced at \$19/share with 1.5 m share over allotment option	Priced
Genco Shipping	Morgan Stanley, Jefferies, J.P. Morgan,	\$280	3.7 million primary and secondary share offering of its common stock at \$75.47/share; 560,600 overallotment option	Closed
TBS International	Jefferies, Banc of America Securities	Up to \$179	Follow on offering of 3.4 million class A common shares priced at \$51 per share with 510,000 share over allotment option	Priced
Nordic American Tanker Shipping	Morgan Stanley, Dahlman Rose	\$173	4m share offering and over allotment option of 310,000 shares partially exercised at market price of \$40.08/share	Priced
Teekay Offshore Partners	Undetermined	Up to \$750	Shelf registration	Filed
Pacific Basin	Goldman Sachs	\$275	158,598,000 shares, to be placed at HK\$13.52/share; To finance the company's expansion initiatives	In Progress
✓ Qingdao Port	In discussions with UBS, Goldman Sachs and BOC International		Seeking listing in Hong Kong within the year	In Progress
Double Hull Tankers	Merrill Lynch, UBS and Dahlman Rose	Up to \$97	Follow-on offer of 8 million common shares at \$10.50/share for general corporate purposes; Overallotment option of 1.2 million shares	Priced

Bank Debt Deal Table

★ = New

📄 = Updated

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

Borrower	Arrangers / Buyers	Amount (US\$ M)	Pricing / Purpose / Remarks
★✓ Samsun Logix Corporation	Shinhan Bank	\$53	
★✓ Lotte Sun Shipping	Shinhan Bank	\$63.75	4.5 year term loan
★✓ Precious Shipping	DnB NOR as mla, Kasikornbank as lead arranger, Calyon, BTMU, ING	\$398	10 year credit facility to finance the construction and acquisition of 15 vessels from ABG shpyard
★ Hansa Treuhand Schiffsbeteiligungs	Dresdner, Deutsche Schiffsbank, HSH Nordbank	\$297	3.5 year term loan for pre-delivery financing of 4x 6,500 TEU containerships
★ DryShips	Deutsche Bank, Dexia	\$1,125	Senior secured credit facility to finance 2 newbuilding ultra deep water drillsips to be delivered in 2011
★ Neptune Orient Lines		Up to \$7,000	1 year bridge loan with all-in pricing; Indicative pricing at LIBOR + 150-180
Energy Infrastructure Acquisition Corp	DVB, Deutsche Schiffsbank, SEB and Allied Irish	\$90	2.5 year term loan with an advance rate of 60%; Priced at 175 to 275 bps to finance 4 singlehull ships
Energy Infrastructure Acquisition Corp	DVB, Fortis, NIBC	\$325	9 year term loan priced at 135- 165 bps to finance 5 doublehull ships
Eagle Bulk Shipping	Royal Bank of Scotland	\$1,600	Amendment and restatement of existing facility; Priced at LIBOR+ 80- 105 bps due 2017
E. R. Schifffahrt GmbH & Cie KG	HSH Nordbank, Deutsche Bank as mlas, BNP, Commerzbank, Dresdner	\$753	To finance ten capesize bulkers to be delivered in 2010

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
Pemex	ICP Capital as arranger		Purchase and 10 year bareback of 2x MR product tankers with purchase option at end
Chang Myung	Koenig/Scorpio	\$119.50	Sale and leaseback of 2008-built 170,000 dwt bulker for 5 years at \$48,000/day
Teekay Corporation	OPCO	\$106	Plus assumption of \$90m debt for 2x 2008-built lightering tankers on 10 year fixed rate charter to Teekay JV Skaugen PetroTrans
✓ Yang Ming Marine Transport	First Ship Lease	\$210	12 yr bareboat charter of 3x 4,250 teu container vessels with purchase options
Seadrill	Ship Finance International	\$850	15-yr sale and bareboat back of ultra deepwater drillship; Two fixed price purchase options after 51 months and 15 years;
Maersk	HCI Hammonia	\$300	Sale and bareboat back of 3 containerships for 10 years at undisclosed daily rates
I. M. Skaugen	Teekay LNG Partners	\$90	Sale and leaseback of 2x 12,000 cbm multigas carriers for 12 years at a fixed-rate with three five year extension options without fixed price purchase option
✓ West Asia Maritime	Mitsubish Corporation	\$110	Bareboat charter of 2 handymax bulkers for 12.5 years
Shell International Trading & Shipping	Capital Product Partners, Fortis as financial advisor	\$23	Ownership transfer and subsequent continuation of charter of 1x 12,000 dwt product tanker for 2 years at \$13,250/day
Geden Lines	First Ship Lease	\$140	Sale and leaseback of two 2007-built crude oil carriers for 10 years

