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The Week in Review

INSIDE

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Marine Money in Seoul, with KDB and Miami with DVB

Marine Money is deeply grateful to our partners, all our vital sponsors, speakers and attendees. We have seen the beneficial impact of our Marine Money gatherings around the globe this fall as the economic challenges besetting nations are tackled on a micro level by the world's most experienced international traders - the shipping industry and its capital sources. Watching the machinations of a single industry find its way forward as we have in Ireland, Greece, New York and Singapore, fills us with confidence that our corner of the global financial malaise will be well dealt with. We salute all our readers, delegates, sponsors and valued partners for standing up to challenges which daily seem to bring other industry's to the government trough.

The week of November 17 sees Marine Money and a community of owners, financiers and industry professionals gathering in both Seoul, Korea and Miami, Florida, USA. In keeping with the recent global events large turnouts are set for both locations. Korea, in partnership with **KDB**, **Korea Development Bank**, will see more than 200 owners, shipyards and international financial professionals congregate to examine the best ways forward in a difficult market. While in Miami, with partner **DVB Bank**, a cross section of the Americas will gather to explore ways ahead.

The Old Sod

Ireland is the home sod to many generations of Americans and we were fortunate enough to be treated to a beautiful sunny day with blue skies on the occasion of our first visit. Our taxi driver was surely amazed as apparently the spring and summer had been quite wet this year. Unfortunately, as we rode into town, we saw that Dublin has not escaped the economic crisis. The streets were quiet in the early Sunday morning, as one would expect, but the number of for lease signs on the new office blocks was unexpected. And then as you might anticipate by mid-afternoon the sky turned gray and the rains came. We stayed inside and began to look forward to our pre-conference appointments.

Heard on the Streets of Dublin

We headed into Dublin enjoying the beautiful mix of both Georgian and new architecture in an extraordinarily clean town. We had appointments with a full gamut of experts, including bankers, owners, accountants and lawyers, all of whom provided us with insights into shipping generally while further explaining how Ireland fits into the puzzle.

All things considered our banker friend had good news. Between now and fiscal year-end, growth will be limited as the bank seeks to delver it s balance sheet. However, the group has permission to re-lend its run-off and hence has a continuing, although not substantial market presence. As you might expect, the money is not cheap and the transaction must be of strategic value or involve value added services. Similarly, bilaterals are preferred to a straight participation. Amongst its borrowers the bank has substantial penetration with its treasury products, including foreign exchange and interest rate swaps. All well and good, but today's preference is for deposits and they offer attractive rates (LIBOR + 10-20 bps), with the Irish government's AAA rating standing behind it, versus U.S. Treasuries at sub-100 bps all-in.

A year after our first Dublin Conference, it appears that the Irish tonnage tax scheme has gained some traction. With **d'Amico** already established and in place, **Chemstar**, controlled by the Yardimci family and another presenter last year, has taken delivery of four of its series of chemical vessels in its first year of operation. Other Turkish owners have been following Chemstar's progress and may soon follow.

In addition to low rates, Ireland's tonnage tax is very flexible. It is flag blind and does not limit the number of chartered-in vessels. And, unlike Norway, the tax is paid annually and not deferred so there is no risk, as was the case in Norway, of the government coming after back taxes. The election to be part of the tonnage tax scheme is made annually for a ten-year period, which gives the company a certain ten-year look forward. What it does lack is an investment scheme like the K/G or K/S, however the government sees no reason to give more incentives beyond the tonnage tax.

Bad news for some is often a silver lining for others. The decline in property values has had a significant impact on the Irish economy as property represents approximately 20% of the economy. As one can imagine the magnitude of the investment is keeping both the senior management of banks and investors quite busy and concerned. There is evidence, albeit anecdotal, that investors, who primarily focused on property, are now starting to speak about the possibilities of shipping with its mobile assets as a diversification. Moreover, as the bankers work out the property loans, they will gain greater experience and understanding when it comes to shipping.

We also met with an indigenous Irish shipping company, which just recently qualified for the tonnage tax. The Inland Revenue takes this process very seriously as evidenced by the fact that it took a local company approximately five months to be approved. This also makes it credible. This company has been in business a little over a year and runs a fleet of small bulkers in northwest Europe. This company is in the process of a conservative fleet expansion and because of its size was not exposed to the recent events but is at the same time feeling its effects. The main challenges the company is facing is finding the right ships and getting funding. Based upon the size of the vessels they trade the likely source of growth will be newbuildings.

