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# The Week in Review

## Paying Their Due

Second only to the eternal question of where the freight markets will head these days is the question of whether the existing orderbook will be built and financed. Therefore we thought it worth a look at some recent newbuilding finance deals and some recent order cancellations to allow readers a chance to observe emerging trends firsthand – we welcome your feedback and input as well, so please feel free to drop us an email or give us a call if you have other views or deals you would like to discuss.

**Stolt-Nielsen** announced this week that it had received commitments in excess of \$625 million for the financing of eight 43,000 dwt K-43 class parcel tankers currently on order from **SLS Shipbuilding** in Korea. The deal was arranged by joint bookrunners Citi (as coordinator), **Deutsche Bank** and **Fortis** and represents the largest financing ever undertaken by Stolt-Nielsen. It has a tenor of approximately 16 years in pre- and post-delivery financing, covers 80% of the cost of the ships, and will benefit from 95% comprehensive insurance provided by **KEIC**.

The new facility takes care of the remainder of SNSA's newbuilding finance requirements, which total \$1,240 million. The company operates a fleet of 158 sophisticated

parcel tankers, product tankers, river tankers and barges, ranging in size from approximately 1,000 to 44,000 dwt. The deal represents a valuable step forward for the company, which is still recovering from recent legal troubles but has now demonstrated that its credit standing, strong balance sheet and reputation in the industry will allow it to weather the credit crunch with newbuilding program intact – particularly given the attractive 80% debt coverage the banks have agreed to for this most recent facility.

Last week it was also announced that **Beluga Shipping** had secured EUR 233 million (circa \$362 million) in financing for six heavy lift carrier vessels (19,700 – 22,000 dwt each) through **Dresdner Kleinwort** as bookrunner, and **Helaba**, **Sparkasse Bremen**, **Dexia** and **M.M. Warburg** as arrangers. The deal covers 2-3 years of pre-delivery and 15 years of post-delivery financing for the vessels, which are scheduled for delivery in 2010 and 2011.

Meanwhile on the flip side there have been a number of deals recently reported cancelled. These include one European owner that had four 52,000 dwt tanker new-buildings on order at **Hyundai Mipo**, failed to find financing, missed the first installment and saw the deal cancelled. The yard reportedly saw the slots subsequently filled with

## Recent Newbuilding Finance Deals

Borrower	Arrangers / Buyers	Amount (US\$ M)	Pricing / Purpose / Remarks	Month
Stolt-Nielsen	Citi, Deutsche Bank, Fortis	\$625	16-year pre- and post-delivery financing for 8 x 43,000 dwt K-43 class parcel tankers, 80% financing	Aug-08
Beluga Shipping	Dresdner Kleinwort as mla, Helaba, Sparkasse Bremen, Dexia, M.M. Warburg & Co.	\$362	Pre-Delivery-, Equity-Bridge- and Post-Delivery-Financing for 6 x 19,700-20,000 dwt heavy lift carrier vessels for delivery in 2010-2011	Jul-08
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	Jul-08
Hansa Treuhand Schiffsbeteiligungs	Dresdner, Deutsche Schiffsbank, HSH Nordbank	\$297	3.5 year term loan for pre-delivery financing of 4 x 6,500 TEU containerships	Jul-08
DryShips	Deutsche Bank, Dexia	\$1,125	Senior secured credit facility to finance 2 newbuilding ultra deep water drillships to be delivered in 2011	Jul-08
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	Jul-08

supramax orders. At **Daewoo**, **KG NSB** cancelled eight 4,250 TEU containerships. The company reportedly was unable to secure a charter and therefore to secure financing and even after delaying the payment of its first installment found it necessary to cancel the contract. Then **Niki Shipping** reportedly backed away from a four option four contract for 13,000 TEU containerships at **STX**. FM understands that a charter agreement could not be reached with Evergreen that satisfied both **Evergreen's** market view and the needs of the banks that would finance the ships. STX reportedly sold the first four slots from this deal to **AP Moller** for VLCCs.

