THE SHIP FINANCE PUBLICATION OF RECORD

MARINE MONEY

ASIA EDITION

VOLUME 4, ISSUE 11
June 18, 2009

INSIDE THIS ISSUE:

Editorial Staff

Nora Huvane, Director
nhuvane@marinemoney.com

Rodricks Wong, Analyst
rwong@marinemoney.com

Marine Money Asia Pte Ltd

Phone: +65 6222-9456
Fax: +65 6491-5563
Email:
Asia@marinemoney.com

HALF FULL OR HALF EMPTY?

China has almost single handedly supported the whole dry bulk market despite the world economic gloom. While the BDI marches forward largely due to the tight Capesize tonnage supply, it remains anyone's guess if this frantic pace of iron ore chartering will continue to last. Will China's USD 585 billion stimulus package whet the country's appetite for commodities when infrastructure project spending picks up steam? Or is this just pure stockpiling speculation and a bear market rally?

In the meantime, there are increasing concerns that China's recovery may come at the expense of inflating asset bubbles, increasing economic volatility and burgeoning bad bank loans. Latest figures showed that China's new lending doubled to RMB 664.5 billion (USD 97 billion) in May from RMB 318.5 billion a year earlier and industrial output rose by 8.9% year on year. Ma Jun, chief China economist with Deutsche Bank AG in Hong Kong described the pace of bank lending as dangerous but there are also those who beg to differ. In a recent report entitled "The World's Largest Local Banks, The Largest in the World", analysts at Taifook Securities believes that the concerns over asset quality deterioration appear exaggerated. The securities house says the current infusion of credit actually eases the liquidity crunch for many medium sized private enterprises, thereby providing an opportunity for highly leveraged sectors, notably property, to restructure their balance sheets. Whatever the case may be, we expect regulators to scrutinize new lending more closely to deter speculation.

Momentum remains strong over at the public equity front. Maritime structured finance arranger Uni-Asia Finance Corporation ("Uni-Asia") is planning to raise SGD 26 million (USD 18 million) by the way of a private placement. The Singapore listed firm will be selling 52.2 million new shares or 20% of its existing paid up capital to its existing shareholder Yamasa Co., Ltd ("Yamasa") at SGD 0.50 a piece. In contrast with the recent rights issues or private placements, the shares will not be sold at a discount but at a 2.8% premium to the volume weighted average price for trades done on the day of announcement. Yamasa is a manufacturer of amusement related hardware and software as well as one of the biggest owners of transportation related assets in Japan, including aircrafts and vessels. The company is also Uni-Asia's strategic partner in arranging ship leasing transactions. Proceeds of the private placement will be used for investments in shipping and/or real estate and as working capital.

Ezion Holdings ("Ezion") is another company eyeing on a share placement. The marine logistics and support services provider has appointed CLSA Singapore to raise SGD 43.4 million (USD 29.9 million) by way of a placement of 70 million new shares at SGD 0.62 a piece. The placement price is fixed at 8.01% discount to the weighted average price of the company's shares traded on the market day preceding the time of placement agreement was signed. The shares represent 10.88% of present paid up share capital of the company and Ezion says it will use 80% to 90% of the proceeds for acquisition of offshore and marine assets.

Singapore listed Ezion has a young fleet of 20 vessels that includes ballastable vessels, tugboats and offshore support vessels. These ballastable vessels are specially reinforced and modified to carry the heavy offshore platforms and jackets for the offshore oil and gas industry. The company also has a fleet of 4 multi-purpose self-propelled jack-up rig "liftboats" currently under construction. Liftboats are used mainly for well-servicing, commissioning, as well as maintenance and decommissioning of offshore platforms. Recently, Ezion together with Australia listed Skilled Group Limited and PBSea-Tow – a wholly owned subsidiary of Hong Kong listed Pacific Basin Shipping have jointly established a company to supply marine vessels for the development of Australia's largest known gas resource Greater Gorgon Gas Fields under a three year contract worth AUD 350 million (USD 277 million).

In a slightly different fundraising approach, oil rig owner KS Energy Services ("KS Energy") has appointed Kim Eng Corporate Finance as the manager of its warrants issue. The company is looking at a renounceable non-underwritten issue of up to 92 million warrants at SGD 0.20 each, on the basis of one warrant for every four existing ordinary shares. Each warrant will carry the right to subscribe one new ordinary share of KS Energy at an exercise price of SGD 1.40. Although both rights and warrants allow companies to raise more funds in a way that favours existing shareholders - usually at a discount to market price, warrants have a longer lifespan from one to several years. Rights typically expire after a few weeks.

HALF FULL OR HALF EMPTY?

