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The Week in Review

INSIDE

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Another (Deep?) Pocket of Liquidity

Using **DnB Nor**'s **Kristin Holth**'s analogy, we discovered another pocket of liquidity with more than spare change. **Seabury Group** is one of the largest independent investment banks dedicated to the transportation industry with offices in the U.S., Europe and the Far East. Initially, focused on the airline business, Seabury has expanded its footprint to include marine, trucking and logistics.

Headed by **Randee Day**, the Maritime Finance Group offers a full range of services from capital markets, m&a advisory, restructuring and credit and investor advisory. However, the recent credit crisis has provided it with a new opportunity to leverage off the firm's expertise in accessing capital for the airlines.

The facts are well known. Capital markets are frozen. Liquidity in the banking is starting to return but capital will surely be rationed and be more costly. Compounding these difficulties is a general weakening of the shipping markets with the dry sector leading the way. With the substantial orderbook both shipyards and owners are in search for capital.

According to Ms. Day, private equity may provide the answer. Previously, U.S based private equity has not played an active role in funding shipping. This is largely a reflection of the private nature of shipping. A majority of shipping companies are still private, family owned and tightly controlled. As such, they have high expectations of their value and are only willing to sell at a premium. Valuations are difficult. Limited deal flow makes it difficult to obtain comparables. And private shipping companies do less forecasting and their revenue expectations can be unrealistic, due to market volatility, making it difficult to assess future multiples.

Private equity's return hurdles and the need for an exit or a time horizon on repayment of capital has also been a limiting factor to doing deals. Another issue from the private equity perspective is shipping's reliance, due to the volatility of earnings, on the capital gain from the resale of the vessel as a key source of the return. Private equity has historically been hesitant to structure that risk in their return analysis.

Private equity has played a significant role in the aviation industry and Seabury has been a major player in this sector. Within this sector, private equity has funded equity as well as purchased secured and unsecured debt. And, since 2001, it has been a significant player in the restructuring and mergers of several legacy airlines including Continental, Air Canada and U.S. Airways.

Leveraging off Seabury's experience and relationships, Ms. Day has established access to approximately $350 million of leveragable private equity targeted for the marine transportation sector, specifically in the areas of shipping, marine services, logistics, offshore drilling and offshore support services. Funds can be used for growth capital, consolidation or balance sheet restructuring. They are targeting equity investments in the range of $100 to $250 million in companies with enterprise values ranging from $200 to $1,500 million and with EBITDAs in excess of $25 million.

The key qualifying criteria include the following:

- A proven management team
- High asset quality
- Providing continuous service that is essential to the growth of world trade
- Revenues that are relatively stable in a shifting geopolitical environment
- Operating in a sector that has consolidation opportunities
- Nature of the business appeals to a broad sector of investors.

Alternative Investor Types and Equity Structures	
Investors / Facilitators	Securities & Types of Offerings (Mix of Offerings)
Traditional private equity funds	Convertible preferred
Distress/long-term hedge funds	Private common stock
Public securities hedge funds	Convertible debt
Dealer proprietary trading desks	Restricted registered common stock
144A markets and public markets	Public equity
	Rights offering

Examples of alternative investor types and equity structures are shown in the chart above.

In the world of little liquidity, this is a most welcome source. Given its cyclical nature, shipping is an anathema to the orderly planned exit that private equity demands. However being closer to the bottom of the cycle may make this a moot point. In the meanwhile, these funds could provide bridging opportunities until stability returns to the financial markets. We have every confidence in Ms. Day's ability to successfully place this money.

Hard Numbers

Moving from the theoretical to the concrete, the following examples illustrate the real cost of today's crises:

Genco Bites the Bullet

On Tuesday, **Genco Shipping & Trading** ("Genco") made the correct but painful decision to cancel the previously announced acquisition of six dry bulk newbuildings, including three Capesize and three handysize vessels, from **Lambert Navigation** *et.al.*, at an aggregate purchase price of $530 million. As part of the agreement, the sellers will retain the deposits totaling $53 million. The three Capesize vessels and three Handysize vessels are being constructed in the Daehan and Jinse shipyards in South Korea, with deliveries commencing in the 4th quarter 2008 (two Handysize) through 2009.

