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**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

DEBTORS’ NOTICE REGARDING PCTC TRANSACTION

PLEASE TAKE NOTICE that, as set forth in Section 7.4(e) of the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Reorganization for International Shipholding Corporation and Its Affiliated Debtors* [ECF No. 537] (the “Disclosure Statement”), as part of the Debtors’ chapter 11 cases and the *First Amended Joint Chapter 11 Plan of Reorganization for International Shipholding Corporation and Its Affiliated Debtors* [ECF No. 536] (the “Plan”),² the Debtors hereby disclose the following information regarding the transaction with respect to the PCTC Vessels.

As disclosed in Section 7.4(e) of the Disclosure Statement, the Debtors are in negotiation with NYK Group Americas Inc. (“NYK”) regarding the disposition of up to four of the U.S. flagged PCTC Vessels. Negotiations with respect to the material terms of the transaction, which

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 All capitalized terms used but not defined herein have the meanings given them in the Plan.

is a condition precedent to confirmation of the Plan, are at an advanced stage and the parties are now finalizing documentation. The currently proposed transaction provides that on the Effective Date of the Plan, the Debtors will sell up to four of the PCTC Vessels to NYK. The Debtors believe that the transaction will have a net impact to the estate of no less than \$15 million. The proceeds of this transaction will be used to fund the Plan, have been accounted for in the Debtors' feasibility analysis, and are not expected to impact the creditor recoveries set forth in the Disclosure Statement.

As a condition to the sale of certain PCTC Vessels to NYK, the Reorganized Debtors and NYK or one or more of its affiliated entities will enter into bareboat charters and amendments to the existing time charters for each of such PCTC Vessels. The PCTC Vessels will continue to be crewed by the same unions that currently crew the PCTC Vessels. The Reorganized Debtors' continued operation of the PCTC Vessels under the foregoing arrangement are reflected in the financial projections contained in Exhibit 3 of the Disclosure Statement.

Execution of this proposed transaction with NYK will require, among other things, certain approvals and authorizations related to the Maritime Security Program and the finalization of negotiations on terms acceptable to NYK, the Debtors, and SEACOR. For the avoidance of doubt, the proposed transaction with NYK also remains subject to the condition set forth in section 10.2.4 of the Plan.

Dated: New York, New York
January 20, 2017

AKIN GUMP STRAUSS HAUER & FELD LLP
By: /s/ David H. Botter

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