

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

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

NOTICE OF BID DEADLINE, AUCTION, AND SALE HEARING

PLEASE TAKE NOTICE that on July 31, 2016, the debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

PLEASE TAKE FURTHER 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 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].

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.

PLEASE TAKE FURTHER NOTICE that pursuant to the Bidding Procedures Order, if the Debtors receive two or more timely and acceptable Qualified Bids for the same Assets, the Debtors will conduct the Auction on **December 15, 2016 at 10:00 a.m. (prevailing Eastern Time)** at the offices of counsel for the Debtors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, or such other place and time as the Debtors shall notify all Qualified Bidders and the Consultation Parties. Any party that wishes to take part in this process and submit a bid for the Assets must submit its Bid in accordance with the Bidding Procedures by **December 8, 2016 at 5:00 p.m. (prevailing Eastern Time)** (the “Bid Deadline”). Only the Debtors, the Consultation Parties, the Stalking Horse Bidder, any other Qualified Bidder, and/or other party as the Debtors may determine to include in their discretion, in each case, along with their representatives and advisors, shall be entitled to attend the Auction (such attendance to be in person), and only Qualified Bidders will be entitled to make Overbids at the Auction. **All interested or potentially affected parties should carefully read the Bidding Procedures and the Bidding Procedures Order.**

PLEASE TAKE FURTHER NOTICE that the Debtors have the right to adjourn or cancel the Auction at or prior to the Auction.

PLEASE TAKE FURTHER NOTICE that the **Sale Hearing to consider approval of the sale of the Assets to the Successful Bidder at the Auction, free and clear of all liens, claims, interests, and encumbrances in accordance with Bankruptcy Code section 363(f), will be held before the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Customs House, One Bowling Green, New York, New York 10004, Courtroom 723 on December 20, 2016 at 10:00 a.m. (prevailing Eastern Time).**

PLEASE TAKE FURTHER NOTICE that objections to the Sale, if any, must be filed and served so as to be actually received by the Objection Recipients no later than **December 19, 2016 at 12:00 noon (prevailing Eastern Time).**

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: sschultz@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 (xi) if known on the Sale Objection Deadline, any Successful Bidder.

PLEASE TAKE FURTHER NOTICE THAT UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER HEARING AND NOTICE.

PLEASE TAKE FURTHER NOTICE that this Notice of Bid Deadline, Auction, and Sale Hearing 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 interested in receiving more information regarding the sale of the Assets and/or copies of any related document, including the Motion or the Bidding Procedures Order, may make a written request to counsel for the Debtors, 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: sschultz@akingump.com. In addition, copies of the Motion, the Bidding Procedures Order and this Notice may be examined by interested parties (i) free of charge at the website established for these chapter 11 cases by the Debtors' Court approved claims agent, Prime Clerk LLC, at <https://cases.primeclerk.com/ish/> or (ii) on the Court's electronic docket for the Debtors' chapter 11 cases, which is posted on the Internet at <https://ecf.nysb.uscourts.gov/> (a PACER login and password are required and can be obtained through the PACER Service Center at www.pacer.psc.uscourts.gov).

Dated: New York, New York
November 22, 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