By foregoing the delivery of the vessels, the company, according to John Wobensmith, will strengthen its liquidity and it ability to act opportunistically. Although the company will take a fourth quarter charge of $54 million, it has repaid, from cash flow, the debt associated with the deposits reducing the debt outstanding under the credit facility to $1.077 billion. Lastly, Genco is in discussions with its lenders, **Nordea**, **HVB**, **SMBC** and **DnB**, to see if they will extend the $320 million five year secured amortizing term loan facility put in place to fund this acquisition. Under the existing terms of the agreement the facility is to be cancelled upon cancellation of the MOAs. Cancellation of the facility will result in an additional 4th quarter non-cash charge to interest expense of approximately $2.3 million associated with deferred financing costs.

This is where rubber meets the road. Will these relationship bankers, who have a strong connection with this excellent client, want to leave an open-ended unfunded commitment in place? Fees and spread will be a determining factor. Time will tell.

We thought that this would be an appropriate week to take an informal vote on this strategic move. For ballots, we have the research reports from all of our favorite analysts including: **Michael Pak** of **Banc of America**, **Natasha Boyden** of **Cantor Fitzgerald**, **Gregory Lewis** of **Credit Suisse**, **Omar Nokta** of **Dahlman Rose**, **Doug Mavrinac** of **Jefferies**, **Scott Burk** of **Oppenheimer** and **Justin Yagerman** of **Wachovia**.

Based upon our review of the votes and an exit poll, these voters felt much the same way about Genco's decision as the electorate did about our new President. Despite the write-off of $54 million, all felt it was the right decision. The following comments highlight their thinking:

> "We view GNK's cancellation favorably and credit management's ability to navigate through a very challenging dry bulk shipping environment." (Michael Pak)
>
> "We are very encouraged by this development as these six ships were unfixed and would be subject to a potentially difficult and uncertain dry bulk market in 2009." (Natasha Boyden)
>
> "Following the cancellation of these vessels we estimate 2009 end of year net debt to capital at 53% - prior to the cancellation…we had estimated net debt to capital at 63%" (Gregory Lewis)
>
> "The $300 million market value of the vessels is significantly below the $530 million purchase price and would have resulted in $7.30/share of lost value." (Omar Nokta)
>
> Cancellation "…free(s) up approximately $477 million in available liquidity upon successful completion of credit extension." It also "…highlights likelihood of future cancellations by shipown-

ers increasing odds dry bulk shipping orderbook could be significantly reduced." (Douglas Mavrinac)

"These were the most expensive ships in the company's fleet and were a drag on NAV as ship values declined." (Scott Burk)

"GNK is essentially walking away from $54 million in vessel deposits likely due to materially lower return profiles for the assets and a decreasing appetite for leverage. This action shows the impact that the weakened near to intermediate term demand environment is having on an otherwise top-tier and growing dry bulk company." (Justin Yagerman)

Genco's unofficial cabinet has spoken and approves. Mr. Market was not as kind but then again it indiscriminately punished everyone post – election.

Mitigating Losses

In December of last year, **Star Bulk** took delivery of the Star Beta, a 1993 built 174,691 DWT Capesize vessel which was chartered to **Industrial Carriers Inc.** ("ICI") at a gross rate of $106,500 until February 2010. In turn, the vessel was sub-chartered to **Oldendorff GmbH & Co. KG** for one year at a gross rate of $130,000 until February 2009. As part of the redelivery of the vessel to Star Bulk due to ICI's insolvency, ICI assigned its rights and obligations under the sub-charter in exchange for its being released from the balance of its obligations under the charter. Oldendorff is contesting the assignment stating that it considers the assignment a repudiation of the sub-charter, an issue, which will be arbitrated.

In the interim, Star bulk has fixed the Star Beta to **CVRD** for a short-term time charter for a minimum of 2_ to a maximum of 4 months at a gross rate of $15,500 for the first 50 days and $25,000 for the balance of the period plus a ballast bonus of $525,000. With the ballast bonus, this is a very attractive rate compared to the current spot market and, perhaps most importantly, it is with a first–class end-user.

