GENCO SHIPPING & TRADING LTD
Form 10-Q
November 13, 2015
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2015

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 001-33393

GENCO SHIPPING & TRADING LIMITED

(Exact name of registrant as specified in its charter)

Republic of the Marshall Islands	**98-043-9758**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

299 Park Avenue, 12th Floor, New York, New York 10171

(Address of principal executive offices) (Zip Code)

(646) 443-8550

(Registrant s telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer o
Non-accelerated filer x (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

The number of shares outstanding of each of the issuer s classes of common stock, as of November 13, 2015: Common stock, $0.01 per share 72,898,234 shares.

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Website Information

We intend to use our website, www.GencoShipping.com, as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Such disclosures will be included in our website s Investor section. Accordingly, investors should monitor the Investor portion of our website, in addition to following our press releases, SEC filings, public conference calls, and webcasts. To subscribe to our e-mail alert service, please submit your e-mail address at the Investor Relations Home page of the Investor section of our website. The information contained in, or that may be accessed through, our website is not incorporated by reference into or a part of this document or any other report or document we file with or furnish to the SEC, and any references to our website are intended to be inactive textual references only.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Genco Shipping & Trading Limited

Condensed Consolidated Balance Sheets as of September 30, 2015 and December 31, 2014

(U.S. Dollars in thousands, except for share and per share data)

(Unaudited)

	Successor September 30, 2015	Successor December 31, 2014 (restated)
Assets		
Current assets:		
Cash and cash equivalents	$ 44,478	$ 83,414
Restricted cash	9,750	9,750
Due from charterers, net of a reserve of $1,217 and $1,588, respectively	14,139	14,739
Prepaid expenses and other current assets	22,505	22,423
Total current assets	90,872	130,326
Noncurrent assets:		
Vessels, net of accumulated depreciation of $90,104 and $36,258, respectively	1,501,714	1,532,843
Deposits on vessels	10,183	25,593
Deferred drydock, net of accumulated amortization of $2,196 and $330, respectively	14,656	6,234
Deferred financing costs, net of accumulated amortization of $2,417 and $729, respectively	10,948	10,271
Fixed assets, net of accumulated depreciation and amortization of $319 and $119, respectively	1,115	701
Other noncurrent assets	514	514
Restricted cash	315	19,945
Investments	17,900	26,486
Total noncurrent assets	1,557,345	1,622,587
Total assets	$ 1,648,217	$ 1,752,913
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 33,899	$ 28,217
Current portion of long-term debt	44,242	34,324
Deferred revenue	1,016	1,397
Total current liabilities	79,157	63,938
Noncurrent liabilities:		
Long-term lease obligations	969	390
Long-term debt	418,036	395,811
Total noncurrent liabilities	419,005	396,201

Total liabilities		498,162		460,139
Commitments and contingencies				
Equity:				
Genco Shipping & Trading Limited shareholders equity:				
Successor Company common stock, par value $0.01; 250,000,000 shares authorized; issued and outstanding 72,898,234 and 61,541,389 shares at September 30, 2015 and December 31, 2014, respectively		728		615
Successor Company additional paid-in capital		1,477,035		1,251,197
Accumulated other comprehensive loss		(17)		(25,317)
Retained deficit		(327,691)		(182,294)
Total Genco Shipping & Trading Limited shareholders equity		1,150,055		1,044,201
Noncontrolling interest				248,573
Total equity		1,150,055		1,292,774
Total liabilities and equity	$	1,648,217	$	1,752,913

See accompanying notes to condensed consolidated financial statements.

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Genco Shipping & Trading Limited

Condensed Consolidated Statements of Operations

(U.S. Dollars in Thousands, Except for Earnings Per Share and Share Data)

(Unaudited)

	Successor		Predecessor
	Three Months Ended September 30, 2015	Period from July 9 to September 30, 2014	Period from July 1 to July 9, 2014 (restated)
Revenues:			
Voyage revenues	$ 49,167	$ 43,943	$ 4,034
Service revenues	828	756	72
Total revenues	49,995	44,699	4,106
Operating expenses:			
Voyage expenses	6,638	2,335	200
Vessel operating expenses	31,544	27,248	2,902
General, administrative and management fees	26,983	15,492	6,147
Depreciation and amortization	20,124	17,356	3,213
Other operating income		(296)	
Total operating expenses	85,289	62,135	12,462
Operating loss	(35,294)	(17,436)	(8,356)
Other (expense) income:			
Impairment of investment	(32,536)		
Other (expense) income	(653)	7	1
Interest income	22	19	
Interest expense	(4,876)	(3,592)	(1,529)
Other expense	(38,043)	(3,566)	(1,528)
Loss before reorganization items, net	(73,337)	(21,002)	(9,884)
Reorganization items, net	(174)	(1,167)	(895,534)
Loss before income taxes	(73,511)	(22,169)	(905,418)
Income tax expense	(292)	(393)	(38)
Net loss	(73,803)	(22,562)	(905,456)
Less: Net loss attributable to noncontrolling interest	(7,178)	(4,272)	(53,935)
Net loss attributable to Genco Shipping & Trading Limited	$ (66,625)	$ (18,290)	$ (851,521)

Net loss per share-basic	$ (0.95)	$ (0.30)	$ (19.54)
Net loss per share-diluted	$ (0.95)	$ (0.30)	$ (19.54)
Weighted average common shares outstanding-basic	69,824,338	60,299,766	43,568,942
Weighted average common shares outstanding-diluted	69,824,338	60,299,766	43,568,942
Dividends declared per share	$	$	$

See accompanying notes to condensed consolidated financial statements.

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Genco Shipping & Trading Limited

Condensed Consolidated Statements of Operations

(U.S. Dollars in Thousands, Except for Earnings Per Share and Share Data)

(Unaudited)

	Successor		Predecessor
	Nine Months Ended September 30, 2015	Period from July 9 to September 30, 2014	Period from January 1 to July 9, 2014 (restated)
Revenues:			
Voyage revenues	$ 116,548	$ 43,943	$ 118,759
Service revenues	2,457	756	1,701
Total revenues	119,005	44,699	120,460
Operating expenses:			
Voyage expenses	14,775	2,335	4,140
Vessel operating expenses	90,143	27,248	64,670
General, administrative and management fees	73,798	15,492	31,371
Depreciation and amortization	58,933	17,356	75,952
Other operating income		(296)	
Impairment of vessel assets	35,396		
Loss on sale of vessels	1,210		
Total operating expenses	274,255	62,135	176,133
Operating loss	(155,250)	(17,436)	(55,673)
Other (expense) income:			
Impairment of investment	(32,536)		
Other (expense) income	(707)	7	(106)
Interest income	71	19	45
Interest expense	(13,887)	(3,592)	(41,061)
Other expense	(47,059)	(3,566)	(41,122)
Loss before reorganization items, net	(202,309)	(21,002)	(96,795)
Reorganization items, net	(1,006)	(1,167)	(915,640)
Loss before income taxes	(203,315)	(22,169)	(1,012,435)
Income tax expense	(1,553)	(393)	(815)
Net loss	(204,868)	(22,562)	(1,013,250)
Less: Net loss attributable to noncontrolling interest	(59,471)	(4,272)	(62,101)
Net loss attributable to Genco Shipping & Trading Limited	$ (145,397)	$ (18,290)	$ (951,149)
Net loss per share-basic	$ (2.29)	$ (0.30)	$ (21.83)
Net loss per share-diluted	$ (2.29)	$ (0.30)	$ (21.83)
Weighted average common shares outstanding-basic	63,615,181	60,299,766	43,568,942

Weighted average common shares outstanding-diluted	63,615,181	60,299,766	43,568,942
Dividends declared per share	$	$	$

See accompanying notes to condensed consolidated financial statements.

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Genco Shipping & Trading Limited

Condensed Consolidated Statements of Comprehensive Loss

(U.S. Dollars in Thousands)

(Unaudited)

	Successor		Predecessor
	Three Months Ended September 30, 2015	Period from July 9 to September 30, 2014	Period from July 1 to July 9, 2014 (restated)
Net loss	$ (73,803)	$ (22,562)	$ (905,456)
Change in unrealized gain (loss) on investments	26,343	(13,341)	2,186
Unrealized gain on cash flow hedges, net			95
Other comprehensive income (loss)	26,343	(13,341)	2,281
Comprehensive loss	(47,460)	(35,903)	(903,175)
Less: Comprehensive loss attributable to noncontrolling interest	(7,178)	(4,272)	(53,935)
Comprehensive loss attributable to Genco Shipping & Trading Limited	$ (40,282)	$ (31,631)	$ (849,240)

	Successor		Predecessor
	Nine Months Ended September 30, 2015	Period from July 9 to September 30, 2014	Period from January 1 to July 9, 2014 (restated)
Net loss	$ (204,868)	$ (22,562)	$ (1,013,250)
Change in unrealized gain (loss) on investments	25,300	(13,341)	(25,766)
Unrealized gain on cash flow hedges, net			2,401
Other comprehensive income (loss)	25,300	(13,341)	(23,365)
Comprehensive loss	(179,568)	(35,903)	(1,036,615)
Less: Comprehensive loss attributable to noncontrolling interest	(59,471)	(4,272)	(62,101)
Comprehensive loss attributable to Genco Shipping & Trading Limited	$ (120,097)	$ (31,631)	$ (974,514)

See accompanying notes to condensed consolidated financial statements.

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Genco Shipping & Trading Limited

Condensed Consolidated Statements of Equity

(U.S. Dollars in Thousands)

(Unaudited)

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Retained (Deficit) Earnings	Genco Shipping & Trading Limited Shareholders Equity	Noncontrolling Interest	Total Equity
Balance January 1, 2015 (Successor)	$ 615	$ 1,251,197	$ (25,317)	$ (182,294)	$ 1,044,201	$ 248,573	$ 1,292,774
Net loss				(145,397)	(145,397)	(59,471)	(204,868)
Other comprehensive income			25,300		25,300		25,300
Settlement of non-accredited Note holders		(414)			(414)		(414)
Equity effect of purchase of entities under common control		590			590		590
Issuance of 11,287,132 shares to Baltic Trading shareholders	113	(113)					
Elimination of non-controlling interest due to Merger		194,375			194,375	(194,375)	
Nonvested stock amortization		31,400			31,400	5,273	36,673
Balance September 30, 2015 (Successor)	$ 728	$ 1,477,035	$ (17)	$ (327,691)	$ 1,150,055	$	$ 1,150,055

	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Retained (Deficit) Earnings (restated)	Genco Shipping & Trading Limited Shareholders	Noncontrolling Interest (restated)	Total Equity (restated)

					Equity (restated)		
Balance January 1, 2014 (Predecessor)	$ 445	$ 846,658	$ 53,722	$ 66,644	$ 967,469	$ 341,336	$ 1,308,805
Net loss				(951,149)	(951,149)	(62,101)	(1,013,250)
Unrealized loss on investments			(25,766)		(25,766)		(25,766)
Unrealized gain on cash flow hedges, net			2,401		2,401		2,401
Nonvested stock amortization		2,403			2,403	1,949	4,352
Cash dividends paid by Baltic Trading Limited		(5)			(5)	(2,041)	(2,046)
Vesting of restricted shares issued by Baltic Trading Limited		74			74	(74)	
Subtotal July 9, 2014 (Predecessor)	$ 445	$ 849,130	$ 30,357	$ (884,505)	$ (4,573)	$ 279,069	$ 274,496
Fresh-start adjustments:							
Cancellation of Predecessor common stock and accumulated deficit	(445)	(849,130)		884,505	34,930		34,930
Elimination of Predecessor accumulated other comprehensive income			(30,357)		(30,357)		(30,357)
Issuance of new equity interest in connection with emergence from Chapter 11, including the $100 Million Rights Offering 60,299,757 shares	603	1,232,397			1,233,000		1,233,000
Balance July 9, 2014 (Successor)	$ 603	$ 1,232,397	$	$	$ 1,233,000	$ 279,069	$ 1,512,069
Net loss				(18,290)	(18,290)	(4,272)	(22,562)
Unrealized loss on investments			(13,341)		(13,341)		(13,341)
Issuance of 1,110,600 shares of nonvested stock	11	(11)					

Nonvested stock amortization		7,054			7,054	818	7,872
Cash dividends paid by Baltic Trading Limited		(1)			(1)	(511)	(512)
Balance September 30, 2014 (Successor)	$ 614	$ 1,239,439	$ (13,341)	$ (18,290)	$ 1,208,422	$ 275,104	$ 1,483,526

See accompanying notes to condensed consolidated financial statements.

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Genco Shipping & Trading Limited

Condensed Consolidated Statements of Cash Flows

(U.S. Dollars in Thousands)

(Unaudited)

	Successor		Predecessor
	For the Nine Months Ended September 30, 2015	Period from July 9 to September 30, 2014	Period from January 1 to July 9, 2014 (restated)
Cash flows from operating activities:			
Net loss	$ (204,868)	$ (22,562)	$ (1,013,250)
Adjustments to reconcile net loss to net cash used in operating activities:			
Non-cash reorganization items and fresh-start reporting adjustments, net			880,408
Depreciation and amortization	58,933	17,356	75,952
Amortization of deferred financing costs	1,688	384	4,461
Amortization of time charters acquired		434	(68)
Amortization of discount on Convertible Senior Notes			1,592
Interest expense related to the de-designation of the interest rate swap			1,048
Amortization of nonvested stock compensation expense	36,673	7,872	4,352
Impairment of vessel assets	35,396		
Loss on disposal of vessels	900		
Impairment of investment	32,536		
Realized loss on sale of investment	662		
Change in assets and liabilities:			
Decrease (increase) in due from charterers	600	(2,400)	1,047
(Increase) decrease in prepaid expenses and other current assets	(89)	5,519	(11,735)
Increase (decrease) in accounts payable and accrued expenses	8,266	(27,998)	32,534
Decrease in deferred revenue	(381)	(104)	(600)
Increase in lease obligations	579	186	195
Deferred drydock costs incurred	(10,288)	(2,977)	(9,253)
Net cash used in operating activities	(39,393)	(24,290)	(33,317)
Cash flows from investing activities:			
Purchase of vessels, including deposits	(46,129)	(918)	(29,995)
Purchase of other fixed assets	(586)	(30)	(415)
Sale of AFS securities	688		
Changes in deposits of restricted cash	19,630	125	(125)
Net cash used in investing activities	(26,397)	(823)	(30,535)
Cash flows from financing activities:			
Repayments on the $100 Million Term Loan Facility	(5,769)	(1,923)	(3,846)
Repayments on the $253 Million Term Loan Facility	(16,875)		(10,150)
Proceeds from the 2015 Revolving Credit Facility	35,000		
Repayments on the $44 Million Term Loan Facility	(2,063)	(688)	(1,375)

Proceeds from the $148 Million Credit Facility	131,500		
Repayments on the $148 Million Credit Facility	(4,894)		
Repayments on the 2010 Credit Facility	(102,250)		
Repayments on the $22 Million Term Loan Facility	(1,125)	(375)	(750)
Repayments on the 2014 Term Loan Facilities	(1,381)		
Payment of dividend by subsidiary		(512)	(2,046)
Cash settlement of non-accredited Note holders	(748)	(375)	
Proceeds from Rights Offering			100,000
Payment of common stock issuance costs by subsidiary			(111)
Payment of deferred financing costs	(4,541)	(471)	(4,515)
Net cash provided by (used in) financing activities	26,854	(4,344)	77,207
Net (decrease) increase in cash and cash equivalents	(38,936)	(29,457)	13,355
Cash and cash equivalents at beginning of period	83,414	136,077	122,722
Cash and cash equivalents at end of period	$ 44,478	$ 106,620	$ 136,077

See accompanying notes to condensed consolidated financial statements.