Clearly a lack of financing is causing a problem for some owners, while others are finding they can get their orderbooks neatly taken care of, even if it might take a little longer and a little more to secure loans than it would have a year and a half ago. As banks have indicated since the New Year, good owners with good projects will continue to get financed, but owners and projects are going to have an increasingly hard time fitting themselves into the somewhat subjective "good" bracket.

In addition, banks are finding themselves in the somewhat desirable position of choosing what sectors to finance and also waiting until charterers forecast high enough demand to agree to charter-in new-buildings rather than betting on the spot market. In theory passing some modicum of control over what was widely considered to be a heavily bloated orderbook onto the credit committees of banks could help to rationalize supply going forward. In practice it may be more of a redistribution among sectors and owners as most orders we've heard of being cancelled have been subsequently refilled in very little time. However the orders above were all noted at established Korean yards, now considered one of the more attractive places worldwide to build ships, and could theoretically begin to pull from less established yards, such as greenfield orders in China.

In the meantime, freight markets are holding up less well, particularly in the larger tanker sizes. Contrary to expectations of a supply glut in advance of 2010 deadlines, sentiment suggests that the fall in rates is more demand-driven as oil prices finally reach the point where consumers are changing their usage habits. Meanwhile rising

### 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
<b>TANKER</b>						
VLCC	Modern 300,000 dwt	\$165,000,000	3.1	5.4	7.1	7.6
	Vintage 250-285,000 dwt	\$45,000,000	0.9	2.2	-	2.4
Suezmax	Modern 150,000 dwt	\$104,000,000	2.2	5.7	7.2	5.9
Aframax	Modern 95-105,000 dwt	\$79,000,000	3.0	5.6	7.2	6.1
	Mid-aged 95-105,000 dwt	\$64,000,000	2.5	10.8	6.1	5.4
Clean Product	Modern 70-75,000 dwt	\$59,000,000	3.3	5.9	6.8	5.5
	Mid-aged 30-35,000 dwt	\$37,000,000	4.5	-	-	4.6
Dirty Product	Modern 45-47,000 dwt	\$54,000,000	4.2	7.3	7.7	5.2
<b>BULK CARRIERS</b>						
Capesize	Modern 170,000 dwt	\$155,000,000	3.0	2.7	3.8	7.2
	Mid-aged 150,000 dwt	\$116,000,000	2.6	2.1	2.8	6.7
	Vintage 150,000 dwt	\$92,500,000	2.1	4.7	-	5.4
Panamax	Modern 73,000 dwt	\$89,000,000	4.0	3.4	4.3	9.7
	Mid-aged 72,000 dwt	\$77,500,000	3.5	3.0	3.7	8.6
	Vintage 60,000 dwt	\$48,000,000	2.4	2.4	3.5	6.1
Handymax	Modern 52,000 dwt	\$73,500,000	3.9	4.2	5.0	9.2
	Mid-aged 42-45,000	\$62,000,000	3.6	3.6	4.3	7.9
Handysize	Modern 25-30,000 dwt	\$54,000,000	-	4.2	5.9	-
	Mid-aged 25-30,000 dwt	\$47,000,000	-	3.7	5.2	-
<b>CONTAINER**</b>						
	Mid-aged 3,500 teu	\$48,300,000	5.4	-	-	5.9

\*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.

steel costs in Japan and Korea coupled with slipping steel demand costs in China have led to some confusion about where newbuilding costs are actually heading and the imminent prospect of the Beijing Olympics has pushed down near term dry bulk rates.

The current times are uncertain, for sure, and it may be the beginning of a period of backing off, particularly as more aggressive actions are no longer financed. With the completion of the Olympics in the fall, the hope of a seasonal uptick in tanker rates, and also the hope that the equity markets will be revived as September begins the race to the end of the year, we may be in for some interesting times come autumn. In the meantime we are – not surprisingly – seeing more in terms of stock-for-stock deals, such as with General Maritime and Arlington, and wouldn't be surprised if BW Gas' secret bidder turned up with some similar type of proposal.

