

A Portrait of the Owner as a Young Man

Peter Georgiopoulos, CEO of General Maritime Inc, has risen through the ranks of finance and real estate to become one of the industry's most successful tanker owners

Many young men enter the tanker business with the dream of someday becoming a big owner. Few succeed, even on a modest scale. Peter Georgiopoulos has not only beat the odds, but has realised the dream by pulling together a modern fleet actively sought after by both oil companies and investors. As soldiers rattle their sabres and beat their war drums, General Maritime Corporation, known in the trade as GMR, is attracting renewed investor interest due to its portfolio of mainly spot tonnage in a tanker market that began 2003 with a great deal of strength. Georgiopoulos has been committed to serving the transport needs of industrial companies, and he points out that "after the Prestige incident...our modern fleet, with vessels approved by the oil majors, is very valuable".

Analysts in London, New York and other shipping centres give speeches and write articles about new paradigms for shipping companies. Speeches aside, one need look no farther than GMR's story and the powerful personal stamp of Georgiopoulos in order to see what should be the bottom line of all those Powerpoint presentations. Georgiopoulos is one of a handful of CEOs who have implemented their vision of how a tanker company should look. In this new era, financial smarts complement a shipping operation grounded in relationships with tough charterers (including some of the most demanding oil majors).

The pundits at the conferences continually debate the virtues and curses surrounding public listings for shipping companies. In an industry characterised by consolidation, shares provide an important currency for building up the business; GMR is now poised for growth through acquisitions- another key facet of the new paradigm. Those who know Georgiopoulos speak of his boundless energy- a key component of the paradigm, whether stalking business acquisitions in Manhattan boardrooms, shooting in Dutchess County (just north of New York City) or enjoying himself around the finer clubs in Manhattan or the Hamptons.

Georgiopoulos, a native New Yorker, knew early on that he was destined to enter the maritime business. The son of a maritime lawyer with a leading downtown firm, he attained an MBA from the prestigious Tuck Business School at Dartmouth University, on the northern fringe of the Ivy League. After graduating, he spent time working in the Tsakos organization, in both its Rector Street office and in Piraeus, learning the owner's craft first hand. At that time, in the mid-1980s, shipping was languishing and Georgiopoulos set his sights further downtown - to Wall Street- in the middle of a big boom. He joined Drexel Burnham Lambert, a feisty firm best known for its successes in creating the markets for high yield debt, and worked in a group with a real estate focus. Property deals provided some of the fodder for Mike Milken, whose team developed an entire market for debt with less than investment grade.

While high yield debt helped to fuel the boom, Wall Street crashed in late 1987, dragging an over-extended Drexel into bankruptcy in 1990. Meanwhile, tanker rates had rallied throughout 1988 and in 1989, as each oil price gyrations led to more stockpiling and more chartering. Having learned the art of the deal from the maestros at Drexel, he made an easy transition to the project department at Mallory Jones Lynch (Flynn did not yet have his name on the door of this Stamford, Connecticut-based broker), an active shop in the thick of a robust Scandinavian K/S fray, where the ability to snag coveted charters with oil companies would make, or break, the deal.

A year and a half after joining MJL, just after turning 30 years old, Peter set up on his own, running Maritime Equity Management from a rented desk in a Midtown

Manhattan office. In the early 1990s, a new type of player - hedge funds were emerging, often under the stewardship of the same institutional investors who had traded high yield debt. With a calling list of high rolling investors and money managers and an acumen for putting partnerships together, the initial strategy was to partner with shipping investors who were selling out of Norwegian K/S shares, sometimes at distress prices. In its first deal, Maritime Equity and outside investors bought half the equity in the 1985-built chemical tanker Trollvan .

Throughout the mid-1990s, Georgiopoulos (by then employing ex-Mobil shipping man John Tavlarios) and co-investors from hedge funds acquired partial chunks and full equity positions in one-ship companies. These illiquid and highly leveraged units, usually structured as partnerships from the real estate mould (where fees were also earned from management), were perfect for hedge funds, which looked for both capital appreciation and yield from non-traditional investments. In addition to the oil company connections, a cost-conscious but quality-minded operating practice emerged during these years. At the beginning of 1997, Maritime Equity Management (by then the owner of six vessels) became General Maritime Corporation.

Throughout the next four years, the still private entity (but organising for an eventual listing) continued to grow, controlling a stable of 14 ships (nine Aframax, five Suezmax) by mid-2000 as dot.com-weary investors began to look at mature businesses like moving crude oil around. The fleet was typically time-chartered out, but sometimes operated in the spot market, with an emphasis on the Atlantic Basin. The quality mantra was further evidenced by GMR's contracting for technical management by Universe Tankships, with an extensive oil company pedigree. In mid-1999, the strategy of acquiring vessels en bloc was seen, as GMR came very close to acquiring the fleet of Benor Tankers (that ultimately was amalgamated into TransPetrol). GMR was now on the bidding list as oil companies and their transport providers were hiving off fleets - looking closely, for example, at Bona Shipping (at that time, handling Amoco's oil transport), which eventually went to Teekay. A year later, GMR was also closely pursuing the Golden Ocean fleet (Fred Cheng), along with Frontline and Greek VLCC buyers. During this timeframe, General Maritime was successful in acquiring three Suezmaxes from Chevron.

