

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

In re:	x	
	:	Chapter 11
	:	
PRIMORSK INTERNATIONAL SHIPPING LIMITED, <i>et al.</i> , ¹	:	Case No. 16-10073 (MG)
	:	
Debtors.	:	Jointly Administered
	:	
	x	

**ORDER AUTHORIZING (A) THE SALE OF THE DEBTORS’ VESSELS
FREE AND CLEAR OF ALL CLAIMS AND INTERESTS, (B) THE
ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS
AND UNEXPIRED LEASES IN CONNECTION THEREWITH AND (C) WIND-DOWN
EXPENDITURES AND DISTRIBUTIONS TO TERM LOAN LENDERS**

Upon the motion (the “Motion”)² of Primorsk International Shipping Limited (“Primorsk”) and its affiliated debtors and debtors-in-possession (collectively, the “Debtors”), for entry of an order (this “Order”), pursuant to sections 105, 363 and 365 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”) and rule 6004-1 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the “Local Rules”), authorizing (a) the sale of the Debtors’ Vessels free and clear of all claims and interests and (b) the assumption and assignment of executory contracts and unexpired leases in connection therewith, and thereby the applicable Debtors’ entry into and consummation of the

¹ The Debtors in these Chapter 11 Cases and, if applicable, the last four digits of their U.S. taxpayer identification numbers are: Primorsk International Shipping Limited (Cyprus), Boussol Shipping Limited (Cyprus) (6402) – m/t “Zaliv Amerika”, Malthus Navigation Limited (Cyprus) (6401) – m/t “Zaliv Amurskiy”, Jixandra Shipping Limited (Cyprus) (6168) – m/t “Prisco Alexandra”, Levaser Navigation Limited (Cyprus) (0605) – m/t “Prisco Ekaterina”, Hermine Shipping Limited (Cyprus) (0596) – m/t “Prisco Irina”, Laperouse Shipping Limited (Cyprus) (0603) – m/t “Prisco Elizaveta”, Prylotina Shipping Limited (Cyprus) (6085) – m/t “Prisco Elena”, Baikal Shipping Ltd (Liberia) (6592) – m/t “Zaliv Baikal” and Vostok Navigation Ltd (Liberia) (1745) – m/t “Zaliv Vostok”.

² Capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Sale Agreements, or, if not defined therein, the Motion.



Memoranda of Agreement and Master Rider thereto (as amended from time to time in accordance with this Order);

IT IS HEREBY FOUND AND DETERMINED THAT:³

Jurisdiction and Statutory Predicates

- A. This Court has jurisdiction to hear and determine the Motion and to grant the relief requested in the Motion pursuant to 28 U.S.C. §§ 157 and 1334.
- B. Venue of these cases and the Motion in this Court and this District is proper under 28 U.S.C. §§ 1408 and 1409.
- C. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b).
- D. This Order is intended to be a final and appealable order as set forth in 28 U.S.C. § 158(a), except as otherwise set forth herein.
- E. The statutory predicates and rules for the relief in this Order are sections 105, 363 and 365 of the Bankruptcy Code, and Local Rule 6004-1.

Notice

F. As demonstrated at the Sale Hearing (as defined below) and as evidenced by the affidavits of service filed with this Court [Docket Nos. 160, 168, 206, 207, 209, 210], the Debtors have provided proper, timely, adequate and sufficient notice of and sufficient opportunity to object to the Motion and the relief to be granted in this Order.

³ The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact later shall be determined to be a conclusion of law, it shall be so deemed, and to the extent that any of the following conclusions of law later shall be determined to be a finding of fact, it shall be so deemed.

G. On April 29, 2016, this Court entered the Bid Procedures Order approving Bid Procedures. The Bid Procedures provided a full, fair and reasonable opportunity for any entity to make an offer to purchase the Vessels.

H. The Debtors provided adequate notice of the Assignment Procedures (as defined below), which were approved by this Court on April 29, 2016 in the *Order (A) Approving the Bid Procedures and Certain Bidding Protections, (B) Approving the Notice Procedures, (C) Authorizing the Debtors to Set a Date for the Sale Hearing and (D) Approving Assumption and Assignment Procedures* [Docket No. 164] (the “Bid Procedures Order”).

