
NewLead seals debt deal

Nasdaq-listed NewLead has completed a debt-for-equity swap that will allow it to finance a newbuilding and a mining venture.



Michael Zolotas, CEO of NewLead

The Greek bulker company said the \$44.8m balance sheet programme with Magna Group Partners and Hanover Holdings has paid for a 35,000-dwt handysize due for delivery this summer.

It will also now acquire a coal wash plant and eventually own the Five Mile mine in Kentucky.

CEO Michael Zolotas said: "We are delighted to have completed this programme in less than six months while contributing accretive debt-free assets to the company.

"NewLead is ready to move forward with an enhanced balance sheet and accretive assets."

The deal agreed by New York's supreme court last year will see Magna Group affiliate MG Partners (MPG) of Gibraltar take a 9.92% stake.

The swap arose from a claim made in November by Magna-linked Hanover Holdings, which had hoovered up the debt from a range of creditors including Bureau Veritas, DNB, Hamworthy, Jotun and Zhoushan Xinya Shipyard.

A NewLead filing to the Securities and Exchange Commission revealed it was unable to pay the debt.

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