10th Annual Capital Link Shipping, Marine Services & Offshore Forum

Tuesday, September 12, 2017
London, UK

In Partnership With: Fearnley Securities

Held In Conjunction With London International Shipping Week 11-15 September 2017

Conference Notes

In Cooperation With London Stock Exchange

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10th Annual Capital Link Shipping, Marine Services & Offshore Forum
Tuesday, September 12, 2017
One Moorgate Place, London, UK

IN PARTNERSHIP WITH Fearnley Securities

HELD IN CONJUNCTION WITH LISW17
LONDON INTERNATIONAL SHIPPING WEEK 11-15 SEPTEMBER 2017

CAPITAL LINK'S 10TH ANNUAL SHIPPING, MARINE SERVICES & OFFSHORE FORUM - TUESDAY, SEPTEMBER 12, 2017 IN LONDON, UK

CONFERENCE MATERIALS AND PROGRAMME AGENDA ARE AVAILABLE AT http://forums.capitallink.com/shipping/2017london

The **10th Annual Capital Link Shipping, Marine Services & Offshore Forum**, took place on Tuesday, September 12, 2017 at One Moorgate Plaza in London. The Forum was held in partnership with Fearnley Securities and in cooperation with the London Stock Exchange.

The event was held in conjunction with the London International Shipping Week 2017 with huge success attracting more than 600 participants. The Forum claimed high participation from shipowners, investors and financiers reinforcing its reputation as a top level informational and networking platform.

The Forum featured 32 shipping companies with their senior executives as panelists, commercial and investment bankers, private equity and alternative finance providers, law, auditing and advisory firms, industry organizations and classification societies.

FORUM OVERVIEW AND STRUCTURE

This event aimed to provide investors with a comprehensive review and current outlook of the various shipping markets and in addition, cover topics of critical interest to industry participants, financiers and investors.

Capital Link's investment conferences, which are organized across London, New York, Athens, Shanghai, and Limassol, assemble a quality line-up of speakers and attendees to debate the recent trends and developments in the shipping and marine services sectors, as well as, the financial and capital markets. The 2017 London Shipping Forum was no exception, bringing together a distinguished group of industry experts and participants.

Mr. Nicolas Bornozis, President of Capital Link Inc., in his welcome remarks at the Forum, emphasized that the Forum is celebrating its 10th Anniversary and has developed into the largest investor and finance oriented maritime event in London. He expressed his appreciation for the long standing support from the London Stock Exchange and commented on the continued partnership with Fearnley Securities which has helped elevate the Forum to a new level of quality and effectiveness. This year Capital Link opted to organize its London Forum in the context of the London International Shipping Week recognizing the role of London as a traditional industry hub and aiming to raise the profile of both private and listed shipping companies to a wider investor, finance and industry audience.

Audio Webcast   Video Webcast

Mr. Nicolas Bornozis, President
Capital Link Inc.

Mr. Even Matre Ellingsen, CEO – Fearnley Securities, in his opening remarks at the Forum, stated: *"Fearnley Securities appreciates the opportunity to be part of the Capital Link Forum.* ***Shipping Markets bottomed out last year.*** *The Shipping and Offshore markets have been through some extremely challenging years.*

Fearnley believes that the worst period is now behind us. Our view is that the shipping markets bottomed out last year, while the lowest point for Oil Services has been passed this year. ***Interesting investment opportunities lie ahead.*** *We are excited about the outlook for maritime industries, and we believe attractive investment and growth opportunities are available going forward."*

Presentation/PDF Audio Webcast Video Webcast

Mr. Even Matre Ellingsen, CEO
Fearnley Securities

SECTION "LONDON AS A GLOBAL CAPITAL RAISING & INVESTMENT DESTINATION"

The section remarks were made by **Mr. Tom Attenborough**, Head of International Business Development, Primary Markets – London Stock Exchange.

Mr. Tom Attenborough from London Stock Exchange reflected on market developments and activity in the London market which has seen 67 IPOs raise £9.4billion year to date, significantly up on 2016. In addition, he covered IPO new issuance trends in the shipping sector, and why LSE remains a compelling option for companies in the sector looking to raise permanent capital. London remains the pre-eminent global maritime centre and LSE looks forward to playing its role supporting the sector's long term financing needs.

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Mr. Tom Attenborough
Head of International Business Development, Primary Markets
London Stock Exchange

SECTION "FOLD, HOLD, DOUBLE UP - WHICH HAND TO PLAY NEXT?"

The section remarks were made by **Dr. Adam Kent, Director** – Maritime Strategies International, who stated: *"From a cargo growth perspective, the outlook for shipping looks promising. However, this only represents one part of the equation with trading efficiencies and supply completing the picture.*

Supply growth is finally showing signs of abating as deliveries outweigh contracting and young vessels are sent to the breakers. With earnings for most sectors nestled near the bottom of the earnings trough, the improving supply demand balance will drive rates up across the board by the end of the decade.

Underutilised shipyard capacity remains a concern and only with sustained capacity reduction will a recovery in newbuilding prices be possible. Secondhand prices for many sectors are improving with those that have fallen furthest e.g. containers, AHTS and LNG likely to see the greatest gains in the next three years."

