

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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 :
 In re: : Chapter 11
 :
 NAUTILUS HOLDINGS LIMITED, et al., : Case No. 14-22885 (RDD)
 :
 Debtors.¹ :
 : (Jointly Administered)
 :
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**INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO USE
CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION,
AND (III) SCHEDULING A FINAL HEARING**

Upon the motion (the "Motion")² of the Debtors for entry of an interim and final order seeking, among other things:

- (i) authorization for the Debtors to use "cash collateral" as that term is defined in section 363 of the Bankruptcy Code (which shall include, but not be limited to, any and all cash of any kind, whether in reserved accounts, blocked accounts or otherwise), in which certain parties have a Lien (as defined herein) or other interest, whether existing on the Petition Date (as defined below) or arising pursuant to this Interim Order or otherwise (the "Cash Collateral");
- (ii) authorization for the Debtors to grant, as of the Petition Date, certain adequate protection to the Agents and Secured Parties (each as defined herein) with respect to, inter alia,

¹ The Debtors and, where applicable, the last four digits of their Hong Kong taxpayer identification codes are as follows: Nautilus Holdings Limited, Nautilus Holdings No. 2 Limited, Nautilus Shipholdings No. 1 Limited, Nautilus Shipholdings No. 2 Limited, Nautilus Shipholdings No. 3 Limited, Able Challenger Limited (8877), Charming Energetic Limited (0936), Dynamic Continental Limited (0928), Earlstown Limited (1898), Findhorn Osprey Limited (8075), Floral Peninsula Limited (4549), Golden Knighthead Limited (6376), Magic Peninsula Limited (0950), Metropolitan Harbour Limited (7969), Metropolitan Vitality Limited (9019), Miltons Way Limited (6180), Perpetual Joy Limited (0897), Regal Stone Limited (3636), Resplendent Spirit Limited (8114), Superior Integrity Limited (0934), and Vivid Mind Limited (7935). The Debtors maintain offices at 445 Hamilton Avenue, 11th Floor, White Plains, New York, 10601; 16/F-19/F Prince's Building, 10 Chater Road, Central, Hong Kong; and Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion or the First-Day Declaration.

such use of their Cash Collateral to the extent of diminution in the value of their respective interests in their collateral as required by the Bankruptcy Code;

(iii) to vacate the automatic stay imposed by section 362 of the Bankruptcy Code solely to the extent necessary to implement and effectuate the terms and provisions of this Interim Order;

(iv) the scheduling of a hearing (the "Final Hearing") to be held before this Court to consider entry of the Final Order on terms substantially similar to this Interim Order approving the further use of the Cash Collateral, in accordance therewith, and the grant of adequate protection to the Agents and/or Secured Parties on a final basis; and

(v) waiver of any applicable stay (including under Bankruptcy Rule 6004) and providing for immediate effectiveness of this Interim Order;

and upon consideration of the First-Day Declaration; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and due, proper and sufficient notice of the hearing to approve this Interim Order (the "Interim Hearing") and the opportunity for objection having been provided; and the Interim Hearing having been held and upon the record made by the Debtors at the Interim Hearing; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. **Commencement of Cases:** On June 23, 2014 (the "Petition Date"), each of the Debtors filed a voluntary petition under chapter 11 of the Bankruptcy Code in the United States

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.

Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") thereby commencing these Chapter 11 Cases.

B. **Debtors in Possession**: Since the Petition Date, the Debtors have been managing and operating their business and properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

C. **Jurisdiction and Venue**: This Court has jurisdiction over these Chapter 11 Cases, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(a) and 1334(b). Consideration of the Motion constitutes a core proceeding pursuant to 28 U.S.C. §157(b)(2). The predicates for relief sought herein are section 105, 361, 362, 363, 507(b) and 552 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003, 6004 and 9014, and Local Bankruptcy Rule 4001-2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

D. **Notice**. Notice of the Interim Hearing and the relief requested in the Motion has been provided by the Debtors in accordance and compliance with Bankruptcy Rules 4001 and 9014 as well as the Local Rules and is sufficient under the circumstances. Without limiting the forgoing, due notice was afforded, whether by facsimile, electronic mail, overnight courier or hand delivery, to certain parties in interest, including (a) the Office of the United States Trustee for the Southern District of New York; (b) the Agents and Secured Parties (and their respective counsel, if known); (c) those creditors included on the consolidated list of thirty (30) largest unsecured creditors filed by the Debtors in these Chapter 11 Cases; and (d) the Internal Revenue Service (collectively, (a) through (d), the "Notice Parties"). In addition, all parties who have requested electronic notice of filings in these cases through the Court's ECF system automatically received notice of the Motion no later than the day after its filing with the Court.