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Genco Shipping & Trading Limited

(U.S. Dollars in Thousands, Except Per Share and Share Data)

Notes to Condensed Consolidated Financial Statements (unaudited)

1 - GENERAL INFORMATION

The accompanying condensed consolidated financial statements include the accounts of Genco Shipping & Trading Limited (GS&T), its wholly-owned subsidiaries, and its wholly-owned indirect subsidiary, Baltic Trading Limited (collectively, the Company). The Company is engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels. GS&T is incorporated under the laws of the Marshall Islands and as of September 30, 2015, is the sole owner of all of the outstanding shares of the following subsidiaries: Genco Ship Management LLC; Genco Investments LLC; Genco RE Investments LLC; and the ship-owning subsidiaries as set forth below. As of September 30, 2015, Genco Ship Management LLC is the sole owner of all of the outstanding shares of Genco Management (USA) Limited.

Bankruptcy Filing

On April 21, 2014 (the Petition Date), GS&T and its subsidiaries other than Baltic Trading Limited (Baltic Trading) and its subsidiaries (collectively, the Debtors) filed voluntary petitions for relief (the Chapter 11 Cases) under Chapter 11 of the United States Bankruptcy Code (the Bankruptcy Code) in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). The Debtors continued to operate their businesses in the ordinary course as debtors-in-possession under the jurisdiction of the Bankruptcy Court in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court. Through the Chapter 11 Cases, the Debtors implemented a Prepackaged Plan of Reorganization of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code (the Prepack Plan) for which the Company solicited votes from certain classes of its creditors prior to commencement of the Chapter 11 Cases in accordance with the Restructuring Support Agreement that the Debtors entered into with certain of its creditors on April 3, 2014. The Company subsequently emerged from bankruptcy on July 9, 2014 (the Effective Date). Refer to the financial statements and notes thereto included in the Company s annual report on Form 10-K for the year ended December 31, 2014, as amended, for further detail regarding the bankruptcy filing.

Merger Agreement with Baltic Trading

On April 7, 2015, the Company entered into a definitive merger agreement with Baltic Trading under which the Company acquired Baltic Trading in a stock-for-stock transaction (the Merger). Under the terms of the agreement, Baltic Trading became an indirect wholly-owned subsidiary of the Company, and Baltic Trading shareholders (other than the Company and its subsidiaries) received 0.216 shares of the Company s common stock for each share of Baltic Trading s common stock they owned at closing, with fractional shares settled in cash. Upon consummation of the transaction on July 17, 2015, the Company s shareholders owned approximately 84.5% of the combined company, and former Baltic Trading s shareholders (other than the Company and its subsidiaries) owned approximately 15.5% of the combined company. Shares of Baltic Trading s Class B stock (all of which were owned by the Company) were canceled in the Merger. The Company s common stock began trading on the New York Stock Exchange after consummation of the transaction on July 20, 2015.The Boards of Directors of both the Company and Baltic Trading established independent special committees to review the transaction and negotiate the terms on behalf of their respective companies. Both independent special committees unanimously approved the transaction. The Boards of Directors of both companies approved the Merger by unanimous vote of directors present and voting, with Peter C. Georgiopoulos, Chairman of the Board of each company, recused for the vote. The Merger was approved on July 17, 2015 at the 2015 Annual Meeting of Shareholders (the Annual Meeting).

Prior to the completion of the Merger, the Company prepared its condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and consolidated the operations of Baltic Trading. The Baltic Trading common shares that the Company acquired in the Merger were previously recognized as a noncontrolling interest in the condensed consolidated financial statements of the Company. Under U.S. GAAP, changes in a parent s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are considered equity transactions (i.e. transactions with owners in their capacity as owners) with any difference between the amount by which the noncontrolling interest is adjusted and the fair value of the consideration paid attributed to the equity of the parent. Accordingly, any difference between the fair value of the Company s common shares issued in exchange for Baltic Trading common shares pursuant to the Merger is reflected as an adjustment to the equity in the Company. No gain or loss has been recognized in the Company s Condensed Consolidated Statement of Comprehensive Income (Loss) upon completion of the transaction.

Acquisition of Baltic Lion and Baltic Tiger

Additionally, on April 7, 2015, the Company entered into an agreement under which the Company acquired all of the shares of two single-purpose vessel owning entities that were wholly owned by Baltic Trading, each of which owns one Capesize drybulk vessel, specifically the Baltic Lion and Baltic Tiger, for an aggregate purchase price of $68,500, subject to reduction for $40,563 of outstanding first-mortgage debt of such single-purpose entities that is to be guaranteed by the Company. For further details, refer to

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the Impairment of vessel assets Section in Note 2 Summary of Significant Accounting Policies. These transactions, which closed on April 8, 2015, were accounted for pursuant to accounting guidance under ASC 805, Business Combinations , for transactions amongst entities under common control. Accordingly, the difference between the cash paid to Baltic Trading and the Company s carrying value of the Baltic Lion and Baltic Tiger as of the closing date of $590 is reflected as an adjustment to Additional paid-in capital in the Condensed Consolidated Statements of Equity during the nine months ended September 30, 2015. The independent special committees of both companies Boards of Directors reviewed and approved these transactions.

Financial Statement Presentation

Upon the Company s emergence from the Chapter 11 Cases on July 9, 2014, the Company adopted fresh-start reporting in accordance with provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 852, Reorganizations (ASC 852). Upon adoption of fresh-start reporting, the Company s assets and liabilities were recorded at their value as of the fresh-start reporting date. The fair values of the Company s assets and liabilities in conformance with ASC 805, Business Combinations, as of that date differed materially from the recorded values of its assets and liabilities as reflected in its historical consolidated financial statements. In addition, the Company s adoption of fresh-start reporting may materially affect its results of operations following the fresh-start reporting dates, as the Company will have a new basis in its assets and liabilities. Consequently, the Company s historical financial statements may not be reliable indicators of its financial condition and results of operations for any period after it adopted fresh-start reporting. As a result of the adoption of fresh-start reporting, the Company s consolidated balance sheets and consolidated statements of operations subsequent to July 9, 2014 will not be comparable in many respects to our consolidated balance sheets and consolidated statements of operations prior to July 9, 2014. References to Successor Company refer to the Company after July 9, 2014, after giving effect to the application of fresh-start reporting. References to Predecessor Company refer to the Company prior to July 9, 2014.

Under ASC 852, fresh-start reporting is required upon emergence from Chapter 11 if (i) the value of the assets of the emerging entity immediately before the date of confirmation is less than the total of all post-petition liabilities and allowed claims; and (ii) holders of existing voting shares immediately before confirmation receive less than 50% of the voting shares of the emerging entity. Accordingly, the Company qualified for and adopted fresh-start reporting as of the Effective Date. Adopting fresh-start reporting results in a new reporting entity with no beginning retained earnings or deficit. The cancellation of all existing shares outstanding on the Effective Date and issuance of new shares of the reorganized entity caused a related change of control of the Company under ASC 852.

The following fresh-start balance sheet illustrates the financial effects on the Company of the implementation of the Plan and the adoption of fresh-start reporting. This fresh-start balance sheet reflects the effect of the completion of the transactions included in the Plan, including the issuance of equity and the settlement of old indebtedness.

The effects of the Plan and fresh-start reporting on the Company s consolidated balance sheet (as restated) are as follows:

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	Predecessor July 9, 2014	Fresh-Start Adjustments Debt Discharge and Equity Issuance (a) (restated)	Reinstatement of Liabilities (b)	Revaluation of Assets and Liabilities (c) (restated)	Successor July 9, 2014
Assets					
Current assets:					
Cash and cash equivalents	$ 48,551	$ 87,526	$	$	$ 136,077
Restricted cash	9,975				9,975
Due from charterers, net	13,194				13,194
Prepaid expenses and other current assets	30,800			(41)	30,759
Time charters acquired				450	450
Total current assets	102,520	87,526		409	190,455
Noncurrent assets:					
Vessels, net	2,604,731			(1,065,882)	1,538,849
Deposits on vessels	28,658			2,317	30,975
Deferred drydock, net	16,584			(16,396)	188
Deferred financing costs, net	18,953	(11,893)			7,060
Fixed assets, net	4,053			(3,443)	610
Other noncurrent assets	514				514
Restricted cash	300				300
Investments	51,804				51,804
Goodwill				166,067	166,067
Total noncurrent assets	2,725,597	(11,893)		(917,337)	1,796,367
Total assets	$ 2,828,117	$ 75,633	$	$ (916,928)	$ 1,986,822
Liabilities and Equity					
Current liabilities not subject to compromise:					
Accounts payable and accrued expenses	$ 60,333	$ (1,086)	$ 6,478	$	$ 65,725
Current portion of long-term debt	4,250		27,992		32,242
Deferred revenue	997				997
Time charters acquired	16			(16)	
Total current liabilities not subject to compromise	65,596	(1,086)	34,470	(16)	98,964
Noncurrent liabilities not subject to compromise:					
Long-term lease obligations	2,670			(2,670)	
Long-term debt	161,500		214,289		375,789
Total noncurrent liabilities not subject to compromises	164,170		214,289	(2,670)	375,789
Total liabilities subject to compromise	1,443,446	(1,194,687)	(248,759)		
Total liabilities	1,673,212	(1,195,773)		(2,686)	474,753
Equity:					
Genco Shipping & Trading Limited shareholders equity:					
Predecessor Common stock	445	(445)			
Predecessor Additional paid-in capital	849,130	(849,130)			
Successor Common stock		603			603
Successor Additional paid-in capital		1,232,397			1,232,397

Accumulated other comprehensive income	30,357	(30,357)			
Retained (deficit) earnings	(57,463)	918,338		(860,875)	
Total Genco Shipping & Trading Limited shareholders equity	822,469	1,271,406		(860,875)	1,233,000
Noncontrolling interest	332,436			(53,367)	279,069
Total equity	1,154,905	1,271,406		(914,242)	1,512,069
Total liabilities and equity	$ 2,828,117	$ 75,633	$	$ (916,928)	$ 1,986,822

(a) Debt Discharge and Equity Issuance This column reflects the following adjustments pursuant to the Plan:

1. Items comprising the net gain on settlement of liabilities subject to compromise in exchange for equity issuance see Note 18.

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		Predecessor Period from January 1 to July 9, 2014
Discharge of the outstanding debt under the 2007 Credit Facility	$	1,055,912
Discharge of the long-term interest payable due pursuant to the 2007 Credit Facility		13,199
Discharge of the 2010 Notes liability		117,473
Discharge of coupon interest on the 2010 Notes liability		1,105
The elimination of deferred financing fees associated with the discharged obligations		(15,383)
The elimination of accumulated other comprehensive income related to interest rate swaps associated with the discharged obligations		(4,574)
Issuance of Successor common stock		(1,133,900)
Net gain on the discharge of Predecessor liabilities related to liabilities subject to compromise and associated issuance of Successor equity	$	33,832

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2. Other items associated with the settlement of liabilities subject to compromise:

- The payment of interest expense accrued up to the Effective Date of $1,772, $59 and $156 for the 2007 Credit Facility, the $100 Million Term Loan Facility and the $253 Million Term Loan Facility, respectively.

- The pay down on the Effective Date of $1,923 and $5,075 for the $100 Million Term Loan Facility and $253 Million Term Loan Facility, respectively, which were due on the Effective Date as they were not paid during the pendency of the Chapter 11 Cases.

- The payment of deferred financing fees of $3,490 for the Amended and Restated $100 Million and $253 Million Term Loan Facilities.

3. The reclassification to retained (deficit) earnings of $34,931 related to the gain associated with the Company s investments.

4. The reclassification of $900 of initial equity to accounts payable that represents the estimated amount of the notes discharged that will be paid in cash to non-accredited investors.

5. The reclassification to retained (deficit) earnings of the Predecessor common stock of $445 and Predecessor additional paid in capital of $849,130.

6. Receipt of the proceeds of the $100,000 rights offering pursuant to the Plan.

(b) Reinstatement of Liabilities This column reflects the reinstatement of the remaining Liabilities subject to compromise for the Predecessor Company which were not already adjusted in the Debt Discharge and Equity Issuance column. It includes the following adjustments:

- The reclassification of the debt outstanding under the Amended and Restated $100 Million Term Loan Facility. This includes $7,692 of current long-term debt and $63,946 of long-term debt.

- The reclassification of the debt outstanding under the Amended and Restated $253 Million Term Loan Facility. This includes $20,300 of current long-term debt and $150,343 of long-term debt.

- The reinstatement of $5,622 related to the termination of the interest rate swap agreement with DNB Bank ASA.

- The reinstatement of the $815 lease obligation.

- The reinstatement of $41 of pre-petition accounts payable due to vendors in the United States.

(c) Revaluation of Assets and Liabilities Fresh-start reporting adjustments are made to reflect asset values at their estimated fair value, including:

- Adjustment of $179 to prepaid amounts for the Predecessor Company.

- Adjustment to reflect the fair value of time charters acquired of $434.

- Adjustment of $1,083,404 to reflect the fair value of vessel assets, vessel deposits, drydocking assets and other fixed assets as of the Effective Date. The portion of the asset revaluation associated with Baltic Trading s noncontrolling interest in the amount of $74,355 was reflected as a reduction of noncontrolling interest.

- Adjustment of $2,670 to reflect the fair value of the Company s current lease agreement, which was previously recorded as long-term lease obligations. As of the Effective Date, the lease agreement has been valued at below market; therefore, we have recorded in Prepaid expenses and other current assets an asset of $138, which will be amortized over the remaining life of the lease agreement.

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• Goodwill in the amount of $166,067 was recognized, which represents the portion of the total reorganization value that was not attributed to specific tangible or identifiable intangible assets. The portion of the goodwill recognized in relation to Baltic Trading noncontrolling interest in the amount of $24,022 was reflected as an increase in noncontrolling interest. A summary of the allocation of the reorganization value to the fair value of the Successor Company net assets, including goodwill, is as follows:

				Total
Reorganization Value				
Value of shares issued to pre-petition claimants	$	1,133,000		
Proceeds of rights offering		100,000	$	1,233,000
Estimated fair value of debt				
Current portion of long-term debt		32,242		
Long term debt		375,789		408,031
Estimated fair value of non-debt liabilities				
Deferred revenue		997		
Accounts payable and accrued expenses		65,725		66,722
Noncontrolling interest				279,069
Reorganization value of assets				1,986,822
Estimated fair value of assets (excluding goodwill) (a)				(1,820,755)
Reorganization value of assets in excess of fair value goodwill (b)			$	166,067

(a) Estimated fair value of assets (excluding goodwill) consists of:

Total current assets	$	190,455
Vessels, net		1,538,849
Deposits on vessels		30,975
Deferred drydock, net		188
Deferred financing costs, net		7,060
Fixed assets, net		610
Other noncurrent assets		514
Restricted cash		300
Investments		51,804
Total assets excluding goodwill	$	1,820,755

(b) The goodwill recognized by the Predecessor Company during the period from January 1 to July 9, 2014 was subsequently deemed impaired during the three months ended December 31, 2014.

