FreeSeas Inc.
Form 424B4
October 25, 2007

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Filed Pursuant to Rule 424(b)(4)
Registration Nos. 333-145203 and 333-146920

PROSPECTUS

FREESEAS INC.
11,000,000 Shares of Common Stock

We are offering 11,000,000 shares of our common stock. Our common stock is currently quoted on the NASDAQ Capital Market under the symbol FREE. On October 24, 2007, the closing price of our common stock was $9.30 per share. We have applied to have our common stock and warrants listed on the NASDAQ Global Market upon completion of this offering.

Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page 13 to read about the risks you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$ 8.25	$ 90,750,000
Underwriting discounts and commissions	$ 0.5775	$ 6,352,500
Proceeds to us, before expenses	$ 7.6725	$ 84,397,500

The underwriters have a 30-day option to purchase up to 1,650,000 additional shares of our common stock from us to cover any over-allotments, if any, at the offering price, less underwriting discounts and commissions.

The underwriters expect to deliver the shares to purchasers on or about October 30, 2007.

Credit Suisse

Cantor Fitzgerald & Co.

Oppenheimer & Co.

DVB Capital Markets

The date of this prospectus is October 25, 2007

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We have not authorized anyone to give any information or to make any representations other than those contained in this prospectus. Do not rely upon any information or representations made outside of this prospectus. This prospectus is not an offer to sell, and it is not soliciting an offer to buy (1) any securities other than shares of our common stock or (2) shares of our common stock in any circumstances in which our offer or solicitation is unlawful. The information contained in this prospectus may change after the date of this prospectus. Do not assume after the date of this prospectus that the information contained in this prospectus is still correct.

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ENFORCEABILITY OF CIVIL LIABILITIES

We are a Marshall Islands company and our executive offices are located outside of the United States of America in Piraeus, Greece. All except one of our directors, all of our officers and some of the experts named herein reside outside the United States of America. In addition, a substantial portion of our assets and the assets of our directors, officers and experts are located outside of the United States of America. As a result, you may have difficulty serving legal process within the United States of America upon us or any of these persons. You may also have difficulty enforcing, both in and outside the United States of America, judgments you may obtain in United States of America courts against us or these persons in any action, including actions based upon the civil liability provisions of United States of America federal or state securities laws. Furthermore, there is substantial doubt that the courts of the Republic of the Marshall Islands or Greece would enter judgments in original actions brought in those courts predicated on United States of America federal or state securities laws.

PROSPECTUS SUMMARY

This section summarizes some of the information and consolidated financial statements that appear later in this prospectus. As an investor or prospective investor, you should review carefully the risk factors and the more detailed information and financial statements that appear later in this prospectus. In this prospectus, references to FreeSeas, Company, we, our, ours and us refer to FreeSeas Inc. and its subsidiaries, unless otherwise stated or the context requires.

We use the term deadweight tons, or dwt, in describing the capacity of our drybulk carriers. Dwt, expressed in metric tons, each of which is equivalent to 1,000 kilograms, refers to the maximum weight of cargo and supplies that a vessel can carry. For the definition of certain shipping terms used in this prospectus, see the Glossary of Shipping Terms on page 124 of this prospectus. Drybulk carriers are categorized as Handysize, Handymax, Panamax and Capesize. The carrying capacity of a Handysize drybulk carrier ranges from 10,000 to 39,999 dwt and that of a Handymax drybulk carrier ranges from 40,000 to 59,999 dwt. By comparison, the carrying capacity of a Panamax drybulk carrier ranges from 60,000 to 79,999 dwt and the carrying capacity of a Capesize drybulk carrier is 80,000 dwt and above.

Unless otherwise indicated, information presented in this prospectus assumes that the underwriters will not exercise their option to purchase additional shares. All references to $ and dollars in this prospectus refer to U.S. dollars.

Our Company

We are an international drybulk shipping company incorporated on April 23, 2004 under the laws of the Republic of the Marshall Islands with headquarters in Piraeus, Greece. We are currently focusing on the Handysize and Handymax sectors, which we believe will enable us to transport a wider variety of cargoes and pursue a greater number of chartering opportunities than if we owned larger vessels. We may, however, acquire larger drybulk vessels if market conditions warrant.