For the moment, the company is quite lean and it outsources technical and commercial management while retaining oversight. But for the moment it is effectively an Irish leasing company. We hope one day to do a profile on this very interesting company as it matures.

"Erin Go Bragh"

Despite a reasonable starting time of 10 AM, the delegates to the 2nd Annual Marine Money Dublin Ship Finance Forum filed in early ever ready to meet old friends and make new contacts. If there was one single takeaway from this conference for us it is the fact that the Irish people are happy, warm, smart, blunt and can charm your pants off. This is what makes it a great business center, not all the fancy tax stuff. Notwithstanding my frivolous view, keep up the good work, Jim; it does really make a difference. As we usually do, we have extracted below insights and comments that in our prejudiced or self-serving view we thought were useful or interesting. We are faced with our usual problem of so much to choose from and so little space.

After a brief keynote address from Mr. **Noel Ahern T.D.**, Minister of State, to set the stage, the conference began in full force with a shipping and economic review. **Fred Doll** of **Doll Shipping Consultancy** gave us the speed-dating version of the shipping markets covering dry, wet and containers in rapid succession. To provide a measure of pain, Mr. Doll reminded the audience that two Supra/Handymax sold last week at prices of $26 and $31 million versus values of $70 million just this past summer. He also reminded the audience that 2009 deliveries, which were likely ordered in 2006 or 2007, had 40% paid in and it would be hard for owners to walk away from these versus later deliveries. And perhaps most importantly he spoke about the shipyard's greatest fear, which is the devaluation of a ship, saying once a ship is devalued all are devalued. Yards will do everything in their power to avoid this. On the oil side, he described a changing VLCC trade pattern with short haul crude to the US from Venezuela and Mexico being replaced by long-haul crude from the AG. This should continue to provide support to the bigger vessels.

Bank of Ireland's ("BOI") Senior Economist, **Michael Crowley**, provided a report on the state of the world economy, somewhat hopeful, and Irish economy, somewhat less so. Recessions are not unusual but they are an exception. There have been 9 recessions since 1950 with an average duration of 10 months. All were followed by sustained periods of economic growth. The exception was the one that occurred in the 1980s, which took 16 to 18 months to recover from. He believes this may be the case with the current one too. There are positive offsets in this instance. The oil price collapse will support consumer spending. Inflation is also likely to fall, given the decline in energy prices, to 2% and perhaps even 1%. With low inflation, the government will feel more comfortable about cutting interest rates, which will lead to recovery.

In a brief presentation our own **Kevin Oates** hoped no one listened to him last year when he recommended investing in shipping.

Trond Hamre of **R.S. Platou Asset Management AS** briefly described the K/S and DIS structures that might have applicability here. **Des Carville** of **Davy Corporate Finance** gave an insightful presentation of the private equity world and shipping. PE is moving from their traditional markets to niche markets including distressed debt, mezzanine, green and infrastructure. With lack of leverage impacting IRRs, sellers and investees are adapting their views on valuation. We had forgotten the role of PE in shipping until he listed all the deals done which included: **CSX/Horizon Lines**, **Great Lakes Dredging**, **Allcargo**, **U.S. Shipping**, **MC Shipping** and **UN Ro Ro**. Finally he provided an extensive list of key considerations that PE looks at including the exit strategy which despite popular belief is done before the deal closes. These strategies include: secondary sale, trade sale, IPO, refinance and the hard way, return of cash from operations.

Up next was **Andrew Meigh** of **Clarksons Investment Services**, who gave a broad overview of shipping on the global stock markets. His graphs and data were enlightening and with his permission, we would like to reproduce them and his insightful presentation next week. The most significant increase corresponded to the boom in shipping that began in 2004. And, although New York listings grew exponentially, the most significant companies remain outside the U.S. Finally, despite our prejudices as to their importance, shipping equities are a mid-market business.

After lunch, **Daryl Byrne** and **James Johnston** of the **Irish Stock Exchange** provided detailed and useful information on the Exchange, which is the second oldest in the world, the **IEX** listing as well as listing securitisations.

