

Contact: Morgan Stanley  
Mark Lake  
(212) 761-0814

Heidmar  
Cecilie Jedlicka  
(203) 662-2624



For Immediate Release

## **Morgan Stanley Capital Group Inc. Signs Definitive Agreement to Acquire the Heidmar Group**

*Transaction Expected to Close in Firm's Fiscal Fourth Quarter*

NEW YORK, August 2, 2006 – Morgan Stanley Capital Group Inc. (“MSCGI”), the commodities division of Morgan Stanley (NYSE: MS), announced that it has reached a definitive agreement to acquire the Heidmar Group of companies, including Texas-based Houston Marine Services, Inc. (“Heidmar”). Both MSCGI and Heidmar view the transaction as an opportunity to build on what is already a premier franchise in international shipping. The acquisition is expected to close during MSCGI’s fiscal fourth quarter, subject to the customary closing conditions, such as regulatory and antitrust reviews. Financial terms were not disclosed.

John Shapiro, President of MSCGI, said, “We are pleased to have reached a definitive agreement to acquire Heidmar and we look forward to working with its excellent management team to continue to expand its business. Heidmar has been built over the years with intense focus on customer-service and transparency. We aim to continue that tradition.”

Per Heidenreich, Chairman & CEO said, “We are thrilled to be associated with the Morgan Stanley organization. We are confident that with their support Heidmar will continue to grow as a global logistics provider.”

Under terms of the transaction, Per Heidenreich will continue to serve as non-executive Chairman; Tim Brennan will continue as President of Heidenreich Marine Inc.; Jim Bailey will continue as President of Heidenreich Lightering Services Inc. and Houston Marine Services, Inc.; Charlie Tammara will continue as Chief Financial Officer for Heidmar; and Fritz Heidenreich will continue as Director of Information Technology.

Lazard Freres & Co. LLC advised Heidmar on the transaction.

## ABOUT MSCGI

MSCGI is a major trader in the energy and metals markets, encompassing both physical and derivative capabilities. The breadth and depth of its product and geographic coverage has established MSCGI as a leading commodities trading firm. In addition, MSCGI provides innovative solutions that address a wide variety of its counterparties' risk management objectives. Utilizing its physical, derivatives and credit evaluation expertise, MSCGI offers comprehensive risk management services, ranging from short-term, localized physical supply to long-term hedging solutions related to a structured financing.

## ABOUT HEIDMAR

The Heidmar Group provides marine transportation and logistics in both international shipping and U.S. marine logistics services. It is comprised of four business segments: vessel and derivative trading, commercial fleet management, lightering services and marine logistics services.

Heidmar controls and operates an expansive fleet of over 80 tankers within its four revenue sharing pools and through its lightering operations, delivering oil products and crude oil internationally. The four pools are: Star Tankers Inc. 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 (90-115,000DWT) with 18 tankers; Dorado Tankers Inc. (34-55,000 DWT), which operates 15 product tankers on a worldwide basis; and Marida Tankers Inc. (5,000-18,000 DWT) with two tankers and eight newbuildings scheduled to enter the pool over the next two years.

The Heidmar Group has headquarters in Darien, Connecticut, with offices in Houston, Texas, the United Kingdom, Singapore and Venezuela; with a staff of about 250 people, including nearly 150 in the marine services business segment in Texas.

###