Our existing fleet consists of three Handysize vessels and one Handymax vessel that carry a variety of drybulk commodities, including coal, grains, and iron ore which are referred to as major bulks, as well as bauxite, phosphate, fertilizers, steel products, sugar and rice, or minor bulks. In order to expand and renew our fleet, on May 1, 2007, we entered into memoranda of agreement to purchase from unaffiliated parties the M/V *Free Hero,* a 1995-built secondhand Handysize vessel that was delivered on July 3, 2007, and the M/V *Free Jupiter*, a 2002-built secondhand Handymax vessel that was delivered on September 5, 2007, for a total purchase price of $72.25 million. On August 20, 2007, we entered into another memorandum of agreement to purchase from an unaffiliated third party the M/V *Free Goddess*, a 1995-built secondhand Handysize vessel that we expect to be delivered prior to the closing of this offering for a total purchase price of $25.20 million. We refer to the M/V *Free Goddess* together with our existing vessels, the M/V *Free Destiny*, the M/V *Free Envoy*, the M/V *Free Hero* and the M/V *Free Jupiter*, as our fleet.

As a result of the acquisition of the M/V *Free Hero*, the M/V *Free Jupiter* and upon the acquisition of the M/V *Free Goddess*, we will increase the aggregate dwt of our fleet to approximately 146,000 dwt, increase the book value of our fleet to approximately $107.8 million, and reduce the average age of our fleet to approximately 16 years.

We contract the management of our fleet to Free Bulkers, S.A., or Free Bulkers, a company owned by Ion G. Varouxakis, our chairman, chief executive officer and president. Free Bulkers will provide technical management of our fleet, accounting services and office space and has subcontracted the charter and post-charter management of our fleet to Safbulk Pty Ltd., or Safbulk, a company controlled by the Restis family. We believe that Safbulk has achieved a strong reputation in the international shipping industry for efficiency and reliability that should create new employment opportunities for us with a variety of well known charterers. While Safbulk is responsible for finding and arranging charters for our vessels, the final decision to charter our vessels remains with us.

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Following the completion of this offering, we intend to distribute a portion of our available cash from operations as quarterly cash dividends to our shareholders in February, May, August and November of each year. We currently expect that we will pay a dividend in February 2008 of $0.175 per share for the 2007 fiscal year followed by a quarterly dividend of $0.175 per share in each of the following three quarters. See Forward-Looking Statements.

Our Fleet

The following table details the vessels in our fleet:

Vessel Name	Dwt	Year Built	Vessel Type	Employment	Purchase Price	Delivery Date
Owned						
Free Envoy	26,318	1984	Handysize	One-year time charter through April 2008 at $17,000 per day	$9.50 million	September 20, 2004
Free Destiny	25,240	1982	Handysize	70-day time charter at $28,000 per day	$7.60 million	August 3, 2004
Free Hero	24,318	1995	Handysize	Balance of time charter through December 2008/February 2009 at $14,500 per day	$25.25 million	July 3, 2007
Free Jupiter	47,777	2002	Handymax	Initial one-trip time charter with approximately seven days remaining at $43,000 per day followed by an unscheduled dry-docking to complete repairs; thereafter to be delivered to a new charterer under a three-year time charter at $32,000 per day for first year, $28,000 per day for second year, and $24,000 per day for third year	$47.00 million	September 5, 2007
Acquisition Pending						
Free Goddess	22,051	1995	Handysize		$25.20 million	

	Two-month time charter at $13,000 per day; thereafter a two-year time charter at $19,250 per day	Expected late October 2007

One of our vessels, the M/V *Free Jupiter*, ran aground off the coast of the Philippines on September 21, 2007. Operations to re-float the vessel have been completed. The M/V *Free Jupiter* was employed under a one-trip time charter with approximately seven days remaining at the time of the grounding incident. We currently anticipate that this time charter will resume upon completion of temporary repairs. Following completion of this time charter, the vessel will undergo an unscheduled dry-docking to complete permanent repairs. The vessel will be out of service during this dry-docking, which will delay the commencement of its subsequent three-year time charter. Based on information available to us at the present time, we currently estimate that the vessel will be out of service until approximately the end of November 2007, although the repair period could be longer. We have notified the charterer of the delay and it has agreed to an extension of the charter cancellation date until November 30, 2007. If the vessel s repairs require longer to complete, we have advised the charterer that we will request a further extension from it. We expect that the vessel s insurance will cover the vessel s repairs and related expenses, less applicable deductibles. We do not have insurance for loss of hire that will cover this incident, so we will experience a loss of income during the period that the vessel is out of service.