### Capital Market Strength Makes Winners all around in ATB GMR Transaction

In a market in which issuing new equity at or above net asset value is nearly impossible, and at a time when high payout shipping companies are struggling to grow, **General Maritime's** all stock acquisition of **Arlington Tankers** not only makes perfect economic sense - the cashless and symbiotic nature of the deal is probably a blueprint for a few more transactions to come.

This will be especially true among target companies like **Double Hull Tankers** where the initial sponsor has divested.

As our readers know by now, Wednesday morning August 6 before the NYSE opened General Maritime announced a merger with Arlington Tankers in an all stock deal which creates a newco. Under

### 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	\$2.76	10.35	27%	\$7.59	\$4.83
B+H Ocean Carriers	\$10.27	25.87	40%	\$18.96	\$8.69
d'Amico International Shipping	€2.34	4.16	56%	\$3.05	€0.71
Tsakos Energy Navigation	\$34.05	58.27	58%	\$42.72	\$8.67
Overseas Shipholding Group	\$73.79	120.55	61%	\$88.37	\$14.58
Teekay Shipping	\$41.82	67.81	62%	\$49.71	\$7.89
Danaos Corporation	\$18.99	30.51	62%	\$22.37	\$3.38
Excel Maritime	\$32.38	51.81	62%	\$37.98	\$5.60
DHT Maritime	\$8.98	14.00	64%	\$10.26	\$1.28
Seaspan Corporation	\$23.07	34.20	67%	\$25.07	\$2.00
TORM	\$32.24	49.86	65%	\$36.55	\$4.31
Globus Maritime	£3.87	5.76	67%	\$4.22	£0.35
Ship Finance International Ltd.	\$26.82	38.78	69%	\$28.43	\$1.61
Arlington Tankers	\$19.91	28.04	71%	\$20.56	\$0.65
Eagle Bulk Shipping	\$27.61	37.80	73%	\$27.71	\$0.10
General Maritime	\$26.26	35.29	74%	\$25.87	-\$0.39
Goldenport Holdings	£3.17	4.21	75%	\$3.09	-£0.08
Hellenic Carriers	£2.22	2.67	83%	\$1.96	-£0.26
StealthGas	\$15.74	18.30	86%	\$13.42	-\$2.32
DryShips	\$69.81	79.76	88%	\$58.47	-\$11.34
Genco Shipping & Trading	\$58.17	64.37	90%	\$47.19	-\$10.98
Omega Navigation	\$15.27	15.53	98%	\$11.38	-\$3.89
Diana Shipping	\$29.93	27.43	109%	\$20.11	-\$9.82
Nordic American Tanker Shipping Ltd.	\$39.19	35.57	110%	\$26.08	-\$13.11
Knightsbridge Tankers Ltd.	\$29.74	26.30	113%	\$19.28	-\$10.46
		Average:	73%		

\*Price data current as of closing on August 6, 2008

\*\*Based on current average P/NAV

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

terms of the agreement General Maritime shareholders will receive 1.34 shares in the new company for each share owned while Arlington shareholders will receive shares in the new company at a 1 to 1 ratio. The new company will be called General Maritime and trade under the symbol of GMR. Once completed ATB shareholders will hold approximately 27% of the new co and current GMR shareholders will hold the remaining 73%.

It is difficult to say anything negative about this deal for a couple of reasons. At an enterprise value of \$2 billion the new General Maritime is instantly one of the largest publicly traded high dividend paying tanker companies. While for Arlington the merger solves a growth conundrum the current management and Board were unlikely to solve on their own, but by “handing off” ATB to Genmar, they have given shareholders access to more opportunities. And as anyone familiar with complex public company mergers and acquisitions a good job has been done on the details by both management teams.

As for valuation, the metrics were set by the ultimate arbiter, the market itself, and derived from the prices of both buyer and seller. Moreover, ATB shareholders that don't like the deal can sell while those that want continued exposure can have it. The one possible drawback for Arlington investors is that their dividend will be reduced. The new GMR will pay a \$2.00 dividend, which analysts view will be between 50 and 65 percent of cash flow for 08 and 09. Based on yesterday's closing price, this equates to a yield of 8% versus Arlington's yield of 10%.

