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# Delos Shipping Investor Presentation

Q2 2016

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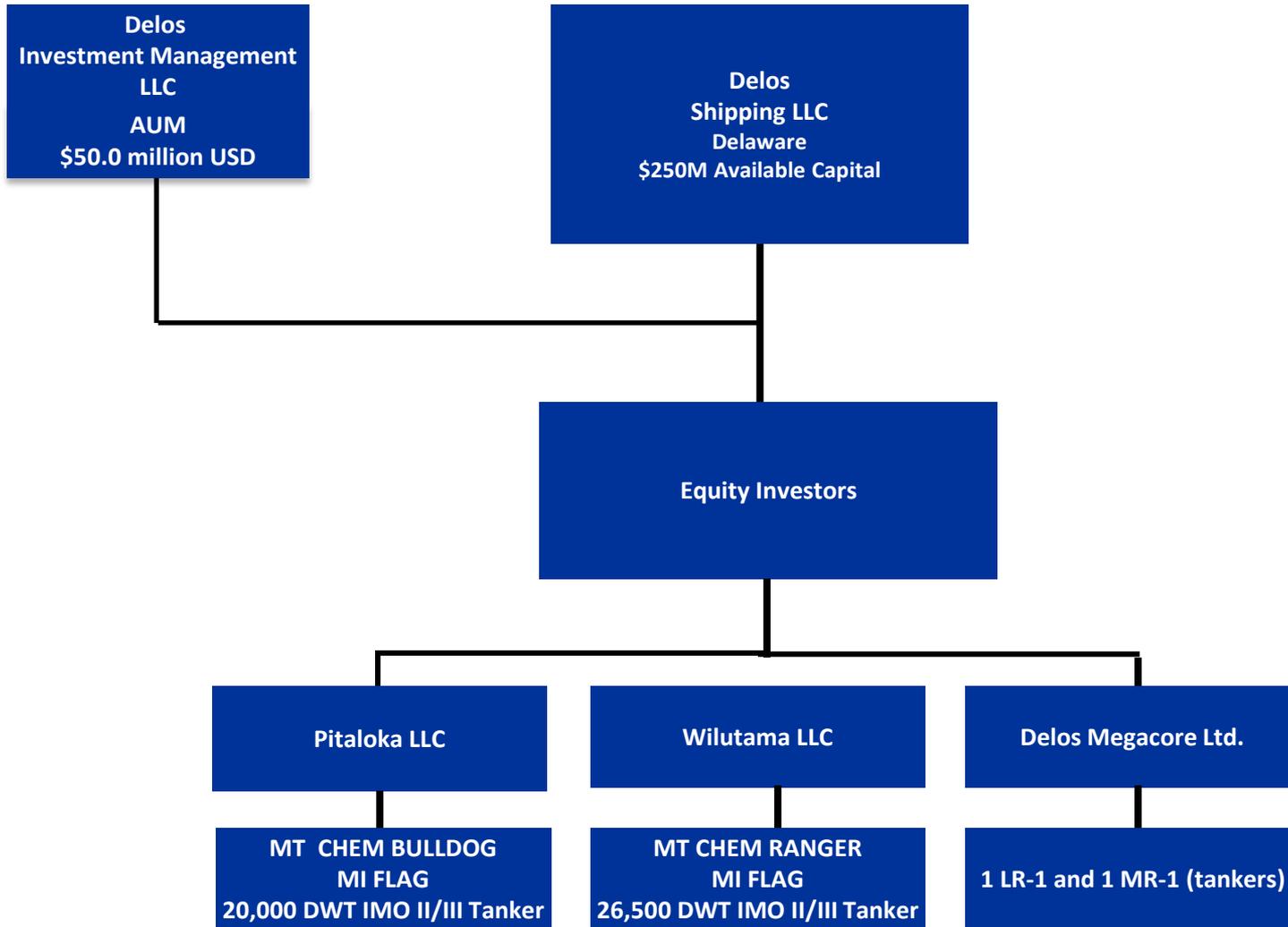
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# DELOS SHIPPING –OVERVIEW

- **Delos Shipping (“Delos”) has dedicated professionals with relevant industry backgrounds, relationships and information flows that are key to providing innovative and economic financing solutions to major shipowners and capital transaction opportunities for Delos-related entities.**
- **Delos controlled fleet of 51 vessels as of January 2016, and sold 47 of the 51 vessels in February 2016 in a single transaction.**
- **Delos is the owner of two stainless steel chemical tankers (Chem Ranger /26,000 DWT and Chem Bulldog/21,000 DWT) and two product tankers (MR-1, LR-1).**
- **Delos has partnered with well capitalized financial sponsors has played a key role in differentiating our product offering**
  - **Delos has co-invested with affiliates of a \$7.3 billion private equity fund that invests in oil and gas production, midstream, oilfield service and power companies.**
  - **Delos has co-invested with a hedge fund with approximately \$8 billion in funds and includes among its investors leading founders of two world renown private equity firms and two current or former major public company CEO’s.**
  - **Delos has co-invested with multi-generational Athens-based ship owners.**
- **Delos is actively involved with trading public shipping equities and debt instruments via its hedge fund and invests directly in shipping assets via SPVs set up to own vessels. Delos is able to use the information flow from both its public and private market activities to generate proprietary, off-market deal flow and idea generation.**
- **In excess of US\$250 million available for investment**