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Our Competitive Strengths

We believe that we possess the following competitive strengths:

Experienced Management Team. Our management team has significant experience in commercial, technical, operational and financial areas of our business and has developed relationships with leading charterers, ship brokers and financial institutions. Since 1997, Ion G. Varouxakis, our chairman, chief executive officer and president has served in various management roles for shipping companies in the drybulk sector. Dimitris Papadopoulos, who became our chief financial officer in May 2007, served from 1975 to 1991 as financial and administrative vice president in charge of, among other things, the shipping interests of the owners of Archirodon Group, Inc.

Affiliation with Leading Shipping Group. In January 2007, FS Holdings Limited, an entity controlled by the Restis family, acquired a 37.4% interest (including shares underlying warrants) in our company. The Restis family has been engaged in the international shipping industry for more than 40 years and their interests include ownership and operation of more than 60 vessels in several segments of the shipping industry, as well as cargo and chartering interests. The Restis family group is regarded as one of the largest independent ship-owning and management groups in the shipping industry. Our management believes that affiliation with and access to the resources of companies controlled by the Restis family commercially enhances the operations of our fleet, our ability to obtain employment for our vessels and our ability to obtain more favorable financing.

Strong Customer Relationships. Through Free Bulkers, our ship management company, and Safbulk, a Restis family controlled management company, we have established customer relationships with leading charterers around the world, such as major international industrial companies, commodity producers and traders and a number of chartering brokerage houses. Free Bulkers has subcontracted the charter and post-charter management of our fleet to Safbulk. We believe that the established customer base and the reputation of our fleet managers will enable us to secure favorable employment for our vessels with well known charterers.

Strong Balance Sheet with a Moderate Level of Indebtedness. We will repay a significant portion of our indebtedness with the proceeds of this offering and $48.7 million of borrowings under the credit facility we expect to enter into with Credit Suisse. This will strengthen our balance sheet and leave us with approximately $41.9 million in cash to fund our operations and to acquire additional vessels. Our financial resources and borrowing capacity will thus position us to take advantage of acquisition opportunities as they arise.

Stable Cash Flow from Well-Established and Reputable Charterers. A majority of the vessels in our fleet will be initially employed on time charters to well-established and reputable charterers. We believe these time charters will provide us with steady cash flow and high vessel utilization rates while limiting our exposure to freight rate volatility.

Efficient Operations. Through Free Bulkers, we believe that we have established a strong track record in the technical management of drybulk carriers, which has enabled us to maintain cost-efficient operations. We actively monitor and control vessel operating expenses while maintaining the high quality of our fleet through regular inspections, proactive maintenance programs, high standards of operations, and retaining and training qualified crew members.

Our Business Strategy

The following are highlights of our business strategy:

Leveraging our Strategic Relationships. Free Bulkers, Safbulk, the Restis family and their affiliates have extensive experience and relationships in the ship brokerage and financial industries as well as directly with industrial charterers and commodity traders. We plan to use these relationships to identify chartering and acquisition opportunities and make available to us sources of additional financing, make contacts, and gain market intelligence.

Handysize and Handymax Focus. Our fleet of drybulk carriers will consist of Handysize and Handymax vessels. Based on the relatively low number of drybulk newbuildings on order in these categories, we believe there will be continued high demand for such vessels. Handysize and Handymax vessels are typically shallow-drafted and equipped with onboard cranes. This makes Handysize and Handymax vessels more versatile and able to access a wider range of loading and discharging ports than larger ships, which are unable to service many ports due to their size or the local port infrastructure. Many countries in the Asia Pacific region, including China, as well as countries in Africa and South America, have shallow ports. We believe that our vessels, and any Handysize or Handymax vessels that we acquire, will enable us to transport a wider variety of cargoes and to pursue a greater number of chartering opportunities than if we owned larger drybulk vessels. Handysize and Handymax vessels have also historically achieved greater charter rate stability than larger drybulk vessels.