Several key shareholders have given their irrevocable undertakings to subscribe for their entitlements. Pacific One, an entity controlled by KS Energy's Chairman Mr. Kris Taenar Wiluan, has also pledged to subscribe excess warrants of up to 44.38 million or 83.8% of the maximum outstanding issue not taken up by other shareholders. In the maximum subscription scenario, the warrants issues will raise SGD 18.20 million (USD 12.5 million) in net proceeds for general working capital purposes. This offering will provide the company with greater financial flexibility for asset acquisitions, in addition to its strong cash reserves of SGD 70.6 million (as at 31 March 2009).

Next week, Yantai Raffles Shipyard will be seeking the approval of shareholders to issue new shares, convertible securities and any shares pursuant to the conversion of such convertible securities. We will be keeping a lookout for any latest developments.

On the debt side, Export-Import Bank of Korea ("Kexim") has agreed to provide Odebrecht of Brazil USD 165 million in loans and USD 135 million in guarantees for the financing of two drill ships. The vessels, which are ordered at Daewoo Shipbuilding & Marine Engineering (DSME) in May last year, will be leased to Petrobras. Kexim said in a statement that it will provide more of such financing to Korean shipyards. According to a number of broker reports, Singapore based Wilmar International has managed to negotiate a deal with the financiers of two supramax resales previously owned by Glory Wealth. Sold at a price tag of USD 28 million each, the two 57,000 dwt vessels Glory Wisdom and Glory Talent will be delivered by Taizhou Kouan Shipbuilding in October 2009 and March 2010.

Last week, a very well respected maritime lawyer in Singapore shared with us her concerns about rising financial protectionism in the ship finance market. Shipowners, who are from countries where domestic banks have no core ship lending business, are beginning to worry if they will be placed at the lower end of the pecking order by the foreign banks. On a positive note, she feels that the ship finance market has improved for the better compared to six months ago and there seem to be more creative sales and leaseback transactions in the works. We were also very relieved to hear that the law firm has worked on only three ship arrest cases since the shipping market gone downhill. That's some good news.

A MASTERFUL BLEND OF EAST AND WEST

The role of ship finance advisors is undoubtedly more pronounced today when traditional bank debt financing remains hard to come by. Shipowners are becoming more receptive towards creative financial structures so as to gain access to the pockets of liquidity available. This week in Marine Money Asia, Dimitris Belbas, Head of Ship Finance of Seafin, shares with us more about Seafin and his views on the current ship finance market.

Seafin's Profile

Seafin was established in Singapore in April 2007 as a joint venture between the Eurofin Group, one of the biggest shipping finance advisory companies and Seven Oceans, one of the few independent ship-broking firms in Japan. With Asia's increasing importance in the maritime industry, Seafin's objective is to maximize the synergies between the Japanese and Asian shipping networks with the European know-how and expertise in shipping finance.

Capitalizing on Seafin's deep knowledge and experience of the Japanese market, the company opened its Tokyo representative office in June 2008 and through its partnership with Seven Oceans has secured the necessary license to raise equity funds from investors with an interest in the shipping industry.

Seafin provides Asian shipowners, charterers, investors, banks and financing institutions with a full range of financial services including financial advice, deal structuring, transaction and financial support, and financial market intelligence, whilst it bridges Eurofin's existing network in Europe with their Asian shipping counterparts in exploring cross continental opportunities for cooperation.

The group's team has substantial experience in raising debt finance in the international markets, through commercial banking credits, club deals, syndicated facilities, mezzanine loans, project finance and Islamic finance schemes. Based on the in-depth knowledge of the shipping finance market, the group assists its clients to formulate their investments and borrowing strategies, advise and conduct negotiations with financial institutions and supervise the necessary loan documentation.

Seafin also approaches several investor pools in the execution of equity mandates, such as venture capital firms in the Asia – Pacific region, institutional investors, and private equity sources. In addition, Seafin is able to structure various Sale & Leaseback transactions (an increasingly popular way of raising finance), helping shipowners to purchase new shipping assets, invest in new business opportunities, pay down debt and improve the company's balance sheet. Seafin in conjunction with Eurofin is likewise very well placed in assisting financial institutions as well as shipowners with the restructure of loans, management of ships (on behalf of financial institutions), negotiations with yards and in general providing advice and assistance in turning around a difficult situation and thereby avoid or minimize potential losses.

Eurofin is already working on a few such mandates involving clients who are looking to renegotiate terms with banks as well as with financial institutions who are

A MASTERFUL BLEND OF EAST AND WEST

trying to resolve problems with their clients. Both Eurofin and Seafin have excellent relationships with all the leading shipping finance institutions and, having recently held meetings with over 30 financing institutions, are very much aware of their positions vis-à-vis clients and restructuring. Eurofin is also in contact with private equity companies which are interested in acquiring shipping portfolios from banks that are looking to reduce their overall loan portfolios and in the process offload some of their shipping assets.

