

**Connecticut-based pool powerhouse Heidenreich Marine confirmed today that it is in exclusive talks with finance and trading giant Morgan Stanley for sale of the private company for an undisclosed price that is believed to exceed \$200m.**

TradeWinds broke news on Tuesday that Morgan Stanley had emerged from a pack of suitors in a sale process administered by investment bank Lazard and would win the logistics group, with an announcement imminent.

That came today with Heidmar saying that its existing management team will remain intact under the expected takeover. Founder Per Heidenreich told staff of plans to sell his company in March.

"It is important for us to find a company that shares our values and our vision for the future growth of Heidmar," said Per Heidenreich. "We are thrilled that the legacy of Heidmar could continue through the hands of Morgan Stanley."

He added, "The acquisition of Heidmar by Morgan Stanley would be a seamless transition and good for our employees, pool partners and customers."

Morgan Stanley, which has quietly become the largest importer of clean products into the US, already is a Heidmar customer, primarily through its clean-trading Dorado Tankers pool. The pending acquisition represents yet another large step forward for the New York-based company's march into the physical shipping arena.

"Morgan Stanley is excited about the possibility to push further into the global asset logistics business, especially with a partner of Heidmar's caliber," said John Shapiro, global head of commodities for Morgan Stanley.

"We feel confident that this potential combination would be beneficial to Heidmar's pool partners and customers," Shapiro said.

While several of Heidmar's pool partners also are thought to have pursued a buy of the company - including George Economou, the Tsakos group and Chemikalien Seetransport -- it appears members are initially supportive of the Morgan Stanley takeover, according to people close to the process.

Overseas Shipholding Group also pursued Heidmar, but is understood to have been eliminated in the first round of bidding on a price basis.

Under the transaction as currently contemplated, Per Heidenreich would continue as non-executive chairman, Tim Brennan would carry on as president of Heidenreich Marine Inc., Jim Bailey would remain as president of Heidenreich Lightering Services Inc and Houston Marine Services, Inc, and Charlie Tammara would continue as chief financial officer for Heidmar.

Heidmar controls and operates 86 tankers within its four revenue sharing pools and through its lightering operations. Star Tankers is the world's leading commercial operator of panamax (55-75,000 dwt) tankers with 45 vessels; Sigma Tankers Inc., an exclusively double hulled aframax pool (90-115,000 dwt) with 18 tankers; Dorado Tankers Inc. (34-55,000 dwt), which operates 15 product tankers on a worldwide basis; and Marida Tankers, which operates small European-trading products carriers.