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Dr. Adam Kent, Director
Maritime Strategies International

SECTION "LNG SHIPPING SECTOR" – PANEL DISCUSSION

Moderator: **Mr. Peder Nicolai Jarlsby**, Analyst – Fearnley Securities

Panelists:

• **Mr. Jon Skule Storheill**, CEO – Awilco LNG
• **Mr. Morten Nielsen**, Pool Manager – Cool Pool – LNG
• **Mr. Jonathan Cook**, CEO – Flex LNG
• **Mr. Richard Tyrell**, CEO & CFO - Höegh LNG Partners

• **Mr. Christos Economou**, Founder – TMS Cardiff Gas

Audio Webcast   Video Webcast

"LNG SHIPPING SECTOR" – PANEL DISCUSSION
Mr. Jonathan Cook, CEO – Flex LNG, Mr. Christos Economou, Founder – TMS Cardiff Gas, Mr. Richard Tyrell, CEO & CFO - Höegh LNG Partners , Mr. Morten Nielsen, Pool Manager – Cool Pool – LNG & Mr. Jon Skule Storheill, CEO – Awilco LNG

Mr. Peder Nicolai Jarlsby, Analyst – Fearnley Securities, stated: *"Whilst spot rates have fallen back from January highs (USD 50-55k/d in the Atlantic) due to a mix of seasonality and lower trading margins, the trend is clearly positive. The carrier market is changing rapidly, effectively creating a three tier market favoring modern vessels with greater trading flexibility and lower fuel consumption. Moreover, with more than 115 mtpa of new LNG supply under construction expectations are that the market will rebalance within the next couple of years. The top five LNG importers has all added demand in 2017, whilst the floating solutions continues to gain market share, now representing more than 12% of total imports."*

Mr. Peder Nicolai Jarlsby, Analyst
Fearnley Securities

Mr. Jonathan Cook, CEO – Flex LNG, stated: *"The LNG industry is expanding rapidly with over 115 mt of new production coming online over the next three years. Analysts predict that 30-50 additional vessels will be required to lift the new supply, and it's worth noting that only 11 out of 101 LNG carriers on order remain uncommitted. On the demand side, low gas prices are making LNG increasingly competitive as a fuel, whilst FSRUs are providing new LNG buyers with a time and cost efficient solution to solve import logistics. We are witnessing a major technology transition where two-stroke propulsion, known as MEGI and X-DF, offer significant fuel consumption savings over older tonnage. FLEX LNG has six state of the art LNG carriers delivering in 2018 and 2019."*

Mr. Jonathan Cook, CEO
FLEX LNG (FLNG:NO)

Mr. Christos Economou, Founder – TMS Cardiff Gas.

Mr. Christos Economou is the founder of TMS Cardiff Gas, established in 2011 as a leading LNG and LPG operator in the world. With a fleet of five LNGCs and four VLGCs, TMS Cardiff Gas consistently delivers the highest standards of excellence in terms of performance, reliability, safety and environmental protection, ultimately reaching above and beyond customer expectations. TMS Cardiff Gas continues to expand its presence in the Gas industry by serving 26 customers and over 75 spot voyages in the LNG sector; and it is this focus on the spot LNG sector that sets TMS Cardiff Gas apart from its peers. No longer does LNG shipping resemble a floating pipeline, as traders and oil majors demand flexibility to deliver cargoes wherever necessary. We believe the Spot LNG market will be the fastest growing area in LNG Shipping going forward, as over 90% of the growth in demand for LNG by 2022 is expected from emerging and frontier markets according to the IEA.

Mr. Christos Economou, Founder
TMS Cardiff Gas

SECTION "LPG SHIPPING SECTOR" – PANEL DISCUSSION

Moderator: **Mr. Martin Kjendlie**, Senior Analyst – Fearnley

Panelists:

• **Mr. Christian Andersen**, President – Avance Gas

• **Mr. John Lycouris**, CEO – Dorian LPG

Audio Webcast Video Webcast

"LNG SHIPPING SECTOR" – PANEL DISCUSSION
Mr. Jonathan Cook, CEO – Flex LNG, Mr. Christos Economou, Founder – TMS Cardiff Gas, Mr. Richard Tyrell, CEO & CFO - Höegh LNG Partners , Mr. Morten Nielsen, Pool Manager – Cool Pool – LNG & Mr. Jon Skule Storheill, CEO – Awilco LNG

Mr. Martin Kjendlie, Senior Analyst – Fearnley, stated: *"During the LPG panel several topics were discussed. These included the decreasing orderbook, which will positively impact the mid-term supply-demand balance in the VLGC market. Furthermore, legislative regulations concerning ballast water treatment systems, sulphur cap and tier III will affect ship owners with old tonnage to consider demolishing vessels, and also impact those ship owners with plans to order new tonnage. The Panama Canal and future congestion was discussed. The transit during its first year of operation was beyond expectations, and future congestion can increase the ton mile for US LPG exports. US exports are set to increase, however there could be constraints following terminal capacity and domestic consumption."*

Mr. Martin Kjendlie, Senior Analyst
Fearnley

Mr. Christian Andersen, President – Avance Gas, stated: *"Avance Gas expects a continued challenging freight market into 2018.*
The majority of the orderbook will be delivered during 2017 and with an expected, continued increase of US LPG export, we foresee an improved freight market from second quarter next year.
However, the sustainability of the freight market will be decided by the export volumes from US, which are fluctuating with changes in FOB/CIF margins ("the arb")."

Mr. Christian Andersen, President
Avance Gas (AVANCE:NO)

SECTION “SHIPPING & BANK FINANCE” – PANEL DISCUSSION

Moderator: **Mr. Dan Tindall**, Consultant – Clyde & Co.