Seafin's observations on the ship finance market

Raising debt finance in today's environment has become a challenge even for some of the most established shipping companies, public and private. Banks still open for business will cater if not exclusively, definitely mostly to their existing, core clients who can afford the new pricing, terms and conditions. Tenors have been shortened, loan amounts have been decreased to 50 per cent to 60 per cent of market values (if quoted!), margins have increased significantly ranging from 2 per cent to 5 per cent and fees have risen significantly from a year ago.

Buyers are limited to those either with deep pockets or with a proven track record and a solid relationship with one of the very few banks which still has some available capacity and funding appetite. Nonetheless, the large war chests built up by owners during the good times are currently being used to service primarily their debt instead of funding an acquisition's spree, with the exception of the recently very active Chinese buyers. These two facts, coupled with banks providing waivers (with increased margins), rather than taking aggressive actions against owners and/or making specific provisions have kept ship prices above distressed levels.

Hence, deep discounts in terms of prices have failed to materialize. Having said that we still see today prices of various types of ships at more than half the value they could have fetched last year. Private equity funds, veteran shipowners, trading/cargo companies and several sovereign wealth/government rescue funds with a long term investment horizon have been preparing for entry into the shipping markets ahead of an upturn; nevertheless, the recent freight rates' increase in conjunction or even as an explanation for the significant positive sentiment in the capital markets has forced most buyers to wait further for the real bottom of the market.

Nobody really knows what will happen to the supply side of shipping. There is little hard evidence of actual orders (a number of options had been reported as firm orders) as well as real cancellations. Estimates of shipyard cancellations or more accurately terminations of approximately 40% to 50% of orders have been mostly unfounded. A number of orders have simply been postponed for delivery, which will hit the supply side albeit perhaps at a later than expected date. Korea and China have already sent the costly signals that all necessary action will be taken to preserve and even further strengthen their shipbuilding industries, leaving everybody else to fear of a prolonged shipping crisis. It is likely however that ship orders from new 'greenfield' yards will likely disappear, with estimates suggesting that this could range from 10 per cent to 23 per cent of the orders.

Long are the days, at least for now, where the ship, the charterer or the freight rate alone was sufficient to secure the necessary debt facility for the shipowner in need. Hence, Seafin has focused its debt financing efforts on corporate projects across the Asia Pacific region, where the asset class, the charter agreements and the shipowner/shipping company constitute a solid financing project as an integral part of a sustainable business model. Even then however, shipowners should accept the new debt finance reality of shorter tenors, lower amounts and higher pricing.

Nevertheless, the debt hurdles have made companies to look at alternative sources of financing. To that respect, Seafin has been exploring several Sale & Leaseback ventures and equity raising projects benefiting from raised interest and funds from a diverse pool of investors. Private or institutional, shipping savvy or unsophisticated, investors will look into a project, if the project is right that is.

AN EXPLANATION FOR THE MOVEMENTS IN THE BALTIC DRY INDEX (BDI)

The rise in the BDI has taken everyone by complete surprise. But in reality the reason for the rise is rather simple. China binge buying iron ore against all expectations with imports rising at 27+ pct higher in 2009 than for 2008, based on the annualized results of the first 4 months of this year, shows you where the big move from the demand side has come from. This rise in iron ore imports is despite the fact that steel production in China in the first four months of 2009 has been roughly at the same levels as we had seen in 2008. An explanation for this increased iron ore imports could be from the fact that domestically produced iron ore in China is of a rather poor quality and quite expensive when compared to spot imported prices. Another explanation could be that of speculators getting into the import market to try and get hold of 'cheap' iron ore that would possibly be required under the Chinese Government's USD 586 billion stimulus plan. And a third could be the impending conclusion of the iron ore contract price negotiations.

Obviously, when you binge buy and compress imports of a single commodity, carried mainly by Cape size ships, into a very short space in time, you tend to create two issues at the same time. Firstly, you tend to push up freight rates due to the time-compressed/explosive demand growth for that ship-sector. And more significantly, you create queues at loading and discharging ports which tend to reduce availability of spot ships driving prices even higher. Combine this with delayed delivery schedules of dry bulk ships during Q4 08 and Q1 09 and you have the ingredients of a perfect storm especially when you take the number of Cape size ships that have been sent to the scrap-yard during the last 6/9 months.

The change in the average time charter (t/c) rate or earnings per day per ship in the different size categories is instructive.

The BDI hit its recent peak on the 3rd June 2009 closing at 4,291 points with the average t/c rate per day per ship for the Capes at USD 93,197, Panamaxes at 28,110, Supramaxes at 19,470, and Handies at 12,668. Compare these numbers with what was prevailing on the 5th December 2008 when the BDI hit a two and half decade low of 663 points, then Capes were earning a paltry t/c rate of USD 2,763 per day per ship, the Panamaxes were at 4,058, Supramaxes at 5,726, and the Handies at 4,352.

Clearly the BDI is more reflective of the Capes and the Panamaxes, as the Panamaxes are a shadow of the Capes, than of the market as a whole.

