

## NewLead hails completion of mammoth restructuring

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- by [Nigel Lowry](#)

Deal with Lemissoler brings debt to \$108m, of which half will be in a convertible note

NEWLEAD Holdings has pledged to quickly rebuild a bigger presence in the dry and tanker sectors after it finally claimed victory in a two-year battle to restructure that has slashed its debt but also the size of its fleet.

The Nasdaq-listed owner said it had inked a definitive deal to complete the financial restructuring that has lopped off more than \$578m from its debt.

Earlier it disclosed that the last debt pact would be with Lemissoler Maritime, which would release the company from all obligations stemming from cancellation of a sale and leaseback of four bulkers.

Talks dragged on since the summer but the final agreement will see issue of about 133m new NewLead shares and the debt reduced to about \$108m.

Of this indebtedness, \$50m is being issued to Lemissoler as a 4.5% convertible note, due in 2022.

At NewLead's option, annual interest payments and principal repayment upon the maturity of the note may be satisfied by issuing additional shares.

Greece-based NewLead had engaged Moelis, S. Goldman Advisors, and Fried, Frank, Harris, Shriver & Jacobson as advisors in the restructuring.

"We have emerged from this process as a vital and competitive organisation," said the company's chief executive Michael Zolotas.

"I am deeply grateful to the people of NewLead for their hard work and loyalty during this challenging period."

The deal with Lemissoler is expected to close this month.

NewLead will seek to grow "by exploring existing and new business segments", said Mr Zolotas.

"With our newly stable balance sheet and business, we believe that we will be able to profitably expand our business within a short period of time."

NewLead is relaunching with a fleet of two owned bulk carriers and two tankers under management for another big former creditor, Piraeus Bank.

"Management will now focus on leveraging longstanding shipping relationships to build their fleet in the tanker and dry bulk sector," the company said.

NewLead also announced the launch of a commodity unit which, it said, would allow it "to take advantage of emerging dynamics in the maritime industry".

Earlier this year it took a first step in this direction with a joint venture to purchase thermal coal from reserves in the US state of Kentucky.

It intends to use its own and chartered-in bulkers to transport the coal, mainly to Asia.

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