UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2024
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report: Not applicable

For the transition period from _______________ to _______________

Commission file number: 001-40930

OCEANPAL INC.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Republic of the Marshall Islands

(Jurisdiction of incorporation or organization)

c/o Steamship Shipbroking Enterprises Inc.
Pendelis 26, 175 64 Palaio Faliro, Athens, Greece

(Address of principal executive offices)

Margarita Veniou
Pendelis 26, 175 64 Palaio Faliro, Athens, Greece
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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value including the Preferred Stock Purchase Rights	**OP**	**Nasdaq Capital Market**

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of December 31, 2024, there were 7,504,982 outstanding shares of common stock, par value $0.01 per share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☑ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☑ No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☑
Emerging growth company ☑

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☑

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☑ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☑ No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. ☐ Yes ☐ No

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FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include, but are not limited to, statements concerning plans, objectives, goals, strategies, future events or performance, underlying assumptions and other statements, which are other than statements of historical facts.

Please note in this annual report, “we”, “us”, “our” and “the Company” all refer to OceanPal Inc. and its subsidiaries, unless otherwise indicated.

We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are including this cautionary statement in connection therewith.

This document and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance, and are not intended to give any assurance as to future results. When used in this document, the words “believe”, “anticipate,” “intends,” “estimate,” “forecast,” “project,” “plan,” “potential,” “will,” “may,” “should,” “expect,” “targets,” “likely,” “would,” “could,” “seeks,” “continue,” “possible,” “might,” “pending,” and similar expressions, terms or phrases may identify forward-looking statements.

The forward-looking statements in this document are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in its records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

Such statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended. Such forward-looking statements, because they relate to future events, are by their very nature subject to many important factors that could cause our actual results to differ materially from those contemplated.

In addition to these important factors and matters discussed elsewhere herein, including under the heading “Item 3. Key Information-D. Risk Factors,” and in the documents incorporated by reference herein important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to:

- the strength of world economies;
- fluctuations in currencies, interest rates and inflationary pressures;
- market conditions and trends, including volatility in charter rates for our vessels, factors affecting supply and demand for dry bulk commodities as well as oil and oil-related products, fluctuating vessel values, and opportunities for the profitable operations of dry bulk carriers and tankers;
- changes in the supply of vessels, including when caused by new newbuilding vessel orders or changes to or terminations of existing orders, and vessel scrapping levels;
- changes in worldwide oil production;
- changes in our operating and capitalized expenses, including bunker prices, crew costs, dry-docking, costs associated with regulatory compliance, and insurance costs;
- our future operating or financial results;
- changes in our ability to continue as a going concern;
- our ability to pay dividends to holders of our securities;
- our ability to borrow under future debt agreements on favorable terms or at all, and our ability to comply with the covenants contained in any debt agreements we may enter into in the future, in particular due to economic, financial or operational reasons;

- our continued ability to enter into time or voyage charters with existing and new customers, and to re-charter our vessels upon the expiry of any existing charters;

- changes to our financial condition and liquidity, including our ability to fund capital expenditures and investments in the acquisition and refurbishment of our vessels (including the amount and nature thereof and the timing of completion thereof, the delivery and commencement of operations dates, expected downtime and lost revenue), and other general corporate activities;

- changes in governmental rules and regulations or actions taken by regulatory authorities;

- potential liability from pending or future disputes, proceedings or litigation, and potential costs due to environmental damage and vessel collisions;

- compliance with governmental, tax, environmental and safety regulation, any non-compliance with the U.S. Foreign Corrupt Practices Act of 1977 (FCPA) or other applicable regulations relating to bribery;

- new environmental regulations and restrictions, whether at a global level stipulated by the International Maritime Organization, and/or regional/national imposed by regional authorities such as the European Union or individual countries;

- general economic conditions and conditions in the oil industry;

- effects of new products and new technologies in our industry;

- potential cyber-attacks or other disruption of information technology systems which may disrupt our business operations;

- the failure of counterparties to fully perform their contracts with us;

- our dependence on key personnel;

- adequacy of insurance coverage;

- our ability to obtain indemnities from customers;

- the volatility of the price of our common shares;

- future sales of our securities in the public market and our ability to maintain our compliance with Nasdaq listing requirements;

- our incorporation under the laws of the Marshall Islands and the different rights to relief that may be available compared to other countries, including the United States;

- general domestic and international political conditions or labor disruptions, including “trade wars”, such as the armed conflicts in the Ukraine and the Middle East, acts of piracy or maritime aggression or other hostilities, such as recent maritime incidents involving vessels in and around the Red Sea, global public health threats and major outbreaks of diseases;

- the impact of port or canal congestion or disruptions;

- impacts of outbreaks of global or regional epidemic and pandemic diseases on the shipping industry;

- potential physical disruption of shipping routes due to accidents, climate-related reasons (acute and chronic), political events, public health threats, international hostilities and instability; and

- other important factors described from time to time in the reports we file with the U.S. Securities and Exchange Commission, or the SEC.

This annual report may contain assumptions, expectations, projections, intentions and beliefs about future events. These statements are intended as forward-looking statements. We may also from time to time make forward-looking statements in other documents and reports that are filed with or submitted to the SEC, in other information sent to our securityholders, and in other written materials. We also caution that assumptions, expectations, projections, intentions and beliefs about future events may and often do vary from actual results and the differences can be material. We undertake no obligation to publicly update or revise any forward-looking statement contained in this annual report, whether as a result of new information, future events or otherwise, except as required by law.

PART I.

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

The following risks relate principally to the industry in which we operate and our business in general. Other risks relate principally to the securities market and ownership of our securities. The occurrence of any of the events described in this section could significantly and negatively affect our business, financial condition, operating results, cash available for the payment of dividends on our securities, or the trading price of our common shares.

Summary of Risk Factors

This summary does not address all the risks that we face. The following is a summary of the risk factors which are described in further detail in this section.

Risks Relating to our Industry

- Charter hire rates in the shipping industry are volatile and have fluctuated significantly in the past years, which may adversely affect our business, financial condition, operating results and our ability to comply with loan covenants in any future borrowing facilities we may enter into.
- The current state of the global financial markets and current economic conditions may adversely impact our results of operations, cash flows, and ability to obtain future financing or refinance any future credit facilities on acceptable terms, or at all, which may negatively impact our business.
- Global economic conditions may continue to negatively impact the tanker and dry bulk shipping industry.
- Geopolitical conditions, such as political instability, terrorist or other attacks, war, international hostilities, economic sanctions restrictions or other trade restrictions, and global public health concerns, may affect the seaborne transportation industry and adversely affect our business.
- Our operating results are subject to seasonal fluctuations, which could affect our operating results.
- An increase in the price of fuel may adversely affect our operating results and cash flows.
- Worldwide inflationary pressures could negatively impact our results of operations and cash flows.
- We are subject to complex laws and regulations (including environmental standards such as IMO 2020, standards regulating ballast water discharge, etc.), including environmental regulations that can adversely affect the cost, manner or feasibility of doing business and our business, results of operations, cash flows, and financial condition.
- Operational risks and damage to our vessels could adversely impact our performance.
- If our vessels call on ports located in countries or territories that are the subject of sanctions or embargoes imposed by the U.S. government, the United Kingdom, the European Union, the United Nations, or other governmental authorities, or engage in other such transactions or dealings that would be violative of applicable sanctions laws, it could lead to monetary fines or penalties and may adversely affect our reputation and the market for our securities.
- We conduct business in China, where the legal system has inherent uncertainties that could limit the legal protections available to us.
- Failure to comply with the U.S. Foreign Corrupt Practices Act could result in fines, criminal penalties and an adverse effect on our business.
- Changing laws and evolving reporting requirements could have an adverse effect on our business.

Risks Relating to our Company

- A decline in the market values of our vessels could limit our ability to borrow funds in the future, trigger breaches of certain financial covenants contained in any future borrowing facilities we may enter into, and/or result in impairment charges or losses on sale.
- We primarily charter our vessels on time charter trips with short to medium duration in a volatile shipping industry and a decline in charter hire rates could affect our results of operations and our ability to pay dividends.
- We may not be able to execute our growth strategy, and we may not realize the benefits we expect from past acquisitions or future acquisitions or other strategic transactions.
- We operate secondhand vessels with an age above the industry average which may lead to increased technical problems for our vessels, higher operating expenses, affect our ability to finance and profitably charter our vessels, to comply with environmental standards and future maritime regulations and result in a more rapid depreciation in our vessels' market and book values.
- We and certain of our principal officers and directors have affiliations with other entities that could create conflicts of interest detrimental to us.
- Companies affiliated with our officers and directors, may acquire vessels that compete with vessels in our fleet.
- Certain of our officers and directors participate in business activities not associated with us, and do not devote all of their time to our business, which may create conflicts of interest and hinder our ability to operate successfully.
- We depend entirely on other entities to provide the management of our fleet. The termination of our arrangements with these entities, or their failure to perform their obligations under our management agreements with them, may adversely affect our operations.
- A cyber-attack could materially disrupt our business.
- Climate change and greenhouse gas restrictions may adversely impact our operations and markets.
- Increasing scrutiny and changing expectations from investors, banks, and other market participants with respect to our Environmental, Social and Governance ("ESG") policies may impose additional costs on us or expose us to additional risks.
- We are subject to certain risks with respect to our counterparties on contracts, and failure of such counterparties to meet their obligations could cause us to suffer losses or otherwise adversely affect our business.
- In the highly competitive international shipping industry, we may not be able to compete for charters with new entrants or established companies with greater resources, and as a result, we may be unable to employ our vessels profitably.
- We may be unable to attract and retain qualified key management personnel, key employees or key consultants, which may delay our development efforts or otherwise harm our business.
- Technological innovation and quality and efficiency requirements from our customers could reduce our charter income and the value of our vessels.
- We may not have adequate insurance to compensate us if we lose our vessels or to compensate third parties.
- We are exposed to U.S. dollar and foreign currency fluctuations and devaluations that may adversely affect our results of operations.
- We depend upon a few significant customers for a large part of our revenues and the loss of one or more of these customers could adversely affect our operating results and financial performance.

- We are an “emerging growth company” and we cannot be certain that the reduced disclosure and other requirements applicable to emerging growth companies will not make our common shares less attractive to investors.

- We are a holding company, and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations.

- Because we are organized under the laws of the Marshall Islands, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.

- If we expand our business further, we may need to improve our operating and financial systems and will need to recruit suitable employees and crew for our vessels.

- We may be subject to United States federal income tax on United States source income, which would reduce our earnings.

- United States tax authorities could treat the Company as a “passive foreign investment company,” which could have adverse United States federal income tax consequences to United States holders.

Risks Relating to our Securities

- We do not have a declared dividend policy and cannot assure you that our board of directors will declare dividend payments in the future.
- If we do not have sufficient cash to pay dividends on our Series C Preferred Stock and Series D Preferred Stock when due, we may suffer adverse consequences.
- Shares of our Series C and Series D Preferred Stock are convertible into our Common Shares, and our Series E Preferred Stock are contingently exercisable into our Common Shares, which could have an adverse effect on the value of our Common Shares.
- The market prices and trading volume of our shares of common stock has and may continue to experience rapid and substantial price volatility, which could cause purchasers of our common stock to incur substantial losses.
- We may not be able to maintain compliance with Nasdaq's continued listing requirements.
- We are incorporated in the Marshall Islands, which does not have a well-developed body of corporate law, thus you may have more difficulty protecting your interests than shareholders of a U.S. corporation.
- As a Marshall Islands corporation and with some of our subsidiaries being Marshall Islands entities and also having subsidiaries in other offshore jurisdictions, our operations may be subject to economic substance requirements, which could impact our business.
- Certain of our affiliates hold certain of our common shares and certain of our Preferred Shares that, together, allow them to exert considerable influence over matters on which our shareholders are entitled to vote.
- Future issuances or sales of our common stock could cause the market price of our common stock to decline.
- Anti-takeover provisions in our organizational documents could make it difficult for our shareholders to replace or remove our current board of directors or have the effect of discouraging, delaying, or preventing a merger or acquisition, which could adversely affect the market price of our common stock.

Risk Factors

Risks Relating to our Industry

Charter hire rates depend on the demand for, and supply of, product tanker and dry-bulk vessels.

All of our revenues are generated from operating a fleet comprised of dry-bulk carriers and a product tanker. Rates (including both trip charter rates and freight rates) among different types of vessels in these sectors can be highly volatile. The factors affecting the supply and demand for product tankers and dry-bulk vessels are beyond our control, and the nature, timing and degree of changes in industry conditions are unpredictable and we may not be able to correctly assess the nature, timing and degree of these.

The factors that influence the demand for dry-bulk vessel capacity include:

- supply of and demand for and seaborne transportation of energy resources (e.g. coal), commodities, and semi-finished and finished consumer and industrial products;
- changes in the exploration or production of energy resources, commodities, and semi-finished and finished consumer and industrial products;
- the location of regional and global exploration, production and manufacturing facilities;
- changes in seaborne and other transportation patterns, including the distance cargo is transported by sea for reasons including but not limited to reductions in canal capacities, any geopolitical conflict and military responses;

- the location of consuming regions for energy resources, commodities, and semi-finished and finished consumer and industrial products; and
- the globalization of production and manufacturing.

Factors that influence demand for product tanker capacity include:

- demand and supply for refined petroleum products and other liquid bulk products such as vegetable and edible oils;
- competition from alternative sources of energy and a shift in consumer demand towards other energy resources such as wind, solar or water energy as well as greater use of electric powered vehicles;
- increases in the production of refined petroleum products in areas linked by pipelines to consuming areas, the extension of existing, or the development of new, pipeline systems in markets we may serve, or the conversion of existing non-oil pipelines to refined petroleum products pipelines in those areas;
- the introduction of new, expansion or closure of crude oil refineries, the distance oil and refined petroleum products are moved by sea and changes in transportation patterns; and
- competition from other shipping companies and other modes of transportation, such as railroads that compete with product tankers.

The factors that influence the demand for both product tanker and dry-bulk carrier capacity include:

- technological developments, which affect the efficiency of vessels and time to vessel obsolescence;
- the globalization of manufacturing and developments of transportation services;
- global and regional economic and political conditions, armed conflicts, including the conflicts between Russia and Ukraine and between Israel and Hamas and fluctuations in industrial and agricultural production;
- disruptions and developments in international trade, including the increased vessel attacks and piracy in the Red Sea and Gulf of Aden in connection with the conflict between Israel and Hamas;
- international sanctions, embargoes, import and export restrictions, trade disputes, tariffs, nationalizations, piracy and terrorist attacks;
- legal and regulatory changes including regulations adopted by supranational authorities and/or industry bodies, such as safety and environmental regulations and requirements;
- weather, natural and health disasters, generally; and
- currency exchange rates.

Demand for our oceangoing vessels is dependent upon economic growth in the world's economies, seasonal and regional changes in demand and changes to the capacity of the global dry bulk fleet and tanker fleet and the sources and supply of dry bulk cargo and petroleum and other liquid bulk products transported by sea. Continued adverse economic, political or social conditions or other developments could further negatively impact charter rates and therefore have a material adverse effect on our business results, results of operations and ability to pay dividends, if and when declared.

The factors that influence the supply for both dry-bulk carrier and product tanker capacity include:

- the number of newbuilding orders and deliveries, including delays in vessel deliveries;
- the number of shipyards and ability of shipyards to deliver vessels;
- port or canal congestion;

- potential disruption, including supply chain disruptions, of shipping routes due to accidents or political events;
- scrapping of older vessels;
- speed of vessel operation;
- vessel casualties;
- technological advances in vessel design, capacity, propulsion technology and fuel consumption efficiency;
- the degree of scrapping or recycling of older vessels, depending, among other things, on scrapping or recycling rates and international scrapping or recycling regulations;
- the price of steel and vessel equipment;
- product imbalances (affecting the level of trading activity) and developments in international trade;
- number of vessels that are out of service, namely those that are laid-up, drydocked, awaiting repairs or otherwise not available for hire;
- availability of financing for new vessels and shipping activity;
- changes in national or international regulations that may effectively cause reductions in the carrying capacity of vessels or early obsolescence of tonnage; and
- changes in environmental and other regulations that may limit the useful lives of vessels.

The volatility in charter rates affects our revenues and operating results and also affects the value of our vessels, which follow the trends of each industry charter rates. The charter hire rate references most likely to be monitored are the freight rate indices issued by the Baltic Exchange. These references are based on actual charter hire rates under charters entered into by market participants as well as daily assessments provided to the Baltic Exchange by a panel of major shipbrokers

The Baltic Dry Index, or the BDI, a daily average of charter rates for key dry bulk routes published by the Baltic Exchange, has long been viewed as the main benchmark to monitor the movements of the dry bulk vessel charter market as well as the performance of the entire dry bulk shipping market and has been very volatile. In 2024, the BDI ranged from a high of 2,419 on March 18, 2024, to a low of 976 on December 19, 2024. During the first months of 2025, BDI ranged from a low of 715 on January 30, 2025, to a high of 1,669 on March 14, 2025 and closed at 1,274 on April 11, 2025. There can be no assurance that the dry bulk charter market will improve or continue at the current levels, and the market could again decline in the future.

The Baltic Dirty Tanker Index, or the BDTI, a daily average of charter rates issued by the Baltic Exchange that takes into account input from brokers around the world regarding crude oil fixtures for various routes and oil tanker vessel sizes, is volatile. In 2024, the BDTI ranged from a high of 1,552 on January 16, 2024, to a low of 860 on September 26, 2024. During the first months of 2025, BDTI ranged from a low of 799 on January 9, 2025, to a high of 1,132 on April 11, 2025.The Baltic Clean Tanker Index, or BCTI, a comparable index to the BDTI, has similarly been volatile in 2024 with a high of 1,411 on January 1, 2024 and a low of 460 on November 12, 2024. BCTI ranged from a low of 574 on January 8, 2025, to a high of 848 on March 21, 2025 and closed at 679 on April 11, 2025.There can be no assurance that the crude oil and petroleum products charter market will improve or continue at the current levels, and the market could again decline in the future.

We anticipate that future demand for our vessels, and in turn our future charter rates, will be dependent upon economic growth in the world's economies, as well as seasonal and regional changes in demand and changes in the capacity of the world's fleet. There can be no assurance that economic growth will not stagnate or decline leading to a decrease in vessel values and charter rates. A decline in vessel values and charter rates would have an adverse effect on our business, financial condition, results of operation and ability to pay dividends.

These factors influencing the supply of and demand for dry-bulk carrier and product tanker capacity and charter rates are outside of our control, and we may not be able to correctly assess the nature, timing and degree of changes in industry conditions. We cannot assure you that we will be able to successfully charter our dry-bulk vessels and our product tankers in the future at all or at rates sufficient to allow us to meet our contractual obligations, including repayment of any future indebtedness.

Furthermore, if new dry-bulk carriers and product tankers are built that are more efficient, more flexible, have longer physical lives or use more environmentally friendly fuel than our vessels, competition from these more technologically advanced vessels could adversely affect the amount of charter hire payments we receive for our vessels and the resale value of our vessels could significantly decrease. In addition, we may not be able to provide or maintain Environmental, Social and Governance standards ("ESG") acceptable to customers, regulators and financing sources.

The current state of the global financial markets and current economic conditions may adversely impact our results of operations, cash flows, and ability to obtain future financing or refinance any future credit facilities on acceptable terms, or at all, which may negatively impact our business.

Global financial markets can be volatile and a contraction in available credit may occur as economic conditions change. In recent years, operating businesses in the global economy have faced weakening demand for goods and services, deteriorating international liquidity conditions, and declining markets which led to a general decline in the willingness of banks and other financial institutions to extend credit, particularly in the shipping industry. In the future, our ability to obtain credit to finance and expand our operations may be negatively affected by such changes and volatility.

We face risks attendant to changes in economic environments, changes in interest rates, and instability in the banking and securities markets around the world, among other factors which may have a material adverse effect on our results of operations and financial condition and may cause the price of our common shares to decline.

Global economic conditions may continue to negatively impact dry bulk and the product tanker shipping industry.

Major market disruptions and adverse changes in market conditions and the regulatory climate in China, the United States, the European Union and worldwide may adversely affect our business.

In past years, China and India have had two of the world's fastest growing economies in terms of gross domestic product and have been the main driving forces behind increases in shipping trade and the demand for marine transportation. Accordingly, our financial condition and operating results, as well as our future prospects, would likely be hindered by an economic downturn in any of these countries or geographic regions. While China, in particular, has enjoyed rates of economic growth significantly above the world average, slowing economic growth rates may reduce the country's contribution to world trade growth, especially in view of deteriorating real estate property values. If economic growth declines in China, India and other countries in the Asia Pacific region, we may face decreases in shipping trade and demand. The level of imports to and exports from China may also be adversely affected by changes in political, economic, and social conditions (including a slowing of economic growth) or other relevant policies of the Chinese government, such as changes in laws, regulations or export and import restrictions, internal political instability, changes in currency policies, changes in trade policies and territorial or trade disputes. It is also possible that tariffs (or other laws and regulations) will be adopted, and trade agreements will be renegotiated with China also causing adverse effects on the industry. Furthermore, a slowdown in the economies of the United States or the European Union, or certain other Asian countries may also have adverse impacts on economic growth in the Asia Pacific region. Therefore, a negative change in the economic conditions (including any negative changes resulting from any pandemic) of any of these countries or elsewhere may reduce demand for certain goods and, thus shipping, which could have a material adverse effect on our business, financial condition and operating results, as well as our prospects.

An increase in trade protectionism, the unravelling of multilateral trade agreements and a decrease in the level of China's export of goods and import of raw materials could have a material adverse impact on our charterers' business and, in turn, could cause a material adverse impact on our results of operations, financial condition and cash flows.

Our operations expose us to the risk that increased trade protectionism may adversely affect our business. Recently, government leaders have declared that their countries may turn to trade barriers to protect or revive their domestic industries in the face of imports, thereby depressing the demand for shipping.

Restrictions on imports, including in the form of tariffs, could have a major impact on global trade and demand for shipping. Specifically, increasing trade protectionism in the markets that our charterers serve may cause an increase in (i) the cost of goods exported from exporting countries, (ii) the length of time required to deliver goods from exporting countries, (iii) the costs of such delivery and (iv) the risks associated with exporting goods. These factors may result in a decrease in the demand of goods to be shipped. Protectionist developments, or the perception they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade, including trade between the United States and China, among other countries. These developments would also have an adverse impact on our charterers' business, operating results and financial condition which could, in turn, affect our charterers' ability to make timely payments to us and impair our ability to renew charters and grow our business. Any of these developments could have a material adverse effect on our business, results of operations and financial condition, as well as our cash flows, including cash available for dividends to our stockholders.

The U.S. government has made statements and taken actions that may impact U.S. and international trade policies, including tariffs affecting certain Chinese industries. The new tariffs announced by the Trump administration include tariffs on imports from Canada, Mexico and China, as well as on imports of steel and aluminum and automobiles and auto parts. The administration also announced the imposition of a reciprocal tariff policy on most foreign imports subject to certain specified exclusions, that applies a baseline 10% duty beginning on April 5, 2025, and additional country-specific duties beginning on April 9, 2025. It is unknown whether and to what extent these new tariffs will be retained, expanded or otherwise modified by the U.S., or the effect that any such actions would have on us or our industry. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated or, in particular, if the U.S. government takes retaliatory trade actions due to, among other things, the ongoing U.S.-China trade tensions or in response to the imposition of retaliatory tariffs from other countries, such changes could have an adverse effect on our business, results of operations and financial condition.

Additionally, U.S. trade tensions with China may further escalate as a result of a proposal by the Trump administration to impose significant fees on any vessel entering a U.S. port where that vessel is owned by a Chinese shipping company or by a vessel operator whose fleet includes one or more Chinese-built vessels, or that has newbuilding orders at a Chinese shipyard. The initial proposal of the U.S. trade representative (USTR), if adopted as proposed, would require Chinese shipping companies to pay up to $1 million per port call and those companies operating Chinese-built vessels to be charged up to $1.5 million per U.S. port call, depending on the percentage of vessels in their fleet built at Chinese shipyards or newbuilding orders with Chinese shipyards. It is unknown whether and to what extent these new port fees on Chinese shipping companies and vessels will be adopted, or the effect that they would have on us or our industry generally.

Furthermore, the government of China has implemented economic policies aimed at increasing domestic consumption of Chinese-made goods. This may have the effect of reducing the supply of goods available for export and may, in turn, result in a decrease of demand for container shipping. Many of the reforms, particularly some limited price reforms that result in the prices for certain commodities being principally determined by market forces, are unprecedented or experimental and may be subject to revision, change or abolition.

Regulations relating to ballast water discharge may adversely affect our revenues and profitability.

The IMO has imposed updated guidelines for ballast water treatment systems specifying the maximum amount of viable organisms allowed to be discharged from a vessel's ballast water. Depending on the date of the International Oil Pollution Prevention ('IOPP') renewal survey, existing vessels constructed before September 8, 2017 must comply with the updated D-2 Discharge Performance Standard ('D-2 standard') on or after September 8, 2019. For most vessels, compliance with the D-2 standard will involve installing on-board systems to treat ballast water and eliminate unwanted organisms. Vessels constructed on or after September 8, 2017 are to comply with the D-2 standards on or after September 8, 2017. The IMO has imposed updated guidelines for ballast water management systems specifying the maximum number of viable organisms allowed to be discharged from a vessel's ballast water. Vessels are required to meet the D-2 standard by installing an approved Ballast Water Management System (or BWMS). BWMSs installed on or after October 28, 2020, shall be approved in accordance with BWMS Code, while BWMSs installed before October 23, 2020 must be approved taking into account guidelines developed by the IMO or the BWMS Code. All of our vessels have installed approved ballast water management systems.

Furthermore, United States regulations are currently changing. Although the 2013 Vessel General Permit ("VGP") program and U.S. National Invasive Species Act ("NISA") are currently in effect to regulate ballast discharge, exchange and installation, the Vessel Incidental Discharge Act ("VIDA"), which was signed into law on December 4, 2018, requires that the EPA develop national standards of performance for approximately 30 discharges, similar to those found in the VGP within two years. On October 26, 2020, the EPA published a Notice of Proposed Rulemaking for Vessel Incidental Discharge National Standards of Performance under VIDA. On September 24, 2024, the EPA finalized its rule on Vessel Incidental Discharge Standards of Performance. USCG must develop corresponding implementation, compliance and enforcement regulations regarding ballast water within two years. While all our vessels are equipped with ballast water treatment system and we believe all our vessels are in compliance with the new regulations, any changes in such regulations could require the installation of new equipment may cause us to incur substantial costs.

Geopolitical conditions, such as political instability, terrorist or other attacks, war, international hostilities, economic sanctions or other trade restrictions, and global public health concerns, may affect the seaborne transportation industry and adversely affect our business.

We are an international shipping company that conducts most of our operations outside the United States, and our business, results of operations, cash flows, financial condition and ability to pay dividends, if and when declared, in the future may be adversely affected by changing economic, political and government conditions in the countries and regions where our vessels are employed or registered. Moreover, we operate in a sector of the economy that is likely to be adversely impacted by the effects of political conflicts, including the current political instability in the Middle East (including in Israel and Gaza), Ukraine, the South China Sea region and other geographic countries and areas, geopolitical events, terrorist or other attacks, war (or threatened war) and international hostilities. The response of the United States and others to terrorist attacks, as well as the threat of future terrorist attacks around the world, continues to cause uncertainty in the world's financial markets and may affect our business, operating results, and financial condition. Continuing conflicts and recent developments in Ukraine and the Middle East, and increased tensions between the U.S. and China, Russia, Iran and certain terrorist organizations, as well as the presence of U.S. or other armed forces in various other regions, may lead to additional acts of terrorism and armed conflict around the world, which may contribute to further economic instability in the global financial markets. As a result of the above, insurers have increased premiums and reduced or restricted coverage for losses caused by terrorist acts generally. These uncertainties could also adversely affect our ability to obtain additional financing on terms acceptable to us or at all. Any of these occurrences could have a material adverse impact on our operating results, revenues and costs. Additionally, events in other jurisdictions could impact global markets, including foreign exchange and securities markets; any resulting changes in currency exchange rates, tariffs, treaties and other regulatory matters could in turn adversely impact our business and operations.

In the past, political instability has also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region, in and around the Red Sea with attacks on vessels by armed Houthi groups in connection with the ongoing conflict in the Gaza Strip between Israel and Hamas, and in the Black Sea in connection with the ongoing conflict in Ukraine. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea and the Gulf of Aden off the coast of Somalia, among others. Any of these occurrences could have a material adverse impact on our future performance, operating results, cash flows and financial position.

Beginning in February of 2022, the United States, the United Kingdom and the European Union, among other countries, announced various economic sanctions against Russia in connection with the aforementioned conflict in the Ukraine region, which may adversely impact our business. The ongoing conflict could result in the imposition of further economic sanctions or new categories of export restrictions against individuals or entities in or connected to Russia. While in general much uncertainty remains regarding the global impact of the conflict in Ukraine, it is possible that such tensions could adversely affect the Company's business, financial condition, operating results and cash flows.

The United States has issued several Executive Orders that prohibit certain transactions related to Russia, including the importation of certain energy products of Russian Federation origin into the United States (including crude oil, petroleum, petroleum fuels, oils, liquefied natural gas and coal), and all new investments in Russia by U.S. persons, among other prohibitions and export controls, and has issued numerous determinations authorizing the imposition of sanctions on persons who operate or have operated in the energy, metals and mining, and marine sectors of the Russian Federation economy, among others. Increased restrictions on these sectors, or the expansion of sanctions to new sectors, may pose additional risks that could adversely affect our business and operations.

Furthermore, the United States and the G7 have implemented a Russian petroleum "price cap policy" which prohibits a variety of specified services related to the maritime transport of Russian Federation origin crude oil and petroleum products, including trading/commodities brokering, financing, shipping, insurance (including reinsurance and protection and indemnity), flagging, and customs brokering. An exception exists to permit such services when the price of the seaborne Russian oil does not exceed the relevant price cap; but implementation of this price exception relies on a recordkeeping and attestation process that requires each party in the supply chain of seaborne Russian oil to demonstrate or attest that oil has been purchased at or below the price cap. Further, effective as of February 27, 2025, the United States has also prohibited the provision of petroleum services by U.S. persons to persons located in Russia. An exception exists for the provision of petroleum services in certain specified circumstances, including for the provision of services for products purchased at or below the aforementioned price caps. Violations of the prohibition on petroleum services or the price cap policy, including the risk that information, documentation, or attestations provided by parties in the supply chain are later determined to be false, may pose additional risks adversely affecting our business.

Our business could also be adversely impacted by trade tariffs, trade embargoes or other economic sanctions that limit trading activities between the United States or other countries and countries in the Middle East, Asia, or elsewhere as a result of terrorist attacks, hostilities or diplomatic or political pressures, including as a result of ongoing tensions involving Russia, Iran, and China and the current conflicts between Russia and Ukraine and in the Middle East.

Governments may also turn to trade barriers to protect their domestic industries against foreign imports, thereby depressing shipping demand. Protectionist developments, or the perception that they may occur, may have a material adverse effect on global economic conditions, and may significantly reduce global trade. Moreover, increasing trade protectionism may cause an increase in (a) the cost of goods exported from regions globally, (b) the length of time required to transport goods and (c) the risks associated with exporting goods. Such increases may significantly affect the quantity of goods to be shipped, shipping time schedules, voyage costs and other associated costs, which could have an adverse impact on our charterers' business, operating results and financial condition and could thereby affect their ability to make timely charter hire payments to us. This could have a material adverse effect on our business, financial condition and operating results.

In particular, and as discussed further above, leaders in the United States have indicated the United States may seek to implement more protective trade measures. There is significant uncertainty about the future relationship between the United States and China and other exporting countries, such as Canada, Mexico, and the European Union, among others, including with respect to trade policies, treaties, government regulations, and tariffs. For example, U.S.-China trade tensions, including the introduction by the U.S. government of tariffs affecting certain goods imported by China, has already provoked retaliatory trade actions from China, and may provoke additional tariffs or trade restrictions. Additionally, new tariffs have recently been imposed by the U.S. on imports from Canada and Mexico, among other countries, on goods including steel and aluminum and automobiles and auto parts. The U.S. has also announced the imposition of a reciprocal tariff policy on most foreign imports subject to certain specified exclusions, that applied an additional 10% duty against all trading partners beginning on April 5, 2025. Additional country-specific duties against certain trading partners were initially effective beginning on April 9, 2025, but are now subject to a suspension for 90 days until July 9, 2025 (although additional tariffs against China presently remain in effect). It is unknown whether and to what extent such tariffs will be retained, expanded, or otherwise modified by the U.S., or the effect that any such actions or any actions taken by other countries in response will have on us or our industry, but such measures could have an adverse effect on our business, financial condition, and results of operations.

The United States has also proposed certain service fees to be levied against Chinese maritime transport operators, maritime transport operators with fleets comprised in whole or in part of Chinese-built vessels, and maritime transport operators with prospective orders for Chinese-built vessels, together with certain restrictions on services to promote the transport of U.S. goods on U.S. vessels, and other measures as outlined in the Office of the United States Trade Representative's (USTR) public notice. It remains uncertain whether and to what extent the USTR's proposed action will be implemented in whole or in part, or the effect that it would have on us or our industry generally.

In addition, public health threats, influenza and other highly communicable diseases or viruses, outbreaks of which have from time to time occurred in various parts of the world in which we operate, including China, Japan and South Korea, which may even become pandemics, could lead to a significant decrease of demand for the transportation of dry bulk or refined petroleum cargoes. Such events may also adversely impact our operations, including timely rotation of our crews, the timing of completion of any outstanding or future repair works in drydock as well as the operations of our customers. Delayed rotation of crew may adversely affect the mental and physical health of our crew and the safe operation of our vessels as a consequence.

Outbreaks of epidemic and pandemic diseases and governmental responses thereto could adversely affect our business.

The extent to which our business, the global economy and the seaborne transportation industry may be negatively affected by future pandemics, epidemics or other outbreaks of infectious diseases is highly uncertain and will depend on numerous evolving factors that we cannot predict, including, but not limited to (i) the duration and severity of the infectious disease outbreak; (ii) the imposition of restrictive measures to combat the outbreak and slow disease transmission; (iii) the introduction of financial support measures to reduce the impact of the outbreak on the economy; (iv) volatility in the demand for and price of oil and gas; (v) shortages or reductions in the supply of essential goods, services or labor; and (vi) fluctuations in general economic or financial conditions tied to the outbreak, such as a sharp increase in interest rates or reduction in the availability of credit. We cannot predict the effect that an outbreak of any future infectious disease outbreak, pandemic or epidemic may have on our business, results of operations and financial condition, which could be material and adverse. Organizations across industries, including ours, are rightly focusing on their employees' well-being, whilst making sure that their operations continue undisrupted and at the same time, adapting to the new ways of operating.

Our operating results are subject to seasonal fluctuations, which could affect our operating results.

We operate our vessels in markets that have historically exhibited seasonal variations in demand and, as a result, in charter rates. This seasonality may result in quarter-to-quarter volatility in our operating results. The dry bulk carrier market is typically stronger in the fall and winter months in anticipation of increased consumption of coal and other raw materials in the northern hemisphere during the winter months. For the product tanker segment, markets are typically stronger in the fall and winter months as well in anticipation of increased oil and petroleum products consumption in the norther hemisphere and refinery maintenance that is typically conducted in the summer months. In addition, unpredictable weather patterns in these months and variations in oil reserves tend to disrupt vessel scheduling and supplies of certain commodities. As a result, our revenues may be weaker during the fiscal quarters ending June 30 and September 30, and, conversely, our revenues may be stronger in fiscal quarters ending December 31 and March 31. While this seasonality will not directly affect our operating results, it could materially affect our operating results to the extent our vessels are employed in the spot market in the future.

An increase in the price of fuel may adversely affect our operating results and cash flows.

While we generally do not bear the cost of fuel for vessels operating on time charters, fuel is also a significant factor in negotiating charter rates and the largest expense in our shipping operations when our vessels are off-hire and/or idle or when our vessels operate in the spot market under voyage charters. As a result, an increase in the price of fuel beyond our expectations may adversely affect our profitability as relevant circumstances may arise at the time of charter negotiation and can affect us in both direct and indirect ways. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by the Organization of Petroleum Exporting Countries (the "OPEC"), and other oil and gas producers, war and armed conflicts and other hostilities such as the ongoing conflict between Russia and the Ukraine and Israel and Hamas, maritime incidents in and around the Red Sea, the unrest in oil producing countries and regions, regional production patterns and environmental concerns. Any future increase in the cost of fuel may reduce the profitability and competitiveness of our business. Even where the cost of fuel is borne by the charterer, which is the case with all of our existing time charters, that cost may affect the level of charter rates that charterers are prepared to pay.Any increases to bunker costs for our vessels when off-hire and/or idle or under voyage charter have, could have an adverse impact on our operating results and cash flows. This might lead to a decrease in the economic viability of older vessels that lack fuel efficiency and a reduction of useful lives of these vessels.

A shift in consumer demand from oil products towards other energy sources or changes to trade patterns for refined petroleum products may have a material adverse effect on our business.

A significant percentage of seaborne cargoes on product tankers consist of refined petroleum products for the transportation sector, including diesel, gasoline and jet fuel. A shift in or disruption of consumer demand from oil products towards other energy sources such as electricity, natural gas, liquified natural gas, hydrogen or ammonia could potentially affect the demand for our product tanker vessel. A shift from the use of internal combustion engine vehicles may also reduce the demand for oil products. These factors could have a material adverse effect on our future performance, results of operations, cash flows and financial position.

“Peak oil” is the year when the maximum rate of extraction of oil is reached. The U.S. Energy Information Administration forecasts “peak oil” demand could occur anytime between 2030 to 2040, depending on economics and how governments respond to global warming. However, OPEC forecasts that demand for oil will reach 116 million barrels per day by 2045, despite transition toward other energy sources. Irrespective of “peak oil”, the continuing shift in consumer demand from oil towards other energy resources such as wind energy, solar energy, hydrogen energy or nuclear energy as well shifts in government commitments and support for energy transition programs, may have a material adverse effect on our future performance, results of operations, cash flows and financial position.

Seaborne trading and distribution patterns are primarily influenced by the relative advantage of the various sources of production, locations of consumption, pricing differentials and seasonality, and, more recently, government sanctions. Changes to the trade patterns of refined oil products may have a significant negative or positive impact on the ton-miles and therefore the demand for our tanker. For example, the ongoing armed conflict in Ukraine has resulted in significant changes to the movement of transportation fuels, primarily diesel, within the EU. These activities could have a material adverse effect on our future performance, results of operations, cash flows and financial position.

Worldwide inflationary pressures could negatively impact our results of operations and cash flows.

Over the last few years, worldwide economies have experienced inflationary pressures, with price increases seen across many sectors globally, though showing signs of de-escalation as compared with previous years. The ongoing effects of inflation in the global economy generally and more specifically in the shipping industry, could result in increased operating, voyage and administrative costs for our vessels. Furthermore, the effects of inflation on the supply and demand of the products we transport could alter demand for our services. Interventions in the economy by central banks in response to inflationary pressures may slow down economic activity, including by altering consumer purchasing habits and reducing demand for the commodities and products we carry, and cause a reduction in trade. As a result, the volumes of goods we deliver and/or charter rates for our vessels may be affected. Any of these factors could have an adverse effect on our business, financial condition, cash flows and operating results.