Renew and Expand our Fleet. We intend to continue growing our fleet in a disciplined manner through acquisition of well-maintained, secondhand vessels, preferably up to 15 years old. We perform technical review and financial analysis of each potential acquisition and only purchase vessels as market conditions and opportunities warrant. We are focused on purchasing such vessels, because we believe that secondhand vessels, when operated in a cost-efficient manner, should provide significant value given the prevailing charter rate environment and currently provide better returns as compared to newbuildings. Furthermore, as part of our fleet renewal, we will continue to sell vessels when we believe it is in the best interests of FreeSeas and our shareholders.

Maintain Balanced Time Charter Employment. We intend to strategically deploy a substantial portion of our fleet under time charter employment and our remaining vessels under spot charter. We actively pursue time charter coverage to provide steady cash flow to cover a substantial portion of our fleet s fixed costs. We intend to deploy part of our fleet through spot charters depending on our view of the direction of the markets and other tactical or strategic considerations. We believe this balanced employment strategy will provide us with more predictable operating cash flows and sufficient downside protection, while allowing us to participate in the potential upside of the spot charter market during periods of rising charter rates.

Use of Flexible Financial Strategy. We will use a combination of bank debt, cash flow and proceeds from equity offerings to fund our vessel acquisitions. We assess the level of debt we will incur in light of our ability to repay that debt based on the level of cash flow we expect to generate pursuant to our chartering strategy and our operating cost structure. Following this offering, we intend to reduce our ratio of debt to total capitalization to between approximately 35% and 40%. We expect that the maintenance of a reasonable ratio of debt to total capitalization will increase our ability to borrow funds to make additional vessel acquisitions while maintaining our ability to pay dividends to our shareholders.

Pay Quarterly Dividends. Following the completion of this offering, we intend to distribute a portion of our available cash from operations as quarterly cash dividends to our shareholders in February, May, August and November of each year. We currently expect that we will pay a dividend in February 2008 of $0.175 per share for the 2007 fiscal year followed by a quarterly dividend of $0.175 per share in each of the following three quarters, assuming we complete this offering. See Forward-Looking Statements.

Our Dividend Policy

Following the completion of this offering, we intend to distribute a portion of our available cash from operations as quarterly cash dividends to our shareholders in February, May, August and November of each year. We currently expect that we will pay a dividend in February 2008 of $0.175 per share for the 2007 fiscal year followed by a quarterly dividend of $0.175 per share in each of the following three quarters, assuming we complete this offering. Declaration and payment of any dividend is subject to the discretion of our board of directors. The timing and amount of dividend payments will be dependent upon our earnings, financial position, cash requirements and availability, fleet renewal and expansion, and restrictions in our loan agreements, as well as the provisions of Marshall Islands law affecting the payment of distributions to shareholders and other factors.

We may not have sufficient funds with which to pay dividends at all or at the anticipated frequency or amount set forth in this prospectus. Alternatively, even if we have sufficient funds available, our board of directors may determine to devote those funds to internal uses rather than to the payment of dividends. We refer you to the disclosures under the headings Forward-Looking Statements, Dividend Policy and Tax Considerations included elsewhere in this prospectus. In addition, see Risk Factors for a discussion of certain risks related to our ability to pay dividends.

Drybulk Shipping Industry Trends

The maritime shipping industry is fundamental to international trade with ocean-going vessels representing the most efficient and often the only method of transporting large volumes of many essential drybulk commodities, finished goods as well as crude oil and refined petroleum products between the continents and across the seas. It is a global industry whose performance is closely tied to the level of economic activity in the world.

Drybulk cargoes are used in many basic industries and in construction, and can be divided into major bulk commodities and minor bulk commodities. Major bulk commodities include iron ore, coal and grains. Minor bulk commodities include a wide variety of commodities, such as forest products, iron and steel products, fertilizers, agricultural products, non-ferrous ores, minerals and petcoke, cement, other construction materials and salt. Grains include wheat, coarse grains and soybeans.

According to Maritime Strategies International Ltd., or MSI, since the fourth quarter of 2002, the drybulk shipping industry has experienced the highest charter rates and vessel values in its modern history due to the favorable imbalance between the supply of drybulk carriers and demand for drybulk seaborne transportation. After reaching a peak in mid-2005, however, vessel values decreased during 2005 and the first half of 2006; since July 2006, the value of secondhand vessels has risen sharply approaching new historical record high levels in August 2007 as ship owners seek to increase the size of their fleets to benefit from the rise in trade.

