THE SHIP FINANCE PUBLICATION OF RECORD
MARINE MONEY
FRESHLY MINTED

VOLUME 8

ISSUE 22

June 3, 2010

The Week in Review

INSIDE

This week the shipping world has begun its move to Posidonia, where celebrations as well as deals are presumably being made. In a few weeks it will move back to NYC for Marine Money Week. With a relatively quiet news week resulting, we take the opportunity to publish a professional engineer's dispassionate perspective on the disaster in the Gulf of Mexico.

New Regulatory Deepwater Horizons?

By Robert Kunkel, Amtech

On April 20, 2010 an explosion on **Transocean**'s *Deepwater Horizon*, an ultra-deepwater, offshore drilling rig, leased to **British Petroleum** in the Gulf of Mexico resulted in what is now reported to be the largest domestic oil spill since the 1989 *Exxon Valdez*. The cause of the blowout has not been determined. However, the dependence on a single piece of equipment – the BOP - as a *last line of defense* to stop the flow of oil is an issue industry experts have raised for over a decade. It is time to listen to those warnings. Multiple, redundant and independent layers of safety equipment are necessary to protect our oceans when drilling at these depths – and more than likely the industry will be forced to absorb the reality of either onsite relief well capability, if not actual dual wells.

Critics have asked how North Sea deepwater drilling differs from U.S. Gulf operations after reports of operating procedures used in the Gulf were found to be unacceptable in North Sea fields. More questions followed regarding the inconsistency of the regulations. Is the industry prepared to address safety and environmental issues at newly discovered fields in Brazil or projected drilling off Cuba? Will ultra deep drilling continue to generate these failures? Constructive answers to these questions require the industry to develop a common set of international regulations and enforce them regardless of location.

Collaborative efforts between governing agencies in Norway and the United States have been in existence since 1993. On the day President Obama was in Oslo to receive the Nobel Peace prize, the Director General of the Petroleum Safety Authority Norway (PSA) visited Washington, DC to sign a new agreement with his U.S. counterpart at the Minerals Management Service (MMS). The document extends a long-standing collaboration aiming to create a safer oil and gas industry. In 1997, the National Agency of Oil, Gas and Biofuels (ANP) was created in Brazil as an independent Federal Government agency to oversee and regulate the commercial exploration, development, and safety aspects of Brazil's offshore oil and gas industry. Similar government agencies regulating the offshore industry are found in Canada, Australia, The Netherlands and the United Kingdom. Efforts to share data are organized under The International Regulators' Forum (IRF).

Why then would a massive PSA 2006 drive to improve well integrity and well control after the 2004 Snore A gas blowout in the North Sea be ignored by offshore operators in the U.S. Gulf, an area that is home to over 3,862 offshore installations?

Norwegian regulations adopted the use of an acoustical device or "remote" activator to control the Blowout Preventer Stack (BOP). Section 48 of the PSA regulations appropriately labeled *"Well Control"* states the following:

– *Floating facilities shall have an alternative activation system for activating critical functions on the blow out preventer for use in the event of evacuation.*
– *Floating facilities shall also have capacity to disconnect the lower marine riser package after the shear ram has cut the work string.*
– *The pressure control equipment used in well interventions shall have remote control valves with mechanical locking devices in closed position. The well intervention equipment shall have a remote control blind/shear ram as close to the christmas tree as possible.*

EDITORIAL STAFF

George Weltman, Publisher
gweltman@marinemoney.com

BUSINESS AND SUBSCRIPTION OFFICE

UNITED STATES
One Stamford Landing
Suite 214
62 Southfield Avenue
Stamford, CT 06902 USA
Phone: +1.203.406.0106
Fax: +1.203.406.0110
Email: info@marinemoney.com

U.S regulations addressing the BOP in 30 CFR 250.615 do not require the installation of the remote station or acoustical switch as an alternate activation system. Brazilian regulations under the ANP adopted the PSA language in 2006. The application of redundant safety equipment to protect the rig from a single point of failure must be adopted worldwide and enforced at any location. The requirement to employ an acoustical trigger as a secondary means to activate the BOP needs to be included in U.S. regulations.

Whether or not a remote device would have successfully closed the BOP installed on the *Deepwater Horizon* is not certain. The rig did not have an acoustical device installed simply because MMS does not require one in the U.S. Gulf. The fact remains that regulations are location specific and a complete set of international regulations governing operations in any field does not exist. Trend analysis of offshore deepwater drilling failures should take into account the deficiency of these local regulations to avoid the guessing game when and if a failure occurs.

The *Deepwater Horizon* was built at Hyundai Heavy Industries, Ulsan, Korea in 2001. A fifth generation deepwater design, credited with drilling the deepest oil well in history in 2009 at a measured depth of 35,055 feet – more than six miles – while positioned at the Tiber well on the Gulf of Mexico in over 4,000 feet of water. Prior to that record, the rig operated seven years with a flawless safety record. An impressive set of accomplishments credited to her dedicated drilling crew and the effective planning and operations of BP.

Before we continue, take a moment to remember the eleven men of *Deepwater Horizon*'s drilling crew who lost their lives in this disaster. Their sacrifice alone should drive us to question and investigate what happened. The fact that the well continued to spill an estimated 12,000 to 25,000 barrels per day without an immediate technical solution available to stop that flow of oil demands the investigation is taken even deeper.

