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# Ailing NewLead torches capesize

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**A US-listed player has made inroads into its debt burden with a \$9.5m scrap sale to China.**

US-listed NewLead Holdings is said to have sold one of its four remaining capesize bulkers for demolition as it continues efforts to reduce its debt burden.

The 134,000-dwt *NewLead Venetico* (built 1990), which is operating spot, has gone to China for \$457 per ldt or \$9.5m, brokers say.

The vessel was one of six ships sold in 2010 by major shareholder Grand Union in exchange for shares in NewLead. All but one of the NewLead capesizes are working in a poor spot market, while the newest, the 151,000-dwt *Brazil* (built 1995), has contract cover until the fourth quarter of 2013.

In January, NewLead sold the 150,000-dwt bulker *Grand Ocean* (built 1990) for further trading at just in excess of \$8m, which is less than the *NewLead Venetico* got for scrap. The *Grand Ocean* is now listed as *Sunny Sailor*, managed by Hong Kong-based Winning Shipping. The vessel is still listed on NewLead's website but no announcement of a sale has been made.

The company is disposing of ships to help its financial situation. In February, the 69,000-dwt bulker *NewLead Esmeralda* (built 1990) was sold for \$12m and earlier this month, US-listed Navios Maritime confirmed its purchase of another NewLead ship, the 34,000-dwt bulker *Navios Serenity* (built 2011), for \$26m. Navios already had it on charter until 2023.

Last December, NewLead confirmed the sale of four long-range-one (LR1) tankers for \$147.9m as part of its financial-restructuring plan.

The most recent sales reduce the company's fleet to 12, including one handysize-bulker newbuilding.

In addition, the 79,000-dwt bulkers *NewLead Tomi* (built 2010) and *NewLead Gujarat* (built 2011) are believed to have been sold to a Greek buyer recently for \$55m in total after the financiers, headed by Bank of Scotland, seized the pair owing to NewLead defaulting on loan agreements. Both are still listed on NewLead's website.

The sale of the *NewLead Venetico* takes the number of capesize bulkers sold for demolition this year to 12.

Yet another panamax bulker is heading for demolition, which means 31 have been scrapped this year. Soosung Shipping of Korea has sold the 60,000-dwt *Santa Cruz 2* (built 1977) to Bangladesh for \$465 per ldt or \$5.7m. The vessel was purchased for \$8.2m in 2008.

Meanwhile, Imperial Shipping of Sweden is said to have sold another ro-ro, the 20,800-gt *Vegaland* (built 1979). The ship is going to India for \$480 per ldt or \$5.2m.