We are subject to complex laws and regulations (including environmental standards such as IMO 2020, standards regulating ballast water discharge, etc.), including environmental regulations that can adversely affect the cost, manner or feasibility of doing business and our business, results of operations, cash flows and financial condition.

Our business and the operations of our vessels are materially affected by environmental regulation in the form of international conventions, national, state and local laws and regulations in force in the jurisdictions in which our vessels operate, as well as in the country or countries of their registration, including those governing the management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions (including greenhouse gases), water discharges and ballast water management. These regulations include, but are not limited to, European Union regulations, the U.S. Oil Pollution Act of 1990, requirements of the U.S. Coast Guard, or USCG and the U.S. Environmental Protection Agency, the U.S. Clean Air Act of 1970 (including its amendments of 1977 and 1990), the U.S. Clean Water Act, and the U.S. Maritime Transportation Security Act of 2002, and regulations of the IMO, including the International Convention on Civil Liability for Oil Pollution Damage of 1969, the International Convention for the Prevention of Pollution from Ships of 1973, as modified by the Protocol of 1978, collectively referred to as MARPOL 73/78 or MARPOL, including designations of Emission Control Areas, thereunder, SOLAS, the International Convention on Load Lines of 1966, the International Convention of Civil Liability for Bunker Oil Pollution Damage, and the ISM Code. Because such conventions, laws, and regulations are often revised, we cannot predict the ultimate cost of complying with such requirements or the impact thereof on the re-sale price or useful life of any vessel that we own or will acquire. Additional conventions, laws and regulations may be adopted that could limit our ability to do business or increase the cost of our doing business and which may materially adversely affect our operations. Government regulation of vessels, particularly in the areas of safety and environmental requirements, continue to change, requiring us to incur significant capital expenditures on our vessels to keep them in compliance, or even to scrap or sell certain vessels altogether. In addition, we may incur significant costs in meeting new maintenance and inspection requirements, in developing contingency arrangements for potential environmental violations and in obtaining insurance coverage.

In addition, we are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, certificates, approvals and financial assurances with respect to our operations. Our failure to maintain necessary permits, licenses, certificates, approvals or financial assurances could require us to incur substantial costs or temporarily suspend operation of one or more of the vessels in our fleet, or lead to the invalidation or reduction of our insurance coverage.

Environmental requirements can also affect the resale value or useful lives of our vessels, require a reduction in cargo capacity, ship modifications or operational changes or restrictions, lead to decreased availability of insurance coverage for environmental matters or result in the denial of access to certain jurisdictional waters or ports, or detention in certain ports. Under local, national and foreign laws, as well as international treaties and conventions, we could incur material liabilities, including for cleanup obligations and natural resource damages, in the event that there is a release of petroleum or hazardous substances from our vessels or otherwise in connection with our operations. We could also become associated with our existing or historic operations. Violations of, or liabilities under, environmental requirements can result in substantial penalties, fines and other sanctions, including in certain instances, seizure or detention of our vessels.

Increased inspection procedures, tighter import and export controls and new security regulations could increase costs and disrupt our business.

International shipping is subject to various security and customs inspection and related procedures in countries of origin, destination and trans-shipment points. Under the U.S. Maritime Transportation Security Act of 2002 (“MTSA”), the U.S. Coast Guard issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States and at certain ports and facilities. These security procedures may result in cargo seizure, delays in the loading, offloading, trans-shipment or delivery and the levying of customs duties, fines or other penalties against us.

It is possible that changes to inspection procedures could impose additional financial and legal obligations on us. Changes to inspection procedures could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of cargo uneconomical or impractical. Any such changes or developments may have a material adverse effect on our business, customer relations, financial condition and earnings.

Operational risks and damage to our vessels could adversely impact our performance.

The operation of an ocean-going vessel carries inherent risks. Our vessels and their cargoes are at risk of being damaged or lost because of events such as marine disasters, bad weather and other acts of God, business interruptions caused by mechanical failures, grounding, fire, explosions and collisions, human error, war, armed conflicts, terrorism, piracy, labor strikes, boycotts and other circumstances or events. Changing economic, regulatory and political conditions in some countries, including political and military conflicts, have from time to time resulted in attacks on vessels, mining of waterways, piracy, terrorism, labor strikes and boycotts. Damage to the environment could also result from our operations, particularly through spillage of fuel, lubricants or other chemicals and substances used in operations, or extensive uncontrolled fires. These hazards may result in death or injury to persons, loss of revenues or property, the payment of ransoms, environmental damage, higher insurance rates, damage to our customer relationships and market disruptions, delay or rerouting, any of which may subject us to litigation. As a result, we could be exposed to substantial liabilities not recoverable under our insurances. Further, the involvement of our vessels in a serious accident or the loss of any of our vessels could harm our reputation as a safe and reliable vessel operator and lead to a loss of business. Epidemics and other public health incidents may also lead to crew member illness, which can disrupt the operations of our vessels, or to public health measures, which may prevent our vessels from calling on ports or discharging cargo in the affected areas or in other locations after having visited the affected areas.

If our vessels suffer damage, they may need to be repaired at a shipyard. The costs for these repairs are unpredictable and may be substantial. We may have to pay drydocking costs that our insurance does not cover at all or in full. The loss of revenues while these vessels are being repaired and repositioned, as well as the actual cost of these repairs, may adversely affect our business and financial condition. In addition, space at shipyards is sometimes limited and not all shipyards are conveniently located. We may be unable to find space at a suitable shipyard or our vessels may be forced to travel to a shipyard that is not conveniently located relative to our vessels’ positions. The loss of earnings while these vessels are forced to wait for space or to travel to more distant shipyards may adversely affect our business and financial condition.

The operation of dry bulk vessels has certain unique operational risks. With a dry bulk vessel, the cargo itself and its interaction with the vessel can be a risk. By their nature, dry bulk cargoes are often heavy, dense and easily shifted, and react badly to water exposure. In addition, dry bulk vessels are often subjected to battering treatment during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold), and small bulldozers. This treatment may cause damage to the dry bulk vessel. Dry bulk vessels damaged due to treatment during unloading procedures may be more susceptible to a breach at sea. Hull breaches in dry bulk vessels may lead to the flooding of their holds. If flooding occurs in the forward holds, the bulk cargo may become so waterlogged that the vessel’s bulkheads may buckle under the resulting pressure leading to the loss of the dry bulk vessel. These risks may also impact the risk of loss of life or harm to our crew.

The operation of tankers has unique operational risks associated with the transportation of oil. Oil spills can cause significant environmental damage, and a catastrophic spill could exceed the insurance coverage available. Tankers are often exposed to a higher risk of damage and loss by fire due to the high flammability and high volume of oil transported in tankers.

In addition, international shipping is subject to various security and customs inspection and related procedures in countries of origin and destination and trans-shipment points. Inspection procedures can result in the seizure of the cargo and/or our vessels, delays in the loading, offloading or delivery and the levying of customs duties, fines or other penalties against us. It is possible that changes to inspection procedures could impose additional financial and legal obligations on us. Furthermore, changes to inspection procedures could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of cargo uneconomical or impractical. Any such changes or developments may have a material adverse effect on our business, operating results, cash flows and financial condition.

If we are unable to adequately maintain or safeguard our vessels, we may be unable to prevent these events. Any of these circumstances or events could negatively impact our business, financial condition or operating results.

If our vessels call on ports located in countries or territories that are the subject of sanctions or embargoes imposed by the U.S. government, the United Kingdom, the European Union, the United Nations, or other governmental authorities, or engage in other such transactions or dealings that would be violative of applicable sanctions laws, it could lead to monetary fines or penalties and may adversely affect our reputation and the market for our securities.

Our contracts with our charterers prohibit them from causing our vessels to call on ports located in sanctioned countries or territories or carrying cargo for entities or from countries and territories that are the subject of sanctions. Although our charterers may, in certain causes, control the operation of our vessels, we have monitoring processes in place reasonably designed to ensure our compliance with applicable economic sanctions and embargo laws. Nevertheless, it remains possible that our charterers may cause our vessels to trade in violation of sanctions provisions without our consent. If such activities result in a violation of applicable sanctions or embargo laws, we could be subject to monetary fines, penalties, or other sanctions, and our reputation and the market for our common shares could be adversely affected.

The applicable sanctions and embargo laws and regulations vary in their application, and by jurisdiction, and do not all apply to the same covered persons or proscribe the same activities. In addition, the sanctions and embargo laws and regulations of each jurisdiction may be amended to increase or reduce the restrictions they impose over time, and the lists of persons and entities designated under these laws and regulations are amended frequently. Moreover, many sanctions regimes provide that entities owned or controlled by the persons or entities designated in such lists are also subject to sanctions. The U.S., U.K., and EU have enacted new sanctions programs in recent years. Additional countries or territories, as well as additional persons or entities within or affiliated with those countries or territories, have, and in the future will, become the target of sanctions. These require us to be diligent in ensuring our compliance with sanctions laws. Further, the U.S. has increased its focus on sanctions enforcement with respect to the shipping sector. Current or future counterparties of ours may be affiliated with persons or entities that are or may be in the future the subject of sanctions or embargoes imposed by the United States, U.K., EU, and/or other international bodies. If we determine that such sanctions require us to terminate existing or future contracts to which we, or our subsidiaries, are party or if we are found to be in violation of such applicable sanctions, our operating results may be adversely affected, or we may suffer reputational harm.

As a result of Russia's actions in Ukraine, the U.S., EU and United Kingdom, together with numerous other countries, have imposed significant sanctions on persons and entities associated with Russia and Belarus, as well as comprehensive sanctions on certain areas within the Donbas region of Ukraine, and such sanctions apply to entities owned or controlled by such designated persons or entities. EU and countries, such as Canada and the United Kingdom, have also broadly prohibited Russian-affiliated vessels from entering their waters and/or ports. These sanctions have adversely altered trade patterns across the shipping industry and thus, affect our ability to operate in the region and also restrict parties whose cargo we may carry.

Although we believe that we have been in compliance with all applicable sanctions and embargo laws and regulations in 2024 and up to the date of this annual report, and intend to maintain such compliance, there can be no assurance that we or our charterers will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines, penalties or other sanctions that could severely impact our ability to access U.S. capital markets and conduct our business and could result in our reputation and the markets for our securities to be adversely affected and/or in some investors deciding, or being required, to divest their interest, or not to invest, in us. For example, certain investors may have investment policies or restrictions that prevent them from holding securities of companies that have contracts with countries or territories identified by the U.S. government as state sponsors of terrorism. The determination by these investors not to invest in, or to divest from, our shares may adversely affect the price at which our shares trade. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. Further, our reputation and the market for our securities may be adversely affected if, for example, we enter into charters with individuals or entities who, pursuant to contracts with third parties, provide services to or engage in operations associated with countries or territories that are the subject of certain U.S. sanctions or embargo laws. Investor perception of the value of our common stock may be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in countries or territories that we operate in. Any of these factors could adversely affect our business, financial condition, and operating results.

The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.

We expect that our vessels may call in ports in areas where smugglers attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent our vessels are found with contraband or stowaways, whether inside or attached to the hull of our vessel and whether with or without the knowledge of any of our crew, we may face governmental or other regulatory claims which could have an adverse effect on our business, operating results, cash flows and financial condition. Under some jurisdictions, vessels used for the conveyance of illegal drugs could result in forfeiture of the subject vessel to the government of such jurisdiction.

Maritime claimants could arrest or attack one or more of our vessels, which could interrupt our business or have a negative effect on our cash flows.

Crew members, suppliers of goods and services to a vessel, shippers of cargo, lenders, and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by "arresting" or "attaching" a vessel through judicial or foreclosure proceedings. The arrest or attachment of one or more of our vessels could interrupt the cash flow of the charterer and/or require us to pay a significant amount of money to have the arrest or attachment lifted, which would have an adverse effect on our cash flows.

In addition, in some jurisdictions, such as South Africa, under the "sister-ship" theory of liability, a claimant may arrest both the vessel that is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert "sister-ship" liability against one vessel in our fleet for claims relating to another of our ships. Under most of our present charters, if the vessel is arrested or detained as a result of a claim against us, we may be in default of our charter and the charterer may terminate the charter upon the passage of a period specified in the charter agreement, which will negatively impact our revenues and cash flows.

We conduct business in China, where the legal system has inherent uncertainties that could limit the legal protections available to us.

Some of our vessels may be chartered to Chinese customers and from time to time on our charterers' instructions, our vessels may call on Chinese ports. Such charters and voyages may be subject to regulations in China that may require us to incur new or additional compliance or other administrative costs and may require that we pay to the Chinese government new taxes or other fees. Applicable laws and regulations in China may not be well publicized and may not be known to us or to our charterers in advance of us or our charterers becoming subject to them, and the implementation of such laws and regulations may be inconsistent. Changes in Chinese laws and regulations, including with regards to tax matters, or changes in their implementation by local authorities could affect our vessels if chartered to Chinese customers as well as our vessels calling to Chinese ports and could have a material adverse impact on our business, financial condition and results of operations.

Governments could requisition our vessels during a period of war or emergency, resulting in a loss of earnings.

A government could requisition one or more of our vessels for title or for hire. Requisition for title occurs when a government takes control of a vessel and becomes her owner, while requisition for hire occurs when a government takes control of a vessel and effectively becomes her charterer at dictated charter rates. Generally, requisitions occur during periods of war or emergency, although governments may elect to requisition vessels in other circumstances. Although we would be entitled to compensation in the event of a requisition of one or more of our vessels, the amount and timing of payment would be uncertain. Although none of our vessels have been requisitioned by a government for title or hire, a government requisition of one or more of our vessels may negatively impact our revenues and reduce the amount of cash we may have available for distribution as dividends to our shareholders, if and when any such dividends are declared.

Failure to comply with the U.S. Foreign Corrupt Practices Act could result in fines, criminal penalties and an adverse effect on our business.

We may operate in a number of countries throughout the world, including countries suspected to have a risk of corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted measures designed to ensure compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"). We are subject, however, to the risk that we, our affiliated entities or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws, including the FCPA. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might adversely affect our business, earnings or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

Changing laws and evolving reporting requirements could have an adverse effect on our business.

Changing laws, regulations and standards relating to reporting requirements, including the European Union General Data Protection Regulation, or GDPR, may create additional compliance requirements for us. GDPR broadens the scope of personal privacy laws to protect the rights of European Union citizens and requires organizations to report on data breaches within 72 hours and be bound by more stringent rules for obtaining the consent of individuals on how their data can be used. GDPR applies to all companies processing and holding the personal data of data subjects residing in the EU, regardless of the company's location. GDPR became enforceable on May 25, 2018 and non-compliance may expose entities to significant fines or other regulatory claims which could have an adverse effect on our business, financial condition, and operations.

Risks Relating to our Company

A decline in the market values of our vessels could limit our ability to borrow funds in the future, trigger breaches of certain financial covenants contained in any future borrowing facilities we may enter into, and/or result in impairment charges or losses on sale.

The market values of dry bulk carriers and product tankers have generally experienced high volatility in recent years. While the market values of vessels and the charter market have a very close relationship as the charter market moves from trough to peak, the time lag between the effect of charter rates on market values of vessels can vary, and sometimes, values can be to a greater or lesser extent affected by the respective move in charter rates.

The market values of our vessels fluctuate depending on a number of factors, including:

1. the prevailing level of charter rates;

2. general economic and market conditions affecting the shipping industry;

3. competition from other shipping companies and other modes of transportation;

4. the types, sizes and ages of vessels;

5. the supply of and demand for vessels;

6. applicable governmental or other regulations;

7. technological advances;

8. the need to upgrade vessels as a result of charterer requirements, technological advances in vessel design or equipment or otherwise;

9. the cost of newbuildings; and

10. scrap values

If the market value of our vessels decline, we may not be able to comply with certain covenants contained in any future loan facilities we may enter into and we may not be able to incur debt on terms that are acceptable to us or at all or to refinance any debt we may have in the future.

Furthermore, if we sell any of our owned vessels at a time when prices are depressed, our business, operating results, cash flow and financial condition could be adversely affected. Moreover, if we sell a vessel at a time when vessel prices have fallen and before we have recorded an impairment adjustment to our financial statements, the sale may be at less than the vessel's carrying amount in our financial statements, resulting in a loss and a reduction in earnings. In addition, if vessel values decline, we may have to record an impairment adjustment in our financial statements which could adversely affect our financial results. For example, in 2024, we recorded $6.12 million of impairment charges for three vessels in our fleet, as one of these vessels was sold, whereas, for the other two, our impairment exercise indicated that their carrying values were not recoverable.

We primarily charter our vessels on time charter trips with short to medium duration in a volatile shipping industry and a decline in charter hire rates could affect our results of operations and our ability to pay dividends.

Although significant exposure to time charter trips with short to medium duration is not unusual in the dry bulk and tanker shipping industry, the time charter market is highly competitive and spot market charter hire rates (which affect time charter rates) may fluctuate significantly based upon available charters and the supply of, and demand for, seaborne shipping capacity. While the short-term to medium-term time charter market may enable us to benefit in periods of increasing charter hire rates, we must consistently renew our charters and this dependence makes us vulnerable to declining charter rates. As a result of the volatility in the dry bulk carrier and tanker charter markets, we may not be able to employ our vessels upon the termination of their existing charters at favorable charter hire rates or at all. The dry bulk carrier and tanker charter markets are volatile, and in the recent past, charter market rates for time charter trips with short to medium duration and spot voyages for some declined below the operating costs of those vessels before rising. We cannot assure you that future charter hire rates will enable us to operate our vessels profitably, or to pay dividends, if and when declared.

We may not be able to execute our growth strategy and we may not realize the benefits we expect from past acquisitions or future acquisitions or other strategic transactions.

As our business grows, we intend to acquire additional vessels from related or unaffiliated parties. Our future growth will primarily depend upon a number of factors, some of which may not be within our control. These factors include our ability to:

- identify suitable vessels and/or shipping companies for acquisitions at attractive prices;
- realize anticipated benefits, such as new customer relationships, cost-savings or cash flow enhancements from past acquisitions;
- obtain required financing for our existing and new operations;
- integrate any acquired vessels, assets or businesses successfully with our existing operations, including obtaining any approvals and qualifications necessary to operate vessels that we acquire;
- ensure, either directly or through our managers, that an adequate supply of qualified personnel and crew are available to manage and operate our growing business and fleet;
- improve our operating, financial and accounting systems and controls; and
- cope with competition from other companies, many of which have significantly greater financial resources than we do and may reduce our acquisition opportunities or cause us to pay higher prices.

A failure to effectively identify, acquire, develop and integrate any vessels could adversely affect our business, financial condition, investor sentiment and operating results. Finally, acquisitions may require additional equity issuances, which may dilute our common shareholders if issued at lower prices than the price they acquired their shares, or debt issuances (with amortization payments), both of which could lower our available cash. If any such events occur, our financial condition may be adversely affected.

We operate secondhand vessels with an age above the industry average which may lead to increased technical problems for our vessels, higher operating expenses, affect our ability to finance and profitably charter our vessels, to comply with environmental standards and future maritime regulations and result in a more rapid deterioration in our vessels' market and book values.

As part of our current business strategy to increase our fleet, we may build new or acquire secondhand vessels. Our current fleet consists only of secondhand vessels. While we have inspected our vessels and we intend to inspect any potential future vessel acquisition, this does not provide us with the same knowledge about its condition that we would have had if the vessel had been built for and operated exclusively by us. Accordingly, we may not discover defects or other problems with secondhand vessels prior to purchasing or chartering-in or may incur costs to terminate a purchase agreement. Any such hidden defects or problems may require us to put a vessel into extensive repairs or drydock, which would reduce our average fleet utilization and increase our operating costs. If a hidden defect or problem is not detected, it may result in accidents or other incidents for which we may become liable to third parties.

Generally, purchasers of secondhand vessels do not receive the benefit of warranties from the builders for the secondhand vessels that they acquire.

Our fleet currently consists of four vessels in operation, with our three Panamax dry bulk carriers having a combined carrying capacity of 223,546 dwt and a weighted average age of 20.3 years as of the date of this annual report and our tanker having a carrying capacity of 49,999 dwt and an age of 16.1 years as of the date of this annual report. In general, the cost of maintaining a vessel in good operating condition and operating it increases with the age of the vessel, because, amongst other things:

- as our vessels age, typically, they become less fuel-efficient and more costly to maintain than more recently constructed vessels due to improvements in design, engineering, technology and due to increased maintenance requirements;

- cargo insurance rates increase with the age of a vessel, making our vessels more expensive to operate;

- governmental regulations, environmental and safety or other equipment standards related to the age of vessels may also require expenditures for alterations or the addition of new equipment to our vessels and may restrict the type of activities in which our vessels may engage.

Charterers may also have age restrictions on the vessels they charter and, in the past, have actively discriminated against chartering older vessels, which may result to a lower utilization of our vessels resulting to lower revenues. Our charterers have a high and increasing focus on quality and compliance standards with their suppliers across the entire supply chain, including the shipping and transportation segment. Our continued compliance with these standards and quality requirements is vital for our operations. The charter rates and the value and operational life of a vessel are determined by a number of factors including the vessel's efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy and the ability to load and discharge cargo quickly. Flexibility includes the ability to enter harbors, operate in extreme climates, utilize related shipyards and pass-through canals and straits. The length of a vessel's physical life is related to its original design and construction, its maintenance and the impact of the stress of operations.

Due to the age of our fleet, we may not be able to obtain external financing at reasonable terms or at all as our vessels may be seen as less valuable collateral.

We face competition from companies with more modern vessels with more fuel-efficient designs than our vessels (''eco-vessels''). If new vessels are built that are more efficient or more flexible or have longer physical lives than even the current eco-vessels, competition from the current eco-vessels and any more technologically advanced vessels could adversely affect our ability to charter our vessels at favorable rates or at all, the amount of charter payments we receive for our vessels once their charters expire and the resale value of our vessels, which could significantly decrease.

We cannot assure you that, as our vessels age, market conditions will justify expenditures to maintain or update our vessels or enable us to operate our vessels profitably during the remainder of their useful lives or that we will be able to finance the acquisition of new vessels at the time that we retire or sell our aging vessels. This could have a material adverse effect on our business, financial condition and operating results.

We and certain of our principal officers and directors have affiliations with other entities that could create conflicts of interest detrimental to us.

Certain of our principal officers and directors are also principals, officers and employees of other entities (Diana Shipping Inc. ("Diana Shipping"), Steamship Shipbroking Enterprises Inc. ("Steamship"), Diana Wilhelmsen Management Limited ("DWM") and Sea Transportation Inc. ("START")). These responsibilities and relationships could create conflicts of interest between us and these counterparties. Conflicts may also arise in connection with the chartering, purchase, sale and operations of the vessels in our fleet versus other vessels that are or may be managed in the future by these other entities. While we have entered into a non-competition agreement with Diana Shipping, for vessels owned by it, we cannot assure you that such agreement will successfully address all potential conflicts of interest that arise or that all conflicts will be resolved in our favor. Circumstances in any of these instances may make one decision advantageous to us but detrimental to these other entities and vice versa.

Companies affiliated with our officers and directors, may acquire vessels that compete with our fleet.

Companies affiliated with our officers and directors, own dry bulk and tanker vessels and may acquire additional dry bulk and tanker vessels in the future. These vessels could be in competition with our fleet, and companies affiliated with our officers and directors might be faced with conflicts of interest with respect to their own interests and their obligations to us. We cannot assure you that such conflicts will be resolved in our favor.

Certain of our officers and directors participate in business activities not associated with us, and do not devote all of their time to our business, which may create conflicts of interest and hinder our ability to operate successfully.

Our officers and directors have fiduciary duties to manage our business in a manner beneficial to us and our shareholders. However, our Chairperson and Director, Mrs. Semiramis Paliou, also serves as Chief Executive Officer and a Director of Diana Shipping; our Director, Mr. Eleftherios Papatrifon, also serves as a Director of Diana Shipping; our Director, Mr. Ioannis Zafirakis, also serves as Chief Strategy Officer, Chief Financial Officer, Treasurer and a Director of Diana Shipping; and our Chief Corporate Development and Governance Officer and Secretary, Ms. Margarita Veniou, also serves as Chief Corporate Development, Governance & Communications Officer of Diana Shipping. Mrs. Paliou, Mr. Papatrifon and Mr. Zafirakis also serve on our Executive Committee. As a result, Mrs. Paliou, Mr. Papatrifon, Mr. Zafirakis and Ms. Veniou have fiduciary duties to manage the business of Diana Shipping and its affiliates in a manner beneficial to such entities and their shareholders. Consequently, they may encounter situations in which their fiduciary obligations to Diana Shipping and us are in conflict. We use our best efforts to cause compliance with all applicable laws and regulations in addressing such conflicts of interest. Certain of our executive officers and certain of our directors participate in business activities not associated with us and are not required to work full-time on our affairs. Our executive officers may devote less time to us than if they were not engaged in other business activities and may owe fiduciary duties to the shareholders of other companies with which they may be affiliated, including Diana Shipping. Their other business activities may create conflicts of interest in matters involving or affecting us and our customers and it is not certain that any of these conflicts of interest will be resolved in our favor. This could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We depend entirely on other entities to provide the management of our fleet. The termination of our arrangements with these entities, or their failure to perform their obligations under our management agreements with them, may temporarily adversely affect our operations.

Our operational success and ability to execute our growth strategy depends significantly upon the satisfactory and continued performance of these services by our managers, as well as their reputations. These entities may fail to perform their obligations to us or may terminate their management agreements with us other than in accordance with the terms of our management agreements with them, either of which could adversely affect our operations during the process of identifying a replacement for them and have a material adverse effect on our financial condition and results of our operations.

Rising crew costs could adversely affect our results of operations.

Due to an increase in the size of the global shipping fleet, the limited supply of and increased demand for crew has created upward pressure on crew costs. Additionally, the ongoing armed conflict in Ukraine has reduced the number of seafarers globally and thereby increased the pressure on crew wages. Continued higher crew costs or further increases in crew costs could adversely affect our results of operations.

A cyber-attack could materially disrupt our business.

We rely on information technology systems and networks in our operations and administration of our business. Information systems are vulnerable to security breaches by computer hackers and cyber terrorists. We rely on industry accepted security measures and technology to securely maintain confidential and proprietary information maintained on our information systems. However, these measures and technology may not adequately prevent security breaches. Our business operations could be targeted by individuals or groups seeking to sabotage or disrupt our information technology systems and networks, or to steal data. A successful cyber-attack could materially disrupt our operations, including the safety of our operations, or lead to unauthorized release of information or alteration of information in our systems. Any such attack or other breach of our information technology systems could have a material adverse effect on our business and results of operations. In addition, the unavailability of the information systems or the failure of these systems to perform as anticipated for any reason could disrupt our business and could result in decreased performance and increased operating costs, causing our business and results of operations to suffer. We do not maintain cyber-liability insurance at this time to cover such losses. Any significant interruption or failure of our information systems or any significant breach of security could adversely affect our business and results of operations. We have taken extensive measures to enhance our security infrastructure, including establishing security testing, incident response programs as well as developing a training program to enhance vigilance against cyber threats. Despite these improvements we cannot assure you that we will be able to successfully thwart all future attacks with causing material and adverse effect on our business.

Moreover, our risk of cyber-attacks and other sources of security breaches and incidents may be elevated as a result of the ongoing conflicts between Russia and Ukraine and Israel-Hamas. To the extent such attacks have collateral effects on global critical infrastructure or financial institutions, such developments could adversely affect our business, operating results and financial condition. At this time, it is difficult to assess the likelihood of such threat and any potential impact.

As cyberattacks become increasingly sophisticated, and as tools and resources become more readily available to malicious third parties, including the risk associated with the use of emerging technologies, such as artificial intelligence and quantum computing for nefarious purposes, there can be no guarantee that our actions, security measures and controls designed to prevent, detect or respond to intrusion, to limit access to data, to prevent destruction or alteration of data or to limit the negative impact from such attacks, can provide absolute security against compromise. Even without actual breaches of information security, protection against increasingly sophisticated and prevalent cyberattacks may result in significant future prevention, detection, response and management costs, or other costs, including the deployment of additional cybersecurity technologies, engaging third-party experts, deploying additional personnel and training employees. Further, as cyber threats are continually evolving, our controls and procedures may become inadequate, and we may be required to devote additional resources to modify or enhance our systems in the future. Such expenses could have a material adverse effect on our future performance, results of operations, cash flows and financial position.

In July 2023, the SEC adopted amendments to its rules on cybersecurity risk management, strategy, governance, and incident disclosure. The amendments require us to report material cybersecurity incidents involving our information systems and periodic reporting regarding our policies and procedures to identify and manage cybersecurity risks, amongst other disclosures. During the year ended December 31, 2024, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. A failure to disclose could result in the imposition of injunctions, fines and other penalties by the SEC. Complying with these obligations could cause us to incur substantial costs and could increase negative publicity surrounding any cybersecurity incident. For more information, please refer to Item “16K. Cybersecurity”, of this annual report.

Climate change and greenhouse gas restrictions may adversely impact our operations and markets.

Due to concern over the risk of climate change, a number of countries and the IMO have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. These regulatory measures may include, among others, adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. In July 2023, nations at the International Maritime Organization’s Marine Environment Protection Committee (“MEPC”) updated the initial strategy to reduce greenhouse gas emissions from ships. The initial strategy identifies levels of ambition to reducing greenhouse gas emissions, including (1) decreasing the carbon intensity from ships through improvement of energy efficiency; (2) reducing carbon intensity of international shipping; (3) increasing adoption of zero or near-zero emissions technologies, fuels, and energy sources; and (4) achieving net zero GHG emissions from international shipping. Furthermore, the following indicative checkpoints were adopted in order to reach net zero GHG emissions from international shipping: (1) reduce the total annual GHG emissions from international shipping by at least 20%, by 2030, compared to the 2008 emission levels; and (2) reduce the total annual GHG emissions from international shipping by at least 70%, by 2040, compared to 2008 levels while pursuing efforts towards phasing them out entirely.

Since January 1, 2020, ships have to either remove sulfur from emissions or buy fuel with low sulfur content, which may lead to increased costs and supplementary investments for ship owners. The interpretation of “fuel oil used on board” includes use in main engine, auxiliary engines and boilers. Shipowners may comply with this regulation by (i) using 0.5% sulfur fuels on board, which are available around the world but at a higher cost; (ii) installing scrubbers for cleaning of the exhaust gas; or (iii) by retrofitting vessels to be powered by liquefied natural gas, which may not be a viable option due to the lack of supply network and high costs involved in this process. Costs of compliance with these regulatory changes may be significant and may have a material adverse effect on our future performance, results of operations, cash flows and financial position. In order to comply with the sulfur cap regulation issued on January 1, 2020, related to the control of sulfur in the emissions, our vessels are currently using very low sulfur fuel oil with less than 0.5% sulfur.

In addition, although the emissions of greenhouse gases from international shipping currently are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which required adopting countries to implement national programs to reduce emissions of certain gases, or the Paris Agreement, a new treaty may be adopted in the future that includes restrictions on shipping emissions. Compliance with changes in laws, regulations and obligations relating to climate change could increase our costs related to operating and maintaining our vessels and require us to install new emission controls, acquire allowances or pay taxes related to our greenhouse gas emissions or administer and manage a greenhouse gas emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

On September 15, 2020, the European Parliament voted to include greenhouse gas emissions from the maritime sector in the European Union’s carbon market, the EU Emissions Trading System (“EU ETS”) as part of its “Fit-for-55” legislation to reduce net greenhouse gas emissions by at least 55% by 2030. This will require shipowners to buy permits to cover these emissions. On December 18, 2022, the Environmental Council and European Parliament agreed to include maritime shipping emissions within the scope of the EU ETS on a gradual introduction of obligations for shipping companies to surrender allowances equivalent to a portion of their carbon emissions: 40% for verified emissions from 2024, 70% for 2025 and 100% for 2026. Most large vessels will be included in the scope of the EU ETS from the start. Big offshore vessels of 5,000 gross tonnage and above will be included in the ‘MRV’ on the monitoring, reporting and verification of CO2 emissions from maritime transport regulation from 2025 and in the EU ETS from 2027. In January 2024, the EU ETS was extended to cover CO2 emissions from all large ships (of 5,000 gross tonnage and above) entering EU ports regardless of the flag they fly and will apply to methane and nitrous oxide emissions beginning in 2026. Shipping companies will need to buy allowances that correspond to the emissions covered by the system. General cargo vessels and off-shore vessels between 400-5,000 gross tonnage will be included in the MRV regulation from 2025 and their inclusion in EU ETS will be reviewed in 2026.

The EU also adopted the FuelEU Maritime regulation, a proposal included in the "Fit-for-55" legislation. From January 1, 2025, FuelEU Maritime sets requirements on the annual average GHG intensity of energy used by ships trading within the EU or European Economic Area (EEA). This intensity is measured as GHG emissions per energy unit (gCO2e/MJ) and, in turn, GHG emissions are calculated in a well-to-wake perspective. The calculation takes into account emissions related to the extraction, cultivation, production and transportation of fuel, in addition to emissions from energy used on board the ship. The baseline for the calculation is the average well-to-wake GHG intensity of the fleet in 2020: 91.16 gCO2e/MJ. This will start at a 2% reduction in 2025, increasing to 6% in 2030, and accelerating from 2035 to reach an 80% reduction by 2050.

Increasing scrutiny and changing expectations from investors, banks, and other market participants with respect to our Environmental, Social and Governance ("ESG") policies may impose additional costs on us or expose us to additional risks.

Companies across all industries are facing increasing scrutiny relating to their ESG policies. Investor advocacy groups, certain institutional investors, investment funds, banks and other market participants are increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. Companies which do not adapt to or comply with investor, lender or other industry shareholder expectations and standards, which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and the business, financial condition, and/or stock price of such a company could be materially and adversely affected.

In February 2021, the former Acting Chair of the SEC issued a statement directing the Division of Corporation Finance to enhance its focus on climate-related disclosure in public company filings and in March 2021 the SEC announced the creation of a Climate and ESG Task Force in the Division of Enforcement (the "Task Force"). The Task Force's goal is to develop initiatives to proactively identify ESG-related misconduct consistent with increased investor reliance on climate and ESG-related disclosure and investment. To implement the Task Force's purpose, the SEC has taken several enforcement actions, with the first enforcement action taking place in May 2022, and proposed new rules. On March 21, 2022, the SEC proposed that all public companies are to include extensive climate-related information in their SEC filings. On May 25, 2022, SEC proposed a second set of rules aiming to curb the practice of "greenwashing" (i.e., making unfounded claims about one's ESG efforts) and would add proposed amendments to rules and reporting forms that apply to registered investment companies and advisers, advisers exempt from registration, and business development companies. On March 6, 2024, the SEC adopted final rules to require registrants to disclose certain climate-related information in SEC filings of all public companies. The final rules require companies to disclose, among other things: material climate-related risks; activities to mitigate or adapt to such risks; information about the registrant's board of directors' oversight of climate-related risks and management's role in managing material climate-related risks; and information on any climate-related targets or goals that are material to the registrant's business, results of operations, or financial condition. Further, to facilitate investors' assessment of certain climate-related risks, the final rules require disclosure of Scope 1 and/or Scope 2 greenhouse gas (GHG) emissions on a phased-in basis when those emissions are material; the filing of an attestation report covering the required disclosure of such registrants' Scope 1 and/or Scope 2 emissions, also on a phased-in basis; and disclosure of the financial statement effects of severe weather events and other natural conditions including, for example, costs and losses. The final rules include a phased-in compliance period for all registrants, with the compliance date dependent on the registrant's filer status and the content of the disclosure. Almost immediately upon release of the rules, multiple lawsuits challenging the rules were filed in federal court, and the cases were transferred to the Eighth Circuit Court of Appeals. On April 4, 2024, the SEC voluntarily issued a stay of the climate-related disclosure rules pending the completion of judicial review of the consolidated Eighth Circuit petitions, which is still ongoing. In addition, on June 28, 2024, in its decision of the combined cases of *Relentless v. Department of Commerce* and *Loper Bright Enterprises v. Raimondo,* the Supreme Court of the United States narrowed its view of agency authority by overturning Chevron deference, which required judges to defer to an agency's interpretation of relevant laws when its regulations are subject to a legal challenge. This decision will raise the burden for administrative agencies to prove they have the authority to create a rule and will likely create a hurdle for SEC's pending climate-related disclosure rules. The impact of the ongoing litigation with respect to these rules, as well as the change in administration, is uncertain. Costs of compliance with these new rules and any further climate-related disclosure rules that are adopted in the future may be significant and may have a material adverse effect on our future performance, results of operations, cash flows and financial position.

We may face increasing pressures from investors, future lenders and other market participants, who are increasingly focused on climate change, to prioritize sustainable energy practices, reduce our carbon footprint and promote sustainability. As a result, we may be required to implement more stringent ESG procedures or standards so that our existing and future investors and lenders remain invested in us and make further investments in us. If we do not meet these standards, our business and/or our ability to access capital could be harmed.

Additionally, certain investors and lenders may exclude companies, such as us, from their investing portfolios altogether due to environmental, social and governance factors. These limitations in both the debt and equity capital markets may affect our ability to grow as our plans for growth may include accessing the equity and debt capital markets. If those markets are unavailable, or if we are unable to access alternative means of financing on acceptable terms, or at all, we may be unable to implement our business strategy, which would have a material adverse effect on our financial condition and results of operations and impair our ability to service our then indebtedness, if any. Further, it is likely that we will incur additional costs and require additional resources to monitor, report and comply with wide ranging ESG requirements. The occurrence of any of the foregoing could have a material adverse effect on our business and financial condition.

The Public Company Accounting Oversight Board inspection of our independent accounting firm could lead to findings in our auditors' reports and challenge the accuracy of our published audited consolidated financial statements.

Auditors of U.S. public companies are required by law to undergo periodic Public Company Accounting Oversight Board, or PCAOB, inspections that assess their compliance with U.S. law and professional standards in connection with performance of audits of financial statements filed with the SEC. For several years certain European Union countries, including Greece, did not permit the PCAOB to conduct inspections of accounting firms established and operating in such European Union countries, even if they were part of major international firms. Accordingly, unlike for most U.S. public companies, the PCAOB was prevented from evaluating our auditor's performance of audits and its quality control procedures, and, unlike stockholders of most U.S. public companies, we and our stockholders were deprived of the possible benefits of such inspections. Since 2015, Greece has agreed to allow the PCAOB to conduct inspections of accounting firms operating in Greece. In the future, such PCAOB inspections could result in findings in our auditors' quality control procedures, question the validity of the auditor's reports on our published consolidated financial statements and the effectiveness of our internal control over financial reporting, and cast doubt upon the accuracy of our published audited financial statements.

We are subject to certain risks with respect to our counterparties on contracts, and failure of such counterparties to meet their obligations could cause us to suffer losses or otherwise adversely affect our business.

