
NewLead eyes expansion

NewLead Holdings may have shifted gears in a bid to break into the commodities business but it hasn't forgotten its roots.



Michael Zolotas, CEO of NewLead.

Chief executive Michael Zolotas says his Nasdaq-quoted company is on the lookout for cash to fund fleet growth on the back of a \$64m contract to supply coal to a third party buyer he described as a "creditworthy counterparty".

"NewLead has the option to transport the coal," he added in a statement Thursday. "We are currently in discussion with a number of financial institutions to secure financing for fleet expansion to fulfill the transportation needs of our commodities arm."

The Athens-based company says the supply contract, which kicks off on 4 February and is scheduled to expire 12 months later, calls for the sale of 60,000 metric tons of coal each month but hinges on the successful completion of a trial shipment.

When contacted by TradeWinds a NewLead spokesman said fleet expansion "will depend on the needs of the company's commodities arm" but declined to comment on whether it intends to target new or second-hand vessels of a certain size.

The operator currently oversees a fleet that includes two bulkers, the 76,000-dwt NewLead Victoria (built 2002) and 71,200-dwt **NewLead Markela** (built 1990), and a pair of products tankers, the 37,000-dwt Axelot (ex-**Hiotissa**, built 2004) and Laima (ex-**Hiona**, built 2003).

Yesterday, **NewLead made TradeWinds headlines on the heels of questions about an unusual investment that preceded a recent announcement confirming the departure of long-time chairman Nicholas Fistes.**

As we reported, the company penned a pact in which it agreed to issue stock to a pair of mysterious shareholders who are on the fringe of seizing a 36.8% stake in exchange for 3,750 grams of nickel wire that it claims to be worth \$236.4m, or roughly \$60,000 per gram.

Today, the company declined to discuss specifics when asked if it would attempt to use the precious metal stash as collateral on new loans- **a strategy its CEO praised earlier this month when the arrangement first started to take shape**- but said it was a possibility.

"We may use the nickel wire as collateral, as we have indicated in previous statements, but it all depends on the type of financing and the institution," a spokesman explained. "We are still in discussions with potential lenders in regards to fleet expansion."