

NewLead eyes non-shipping business

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Embattled owner to exit tanker sector and focus on dry bulk

NEWLEAD Holdings is to leave the tanker market and move into new, non-shipping business as part of a protracted restructuring that will have left it with a huge loss last year, although it expects to remain active in dry bulk.

The Greece-based owner "expects to discontinue its wet segment and, in addition... has entered into a new business relationship outside the shipping industry", the company said in a notification of late filing of its annual report for last year.

NewLead's fleet includes two remaining handysize product tankers, *Hionissa* and *Hiona*.

A spokeswoman told Lloyd's List that the company will not exit shipping altogether, despite having to sell 12 vessels and having had another four seized by lenders since last July. "The company will strategically focus on the dry bulk segment," she said.

Discussions continue with NewLead's lenders regarding future use of three of its five remaining vessels, the spokeswoman said.

Nasdaq-listed NewLead cited "the complexity of the ongoing restructuring efforts" and the depth of changes to operations to explain its late filing.

It will file the annual report by May 15. The report is expected to offer an update on the restructuring as well as last year's accounts.

These are expected to reveal that the company has significantly reduced its debt, although it will continue to have "significant debt". The filing is also likely to shed light on the mystery diversification outside shipping.

NewLead said losses and negative cash flows have seen all debt classified as current. In more or less standard language in such circumstances, the company warned that this raised "substantial doubt about its ability to continue as a going concern".

The company warned that its net loss for last year will be "at least 180% higher" than its \$94.8m loss in 2010, due mainly to impairment losses related to vessels and goodwill.

Article from Lloyd's List

<http://www.lloydslist.com/ll/sector/dry-cargo/article397523.ece>

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