Panelists:

- **Mr. Joep Gorgels**, Country Executive Norway, Regional Head Scandinavia ECT Energy & Transportation – ABN AMRO Bank
- **Mr. Michael Parker**, Industry Head, Global Shipping & Logistics and Chairman, EMEA Corporate Banking – Citi
- **Mr. Christos Tsakonas**, Head of Global Shipping – DNB
- **Mr. Michiel Steeman**, Managing Director – DVB Bank
- **Mr. Bill Guo**, Executive Director, Shipping – ICBC Leasing

Audio Webcast   Video Webcast

“SHIPPING & BANK FINANCE” – PANEL DISCUSSION
Mr. Dan Tindall, Consultant – Clyde & Co., Mr. Joep Gorgels, Country Executive Norway, Regional Head Scandinavia ECT Energy & Transportation – ABN AMRO Bank, Mr. Michael Parker, Industry Head, Global Shipping & Logistics and Chairman, EMEA Corporate Banking – Citi, Mr. Christos Tsakonas, Head of Global Shipping – DNB, Mr. Michiel Steeman, Managing Director – DVB Bank & Mr. Bill Guo, Executive Director, Shipping – ICBC Leasing

“In a world where there is much talk of the decline in globalisation, and of a move to «on-shoring» or localisation, the panel asserted that banks and lessors providing finance to shipping were engaged with a global industry, and of necessity had to take and maintain a global outlook. Some banks that were subject to restraints due to local regulatory and capital pressures had left, or were leaving, the market, but those that were left were looking at an international and «global industry». **Mr. Bill Guo** of ICBC leasing, while emphasising the Chinese involvement in many or most of the transactions looked at, indicated that Chinese Lessors had to look at the market in international terms, and so far as his institution was concerned were open to good companies worldwide. **Mr. Michael Parker** of Citi emphasised the importance of understanding, and of relationships with, borrowers, as did **Mr. Michiel Steeman** of DVB Bank. **Mr. Joep Gorgels** of ABN AMRO and **Mr. Christos Tsakonas** of DNB Bank both emphasised the role of banks in assisting their customers finding an appropriate and balanced lending solutions, and their work with other banks and with lessors, including Chinese lessors. The conference was left with the impression that while Lenders were only too aware of the consequences of too many orders for new vessels being placed, shipping lenders were «open for business.»

SECTION “MARITIME LOAN PORTFOLIO SALES & TRANSFERS”

The section remarks were made by **Ms. Kavita Shah**, Partner – Watson Farley Williams.

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In **Ms. Kavita Shah’s** speech, she stated: *“The sale and purchase of loan portfolios is an active area of the maritime market and Watson Farley & Williams (WFW) has advised participants on all sides of loan portfolio transactions; selling banks, acquiring banks and private equity funds, and borrowers whose loans are being acquired. WFW London Finance partner **Kavita Shah** discussed the key elements in the sale/acquisition of a non-performing shipping loan portfolio, such as due diligence, structural considerations, regulatory considerations and legal risk, factors influencing pricing and other practical considerations and documentation issues.”*

Ms. Kavita Shah, Partner
Watson Farley Williams

SECTION "RESTRUCTURING AS A BUSINESS & INVESTMENT OPPORTUNITY" - PANEL DISCUSSION

Moderator: **Mr. Rolf Johan Ringdal**, Partner – BA-HR

Panelists:

• **Mr. Kevin O'Hara**, Managing Director – AMA Capital Partners

• **Mr. Don Featherstone**, Partner – EY

• **Mr. Axel Siepmann**, Managing Director – NAVES Corporate Finance

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"RESTRUCTURING AS A BUSINESS & INVESTMENT OPPORTUNITY" - PANEL DISCUSSION
Mr. Don Featherstone, Partner – EY, Mr. Kevin O'Hara, Managing Director – AMA Capital Partners, Mr. Axel Siepmann, Managing Director – NAVES Corporate Finance & Mr. Rolf Johan Ringdal, Partner – BA-HR

Mr. Rolf Johan Ringdal, Partner – BA-HR, stated: *"While the economy and the capital markets generally have been improving lately, the effects of the dramatic oil price decline is still being felt. Many companies within the shipping and oil service segments are struggling. Equity has been wiped out, and the exposure to banks, bondholders and other counterparties remains significant. The need for financial restructuring, reduction of cost base, revision of business models, as well as industry consolidation moves, create business opportunities for some investors. A panel of leading restructuring specialist, moderated by Mr. Rolf Johan Ringdal of BA-HR, discussed possibilities, and some lessons learned, from recent cases and considered trends, challenges and opportunities going forward."*

Mr. Kevin O'Hara, Managing Director – AMA Capital Partners, stated: *"With shipping showing signs of life but not "out of the woods" yet and offshore in a deep slump, the need for bespoke restructuring solutions is as important today as ever. A wide range of options – from formal processes to consensual agreements to recapitalizations that bring in fresh capital – need to be given due consideration. What is clear from AMA's experience of the past few years is that the best outcomes come from restructuring advisors with a deep financial and operational understanding of the underlying industries and with the ability to tailor specific solutions and bring new options to the table."*

Mr. Kevin O'Hara, Managing Director
AMA Capital Partners

Mr. Don Featherstone, Partner – EY, stated: *"The current state of the shipping market presents a number of opportunities for investors to deploy capital in restructuring situations. However, this is not a market for the uninitiated. There is still a substantial gap between the prices offered for shipping loans and the value required by banks holding non-performing assets. Deal selectivity and a thorough knowledge of the options and jurisdictions for motivating a restructuring transaction are essential elements for success. With signs of a turnaround in the shipping and offshore markets some ways away, investors will need to look carefully at niches in the market and utilise creative restructuring strategies in order to realise profitable investment opportunities."*