Foregone Opportunity

Ship Finance International announced earlier this week the termination of an agreement to acquire three seismic vessels from **SCAN Geophysical ASA** ("SCAN") with 12-year bareboat charters back attached. Announced in March 2007, the agreement called for Ship Finance to acquire the vessels immediately after delivery from the **ABG Shipyard** in India. The reason for the termination was the delayed delivery of the vessels, which were scheduled for delivery this year in January, April and July.

The investment by Ship Finance was originally planned to be approximately $50 million per vessel, or $150 million in total. Net of financing, the equity investment was to be $10 million per vessel or $30 million. Fortunately, as the investment was payable on delivery, Ship Finance has not paid in any capital. Nevertheless, the new business volume and expected earnings ($0.12 per share for the first six years) will need to be replaced.

Acquisition Cost

In connection with its proposed acquisition of **Arlington Tankers**, **General Maritime Corporation** ("Genmar") renegotiated its 2005 $900 million Credit Agreement with **Nordea Bank**, **HSH Nordbank**, and **DnB Nor**, in order to give effect to the proposed merger. The amended agreement will reflect the following changes:

- The company will pay a non-refundable upfront fee in the amount of 0.1% of the amount of each lender's commitment ($900 thousand in total).
- The applicable margin will be increased to 100 bps up from 75 bps.
- In general, covenants remain the same and will be applied to the combined entity. Financial covenants too will be applied on a consolidated basis. And finally, the dividend covenants are unchanged but apply to the combined entity.

This is a pretty reasonable deal for both sides. The company keeps in debt in place at minimal cost while the banks continue their relationship, collect a fee and increase their interest rate, albeit modestly. This certainly highlights the oft spoken truth that good clients will be taken care of during these times. If you haven't given your banker a hug recently or at least bought him lunch, do so immediately. It pays dividends or at least may help you to do so.

Digging Out

Hindered by the financial crisis, **Odfjell** has been working on ways to strengthen its balance sheet, which was severely weakened by the retroactive tax imposed by the Norwegian government on participants in the original tonnage tax system. The company's tax on the previously untaxed amount is approximately $213 million payable over 10 years. On a present value basis, this equates to $140 million which charge was taken against last year's earnings.

As part of the recovery process, Odfjell today reported the sale of the M/T Bow Sky, a 40,005 DWT chemical tanker built in 2005 to **nabCapital**, the institutional banking and capital markets division of **National Australia Bank Limited**. The vessel will be bareboat chartered back for 11 years and continue to be employed in the **Odfjell Tankers Pool**. Delivery to its new owner will take place in November and will result in a $32 million gain.

