



**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 listing applicable Internal Revenue Code sections.

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

Horizontal lines for providing information regarding loss recognition.

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

Horizontal lines for providing other necessary information.

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

<b>Paid Preparer Use Only</b>	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.	

## Common Stock

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 shareholder of Genco common stock outstanding immediately prior to the Effective Date (such stock, the “Old Genco Shares”) received warrants to acquire new Genco shares (the “Warrants”) in exchange for the surrender and cancellation of their Old Genco Shares (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 Old Genco Share was surrendered and each shareholder’s tax basis in such stock was extinguished. Such shareholders generally will have a tax basis in the Warrants received in the Transaction equal to the fair market value thereof.

Holders of Old Genco Shares should consult their tax advisors to determine the tax consequences of the Transaction to them.

16. The Old Genco Shares were surrendered in the Transaction and, thus, holders thereof no longer have any tax basis in such shares. The tax basis of each Warrant received by holders of Old Genco Shares in the Transaction generally is equal to the fair market value thereof.

Using the Black-Scholes Model, the Warrants are valued in the aggregate at approximately \$30 million to \$36 million. Based on the midpoint of that range, i.e., \$33 million, and the issuance of 3,938,298 Warrants, each Warrant would be valued at \$8.38 on the Effective Date.

17. Sections 1001, 1012.

18. The Transaction generally may result in a loss to holders of Old Genco Shares to the extent the tax basis in such shares exceeded the fair market value of the Warrants received in exchange therefor.