Besides this sudden, sharp and unexpected rise in the market will have two very bad consequences. Firstly, scrapping will come to a grinding halt. This will stop the squeeze on the supply side which was originating from the permanent removal of ships via the scrap-yards. Secondly, with the new 'confidence' in the market, all the delayed deliveries of new ships from the builders might make a startling reversal and lots of new ships could suddenly start appearing on the market.

Both these consequences will result in long term damage to our market and eventual balance between demand and supply will be pushed further away on the time horizon.

In our opinion, based on the congestion at Chinese discharge ports and the present increased level of iron ore imports the index could actually cross 5,000 points. We think that congestion should clear up once this binge buying of iron ore abates or more new Capes are delivered from the ship-yards than the demand can absorb. Once one or both of these events take place, congestion will vanish very quickly with the BDI crashing down as quickly as it has advanced.

The fundamentals still overwhelmingly point to a world economic recession with tremendous job losses and we suspect that will put a real dampener on the current burning hot BDI.

We hope this helps explain the current situation/ movements of the BDI.

Editor's Note: We would like to thank Mr. Khalid Hashim, Managing Director of Precious Shipping for sharing with us his thought provoking comments on the enigmatic dry bulk market.

PLACES

WFW'S EVENING OF RACING, WINING AND DINING

The Singapore office of Watson, Farley and Williams recently hosted an evening of racing, wining and dining at the Singapore Turf Club and we were delighted to be a part of it. Excellent buffet spread aside, the representatives from the shipping and banking world were all saddled up for the thrills and spills of horse horsing as can be seen from the pictures below.

Analyst Coverage

★ = New ✍ = Updated

	Shipping company	Securities firm	Rating	Price target*	Price on report date	Date issued
★	China COSCO Holdings	Credit Suisse	Underperform	HK$4.00	HK$6.39	04/06/2009
★	COSCO Corporation	CIMB	Underperform	S$0.36	S$1.40	17/06/2009
✍	Ezion Holdings	Westcomb	Buy	S$0.94	S$0.68	08/06/2009
★	Ezra Holdings	BNP Paribas	Buy	S$1.91	S$1.25	16/06/2009
★	Ezra Holdings	CIMB	Outperform	S$1.41	S$1.24	17/06/2009
★	Ezra Holdings	DMG & Partners	Buy	S$1.51	S$1.29	15/06/2009
	First Ship Lease	DBS Vickers	Buy	S$0.71	S$0.59	04/06/2009
★	First Ship Lease	OCBC Research	Hold	S$0.58	S$0.625	08/06/2009
	First Ship Lease	UOB Kay Hian	Hold	S$0.64	S$0.59	04/06/2009
✍	Jinhui Shipping	Pareto Securities	Buy	NOK20.00	NOK17.40	12/06/2009
✍	Keppel Corp	CIMB	Underperform	S$7.20	S$6.69	17/06/2009
★	Keppel Corp	CLSA	Underperform	S$6.90	-	04/06/2009
	Keppel Corp	DBS Vickers	Fully Valued	S$5.13	S$7.35	03/06/2009
★	Keppel Corp	Macquarie Research	Neutral	S$5.10	S$7.27	11/06/2009
★	Keppel Corp	Morgan Stanley	Equal Weight	S$6.80	S$6.96	11/06/2009
✍	Keppel Corp	UOB Kay Hian	Sell	S$5.90	S$6.96	10/06/2009
★	KS Energy	OCBC Research	Hold	S$1.36	S$1.44	05/06/2009
★	Mermaid Maritime	DBS Vickers	Buy	S$0.85	S$0.615	12/06/2009
	Neptune Orient Lines	CIMB	Neutral	S$1.62	S$1.68	03/06/2009
	Neptune Orient Lines	Citibank	Buy	S$2.25	S$1.68	02/06/2009
	Neptune Orient Lines	Credit Suisse	Outperform	S$2.00	S$1.68	02/06/2009
	Neptune Orient Lines	OCBC Research	Hold	S$1.63	-	03/06/2009
	Neptune Orient Lines	UBS	Sell	S$1.00	S$1.53	02/06/2009
★	Noble Group	CIMB	Outperform	S$1.83	S$1.68	18/06/2009
★	Noble Group	Macquarie Research	Outperform	S$1.95	S$1.78	08/06/2009
✍	Pacific Basin Shipping	Pareto Securities	Hold	HK$6.00	HK$5.40	12/06/2009
	Pacific Shipping Trust	DBS Vickers	Hold	US$0.20	US$0.25	04/06/2009
✍	Pacific Shipping Trust	UOB Kay Hian	Buy	US$0.37	US$0.25	04/06/2009
	Rickmers Maritime	DBS Vickers	Hold	S$0.50	S$0.62	04/06/2009
	Rickmers Maritime	UOB Kay Hian	Hold	S$0.76	S$0.615	04/06/2009
★	Sembcorp Marine	CIMB	Outperform	S$3.38	S$2.77	17/06/2009
★	Sembcorp Marine	CLSA	Outperform	S$3.26	-	04/06/2009
✍	Sembcorp Marine	Macquarie Research	Neutral	S$2.10	S$2.95	11/06/2009
★	Sembcorp Marine	Morgan Stanley	Under Weight	S$2.40	S$2.85	11/06/2009
✍	Sembcorp Marine	UOB Kay Hian	Hold	S$2.60	S$2.82	11/06/2009
✍	Swiber Holdings	CIMB	Outperform	S$1.71	S$0.89	17/06/2009
★	Swiber Holdings	DMG & Partners	Neutral	S$0.85	S$0.93	15/06/2009
✍	Yangzijiang Shipbuilding	DBS Vickers	Fully Valued	S$0.68	S$0.81	10/06/2009