• The total reduction of $53,367 in noncontrolling interest is due to the adjustment of the fair value of the noncontrolling interest derived from the Baltic Trading asset revaluation and goodwill described above and an additional revaluation adjustment of $3,034. The revalued noncontrolling interest was determined based on a relative fair value allocation of Baltic Trading s estimated equity value as July 8, 2014, which multiplied the percentage of Baltic Trading s equity ownership attributable to non-controlling interests by the estimated equity value of Baltic Trading as of such date. The estimated equity value of Baltic Trading as of such date was determined by multiplying the closing price of Baltic Trading s publicly traded common stock by the total number of shares of Baltic Trading s common stock and Class B stock outstanding on July 8, 2014.

Other General Information

Baltic Trading was a wholly-owned indirect subsidiary of GS&T until Baltic Trading completed its initial public offering, or IPO, on March 15, 2010. As of December 31, 2014, Genco Investments LLC owned 6,356,471 shares of Baltic Trading s Class B Stock, which represented a 10.85% ownership interest in Baltic Trading and 64.60% of the aggregate voting power of Baltic Trading s outstanding shares of voting stock. As a result of the Merger, Baltic Trading once again became a wholly-owned indirect subsidiary of GS&T.

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Below is the list of the Company s wholly owned ship-owning subsidiaries as of September 30, 2015:

Wholly Owned Subsidiaries	Vessel Acquired	Dwt	Delivery Date	Year Built
Genco Reliance Limited	Genco Reliance	29,952	12/6/04	1999
Genco Vigour Limited	Genco Vigour	73,941	12/15/04	1999
Genco Explorer Limited	Genco Explorer	29,952	12/17/04	1999
Genco Carrier Limited	Genco Carrier	47,180	12/28/04	1998
Genco Sugar Limited	Genco Sugar	29,952	12/30/04	1998
Genco Pioneer Limited	Genco Pioneer	29,952	1/4/05	1999
Genco Progress Limited	Genco Progress	29,952	1/12/05	1999
Genco Wisdom Limited	Genco Wisdom	47,180	1/13/05	1997
Genco Success Limited	Genco Success	47,186	1/31/05	1997
Genco Beauty Limited	Genco Beauty	73,941	2/7/05	1999
Genco Knight Limited	Genco Knight	73,941	2/16/05	1999
Genco Leader Limited	Genco Leader	73,941	2/16/05	1999
Genco Marine Limited	Genco Marine	45,222	3/29/05	1996
Genco Prosperity Limited	Genco Prosperity	47,180	4/4/05	1997
Genco Muse Limited	Genco Muse	48,913	10/14/05	2001
Genco Acheron Limited	Genco Acheron	72,495	11/7/06	1999
Genco Surprise Limited	Genco Surprise	72,495	11/17/06	1998
Genco Augustus Limited	Genco Augustus	180,151	8/17/07	2007
Genco Tiberius Limited	Genco Tiberius	175,874	8/28/07	2007
Genco London Limited	Genco London	177,833	9/28/07	2007
Genco Titus Limited	Genco Titus	177,729	11/15/07	2007
Genco Challenger Limited	Genco Challenger	28,428	12/14/07	2003
Genco Charger Limited	Genco Charger	28,398	12/14/07	2005
Genco Warrior Limited	Genco Warrior	55,435	12/17/07	2005
Genco Predator Limited	Genco Predator	55,407	12/20/07	2005
Genco Hunter Limited	Genco Hunter	58,729	12/20/07	2007
Genco Champion Limited	Genco Champion	28,445	1/2/08	2006
Genco Constantine Limited	Genco Constantine	180,183	2/21/08	2008
Genco Raptor LLC	Genco Raptor	76,499	6/23/08	2007
Genco Cavalier LLC	Genco Cavalier	53,617	7/17/08	2007
Genco Thunder LLC	Genco Thunder	76,588	9/25/08	2007
Genco Hadrian Limited	Genco Hadrian	169,694	12/29/08	2008
Genco Commodus Limited	Genco Commodus	169,025	7/22/09	2009
Genco Maximus Limited	Genco Maximus	169,025	9/18/09	2009
Genco Claudius Limited	Genco Claudius	169,025	12/30/09	2010
Genco Bay Limited	Genco Bay	34,296	8/24/10	2010
Genco Ocean Limited	Genco Ocean	34,409	7/26/10	2010
Genco Avra Limited	Genco Avra	34,391	5/12/11	2011
Genco Mare Limited	Genco Mare	34,428	7/20/11	2011
Genco Spirit Limited	Genco Spirit	34,432	11/10/11	2011
Genco Aquitaine Limited	Genco Aquitaine	57,981	8/18/10	2009
Genco Ardennes Limited	Genco Ardennes	57,981	8/31/10	2009
Genco Auvergne Limited	Genco Auvergne	57,981	8/16/10	2009
Genco Bourgogne Limited	Genco Bourgogne	57,981	8/24/10	2010
Genco Brittany Limited	Genco Brittany	57,981	9/23/10	2010
Genco Languedoc Limited	Genco Languedoc	57,981	9/29/10	2010
Genco Loire Limited	Genco Loire	53,416	8/4/10	2009
Genco Lorraine Limited	Genco Lorraine	53,416	7/29/10	2009
Genco Normandy Limited	Genco Normandy	53,596	8/10/10	2007
Genco Picardy Limited	Genco Picardy	55,257	8/16/10	2005

Genco Provence Limited	Genco Provence	55,317	8/23/10	2004
Genco Pyrenees Limited	Genco Pyrenees	57,981	8/10/10	2010
Genco Rhone Limited	Genco Rhone	58,018	3/29/11	2011
Baltic Lion Limited	Baltic Lion	179,185	4/8/15 (1)	2012
Baltic Tiger Limited	Genco Tiger	179,185	4/8/15 (1)	2011
Baltic Leopard Limited	Baltic Leopard	53,447	4/8/10 (2)	2009
Baltic Panther Limited	Baltic Panther	53,351	4/29/10 (2)	2009
Baltic Cougar Limited	Baltic Cougar	53,432	5/28/10 (2)	2009

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Wholly Owned Subsidiaries	Vessel Acquired	Dwt	Delivery Date	Year Built
Baltic Jaguar Limited	Baltic Jaguar	53,474	5/14/10 (2)	2009
Baltic Bear Limited	Baltic Bear	177,717	5/14/10 (2)	2010
Baltic Wolf Limited	Baltic Wolf	177,752	10/14/10 (2)	2010
Baltic Wind Limited	Baltic Wind	34,409	8/4/10 (2)	2009
Baltic Cove Limited	Baltic Cove	34,403	8/23/10 (2)	2010
Baltic Breeze Limited	Baltic Breeze	34,386	10/12/10 (2)	2010
Baltic Fox Limited	Baltic Fox	31,883	9/6/13 (2)	2010
Baltic Hare Limited	Baltic Hare	31,887	9/5/13 (2)	2009
Baltic Hornet Limited	Baltic Hornet	63,574	10/29/14 (2)	2014
Baltic Wasp Limited	Baltic Wasp	63,389	1/2/15 (2)	2015
Baltic Scorpion Limited	Baltic Scorpion	63,462	8/6/15 (2)	2015
Baltic Mantis Limited	Baltic Mantis	63,470	10/9/15 (2)	2015

(1) The delivery date for these vessels represents the date that the vessel was purchased from Baltic Trading.

(2) The delivery date for these vessels represents the date that Baltic Trading purchased the vessel.

The Company provides technical services for drybulk vessels purchased by Maritime Equity Partners LLC (MEP). Peter C. Georgiopoulos, Chairman of the Board of Directors of GS&T, controls and has a minority interest in MEP. These services include oversight of crew management, insurance, drydocking, ship operations and financial statement preparation, but do not include chartering services. The services are provided for a fee of $750 per ship per day plus reimbursement of out-of-pocket costs and were provided for an initial term of one year. MEP has the right to cancel provision of services on 60 days notice with payment of a one-year termination fee upon a change in control of the Company. The Company may terminate provision of the services at any time on 60 days notice. On September 30, 2015, under the oversight of an independent committee of our Board of Directors, Genco Management (USA) Limited and MEP entered into certain agreements under which MEP paid $1,000 of the amount of service fees in arrears, a schedule was agreed for payment of the remaining amount in arrears, and the daily service fee was reduced from $750 to $650 per day effective on October 1, 2015. Refer to Note 7 Related Party Transactions for amounts due from MEP as of September 30, 2015.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. GAAP, which include the accounts of GS&T, Baltic Trading and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Basis of presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. GAAP for interim financial information and the rules and regulations of the Securities and Exchange Commission (the SEC). In the opinion of management of the Company, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and operating results have been included in the statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company s annual report on Form 10-K for the year ended December 31, 2014, as amended (the 2014 10-K). The results of operations for the three and nine month periods ended September 30, 2015 are not necessarily indicative of the operating results to be expected for the year ending December 31, 2015.

Segment reporting

The Company reports financial information and evaluates its operations by charter revenues and not by the length of ship employment for its customers, i.e., spot or time charters. Each of the Company s vessels serve the same type of customer, have similar operations and maintenance requirements, operate in the same regulatory environment, and are subject to similar economic characteristics. Based on this, the Company has determined that it operates in one reportable segment, after the effective date of the Merger on July 17, 2015, which is engaged in the ocean transportation of drybulk cargoes worldwide through the ownership and operation of drybulk carrier vessels. Prior to the Merger, the Company had two reportable operating segments, GS&T and Baltic Trading.

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Vessels, net

Vessels, net is stated at cost less accumulated depreciation. Included in vessel costs are acquisition costs directly attributable to the acquisition of a vessel and expenditures made to prepare the vessel for its initial voyage. The Company also capitalizes interest costs for a vessel under construction as a cost which is directly attributable to the acquisition of a vessel. Vessels are depreciated on a straight-line basis over their estimated useful lives, determined to be 25 years from the date of initial delivery from the shipyard. Depreciation expense for vessels for the Successor Company for the three and nine months ended September 30, 2015 and the period from July 9 to September 30, 2014 was $19,172, $56,869 and $17,221, respectively. Depreciation expense for vessels for the Predecessor Company for the period from July 1 to July 9, 2014 and from January 1 to July 9, 2014 was $3,039 and $71,756, respectively.

Depreciation expense is calculated based on cost less the estimated residual scrap value. The costs of significant replacements, renewals and betterments are capitalized and depreciated over the shorter of the vessel s remaining estimated useful life or the estimated life of the renewal or betterment. Undepreciated cost of any asset component being replaced that was acquired after the initial vessel purchase is written off as a component of vessel operating expense. Expenditures for routine maintenance and repairs are expensed as incurred. Scrap value is estimated by the Company by taking the cost of steel times the weight of the ship noted in lightweight tons (lwt). Effective July 9, 2014, the Company increased the estimated scrap value of the vessels from $245 per lwt to $310 per lwt prospectively based on the 15-year average scrap value of steel. During the three and nine months ended September 30, 2015, the increase in the estimated scrap value resulted in a decrease in depreciation expense of $805 and $2,388, respectively. The decrease in depreciation expense does not take into effect the revaluation of the vessel assets due to fresh-start reporting. During the period from July 9 to September 30, 2014, the increase in the estimated scrap value resulted in a decrease in depreciation expense of $735 for the Successor Company.

Deferred revenue

Deferred revenue primarily relates to cash received from charterers prior to it being earned. These amounts are recognized as income when earned. Additionally, deferred revenue includes estimated customer claims mainly due to time charter performance issues. As of September 30, 2015 and December 31, 2014, the Successor Company had an accrual of $505 and $662, respectively, related to these estimated customer claims.

Voyage expense recognition

In time charters, spot market-related time charters and pool agreements, operating costs including crews, maintenance and insurance are typically paid by the owner of the vessel and specified voyage costs such as fuel and port charges are paid by the charterer. There are certain other non-specified voyage expenses, such as commissions, which are typically borne by the Company. At the inception of a time charter, the Company records the difference between the cost of bunker fuel delivered by the terminating charterer and the bunker fuel sold to the new charterer as a gain or loss within voyage expenses. These differences in bunkers resulted in a net loss (gain) of $2,394, $5,054 and ($36) during the three and nine months ended September 30, 2015 and the period from July 9 to September 30, 2014, respectively, for the Successor Company. During the period from July 1 to July 9, 2014 and from January 1 to July 9, 2014, the Predecessor Company recorded a net gain of ($3) and ($252), respectively. Additionally, voyage expenses include the cost of bunkers consumed during short-term time charters pursuant to the terms of the time charter agreement, as well as any adjustments to record fuel inventory at the lower of cost or market at the balance sheet date.

Impairment of vessel assets

During the three and nine months ended September 30, 2015, the Successor Company recorded $0 and $35,396, respectively, related to the impairment of vessel assets in accordance with ASC 360 Property, Plant and Equipment (ASC 360). At March 31, 2015, the Company determined that the sale of the Baltic Lion and Baltic Tiger was more likely than not based on Baltic Trading s expressed consideration to divest of those vessels. Therefore, the time utilized to determine the recoverability of the carrying value of the vessel assets was significantly reduced, and after determining that the sum of the estimated undiscounted future cash flows attributable to the Baltic Lion and Baltic Tiger would not exceed the carrying value of the respective vessels, the Company reduced the carrying value of each vessel to its estimated fair value, which was determined primarily based on appraisals and third-party broker quotes. On April 8, 2015, the Baltic Lion and Baltic Tiger entities were sold to GS&T. Refer to Note 1 General Information for details pertaining to the sale of these entities.

Loss on disposal of vessels

During the three and nine months ended September 30, 2015, the Successor Company recorded $0 and $1,210, respectively, related to the loss on sale of vessels related to the sale of the Baltic Lion and Baltic Tiger entities to GS&T from Baltic Trading on April 8, 2015.

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Noncontrolling interest

Net loss attributable to noncontrolling interest during the three and nine months ended September 30, 2015 and the period from July 9 to September 30, 2014 for the Successor Company was $7,178, $59,471 and $4,272. Net loss attributable to noncontrolling interest during the period from July 1 to July 9, 2014 and January 1 to July 9, 2014 was $53,935 and $62,101, respectively. The aforementioned amounts reflect the noncontrolling interest s share of the net loss of the Company s subsidiary, Baltic Trading, prior to the Merger on July 17, 2015, which owned and employed drybulk vessels in the spot market, in vessel pools or on spot market-related time charters. The spot market represents immediate chartering of a vessel, usually for single voyages. At December 31, 2014, the noncontrolling interest held an 89.15% economic interest in Baltic Trading while only holding 35.40% of the voting power.

Investments

The Company holds an investment in the capital stock of Jinhui Shipping and Transportation Limited (Jinhui) and in Korea Line Corporation (KLC). Jinhui is a drybulk shipping owner and operator focused on the Supramax segment of drybulk shipping. KLC is a marine transportation service company which operates a fleet of carriers which includes carriers for iron ore, liquefied natural gas and tankers for oil and petroleum products. The investments in Jinhui and KLC have been designated as Available For Sale (AFS) and are reported at fair value, with unrealized gains and losses recorded in equity as a component of accumulated other comprehensive income (loss) (AOCI). The Company classifies the investments as current or noncurrent assets based on the Company s intent to hold the investments at each reporting date.

Investments are reviewed quarterly to identify possible other-than-temporary impairment in accordance with ASC Subtopic 320-10, Investments Debt and Equity Securities (ASC 320-10). When evaluating its investments, the Company reviews factors such as the length of time and extent to which fair value has been below the cost basis, the financial condition of the issuer, the underlying net asset value of the issuer s assets and liabilities, and the Company s ability and intent to hold the investment for a period of time which may be sufficient for anticipated recovery in market value. Should the decline in the value of any investment be deemed to be other-than-temporary, the investment basis would be written down to fair market value, and the write-down would be recorded to earnings as a loss. Refer to Note 5 Investments.