I. The Debtors provided notice of auction in accordance with the Bid Procedures Order on June 23, 2016 on the *Notice of Auction* [Docket No. 189] and notice of the updated location and time of auction on June 27, 2016 on the *Notice of Updated Auction Time and Location* [Docket No. 194].

J. The Debtors provided notice of Successful Bidder and Alternate Bidder in accordance with the Bid Procedures Order on July 1, 2016 on the *Notice of Successful and Alternate Bidders* [Docket No. 198]. SCF Tankers Limited was named Successful Bidder, and certain nominees of SCF Tankers Limited listed on Exhibit A to this Order (the “Buyer”) entered into the Memoranda of Agreement and Master Rider to the Memoranda of Agreement (as amended from time to time in accordance with this Order, the “SCF Sale Agreements”), among the applicable Debtor and, pursuant to which the applicable Debtor has agreed to transfer to the Buyer or its designee all of the Debtor’s right, title and interest in and to the applicable vessels (collectively, the “Vessels”) free and clear of any and all claims (as such term is defined by section 101(5) of the Bankruptcy Code), liabilities, interests, encumbrances, pledges, liens, security interests, charges, options, rights, and restrictions of any kind or nature whatsoever

(collectively, “Interests”) and solely with respect to all of the Debtors’ right, title and interest in and to the Vessels, and, if requested by the Buyer, to assume and assign the Assigned 365 Debtor Contracts to the Buyer. Hafnia Tankers Ltd. (the “Alternate Buyer” and together with the Buyer, the “Buyers”) was named the Alternate Bidder and entered into the Memoranda of Agreement and Master Rider to the Memoranda of Agreement (as amended from time to time in accordance with this Order, the “Hafnia Sale Agreements” and together with the SCF Sale Agreements, the “Sale Agreements”), pursuant to which if the Buyer fails to consummate the transactions contemplated by the SCF Sale Agreements, the applicable Debtor has agreed to transfer to the Alternate Buyer or its designee all of the Debtor’s right, title and interest in and to the applicable Vessels free and clear of any and all Interests and solely with respect to all of the Debtors’ right, title and interest in and to the Vessels, and to assume and assign the Assigned 365 Debtor Contracts to the Alternate Buyer.

K. The Debtors’ notices (each, an “Assignment Notice”) of the proposed assumption and assignment of contracts pursuant to section 365 of the Bankruptcy Code (the “Assigned 365 Debtor Contracts”), is appropriate and reasonably calculated to provide each counterparty to an Assigned 365 Debtor Contract (each an “Assigned Contract Counterparty”) with proper notice of the Assignment Procedures.

L. No further or other notice beyond that described in the foregoing Paragraphs F through H is or shall be required in connection with the relief provided in this Order.

Sound Business Purpose

M. The Debtors have demonstrated that their entry into the Sale Agreements is supported by good, sufficient and sound business reasons. A sale of the Vessels will maximize

the value of the Debtors' estates and represents a reasonable exercise of the Debtors' sound business judgment

N. The Debtors' determination that the SCF Sale Agreements constitute the highest and otherwise best offer is a valid and sound exercise of the Debtors' business judgment. The Debtors' determination that the Hafnia Sale Agreements constitutes the next highest and otherwise best offer is a valid and sound exercise of the Debtors' business judgment.

Assumption and Assignment of the Assigned 365 Debtor Contracts

O. The procedures (the "Assignment Procedures") for the assumption and assignment of the Assigned 365 Debtor Contracts set forth in the Bid Procedures Order are adequate, sufficient and appropriate under the circumstances.

P. The assumption and assignment of the Assigned 365 Debtor Contracts pursuant to the Assignment Procedures is in the best interests of the Debtors and their estates and represents the reasonable exercise of the Debtors' sound business judgment.