SHIPPING BONDS

	Offer Price	YTW	STW	Maturity	Ratings	Call Date	Call Price
Shipping							
BW Group							
6.625% Senior Unsecured Notes due '17	81.149	10.11%	678	28/06/17	Baa3 / BBB-		
Hanjin Shipping							
3.5% Senior Notes due '10	98.860	4.96%	179	30/05/10	- / -		
7.0% Senior Notes due '11	103.364	6.11%	209	08/10/11	- / -		
5.7% Senior Notes due '12	98.146	6.44%	229	18/06/12	- / -		
MISC							
5% Senior Secured Notes due '09	100.688	2.22%	205	01/07/09	A3 / A-		
6.125% Senior Secured Notes due '14	102.109	5.64%	295	01/07/14	A3 / A-		
Mitsui OSK Lines							
Zero Coupon Convertible due '11	100.183	-0.10%	-46	29/03/11	- / BBB+		
1.428% Senior Unsecured Notes due '13	101.196	1.15%	36	19/12/13	- / BBB+		
1.278% Senior Unsecured Notes due '14	100.237	1.23%	43	27/05/14	- / BBB+		
1.999% Senior Unsecured Notes due '19	99.785	2.02%	58	27/05/19	- / BBB+		
Nippon Yusen							
0.81% Senior Unsecured Notes due '09	100.137	0.38%	22	16/10/09	- / BBB+		
1.67% Senior Unsecured Notes due '12	102.356	0.87%	41	20/06/12	- / BBB+		
1.01% Senior Unsecured Notes due '13	100.087	0.99%	37	21/02/13	- / BBB+		
1.58% Senior Unsecured Notes due '14	101.800	1.21%	41	09/06/14	- / BBB+		
2.06% Senior Notes due '16	103.572	1.52%	47	22/06/16	- / BBB+		
2.05% Senior Unsecured Notes due '17	102.676	1.69%	50	20/06/17	- / BBB+		
2.36% Senior Unsecured Notes due '24	99.651	2.39%	52	07/06/24	- / BBB+		
2.65% Senior Notes due '26	101.663	2.53%	66	22/06/26	- / BBB+		
Zero Coupon Convertible due '26	99.791	0.09%	-26	24/09/26	- / BBB+	20/09/16	100.000
Noble Group							
8.5% Senior Unsecured Notes due '13	100.384	8.38%	661	30/05/13	Ba1 / BB+		
Zero Coupon Convertible due '14	116.722	5.14%	245	13/06/14	- / BB+		
6.625% Senior Unsecured Notes due '15	86.822	9.67%	698	17/03/15	Ba1 / BB+	17/03/10	103.310
Pacific Basin							
3.3% Guaranteed Convertible due '13	92.028	8.72%	756	01/02/13	- / -		
Thoresen Thai Agencies							
2.5% Convertible due '12	88.287	11.34%	957	24/09/12	- / -		
Wan Hai Lines							
5.5% Senior Secured Notes due '15	80.095	9.98%	729	29/06/15	Ba3 / BB		
Offshore							
Swire Pacific							
5.625% Senior Secured Notes due '16	102.674	5.15%	181	30/03/16	A3/A-		
6.25% Senior Secured Notes due '18	105.528	5.45%	211	18/04/18	A3/A-		