Income taxes

Pursuant to certain agreements, GS&T technically and commercially managed vessels for Baltic Trading until the Merger, as well as provides technical management of vessels for MEP in exchange for specified fees for these services provided. These services are performed by Genco Management (USA) Limited (Genco (USA)), which has elected to be taxed as a corporation for United States federal income tax purposes. As such, Genco (USA) is subject to United States federal income tax on its worldwide net income, including the net income derived from providing these services. Genco (USA) has entered into a cost-sharing agreement with the Company and Genco Ship Management LLC, collectively Manco, pursuant to which Genco (USA) agrees to reimburse Manco for the costs incurred by Genco (USA) for the use of Manco s personnel and services in connection with the provision of the services for both Baltic Trading and MEP s vessels.

Total revenue earned by the Successor Company for these services during the three and nine months ended September 30, 2015 was $1,012 and $5,692, respectively, of which $184 and $3,235, respectively, eliminated upon consolidation. After allocation of certain expenses, there was taxable income of $593 associated with these activities for the three months ended September 30, 2015. This resulted in estimated tax expense of $269 for the three months ended September 30, 2015. After allocation of certain expense, there was taxable income of $3,323 associated with these activities for the nine months ended September 30, 2015. This resulted in estimated income tax expense of $1,499 for the nine months ended September 30, 2015.

Total revenue earned by the Successor Company for these services during the period from July 9 to September 30, 2014 was $1,692, of which $936 eliminated upon consolidation. After allocation of certain expenses, there was taxable income of $847 associated with these activities for the period from July 9 to September 30, 2014. This resulted in estimated tax expense of $381 for the period from July 9 to September 30, 2014.

Total revenue earned by the Predecessor Company for these services during the period from July 1 to July 9, 2014 and January 1 to July 9, 2014 was $160 and $3,857, respectively, of which $89 and $2,156, respectively, were eliminated upon consolidation. After allocation of certain expenses, there was taxable income of $73 associated with these activities for the period from July 1 to July 9, 2014. This resulted in estimated tax expense of $36 for the period from July 1 to July 9, 2014. After allocation of certain expenses, there was taxable income of $1,723 associated with these activities for the period from January 1 to July 9, 2014. This resulted in income tax expense of $776 for the period from January 1 to July 9, 2014.

Baltic Trading is subject to income tax on its United States source income. During the three and nine months ended September 30, 2015, Baltic Trading had United States operations that resulted in United States source income of $583 and $1,348, respectively, as recorded by the Successor Company. Baltic Trading s estimated United States income tax expense for the three and nine months ended September 30, 2015 was $23 and $54, respectively, as recorded by the Successor Company.

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During the period from July 9 to September 30, 2014, Baltic Trading had United States operations that resulted in United States source income of $294 as recorded by the Successor Company. Baltic Trading s estimated United States income tax expense for the period from July 9 to September 30, 2014 was $12 as recorded by the Successor Company.

Baltic Trading is subject to income tax on its United States source income. During the period from July 1 to July 9, 2014 and January 1 to July 9, 2014, Baltic Trading had United States operations that resulted in United States source income of $51 and $965, respectively, as recorded by the Predecessor Company. Baltic Trading s estimated United States income tax expense for the period from July 1 to July 9, 2014 and January 1 to July 9, 2014 was $2 and $39, respectively, as recorded by the Predecessor Company.

Recent accounting pronouncements

In August 2015, the FASB issued Accounting Standards Update (ASU) No. 2015-15 (ASU 2015-15), which amends presentation and disclosure requirements outlined in ASU 2015-03, Interest-Imputation of Interest (ASC Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs, (ASU 2015-03) by clarifying guidance for debt issuance costs related to line of credit arrangements by acknowledging the statement by SEC staff that it would not object to presentation of debt issuance costs related to a line of credit arrangement as an asset, and amortizing them ratably over the term of the line of credit arrangement, regardless of whether there were any borrowings outstanding under the agreement. Issued in April 2015, ASU 2015-03 required debt issuance costs related to a recognized debt liability to be presented on the balance sheet as a direct deduction from the debt liability, similar to the presentation of debt discounts. Prior to the issuance of ASU 2015-03, debt issuance costs were required to be presented as deferred charge assets, separate from the related debt liability. ASU 2015-03 does not change the recognition and measurement requirements for debt issuance costs. ASU 2015-03 is effective for fiscal years beginning after December 15, 2015, and early adoption is permitted. The Company is currently evaluating the impact of this adoption on its condensed consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (ASU 2014-09), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle is that a company should recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. The standard is effective for annual periods beginning after December 15, 2016, and interim periods therein, and shall be applied either retrospectively to each period presented or as a cumulative effect adjustment as of the date of adoption. On July 9, 2015, the FASB voted to defer the effective date by one year to December 15, 2017 for annual reporting periods beginning after that date. The FASB also permitted early adoption of the standard, but not before the original effective date of December 15, 2016. The Company is evaluating the potential impact of this adoption on its condensed consolidated financial statements.

3 - CASH FLOW INFORMATION

For the nine months ended September 30, 2015, the Successor Company had non-cash investing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $363 for the Purchase of vessels, including deposits and $49 for the Purchase of other fixed assets. Additionally, for the nine months ended September 30, 2015, the Successor Company had non-cash financing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $14 associated with the Payment of deferred financing fees. Lastly, for the nine months ended September 30, 2015, the Successor Company had non-cash financing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in

Accounts payable and accrued expenses consisting of $82 associated with the Cash settlement of non-accredited Note holders. During the nine months ended September 30, 2015, the Successor Company increased the estimated amount of non-accredited holders of the Convertible Senior Notes, which was discharged on the Effective Date, that are expected to be settled in cash versus settled with common shares.

Professional fees and trustee fees in the amount of $1,006 were recognized by the Successor Company in Reorganization items, net for the nine months ended September 30, 2015 (refer to Note 18). During this period, $1,162 of professional fees and trustee fees were paid through September 30, 2015 and $157 is included in Accounts payable and accrued expenses as of September 30, 2015.

For the period from January 1 to July 9, 2014, the Predecessor Company had non-cash investing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $53 for the Purchase of vessels, including deposits and $20 for the Purchase of other fixed assets. Additionally, for the period from January 1 to July 9, 2014, the Predecessor Company had non-cash financing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $456 associated with the Payment of deferred financing fees.

Of the $35,232 of professional fees and trustee fees recognized in Reorganization items, net for the period from January 1 to July 9, 2014 by the Predecessor Company (refer to Note 18), $2,703 was paid through July 9, 2014 and $32,529 is included in Accounts payable and accrued expenses as of July 9, 2014.

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For the period from July 9 to September 30, 2014, the Successor Company had non-cash investing activities not included in the Condensed Consolidated Statement of Cash Flows for items included in Accounts payable and accrued expenses consisting of $34 for the Purchase of vessels, including deposits and $92 for the Purchase of other fixed assets.

Professional fees and trustee fees in the amount of $1,167 were recognized in Reorganization items, net for the period from July 9 to September 30, 2014 by the Successor Company (refer to Note 18). During this period, $24,740 of professional fees and trustee fees were paid through September 30, 2014 and $8,955 is included in Accounts payable and accrued expenses as of September 30, 2014.

During the nine months ended September 30, 2015, the Successor Company made a reclassification of $19,043 from Deposits on vessels to Vessels, net of accumulated depreciation, due to the completion of the purchase of Baltic Wasp and Baltic Scorpion. No such reclassifications were made by the Successor and Predecessor Company during the period from July 9 to September 30, 2014 and the period from January 1 to July 9, 2014, respectively.

During the period from January 1 to July 9, 2014, the Predecessor Company made a reclassification of $984 from Fixed assets, net of accumulated depreciation, to Vessels, net of accumulated depreciation, for items that should be capitalized and depreciated over the remaining life of the respective vessels.

During the nine months ended September 30, 2015 and the period from July 9 to September 30, 2014, cash paid for interest by the Successor Company, net of amounts capitalized, was $11,543 and $1,219, respectively. During the period from January 1 to July 9, 2014, cash paid by the Predecessor Company for interest, net of amounts capitalized, and including bond coupon interest paid, June 30, 2014, was $40,209.

During the nine months ended September 30, 2015 and the period from July 9 to September 30, 2014, cash paid by the Successor Company for estimated income taxes was $1,369 and $320, respectively. During the period from January 1 to July 9, 2014, cash paid by the Predecessor Company for estimated income taxes was $1,495.

On July 13, 2015 and July 29, 2015, the Company issued 16,188 and 58,215 restricted stock units, respectively, to certain members of the Board of Directors. The aggregate fair value of these restricted stock units was $113 and $416, respectively, and 16,188 shares vested on July 17, 2015. Refer to Note 20 Stock-Based Compensation for further details.

On August 7, 2014, the Company made grants of nonvested common stock pursuant to the Genco Shipping & Trading Limited 2014 Management Incentive Plan (the MIP) as approved by the Plan in the amount of 1,110,600 shares to the participating officers, directors and other management of the Successor Company. The aggregate fair value of such nonvested stock was $22,212. Additionally, on August 7, 2014, the Company issued 8,557,461 MIP Warrants to the participating officers, directors and other management of the Successor Company. The aggregate fair value of these awards upon emergence from bankruptcy was $54,436.

On April 9, 2014, Baltic Trading made grants of nonvested common stock in the amount 36,345 shares to directors of Baltic Trading. The aggregate fair value of such nonvested stock was $225. On July 17, 2015, the date of Baltic Trading s 2015 Annual Meeting of Shareholders, these shares vested automatically and received the same consideration in the Merger as holders of Baltic Trading s common stock, refer to Note 1 General Information for further information.

4 - VESSEL ACQUISITIONS

On November 13, 2013, Baltic Trading entered into agreements to purchase up to four 64,000 dwt Ultramax newbuilding drybulk vessels from Yangfan Group Co., Ltd. for a purchase price of $28,000 per vessel, or up to $112,000 in the aggregate. Baltic Trading agreed to purchase two such vessels, which have been renamed the Baltic Hornet and Baltic Wasp, and obtained an option to purchase up to two additional such vessels for the same purchase price, which Baltic Trading exercised on January 8, 2014. These vessels were renamed the Baltic Mantis and the Baltic Scorpion. The first of these vessels, the Baltic Hornet, was delivered to Baltic Trading on October 29, 2014. The Baltic Wasp was delivered to Baltic Trading on January 2, 2015. The Baltic Scorpion and the Baltic Mantis were delivered to the Company on August 6, 2015 and October 9, 2015, respectively. As of September 30, 2015 and December 31, 2014, deposits on vessels were $10,183 and $25,593, respectively. The Company has used a combination of cash on hand, cash flow from operations as well as debt, including the $148 Million Credit Facility and 2014 Term Loan Facility as described in Note 8 Debt, to fully finance the acquisition of these Ultramax newbuilding drybulk vessels. On December 30, 2014, Baltic Trading paid $19,645 for the final payment due for the Baltic Wasp which was classified as noncurrent Restricted Cash in the Condensed Consolidated Balance Sheets as of December 31, 2014 as the payment was held in an escrow account and was released to the seller when the vessel was delivered to Baltic Trading on January 2, 2015.

Refer to Note 1 General Information for a listing of the delivery dates for the vessels in the Company s fleet.

Below market time charters, including those acquired during previous periods, were amortized as an increase to voyage revenue by the Predecessor Company in the amount of $2 and $68 during the period from July 1 to July 9, 2014 and January 1 to July

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9, 2014, respectively. The remaining unamortized fair market value of Time charters acquired at December 31, 2014 was $0. As part of fresh-start reporting, the remaining liability for below market time charters was written-off during the re-valuation of our liabilities.

Additionally, as part of fresh-start accounting, an asset for above market time charters was recorded in Time charters acquired in the amount of $450 for the Genco Bourgogne, Genco Muse and Genco Spirit. These above market time charters were amortized as a decrease to voyage revenue by the Successor Company in the amount of $434 during the period from July 9 to September 30, 2014. There was no amortization recorded by the Successor Company during the three and nine months ended September 30, 2015.

Capitalized interest expense associated with the newbuilding contracts entered into by Baltic Trading recorded by the Successor Company for the three and nine months ended September 30, 2015 and the period from July 9 to September 30, 2014 was $100, $363 and $208, respectively. Capitalized interest expense associated with the newbuilding contracts entered into by Baltic Trading recorded by the Predecessor Company for the periods from July 1 to July 9, 2014 and January 1 to July 9, 2014 was $20 and $295, respectively.

5 - INVESTMENTS

The Company holds an investment in the capital stock of Jinhui and the stock of KLC. Jinhui is a drybulk shipping owner and operator focused on the Supramax segment of drybulk shipping. KLC is a marine transportation service company that operates a fleet of carriers which includes carriers for iron ore, liquefied natural gas and tankers for oil and petroleum products. These investments are designated as AFS and are reported at fair value, with unrealized gains and losses recorded in equity as a component of AOCI. At September 30, 2015 and December 31, 2014, the Company held 15,908,574 and 16,335,100 shares of Jinhui capital stock, respectively, which is recorded at its fair value of $17,841 and $26,414, respectively, based on the last closing price during each respective quarter on September 30, 2015 and December 30, 2014, respectively. At September 30, 2015 and December 31, 2014, the Company held 3,355 shares of KLC stock which is recorded at its fair value of $59 and $72, respectively, based on the last closing price during each respective quarter on September 30, 2015 and December 30, 2014.

The Company reviewed the investment in Jinhui for indicators of other-than-temporary impairment in accordance with ASC 320-10. Based on the Company s review, it has deemed the investment in Jinhui to be other-than-temporarily impaired as of September 30, 2015 due to the duration and severity of the decline in its market value versus its cost basis and the absence of the intent and ability to recover the initial carrying value of the investment. As a result, during the three and nine months ended September 30, 2015, the Successor Company recorded a $32,536 impairment charge which has been recorded in Impairment of investments in our Condensed Consolidated Statement of Operations. The Company will continue to review its investments in Jinhui and KLC for impairment on a quarterly basis. There were no impairment charges recorded by the Successor Company during the period July 9 to September 30, 2014 or by the Predecessor Company during the period from July 1 to July 9, 2014 or January 1 to July 9, 2014.

The unrealized gain (losses) on the Jinhui capital stock and KLC stock are a component of AOCI since these investments are designated as AFS securities. As part of fresh-start reporting, the Company revised its cost basis for its investments in Jinhui and KLC based on their fair values on the Effective Date. As a result of the other-than-temporary impairment of the investment in Jinhui, the cost basis for the investment in Jinhui will be based on its fair value as of September 30, 2015.

Refer to Note 11 Accumulated Other Comprehensive Income (Loss) for a breakdown of the components of AOCI, including the effects of the sale of Jinhui shares and the other-than-temporary impairment of the investment in Jinhui.

6 NET LOSS PER COMMON SHARE

The computation of basic net loss per share is based on the weighted-average number of common shares outstanding during the year. The computation of diluted net loss per share assumes the vesting of nonvested stock awards (refer to Note 20 Stock-Based Compensation), for which the assumed proceeds upon vesting are deemed to be the amount of compensation cost attributable to future services and are not yet recognized using the treasury stock method, to the extent dilutive. Of the 798,615 nonvested shares outstanding at September 30, 2015 (refer to Note 20 Stock-Based Compensation), all are anti-dilutive. The Successor Company s diluted net loss per share will also reflect the assumed conversion of the equity warrants issued on the Effective Date and MIP Warrants issued by the Successor Company (refer to Note 20 Stock-Based Compensation) if the impact is dilutive under the treasury stock method. The Predecessor Company s diluted net loss per share will also reflect the assumed conversion under the Predecessor Company s convertible debt if the impact is dilutive under the if converted method. The impact of the shares convertible under the Predecessor Company s convertible notes is excluded from the computation of diluted earnings per share when interest expense per common share obtainable upon conversion is greater than basic earnings per share.