E. **Debtors' Assertions.** The Debtors for themselves, but not their estates or as debtors in possession, assert that, subject in all instances to paragraph 11 hereof, the Debtors are party to the following debt instruments (the "Prepetition Facilities"), with certain administrative agents (each, an "Agent") and lenders identified below (each, a "Secured Party"), and that the Prepetition Facilities are secured by assets (the "Prepetition Collateral") of certain Debtors organized into silos (the "Silos") within the Debtors' corporate structure (as described more fully in the Motion and First-Day Declaration):

(i) Silo 1 – "HSH Silo"

- a. Debtors Findhorn Osprey Limited, Earlstown Limited, Floral Peninsula Limited, and Resplendent Spirit Limited, as borrowers; Nautilus Shipholdings No. 1 Limited, as guarantor, and HSH Nordbank AG, as lender, swap bank, agent and security trustee, are party to that certain Loan and Swap Agreement relating to a US \$150,304,000 facility dated February 12, 2007, secured by, among other assets, the vessels *MV Camellia*, *MV Dahlia*, *MV ANL Kardinia*, and *MV Violet*.
- b. Debtor Miltons Way Limited, as borrower, Nautilus Shipholdings No. 1 Limited, as guarantor, and HSH Nordbank AG, as lender, swap bank, agent and security trustee, are party to that certain Loan and Swap Agreement relating to a US\$61,200,000 facility dated July 6, 2007, secured by, among other assets, the vessel *MV Columbia*.

(ii) Silo 2 – "HSH Syndicate Silo"

- a. Debtors Able Challenger Limited, Magic Peninsula Limited, Metropolitan Vitality Limited, and Superior Integrity Limited, as borrowers; Nautilus

Shipholdings No. 1 Limited, Findhorn Osprey Limited, Earlstown Limited, Floral Peninsula Limited, Resplendent Spirit Limited, as guarantors; and HSH Nordbank AG, Unicredit Bank, and Commerzbank, as lenders, are party to that certain Loan and Swap Agreement dated April 12, 2007 relating to a facility for the lower of (i) US\$237,728,000 and (ii) the aggregate of a percentage of certain vessel construction prices, secured by, among other assets, the vessels *MV YM Oakland*, *MV YM Busan*, *MV YM Antwerp*, and *MV YM Keelung*.

(iii) Silo 3 – "DVB Silo"

- a. Debtor Golden Knighthead Limited, as borrower; Nautilus Shipholdings No. 2 Limited, as guarantor; and DVB Bank AG, as lender, swap bank, agent and security trustee, are party to that certain Loan and Swap Agreement relating to a US\$91,237,500 facility dated July 11, 2007 secured by, among other assets, the vessel *MV Texas*.
- b. Debtor Metropolitan Harbour Limited, as borrower; Nautilus Shipholdings No. 2 Limited, as guarantor; and DVB Bank AG, as lender, swap bank, agent and security trustee, are party to that certain Loan and Swap Agreement relating to a US\$91,237,500 facility dated July 11, 2007 secured by, among other assets, the vessel *MV Washington*.

(iv) Silo 4 – "Citi Silo"

- a. Debtors Vivid Mind Limited, Perpetual Joy Limited, Regal Stone Limited, Charming Energetic Limited, and Dynamic Continental Limited, as borrowers; Nautilus Shipholdings No. 3 Limited, as guarantor; and Citibank, N.A. and Bank of Scotland plc, as swap banks, Citibank International plc, as agent, Citibank, N.A., as security trustee, Citigroup Global Markets Limited, as arranger, and Citibank, N.A., Bank of Scotland plc, Lloyds TSB Bank plc, and Bayerische Hypo- und Vereinsbank AG as lenders, are party to that certain Loan and Swap Agreement relating to a US\$375,007,950 facility dated September 25, 2007, as amended by that certain Supplemental Agreement dated September 7, 2012, secured by, among other assets, the vessels *MV Rotterdam*, *MV Hamburg*, *MV Venezia*, *MV Corcovado* and *MV Ital Onesta*.