Q. Pursuant to section 4 of the Riders to the Memoranda of Agreement, the Debtors have agreed to pay the cure costs due under section 365(b) of the Bankruptcy Code (the "Cure Costs") of each Assigned 365 Debtor Contract that the Buyer or Alternate Buyer, as applicable, has designated for assignment, which designation shall be made prior to Closing on the respective Vessel. At each Closing, the applicable Debtor (a) will cure, or provide adequate assurance of cure of, any default existing prior to such Closing under all relevant Assigned 365 Debtor Contracts, by payment of the Cure Costs and (b) will provide compensation or adequate assurance of compensation to any party for any actual pecuniary loss to such party resulting from a default prior to such Closing under the relevant Assigned 365 Debtor Contracts (in each case, within the requirements of section 365(b)(1)(B) of the Bankruptcy Code). The request by the

Buyer or Alternate Buyer, as applicable, that the Debtors assume and assign the Assigned 365 Debtor Contracts to the Buyer or Alternate Buyer, as applicable, in accordance with the Sale Agreements shall constitute adequate assurance of future performance by Buyer or Alternate Buyer, as applicable, under sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code, except as the Court may otherwise determine in accordance with the Assignment Procedures. To the extent authorized by section 365(c) or 365(f) of the Bankruptcy Code and pursuant to the Assignment Procedures, and, subject to the election by the Buyer or Alternate Buyer, as applicable (which shall be made prior to such Closing), the applicable Assigned 365 Debtor Contracts shall, at each relevant Closing, be assigned and transferred to, and remain in full force and effect for the benefit of, the Buyer or Alternate Buyer, as applicable, free and clear of all Interests, notwithstanding any provision in the contracts or other restrictions prohibiting or modifying any rights of the applicable Debtor as a result of the assignment or transfer of such Assigned 365 Debtor Contract or related rights, duties or obligations. The rights of any Assigned Contract Counterparty to object to the assumption and assignment of any Assigned 365 Debtor Contract are set forth in the Assignment Procedures. The Buyer (or Alternative Buyer, as applicable) shall have no liability to any party with respect to any contract which is not assumed and assigned to the Buyer (or Alternate Buyer, as applicable).

R. The Debtors, the Buyer and the Alternate Buyer have agreed that the Assigned 365 Debtor Contracts shall exclude any and all obligations or liability of the Debtors with respect to any claim (as defined in section 101(5) of the Bankruptcy Code) of Prisco (Singapore) Pte Ltd. or its affiliates with respect to commissions or other amounts due from the Debtors arising under or in connection with the Assigned 365 Debtor Contracts (a “Prisco Commission Claim”), and the assumption and assignment of any Assigned 365 Debtor Contract shall be made free and

clear of any Interest of Prisco (Singapore) Pte Ltd. or its affiliates related thereto. Any Prisco Commission Claim is a claim against the Debtors that is separate and independent from the executory contractual relationship between the Debtors and the other parties to the Assigned 365 Debtor Contract, and the Debtors have agreed that the rights of the holder of any Prisco Commission Claim against the Debtors shall be preserved without prejudice after giving effect to any such assignment and assumption.

S. Additionally, as set forth in the Bid Procedures Order, Novatek has agreed to the assumption and assignment of any applicable Novatek charter contract(s) unless: (i) the identity of the Successful Bidder, the identity of any person or entity providing debt or equity financing to the Successful Bidder or the identity of the ultimate beneficial owner of such Successful Bidder is not reasonably acceptable to Novatek; (ii) the Sale is not in accordance with the Bid Procedures; or (iii) Novatek has not been provided with reasonable assurance of future performance under such charter contracts to its reasonable satisfaction.

Good Faith Finding

T. The Buyers are not an “insider” or “affiliate” of any of the Debtors as those terms are defined in section 101 of the Bankruptcy Code.

U. The Sale Agreements were negotiated, proposed and entered into by the Debtors and the Buyers without collusion or fraud, in good faith and from arm’s-length bargaining positions.

V. Neither the Debtors nor the Buyers have engaged in any conduct that would cause or permit any part of the Sale Agreements to be avoidable under section 363(n) of the Bankruptcy Code.

W. The Buyers are good-faith purchasers under section 363(m) of the Bankruptcy Code and, as such, are entitled to all of the protections afforded thereby. In particular, (a) the Buyers recognized that the Debtors were free to deal with any other party interested in purchasing the Vessels; (b) the Buyers in no way induced or caused the chapter 11 filing by the Debtors; (c) the Buyers have not violated section 363(n) of the Bankruptcy Code by any action or inaction and (d) no common identity of directors and officers exist between the Buyers and any of the Debtors.

