



## Sterling Investment Partners Completes Acquisition of Chemical Shipping Vessel From Union Carbide Finance Corporation

May 20, 2003

Westport, Connecticut — Sterling Investment Partners, L.P., a private equity group, today announced the acquisition of the Chemical Pioneer, a specialty chemical transport ship, from Union Carbide Finance Corporation, a wholly owned subsidiary of Union Carbide Corporation. The acquisition was made through United States Chemical Shipping LLC, a newly formed company. In addition to the Pioneer, U.S. Chemical Shipping also acquired an additional vessel, formerly the Stolt Spirit, and will pursue rebuilding and placing the Spirit into service in the chemical trade as a sister ship to the Chemical Pioneer.

Investors in U.S. Chemical Shipping include Sterling, management and certain of Sterling's limited partners, including: an investment affiliate of Aetna Life Insurance Company, PPM America Capital Partners and Landmark Partners. BTM Capital Corporation has committed to provide senior debt for the transaction and a planned upcoming dry-dock of the Chemical Pioneer.

The Chemical Pioneer is one of a limited number of ships transporting chemicals domestically in the Jones Act trade. Customers include The Dow Chemical Company, which has entered into long-term contract of affreightment with U.S. Chemical Shipping.

U.S. Chemical Shipping LLC's vessels will be managed by an affiliate of Sterling's existing portfolio company, US Shipping LLC. US Shipping LLC acquired six sister petroleum transport vessels from Amerada Hess (NYSE:AHC) in September 2002 that operate in the Jones Act refined petroleum products trade. U.S. Chemical Shipping LLC is separately financed and will operate independently of US Shipping.

Paul Gridley, Chairman and CEO of US Chemical Shipping, LLC said, "Dow is a great customer and we look forward to continuing to serve their chemical shipping needs. This acquisition represents an entrée into a stable trade backed by a core cargo commitment from one of the leading chemical companies in the United States."

M. William Macey, Jr., a Managing Partner of Sterling Investment Partners, commented, "The management of US Shipping, led by Paul Gridley, has extensive experience in the Jones Act chemical trade. This acquisition demonstrates our continued interest in the sector and will provide a strong platform to acquire other chemical vessels."

Sterling Investment Partners, L.P. focuses on investing in middle-market companies with significant competitive strengths and growth potential. Founded in 1991, Sterling has completed investments, strategic or add-on acquisitions, and liquidity events with an aggregate transaction value of approximately \$3 billion, representing over 40 companies. Backed by major institutional investors, Sterling's current fund exceeds \$235 million of committed capital, including \$14 million from Sterling's managing partners. Sterling maintains a broad industry focus, including outsourcing and other business services, niche manufacturing and industrial growth, transportation and logistics, and consumer products.