The *Deepwater Horizon* valued at $560 million dollars, sunk two days after the explosion leaving behind a five mile oil slick at BP's Mississippi Canyon Block 252, the Macondo Prospect located about 50 miles off the coast of Louisiana. Prior to the disaster, BP was more than satisfied with the rig's design and operation. In October of 2009, they extended their contract by three years, a contract worth US $544 million dollars at a rate of $496,800 per day that commenced in September 2010. The financial picture is quite different at this point in time. The ongoing environmental response is estimated by BP to exceed $930 million dollars and the company's stock has plunged 17 percent wiping out approximately $23 billion in market value.

There is now a rush to place blame for the accident; Senate hearings, criminal charges and independent commissions vowing to overhaul regulations and change U.S. law. The cooperative effort should concentrate on new technology to cap the well and expedite the recovery of oil at these depths. More importantly is the need to determine the exact cause of the accident before a knee jerk reaction results in misguided regulations greatly affecting U.S. energy policy.

This is a domestic environmental disaster requiring international solutions. A Korean built semi-submersible, designed to drill anywhere in the world's oceans, leased by a British company, classed by the American Bureau of Shipping and registered in the Marshall Islands. How could the solution not be International?

The Minerals Management Services has investigated BOP failures in the U.S. Gulf offshore installations. Most have been attributed to lack of maintenance and a failure to complete scheduled testing. Many were repaired by robotic submersible in relatively shallow depths when the accidents or blowouts occurred. None of this information is new to MMS. A complete BOP failure study was conducted in 2004. They determined the *"last line of defense"* had flaws.

International BOP failures in oil fields outside the U.S Gulf have also been reported. The most recent being the PTTEP Australasia Montara wellhead platform on the Timor Sea in November of 2009. Much like the problems BP experienced in the U.S. Gulf, the "top kill" process of injecting drill mud into the well did not stop the leakage for over ten weeks until a secondary well could be drilled to relieve pressure. The key is the pressure produced by the ultra deep reservoirs – thousands of pounds per square inch pushing the oil into the wellhead. The pressure must be removed from the damaged casing before the heavier drill mud can stem the flow of oil when a blowout occurs.

The Sedco 135 F and IXTOC-1 Well located in Bahia de Campeche, Mexico flowed uncontrollably for over 9 months in 1979 after the Blowout Preventer failed to crush or cut the thicker drill collars. 3,500,000 barrels of oil were spilled until a secondary well could be drilled, reducing pressure and capping the well. The *Deepwater Horizon* location will also require a secondary drill to relieve pressure – a procedure taking months considering the depths BP needs to penetrate to reach the bottom of this leaking well. The investigation of this disaster must take into account the availability of standby semi-submersibles or drillships capable of reporting to the damaged well and drilling relief when and if a blowout occurs. Valuable time is wasted during the response if the equipment is not available on a timely basis.

The Ekofisk Bravo Platform blowout in 1977, the first major North Sea oil spill reported resulted in a 8 day oil and gas release after mechanical failure of the safety valve occurred during a production well workover where the BOP had been removed from the casing. Phillips Petroleum estimated 202,381 barrels of oil were released. Thirty-three years have passed since that accident occurred yet North Sea history is repeating itself in the Gulf.

The blowout failures are well documented and the movement of exploration offshore into deeper seabeds has further increased the technical risks. Pressures and temperatures have increased, new vibrations in the drill strings are experienced and reservoir consistencies have changed. Criminal investigations aside, the requirements and procedures for deepwater drilling in these depths require an international review and a new set of consistent regulations prior to changes in U.S. Energy policy. For the moment concentrate on recovery efforts; understand the period required to drill the secondary well and look for the true cause of the accident.

Done!

Seanergy Maritime Holdings announced on Wednesday that it had concluded the previously agreed acquisition of a 51% interest in **Maritime Capital Shipping (Holdings) Limited** for a purchase price of $33 million which was paid from the proceeds of the recent equity offering and cash on hand. A projected adjusted EBITDA contribution from MCS of $23 million for the balance of 2010 and $40 million in 2011 implies a purchase price/EBITDA multiple of 1.6 times on an annualized basis. The remaining 49% has been retained by the seller, which is controlled by the Restis family, one of Seanergy's major shareholders. As a result of the acquisition, the company's fleet now consists of 20 dry bulk vessels, up from 11, including four Capesize, three Panamax, two Supramax, one Handymax and 10 Handysize bulk carriers with an average age of 12.7 years.

The acquisition, most importantly, enhances the overall stability and visibility of the company's cash flows as well as provides a more balanced charter portfolio. On a combined fleet basis, Seanergy has secured under period employment 93% ownership days in 2010, 58% for 2011, 27% for 2012 and 19% for 2013.

Market Commentary

Dream Team in the Making

After 20+ years at **Citi**, **Simon Booth** has decamped and moves to **Deutsche Bank** effective September 1st, where he will serve as a Managing Director and Co-head of Deutsche Shipping, Deutsche Bank's lending arm to the shipping sector. Simon will be based in London and head up Deutsche Shipping alongside **Ralf Bedranowsky**, who is based in Hamburg where Deutsche Shipping is based.

This move further strengthens Deutsche Bank's overall shipping sector coverage platform, which includes **Craig Fuehrer** in New York as the Head of Deutsche Bank's Investment Banking platform offering capital markets and advisory product experience as well as **Justin Yagerman**'s equity research platform with approximately 15 shipping companies currently under coverage. For borrowers, Deutsche Shipping's global presence makes it a one-stop place to shop for financing solutions in both the loan and capital markets. Through it careful focus on long-standing client relationships, consistent risk management and continuously diversified shipping portfolio, Deutsche has not only survived the credit crisis but continues to thrive in these illiquid markets.