No Fraudulent Transfer or Successor Liability

X. The aggregate consideration from the Buyer or Alternate Buyer, as applicable, for the Vessels as set forth in the Sale Agreements: (a) as such consideration relates to the Vessels, constitutes fair consideration and fair value under the Bankruptcy Code, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act and other similar laws of the United States; (b) is the best value obtainable for the Vessels; (c) will provide a greater recovery to creditors than would be provided by any other available alternative and (d) as such consideration relates to the Vessels, constitutes reasonably equivalent value (as that term is defined in each of the Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, and section 548 of the Bankruptcy Code).

Y. None of the Debtors or the Buyers entered into or has agreed to enter into any of the Sale Agreements with any fraudulent or otherwise improper purpose, including, without limitation, the purpose of hindering, delaying or defrauding any creditors of the Debtors.

Z. The Buyers are not a mere continuation of or successor to the Debtors or their estates in any respect. The Sale Agreements does not amount to a consolidation, merger or *de facto* merger of the Buyers and the Debtors, and there is no continuity of enterprise between the

Debtors and the Buyers. The Buyers would not have entered into the Sale Agreements if the transfer of the Vessels was not made free and clear of any successor liability whatsoever to the Buyers.

Validity of Transfer and Authorizations

AA. The Vessels constitute property of the Debtors' estates and title thereto is vested in the Debtors' estates within the meaning of section 541(a) of the Bankruptcy Code. The Debtors have all right, title and interest in the Vessels required to transfer and convey such Vessels to the Buyer or Alternate Buyer, as applicable. The Debtors have full corporate power and authority to execute and deliver the Sale Agreements applicable to each such Debtor, and all other documents contemplated thereby, and have all corporate authority necessary to consummate the Sale Agreements. No consents or approvals, other than those expressly provided for in the Sale Agreements, are required for the Debtors to consummate the Sale Agreements.

BB. The appointment of a consumer privacy ombudsman pursuant to section 363(b)(1) or section 332 of the Bankruptcy Code is not required with respect to the relief requested in the Motion.

Section 363(f) Requirements Satisfied For Free and Clear Transfer

CC. The conditions of section 363(f) of the Bankruptcy Code have been satisfied and, upon entry of this Order, the Debtors may transfer all of their right, title and interest to the Vessels free and clear of all Interests (including, without limitation, any Interests of any party to any contract which is not assumed and assigned to the Buyer or Alternate Buyer, as applicable, as provided in Paragraph Q) as provided for in the Sale Agreements. The Buyers would not have entered into the Sale Agreements if the transfer of the Vessels was not free and clear of all

Interests as set forth in the Sale Agreements and this Order, or if in the future the Buyers would or could be liable for any such Interests.

DD. Upon entry of this Order, the Debtors are authorized to transfer all of their right, title and interest in and to the Vessels free and clear of all Interests because one or more of the provisions set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied, including that, except as otherwise expressly provided in the Sale Agreements or this Order, such Interests shall attach to the proceeds allocated to the Debtors in the order of their priority, with the same validity, force and effect which they now have against the Vessels, subject to any claims and defenses the Debtors may possess with respect to such Interests. Those holders of Interests against the Vessels who did not object or who withdrew their objections to the Sale Agreements or the Motion are deemed to have consented to the transactions contemplated thereby pursuant to section 363(f)(2) of the Bankruptcy Code.

Wind-Down Budget

EE. The Sale Agreements neither impermissibly restructure the rights of the Debtors' creditors nor impermissibly dictate the terms of a chapter 11 plan of the Debtors. The wind-down budget, attached hereto as Exhibit B (the "Wind-Down Budget"), provides appropriate resources for the resolution of these chapter 11 cases and has been prepared and proposed in good faith.

FF. The Sale Agreements do not constitute a *sub rosa* chapter 11 plan.

Distributions to First Lien Creditors

GG. The senior secured lenders under that certain \$530 million loan facility (the "Senior Facility") dated January 2, 2008 (as amended and restated on August 8, 2011 and further amended and restated on December 12, 2012) providing for a senior term loan facility of up to

\$450 million (the “Term Loan” and the lenders thereunder, the “Term Loan Lenders”) and a junior revolving loan facility of up to \$80 million (the “Revolving Loan” and the lenders thereunder, the “Revolving Loan Lenders” and together with the Term Loan Lenders, the “Senior Lenders”), hold first priority liens on, and security interests in, each of the Vessels and the related charter contracts.