Be Prepared

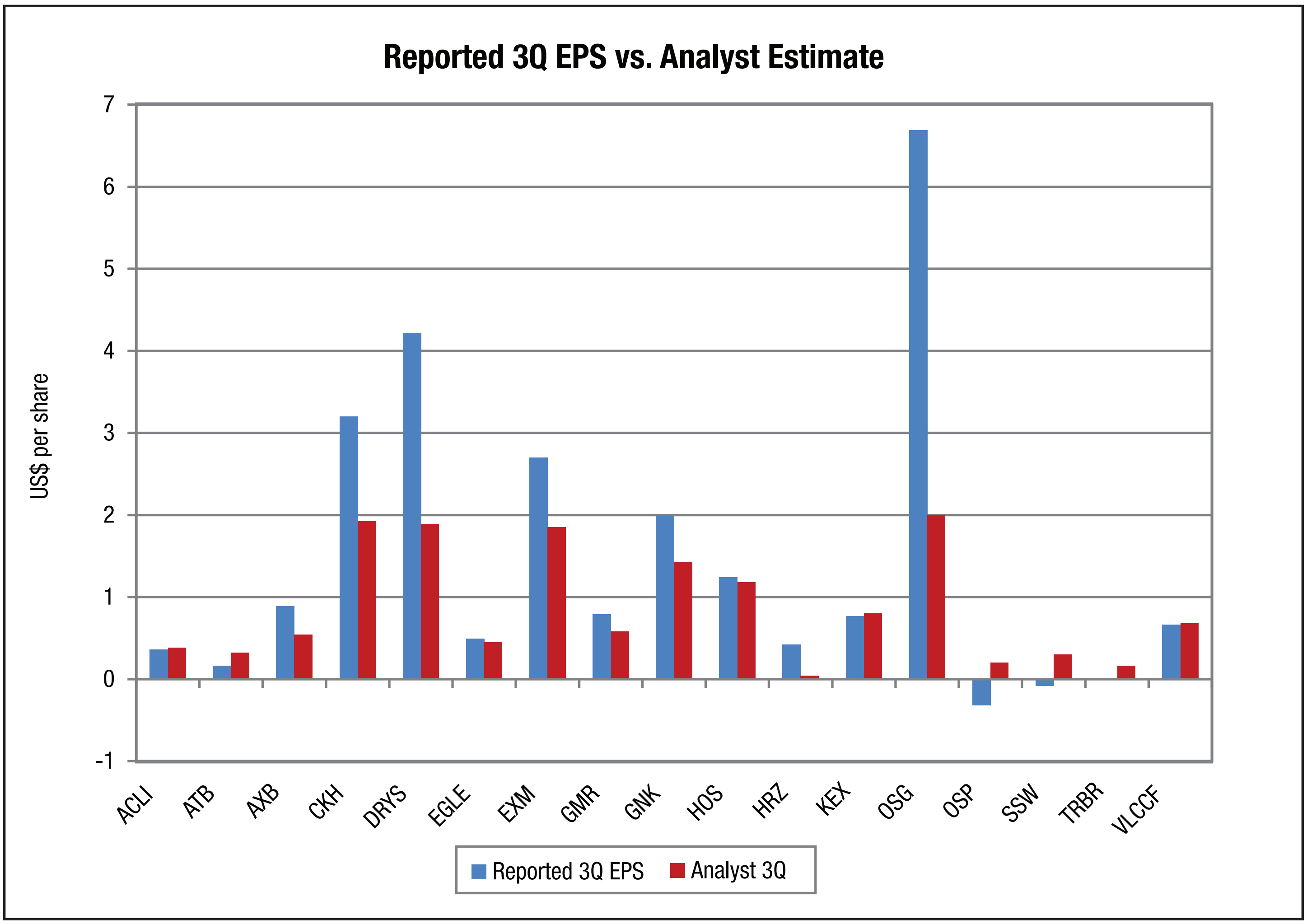
Yesterday, **DryShips** filed a prospectus supplement in which they announced that the company had entered into a sales agreement with **Cantor Fitzgerald & Co.** in which they could offer and sell up to 25 million common shares from time to time. Sales of common stock under this prospectus supplement may be made in sales deemed to be "at-the-market" equity offerings as defined in Rule 415 promulgated under the Securities Act of 1933 including sales made directly on or through the NASDAQ Global Market, sales made to or through a market maker and in negotiated transactions at market prices. Cantor Fitzgerald will earn a fee of 3% of the gross proceeds that are sold in "at-the-market" offerings and 4% of the gross proceeds from negotiated transactions. Proceeds will be used for working capital, capital expenditures, repayment of indebtedness, for general corporate purposes **and, as needed, to enhance our liquidity and to assist us in complying with our loan covenants and to make vessel conditions if market conditions warrant.** (Our emphasis.)

Hope for the best but prepare for the worst.

Market Commentary

Third Quarter Earnings Season

The third quarter was of course an entire world ago, pre global economic meltdown, when China was still expected to roar back after its great Olympics before orders were cancelled and charterers began handing back ships and FFA settlement days loomed like an executioner. So it may come as no surprise to our readers that company after company has reported earnings and dividends in line with financial analysts predictions. We tip our hat to the stewards of these companies, especially OSG and Eagle where earnings and then subsequent conference calls accomplished what we had hoped for, clear, confident and distinguishing attributes. Companies like **Torm** and **OSG** are on their way to their best years ever and **Eagle** has earnings visibility stretching way forward while **DRYS** is selling at a .69 P/E in other words for less than its '08 earnings.