Source: DnB NOR Markets, Bloomberg as of 18 June 2009

MARINE MONEY DEAL TABLES

BONDS

★ = New ✍ = Updated

Borrower	Arrangers / Advisors	Amount (US$M)	Interest Rate	Maturity	Purpose / Remarks	Status
STX Offshore and Shipbuilding	-	238	-	1 year	Bonds to be sold to Korea Development Bank	In progress
Mitsui O.S.K. Lines	-	317	1.278%	5 years	Working Capital	Done
Mitsui O.S.K. Lines	-	211	1.999%	10 years	Working Capital	Done
STX Panocean	-	160	7.95%	2 years	Working Capital	Done
Hyundai Heavy Industries	-	224	5.4%	-	Working Capital	In progress
Daewoo Shipbuilding & Marine Engineering	-	361	6.0%	3 years	To pay suppliers	Done
Samsung Heavy Industries	-	482	6.2%	3 years	To finance investment projects and repay short-term debt	Done
Berlian Laju Tanker	Andalan Artha Advisindo Sekuritas and Danatama Makmur	48	14.25% - 16.25%	1 to 5 years	400 billion rupiah of conventional bonds and 100 billion rupiah of ijarah sale-and-leaseback sukuk	In progress
SK Shipping	Tong Yang Securities	70	7.2%	-	Bullet bond	Done
Viet Nam Shipbuilding Industry Corporation	-	400	-	-	Working Capital	In progress
STX Panocean	-	107	8.2%	1 1/2 years	Straight bond issue for working capital	Done
China Shipping Development	-	up to 732	-	not more than 10 years	To finance newbuildings and repay bank loans	In progress
China COSCO	-	up to 1460	-	10 years	For working capital and repay bank loans	In progress
China Shipbuilding Industry Corporation	China Construction Bank and CICC	439	3.9%	5 years	To enhance its shipbuilding and ocean engineering capacity, and repay bank loans	Done
Sinotrans Limited	Bank of China as lead manager	219	3.6%	3 years	To fund the construction of strategic logistic infrastructure projects in the Pearl River Delta, the Yangtze River Delta and the Bohai Bay area	Done
✍ Hanjin Shipping	Hana IB Securities, KB Investment, KDB	169	7%	2011	Planned KRW 200bn bond sale	Done

EQUITY

★ = New ✍ = Updated

	Issuer	Underwriters / Advisors	Amount (US$ M)	Structure / Pricing / Comments	Status
★	Uni-Asia Finance Corp	-	18	Placement of 52 million new shares at S$0.50 to Yamasa Co., Ltd	In progress
★	KS Energy	Kim Eng Corporate Finance	up to 12	Planning a renounceable rights issue of 92 million warrants at an issue price of S$0.20 for each warrant. Each warrant carries the right to subscribe for one new share at S$1.40	In progress
★	Ezion Holdings	CLSA Singapore	30	Placement of 70 million new shares at S$0.62 a piece	In progress
✍	Neptune Orient Lines	DBS Group, J.P. Morgan (S.E.A.), Morgan Stanley Asia (Singapore) and HSBC	1,000	Planning a 3-for-4 rights issue at S$1.30 a piece	In progress
	Berlian Laju Tanker	Macquarie Capital (Singapore)	60	Planning a renounceable 1-for-3 rights issue at Rp425 each	In progress
	STX Pan Ocean	-	-	Potential rights issue or private placement in the works	In progress
	Swiber Holdings	CIMB-GK Securities	51	Placement of 84 million new shares at S$0.88 each	In progress
	Marco Polo Marine	UOB Kay Hian	5	Placement of 20 million new shares at S$0.375 each	In progress
	Ezra Holdings	Credit Suisse (Singapore)	63	Placement of 78 milion new shares at S$1.185 each	Done
	Noble Group	Cazenove and J.P. Morgan	87	Placement of 84.7 million new shares at S$1.52 per piece	Done
	Pacific Basin	UBS	98	Fully underwritten sale of 174.7 million new shares at HK$4.36 each. Equity financing for expansion initiatives.	Done
	COSCO Group	-	-	Considering listing its tanker fleet in China	In progress
	Rongsheng Heavy Industries	Goldman Sachs	-	Seeking a listing possibly in Hong Kong by end 2009	In progress
	Guangzhou Shipyard	-	-	Planning a rights issue to fund the acquisition of a shipyard from its state owned parent for up to USD 452 million	Cancelled
	STX Europe (formerly Aker Yards)	-	-	Plans to relist this year	In progress
	Yujin International	Seymour Pierce	14.2	Listed successfully on the London AIM	Done
	STX Europe (formerly Aker Yards)	-	-	Applied for delisting from Oslo Stock Exchange	Done
	Mermaid Maritime	Pareto Private Equity ASA	2	Acquired 20% stake in Nemo Subsea IS, a dive support vessel owner	Done
	CSBC Corp	Fubon Securities and SinoPac Securities	145	Taiwanese government sold 54% stake in the island's largest shipbuilder	Done
	Penguin International	Kim Eng Securities	4	Completed its 1 for 4 rights issue. Priced at S$0.05 per rights share	Done
	Yang Fan Group	Goldman Sachs	-	Planning a listing in Hong Kong	In progress
	Otto Marine	UOB and Credit Suisse	78.5	Sold 235 million shares or 19.9% of enlarged capital at SGD 0.51 per piece	Done
	KS Energy	Kim Eng Securities	105	Completed a 2 for 5 rights issue to enhance capital base and support business expansion	Done