F. **Necessity of Relief Requested.** The Debtors would not have sufficient available sources of working capital to operate their business in the ordinary course or to maintain their property without the use of Cash Collateral. Without access to the Cash Collateral, the Debtors' ability to manage, administer and preserve the Debtors' estates would be immediately and irreparably harmed, thereby materially impairing their estates and creditors and the possibility for a successful outcome in these Chapter 11 Cases. The authority granted hereunder therefore is necessary for the Debtors to avoid immediate and irreparable harm to the Debtors' estates. The terms of the interim use of Cash Collateral hereunder, including the grant of adequate protection hereby, are fair and reasonable and reflect the Debtors' exercise of prudent business judgment

consistent with their fiduciary duties. Accordingly, entry of this Interim Order is in the best interests of the Debtors, their estates, their creditors and other parties in interest and consistent with the Debtors' fiduciary duties.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. Motion Granted. The Motion is granted on an interim basis as herein provided, and the use of Cash Collateral as provided herein is authorized for each Debtor, subject to the terms and conditions set forth in this Interim Order.

2. Authorization to Use Cash Collateral. The Debtors are authorized to use Cash Collateral subject to the terms hereof, consistent with and for the purposes set forth in the Budgets (as defined below), through and including the week ending August 1, 2014, subject to earlier termination as set forth herein. To the extent a Debtor does not use the cash projected for a particular week or for a particular purpose in a Budget (as defined below), the respective Debtors shall be authorized to use such Cash Collateral in subsequent weeks, in addition to any amounts already budgeted for such future weeks, and for any other purpose in the Budget (as defined below).

3. Budgets. During the period of the Debtors' authority to use Cash Collateral, the Debtors shall provide each Agent with its applicable rolling updated 4-week cash flow forecast and budget (each, a "Budget") within five business days following the end of each week. Each Budget shall be limited to cash receipts, the cash payment of operating costs and expenses (including, but not limited to, management fees), fees owed to the United States Trustee, and restructuring expenses, including professional fees and expenses. The Budgets for the first four week period are attached hereto as Exhibit A.

4. Periodic Reporting. The Debtors shall, at the same time as they provide each Agent with its respective Budget (with the exception of the first Budget), also provide to the Agents a (a) line-by-line variance report comparing the budgeted cash flows for the immediately prior week to such week's actual cash flows and (b) a report reflecting cumulative actual cash flows since the Petition Date.

5. Termination. The Debtors' authorization to use Cash Collateral hereunder shall automatically terminate on the earlier of the following: (x) the occurrence of a Termination Event (as defined below) or (y) August 1, 2014 unless extended by order of the Court.

6. Termination Events. The passing of seven (7) business days (except in instances where a longer period is specifically indicated) after written notice (which may be given electronically) to the Debtors of occurrence of any of the following shall constitute a "Termination Event," solely with respect to the loan facility that is the subject of such written notice, unless waived in writing by the respective Agent:

(a) any of these Chapter 11 Cases shall be dismissed or converted to a chapter 7 case, or a chapter 11 trustee or an examiner with expanded powers pursuant to section 1106(b) shall be appointed in any of the Chapter 11 Cases; or

(b) the Debtors fail to comply with any other provision of this Interim Order and such failure shall continue unremedied for ten (10) business days following written notice (which may be given electronically) from an Agent adversely affected by such noncompliance.

7. Adequate Protection. The Agents and Secured Parties are entitled to, until the indefeasible repayment of the Prepetition Facilities, pursuant to sections 361 and 363(e) of the Bankruptcy Code, and as a condition for the use of Cash Collateral, and as adequate protection for and to the extent of any diminution after the Petition Date of their valid, enforceable and non-

avoidable interests in such Cash Collateral, including as a consequence of the Debtors' sale, lease or use thereof, in each case to the extent required by the Bankruptcy Code ("Diminution"), and the Agents and Secured Parties are hereby granted, *nunc pro tunc*, as of the Petition Date, in each case solely against the Debtor(s) and the assets thereof that are encumbered under each such Agent's and Secured Party's respective Prepetition Facilities, notwithstanding anything in the following subparagraphs to the contrary:

(a) Superpriority Claims. Allowed senior administrative expense claims (the "Superpriority Claims") with priority over any and all administrative expenses, adequate protection claims and all other claims against such Debtor(s), now existing or hereafter arising, of any kind whatsoever, as provided under section 507(b) of the Bankruptcy Code, including, without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under the Bankruptcy Code in the amount of the Diminution; provided that all Superpriority Claims shall be subject to the DIP Superpriority Claims, as defined in the Interim Order (I) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001 and 9014 and (II) Authorizing Debtors to Obtain Postpetition Financing Pursuant to Section 364 of the Bankruptcy Code (the "DIP Order") and the Carve-Out (as defined below). The Superpriority Claims shall be payable from all property of the respective Debtor's estate except avoidance actions under Chapter 5 of the Bankruptcy Code and the proceeds thereof.