Fairly Chastised

We were chastened for our most recent article on **DHT Holdings** due to its focus, which was intentional, on the **MMI** situation. In logical but unfortunately lemming-like fashion, we attributed the change of management, the expansion of the board and restoration of the dividend (but not the restructuring which would have been beyond them and of less concern) to MMI rather than giving credit to management, which had been focused on these issues since the end of 2009. While we agree to disagree about the timing and amount of the dividend, management makes the extremely important point that given its balance sheet and cash position it would be difficult to explain to the investors where that money could have been more prudently allocated. And, as the shareholders have been patient and a share buyback rejected, the only fair course was the restoration of the dividend. As we were reminded, the dividend is not fixed and will be re-evaluated each quarter. While we applaud the intention of this quarterly exercise and agree it is the only proper way to deal with dividends, which should only be paid out of net income (otherwise it is a return of capital), there remains the inordinate expectation by shareholders that they continue ad infinitum. There is pressure, acknowledged or not, to avoid turning the spigot on and off.

Finally, we would like to correct any misperception that the company is not well positioned to withstand a downturn, which it is. But perhaps as important, it is positioned to grow as well.

Our apologies.

Equal Opportunity

Just when you thought it was safe for the banks to come out of hiding and begin lending again, the Financial Accounting Standards Board ("FASB") has proposed, in the interests of transparency, that financial statements incorporate both amortized cost and fair value information about financial instruments held for collection or payment of cash flows. In other words, banks may be required to use market values for loans on their books and join the rest of the world in an annual valuation exercise and give up the longstanding practice of using original adjusted cost.

The issue with fair value accounting is that adjustments to the asset values would result in revisions to shareholders' equity, which could be substantial. Critics have claimed that the application of fair value accounting deepened the financial crisis by forcing firms to take losses on assets that declined in value when market conditions temporarily worsened.

Taking a less strict stance than the FASB, the International Accounting Standards Board proposed that non-U.S. companies carry their loans at amortized cost, as long as their business model is to hold onto their loans until maturity rather than selling them. This reasoning is the one often used by the banks to avoid fair value treatment.

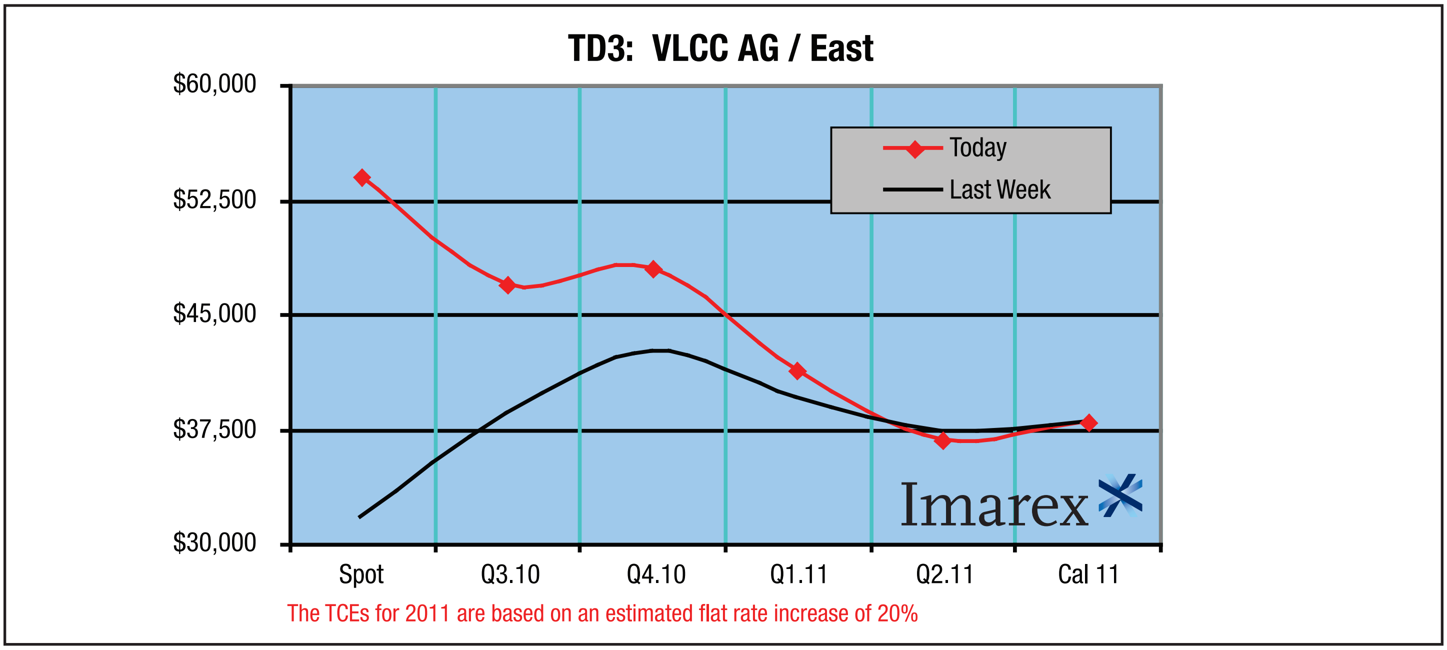
We remain unswayed by the argument by FASB's Chairman Robert Herz that "a lot of people want to see what things are actually worth now." In making comparisons, one needs consistency from year to year. For instance, loans made during this period of historically low interest rates may unnecessarily lose value when rates normalize. There is a reason that historic cost has been used for centuries; it fits with the innate conservatism of accounting.