We have entered into, and may enter into in the future, various contracts, including, among other things, charter agreements, management agreements, shipbuilding contracts and credit facilities. Such agreements subject us to counterparty risks. The ability and willingness of each of our counterparties to perform their obligations under a contract with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the maritime and offshore industries, the overall financial condition of the counterparty, charter rates received for specific types of vessels, and various expenses. In depressed market conditions, our charterers may no longer need a vessel that is then under charter or contract or may be able to obtain a comparable vessel at lower rates. As a result, charterers may seek to renegotiate the terms of their existing charter agreements or avoid their obligations under those contracts. Furthermore, it is possible that parties with whom we have charter contracts may be impacted by events in Russia and Ukraine and in the Middle East, including in the Red Sea area, and any resulting sanctions. If our charterers fail to meet their obligations to us or attempt to renegotiate our charter agreements, it may be difficult to secure substitute employment for such vessels, and any new charter arrangements we secure may be at lower rates. As a result, this may have a significant impact on our revenues due to our concentrated customer base, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Should a counterparty fail to honor its obligations under agreements with us, we could sustain significant losses, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In the highly competitive international shipping industry, we may not be able to compete for charters with new entrants or established companies with greater resources, and as a result, we may be unable to employ our vessels profitably.

The dry-bulk and product tanker markets are extremely competitive and highly fragmented. Competition for the transportation of dry bulk cargoes and refined petroleum products by sea is intense and depends on price, location, size, age, condition and the acceptability of the vessel and its operators to the charterers. Competition arises primarily from other vessel owners, including major dry cargo and oil companies as well as independent operators, some of whom have substantially greater resources than we do. Due in part to the highly fragmented market, competitors with greater resources than us could enter the shipping industry and operate larger fleets through consolidations or acquisitions and may be able to offer lower charter rates and more modern vessels than we are able to offer. If we are unable to successfully compete with other shipping companies, our results of operations may be adversely impacted.

We may be unable to attract and retain qualified key management personnel, key employees or key consultants, which may delay our development efforts or otherwise harm our business.

Our future development and prospects depend to a large degree on the abilities and efforts of our senior management team. Retention of these services or the identification of suitable replacements in case of future vacancies cannot be guaranteed. There can be no guarantee that the services of the current directors and senior management team will be retained, or that suitably skilled and qualified individuals can be identified and employed, which may adversely impact our commercial and financial performance. The loss of the services of any of these individuals and the costs of recruiting replacements may have a material adverse effect on our business prospects, commercial and financial performance. If we are unable to hire, train and retain such personnel in a timely manner, our operations could be delayed and our ability to grow our business will be impaired and the delay and inability may have a detrimental effect upon our performance.

Technological developments which affect global trade flows and supply chains may affect the demand for our vessels.

Our customers have a high and increasing focus on quality and compliance standards with their suppliers across the entire supply chain, including the shipping and transportation segment. Our continued compliance with these standards and quality requirements is vital for our operations. The charter rates and the value and operational life of a vessel are determined by a number of factors including the vessel's efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy and the ability to load and discharge cargo quickly. Flexibility includes the ability to enter harbors, utilize related shipyards and pass through canals and straits. The length of a vessel's physical life is related to its original design and construction, its maintenance and the impact of the stress of operations. We face competition from companies with more modern vessels having more fuel efficient designs than our vessels, or eco vessels, and if new vessels are built that are more efficient or more flexible or have longer physical lives than the current eco vessels, competition from the current eco vessels and any more technologically advanced vessels could adversely affect the amount of charter payments we receive for our vessels and the resale value of our vessels could significantly decrease. In these circumstances, we may also be forced to charter our vessels to less creditworthy charterers, either because top tier charters will not charter older and less technologically advanced vessels or will only charter such vessels at lower contracted charter rates than we are able to obtain from these less creditworthy, second tier charterers. Similarly, technologically advanced vessels are needed to comply with environmental laws, the investment in which, along with the foregoing, could have a material adverse effect on our results of operations, charter hire payments and resale value of vessels. This could have an adverse effect on our results of operations, cash flows, financial condition and ability to pay dividends, if and when declared.

Technological developments which affect global trade flows and supply chains may affect the demand for our vessels.

By reducing the cost of labor through automation and digitization and increasing the consumers power to demand goods, technology is changing the business models and production of goods in many industries. Consequently, supply chains are being pulled closer to the end-customer and are required to be more responsive to changing demand patterns. As a result, fewer intermediate and raw inputs are traded, which could lead to a decrease in shipping activity. If automation and digitization become more commercially viable and/or production becomes more regional or local, total trade volumes would decrease, which would adversely affect demand for our services. Supply chain disruptions caused by geopolitical events, rising tariff barriers and environmental concerns may also accelerate these trends.

We may not have adequate insurance to compensate us if we lose our vessels or to compensate third parties.

We procure insurance for our fleet against risks commonly insured by vessel owners and operators. Our current insurance includes hull and machinery insurance, war risk insurance, protection and indemnity insurance (which includes environmental damage and pollution insurance) and freight, demurrage and defense insurance. Despite the above policies, we may not be insured in amounts sufficient to address all risks and we or an intermediary may not be able to obtain adequate insurance coverage for our vessels in the future or may not be able to obtain certain coverage at reasonable rates. Even if our insurance coverage is adequate to cover our losses, we may not be able to timely obtain a replacement vessel in the event of a loss. Additionally, our insurers may refuse to pay particular claims, and our insurance may be voidable by the insurers if we take, or fail to take, certain action, such as failing to maintain certification of our vessels with applicable maritime regulatory organizations. We may also be subject to calls, or premiums, in amounts based not only on our own claim records but also the claim records of all other members of the protection and indemnity associations through which we receive indemnity insurance coverage for tort liability. Our insurance policies also contain deductibles, limitations and exclusions which, although we believe are standard in the shipping industry, may nevertheless increase our costs. In addition, we do not presently carry loss-of-hire insurance, which covers the loss of revenue during extended vessel off-hire periods, such as those that might occur during an unscheduled drydocking due to damage to the vessel from a major accident. Any of these factors could have a material adverse effect on our financial condition.

We are exposed to U.S. dollar and foreign currency fluctuations and devaluations that may adversely affect our results of operations.

We generate all of our revenues in U.S. dollars and most of our expenses are in U.S. dollars. Although our expenses are not significantly affected by fluctuations in exchange rates, they may be affected in the future and this could affect the amounts of net income that we report in future periods. While we historically have not mitigated the risk associated with exchange rate fluctuations through the use of financial derivatives, we may employ such instruments from time to time in the future in order to minimize any such risk. Our use of financial derivatives would involve certain risks, including the risk that losses on a hedged position could exceed the nominal amount invested in the instrument and the risk that the counterparty to the derivative transaction may be unable or unwilling to satisfy its contractual obligations, which could have an adverse effect on our financial condition and results of operations.

We depend upon a few significant customers for a large part of our revenues and the loss of one or more of these customers could adversely affect our operating results and financial performance.

Historically, a small number of charterers have accounted for a significant part of our revenues. Indicatively, for 2024 and 2023, we derived 57% and 51%, respectively, of our consolidated operating revenues from three and three charterers, respectively. Our charters may be terminated early due to certain events, such as a client's failure to make payments to us because of financial inability, disagreements with us or otherwise. The ability of each of our counterparties to perform their obligations under a charter with us depends on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the shipping industry, prevailing prices for the commodities and products which we transport and the overall financial condition of the counterparty. Should a counterparty fail to honor its obligations under an agreement with us, we may be unable to realize revenue under that charter and could sustain losses. In addition, if we lose an existing client, it may be difficult for us to promptly replace the revenue we derived from that counterparty. Any of these factors could have a material adverse effect on our business, financial condition, cash flows and operating results.

We are an "emerging growth company" and we cannot be certain that the reduced disclosure and other requirements applicable to emerging growth companies will not make our common shares less attractive to investors.

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act ("JOBS Act"), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. We cannot predict if investors will find our common shares less attractive because we may rely on these exemptions. If some investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and our share price may be more volatile.

In addition, under the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley") for so long as we are an emerging growth company.

For as long as we take advantage of the reduced reporting obligations, the information that we provide our shareholders may be different from information provided by other public companies. We are choosing to "opt out" of the extended transition period relating to the exemption from new or revised financial accounting standards and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth public companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

We will remain an emerging growth company until the earliest of: (i) the last day of the first fiscal year in which our annual gross revenue exceeds $1.235 billion; (ii) the last day of the fiscal year during which the fifth anniversary of the date of the IPO occurs; (iii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock that are held by nonaffiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter; or (iv) the date on which we have issued more than $1 billion in non-convertible debt securities during any three-year period. Once we lose emerging growth company status, we expect the costs and demands placed upon our management to increase, as we will be required to comply with additional disclosure and accounting requirements. In addition, management time and attention, as well as the engagement of our auditors and/or other consultants, will be required in order for us to prepare to comply with the increased disclosure and accounting standards required of companies who are not emerging growth companies, most notably compliance with Section 404 of the Sarbanes-Oxley Act and related auditor attestation requirements.

We are a holding company, and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations.

We are a holding company, and our subsidiaries conduct all of our operations and own all of our operating assets. We have no significant assets other than the equity interests in our subsidiaries. As a result, our ability to satisfy our obligations depends on our subsidiaries and their ability to distribute funds to us. If we are unable to obtain funds from our subsidiaries, we may not be able to satisfy our obligations.

We hold a minority interest in certain transactions and our views about the operations of those vessels may differ from our partners and adversely affect our interest in the investment.

We agreed to invest, as a minority interest holder, in the construction of two methanol-ready, stainless steel chemical tankers. As a minority interest holder in this investment, our partners may have interests that are different from ours which may result in conflicting views as to the operation of the vessels and we may not be able to control the operation of these vessels when delivered or otherwise operate the company in which we have invested in a manner that we believe to be most profitable to its equity holders. However, there can be no assurance that we will complete this investment successfully or identify any similar successful opportunities in the future.

Because we are organized under the laws of the Marshall Islands, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.

We are organized under the laws of the Marshall Islands, and substantially all of our assets are located outside of the United States. In addition, the majority of our directors and officers are non-residents of the United States, and all or a substantial portion of the assets of these non-residents are located outside the United States. As a result, it may be difficult or impossible for someone to bring an action against us or against these individuals in the United States if they believe that their rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Marshall Islands and of other jurisdictions may prevent or restrict them from enforcing a judgment against our assets or the assets of our directors or officers.

The international nature of our operations may make the outcome of any bankruptcy proceedings difficult to predict.

We are incorporated under the laws of the Republic of the Marshall Islands and we conduct operations in countries around the world. Consequently, in the event of any bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding involving us or any of our subsidiaries, bankruptcy laws other than those of the United States could apply. If we become a debtor under U.S. bankruptcy law, bankruptcy courts in the United States may seek to assert jurisdiction over all of our assets, wherever located, including property situated in other countries. There can be no assurance, however, that we would become a debtor in the United States, or that a U.S. bankruptcy court would be entitled to, or accept, jurisdiction over such a bankruptcy case, or that courts in other countries that have jurisdiction over us and our operations would recognize a U.S. bankruptcy court's jurisdiction if any other bankruptcy court would determine it had jurisdiction.

If we expand our business further, we may need to improve our operating and financial systems and will need to recruit suitable employees and crew for our vessels.

Our current operating and financial systems may not be adequate if we further expand the size of our fleet and our attempts to improve those systems may be ineffective. In addition, if we expand our fleet further, we will need to recruit suitable additional seafarers and management personnel. While we have not experienced any difficulty in recruiting to date, we cannot guarantee that we will be able to continue to hire suitable employees if we expand our fleet. If we or our crewing agents encounter business or financial difficulties, we may not be able to adequately staff our vessels. If we are unable to grow our financial and operating systems or to recruit suitable employees, should we determine to expand our fleet, our financial performance may be adversely affected, among other things.

We may be subject to United States federal income tax on United States source income, which would reduce our earnings.

Under the United States Internal Revenue Code of 1986, as amended (the "Code"), 50% of the gross shipping income of a vessel owning or chartering corporation, such as ourselves and our subsidiaries, that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States may be subject to a 4% United States federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the regulations promulgated thereunder.

It is expected that the Company qualified for this statutory tax exemption for the prior taxable period and we will take this position for United States federal income tax return reporting purposes. However, there are factual circumstances beyond our control that could cause us to lose the benefit of this tax exemption in the current or future taxable years and thereby become subject to United States federal income tax on our United States source income. For example, if shareholders with a five percent or greater interest in the Company's stock were, in the aggregate, to own 50% or more of our outstanding common shares on more than half the days during the taxable year, we may not be able to qualify for exemption under Section 883. Due to the factual nature of the issues involved, we can give no assurances on our tax-exempt status or that of any of our subsidiaries.

If the Company is not entitled to exemption under Section 883 for any taxable year, the Company, as applicable, could be subject for those years to an effective 2% United States federal income tax on the shipping income such company derives during the year that is attributable to the transport or cargoes to or from the United States. The imposition of this taxation might have a negative effect on our business and would result in decreased earnings available for distribution to our shareholders. See "Item 10. Additional Information-E. Taxation" for a more comprehensive discussion of United States federal income tax considerations.

United States tax authorities could treat the Company as a "passive foreign investment company," which could have adverse United States federal income tax consequences to United States holders.

A foreign corporation will be treated as a "passive foreign investment company," or PFIC, for United States federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of certain types of "passive income" or (2) at least 50% of the average value of the corporation's assets produce or are held for the production of those types of "passive income." For purposes of these tests, "passive income" includes dividends, interest, gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute "passive income." United States shareholders of a PFIC are subject to a disadvantageous United States federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC.

Based on our method of operations, we do not expect to be a PFIC with respect to any taxable year. In this regard, it is expected that gross income derived or are deemed to have been derived from time chartering activities will be treated as services income, rather than rental income. Accordingly, it is expected that income from time chartering activities should not constitute "passive income," and the assets that we own and operate in connection with the production of that income should not constitute passive assets.

There is substantial legal authority supporting this position consisting of case law and IRS pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, it should be noted that there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. Accordingly, no assurance can be given that the IRS or a court of law will accept this position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, no assurance can be given that we would not constitute a PFIC for any future taxable year if the nature and extent of our operations changed.

If the IRS were to find that we are or have been a PFIC for any taxable year, our United States shareholders will face adverse United States federal income tax consequences. Under the PFIC rules, unless those shareholders make an election available under the Code (which election could itself have adverse consequences for such shareholders, as discussed in the section of this annual report entitled "Item 10. Additional Information-E. Taxation-United States Federal Income Taxation-Passive Foreign Investment Company Status and Significant Tax Consequences"), such shareholders would be subject to U.S. federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of our common shares, as if the excess distribution or gain had been recognized ratably over the United States shareholder's holding period of our common shares, as applicable.

Based on our current and expected composition and our respective subsidiaries' assets and income, it is not anticipated that we will be treated as a PFIC this taxable year. Actual PFIC status for any taxable year, however, will not be determinable until after the end of such taxable year. Accordingly, there can be no assurances regarding our status as a PFIC for the current taxable year or any future taxable year. See the discussion in "Item 10. Additional Information-E. Taxation-United States Federal Income Taxation- Passive Foreign Investment Company Status and Significant Tax Consequences". Our United States shareholders are urged to consult with their own tax advisors regarding the possible application of the PFIC rules.

Changes in tax laws and unanticipated tax liabilities could materially and adversely affect the taxes we pay, results of operations and financial results.

Our results of operations and financial results may be affected by tax and other initiatives around the world. For instance, there is a high level of uncertainty in today's tax environment stemming from global initiatives put forth by the Economic Co-operation and Development's ("OECD") two-pillar base erosion and profit shifting project. In October 2021, members of the OECD put forth two proposals: (i) Pillar One reallocates profit to the market jurisdictions where sales arise versus physical presence; and (ii) Pillar Two compels multinational corporations with €750 million or more in annual revenue to pay a global minimum tax of 15% on income received in each country in which they operate. The reforms aim to level the playing field between countries by discouraging them from reducing their corporate income taxes to attract foreign business investment. Over 140 countries agreed to enact the two-pillar solution to address the challenges arising from the digitalization of the economy and, in 2024, these guidelines were declared effective and must now be enacted by those OECD member countries. It is possible that these guidelines, including the global minimum corporate tax rate measure of 15%, could increase the burden and costs of our tax compliance, the amount of taxes we incur in those jurisdictions and our global effective tax rate, which could have a material adverse impact on our results of operations and financial results.

Our corporate governance practices are in compliance with, and are not prohibited by, the laws of the Republic of the Marshall Islands, and as such we are entitled to exemption from certain Nasdaq corporate governance standards. As a result, you may not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements.

Our corporate governance practices are in compliance with, and are not prohibited by, the laws of the Republic of the Marshall Islands. Therefore, we are exempt from some of Nasdaq's corporate governance practices other than the requirements regarding the disclosure of a going concern audit opinion, submission of a listing agreement, notification of material non-compliance with Nasdaq corporate governance practices, and the establishment and composition of an audit committee and a formal written audit committee charter. For a list of the practices followed by us in lieu of Nasdaq's corporate governance rules, we refer you to "Item 16G. Corporate Governance" in this annual report.

Risks Relating to our Securities

We do not have a declared dividend policy and cannot assure you that our board of directors will declare dividend payments in the future.

The declaration and payment of dividends, if any, will always be subject to the discretion of our board of directors. We do not have a declared dividend policy and if the Board determines to declare cash dividends on our common and preferred shares, or certain other securities, the timing and amount of any dividends declared will depend on, among other things, our earnings, financial condition and cash requirements and availability, our ability to obtain debt and equity financing on acceptable terms, or at all, as contemplated by our growth strategy, and the provisions of Marshall Islands law affecting the payment of dividends. In addition, other external factors, such as our future lenders imposing restrictions on our ability to pay dividends under the terms of future loan facilities we may enter into, may limit our ability to pay dividends.

Our growth strategy contemplates that we will finance the acquisition of additional vessels through a combination of debt and equity financing on terms acceptable to us. If financing is not available to us on acceptable terms, our board of directors may determine to finance or refinance acquisitions with cash from operations, which could also reduce or even eliminate the amount of cash available for the payment of dividends.

Marshall Islands law generally prohibits the payment of dividends other than from surplus (retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend. We may not have sufficient surplus in the future to pay dividends. We can give no assurance that we will reinstate our dividends in the future or when such reinstatement might occur.

In addition, our ability to pay dividends to holders of our common shares will be subject to the rights of holders of our Series C Preferred Stock and our Series D Preferred Stock (and other preferred stock we have issued, or will issue in the future, with dividend rights ranking higher than our common shares), which in each case do or might rank prior to our common shares with respect to dividends, distributions and payments upon liquidation. No cash dividend may be paid on our common stock unless full cumulative dividends have been or contemporaneously are being paid or provided for on all outstanding shares of Series C Preferred Stock and Series D Preferred Stock (and other preferred stock we have issued, or will issue in the future, with dividend rights ranking higher than our common shares) for all prior and the then-ending dividend periods. Cumulative dividends on our shares of Series C Preferred Stock and Series D Preferred Stock accrue at a rate of 8.0% and 7.0% per annum, respectively, at a stated liquidation preference of $1,000 per Series C and Series D Preferred Share and are payable in cash or, at our election, in kind, quarterly on January 15, April 15, July 15 and October 15 of each year, or, if any such dividend payment date otherwise would fall on a date that is not a business day, the immediately succeeding business day.

If we do not have sufficient cash to pay dividends on our Series C Preferred Stock and Series D Preferred Stock when due, we may suffer adverse consequences.

Dividends to holders of our shares of Series C Preferred Stock and Series D Preferred Stock will be paid in cash or, at our election, in kind. If we do not have sufficient cash to pay dividends to holders of shares of Series C Preferred Stock and/or Series D Preferred Stock or otherwise elect to pay dividends on our Series C Preferred Stock and/or Series D Preferred Stock in kind, in the form of additional shares of common stock, then such issuance of additional shares of common stock will result in dilution to our existing shareholders and in additional dividend payment obligations of the Company going forward in periods when our board of directors determines to declare common share dividends. In addition, a failure to pay dividends on our Series C Preferred Stock and/or Series D Preferred Stock when due will adversely affect our ability to utilize shelf registration statements to sell our securities, which may be an important fund-raising avenue for us in the future.

Shares of our Series C and Series D Preferred Stock are convertible into our Common Shares, and our Series E Preferred Stock are contingently exercisable into our Common Shares, which could have an adverse effect on the value of our Common Shares.

Shares of our Series C and Series D Preferred Stock are convertible, in whole or in part, at their holder’s option, to shares of our common stock at any time. In addition, shares of Series E Preferred Stock may be convertible into shares of our common stock upon the occurrence of certain events. The conversion of our Series C or Series D Preferred Stock, or under limited circumstances, our Series E Preferred Stock, could result in dilution to our existing shareholders at the time of conversion. Accordingly, the existence of the Series C and Series D Preferred Stock and the ability of a holder to convert the shares of these shares of preferred stock into shares of our common stock could have a material adverse effect on the value of our common stock.

The market prices and trading volume of our shares of common stock has and may continue to experience rapid and substantial price volatility, which could cause purchasers of our common stock to incur substantial losses.

The market prices and trading volume of shares of common stock of other small publicly traded companies with a limited number of shares available to purchasers, have experienced recently and over the years rapid and substantial price volatility unrelated to the financial performance of those companies. Similarly, shares of our common stock have and may continue to experience similar rapid and substantial price volatility unrelated to our financial performance, which could cause purchasers of our common stock to incur substantial losses, which may be unpredictable and not bear any relationship to our business and financial performance. Extreme fluctuations in the market price of our common stock may occur in response to strong and atypical retail investor interest, including on social media and online forums, the direct access by retail investors to broadly available trading platforms, the amount and status of short interest in our common stock and our other securities, access to margin debt, trading in options and other derivatives on our shares of common stock and any related hedging and other trading factors:

If there is extreme market volatility and trading patterns in our common stock, it may create several risks for purchasers of our shares, including the following:

- the market price of our common stock may experience rapid and substantial increases or decreases unrelated to our operating performance or prospects, or macro or industry fundamentals;
- if our future market capitalization reflects trading dynamics unrelated to our financial performance or prospects, purchasers of our common stock could incur substantial losses as prices decline once the level of market volatility has abated;
- if the future market price of our common stock declines, purchasers of shares of common stock may be unable to resell such shares at or above the price at which they acquired them. We cannot assure such purchasers that the market of our common stock will not fluctuate or decline significantly in the future, in which case investors could incur substantial losses.

Further, we may incur rapid and substantial increases or decreases in our common stock price in the foreseeable future that may not coincide in timing with the disclosure of news or developments by or affecting us. Accordingly, the market price of our common stock may fluctuate dramatically, and may decline rapidly, regardless of any developments in our business. Overall, there are various factors, many of which are beyond our control, that could negatively affect the market price of our common stock or result in fluctuations in the price or trading volume of our common stock, including but not limited to:

- actual or anticipated variations in our annual or quarterly results of operations, including our earnings estimates and whether we meet market expectations with regard to our operating results;
- our ability to pay dividends or other distributions;
- publication of research reports by analysts or others about us or the shipping industry in which we operate which may be unfavorable, inaccurate, inconsistent or not disseminated on a regular basis;
- changes in market valuations of similar companies;
- our continued compliance with Nasdaq’s listing standards;
- market reaction to any additional equity, debt or other securities that we may issue in the future, and which may or may not dilute the holdings of our existing stockholders;
- additions or departures of key personnel;
- actions by institutional or significant stockholders;
- short interest in our common stock or our other securities and the market response to such short interest;
- the dramatic increase in the number of individual holders of our common stock and their participation in social media platforms targeted at speculative investing;
- speculation in the press or investment community about our company or industry in which we operate;
- strategic actions by us or our competitors, such as acquisitions or other investments;
- legislative, administrative, regulatory or other actions affecting our business, our industry;
- investigations, proceedings, or litigation that involve or affect us;
- the occurrence of any of the events described in other risk factors included in this annual report; and
- general market and economic conditions.

We may not be able to maintain compliance with Nasdaq's continued listing requirements.

Our common stock is listed on the Nasdaq Capital Market. If we fail to maintain compliance with all applicable continued listing requirements for Nasdaq, such as the minimum $1.00 per share bid price requirement, and Nasdaq determines to delist our common stock, the delisting could adversely affect the market liquidity of our common stock, our ability to obtain financing, repay any debt we may incur in the future and fund our operations. In addition, our ability to raise additional capital through equity or debt financing would be greatly impaired. A suspension or delisting may also breach the terms of certain of our material contracts.

We are incorporated in the Marshall Islands, which does not have a well-developed body of corporate law, thus, you may have more difficulty protecting your interests than shareholders of a U.S. corporation.

Our corporate affairs are governed by our amended and restated articles of incorporation and bylaws and by the Marshall Islands Business Corporations Act, or the BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the laws of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in the United States. The rights of shareholders of the Marshall Islands may differ from the rights of shareholders of companies incorporated in the United States. While the BCA provides that it is to be interpreted according to the laws of the State of Delaware and other states with substantially similar legislative provisions, there have been few, if any, court cases interpreting the BCA in the Marshall Islands and we cannot predict whether Marshall Islands courts would reach the same conclusions as U.S. courts. Thus, you may have more difficulty in protecting your interests in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction which has developed a relatively more substantial body of case law.

As a Marshall Islands corporation and with some of our subsidiaries being Marshall Islands entities and also having subsidiaries in other offshore jurisdictions, our operations may be subject to economic substance requirements, which could impact our business.

We are a Marshall Islands corporation and some of our subsidiaries are Marshall Islands entities. The Marshall Islands has enacted economic substance laws and regulations with which we may be obligated to comply. We believe that we and our subsidiaries are compliant with the Marshall Islands economic substance requirements. However, if there were a change in the requirements or interpretation thereof, or if there were an unexpected change to our operations, any such change could result in noncompliance with the economic substance legislation and related fines or other penalties, increased monitoring and audits, and dissolution of the non-compliant entity, which could have an adverse effect on our business, financial condition or operating results.

EU Finance ministers rate jurisdictions for tax rates and tax transparency, governance and real economic activity. Countries that are viewed by such finance ministers as not adequately cooperating, including by not implementing sufficient standards in respect of the foregoing, may be put on a "grey list" or a "blacklist". Effective as of October 17, 2023, the Marshall Islands has been designated as a cooperating jurisdiction for tax purposes. If the Marshall Islands is added to the list of non-cooperative jurisdictions in the future and sanctions or other financial, tax or regulatory measures were applied by European Member States to countries on the list or further economic substance requirements were imposed by the Marshall Islands, our business could be harmed.

Certain of our affiliates hold certain of our common shares and certain of our Preferred Shares that, together, allow them to exert considerable influence over matters on which our shareholders are entitled to vote.

As of April 11, 2025 Diana Shipping owned 48.63% of our issued and outstanding shares of common stock and 207 shares of our Series C Preferred Stock. Through its beneficial ownership of common shares of Series B Preferred Stock, Diana Shipping is able to establish a quorum at any shareholder meeting. While Diana Shipping has no agreement, arrangement or understanding relating to the voting of its common shares or shares of Series B Preferred Stock, it is able to influence the outcome of matters on which our shareholders are entitled to vote, including the election of directors and other significant corporate actions. In addition, an entity controlled by our Chairperson, also has the ability to cause the vote of up to 15% of the total number of votes entitled to vote on all matters submitted to a vote of our common shareholders through the ownership of our issued and outstanding Series E Preferred Shares. This concentration of ownership may have the effect of delaying, deferring, or preventing a change in control, merger, consolidation, takeover or other business combination. This concentration of ownership could also discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, which could in turn have an adverse effect on the market price of our shares. So long as Diana Shipping continues to have a significant interest on us, even though the amount is less than 50% of our voting power, it will continue to be able to exercise considerable influence over our decisions. The interests of Diana Shipping may be different from your interests.

Future issuances or sales of our common stock could cause the market price of our common stock to decline.

Issuances or sales of a substantial number of shares of our common stock in the public market, or the perception that these sales could occur, may depress the market price for our common stock. These issuances and sales could also impair our ability to raise additional capital through the sale of our equity securities in the future.

As of April 11, 2025, we had outstanding Class A warrants under the January 2022 Offering (refer to discussion in Item 4. Information on the Company under the section "History and Development of the Company" below) that may obligate us to issue up to an additional of 72,370 common shares, and outstanding Class B warrants under the 2023 Registered Direct Offering that may obligate us to issue up to an additional of 750,000 common shares, or of 822,370 common shares in the aggregate, upon the exercise of these warrants in full. In addition, we may issue additional shares of common stock upon the conversion of one or more series of our preferred shares and may issue additional securities in the future for any purpose and for such consideration and on such terms and conditions as we may determine appropriate or necessary, including in connection with equity awards, financings or other strategic transactions. In addition, our stockholders may elect to sell large numbers of shares held by them from time to time.

Our amended and restated articles of incorporation authorize us to issue up to 1,000,000,000 shares of common stock, of which 7,504,982 shares were issued and outstanding as of April 11, 2025. The number of shares of common stock available for sale in the public market will be limited by restrictions applicable under securities laws.

The market price of our common shares could also decline due to sales, or the announcements of proposed sales, of a large number of common shares by our large shareholders, or the perception that these sales could occur.

Anti-takeover provisions in our organizational documents could make it difficult for our shareholders to replace or remove our current board of directors or have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of our common stock.

Several provisions of our amended and restated articles of incorporation and bylaws could make it difficult for our shareholders to change the composition of our board of directors in any one year, preventing them from changing the composition of management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that shareholders may consider favorable.

These provisions include:

- authorizing our board of directors to issue "blank check" preferred stock without shareholder approval;
- providing for a classified board of directors with staggered, three-year terms;
- prohibiting cumulative voting in the election of directors;
- authorizing the removal of directors only for cause and only upon the affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote for the directors;
- prohibiting shareholder action by written consent;
- limiting the persons who may call special meetings of shareholders; and
- establishing advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by shareholders at shareholder meetings.

In addition, we have adopted a Stockholders Rights Agreement, pursuant to which our board of directors may cause the substantial dilution of any person that attempts to acquire us without the approval of our board of directors.

These anti-takeover provisions, including provisions of our Stockholders Rights Agreement, could substantially impede the ability of public shareholders to benefit from a change in control and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

Item 4. Information on the Company

A. History and Development of the Company

OceanPal Inc. was incorporated by Diana Shipping (NYSE: DSX) under the laws of the Republic of the Marshall Islands on April 15, 2021 to serve as the holding company of the three former vessel owning subsidiaries that were contributed to us by Diana Shipping, together with $1.0 million in working capital, in connection with the distribution by us of all of the 44,101 issued and outstanding common stock to Diana Shipping's shareholders on November 29, 2021 (the "Spin-Off"). In connection with the Spin-Off, Diana Shipping received 500,000 shares of our Series B Preferred Stock and 10,000 shares of our 8.0% Series C Preferred Stock. Our common stock trades on the Nasdaq Capital Market under the ticker symbol "OP" since November 30, 2021.

We and Diana Shipping are independent publicly traded companies with separate independent boards of directors. Effective December 22, 2022, and June 8, 2023, we effected a 1-for-10 and a 1-for-20 reverse stock splits, respectively, on our common stock. All share and per share amounts disclosed herein, give effect to these reverse stock splits retroactively, for all periods presented, unless indicated otherwise.

We are an independent provider of worldwide ocean-going transportation services. As of the date of this annual report, we own and operate three Panamax dry bulk carriers that transport major bulks such as iron ore, coal and grains, and minor bulks with a total cargo carrying capacity of approximately 223,546 dwt and one MR2 product tanker vessel having a carrying capacity of 49,999 dwt. We intend to expand our fleet in the future and may acquire additional dry bulk and tanker vessels as well as vessels in other sectors based on our assessment of market conditions. We intend to acquire additional vessels principally in the secondhand market, including acquisitions from unrelated third parties, and we may also acquire additional vessels from Diana Shipping or other related parties, provided that such related party acquisitions are negotiated and conducted on an arms-length basis. Diana Shipping has granted us a right of first refusal over six identified dry bulk carriers owned by Diana Shipping on the Spin-Off date. As of the date of this annual report, one of the six identified vessels from Diana Shipping remains available for our purchase. Pursuant to this right of first refusal, we have the right, but not the obligation, to purchase this identified vessel when and if Diana Shipping determines to sell the vessel at fair market value at the time of sale. See "Item 7. Major Shareholders and Related Party Transactions-B. Related Party Transactions." We may also enter into newbuilding contracts to the extent that we believe they present attractive opportunities.

Our executive offices are located at Pendelis 26, 175 64 Palaio Faliro, Athens, Greece. Our telephone number at this address is +30-210-9485-360. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of the SEC's Internet site is http://www.sec.gov. Our internet address is http://www.oceanpal.com. None of the information contained on these websites is incorporated into or forms a part of this annual report.

January 2022 Offering

On January 25, 2022, we closed an underwritten public offering of 15,571,429 units at a price of $0.77 per unit, 200 units consisting of one share of our common stock (or 200 pre-funded warrants in lieu of one share of our common stock) and 200 Class A warrants to purchase one share of our common stock. In addition, certain selling shareholders affiliated with us (the "Selling Shareholders") sold an aggregate of 3,143 shares of common stock in the offering. Each of the 3,143 shares of common stock sold by the Selling Shareholders on the primary offering, was delivered to the underwriters with 200 additional Class A warrants to purchase one share of common stock (sold by us), on a firm commitment basis. In addition, the underwriter for the offering fully-exercised its option to purchase an additional 5,743 common shares from the Selling Shareholders and 6,407 common shares, along with 2,430,000 Class A warrants from us to purchase 12,150 shares of common stock. Each of the 5,743 shares of common stock sold by the Selling Shareholders upon exercise of the underwriters' over-allotment option, was sold with 200 Class A warrants (sold by us) to purchase one share of our common stock, on a firm commitment basis. All pre-funded warrants related to this offering were exercised during 2022, whereas, as of April 11, 2025, Class A warrants to purchase 72,370 common shares remained available for exercise at an exercise price of $154.00 per share. The gross proceeds of the offering to us, before underwriting discounts and commissions and estimated offering expenses, were $16.19 million (including the exercise of the overallotment option, the exercise of 4,156,000 Class A warrants to purchase 20,780 shares of common stock, and the exercise of all pre-funded warrants). We did not receive any of the proceeds from the sale of common shares by the Selling Shareholders and we only received the proceeds for the Class A warrants sold together with the Selling Shareholders' shares of common stock. We refer to this offering as the "January 2022 Offering."

2023 Registered Direct Offering and Concurrent Private Placement

On February 10, 2023, we issued 15,000,000 units with each twenty units consisting of one share of common stock (or twenty pre-funded warrants in lieu of one share of our common stock) and twenty Class B Warrants. We also offered to each purchaser, with respect to the purchase of units that would otherwise result in the purchaser's beneficial ownership exceeding 4.99% of our outstanding common stock immediately following the consummation of this offering, the opportunity to purchase twenty pre-funded warrants in lieu of one share of common stock. Each twenty pre-funded warrants were exercisable for one share of common stock at an exercise price of $0.20 per share. As of December 31, 2023, all the pre-funded warrants related to this offering have been exercised, and, further, as of April 11, 2025, all Class B warrants to purchase 750,000 common shares remained available for exercise at an exercise price of $20.20 per share. The gross proceeds of the offering to us, before deducting for placement agency fees and estimated offering expenses, including the exercise of pre-funded warrants, were $15.15 million. We refer to this offering as the "February 2023 Registered Direct Offering" On the same date, February 10, 2023, we sold to each purchaser of the units, 15,000,000 unregistered privately placed warrants, to purchase up to an aggregate of 750,000 shares of our common stock at an exercise price of $20.20 per share. On February 23, 2023, we filed with the SEC a resale registration agreement in Form F-1 regarding the privately placed warrants which was declared effective on March 8, 2023. All the privately placed warrants were exercised by September 29, 2023. We did not receive any proceeds from the exercise of the privately placed warrants since these were exercised on an alternative cashless basis, resulting to the issuance of 562,501 shares of common stock. We refer to this offering as the "Concurrent Private Placement" or the "Selling Shareholders Registration Statement".

2021 Equity Incentive Plan

On February 21, 2024, and March 12, 2025, our Board of Directors approved the award of 3,332 shares and 3,332 shares, respectively, of Series C Preferred Stock to our directors, pursuant to our 2021 Equity Incentive Plan, as amended and restated (the "2021 Equity Incentive Plan"), as an annual incentive bonus.

On April 10, 2024, we further amended and restated our 2021 Equity Incentive Plan so that the maximum aggregate number of shares of common stock that may be delivered pursuant to awards granted under the 2021 Equity Incentive Plan, is 2,000,000.

On March 11, 2025, we further amended and restated our 2021 Equity Incentive Plan so that the maximum aggregate number of shares Series C Preferred Stock that may be delivered pursuant to awards granted under the 2021 Equity Incentive Plan, is 25,000.

Vessel Acquisition

On July 15, 2024, we, through a separate wholly-owned subsidiary, entered into a Memorandum of Agreement to acquire an MR2 product tanker vessel, the m/t Zeze Start, for a total consideration of $27.0 million from an entity controlled by a director of the Company. Of the agreed purchase price, $18.9 million was paid in cash and the remaining amount was settled through the issuance on September 11, 2024, of 9,442 shares of the Company's Series D Preferred Stock. Of the cash consideration, $10.9 million was repaid to the sellers along with interest after the delivery of the vessel, on November 19, 2024, pursuant to a seller's agreement entered into between us and the seller on August 13, 2024. The vessel was delivered to us on September 9, 2024. The acquisition of the vessel was approved by a committee of independent members of our Board of Directors.

Vessel Sales

On April 30, 2024, we, through a separate wholly owned subsidiary, entered into a Memorandum of Agreement to sell to a third party, for a sale price of $18.2 million, the 2005-built vessel m/v Baltimore, which was delivered to its buyers on November 19, 2024.

On January 21, 2025, we, through a separate wholly owned subsidiary, entered into a Memorandum of Agreement to sell to a third party, for a sale price of $16.1 million, the 2005-built vessel m/v Salt Lake City, with was delivered to its buyers on February 13, 2025.

Support Agreement

On May 17, 2024, we entered into a Support Agreement with Sphinx Investment Corp. ("Sphinx"), which currently owns approximately 14.0% of the Company's outstanding common stock, providing for the future support of the Company and its Board by Sphinx. In exchange for Sphinx's support and strategic advice, the Company paid Sphinx a non-refundable lumpsum amount of $6.75 million which included reimbursement for certain of its out of pocket and other expenses.

Stockholders' Rights Agreement

On January 22, 2025, we entered into Amended and Restated Stockholders' Rights Agreement (the "Rights Agreement") with Computershare Trust Company, N.A., as rights agent, which amended the Rights Agreement to update the definition of an "Acquiring Person".

Dividend Payments

On January 16, 2024, we paid a cash dividend on our then outstanding Series C Preferred Stock i) issued to Diana Shipping Inc. and ii) awarded on April 15, 2022 and March 7, 2023 as part of the 2021 Equity Incentive Plan (i.e. 5,521 shares in aggregate), for the period from October 15, 2023 to January 14, 2024, inclusive, in the aggregate amount of $0.11 million.

On January 16, 2024, we paid a cash dividend on our then outstanding Series D Preferred Stock (i.e. 13,738 shares), concerning the period from October 15, 2023 to January 14, 2024, inclusive, in the aggregate amount of $0.24 million.

On April 15, 2024, we paid a quarterly cash dividend of $20.0 per share, or $0.15 million in the aggregate, on (i) our then outstanding 5,521 Series C Preferred Stock for the period from January 15, 2024, up to and including April 14, 2024, and (ii) the 3,332 shares of Series C Preferred Stock awarded to directors on February 21, 2024 for the period from February 21, 2024 up to and including April 14, 2024, to Series C Preferred Stockholders of record date April 12, 2024.

