

SUPPLIER FREQUENTLY ASKED QUESTIONS

Why did Searland file for Chapter 11?

A combination of factors required the Company to file for Chapter 11.

The company had worked hard for two years to conclude successful renegotiations of relatively high cost chartered-in tonnage with a number of owners. It adjusted to low freight incomes caused by the decline of the global vessel market and the market in general in late 2008, which impacted the Company's financial situation.

The Company engaged with its senior lenders to formulate a restructuring plan, but despite resolving issues with the charter party counterparties was unable to reach a consensual resolution with the senior lenders. Searland believes that the Chapter 11 process will help facilitate a restructuring designed to restore the Company to long-term financial health.

We are confident that the process will be successful and we will emerge as a stronger, more competitive company.

Does this mean that Searland or associated companies going out of business?

Absolutely not. The Company's vessels are serving our customers as usual.

We believe that the Chapter 11 process will enable us to become a stronger, more competitive company and an even better business partner.

Does Searland have enough cash to stay in business?

Yes. We have already received approval from the Bankruptcy Court to continue in the ordinary course to pay employees and crew, to continue to operate, and to pay operating expenses.

Will suppliers continue to be paid for goods and services provided after the Chapter 11 filing?

Yes. The U.S. Bankruptcy Code gives administrative priority to payments for goods and services received after the Chapter 11 filing.

What happens to unpaid invoices from before the Company filed for Chapter 11 reorganisation?

Suppliers who provided goods or services to the Company prior to the Chapter 11 filing may have what are referred to as "pre-petition claims." Under US federal law, any such claims (i.e., those received before the Company filed for Chapter 11) are frozen and cannot be paid without specific authorization from the Bankruptcy Court.

We regret the hardship or inconvenience that this may cause but it is a function of the bankruptcy protection legislation. If you have such pre-petition claims, you will be receiving additional information from the Company at a later date.

I have unpaid invoices dated before the bankruptcy date (i.e., pre-petition invoices).

What should I do?

At the moment, you don't need to do anything. Once the Bankruptcy Court has confirmed the procedures and deadlines for filing claims, you will receive a proof-of-claim form and instructions on how to file the form with the Company and the deadline for filing such form.

Will I need a claim form or will I automatically be paid for the outstanding, prepetition amount owed to me?

The Company will make an effort to list all of its creditors in a filing with the Bankruptcy Court. Suppliers on this list will be receiving a claim form from the Company with instructions about how to file a claim.

Why should I continue to provide you with goods and services if I have pre-petition claims?

We regret the hardship or inconvenience that our Chapter 11 filing may cause you. However, it is important to understand that under U.S. bankruptcy law, suppliers are required to fulfill all existing contractual obligations to the Company and, as noted above, the Company has authority to pay you in the ordinary course for all goods and services provided after the Chapter 11 filing date (July 29, 2011). In addition, we value our relationship with you, and we think it makes good sense for us to continue to work together. The Company is conducting business as usual, and will continue to do so throughout the Chapter 11 process. We are using the Chapter 11 process to become a stronger, more competitive company and an even better business partner. We look forward to a mutually beneficial long-term relationship.

If you can't pay me for pre-petition invoices, what assurances can you provide that I will be paid for post-petition goods and services?

All claims for goods and services delivered on or after the bankruptcy date are considered administrative obligations under U.S. bankruptcy law. This means that the Company is allowed (and indeed obligated) to pay you in full and according to terms.

I am a supplier to one of Seearland's affiliates that has not filed for Chapter 11.

Am I affected by the filing?

No. Certain of Seearland's affiliates are not part of the Chapter 11 filing. Nothing will change in your relationship with these entities, which are trading normally.