Hidden within the proposal are other gems. On the positive side, the proposal contains a single credit impairment model for both loan and debt securities and simplified criteria for hedge accounting, which would improve the consistency in the reporting of the economic impact of hedging activities. Less positive is an attempt to provide more timely information on credit losses by removing the "probable" threshold for recognizing credit losses. The FASB is attempting this by changing the way interest income is calculated. Currently, this is the rate charged for a loan, however under the proposal banks must adjust the interest income for the reserve created against it. The effect is to lower interest income, with the difference between actual interest income and the adjusted amount being added back to reserves. In his article, "Rule Switch Is Liable to Hit Bank's Books", which appeared last week in the WSJ, David Reilly notes that while it "…will make it more difficult for banks to front load the interest margin if they know some assets won't eventually pay off in full," it does raise two concerns. "First, the change will make it tougher for investors to find a number they are used to—the net interest margin being earned on clean assets. And it may create an incentive for bank executives to lowball loan-loss reserves and keep their net-interest margins high."

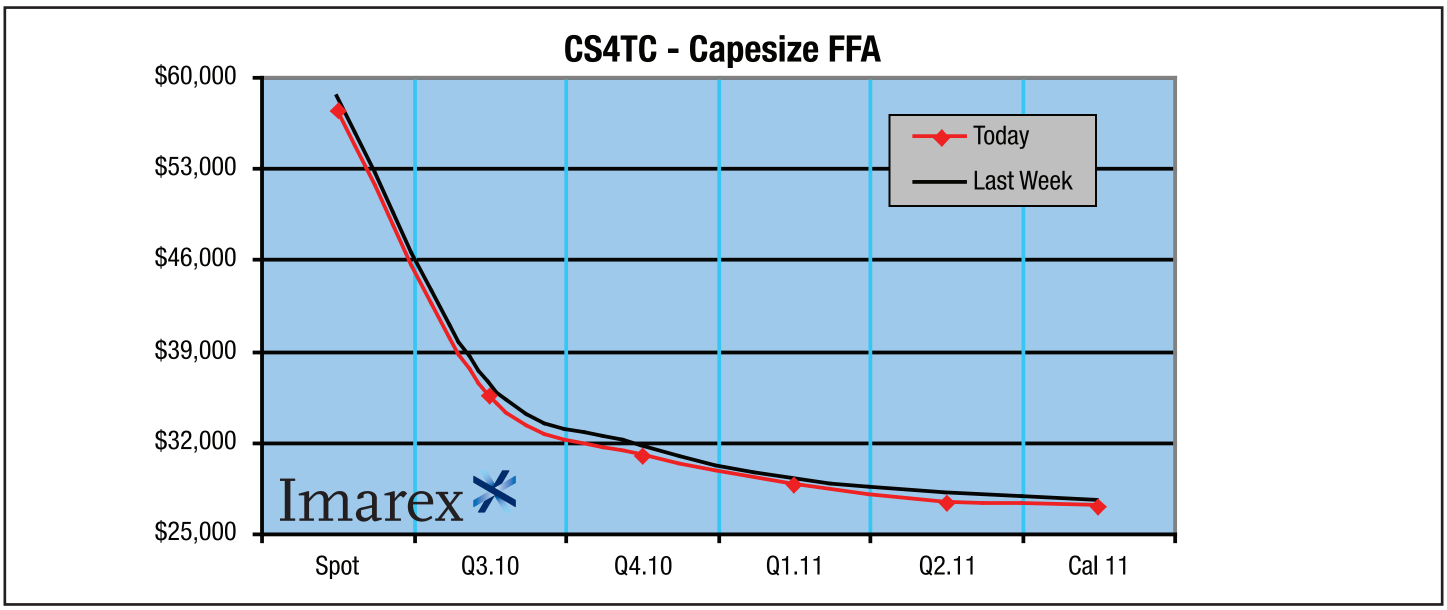
Stay tuned.

Back to the Futures

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



Tanker resilience remains the rule and not the exception. VLCCs have surged back into the spotlight, with AG/East earnings now estimated at $55,000/day. Vessel availability began to thin about a week ago, setting the table for Owners to raise their rate ideas. Suezmaxes in West Africa have also improved a touch, though near terms expectations are mixed on the potential outcome of the supply/demand balance. Clean markets in the Atlantic basin took another wave over the bow – as MRs on the Europe/US route are now earning less than opex. FFA volumes on TD3 have been very strong as long-minded traders increased their positions while some shorts moved to reduce exposure. The oil spill in the Gulf of Mexico continues to spew 5,000bpd or more, depending on estimates - though tanker rates are currently unaffected. Hurricane prognosticators are calling for a very active season in the Atlantic basin, a phenomenon which often provides supports to tanker rates.



Capesize vessels continue to see returns above $50,000/day on average, though rates for the sector as a whole have softened slightly throughout the week. Spot ore prices have been declining since late April as Chinese stockpiles have risen to about 70m mt. Chinese coal stockpiles are also rising despite impressive demand. The specter of a slower Chinese economy has weighed heavily on both the dry bulk sector and general worldwide sentiment. The massive orderbook adds to the pessimism. Port congestion remains high, however - thereby providing rate support to the supply/demand balance. The backwardated futures curve is intact from last week, illustrating doubts that the current rate structure can maintain itself much longer. Dry bulk equities ceded ground this week alongside a volatile broader market.