On April 15, 2024, we paid a quarterly cash dividend of $17.5 per share, or $0.24 million in the aggregate, on our then outstanding 13,729 shares of Series D Preferred Stock to Series D Preferred Stockholders of record date April 12, 2024, for the period from January 15, 2024, up to and including April 14, 2024.

On July 15, 2024, we paid a quarterly cash dividend of $20.0 per share, or $0.18 million in the aggregate, on our then outstanding 8,853 Series C Preferred Stock to Series C Preferred Stockholders of record date July 12 ,2024, for the period from April 15, 2024, up to and including July 14, 2024.

On July 15, 2024, we paid a quarterly cash dividend of $17.5 per share, or $0.24 million in the aggregate, on our then outstanding 13,729 shares of Series D Preferred Stock to Series D Preferred Stockholders of record date July 12, 2024, for the period from April 15, 2024, up to and including July 14, 2024.

On October 15, 2024, we paid a quarterly cash dividend of $20.0 per share, or $0.18 million in the aggregate, on our then outstanding 8,853 Series C Preferred Stock to Series C Preferred Stockholders of record date October 14, 2024, for the period from July 15, 2024, up to and including October 14, 2024.

On October 15, 2024, we paid a quarterly cash dividend of $17.5 per share, or $0.30 million in the aggregate, on i) our previously outstanding Series D Preferred Stock (13,641 shares) for the period from July 15, 2024 up to and including October 14, 2024, and ii) the 9,442 shares of Series D Preferred Stock issued in connection with the acquisition of m/t Zeze Start, for the period from September 11, 2024 up to and including October 14, 2024.

On January 15, 2025, we declared and paid a quarterly cash dividend of $17.5 per share, or $0.4 million in the aggregate, on our then outstanding 23,083 Series D Preferred Stock to Series D Preferred Stockholders of record date January 14, 2025, for the period from October 15, 2024, up to and including January 14, 2025.

On January 15, 2025, we paid a quarterly cash dividend of $20.0 per share, or $0.18 million in the aggregate, on our then outstanding 8,853 Series C Preferred Stock to Series C Preferred Stockholders of record date January 14, 2025, for the period from October 15, 2024, up to and including January 14, 2025.

On April 15, 2025, we declared and paid a quarterly cash dividend of $17.5 per share, or $0.4 million in the aggregate, on our then outstanding 23,083 Series D Preferred Stock to Series D Preferred Stockholders of record date April 14, 2025, for the period from January 15, 2025, up to and including April 14, 2025.

On April 15, 2025, we paid a quarterly cash dividend of $20.0 per share, or $0.2 million in the aggregate, on (i) our then outstanding 8,853 Series C Preferred Stock for the period from January 15, 2025, up to and including April 14, 2025, and (ii) the 3,332 shares of Series C Preferred Stock awarded to directors on March 12, 2025 for the period from March 12, 2025 up to and including April 14, 2025, to Series C Preferred Stockholders of record date April 14, 2025.

Exercises of Series D Preferred Stock

During 2024 holders of the Company's Series D preferred stock unaffiliated with the Company, in accordance with the provisions and the conversion mechanism prescribed in the Series D statement of designations, exercised their right to redeem 97 Series D Preferred Stock to common stock, resulting in the issuance of 56,381 common shares. No exercises of Series D preferred stock took place during the period from January 1, 2025, to April 11, 2025. As a result of these exercises, as of April 11, 2025, we had issued and outstanding 23,083 shares of Series D Preferred Stock.

Investment in Methanol-Ready Chemical Tanker Newbuildings

On August 29, 2023, we invested in a Norwegian entity, RFSea Infrastructure II AS, that is constructing, under two separate newbuilding contracts, two 6,600 dwt methanol-ready, stainless steel chemical tankers with expected delivery dates between the fourth quarter of 2025 and the first quarter of 2026. In connection with this transaction, we committed an aggregate amount of $4.13 million, due in three equal installments of $1.38 million each. The second installment was paid in October 2024, and the last installment was paid in March 2025.

B. Business overview

We are a global provider of shipping transportation services. We specialize in the ownership of vessels. Each of our vessels is owned through a separate wholly owned subsidiary.

As of the date of this annual report, our operating fleet consists of three Panamax dry bulk carriers with a carrying capacity of 223,546 dwt and a weighted average age of 20.3 years and one MR2 product tanker vessel with a carrying capacity of 49,999 dwt and an age of 16.1 years. Our vessels transport bulk commodities, including iron ore, coal, and grain, as well as refined petroleum products.

Our Current Fleet

The following table presents certain information concerning the vessels in our fleet, as of April 11, 2025:

Fleet Employment Profile

	Dry Bulk Vessels BUILT DWT	Gross Rate (USD/Day)	Com*	Charterers	Delivery Date to Charterers**	Redelivery Date to Owners***	Notes
				3 Panamax Bulk Carriers			
1	PROTEFS	$ 4,150	5.00%	TONGLI SHIPPING PTE. LTD.	13-Dec-24	06-Jan-25	
	2004 73,630	$ 1,750	5.00%		06-Jan-25	24-Jan-25	
		$ 4,250	5.00%	PASSSPARTOUT SHIPPING LIMITED	30-Jan-25	15-Feb-25	
		$ 3,200	5.00%	FULLINKS MARINE COMPANY LIMITED	15-Feb-25	16-Mar-25	
		$ 6,250	5.00%	ITG SHIPPING PTE. LTD.	16-Mar-25	08-Apr-25	
		$ 8,500	5.00%	TONGLI SHIPPING PTE. LTD.	08-Apr-25	26-Apr-25	1
2	CALIPSO	$ 10,150	5.00%	ASL BULK SHIPPING LIMITED	03-Sep-24	08-Jan-25	
	2005 73,691	$ 2,850	4.75%	CARGILL INTERNATIONAL S.A.	08-Jan-25	19-Mar-25	
		$ 9,000	5.00%	FULLINKS MARINE COMPANY LIMITED	19-Mar-25	12-Apr-25	2
3	MELIA 2005 76,225	$ 7,100	5.00%	CHINA RESOURCE CHARTERING LIMITED	09-Jan-25	25-May-25 - 24-Aug-25	3
				1 Capesize Bulk Carrier			
4	SALT LAKE CITY 2005 171,810	$ 6,000	5.00%	DEYESION SHIPPING & TRADING COMPANY LIMITED	19-Dec-24	30-Jan-25	4
	Tanker Vessel BUILT DWT	**Employment**	**Com***	**Charterers**	**Delivery Date to Charterers****	**Redelivery Date to Owners*****	**Notes**
				1 MR2 Tanker			
5	ZEZE START 2009 49,999	Spot	-	VITOL INTERNATIONAL SHIPPING PTE LTD	-	-	
		$ 16,750	1.25%	ABU DHABI MARINE INTERNATIONALCHARTERING HOLDINGS LIMITED	16-Feb-25	17-May-25 - 15-Aug-25	5

* Total commission percentage paid to third parties.
** In case of newly acquired vessel with new time charter attached, this date refers to the expected/actual date of delivery of the vessel to the Company.
*** Range of redelivery dates, with the actual date of redelivery being at the Charterers' option, but subject to the terms, conditions, and exceptions of the particular charterparty.

[1] Redelivery date on an estimated time charter trip duration of about 18 days.
[2] Redelivery date on an estimated time charter trip duration of about 24 days.
[3] The charter rate will be US$3,600 per day for the first forty-four (44) days of the charter period.
[4] Vessel has been sold and delivered to her new Owners on February 13, 2025.
[5] The charter rate will be US$19,500 per day from the 91st day of the charter period until the actual redelivery date.

For those vessels employed in the spot market and where rates are quoted the Company has calculated the estimated rates under current specific contracted voyages. The Company gives no guarantee that these rates are correct or that the rates are sustainable beyond the duration of the current voyage. The quoted rates are not indications of future earnings, and the Company gives no assurance or guarantee of future rates after the current voyage.

Management of Our Fleet

Our business is the ownership of vessels. We are a holding company that wholly owns the subsidiaries which own the vessels that comprise our fleet. The holding company sets general overall direction for the company and interfaces with various financial markets. The commercial and technical management, except for insurance services, of our dry bulk fleet is carried out by DWM, a 50/50 joint venture between Wilhelmsen Ship Management and Diana Shipping. As regards our MR2 product tanker vessel, the commercial management is carried out by START, a related party company, whereas the technical management (including insurances) is carried out by Anglo-Eastern Shipmanagement (Singapore) Pte. Ltd, an unrelated company. In exchange for providing us with commercial and technical services, we pay these counterparties a fixed monthly management fee per vessel and a percentage of the vessels' gross revenues. Insurance and handling of claims services, brokerage services of our dry bulk fleet and the provision of certain administrative management services of our holding company are carried out by Steamship, an affiliated company. Brokerage services relate to the purchase, sale or chartering of our vessels, brokerage services relating to the repairs and other maintenance of our vessels, and any relevant consulting services. Administrative management services may include budgeting, reporting, monitoring of bank accounts, compliance with banks, payroll services, legal and securities compliance services, and any other possible administrative management services that we require to perform our business activities. Please see "Item 7. Major Shareholders and Related Party Transactions-B. Related Party Transactions."

Our Customers

Our customers include regional and international companies. During 2022, 2023 and 2024, four, three, and three of our charterers accounted for 57%, 51%, and 57%, respectively, of our revenues.

Currently, our dry bulk and product tanker vessels are employed on time charter trips with short duration. Under our time charters, the charterer typically pays us a fixed daily charter rate and bears all voyage expenses, including the cost of bunkers (fuel oil) and canal and port charges. We remain responsible for paying the chartered vessel's operating expenses, including the cost of crewing, insuring, repairing and maintaining the vessel. Our time charters are for fixed terms and will expire in accordance with the scheduled set forth in the table above, and charter-hire is generally paid twice a month in arrears. During 2022, 2023 and 2024, we paid commissions on our dry bulk fleet of 5.0% of the total daily charter hire rate of each charter to unaffiliated ship brokers and to our managers (which excludes address commissions of 3.75 % paid directly to the charterer). During 2024, we paid commissions on our product tanker vessel ranging from 4.25%-5.50% of the total freight of each charter to unaffiliated ship brokers and to our manager (which excludes address commissions of 2.50 % paid directly to the charterer). Our time charters are subject to earlier termination in the event one of our vessels is a total or constructive loss as the result of casualty or is off hire for more than a specified period.

Following the expiration of our existing time charters, we expect to employ our fleet in time charter trips with short to medium duration, by either entering into short-term to medium-term trip time charters or spot voyages, with the exact terms depending on the vessel route, although we may employ our vessels on long-term time charters depending on market conditions. Under a voyage charter, we are responsible for both the vessel operating expenses and the voyage expenses incurred in performing the charter, while under a time charter, we are responsible for vessel operating expenses while the charterer is responsible for voyage expenses. We strategically monitor developments in the dry bulk and tanker shipping industry on a regular basis and, subject to market demand, seek to adjust the charter hire periods for our vessels according to prevailing market conditions. Currently, our vessels are employed on time charter trips/period with short to medium duration, which provides us with flexibility in responding to market developments, but in the future we may employ vessels in the spot market or on longer-term time charters. We continuously evaluate the duration of our charters and extend or reduce the charter hire periods of the vessels in our fleet according to the developments in the dry bulk and tanker shipping industry.

The Shipping Industry

The seaborne transportation industry is a vital link in international trade, with ocean going vessels representing the most efficient and often the only method of transporting large volumes of basic commodities and finished products.

Shipping demand, measured in ton-miles, is a product of (a) the amount of cargo transported in ocean going vessels, multiplied by (b) the distance over which this cargo is transported. The distance is the more variable element of the ton-mile demand equation and is determined by seaborne trading patterns, which are principally influenced by the locations of production and consumption. Seaborne trading patterns are also periodically influenced by geo-political events that divert vessels from normal trading patterns, as well as by inter-regional trading activity created by commodity supply and demand imbalances.

The Dry Bulk Shipping Industry

The global dry bulk carrier fleet could be divided into the following categories based on a vessel's carrying capacity. These categories consist of:

(i) *Very Large Ore Carriers*. Very large ore carriers, or VLOCs, have a carrying capacity of more than 200,000 dwt and are a comparatively new sector of the dry bulk carrier fleet. VLOCs are built to exploit economies of scale on long-haul iron ore routes.

(ii) *Capesize*. Capesize vessels have a carrying capacity of 110,000-199,999 dwt. Only the largest ports around the world possess the infrastructure to accommodate vessels of this size. Capesize vessels are primarily used to transport iron ore or coal and, to a much lesser extent, grains, primarily on long-haul routes.

(iii) *Post-Panamax*. Post-Panamax vessels have a carrying capacity of 80,000-109,999 dwt. These vessels tend to have a shallower draft and larger beam than a standard Panamax vessel with a higher cargo capacity. These vessels have been designed specifically for loading high cubic cargoes from draught restricted ports, although they cannot transit the Panama Canal.

(iv) *Panamax*. Panamax vessels have a carrying capacity of 60,000-79,999 dwt. These vessels carry coal, iron ore, grains, and, to a lesser extent, minor bulks, including steel products, cement and fertilizers. Panamax vessels are able to pass through the Panama Canal, making them more versatile than larger vessels with regard to accessing different trade routes. Most Panamax and Post-Panamax vessels are "gearless," and therefore must be served by shore-based cargo handling equipment. However, there are a small number of geared vessels with onboard cranes, a feature that enhances trading flexibility and enables operation in ports which have poor infrastructure in terms of loading and unloading facilities.

(v) *Ultramax.* Ultramax is the largest class before Panamax and is the newer form of the smaller Supramax with a maximum length of 200 meters and capacity that ranges from 60,000 dwt and 66,000 dwt. This class is considered an upgrade to Supramax class as it offers a better all-around investment for Charterers and Shipowners due to its higher cargo carrying capacity and better bunker efficiency. Ultramax class bulk carriers have 5 cargo holds. are fitted with 4 cranes and usually are equipped with grabs allowing them to call more ports with no such facilities giving them more versatility.

(vi) *Handymax/Supramax*. Handymax vessels have a carrying capacity of 40,000-59,999 dwt. These vessels operate in a large number of geographically dispersed global trade routes, carrying primarily grains and minor bulks. Within the Handymax category there is also a sub-sector known as Supramax. Supramax bulk carriers are ships between 50,000 to 59,999 dwt, normally offering cargo loading and unloading flexibility with on-board cranes, or "gear," while at the same time possessing the cargo carrying capability approaching conventional Panamax bulk carriers.

(vii) *Handysize*. Handysize vessels have a carrying capacity of up to 39,999 dwt. These vessels are primarily involved in carrying minor bulk cargoes. Increasingly, ships of this type operate within regional trading routes, and may serve as trans-shipment feeders for larger vessels. Handysize vessels are well suited for small ports with length and draft restrictions. Their cargo gear enables them to service ports lacking the infrastructure for cargo loading and unloading.

Other size categories occur in regional trade, such as Kamsarmax, with a maximum length of 229 meters, the maximum length that can load in the port of Kamsar in the Republic of Guinea. Other terms such as Seawaymax, Setouchmax, Dunkirkmax, and Newcastlemax also appear in regional trade.

The supply of dry bulk carriers is dependent on the delivery of new vessels and the removal of vessels from the global fleet, either through scrapping or loss. The level of scrapping activity is generally a function of scrapping prices in relation to current and prospective charter market conditions, as well as operating, repair and survey costs. The average age at which a vessel is scrapped was 33 years in 2024, 30 years in 2023 and 32 years in 2022.

The demand for dry bulk carrier capacity is determined by the underlying demand for commodities transported in dry bulk carriers, which in turn is influenced by trends in the global economy. Demand for dry bulk carrier capacity is also affected by the operating efficiency of the global fleet, along with port congestion, which has been a feature of the market since 2004, absorbing tonnage and therefore leading to a tighter balance between supply and demand. In evaluating demand factors for dry bulk carrier capacity, the Company believes that dry bulk carriers can be the most versatile element of the global shipping fleets in terms of employment alternatives.

The Oil Tanker Industry

In broad terms, the demand for oil products traded by sea is primarily affected by global and regional economic conditions, as well as other factors such as changes in the location of productive capacity and variations in regional prices.

Demand for tankers is dictated by world oil demand and trade, which is influenced by many factors, including international economic activity; geographic changes in oil production, processing, and consumption; oil price levels; inventory policies of the major oil and oil trading companies; and strategic inventory policies of countries such as the United States, China and India. The amount of oil shipped is primarily a function of global oil consumption, which is driven by economic activity as well as the long-term impact of oil prices on the location and related volume of oil production. Tonnage of oil shipped is also influenced by transportation alternatives (such as pipelines) and the output of refineries.

Demand cycles move broadly in line with developments in the global economy, with growth rate of demand for products slowing significantly and becoming negative in some years in the period immediately after the global economic downturn in late 2008. Thereafter, demand started recovering gradually from 2011 with general improvement in the global macro-economic environment. Low crude prices between 2015 and 2017 induced greater consumption and thereby higher seaborne trade of crude oil as well as refined products, but this growth slowed down in 2018 because of inventory drawdown in crude as well as refined products. This decline continued in 2019 on account of lower refinery runs and weaker economic growth. More recently, a steady rise in oil demand out of Asia has outweighed decreasing demand in Europe and the United States, with a notable exception for 2020 and 2021 in which years the COVID 19 epidemic dramatically reduced oil demand.

Global seaborne tanker trade grew 3.2% in 2023, driven by robust oil demand and increased chemical trade. Oil demand benefited from the post-Covid rebound in China's oil consumption and a healthy growth in demand in developing countries of Asia and Latin America. In 2023, 3.377 million tons of crude oil, products, and vegetable oils/chemicals moved by sea, of these crude shipments constituted 2,033 million tons of cargo, 1,025 million tons of products, with the balance made up of other liquids, including vegetable oils, chemicals, and associated products.

Charter Hire Rates

Charter hire rates fluctuate by varying degrees among the various shipping sectors and size categories of the vessels. The volume and pattern of trade in a small number of commodities (major bulks) affect demand for larger vessels. Therefore, charter rates and vessel values of larger vessels often show greater volatility. Conversely, trade in a greater number of commodities (minor bulks and oil products) drives demand for smaller dry bulk vessels. Accordingly, charter rates and vessel values for those vessels are usually subject to less volatility.

Charter hire rates paid are primarily a function of the underlying balance between vessel supply and demand, although at times other factors may play a role. Furthermore, the pattern seen in charter rates is broadly mirrored across the different charter types and the different categories. In the time charter market, rates vary depending on the length of the charter period and vessel-specific factors such as age, speed and fuel consumption.

In the voyage charter market, rates are, among other things, influenced by cargo size, commodity carried, port dues and canal transit fees, as well as commencement and termination regions. In general, a larger cargo size is quoted at a lower rate per ton than a smaller cargo size. Routes with costly ports or canals generally command higher rates than routes with low port dues and no canals to transit. Voyages with a load port within a region that includes ports where vessels usually discharge cargo or a discharge port within a region with ports where vessels load cargo also are generally quoted at lower rates, because such voyages generally increase vessel utilization by reducing the unloaded portion (or ballast leg) that is included in the calculation of the return charter to a loading area.

The main factors affecting vessel charter rates are primarily the supply and demand for dry bulk and tanker shipping. The shorter the charter period, the greater the vessel charter rate is affected by the current supply to demand balance and by the current phase of the market cycle (high point or low point). For longer charter periods, vessel charter rates tend to be more stable and less cyclical because the period may cover not only a particular phase of a market cycle but a full market cycle or several market cycles. Other factors affecting charter rates include the age and characteristics of the ships (fuel consumption, speed), the price of new-built and secondhand ships (buying as an alternative to chartering ships), and market conditions.

Vessel Prices

The second-hand sale and purchase markets for dry bulk and tanker vessels has traditionally been relatively liquid, with vessels changing hands between owners on a regular basis. During 2024, dry bulk vessel values generally were lower compared to vessel values during 2023. Consistent with these trends were the market values of our dry bulk carriers. For tanker vessels, second-hand prices were relatively strong until the end of 2024, however started to decline towards the end of the year. There can be no assurance as to how long charter rates for dry bulk and tanker vessels and vessel values for these vessels will remain at their current levels or whether they will decrease or improve to any significant degree in the near future.

Competition

We operate in international markets that are highly competitive. As a general matter, competition is based primarily on the supply and demand of commodities and petroleum products and the number of vessels operating at any given time. We compete for charters, in particular, on the basis of price and vessel location, size, age and condition, as well as the acceptability of the vessel's operator to the charterer and on our reputation. We will arrange charters for our vessels typically through the use of brokers, who negotiate the terms of the charters based on market conditions. Competition for product tankers arises primarily from other owners, including major oil companies as well as independent tanker companies. Competition within the dry-bulk sector ranges from major international producers and traders of various dry-bulk commodities to a long list of ocean freight service companies. Ownership of product tankers and especially dry-bulk carriers is highly fragmented and is divided among publicly listed companies, state-controlled owners and independent shipowners, some of which also have other types of tankers or vessels that carry diverse cargoes. Many of these competitors have substantially greater financial and other resources than we do. Although we believe that no single competitor has a dominant position in the markets in which we compete, the trend towards consolidation in the industry is creating an increasing number of global enterprises capable of competing in multiple markets, which will likely result in greater competition to us. Our competitors may be better positioned to devote greater resources to the development, promotion and employment of their businesses than we are.

Permits and Authorizations

We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to our vessels. The kinds of permits, licenses and certificates required depend upon several factors, including the commodity transported, the waters in which the vessel operates the nationality of the vessel's crew and the age of a vessel. We have been able to obtain all permits, licenses and certificates currently required to permit our vessels to operate. Additional laws and regulations, environmental or otherwise, may be adopted which could limit our ability to do business or increase the cost of us doing business.

Disclosure Pursuant to Section 219 of the Iran Threat Reduction and Syrian Human Rights Act

Section 219 of the U.S. Iran Threat Reduction and Syria Human Rights Act of 2012, or the ITRA, added new Section 13(r) to the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, requiring each SEC reporting issuer to disclose in its annual and, if applicable, quarterly reports whether it or any of its affiliates have knowingly engaged in certain activities, transactions or dealings relating to Iran or with the Government of Iran or certain designated natural persons or entities involved in terrorism or the proliferation of weapons of mass destruction during the period covered by the report.

Pursuant to Section 13(r) of the Exchange Act, we note that none of our vessels made port calls to Iran in 2024 and to the date of this annual report.

Environmental and Other Regulations in the Shipping Industry

Government regulation and laws significantly affect the ownership and operation of our fleet. We are subject to international conventions and treaties, national, state and local laws and regulations in force in the countries in which our vessels may operate or are registered relating to safety and health and environmental protection including the storage, handling, emission, transportation and discharge of hazardous and non-hazardous materials, and the remediation of contamination and liability for damage to natural resources. Compliance with such laws, regulations and other requirements entails significant expense, including vessel modifications and implementation of certain operating procedures.

A variety of government and private entities subject our vessels to both scheduled and unscheduled inspections. These entities include the local port authorities (applicable national authorities such as the United States Coast Guard ("USCG"), harbor master or equivalent), classification societies, flag state administrations (countries of registry) and charterers, particularly terminal operators. Certain of these entities require us to obtain permits, licenses, certificates and other authorizations for the operation of our vessels. Failure to maintain necessary permits or approvals could require us to incur substantial costs or result in the temporary suspension of the operation of one or more of our vessels.

Increasing environmental concerns have created a demand for vessels that conform to stricter environmental standards. We are required to maintain operating standards for all of our vessels that emphasize operational safety, quality maintenance, continuous training of our officers and crews and compliance with United States and international regulations. We believe that the operation of our vessels is in substantial compliance with applicable environmental laws and regulations and that our vessels have all material permits, licenses, certificates or other authorizations necessary for the conduct of our operations. However, because such laws and regulations frequently change and may impose increasingly stricter requirements, we cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our vessels. In addition, a future serious marine incident that causes significant adverse environmental impact could result in additional legislation or regulation that could negatively affect our profitability.

International Maritime Organization

The International Maritime Organization, the United Nations agency for maritime safety and the prevention of pollution by vessels (the "IMO"), has adopted the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, collectively referred to as MARPOL 73/78 and herein as "MARPOL," the International Convention for the Safety of Life at Sea of 1974 ("SOLAS Convention"), and the International Convention on Load Lines of 1966 (the "LL Convention"). MARPOL establishes environmental standards relating to oil leakage or spilling, garbage management, sewage, air emissions, handling and disposal of noxious liquids and the handling of harmful substances in packaged forms. MARPOL is applicable to dry bulk, tanker and LNG carriers, among other vessels, and is broken into six Annexes, each of which regulates a different source of pollution. Annex I relates to oil leakage and spilling; Annexes II and III relate to harmful substances carried in bulk in liquid or in packaged form, respectively; Annexes IV and V relate to sewage and garbage management, respectively; and Annex VI, lastly, relates to air emissions. Annex VI was separately adopted by the IMO in September of 1997; new emissions standards, titled IMO-2020, took effect on January 1, 2020.

In 2012, the IMO's Marine Environmental Protection Committee, or the "MEPC," adopted a resolution amending the International Code for the Construction and Equipment of Ships Carrying Dangerous Chemicals in Bulk, or the "IBC Code." The provisions of the IBC Code are mandatory under MARPOL and the SOLAS Convention. These amendments, which entered into force in June 2014 and took effect on January 1, 2021, pertain to revised international certificates of fitness for the carriage of dangerous chemicals in bulk and identifying new products that fall under the IBC Code. All our vessels complying have been issued new certificates accordingly.

Air Emissions

In September of 1997, the IMO adopted Annex VI to MARPOL to address air pollution from vessels. Effective May 2005, Annex VI sets limits on sulfur oxide and nitrogen oxide emissions from all commercial vessel exhausts and prohibits "deliberate emissions" of ozone depleting substances (such as halons and chlorofluorocarbons), emissions of volatile compounds from cargo tanks and the shipboard incineration of specific substances. Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special areas to be established with more stringent controls on sulfur emissions, as explained below. Emissions of "volatile organic compounds" from certain vessels, and the shipboard incineration (from incinerators installed after January 1, 2000) of certain substances (such as polychlorinated biphenyls, or "PCBs") are also prohibited. We ensure that all our vessels are currently compliant in all material respects with these regulations.

The Marine Environment Protection Committee, or "MEPC", adopted amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide, particulate matter and ozone depleting substances, which entered into force on July 1, 2010. The amended Annex VI seeks to further reduce air pollution by, among other things, implementing a progressive reduction of the amount of sulfur contained in any fuel oil used on board ships. On October 27, 2016, MEPC 70 agreed to implement a global 0.5% m/m sulfur oxide emissions limit (reduced from 3.5%) starting from January 1, 2020. This limitation can be met by using low-sulfur compliant fuel oil, alternative fuels, or certain exhaust gas cleaning systems. Ships are now required to obtain bunker delivery notes and International Air Pollution Prevention ("IAPP") Certificates from their flag states that specify sulfur content. Additionally, at MEPC 73, amendments to Annex VI to prohibit the carriage of bunkers above 0.5% sulfur on ships were adopted and took effect March 1, 2020, with the exception of vessels fitted with exhaust gas cleaning equipment ("scrubbers") which can carry fuel of higher sulfur content. These regulations subject ocean-going vessels to stringent emissions controls and may cause us to incur substantial costs as none of our vessels are fitted with scrubbers.

Sulfur content standards are even stricter within certain "Emission Control Areas," or ("ECAs"). As of January 1, 2015, ships operating within an ECA were not permitted to use fuel with sulfur content in excess of 0.1% m/m. Amended Annex VI establishes procedures for designating new ECAs. Currently, the IMO has designated five ECAs, including specified portions of the Baltic Sea area, Mediterranean Sea area, North Sea area, North American area and United States Caribbean area. The Mediterranean Sea became an ECA on May 1, 2024, and compliance obligations will begin May 1, 2025. Ocean-going vessels in these areas will be subject to stringent emission controls and may cause us to incur additional costs. Other areas in China are subject to local regulations that impose stricter emission controls. In July 2023, MEPC 80 announced three new ECA proposals, including the Canadian Arctic waters and the North-East Atlantic Ocean, which were adopted in draft amendments to Annex IV that will enter into force in March 2026. If other ECAs are approved by the IMO, or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the U.S. Environmental Protection Agency ("EPA") or the states where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations.

The amended Annex VI also established new tiers of stringent nitrogen oxide emissions standards for marine diesel engines, depending on their date of installation. Tier III NOx standards were designed for the control of NOx produced by vessels and apply to ships that operate in the North American and U.S. Caribbean Sea ECAs with marine diesel engines installed and constructed on or after January 1, 2016. Tier III requirements could apply to additional areas designated for Tier III NOx in the future. At MEPC 70 and MEPC 71, the MEPC approved the North Sea and Baltic Sea as ECAs for nitrogen oxide for ships built on or after January 1, 2021. For the moment, this regulation relates to new building vessels and has no retroactive application to existing fleet. The EPA promulgated equivalent (and in some senses stricter) emissions standards in 2010. As a result of these designations or similar future designations, we may be required to incur additional operating or other costs.

At MEPC 70, Regulation 22A of MARPOL Annex VI became effective as of March 1, 2018 and requires ships above 5,000 gross tonnage to collect and report annual data on fuel oil consumption to an IMO database, with the first year of data collection having commenced on January 1, 2019. The IMO used such data as part of its initial roadmap (through 2023) for developing its strategy to reduce greenhouse gas emissions from ships, as discussed further below.

As of January 1, 2013, MARPOL made mandatory certain measures relating to energy efficiency for ships. All ships are now required to develop and implement a Ship Energy Efficiency Management Plans ("SEEMPs"), and new ships must be designed in compliance with minimum energy efficiency levels per capacity mile as defined by the Energy Efficiency Design Index ("EEDI"). Under these measures, by 2025, all new ships built will be 30% more energy efficient than those built in 2014. MEPC 75 adopted amendments to MARPOL Annex VI which brings forward the effective date of the EEDI's "phase 3" requirements from January 1, 2025 to April 1, 2022 for several ship types, including gas carriers, general cargo ships, and LNG carriers.

Additionally, in 2022, MEPC amended Annex VI to impose new regulations to reduce greenhouse gas emissions from ships. These amendments introduce requirements to assess and measure the energy efficiency of all ships and set the required attainment values, with the goal of reducing the carbon intensity of international shipping. The requirements include (1) a technical requirement to reduce carbon intensity based on a new Energy Efficiency Existing Ship Index ("EEXI"), and (2) operational carbon intensity reduction requirements, based on a new operational carbon intensity indicator ("CII"). The attained EEXI is required to be calculated for ships of 400 gross tonnage and above, in accordance with different values set for ship types and categories. With respect to the CII, the draft amendments would require ships of 5,000 gross tonnage to document and verify their actual annual operational CII achieved against a determined required annual operational CII. All ships above 400 gross tonnage must also have an approved SEEMP on board. For ships above 5,000 gross tonnage, the SEEMP needs to include certain mandatory content. That same year, MEPC amended MARPOL Annex I to prohibit the use and carriage for use as fuel of heavy fuel oil ("HFO") by ships in Arctic waters on and after July 1, 2024. In 2021, MEPC 77 adopted a non-binding resolution which urges Member States and ship operators to voluntarily use distillate or other cleaner alternative fuels or methods of propulsion that are safe for ships and could contribute to the reduction of Black Carbon emissions from ships when operating in or near the Arctic.

MEPC 79 adopted amendments to MARPOL Annex VI, Appendix IX to include the attained and required CII values, the CII rating and attained EEXI for existing ships in the required information to be submitted to the IMO Ship Fuel Oil Consumption Database. MEPC 79 also revised the EEDI calculation guidelines to include a CO2 conversion factor for ethane, a reference to the updated ITCC guidelines, and a clarification that in case of a ship with multiple load line certificates, the maximum certified summer draft should be used when determining the deadweight. These amendments entered into force on May 1, 2024. In July 2023, MEPC 80 approved the plan for reviewing CII regulations and guidelines, which must be completed at the latest by January 1, 2026. This review commenced at MEPC 82 in Fall 2024, and there will be no immediate changes to the CII framework, including correction factors and voyage adjustments, before the review is completed.

To ensure compliance with EEXI requirements most owners/operators, including us, may choose to limit engine power, a solution less costly than applying energy saving devices and/ or effecting certain alterations on existing propeller designs. The engine power limitation is predicted to lead to reduced ballast and laden speeds (at scantling draft,) in the non-compliant vessels which will affect their commercial utilization but also decrease the global availability of vessel capacity. Furthermore, required software and hardware alterations as well as documentation and recordkeeping requirements will increase a vessel's capital and operating expenditures. As of the date of this annual report and since January 1, 2023, official calculations had determined that our vessels were in compliance with the EEXI requirements.

We may incur costs to comply with these revised standards. Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems and could adversely affect our business, results of operations, cash flows and financial condition.

Safety Management System Requirements

The SOLAS Convention was amended to address the safe manning of vessels and emergency training drills. The Convention of Limitation of Liability for Maritime Claims (the "LLMC") sets limitations of liability for a loss of life or personal injury claim or a property claim against ship owners. We believe that our vessels are in substantial compliance with SOLAS and LLMC standards.

Under Chapter IX of the SOLAS Convention, or the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (the "ISM Code"), our operations are also subject to environmental standards and requirements. The ISM Code requires the party with operational control of a vessel to develop an extensive safety management system that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for operating its vessels safely and for responding to emergencies. We rely upon the safety management system that we and our technical management team have developed for compliance with the ISM Code. The failure of a vessel owner or bareboat charterer to comply with the ISM Code may subject such party to increased liability, may decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports.

The ISM Code requires that vessel operators obtain a safety management certificate for each vessel they operate. This certificate evidences compliance by a vessel's management with the ISM Code requirements for a safety management system. No vessel can obtain a safety management certificate unless its manager has been awarded a document of compliance, issued by each flag state, under the ISM Code. DWM has obtained applicable documents of compliance and safety management certificates for all of our vessels for which the certificates are required by the IMO. The documents of compliance and safety management certificate are renewed as required.

Regulation II-1/3-10 of the SOLAS Convention governs ship construction and stipulates that ships over 150 meters in length must have adequate strength, integrity and stability to minimize risk of loss or pollution. Goal-based standards amendments in SOLAS regulation II-1/3-10 entered into force in 2012, with July 1, 2016 set for application to new oil tankers and bulk carriers. The SOLAS Convention regulation II-1/3-10 on goal-based ship construction standards for bulk carriers and oil tankers, which entered into force on January 1, 2012, requires that all oil tankers and bulk carriers of 150 meters in length and above, for which the building contract is placed on or after July 1, 2016, satisfy applicable structural requirements conforming to the functional requirements of the International Goal-based Ship Construction Standards for Bulk Carriers and Oil Tankers ("GBS Standards").

Amendments to the SOLAS Convention Chapter VII apply to vessels transporting dangerous goods and require those vessels be in compliance with the International Maritime Dangerous Goods Code ("IMDG Code"). Effective January 1, 2018, the IMDG Code includes (1) provisions for radioactive material, reflecting the latest provisions from the International Atomic Energy Agency, (2) marking, packing and classification requirements for dangerous goods, and (3) mandatory training requirements. Amendments which took effect on January 1, 2020 also reflect the latest material from the UN Recommendations on the Transport of Dangerous Goods, including (1) provisions regarding IMO type 9 tank, (2) abbreviations for segregation groups, and (3) special provisions for carriage of lithium batteries and of vehicles powered by flammable liquid or gas. Additional amendments, which came into force on June 1, 2022, include (1) addition of a definition of dosage rate, (2) additions to the list of high consequence dangerous goods, (3) new provisions for medical/clinical waste, (4) addition of various ISO standards for gas cylinders, (5) a new handling code, and (6) changes to stowage and segregation provisions. The newest edition of the IMDG Code took effect on January 1, 2024, although the changes are largely incremental.

The IMO has also adopted the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers ("STCW"). As of February 2017, all seafarers are required to meet the STCW standards and be in possession of a valid STCW certificate. Flag states that have ratified SOLAS and STCW generally employ the classification societies, which have incorporated SOLAS and STCW requirements into their class rules, to undertake surveys to confirm compliance.

The IMO's Maritime Safety Committee and MEPC, respectively, each adopted relevant parts of the International Code for Ships Operating in Polar Water (the "Polar Code"). The Polar Code, which entered into force on January 1, 2017, covers design, construction, equipment, operational, training, search and rescue as well as environmental protection matters relevant to ships operating in the waters surrounding the two poles. It also includes mandatory measures regarding safety and pollution prevention as well as recommendatory provisions. The Polar Code applies to new ships constructed after January 1, 2017, and after January 1, 2018, ships constructed before January 1, 2017 are required to meet the relevant requirements by the earlier of their first intermediate or renewal survey.

Furthermore, recent action by the IMO's Maritime Safety Committee and United States agencies indicates that cybersecurity regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cybersecurity threats. By IMO resolution, administrations are encouraged to ensure that cyber-risk management systems are incorporated by ship-owners and managers by their first annual Document of Compliance audit after January 1, 2021. In February 2021, the U.S. Coast Guard published guidance on addressing cyber risks in a vessel's safety management system. This might cause companies to create additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. The impact of future regulations is hard to predict at this time.

In June 2022, SOLAS also set out new amendments that took effect on January 1, 2024, which include new requirements for: (1) the design for safe mooring operations, (2) the Global Maritime Distress and Safety System ("GMDSS"), (3) watertight integrity, (4) watertight doors on cargo ships, (5) fault-isolation of fire detection systems, (6) life-saving appliances, and (7) safety of ships using LNG as fuel. These new requirements may impact the cost of our operations.

Pollution Control and Liability Requirements

The IMO has negotiated international conventions that impose liability for pollution in international waters and the territorial waters of the signatories to such conventions. For example, the IMO adopted an International Convention for the Control and Management of Ships' Ballast Water and Sediments, (the "BWM Convention"), in 2004. The BWM Convention entered into force on September 8, 2017. The BWM Convention requires ships to manage their ballast water to remove, render harmless, or avoid the uptake or discharge of new or invasive aquatic organisms and pathogens within ballast water and sediments. The BWM Convention's implementing regulations call for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits, and require all ships to carry a ballast water record book and an international ballast water management certificate.

On December 4, 2013, the IMO Assembly passed a resolution revising the application dates of the BWM Convention so that the dates are triggered by the entry into force date and not the dates originally in the BWM Convention. This, in effect, makes all vessels delivered before the entry into force date "existing vessels" and allows for the installation of ballast water treatment systems on such vessels at the first International Oil Pollution Prevention ("IOPP") renewal survey following entry into force of the convention.