**Hamish Norton** and his team at **Jefferies** advised Arlington Tankers on the transaction. **Simon Smith** and his team at **UBS** advised

General Maritime while **Kramer Levin** handled the legal side for Genmar.

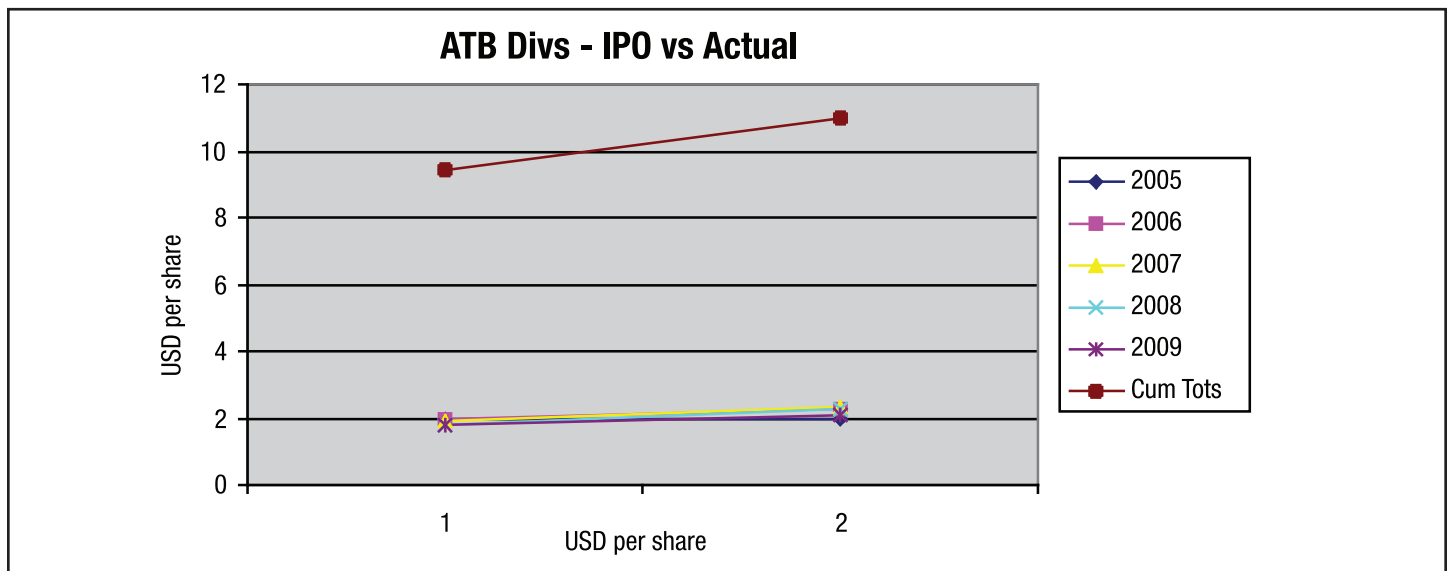
**Some ATB History**

At the Arlington Tankers IPO in 2004, investors were ecstatic about ATB because of the predicted annual dividend outlook over the next five years (an average \$1.89) to 2009.

More excitingly, what then CEO **Art Regan** delivered was a guaranteed average of \$2.19 per share through 2009, a 16% dividend growth increase. In fact the dividend has been escalating every year since IPO.

Arlington has always enjoyed a well-regarded shareholder base of stable, loyal income fund investors. In fact other public companies look at it as being maybe the “Best in Class.” The reason was simple: the proforma was not only delivered, it was exceeded and repeatedly improved upon, and has a very strong outlook going forward. Regan's performance, and the imbedded sponsorship of **Stena**, is what helped create a company valued well around the top of the food chain among peers.