The components of the denominator for the calculation of basic net loss per share and diluted net loss per share are as follows:

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	Successor		Predecessor
	Three Months Ended September 30, 2015	Period from July 9 to September 30, 2014	Period from July 1 to July 9, 2014
Common shares outstanding, basic:			
Weighted-average common shares outstanding, basic	69,824,338	60,299,766	43,568,942
Common shares outstanding, diluted:			
Weighted-average common shares outstanding, basic	69,824,338	60,299,766	43,568,942
Dilutive effect of warrants			
Dilutive effect of convertible notes			
Dilutive effect of restricted stock awards			
Weighted-average common shares outstanding, diluted	69,824,338	60,299,766	43,568,942

	Successor		Predecessor
	Nine Months Ended September 30, 2015	Period from July 9 to September 30, 2014	Period from January 1 to July 9, 2014
Common shares outstanding, basic:			
Weighted-average common shares outstanding, basic	63,615,181	60,299,766	43,568,942
Common shares outstanding, diluted:			
Weighted-average common shares outstanding, basic	63,615,181	60,299,766	43,568,942
Dilutive effect of warrants			
Dilutive effect of convertible notes			
Dilutive effect of restricted stock awards			
Weighted-average common shares outstanding, diluted	63,615,181	60,299,766	43,568,942

The following table sets forth a reconciliation of the net loss attributable to GS&T and the net loss attributable to GS&T for diluted net loss per share under the if-converted method:

	Successor		Predecessor
	Three Months Ended September 30, 2015	Period from July 9 to September 30, 2014	Period from July 1 to July 9, 2014 (restated)
Net loss attributable to GS&T	$ (66,625)	$ (18,290)	$ (851,521)
Interest expense related to convertible notes, if dilutive			

Net loss attributable to GS&T for the computation of diluted net loss per share	$	(66,625)	$	(18,290)	$	(851,521)

	Successor				Predecessor	
	Nine Months Ended September 30, 2015		Period from July 9 to September 30, 2014		Period from January 1 to July 9, 2014 (restated)	
Net loss attributable to GS&T	$	(145,397)	$	(18,290)	$	(951,149)
Interest expense related to convertible notes, if dilutive						
Net loss attributable to GS&T for the computation of diluted net loss per share	$	(145,397)	$	(18,290)	$	(951,149)

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7 - RELATED PARTY TRANSACTIONS

The following represent related party transactions reflected in these condensed consolidated financial statements:

Until December 31, 2014, the Company made available employees performing internal audit services to Gener8 Maritime, Inc., formerly General Maritime Corporation (Gener8), where the Company s Chairman, Peter C. Georgiopoulos, also serves as Chairman of the Board. During the period from July 9 to September 30, 2014, the Successor Company invoiced $9 to Gener8 and for the period from January 1 to July 9, 2014, the Predecessor Company invoiced $72 to Gener8. The amounts billed to Gener8 include time associated with such internal audit services and other expenditures. Additionally, during the nine months ended September 30, 2015 and during the period from July 9 to September 30, 2014, the Successor Company incurred travel and other office related expenditures totaling $76 and $22, respectively, reimbursable to Gener8 or its service provider. For the period from January 1 to July 9, 2014, the Predecessor Company incurred travel and other office related expenditures totaling $49. At September 30, 2015 and December 31, 2014, the amount due to Gener8 from the Company was $8 and $41, respectively.

During the nine months ended September 30, 2015 and the period from July 9 to September 30, 2014, the Successor Company incurred legal services (primarily in connection with vessel acquisitions) aggregating $18 and $2, respectively, from Constantine Georgiopoulos, the father of Peter C. Georgiopoulos, Chairman of the Board. Additionally, during the period from January 1 to July 9, 2014, the Predecessor Company incurred legal services aggregating $3 from Constantine Georgiopoulos. At September 30, 2015 and December 31, 2014, the amount due to Constantine Georgiopoulos was $11 and $9, respectively.

The Company has entered into agreements with Aegean Marine Petroleum Network, Inc. (Aegean) to purchase lubricating oils for certain vessels in their fleets. Peter C. Georgiopoulos, Chairman of the Board of the Company, is Chairman of the Board of Aegean. During the nine months ended September 30, 2015 and the period from July 9 to September 30, 2014, Aegean supplied lubricating oils to the Successor Company s vessels aggregating $1,330 and $419, respectively. Additionally, during the nine months ended September 30, 2015, Aegean supplied fuel to the Successor Company s vessels aggregating $73. Additionally, during the period from January 1 to July 9, 2014, Aegean supplied lubricating oils to the Predecessor Company s vessels aggregating $1,087. At September 30, 2015 and December 31, 2014, $604 and $267 remained outstanding, respectively.

During the nine months ended September 30, 2015 and the period from July 9 to September 30, 2014, the Successor Company invoiced MEP for technical services provided and expenses paid on MEP s behalf aggregating $2,508 and $766, respectively. During the period from January 1 to July 9, 2014, the Predecessor Company invoiced MEP for technical services provided and expense paid on MEP s behalf aggregating $1,743. Peter C. Georgiopoulos, Chairman of the Board, controls and has a minority interest in MEP. At September 30, 2015 and December 31, 2014, $1,222 and $10, respectively, was due to the Company from MEP. Total service revenue earned by the Successor Company for technical service provided to MEP for the nine months ended September 30, 2015 and the period from July 9 to September 30, 2014 was $2,457 and $756, respectively. Total service revenue earned by the Predecessor Company for technical service provided to MEP for the period from January 1 to July 9, 2014 was $1,701.

8 - DEBT

Long-term debt consists of the following:

	Successor September 30, 2015	Successor December 31, 2014
$100 Million Term Loan Facility	$ 62,023	$ 67,792
$253 Million Term Loan Facility	148,693	165,568
$44 Million Term Loan Facility	39,187	41,250
2015 Revolving Credit Facility	35,000	
2010 Credit Facility		102,250
$148 Million Credit Facility	126,606	
$22 Million Term Loan Facility	19,000	20,125
2014 Term Loan Facilities	31,769	33,150
Less: Current portion	(44,242)	(34,324)
Long-term debt	$ 418,036	$ 395,811

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$98 Million Credit Facility

On November 4, 2015, thirteen of the Company s wholly-owned subsidiaries entered into a Facility Agreement, by and among such subsidiaries as borrowers (collectively, the Borrowers); Genco Holdings Limited, a newly formed direct subsidiary of Genco of which the Borrowers are direct subsidiaries (Holdco); certain funds managed or advised by Hayfin Capital Management, Breakwater Capital Ltd, or their nominee, as lenders; and Hayfin Services LLP, as agent and security agent (the $98 Million Credit Facility).

The Borrowers borrowed the maximum available amount of $98,271 under the facility on November 10, 2015.

Borrowings under the facility are available for working capital purposes. The facility has a final maturity date of September 30, 2020, and the principal borrowed under the facility will bear interest at LIBOR for an interest period of three months plus a margin of 6.125% per annum. The facility has no fixed amortization payments for the first two years and fixed amortization payments of $2,500 per quarter thereafter. To the extent the value of the collateral under the facility is 182% or less of the loan amount outstanding, the Borrowers are to prepay the loan from earnings received from operation of the thirteen collateral vessels after deduction of the following amounts: costs, fees, expenses, interest, and fixed principal repayments under the facility; operating expenses relating to the thirteen vessels; and the Borrowers pro rata share of general and administrative expenses based on the number of vessels they own.

The Facility Agreement requires the Borrowers and, in certain cases, the Company and Holdco to comply with a number of covenants substantially similar to those in the other credit facilities of Genco and its subsidiaries, including financial covenants related to maximum leverage, minimum consolidated net worth, minimum liquidity, and dividends; collateral maintenance requirements; and other customary covenants. The Facility Agreement includes usual and customary events of default and remedies for facilities of this nature.

Borrowings under the facility are secured by first priority mortgage on the vessels owned by the Borrowers, namely the Genco Constantine, the Genco Augustus, the Genco London, the Genco Titus, the Genco Tiberius, the Genco Hadrian, the Genco Knight, the Genco Beauty, the Genco Vigour, the Genco Predator, the Genco Cavalier, the Genco Champion, and the Genco Charger, and related collateral. Pursuant to the Facility Agreement and a separate Guarantee executed by the Company, the Company and Holdco are acting as guarantors of the obligations of the Borrowers and each other under the Facility Agreement and its related documentation.

Amendment and Consent Agreements Related to the Merger

On July 14, 2015, Baltic Trading and certain of its wholly owned subsidiaries entered into agreements (the Amendment and Consent Agreements) to amend, provide consents under, or waive certain provisions of the $22 Million Term Loan Facility (as defined below), 2014 Term Loan Facilities (as defined below) and the $148 Million Credit Facility (as defined below) (each a Facility and collectively the Facilities). The Amendment and Consent Agreements implemented, among other things, the following:

- The existing covenants measuring collateral maintenance under the 2014 Term Loan Facilities were amended as follows: the minimum fair market value of vessels pledged as security (together with the value of any additional collateral) is required to be (i) for the period from June 30, 2015 up to and including December 30, 2015, 125% of the amount outstanding under such Facilities; (ii) for the period from December 31, 2015 up to and including March 30, 2016, 130% of such amount; and (iii) for the period from March 31, 2016 and thereafter, 135% of such amount.

- The existing covenant measuring collateral maintenance under the $22 Million Term Loan Facility was amended so that through and including the period ending June 30, 2016, the minimum fair market value of vessels mortgaged under such Facility is required to be 110% of the amount outstanding under such Facility.

- Under the $148 Million Credit Facility, the existing covenant measuring collateral maintenance was amended so that through and including the period ending December 31, 2015, the minimum fair market value of vessels mortgaged under such Facility is required to be 130% of the amount outstanding under such Facility and thereafter, 140% of such amount, except that for the period through and including the period ending December 31, 2015, such percentage was increased to 140% at the time of funding of the term loan for the Baltic Scorpion on August 3, 2015.

- The calculation of the minimum consolidated net worth was reduced by $30,730 to $270,150 under each Facility to account for the reduction of equity due to the impairment associated with the sale of the Baltic Tiger and Baltic Lion vessels.

- The measurement of the maximum leverage ratio under each Facility was amended to exclude from the numerator thereof (which is the amount of indebtedness included in the calculation of such financial covenant) any committed but undrawn working capital lines.

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- Under the $148 Million Credit Facility, following consummation of the Merger on July 17, 2015, the amount of cash to be held by the administrative agent under such Facility (or otherwise remaining undrawn under certain working capital lines) for each collateral vessel mortgaged under such Facility, as required under the under the minimum liquidity covenant under such Facility, was amended to an amount of $750 per vessel.

- Following completion of the Merger on July 17, 2015, all corporate wide financial covenants of Baltic Trading are to be measured on a consolidated basis with the Company (the Consolidated Covenant Amendments).

- Waivers or consents under the Facilities to permit the delisting of Baltic Trading s stock on the New York Stock Exchange (which constitutes a change of control under each such Facility) and the termination of the Management Agreement, dated as of March 15, 2010, by and between GS&T and Baltic Trading.

- Waivers or consents under each of the Facilities to permit the Merger.

- Waivers or consents to certain covenants under each of the Facilities to the extent such covenants would otherwise be breached as a result of the Merger.

On July 17, 2015, when the Merger was completed, the Company executed a guaranty of the obligations of the borrowers under each of the Facilities. The execution of the guarantees, together with certain other items that were previously delivered, satisfied all conditions to the effectiveness of all provisions of the Amendment and Consent Agreements.

$100 Million Term Loan Facility

On August 12, 2010, the Company entered into the $100 Million Term Loan Facility. As of September 30, 2015, the Company has utilized its maximum borrowing capacity of $100,000. The Company has used the $100 Million Term Loan Facility to fund or refund the Company a portion of the purchase price of the acquisition of five vessels from companies within the Metrostar group of companies. As of September 30, 2015, there was no availability under the $100 Million Term Loan Facility. At September 30, 2015 and December 31, 2014, the total outstanding debt balance was $62,023 and $67,792, respectively.

Pursuant to the amendments to the $100 Million Term Loan Facility that were entered into on December 21, 2011 and certain agreements we entered into in August 2012 to further amend our credit facilities (the August 2012 Agreements), the maximum leverage ratio covenant and the minimum permitted consolidated interest ratio covenant were waived for the periods ending on and including December 31, 2013.

On the Effective Date, the Company entered into the Amended and Restated $100 Million Term Loan Facility and the Amended and Restated $253 Million Term Loan Facility. The Amended and Restated Credit Facilities included, among other things:

• A pay down as of the Effective Date with respect to payments which became due under the prepetition credit facilities between the Petition Date and the Effective Date and were not paid during the pendency of the Chapter 11 Cases ($1,923 for the $100 Million Term Loan Facility and $5,075 for the $253 Million Term Loan Facility).

• Extension of the maturity dates to August 31, 2019 from August 17, 2017 for the $100 Million Term Loan Facility and August 15, 2015 for the $253 Million Term Loan Facility.

• Relief from compliance with financial covenants governing the Company s maximum leverage ratio, minimum consolidated interest coverage ratio and consolidated net worth through and including the quarter ending March 31, 2015 (with quarterly testing commencing June 30, 2015).

• A fleetwide minimum liquidity covenant requiring maintenance of cash of $750 per vessel for all vessels owned by the Company (excluding those owned by Baltic Trading).

• An increase in the interest rate to LIBOR plus 3.50% per year from 3.00% previously for the $100 Million Term Loan Facility and the $253 Million Term Loan Facility.

The obligations under the Amended and Restated $100 Million Term Loan Facility are secured by a first priority security interest in the vessels and other collateral securing the $100 Million Term Loan Facility. The Amended and Restated $100 Million Term Loan Facility requires quarterly repayment installments in accordance with the original terms of the $100 Million Term Loan Facility.

On April 30, 2015, the Company entered into agreements to amend or waive certain provisions under the $100 Million Term Loan Facility and the $253 Million Term Loan Facility (the April 2015 Amendments) which implemented the following, among other things:

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- The existing covenant measuring the Company s ratio of net debt to EBITDA was replaced with a covenant requiring its ratio of total debt outstanding to value adjusted total assets (total assets adjusted for the difference between book value and market value of fleet vessels) to be less than 70%.

- Measurement of the interest coverage ratio under each facility is waived through and including December 31, 2016.

- The fleetwide minimum liquidity covenant was amended to allow up to 50% of the required amount of $750 per vessel in cash to be satisfied with undrawn working capital lines with a remaining availability period of more than six months.

- The Company agreed to grant additional security for its obligation under the $253 Million Term Loan Facility. Refer to the $253 Million Term Loan Facility section below for a description of the additional security granted for this facility.

Consenting lenders under the $100 Million Term Loan Facility and the $253 Million Term Loan Facility received an upfront fee of $165 and $350, respectively, related to the April 2015 Amendments.

As of September 30, 2015, the Company believes it is in compliance with all of the financial covenants under the Amended and Restated $100 Million Term Loan Facility, except for the 130% collateral maintenance test. Following the procurement of updated valuations in August 2015, the actual collateral maintenance measurement by the Company was 126.2% at September 30, 2015, including the additional collateral as described below. Under the terms of the credit facility, the Company would need to remedy such shortfall within 30 days from the time it is requested by the agent. The Company was not notified by the agent to take any remedial actions. However, in October 2015, the Company added one of its unencumbered Handymax vessels, the Genco Prosperity, as additional collateral to cover the shortfall and satisfy the collateral maintenance test. The next date that valuations under this credit facility will be required is on or around February 17, 2016.