Bank of Ireland's **Paul Packard** set us straight up front. Despite our survey, which showed 92% of the banks were open for business, the reality is they are not. Bankers misrepresenting the truth, what a depressing thought. Of course the 8% that said they were closed must have been the Irish banks. Banks are focusing on repairing their balance sheets and rebuilding capital ratios. Any lending taking place is to existing clients or strategic deals meaning few will participate in syndications. The New Year may bring a respite but there will still be less lending. Mr. Packard concluded with some simple truths:

- Supply and demand will always correct the market
- Super-cycle was "too good to be true"
- Lending still possible in a falling market
- Who you are dealing with becomes extremely important
- Things have yet to bottom out but there is an upside
- And finally for those who entered the business in 2004 or later, it's only a cycle.

Tony Gurnee of **Tridens Capital LLC** provided the viewpoint of the non-traditional lender in the current market. First he was a fount of useful information giving us current bank pricing as follows:

BBB	LIBOR + 150-200 bps
BB	LIBOR + 200-250
B	LIBOR + 250+

As far as non-traditional lenders, he was somewhat less specific but assured the audience that it was certainly costly. One goes to a non-traditional lender when your bank says no, when you have insufficient capital or when you want to avoid being the "opportunity."

Mr. Gurnee also provided a dose of reality. Looking at a graph of historic rates, he noted a return to historic levels that requires a re-set of valuations and contracts. There also remains a reluctance by hedge funds and private equityt to get into shipping now as many of the alternative lenders are getting equity returns on bonds for senior debt risk.

Jim Healey of **KPMG** highlighted the benefits Ireland offers from a tax perspective including: certainty, clarity, pro-business stance, flexibility (first to guarantee the banks), competitive tax regime, favorable holding company regime, good double taxation network and dividends to a foreign parent. Then of course there is the tonnage tax scheme.

Dave Ronayne of **Mainport** was described by my neighbor at the conference, who, in fact, was not an employee of Mainport, as the definition of the Irish entrepreneurial spirit. Perhaps he has a bit of Greek blood too as he is one of the few owners these days who sees value in old tonnage and I mean old. Mainport focuses on niche ships that can work in different world markets with different crew structures for different utilization. And the good news he emphasized is it isn't property.

Having just joined the company, **John Dolan** gave an excellent introduction to his new company **d'Amico Tankers**. We thought his description of the d'Amico brand was something all should aspire to. It focuses on close relationships with their clients, being driven by safety and quality and an insistence on transparency.

According to **Arklow**'s **Pat Corcoran**, the self-professed voice of doom and gloom, we should have seen the collapse coming when second hand vessels cost more than newbuildings. His advice to the audience gives new meaning to blunt and he also had the best line of the day. In his view, it is a folly to invest in drybulk in 2009/2010. An investor should wait until the fall off in shipping orders is known and there is evidence of the end of worldwide recession. Another issue going forward was the fact that borrowings versus equity would be much lower than previously. Hoever, he did note that the only good news was that cocktails were around the corner.

Matheson Omsby Prentice's Helen Noble had the duty of delivering the unfortunate but important message on financing ships and perfecting security. The message was not negative but pragmatic. In an excellent presentation, which we hope to publish in our January issue, Helen described the key issues in perfecting one's security in order for a lender to exercise his rights. Certainly it is a subject that most would prefer to avoid but it was evident after a quick glance around the room that not many of the delegates were around when the last collapse took place.

The conference concluded with a panel discussing challenges for Ireland as an emerging shipping center, which included a presentation by **Glen Murphy** of the **Irish Maritime Development Office**.

As I left for the airport the next day, I enquired about breakfast and the receptionist was absolutely stunned saying it was far too early for breakfast. I then jumped into a taxi to go to the airport. The driver was a giant with a shaved head who listens to opera and talks about Judge Judy. So what can you conclude about the Irish? Clearly, they are civilized, cultured and have a sense of humor. Fabulous. And the conference was great too, Mrs. Lincoln. No blarney here.

Market Commentary

No More Netting

Reading many of the analyst reports, we were always intrigued by the use of net debt in leverage calculations. Perhaps it made comparisons between companies easier. But the underlying assumption that cash would be used on a dollar for dollar basis to pay down debt as implied was always a question mark. Surely this is highlighted by today's dry bulk earnings, which are currently below cash breakeven rates. With insufficient cash to meet voyage and operating expenses no less debt service, the cash on hand is making up the shortfall. We suppose you can make the case for the use of net debt in good times, however, as we were all rudely reminded recently the shipping cycle never left us. Either it unexpectedly returned, due to a short-lived new paradigm, or we suffered from "Extraordinary Popular Delusions and the Madness of Crowds." Charles Mackay, the author of that text, has a painful prognosis: "Men, it has been well said, think in herds; it will be seen that they go mad in herds, while they only recover their senses slowly, and one by one!"