For ATB 2010 is also guaranteed to be greater than \$2.30 per share. While a few ATB shareholders were musing yesterday that the new \$2.00 dividend is less than previously received and projected, the fact is ATB with its current, lean (one man) non-shipping industry trained management and archly conservative board were unlikely to grow the company. Further complicating the challenge for current management was the fact that sponsor Stena held too large an equity position in the company to enable it to funnel accretive transactions to ATB without securing full shareholder approval for each and every ship transaction.



### The Future

Based on a combined debt of about \$950 million and pro forma shares outstanding the new company will be less than 50% levered and with nearly \$200 million of undrawn powder the choice and transaction should prove powerful for both parties. Both companies have received support of their existing bank groups and expect current facilities to remain outstanding after the merger.

72% of the combined fleet is locked up through 2009. Further as **Omar Nokta** notes in his **Dahlman Rose** report on the deal, the higher and regular payout policy should produce a better NAV, as it did for Arlington. Dahlman Rose has a price target for GMR of \$30. Cantor Fitzgerald has a target of \$33.

Were there options for ATB? Yes. They could have potentially employed their own growth strategy, acquired other assets or companies, but for the reasons stated above it was unlikely that strategy would have delivered. Stena must be pleased. ATB shareholders, too. They are in the hands of an excellent replacement management. **John Tavlarios** and **Jeff Pribor** now have a powerful entity to lead forward, and if the past is any indication the future should be bright.

Last but not least, we predict this will not be the last such transaction. Well done.

### Teekay - Mad Momentum

As Thursday August 7 played out **Teekay** announced they would restate earnings for the years 2003 to 2Q08. The company plans to restate "Financial Statements for Accounting Under SFAS 133". Just their luck they also missed First Call consensus earnings estimates for the second quarter by \$0.15 and saw their stock whacked, down almost 14% at the time of writing.

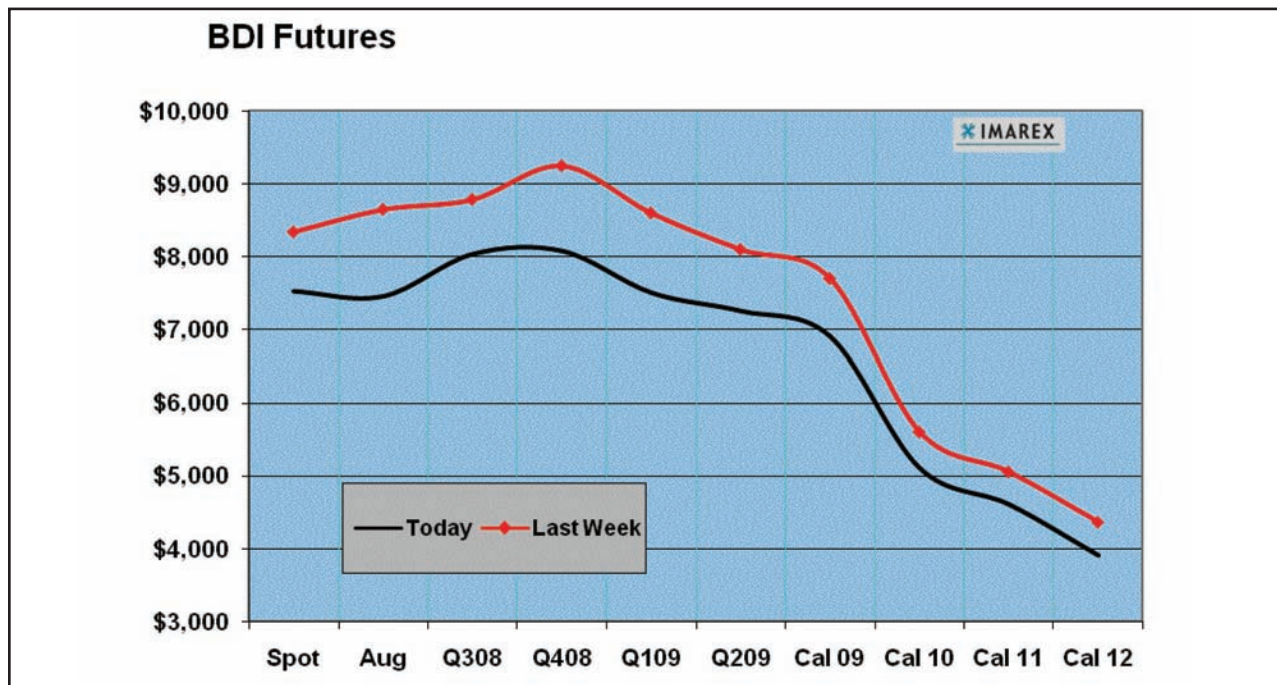
The next issue of Marine Money deals with the accounting issue generally, as others will have to come to grips with the new measures and we also look at the extraordinary TK value story.