BANK DEBT

★ = New ✍ = Updated

Borrower	Arrangers / Buyers	Amount (US$ M)	Pricing / Purpose / Remarks
★ Odebrecht	Kexim	300	165 million in loans and USD 135 million in guarantees for the financing of two drill ships
Berlian Laju	DnB NOR and NIBC	32	4 year loan
Mitsui O.S.K. Lines	SMBC	156	In the market for a JPY 15 billion three year loan, priced at 30 bp over 6 mth TIBOR
ASL Shipyard	BNP Paribas, Natixis, OCBC, Bangkok Bank, SMBC	66	Extension facility
STX Dalian Shipbuilding	China Construction Bank and one unnamed Chinese bank	417	RMB 2.85 billion 9 year loan priced at 6.14%
Vinalines	Credit Suisse	up to 600	Credit Suisse has been mandated on a five-year amortising facility
Wisdom Marine Lines	Mega International Commercial Bank as sole MLA, E.Sun Commercial Bank as participant	170	8.5 year loan priced at 137.5 bp over 3 mth TIBOR
Contender Marine	Standard Chartered Bank	21	Re-financing part of the existing indebtedness of Contender Marine's parent company
Precious Shipping	DnB NOR, Natixis and NIBC	100	Extension of existing credit facility for 2nd hand vessel acquisitions
Precious Shipping	Krung Thai, Bank of Ayudhya and Siam City Bank	250	Extension of existing credit facility for 2nd hand vessel acquisitions
STX Pan Ocean	DVB Bank, Fortis Bank and KDB	41	5 year loan
NWS Transport	Bank of China, Calyon, HSBC and Standard Chartered	168	3 year club deal
Lamnalco Group	Standard Chartered Bank, Rabobank and ING	125	To refinance 15 Anchor Handling Tug Supply (AHTS) vessels
Pacific Drilling and Transocean	DnB NOR and Fortis as mlas	1,200	To help fund two drillships building in South Korea
Yang Ming Marine Transport	13 banks including Mega International Commercial Bank and Taipei Fubon Commercial Bank	480	20 year loan
Petro Vietnam Transportation	Citibank, Calyon, Fortis Bank and Societe Generale	175	13 year term loan

RESTRUCTURING

★ = New ✍ = Updated

Company	Advisors	Banks	Comments
★ Jaya Holdings	nTan Corporate Advisory	-	In process of restructuring its debts with creditors
Kanasashi Heavy Industries	-	-	Japanese shipyard filed for creditor protection
Samsun Logix	-	Shinhan Bank	Dry bulk operator files for credit protection
C& Group	Lazard	Woori Bank	Lazard is under mandate from creditors to sell C&Heavy Shipyard in Korea
Parkroad Corp	-	Shinhan Capital	Bankrupt South Korean dry bulk carrier transferred vessel operations to Sinokor Maritime

M&A

★ = New ✍ = Updated

Acquirer, New Partners, Parent Seller, or JV	Advisors	Amount (US$ M)	Target / New Company or Partners	Comments
NYK	-	78	Taiheiyo Kaiun	Full acquisition of Tokyo listed tanker and bulker owner
Cido Shipping	DnB NOR Markets	-	-	Exploring the possibility of selling its product tanker fleet
Goldman Sach	-	-	Yamamoto Kaiun	Full acquisition of the Japanese shipowner
Sinotrans	-	-	China Changjiang National Shipping Corporation	Pending approval from China's state assets regulator

LEASING

Lessee	Lessor(s)/Advisor(s)	Amount (US$ M)	Structure / Pricing / Comments
Swiber Offshore Marine	Swiber Holdings and ICON Capital	42.5	Partial sale and leaseback of a 300-men accommodation work barge for 8 years
Dong Fang International Investment Limited	DCM Deutsche Capital Management AG group, arranged by DVB Bank America N.V.	-	Sale and manage-back of a fleet of 38,983 TEU of containers
Berlian Laju Tankers	Jointly by DnB NOR Markets and R.S. Platou Finans	107.75	Sale leaseback for 2x chemical tankers for 12 years
China Huaneng Group	ICBC Leasing	approx 420	Sale and leaseback of 6x Supramax bulkers for 10 years
Woo Min Shipping	ABG Sundal Collier ASA	22	Sale and leaseback of 3x chemical tankers for 8 years
Swiber Holdings	R.S. Platou Finans Shipping A.S. and Atlantis Navigation A.S.	225	Sale and leaseback of 3x AHTS and 2x diving support vessels for 10 years
Wan Hai International	A Cayman Islands company; Citigroup as advisors	300	Sale and leaseback of 4x 6,000 TEU containerships for 7 years
Pacific Basin	Japanese Buyer (Noto Eagle Partnership)	55.2	Sale and leaseback of 1x 2008-built handysize vessel for one year at undisclosed pre-agreed charter rate
Chang Myung	Koenig/Scorpio	119.5	Sale and leaseback of 2008-built 170,000 dwt bulker for 5 years at $48,000/day
Yang Ming Marine Transport	First Ship Lease	210	Bareboat charter of 3x 4,250-teu container vessels with purchase options for 12 years
West Asia Maritime	Mitsubishi Corporation	110	Bareboat charter of 2 handymax bulk carriers for 12 1/2 years
ETA-Ascon Star Group	SSY Capital as advisors	88	Purchase and bareboat charter of 4 handysize bulk carriers
Pacific Basin	ID Shipping	34	Sale and leaseback of 1x 1997-built handysize vessel for four years at undisclosed daily rates
Regional Container Lines	BTMU Capital Corp	68	Sale and charterback of 2x 1,858-teu 2005 built containerships at undisclosed rates
Sanko	Allocean	121.4	Purchase from Golden Ocean and 5 year time charter to Sanko at $48,000/day