Additionally, following the procurement of updated valuations in February 2015, the Company was not in compliance with the collateral maintenance test of a ratio of 130%. The collateral measurement was 122.4%, representing an approximate shortfall of $5,150. Under the terms of the credit facility the Company would need to cover such shortfall within 30 days from the time it is notified by the agent. The Company was not notified by the agent to take any remedial actions. However, on April 24, 2015, the Company added one of its unencumbered Handysize vessels, the Genco Sugar, as additional collateral to cover the shortfall and satisfy the collateral maintenance test.

$253 Million Term Loan Facility

On August 20, 2010, the Company entered into the $253 Million Term Loan Facility. As of September 30, 2015, the Company has utilized its maximum borrowing capacity of $253,000 to fund or refund to the Company a portion of the purchase price of the 13 vessels purchased from Bourbon SA during the third quarter of 2010 and first quarter of 2011. As of September 30, 2015, there was no availability under the $253 Million Term Loan Facility. At September 30, 2015 and December 31, 2014, the total outstanding debt balance was $148,693 and $165,568, respectively.

Pursuant to the amendment to the $253 Million Term Loan Facility that was entered into on December 21, 2011 and the August 2012 Agreements, the maximum leverage ratio covenant and the minimum permitted consolidated interest ratio covenant were waived for the periods ending on and including December 31, 2013.

As of September 30, 2015 and December 31, 2014, the Company has deposited $9,750 that has been reflected as Restricted cash. Restricted cash will be released only if the underlying collateral is sold or disposed of.

Refer to the $100 Million Term Loan Facility section above for a description of the Amended and Restated $253 Million Term Loan Facility that was entered into by the Company on the Effective Date as well as a description of the April 2015 Amendments that were entered into by the Company on April 30, 2015. The obligations under the Amended and Restated $253 Million Term Loan Facility are secured by a first priority security interest in the vessels and other collateral securing the $253 Million Term Loan Facility. The Amended and Restated $253 Million Term Loan Facility requires quarterly repayment installments in accordance with the original terms of the $253 Million Term Loan Facility.

As of September 30, 2015, the Company believes it is in compliance with all of the financial covenants under the Amended and Restated $253 Million Term Loan Facility.

As of June 30, 2015, the Company was not in compliance with the 135% collateral maintenance test. The actual percentage measured by the Company was 129.2% at June 30, 2015, including the additional collateral as described below, and 133.5% on July 9, 2015 following the Company s scheduled amortization payment of $5,075. Under the terms of the credit facility, the Company would need to remedy such shortfall within 30 days from the time it is requested by the agent. During July 2015, the Company added five of its unencumbered vessels, the Genco Thunder, the Genco Raptor, the Genco Challenger, the Genco Reliance and the Genco Explorer, as additional collateral under this facility. In order to maintain compliance with the collateral maintenance test, the Company was also

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in communication with the facility s agent and prepaid $1,650 of the outstanding indebtedness on July 29, 2015, which the lenders have agreed will reduce the scheduled amortization payment of $5,075 that was due in October 2015.

$44 Million Term Loan Facility

On December 3, 2013, Baltic Tiger Limited and Baltic Lion Limited, wholly-owned subsidiaries of Baltic Trading, entered into a secured loan agreement with DVB Bank SE for a term loan facility of up to $44,000 (the $44 Million Term Loan Facility). Amounts borrowed and repaid under the $44 Million Term Loan Facility may not be reborrowed. The $44 Million Term Loan Facility has a maturity date of the sixth anniversary of the drawdown date for borrowings for the second vessel to be purchased, or December 23, 2019. Borrowings under the $44 Million Term Loan Facility bear interest at the three-month LIBOR rate plus an applicable margin of 3.35% per annum. A commitment fee of 0.75% per annum is payable on the unused daily portion of the credit facility, which began accruing on December 3, 2013 and ended on December 23, 2013, the date which the entire $44,000 was borrowed. Borrowings are to be repaid in 23 quarterly installments of $688 each commencing three months after the last drawdown date, or March 24, 2014, and a final payment of $28,188 due on the maturity date.

Borrowings under the $44 Million Term Loan Facility are to be secured by liens on the Company s vessels to be financed or refinanced with borrowings under the facility, namely the Baltic Tiger and the Baltic Lion, and other related assets. Upon the prepayment of $18,000 plus any additional amounts necessary to maintain compliance with the collateral maintenance covenant, Baltic Trading may have the lien on the Baltic Tiger released. Under a Guarantee and Indemnity entered into concurrently with the $44 Million Term Loan Facility, Baltic Trading agreed to guarantee the obligations of its subsidiaries under the $44 Million Term Loan Facility.

On December 23, 2013, Baltic Tiger Limited and Baltic Lion Limited made drawdowns of $21,400 and $22,600 for the Baltic Tiger and Baltic Lion, respectively. As of September 30, 2015, the Company has utilized its maximum borrowing capacity of $44,000, and there was no further availability. At September 30, 2015 and December 31, 2014, the total outstanding debt balance was $39,187 and $41,250, respectively.

As of September 30, 2015, the Company believes it is in compliance with all of the financial covenants under the $44 Million Term Loan Facility.

On April 8, 2015, the Company acquired the entities owning the Baltic Lion and Baltic Tiger and succeeded Baltic Trading as the guarantor of the outstanding debt under the $44 Million Term Loan Facility. Refer to Note 1 General Information for further information regarding the sale of these entities to the Company.

2015 Revolving Credit Facility

On April 7, 2015, the Company s wholly-owned subsidiaries, Genco Commodus Limited, Genco Maximus Limited, Genco Claudius Limited, Genco Hunter Limited and Genco Warrior Limited (collectively, the Subsidiaries) entered into a loan agreement by and among the Subsidiaries, as borrowers, ABN AMRO Capital USA LLC, as arranger, facility agent, security agent, and as lender, providing for a $59,500 revolving credit facility, with an uncommitted accordion feature that has since expired (the 2015 Revolving Credit Facility). On April 7, 2015, the Company entered into a guarantee of the obligations of the Subsidiaries under the 2015 Revolving Credit Facility, in favor of ABN AMRO Capital USA LLC.

Borrowings under the 2015 Revolving Credit Facility will be used for general corporate purposes including working capital (as defined in the 2015 Revolving Credit Facility) and to finance the purchase of drybulk vessels. The 2015 Revolving Credit Facility has a maturity date of April 7, 2020. Borrowings under the 2015 Revolving Credit Facility bear interest at LIBOR plus a margin based on a combination of utilization levels under the 2015 Revolving Credit Facility and a security maintenance cover ranging from 3.40% per annum to 4.25% per annum. The commitment under the 2015 Revolving Credit Facility is subject to quarterly reductions of $1,641. Borrowings under the 2015 Revolving Credit Facility are subject to 20 equal consecutive quarterly installment repayments commencing three months after the date of the loan agreement, or July 7, 2015. A commitment fee of 1.5% per annum is payable on the undrawn amount of the maximum loan amount.

Borrowings under the 2015 Revolving Credit Facility are to be secured by liens on each of the Subsidiaries respective vessels; specifically, the Genco Commodus, Genco Maximus, Genco Claudius, Genco Hunter and Genco Warrior and other related assets.

The 2015 Revolving Credit Facility requires the Subsidiaries to comply with a number of customary covenants including financial covenants related to collateral maintenance, liquidity, leverage, debt service reserve and dividend restrictions.

On April 8, 2015, the Company drew down $25,000 on the 2015 Revolving Credit Facility for working capital purposes and to partially fund the purchase of the Baltic Lion and Baltic Tiger from Baltic Trading. Additionally, on July 10, 2015, the Company drew down $10,000 on the 2015 Revolving Credit Facility for working capital purposes. At September 30, 2015 and December 31, 2014, the total outstanding debt balance was $35,000 and $0, respectively. On October 14, 2015, the Company drew down $21,218 on the 2015 Revolving Credit Facility for working capital purposes.

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As of September 30, 2015, the Company believes it is in compliance with all of the financial covenants under the 2015 Revolving Credit Facility.

2010 Credit Facility

On April 16, 2010, Baltic Trading entered into a $100,000 senior secured revolving credit facility with Nordea Bank Finland plc, acting through its New York branch (as amended, the 2010 Credit Facility). An amendment to the 2010 Credit Facility was entered into by Baltic Trading effective November 30, 2010. Among other things, this amendment increased the commitment amount of the 2010 Credit Facility from $100,000 to $150,000. An additional amendment to the 2010 Credit Facility was entered into by Baltic Trading effective August 29, 2013 (the August 2013 Amendment). Among other things, the August 2013 Amendment implements the following modifications to the 2010 Credit Facility:

- The requirement that certain additional vessels acquired by Baltic Trading be mortgaged as collateral under the 2010 Credit Facility was eliminated.

- Restrictions on the incurrence of indebtedness by Baltic Trading and its subsidiaries were amended to apply only to those subsidiaries acting as guarantors under the 2010 Credit Facility.

- The total commitment under this facility was reduced to $110,000 and will be further reduced in three consecutive semi-annual reductions of $5,000 commencing on May 30, 2015.

- Borrowings bear interest at an applicable margin over LIBOR of 3.00% per annum if the ratio of the maximum facility amount of the aggregate appraised value of vessels mortgaged under the facility is 55% or less, measured quarterly; otherwise, the applicable margin is 3.35% per annum.

- Financial covenants corresponding to the liquidity and leverage under the $22 Million Term Loan Facility (as defined below) have been incorporated into the 2010 Credit Facility.

On December 31, 2014, Baltic Trading entered into the $148 Million Credit Facility, refer to $148 Million Credit Facility section below. Borrowings under the $148 Million Credit Facility were used to refinance Baltic Trading s indebtedness under the 2010 Credit Facility. On January 7, 2015, Baltic Trading repaid the $102,250 outstanding under the 2010 Credit Facility with borrowings from the $148 Million Credit Facility.

$22 Million Term Loan Facility

On August 30, 2013, Baltic Hare Limited and Baltic Fox Limited, wholly-owned subsidiaries of Baltic Trading, entered into a secured loan agreement with DVB Bank SE for a term loan facility of up to $22,000 (the $22 Million Term Loan Facility). Amounts borrowed and repaid under the $22 Million Term Loan Facility may not be reborrowed. This facility has a maturity date of the sixth anniversary of the drawdown date for borrowings for the second vessel to be purchased, or September 4, 2019. Borrowings under the $22 Million Term Loan Facility bear interest at the three-month LIBOR rate plus an applicable margin of 3.35% per annum. A commitment fee of 1.00% per annum is payable on the unused daily portion of the credit facility, which began accruing on August 30, 2013 and ended on September 4, 2013, the date which the entire $22,000 was borrowed. Borrowings are to be repaid in 23 quarterly installments of $375 each commencing three months after the last vessel delivery date, or December 4, 2013, and a final payment of $13,375 due on the maturity date.

Borrowings under the $22 Million Term Loan Facility are secured by liens on Baltic Trading s vessels purchased with borrowings under the facility, namely the Baltic Fox and the Baltic Hare, and other related assets. Under a Guarantee and Indemnity entered into concurrently with the $22 Million Term Loan Facility, Baltic Trading agreed to guarantee the obligations of its subsidiaries under the $22 Million Term Loan Facility.

On September 4, 2013, Baltic Hare Limited and Baltic Fox Limited made drawdowns of $10,730 and $11,270 for the Baltic Hare and the Baltic Fox, respectively. As of September 30, 2015, the Company has utilized its maximum borrowing capacity of $22,000, and there was no further availability. At September 30, 2015 and December 31, 2014, the total outstanding debt balance was $19,000 and $20,125, respectively.

As of September 30, 2015 the Company believes it is in compliance with all of the financial covenants under the $22 Million Term Loan Facility.

Refer to Amendment and Consent Agreements Related to the Merger section above for discussion of the amendments, consents and waiver agreements entered into on July 14, 2015 by Baltic Trading related to the $22 Million Term Loan Facility. Upon

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the completion of the Merger on July 17, 2015, the Company executed a guaranty of the obligations of the borrowers under the $22 Million Term Loan Facility.

2014 Term Loan Facilities

On October 8, 2014, Baltic Trading and its wholly-owned subsidiaries, Baltic Hornet Limited and Baltic Wasp Limited, each entered into a loan agreement and related documentation for a credit facility in a principal amount of up to $16,800 with ABN AMRO Capital USA LLC and its affiliates (the 2014 Term Loan Facilities) to partially finance the newbuilding Ultramax vessel that each subsidiary is to acquire, namely the Baltic Hornet and Baltic Wasp, respectively. Amounts borrowed under the 2014 Term Loan Facilities may not be reborrowed. The 2014 Term Loan Facilities have a ten-year term, and the facility amount is to be the lowest of 60% of the delivered cost per vessel, $16,800 per vessel, and 60% of the fair market value of each vessel at delivery. The 2014 Term Loan Facilities are insured by the China Export & Credit Insurance Corporation (Sinosure) in order to cover political and commercial risks for 95% of the outstanding principal plus interest, which will be recorded in deferred financing fees. Borrowings under the 2014 Term Loan Facilities bear interest at the three or six-month LIBOR rate plus an applicable margin of 2.50% per annum. Borrowings are to be repaid in 20 equal consecutive semi-annual installments of 1/24 of the facility amount plus a balloon payment of 1/6 of the facility amount at final maturity. Principal repayments will commence six months after the actual delivery date for a vessel.

Borrowings under the 2014 Term Loan Facilities are to be secured by liens on the Baltic Trading s vessels acquired with borrowings under these facilities, namely the Baltic Hornet and Baltic Wasp, and other related assets. Baltic Trading guarantees the obligations of the Baltic Hornet and Baltic Wasp under the 2014 Term Loan Facilities.

On October 24, 2014, Baltic Trading drew down $16,800 for the purchase of the Baltic Hornet, which was delivered on October 29, 2014. Additionally, on December 30, 2014, Baltic Trading drew down $16,350 for the purchase of the Baltic Wasp, which was delivered on January 2, 2015. As of September 30, 2015, the Company has utilized its maximum borrowing capacity, and there was no further availability. At September 30, 2015 and December 31, 2014, the total outstanding debt balance was $31,769 and $33,150, respectively.

As of September 30, 2015, the Company believes it is in compliance with all of the financial covenants under the 2014 Term Loan Facilities.

Refer to Amendment and Consent Agreements Related to the Merger section above for discussion of the amendments, consents and waiver agreements entered into on July 14, 2015 by Baltic Trading related to the 2014 Term Loan Facilities. Upon the completion of the Merger on July 17, 2015, the Company executed a guaranty of the obligations of the borrowers under the 2014 Term Loan Facilities.

$148 Million Credit Facility

On December 31, 2014, Baltic Trading entered into a $148,000 senior secured credit facility with Nordea Bank Finland plc, New York Branch (Nordea), as Administrative and Security Agent, Nordea and Skandinaviska Enskilda Banken AB (Publ) (SEB), as Mandated Lead Arrangers, Nordea, as Bookrunner, and the lenders (including Nordea and SEB) party thereto (the $148 Million Credit Facility). The $148 Million Credit Facility is comprised of an $115,000 revolving credit facility and $33,000 term loan facility. Borrowings under the revolving credit facility were used to refinance Baltic Trading s outstanding indebtedness under the 2010 Credit Facility. Amounts borrowed under the revolving credit facility of the $148 Million Credit Facility may be re-borrowed. Borrowings under the term loan facility of the $148 Million Credit Facility may be incurred pursuant to two single term loans in an amount of $16,500 each that will be used to finance, in part, the purchase of two newbuilding Ultramax vessels that the Company has agreed to acquire, namely the Baltic Scorpion and Baltic Mantis. Amounts borrowed under the term loan facility of the $148 Million Credit Facility may not be re-borrowed.