With respect to drybulk shipping, factors that affect the supply of drybulk carriers and demand for transportation of drybulk cargo include:

Supply:

The average delivery lag for a new vessel is about three years, limiting the number of new drybulk carriers that will enter the market in coming years. As of June 2007, newbuilding orders had been placed for an aggregate of more than 34% of the current global drybulk fleet, with deliveries expected during the next three to four years; and

Port congestion worldwide as a result of increased shipping activity has increased the number of days vessels are waiting to load or discharge their cargo, effectively reducing the number of drybulk carriers that are available for hire at any particular time.

Demand:

In general, the effects of the expansion of world trade and increasing global production and consumption have driven the strong demand for ships; and

China has helped drive demand for drybulk carriers as its economy continues to grow at a remarkable level. This has resulted in growing iron ore imports and steel production.

We cannot offer assurances as to charter rates or vessel values in any period or that the industry trends described above will continue following the completion of this offering.

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Our Fleet Manager

We contract the technical and commercial management of our vessels to Free Bulkers, a Marshall Islands corporation owned by Ion G. Varouxakis, our chairman, chief executive officer and president. Free Bulkers has a separate management contract with each of our ship-owning subsidiaries and provides a wide range of services at a fixed fee per vessel basis. These services include vessel operations, maintenance, regulatory compliance, crewing, supervising dry-docking and repairs, arranging insurance for vessels, vessel supplying, advising on the purchase and sale of vessels, and performing certain accounting and other administrative services, including financial reporting and internal controls requirements. Free Bulkers has subcontracted the charter and post-charter management of our fleet to Safbulk. Safbulk is an entity affiliated with one of our principal shareholders, FS Holdings Limited, which is controlled by the Restis family. Safbulk has been chartering bulk carriers, ranging in size from 25,000 to 175,000 dwt, both owned by it (as many as 20 vessels) and owned by third parties (as many as 70 vessels), since 1965. We believe that the experience and reputation of Safbulk, and its long-standing relationships with charterers and charter brokers in all parts of the world should enhance the commercial operation of our fleet and our ability to obtain employment for our fleet. We believe that using Free Bulkers and Safbulk to perform these functions should provide us experienced technical and commercial management for our fleet and enable us to better manage our costs.

New Credit Facility

Consistent with our strategy of making efficient use of leverage, we have negotiated an offer letter for a senior secured credit facility from Credit Suisse, the lead underwriter of this offering, in the aggregate amount of $87.0 million, consisting of a $48.7 million loan to finance or refinance, as appropriate, up to 50% of the purchase price of the M/V *Free Hero*, the M/V *Free Jupiter* and the M/V *Free Goddess* and a $38.3 million facility to finance up to 75% of the purchase price of additional vessels. Upon each drawdown of the $38.3 million facility the aggregate amount outstanding under the total $87.0 million facility may not exceed 60% of the aggregate market value of the M/V *Free Hero,* the M/V *Free Jupiter,* the M/V *Free Goddess* and any additional vessels financed under the facility. The availability of this senior secured credit facility is contingent upon the execution of formal loan documents. We intend to enter into this senior credit facility only if we successfully complete this offering.

We currently intend to use the proceeds of this offering in conjunction with the $48.7 million loan from Credit Suisse to refinance a portion of our existing indebtedness and for other corporate purposes, including future acquisitions.

Our Corporate History

We were incorporated on April 23, 2004 by Ion G. Varouxakis, our chairman, chief executive officer and president, and two other co-founding shareholders under the name Adventure Holdings S.A. pursuant to the laws of the Republic of the Marshall Islands to serve as the parent holding company of our ship-owning entities. On April 27, 2005, we changed our name to FreeSeas Inc.

On December 15, 2005, we completed a merger with Trinity Partners Acquisition Company Inc., a blank check company formed to serve as a vehicle to complete a business combination with an operating business. At the time of the merger we owned three drybulk carriers, the M/V *Free Destiny*, the M/V *Free Envoy* and the M/V *Free Fighter*. Under the terms of the merger, we were the surviving corporation. Each outstanding share of Trinity s common stock and Class B common stock was converted into the right to receive an equal number of shares of our common stock, and each Trinity Class W warrant and Class Z warrant was converted into the right to receive an equal number of our Class W warrants and Class Z warrants.

