



Sterling Investment Partners' Portfolio Company - U.S. Shipping Partners - Closes Initial Public Offering

November 9, 2004

Westport, CT – Sterling Investment Partners, LP (“Sterling”), a private equity firm, announces that its portfolio company U.S. Shipping Partners L.P. (NYSE: USS) has closed its initial public offering of 6,899,968 common units (including 899,968 common units upon exercise of the underwriters’ over-allotment option) at \$22.25 per unit. USS has been a portfolio company of Sterling, since September 2002. Sterling continues to hold a 38% in the United States Shipping Master, which owns 6,899,968 subordinated units and the general partner, representing 52% of the partnership interests.

Total proceeds from the sale of the units were \$153.5 million before offering costs and underwriting discounts. US Shipping is using the proceeds to repay debt and for general corporate purposes, including working capital, and, in the case of the units sold pursuant to the over-allotment option, to redeem 899,968 common units held by its parent.

The initial public offering was led by Citigroup and Lehman Brothers, as joint book-running managers, UBS Investment Bank, as co-lead manager, and KeyBanc Capital Markets and Raymond James, as co-managers.

Concurrently with the closing of the offering, US Shipping amended and restated its existing credit facility, comprised of a revolver commitment of \$50.0 million, \$100.0 million funded term loan and a \$30.0 million delayed draw term loan to partially fund the construction of a new articulated tug barge. CIBC World Markets acted as the sole arranger for the new facility, Canadian Imperial Bank of Commerce is the Administrative Agent and KeyBank National Association is the Collateral Agent.

U.S. Shipping Partners L.P. is a leading provider of long-haul marine transportation services, principally for refined petroleum products, in the U.S. domestic “coastwise” trade. U.S. Shipping Partners L.P. is also involved in the coastwise transportation of petrochemical and commodity chemical products.

Sterling Investment Partners, L.P., based in Westport, CT, is a leading private equity firm focused on the middle market. Sterling invests in companies with significant competitive strengths and growth potential. Founded in 1991, Sterling and its predecessor have completed investments, strategic or add-on acquisitions, and liquidity events with an aggregate transaction value of approximately \$3.5 billion, representing over 45 companies. Sterling’s portfolio companies employ over 28,000 people worldwide. Sterling maintains a broad industry focus including professional and business services, manufacturing, transportation and logistics, and technology related businesses.

This press release shall not constitute an offer to sell nor the solicitation of an offer to buy, any securities. Any offer will be made only by means of the prospectus. A copy of the final prospectus relating to the offering may be obtained from Citigroup Global Markets Inc., Brooklyn Army Terminal, 140 58th Street, 8th Floor, Brooklyn, N.Y. 11220, Attn: Prospectus Department, Phone: 718-765-6732, or from Lehman Brothers Inc., c/o ADP Financial Services, Integrated Distribution Services, 1155 Long Island Avenue, Edgewood, N.Y. 11717, Phone: 631-254-7106, or from any of the other underwriters.

This press release may include “forward-looking statements” as defined by the Securities and Exchange Commission. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the company expects, believes or anticipates will or may occur in the future are forward-looking statements. These statements are based on certain assumptions made by the company based on its experience and perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the company, which may cause our actual results to differ materially from those implied or expressed by the forward-looking statements.