Third Quarter Results...An Industry Performs!

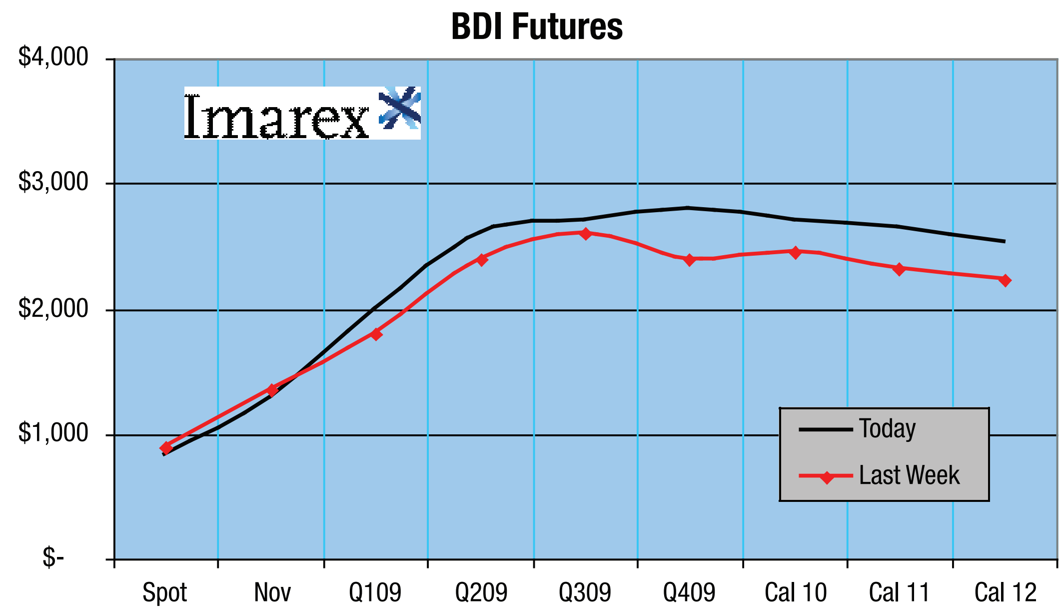
Name	Symbol	Reported 3Q EPS	Analyst 3Q estimate	Reported YTD EPS	Analyst full year estimate	4Q EPS target needed to meet analyst full year estimate	YTD Dividend Paid
American Commercial Lines Inc.	ACLI	0.36	0.38	0.47	0.82	0.35	NA
Arlington Tankers Limited	ATB	0.16	0.32	0.74	1.2	0.46	2.25
Alexander & Baldwin, Inc.	AXB	0.89	0.54	2.61	3.05	0.44	1.25
Seacor Holdings, Inc.	CKH	3.2	1.92	6.19	7.53	1.34	
DryShips Inc.	DRYS	4.21	1.89	15.98	13.5	-2.48	1
Eagle Bulk Shipping Inc.	EGLE	0.49	0.45	1.11	1.66	0.55	1.5
Excel Maritime Carriers Ltd	EXM	2.7	1.85	8.21	7.11	-1.1	0.8
General Maritime Corporation	GMR	0.79	0.58	1.39	2.17	0.78	1.5
Genco Shipping & Trading Limited	GNK	1.99	1.42	6.56	7	0.44	2.85
Hornbeck Offshore Services, Inc.	HOS	1.24	1.18	3.03	3.96	0.93	NA
Horizon Lines, Inc.	HRZ	0.42	0.04	0.72	0.77	0.05	0.33
Kirby Corporation	KEX	0.77	0.8	2.19	2.99	0.8	
Overseas Shipholding Group Inc.	OSG	6.69	2	12.99	13.4	0.41	1.5
OSG America L.P.	OSP	-0.32	0.2	-0.03	0.62	0.65	1.33
Seaspan Corporation	SSW	-0.08	0.3	0.68	1.16	0.48	2.375
Trailer Bridge, Inc.	TRBR	0	0.16	-0.18	0.16	0.34	
Knightsbridge Tankers Limited	VLCCF	0.66	0.68	2.36	2.99	0.63	2.25

