

Current report No 21/2013

Date: 7.06.2013

Subject: PRIVATE PLACEMENT OF SHARES TO INSTITUTIONAL INVESTORS

Further to current reports no 11/2013 and 17/2013, KDM Shipping Public Limited (the "**Company**") informs of completion of book-building in the private placement of the Company's shares addressed to a limited number of investors (the "**Private Placement**") pursuant to a placement agreement (the "**Placement Agreement**") between the Company, KM Management Limited as principal shareholder of the Company (the "**Principal Shareholder**"), Mr. Kostiantyn Molodkovets, the sole shareholder of the Principal Shareholder and UniCredit CAIB Poland S.A. (the "**Global Coordinator**").

As a result of the book-building process after analyzing the level of interest among prospective investors as well as the price sensitivity of demand the Company decided that 2,000,000 Company's shares (the "**Sale Shares**") will be primarily allotted in the Private Placement at the offer price of PLN 30 (the "**Offer Price**").

The Shares to be sold in the Private Placement are existing shares in the Company held by the Principal Shareholder. The Principal Shareholder will use proceeds from the sale of Shares to subscribe for 2,000,000 new shares in the Company, issued pursuant to resolution of the Extraordinary General Meeting dated 17 May 2013 of which the Company informed in the current report no 16/2013. The issue price of the newly issued shares will be equal to the Offer Price (PLN 30). As a result of this transaction the total number of shares held by the Principal Shareholder will remain unchanged and the Company will economically receive all proceeds from the Private Placement, net of expenses. The proceeds will be used to finance the Company's business development.

The Private Placement was addressed solely to a limited number of investors, in a manner not constituting a public offering and in circumstances which did not trigger the obligation to publish a prospectus or an offering memorandum within the meaning of the Polish Act on Trading in Financial Instruments dated 29 July 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).

In order to facilitate the Offering, the Company and certain direct and indirect shareholders of the Company including the Principal Shareholder, Mr. Kostiantyn Molodkovets and Mr. Denys Molodkovets, agreed to certain lock-up undertakings according to which, subject to customary exemptions, such shareholders will not offer, sell or transfer any shares in the Company for a period of 18 months after the date of the Placement Agreement and the Company will not issue, and the shareholders will not support any issue, of new shares in the Company for a period of 12 months after the date of the Placement Agreement, without the prior written consent of the Global Coordinator.

UniCredit CAIB Poland S.A. acted as Global Coordinator in the offering and Jaspen Capital Partners as Co-Lead Arranger and PJSC UkrSotsbank as Financial Advisor. Baker & McKenzie acted as legal counsel to the Global Coordinator.

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 offering of securities described in this announcement was addressed solely to a limited number of investors in circumstances which did not trigger the obligation to publish a prospectus or an offering memorandum within the meaning of the Polish Act on Trading in Financial Instruments dated 29 July 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).

The Offering having been completed, this announcement is solely in order to comply with the applicable reporting regulations.

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