HH. The proceeds from the sale of the Vessels and assumption and assignment of the Assigned 365 Debtor Contracts exceed the outstanding principal amount and accrued and unpaid prepetition interest owed to the Term Loan Lenders under the Senior Facility.

II. The use of the proceeds from the sale of the Vessels, after funding the Wind-Down Budget (to the extent cash on hand is insufficient to fund the Wind-Down Budget), to pay to the Term Loan Lenders an amount up to the outstanding principal amount and accrued and unpaid prepetition interest owed under the Senior Facility in accordance with all prepetition intercreditor or other similar arrangements is supported by good, sufficient and sound business reasons.

Best Interest of Creditors

JJ. A hearing was held on July 7, 2016 to consider the relief requested in the Motion (the “Sale Hearing”).

KK. The legal and factual bases set forth in the Motion, the Etlin Declaration and the record of the Sale Hearing and all of the proceedings before the Court establish just cause for the relief requested in the Motion, and such relief is in the best interests of the Debtors, their estates, their creditors and other parties in interest.

LL. Time is of the essence in consummating the sale. Cause has been shown as to why this Order should not be subject to any stay provided by Bankruptcy Rule 6004(h).

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.

2. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, settled, preserved by order of the Bankruptcy Court or otherwise resolved, and all other reservations of rights included therein, are hereby overruled on the merits, with prejudice, except as otherwise set forth herein. All persons and entities that failed to timely object to the Motion are deemed to have consented to the relief granted herein.

Approval of the Sale Agreements

3. The Sale Agreements, all transactions contemplated therein and all of the terms and conditions thereof are hereby approved, subject to the terms and conditions of this Order to the extent of any express conflict herewith.

4. Pursuant to sections 105, 363 and 365 of the Bankruptcy Code, the Debtors are authorized and directed to perform their obligations under and comply with the terms of the Sale Agreements, pursuant to and in accordance with the terms and conditions of the Sale Agreements and this Order.

5. The Debtors, as well as their affiliates, officers, employees and agents, are authorized and directed to execute and deliver, and empowered to perform under, consummate and implement, the Sale Agreements, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Sale Agreements and to take all further actions and execute such other documents as may be (a) necessary or appropriate to the performance of the obligations contemplated by the Sale Agreements and (b) as may be reasonably requested by the Buyer or Alternate Buyer, as applicable, to implement the Sale Agreements in accordance with their terms thereof, without further order of the Court.

6. This Order and the Sale Agreements shall be binding in all respects upon, and shall inure to the benefit of, the Buyer, the Alternate Buyer, the Debtors' estates, the Debtors, their affiliates, any trustees appointed in the Debtors' chapter 11 cases, all creditors (whether known or unknown) of any Debtors, all holders of Interests in the Vessels, all interested parties and their successors and assigns.

7. Upon Buyer's material breach of any of the SCF Sale Agreements (if such breach is not cured within five (5) days from the receipt of written notice pursuant to the respective SCF Sale Agreement), (a) the Buyer shall forfeit its Good Faith Deposit and such Good Faith Deposit shall become property of the Debtors' estates and shall be subject to the existing liens of the Senior Lenders, and (b) the Debtors are authorized to effectuate the sale of the Vessels to the Alternate Buyer subject to the terms of the Alternate Bid without further order of the Court. The Good Faith Deposit of the Alternate Bidder shall be released by the Debtors four (4) Business Days after the completion of the first Closing contemplated by the Buyer and the SCF Sale Agreements.

Transfer of Assets Free and Clear and Injunction

8. Upon each Closing, pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, the transfer of the applicable Vessel to the Buyer or the Alternate Buyer, as applicable and the assumption and assignment of any related Assigned 365 Debtor Contract (together, the "Purchased Assets") (a) shall constitute a legal, valid and effective transfer of all of Debtors' right, title and interest in and to such Purchased Assets subject to and in accordance with the Sale Agreements and (b) shall vest the Buyer or the Alternate Buyer, as applicable, with all of the Debtors' right, title and interest in and to such Vessel free and clear of all Interests, with such Interests attaching to the proceeds allocated to the Debtors in the order of their

priority, with the same validity, force and effect which they now have against such Purchased Assets.