The $148 Million Credit Facility has a maturity date of December 31, 2019. Borrowings under this facility bear interest at LIBOR plus an applicable margin of 3.00% per annum. A commitment fee of 1.2% per annum is payable on the unused daily portion of the $148 Million Credit Facility, which began accruing on December 31, 2014. The commitment under the revolving credit facility of the $148 Million Credit Facility is subject to equal consecutive quarterly reductions of $2,447 each beginning June 30, 2015 through September 30, 2019. Borrowings under the term loan facility of the $148 Million Credit Facility are subject to equal consecutive quarterly installment repayments commencing three months after delivery of the relevant newbuilding Ultramax vessel, each in the amount of 1/60 of the aggregate outstanding term loan. All remaining amounts outstanding under the $148 Million Credit Facility must be repaid in full on the maturity date, December 31, 2019.

Borrowings under the $148 Million Credit Facility are secured by liens on nine of Baltic Trading s existing vessels that have served as collateral under the 2010 Credit Facility, the two newbuilding Ultramax vessels noted above, and other related assets, including existing or future time charter contracts in excess of 36 months related to the foregoing vessels.

The $148 Million Credit Facility requires the Company to comply with a number of customary covenants substantially similar to those in the 2010 Baltic Trading Credit Facility, including financial covenants related to liquidity, leverage, consolidated net worth and collateral maintenance.

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As of September 30, 2015, $16,500 remained available under the $148 Million Credit Facility which represents the remainder of the $33,000 term loan facility. On August 3, 2015, the Company drew down $16,500 on the term loan facility for the purchase of the Baltic Scorpion. Additionally, on October 7, 2015, the Company drew down the remaining $16,500 on the term loan facility for the purchase of the Baltic Mantis. Refer to Note 24   Subsequent Events.

On January 7, 2015, Baltic Trading drew down $104,500 from the revolving credit facility of the $148 Million Credit Facility. Using these borrowings, Baltic Trading repaid the $102,250 outstanding under the 2010 Credit Facility. Additionally, on February 27, 2015, Baltic Trading drew down $10,500 from the revolving credit facility of the $148 Million Credit Facility. Therefore, as of September 30, 2015, there was no remaining availability under the revolving credit facility of the $148 Million Credit Facility. At September 30, 2015 and December 31, 2014, the total outstanding debt balance was $126,606 and $0, respectively.

As of September 30, 2015, the Company believes Baltic Trading is in compliance with all of the financial covenants under the $148 Million Credit Facility.

Refer to   Amendment and Consent Agreements Related to the Merger   section above for discussion of the amendments, consents and waiver agreements entered into on July 14, 2015 by Baltic Trading related to the $148 Million Credit Facility. Upon the completion of the Merger on July 17, 2015, the Company executed a guaranty of the obligations of the borrowers under the $148 Million Credit Facility.

As per the Amendment and Consent Agreements, the collateral maintenance increased to 140% from 130% upon the funding of the initial term loan draw down on the facility. During August 2015, the Company added two of its unencumbered Handysize vessels, the Genco Pioneer and Genco Progress, as additional collateral to cover any potential shortfall of the collateral maintenance test.

Interest rates

The following tables sets forth the effective interest rate associated with the interest expense for the Company s debt facilities noted above, including the cost associated with unused commitment fees. For the Predecessor Company for the period from July 1 to July 9, 2014 and January 1 to July 9, 2014, the effective interest rate also included the rate differential between the pay fixed, receive variable rate on the interest rate swap agreements that were in effect (refer to Note 10   Interest Rate Swap Agreements), combined, as well as the 1.0% facility fee for the credit agreement entered into on July 20, 2017 with DnB Nor Bank ASA (the   2007 Credit Facility) which was terminated on the Effective Date. The following table also includes the range of interest rates on the debt, excluding the impact of swaps and unused commitment fees, if applicable:

	Successor		**Predecessor**
	Three Months Ended September 30, 2015	**Period from July 9 to September 30, 2014**	**Period from July 1 to July 9, 2014**
Effective Interest Rate	3.55%	3.62%	3.94%
	2.78% to 3.93%	3.15% to 3.73%	3.15% to 5.15%

Range of Interest Rates (excluding impact of swaps and unused commitment fees)

	Successor		Predecessor
	Nine Months Ended September 30, 2015	Period from July 9 to September 30, 2014	Period from January 1 to July 9, 2014
Effective Interest Rate	3.54%	3.62%	4.19%
Range of Interest Rates (excluding impact of swaps and unused commitment fees)	2.73% to 3.93%	3.15% to 3.73%	3.15% to 5.15%

9 CONVERTIBLE SENIOR NOTES

The Company issued $125,000 of the 5.0% Convertible Senior Notes on July 27, 2010 (the 2010 Notes). The Indenture for the 2010 Notes included customary agreements and covenants by the Company, including with respect to events of default. As noted in Note 1 General Information, the filing of the Chapter 11 Cases by the Company on April 21, 2014 constituted an event of default with respect to the 2010 Notes. On this date, the Company ceased recording interest expense related to the 2010 Notes. During the period from July 1 to July 9, 2014 and January 1 to July 9, 2014, interest expense of $255 and $2,522, including the amortization of the discount of the liability component and the bond coupon interest expense, was not recorded by the Predecessor Company, which would have been incurred had the indebtedness not been reclassified as a Liability subject to compromise. On the Effective Date, when the Company emerged from Chapter 11, the 2010 Notes and the Indenture were fully satisfied and discharged.

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The following table provides additional information about the Predecessor Company s 2010 Notes:

	Predecessor	
	Period from July 1 to July 9, 2014	Period from January 1 to July 9, 2014 (a)
Effective interest rate on liability component	%	10.0%
Cash interest expense recognized	$	$ 1,886
Non-cash interest expense recognized		1,592
Non-cash deferred financing amortization costs included in interest expense		216

(a) The amounts and percentage reflect amounts through April 21, 2014 since the Company ceased recording interest expense due to the Chapter 11 Cases.

10 - INTEREST RATE SWAP AGREEMENTS

As of March 31, 2014, the Company had one interest rate swap agreement outstanding with DNB Bank ASA to manage interest costs and risk associated with variable interest rates related to the Company s 2007 Credit Facility. The notional amount of the swap was $106,233. As of March 31, 2014, the Company was in default under covenants of its 2007 Credit Facility due to the default on the schedule debt amortization payment due on March 31, 2014. The default under the 2007 Credit Facility required the Company to elect interest periods of only one-month. Therefore, the Company no longer qualified for hedge accounting under the original designation, and hedge accounting was terminated effective March 31, 2014. Additionally, the filing of the Chapter 11 Cases by the Company on the Petition Date constituted an event of default with respect to the outstanding interest rate swap with DNB Bank ASA. As a result, DNB Bank ASA terminated all transactions under the remaining swap agreement effective April 30, 2014 and filed a secured claim with the Bankruptcy Court of $5,622. The claim was paid to DNB Bank ASA by the Successor Company during the period from July 9 to September 30, 2014.

As of September 30, 2015 and December 31, 2014 the Company did not have any interest rate swap agreements.

The differentials to be paid or received for these swap agreements were recognized as an adjustment to interest expense as incurred. The Company utilized cash flow hedge accounting for these swaps through March 31, 2014, whereby the effective portion of the change in the value of the swaps is reflected as a component of AOCI. The ineffective portion is recognized as Other expense, which is a component of Other income (expense). On March 31, 2014, the cash flow hedge accounting on the remaining swap agreement was discontinued. Once cash flow hedge accounting was discontinued, the changes in the fair value of the interest rate swaps were recorded in the Condensed Consolidated Statement of Operations in Interest expense and the remaining amounts included in AOCI were amortized to Interest expense over the original term of the hedging relationship for the Predecessor Company.

The following tables present the impact of derivative instruments and their location within the Condensed Consolidated Statement of Operations for the Predecessor Company:

The Effect of Derivative Instruments on the Condensed Consolidated Statement of Operations

For the Period from July 1 to July 9, 2014

Predecessor Company

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivative (Effective Portion) 2014	Location of Gain (Loss) Reclassified from AOCI into income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into income (Effective Portion) 2014	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion) 2014
Interest rate contracts	$	Interest Expense	$ (95)	Other Income (Expense)	$

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The Effect of Derivative Instruments on the Condensed Consolidated Statement of Operations

For the Period from January 1 to July 9, 2014

Predecessor Company

Derivatives in Cash Flow Hedging Relationships	Amount of Gain (Loss) Recognized in AOCI on Derivative (Effective Portion) 2014	Location of Gain (Loss) Reclassified from AOCI into income (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into income (Effective Portion) 2014	Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion) 2014
Interest rate contracts	$ (179)	Interest Expense	$ (2,580)	Other Income (Expense)	$

The Effect of Derivative Instruments on the Condensed Consolidated Statement of Operations

For the Period from July 1 to July 9, 2014 and January 1 to July 9, 2014

Predecessor Company

Derivatives not designated as Hedging Instruments	Location of Gain (Loss) Recognized in Income on Derivative	Amount of Gain (Loss) Recognized in Income on Derivative: For the Period from July 1 to July 9, 2014	Amount of Gain (Loss) Recognized in Income on Derivative: For the Period from January 1 to July 9, 2014
Interest rate contracts	Interest Expense	$	$ (225)

The Company was required to provide collateral in the form of vessel assets to support the interest rate swap agreements, excluding vessel assets of Baltic Trading. Prior to the termination of the 2007 Credit Facility on the Effective Date, the Company s 35 vessels mortgaged under the 2007 Credit Facility served as collateral in the aggregate amount of $100,000.

11 - ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of AOCI included in the accompanying condensed consolidated balance sheets consist of net unrealized gain (loss) on cash flow hedges and net unrealized gains (losses) from investments in Jinhui stock and KLC stock for the Predecessor Company. For the Successor Company, the components of AOCI included in the accompanying condensed consolidated balance sheets consist only of net unrealized gains (losses) from investments in Jinhui stock and KLC stock based on the revised cost basis recorded as part of fresh-start reporting until September 30, 2015, when the cost basis for Jinhui was changed due to other-than-temporary impairment. Refer to Note 5 Investments for further detail.

Changes in AOCI by Component

For the Three-Month Period Ended September 30, 2015

Successor Company

		Net Unrealized Gain (Loss) on Investments
AOCI July 1, 2015	$	(26,360)
OCI before reclassifications		(6,880)
Amounts reclassified from AOCI		33,223
Net current-period OCI		26,343
AOCI September 30, 2015	$	(17)

Changes in AOCI by Component

For the Period from July 9 to September 30, 2014

Successor Company

		Net Unrealized Gain (Loss) on Investments
AOCI July 9, 2014	$	
OCI before reclassifications		(13,341)
Amounts reclassified from AOCI		
Net current-period OCI		(13,341)
AOCI September 30, 2014	$	(13,341)

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Changes in AOCI by Component

For the Period from July 1 to July 9, 2014

Predecessor Company

	Net Unrealized Gain (Loss) on Cash Flow Hedges	Net Unrealized Gain (Loss) on Investments	Total
AOCI July 1, 2014	$ (4,670)	$ 32,746	$ 28,076
OCI before reclassifications		2,186	2,186
Amounts reclassified from AOCI	95		95
Net current-period OCI	95	2,186	2,281
AOCI July 9, 2014	$ (4,575)	$ 34,932	$ 30,357

Changes in AOCI by Component

For the Nine-Month Period Ended September 30, 2015

Successor Company

	Net Unrealized Gain (Loss) on Investments
AOCI January 1, 2015	$ (25,317)
OCI before reclassifications	(7,923)
Amounts reclassified from AOCI	33,223
Net current-period OCI	25,300
AOCI September 30, 2015	$ (17)

Changes in AOCI by Component

For the Period from July 9 to September 30, 2014

Successor Company

	Net Unrealized Gain (Loss) on Investments

AOCI July 9, 2014	$	
OCI before reclassifications		(13,341)
Amounts reclassified from AOCI		
Net current-period OCI		(13,341)
AOCI September 30, 2014	$	(13,341)

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Changes in AOCI by Component

For the Period from January 1 to July 9, 2014

Predecessor Company

	Net Unrealized Gain (Loss) on Cash Flow Hedges	Net Unrealized Gain on Investments	Total
AOCI January 1, 2014	$ (6,976)	$ 60,698	$ 53,722
OCI before reclassifications	(179)	(25,766)	(25,945)
Amounts reclassified from AOCI	2,580		2,580
Net current-period OCI	2,401	(25,766)	(23,365)
AOCI July 9, 2014	$ (4,575)	$ 34,932	$ 30,357

Reclassifications Out of AOCI

Successor Company

	Amount Reclassified from AOCI Successor		
Details about AOCI Components	**Three Months Ended September 30, 2015**	**Nine Months Ended September 30, 2015**	**Affected Line Item in the Statement Where Net Loss is Presented**
Net unrealized (gain) loss on investments			
Realized loss on sale of AFS investment	$ (687)	$ (687)	Other (expense) income
Impairment of AFS investment	(32,536)	(32,536)	Impairment of investment
Total reclassifications for the period	$ (33,223)	$ (33,223)	

Reclassifications Out of AOCI

Predecessor Company

	Amount Reclassified from AOCI Predecessor		
Details about AOCI Components	**Period from July 1 to July 9, 2014**	**Period from January 1 to July 9, 2014**	**Affected Line Item in the Statement Where Net Loss is Presented**
Gains and losses on cash flow hedges			

Interest rate contracts	$	(95)	$	(2,580)	Interest expense
Total reclassifications for the period	$	(95)	$	(2,580)	

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12 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values and carrying values of the Company s financial instruments at September 30, 2015 and December 31, 2014, which are required to be disclosed at fair value, but not recorded at fair value, are noted below.

	Successor			
	September 30, 2015		December 31, 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and cash equivalents	$ 44,478	$ 44,478	$ 83,414	$ 83,414
Restricted cash	10,065	10,065	29,695	29,695
Floating rate debt	462,278	462,278	430,135	430,135

The fair value of the floating rate debt under the Amended and Restated $100 Million Term Loan Facility and the Amended and Restated $253 Million Term Loan Facility are based on rates obtained upon our emergence from Chapter 11 on the Effective Date and there were no changes to rates pursuant to the April 2015 Amendments. The fair value of the floating rate debt under the $44 Million Term Loan Facility is based on rates that Baltic Trading initially obtained on the effective date of the facility, and there were no changes to rates pursuant to the Guarantee and Indemnity entered into by the Company during April 2015. The fair value of the floating rate debt under the 2015 Revolving Credit Facility is based on rates the Company recently obtained upon the effective date of the facility on April 7, 2015. The fair value of the $148 Million Credit Facility, $22 Million Term Loan Facility and the 2014 Term Loan Facilities is based on rates that Baltic Trading initially obtained upon the effective dates of these facilities which did not change pursuant to the Amendment and Consent Agreements effective on July 14, 2015. Refer to Note 8 Debt for further information. Additionally, the Company considers its creditworthiness in determining the fair value of floating rate debt under the credit facilities. The carrying value approximates the fair market value for these floating rate loans. The carrying amounts of the Company s other financial instruments at September 30, 2015 and December 31, 2014 (principally Due from charterers and Accounts payable and accrued expenses), approximate fair values because of the relatively short maturity of these instruments.