The MEPC maintains guidelines for approval of ballast water treatment systems (G8). At MEPC 72, amendments were adopted to extend the date existing vessels are subject to certain ballast water standards. Ships over 400 gross tons generally must comply with a "D-1 standard," requiring the exchange of ballast water only in open seas and away from coastal waters. The "D-2 standard" specifies the maximum amount of viable organisms allowed to be discharged, and compliance dates vary depending on the IOPP renewal dates. The standards have been in force since 2019, and for most ships, compliance with the D-2 standard involved installing on-board systems to treat ballast water and eliminate unwanted organisms. Ballast water treatment systems, which include systems that make use of chemical, biocides, organisms or biological mechanisms, or which alter the chemical or physical characteristics of the ballast water, must be approved in accordance with IMO Guidelines (Regulation D-3). Since September 8, 2024, all ships must meet the D-2 standard. Additionally, in November 2020, MEPC 75 adopted amendments to the BWM Convention which would require a commissioning test of the ballast water treatment system for the initial survey or when performing an additional survey for retrofits. This analysis will not apply to ships that already have an installed BWM system certified under the BWM Convention. These amendments have entered into force on June 1, 2022. In December 2022, MEPC 79 agreed that it should be permitted to use ballast tanks for temporary storage of treated sewage and grey water. MEPC 79 also established that ships are expected to return to D-2 compliance after experiencing challenging uptake water and bypassing a BWM system should only be used as a last resort.

In July 2023, MEPC 80 approved a plan for a comprehensive review of the BWM Convention over the next three years and the corresponding development of a package of amendments to the Convention. MEPC 80 also adopted further amendments relating to Appendix II of the BWM Convention concerning the form of the Ballast Water Record Book, which are expected to enter into force in February 2025. A protocol for ballast water compliance monitoring devices and unified interpretation of the form of the BWM Convention certificate were also adopted. In March 2024, MEPC 81 adopted amendments to the BWM Convention concerning the use of Ballast Water Record Books in electronic form, which are expected to enter into force in October 2025. Pursuant to the ongoing review, in Fall 2024, MEPC 82 approved the 2024 Guidance on ballast water record keeping and reporting and the 2024 Guidance for Administrations on the type approval process for ballast water management systems to support harmonized evaluation by Administrations.

Once mid-ocean exchange ballast water treatment requirements become mandatory under the BWM Convention, the cost of compliance could increase for ocean carriers and may have a material effect on our operations. However, many countries already regulate the discharge of ballast water carried by vessels from country to country to prevent the introduction of invasive and harmful species via such discharges. The U.S., for example, requires vessels entering its waters from another country to conduct mid-ocean ballast exchange, or undertake some alternate measure, and to comply with certain reporting requirements.

The IMO adopted the International Convention on Civil Liability for Oil Pollution Damage of 1969, as amended by different Protocols in 1976, 1984, and 1992, and amended in 2000 ("CLC"). Under the CLC and depending on whether the country in which the damage results is a party to the 1992 Protocol to the CLC, a vessel's registered owner may be strictly liable for pollution damage caused in the territorial waters of a contracting state by discharge of persistent oil, subject to certain exceptions. The 1992 Protocol changed certain limits on liability expressed using the International Monetary Fund currency unit, the Special Drawing Rights. The limits on liability have since been amended so that the compensation limits on liability were raised. The right to limit liability is forfeited under the CLC where the spill is caused by the shipowner's actual fault and under the 1992 Protocol where the spill is caused by the shipowner's intentional or reckless act or omission where the shipowner knew pollution damage would probably result. The CLC requires ships over 2,000 tons covered by it to maintain insurance covering the liability of the owner in a sum equivalent to an owner's liability for a single incident. We have protection and indemnity insurance for environmental incidents. P&I Clubs in the International Group issue the required Bunkers Convention "Blue Cards" to enable signatory states to issue certificates. All of our vessels are in possession of a CLC State issued certificate attesting that the required insurance coverage is in force.

The IMO also adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage (the "Bunker Convention") to impose strict liability on ship owners (including the registered owner, bareboat charterer, manager or operator) for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker fuel. The Bunker Convention requires registered owners of ships over 1,000 gross tons to maintain insurance for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime (but not exceeding the amount calculated in accordance with the LLMC). With respect to non-ratifying states, liability for spills or releases of oil carried as fuel in ship's bunkers typically is determined by the national or other domestic laws in the jurisdiction where the events or damages occur. Ships are required to maintain a certificate attesting that they maintain adequate insurance to cover an incident. In jurisdictions, such as the United States where the Bunker Convention has not been adopted, various legislative schemes or common law govern, and liability is imposed either on the basis of fault or on a strict-liability basis.

Anti-Fouling Requirements

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-fouling Systems on Ships, or the "Anti-fouling Convention." The Anti-fouling Convention, which entered into force on September 17, 2008, prohibits the use of organotin compound coatings to prevent the attachment of mollusks and other sea life to the hulls of vessels. Vessels of over 400 gross tons engaged in international voyages will also be required to undergo an initial survey before the vessel is put into service or before an International Anti-fouling System Certificate, or "IAFS Certificate", is issued for the first time; and subsequent surveys when the anti-fouling systems are altered or replaced. Vessels of 24 meters in length or more but less than 400 gross tonnage engaged in international voyages will have to carry a Declaration on Anti-fouling Systems signed by the owner or authorized agent.

In November 2020, MEPC 75 approved draft amendments to the Anti-fouling Convention to prohibit anti-fouling systems containing cybutryne, which would apply to ships from January 1, 2023, or, for ships already bearing such an anti-fouling system, at the next scheduled renewal of the system after that date, but no later than 60 months following the last application to the ship of such a system. In addition, the IAFS Certificate has been updated to address compliance options for anti-fouling systems to address cybutryne. Ships which are affected by this ban on cybutryne must receive an updated IAFS Certificate no later than two years after the entry into force of these amendments. Ships which are not affected (i.e. with anti-fouling systems which do not contain cybutryne) must receive an updated IAFS Certificate at the next Anti-fouling application to the vessel. These amendments were formally adopted at MEPC 76 in June 2021 and entered into force on January 1, 2023.

We have obtained Anti-fouling System Certificates for all of our vessels that are subject to the Anti-fouling Convention.

Compliance Enforcement

Noncompliance with the ISM Code or other IMO regulations may subject the ship owner or bareboat charterer to increased liability, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports. The USCG and European Union authorities prohibit vessels not in compliance with the ISM Code by applicable deadlines from trading in U.S. and European Union ports, respectively. As of the date of this annual report, each of our vessels is ISM Code certified. However, there can be no assurance that such certificates will be maintained in the future**.** The IMO continues to review and introduce new regulations. It is impossible to predict what additional regulations, if any, may be passed by the IMO and what effect, if any, such regulations might have on our operations.

U.S. Regulations

The U.S. Oil Pollution Act of 1990 and the Comprehensive Environmental Response, Compensation and Liability Act

The U.S. Oil Pollution Act of 1990 ("OPA") established an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills. OPA affects all "owners and operators" whose vessels trade or operate within the U.S., its territories and possessions or whose vessels operate in U.S. waters, which includes the U.S.'s territorial sea and its 200 nautical mile exclusive economic zone around the U.S. The U.S. has also enacted the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), which applies to the discharge of hazardous substances other than oil, except in limited circumstances, whether on land or at sea. OPA and CERCLA both define "owner and operator" in the case of a vessel as any person owning, operating or chartering by demise, the vessel. Both OPA and CERCLA impact our operations.

Under OPA, vessel owners and operators are "responsible parties" and are jointly, severally and strictly liable (unless the spill results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels, including bunkers (fuel). OPA defines these other damages broadly to include:

- injury to, destruction or loss of, or loss of use of, natural resources and related assessment costs;
- injury to, or economic losses resulting from, the destruction of real and personal property;
- loss of subsistence use of natural resources that are injured, destroyed or lost;
- net loss of taxes, royalties, rents, fees or net profit revenues resulting from injury, destruction or loss of real or personal property, or natural resources;
- lost profits or impairment of earning capacity due to injury, destruction or loss of real or personal property or natural resources; and
- net cost of increased or additional public services necessitated by removal activities following a discharge of oil, such as protection from fire, safety or health hazards, and loss of subsistence use of natural resources.

OPA contains statutory caps on liability and damages; such caps do not apply to direct cleanup costs. Effective November 12, 2019, the USCG adjusted the limits of OPA liability for non-tank vessels, edible oil tank vessels, and any oil spill response vessels, to the greater of $1,200 per gross ton or $997,100 (subject to periodic adjustment for inflation). On December 23, 2022, the USCG issued a final rule to adjust the limitation of liability under the OPA. Effective March 23, 2023, the new adjusted limits of OPA liability for non-tank vessels, edible oil tank vessels, and any oil spill response vessels, to the greater of $1,300 per gross ton or $1,076,000 (subject to periodic adjustment for inflation).

These limits of liability do not apply if an incident was proximately caused by the violation of an applicable U.S. federal safety, construction or operating regulation by a responsible party (or its agent, employee or a person acting pursuant to a contractual relationship), or a responsible party's gross negligence or willful misconduct. The limitation on liability similarly does not apply if the responsible party fails or refuses to (i) report the incident as required by law where the responsible party knows or has reason to know of the incident; (ii) reasonably cooperate and assist as requested in connection with oil removal activities; or (iii) without sufficient cause, comply with an order issued under the Federal Water Pollution Act (Section 311 (c), (e)) or the Intervention on the High Seas Act.

CERCLA contains a similar liability regime whereby owners and operators of vessels are liable for cleanup, removal and remedial costs, as well as damages for injury to, or destruction or loss of, natural resources, including the reasonable costs associated with assessing the same, and health assessments or health effects studies. There is no liability if the discharge of a hazardous substance results solely from the act or omission of a third party, an act of God or an act of war. Liability under CERCLA is limited to the greater of $300 per gross ton or $5.0 million for vessels carrying a hazardous substance as cargo and the greater of $300 per gross ton or $500,000 for any other vessel. These limits do not apply (rendering the responsible person liable for the total cost of response and damages) if the release or threat of release of a hazardous substance resulted from willful misconduct or negligence, or the primary cause of the release was a violation of applicable safety, construction or operating standards or regulations. The limitation on liability also does not apply if the responsible person fails or refused to provide all reasonable cooperation and assistance as requested in connection with response activities where the vessel is subject to OPA.

OPA and CERCLA each preserve the right to recover damages under existing law, including maritime tort law. OPA and CERCLA both require owners and operators of vessels to establish and maintain with the USCG evidence of financial responsibility sufficient to meet the maximum amount of liability to which the particular responsible person may be subject. Vessel owners and operators may satisfy their financial responsibility obligations by providing a proof of insurance, a surety bond, qualification as a self-insurer or a guarantee. We comply and plan to comply going forward with the USCG's financial responsibility regulations by providing applicable certificates of financial responsibility.

The 2010 *Deepwater Horizon* oil spill in the Gulf of Mexico resulted in additional regulatory initiatives or statutes, including higher liability caps under OPA, new regulations regarding offshore oil and gas drilling, and a pilot inspection program for offshore facilities. However, several of these initiatives and regulations have been or may be revised as a result of political changes. For example, the U.S. Bureau of Safety and Environmental Enforcement's ("BSEE") revised Production Safety Systems Rule ("PSSR"), effective December 27, 2018, modified and relaxed certain environmental and safety protections under the 2016 PSSR. Additionally, in August 2023, the BSEE released a final Well Control Rule, which strengthens testing and performance requirements, and may affect offshore drilling operations.

In January 2021, the Biden administration issued an executive order temporarily blocking new leases for oil and gas drilling in federal waters, but ultimately, the order waw rendered ineffective by a permanent injunction issued by a Louisiana court. After being blocked by the courts, in September 2023, the Biden administration announced a scaled back offshore oil drilling plan, including just three oil lease sales in the Gulf of Mexico. In December 2024, the Biden administration also gave approval for the sales of oil and gas leases in Alaska. On January 6, 2025, the Biden administration announced a ban on new offshore oil and gas drilling in more than 625 million acres of U.S. waters on the Atlantic and Pacific coasts and in Alaska, but Louisiana-led states and fossil fuel groups are challenging the ban. The Trump administration indicated it will attempt to revoke this ban at the beginning of his administration and also proposed leasing new sections of U.S. waters to oil and gas companies for offshore drilling. With these rapid changes, compliance with any new requirements of OPA and future legislation or regulations applicable to the operation of our vessels could impact the cost of our operations and adversely affect our business.

OPA specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, provided they accept, at a minimum, the levels of liability established under OPA. Some states have enacted legislation providing for unlimited liability for oil spills, and many U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. Moreover, some states have enacted legislation providing for unlimited liability for discharge of pollutants within their waters, although in some cases, states which have enacted this type of legislation have not yet issued implementing regulations defining vessel owners' responsibilities under these laws. These laws may be more stringent than U.S. federal law. The Company intends to comply with all applicable state regulations in the ports where the Company's vessels call.

We currently maintain pollution liability coverage insurance in the amount of $1 billion per incident for each of our vessels. If the damages from a catastrophic spill were to exceed our insurance coverage, it could have an adverse effect on our business and results of operation.

Other United States Environmental Initiatives

The U.S. Clean Air Act of 1970 (including its amendments of 1977 and 1990) ("CAA") requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. The CAA requires states to adopt State Implementation Plans, or SIPs, some of which regulate emissions resulting from vessel loading and unloading operations which may affect our vessels.

The U.S. Clean Water Act ("CWA") prohibits the discharge of oil, hazardous substances and ballast water in U.S. navigable waters unless authorized by a duly issued permit or exemption and imposes strict liability in the form of penalties for any unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under OPA and CERCLA. In 2015, the EPA expanded the definition of "waters of the United States" ("WOTUS"), thereby expanding federal authority under the CWA. Following litigation on the revised WOTUS rule, in December 2018, the EPA and Department of the Army proposed a revised, limited definition of WOTUS. In 2019 and 2020, the agencies repealed the prior WOTUS Rule and promulgated the Navigable Waters Protection Rule ("NWPR") which significantly reduced the scope and oversight of EPA and the Department of the Army in traditionally non navigable waterways. On August 30, 2021, a federal district court in Arizona vacated the NWPR and directed the agencies to replace the rule with the pre-2015 definition. In January 2023, the revised WOTUS rule was codified in place of the vacated NWPR. On May 25, 2023, the United States Supreme Court ruled in the case *Sackett v. EPA* that only wetlands and permanent bodies of water with a "continuous surface connection" to "traditional interstate navigable waters" are covered by the CWA, further narrowing the application of the WOTUS rule. In August 2023, the EPA and the Department of Army issued the final WOTUS rule, effective on September 8, 2023, that largely reinstated the pre-2015 definition and applied the *Sackett* ruling.

The EPA and the USCG have also enacted rules relating to ballast water discharge, compliance with which requires the installation of equipment on our vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures at potentially substantial costs, and/or otherwise restrict our vessels from entering U.S. Waters. The EPA will regulate these ballast water discharges and other discharges incidental to the normal operation of certain vessels within United States waters pursuant to the Vessel Incidental Discharge Act ("VIDA"), which was signed into law on December 4, 2018 and replaces the 2013 Vessel General Permit ("VGP") program (which authorizes discharges incidental to operations of commercial vessels and contains numeric ballast water discharge limits for most vessels to reduce the risk of invasive species in U.S. waters, stringent requirements for exhaust gas scrubbers, and requirements for the use of environmentally acceptable lubricants) and current Coast Guard ballast water management regulations adopted under the U.S. National Invasive Species Act ("NISA"), such as mid-ocean ballast exchange programs and installation of approved USCG technology for all vessels equipped with ballast water tanks bound for U.S. ports or entering U.S. waters. VIDA establishes a new framework for the regulation of vessel incidental discharges under Clean Water Act (CWA), requires the EPA to develop performance standards for those discharges within two years of enactment, and requires the U.S. Coast Guard to develop implementation, compliance, and enforcement regulations within two years of EPA's promulgation of standards. On September 24, 2024, the EPA finalized its rule on Vessel Incidental Discharge Standards of Performance, which means that the USCG must now develop corresponding regulations regarding ballast water within two years of that date. Under VIDA, all provisions of the 2013 VGP and USCG regulations regarding ballast water treatment remain in force and effect until the EPA and U.S. Coast Guard regulations are finalized. Non-military, non-recreational vessels greater than 79 feet in length must continue to comply with the requirements of the VGP, including submission of a Notice of Intent ("NOI") or retention of a PARI form and submission of annual reports. We have submitted NOIs for our vessels where required. Compliance with the EPA, U.S. Coast Guard and state regulations could require the installation of ballast water treatment equipment on our vessels or the implementation of other port facility disposal procedures at potentially substantial cost or may otherwise restrict our vessels from entering U.S. waters.

European Union Regulations

In October 2009, the European Union amended a directive to impose criminal sanctions for illicit ship-source discharges of polluting substances, including minor discharges, if committed with intent, recklessly or with serious negligence and the discharges individually or in the aggregate result in deterioration of the quality of water. Aiding and abetting the discharge of a polluting substance may also lead to criminal penalties. The directive applies to all types of vessels, irrespective of their flag, but certain exceptions apply to warships or where human safety or that of the ship is in danger. Criminal liability for pollution may result in substantial penalties or fines and increased civil liability claims. Regulation (EU) 2015/757 of the European Parliament and of the Council of April 29, 2015 (amending EU Directive 2009/16/EC) governs the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, and, subject to some exclusions, requires companies with ships over 5,000 gross tonnage to monitor and report carbon dioxide emissions annually, which may cause us to incur additional expenses.

The European Union has adopted several regulations and directives requiring, among other things, more frequent inspections of high-risk ships, as determined by type, age, and flag as well as the number of times the ship has been detained. The European Union also adopted and extended a ban on substandard ships and enacted a minimum ban period and a definitive ban for repeated offenses. The regulation also provided the European Union with greater authority and control over classification societies, by imposing more requirements on classification societies and providing for fines or penalty payments for organizations that failed to comply. Furthermore, the EU has implemented regulations requiring vessels to use reduced sulfur content fuel for their main and auxiliary engines. The EU Directive 2005/33/EC (amending Directive 1999/32/EC) introduced requirements parallel to those in Annex VI relating to the sulfur content of marine fuels. In addition, the EU imposed a 0.1% maximum sulfur requirement for fuel used by ships at berth in the Baltic, the North Sea and the English Channel (the so called "SOx-Emission Control Area"). As of January 2020, EU member states must also ensure that ships in all EU waters, except the SOx-Emission Control Area, use fuels with a 0.5% maximum sulfur content.

On September 15, 2020, the European Parliament voted to include greenhouse gas emissions from the maritime sector in the European Union's carbon market, the EU Emissions Trading System ("EU ETS") as part of its "Fit-for-55" legislation to reduce net greenhouse gas emissions by at least 55% by 2030. This will require shipowners to buy permits to cover these emissions. On December 18, 2022, the Environmental Council and European Parliament agreed to include maritime shipping emissions within the scope of the EU ETS on a gradual introduction of obligations for shipping companies to surrender allowances equivalent to a portion of their carbon emissions: 40% for verified emissions from 2024, 70% for 2025 and 100% for 2026. Most large vessels will be included in the scope of the EU ETS from the start. Big offshore vessels of 5,000 gross tonnage and above will be included in the 'MRV' on the monitoring, reporting and verification of CO2 emissions from maritime transport regulation from 2025 and in the EU ETS from 2027. In January 2024, the EU ETS was extended to cover CO2 emissions from all large ships (of 5,000 gross tonnage and above) entering EU ports regardless of the flag they fly and will apply to methane and nitrous oxide emissions beginning in 2026. Shipping companies will need to buy allowances that correspond to the emissions covered by the system. General cargo vessels and off-shore vessels between 400-5,000 gross tonnage will be included in the MRV regulation from 2025 and their inclusion in EU ETS will be reviewed in 2026.

The EU also adopted the FuelEU Maritime regulation, a proposal included in the "Fit-for-55" legislation. From January 1, 2025, FuelEU Maritime sets requirements on the annual average GHG intensity of energy used by ships trading within the EU or European Economic Area (EEA). This intensity is measured as GHG emissions per energy unit (gCO2e/MJ) and, in turn, GHG emissions are calculated in a well-to-wake perspective. The calculation takes into account emissions related to the extraction, cultivation, production and transportation of fuel, in addition to emissions from energy used on board the ship. The baseline for the calculation is the average well-to-wake GHG intensity of the fleet in 2020: 91.16 gCO2e/MJ. This will start at a 2% reduction in 2025, increasing to 6% in 2030, and accelerating from 2035 to reach an 80% reduction by 2050.

Compliance with the Maritime EU ETS and FuelEU maritime regulations will result in additional compliance and administration costs to properly incorporate the provisions of the Directive into our business routines. Additional EU regulations which are part of the EU's "Fit-for-55," could also affect our financial position in terms of compliance and administration costs when they take effect.

International Labor Organization

The International Labor Organization (the "ILO") is a specialized agency of the UN that has adopted the Maritime Labor Convention 2006 ("MLC 2006"). A Maritime Labor Certificate and a Declaration of Maritime Labor Compliance is required to ensure compliance with the MLC 2006 for all ships that are 500 gross tonnage or over and are either engaged in international voyages or flying the flag of a Member and operating from a port, or between ports, in another country. We believe that all our vessels are in substantial compliance with and are certified to meet MLC 2006.

Greenhouse Gas Regulation

Currently, the emissions of greenhouse gases from international shipping are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which entered into force in 2005 and pursuant to which adopting countries have been required to implement national programs to reduce greenhouse gas emissions. International negotiations are continuing with respect to a successor to the Kyoto Protocol, and restrictions on shipping emissions may be included in any new treaty. In December 2009, more than 27 nations, including the U.S. and China, signed the Copenhagen Accord, which includes a non-binding commitment to reduce greenhouse gas emissions. The 2015 United Nations Climate Change Conference in Paris resulted in the Paris Agreement, which entered into force on November 4, 2016 and does not directly limit greenhouse gas emissions from ships. The U.S. initially entered into the agreement, but on June 1, 2017, the Trump administration announced that the United States intends to withdraw from the Paris Agreement, and the withdrawal became effective on November 4, 2020. On January 20, 2021, the Biden administration issued an executive order to rejoin the Paris Agreement, which the U.S. officially rejoined on February 19, 2021. In January 2025, President Trump signed an executive order to begin the withdrawal of the United States from the Paris Agreement.

At MEPC 70 and MEPC 71, a draft outline of the structure of the initial strategy for developing a comprehensive IMO strategy on reduction of greenhouse gas emissions from ships was approved. In accordance with this roadmap, in April 2018, nations at the MEPC 72 adopted an initial strategy to reduce greenhouse gas emissions from ships. The initial strategy identifies "levels of ambition" to reduce greenhouse gas ("GHG") emissions and notes that technological innovation, alternative fuels and/or energy sources for international shipping will be integral to achieve the ambitions. At MEPC 77, the Member States agreed to initiate the revision of the Initial IMO Strategy on Reduction of GHG emissions from ships, recognizing the need to strengthen the "levels of ambition." In July 2023, MEPC 80 adopted the 2023 IMO Strategy on Reduction of GHG Emissions from Ships, which builds upon the initial strategy's levels of ambition. The revised levels of ambition include (1) further decreasing the carbon intensity from ships through improvement of energy efficiency; (2) reducing carbon intensity of international shipping; (3) increasing adoption of zero or near-zero emissions technologies, fuels, and energy sources; and (4) achieving net zero GHG emissions from international shipping. Furthermore, the following indicative checkpoints were adopted in order to reach net zero GHG emissions from international shipping: (1) reduce the total annual GHG emissions from international shipping by at least 20%, striving for 30%, by 2030, compared to 2008 levels; and (2) reduce the total annual GHG emissions from international shipping by at least 70%, striving for 80%, by 2040, compared to 2008 levels. In March 2024, MEPC 81 further developed the goal-based marine fuel standard regulating the phased reduction of marine fuel's GHG intensity as part of its mid-term measures. In Fall 2024, MEPC 82 made further progress on the development of these mid-term measures, and the Committee is expected to approve amendments at MEPC 83 (Spring 2025) for adoption in October 2025.

The EU made a unilateral commitment to reduce overall greenhouse gas emissions from its member states from 20% of 1990 levels by 2020. The EU also committed to reduce its emissions by 20% under the Kyoto Protocol's second period from 2013 to 2020. Starting in January 2018, large ships over 5,000 gross tonnage calling at EU ports are required to collect and publish data on carbon dioxide emissions and other information. Under the European Climate Law, the EU committed to reduce its net greenhouse gas emissions by at least 55% by 2030 through its "Fit-for-55" legislation package. As part of this initiative, the European Union's carbon market, EU ETS, has been extended to cover CO2 emissions from all large ships entering EU ports starting January 2024.

Any passage of climate control legislation or other regulatory initiatives by the IMO, the EU, the U.S. or other countries where we operate, or any treaty adopted at the international level to succeed the Kyoto Protocol or Paris Agreement, that restricts emissions of greenhouse gases could require us to make significant financial expenditures which we cannot predict with certainty at this time. Even in the absence of climate control legislation, our business may be indirectly affected to the extent that climate change may result in sea level changes or certain weather events.

Vessel Security Regulations

Since the terrorist attacks of September 11, 2001 in the United States, there have been a variety of initiatives intended to enhance vessel security such as the U.S. Maritime Transportation Security Act of 2002 ("MTSA"). To implement certain portions of the MTSA, the USCG issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States and at certain ports and facilities, some of which are regulated by the EPA.

Similarly, Chapter XI-2 of the SOLAS Convention imposes detailed security obligations on vessels and port authorities and mandates compliance with the International Ship and Port Facility Security Code ("the ISPS Code"). The ISPS Code is designed to enhance the security of ports and ships against terrorism. To trade internationally, a vessel must attain an International Ship Security Certificate ("ISSC") from a recognized security organization approved by the vessel's flag state. Ships operating without a valid certificate may be detained, expelled from, or refused entry at port until they obtain an ISSC. The various requirements, some of which are found in the SOLAS Convention, include, for example, on-board installation of automatic identification systems to provide a means for the automatic transmission of safety-related information from among similarly equipped ships and shore stations, including information on a ship's identity, position, course, speed and navigational status; on-board installation of ship security alert systems, which do not sound on the vessel but only alert the authorities on shore; the development of vessel security plans; ship identification number to be permanently marked on a vessel's hull; a continuous synopsis record kept onboard showing a vessel's history including the name of the ship, the state whose flag the ship is entitled to fly, the date on which the ship was registered with that state, the ship's identification number, the port at which the ship is registered and the name of the registered owner(s) and their registered address; and compliance with flag state security certification requirements.

The USCG regulations, intended to align with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures, provided such vessels have on board a valid ISSC that attests to the vessel's compliance with the SOLAS Convention security requirements and the ISPS Code. Future security measures could have a significant financial impact on us. We intend to comply with the various security measures addressed by MTSA, the SOLAS Convention and the ISPS Code.

The cost of vessel security measures has also been affected by the escalation in the frequency of acts of piracy against ships, notably off the coast of Somalia, including the Gulf of Aden and Arabian Sea area. Substantial loss of revenue and other costs may be incurred as a result of detention of a vessel or additional security measures, and the risk of uninsured losses could significantly affect our business. Costs are incurred in taking additional security measures in accordance with Best Management Practices to Deter Piracy, notably those contained in the BMP5 industry standard.

Inspection by Flag administration and Classification Societies

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and SOLAS. Most insurance underwriters make it a condition for insurance coverage and lending that a vessel be certified "in class" by a classification society which is a member of the International Association of Classification Societies, the IACS. The IACS has adopted harmonized Common Structural Rules, or "the Rules", which apply to oil tankers and bulk carriers contracted for construction on or after July 1, 2015. The Rules attempt to create a level of consistency between IACS Societies. All of our vessels are certified as being "in class" by all the applicable Classification Societies (e.g., American Bureau of Shipping, Lloyd's Register of Shipping).

A vessel must undergo annual surveys, intermediate surveys, drydockings and special surveys. In lieu of a special survey, a vessel's machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Every vessel is also required to be drydocked every 30 to 36 months for inspection of the underwater parts of the vessel. In all cases, the interval between any two such examinations is not to exceed 36 months. If any vessel does not maintain its class and/or fails any annual survey, intermediate survey, drydocking or special survey, the vessel will be unable to carry cargo between ports and will be unemployable and uninsurable and could prevent us from obtaining secured financing on that vessel. Any such inability to carry cargo or be employed, or any such violation of covenants, could have a material adverse impact on our financial condition and results of operations.

Risk of Loss and Liability Insurance

General

The operation of any cargo vessel includes risks such as mechanical failure, physical damage, collision, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, piracy incidents, hostilities and labor strikes. In addition, there is always an inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade. OPA, which imposes virtually unlimited liability upon shipowners, operators and bareboat charterers of any vessel trading in the exclusive economic zone of the United States for certain oil pollution accidents in the United States, has made liability insurance more expensive for shipowners and operators trading in the United States market. We carry insurance coverage as customary in the shipping industry. However, not all risks can be insured, specific claims may be rejected, and we might not be always able to obtain adequate insurance coverage at reasonable rates.

While we maintain hull and machinery insurance, war risks insurance, protection and indemnity cover and freight, demurrage and defense cover for our operating fleet in amounts that we believe to be prudent to cover normal risks in our operations, we may not be able to achieve or maintain this level of coverage throughout a vessel's useful life. Furthermore, while we believe that our present insurance coverage is adequate, not all risks can be insured, and there can be no guarantee that any specific claim will be paid, or that we will always be able to obtain adequate insurance coverage at reasonable rates.

Hull & Machinery and War Risks Insurance

We maintain marine hull and machinery and war risks insurance, which cover, among other marine risks, the risk of actual or constructive total loss, for all of our vessels. Our vessels are each covered up to at least fair market value with the hull & machinery deductibles ranging to a maximum of $100,000 per vessel per incident.

Protection and Indemnity Insurance

Protection and indemnity insurance is provided by mutual protection and indemnity associations, or "P&I Associations," and covers our third-party liabilities in connection with our shipping activities. This includes third-party liability and other related expenses of injury or death of crew, passengers and other third parties, loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances, and salvage, towing and other related costs, including wreck removal. Protection and indemnity insurance is a form of mutual indemnity insurance, extended by protection and indemnity mutual associations, or "Clubs."

Our current protection and indemnity insurance coverage for pollution is $1 billion per vessel per incident. The 12 P&I Associations that comprise the International Group insure approximately 90% of the world's commercial tonnage and have entered into a pooling agreement to reinsure each association's liabilities. The International Group's website states that the Pool provides a mechanism for sharing all claims in excess of US$10 million up to, currently, approximately US$2.1 billion. As a member of a P&I Association, which is a member of the International Group, we are subject to Estimated Total Calls payable to the Associations based on our claim records as well as the claim records of all other members of the individual associations and members of the shipping pool of P&I Associations comprising the International Group. Our vessels may be subject to Supplementary calls which are calculated as a percentage of the net Estimated Total Calls for each year and after deducting any applicable rebates, laid up returns and other deductions. A decision to levy Supplementary calls is made by the Board of Directors of the Association at any time during or after the end of the relevant Policy Year. There is no limit to the number or amount of Supplementary Calls that can be levied in respect of a Policy Year. Supplementary calls, if any, are issued when they are announced and according to the period they relate to.

C. Organizational structure

OceanPal Inc. is the sole owner of all of the issued and outstanding shares of our subsidiaries. A list of our subsidiaries is filed as Exhibit 8.1 to this annual report on Form 20-F.

D. Property, plants and equipment

Our only material properties are the vessels in our fleet.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

For a discussion of our results for the year ended December 31, 2023, compared to the year ended December 31, 2022, please refer to "Item 5. Operating and Financial Review and Prospects" in our Annual Report on Form 20-F for the year ended December 31, 2023, filed with the SEC on April 15, 2024.

The following management's discussion and analysis should be read in conjunction with our historical consolidated financial statements and the notes to these financial statements included in "*Item 18. Financial Statements*." This discussion contains forward-looking statements that reflect our current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as those set forth in the section entitled "Risk Factors" and elsewhere in this annual report.

Lack of Historical Operating Data for Vessels before Their Acquisition

Vessels are generally acquired free of charter. Where a vessel has been under a voyage charter, the vessel is usually delivered to the buyer free of charter. It is rare in the shipping industry for the last charterer of the vessel in the hands of the seller to continue as the first charterer of the vessel in the hands of the buyer. In most cases, when a vessel is under time charter and the buyer wishes to assume that charter, the vessel cannot be acquired without the charterer's consent and the buyer entering into a separate direct agreement (called a "novation agreement") with the charterer to assume the charter. The purchase of a vessel itself does not transfer the charter because it is a separate service agreement between the vessel owner and the charterer.

Where we identify any intangible assets or liabilities associated with the acquisition of a vessel, we record all identified assets or liabilities at fair value. Fair value is determined by reference to market data. We value any asset or liability arising from the market value of the time charters assumed when a vessel is acquired. The amount to be recorded as an asset or liability at the date of vessel delivery is based on the difference between the current fair market value of the charter and the net present value of future contractual cash flows. When the present value of the time charter assumed is greater than the current fair market value of such charter, the difference is recorded as prepaid charter revenue. When the opposite situation occurs, any difference, capped to the vessel's fair value on a charter-free basis, is recorded as deferred revenue. Such assets and liabilities, respectively, are amortized as a reduction of, or an increase in, revenue over the period of the time charter assumed.

To the extent that we purchase a vessel and assume or renegotiate a related time charter, among others, we will be required to take the following steps before the vessel will be ready to commence operations:

a) obtain the charterer's consent to us as the new owner;

b) obtain the charterer's consent to a new technical manager;

c) in some cases, obtain the charterer's consent to a new flag for the vessel;

d) arrange for a new crew for the vessel, and where the vessel is on charter, in some cases, the crew must be approved by the charterer;

e) replace all hired equipment on board, such as gas cylinders and communication equipment;

f) negotiate and enter into new insurance contracts for the vessel through our own insurance brokers;

g) register the vessel under a flag state and perform the related inspections in order to obtain new trading certificates from the flag state;

h) implement a new planned maintenance program for the vessel; and

i) ensure that the new technical manager obtains new certificates for compliance with the safety and vessel security regulations of the flag state.

The following discussion is intended to help you understand how acquisitions of vessels affect our business and results of operations.

Our business is mainly comprised of the following elements:

a) acquisition and disposition of vessels;

b) employment and operation of our vessels; and

c) management of the financial, general and administrative elements involved in the conduct of our business and ownership of our vessels.

The employment and operation of our vessels mainly require the following components:

a) vessel maintenance and repairs;

b) crew selection and training;

c) vessel spares and stores supply;

d) contingency response planning;

e) onboard safety procedures auditing;

f) accounting;

g) vessel insurance arrangements;

h) vessel chartering;

i) vessel security training and security response plans (ISPS);

j) performing an ISM audit and obtaining ISM certification for each vessel after taking over a vessel;

k) vessel hiring management;

l) vessel surveying; and

m) vessel performance monitoring.

The management of financial, general and administrative elements involved in the conduct of our business and ownership of our vessels mainly requires the following components:

- management of our financial resources, including banking relationships;
- management of our accounting system and records and financial reporting;
- administration of the legal and regulatory requirements affecting our business and assets; and
- management of the relationships with our service providers and customers.

The principal factors that affect our profitability, cash flows and shareholders' return on investment include:

a) charter rates and charter periods;

b) levels of vessel operating expenses;

c) depreciation expenses;

d) capital expenditures, dry-docking and special survey costs;

e) financing costs, if any;

f) geopolitical conditions such as the conflicts in Ukraine and the Middle East;

g) inflation; and

h) fluctuations in foreign exchange rates.

A. Operating results

We charter our vessels to customers pursuant to time charter trips and time charter voyages with short to medium duration, although we may also charter our vessels in the spot market and on longer-term time charters.

Factors Affecting Our Results of Operations

Our results of operations are affected by numerous factors. The principal factors that have impacted the business during the fiscal periods presented in the following discussion and analysis and that are likely to continue to impact our business are the following:

Vessel Revenues

Vessel revenues were historically primarily generated from time charters. Under our time charters, the charterer typically pays us a fixed daily charter hire rate and other compensation costs related to the charter contracts (such as ballast positioning compensation, holds cleaning compensation, etc.) and bears all voyage expenses, including the cost of bunkers (fuel oil) and port and canal charges. However, our voyage results may be affected by differences in bunker prices as we may incur gain/loss on bunkers when the cost of the bunker fuel sold to the new charterer is greater or less than the cost of the bunker fuel acquired. Our revenues are driven primarily by the number of vessels in our fleet, the number of days during which our vessels operate and the daily charter hire rates that our vessels earn under charters, which, in turn, are affected by a number of factors, including:

- the duration of our charters;
- our decisions relating to vessel acquisitions and disposals;
- the amount of time that we spend positioning our vessels;
- the amount of time that our vessels spend in undergoing drydock and/or special survey repairs;
- maintenance and upgrade work;
- the age, condition and specifications of our vessels; and
- levels of supply and demand in the dry bulk and tanker shipping industry;

Vessels operating on time charters for a certain period of time provide more predictable cash flows over that period of time but can yield lower profit margins than vessels operating in the spot time or voyage charter market during periods characterized by favorable market conditions. Vessels operating in the spot charter market generate revenues that are less predictable but may enable their owners to capture increased profit margins during periods of improvements in charter rates although their owners would be exposed to the risk of declining charter rates, which may have a materially adverse impact on financial performance. As we employ vessels on period charters, future spot charter rates may be higher or lower than the rates at which we have employed our vessels on period charters. Our time charter agreements subject us to counterparty risk. In depressed market conditions, charterers may seek to renegotiate the terms of their existing charter parties or avoid their obligations under those contracts. Should a counterparty fail to honor their obligations under agreements with us, we could sustain significant losses which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Voyage Expenses

We incur voyage expenses that primarily consist of commissions and any gains or losses related to bunker prices as all our vessels are usually employed under time charters that require the charterer to bear voyage expenses such as bunkers (fuel oil), port and canal charges. Although the charterer bears the cost of bunkers, our voyage expenses may be affected by differences in bunker prices, and we may record a gain or a loss deriving from such price differences as well as bunker consumption costs during periods when our vessels are repositioning, off-hire or idle. When a vessel is delivered to a charterer, bunkers are purchased by the charterer and sold back to us on the redelivery of the vessel. Bunkers' gain, or loss, results when a vessel is redelivered by her charterer and delivered to the next charterer at different bunker prices, or quantities. We pay commissions on each charter to one or more unaffiliated ship brokers for arranging our charters. In addition, we pay commissions to DWM, Steamship and START for the provision of management, brokerage and commercial services, pursuant to the terms of our management, brokerage and commercial management agreements (see also "Item 7. *Major Shareholders and Related Party Transactions - B. Related Party Transactions".*)

Vessel Operating Expenses

We remain responsible for paying the vessels' operating expenses, including the cost of crewing, insuring, repairing and maintaining the vessel, the costs of spares and consumable stores, tonnage taxes, environmental and safety expenses. Our vessel operating expenses are expensed as incurred. Our vessel operating expenses generally represent fixed costs. Expenses for repairs and maintenance tend to fluctuate from period to period because most repair and maintenance works typically occur during periodic dry-dockings or special surveys. Our ability to control our vessels' operating expenses also affects our financial results.