Following the purchase of seven OBOs from Sovcomflot, GMR was ready to pull the trigger on the public listing in June of 2001. Georgiopoulos's intimate knowledge of the real estate template, where shares in partnerships are rolled into a more liquid listed entity, again proved valuable. The shares' debut on the New York Stock Exchange, under the symbol GMR, was at \$18 per share (with some \$144m raised through ING, Jeffries and Lehman), surprising analysts with a pricing at the top of its expected range. In the year and a half since going public, GMR's shares have been volatile, reflecting underlying strengths and weaknesses in both the erratic tanker market and the uncertain shares market. When asked about the impact of a war, Georgiopoulos points out that "in the 1991 Gulf War, with the uncertainties about the oil supply sources, there was a scramble for tanker tonnage and the freight market was up sharply". He goes on to suggest that we could be due for a repeat.

GMR, now concentrating on spot movements, has recently streamlined its internal structure, built on numerous one-ship companies, and has brought the ship management function in house, under Tavlarios. GMR's fleet totals 3.04m dwt, consisting of 23 Aframax and five Suezmaxes, with an average age of just under 12 years. The company is well positioned for continued growth, and has been mentioned as a possible acquirer of American Eagle Tankers, an Aframax player with a strong franchise in the US Gulf lightering trades, where it has been increasingly active. Having assembled a highly professional staff, GMR pursues the big deals will building relationships with highly demanding customers such as Chevron, CITGO, Exxon Mobil, Phillips Petroleum Corp. and Texaco. The new paradigm of a financially sophisticated industrial shipping company, the vision of Peter Georgiopoulos, is alive, well and growing at General Maritime Corporation.

GMR FINANCE AT A GLANCE

Revenue (9 mos. Thru 9/31/2002):	\$162.5 Million
Net Voyage Revenue	\$103.1 Million
Adjusted EBITDA	\$ 53 Million
Avg Aframax TC	\$18,574/ day
Avg Aftamax TCE of spot	\$12,612/ day
Total Assets 9/31/2002	\$789 Million
Long Term Debt:	\$294.9 Million
Share Holders Equity:	\$483.2 Million
Shares outstanding:	36.97 Million
Market Capitalization:	\$300.9 Million (at recent price of \$8.14 per share)

GMR FLEET LIST

Vessel	Hull	Type	Year Built	Year Acquired
<u>Genmar Agamemnon</u>	Double Hull	Aframax	Sep-95	Jun-98
<u>Genmar Ajax</u>	Double Hull	Aframax	Jul-96	Jun-98
<u>Genmar Alexandra</u>	Double Hull	Aframax	Jun-92	Dec-00
<u>Genmar Alta</u>	Single Hull	Suezmax	Mar-90	Jan-97
<u>Genmar Boss</u>	Double Side	Aframax	Apr-85	Feb-00
<u>Genmar Challenger</u>	Double Hull	OBO Aframax	Sep-91	Aug-01
<u>Genmar Champion</u>	Double Hull	OBO Aframax	Jun-92	Jul-00
<u>Genmar Commander</u>	Single Hull	Aframax	Jun-89	Aug-97
<u>Genmar Constantine</u>	Double Hull	Aframax	Oct-92	May-98
<u>Genmar Endurance</u>	Double Hull	OBO Aframax	Nov-91	Aug-01
<u>Genmar Gabriel</u>	Double Side	Aframax	Mar-90	Sep-99
<u>Genmar George</u>	Double Side	Aframax	Aug-89	May-98
<u>Genmar Harriet</u>	Single Hull	Suezmax	Dec-89	Sep-97
<u>Genmar Hector</u>	Double Hull	OBO Aframax	May-92	Oct-00
<u>Genmar Leonidas</u>	Double Side	Aframax	Jul-91	Jul-01
<u>Genmar Macedon</u>	Single Hull	Suezmax	Jun-90	Jun-00
<u>Genmar Minotaur</u>	Double Hull	Aframax	Nov-95	May-98
<u>Genmar Nestor</u>	Double Side	Aframax	Mar-90	Jul-01
<u>Genmar Pericles</u>	Double Hull	OBO Aframax	Mar-92	Oct-00
<u>Genmar Spartiate</u>	Single Hull	Suezmax	Oct-91	Jul-00
<u>Genmar Spirit</u>	Double Hull	OBO Aframax	Mar-92	Jun-01
<u>Genmar Star</u>	Double Hull	OBO Aframax	May-92	May-01
<u>Genmar Sun</u>	Double Side	Aframax	Mar-85	Mar-00
<u>Genmar Trader</u>	Double Hull	OBO Aframax	Sep-91	Aug-01
<u>Genmar Trust</u>	Double Hull	OBO Aframax	Jan-92	May-01
<u>Genmar Zoe</u>	Single Hull	Suezmax	May-91	May-00
<u>Kentucky</u>	Single Hull	Aframax	Nov-81	Jun-01
<u>West Virginia</u>	Single Hull	Aframax	Feb-81	Jun-01