By way of self-promotion we can tell you the articles are good stuff, encouraging and enlightening.

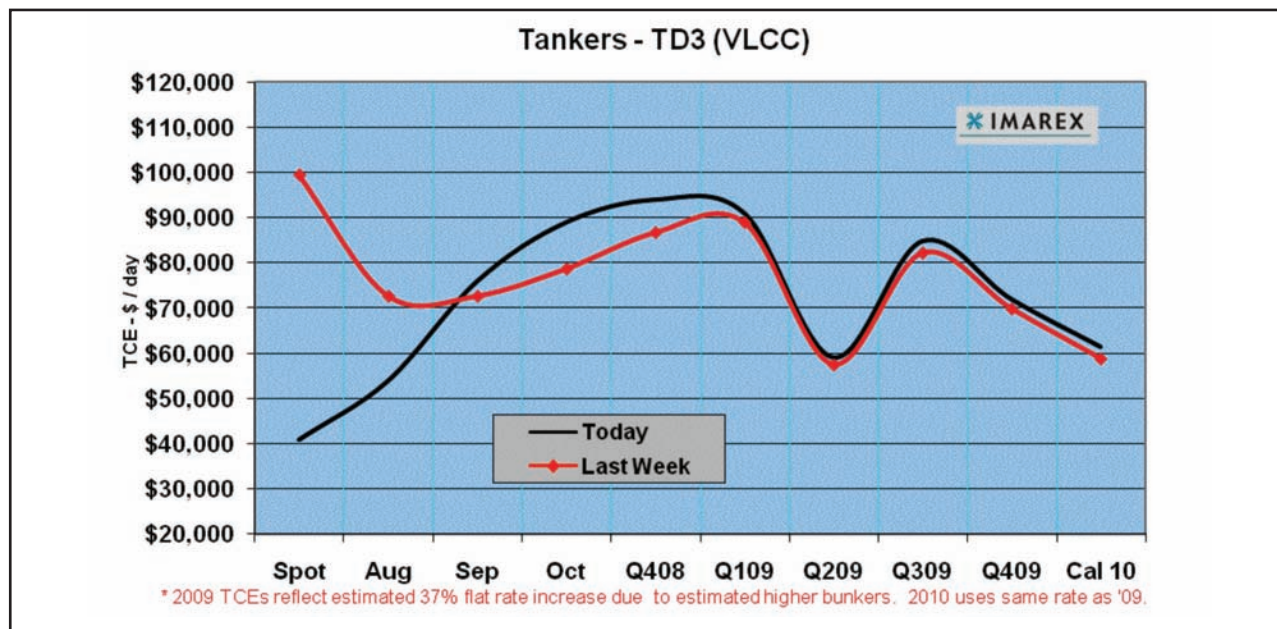
We might also say in advance that Teekay, like **OSG**, which is also suffering sympathetic share pressure today, are two of the finest companies in the world, much less just shipping. It boggles our mind to think that companies like this would sell at anything less than a multiple of NAV...their people, systems, client services, future strategic thinking, quality commitment – first class! One wants to shout Wake Up. Be sure to read September's Marine Money.