Vessel Depreciation

The cost of our vessels is depreciated on a straight-line basis over the estimated useful life of each vessel. Depreciation is based on the cost of the vessel less its estimated salvage value. We estimate the useful life of our dry bulk and tanker vessels to be 25 years from the date of initial delivery from the shipyard, which we believe is common in the dry bulk and tanker shipping industry. Furthermore, we estimate the salvage values of our vessels based on historical average prices of the cost of the light-weight ton of vessels being scrapped, which we believe is common in the shipping industry. In 2023, we identified that the estimated scrap rate used for the determination of annual depreciation was not in line with the current average prices of the cost of the light-weight ton of vessels being scrapped, which we believe is common in the shipping industry. In 2023, we identified that the estimated scrap rate used for the determination of annual depreciation was not in line with the current average historical rate and as such, the estimated scrap rate was revised from $250 per lightweight ton to $400 per lightweight ton. For 2024 and 2023, this increase in the vessels' salvage value has reduced depreciation and net loss by approximately $1.54 million and $0.92 million, respectively. A decrease in the useful life of a vessel or in its salvage value would have the effect of increasing the annual depreciation charge. When regulations place limitations on the ability of a vessel to trade on a worldwide basis, the vessel's useful life is adjusted at the date such regulations are adopted.

General and Administrative Expenses

We incur general and administrative expenses which include compensation and fees towards our directors and consultants, restricted stock awards amortization cost, lumpsum brokerage fees, traveling, directors' and officers' insurance, promotional and other expenses of a listed public company, such as legal and professional expenses and other general corporate expenses. These expenses are relatively fixed and are not widely affected by the size of our fleet.

Consolidated Results of Operations

(in millions of U.S. dollars) except for share and per share data	**For the year ended December 31, 2024**	**For the year ended December 31, 2023**
Results of Operations		
Vessel revenues, net	$ 25.70	$ 18.96
Voyage expenses	(3.71)	(1.94)
Vessel operating expenses	(12.49)	(10.42)
Depreciation and amortization of deferred charges	(7.20)	(7.67)
Impairment loss	(6.12)	-
General and administrative expenses	(6.21)	(5.28)
Support agreement costs	(6.75)	-
Management fees	(1.34)	(1.24)
Changes in fair value of warrants' liability	-	6.22
Finance costs	(0.11)	(0.91)
Interest income	0.31	0.50
Net loss and comprehensive loss	(17.86)	(1.98)
Net loss and comprehensive loss attributable to common stockholders	$ (19.73)	$ (6.71)
Loss per share, basic	(2.64)	(2.02)
Loss per share, diluted	(2.64)	(3.83)
Weighted average number of common shares, basic	7,465,136	3,315,519
Weighted average number of common shares, diluted	7,465,136	3,372,207

Year ended December 31, 2024, compared to the year ended December 31, 2023

Vessel Revenues. Vessel revenues increased by $6.74 million, to $25.70 million in the year ended December 31, 2024, from $18.96 million in the year ended December 31, 2023, mainly due to (i) the increase in our average time charter rates as a result of the overall stronger capesize market conditions during the year ended December 31, 2024, and (ii) the increase in our Operating days to 1,747 in 2024 from 1,691 in 2023, due to the increased size of our fleet.

Voyage Expenses. Voyage expenses increased by $1.77 million, to $3.71 million in the year ended December 31, 2024, compared to $1.94 million in the year ended December 31, 2023, mainly due to (i) the increase in commissions as a result of the increase in vessel revenues, and (ii) the increase in bunker losses primarily arising from bunkers costs of our newly acquired MR2 product tanker vessel that was engaged in voyage charters and underwent dry dock repairs during 2024, as well at the price differences in the cost of bunker fuel paid by the Company to the previous charterers on vessel re-delivery and the bunker fuel sold to the new charterers on same vessel delivery under certain of our dry bulk vessel time charters.

Vessel Operating Expenses. Vessel operating expenses increased by $2.07 million, to $12.49 million in the year ended December 31, 2024, from $10.42 million in the year ended December 31, 2023, mainly due to the increased ownership days related to the increased average size of our fleet, as well as the increased repair, spares and stores costs for certain of our vessels.

Depreciation and amortization of deferred charges. Depreciation and amortization of deferred charges decreased by $0.47 million, to $7.20 million in the year ended December 31, 2024, compared to $7.67 million in the year ended December 31, 2023, due to the $1.11 million decrease in depreciation expense following (i) the change in the estimated scrap rates of our vessels from $250 per lightweight ton to $400, effective July 1, 2023, and, (ii) the classification of the M/V Baltimore as current asset held for sale, partially offset by the increase in our ownership days for which depreciation expense is calculated. Such decrease was further offset by the $0.64 million increase in deferred dry-docking amortization costs due to four vessels incurring deferred amortization costs during the year ended December 31, 2024, versus three vessels during the year ended December 31, 2023. As of December 31, 2024, the M/V Melia was also undergoing dry dock repairs.

Impairment loss. Impairment loss in the year ended December 31, 2024 amounted to $6.12 million and related to (i) the aggregate $5.03 million impairment recorded as of December 31, 2024 on the M/V Melia and the M/T Zeze Start whose carrying value was written down to their market value and (ii) the $1.08 million impairment charges recorded following the classification of the M/V Baltimore as current asset held for sale, which was measured at its fair value (agreed sale price) less estimated costs to sell. No impairment loss was recognized during the year ended December 31, 2023.

General and Administrative Expenses. General and administrative expenses increased by $0.93 million, to $6.21 million during the year ended December 31, 2024, compared to $5.28 million during the year ended December 31, 2023. This increase is mainly attributed to additional expenses incurred by the Company related to compensation cost of restricted convertible Series C preferred stock awards in effect under the 2021 Equity Incentive Plan, as amended and restated, and increased insurance costs.

Support agreement costs. Support agreement costs in the year ended December 31, 2024, related to the Support Agreement that we entered into on May 17, 2024, with Sphinx which provided for a payment of $6.75 million in exchange for Sphinx’s support and for the reimbursement of certain of its out of pocket and other expenses.

Management fees. Management fees increased by $0.1 million, to $1.34 million in the year ended December 31, 2024, compared to $1.24 million in the year ended December 31, 2023. This variation was mainly due to the increase in the size of our fleet year over year and the resulting increase in our Ownership days. Management fees paid for each year were in accordance with the terms of the management agreements then in place.

Changes in fair value of warrants’ liability. The $6.22 million gain from changes in the fair value of warrant liability during the year ended December 31, 2023, resulted from (i) the change in the fair value of the liability for the outstanding during the year private placement warrants as compared to the fair value that those warrants were initially measured, and (ii) the fair value changes from initial measurement date to the various settlement dates for those private placement warrants. The private placement warrants were fully exercised during the year ended December 31, 2023, whereas there was no such transaction in the year ended December 31, 2024.

Finance costs. Finance costs of $0.11 million for the year ended December 31, 2024 related to the interest charged by the M/T Zeze Start sellers on the outstanding purchase price for the period from September 9, 2024 (delivery of the vessel to the Company) until November 19, 2024 (full purchase price repayment) in accordance with the terms of the memorandum of agreement. The $0.91 million finance costs incurred during the year ended December 31, 2023, represent the pro rata portion of the aggregate fees and costs incurred in the registered direct offering and the private placement of February 2023 allocated to the private placement warrants liability at their issuance date that were expensed as incurred as of such date.

Interest income. Interest income decreased by $0.19 million, to $0.31 million in the year ended December 31, 2024, compared to $0.50 million in the year ended December 31, 2023. The amount relates solely to interest earned from time deposits.

Inflation and Increased Interest Rates

Inflation and increased interest rates do not have a material effect on our expenses given current economic conditions and management does not consider inflation or interest rates to be a significant risk to direct costs in the current and foreseeable economic environment. In a shipping downturn, costs subject to inflation and increased interest rates can usually be controlled because shipping companies typically monitor costs to preserve liquidity and encourage suppliers and service providers to lower rates and prices during such periods.

Implications of Being an Emerging Growth Company

As we qualify as an "emerging growth company" as defined in the JOBS Act, we may take advantage or specified reduced reporting and other burdens that are otherwise applicable generally to public companies. These provisions include:

- exemption from the auditor attestation requirement in the assessment of the effectiveness of the emerging growth company's internal controls over financial reporting under Section 404(b) of Sarbanes-Oxley;

- exemption from new or revised financial accounting standards applicable to public companies until such standards are also applicable to private companies; and

- exemption from compliance with any new requirements adopted by the Public Company Accounting Oversight Board, or the PCAOB, requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and financial statements.

We may take advantage of these provisions until the end of the fiscal year following the fifth anniversary of the date we first sell our common equity securities pursuant to an effective registration statement under the Securities Act or such earlier time that we are no longer an emerging growth company. We will cease to be an emerging growth company until the earliest of: (i) the last day of the first fiscal year in which our annual gross revenue exceeds $1.235 billion; (ii) the last day of the fiscal year during which the fifth anniversary of the date of the IPO occurs; (iii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock that are held by nonaffiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter; or (iv) the date on which we have issued more than $1 billion in non-convertible debt securities during any three-year period. In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to "opt out" of the extended transition period relating to the exemption from new or revised financial accounting standards and as a result, we comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth public companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

Finally, trade tariffs from the new US administration could pose risks for dry bulk and tanker vessels. The administration's tariffs could lead to higher import costs and trade imbalances. These tariffs may affect shipping volumes, routes, and demand patterns, potentially impacting the dry bulk and tanker market. We may need to adjust our operational strategies to navigate these changes.

B. Liquidity and Capital Resources

We have historically financed our capital requirements with cash flow from operations and proceeds from equity offerings. Our operating cash flow is generated from charters on our vessels, through our subsidiaries. Our main uses of funds have been capital expenditures for the acquisition of new vessels and the funding of our chemical tankers' investment, expenditures incurred in connection with ensuring that our vessels comply with international and regulatory standards and dry-dock surveys, and payments of preferred stock dividends.

As of December 31, 2024, our contractual obligations related to (i) our Series C and Series D preferred shares dividends and (ii) our investment in the construction of two chemical tankers which was paid in March 2025. Since January 1, 2025, and up to the date of this annual report, we paid cash dividends on our Series C and D preferred holders as of record date April 14, 2025, amounting to $1.19 million in the aggregate and settled the last installment of $1.38 million regarding our chemical tankers' investment, which amounts were funded through available cash (see also "Item 4. Information on the Company-A. History and Development of the Company-").

As of the date of this annual report, we do not have any debt or capital expenditures for vessel acquisitions, but we incur capital expenditures when our vessels undergo surveys. This process of recertification may require us to reposition these vessels from a discharging port to the shipyard, which will reduce our operating days during the period. We also incur capital expenditures for vessel improvements to meet new regulations and comply with international and regulatory standards. The loss of earnings associated with the decrease in operating days together with the capital needs for repairs and upgrades result in increased cash flow needs.

We will require capital to fund ongoing operations, vessel improvements to meet requirements under new regulations and the payment of dividends on our Series C and Series D preferred stock. We intend to finance our future growth through a combination of cash generated from operations, proceeds from equity offerings, borrowings from debt transactions, as well as funds from the sale of M/V Salt Lake City in February 2025, as deemed appropriate by our management and board of directors.

As at December 31, 2024 and 2023, working capital, which is current assets minus current liabilities, amounted to $9.02 million and $17.76 million, respectively.

Management monitors the Company's liquidity position throughout the year to ensure that it has access to sufficient funds to meet its forecast cash requirements. We anticipate that our primary sources of funds for at least twelve months from the date of this report will be available cash, internally generated cash flows from our anticipated revenues and equity offering proceeds. We believe that our working capital and these anticipated sources of funds, as well as our ability to access the equity capital markets if needed, will be sufficient to meet our liquidity needs for at least twelve months from the date of this annual report.

Cash Flows

Cash and cash equivalents as of December 31, 2024, and 2023 was $7.16 million and $14.84 million, respectively. We consider highly liquid investments such as time deposits and certificates of deposit with an original maturity of around three months or less to be cash equivalents. Cash and cash equivalents are held in U.S. dollars.

Net Cash (Used in)/Provided by Operating Activities

Net cash used in operating activities in 2024, amounted to $3.53 million compared to net cash provided by operating activities of $0.82 million in 2023, representing a decrease of $4.35 million. This decrease in cash from operating activities was attributable to the decrease in net income after adjusting for non-cash items during 2024 by $3.99 million compared to 2023, and the increase of $0.36 million in working capital outflows.

Net Cash Used in Investing Activities

Net cash used in investing activities during 2024 amounted to $2.52 million and represents payments of (i) $18.91 million being the cash consideration of the purchase price and other minor predelivery costs regarding the acquisition of the M/T Zeze Start in July 2024, in accordance with the terms of the relevant Memorandum of Agreement, and (ii) $1.38 million regarding the second instalment in connection with the chemical tankers investment, which were partially offset by the $17.77 million relating to net cash proceeds from the sale of the M/V Baltimore in November 2024. Net cash used in investing activities in 2023 amounted to $6.01 million and represents payments of (i) $4.00 million being the cash consideration of the purchase price regarding the acquisition of the M/V Melia in February 2023, in accordance with the terms of the relevant Memorandum of Agreement, (ii) $1.64 million regarding the first instalment and other transactions costs in connection with the chemical tankers investment, and (iii) $0.37 million relating to vessel improvement costs.

Net Cash (Used in)/Provided by Financing Activities

Net cash used in financing activities in 2024 amounted to $1.64 million and consisted of dividends paid to Series C and Series D preferred holders.

Net cash provided by financing activities in 2023 amounted to $11.58 million and comprises from (i) net proceeds of $13.64 million from the issuance of units (comprising of shares of common stock or prefunded warrants and Class B warrants), the issuance of private placement warrants, and the exercise of pre-funded warrants under the 2023 registered Direct Offering and Concurrent Private Placement, (ii) $0.03 million proceeds in connection with the issuance of the newly designated Series E Preferred Stock, less $2.09 million of dividends paid to Series C and Series D preferred holders.

C. Research and development, patents and licenses

Not applicable.

D. Trend information

Our results of operations depend primarily on the charter hire rates that we are able to realize, and the demand for dry bulk and product tanker vessel services.

The volatility in charter rates in the dry bulk and product tanker market reflects in part the supply of dry bulk and product tanker vessels and the number of newbuilding vessels on order. Demand for dry bulk and product tanker vessel services is influenced by global financial conditions. Global financial markets and economic conditions have been, and continue to be, volatile. Our revenues and results of operations in 2025 will be subject to demand for our services, the level of inflation, market disruptions and interest rates. Demand for our dry bulk and product tanker oceangoing vessels is dependent upon economic growth in the world's economies, seasonal and regional changes in demand and changes to the capacity of the global dry bulk sand product tanker fleet and the sources and supply for dry bulk and product tanker cargo transported by sea. Continued adverse economic, political or social conditions or other developments could further negatively impact charter rates and therefore have a material adverse effect on our business and results of operations.

We believe that the important measures for analyzing trends in our results of operations consist of the following:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Fleet Data:		
Average number of vessels (1)	5.2	4.9
Number of vessels at year-end	5.0	5.0
Weighted average age of vessels at year-end (in years)	19.3	18.8
Ownership days (2)	1,901	1,787
Available days (3)	1,805	1,707
Operating days (4)	1,747	1,691
Fleet utilization (5)	96.8%	99.1%

(1) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the sum of the number of days each vessel was a part of our fleet during the period divided by the number of calendar days in the period.

(2) Ownership days are the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.

(3) Available days are the number of our ownership days less the aggregate number of days that our vessels are off-hire due to scheduled repairs or repairs under guarantee, vessel upgrades or special surveys and the aggregate amount of time that we spend positioning our vessels for such events. The shipping industry uses available days to measure the number of days in a period during which vessels should be capable of generating revenues.

(4) Operating days are the number of available days in a period less the aggregate number of days that our vessels are off-hire due to any reason, including unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues.

(5) We calculate Fleet utilization by dividing the number of our Operating days during a period by the number of our Available days during the period. The shipping industry uses Fleet utilization to measure a company's efficiency in finding suitable employment for its vessels and minimizing the amount of days that its vessels are off-hire for reasons other than scheduled repairs or repairs under guarantee, vessel upgrades, special surveys or vessel positioning for such events.

Amounts in the tables below are in U.S dollars	For the year ended December 31, 2024	For the year ended December 31, 2023
Average Daily Results:		
Time charter equivalent (TCE) rate (6)	$ 12,184	$ 9,969
Daily vessel operating expenses (7)	6,568	5,832

(6) Time charter equivalent rates, or TCE rates, are defined as our time charter and voyage revenues, less voyage expenses during a period divided by the number of our Available days during the period, which is consistent with industry standards. Voyage expenses include port charges, bunker (fuel) expenses, canal charges and commissions. TCE rate is a non-GAAP measure, and management believes it is useful to investors because it is a standard shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per day amounts while charter hire rates for vessels on time charters are generally expressed in such amounts. The following table reflects the calculation of our TCE rates for the periods presented.

(7) Daily vessel operating expenses, which include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance, the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses, are calculated by dividing vessel operating expenses by ownership days for the relevant period.

Amounts in the tables below are in thousands of U.S dollars except for Available days and TCE rate	For the year ended December 31, 2024	For the year ended December 31, 2023
Vessel revenues	$ 25,702	$ 18,957
Less: voyage expenses	(3,710)	(1,940)
Time charter equivalent (TCE) revenues	**$ 21,992**	**$ 17,017**
Available days	1,805	1,707
Time charter equivalent (TCE) rate	**$ 12,184**	**$ 9,969**

E. Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of those financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions and conditions.

Critical accounting estimates are those estimates made in accordance with generally accepted accounting principles that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition or results of operations. We prepare our financial statements in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our consolidated financial statements are presented fairly and in accordance with U.S. GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. For a description of our material accounting policies, please read “Item 18. Financial Statements” and more precisely Note 2 (“Significant Accounting Policies”) to our consolidated financial statements included elsewhere in this annual report.

Impairment of Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances (such as market conditions, obsolesce or damage to the asset, potential sales and other business plans) indicate that the carrying amount of an asset may not be recoverable. When the estimate of undiscounted projected net operating cash flows, expected to be generated by the use of an asset over its remaining useful life and its eventual disposition is less than its carrying amount plus unamortized dry-docking costs, the Company evaluates the asset for impairment loss. Measurement of the impairment loss is based on the fair value of the asset, determined mainly by third party valuations. The current conditions in the dry bulk and tanker sector with decreased charter rates and decreased vessel market values are conditions that the Company considers indicators of a potential impairment. In developing estimates of future undiscounted projected net operating cash flows, the Company makes assumptions and estimates about the vessels’ future performance, with the significant assumptions being related to future charter rates for the unfixed days and future fleet utilization rate. Other assumptions used, are charter rates calculated for the fixed days using the fixed charter rate of each vessel from existing time charters; the expected outflows for scheduled vessels’ maintenance; vessel operating expenses; estimated remaining useful life of each vessel and the vessels’ residual value if sold for scrap. The assumptions used to develop estimates of future undiscounted projected net operating cash flows are based on historical trends as well as future expectations, employment prospects under the then current market conditions and vessels’ age. In particular, for the unfixed days, the Company uses the most recent ten-year average of historical market charter rates available for each type of vessel over the remaining estimated life of each vessel, net of commissions. Historical ten-year average market charter rates are in line with the Company’s overall chartering strategy, they reflect the full operating history of vessels of the same type and particulars with the Company’s operating fleet and they cover at least a full business cycle, where applicable. In addition, for 2024, the effective fleet utilization is assumed to 98% in the Company’s exercise for our dry bulk vessels and 97% for our product tanker vessel, in line with the Company’s historical performance and its expectations for future fleet utilization under its fleet employment strategy, which is additionally affected with the period(s) each vessel is expected to undergo its scheduled dry-docking and/or special survey maintenance works. This calculation is then compared with the vessels’ net book value plus unamortized dry-docking and special survey costs. The difference between the carrying amount of the vessel plus unamortized dry-docking and special survey costs and their fair value is recognized in the Company’s accounts as impairment loss.

The review of the carrying amounts in connection with the estimated recoverable amount of our vessels as of December 31, 2024, resulted in an impairment loss of $5.03 million in two of our vessels. In addition, an impairment loss of $1.09 million was recorded during 2024, as a result of the classification of the M/V Baltimore as current asset held for sale in April 2024. No impairment loss was identified or recorded during the year ended December 31, 2023. According to our assessment, the carrying value plus unamortized dry-docking and special survey costs, if any, of vessels for which impairment indicators existed but no impairment was recorded as at December 31, 2024 and 2023, was $20.1 and $73.1 million, respectively.

Historically, the market values of vessels have experienced volatility, which from time to time may be substantial. As a result, the charter-free market value of certain of our vessels may have declined below those vessels’ carrying value plus unamortized dry-docking and special survey costs, even though we would not impair those vessels’ carrying value under our accounting impairment policy. Based on: (i) the carrying value plus unamortized dry-docking and special survey costs of each of our vessels as of December 31, 2024 and 2023 and (ii) what we believe the charter-free market value of each of our vessels was as of December 31, 2024 and 2023, the aggregate carrying value of four and five of the vessels in our fleet as of December 31, 2024 and 2023, respectively, exceeded their aggregate charter-free market value by approximately $2.7 million and $13.1 million, respectively, as noted in the table below. This aggregate difference represents the approximate analysis of the amount by which we believe we would have to further increase our loss if we sold all of such vessels at December 31, 2024 and 2023, on a charter-free basis, on industry standard terms, in cash transactions, and to a willing buyer where we were not under any compulsion to sell, and where the buyer was not under any compulsion to buy. For purposes of this calculation, we have assumed that these vessels, would be sold at a price that reflects our estimate of their charter-free market values as of December 31, 2024, and 2023.

Vessels	Dwt	Year Built	Carrying value plus unamortized dry dock cost (in millions of US Dollars)	
(In millions of USD)			2024	2023
1. Protefs	73,630	2004	$ 10.1*	$ 11.4*
2. Calipso	73,691	2005	$ 10.0*	$ 11.2*
3. Salt Lake City***	171,810	2005	$ 16.6	$ 18.4*
4. Baltimore**	177,243	2005	$ -	$ 19.4*
5. Melia	76,225	2005	$ 10.3	$ 12.7*
6. Zeze Start	49,999	2009	$ 25.4	$ -
Total			**$ 72.4**	**$ 73.1**

* Indicates vessels for which we believe, as of December 31, 2024, and 2023, the charter-free market value was lower than the vessel's carrying value plus unamortized dry-docking and special survey costs. We believe that the aggregate carrying value plus unamortized dry-docking and special survey costs of these vessels exceeded their aggregate charter-free market value by approximately $2.7 million and $13.1 million, respectively.

** Vessel sold on November 19, 2024.

*** Vessel sold on February 13, 2025.

Our estimates of charter-free market value assume that our vessels were all in good and seaworthy condition without need for repair and if inspected would be certified in class without notations of any kind. Our estimates are based on information available from various industry sources, including:

- reports by industry analysts and data providers that focus on our industry and related dynamics affecting vessel values;
- news and industry reports of similar vessel sales;
- offers that we may have received from potential purchasers of our vessels; and
- vessel sale prices and values of which we are aware through both formal and informal communications with shipowners, shipbrokers, industry analysts and various other shipping industry participants and observers.

As we obtain information from various industry and other sources, our estimates of charter-free vessel market values, charter rates and vessel utilization are inherently uncertain. In addition, vessel values are highly volatile; as such, our estimates may not be indicative of the current or future charter-free market value of our vessels or prices that we could achieve if we were to sell them. We also refer you to the risk factor in "Item 3. Key Information-D. Risk Factors" entitled "A decline in the market values of our vessels could limit our ability to borrow funds in the future, trigger breaches of certain financial covenants contained in any future borrowing facilities we may enter into, and/or result in impairment charges or losses on sale." and the discussion under the heading "Item 4. Information on the Company-B. Business Overview-Vessel Prices."

Our impairment test exercise is sensitive to variances in the time charter rates and utilization rates. Our current analysis, which also involved a sensitivity analysis by assigning possible alternative values to these significant inputs, indicated that time charter rates and utilization would need to be reduced by 8.4% to 31.5% to result in impairment of individual non-impaired long-lived assets with indication of impairment as of December 31, 2024. In particular, a minimum decrease of 8.6% in the time charter rates for the unfixed days as shown in detail in the table below and a minimum fleet utilization rate of 89.8% used instead in our impairment test exercise would result in $1.55 million impairment charge for one of our vessels. However, there can be no assurance as to how long charter rates and vessel values will remain at their current levels. If charter rates decrease and remain depressed for some time, it could adversely affect our revenue and profitability and future assessments of vessel impairment.

A comparison of the average estimated daily time charter equivalent rate used in our impairment analysis with the average "break-even rate" for each major class of non-impaired as of December 31, 2024 vessels is presented below:

	Average estimated daily time charter equivalent rate used	Average break-even rate*
Panamax	$ 13,250	$ 12,157
Capesize	$ 16,632	$ 11,386

* Excludes impaired vessels as of December 31, 2024

Additionally, the use of the 1-year, 3-year and 5-year average blended rates would not have any effect on the Company's impairment analysis for the remaining non impaired as of December 31, 2024, vessels, and as such on the Company's results of operations:

	1-year (period)	Impairment charge in USD million	3-years (period)	Impairment charge in USD million	5-years (period)	Impairment charge in USD Million
Panamax	$ 14,145	$ -	$ 15,958	$ -	$ 16,715	$ -
Capesize	$ 25,651	$ -	$ 20,024	$ -	$ 20,867	$ -

Fair Value Measurements

The Company follows the provisions of ASC 820 "Fair Value Measurements and Disclosures", which defines fair value and provides guidance for using fair value to measure assets, liabilities and equity instruments classified in stockholders' equity. The guidance creates a fair value hierarchy of measurement and describes fair value as the price that would be received to sell an asset or paid to transfer a liability or the consideration to transfer equity interests issued in an orderly transaction between market participants in the market in which the reporting entity transacts. The fair value measurement assumes that an instrument classified in stockholders' equity is transferred to a market participant at the measurement date. The transfer of an instrument classified in stockholders' equity assumes that the instrument would remain outstanding, and the market participant takes on the rights and responsibilities associated with the instrument. In accordance with the requirements of accounting guidance relating to Fair Value Measurements, the Company classifies and discloses its assets, liabilities and equity instruments classified in stockholders' equity carried at the fair value in one of the following categories: Level 1: Quoted market prices in active markets for identical assets or liabilities or equity instruments; Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data; Level 3: Unobservable inputs that are not corroborated by market data.

On February 21, 2024, our Board of Directors approved the award and grant of 3,332 shares of Series C Preferred Stock to our directors, pursuant to the Company's amended and restated equity incentive plan, for a fair value of $2.8 million, to vest over a service period of two years. The fair value of the Series C Preferred Stock was determined based on a valuation obtained by an independent third party for the purposes of the transaction. The fair value of the above equity instrument issued by the Company were based as of the measurement date on the present values of the future cash outflows derived from the dividends payable assuming the instruments are held in perpetuity. In determining the fair value of the 2024 restricted stock awards, the Company applied a discount factor of 9.3%, determined based on the Company's estimated weighted average cost of capital comprising of (i) risk-free rate of 4.25%, (ii) representative beta of 0.81 and (iii) equity market average return of 10.5%. The fair value of the instruments is sensitive to changes in the discount factor applied.

On April 25, 2024, the M/V Baltimore was classified as vessel held for sale and was measured at a fair value of $18.25 million, less costs to sell, by reference to its agreed sale price as per the memorandum of agreement terms less estimated costs.

On September 9, 2024, the Company accounted for the M/T Zeze Start acquisition at a fair value of $27.5 million based on a valuation provided by an independent third-party broker.

As of December 31, 2024, following the Company's exercise, the M/V Melia and M/T Zeze Start were impaired to their fair values at that time, amounting to $10.36 million and $25.38 million, respectively, by making use of available market data.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

Set forth below are the names, ages and positions of our directors and executive officers. Our Board of Directors consists of seven members that will be elected annually on a staggered basis, and each director elected will hold office for a three-year term and until his or her successor is elected and has qualified, except in the event of such director's death, resignation, removal or the earlier termination of his or her term of office. Officers are appointed from time to time by our board of directors and hold office until a successor is appointed or their employment is terminated.

Name	Age	Position
Semiramis Paliou	50	Class I Director and Chairperson
Robert Perri	52	Chief Executive Officer
Vasiliki Plousaki	39	Chief Financial Officer
Ioannis Zafirakis	53	Class III Director
Eleftherios Papatrifon	55	Class II Director
Styliani Alexandra Sougioultzoglou	51	Class I Director
Grigorios-Filippos Psaltis	50	Class II Director
Nikolaos Veraros	54	Class III Director
Alexios Chrysochoidis	51	Class I Director
Margarita Veniou	46	Chief Corporate Development and Governance Officer and Secretary

The term of our Class I directors expires in 2025, the term of our Class II directors expires in 2026 and the term of our Class III directors expires in 2027. The business address of each officer and director is the address of our principal executive offices, which are located at Pendelis 26, 175 64 Palaio Faliro, Athens, Greece.

Biographical information with respect to each of our directors and executive officers is set forth below.

Semiramis Paliou has served as a Director since April 2021. Mrs. Paliou is the Chairperson of the Board of Directors and of the Executive Committee of the Company since November 2021. Mrs. Paliou has served as a Director of Diana Shipping Inc. since March 2015. She has also served as Chief Executive Officer, Chairperson of the Executive Committee and a member of the Sustainability Committee of Diana Shipping Inc. since March 1, 2021. She previously served as Deputy Chief Executive Officer of Diana Shipping Inc. from October 2019 until February 2021. Mrs. Paliou also served as member of the Executive Committee and the Chief Operating Officer of Diana Shipping Inc. from August 2018 until February 2021. Mrs. Paliou also serves as Chief Executive Officer of Diana Shipping Services S.A. From November 2018 to February 2020 Mrs. Paliou also served as Chief Operating Officer of Performance Shipping Inc. Mrs. Paliou has over 20 years of experience in shipping operations, technical management and crewing. Mrs. Paliou began her career at Lloyd’s Register of Shipping from 1996 to 1998 as a trainee ship surveyor. She was then employed by Diana Shipping Agencies S.A. From 2007 to 2010 she was employed as a Director and President of Alpha Sigma Shipping Corp. From February 2010 to November 2015, she was the Head of the Operations, Technical and Crew department of Diana Shipping Services S.A. From November 2015 to October 2016, she served as Vice- President of the same company. From November 2016 to the end of July 2018, she served as Managing Director and Head of the Technical, Operations, Crew and Supply department of Unitized Ocean Transport Limited. Ms. Paliou obtained her BSc in Mechanical Engineering from Imperial College, London and her MSc in Naval Architecture from University College, London. Ms. Paliou completed courses in “Finance for Senior Executives” and in “Authentic Leader Development” and a certificate program on “Sustainable Business Strategy” all at Harvard Business School. She is the daughter of Simeon Palios, the Chairman of Diana Shipping Inc., and is Vice-Chairperson of the Greek committee of Det Norske Veritas, a member of the Greek committee of Nippon Kaiji Kyokai and a member of the Greek committee of Bureau Veritas. Since March 2018, Ms. Paliou has served on the board of directors of the Hellenic Marine Environment Protection Association (HELMEPA) and serves as the Chairperson since June 2020. As of July 2023, she serves as Chairperson of INTERMEPA. She previously served as Vice-Chairperson of INTERMEPA from July 2021 until July 2023. Also, she is a member of the board of directors of the UK P&I Club since November 2020, as of February 2022 member of the Union of Greek Shipowners and as of April 2022 member of the Global Maritime Forum.

Robert Perri has served as the Chief Executive Officer of the Company since February 2023. From June 2021 to December 2022, Mr. Perri worked in the Finance Department of Costamare Inc. From November 2016 to June 2021, Mr. Perri was the Chief Financial Officer of TMS Cardiff Gas, Ltd. Mr. Perri has served as a Director of Kalon Acquisition Group since 2019. Mr. Perri has over 28 years of experience in the maritime transportation and finance sectors and has held various senior management positions for both public and private shipping companies and financial institutions, including ten years in equity research for several investment banks covering various industries including shipping, technology and IT services. Mr. Perri is a member of the Chartered Financial Analyst (CFA) Institute and a CFA charterholder. Mr. Perri received his Bachelor of Science degree in Accounting and Finance from Drexel University in 1995 and received his MBA with a focus on finance and banking from SDA Bocconi in 1999.

Ioannis Zafirakis has served as a Director of the Company since April 2021. He has also served as the Company’s President, Secretary and Interim Chief Financial Officer from November 2021 to April 2023. Mr. Zafirakis is also member of the Executive Committee of the Company. He has served as a Director of Diana Shipping Inc. from February 2005. He has also been the Co-Chief Financial Officer since January 2025, having previously served as Diana Shipping Inc.’s Chief Financial Officer from February 2020 (Interim Chief Financial Officer until February 2021). In addition, he has held the role of Treasurer since February 2020 and he is also the Chief Strategy Officer of Diana Shipping Inc. Mr. Zafirakis is also member of the Executive Committee of Diana Shipping Inc. He has held various executive positions such as Chief Operating Officer, Executive Vice-President and Vice-President. In addition, Mr. Zafirakis has served as the Chief Strategy Officer and Co-Chief Financial Officer of Diana Shipping Services S.A. since January 2025. Prior to this, he was Diana Shipping Services S.A, Chief Financial Officer from March 2020 (Interim Financial Officer until February 2021) and continues to hold the positions of Director and Treasurer. From June 1997 to February 2005, Mr. Zafirakis was employed by Diana Shipping Agencies S.A., where he held a number of positions in finance and accounting. From January 2010 to February 2020, he also served as Director and Secretary of Performance Shipping Inc. (ex. Diana Containerships Inc.) (NASDAQ: PSHG), where he held various executive positions such as Chief Operating Officer and Chief Strategy Officer. Mr Zafirakis, currently also acts as Director, President, Secretary and Treasurer for Sea Transportation Inc. Mr. Zafirakis is a member of the Business Advisory Committee of the Shipping Programs of ALBA Graduate Business School at The American College of Greece. In 2024, Mr. Zafirakis attended and completed the Advanced Management Programme at INSEAD Business School in Singapore. Mr. Zafirakis has also obtained a certificate in “Blockchain Economics: An Introduction to Cryptocurrencies” from Panteion University of Social and Political Sciences in Greece. He holds a bachelor’s degree in business studies from City University Business School in London and a master’s degree in International Transport from the University of Wales in Cardiff.

Eleftherios (Lefteris) A. Papatrifon has served as a Director of the Company since November 2021. Mr. Papatrifon served as the Company's Chief Executive Officer from November 2021 to January 2023. Mr. Papatrifon is a member of the Executive Committee of the Company. He has served as Director and member of the Executive Committee of Diana Shipping Inc. since February 2023 and as Chief Operating Officer from March 2021 to February 2023. He was Chief Executive Officer, Co-Founder and Director of Quintana Shipping Ltd, a provider of dry bulk shipping services, from 2010 until the company's successful sale of assets and consequent liquidation in 2017. Previously, for a period of approximately six years, he served as the Chief Financial Officer and a Director of Excel Maritime Carriers Ltd. Prior to that, Mr. Papatrifon served for approximately 15 years in a number of corporate finance and asset management positions, both in the USA and Greece. Mr. Papatrifon holds undergraduate (BBA) and graduate (MBA) degrees from Baruch College (CUNY). He is also a member of the CFA Institute and a CFA charterholder.

Vasiliki Plousaki has served as the Chief Financial Officer of the Company since April 2023. Mrs. Plousaki has also served as the Chief Accounting Officer of the Company from June 2021 to April 2023, during which time she has been responsible for all financial reporting requirements. From 2020 to June 2021, she was employed by Drew Marine, a global maritime company, as EMEA Regional Controller. In 2011 Mrs. Plousaki joined the Athens branch of Ernst and Young (Hellas), where she progressed to Senior Manager and served as an external auditor specializing in audits of US listed shipping companies until 2020. Mrs. Plousaki is a member of the Association of Chartered Certified Accountants (ACCA), holds a Bachelor's degree in Finance from the University of Athens and a Master's degree in Auditing and Accounting from the University of Athens and the Greek Institute of Chartered Accountants.

Margarita Veniou has served as the Chief Corporate Development and Governance Officer of the Company since November 2021 and also served as the Secretary of the Company since April 2023 and she has been responsible for the implementation and supervision of the general corporate matters, including the development of our strategic plans. Ms. Veniou also serves` as the Chief Corporate Development, Governance & Communications Officer of Diana Shipping Inc. (NYSE:DSX) and the Corporate Development, Governance & Communications Manager of Diana Shipping Services S.A., a ship management company, since July 2022. From September 2004 to June 2022, she has worked for the same companies holding various positions as Associate, Officer, and Manager in the fields of corporate planning and governance. Ms. Veniou held the position of Corporate Planning & Governance Officer from January 2010 to February 2020 in Performance Shipping Inc. (ex. Diana Containerships Inc.) (NASDAQ: PSHG), a US-listed company. She is also the General Manager of Steamship Shipbroking Enterprises Inc. since April 2014. She is a member of WISTA Hellas, holds a bachelor´s degree in Maritime Studies and a masters degree in Maritime Economics & Policy from the University of Piraeus. She completed the "Sustainability Leadership and Corporate Responsibility" program at London Business School. She has obtained Certification in Shipping Derivatives from Athens University of Economics and Business. Ms. Veniou is also an ISO 14001 certified by Lloyd's Register.

Styliani Alexandra Sougioultzoglou has served as a Director of the Company since November 29, 2021. She is member of the Compensation Committee of the Company. Since October 2019, Ms. Sougioultzoglou has managed the Centre of Entrepreneurship and Innovation of the Municipality of Athens, where she has been involved in numerous green entrepreneurship projects as well as EU-funded tech initiatives that assist young entrepreneurs and has managed the Centre's international relations. Furthermore, she has been curating multiple cultural events at Technopolis City of Athens. She is the fourth generation of a shipping family that has owned and operated dry cargo and passenger vessels. She has been a Director of the Human Resources department of Estamar Shipmanagement Company, owners/operators of dry cargo vessels. Ms. Sougioultzoglou graduated from the London School of Economics and Political Science with a degree in International Relations & History.

Grigorios-Filippos Psaltis has served as a Director of the Company since November 29, 2021. Mr. Psaltis is the Chairperson of the Compensation Committee of the Company. Since 2017, Mr. Psaltis has served as a Business Consultant at Chesapeake Asset Management L.L.C., a SEC registered company based in New York. He previously worked at Ormos Compania Naviera S.A., a shipping company that specialized in managing and operating multipurpose container vessels, serving as Chief Financial Officer from 1996 to 2006 and as Managing Director from 2006 to 2018. From 1997 to 1999, Mr. Psaltis served on the Investment Committee and was head of business strategy at Dias Portfolio Investment Company, an investment company listed in the Athens Stock Exchange. He held managing positions and has been in the board of directors of various companies in the tourism and food and beverage industry. Mr. Psaltis holds a BSC (Hons) degree from City University Business School in London.

Nikolaos Veraros, CFA, has served as a Director of the Company since November 29, 2021. Mr. Veraros is the Chairperson of the Audit Committee of the Company. Mr. Veraros has served as financial consultant to various shipping companies. He has over 20 years of experience in shipping finance. He was also employed as a senior equity analyst by National Bank of Greece. Mr. Veraros is a Chartered Financial Analyst (CFA), a Certified Market Maker for Derivatives in the Athens Stock Exchange, and a Certified Analyst from the Hellenic Capital Market Commission. He is currently Adjunct Lecturer of shipping finance and economics at King's College, London and ALBA, Athens. Mr. Veraros received his bachelor's degree in business administration from the Athens University of Economics and Business, from which he graduated as valedictorian, and his MBA degree from the William E. Simon Graduate School of Business Administration at the University of Rochester, USA.

