

NewLead lines up new shares-for-debt swap

- Monday 30 July 2012, 15:49
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Lemissoler Maritime poised to take 36% of Nasdaq-listed owner as marathon restructuring efforts nears end

NEWLEAD Holdings appears within touching distance of completing a marathon restructuring, having obtained a preliminary agreement for another shares-for-debt swap.

The Greece-based owner said it has reached an understanding with Lemissoler Maritime to terminate a sale-and-leaseback deal for four bulkers, under which it owed \$81.2m of indebtedness.

The new deal will provide that Lemissoler unconditionally releases NewLead from all obligations in exchange for 174m shares, or about 36% of the company.

NewLead president and chief executive Michael Zolotas called the agreement "another significant milestone" in its restructuring process, which has been inching forward for the past year.

"Since July 2011, we have reduced NewLead's indebtedness by an aggregate of approximately \$628.3m," he said.

The company, which has slashed its fleet to just two owned vessels and two under management, is now looking successfully to complete its restructuring early in the fourth quarter this year, by which time it anticipates having about \$58m of debt on the balance sheet.

The agreement with Lemissoler is subject to customary closing conditions.

The company has pledged to continue in the shipping business, but has also diversified with a joint venture to purchase and market thermal coal from Kentucky.

Earlier this year, it converted \$217m convertible senior notes held by Mr Zolotas' Focus Maritime into shares, while another big tranche of debt was wiped out by issuing shares to lender Piraeus Bank.

Article from Lloyd's List

<http://www.lloydslist.com/ll/sector/dry-cargo/article404052.ece>

Published: Monday 30 July 2012

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