



Current report No 11/2013

Date: 25.04.2013

Subject: ENVISAGED OFFERING OF SHARES IN THE COMPANY

The board of directors (the "**Board of Directors**") of KDM Shipping Public Limited (the "**Company**") would like to hereby inform about contemplated offering of shares and capital increase to be executed by the Company.

The Company intends to increase its share capital and issue up to 2,700,000 ordinary shares in order to finance the Company's business development. At the same time, in order to accelerate the receipt of proceeds and execute the capital increase as soon as possible when the market opportunity window opens, the Company has decided to utilise the support of the principal shareholder, Mr. Kostiantyn Molodkovets (the "**Principal Shareholder**"), and has structured the transaction as described in the following paragraphs.

The Principal Shareholder would propose to sell to qualified investors only (the "**Investors**"), up to 2,000,000 ordinary shares held by him (the "**Sale Shares**"). At the same time or shortly thereafter, the Company (pursuant to the general meeting approval) would execute a capital increase of up to 2,700,000 ordinary shares, out of which 2,000,000 newly issued ordinary shares would be subscribed and acquired by the Principal Shareholder (the "**Acquisition Shares**") and the remaining 700,000 newly issued ordinary shares (the "**Additional Investor Shares**") would be offered to the Investors. The issue price for the Acquisition Shares shall be equal to the issue price of the Additional Investor Shares. As a result of this transaction the total number of shares held by the Principal Shareholder will remain unchanged.

The offering of both Sale Shares and Additional Investor Shares will be addressed to the Investors, pursuant to an exemption from the obligation to publish a prospectus under the Prospectus Directive and applicable Cypriot and Polish regulations (the "**Offering**").

The Offering will take place provided that approval of the Company's general meeting for the issue of new shares and other necessary corporate approvals would be obtained prior to the Offering.

The main reason that the Principle Shareholder and the Company propose to proceed with the sale and acquisition (together with the offer of the Additional Investor Shares) as described above (the "**Transaction**") is to enable the Company to have access to immediate funds through a relatively quick capitalisation procedure. Furthermore, the envisaged transaction would allow to increase the free float of the Company's shares.

Additionally the Company informs, that on 25 April 2013 the Company and the shareholders (including the Principal Shareholder) involved in the Transaction received a consent to release all lock-up obligations and limitations imposed on them for all actions to be made by the Company and the shareholders, except for Miralex, Inc., in connection with the Transaction.

Legal Grounds: Art. 56 section 1 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies dated 29 July 2005

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In Poland, the potential offering of securities described in this announcement would be addressed solely to qualified investors, within the meaning of the Polish Act on Trading in Financial Instruments dated 29 July 29 2005, Cyprus law on the conditions for making an offer to the public of securities, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market of 2005, Law 114 (I)/2005, as amended, and within the meaning of the Prospectus Directive (Directive 2003/71/EC).

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