

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

| | | |
|---|---|-------------------------|
| In re: |) | |
| |) | Chapter 11 |
| INTERNATIONAL SHIPHOLDING CORPORATION, <i>et al.</i> , ¹ |) | Case No. 16-12220 (SMB) |
| |) | |
| Debtors. |) | Jointly Administered |

**NOTICE OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES THAT
MAY BE ASSUMED AND ASSIGNED IN CONNECTION WITH THE
SALE OF THE DEBTORS' ASSETS IN THE SPECIALTY BUSINESS
SEGMENT AND THE PROPOSED CURE COST WITH RESPECT THERETO**

YOU ARE RECEIVING THIS NOTICE OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES THAT MAY BE ASSUMED AND ASSIGNED IN CONNECTION WITH THE SALE OF THE DEBTORS' ASSETS AND THE PROPOSED CURE AMOUNT WITH RESPECT THERETO (THE "CURE NOTICE") BECAUSE YOU MAY BE A COUNTERPARTY TO AN EXECUTORY CONTRACT OR UNEXPIRED LEASE WITH INTERNATIONAL SHIPHOLDING CORPORATION OR ONE OR MORE OF ITS AFFILIATED DEBTORS (COLLECTIVELY, THE "DEBTORS"). PLEASE READ THIS NOTICE CAREFULLY AS YOUR RIGHTS MAY BE AFFECTED BY THE TRANSACTIONS DESCRIBED HEREIN.

PLEASE TAKE NOTICE that on October 28, 2016, the Debtors filed a motion (the "Motion")² with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") seeking, among other things, entry of an order (the "Bidding Procedures Order"): (i) approving proposed bidding procedures (the "Bidding Procedures") by which the Debtors will solicit and select the highest or otherwise best offer for the sale of certain assets contained in the Debtors' Specialty Business Segment (the "Assets") through a sale of the Assets (the "Sale Transaction"); (ii) establishing procedures for the assumption and assignment of executory contracts and unexpired leases, including notice of proposed cure amounts (the "Assumption and Assignment Procedures"); (iii) approving the form and manner of notice with respect to certain procedures, protections, schedules, and agreements described herein and

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: International Shipholding Corporation (9662); Enterprise Ship Co. (9059); Sulphur Carriers, Inc. (8965); Central Gulf Lines, Inc. (8979); Coastal Carriers, Inc. (6278); Waterman Steamship Corporation (0640); N.W. Johnsen & Co., Inc. (8006); LMS Shipmanagement, Inc. (0660); U.S. United Ocean Services, LLC (1160); Mary Ann Hudson, LLC (8478); Sheila McDevitt, LLC (8380); Tower LLC (6755); Frascati Shops, Inc. (7875); Gulf South Shipping PTE LTD (8628); LCI Shipholdings, Inc. (8094); Dry Bulk Australia LTD (5383); Dry Bulk Americas LTD (6494); and Marco Shipping Company PTE LTD (4570). The service address for each of the above Debtors is 601 Poydras Street, Pan American Building, Suite 1850, New Orleans, Louisiana 70130.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

attached hereto; (iv) scheduling (a) an auction (the “Auction”) if the Debtors receive two or more timely and acceptable Qualified Bids (as defined below) and (b) a final hearing (the “Sale Hearing”) to approve a Sale of the Assets; and (v) granting related relief.

PLEASE TAKE FURTHER NOTICE that on November 18, 2016, the Bankruptcy Court entered the Bidding Procedures Order [ECF No. 367].

PLEASE TAKE FURTHER NOTICE that the Bidding Procedures Order, among other things, established procedures for the assumption and assignment of certain executory contracts and unexpired leases that the Debtors believe they might seek to assume and assign in connection with a Sale Transaction (collectively, the “Assigned Contracts”) to a purchaser and the determination of related Cure Costs (as defined below). The Debtors are parties to numerous Assigned Contracts and, in accordance with the Bidding Procedures Order, hereby file this notice identifying (i) the Assigned Contracts, which may be assumed and assigned to the Stalking Horse Purchaser or such other Successful Bidder in connection with the Sale Transaction and (ii) the proposed amounts, if any, the Debtors believe are owed to the counterparty to the Assigned Contract to cure any defaults or arrears existing under the Assigned Contract (the “Cure Costs”), both as set forth on Exhibit 1 attached hereto. Other than the Cure Costs listed on Exhibit 1, the Debtors are not aware of any amounts due and owing under the Assigned Contracts listed therein.