Alexios Chrysochoidis has served as a Director of the Company since November 29, 2021. He is member of the Audit Committee of the Company. Mr. Chrysochoidis joined Eurobank Equities in 2003 and he is General Manager, Head of Trading in Athens, Greece. He supervises the Equity and Equity Derivatives Market Making Desk along with the Prop Trading Desk. He has extensive cross border experience, specializing in multi asset products within the Capital Markets and Alternative Sectors. Prior to this he worked for Telesis Securities, as Deputy Head of the Derivatives Desk. He holds a B.Sc and an M.Eng in Electrical Engineering from Imperial College (UK) and an M.Sc in Engineering Economic Systems from Stanford University (US).

B. *Compensation*

Aggregate executive compensation (including amounts paid to Steamship Shipbroking Enterprises Inc.) for 2024 was $3.06 million. Since November 2021, the services of our officers have been provided by Steamship Shipbroking Enterprises Inc., a related party to the company, pursuant to the agreements described in “Item 7. Major Shareholders and Related Party Transactions - Related Party Transactions”. We consider part of these fees under these agreements to constitute the compensation paid to our executives.

All directors receive annual compensation in the amount of $30,000 plus reimbursement of out-of-pocket expenses. In addition, each director serving as chairman of a committee, other than the executive committee, receives additional annual compensation of $20,000, plus reimbursement for out-of-pocket expenses. Each director serving as member of a committee, other than the executive committee, receives additional annual compensation of $10,000, plus reimbursement for out-of-pocket expenses. For 2024, fees and expenses of our directors amounted to $0.27 million.

We do not have a retirement plan for our officers or directors.

Equity Incentive Plan

Our board of directors has approved, and the Company has adopted the 2021 Equity Incentive Plan, as amended and restated, pursuant to which the Company may issue up to 2,000,000 common shares, all of which remain available for issuance and 25,000 Series C Preferred Shares, of which 13,022 remain available to be granted as of April 11, 2025.

Under the 2021 Equity Incentive Plan, as amended and restated, the Company’s employees, officers and directors are entitled to receive options to acquire the Company’s common stock. The 2021 Equity Incentive Plan is administered by the Compensation Committee of the Company’s Board of Directors or such other committee of the Board as may be designated by the Board. Under the terms of the 2021 Equity Incentive Plan, as amended and restated, the Company’s Board of Directors is able to grant (a) non-qualified stock options, (b) stock appreciation rights, (c) restricted stock, (d) restricted stock units, (e) unrestricted stock, (f) other equity-based or equity-related awards, (g) dividend equivalents and (h) cash awards. No options or stock appreciation rights can be exercisable subsequent to the tenth anniversary of the date on which such Award was granted. Under the 2021 Equity Incentive Plan, as amended and restated, the Administrator may waive or modify the application of forfeiture of awards of restricted stock and performance shares in connection with cessation of service with the Company. No Awards may be granted under the 2021 Equity Incentive Plan following the tenth anniversary of the date on which the Plan is adopted by the Board.

During 2024 and up to the date of this annual report, our Board of Directors awarded 3,332 in 2024 and 3,332 in 2025 of our Series C Preferred Shares to our directors, pursuant to our 2021 Equity Incentive Plan, as amended and restated, as an annual incentive bonus. All restricted shares vest ratably over two years from their grant date. The restricted shares are subject to forfeiture until they become vested. Unless they forfeit, grantees have the right to receive and retain all dividends paid and to exercise all other rights, powers and privileges of a holder of shares.

In 2024, non-cash compensation costs under our restricted stock awards amounted to $2.78 million.

C. Board Practices

We have established an Audit Committee, comprised of two non-executive board members, which is responsible for reviewing our accounting controls, recommending to the board of directors the engagement of our independent auditors, and pre-approving audit, non-audit or non-assurance and audit-related services and fees. Each member has been determined by our board of directors to be “independent” under the rules and regulations of the SEC. As directed by its written charter, the Audit Committee is responsible for overseeing the work of the internal audit function, for appointing, and overseeing the work of the independent auditors, including reviewing and approving their engagement letter and all fees paid to our auditors, reviewing the adequacy and effectiveness of the Company’s accounting and internal control procedures and reading and discussing with management, the internal audit function and the independent auditors the annual audited and quarterly financial statements. The members of the Audit Committee are Nikolaos Veraros (chairperson and financial expert) and Alexios Chrysochoidis (member and financial expert).

We have established a Compensation Committee comprised of two members, which, as directed by its written charter, is responsible for setting the compensation of executive officers of the Company, reviewing the Company's incentive and equity-based compensation plans, and reviewing and approving employment and severance agreements. The members of the Compensation Committee are Grigorios-Filippos Psaltis (chairperson) and Styliani Alexandra Sougioultzoglou (member).

We have established an Executive Committee comprised of the Company's Director and Chairperson, Mrs. Semiramis Paliou (Chairperson), Mr. Ioannis Zafirakis (member), and Mr. Eleftherios (Lefteris) Papatrifon (member). The Executive Committee has, to the extent permitted by law, the powers of the Board of Directors in the management of the business and affairs of the Company.

We also maintain directors' and officers' insurance, pursuant to which we provide insurance coverage against certain liabilities to which our directors and officers may be subject, including liability incurred under U.S. securities law.

Clawback Policy

In December 2023, our Board of Directors adopted a policy regarding the recovery of erroneously awarded compensation ("Clawback Policy") in accordance with the applicable rules of Nasdaq and Section 10D and Rule 10D-1 of the Securities Exchange Act of 1934, as amended. In the event we are required to prepare an accounting restatement due to material noncompliance with any financial reporting requirements under U.S. securities laws or otherwise erroneous data or if we determine there has been a significant misconduct that causes material financial, operational or reputational harm, we shall be entitled to recover a portion or all of any incentive-based compensation, if any, provided to certain executives who, during a three-year period preceding the date on which an accounting restatement is required, received incentive compensation based on the erroneous financial data that exceeds the amount of incentive-based compensation the executive would have received based on the restatement.

Our Clawback Policy shall be administered by our Compensation Committee, and the Compensation Committee has the authority, in accordance with the applicable laws, rules and regulations, to interpret and make determinations necessary for the administration of the Clawback Policy, and may forego recovery in certain instances, including if it determines that recovery would be impracticable. The full text of our Clawback Policy is included as Exhibit 97.1 to this annual report.

D. Employees

We have no employees, but we pay Steamship for the services of our officers. DWM is responsible for identifying the appropriate officers and seamen mainly through crewing agencies. The crewing agencies handle each seaman's training, travel and payroll. DWM ensures that all our seamen have the qualifications and licenses required to comply with international regulations and shipping conventions. As of December 31, 2024, 2023, and 2022, 87, 106, and 86 seafarers, respectively, were employed by our vessel-owning subsidiaries.

E. Share Ownership

With respect to the total amount of common shares, Series B Preferred Shares, Series C Preferred Shares, Series D Preferred Shares and Series E Preferred Shares owned by our officers and directors, individually and as a group, see "Item 7. Major Shareholders and Related Party Transactions-A. Major Shareholders."

F. Disclosure of Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

The following table sets forth information regarding ownership of our common stock as of April 11, 2025 who we know to beneficially own more than five percent of our outstanding common shares, and our executive officers and directors. All of our stockholders listed in this table, are entitled to one vote for each common share held.

Beneficial ownership is determined in accordance with the SEC's rules. In computing percentage ownership of each person, shares subject to options held by that person that are currently exercisable or convertible, or exercisable or convertible within 60 days of the date of this annual report, are deemed to be beneficially owned by that person. These shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person.

Identity of person or group	Shares Beneficially Owned Number	Percentage*
Diana Shipping Inc. (1)	3,924,119	49.00%
Semiramis Paliou (2)(3)(4)	19,083,187	71.77%
Ioannis Zafirakis (2)(3)	5,729,069	43.29%
Eleftherios Papatrifon (2)(3)	2,834,730	27.35%
Anamar Investments Inc. (5)	2,623,059	14.99%
Coronis Investments Inc. (6)	2,623,059	14.99%
Taracan Investments S.A (7)	2,226,452	14.99%
Sphinx Investment Corp. (8)	1,050,505	14.00%
Nikolaos Veraros (3)	465,702	5.84%
Grigorios-Filippos Psaltis (3)	311,795	3.99%
Alexios Chrysochoidis (3)	293,220	3.76%
Styliani Alexandra Sougioultzoglou (3)	354,252	4.51%

* Based on 7,504,982 common shares outstanding as of April 11, 2025.

(1) On October 17, 2023, Diana Shipping exercised its right to convert an aggregate of 9,793 shares of our Series C Preferred Stock, following which, 3,649,474 of the Company's shares of common stock were issued to Diana Shipping. Diana Shipping Inc. also owns 500,000 shares of our Series B Preferred Stock. Through its beneficial ownership of our Series B Preferred Stock, Diana Shipping Inc. is entitled to cast 2,000 votes for each share of Series B Preferred Stock on all matters on which our common shareholders are entitled to vote of up to 34% of the total number of votes entitled to vote on such matter. To the extent the aggregate voting power of any holder of Series B Preferred Stock, together with any affiliate of such holder, would exceed 49% of the total number of votes that may be cast on any matter submitted to a vote of our shareholders, the number of votes of relating to its shares of Series B Preferred Stock shall be automatically reduced so that such holder's aggregate voting power, together with any affiliate of such holder, is not more than 49%. Diana Shipping also owns 207 shares of our Series C Preferred Stock, which may be converted into shares of our common stock, at Diana Shipping's option commencing upon the first anniversary of the original issue date, at a conversion price equal to the lesser of $1,300.00 and the 10-trading day trailing VWAP of our common shares, subject to certain adjustments. Diana Shipping, however, is prohibited from converting its shares of Series C Preferred Stock into common shares to the extent that, as a result of such conversion, Diana Shipping (together with its affiliates) would beneficially own more than 49% of the total outstanding common shares.

(2) Semiramis Paliou, Ioannis Zafirakis and Eleftherios Papatrifon may be deemed to have beneficial ownership of common shares through their ownership of Series C and D Preferred Stock which may be converted into common shares at a conversion price equal to the 10-day trailing VWAP of common shares subject to certain adjustments. The above ownership reflects the number of common shares into which such Series C and Series D Preferred Stock may be converted at an assumed 10-day trailing VWAP of $0.7537 as of the closing date of April 11, 2025.

(3) On April 15, 2022, March 7, 2023, February 21, 2024, and March 12, 2025, our Board of Directors approved the award of 1,982, 3,332, 3,332, and 3,332 shares, respectively, of our Series C Preferred Stock to our directors, pursuant to our 2021 Equity Incentive Plan, as amended and restated, of which 6,980 have been vested as of April 11, 2025. The information in the table above does not include the common shares into which the unvested shares of Series C Preferred Stock under these awards may be converted. The 4,998 unvested Series C Preferred Stock as of April 11, 2025, under the restricted stock awards of February 21, 2024, and March 12, 2025, will be convertible at the holders' election at such time.

(4) Semiramis Paliou owns 1,200 shares of our newly designated Series E Preferred Stock. Through her beneficial ownership of our Series E Preferred Stock, Mrs. Paliou is entitled to cast a number of votes for all matters on which our common shareholders are entitled to vote of up to 15% of the total number of votes entitled to vote on such matter. The Series E Preferred Stock votes with the shares of common stock of the Company, and each share of the Series E Preferred Stock entitles the holder thereof to up to 25,000 votes, on all matters submitted to a vote of the stockholders of the Company, subject up to 15% of the total number of votes entitled to be cast on matters put to shareholders of the Company. The Series E Preferred Stock is convertible, at the election of the holder, in whole or in part, into shares of our common stock at a conversion price equal to the 10-trading day trailing VWAP of our common stock, subject to certain adjustments, commencing at any time after (i) the cancellation of all of our Series B Preferred Stock or (ii) the transfer for all of our Series B Preferred Stock (collectively a "Series B Event"). The 15% limitation discussed above, shall terminate upon the occurrence of a Series B Event.

(5) This information is derived from a Schedule 13D/A filed with the SEC on April 15, 2025.

(6) This information is derived from a Schedule 13G/A filed with the SEC on April 15, 2025.

(7) This information is derived from a Schedule 13G/A filed with the SEC on April 15, 2025.

(8) The information regarding number of common shares beneficially owned is derived from a Schedule 13D/A filed with the SEC on May 17, 2024.

As of April 11, 2025, we had 51 shareholders of record, 33 of which were located in the United States and held an aggregate of 3,862,634 of our common shares, representing 51.07% of our outstanding common shares. However, one of the U.S. shareholders of record is CEDE & CO., a nominee of The Depository Trust Company, which held 3,831,732 of our common shares as of that date. Accordingly, we believe that the shares held by CEDE & CO. include common shares beneficially owned by both holders in the United States and non-U.S. beneficial owners. We are not aware of any arrangements the operation of which may at a subsequent date result in our change of control.

B. Related Party Transactions

Related Party Transactions

Steamship

Steamship, a related party that since January 2023 is controlled by our Chairperson, provides us insurance, administrative and brokerage services pursuant to a Management Agreement for insurance-related services, an Administrative Services Agreement, and a Brokerage Services Agreement.

Under each dry bulk vessel-owning subsidiary's Management Agreement for insurance-related services with Steamship, the dry bulk vessel-owning subsidiary pays Steamship a fixed fee of either (i) $500 per month for each month that the vessel is employed or is available for employment or (ii) $250 per month for each month that the vessel is laid-up and not available for employment for at least 15 calendar days of such month. These Management Agreements may be terminated by either party on three months' prior written notice.

Under our Administrative Services Agreement with Steamship, Steamship provides certain administrative services which may include budgeting, reporting, monitoring of bank accounts, compliance with banks, payroll services and any other possible service that we require to perform our operations. We pay Steamship a monthly fee of $10,000. This agreement may be terminated by either party on 30 days' prior written notice.

Under our Brokerage Services Agreement with Steamship, we pay Steamship a lump sum commission of $150,000 per month, plus 2.5% on the hire agreed per charter party for each dry bulk vessel (subject to required deductions and withholdings); provided, however, that we and Steamship may agree to commissions on a percentage basis for specific deals. This Brokerage Services Agreement had an initial term of twelve months commencing on January 1, 2023 (unless terminated earlier on the basis of any other provision contained therein) and is automatically renewed for further periods of one calendar year. On March 12, 2025, the Brokerage Services Agreement between us and Steamship was terminated, and replaced with a new agreement with retroactive effect from January 1, 2025, ending on December 31, 2025 (unless terminated earlier on the basis of any other provision contained therein) and is automatically renewed for further periods of one calendar year. The remaining agreement terms remained unaltered.

Diana Shipping, Right of First Refusal

We have entered into a right of first refusal agreement with Diana Shipping, dated November 8, 2021, pursuant to which Diana Shipping granted us a right of first refusal over six dry bulk carriers then owned by Diana Shipping and identified in the agreement. As of the date of this annual report, one of the six identified vessels from Diana Shipping remains available for our purchase. Pursuant to this right of first refusal, we have the right, but not the obligation, to purchase the remaining identified vessel when and if Diana Shipping determines to sell the vessel. Pursuant to the agreement, in connection with our right of first refusal in any vessel acquisition opportunity, our right to purchase the vessel will be at a price equal to the fair market value of such vessel at the time of sale, as determined by the average of two independent shipbroker valuations from brokers mutually agreeable to the Company and Diana Shipping. If we do not exercise our right to purchase this vessel, Diana Shipping has the right to sell the vessel to any third party for a period of three months from the date we received notice of the offer from Diana Shipping.

Diana Shipping, Non-Competition Agreement

We have entered into a non-competition agreement with Diana Shipping, dated November 2, 2021, pursuant to which Diana Shipping granted us (i) a right of first refusal over any opportunity available to Diana Shipping (or any of its subsidiaries) to acquire or charter-in any dry bulk vessel that is larger than 70,000 dwt and that was built prior to 2006 and (ii) a right of first refusal over any employment opportunity for a dry bulk vessel pursuant to a spot market charter presented or available to Diana Shipping with respect to any vessel owned or chartered in, directly or indirectly, by Diana Shipping. The non-competition agreement also prohibits the Company and Diana Shipping from soliciting each other's employees. The terms of the non-competition agreement provide that it will terminate on the date that (i) Diana Shipping's ownership of our equity securities represents less than 10% of total outstanding voting power and (ii) we and Diana Shipping share no common executive officers.

Diana Wilhelmsen Management Limited

Diana Wilhelmsen Management Limited, or DWM, is a 50/50 joint venture of Diana Shipping and an unaffiliated entity of us, which provides management services to the dry bulk vessels in our fleet pursuant to a management agreement, under which each of our dry bulk vessel-owning subsidiaries pays, for each vessel, an aggregate of 1.25% on hire and on freight of the vessel's gross income, plus either (i) $18,500 for each month that the vessel is employed or available for employment or (ii) $9,250 per month for each month that the vessel is laid-up and not available for employment for at least 15 calendar days of such month. The management agreement may be terminated by either party on three months' prior written notice. DWM, pursuant to a supervision agreement entered on October 1, 2024, also provides the Company's tanker vessel-owning subsidiary with technical supervision and technical advice services in exchange for a fee of $1,000 per calendar month, plus reimbursement of expenses. This agreement may be terminated by either party on fifteen days' prior written notice.

Altair Travel Agency S.A.

Altair Travel Agency S.A., or Altair, an entity in which the Company's Chairperson holds equity interests, provides us from time to time with travel related services.

Acquisition of M/T ZeZe Start

On July 15, 2024, we entered into a memorandum of agreement, as amended, with an entity controlled by a director of the Company, to acquire the M/T Zeze Start, for a purchase price of $27.0 million. Of the purchase price, $18.9 million, was paid in cash and the remaining amount was paid in 9,442 shares of our Series D Preferred Stock. We took delivery of the m/t Zeze Start on September 9, 2024.

START

START, a company controlled by a director of the Company, provides commercial services to the M/T Zeze Start pursuant to a commercial services agreement, for (i) a fixed fee of $300 per day, and (ii) 3.0% on the vessel's revenues. This agreement may be terminated by either party giving two months' notice.

C. Interests of Experts and Counsel

Not Applicable.

Item 8. Financial information

A. Consolidated statements and other financial information

See "Item 18. Financial Statements."

Legal Proceedings

We have not been involved in any legal proceedings which may have a significant effect on our business, financial position, results of operations or liquidity, nor are we aware of any proceedings that are pending or threatened which may have a significant effect on our business, financial position, results of operations or liquidity. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, principally personal injury and property casualty claims. We expect that these claims would be covered by insurance, subject to customary deductibles. Those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources. Pursuant to the Contribution and Conveyance Agreement between us and Diana Shipping, it has agreed to indemnify us and the Subsidiaries for any and all obligations and other liabilities arising from or relating to the operation, management or employment of our vessels prior to the effective date of the Spin-Off.

Dividend Policy

The declaration and payment of dividends, if any, are subject to the discretion of our board of directors. Our board of directors will review and amend our dividend policy from time to time in light of our business plans and other factors.

Marshall Islands law generally prohibits the payment of dividends other than from surplus or when a company is insolvent or if the payment of the dividend would render the company insolvent.

We believe that, under current law, any dividends that we may pay in the future from earnings and profits constitute "qualified dividend income" and as such are generally subject to a 20% United States federal income tax rate with respect to non-corporate United States shareholders. Distributions in excess of our earnings and profits will be treated first as a non-taxable return of capital to the extent of a United States shareholder's tax basis in its common stock on a dollar-for-dollar basis and thereafter as capital gain. Please see the section of this annual report entitled "Item 10. Additional Information-E. Taxation" for additional information relating to the tax treatment of our dividend payments.

Cumulative dividends on shares of our Series C Preferred Stock and our Series D Preferred Stock are payable in cash or, at our election, in kind, quarterly on each January 15, April 15, July 15 and October 15, or, if any such dividend payment date otherwise would fall on a date that is not a business day, the immediately succeeding business day. The dividend rate on shares of our Series C Preferred Stock is 8.0% per annum per $1,000 of liquidation preference per share (equal to $80 per annum per share) and is not subject to adjustment. The dividend rate on shares of our Series D Preferred Stock is 7.0% per annum per $1,000 of liquidation preference per share (equal to $70 per annum per share) and is not subject to adjustment.

Marshall Islands law provides that we may pay dividends only to the extent that assets are legally available for such purposes. Legally available assets generally are limited to our surplus, which essentially represents our retained earnings and the excess of consideration received by us for the sale of shares above the par value of the shares. In addition, under Marshall Islands law we may not pay dividends if we are insolvent or would be rendered insolvent by the payment of such a dividend or the making of such redemption.

B. *Significant Changes*

Not applicable.

Item 9. The Offer and Listing

A. Offer and Listing Details

Our common shares currently trade on the Nasdaq Capital Market under the ticker symbol "OP".

B. Plan of distribution

Not applicable.

C. Markets

Our common shares currently trade on the Nasdaq Capital Market under the symbol "OP".

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share capital

Not applicable.

B. Memorandum and articles of association

Our current amended and restated articles of incorporation are filed as exhibit 1.1 hereto, and our current amended and restated bylaws are filed as exhibit 1.2 hereto. The information contained in these exhibits is incorporated by reference herein.

Information regarding the rights, preferences and restrictions attaching to each class of our shares is described in Exhibit 2.10 to this annual report titled "Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934."

C. Material contracts

On May 17, 2024, we entered into a Support Agreement with Sphinx Investment Corp. (“Sphinx”), which currently owns approximately 14.0% of the Company’s outstanding common stock, providing for the future support of the Company and its Board by Sphinx. In exchange for Sphinx’s support and strategic advice, the Company paid Sphinx a non-refundable lumpsum amount of $6.75 million which included reimbursement for certain of its out of pocket and other expenses.

As of April 11, 2025, we have not entered into any other new material contracts in the last two years, other than those disclosed herein, entered in the ordinary course of business or already attached in the exhibits. We also refer you to “Item 4. Information on the Company -A. History and Development of the Company,” “Item 5. Operating and Financial Review and Prospects -B. Liquidity and Capital Resources” and “Item 7. Major Shareholders and Related Party Transactions -B. Related Party Transactions” for a discussion of existing material agreements.

D. Exchange Controls

Under Marshall Islands, Panamanian, Cypriot and Greek law, there are currently no restrictions on the export or import of capital, including foreign exchange controls or restrictions that affect the remittance of dividends, interest or other payments to non-resident holders of our securities.

E. Taxation

In the opinion of Seward & Kissel LLP, the following is a discussion of the material Marshall Islands and U.S. federal income tax considerations applicable to the Company and U.S. Holders and Non-U.S. Holders, each as defined below, of our common stock.

Marshall Islands Tax Considerations

The Company is incorporated in the Marshall Islands. Under current Marshall Islands law, the Company is not subject to tax on income or capital gains, and no Marshall Islands withholding tax will be imposed upon payments of dividends by the Company to holders of its common shares that are not residents or domiciled or carrying any commercial activity in the Marshall Islands. The holders of our common shares will not be subject to Marshall Islands tax on the sale or other disposition of such common shares.

United States Federal Income Taxation

The following are the material United States federal income tax consequences to the Company of its activities and of ownership and disposition of our common shares to U.S. Holders and Non-U.S. Holders, each as defined below. The following discussion of United States federal income tax matters is based on the Code, judicial decisions, administrative pronouncements, and existing and proposed Treasury Regulations, all as of the date of this annual report, and all of which are subject to change, possibly with retroactive effect. The discussion below is based, in part, on the description of the Company’s business as described in “Business” above and assumes that the Company will conduct its business as described in that section.

United States Federal Income Taxation of Our Company

Taxation of Operating Income: In General

Unless exempt from United States federal income taxation under the rules discussed below, a foreign corporation is subject to United States federal income taxation in respect of any income that is derived from the use of vessels, from the hiring or leasing of vessels for use on a time, voyage or bareboat charter basis, from the participation in a pool, partnership, strategic alliance, joint operating agreement, code sharing arrangement or other joint venture it directly or indirectly owns or participates in that generates such income, or from the performance of services directly related to those uses, which we refer to as “shipping income,” to the extent that the shipping income is derived from sources within the United States. For these purposes, 50% of shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States exclusive of certain U.S. territories and possessions constitutes income from sources within the United States, which we refer to as “U.S.-source shipping income.”

Shipping income attributable to transportation that both begins and ends in the United States is considered to be 100% from sources within the United States. We are not permitted by law to engage in transportation that produces income which is considered to be 100% from sources within the United States.

Shipping income attributable to transportation exclusively between non-U.S. ports will be considered to be 100% derived from sources outside the United States. Shipping income derived from sources outside the United States will not be subject to any United States federal income tax.

In the absence of exemption from tax under Section 883 of the Code, our gross U.S.-source shipping income would be subject to a 4% tax imposed without allowance for deductions as described below.

Exemption of Operating Income from United States Federal Income Taxation

Under Section 883 of the Code and the Treasury Regulations thereunder, the Company will be exempt from United States federal income taxation on its U.S.-source shipping income if:

- the Company is organized in a foreign country, or its country of organization, that grants an "equivalent exemption" to corporations organized in the United States; and

  Either

- more than 50% of the value of the Company's stock is owned, directly or indirectly, by "qualified shareholders," individuals who are "residents" of a foreign country that grants an "equivalent exemption" to corporations organized in the United States, which we refer to as the "50% Ownership Test," or

- the Company's stock is "primarily and regularly traded on an established securities market" in a country that grants an "equivalent exemption" to United States corporations, or in the United States, which we refer to as the "Publicly-Traded Test."

The Marshall Islands, the jurisdiction where the Company and its shipowning subsidiaries are incorporated, grants an "equivalent exemption" to United States corporations. Therefore, the Company will be exempt from United States federal income taxation in any taxable year with respect to our U.S.-source shipping income if the Company satisfies either the 50% Ownership Test or the Publicly-Traded Test for such taxable year.

The Company does not expect that it will be able to satisfy the Publicly-Traded Test for 2024. The Company's ability to satisfy the 50% Ownership Test is discussed below.

The Treasury Regulations provide, in pertinent part, that the stock of a foreign corporation will be considered to be "primarily traded" on an established securities market in a country if the number of shares of each class of stock that is traded during the taxable year on all established securities markets in that country exceeds the number of shares in each such class that is traded during that year on established securities markets in any other single country. Our common shares will be "primarily traded" on the Nasdaq Capital Market, which is an established securities market for these purposes.

Under the relevant Treasury regulations, the Company's common shares will be considered to be "regularly traded" on an established securities market if one or more classes of its stock representing more than 50% of our outstanding shares, by total combined voting power of all classes of stock entitled to vote and total value, is listed on the market (the "listing threshold"). Since the Company's common shares are listed on the Nasdaq Capital Market, the Company satisfies the listing threshold.

It is further required that with respect to each class of stock relied upon to meet the listing threshold (i) such class of the stock is traded on the market, other than in minimal quantities, on at least 60 days during the taxable year (or 1/6 of the days in the case of a short taxable year); and (ii) the aggregate number of shares of such class of stock traded on such market is at least 10% of the average number of shares of such class of stock outstanding during such year (or as appropriately adjusted in the case of a short taxable year). The Company expects to satisfy the trading frequency and trading volume tests described in this paragraph. Even if this were not the case, the relevant Treasury Regulations provide that the trading frequency and trading volume tests will be deemed satisfied by a class of stock if, as the Company expects to be the case with its common shares, such class of stock is traded on an established market in the United States, such as the Nasdaq Capital Market, and such class of stock is regularly quoted by dealers making a market in such stock.

Notwithstanding the foregoing, the Treasury Regulations provide that, in pertinent part, a non-U.S. corporation's common stock will not be considered to be "regularly traded" on an established securities market for any taxable year if 50% or more of the outstanding shares of such corporation's common stock is owned, actually or constructively under specified attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the common stock of the corporation (the "5% Override Rule").

For purposes of being able to determine the persons who own 5% or more of a corporation's stock ("5% Shareholders") the Treasury Regulations permit a corporation to rely on Schedule 13-D and Schedule 13-G filings with the SEC to identify persons who have a 5% or more beneficial interest in such corporation's common stock. The Treasury regulations further provide that an investment company that is registered under the Investment Company Act of 1940, as amended, will not be treated as a 5% Stockholder for such purposes.

If more than 50% of the value of a foreign corporation's outstanding stock is owned, or treated as owned, for at least half of the number of days in the foreign corporation's taxable year by one or more qualified shareholders, the foreign corporation will be considered to satisfy the 50% Ownership Test.

Our common stock, which is our sole class of issued and outstanding stock that is traded, were traded on the Nasdaq Capital Market in 2024. We anticipate that we will be able to establish that among the closely-held group of 5% Shareholders, sufficient shares are owned by 5% Shareholders that are considered to be "qualified shareholders," as defined above, to preclude non-qualified 5% Shareholders in the closely-held group from owning 50% or more of the total value of our common shares for more than half the number of days during the taxable year. Therefore, we believe that we satisfied the 50% Ownership Test in 2024.

Taxation in Absence of Exemption

If the benefits of Section 883 of the Code are unavailable for any taxable year, the Company's U.S. source shipping income, to the extent not considered to be "effectively connected" with the conduct of a United States trade or business, as described below, will be subject to a 4% tax imposed by Section 887 of the Code on a gross basis, without the benefit of deductions ("4% gross basis tax regime"). Since under the sourcing rules described above, no more than 50% of our shipping income is treated as being derived from United States sources, the maximum effective rate of United States federal income tax on our shipping income will not exceed 2% under the 4% gross basis tax regime.

To the extent the benefits of the Section 883 of the Code are unavailable and the Company's U.S. source shipping income is considered to be "effectively connected" with the conduct of a United States trade or business, as described below, any such "effectively connected" U.S. source shipping income, net of applicable deductions, would be subject to the United States federal corporate income tax currently imposed at a rate of 21%. In addition, the Company may be subject to the 30% United States federal "branch profits" taxes on earnings effectively connected with the conduct of such trade or business, as determined after allowance for certain adjustments, and on certain interest paid or deemed paid attributable to the conduct of such United States trade or business.

The Company's U.S. source shipping income would be considered "effectively connected" with the conduct of a United States trade or business only if:

- The Company has, or is considered to have, a fixed place of business in the United States involved in the earning of shipping income; and

- Substantially all of the Company's U.S. source shipping income is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States.

The Company does not intend to have, or permit circumstances that would result in having, any vessel operating to the United States on a regularly scheduled basis. Based on the foregoing and on the expected mode of the Company's shipping operations and other activities, the Company believes that none of its U.S. source shipping income will be "effectively connected" with the conduct of a United States trade or business.

United States Taxation of Gain on Sale of Vessels

Regardless of whether the Company qualifies for exemption under Section 883 of the Code, the Company will not be subject to United States federal income taxation with respect to gain realized on a sale of a vessel, provided the sale is considered to occur outside of the United States under United States federal income tax principles. In general, a sale of a vessel will be considered to occur outside of the United States for this purpose if title to the vessel, and risk of loss with respect to the vessel, pass to the buyer outside of the United States. It is expected that any sale of a vessel by the Company will be considered to occur outside of the United States.

United States Federal Income Taxation of U.S. Holders

As used herein, the term "U.S. Holder" means a beneficial owner of our common shares that is a United States citizen or resident, United States corporation or other United States entity taxable as a corporation, an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust if a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust.

This discussion does not purport to deal with the tax consequences of owning common stock to all categories of investors, some of which, such as dealers in securities or commodities, financial institutions, insurance companies, tax-exempt organizations, U.S. expatriates, persons liable for an alternative minimum tax, persons who hold common stock as part of a straddle, hedge, conversion transaction or integrated investment, U.S. Holders whose functional currency is not the United States dollar, persons required to recognize income for U.S. federal income tax purposes no later than when such income is reported on an "applicable financial statement," investors subject to the "base erosion and anti-avoidance" tax and investors that own, actually or under applicable constructive ownership rules, 10% or more of the Company's common stock, may be subject to special rules. This discussion deals only with holders who hold the common stock as a capital asset. You are encouraged to consult your own tax advisors concerning the overall tax consequences arising in your own particular situation under U.S. federal, state, local or foreign law of the ownership of common stock.

If a partnership holds our common shares, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner in a partnership holding our common shares, you are encouraged to consult your tax advisor.

Distributions

Subject to the discussion of passive foreign investment companies below, any distributions made by the Company with respect to its common shares to a U.S. Holder will generally constitute dividends, which may be taxable as ordinary income or "qualified dividend income" to the extent of the Company's current or accumulated earnings and profits, as determined under United States federal income tax principles. Distributions in excess of the Company's earnings and profits will be treated first as a nontaxable return of capital to the extent of the U.S. Holder's tax basis in his common shares on a dollar-for-dollar basis and thereafter as capital gain. Because the Company is not a United States corporation, U.S. Holders that are corporations will generally not be entitled to claim a dividends received deduction with respect to any distributions such corporate U.S. Holders receive. Dividends paid with respect to the Company's common shares will generally be treated as "passive category income" or, in the case of certain types of U.S. Holders, "general category income" for purposes of computing allowable foreign tax credits for United States foreign tax credit purposes.

Dividends paid on the Company's common shares to a U.S. Holder who is an individual, trust or estate (a "U.S. Individual Holder") will generally be treated as "qualified dividend income". Qualified dividend income is taxable to such U.S. Individual Holders at preferential tax rates provided that (1) the Company is not a passive foreign investment company for the taxable year during which the dividend is paid or the immediately preceding taxable year (which the Company does not believe it is, has been or will be), (2) the Company's common shares are readily tradable on an established securities market in the United States (such as the Nasdaq Capital Market, on which the Company's common shares will be listed), (3) the U.S. Individual Holder has owned the common shares for more than 60 days in the 121-day period beginning 60 days before the date on which the common shares become ex-dividend, and (4) the U.S. Individual Holder is not under an obligation (whether pursuant to a short sale or otherwise) to make payments with respect to positions in similar or related property. There is no assurance that any dividends paid on the Company's common shares will be eligible for these preferential rates in the hands of a U.S. Individual Holder. Dividends paid on the Company's common shares prior to the date on which its common shares became listed on the Nasdaq Capital Market were not eligible for these preferential rates. Any dividends paid by the Company that are not eligible for these preferential rates will be taxed as ordinary income to a U.S. Individual Holder.

Special rules may apply to any "extraordinary dividend", which is generally a dividend paid by the Company in an amount which is equal to or in excess of ten percent of a shareholder's adjusted tax basis (or fair market value in certain circumstances) in the Company's common shares. If the Company pays an "extraordinary dividend" on its common shares that is treated as "qualified dividend income," then any loss derived by a U.S. Individual Holder from the sale or exchange of such common shares will be treated as long-term capital loss to the extent of such dividend.

Sale, Exchange or other Disposition of Common Shares

Assuming the Company does not constitute a passive foreign investment company for any taxable year, a U.S. Holder generally will recognize taxable gain or loss upon a sale, exchange or other disposition of the Company's common shares in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder's tax basis in such stock. Such gain or loss will generally be treated as long-term capital gain or loss if the U.S. Holder's holding period is greater than one year at the time of the sale, exchange or other disposition. Such capital gain or loss will generally be treated as U.S.-source income or loss, as applicable, for United States foreign tax credit purposes. A U.S. Holder's ability to deduct capital losses is subject to certain limitations.

Passive Foreign Investment Company Status and Significant Tax Consequences

Special United States federal income tax rules apply to a U.S. Holder that holds stock in a foreign corporation classified as a passive foreign investment company, or PFIC, for United States federal income tax purposes. In general, the Company will be treated as a PFIC with respect to a U.S. Holder if, for any taxable year in which such holder held the Company's common shares, either:

- at least 75% of the Company's gross income for such taxable year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business); or

- at least 50% of the average value of the Company's assets during such taxable year produce, or are held for the production of, passive income, which we refer to as "passive assets".

For purposes of determining whether the Company is a PFIC, the Company will be treated as earning and owning our proportionate share of the income and assets, respectively, of any of its subsidiary corporations, in which the Company owns at least 25% of the value of the subsidiary's stock. Income earned, or deemed earned, by the Company in connection with the performance of services would not constitute passive income. By contrast, rental income would generally constitute "passive income" unless the Company were treated under specific rules as deriving rental income in the active conduct of a trade or business.

Based on the Company's anticipated operations and future projections, the Company does not believe that it is, nor does it expect to become, a PFIC with respect to any taxable year. Although there is no legal authority directly on point, and the Company is not relying upon an opinion of counsel on this issue, the Company's belief is based principally on the position that, for purposes of determining whether the Company is a PFIC, the gross income the Company derives or is deemed to derive from the time chartering and voyage chartering activities of its wholly-owned subsidiaries should constitute services income, rather than rental income. Correspondingly, such income should not constitute passive income, and the assets that the Company or its wholly-owned subsidiaries own and operate in connection with the production of such income, in particular, the vessels, should not constitute passive assets for purposes of determining whether the Company is a PFIC. The Company believes there is substantial legal authority supporting its position consisting of case law and United States Internal Revenue Service ("IRS"), pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. Moreover, in the absence of any legal authority specifically relating to the statutory provisions governing PFICs, the IRS or a court could disagree with the Company's position. In addition, although the Company intends to conduct its affairs in a manner to avoid being classified as a PFIC with respect to any taxable year, there can be no assurance that the nature of the Company's operations will not change in the future.

As discussed more fully below, if the Company were to be treated as a PFIC for any taxable year which included a U.S. Holder's holding period in the Company's common shares, then such U.S. Holder would be subject to different U.S. federal income taxation rules depending on whether the U.S. Holder makes an election to treat the Company as a "qualified electing fund" (a "QEF election"). As an alternative to making a QEF election, a U.S. Holder should be able to make a "mark-to-market" election with respect to the Company's common shares, as discussed below. In addition, if the Company were to be treated as a PFIC, a U.S. Holder of our common shares would be required to file annual information returns with the IRS. In addition, if a U.S. Holder owns our common shares and the Company is a PFIC, such U.S. Holder must generally file IRS Form 8621 with the IRS.

U.S. Holders Making a Timely QEF Election

A U.S. Holder who makes a timely QEF election with respect to our common shares (an "Electing Holder") would report for U.S. federal income tax purposes his pro rata share of the Company's ordinary earnings and of our net capital gain, if any, for the Company's taxable year that ends with or within the taxable year of the Electing Holder. The Company's net operating losses or net capital losses would not pass through to the Electing Holder and will not offset the Company's ordinary earnings or net capital gain reportable to the Electing Holder in subsequent years (although such losses would ultimately reduce the gain, or increase the loss, if any, recognized by the Electing Holder on the sale of his common shares). Distributions received from the Company by an Electing Holder are excluded from the Electing Holder's gross income to the extent of the Electing Holder's prior inclusions of the Company's ordinary earnings and net capital gain. The Electing Holder's tax basis in his common shares would be increased by any amount included in the Electing Holder's income. Distributions received by an Electing Holder, which are not includible in income because they have been previously taxed, would decrease the Electing Holder's tax basis in our common shares. An Electing Holder would generally recognize capital gain or loss on the sale or exchange of our common shares.