(b) Adequate Protection Liens. Effective as of the date of entry of this Interim Order, in each case without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or the possession or control by an Agent of any property,

the following security interests and liens in the amount of the Diminution, subject only to the DIP Liens (as defined in the DIP Order) and the Carve-Out (as defined below) (all property identified in clauses (i) through (iii) below being collectively referred to as the "Adequate Protection Collateral"; and all such liens and security interests granted pursuant to this Interim Order, the "Adequate Protection Liens"):

(i) Replacement Lien. Replacement, valid, binding and enforceable, fully perfected liens on, and security interests in, all of the Debtors' assets to the same extent, priority and enforceability held by the Agents for the benefit of their respective Secured Parties as of the Petition Date.

(ii) Lien on Unencumbered Property. A valid, binding, continuing, enforceable, fully-perfected lien on, and security interest in, all tangible and intangible prepetition and postpetition property in which each Debtor has an interest, whether existing on or as of the Petition Date or thereafter acquired, that is not subject to valid, perfected, non-avoidable and enforceable liens in existence on or as of the Petition Date, but excluding avoidance actions under Chapter 5 of the Bankruptcy Code and the proceeds thereof.

(iii) Liens Junior to Existing Liens. A valid, binding, continuing, enforceable, fully-perfected junior lien on, and security interest in all tangible and intangible prepetition and postpetition property in which each Debtor has an interest, not constituting the Prepetition Collateral, whether now existing or hereafter acquired and all proceeds thereof, that is subject to valid, perfected and unavoidable liens (if any) in existence immediately prior to the Petition Date or to valid and unavoidable liens in

existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code.

(c) Liens Senior to Other Liens. The Adequate Protection Liens shall not be (i) subject or subordinate to any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or (ii) except for the DIP Liens and the Carve-Out (as defined below), to the extent any other post-petition financing is approved by the Court, or as otherwise provided herein, subordinated to or made *pari passu* with any other lien or security interest under sections 363 or 364 of the Bankruptcy Code or otherwise.

(d) Fees and Expenses. Subject to section 506(b) of the Bankruptcy Code, the Agents shall receive from their respective borrower or guarantor Debtors reimbursement of all reasonable fees and expenses incurred or accrued, whether prior to or after the Petition Date, by the Agents. None of the fees and expenses payable pursuant to this paragraph shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees and expenses or under section 506(b) of the Bankruptcy Code), and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto. The Debtors shall pay the fees and expenses provided for in this paragraph promptly (but no earlier than thirty (30) days) after invoices for such fees and expenses shall have been submitted to counsel to the Debtor, the UST and any statutory committee, provided that if prior to the expiration of such thirty (30) day period the Debtor, the UST or any statutory committee shall have objected in writing to such fees and expenses then the Debtors shall pay only the undisputed portion (if any) of such fees and expenses and such objection shall be resolved by the Bankruptcy Court upon notice and a hearing.

(e) Information Rights. The Debtors shall permit representatives, agents and/or employees of the Agents upon prior notice to have reasonable access to the Debtors' personnel and provide to such persons all such non-privileged information as they may reasonably request from time to time.

8. Insurance on Assets. The Debtors shall provide continued maintenance of and appropriate insurance on the Debtors' assets (including vessels), in the amounts consistent with the Debtors' prepetition practices.

9. Cash Management. The Debtors shall maintain their cash management system consistent with the proposed order attached to the *Debtors' Motion for Interim and Final Orders Under 11 U.S.C. §§ 105, 345, 363, 364, 503, 1107, and 1108 (I) Authorizing Continued Use of Existing Cash Management System, Bank Accounts, Business Forms, and Payment of Related Prepetition Obligations, (II) Waiving Investment and Deposit Requirements* and any related orders entered by the Court.