9. Upon each Closing, all persons or entities holding Interests in, to or against (a) the Debtors or (b) the Purchased Assets shall be, and hereby are, forever barred, estopped and permanently enjoined, to the greatest extent permitted under applicable law, from asserting such Interests or enforcing any remedies or commencing or continuing in any manner any action or other proceeding of any kind or nature against the Buyer, its successors and assigns with respect to the Purchased Assets, or against such Purchased Assets after such Closing, except as expressly provided in the Sale Agreements.

10. Upon each Closing, all persons are permanently and forever prohibited, to the greatest extent permitted under applicable law, from asserting against the Buyer or the Alternate Buyer, as applicable, or the Purchased Assets any Interest arising under any theory of successor or transferee liability, *de facto* merger or continuity liability, whether known or unknown as of such Closing, now existing or hereafter arising, asserted or unasserted, fixed or contingent, liquidated or unliquidated.

Approval of Payment of Wind-Down Budget and Distribution to Term Loan Lenders

11. The Debtors are authorized to conduct the Debtors' businesses until the final Closing and, after the final Closing, to wind down the Debtors' estates and conclude these chapter 11 cases in accordance with the Wind-Down Budget. To the extent that the authorization provided in this paragraph conflicts with any prior order of this Court, this Order shall control and govern.

12. The Debtors shall fund the Wind-Down Budget with cash on hand. To the extent that cash on hand is insufficient to fund the Wind-Down Budget, the proceeds from the

sale of the Purchased Assets shall first be used to fund the Wind-Down Budget. The inclusion of line items for professional fees in the Wind-Down Budget does not constitute approval of those fees; all parties reserve all rights to claim or object to professional fees as provided in the Bankruptcy Code and the Court's fee orders in these proceedings. The Debtors will then distribute to the Facility Agent, as custodian for the account of Term Loan Lenders, on account of the outstanding principal amount and accrued and unpaid prepetition interest owed to the Term Loan Lenders under the Senior Facility. The Facility Agent shall make all distributions to the Term Loan Lenders, in accordance with all prepetition intercreditor or other similar arrangements.

Assumption and Assignment of the Assigned 365 Debtor Contracts

13. All Cure Costs shall be paid by the Debtors in accordance with the terms of the Sale Agreements and the Assignment Procedures. Payment of the Cure Costs shall be in full satisfaction and cure of any and all defaults under the Assigned 365 Debtor Contracts, whether monetary or non-monetary.

14. In accordance with the Assignment Procedures and the terms of this Order, following each Closing, the Buyer or Alternate Buyer, as applicable, shall be fully and irrevocably vested with all of the Debtors' right, title and interest under the applicable Assigned 365 Debtor Contracts in connection with the applicable Vessel, free and clear of Prisco Commission Claims.

15. In accordance with the Assignment Procedures, following assignment of the applicable Assigned 365 Debtor Contracts to the Buyer or Alternate Buyer, as applicable, the Debtors shall be relieved from any further liability with respect to such Assigned 365 Debtor

Contracts, *provided* that any claim of Prisco (Singapore) Pte Ltd or any of its affiliates against the Debtors with respect to any Prisco Commission Claim shall be preserved without prejudice.

Additional Provisions

16. In connection with the Closings, a certified copy of this Order may be filed and/or recorded with the appropriate filing agents, filing officers, administrative agencies or units, governmental departments, secretaries of state, federal, state and local officials and all other persons, institutions, agencies and entities who may be required by operation of law, the duties of their office or contract evidencing the release, cancelation and termination provided herein of any Interests of record on the Purchased Assets.

17. If any person or entity that has filed statements or other evidence of Interests in respect of the Purchased Assets shall not have delivered to the Debtors before the applicable Closing after due demand therefor, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of liens and easements, and any other documents necessary for the purpose of documenting the release of such Interests that such person or entity has or may assert with respect to the Purchased Assets, the Debtors, the Buyer or Alternate Buyer, as applicable, and its designee are authorized to execute and file such statements, instruments, releases and other documents on behalf of such person or entity with respect to such Purchased Assets without any further Order of this Court.

18. This Order shall be effective as a determination that, upon each Closing, all liabilities of any kind or nature whatsoever existing as to the Purchased Assets prior to such Closing have been unconditionally released, discharged, and terminated and that the conveyances described herein have been effected.