Letters of Credit

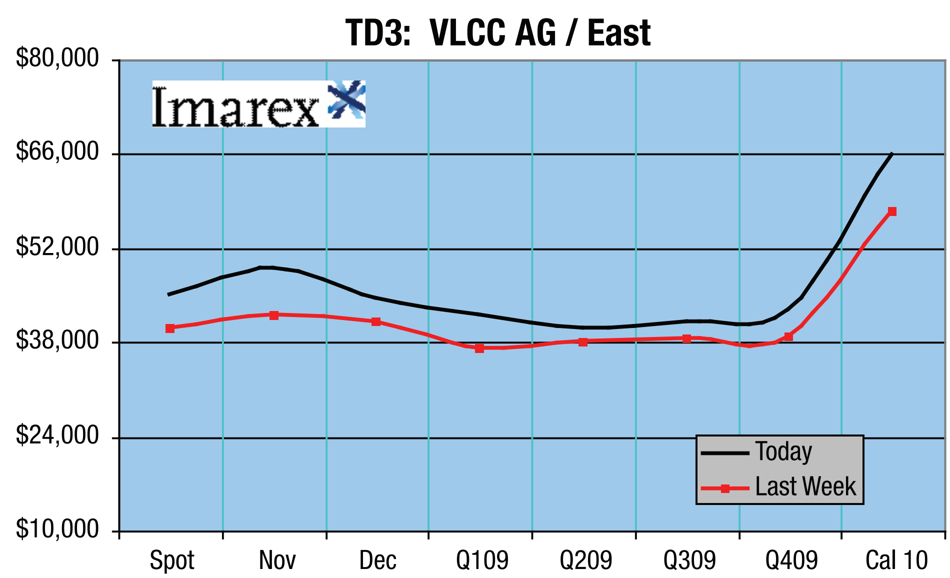
There has been much talk these days about the inability of receivers to obtain L/Cs and hence the slow down in cargo movements. We posit the following question to our readers. Could the issue also lie in the unwillingness of New York banks to confirm the L/Cs? Historically, the intervention of the NY banks has been a key credit support to these transactions.

Back to the Futures

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



There are some signs that dry bulk is better off than a week ago, though the bad news still overwhelms the good. Asset prices remain under pressure as position lists build on meager demand. Fear of further contract cancellations and potential counterparty risk adds to the negative sentiment. Concerns related to over-the-counter FFAs are heightened as October settlement is now upon us. Attempts to mitigate any potential fallout by netting out obligations should help, but unease exists due to both "known unknowns" as well as "unknown unknowns". The few bits of good news include: increased period demand, small rate increase seen in the Panamax sector and fresh interest in grain shipments in the North Pacific. The equities have sent mixed and erratic signals to the market, as share prices can move more than 15% on a given day without much effort.



* 2009 prices have incorporated a flat rate change of 38.5%. 2010 numbers assume same flat rate as 2009.

The tanker segment remains largely flat. Rates failed to rise as expected during the fixing cycle for November loaders, as demand has been well below the norm. It is hard to determine whether declining shipments can be blamed on the credit freeze or limited demand – or possibly a combination of the two. Regardless – the forward curve falls a bit into December, telling us that hopes for a Q4 rally have been abandoned. Falling bunker prices have allowed for improved TCE levels (see graph), though the macro landscape concerns many. Estimates for future oil consumption continue to see downward revisions and global markets remain jittery. The price of oil continues to fall, despite reports that the Saudis cut up to 900,000 bbls of production. This may lead to further production cuts from the cartel, an unwelcome development in this corner of the universe.