10. Confirmation and Priority of Adequate Protection Liens. Except as otherwise provided herein or in any postpetition financing approved by the Court, including as to the DIP Liens provided in the DIP Order, the Adequate Protection Liens shall be senior to all other security interests in, liens on, and claims against any of the Adequate Protection Collateral. The Adequate Protection Liens shall be enforceable against the Debtors, their estates and any successors thereto, including without limitation, any trustee or other estate representative appointed in these Chapter 11 Cases, or any case under chapter 7 of the Bankruptcy Code upon the conversion of any of these Chapter 11 Cases, or in any other proceedings superseding or related to any of the foregoing. The Adequate Protection Liens shall be (i) in continuation of and in addition to all valid and enforceable liens and security interests now existing in favor of the

Agents for the benefit of the Secured Parties and not in substitution therefor; (ii) effective as of the Petition Date; and (iii) deemed duly perfected without the necessity of filing in any country, state, county or local recorder's office or elsewhere, any additional documents or notices to perfect such postpetition liens and security interests.

11. Preservation of Rights. Notwithstanding anything herein to the contrary, any and all rights of the Debtors or any other party in interest to contest the extent, validity, priority or perfection of any and all liens of the Agents or the Secured Parties, to contest the amount of the Agents' and/or the Secured Parties' asserted claims, to seek the avoidance, recharacterization or subordination of the Agents' and/or the Secured Parties' claims or interests, to seek the avoidance of any transfer to Agents and/or the Secured Parties or to otherwise contest the claims, rights and liens of the Agents and/or the Secured Parties by any party in these Chapter 11 Cases, are preserved, and nothing herein shall prejudice any party asserting any such challenge; provided that the Debtors and any statutory committee of unsecured creditors shall each have standing to bring any such challenge, and each may do so on or before sixty (60) days from the date of entry of the Final Order (the "Challenge Period Expiration Date"), or such challenge shall be deemed waived, released and forever barred, provided, that nothing herein shall limit the right of any party in interest to object to the Agent's or the Lender's secured claims under section 506 of the Bankruptcy Code based on the value of the collateral therefor or to seek reallocation of any payment hereunder based on the collateral therefor.

12. Carve-Out. Notwithstanding anything to the contrary contained in this Interim Order or other order of this Court, the liens and claims of or granted to the Agents or the Secured Parties, in each case under this Interim Order, shall be subject and subordinate to the payment,

without duplication, of the following fees and claims (the amounts set forth below, together with the limitations set forth therein, collectively, the "Carve-Out"):

(a) the claims of the respective retained professionals of the Debtors and any statutory committee appointed in these Chapter 11 Cases (collectively, the "Retained Professionals") for fees and expenses incurred at any time on and after the Petition Date and prior to the occurrence of a Termination Event; provided that, in each case, such fees and expenses of the Retained Professionals are ultimately allowed on a final basis by this Court under sections 327, 328, 330, 331 or 363 of the Bankruptcy Code;

(b) (i) the claims of the Retained Professionals for fees and expenses which were incurred on and after the occurrence of a Termination Event; provided that, in each case, such fees and expenses of the Retained Professionals are ultimately allowed on a final basis by this Court under sections 327, 328, 330, 331 or 363 of the Bankruptcy Code and do not exceed \$1,000,000 in the aggregate (ii) plus the fees and expenses incurred by any professionals engaged by any successor to the Debtors, including, without limitation, any trustee appointed under Chapter 11 or 7 of the Bankruptcy Code or any examiner with expanded powers, in an aggregate amount not to exceed \$250,000; and

(c) the unpaid fees payable to the United States Trustee and Clerk of the Bankruptcy Court pursuant to section 1930 of title 28 of the United States Code;

13. Continuing Effect of Order.

If an order dismissing any of the cases under section 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that (x) the Superpriority Claims and the Adequate Protection Liens shall continue in full force and effect and shall maintain their priorities as

provided in this Interim Order until all adequate protection obligations shall have been paid and satisfied in full (and that such Superpriority Claims and the Adequate Protection Liens shall, notwithstanding such dismissal, remain binding on all persons), and (y) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in clause (x) above.

14. Modification of Automatic Stay. The automatic stay under Bankruptcy Code section 362(a) is hereby modified as necessary to effectuate all of the terms and provisions of this Interim Order, including, without limitation, to: (a) permit the Debtors to grant the Adequate Protection Liens and incur the Superpriority Claims; (b) permit the Debtors to perform such acts as may be needed to assure the perfection and priority of the liens granted herein; (c) permit the Debtors to incur all liabilities and obligations under the terms of this Interim Order; and (d) authorize the Debtors to pay, and the Agents to retain and apply, any payments made in accordance with the terms of this Interim Order.