PLEASE TAKE FURTHER NOTICE that the hearing to approve the sale of the Assets (the “Sale Hearing”) will be held before the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, at the United States Bankruptcy Court of the Southern District of New York, Alexander Hamilton Customs House, One Bowling Green, New York, New York 10004, Courtroom 723 on **December 20, 2015 at 10:00 a.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that the listing of a Assigned Contract on Exhibit 1 does not constitute an admission that the Assigned Contract is an executory contract or unexpired lease as contemplated by Bankruptcy Code section 365(a) or that the Debtors have any liability thereunder, and the Debtors expressly reserve all of their rights, claims, causes of action, and defenses with respect to the Assigned Contracts listed on Exhibit 1.

PLEASE TAKE FURTHER NOTICE that a counterparty to a Assigned Contract listed on this Cure Notice may file an objection (a “Assigned Contract Objection”) only if such objection is to the proposed assumption and assignment of the applicable Assigned Contract or the proposed Cure Costs, if any. All Assigned Contract Objections must (1) state, with specificity, the legal and factual basis for the objection as well as what Cure Costs are required, if any, (2) include appropriate documentation in support thereof, and (3) be filed and served on the Objection Recipients no later than **4:00 p.m. (prevailing Eastern Time) fourteen (14) days following the Assumption and Assignment Service Date** (the “Assignment and Assumption Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that the Objection Recipients are: (i) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attn: David Botter, Esq., Email: dbotter@akingump.com, and Sarah Link Schultz, Esq., 1700 Pacific Avenue, Suite 4100, Dallas, Texas 75201, Email: ssschultz@akingump.com, counsel for the

Debtors; (ii) Pachulski Stang Ziehl & Jones LLP, 780 Third Avenue, 34th Floor, New York, NY 10017, Attn: Robert J. Feinstein, Esq., Email: rfeinstein@pszjlaw.com, and Bradford J. Sandler, Esq., Email: bsandler@pszjlaw.com, proposed counsel to the statutory committee of unsecured creditors; (iii) the Office of the United States Trustee for the Southern District of New York, U.S. Federal Office Building, 201 Varick St., Room 1006, New York, New York 10014, Attn: Serene Nakano, Esq., Email: serene.nakano@usdoj.gov; (v) counsel to the agents and lenders under the Debtors' pre-petition credit facilities; (vi) counsel to the agent under the Debtors' post-petition debtor-in-possession financing; (vii) the Internal Revenue Service; (viii) the United States Attorney for the Southern District of New York; (vii) the Securities and Exchange Commission; (ix) all parties that have filed a request to receive service of court filings pursuant to Bankruptcy Rule 2002; (x) all other parties on the master service list prepared and maintained pursuant to the *Order Establishing Certain Notice, Case Management, and Administrative Procedures* [ECF No. 178]; and (xiii) if known on the Sale Objection Deadline, any Successful Bidder.

PLEASE TAKE FURTHER NOTICE THAT IF A COUNTERPARTY TO A ASSIGNED CONTRACT FILES A ASSIGNED CONTRACT OBJECTION IN A MANNER THAT IS CONSISTENT WITH THE REQUIREMENTS SET FORTH ABOVE, AND THE PARTIES ARE UNABLE TO CONSENSUALLY RESOLVE THE DISPUTE PRIOR TO THE SALE HEARING, THE AMOUNT TO BE PAID OR RESERVED WITH RESPECT TO SUCH OBJECTION WILL BE DETERMINED AT THE SALE HEARING, SUCH LATER HEARING DATE THAT THE DEBTORS DETERMINE IN THEIR DISCRETION, OR SUCH OTHER DATE DETERMINED BY THE BANKRUPTCY COURT. ALL OTHER OBJECTIONS TO THE PROPOSED ASSUMPTION AND ASSIGNMENT OF THE DEBTORS' RIGHT, TITLE, AND INTEREST IN, TO, AND UNDER THE ASSIGNED CONTRACTS WILL BE HEARD AT THE SALE HEARING.