Mr. Don Featherstone, Partner
EY

Mr. Axel Siepmann, Managing Director – NAVES Corporate Finance, stated: *"The nature of restructurings has changed significantly over the last 8 years of bad markets. Whereas in 2009 and 2010 temporarily waiving loan repayments against no or small contributions from owners was frequently applied, restructurings today often require the ability to refinance significant parts of the capital or sell the vessels to a friendly buyer that continues to work with the existing ship owner. This creates plenty of opportunities for financial investors to support and invest with ship owners but it also creates opportunities for ship owners to buy their own debt at discounts. However this also means that drafting a sound restructuring concept is not good enough. NAVES has responded to this challenge by strengthening its equity and debt advisory practice, which in the meantime has supported transactions and refinancings of more than USD 1.5 billion spread across numerous transactions especially in the German and Greek market. So it is all about "linking the capital", and this is why NAVES is pleased to support Capital Link Forum since several years."*

Mr. Axel Siepmann, Managing Director
NAVES Corporate Finance

SECTION "SHIPPING, PRIVATE EQUITY & ALTERNATIVE FINANCING" - PANEL DISCUSSION

Moderator: **Mr. Panos Katsambas**, Partner – Reed Smith

Panelists:

• **Mr. Anders Meyerhoff**, Principal – Apax Partners
• **Mr. Andreas B. Povlsen**, Founder & CEO – Breakwater Capital
• **Mr. Andrian Dacy**, CIO & Head of Global Transportation – J.P. Morgan Asset Management
• **Mr. Paulo Almeida**, Portfolio Manager – Tufton Oceanic Ltd.

Audio Webcast   Video Webcast

"SHIPPING, PRIVATE EQUITY & ALTERNATIVE FINANCING" - PANEL DISCUSSION
Mr. Paulo Almeida, Portfolio Manager – Tufton Oceanic Ltd., Mr. Andrian Dacy, CIO & Head of Global Transportation – J.P. Morgan Asset Management, Mr. Andreas B. Povlsen, Founder & CEO – Breakwater Capital, Mr. Anders Meyerhoff, Principal – Apax Partners & Mr. Panos Katsambas, Partner – Reed Smith

In light of the difficulties of obtaining traditional bank debt in the current market and raising equity through the public markets, **Mr. Panos Katsambas**, Partner – Reed Smith, chaired a panel discussing the impact of private equity and hedge funds in the shipping market. A trend that started with alternative investors forming joint ventures and investing equity to play the cyclicality of the shipping market, today, with shipping banks retreating from the market, has evolved further with private equity participating in a number of different ways, making outright investments and providing alternative options to ship owners to raise capital either to refinance existing indebtedness or make new counter-cyclical investments, whether through traditional debt, mezzanine debt structures, sale and leaseback financing, equity (synthetic or straight).The panel discussed the pros and cons of relevant structures and investments as well as the short term market prospects and the role of private equity in shipping.

Mr. Panos Katsambas, Partner
Reed Smith

Mr. Anders Meyerhoff, Principal – Apax Partners, gave his perspective on trends in the alternative assets management sector, and potential impacts of these on the shipping industry. In addition, Mr. Meyerhoff touched on his outlook for pockets of investment opportunity and the potential for private equity to support unique and transformative growth opportunities for visionary management teams.

Mr. Anders Meyerhoff, Principal
Apax Partners

Mr. Paulo Almeida, Portfolio Manager from Tufton Oceanic Ltd. said that many 2012-2014 investors finding it difficult to exit shipping was actually a positive for the industry. Although there is a robust secondhand asset market, a certain amount of illiquidity in the shipping industry should discourage «tourists» from entering the industry, which in turn should help constrain supply growth. Illiquid assets should also have higher returns than liquid assets, and this should lead to a higher share of shipping being owned by investors interested in the long-term health of the industry.

Mr. Paulo Almeida, Portfolio Manager
Tufton Oceanic Ltd.

SECTION "GLOBAL SHIPPING MARKETS - CURRENT DEVELOPMENTS & OUTLOOK"

The section remarks were made by **Mr. Martin Stopford**, Non-Executive President – Clarkson Research Services Limited. **Mr. Stopford** said that the main markets are now past the trough of the cycle and, despite continuing low freight rates, there should be a gradual improvement ahead as the world industrial growth picks up and the growth rate of the cargo fleet slows. But the trough is not over yet and the pace of recovery will depend on whether the economic upswing can be sustained in a turbulent world, and how effectively the industry manages the slowdown of the world cargo fleet.

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Mr. Martin Stopford, Non-Executive President
Clarkson Research Services Limited

SECTION "INDUSTRY CHALLENGES & THE ROAD MAP AHEAD" - PANEL DISCUSSION

Moderator: **Mr. Clay Maitland**, Managing Partner – International Registries; Founder – NAMEPA; and Chairman – NYMAR

Panelists:

• **Mr. John O'Kelly-Lynch**, Chairman – Bermuda Shipping and Maritime Authority

• **Mr. Mark O'Neil**, President – Columbia Ship Management

• **Mr. Knut Ørbeck-Nilssen**, CEO - DNV GL - Maritime

• **Mr. Frederick J. Kenney**, Director of Legal and External Affairs – International Maritime Organization (IMO)