Our common stock, Class W warrants and Class Z warrants began trading on the NASDAQ Capital Market on December 16, 2005 under the trading symbols FREE, FREEW and FREEZ, respectively. As a result of the merger, Trinity s former securities, including the Trinity Class A Units and the Class B Units, ceased trading on the OTC Bulletin Board.

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In January 2007, Mr. Varouxakis purchased all of the shares of common stock owned by the two other co-founding shareholders. He simultaneously sold shares of common stock owned by him to FS Holdings Limited, an entity controlled by the Restis family, and to certain other investors. As a result of these transactions, Mr. Varouxakis now beneficially owns (including shares underlying options and warrants beneficially owned by him) approximately 29.8% of our outstanding common stock and FS Holdings Limited beneficially owns (including shares underlying warrants) approximately 35.1% of our outstanding common stock. Immediately following these transactions, our board of directors appointed Mr. Varouxakis chairman of the board and president, the two other co-founding shareholders and one other director resigned from the board, and two new directors were appointed to fill the vacancies. See Management and Related Party Transactions.

As of October 23, 2007, we have received an aggregate of $5,039,655 in gross proceeds, which resulted in net proceeds of $4,787,672 after deducting fees due to a financial advisor, from exercises of the Class W and Class Z warrants. We issued 1,007,931 shares of common stock in accordance with the terms of these warrants in connection with the exercises. These exercises occurred following our registration in August 2007 of the shares underlying these warrants.

Our executive offices are located at 89 Akti Miaouli & 4 Mavrokordatou Street, 185 38, Piraeus, Greece and our telephone number is 011-30-210-452-8770.

The Offering

Common stock offered by us	11,000,000 shares.
Underwriters over-allotment option	Up to 1,650,000 shares.
Common stock outstanding after this offering(1)	18,298,031 shares.
Use of proceeds	We estimate that we will receive net proceeds of approximately $83,197,500 from this offering, based on the offering price of $8.25 per share, after deducting underwriting discounts and commissions, and offering expenses, and assuming the underwriters over-allotment option is not exercised. We intend to use the proceeds of this offering in conjunction with $48.7 million of borrowings under the credit facility we expect to enter into with Credit Suisse to refinance a portion of our existing indebtedness and for other purposes. See Use of Proceeds.
Dividend policy	Following the closing of this offering, we intend to distribute a portion of our available cash from operations as quarterly cash dividends to our shareholders in February, May, August and November of each year. We currently expect that we will pay a dividend in February 2008 of $0.175 per share for the 2007 fiscal year followed by a quarterly dividend of $0.175 per share in each of the following three quarters, assuming we complete this offering. The declaration and payment of any dividend is subject to the discretion of our board of directors. See Dividend Policy.
NASDAQ Capital Market symbols	Common stock FREE Class W warrants FREEW Class Z warrants FREEZ We have applied to have our common stock and warrants listed on the NASDAQ Global Market under the same symbols upon completion of this offering. We believe that upon the completion of this offering, we will satisfy the listing requirements of the NASDAQ Global Market for our common stock and warrants. We can provide no assurances, however, as to the time or likelihood of such approval.
Risk factors	Investing in our common stock involves substantial risk. You should carefully consider all the information in this prospectus prior to investing in our common stock. In particular, we urge you to consider carefully the factors set forth in the section of this prospectus entitled Risk Factors beginning on page 13. Some of these risk factors relate principally to the industry in which we operate and our business in general. Other risks relate to the securities market for and ownership of our common stock. Any of these risk factors could significantly and negatively affect our business, financial condition, operating results and common stock price.