PLEASE TAKE FURTHER NOTICE that if the counterparty to a Assigned Contract does not timely file and serve a Assigned Contract Objection that is consistent with the requirements set forth above by the Assignment and Assumption Objection Deadline, such counterparty will be deemed to have consented to the assumption and assignment of the Assigned Contract to a Successful Bidder, notwithstanding any anti-alienation provision or other restriction on assumption or assignment in the Assigned Contract, and shall be forever barred from asserting any objection with regard to such assumption and assignment and/or Cure Costs set forth in Exhibit 1, except with respect to the adequate assurance of future performance by the Successful Bidder. Any objections to the Stalking Horse Bidder or Successful Bidder's proposed form of adequate assurance of future performance must be raised at the Sale Hearing or Supplemental Assigned Contract Hearing, as applicable, and will be resolved at the hearing at which it is raised or, in the Debtors' discretion, adjourned to a later hearing.

PLEASE TAKE FURTHER NOTICE that although the Debtors have made a good faith effort to identify all Assigned Contracts that might be assumed and assigned in connection with a Sale Transaction, the Debtors may discover certain contracts inadvertently omitted from the Assigned Contracts list or Successful Bidder may identify other executory contracts or unexpired leases that they desire to assume and assign in connection with the Sale. Accordingly, the Debtors have reserved the right, at any time after the Assumption and Assignment Service

Date and before the closing of a Sale Transaction, to supplement the list of Assigned Contracts on this Cure Notice with previously omitted Assigned Contracts in accordance with the definitive agreement for a Sale Transaction.

PLEASE TAKE FURTHER NOTICE that in the event the Debtors supplement the list of Assigned Contracts, the Debtors shall promptly serve a supplemental notice (a “Supplemental Cure Notice”) by electronic transmission, hand delivery, or overnight mail on the counterparty (and its attorney, if known) to each impacted Assigned Contract at the last known address available to the Debtors.

PLEASE TAKE FURTHER NOTICE that this Cure Notice is subject to the terms and conditions of the Motion and the Bidding Procedures Order, with such Bidding Procedures Order controlling in the event of any conflict, and the Debtors encourage parties-in-interest to review such documents in their entirety. Parties with questions regarding the Assumption and Assignment Procedures contained herein should contact the Debtors’ counsel at the contact information provided below.

PLEASE TAKE FURTHER NOTICE that the inclusion of a Assigned Contract on this Cure Notice (or Supplemental Cure Notice) will not obligate the Debtors to assume any Assigned Contract listed thereon or the Successful Bidder to take assignment of such Assigned Contract. Only those Assigned Contracts that are included on a schedule of assumed and assigned executory contracts and unexpired leases attached to the final Purchase Agreement with the Successful Bidder (each, an “Acquired Contract”) will be assumed and assigned to the Successful Bidder.

Dated: New York, New York
December 1, 2016

AKIN GUMP STRAUSS HAUER & FELD LLP

By: /s/ David H. Botter

David H. Botter
One Bryant Park
New York, NY 10036
Telephone: (212) 872-1000
Facsimile: (212) 872-1002

Sarah Link Schultz (admitted *pro hac vice*)
Sarah J. Crow (admitted *pro hac vice*)
1700 Pacific Avenue, Suite 4100
Dallas, TX 75201
Telephone: (214) 969-2800
Facsimile: (214) 969-4343

Counsel to Debtors and Debtors in Possession

Exhibit 1

Certain of the agreements listed herein may or may not be executory in nature, and the presence of these agreements or any other agreements herein does not constitute an admission that any such agreement is an executory contract or unexpired lease. The Debtors reserve all rights to recharacterize whether any contracts listed herein were executory as of the Petition Date and/or remain executory post-petition and whether leases listed herein were unexpired as of the Petition Date and/or remain unexpired post-petition.

