

NewLead seeks to rebuild its fleet

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- by [Nigel Lowry](#)

Restructured firm talks to backers about tonnage for commodities contracts

NEWLEAD Holdings, the rebooted publicly listed shipowner that has diversified with a new commodities arm, is talking to financiers about the acquisition of more tonnage. The Michael Zolotas-led company has just two panamax bulk carriers after a marathon financial restructuring whittled its fleet down from more than 22 tankers and bulkers. It also manages two medium range product tankers.

News that NewLead is seeking more ships comes as the Greece-based company clinches a further contract for supplying coal.

"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," said Mr Zolotas.

He was commenting on the new agreement to supply 720,000 tonnes of thermal coal to what he described as a "creditworthy" third-party buyer.

The deal is subject to a trial shipment of some 60,000 tonnes, expected to be delivered in the first quarter of this year.

If completed satisfactorily, the contract is expected to extend to 12 months, selling about 60,000 tonnes of coal monthly and generating expected revenue of about \$64m.

Nasdaq-listed NewLead has the option to transport the coal, said Mr Zolotas, who recently became chairman in addition to his role as chief executive.

The latest contract comes days after NewLead reported that its fledgling commodities business had inked deals to acquire significant coal reserves in the US states of Kentucky and Tennessee and three-year supply contracts that promise to generate \$870m in revenues.

The company views its shipping expertise as a key to exploiting demand for the coal reserves.

Meanwhile, the company has reported further details to the US regulatory authorities of a major recent investment in NewLead that it hopes to use as collateral for loans.

Earlier this month, the owner announced it had received a "capital contribution" of industrial metal worth more than \$200m in return for a 36.8% equity stake.

In the latest filing, the commodity is itemised as 3,750 grams of a highly valuable nickel wire thinner than human hair and used in nano-technology. The new shareholders are identified as Vasileios Telikostoglou, president of a northern Greece-based company that has sold the nickel wire to NewLead, and Marshall Islands-registered firm, Essential Holding.

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