- **Led by Richard Squires and Brian Ladin, the Company has assembled a management team with proven execution capabilities and an investor's mentality.**
  
- **While successfully investing for his own account (along with his partner at SPI Holdings, LLC) after working with entities affiliated with members of the Bass Family and Richard Rainwater in the middle 1980s, Mr. Squires distinguished himself from competitors, including much larger institutions and advisors in three strategic ways:**
  - (1) Expertise and flexibility in tailoring transaction structures to meet the needs of sellers and joint venture partners to maximize the benefits to all parties.
  - (2) Ability to commit capital quickly through a willingness and desire to invest his own capital and.
  - (3) Strong reputation for performance and quality leads to shipping companies to want to transact with Delos
  
- **Mr. Squires and Mr. Ladin have developed a track record of consistently performing with instincts and skills that create value in multiple industries through purchasing cyclical assets at proper times in the cycle and softening any downside through a leaseback structure.**
  
- **Delos therefore uses the knowledge of its principals and the information gleaned from its hedge fund and prior transactions to identify attractive acquisitions and operational value add. Moreover, to date, all transactions have been off-market with proprietary structuring to maximize upside while minimizing the risk parameters.**

# Organizational Structure



## ***Richard Squires – Chief Executive Officer***

Beginning his career as a real estate executive with entities affiliated with the Bass Family and then Rainwater, Inc. of Fort Worth, Texas, Mr. Squires has been a private investor investing his own capital in conjunction with a partner at SPI Holdings, LLC over the last twenty years focusing on real estate, distressed debt and equity and international value as well as selected private equity and venture investments. Among other transactions, having purchased (through his jointly owned SPI real estate entity) Pace Membership Warehouse Inc. in a leveraged buyout from Kmart Corp and thereafter completed more than \$400 million in successful sale/leaseback and other real estate related transactions, Mr. Squires has now formed Delos Shipping with Mr. Ladin as an investment platform focused on shipping sale/leasebacks and opportunistic operating vessel acquisitions. Mr. Squires is a graduate of Penn State University and the Harvard Graduate School of Business and has previously served as a director of GSTV, Inc., and public companies including Boss Holdings, Inc and Box Energy Corp. Mr. Squires currently serves as a Trustee of the St. Mark's School of Texas.

## ***Brian Ladin – Chief Operating Officer, Founder***

Prior to Delos, Mr. Ladin was a partner at Bonanza Capital, a \$600 million investment manager where he met Richard Squires who was an investor as an LP. At Bonanza, he was responsible for investments in shipping technology, telecommunications, media as well as direct investments. Mr. Ladin generated over \$100 million in profits earning multiples on the partial acquisition and subsequent public offering of Euroseas, a dry bulk and container owner and operator. Prior to Bonanza, Mr. Ladin was a partner at Talisman Capital, where he identified and executed over seventy direct investments in both public and private companies in the United States and abroad, representing over \$100 million in deployed capital. Mr. Ladin is a Chartered Financial Analyst (“CFA”). He was formerly a member of the board of directors of Affinity Media (private) and Points International Ltd. (OTC:BB: PTSEF). Mr. Ladin earned a BA in Political Economy from Tulane University.

## Domain Expertise

- As one of few capital providers standing in a capital-starved environment, Delos, with its myriad relationships and contacts, sees and will see most opportunities.
- Similar to real estate, the Principals must make correct credit bets and have done so while entering transactions with key multi-billion dollar operators in the industry who have key knowledge bases and insight to drive above-market returns.

## Proven Success

- Proven track records of recognizing opportunities, structuring asymmetric returns and earning multiples.
- Principals have a clear understanding of risk/reward, timing and how to make money.
- Recently sold 46 vessels in a single en bloc transaction representing a return to equity investors of over 2.2X invested capital in less than three years.

## Alignment of Interest

- Management is committed to personally investing USD \$10 million (5%) based on USD \$200 million equity raised.
- Delos is oriented toward investing and overall returns to drive value creation.
- Returns are based upon current and on-going minimum distributions (quarterly) as opposed to back-end loaded based upon forecasted results.

## Asymmetric Returns and Optionality to Exit

- Downside is protected by contractual leases or charters with real companies in their core businesses as well as puts in some cases with second layer of protection in terms of hard asset value.
- Upside through reversion of charter rates to historic norms, inflation, changes in goals and strategic needs of Lessee, sale to income-oriented vehicles as well as the ability to pick and choose exit timing while contractual returns limit downside through the softness of the cycle.