| | Counterparty | Interest Assigned | Description of Assumed Contract | Date | Cure Amount |
|-----|-----------------------|--|--|--------------------------|--------------------|
| 1. | PT Amas Iscindo Utama | International Shipholding Corporation | Clawback Letter | 09/01/2009 | \$0 |
| 2. | PT Amas Iscindo Utama | MPV Inc. | Loan Agreement for Flores Sea and Sawu Sea | 08/21/2009 | \$0 |
| 3. | PT Amas Iscindo Utama | MPV Netherlands C.V. | Loan Agreement for Tembaga Sea | 02/22/2016 | \$0 |
| 4. | PT Amas Iscindo Utama | MPV Netherlands C.V., | Equity Loan Agreement for Tembaga Sea | 02/22/2016 | \$0 |
| 5. | PT Amas Iscindo Utama | MPV Netherlands C.V., MPV Netherlands B.V. | Deed of Sale and Assignment for Tembaga Sea | 02/22/2016 | \$0 |
| 6. | PT Amas Iscindo Utama | MPV Netherlands Cooperatif U.A. | Share Premium Contribution and Assignment Agreement | 02/22/2016 | \$0 |
| 7. | PT Amas Iscindo Utama | MPV Inc. | Mortgage Agreement for Flores Sea | 02/06/2010 (estimate) | \$0 |
| 8. | PT Amas Iscindo Utama | MPV Inc. | Mortgage Agreement for Sawu Sea | 02/06/2010 (estimate) | \$0 |
| 9. | PT Amas Iscindo Utama | MPV Inc. | Mortgage Agreement for Tembaga Sea | Pending | \$0 |
| 10. | PT Amas Iscindo Utama | Gulf South Shipping Pte Ltd | Agency Agreement between Gulf South Shipping and PT Amas | 09/01/2009 | \$0 |

| | Counterparty | Interest Assigned | Description of Assumed Contract | Date | Cure Amount |
|-----|--|---|---|-------------|--------------------|
| 11. | PT Amas Iscindo Utama | Gulf South Shipping Pte Ltd | First Amendment to Agency Agreement between Gulf South Shipping and PT Amas | 01/01/2012 | \$0 |
| 12. | PT Amas Iscindo Utama | Marco Shipping Company (PTE) Ltd | Technical Services Agreement between Marco Shipping & PT Amas for Tembaga Sea | 02/23/2016 | \$0 |
| 13. | PT Amas Iscindo Utama | Gulf South Shipping Pte Ltd | Agreement between Gulf South Shipping and PT Amas | 09/01/2009 | \$0 |
| 14. | PT Amas Iscindo Utama | Gulf South Shipping Pte Ltd | Amended and Restated Agreement between Gulf South Shipping and PT Amas | 01/01/2012 | \$0 |
| 15. | PT Amas Iscindo Utama | Gulf South Shipping Pte Ltd, Marco Shipping (PTE) Ltd | Second Amended and Restated Agreement between Gulf South Shipping and PT Amas | 01/01/2015 | \$0 |
| 16. | PT Amas Iscindo Utama | Gulf South Shipping Pte Ltd | Assignment and Assumption Agreement between Gulf South Shipping and PT Amas | 09/01/2009 | \$0 |
| 17. | (i) PT Amas Iscindo Utama; (ii) PT Pelayaran National Indonesia | Gulf South Shipping Pte Ltd | Tripartite Agreement between PT Pelni, PT Amas and Gulf South Shipping | 07/24/1995 | \$0 |
| 18. | PT Amas Iscindo Utama | Gulf South Shipping Pte Ltd | Assignment of Transportation Contract between Gulf South Shipping and PT Amas | 03/28/1994 | \$0 |

| | Counterparty | Interest Assigned | Description of Assumed Contract | Date | Cure Amount |
|------|---|---|---|--------------------------------|--------------------|
| 18.1 | (i) PT Amas Iscindo Utama; (ii) P.T. Freeport Indonesia Company | Gulf South Shipping Pte Ltd (via assignment) | Transportation Contract | 04/04/1994 | \$0 |
| 18.2 | (i) PT Amas Iscindo Utama; (ii) P.T. Freeport Indonesia Company | Gulf South Shipping Pte Ltd (via assignment) | Amendments 1-8 to Transportation Contract | October 2000 through July 2014 | \$0 |
| 19. | P.T. Freeport Indonesia Company | N.W. Johnsen & Co., Inc. | Brokerage | Various | \$0 |
| 19.1 | (i) P.T. Freeport Indonesia Company; (ii) Pacific Basin Handysize (UK) Limited | N.W. Johnsen & Co., Inc. (brokerage commission) | Contract of Affreightment | 10/21/2013 | \$0 |
| 19.2 | (i) P.T. Freeport Indonesia Company; (ii) PPC Logistics Co., LTD. | N.W. Johnsen & Co., Inc. (brokerage commission) | Contract of Affreightment | 11/04/2016 | \$0 |
| 19.3 | (i) P.T. Freeport Indonesia Company; (ii) Greig Star Bulk A.S. | N.W. Johnsen & Co., Inc. (brokerage commission) | Contract of Affreightment | 11/16/2015 | \$0 |

