
NewLead pens coal pact

Greek owner intends to service supply contract with owned and chartered tonnage.



NewLead Holdings of Greece has struck a \$148m contract to supply and deliver steam coal in a move that appears to hinge on a successful debut in the mining sector.

Nasdaq-listed NewLead on Tuesday said it hopes to rely on its own bulkers to service the deal but admitted it may be forced to charter-in tonnage.

In a statement the company described the buyer as a "credit worthy counterparty" and indicated the initial sale of 130,000 metric tonnes of coal would commence in March.

NewLead said it has until 5 March to acquire title and mineral excavation rights to 5,000 acres of land in Kentucky and ownership and leasehold interests in 18,335 acres in Tennessee.

"The extension was required to accommodate the needs of the sources of financing for these mines," it told investors. "However, there is no assurance that the acquisitions will be consummated by March 5, 2013 or at all."

When NewLead **first announced plans to break into the commodities business after teaming up with a partner whose identity remains a mystery** to this day, it warned that it would be forced to buy coal from third-party suppliers if it failed to fill orders with its own reserves.

The operator currently oversees 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).

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