15. No Third Party Rights. Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect, or incidental beneficiary.

16. Binding Effect of Interim Order. Immediately upon entry by the Court (notwithstanding any applicable law or rule to the contrary), the terms and provisions of this Interim Order shall become valid and binding upon the Debtors, the Agents and the Secured Parties, all other creditors of any of the Debtors and all other parties in interest and their respective successors and assigns, including any trustee or other fiduciary hereafter appointed in any of these Chapter 11 Cases, or upon dismissal of any of these Chapter 11 Cases.

17. Effect of this Interim Order. This Interim Order shall take effect and be enforceable immediately upon execution, provided, however, that nothing contained in this Interim Order shall prejudice in any way the rights or abilities of any party to assert any objections to the use of Cash Collateral at a subsequent interim hearing or the Final Hearing.

18. Objections. The Debtors shall, within three business days of entry of this Interim Order, mail copies of a notice of entry of this Interim Order and the Final Hearing, together with a copy of this Interim Order, by first class mail, postage prepaid, facsimile, electronic mail or overnight mail upon the Notice Parties. In addition, all parties who have requested electronic notice of filings in these cases through the Court's ECF system will automatically receive notice of this Interim Order no later than the day after its entry on the docket. Moreover, a copy of this Interim Order will be made available on the Debtors' restructuring website located at <http://dm.epiq11.com/Nautilus>. The notice of the entry of this Interim Order and the Final Hearing shall state that objections to the entry of the Final Order shall be filed with the United States Bankruptcy Court for the Southern District of New York, together with proof of service thereon, and served on the counsel for the Debtors and the Notice Parties with a copy to the Court's chambers so as to be actually received no later than 5:00 p.m. (prevailing eastern time) on July 3, 2014 (the "Objection Deadline").

19. Final Hearing. The Bankruptcy Court shall hold the Final Hearing to consider the relief requested in the Motion, including any objection filed in accordance with this Interim Order, on July 11, 2014 at 10:00 a.m. (prevailing eastern time).

20. Compliance with Local Bankruptcy Rule 9013-1(b). The requirements set forth in Local Bankruptcy Rule 9013-1(b) are satisfied by the contents of the Motion.

21. Debtors' Authorization. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

22. Retention of Jurisdiction. This Court hereby retains jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Interim Order.

Dated: White Plains, New York

June 25, 2014

/s/ Robert D. Drain

UNITED STATES BANKRUPTCY JUDGE

Exhibit A
Debtors' 4-Week Cash Flow Budgets by Silo
(\$ in 000's)

Nautilus Holdings No. 2 Ltd

Weekly Cash Forecast (for weeks ending)

06/21/2014	Forecast Week 1 6/28/14	Forecast Week 2 7/5/14	Forecast Week 3 7/12/14	Forecast Week 4 7/19/14	Total
Receipts					
Net Charter Income	-	-	-	-	-
Other Receipts	-	-	-	-	-
Total Receipts	-	-	-	-	-
Disbursements					
Total Operating Disbursements	-	-	-	-	-
Total G&A Disbursements	(37)	(37)	(21,000)	(84)	(21,157)
Total Disbursements	(37)	(37)	(21,000)	(84)	(21,157)
NOCF (before Fees & Debt Service)	(37)	(37)	(21,000)	(84)	(21,157)
Total Restructuring Professional Fees	-	-	-	-	-
Total Management Fees	-	-	291,266	(174,507)	116,759
NOCF (before Debt Service)	(37)	(37)	270,266	(174,591)	95,602
Borrowings/Debt Service					
DIP Interest	-	-	-	-	-
DIP Borrowings/Repayments	-	-	-	-	-
NCF	(37)	(37)	270,266	(174,591)	95,602
Beg Earnings Account(s) Cash Balance	1,464,645	1,464,608	1,464,572	1,734,838	1,464,645
NOCF (before Fees & Debt Service)	(37)	(37)	(21,000)	(84)	(21,157)
Restructuring Professional Fees	-	-	-	-	-
Management Fees	-	-	291,266	(174,507)	116,759
Debt Service	-	-	-	-	-
End Earnings Account(s) Cash Balance	1,464,608	1,464,572	1,734,838	1,560,247	1,560,247
Beg Reserve Balance	-	-	-	-	-
Interest Income	-	-	-	-	-
End Reserve Balance	-	-	-	-	-
End Cash + Reserve and Term Balance	1,464,608	1,464,572	1,734,838	1,560,247	1,560,247

Note: Week ending June 28, 2014 includes cash flows for five days (June 24 - 28)