Deal Tables & Bond Prices

Equity Deal Table

★ = New   ✍ = Updated

Issuer	Underwriters / Advisors	Amount (US$ M)	Structure / Pricing / Comments	Status
★ Wilh Wilhelmsen	Carnegie, Pareto, Nordea	-	IPO of shipping and logistics business focused on automotive, construction and agricultural sectors. Sum of the parts valuation of $1 to $1.125 billion.	In Progress
★ OceanFreight	-	20	$20 million equity injection by Mr. Kandylidis. Priced at $0.40, discount of 16.7% from close.	Done
Aegean Marine Petroleum Network	-	$102	Secondary offering of shares priced at $25.50, a 4.9% discount from prior day close. Company and Mr. Georgiopoulos to buy respectively 1M and 400k shares.	In Progress
Nordic Tankers A/S	Nordea	$43	25.2 M shares in 2:1 right offering at DKK 10/share. Proceeds to be used to strengthen liquidity and improve equity ratio.	In Progress
Navios Maritime Partners	Citi, JP Morgan, BofA Merill Lynch, S. Goldman Capital, Cantor Fitzgerald, DVB, Knight Capital	$92	Shares priced at a 5.3% discount. Proceeds for fleet expansion and general partnership purposes. Offering completed, including full exercise of Greenshoe at $14.78 per unit.	Done
Navios Maritime Partners	Citi, JPMorgan, S. Goldman, DVB, Cantor Fitzgerald, Lazard, DnB NOR	$54	Sale of 3.5M common units at $15.51/unit.	Done
Teekay Offshore Partners LP	Morgan Stanley, BofA Merrill Lynch, Barclays, Raymond James, DnB NOR, ING	$99	Priced at $19.48, a discount of 5% from prior day's close. Proceeds to repay unsecured subordinated debt facility with TK and to partially finance the acquisition of the FSO Falcon Spirit	Done
Sage Tankers ASA	Pareto, Arctic Securities, DnB NOR, Fearnley Fonds	$120	Private placement of shares at NOK 12 raised USD 120M. Proceeds to acquire 4 VLs from Blystad who provided equity in-kind with the balance from this offering and debt.	Done
Seadrill Limited	Carnegie, Fearnley Funds, Pareto, Nordea, DnB NOR	$321	Private placement of 12.5M shares at NOK 151.50. /share. Proceeds will be used to partly finance the acquisition of Scorpion, provide the equity for the acquisition of the CJ 70 J/U and further expansion	Done
Gaia Maritime AS	DnB Nor, Fearnley Fonds, Pareto	$100	NOK 600M private placement to create a pure asset play in container shipping	On Hold
TBS International PLC		$500	Shelf registration to offer senior or subordinated debt securities, Class A shares, preferred shares, depository shares, and warrants. Proceeds for general corporate purposes.	Done
Teekay Tankers Ltd.	UBS, Citi, JPMorgan, Deutsche Bank, Oppenheimer, Danske Markets	108	Issued 7.7M shares at $12.25, a 6% discount to prior closing. Using proceeds, borrowing and issuance of shares to acquire 2 Suezmax and 1 Aframax from parent company.	Done
Navios Maritime Acquisition Corp.	JPMorgan, Deutsche Bank, S. Goldman Advisors	-	SPAC targets acquisition of 11 product tankers and 2 chemical tankers for $457.7M, including debt financing of $334.3M (73%). Goes to work end of May.	In Progress
SeaCube Container Leasing Ltd.	JPMorgan, Citi, Deutsche Bank, Wells Fargo	165	IPO of Seacastle container leasing business. Proceeds to be used for working capital, investment in new containers and general corporate purposes.	In Progress
OceanFreight	Yorkville Advisors/YA Global Master SPV	$100	Terminated Standby Equity Distribution Agreement with original availability of $450M Company raised $99.7M of gross proceeds.	Done

M&A and Joint Venture Deal Table

★ = New   ✍ = Updated

Acquirer, New Partners, or Parent Seller	Advisors	Amount (US$ M)	Target / New Company	Comments
★ Grindrod Ltd.		-	Associated Bunker Oil Contractors	Established supplier of bunkers in the Rotterdam area. Operates 4 bunkering vessels. Synergies with new bunkering business in S. Africa and its bunker trader, Cockett Marine.
Navios Maritime Acquisition Corp.		-		SPAC targets acquisition of 11 product tankers and 2 chemical tankers for $457.7M, including debt financing of $334.3M (73%).
Alterna Capital Partners and Western Bulk Carriers		-		Formed JV to invest in a minimum of four dry bulk carriers (30-60k DWT). Committed to 2 x 58,000 DWT newbuildings for delivery in 2011.
Aegean Marine Petroleum Network		$10	Shell Las Palmas Terminal, Canary Islands	Agreed to acquire terminal which includes a lubricant plant, 65,000 cubic meters in storage capacity and blending facilities.
Seanergy Maritime Holdings Corp.		-	Maritime Capital Shipping Ltd.	Entered into letter of intent to acquire 51% interest in Maritime Capital Shipping Ltd. (MCS). MCS owns a fleet of 9 vessels with an average age of 10.7 years.
Eidsiva Rederi ASA		-	Dyvi Shipping A/S	Eidsiva and Dyvi have commenced discussions concerning a possible business combination, which will involve an additional equity raise to further growth.