19. The Sale Agreements may not be avoided and no damages may be awarded under section 363(n) of the Bankruptcy Code. The Sale Agreements shall not be subject to avoidance under chapter 5 of the Bankruptcy Code. The Sale Agreements shall not be subject to rejection under section 365 of the Bankruptcy Code.

20. The Sale Agreements and any related agreements, documents or other instruments may be modified, amended or supplemented through a written document signed by the parties thereto in accordance with the terms thereof and this Order without further order of the Court; *provided* that no such modification, amendment or supplement may be made without further order of the Court if it is materially adverse to the Debtors or the Debtors' estates. The Debtors are authorized to perform each of their covenants and undertakings as provided in Sale Agreements prior to or after any Closing without further order of the Court.

21. The Sale Agreements shall be of full force and effect, regardless of any Debtor's lack of good standing in any jurisdiction in which such Debtor is formed or authorized to transact business.

22. No bulk sales law or any similar law of any state or other jurisdiction shall apply to the Debtors' conveyance of the Purchased Assets.

23. Nothing in this Order shall be deemed to waive, release, extinguish or estop the Debtors or their estates from asserting or otherwise impair or diminish any right (including any right of recoupment), claim, cause of action, defense, offset or counterclaim in respect of any asset that is not a Purchased Asset.

24. Except as set forth in paragraph 11, nothing in this Order shall limit, alter or otherwise modify the provisions of the *Amended and Restated Final Order (A) Authorizing*

Use of Cash Collateral, (B) Granting Adequate Protection, (C) Modifying the Automatic Stay and (D) Authorizing Debtors to Utilize Operating Revenues [Dkt. No. 135].

25. In the event there is a conflict between this Order and any of the Sale Agreements, this Order shall control and govern.

26. The requirements set forth in Local Rules 6004-1, 6006-1 and 9013-1 are satisfied.

27. Notwithstanding the provisions of Bankruptcy Rules 6004(h) or 7062, this Order shall be effective and enforceable immediately and shall not be stayed. Time is of the essence in closing the sale transaction and the Debtors and the Buyer intend to close the sale transaction as soon as practicable. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Any party objecting to this Order must exercise due diligence in filing an appeal and pursuing a stay, or risk its appeal being dismissed as moot.

28. The failure specifically to include or make reference to any particular provisions of the Sale Agreements in this Order shall not impair the effectiveness of such provision, it being the intent of this Court that the Sale Agreements are authorized and approved in their entirety.

29. This Court retains jurisdiction with respect to all matters arising from or related to the Sale Agreements and to interpret, implement, and enforce the terms of this Order.

IT IS SO ORDERED.

Dated: July 12, 2016.
New York, New York

/s/Martin Glenn
MARTIN GLENN
United States Bankruptcy Judge

Exhibit A
Nominees of the Buyer

	Vessel	IMO	Owners nominated by SCF Tankers Limited, all Liberian Corporation	Liberian Registration No.
1	Prisco Alexandra	9397547	MIST MARITIME INCORPORATED	C-118119
2	Prisco Ekaterina	9397559	SCOPS NAVIGATION S.A.	C-118120
3	Prisco Elena	9397535	SKYLER S.A.	C-118643
4	Prisco Elizaveta	9385142	SUPER SHIPPING CORPORATION	C-118739
5	Prisco Irina	9384306	PALOMAR TRANSPORT S.A.	C-118122
6	Zaliv Amerika	9354301	MYRTLE MARINE INCORPORATED	C-118180
7	Zaliv Amurskiy	9354313	BUXUS SEAWAY LTD.	C-118342
8	Zaliv Vostok	9360130	CAZE INC	C-118641
9	Zaliv Baikal	9360128	BALOS SHIPPING LTD.	C-118642

Exhibit B
Wind-Down Budget

Primorsk International Shipping Limited
July Budget (Forecast #7)
(\$ USD)