Audio Webcast   Video Webcast

"INDUSTRY CHALLENGES & THE ROAD MAP AHEAD" - PANEL DISCUSSION
Mr. Frederick J. Kenney, Director of Legal and External Affairs – International Maritime Organization (IMO), Mr. Knut Ørbeck-Nilssen, CEO - DNV GL - Maritime, Mr. Mark O'Neil, President – Columbia Ship Management, Mr. John O'Kelly-Lynch, Chairman – Bermuda Shipping and Maritime Authority & Mr. Clay Maitland, Managing Partner – International Registries; Founder – NAMEPA; and Chairman – NYMAR

In **Mr. Clay Maitland's** speech, he stated: "The first issue is: Have we learned the lesson of 2007-2008, and the collapse of shipping markets, from which the industry is still recovering? The second issue that I would like to discuss is: Are we now seeing a new shipping recovery? Is China going to save us again? A third issue, in light of the growing crisis involving North Korea is: Could hostility in the Far East and particularly Korea, break out, and if so, what will the effect be on trade in China, Korea, the United States and elsewhere? A fourth issue is: In the shipping industry, are consumers, regulators, and shareholders attracted to firms that exhibit good conduct? Is sustainability good for shareholders? Do you agree that investment creates growth? Or is a firm's chief purpose to enrich its owners? Finally, as a fifth challenge: Can the shipping industry as a whole meet the environmental demands -- emissions -- and can our industry also meet the challenge of growing operating costs in a meaningful way?"

Mr. Clay Maitland, Managing Partner – International Registries; Founder – NAMEPA; and Chairman – NYMARTufton Oceanic Ltd.

Mr. John O'Kelly-Lynch, Chairman – Bermuda Shipping and Maritime Authority. "Increasing regulation and geopolitical uncertainty, ocean warming, big data and cyber security, the China effect and lack of access to public markets are some of the challenges facing the Industry today," said John O'Kelly-Lynch, Vice Chair, Bermuda Shipping & Maritime Authority (BSMA). "Having recently launched our new maritime authority to promote registration and management of ships and superyachts, Bermuda stands ready to help the industry address these challenges in an increasingly connected world offering a wealth of products and innovation. Bermuda's selection as host of this year's 35th America's Cup, and our successful production of this historic regatta, is testament to the island's highly-regarded role within the maritime community."

Mr. John O'Kelly-Lynch, Chairman
Bermuda Shipping and Maritime Authority

Mr. Mark O'Neil, President – Columbia Ship Management, stated: "Regulatory and geo-political challenges will be faced and successfully dealt with as they have always been dealt with; unbelievably there is less new regulation and the world is a more peaceful place overall than at any time in the last 150 years. These challenges are part and parcel of the «maritime adventure». Our greatest challenge comes in the form of the pace of technological advancement and the dawn of the digital age, and our ability to embrace the same and fully realise the opportunities presented in a very different looking industry and market place. The gulf between those operators in the industry who adapt to and invest in the new technologies and digitalise their revised business models, training their staff and crews in the new methodologies associated with the same, and those that do not, will become huge. This really is a case of «survival of the fittest» where traditional shipping models and practices of old will rapidly become irrelevant."

Mr. Mark O'Neil, President
Columbia Shipmanagement

Mr. Knut Ørbeck-Nilssen, CEO - DNV GL – Maritime. "The shipping super-cycle of 2003–2008 is gone. Driven by overcapacity and low earnings, we see increased consolidation in all parts of the industry. The 'new normal' resembles the old. But world population and economy will continue to grow – as will seaborne trade. Thus, the shipping industry will remain at the heart of global trade, and optimism prevails beyond 2020", said Knut Ørbeck-Nilssen, CEO of DNV GL and current IACS Chairman. "At the same time, shipping is undergoing a remarkable transformation. Advances in technology, new materials and new insights into the design, construction and operation of vessels mean that they are more complex, but also more efficient than ever before. The use of ship-to-shore data and greater digitalization will be further improving operations and performance, reducing maintenance and operational costs, as well as enhancing safety," Ørbeck-Nilssen commented.

Mr. Mark O'Neil, President
Columbia Shipmanagement

Mr. Frederick J. Kenney, Director of Legal and External Affairs – International Maritime Organization (IMO), addressed the current major topics at IMO, including the upcoming Assembly including adoption of IMO's new strategic plan, climate change, entry into force of the Ballast Water Management Convention, and the addition of consideration of autonomous vessels in the work programme of the Maritime Safety Committee.

Mr. Frederick J. Kenney, Director of Legal and External Affairs
International Maritime Organization (IMO)

SECTION "PRODUCT TANKERS SECTOR" - PANEL DISCUSSION

Moderator: **Mr. Douglas Mavrinac**, Managing Director, Equity Research, Maritime Group – Jefferies LLC

Panelists:

• **Mr. Jerry Kalogiratos**, CEO & CFO – Capital Product Partners LP

• **Mr. Kim Ullman**, CEO – Concordia Maritime

• **Mr. Marco Fiori**, CEO – d'Amico International Shipping

• **Mr. Jacob Meldgaard**, CEO – Torm A/S

Audio Webcast   Video Webcast

"PRODUCT TANKERS SECTOR" - PANEL DISCUSSION
Mr. Jacob Meldgaard, CEO – Torm A/S, Mr. Marco Fiori, CEO – d'Amico International Shipping, Mr. Kim Ullman, CEO – Concordia Maritime, Mr. Jerry Kalogiratos, CEO & CFO – Capital Product Partners LP & Mr. Douglas Mavrinac, Managing Director, Equity Research, Maritime Group – Jefferies LLC

Mr. Douglas Mavrinac, Managing Director, Equity Research, Maritime Group – Jefferies LLC, stated: "The objective of the panel was to discuss the primary demand drivers for refined products tankers as well as the order of magnitude of refined products tanker fleet growth to determine if the market is likely to be oversupplied or undersupplied over the next 12 months. The panelists discussed global oil demand growth, refinery capacity additions, and global refined products inventories as well new shipyard orders, shipyard challenges, and newbuilding financing environment. The panelists also discussed upcoming regulatory changes and potential impacts as well as current sale & purchase market conditions."