In any event, cash in shipping gets you through the bad times and allows one to exploit opportunities. No matter what bankers may believe it is not there for them.

"Confused, Incomplete, or Inconsistent Owing to Market Instability"

The catchy title is a quote from an article in Monday's Financial Times by Daniel Thomas and Jennifer Hughes. It refers specifically to a qualifying clause commercial property valuers are currently inserting in their valuations creating increased uncertainty for investors. "In a sharply falling market in which most transactions involve distressed assets, the valuers say they are having difficulty in setting reliable prices. Normally, they rely on recent transactions for comparable benchmarks."

However, as usual, accountants are getting nervous and expressing concerns about the growing use of caveats and disclaimers on valuations. "Auditors will need to consider carefully the nature of the uncertainty in the valuation, the disclosures made in the financial statements and other circumstances affecting the company." An alternative view suggests that "auditors should not worry as this is not a qualification of accounts; it is an additional piece of advice."

The parallels to the shipping universe are unmistakable. However, in our case, brokers have just stopped giving valuations due to legal consequences they have suffered in the past. However for the first time in the shipping space the numbers of public companies, which are potentially exposed has increased exponentially. The cost of going public just went higher or when accountants sneeze their clients may catch cold.

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
★ Cido Shipping	DnB NOR	Undisclosed	For Sale	Exploring startegic alternatives for product tanker fleet of 26 modern vessels and 23 newbuildings totaling 2,298,350 dwt
Stena Bulk		$250	35% in Paradise Tankers	Full commercial control of fleet of 3 newly-built Panamax tankers and 2 bulk carriers
George Economou		$45	TOP Ships	Short term exclusivity agreement extended to October 22/08 to explore acquisition for $3/share; Rejected
Hapag-Lloyd	Lazard, Citi, Deutsche, Greenhill, HSH; JP Morgan for NOL as potential buyer	$5,900	For Sale	Albert Ballin consortium: City of Hamburg, Klaus-Michael Kuhne, HSH Nordbank, MM Warburg, Signal Iduna, Hanse Merkur
DryShips		$690	9 Capesize vessels, 2 UDW Drillships	Payable in the form of 19.4 m new DRYS shares at $35.50 each
Hapag-Lloyd	Lazard, Citi, Deutsche, Greenhill, HSH; JP Morgan for NOL as potential buyer	$5,900	For Sale	HSH Nordbank to join Hamburg's Albert Ballin consortium bidding against NOL
George Economou		$617	TOP Ships	Short term exclusivity agreement extended to 10/22/08 to explore acquisition for $6/share; a 50% premium
✓ Goldman Sachs			Yamamoto Kayun	Full acquisition of Japanese shipowner
Conbulk		$262	10 feeder containerships	6 from Palmosa in exchange for stock and repayment of debt, 4 from Tsakos-managed companies for cash/stock combo
Pacific Transportation Asia Fund		Up to $650	20-25 products/chemical tanker fleet	Asian arm of Credit Agricole; To be financed through existing $250m with plans to raise further $400m

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
Hanjin Shipping	Hana IB Securities, KB Investment, Korea Development Bank	$169	7.00%	2011	Planned KRW 200bn bond sale	Early stages
IM Skaugen	Fearnley Fonds	$35	10.50%	2011	To finance repurchase of existing bonds	Done
✓ Syarikat Borkos Shipping	Bank Muamalat Malaysia Bhd	$108			Islamic medium term notes	In Progress
✓ Titan Shipyard Holdings		$25	1.00%	2013	Convertible notes exchangeable for up to 5% of Titan Shipyard issued share capital	Done
Grupo TMM				2028	3rd tranche of Mexican Trust Certficates 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

Equity Deal Table

★ = New ✍ = Updated ✓ = For full analysis see Marine Money's Asia Edition

	Issuer	Underwriters / Advisors	Amount (US$ M)	Structure / Pricing / Comments	Status
✓	Yang Fan Group	Goldman Sachs		Planning a listing in Hong Kong in 1H09	In Progress
	Conbulk Corporation		$262	Arcade SPAC to acquire fleet of 10 feeder service containerships	Early Stages
✓	Otto Marine	UOB, Credit Suisse		Planning a listing in Singapore	In Progress
✓	KS Energy	Kim Eng Securities	$122	Proposing a 2 for 5 rights issue to enhance capital base and support business expansion	In Progress
	K-Sea Transportation	Lehman Brothers, RBC Capital Markets	$57	2 million unit public offering with 300,000 share overallotment option; Net proceeds to pay off debt and fund construction of new vessels	Planned
✓	Pacific Shipping Trust	UBS	$92	Planning a non-renounceable preferential offering of new units	In Progress
	Paragon Shipping		$250	Shelf registration to periodically issue common shares, preferred shares or other securities	Filed
	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 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 untis	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

