

NewLead Expands Fleet to 10 Vessels

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NewLead Holdings Ltd. announced that it recently added five bitumen tanker vessels, expanding its fleet to 10 vessels in less than a year while performing on its strategy to capitalize on opportunities that arise in the market.

NewLead completed the acquisition of three bitumen tankers, the Captain Nikolas I, the Nepheli and the Sofia, for a purchase price of approximately \$21 million, to be paid through a combination of equity and debt financing. The other two bitumen tankers, the Ioli and the Katerina L, were added to NewLead's fleet following two separate bareboat/leasing agreements. The company has the option to purchase the last two vessels at any time during the term of the bareboat/leasing agreements but has the obligation to purchase both vessels at the end of the term of such agreements, for an aggregate purchase price of a minimum of approximately \$6.05 million together with the payment of any remaining unpaid trade debt on both vessels. The company is expected to make a payment of approximately \$4.23 million in connection with the delivery of the last two vessels. The delivery payment and the payment at the end of the agreements to purchase the vessels are expected to be paid, through the issuance of shares of common stock of the company, all as described in the agreements included in the company's current report on Form 6-K filed on January 27, 2015.

Four of the five vessels, the Captain Nikolas I, the Nepheli, the Ioli and the Katerina L, were built in 2009 and the Sofia was built in 2008. NewLead has been managing the Captain Nikolas I and the Sofia for over a year. The remaining three vessels were delivered to NewLead's fleet at various times during the fourth quarter of 2014.

The gross earnings from the employment of all five vessels are expected to be \$12.65 million per year. All five vessels are expected to generate an aggregate of approximately \$5.61 million of EBITDA per year assuming an aggregate of \$7.04 million of yearly operating expenses. Four of the five bitumen tanker vessels are trading on the spot market and the Nepheli is on a period time charter until August 2015.

Michael Zolotas, Chairman and Chief Executive Officer of NewLead, stated, "NewLead continues to deliver on its commitments to create value for its shareholders and grow its fleet while improving the age profile as well as their tradability, increasing the cash flow as well as the revenues of the company. Today, NewLead's average fleet age is 7.39 years compared to 17.84 years at the beginning of 2014."

Zolotas, continued, "NewLead invested in young, high quality sophisticated bitumen tanker vessels to capture opportunities in emerging economies and niche markets with relatively low competition. NewLead's long term relationships with oil majors and fuel oil companies will allow responsiveness to market opportunities as well as support its commitment to continue to grow its fleet."