Jefferies – High-Yield Shipping Bonds

	Offer Price	YTW	STW	Maturity	Ratings	Call Date	Call Price
SHIPPING							
Altus Group Ltd							
11% Secured Notes due '13	101.000	10.65%	749	04/01/13	– / –	04/01/10	105.500
Great Lakes Dredge&Dock (GREATL)							
7.75% Sr Sub Notes due '13	94.000	9.18%	565	12/15/13	Caa1 / B-	12/15/08	103.875
Navios Maritime (BULK)							
9.5% Senior Notes due 2014	99.000	9.71%	605	12/15/14	B3 / B+	12/15/10	104.750
Sea Containers (SCR)							
10.75% Senior Notes due '06	48.000			10/15/06	WR / NR		
7.875% Senior Notes due '08	45.000			02/15/08	WR / NR		
12.5% Senior Notes due '09	45.000			12/01/09	– / –		
10.5% Senior Notes due '12	46.000			05/15/12	WR / –		
Ship Finance International Ltd. (SHIPFI)							
8.5% Senior Notes due '13	101.500	7.98%	489	12/15/13	B1 / B+	12/15/08	104.250
Stena AB (STENA)							
7.5% Senior Notes due '13	99.750	7.55%	404	11/01/13	Ba3 / BB+	11/01/08	103.750
7% Senior Notes due '16	96.750	7.53%	362	12/01/16	Ba3 / BB+	12/01/09	103.500
Trailer Bridge (TRBR)							
9.25% Secured due '11	93.000	11.87%	880	11/15/11	B3 / B-	11/15/08	104.625
Ultrapetrol Limited (ULTR)							
9% 1St Mortgage due '14	95.000	10.08%	643	11/24/14	B2 / B	11/24/09	104.500
SUPPLY VESSELS							
Gulfmark Offshore (GMRK)							
7.75% Senior Notes due '14	99.500	7.86%	424	07/15/14	B1 / BB-	07/15/09	103.875
Hornbeck Offshore Services (HOS)							
6.125% Senior Notes due '14	96.000	6.91%	326	12/01/14	Ba3 / BB-	12/01/09	103.063
Seabulk International (SBLK)							
9.5% Senior Notes due '13	104.875	7.35%	575	08/15/13	Ba1 / BBB-	08/25/08	104.750
7.2% Seacor Senior Notes due '09	100.500	6.72%	436	09/15/09	Ba1 / BBB-	any time	
5 7/8% Seacor Senior Notes due '12	96.000	6.99%	371	10/01/12	Ba1 / BBB-	any time	

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	66.000	16.92%	1,334	05/15/14	– / CCC+	05/15/12	103.750
Golden State Petro (GOLDEN)							
8.04% 1St Mortgage due '19	101.000	7.90%	379	02/01/19	Baa2 / BBB-	any time	MW + 37.5
Overseas Shipholding Group (OSG)							
8.75% Debentures due '13	104.500	7.70%	417	12/01/13	Ba1 / BB	any time	MW
7.5% Senior Notes due '24	92.000	8.43%	417	02/15/24	Ba1 / BB	NC	NC
Titan Petrochemicals (TITAN)							
8.5% Senior Secured Notes due '12	57.000	28.10%	2,495	03/18/12	Caa1 / B-	any time	MW + 100
Teekay Shipping (TK)							
8.875% Senior Notes due '11	105.500	6.79%	380	07/15/11	Ba3 / BB+	any time	MW + 50
US Shipping Partners (USS)							
13% Secured due '14	60.000	26.67%	2,305	08/15/14	Ca / CCC	02/15/11	106.500

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