# Back to the Futures

By Mike Reardon, Imarex Inc., Email: [mr@imarex.com](mailto:mr@imarex.com)



In absolute terms, earnings are still impressive. The average of the Cape time-charter routes stands at about \$128,000/day, hardly a reason to complain. But when today's numbers are compared to those of a few weeks ago, concern sets in. Since part of the cause for the rate decline has been slower than normal demand from Chinese buyers, it is not unfair to ask, "Is the slowdown temporary or long term?" Whoever can best answer that question should fare well in these tumultuous times. Though many still expect Q4 rates to improve from where they are today, the specter of a global slowdown looms a tad larger. The curves above show the same shape as last week, but forward expectations have come down noticeably. FFA volumes have been quite large – though prices have fallen alongside the retreating spot physical. Until we see China jump back into the game, there is potential for further downside.



Tanker rates continue to come off, though the pace of the decline has slowed. The vertical nature of both the supply and demand curves in tight markets is an Owner's best friend on the way up, but can also turn into a nightmare on the way down. To be clear, however - rates aren't all that bad, though the high price of bunkers is devouring TCE. VLCCs on the AG/East route are still earning \$40,000/day or so, while Suezmaxes on the WAFR/USAC trade lane are making about \$50,000/day. The problem we face today is the decidedly negative trend. While near month tanker futures have sold off hand in hand with physical rates, the TCE on certain routes is actually higher as of today, due to falling bunker prices. FFAs still point to an improved rate structure in Q4. The equities have taken their requisite punishment in light of the severe spot rate decline. The GMR / ATB merger brings some well timed consolidation to the sector, and puts more ships into the hands of the highly respected G-Team.

# 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
★ BW Gas		Circa \$2,000	40 ship LPG fleet	For Sale; Potential buyers to include Solvang, Stolt-Nielsen, Maersk, OSG and John Fredriksen
★ European Bank for Reconstruction and Development		\$120	3.8% in Far Eastern Shipping Co	Minority stake in Russian container company
★ General Maritime	UBS for GMR, Jefferies for ATB	\$283- \$300	Arlington Tankers	Stock-for-stock combo; Each GMR share to receive 1.34 shares of new entity; Each ATB share to receive 1 new share; Combined fleet to consist of 31 tankers
Hapag-Lloyd	Citi, Deutsche, Greenhill; JP Morgan for NOL as potential buyer	Circa \$6,000	For Sale	Hamburg consortium bidding against NOL
Former ACL executives Mark Holden and Richard Mitchell	Arcapita Bank		MRH Holdings	Diversified transportation holding company with plans to spend \$1.5bn in transportation sector acquisitions
GC Rieber Shipping		\$23	Hexio; holding company to monitor oil and gas fields	With StatoilHydro Venture and Reservoir Innovation through subsidiary Octio Geophysical
✓ 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

## 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
Sealink International	AmInvestment Bank	\$43	IPO in Malaysia priced at RM 1.25 per share and oversubscribed by 0.03 times	Done
SeaDrill		Undisclosed	Acquired another 2.4 million SapuraCrest Petroleum shares raising stake to 19.7%	Done
✓ 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 Shipchangers	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	Hadjiannou-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

## Bank Debt Deal Table

★ = New

📄 = Updated

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

Borrower	Arrangers / Buyers	Amount (US\$ M)	Pricing / Purpose / Remarks
★ Nakilat (Qatar Gas Transport)	Syndicate of international banks; SMBC as financial advisors	\$1,500	Plans to borrow further \$1,000 in next 18 months; To finance 54 LNG tankers
★ Stolt- Nielsen	Citi, Deutsche Bank, Fortis	\$625	16 yr pre- and post- delivery financing for 8x 43,000 dwt South Korea parcel tanker newbuildings
✓ Yantai Raffles Shipyard	ABN AMRO	\$145	3 year credit for working capital
Beluga Shipping	Dresdner Kleinwort as mla, Helaba, Sparkasse Bremen, Dexia, M.M. Warburg & Co	\$362	Pre-Delivery-, Equity-Bridge- and Post-Delivery-Financing for 6x 19,700-20,000 dwt heavy lift carrier vessels for delivery in 2010-2011
✓ 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 drillships 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