Marine Money is the premier provider of maritime finance transactional information and maritime company analysis. Relied upon by shipowners, financiers, investors, ship managers, brokers, lawyers and accountants for the past 20 years, Marine Money International has bridged the gap between shipowners and the international capital markets. Our goal is to make you money, save you money and provide access to investment opportunities and capital.

Publications

Through our bi-monthly magazine, Marine Money, and our bi-weekly internet newsletter, we give you in-depth analysis of the latest deals, including structures, pricing and financing techniques used as well as details on the lenders, principals and investors involved. From single ship transactions to capital markets financing, we at Marine Money are in the market every day learning everything we can for our readers who are interested in capital formation for maritime transportation.

Forums

As the premier provider of ship finance news, data and analysis, Marine Money hosts the industry's most important ship finance forums and seminars throughout the world. Whether we are in New York, Tokyo, Piraeus, 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.

Consulting

Marine Money has extensive experience representing both shipowners and providers of capital in vessel financing transactions. On a project specific basis, we provide shipowners with list of the most suitable lending partners in the marketplace at any given moment based on comparable transactions recently completed. We are able to provide this service using our extensive industry contacts in conjunction with Marine Money's Transaction Watch database. In addition, Marine Money has a capital markets advisory service through which we advise hedge funds and other institutional investors in doing company research and due diligence.

FORUM SCHEDULE 2009/2010

Marine Money is offering another full year of specialised ship finance forums.
Mark your calendars now and save these dates.

2009		
June 23-25	The Pierre, New York City	22nd Ann. Marine Money Week
September 22	Monaco	2nd Ann. Super Yacht Finance Forum
September 28 & 29	Ritz-Carlton Millenia Singapore	8th Ann. Marine Money Asia Week
October 8	Athens Ledra Marriott	11th Ann. Greece Ship Finance Forum
October 15	New York City	10th Ann. Marine Finance Forum–Americas
November TBA	Four Seasons Hotel, Dublin	3rd Ann. Dublin Ship Finance & Investment Forum
November TBA	Busan	3rd Ann. Korea Ship Finance Forum
November TBA	Loews Miami Beach Hotel, Miami	6th Ann. Marine Finance Forum—Latin America

FOR MORE INFORMATION PLEASE CONTACT US :

Phone: +65 6222-9456 Fax: +65 6491-5563
Email: asia.marinemoney.com Web: www.marinemoney.com

SUBSCRIPTION FORM

THE SHIP FINANCE PUBLICATION OF RECORD
MARINE MONEY
HONG KONG • SEOUL • SHANGHAI • SINGAPORE • TOKYO
Asia Edition

Annual subscription to Marine Money - Asia Edition includes:

1. *Marine Money - Asia Edition (Online pdf produced bi-weekly)*
2. *Discounted delegate fee on ALL Marine Money Events*

❑ One Year: USD495

Please print.

Subscription commencement date: |_|_|_|_|_|_|
M M D D Y Y

Mr. / Mrs. / Ms. / Dr. / Capt. (Please Circle One)

Given Name *Family Name*

Job Position

Company

Address

City *Region/State*

Postal/Zip Code *Country*

Phone *Fax*

Email *Website*

Please indicate which category best describes your company:

❑ Shipowner/Operator ❑ Bank/Financial Institution ❑ Broker/Trader ❑ Accountant ❑ Lawyer

How did you hear about us?

❑ Magazine ❑ Advert ❑ Colleague ❑ Conference ❑ Other-specify____________________

Payment Information

❑ Please invoice my company:

❑ Please charge this credit card:

❑ VISA ❑ MasterCard ❑ American Express ❑ Diners Club International

Card No. |_|_|_|_|_|_|_|_|_|_|_|_|_|_|_|_| Expiry |_|_|/|_|_|

Security Code (3 or 4 digit # on back of card) |_|_|_|_| Signature ____________________________

Marine Money Asia
3 Killiney Road #04-06/07
Winsland House 1 Singapore 239519
Tel: +65 6222 9456 • Fax: +65 6491 5563
Email: asia@marinemoney.com • Website: www.marinemoney.com

Email: asia@marinemoney.com