Mr. Douglas Mavrinac
Managing Director, Equity Research, Maritime Group – Jefferies LLC

Mr. Kim Ullman, CEO – Concordia Maritime, stated: "After the hysteria (ordering-wise) around 2012, the producttanker market was saved by the halving of oil price and re-stocking of oil & oil products around 2015, followed by an hang-over period 2017 – now – with healthy world GDP development, oil consumption growth, de-stocking of oil and low fleet growth – Product tanker market is ready for a gradual improvement from 2018. Ready, set – Go!"

Mr. Kim Ullman, CEO
Concordia Maritime (STO:CCOR-B)

Mr. Marco Fiori, CEO – d'Amico International Shipping, stated: "All the fundamentals still point to a strong market, it is just a matter of when."

Mr. Marco Fiori, CEO
d'Amico International Shipping (BIT:DIS)

SECTION "CRUDE OIL TANKERS SECTOR" - PANEL DISCUSSION

Moderator: **Dr. Arlie G. Sterling**, Co-Founder – Marsoft Inc.

Panelists:

- **Mr. Lars Barstad**, Commercial Director – Frontline Ltd.
- **Mrs. Lois Zabrocky**, President & CEO – International Seaways
- **Mr. Robert Burke**, CEO – Ridgebury Tankers
- **Mr. Scott Gayton**, CFO – Tanker Investments Ltd.; VP Finance – Teekay Corporation
- **Mr. Paul Durham**, CFO – Tsakos Energy Navigation

Audio Webcast Video Webcast

"CRUDE OIL TANKERS SECTOR" - PANEL DISCUSSION
Mr. Paul Durham, CFO – Tsakos Energy Navigation, Mr. Scott Gayton, CFO – Tanker Investments Ltd.; VP Finance – Teekay Corporation, Mr. Robert Burke, CEO – Ridgebury Tankers, Mrs. Lois Zabrocky, President & CEO – International Seaways, Mr. Lars Barstad, Commercial Director – Frontline Ltd. & Dr. Arlie G. Sterling, Co-Founder – Marsoft Inc.

Dr. Arlie G. Sterling, Co-Founder – Marsoft Inc., stated: "The crude tanker panel focused on key strategic issues but the business environment outlook is critical.

• Cycles in tankers rates/values are near the bottom of the cycle: what are the key arguments for investing in crude tankers now?
• Key demand drivers for oil trade now. Peak Oil demand?
• Chinese strategic stock building was key to import growth in the first half – is that likely to continue?
• Modern tanker prices have fallen about 25% since 2015. Is now a good time to start buying?
• What are the most important parts of your business platform?
• Tanker fleet capacity can already handle existing trade requirements - why are new orders being placed now?
• The sulfur limits in 2020 are likely to raise voyage costs by 50% or more. How are you working with charterers to mitigate that impact?"


Dr. Arlie G. Sterling, Co-Founder
Marsoft Inc.

Mr. Lars Barstad, Commercial Director – Frontline Ltd., stated: "With the cyclical nature of the shipping market, and the uncertainties going forward both in respect of how regulatory changes will play out and the pure freight demand picture, it was very interesting to discuss and hear the viewpoints of representatives from different platforms. Seasonally we should be at the absolute low point of the curve, and global demand for oil seems very robust. The aging of the fleet is offsetting some of the worries related to current and potential future growth in order books. Asset prices are low, and with freight demand growth, rates will improve and assets may appreciate. We also touched upon the fact that the strength in scrap steel prices now makes scrapping an economical viable option to owners. All in all quite constructive and optimistic, even if the current market looks sluggish, particularly for the larger crude tankers."

Mrs. Lois Zabrocky, CEO of International Seaways, Inc. (NYSE: INSW), believes that while the crude tanker market is currently weak, there are several bright spots on the horizon which could indicate hints of recovery in the markets. These include the potential end of OPEC cuts in early 2018, a historically low newbuilding orderbook, combined with the ageing of the fleet, particularly for larger crude vessels. On the product side, inventories are being drawn down and refinery margins are up, stimulating MR markets.


Mrs. Lois Zabrocky, President & CEO
International Seaways (NYSE:INSW)

SECTION "SHIPPING & CAPITAL MARKETS" - PANEL DISCUSSION

Moderator: **Mr. Joshua Wechsler**, Partner - Fried, Frank, Harris, Shriver & Jacobson LLP
Panelists:
• **Mr. Karl Fredrik Staubo**, Managing Director & Head of Shipping – Clarksons Platou Securities
• **Mr. Rikard Vabo**, Managing Director, Corporate Finance – Fearnley Securities
• **Mr. Todd Wilson**, Senior VP Maritime Investment Banking – Jefferies LLC

Audio Webcast   Video Webcast

"Capital markets are open to shipping but depend on products and structures. Pricing is driven in part by the business cycle for particular sectors. 2017 YTD has seen container shipping as an active sector for equity capital markets. Shipping IPOs have been slow year to date, reflecting below NAV pricing of publicly listed shipping companies amongst most shipping subsectors. The bond market has remained active in the US, European and Scandinavian market. M&A activity has been high in several shipping subsectors supporting investor focus on investable market capitalizations and stock liquidity."