## 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	\$120	Purchase and 10 year bareboat back 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
<b>SHIPPING</b>							
<b>Altus Group Ltd</b>							
11% Secured Notes due '13	101.000	10.65%	762	04/01/13	– / –	04/01/10	105.500
<b>Great Lakes Dredge&amp;Dock (GREATL)</b>							
7.75% Sr Sub Notes due '13	94.000	9.19%	577	12/15/13	Caa1 / B-	12/15/08	103.875
<b>Navios Maritime (BULK)</b>							
9.5% Senior Notes due 2014	99.000	9.71%	615	12/15/14	B3 / B+	12/15/10	104.750
<b>Sea Containers (SCR)</b>							
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 / –		
<b>Ship Finance International Ltd. (SHIPFI)</b>							
8.5% Senior Notes due '13	101.500	7.98%	502	12/15/13	B1 / B+	12/15/08	104.250
<b>Stena AB (STENA)</b>							
7.5% Senior Notes due '13	99.750	7.55%	416	11/01/13	Ba3 / BB+	11/01/08	103.750
7% Senior Notes due '16	96.750	7.53%	370	12/01/16	Ba3 / BB+	12/01/09	103.500
<b>Trailer Bridge (TRBR)</b>							
9.25% Secured due '11	93.000	11.88%	894	11/15/11	B3 / B-	11/15/08	104.625
<b>Ultrapetrol Limited (ULTR)</b>							
9% 1St Mortgage due '14	95.000	10.09%	654	11/24/14	B2 / B	11/24/09	104.500
<b>SUPPLY VESSELS</b>							
<b>Gulfmark Offshore (GMRK)</b>							
7.75% Senior Notes due '14	99.125	7.94%	444	07/15/14	B1 / BB-	07/15/09	103.875
<b>Hornbeck Offshore Services (HOS)</b>							
6.125% Senior Notes due '14	96.000	6.91%	337	12/01/14	Ba3 / BB-	12/01/09	103.063
<b>Seabulk International (SBLK)</b>							
9.5% Senior Notes due '13	104.950	6.59%	489	08/15/13	Ba1 / BBB-	09/02/08	104.750
7.2% Seacor Senior Notes due '09	100.500	6.72%	435	09/15/09	Ba1 / BBB-	any time	
5 7/8% Seacor Senior Notes due '12	96.000	7.00%	384	10/01/12	Ba1 / BBB-	any time	

**Jefferies – High-Yield Shipping Bonds continued**

	Offer Price	YTW	STW	Maturity	Ratings	Call Date	Call Price
<b>TANKERS</b>							
<b>Berlian Laju Tanker</b>							
7.5% Senior Notes due '14	65.000	17.31%	1,383	05/15/14	– / CCC+	05/15/12	103.750
<b>Golden State Petro (GOLDEN)</b>							
8.04% 1St Mortgage due '19	101.000	7.90%	384	02/01/19	Baa2 / BBB-	any time	MW + 37.5
<b>Overseas Shipholding Group (OSG)</b>							
8.75% Debentures due '13	104.500	7.70%	429	12/01/13	Ba1 / BB	any time	MW
7.5% Senior Notes due '24	92.500	8.37%	415	02/15/24	Ba1 / BB	NC	NC
<b>Titan Petrochemicals (TITAN)</b>							
8.5% Senior Secured Notes due '12	59.000	26.88%	2,385	03/18/12	Caa1 / B-	any time	MW + 100
<b>Teekay Shipping (TK)</b>							
8.875% Senior Notes due '11	105.500	6.78%	393	07/15/11	Ba3 / BB+	any time	MW + 50
<b>US Shipping Partners (USS)</b>							
13% Secured due '14	61.000	26.20%	2,269	08/15/14	Ca / CCC	02/15/11	106.500

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