



Sterling Investment Partners Completes \$225 Million Recapitalization of United States Shipping LLC

May 3, 2004

Westport, Connecticut -- Sterling Investment Partners, L.P. ("Sterling"), a Westport, CT -based private equity firm, today announced that its portfolio company United States Shipping Master LLC has closed a \$225 million new senior secured credit facility led by CIBC World Markets Corp. The proceeds from the Senior Credit Facility will be used to significantly expand the company's operation through the purchase of a parcel/specialty chemical tanker ship, the CHARLESTON, from ExxonMobil and the procurement of additional modern equipment to continue to build its business. In addition, the company refinanced its existing debt and paid a current income distribution to its equity investors equal to approximately one-third of the original investment.

United States Shipping's current fleet of six US flagged product tankers represents one of the leading maritime providers of clean petroleum transportation. Following the transaction, the company owns and operates two chemical tankers that represent the leading market position in the US flagged parcel/specialty chemical fleet.

The CHARLESTON is a US flagged chemical product tanker purchased from SeaRiver Maritime, Inc, a wholly owned subsidiary of ExxonMobil. Built in 1983, the CHARLESTON is a 48,000-ton double-bottomed chemical vessel, which transports chemicals in bulk ocean-going trade routes. The ship has been in continuous service to ExxonMobil and has been maintained to the very high standards set by ExxonMobil.

Paul Gridley, CEO of United States Shipping, noted, "This refinancing will enable us to continue to grow our Jones Act fleet and offer an even higher level of service to our customers. The CHARLESTON is a premier chemical ship and will enable us to provide our customers more shipping flexibility with two ships engaged in the chemical trade. Having multiple vessels in the same chemical trade route increases cycle time frequency and customer service. The total capacity of these carriers represents a substantial portion of the capacity of the domestic fleet, making our company a premier maritime transportation provider for our customer."

M. William Macey, Jr., a Managing Partner of Sterling Investment Partners, commented, "This recapitalization will enable the company to continue to build its business while taking advantage of the current favorable interest rate environment. We look forward to working with management to build the company and make additional acquisitions of very high quality assets."

Sterling Investment Partners, L.P. focuses on investing in middle-market companies with significant competitive strengths and growth potential. Sterling and its predecessor, founded in 1991, have completed investments, strategic or add-on acquisitions, and liquidity events with an aggregate transaction value of approximately \$3.0 billion, representing over 40 companies. Sterling maintains a broad industry focus, including business services, niche manufacturing and industrial growth, transportation and logistics, and technology-related businesses.