Bond Deal Table

★ = New   ✍ = Updated

Borrower	Arrangers / Advisors	Amount (US$ M)	Interest Rate	Maturity	Purpose / Remarks	Status
American Petroleum Tankers .	-	$275	10.25%	5	Rated B+/B1, the Senior Secured Notes were sold at a discount to yield 11%. Proceeds will fund payments for newbuildings, refinance an existing debt facility and pay transaction expenses.	Done
J. Lauritzen A/S	Nordea, BNP Paribas	$113	10.50%	5	NOK 700M senior unsecured notes. Proceeds to be used for general corporate purposes.	Done
Regent Seas Cruises S. DE R.I.	Barclays, HSBC, Deutsche, DnB NOR, DVB, UBS	200	12.00%	7	Pulled due to market conditions.	Cancelled
DryShips Inc.	Deutsche Bank Securities	$240	5.00%	4-8 months	Re-opened indenture to issue further $220M (upsized from $150M) 5% convertible senior notes, under identical terms, except for price. Exercised $20M greenshoe, bringing total issue to $240M	Done
Aker Drilling ASA	DnB NOR, Pareto	$254	NIBOR + 400bps	3	Senior unsecured floating rate bond. Proceeds to refinance . NOK 500M convertible bond maturing in October 2010 and for general corporate purposes	Done
Frontline Ltd.	ABG Sundal Collier, Deutsche Bank, Arctic Securities, First Securities AS, Nordea Bank Norge ASA	$225	4.50%	5	Proceeds to be used to finance remaining equity investments in newbuildings and for general corporate purposes. Conversion premium of 31%.	
OSG	Citi, Morgan Stanley, HSBC, Deutsche Bank, DnB NOR, Goldman Sachs, ING	$300	8.13%	2018	Proceeds to repay outstandings under unsecured revolver	In Progress

Bank Debt Deal Table

★ = New ✍ = Updated

Borrower	Arrangers / Buyers	Amount (US$ M)	Pricing / Purpose / Remarks
Sevan Marine ASA	ING Bank NV (Lead Arranger), ING, GIEK/Eksportfinans, Sinosure	$525	Project financing of Sevan Driller II, which is contracted to Petrobras for 6 years. The facility provides construction financing for the rig currently under construction at COSCO Nantong for delivery in 1Q2012
Bibby Offshore Ltd	Standard Chartered Bank	$55	Finance purchase of DSV Bibby Saphire.
Saga Tankers	DnB NOR	$150	Finance acquisition of 4 VLCCs
Navios Maritime Acquisition Corp.	Deutsche Schiffsbank (Arranger), Deutsche Schiffsbank, Alpha Bank, CA CIB	$150	Partial finance of purchase price of 2 chemical carriers and 4 MR2s.
Navios Maritime Acquisition Corp.	Fortis Bank, Fortis Bank, DVB	$75	Partial finance of purchase price of 3 MR2s.
Crude Carriers Corp.	Nordea	$150	Revolver upsized from $100M to $150M, including $10M which can be used for working capital.
Camillo Eitzen & Co ASA	-	-	New agreement with bank syndicate removes condition of raising new equity in CECO while retaining reduced amortization schedule. Conditioned on CECO achieving plans to monetize assets by Jun-30-2010, of which $20M must be paid to banks.
Newlead Holdings Ltd.	Bank of Scotland, BTMU Capital Corp., Bank of Ireland	$80	Partially finance acquisition of 2 N/B Kamsarmaxes for $112.7M. $80M loan spit into two tranches: Senior ($66.7M) and Junior ($13.3M)

Lease Deal Table

★ = New ✍ = Updated

Lessee	Lessor(s)/Advisor(s)	Amount (US$ M)	Structure / Pricing / Comments
Seaspan	-	$150	Sale-leaseback of 13,100 TEU containership for up to $150M with Chinese bank affiliate. COSCO charter stays in place. Proceeds shrink equity capital requirements for remaining newbuildings.
Seacor Grant DIS		$38	K/S acquired AHTS/ROV from Seacor with 4-year T/C to Sonangol
PDVSA	Dynacom Tankers	$208	BBHP. Four 2009 LR1s for $52M each.15% upfront payment with a balloon at the end of 10 yr BB.Hi-Lo rents.
North China Shipping Holdings	Ship Finance International		Conversion of outright sale to hire purchase of 2 Suezmax tankers. 5 year BB at $16K/day with options and put.
Odfjell	Star Tankers		Sale-leaseback of Bow Pioneer and Bow Hunter, while terminating Bow Asir and Bow Arar.
Eitzen Chemical	Pareto K/S	$34	Sale & 5 year BB back of Sichem Pace. Senior debt provided by Nordea with Northern Shipping Funds providing $4MM sub debt.
Ocean Tankers	KFH Oceanic Portfolio Company Ltd (Tufton Oceanic)/DnB NOR Markets	$70	Sale and 5-7 year bareboat back of 2008 built Aframax LRII tanker with purchase options.
STX Pan Ocean	Korea Asset Management Corp.		3 handysize and 1 supramax bulker
Teekay Shipping	Fairsky Shipping	$114	Sale and long term charterback of 2x114,830dwt tankers built in 2005
Swiber Offshore Marine	Swiber Holdings/ICON Capital	$42.50	Partial sale and leaseback of a 300 men accomodation work barge for 3 years

