

## Bank of Scotland forecloses on NewLead bulker pair

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- by [Nigel Lowry](#)

Greece-based owner continues restructuring talks with banks

BANK of Scotland has foreclosed on loans for two kamsarmax bulk carrier newbuildings belonging to NewLead Holdings in a move that will accelerate the scaling back of the Greek owner's fleet of bulkers and tankers.

Nasdaq-listed NewLead has been in restructuring talks with lenders since the middle of last year and previously shed six owned vessels.

The latest of these were four product tankers sold to BW Group in a move that slashed overall indebtedness by \$147.9m. It is understood the sales were completed as planned by the end of January, wiping out all liabilities to the Bank of Scotland-led syndicate of 10 banks.

Now Bank of Scotland has exercised its rights to accelerate the loans on the 2010-built 79,244 dwt *Newlead Tomi* and sister vessel *Newlead Gujarat*, which was delivered by Cosco Dalian shipyard in the fourth quarter of 2011.

Both are still under NewLead management. A spokesperson told Lloyd's List that the company was co-operating with the bank pending transfer to a new manager chosen by the new owners.

It also said in a statement that it was working with the bank to finalise commercial aspects of the credit facilities, including being released from corporate guarantees, but there could be no assurance at this stage that a satisfactory agreement with the Bank of Scotland could be reached.

The aggregate amount owed to lenders Bank of Scotland, BMTU Capital and the Bank of Ireland was about \$77.5m plus about \$7m related to a swap facility. According to NewLead, the market value of the two ships is about \$55m. It said that on a charter-adjusted basis, the aggregate value of the pair reached about \$90m.

*Newlead Gujarat* is on a 16-year charter at \$17,550 daily, with 50-50 profit sharing once indices exceed \$21,000 per day.

Meanwhile, *Newlead Tomi* has been earning \$28,710 daily on a charter that is not due to expire until 2015-16 at the earliest.

Sources at NewLead have been tight-lipped about progress of restructuring talks, for which it appointed Moelis & Company and Fried, Frank, Harris, Shriver & Jacobson as advisors last year.

But one executive close to negotiations said that detailed discussions to reduce debt and gain financial flexibility continued, with the company optimistic about bringing the process "to a good end".

Discussions are believed to concern not only owned fleet but bulkers sold to Lemisoller Maritime in 2010 and taken on eight-year leasebacks.

In the process, the number of vessels under the company's control appears to have been whittled down to 11, including one handysize bulker newbuilding scheduled for delivery later this year.

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