ASC Subtopic 820-10, Fair Value Measurements & Disclosures (ASC 820-10), applies to all assets and liabilities that are being measured and reported on a fair value basis. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumption (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

- Level 1 Valuations based on quoted prices in active markets for identical instruments that the Company is able to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments does not entail a significant degree of judgment.

- Level 2 Valuations based on quoted prices in active markets for instruments that are similar, or quoted prices in markets that are not active for identical or similar instruments, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

• Level 3 Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

As of September 30, 2015 and December 31, 2014, the fair values of the Company s financial assets and liabilities are categorized as follows:

	Successor September 30, 2015	
	Total	**Quoted Market Prices in Active Markets (Level 1)**
Investments	$ 17,900	$ 17,900

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	Successor December 31, 2014 Total	Quoted Market Prices in Active Markets (Level 1)
Investments	$ 26,486	$ 26,486

The Company holds an investment in the capital stock of Jinhui, which is classified as a long-term investment. The stock of Jinhui is publicly traded on the Oslo Stock Exchange and is considered a Level 1 item. The Company also holds an investment in the stock of KLC, which is classified as a long-term investment. The stock of KLC is publicly traded on the Korea Stock Exchange and is considered a Level 1 item. Cash and cash equivalents and restricted cash are considered Level 1 items as they represent liquid assets with short-term maturities. Floating rate debt is considered to be a Level 2 item as the Company considers the estimate of rates it could obtain for similar debt or based upon transaction amongst third parties. The Company did not have any Level 3 financial assets or liabilities as of September 30, 2015 and December 31, 2014.

13 - PREPAID EXPENSES AND OTHER CURRENT AND NONCURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	Successor September 30, 2015	Successor December 31, 2014
Lubricant inventory, fuel oil and diesel oil inventory and other stores	$ 11,910	$ 11,018
Prepaid items	2,488	4,638
Insurance receivable	3,660	1,951
Other	4,447	4,816
Total prepaid expenses and other current assets	$ 22,505	$ 22,423

Other noncurrent assets in the amount of $514 at September 30, 2015 and December 31, 2014 represent the security deposit related to the operating lease entered into effective April 4, 2011. Refer to Note 19 Commitments and Contingencies for further information related to the lease agreement.

14 DEFERRED FINANCING COSTS

Deferred financing costs include fees, commissions and legal expenses associated with securing loan facilities and other debt offerings and amending existing loan facilities. These costs are amortized over the life of the related debt and are included in interest expense. Refer to Note 8

Debt for further information regarding the existing loan facilities.

Total net deferred financing costs consist of the following as of September 30, 2015 and December 31, 2014:

	Successor September 30, 2015	Successor December31, 2014
$100 Million Term Loan Facility	$ 1,656	$ 1,492
$253 Million Term Loan Facility	3,485	3,135
$44 Million Term Loan Facility	861	758
2015 Revolving Credit Facility	1,254	
$148 Million Credit Facility	3,570	3,233
$22 Million Term Loan Facility	593	529
2014 Term Loan Facilities	1,946	1,853
Total deferred financing costs	13,365	11,000
Less: accumulated amortization	2,417	729
Total	$ 10,948	$ 10,271

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Amortization expense for deferred financing costs for the Successor Company for the three and nine months ended September 30, 2015 and for the period from July 9 to September 30, 2014 was $637, $1,688 and $384, respectively. Amortization expense for deferred financing costs for the Predecessor Company for the period from July 1 to July 9, 2014 and for the period from January 1 to July 9, 2014 was $170 and $4,461, respectively. This amortization expense is recorded as a component of Interest expense in the Condensed Consolidated Statements of Operations.

Baltic Trading entered into the $148 Million Credit Facility on December 31, 2014, which was used to refinance the outstanding indebtedness under the 2010 Credit Facility. As such, on December 31, 2014, the net unamortized deferred financing costs associated with the 2010 Credit Facility are being amortized over the life of the $148 Million Credit Facility. (Refer to Note 8 Debt)

15 - FIXED ASSETS

Fixed assets consist of the following:

		Successor September 30, 2015		Successor December 31, 2014
Fixed assets, at cost:				
Vessel equipment	$	830	$	229
Furniture and fixtures		462		462
Computer equipment		142		129
Total costs		1,434		820
Less: accumulated depreciation and amortization		319		119
Total	$	1,115	$	701

Depreciation and amortization expense for fixed assets for the Successor Company for the three and nine months ended September 30, 2015 and for the period from July 9 to September 30, 2014 was $83, $200 and $66, respectively. Depreciation and amortization expense for fixed assets for the Predecessor Company for the period from July 1 to July 9, 2014 and for the period from January 1 to July 9, 2014 was $19 and $458, respectively. Refer to Note 3 Cash Flow Information for information regarding the reclassification from fixed assets to vessels assets by the Predecessor Company during the period from January 1 to July 9, 2014.

16 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following:

		Successor September 30, 2015		Successor December 31, 2014
Accounts payable	$	10,879	$	9,921

Accrued general and administrative expenses		10,212		5,894
Accrued vessel operating expenses		12,808		12,402
Total	$	33,899	$	28,217

17 REVENUE FROM TIME CHARTERS

Total voyage revenue includes revenue earned on time charters, including revenue earned in vessel pools and spot market-related time charters, as well as the sale of bunkers consumed during short-term time charters. For the three and nine months ended September 30, 2015 and the period from July 9 to September 30, 2014, the Successor Company earned $49,167, $116,548 and $43,943 of voyage revenue, respectively. For the period from July 1 to July 9, 2014 and from January 1 to July 9, 2014, the Predecessor Company earned $4,043 and $118,759 of voyage revenue, respectively. There was no profit sharing revenue earned during the nine months ended September 30, 2015 and 2014. Future minimum time charter revenue, based on vessels committed to noncancelable time charter contracts as of November 4, 2015, is expected to be $2,536 for the remainder of 2015 and $1,529 for 2016, assuming off-hire due to any scheduled drydocking and that no additional off-hire time is incurred. For drydockings, the Company assumes twenty days of offhire. Future minimum revenue excludes revenue earned for the vessels currently in pool arrangements and vessels that are currently on or will be on spot market-related time charters, as spot rates cannot be estimated, as well as profit sharing revenue.

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18 REORGANIZATION ITEMS, NET

Reorganization items, net represent amounts incurred and recovered subsequent to the bankruptcy filing as a direct result of the filing of the Chapter 11 Cases and are comprised of the following:

	Successor		Predecessor
	Three Months Ended September 30, 2015	Period from July 9 to September 30, 2014	Period from July 1 to July 9, 2014 (restated)
Professional fees incurred	$ 169	$ 857	$ 15,126
Trustee fees incurred	5	310	
Total reorganization fees	$ 174	$ 1,167	$ 15,126
Gain on settlement of liabilities subject to compromise in exchange for equity issuance, net	$	$	$ (33,832)
Fresh-start reporting adjustments			914,240
Total fresh-start adjustment	$	$	$ 880,408
Total reorganization items, net	$ 174	$ 1,167	$ 895,534

	Successor		Predecessor
	Nine Months Ended September 30, 2015	Period from July 9 to September 30, 2014	Period from January 1 to July 9, 2014 (restated)
Professional fees incurred	$ 644	$ 857	$ 34,981
Trustee fees incurred	362	310	251
Total reorganization fees	$ 1,006	$ 1,167	$ 35,232
Gain on settlement of liabilities subject to compromise in exchange for equity issuance, net	$	$	$ (33,832)
Fresh-start reporting adjustments			914,240
Total fresh-start adjustment	$	$	$ 880,408
Total reorganization items, net	$ 1,006	$ 1,167	$ 915,640

19 COMMITMENTS AND CONTINGENCIES

In September 2005, the Company entered into a 15-year lease for office space in New York, New York for which there was a free rental period from September 1, 2005 to July 31, 2006. On January 6, 2012, the Company ceased the use of this space. During the period from July 1 to July 9, 2014 and January 1 to July 9, 2014 the Predecessor Company recorded net rent expense of ($13) and ($41). Pursuant to the Plan that was approved by the Bankruptcy Court, the Debtors rejected the lease agreement on the Effective Date and the Company believes that it will owe the lessor the remaining liability.

Effective April 4, 2011, the Company entered into a seven-year sub-sublease agreement for additional office space in New York, New York. The term of the sub-sublease commenced June 1, 2011, with a free base rental period until October 31, 2011. Following the expiration of the free base rental period, the monthly base rental payments are $82 per month until May 31, 2015 and thereafter will be $90 per month until the end of the seven-year term. Pursuant to the sub-sublease agreement, the sublessor was obligated to contribute $472 toward the cost of the Company s alterations to the sub-subleased office space. The Company has also entered into a direct lease with the over-landlord of such office space that will commence immediately upon the expiration of such sub-sublease agreement, for a term covering the period from May 1, 2018 to September 30, 2025; the direct lease provides for a free base rental period from May 1, 2018 to September 30, 2018. Following the expiration of the free base rental period, the monthly base rental payments will be $186 per month from October 1, 2018 to April 30, 2023 and $204 per month from May 1, 2023 to September 30, 2025. For accounting purposes, the sub-sublease agreement and direct lease agreement with the landlord constitutes one lease agreement. As a result of the straight-line rent calculation generated by the free rent period and the tenant work credit, the monthly straight-line rental expense for the term of the entire lease from June 1, 2011 to September 30, 2025 was $130 for the Predecessor Company. On the Effective Date, a revised straight-line rent calculation was completed as part of fresh-start reporting. The revised monthly straight-line rental expense for the remaining term of the lease from the Effective Date to September 30, 2025 is $150. The Successor Company had a long-term lease obligation at September 30, 2015 and December 31, 2014 of $969 and $390,

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respectively. Rent expense pertaining to this lease recorded by the Successor Company for the three and nine months ended September 30, 2015 and the period from July 9 to September 30, 2014 was $452, $1,356 and $410, respectively. Rent expense pertaining to this lease recorded by the Predecessor Company for the period from July 1 to July 9, 2014 and January 1 to July 9, 2014 was $34 and $813, respectively.

Future minimum rental payments on the above lease for the next five years and thereafter are as follows: $269 for the remainder of 2015, $1,076 annually for 2016 and 2017, $916 for 2018, $2,230 for 2019 and a total of $13,360 for the remaining term of the lease.

During the beginning of 2009, the Genco Cavalier, a 2007-built Supramax vessel, was on charter to Samsun when Samsun filed for the equivalent of bankruptcy protection in South Korea, otherwise referred to as a rehabilitation application. On February 5, 2010, the rehabilitation plan submitted by Samsun was approved by the South Korean courts. As part of the rehabilitation process, the Company s claim of $17,212 will be settled in the following manner: 34.0%, or $5,852, will be paid in cash in annual installments on December 30th of each year from 2010 through 2019 ranging from 8.0% to 17.0%; the remaining 66.0%, or $11,360, was converted to Samsun shares at a specified value per share. On December 30, 2012, a total payment was due from Samsun in the amount of $527 which represents 9.0% of the total $5,852 approved cash settlement. On December 30, 2013, a total payment was due from Samsun in the amount of $468 which represents 8.0% if the total $5,852 approved cash settlement. During the year ended December 30, 2012, Samsun remitted only 50% of the payment due, or $263 and during the year ended December 31, 2013 there was no payment remitted. During the period from July 9 to September 30, 2014, the Successor Company recorded Other operating income of $296 which represents the remaining 50% of the payment that was due on December 30, 2012 including interest earned on those amounts. On July 3, 2015, Samsun filed for rehabilitation proceedings for the second time with the South Korean courts due to financial distress. The rehabilitation plan is still under review by the South Korean courts, and a proposed rehabilitation plan has not yet been implemented.

20 STOCK-BASED COMPENSATION

Genco Shipping & Trading Predecessor Company

Under the Plan that was approved by the Bankruptcy Court, on the Effective Date, the 880,465 unvested shares that were issued under the Genco Shipping & Trading Limited 2005 and 2012 Equity Incentive Plans (the GS&T Plans) were deemed vested automatically and equity warrants were issued.

The total fair value of shares that vested under the GS&T Plans during the period from January 1 to July 9, 2014 for the Predecessor Company was $691. The total fair value is calculates as the number of shares vested during the period multiplied by the fair value on the vesting date.

For the period from July 1 to July 9, 2014 and from January 1 to July 9, 2014, the Predecessor Company recognized nonvested stock amortization expense for the GS&T Plans, which is included in General, administrative and management fees, as follows:

Predecessor

		Period from July 1 to July 9, 2014		Period from January 1 to July 9, 2014
General, administrative and management fees	$	1,583	$	2,403

Genco Shipping & Trading   Successor Company

2014 Management Incentive Plan

On the Effective Date, pursuant to the Chapter 11 Plan, the Company adopted the MIP. An aggregate of 9,668,061 shares of Common Stock were available for award under the MIP, which were awarded in the form of restricted stock grants and awards of three tiers of MIP Warrants with staggered strike prices based on increasing equity values. The number of shares of common stock available under the Plan represented approximately 1.8% of the shares of post-emergence Common Stock outstanding as of the Effective Date on a fully-diluted basis. Awards under the MIP were available to eligible employees, non-employee directors and/or officers of the Company and its subsidiaries (collectively,   Eligible Individuals   ). Under the MIP, a committee appointed by the Board from time to time (or, in the absence of such a committee, the Board) (in either case, the   Plan Committee   ) may grant a variety of stock-based incentive awards, as the Plan Committee deems appropriate, to Eligible Individuals. The MIP Warrants are exercisable on a cashless basis and contain customary anti-dilution protection in the event of any stock split, reverse stock split, stock dividend, reclassification, dividend or other distributions (including, but not limited to, cash dividends), or business combination transaction.

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On August 7, 2014, pursuant to the MIP, certain individuals were granted MIP Warrants whereby each warrant can be converted on a cashless basis for the amount in excess of the respective strike price. The MIP Warrants were issued in three tranches, which are exercisable for 2,380,664, 2,467,009, and 3,709,788 shares and have exercise prices of $25.91 (the $25.91 Warrants), $28.73 (the $28.73 Warrants) and $34.19 (the $34.19 Warrants), respectively. The fair value of each warrant upon emergence from bankruptcy was $7.22 for the $25.91 Warrants, $6.63 for the $28.73 Warrants and $5.63 for the $34.19 Warrants. The warrant values were based upon a calculation using the Black-Scholes-Merton option pricing formula. This model uses inputs such as the underlying price of the shares issued when the warrant is exercised, volatility, cost of capital interest rate and expected life of the instrument. The Company has determined that the warrants should be classified within Level 3 of the fair value hierarchy by evaluating each input for the Black-Scholes-Merton option pricing formula against the fair value hierarchy criteria and using the lowest level of input as the basis for the fair value classification. The Black-Scholes-Merton option pricing formula used a volatility of 43.91% (representing the six-year volatility of a peer group), a risk-free interest rate of 1.85% and a dividend rate of 0%. The aggregate fair value of these awards upon emergence from bankruptcy was $54,436. The warrants vest 33.33% on each of the first three anniversaries of the grant date, with accelerated vesting upon a change in control of the Company.

For the three and nine months ended September 30, 2015 and the period from July 9 to September 30, 2014, the Successor Company recognized amortization expense of the fair value of these warrants, which is included in General, administrative and management fees, as follows:

Successor