Jefferies – High-Yield Shipping Bonds

	Offer Price	YTW	STW	Maturity	Ratings	Call Date	Call Price
SHIPPING							
American Commercial Lines (ACLI)	**NASDAQ: ACLI, Market Cap: $255 mm**				**B1/-**		
12.5% Sr Sec Nts due '17	105.500	11.05%	888	Jul-17	B2 / B+	07/15/13	106.250
American Petroleum Tankers (AMPETR)	**Private**				**– / B-**		
10.25% Sr Sec Nts due '15	99.000	10.52%	842	May-15	B1 / B+e	05/01/12	105.125
Berlian Laju Tanker (BLTAIJ)	**IDX: BLTA IJ, Market Cap: $249 mm**				**-/-**		
7.5% Sr Nts due '14	70.750	18.22%	1,653	May-14	– / CCC+	05/15/12	103.750
CMA CGM (CMACG)	**Private**				**WR/NR**		
5.5% Sr Nts due '12	78.002	19.66%	1,918	May-12	– / NR	any time	MW+50
7.25% Sr Nts due '13	79.353	17.27%	1,614	Feb-13	– / NR	02/01/11	101.813
General Maritime (GMR)	**NYSE: GMR, Market Cap: $405 mm**				**B1/BB-**		
12% Sr Nts due '17	102.000	11.49%	921	Nov-17	B3 / B-	11/15/13	106.000
Golden State Petro (GOLDEN)	**Private**				**-/-**		
8.04% Sr Sec Nts due '19	95.000	8.88%	577	Feb-19	Baa3 / BBB	any time	MW+37.5
Great Lakes Dredge & Dock (GREATL)	**NASDAQ: GLDD, Market Cap: $348 mm**				**B2/B**		
7.75% Sr Sub Nts due '13	97.000	8.76%	724	Dec-13	B3 / B-	07/06/10	102.583
Excel Maritime (EXM)	**NYSE: EXM, Market Cap: $471 mm**				**-/-**		
1.875% Sr Nts due '27	61.000	14.18%	1,231	Oct-27	– / –	10/22/14	100.000
Horizon Lines (HRZ)	**NYSE: HRZ, Market Cap: $129 mm**				**B3/B**		
L+350 1L TL-A due '12	91.875	10.44%	913	Aug-12	B1 / BB-		
4.25% Sr Nts due '12	83.875	12.93%	1,203	Aug-12	Caa3 / CCC+		
Marquette Transportation (MARTRA)	**Private**				**-/-**		
10.875% Sr Sec Nts due '17	100.000	10.87%	853	Jan-17	B3 / B-	01/15/13	108.156
Navios Maritime (NAVIOS)	**NYSE: NM, Market Cap: $595 mm**				**B1/BB-**		
8.875% Sr Sec Nts due '17	101.500	8.52%	625	Nov-17	Ba3 / BB-	11/01/13	104.438
9.5% Sr Nts due '14	98.000	10.06%	812	Dec-14	B3 / B+	12/15/10	104.750
Norwegian Cruise Line (STRC)	**Private**				**-/-**		
11.75% Sr Sec Nts due '16	107.500	9.93%	764	Nov-16	B3 / B+	11/15/13	105.875
Overseas Shipholding Group (OSG)	**NYSE: OSG, Market Cap: $1,199 mm**				**Ba2/BB-**		
8.75% Sr Nts due '13	104.000	7.42%	593	Dec-13	Ba3 / BB-	any time	MW
8.125% Sr Nts due '18	99.510	8.21%	526	Mar-18	Ba3 / BB-	NC	MW+50
7.5% Sr Nts due '24	87.000	9.19%	568	Feb-24	Ba3 / BB-	NC	NC
Royal Caribbean Lines (RCL)	**NYSE: RCL, Market Cap: $6,421 mm**				**Ba2/BB-**		
8.75% Sr Nts due '11	103.000	4.03%	377	Feb-11	Ba3 / BB-	NC	NC
7% Sr Nts due '13	99.500	7.19%	588	Jun-13	Ba3 / BB-	NC	NC
6.875% Sr Nts due '13	98.750	7.29%	579	Dec-13	Ba3 / BB-	NC	NC

Jefferies – High-Yield Shipping Bonds continued

	Offer Price	YTW	STW	Maturity	Ratings	Call Date	Call Price
SHIPPING CONTINUED							
Royal Caribbean Lines (RCL) con't	**NYSE: RCL, Market Cap: $6,421 mm**				**Ba2/BB-**		
5.625% Sr Nts due '14	94.000	7.56%	659	Jan-14	Ba3 / BB-	NC	NC
11.875% Sr Nts due '15	116.500	7.88%	571	Jul-15	Ba3 / BB-	NC	NC
7.25% Sr Nts due '16	96.500	7.99%	551	Jun-16	Ba3 / BB-	NC	NC
7.25% Sr Nts due '18	97.500	7.68%	474	Mar-18	Ba3 / BB-	NC	NC
7.5% Sr Nts due '27	89.000	8.74%	507	Oct-27	Ba3 / BB-	NC	NC
Ship Finance International Ltd. (SHIPFI)	**NYSE: SFL, Market Cap: $1,438 mm**				**Ba3/BB**		
8.5% Sr Nts due '13	97.000	9.52%	801	Dec-13	B1 / B+	07/05/10	102.833
Stena AB (STENA)	**Private**				**Ba1/BB+**		
7% Sr Nts due '16	94.000	8.21%	558	Dec-16	Ba2 / BB+	07/05/10	103.500
6.125% Sr Nts due '17	96.000	6.88%	485	Feb-17	Ba2 / BB+	any time	MW+50
5.875% Sr Nts due '19	92.000	7.13%	466	Feb-19	Ba2 / BB+	any time	MW+50
7.875% Sr Nts due '20	100.000	7.87%	526	Mar-20	Ba2 / BB+	any time	MW+50
Titan Petrochemicals (TITAN)	**HKE: 1192 HK, Market Cap: $4,140 mm**				**Caa3/CC**		
8.5% Sr Nts due '12	35.750	83.93%	8,321	Mar-12	C / C	any time	MW+100
Teekay (TK)	**NYSE: TK, Market Cap: $$1,884 mm**				**Ba3/BB**		
8.5% Sr Nts due '20	102.000	8.19%	491	Jan-20	B1 / BB	any time	MW+50
Trailer Bridge (TRBR)	**NASDAQ: TRBR, Market Cap: $47 mm**				**B3/B-**		
9.25% Sr Sec Nts due '11	99.000	10.00%	944	Nov-11	B3 / B-	07/06/10	102.313
Ultrapetrol Limited (ULTR)	**NASDAQ: ULTR, Market Cap: $155 mm**				**B2/B**		
9% Sr Sec Nts due '14	95.010	10.42%	851	Nov-14	B2 / B	07/05/10	104.500
United Maritime Group (UNMTGR)	**Private**				**-/-**		
11.75% Sr Sec Nts due '15	101.000	11.40%	988	Jun-15	B3 / B	12/15/12	105.875
US Shipping (USPZ)	**Private**				**-/-**		
L(2.%FLR)+720 1L TL-EXIT due '13	85.000	15.41%	1,371	Aug-13	– / –		
L(2.%FLR)+50 2L TL-EXIT due '13	36.000	38.04%	3,629	Aug-13	– / –		
Windsor Petroleum (WINPET)	**Private**						
7.84% Notes due '21	92.000	9.03%	565	Jan-21	Baa2 / BB+		