Fiscal Period	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	17 weeks as of 04/07/2016
4-4-5 Month	7	7	7	7	8	8	8	8	9	9	9	9	9	10	10	10	10	10	
Fiscal Week #	Week 28	Week 29	Week 30	Week 31	Week 32	Week 33	Week 34	Week 35	Week 36	Week 37	Week 38	Week 39	Week 40	Week 41	Week 42	Week 43	Week 44		
Week Commencing	04/07/2016	11/07/2016	18/07/2016	25/07/2016	01/08/2016	08/08/2016	15/08/2016	22/08/2016	29/08/2016	05/09/2016	12/09/2016	19/09/2016	26/09/2016	03/10/2016	10/10/2016	17/10/2016	24/10/2016		
Week Ending	10/07/2016	17/07/2016	24/07/2016	31/07/2016	07/08/2016	14/08/2016	21/08/2016	28/08/2016	04/09/2016	11/09/2016	18/09/2016	25/09/2016	02/10/2016	09/10/2016	16/10/2016	23/10/2016	30/10/2016		
Forecast/Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Total
Total starting cash balance (exc Bond reserve account)	10,617,769	12,333,703	12,238,003	9,632,389	7,410,818	8,008,905	6,813,642	6,343,872	5,882,568	4,903,707	4,394,474	4,011,490	3,575,410	1,002,372	886,495	770,617	470,240	10,617,769	
Cash receipts																			
Vessels operating receipts	3,945,905	-	-	-	3,756,999	-	-	-	1,123,226	-	-	-	-	-	-	-	-	-	8,826,130
Total cash receipts	3,945,905	-	-	-	3,756,999	-	-	-	1,123,226	-	-	-	-	-	-	-	-	-	8,826,130
Cash disbursements																			
Total Operating Expenses	(1,206,032)	(95,700)	(536,008)	-	(174,052)	(1,195,264)	(469,769)	(172,754)	(59,230)	(509,233)	(382,984)	(210,180)	(615,877)	(115,877)	(115,877)	(115,877)	(701,339)	(6,676,054)	
Management fees	(641,700)	-	-	-	(502,200)	-	-	-	(486,000)	-	-	-	(502,200)	-	-	-	-	-	(2,132,100)
Legal & Professional fees - Co. side / US Trustee fee	(197,338)	-	(2,069,605)	(408,600)	(543,284)	-	-	(288,550)	(470,753)	-	-	(225,900)	(495,956)	-	-	(184,500)	(1,385,429)	(6,269,915)	
Contingency	-	-	-	(1,000,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,000,000)
Legal & Professional fees - Bank / Swap. side	(184,902)	-	-	-	(1,939,375)	-	-	-	(161,000)	-	-	-	(118,000)	-	-	-	(64,000)	(2,467,277)	
Total operating cash disbursements	(2,229,972)	(95,700)	(2,605,613)	(1,408,600)	(3,158,911)	(1,195,264)	(469,769)	(461,304)	(1,176,983)	(509,233)	(382,984)	(436,080)	(1,732,034)	(115,877)	(115,877)	(300,377)	(2,150,767)	(18,545,347)	
Net inflow/ (outflow) from operations	1,715,933	(95,700)	(2,605,613)	(1,408,600)	598,088	(1,195,264)	(469,769)	(461,304)	(53,756)	(509,233)	(382,984)	(436,080)	(1,732,034)	(115,877)	(115,877)	(300,377)	(2,150,767)	(9,719,216)	
Interest & Fees	-	-	-	(812,971)	-	-	-	-	(925,105)	-	-	-	(841,005)	-	-	-	-	-	(2,579,081)
Total ending cash balance (exc Bond reserve account)	12,333,703	12,238,003	9,632,389	7,410,818	8,008,905	6,813,642	6,343,872	5,882,568	4,903,707	4,394,474	4,011,490	3,575,410	1,002,372	886,495	770,617	470,240	(1,680,528)	(1,680,528)	

Assumptions
First vessel handover starts in w/e 31 July 2016 and last vessel handover completed by w/e 25 Sept 2016 with all wind down costs paid by w/e 30 Oct 2016. Timing is subject to confirmation with the buyer and could change the budget \$500,000 of the AlixPartners success fee and \$500,000 of S&C's historical fees for the period ended April 30, 2016 will be requested by AlixPartners and S&C only if approved by holders of a majority of the Junior Revolving Loan Facility All rights are reserved with respect to the payment of interest to the second lien revolving lenders and the swap lenders for the duration of the wind down budget; such issues will be addressed in the context of an amended cash collateral order.