Bank Debt Deal Table

★ = New ✍ = Updated ✓ = For full analysis see Marine Money's Asia Edition

	Borrower	Arrangers / Buyers	Amount (US$ M)	Pricing / Purpose / Remarks
✓	STX Europe	Nordea, Woori Bank	$88	50/50 financing of credit facility for 3 years
✓	Jesper Investments	A syndicate of 6 banks	$290	Refinancing of credit facility
	White Dolphin Shipping	KfW IPEX as mla, Fortis	$268	50/50 financing for 6x 2,500 TEU container ships being built by Volkswerft Stralsund for Fair Hope subsidiary
	Hapag Lloyd	HVB, HSH Nordbank as mlas, DekaBank Girozentrale, Dresdner, KfW IPEX, RBS	$750	5 year term loan to buy back a fleet of 29 containerships from parent TUI AG
	OSG	ING, Fokus Bank, Fortis Bank of Belgium, Sumitomo Mitsui Banking Corp. and BNP Paribas and Nordea	$500	To acquire 2 vessels to be converted to floating storage offloading service vessels with Euronav JV
	Eastern Drilling	DnB NOR; Commerzbank; HSH Nordbank; Norwegian Institute for Export Credit - GIEK; Swedbank Markets	$800	
✓	HOSCO	SEB, DVB, HVB	$160	Term loan facility for 2x 298,000 dwt VLCC's under construction
✓	MISC	BTMU, UFJ, BNP Paribas, Mizuho Corporate Bank, OCBC (Malaysia), SMBC	$1,000	5 year transferable term loan facility
✓	BW Bulk	BNP Paribas, Calyon, DnB NOR, Fortis, ING, SMBC		To finance the company's VLOC newbuildings under construction
	D'Amico International Shipping	Mizuho Corporate Bank	$95	10 yr loan to finance Japanese product tankers with agreed purchase options; Interest corresponding to 3 mo LIBOR for Japanese Yen + 100-125 bps

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
★	Odfjell Group	nabCapital (National Australia Bank Limited)	$32	Sale and 11 yr leaseback 40, 005 dwt tanker built in 2005
	Pemex	Blue Marine/ ICP Capital	$121	Sale and leaseback of 2x 40,000 dwt product tankers for 10 yrs with purchase options at end
✓	Woo Min Shipping	ABG Sundal Collier ASA	$88	Sale and leaseback for 3x chemical tankers for 8 years
	Golden Ocean Group	Undisclosed	$65.30	10 yr sale and bareboatback of Q3 2009 newbuilding delivery; $21,975/day, fixed price purchase option in 3 yrs and every year after until contract matures; $40m option in 10 yrs
	Wavefield Inseis	Norwegian Oilfield Services	$144	Sale and 7 yr charterback for 1x 5,000-gt newbuilding; Arrangement includes 33.3% stake in NOS
	Seadrill	Ship Finance International	$1,700	Sale and leaseback of 2 ultra-deepwater semi-submersible rigs for 15 yrs
✓	Swiber Holdings	RS Platou Finans Shipping A.S., Atlantis Navigation A.S.	$225	Sale and leaseback of 3x AHTS and 2x diving support vessels for 10 years
	Exmar NV	ABG Sundall Collier KS	$49.50	Sale of 25,000 cbm LPG vessel
✓	Wan Hai International	A Cayman Islands company, Citigroup as advisors	$300	Sale and leaseback of 4x 6,000 TEU containerships for 7 years
	Pemex	ICP Capital as arranger		Purchase and 10 year bareback of 2x MR product tankers with purchase option at end