Jefferies – High-Yield Shipping Bonds continued

	Offer Price	YTW	STW	Maturity	Ratings	Call Date	Call Price
SUPPLY VESSELS							
Gulfmark Offshore (GMRK)	**NASDAQ: GMRK, Market Cap: $697 mm**				**Ba3 / BB-**		
7.75% Sr Nts due '14	99.000	8.04%	628	Jul-14	B1 / BB-	07/06/10	103.875
Hornbeck Offshore Services (HOS)	**NYSE: HOS, Market Cap: $460 mm**				**Ba3 / BB-**		
6.125% Sr Nts due '14	92.000	8.30%	638	Dec-14	Ba3 / BB-	07/06/10	103.063
8% Sr Nts due '17	95.000	8.95%	610	Sep-17	Ba3 / BB-	09/01/13	104.000
Seacor Holdings (CKH)	**NYSE: CKH, Market Cap: $1,572 mm**				**Ba1 / BBB-**		
5.875% Sr Nts due '12	102.000	4.95%	398	Oct-12	Ba1 / BBB-	any time	MW+12.5
7.375% Sr Nts due '19	102.000	7.08%	385	Oct-19	Ba1 / BBB-	any time	MW+50

MARINE MONEY CONFERENCES

FORUM SCHEDULE 2010/2011

MARINE MONEY FORUMS AND CONFERENCES

As the premier provider of ship finance news, data and analysis, Marine Money hosts the world's most important ship finance forums and conferences. Whether we are in New York, Tokyo, Greece, Singapore, Oslo or anywhere else where the formation of capital for shipping is taking place, Marine Money conferences provide the most educational and best networking opportunities available in the industry.

2010		
June 22-24	23rd Ann. Marine Money Week	New York City
September 16	7th Ann. Latin America Ship & Offshore Finance Forum	Rio de Janeiro
September 21	3rd Ann. Super Yacht Finance Forum	Monaco
September TBA	9th Ann. Marine Money Week Asia	Singapore
October 13	12th Ann. Greek Ship Finance Forum	Athens
November 9	11th Ann. Marine Finance Forum–Americas	New York City
November TBA	4th Ann. Korea Ship Finance Forum	South Korea
2011		
January 20	2nd Ann. London Ship Finance Forum	London
February 24	10th Ann. German Ship Finance Forum	Hamburg
March 9	7th Ann. Gulf Ship Finance Forum	Dubai
March TBA	4th Ann. Hong Kong Ship Finance & Investment Forum	Hong Kong
May TBA	8th Ann. Istanbul Ship Finance Forum	Istanbul
May TBA	6th Ann. Japan Ship Finance Forum	Imabari City
May TBA	12th Ann. Norway Ship & Offshore Finance Forum	Oslo

MARINE MONEY INTERNATIONAL SUBSCRIPTION FORM

Annual subscription to Marine Money includes:

1. *Marine Money Magazine (8 issues per year plus a year end DVD)*
2. *Access to Marine Money's Archive*
3. *Marine Money Freshly Minted Weekly (published electronically every week)*
4. *NEW! Marine Money Asia Edition (published electronically bi-weekly)*
5. *Discounted delegate fee on ALL Marine Money Events*

☐ One Year: $1,490 ☐ Two Years: $2,533 ☐ Three Years: $3,576

(Outside North America, please add $200 postage per year for express hand delivery service.)

(Connecticut Residents please add 6% Sales tax to Marine Money Magazine and Marine Money Online.)

Subscription commencement date: ____________________

Mrs./Ms./Mr./Dr./Capt.____
First Name *Last Name*

Company______________________ Job Position______________________

Address____
International subscribers must provide a street mailing/delivery address as the magazine is delivered by hand via a courier service to the subscriber's door.

City____________ Region/State____________ Postal/Zip__________ Country____________

Phone____________ Fax____________ Email______________________

Credit Card #______________________ ☐ Amex ☐ MasterCard ☐ Visa ☐ Diners Club

Credit card security code – 3 or 4 digit number located on the back of card ______________________

Signature______________________ Expiration______________________

3 easy ways to process your subscription…

FAX your completed form to +1 (203) 406-0110. We will acknowledge your fax with an invoice.

PHONE +1 (203) 406-0106. We accept American Express, Master Card, Visa and Diner Club.

MAIL your completed form, along with a check in US dollars drawn on a bank with a US branch, to:
International Marketing Strategies, Inc., One Stamford Landing, Suite 214, 62 Southfield Avenue, Stamford, CT 06902 USA
Please make checks payable to International Marketing Strategies, Inc. in US dollars drawn on a bank with a US branch.

Email: info@marinemoney.com