| | Counterparty | Interest Assigned | Description of Assumed Contract | Date | Cure Amount |
|------|---|--|--|--|--------------------|
| 19.4 | (i) P.T. Freeport Indonesia Company; (ii) Jepsens Orient Shipping Services AS; (iii) Jepsen Trans-Pacific AS; (iv) Kristian Jepsens Rederi AS; (v) Jepsen Invest AS | N.W. Johnsen & Co., Inc. (brokerage commission) | Contract of Affreightment | 11/29/2013 | \$0 |
| 19.5 | (i) P.T. Freeport Indonesia Company; (ii) Jepsen Trans-Pacific AS | N.W. Johnsen & Co., Inc. (brokerage commission) | Contract of Affreightment | 10/17/2016 | \$0 |
| 19.6 | (i) P.T. Freeport Indonesia Company (ii) PT. Gurita Lintas Samudera | N.W. Johnsen & Co., Inc. (brokerage commission) | Contract of Affreightment | 03/31/2009 | \$0 |
| 20. | Loes P. de Bot | MPV Netherlands B.V. | Managing Director Services Agreement | 01/01/2013 | \$0 |
| 21. | Loes P. de Bot | MPV Netherlands Cooperatif U.A. | Managing Director Services Agreement | 01/01/2013 | \$0 |
| 22. | (i) Dedde Zeelenberg; (ii) ANT Management (Netherlands) BV | MPV Netherlands B.V. | Managing Agreement | 03/30/2012 (date of last signature) | \$0 |

| | Counterparty | Interest Assigned | Description of Assumed Contract | Date | Cure Amount |
|-----|---|----------------------------------|--|--|--------------------|
| 23. | (i) Dedde Zeelenberg; (ii) ANT Management (Netherlands) BV | MPV Netherlands Cooperatif U.A. | Managing Agreement | 03/30/2012 (date of last signature) | \$0 |
| 24. | Facts Global Support Solutions BV | MPV Netherlands B.V. | FACTS Support and & Payroll Services Agreement | 10/01/2014 | \$0 |
| 25. | LMS Shipmanagement Inc. | Marco Shipping Company (PTE) Ltd | LMS Shipmanagement Agreement for Flores Sea & Sawu Sea | 09/01/2009 | \$0 |
| 26. | LMS Shipmanagement Inc. | Marco Shipping Company (PTE) | LMS Shipmanagement Agreement for Tembaga Sea | 02/xx/2016 | \$0 |
| 27. | Wallem Shipmanagement Ltd | LMS Shipmanagement Inc | Wallem Shipmanagement Agreement for Flores Sea & Sawu Sea | 11/19/2012 | \$0 |
| 28. | Wallem Shipmanagement Ltd | LMS Shipmanagement Inc | Wallem Shipmanagement Agreement for Tembaga Sea | 02/11/2016 | \$0 |
| 29. | Wallem Shipmanagement Ltd | LMS Shipmanagement Inc | [Engagement of Services Agreement] | [Ref. in Side Letter Agreement] | \$0 |
| 30. | Wallem Shipmanagement Ltd | LMS Shipmanagement Inc | Side Letter Agreement | 09/04/2012 | \$0 |
| 31. | Ocean Tankers (PTE) Ltd | Gulf South Shipping Pte Ltd | Charterparties and COA with Ocean Tankers (vessels including Ocean Leader, et al) | Various | \$0 |
| 32. | PT Meratus | Gulf South Shipping Pte Ltd | Charterparties with Meratus (vessels including Meratus Semarang, Marina Star 1, et al) | Various | \$0 |

| | Counterparty | Interest Assigned | Description of Assumed Contract | Date | Cure Amount |
|-----|---------------------|----------------------------------|--|-------------|--------------------|
| 33. | Marco Ocean PTE Ltd | Marco Shipping Company (PTE) Ltd | Assignment and Assumption Agreement between Marco Ocean and Marco Shipping | 09/29/2009 | \$0 |