(1) The number of shares of common stock outstanding after this offering is based on 7,298,031 shares of our common stock outstanding on October 23, 2007 and excludes the following:

A. up to 250,000 shares reserved for issuance upon the exercise of stock options currently outstanding (of which, as of June 30, 2007, options to purchase 166,667 shares had vested), which have an

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exercise price of $5.00 per share and expire on December 16, 2010, and up to 1,250,000 shares issuable upon exercise of stock options that may be granted in the future under our stock incentive plan;

B. 3,564,569 shares of common stock reserved for issuance upon the exercise of outstanding warrants, as follows:

200,000 Class A warrants held by our founding shareholders exercisable at $5.00 per share and expiring July 29, 2011;

700,000 Class B warrants held by FS Holdings Limited exercisable at $5.00 per share of which 275,000 expire on May 8, 2012 and 425,000 expire on June 22, 2012;

996,974 Class W warrants exercisable at $5.00 per share and expiring July 29, 2009; and

1,667,595 Class Z warrants exercisable at $5.00 per share and expiring July 29, 2011;

C. 410,000 shares of common stock reserved for issuance upon the exercise of the unit purchase option sold to the lead underwriter in the initial public offering of our predecessor, which unit purchase option expires July 29, 2009, as follows:

25,000 shares of common stock included in the 12,500 Series A units purchasable upon exercise of the unit purchase option, at an exercise price of $17.325 per Series A unit;

62,500 shares of common stock issuable for $5.50 per share upon exercise of 62,500 Class W warrants included in the 12,500 Series A units;

62,500 shares of common stock issuable for $5.50 per share upon exercise of 62,500 Class Z warrants included in the 12,500 Series A units;

130,000 shares of common stock included in the 65,000 Series B units purchasable upon exercise of the unit purchase option, at an exercise price of $16.665 per Series B unit;

65,000 shares of common stock issuable for $5.50 per share upon exercise of 65,000 Class W warrants included in the 65,000 Series B units;

65,000 shares of common stock issuable for $5.50 per share upon exercise of 65,000 Class Z warrants included in the 65,000 Series B units; and

D. shares that may be issued pursuant to the underwriters over-allotment option.

Assuming all outstanding stock options, all outstanding warrants and the unit purchase option sold to the lead underwriter in the initial public offering of our predecessor (and all warrants subject to such unit purchase option) were exercised for cash, we would receive gross proceeds of $21,775,133.

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Summary Financial Information and Data

The following summary financial information and data were derived from our audited consolidated financial statements for the period from April 23, 2004 (date of inception) to December 31, 2004 and for the years ended December 31, 2005 and 2006, and our unaudited condensed consolidated financial statements for the three and six months ended June 30, 2006 and 2007, included elsewhere in this prospectus. The information is only a summary and should be read in conjunction with our historical consolidated financial statements and related notes included in this prospectus and the section of this prospectus titled Management s Discussion and Analysis of Financial Condition and Results of Operations. The historical data included below and elsewhere in this prospectus are not necessarily indicative of our future performance.

All amounts in the tables below are in thousands of U.S. dollars, except for share data, fleet data and average daily results.

	Three Months Ended June 30,		**Six Months Ended June 30,**		**Year Ended December 31,**		**From Inception (April 23, 2004) to December 31,**
	2007	**2006**	**2007**	**2006**	**2006**	**2005**	**2004**
Statement of Operations Data:							
Operating revenues	$ 3,562	$ 2,986	$ 7,830	$ 5,430	$ 11,727	$ 10,326	$ 2,830
Commissions	(225)	(185)	(482)	(349)	(799)	(553)	(127)
Voyage expenses	(37)	(49)	(39)	(686)	(689)	(55)	(16)
Vessel operating expenses (exclusive of depreciation and amortization expenses shown separately below)	(899)	(1,033)	(2,313)	(2,065)	(4,483)	(3,596)	(786)
Depreciation expense	(655)	(1,081)	(1,467)	(2,221)	(4,479)	(3,553)	(872)
Amortization of deferred dry-docking and special survey costs	(123)	(112)	(318)	(222)	(442)	(355)	(109)
Management fees to a related party	(225)	(135)	(360)	(270)	(540)	(488)	(180)
Stock-based compensation expense	(25)	(216)	(50)	(379)	(651)	(200)	
General and administrative expenses	(640)	(390)	(982)	(822)	(1,925)	(321)	(34)
Gain on sale of vessel	1,369		1,369				
Finance costs	(414)	(265)	(633)	(511)	(1,004)	(1,076)	(240)
Interest income	39	2	39	13	19	8	4
Other	(17)	(125)	29	(176)	(58)	15	
Net income (loss) for period	1,710	(603)	2,623	(2,258)	(3,324)	152	