Jefferies – High-Yield Shipping Bonds

	Offer Price	YTW	STW	Maturity	Ratings	Call Date	Call Price
SHIPPING							
CMA CGM (CMACG)							
5.5% Sr Unsecured due '12	52.000	27.84%	2,519	05/16/12	– / BB+	any time	MW+50
7.75% Senior Notes due '13	49.625	28.55%	2,641	02/01/13	– / BB+	02/01/09	107.250
Great Lakes Dredge&Dock (GREATL)							
7.75% Senior Notes due '13	82.000	12.66%	1,021	12/15/13	Caa1 / B-	12/15/08	103.875
Navios Maritime (BULK)							
9.5% Senior Notes due '14	65.000	19.59%	1,688	12/15/14	B3 / B+	12/15/10	104.750
Royal Caribbean Lines (RCL)							
8% Sr Unsecured due '10	94.854	11.86%	1,072	05/15/10	Ba1 / BB+	NC	NC
8.75% Sr Unsecured due '11	86.250	16.40%	1,507	02/02/11	Ba1 / BB+	NC	NC
7% Sr Unsecured due '13	72.000	15.82%	1,360	06/15/13	Ba1 / BB+	NC	NC
6.875% Sr Unsecured due '13	71.000	15.34%	1,291	12/01/13	Ba1 / BB+	NC	NC
5.625% Sr Unsecured due '14	50.792	22.64%	1,971	01/27/14	Ba1 / BB+	NC	NC
Ship Finance International Ltd. (SHIPFI)							
8.5% Senior Notes due '13	75.000	15.84%	1,340	12/15/13	B1 / B+	12/15/08	104.250
Stena AB (STENA)							
7.5% Sr Unsecured due '13	83.000	12.17%	975	11/01/13	Ba2 / BB+	11/01/09	102.500
7% Sr Unsecured due '16	83.000	10.14%	690	12/01/16	Ba2 / BB+	12/01/09	103.500
6.125% Sr Unsecured due '17	52.000	17.27%	1,372	02/01/17	Ba2 / BB+	any time	MW+50
5.875% Sr Unsecured due '19	47.000	16.97%	1,327	02/01/19	Ba2 / BB+	any time	MW+50
Trailer Bridge (TRBR)							
9.25% Sr Secured due '11	76.000	20.34%	1,874	11/15/11	B3 / B-	12/15/08	104.625
Ultrapetrol Limited (ULTR)							
9% 1St Mortgage due '14	74.000	15.86%	1,322	11/24/14	B2 / B	11/24/09	104.500
SUPPLY VESSELS							
Gulfmark Offshore (GMRK)							
7.75% Sr Unsecured due '14	75.000	14.34%	1,174	07/15/14	B1 / BB-	07/15/09	103.875
Hornbeck Offshore Services (HOS)							
6.125% Senior Notes due '14	75.000	12.07%	942	12/01/14	Ba3 / BB-	12/01/09	103.063
Seabulk International (SBLK)							
9.5% Senior Notes due '13	97.000	10.31%	803	08/15/13	Ba1 / BBB-	12/15/08	104.750
7.2% Senior Notes due '09	101.000	5.93%	495	09/15/09	Ba1 / BBB-	any time	
5.875% Senior Notes due '12	82.500	11.61%	967	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	27.000	43.19%	4,069	05/15/14	– / CCC+	05/15/12	103.750
Golden State Petro (GOLDEN)							
8.04% 1St Mortgage due '19	104.647	7.38%	372	02/01/19	Baa2 / BBB	any time	MW+37.5
Overseas Shipholding Group (OSG)							
8.75% Sr Unsecured due '13	95.000	10.04%	766	12/01/13	Ba1 / BB	any time	MW
7.5% Sr Unsecured due '24	75.000	10.89%	706	02/15/24	Ba1 / BB	NC	NC
Titan Petrochemicals (TITAN)							
8.5% Senior Notes due '12	23.000	72.00%	7,027	03/18/12	Caa2 / CCC+	any time	MW+100
Teekay Shipping (TK)							
8.875% Senior Notes due '11	92.000	12.49%	1,103	07/15/11	Ba3 / BB	any time	MW+50
US Shipping Partners (USS)							
13% Sr Secured due '14	30.000	52.12%	4,950	08/15/14	Ca / CC	02/15/11	106.500

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February 25-26	8th Ann. German Ship Finance Forum	Hamburg
March 4	5th Ann. Gulf Ship Finance Forum	Dubai
March 25	Hong Kong Ship Finance & Investment Forum	Hong Kong
April 30	6th Ann. Istanbul Ship Finance Forum	Istanbul
May 7	4th Ann. Japan Ship Finance Forum	Tokyo
June 11	11th Ann. Norway Ship & Offshore Finance Forum	Oslo
June 23-25	22nd Ann. Marine Money Week	New York City
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