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
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
✓ 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
George Economou		$617	TOP Ships	Short term exclusivity agreement ending October 8/08 to explore acquisition for $6/share, a 50%+ premium
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
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	$22	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 years
✓ 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	51.000	28.44%	2,550	05/16/12	– / BB+	any time	MW+50
7.75% Senior Notes due '13	49.625	28.46%	2,626	02/01/13	– / BB+	02/01/09	107.250
Great Lakes Dredge&Dock (GREATL)							
7.75% Senior Notes due '13	82.000	12.64%	1,011	12/15/13	Caa1 / B-	12/15/08	103.875
Navios Maritime (BULK)							
9.5% Senior Notes due '14	65.000	19.57%	1,680	12/15/14	B3 / B+	12/15/10	104.750
Royal Caribbean Lines (RCL)							
8% Sr Unsecured due '10	97.750	9.63%	835	05/15/10	Ba1 / BB+	NC	NC
8.75% Sr Unsecured due '11	89.500	14.41%	1,297	02/02/11	Ba1 / BB+	NC	NC
7% Sr Unsecured due '13	71.000	16.18%	1,383	06/15/13	Ba1 / BB+	NC	NC
6.875% Sr Unsecured due '13	71.000	15.32%	1,281	12/01/13	Ba1 / BB+	NC	NC
5.625% Sr Unsecured due '14	57.000	19.44%	1,630	01/27/14	Ba1 / BB+	NC	NC
Ship Finance International Ltd. (SHIPFI)							
8.5% Senior Notes due '13	75.000	15.82%	1,330	12/15/13	B1 / B+	12/15/08	104.250
Stena AB (STENA)							
7.5% Sr Unsecured due '13	83.000	12.15%	966	11/01/13	Ba2 / BB+	11/01/09	102.500
7% Sr Unsecured due '16	83.000	10.14%	689	12/01/16	Ba2 / BB+	12/01/09	103.500
6.125% Sr Unsecured due '17	51.000	17.62%	1,389	02/01/17	Ba2 / BB+	any time	MW+50
5.875% Sr Unsecured due '19	47.000	16.95%	1,311	02/01/19	Ba2 / BB+	any time	MW+50
Trailer Bridge (TRBR)							
9.25% Sr Secured due '11	80.000	18.15%	1,641	11/15/11	B3 / B-	12/08/08	104.625
Ultrapetrol Limited (ULTR)							
9% 1St Mortgage due '14	72.000	16.49%	1,374	11/24/14	B2 / B	11/24/09	104.500
SUPPLY VESSELS							
Gulfmark Offshore (GMRK)							
7.75% Sr Unsecured due '14	75.000	14.32%	1,164	07/15/14	B1 / BB-	07/15/09	103.875
Hornbeck Offshore Services (HOS)							
6.125% Senior Notes due '14	76.500	11.64%	886	12/01/14	Ba3 / BB-	12/01/09	103.063
Seabulk International (SBLK)							
9.5% Senior Notes due '13	103.000	8.25%	661	08/15/13	Ba1 / BBB-	12/08/08	104.750
7.2% Senior Notes due '09	101.000	5.96%	481	09/15/09	Ba1 / BBB-	any time	
5.875% Senior Notes due '12	82.000	11.77%	968	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	25.000	45.76%	4,314	05/15/14	– / CCC+	05/15/12	103.750
Golden State Petro (GOLDEN)							
8.04% 1St Mortgage due '19	103.300	7.57%	386	02/01/19	Baa2 / BBB	any time	MW+37.5
Overseas Shipholding Group (OSG)							
8.75% Debentures due '13	96.000	9.77%	725	12/01/13	Ba1 / BB	any time	MW
7.5% Sr Unsecured due '24	75.000	10.89%	709	02/15/24	Ba1 / BB	NC	NC
Titan Petrochemicals (TITAN)							
8.5% Senior Notes due '12	19.000	82.47%	8,060	03/18/12	Caa2 / CCC+	any time	MW+100
Teekay Shipping (TK)							
8.875% Senior Notes due '11	95.000	11.07%	946	07/15/11	Ba3 / BB	any time	MW+50
US Shipping Partners (USS)							
13% Sr Secured due '14	30.000	52.05%	4,937	08/15/14	Ca / CC	02/15/11	106.500

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