

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attached](#)

Horizontal lines for providing the applicable Internal Revenue Code section(s) and subsection(s).

18 Can any resulting loss be recognized? ▶ [See attached](#)

Horizontal lines for providing information regarding the recognition of a resulting loss.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [N/A](#)

Horizontal lines for providing any other information necessary to implement the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ /s/ Joseph Adamo Date ▶ 8/22/14

Paid Preparer Use Only	Print your name ▶ <u>Joseph Adamo</u>	Preparer's signature	Title ▶ <u>Controller</u>	Check <input type="checkbox"/> if self-employed	PTIN
	Print/Type preparer's name		Date	Firm's EIN ▶	
	Firm's name ▶			Phone no.	
	Firm's address ▶				

2007 Credit Facility

14. Genco Shipping & Trading Limited (the “Company”) emerged from Chapter 11 of the U.S. Bankruptcy Code on July 9, 2014, the effective date of its Plan of Reorganization (the “Effective Date”). On such date, each holder of a claim under the Company’s prepetition 2007 credit facility (the “Facility”) received shares of New Genco Common Stock and rights to acquire additional shares of New Genco Common Stock (the “Rights”) in full and final satisfaction of their claims with respect to the Facility (the “Transaction”).

For more information regarding the Transaction, please see the Company’s Plan of Reorganization, as amended, and Disclosure Statement filed with the U.S. Bankruptcy Court for the Southern District of New York and available at <http://www.gencorestructuring.com>.

15. As a result of the Transaction, each holder of claims under the Facility exchanged their claims for shares of New Genco Common Stock and Rights. To the extent that interests in the Facility constituted “securities” for U.S. federal income tax purposes (“Tax Securities”), each holder’s aggregate tax basis in the New Genco Common Stock and Rights received (other than the portion of such shares of New Genco Common Stock and Rights received in exchange for accrued interest) generally equals the holder’s aggregate tax basis in its interest in the Facility that was surrendered in the Transaction (other than the portion of such basis, if any, attributable to accrued interest).

To the extent that interests in the Facility did not constitute Tax Securities, each holder of interests in the Facility recognized gain or loss upon the receipt of New Genco Common Stock and Rights in exchange therefor. In that event, the holder’s tax basis in its interest in the Facility was extinguished and the holder’s tax basis in the New Genco Common Stock and Rights received equals the fair market values thereof.

Holders of the Facility should consult their tax advisors to determine the tax consequences of the Transaction to them.

16. To the extent that interests in the Facility constituted Tax Securities, the aggregate tax basis of the New Genco Common Stock and Rights received in the Transaction (other than the portion of such shares of New Genco Common Stock and Rights received in exchange for accrued interest) generally equals the holder’s aggregate tax basis in its interest in the Facility surrendered in the Transaction (other than the portion of such basis, if any, attributable to accrued interest). Such aggregate tax basis is then allocated between the New Genco Common Stock and Rights in proportion to the fair market values thereof. The portion of such aggregate tax basis allocated to the New Genco Common Stock is then divided by the number of shares of New Genco Common stock received to determine the tax basis of each share of New Genco Common Stock. Similarly, the portion of the aggregate tax basis allocated to the Rights is divided by the number of Rights received to determine the tax basis of each Right. The tax basis of shares of New Genco Common Stock and Rights received in exchange for accrued interest equals the fair market value thereof.

To the extent that interests in the Facility did not constitute Tax Securities, the tax basis of each share of New Genco Common Stock and each Right received in the Transaction is equal to the fair market value thereof.

To the extent that Rights were exercised, each holder's tax basis in the additional shares of New Genco Common Stock acquired as a result of such exercise should include the basis of the Rights described herein.

Based on the Rights Offering subscription price of \$18.62537 per share and the assumed New Genco Common Stock price of \$20.00 pre-dilution from any warrants, the estimated aggregate value of the Rights is approximately \$7.4 million. Given the estimated New Genco Common Stock price of \$19.42 to \$19.52 per share, after accounting for the New Genco Equity Warrants, the estimated aggregate value of the Rights is approximately \$4.3 million to approximately \$4.8 million, after dilution from the New Genco Equity Warrants. Based on the midpoint of the \$4.3 million to \$4.8 million range, i.e., \$4.55 million, and the issuance of 5,369,021 Rights, each Right would be valued at \$0.8474543.

The Company estimated that the value of each share of New Genco Common Stock ranged between \$19.42 to \$19.52. Based on the midpoint of that range, the Company estimated that on the Effective Date the value of each share of New Genco Common Stock was approximately \$19.47.

17. Sections 354, 356, 358, 1001 and 1012.
18. The Transaction generally should not result in a loss to holders of the Facility to the extent that interests in the Facility constituted Tax Securities. To the extent that interests in the Facility were not Tax Securities, the Transaction may result in a loss to holders of the Facility to the extent the holder's tax basis in its interest in the Facility exceeded the fair market value of the New Genco Common Stock and Rights received in exchange therefor.