“SHIPPING & CAPITAL MARKETS” - PANEL DISCUSSION
Mr. Todd Wilson, Senior VP Maritime Investment Banking – Jefferies LLC, Mr. Rikard Vabo, Managing Director, Corporate Finance – Fearnley Securities, Mr. Rikard Vabo, Managing Director, Corporate Finance – Fearnley Securities, Mr. Karl Fredrik Staubo, Managing Director & Head of Shipping – Clarksons Platou Securities & Mr. Joshua Wechsler, Partner - Fried, Frank, Harris, Shriver & Jacobson LLP

Mr. Karl Fredrik Staubo, Managing Director & Head of Shipping – Clarksons Platou Securities, stated: “2017 YTD capital markets has seen USD 1.6bn of public equity raised between US and Oslo stock exchanges focused on dry bulk, LNG and most recently container activity. The credit markets for shipping has seen even stronger activity, issue volume on Norwegian docs stands at USD 1.6bn YTD, the highest level since 2014. Shipping fundamentals looks increasingly favorable with order books at historical low levels, very limited newbuild ordering activity and healthy demand growth. Couple that with asset values still hovering around historical all-time lows support a very positive outlook for the industry in the coming years.”

Mr. Karl Fredrik Staubo, Managing Director & Head of Shipping
Clarksons Platou Securities

SECTION “CONTAINER SHIPPING SECTOR” - PANEL DISCUSSION

Moderator: **Mr. Espen Landmark Fjermestad**, Analyst – Fearnley Securities

Panelists:

• **Mr. Aristides J. Pittas**, CEO – Euroseas
• **Mr. Achim Boehme**, CEO – Lomar Shipping
• **Mr. Heiko Hoffmann**, Head of Investor Relations - Hapag-Lloyd
• **Mr. Constantin Baack**, CEO – MPC Containerships
• **Mr. Ted Petrone**, Vice Chairman – Navios Group of Companies
• **Mr. George Youroukos**, Managing Director – Poseidon Containers

Audio Webcast   Video Webcast

“CONTAINER SHIPPING SECTOR” - PANEL DISCUSSION
Mr. George Youroukos, Managing Director – Poseidon Containers, Mr. Ted Petrone, Vice Chairman – Navios Group of Companies, Mr. Constantin Baack, CEO – MPC Containerships, Mr. Heiko Hoffmann, Head of Investor Relations - Hapag-Lloyd, Mr. Achim Boehme, CEO – Lomar Shipping, Mr. Aristides J. Pittas, CEO – Euroseas & Mr. Espen Landmark Fjermestad, Analyst – Fearnley Securities

Mr. Espen Landmark Fjermestad, Analyst – Fearnley Securities, stated: “Following an unprecedented downturn driven by an ever increasing overcapacity, a recovery story now appears to be unfolding in the container market. Since January, charter-rates has moved more than 40% on very strong demand growth (6-7% per June), whilst the Liner industry have returned to profitability. Prices for secondhand tonnage remain however close to 50% below NB parity levels, by far the largest discount currently in the shipping market, creating plenty of opportunities for the brave.”

Mr. Espen Landmark Fjermestad, Analyst
Fearnley Securities

Mr. Heiko Hoffmann, Head of Investor Relations - Hapag-Lloyd, stated: “The clearly positive development of transport volumes and freight rates since Q2 2016 shows that the container shipping industry is heading in the right direction. Since Q3 2015, there have not been significant orders for new container vessels, and we believe that new orders are not necessary as there is sufficient capacity in the market to meet the volume growth. Hapag-Lloyd has one of the most efficient and modern fleets in the industry. Hence we do not plan to make any investments in new vessels. We will focus on the further integration of UASC´s business activities and the generation of significant cost-synergies from 2018 onwards.”

Mr. Heiko Hoffmann, Head of Investor Relations
Hapag-Lloyd (ETR:HLAG)

Mr. Constantin Baack, CEO – MPC Containerships, stated: “Having analysed the dynamics of supply and demand over the last couple of years as well as the relation of acquisition prices to scrap value and new building parity, we believe it is now a good time to invest and to deploy capital in the container feeder segment”, said Constantin Baack, CEO of MPC Container Ships AS («MPCC»). “Our main thinking when creating MPCC centred around the combination of three elements: Access to assets, which is key to grow a company at the right time in the cycle; access to capital, which is vital for building a company with a strong asset base in a capital intensive market; and a legacy free solid balance sheet to begin with.”

Mr. Ted Petrone, Vice Chairman – Navios Group of Companies, stated: “Recently, we formed Navios Maritime Containers Inc., a growth vehicle dedicated to opportunities within the container sector. This new vehicle provides the ability to capitalize on the opportunity within the distressed container sector by having a dedicated vehicle for these purposes. The containership sector is near its cyclical bottom and Navios sees unique opportunities not just within the old Panamax vessel size, an asset class that is currently going through a transition, but more broadly given the number of banks which have exposure to this asset class and are seeking a logical exit.”

