

## NewLead continues commodities diversification



By [David Glass](#) from Athens

**Athens: Fighting delisted from the Nasdaq exchange, Greece's NewLead Holdings continues to switch from pure ship operation into the commodities business, signing to supply and deliver 1.48m metric tons of steam coal, a deal expected to generate \$148m in revenue.**

The coal contract provides for the sale of 130,000 metric tons of coal, commencing in March, followed by 150,000 metric tons per month beginning in April 2013 until the end of 2013. All tonnage is subject to a variation of 10%.

Delivery of the coal will be completed by NewLead's fleet, whether by existing vessels or newly chartered-in from the market.

NewLead's ceo Michael Zolotas said: "We are integrating our commodity and transport operations. We secured a contract not only to profitably supply steam coal, but to also profitably transport this coal to our buyer."

Mid-January, the Piraeus-based shipowner secured deals to acquire coal reserves in the US and three-year supply contracts generating \$873.5m in revenues. NewLead disclosed the contracts involve acquisition of title and excavation rights to 5,000 acres of land in Kentucky 18,335 acres in Tennessee.

Since mid-2011 NewLead has slashed its fleet from 13 bulkers and six tankers of 1.6m dwt to just two panamax bulkers and two products tankers. The initial move into commodities was made summer 2012 with creation of a jv to purchase and market thermal coal from Kentucky. This came on the heels of NewLead receiving a huge investment from Greek businessman Vasileios Telikostoglou in exchange for a 36.8% equity interest in the shipowner. The investor pledged \$236.4m worth of nickel as a "contribution in kind" in return for the stake which provides collateral for loans funding the company's capital-intensive activities and a solid platform to execute the diversified growth strategy.

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