Mr. Ted Petrone, Vice Chairman
Navios Group of Companies (NYSE:NM, NMM, NNA, NAP)

SECTION “DRY BULK SECTOR” - PANEL DISCUSSION

Moderator: **Mr. Herman Hildan**, Managing Director – Clarksons Platou Securities AS

Panelists:

• **Mr. Gary Vogel**, CEO & Director – Eagle Bulk Shipping
• **Ms. Birgitte Vartdal**, CEO – Golden Ocean
• **Mr. Loukas Barmparis**, President – Safe Bulkers
• **Mr. Herman Bilung**, CEO – Songa Bulk
• **Mr. Christos Begleris**, Co-CFO – Star Bulk Carriers
• **Mr. Jens Ismar**, CEO – Western Bulk AS

Audio Webcast   Video Webcast

"DRY BULK SECTOR" - PANEL DISCUSSION
Mr. Jens Ismar, CEO – Western Bulk AS, Mr. Christos Begleris, Co-CFO – Star Bulk Carriers, Mr. Herman Bilung, CEO – Songa Bulk, Mr. Loukas Barmparis, President – Safe Bulkers, Ms. Birgitte Vartdal, CEO – Golden Ocean, Mr. Gary Vogel, CEO & Director – Eagle Bulk Shipping & Mr. Herman Hildan, Managing Director – Clarksons Platou Securities AS

Mr. Herman Hildan, Managing Director – Clarksons Platou Securities AS, stated: "The Dry Bulk panel has finally moved on from the question of «when will the market turn» to «what is the strength of this recovery». With the order book as percentage of the fleet at record low levels the stage is set in owners favor, at least on the supply side in the years ahead. On the demand side, growth has resumed from the weakest year in 2015 since the turn of the millennium. Expectations of improved fundamentals are again on the rise, as witnessed by the strong performance of dry bulk equities both last year and year to date. But as always the key question remains, how aligned are expectations with what is reasonable to expect? The dry bulk panel discussed the different assumptions that points to a prosperous future for the sector and with help from top industry management the goal was to help the audience navigate the volatility of the sector."

Mr. Herman Hildan, Managing Director
Clarksons Platou Securities AS

Mr. Gary Vogel, CEO & Director – Eagle Bulk Shipping, stated: "Drybulk supply / demand fundamentals are continuing to improve, and we believe Eagle is particularly well positioned to benefit from an improving landscape. We have taken a series of actions to modernize and optimize our fleet with the goal of becoming the leader in the Supramax / Ultramax segment. These are the most flexible vessels in the global fleet, with the capability to carry both major and minor bulks – essentially any type of dry bulk cargo. The rate environment for these vessels is also less subject to the volatility as seen for larger vessel types. As we continue to execute on our new business strategy and make investments in our fleet and our infrastructure, the tangible benefits of our plan are increasingly apparent."

Mr. Gary Vogel, CEO & Director
Eagle Bulk Shipping (NASDAQ:EGLE)

Ms. Birgitte Vartdal, CEO – Golden Ocean, stated: "The market outlook for the near term looks strong, and the Company expects it to be characterized by increasing volatility going forward. Through accretive transactions, Golden Ocean has grown its fleet to 82 vessels, including six Capesize newbuilding contracts, with an average age of below 5 years. As the largest publicly-listed dry bulk shipping company by fleet size and market capitalization, Golden Ocean should be a primary beneficiary of a recovery in the dry bulk market. The Company's exposure to the spot market also significantly increases its earnings sensitivity to a rising market."

Mr. Loukas Barmparis, President – Safe Bulkers, stated: “The conference of Capital Link in London took place at a time of ascending charter market and improving sentiment. The freight market, despite risks associated with the global development and certain geopolitical risks, led by stronger demand and relatively squeezed supply, is gradually exceeding our break-even point. We, at Safe Bulkers having probably the lowest break-even point amongst our peers will be able to reach profitable levels earlier than the others. We remain focused on the attributes that have made us attractive to our shareholders; transparent governance, cost efficient operations, conservative growth & leverage strategies and balanced chartering policy. Until today, we worked consistently to improve our capital structure through: I) Reduction of outstanding 8% dividend preferred stock B by 30.5 million and II) refinancing of expensive debt of $43.8 million through exercising the option to buy back two vessels under sale and lease back agreements. This will result on the further future reduction of our break-even point. Our effort is to improve our operational and financial performance, be well positioned in the new shipping cycle that probably has initiated, gradually reduce our leverage and create value for our shareholders.”

Mr. Loukas Barmparis, President
Safe Bulkers

Mr. Jens Ismar, CEO – Western Bulk AS, stated: “The dry market looks to be on the path for a recovery from the worst market in 30 years, but it is not given we will enter into a sustainable market as fundamentals are dependent on decisions by the largest customer China with a more than 40 percent market share that may derail the recovery with a single decision to curb imports or tighten the economy. While we expect the market to improve we want to be agile to adapt to realities.”

Mr. Jens Ismar, CEO
Western Bulk AS

FORUM’S MATERIAL

The material of the Forum (presentations, speeches, photos, interviews and videos) is available at: http://forums.capitallink.com/shipping/2017london/index.html

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Capital Link is an Advisory, Investor Relations and Financial Communications firm. Besides the customized Investor Relations programs tailored to each specific client, Capital Link is also known for the organization of large scale high quality maritime and investor forums in key industry centers, such as in New York, London, Athens, Shanghai, Limassol and Singapore. Capital Link organizes fourteen conferences annually, of which seven are focused on the maritime sector. Capital Link's events draw the elite of the financial, investment and maritime communities and provide a unique combination of superior informational content, marketing and networking opportunities. Capital Link's global marketing platform enhances the visibility and reach of these events during the year on a global scale that lasts well beyond the date on which each event is held, becoming a continuous reference point for market participants.

Capital Link's efforts have been recognized by the 2011 Lloyds's List Greek Shipping Awards, in 2012 and 2013 by the InterContinental Finance Magazine and in 2016 by the Wealth & Finance Magazine, Also, by the International Propeller Club of the United States and AHI-American Hellenic Institute.

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