U.S. Holders Making a Timely Mark-to-Market Election

A U.S. Holder who makes a timely mark-to-market election with respect to our common shares would include annually in the U.S. Holder's income, as ordinary income, any excess of the fair market value of the common shares at the close of the taxable year over the U.S. Holder's then adjusted tax basis in the common shares. The excess, if any, of the U.S. Holder's adjusted tax basis at the close of the taxable year over the then fair market value of the common shares would be deductible in an amount equal to the lesser of the amount of the excess or the net mark-to-market gains that the U.S. Holder included in income in previous years with respect to the common shares. A U.S. Holder's tax basis in his common shares would be adjusted to reflect any income or loss amount recognized pursuant to the mark-to-market election. A U.S. Holder would recognize ordinary income or loss on a sale, exchange or other disposition of the common shares; provided, however, that any ordinary loss on the sale, exchange or other disposition may not exceed the net mark-to-market gains that the U.S. Holder included in income in previous years with respect to the common shares.

U.S. Holders Not Making a Timely QEF Election or Mark-to-Market Election

A U.S. Holder who does not make a timely QEF Election or a timely mark-to-market election with respect to our common shares (a "Non-Electing Holder") would be subject to special rules with respect to (i) any "excess distribution" (generally, the portion of any distributions received by the Non-Electing Holder on the common shares in a taxable year in excess of 125% of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder's holding period for the common shares), and (ii) any gain realized on the sale or other disposition of the common shares. Under these rules, (i) the excess distribution or gain would be allocated ratably over the Non-Electing Holder's holding period for the common shares; (ii) the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a PFIC, would be taxed as ordinary income; and (iii) the amount allocated to each of the other prior taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed tax deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year. If a Non-Electing Holder dies while owning our common shares, the Non-Electing Holder's successor would be ineligible to receive a step-up in the tax basis of those common shares.

United States Federal Income Taxation of "Non-U.S. Holders"

A beneficial owner of our common shares (other than a partnership) that is not a U.S. Holder is referred to herein as a "Non-U.S. Holder."

Dividends on Common Shares

Non-U.S. Holders generally will not be subject to United States federal income tax or withholding tax on dividends received from the Company with respect to its common shares, unless such income is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States. If the Non-U.S. Holder is entitled to the benefits of a United States income tax treaty with respect to those dividends, such income is taxable only if it is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States.

Sale, Exchange or Other Disposition of Common Shares

Non-U.S. Holders generally will not be subject to United States federal income tax or withholding tax on any gain realized upon the sale, exchange or other disposition of our common shares, unless:

- such gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States, if the Non-U.S. Holder is entitled to the benefits of a United States income tax treaty with respect to that gain, that gain is taxable only if it is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States; or

- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year of disposition and other conditions are met.

If the Non-U.S. Holder is engaged in a United States trade or business for United States federal income tax purposes, the income from the common shares, including dividends and the gain from the sale, exchange or other disposition of the stock that is effectively connected with the conduct of that trade or business will generally be subject to regular United States federal income tax in the same manner as discussed in the previous section relating to the taxation of U.S. Holders. In addition, in the case of a corporate Non-U.S. Holder, its earnings and profits that are attributable to the effectively connected income, subject to certain adjustments, may be subject to an additional United States federal "branch profits" tax at a rate of 30%, or at a lower rate as may be specified by an applicable United States income tax treaty.

Backup Withholding and Information Reporting

In general, dividend payments, or other taxable distributions, made within the United States to you will be subject to information reporting requirements. Such payments will also be subject to backup withholding tax if a U.S. Individual Holder:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that he failed to report all interest or dividends required to be shown on your United States federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

Non-U.S. Holders may be required to establish their exemption from information reporting and backup withholding by certifying their status on an appropriate IRS Form W-8.

If a shareholder sells our common shares to or through a United States office of a broker, the payment of the proceeds is subject to both United States backup withholding and information reporting unless the shareholder certifies that it is a non-U.S. person, under penalties of perjury, or the shareholder otherwise establishes an exemption. If a shareholder sells our common shares through a non-United States office of a non-United States broker and the sales proceeds are paid outside the United States, then information reporting and backup withholding generally will not apply to that payment. However, United States information reporting requirements, but not backup withholding, will apply to a payment of sales proceeds, even if that payment is made outside the United States, if a shareholder sells our common shares through a non-United States office of a broker that is a United States person or has some other contacts with the United States.

Backup withholding is not an additional tax. Rather, a shareholder generally may obtain a refund of any amounts withheld under backup withholding rules that exceed the shareholder’s United States federal income tax liability by filing a refund claim with the IRS.

Individuals who are U.S. Holders (and to the extent specified in the applicable Treasury Regulations, certain individuals who are Non-U.S. Holders and certain United States entities) who hold “specified foreign financial assets” (as defined in Section 6038D of the Code and the applicable Treasury Regulations) are required to file IRS Form 8938 (Statement of Specified Foreign Financial Assets) with information relating to each such asset for each taxable year in which the aggregate value of all such assets exceeds $75,000 at any time during the taxable year or $50,000 on the last day of the taxable year. Specified foreign financial assets would include, among other assets, our common shares, unless our common shares were held through an account maintained with a United States financial institution. Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, the statute of limitations on the assessment and collection of United States federal income tax with respect to a taxable year for which the filing of IRS Form 8938 is required may not close until three years after the date on which IRS Form 8938 is filed. U.S. Holders (including United States entities) and Non-U.S. Holders are encouraged to consult their own tax advisors regarding their reporting obligations under Section 6038D of the Code.

Changes in Global Tax Laws

Long-standing international tax initiatives that determine each country’s jurisdiction to tax cross-border international trade and profits are evolving as a result of, among other things, initiatives such as the Anti-Tax Avoidance Directives, as well as the Base Erosion and Profit Shifting reporting requirements, mandated and/or recommended by the EU, G8, G20 and Organization for Economic Cooperation and Development, including the imposition of a minimum global effective tax rate for multinational businesses regardless of the jurisdiction of operation and where profits are generated (Pillar Two). As these and other tax laws and related regulations change (including changes in the interpretation, approach and guidance of tax authorities), our financial results could be materially impacted. Given the unpredictability of these possible changes and their potential interdependency, it is difficult to assess whether the overall effect of such potential tax changes would be cumulatively positive or negative for our earnings and cash flow, but such changes could adversely affect our financial results.

On December 12, 2022, the European Union member states agreed to implement the OECD’s Pillar Two global corporate minimum tax rate of 15% on companies with revenues of at least €750 million effective from 2024. Various countries have either adopted implementing legislation or are in the process of drafting such legislation. Any new tax law in a jurisdiction where we conduct business or pay tax could have a negative effect on our company.

The Company encourages each shareholder to consult with his, her or its own tax advisor as to particular tax consequences to it of holding and disposing of our common shares, including the applicability of any state, local or foreign tax laws and any proposed changes in applicable law.

F. Dividends and paying agents

Not applicable.

G. Statement by experts

Not applicable.

H. Documents on display

In accordance with these requirements, we will file reports and other information with the SEC. These materials, including this annual report and the accompanying exhibits are available at http://www.sec.gov. In addition, our filings will be available on our website www.oceanpal.com. This web address is provided as an inactive textual reference only. None of the information contained on these websites is incorporated into or forms a part of this annual report.

Shareholders may also request a copy of our filings at no cost by writing or telephoning us at the following address:

Margarita Veniou
Chief Corporate Development and Governance Officer and Secretary
Pendelis 26, 175 64 Palaio Faliro,
Athens, Greece
Tel: +30-210-9485-360
Email: info@oceanpal.com

I. Subsidiary information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Currency and Exchange Rates

We generate all of our revenues in U.S. dollars and our operating expenses are mainly in U.S. dollars. For accounting purposes, including throughout this annual report, expenses incurred in other currencies are converted into U.S. dollars at the exchange rate prevailing on the date of each transaction. Because the portion of our expenses incurred in currencies other than the U.S. dollar is not significant, our expenses are not subject to fluctuations in exchange rates. Therefore, we are not engaged in derivative instruments to hedge those expenses.

Item 12. Description of Securities Other than Equity Securities

Not applicable.

PART II.

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

On January 25, 2022, we closed an underwritten public offering of 15,571,429 units at a price of $0.77 per unit, 200 units consisting of one share of our common stock (or 200 pre-funded warrants in lieu of one share of our common stock) and 200 Class A warrants to purchase one share of our common stock. In addition, certain selling shareholders affiliated with us (the "Selling Shareholders") sold an aggregate of 3,143 shares of common stock in the offering. Each of the 3,143 shares of common stock sold by the Selling Shareholders on the primary offering, was delivered to the underwriters with 200 additional Class A warrants to purchase one share of common stock (sold by us), on a firm commitment basis. In addition, the underwriter for the offering fully-exercised its option to purchase an additional 5,743 common shares from the Selling Shareholders and 6,407 common shares, along with 2,430,000 Class A warrants from us to purchase 12,150 shares of common stock. Each of the 5,743 shares of common stock sold by the Selling Shareholders upon exercise of the underwriters' over-allotment option, was sold with 200 Class A warrants (sold by us) to purchase one share of our common stock, on a firm commitment basis. All pre-funded warrants related to this offering were exercised during 2022, whereas as of April 11, 2025, Class A warrants to purchase 72,370 common shares remained available for exercise at an exercise price of $154.00 per share. The gross proceeds of the offering to us, before underwriting discounts and commissions and estimated offering expenses, were approximately $16.19 million (including the exercise of the overallotment option, the exercise of 4,156,000 Class A warrants to purchase 20,780 shares of common stock, and the exercise of all pre-funded warrants). We did not receive any of the proceeds from the sale of common shares by the Selling Shareholders and only received the proceeds for the Class A warrants sold together with the Selling Shareholders' shares of common stock.

On February 10, 2023, we issued 15,000,000 units with each twenty units consisting of one share of common stock (or twenty pre-funded warrants in lieu of one share of our common stock) and twenty Class B Warrants. We also offered to each purchaser, with respect to the purchase of units that would otherwise result in the purchaser's beneficial ownership exceeding 4.99% of our outstanding common stock immediately following the consummation of this offering, the opportunity to purchase twenty pre-funded warrants in lieu of one share of common stock. Each twenty pre-funded warrants were exercisable for one share of common stock at an exercise price of $0.20 per share. As of December 31, 2023, all the pre-funded warrants related to this offering have been exercised, and, further, as of April 11, 2025, all Class B warrants to purchase 750,000 common shares remained available for exercise at an exercise price of $20.20 per share. The gross proceeds of the offering to us, before deducting for placement agency fees and estimated offering expenses, including the exercise of all pre-funded warrants, were approximately $15.15 million, as of the date of this annual report. On the same date, we sold to each purchaser of the units, 15,000,000 unregistered privately placed warrants, to purchase up to an aggregate of 750,000 shares of our common stock at an exercise price of $20.20 per share. On February 23, 2023, we filed with the SEC a resale registration agreement in Form F-1 regarding the privately placed warrants which was declared effective on March 8, 2023. All privately placed warrants were exercised by September 29, 2023. We did not receive any proceeds from the exercise of the privately placed warrants since these were exercised on an alternative cashless basis, resulting to the issuance of 562,501 shares of common stock.

As of the date of this annual report, we have committed substantially all the net proceeds of the January 2022 Underwritten Offering and the February 2023 Registered Direct Offering for general corporate purposes.

Item 15. Controls and Procedures

(a) Disclosure Controls and Procedures.

Management assessed the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15(e) of the Securities Exchange Act of 1934, as of the end of the period covered by this annual report, being December 31, 2024. Based upon that evaluation, the Principal Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures are effective as of the evaluation date.

(b) Management's annual report on internal control over financial reporting.

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. Our internal control over financial reporting is a process designed under the supervision of our Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with U.S. GAAP.

Management has conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on this assessment, management has determined that our internal control over financial reporting as of December 31, 2024, is effective.

(c) Attestation report of the registered public accounting firm.

This annual report does not include an attestation report of the Company's registered public accounting firm because as an emerging growth company, we are exempt from this requirement.

(d) Changes in internal control over financial reporting.

There were no changes in our internal controls over financial reporting that occurred during the period covered by this annual report that have materially affected or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 16. [Reserved]

Item 16A. Audit Committee Financial Expert

Our Board of Directors has determined that Nikolaos Veraros and Alexios Chrysochoidis qualify as independent audit committee financial experts.

Item 16B. Code of Ethics

We have adopted a Code of Ethics applicable to the Company's officers, directors, employees and agents, which complies with applicable guidelines issued by the SEC. Our Code Ethics as in effect on the date hereof, has been filed as an exhibit to this annual report. Shareholders may also request a copy of our Code of Ethics at no cost, by writing to us at Pendelis 26, 175 64 Palaio Faliro, Athens, Greece.

Item 16C. Principal Accountant Fees and Services

(a) Audit Fees

Our principal accountants, Ernst & Young (Hellas) Certified Auditors Accountants S.A., have billed us for audit services. Aggregate audit fees in 2024 and 2023, amounted to €129,780 and €198,000, or approximately $138,022 and $214,162, respectively, and relate to audit services provided in connection with the audit of our consolidated financial statements.

(b) Audit-related Fees

None.

(c) Tax Fees

During 2024 and 2023, we received tax services for which fees amounted to $9,225 and $9,000, respectively, and relate to the calculation of Earnings and Profits of the Company.

All the abovementioned fees and services are expressed in U.S Dollars.

(d) All Other Fees

None

(e) Audit Committee's Pre-Approval Policies and Procedures

Our Audit Committee is responsible for the appointment, replacement, compensation, evaluation and oversight of the work of our independent auditors. As part of this responsibility, the Audit Committee pre-approves the audit and non-audit or non-assurance and audit-related services performed by the independent auditors in order to assure that they do not impair the auditor's independence from the Company. The Audit Committee has adopted a policy which sets forth the procedures and the conditions pursuant to which services proposed to be performed by the independent auditors may be pre-approved.

(f) Audit Work Performed by Other Than Principal Accountant if Greater Than 50%

Not applicable

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Our Company's corporate governance practices are in compliance with, and are not prohibited by, the laws of the Republic of the Marshall Islands. We are exempt from many of Nasdaq's corporate governance practices other than the requirements regarding the disclosure of a going concern audit opinion, submission of a listing agreement, notification of material non-compliance with Nasdaq corporate governance practices, and the establishment and composition of an audit committee and a formal written audit committee charter. The practices that we follow in lieu of Nasdaq's corporate governance rules are described below.

- We are not required under Marshall Islands law to maintain a Board of Directors with a majority of independent directors, and we may not be able to maintain a Board of Directors with a majority of independent directors in the future.

- In lieu of a nomination committee comprised of independent directors, our Board of Directors is responsible for identifying and recommending potential candidates to become board members and recommending directors for appointment to board committees. Shareholders may also identify and recommend potential candidates to become board members in writing. No formal written charter has been prepared or adopted because this process is outlined in our bylaws.

- As a foreign private issuer, we are not required to solicit proxies or provide proxy statements to Nasdaq pursuant to Nasdaq corporate governance rules or Marshall Islands law. Consistent with Marshall Islands law, we will notify our shareholders of meetings between 15 and 60 days before the meeting. This notification will contain, among other things, information regarding business to be transacted at the meeting. In addition, our bylaws provide that shareholders must give us advance notice to properly introduce any business at a meeting of the shareholders. Our bylaws also provide that shareholders may designate in writing a proxy to act on their behalf.

- In lieu of holding regular meetings at which only independent directors are present, our entire Board of Directors, a majority of whom are independent, hold regular meetings as is consistent with the laws of the Republic of the Marshall Islands.

- The Board of Directors has adopted an Equity Incentive Plan, as amended and restated. Shareholder approval was not necessary since Marshall Islands law permits the Board of Directors to take such actions.

- As a foreign private issuer, we are not required to obtain shareholder approval if any of our directors, officers, or 5% or greater shareholders has a 5% or greater interest (or such persons collectively have a 10% or greater interest), directly or indirectly, in the company, or assets to be acquired, or in the consideration to be paid in the transaction(s) and the present or potential issuance of common stock, or securities convertible into or exercisable for common stock, could result in an increase in outstanding common stock or voting power of 5% or more.

- In lieu of obtaining shareholder approval prior to the issuance of designated securities, the Company complies with the provisions of the Marshall Islands Business Corporations Act, providing that the Board of Directors approves share issuances.

Other than as noted above, we are in full compliance with all other applicable Nasdaq corporate governance standards.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

Item 16J. Insider Trading Policies

(a) We have adopted insider trading policies and procedures governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees that are reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and listing standards applicable to us.

(b) Please see our Insider Trading Policy of the Company, which has been filed as Exhibit 11.2 to this annual report.

Item 16K. Cybersecurity

Risk management and strategy

We believe that cybersecurity is fundamental in our operations and, as such, we are committed to maintaining robust governance and oversight of cybersecurity risks and to implementing comprehensive processes and procedures for identifying, assessing, and managing material risks from cybersecurity threats as part of our broader risk management system and processes. We maintain various cybersecurity measures and protocols to safeguard our systems and data and continuously monitor and assess potential threats to pre-emptively address any emerging cyber risks. We have implemented various processes for assessing, identifying, and managing material risks from cybersecurity threats, which are integrated into our overall risk management framework. These risk assessments include identifying reasonably foreseeable potential internal and external risks, the likelihood of occurrence and any potential damage that could result from such risks, and the sufficiency of existing policies, procedures, systems, controls, and other safeguards in place to manage such risks. As part of our risk management process, we engage third party experts to help identify and assess risks from cybersecurity threats.

The Company's personnel are provided cyber security awareness training and are adequately trained to perform their information security-related duties and responsibilities consistent with related policies, procedures, and agreements. Where network connectivity is used, appropriate controls, including firewalls and intrusion detection exist and periodic assessment is performed to prevent unauthorised access.

Governance

Our board of directors considers cybersecurity risk as part of its risk oversight function and has delegated the day-to-day oversight of cybersecurity and other technology risks to an outside consultant who is over sought by Company's senior management and is responsible for assessing and managing cybersecurity threats and for reporting cybersecurity updates, including updates on monitoring and strategies to prevent cybersecurity threats to the board of directors on a quarterly basis or more often as needed. Senior management regularly discusses cyber risks and trends and, should they arise, any material incidents with our board of directors. Certain of our management team oversees the cybersecurity policy and have relevant expertise in day-to-day oversight of cybersecurity policies.

Cybersecurity Threats

During the year ended December 31, 2024, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. For more information about the cybersecurity risks we face, please see Item 3. Key Information - D. Risk Factors - "A cyber-attack could materially disrupt our business."

PART III

Item 17. Financial Statements

See Item 18.

Item 18. Financial Statements

The financial statements required by this Item 18 are filed as a part of this annual report beginning on page F-1.

Item 19. Exhibits

Exhibit Number	Description
1.1	Amended and Restated Articles of Incorporation of the Company (1)
1.2	Amended and Restated Bylaws of the Company (1)
2.1	Form of Common Share Certificate (2)
2.2	Certificate of Designations of the Series A Participating Preferred Stock of the Company (2)
2.3	Statement of Designations of the Series B Preferred Shares of the Company (2)
2.4	Amended and Restated Statement of Designations of the 8.0% Series C Preferred Stock of the Company
2.5	Amended and Restated Statement of Designations of the 7.0% Series D Preferred Stock of the Company (3)
2.6	Statement of Designations of the Series E Preferred Stock of the Company (6)
2.7	Form of Class A Warrant (9)
2.8	Warrant Agency Agreement by and between Computershare Trust Company, N.A. and the Company, as to the Class A Warrants (5)
2.9	Form of Class B Warrant (4)
2.10	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act
4.1	Stockholders Rights Agreement (7)
4.2	2021 Equity Incentive Plan, as amended and restated
4.3	Form of Management Agreement with Diana Wilhelmsen Management Limited (2)
4.4	Form of Amendment to the Management Agreement with Diana Wilhelmsen Management Limited (5)
4.5	Non-Competition Agreement, by and between the Company and Diana Shipping Inc. (2)
4.6	Right of First Refusal Agreement with Diana Shipping Inc. (2)
4.7	Amended and Restated Contribution and Conveyance Agreement between the Company and Diana Shipping Inc. (9)
4.8	Form of Management Agreement with Steamship Shipbroking Enterprises Inc. (2)
4.9	Administrative Services Agreement with Steamship Shipbroking Enterprises Inc. (10)
4.10	Brokerage Services Agreement with Steamship Shipbroking Enterprises Inc.

4.11	Shareholders Agreement with RFSea Infrastructure II AS. (10)
4.12	Support Agreement with Sphinx Investment Corp.
4.13	Commercial Services Agreement with Sea Transportation Inc.
4.14	Technical Management Agreement with ANGLO-EASTERN SHIPMANGEMENT PTE LTD.
8.1	Subsidiaries of the Company
11.1	Code of Ethics (2)
11.2	Insider Trading Policy
12.1	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer
12.2	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer
13.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1	Consent of Independent Registered Public Accounting Firm
97.1	Policy Regarding the Recovery of Erroneously Awarded Compensation (10)
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Schema Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Schema Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Schema Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Schema Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

(1) Filed as an exhibit to the Company’s Report on Form 6-K on June 30, 2023, and incorporated by reference herein.

(2) Filed as an exhibit on Form 20-FR12B/A filed on November 2, 2021, and incorporated by reference herein.

(3) Filed as an exhibit on Form 6-K filed on September 9, 2024, and incorporated by reference herein.

(4) Filed as an exhibit to the Company’s Registration Statement on Form F-1 on February 23, 2023, as amended, and incorporated by reference herein.

(5) Filed as an exhibit to the Company’s annual report on Form 20-F for the year ended December 31, 2021, filed with the Commission on April 6, 2022.

(6) Filed as an exhibit to the Company’s annual report on Form 20-F for the year ended December 31, 2022, filed with the Commission on March 30, 2023.

(7) Filed as an exhibit on Form 6-K filed on January 22, 2025, and incorporated by reference herein.

(8) Filed as an exhibit on Form 20-FR12B/A filed on November 17, 2021, and incorporated by reference herein.

(9) Filed as an exhibit on Form 6-K filed on January 25, 2022, and incorporated by reference herein.

(10) Filed as an exhibit to the Company’s annual report on Form 20-F for the year ended December 31, 2023, filed with the Commission on April 15, 2024.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and has duly caused and authorized the undersigned to sign this annual report on its behalf.

OCEANPAL INC.

/s/ Vasiliki Plousaki
Vasiliki Plousaki
Chief Financial Officer
Dated: April 15, 2025

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of OceanPal Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of OceanPal Inc. (the Company) as of December 31, 2024, and 2023, the related consolidated statements of comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

We have served as the Company's auditor since 2021.

Athens, Greece

April 15, 2025

OCEANPAL INC.
CONSOLIDATED BALANCE SHEETS
As of December 31, 2024 and 2023
(Expressed in thousands of U.S. Dollars – except for share and per share data)

	December 31, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Note 2(e))	$ 7,160	$ 14,841
Accounts receivable trade, net (Note 2(f))	3,064	2,963
Inventories (Note 2(g))	1,598	287
Prepaid expenses and other assets, net (Note 6)	2,198	895
Insurance claims (Note 2(i))	92	1,058
Total current assets	14,112	20,044
FIXED ASSETS:		
Vessels, net (Notes 2(j), 2(l) and 5)	71,263	71,100
Total fixed assets	71,263	71,100
OTHER NON-CURRENT ASSETS:		
Deferred charges, net (Note 2(n))	1,117	2,056
Equity method investment (Notes 2(h) and 4)	2,970	1,645
Total assets	$ 89,462	$ 94,845
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable, trade and other	1,853	405
Due to related parties (Notes 3(a), 3(b), and 3(h))	458	474
Dividends payable (Note 7(c))	177	110
Accrued liabilities	2,420	898
Unearned revenue (Note 2(p))	184	399
Total current liabilities	5,092	2,286
Commitments and contingencies (Note 6)	-	-
STOCKHOLDERS' EQUITY:		
Preferred stock, $0.01 par value; 100,000,000 shares authorized, 533,136 issued and outstanding as of December 31, 2024, and 520,459 issued and outstanding as of December 31, 2023 (Note 7)	5	5
Common stock, $0.01 par value; 1,000,000,000 shares authorized; 7,504,982 issued and outstanding as of December 31, 2024, and 7,448,601 issued and outstanding as of December 31, 2023 (Note 7)	75	74
Additional paid-in capital (Note 7)	110,198	100,500
Accumulated deficit	(25,908)	(8,020)
Total stockholders' equity	84,370	92,559
Total liabilities and stockholders' equity	$ 89,462	$ 94,845

The accompanying notes are an integral part of these consolidated financial statements.

OCEANPAL INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
For the years ended December 31, 2024, 2023 and 2022
(Expressed in thousands of U.S. Dollars – except for share and per share data)

	2024	2023	2022
REVENUES:			
Vessel revenues, net (Notes 2(f), 2(p) and 9)	$ 25,702	$ 18,957	$ 19,085
EXPENSES:			
Voyage expenses (Note 2(p))	3,710	1,940	3,680
Vessel operating expenses (Notes 2(q) and 10)	12,486	10,421	6,880
Depreciation and amortization of deferred charges (Notes 2(j), 2(n) and 5)	7,198	7,670	4,896
Impairment loss (Note 5)	6,122	-	-
Loss on sale of vessel (Note 5)	7	-	-
General and administrative expenses	6,212	5,281	3,083
Support agreement costs (Note 3(g))	6,750	-	-
Management fees (Notes 3(a), 3(b) and 3(h))	1,343	1,236	878
Other operating (income)/loss (Note 6)	(81)	131	(6)
Operating loss	$ (18,045)	$ (7,722)	$ (326)
OTHER INCOME:			
Changes in fair value of warrants' liability (Note 7(b))	-	6,222	-
Finance costs (Notes 3(f) and 7(b))	(109)	(909)	-
Interest income	312	504	-
(Loss)/Gain on equity method investment (Note 4)	(50)	2	-
Other income/(expenses)	30	(74)	-
Total other income, net	$ 183	$ 5,745	$ -
Net loss and comprehensive loss	$ (17,862)	$ (1,977)	$ (326)
Deemed dividend upon redemption of Series D Preferred Stock (Note 7(c))	(26)	(154)	(134)
Deemed dividend upon redemption of Series C Preferred Stock (Note 7(c))	-	(2,549)	-
Dividends on Series C Preferred Stock (Note 7(c))	(681)	(991)	(950)
Dividends on Series D Preferred Stock (Note 7(c))	(1,160)	(1,036)	(252)
Dividends on Class A warrants (Note 7(b))	-	-	(1,012)
Loss and comprehensive loss attributable to common stockholders	$ (19,729)	$ (6,707)	$ (2,674)
Loss per common share, basic (Note 8)	$ (2.64)	$ (2.02)	$ (17.18)
Loss per common share, diluted (Note 8)	$ (2.64)	$ (3.83)	$ (17.18)
Weighted average number of common stock, basic (Note 8)	**7,465,136**	**3,315,519**	**155,655**
Weighted average number of common stock, diluted (Note 8)	**7,465,136**	**3,372,207**	**155,655**

The accompanying notes are an integral part of these consolidated financial statements.

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OCEANPAL INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

For the years ended December 31, 2024, 2023 and 2022

(Expressed in thousands of U.S. Dollars – except for share and per share and warrants data)

	Preferred Stock Series B		Preferred Stock Series C		Preferred Stock Series D		Preferred Stock Series E		Common Stock		
	# of Shares	Par Value	# of Shares	Par Value	# of Shares	Par Value	# of Shares	Par Value	# of Shares	Par Value	Addit Pai Cap
BALANCE, December 31, 2021	**500,000**	**$ 5**	**10,000**	**$ -**	**-**	**$ -**	**-**	**$ -**	**44,101**	**$ 0**	**$ 48**
Net loss	-	$ -	-	$ -	-	-	-	-	-	$ -	$
Issuance of 15,571,429 units (comprising from common stock or prefunded warrants and warrants) and 628,751 warrants at primary offering, net of issuance costs (Note 7(a))	-	-	-	-	-	-	-	-	65,357	1	1
Issuance of 6,407 shares of common stock upon exercise of underwriters' over- allotment option and exercise of 2,430,000 Class A warrants (Note 7(a))	-	-	-	-	-	-	-	-	6,407	-	
Issuance of common stock following exercise of 4,156,000 Class A warrants and 2,500,000 prefunded warrants (Note 7(a))	-	-	-	-	-	-	-	-	33,280	-	
Issuance of Series D Preferred Stock (Note 7(c))	-	-	-	-	25,000	-	-	-	-	-	1
Compensation cost under the Equity Incentive Plan (Note 7(c))	-	-	-	-	-	-	-	-	-	-	
Dividends declared ($10 per share of common stock and Class A warrant) (Note 7(b))	-	-	-	-	-	-	-	-	-	-	(
Dividends declared and paid ($2 per share of common stock and Class A warrant) (Note 7(b))	-	-	-	-	-	-	-	-	-	-	
Series D Preferred Stock redemption and issuance of common stock (Note 7(c))	-	-	-	-	(15,828)	-	-	-	360,055	4	
Dividends on Series D Preferred Stock (Note 7(c))	-	-	-	-	-	-	-	-	-	-	
Dividends on Series C Preferred Stock (Note 7(c))	-	-	-	-	-	-	-	-	-	-	
BALANCE, December 31, 2022	**500,000**	**$ 5**	**10,000**	**$ -**	**9,172**	**$ -**	**-**	**$ -**	**509,200**	**$ 5**	**$ 78**
Net loss	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	$
Issuance of Series D Preferred Stock (Notes 3(f) and 7(c))	-	-	-	-	13,157	-	-	-	-	-	1
Issuance of 15,000,000 units (comprising from 615,000 shares of common stock, 2,700,000 prefunded warrants and 15,000,000 Class B warrants) at primary offering, net of issuance costs (the "February 2023 Registered Direct Offering") (Note 7(a))	-	-	-	-	-	-	-	-	615,000	6	
Issuance of common shares pursuant to exercises of 2,700,000 pre-funded warrants in the February 2023 Registered Direct Offering (Note 7(a))	-	-	-	-	-	-	-	-	135,000	1	
Issuance of Series E Preferred Stock (Notes 3(d) and 7(c))	-	-	-	-	-	-	1,200	-	-	-	
Retirement of fractional common shares in June reverse stock split (Note 7(a))	-	-	-	-	-	-	-	-	(65)	-	
Series C Preferred Stock redemption and issuance of common stock (Note 7(c))	-	-	(9,793)	-	-	-	-	-	3,649,474	36	
Series D Preferred Stock redemption and issuance of common stock (Note 7(c))	-	-	-	-	(8,591)	-	-	-	1,977,491	20	
Alternative cashless exercise of private placement warrants (Note 7(b))	-	-	-	-	-	-	-	-	562,501	6	
Issuance of restricted Series C Preferred Stock and compensation cost under the Equity Incentive Plan (Note 7(c))	-	-	5,314	-	-	-	-	-	-	-	
Dividends declared and paid on Series D Preferred Stock (Note 7(c))	-	-	-	-	-	-	-	-	-	-	
Dividends declared on Series C Preferred Stock (Note 7(c))	-	-	-	-	-	-	-	-	-	-	
BALANCE, December 31, 2023	**500,000**	**$ 5**	**5,521**	**$ -**	**13,738**	**$ -**	**1,200**	**-**	**7,448,601**	**$ 74**	**$ 100**
Net loss	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	$
Series D Preferred Stock redemption and issuance of common stock (Note 7(c))	-	-	-	-	(97)	-	-	-	56,381	1	
Issuance of restricted Series C Preferred Stock and compensation cost under the Equity Incentive Plan (Note 7(c))	-	-	3,332	-	-	-	-	-	-	-	
Issuance of Series D Preferred Stock (Note 7(c))	-	-	-	-	9,442	-	-	-	-	-	
Dividends declared and paid on Series D Preferred Stock (Note 7(c))	-	-	-	-	-	-	-	-	-	-	(
Dividends declared on Series C Preferred Stock (Note 7(c))	-	-	-	-	-	-	-	-	-	-	
BALANCE, December 31, 2024	**500,000**	**$ 5**	**8,853**	**$ -**	**23,083**	**$ -**	**1,200**	**-**	**7,504,982**	**$ 75**	**$ 110**

The accompanying notes are an integral part of these consolidated financial statements.

OCEANPAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2024, 2023 and 2022
(Expressed in thousands of U.S. Dollars – except for share and per share data)

	2024	2023	2022
Cash Flows (used in)/provided by Operating Activities:			
Net loss	$ (17,862)	$ (1,977)	$ (326)
Adjustments to reconcile net loss to net cash (used in)/provided by operating activities:			
Depreciation and amortization of deferred charges (Note 5)	7,198	7,670	4,896
Impairment loss (Note 5)	6,122	-	-
Loss on sale of vessel (Note 5)	7	-	-
Compensation cost on restricted stock awards (Note 7(c))	2,776	1,893	568
Finance costs	-	909	-
Changes in fair value of warrants' liability (Note 7(c))	-	(6,222)	-
Loss/(Gain) on equity method investment (Note 4)	50	(2)	-
(Increase) / Decrease in:			
Accounts receivable, trade, net	(101)	1,289	(3,441)
Due from a related party	-	5	65
Inventories	(1,311)	47	(148)
Prepaid expenses and other assets, net	(1,303)	231	(666)
Insurance claims	966	(1,058)	-
Deferred charges	-	-	152
Increase / (Decrease) in:			
Accounts payable, trade and other	1,448	124	18
Due to related parties	(16)	64	351
Accrued liabilities	1,522	(256)	842
Unearned revenue	(215)	25	146
Dry-dock costs	(2,811)	(1,927)	(944)
Net cash (used in)/provided by Operating Activities	$ (3,530)	$ 815	$ 1,513
Cash Flows used in Investing Activities:			
Payments for vessel improvements and vessel acquisitions (Note 5)	(18,906)	(4,368)	(5,094)
Payment for equity method investment (Note 4)	(1,375)	(1,643)	-
Proceeds from sale of vessel, net (Note 5)	17,766	-	-
Net cash used in Investing Activities	$ (2,515)	$ (6,011)	$ (5,094)
Cash Flows (used in)/provided by Financing Activities:			
Proceeds from issuance of units and warrants (Note 7(a))	-	15,123	16,195
Proceeds from exercise of prefunded warrants (Note 7(a))	-	27	-
Proceeds from issuance of Series E Preferred Stock (Note 3(d) and 7(c))	-	35	-
Payments of equity issuance and financing costs (Note 7(a))	-	(1,513)	(1,835)
Payments of dividends on common stockholders and Class A warrant holders	-	-	(3,101)
Payments of dividends on Series C Preferred Stock (Note 7(c))	(614)	(1,121)	(780)
Payments of dividends on Series D Preferred Stock (Note 7(c))	(1,022)	(968)	(117)
Net cash (used in)/provided by Financing Activities	$ (1,636)	$ 11,583	$ 10,362
Net (decrease)/increase in cash and cash equivalents	$ (7,681)	$ 6,387	$ 6,781
Cash and cash equivalents at beginning of the year	14,841	8,454	1,673
Cash and cash equivalents at end of the year	$ 7,160	$ 14,841	$ 8,454

SUPPLEMENTAL CASH FLOW INFORMATION

Series C Preferred Stock dividends declared, not paid (Note 7(c))	$ (177)	$ (110)	$ (240)
Deemed dividend on Series C Preferred Stock upon issuance of common stock (Note 7(c))	-	(2,549)	-
Deemed dividend upon redemption of Series D Preferred Stock (Note 7(c))	(26)	(154)	(134)
Non-cash consideration for vessel acquisition through the issuance of Series D Preferred Stock (Note 7(c))	(8,600)	(10,000)	(17,600)
Alternative cashless exercise of private placement warrants	-	1,282	-

The accompanying notes are an integral part of these consolidated financial statements.

1. Basis of Presentation and General Information

The accompanying consolidated financial statements include the accounts of OceanPal Inc. (the ‘‘Company", or "OceanPal", or "OP"), and its wholly owned subsidiaries (collectively, the "Company"). OP was incorporated on April 15, 2021, under the laws of the Republic of the Marshall Islands, having a share capital of 500 shares, par value $0.01 per share. On November 29, 2021, the Company's articles of incorporation and bylaws were amended. Under the amended articles of incorporation, the Company's authorized share capital increased from 500 to one billion shares of common stock at par value $0.01 and 100,000,000 preferred stock at par value $0.01. In June 2023, the Company's articles of incorporation and bylaws were further amended. The Company's shares trade on the Nasdaq Capital Market (or "Nasdaq") under the ticker symbol "OP".

Effective December 22, 2022, and June 8, 2023, the Company effected a one-for-ten and a one-for-twenty reverse stock split, respectively, on its then issued and outstanding common stock (Note 7(a)). All share and per share amounts disclosed in the accompanying consolidated financial statements give effect to this reverse stock split, retroactively as applicable, for all periods presented.

Following the acquisition of a tanker vessel in September 2024 (Note 5), the Company has determined that it operates under two reportable segments, one relating to its operations of its dry bulk carrier vessels (dry bulk segment) and one to the operations of its tanker vessel (tanker segment). The accounting policies that apply to the reportable segments are the same as those used in the preparation of the Company's consolidated financial statements (Notes 2 and 11).

The Company is a global provider of shipping transportation services, specializing in the ownership and operation of dry bulk vessels and product tankers. Each of the vessels is owned through a separate wholly owned subsidiary. As of December 31, 2024, the Company was the sole owner of all outstanding shares of the following subsidiaries:

- Cypres Enterprises Corp. ("Cypres"), a company incorporated in the Republic of Panama on September 7, 2000, owner of the 2004 built Panamax dry bulk carrier Protefs,
- Darien Compania Armadora S.A. ("Darien"), a company incorporated in the Republic of Panama on December 22, 1993, owner of the 2005 built Panamax dry bulk carrier Calipso,
- Marfort Navigation Company Limited ("Marfort"), a company incorporated in the Republic of Cyprus on August 10, 2007, owner of the 2005 built Capesize dry bulk carrier Salt Lake City (Note 14),
- Darrit Shipping Company Inc. ("Darrit"), a company incorporated in the Republic of the Marshall Islands on June 2, 2022, owner of the 2005 built Capesize dry bulk carrier Baltimore (Note 5), and
- Fiji Shipping Company Inc. ("Fiji"), a company incorporated in the Republic of the Marshall Islands on January 27, 2023, owner of the 2005 built Panamax dry bulk carrier Melia.
- Batiki Shipping Company Inc. ("Batiki"), a company incorporated in the Republic of the Marshall lslands on July 10, 2024, owner of the 2009 built MR2 tanker vessel Zeze Start (Note 5).

The Company operates its dry-bulk fleet through Diana Wilhelmsen Management Limited (or "DWM") (Note 3(a)), Steamship Shipbroking Enterprises Inc. (or "Steamship") (Note 3(b)) and its tanker vessel through Sea Transportation Inc. (Note 3(h)) and Anglo-Eastern Shipmanagement (Singapore) Pte. Ltd.

Uncertainties caused by worldwide health and geopolitical events: As of December 31, 2024, and to date, no apparent consequences have been identified on the Company's business, or counterparties, by public health threats, such as COVID-19, influenza, or other highly communicable diseases or viruses, or the armed conflicts in Ukraine and the Middle East and their implications. Further, none of the Company's contracts have been affected by the events in Ukraine and the Middle East.

The related financial reporting implications cannot be reasonably estimated at this time, although they could materially affect the Company's business, results of operations and financial condition in the future. As a result, certain of the Company's estimates and assumptions carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, the Company's estimates may change in future periods. The overall impact on the Company's business, and the efficacy of any measures the Company takes in response to the challenges presented by these geopolitical events, will depend on how those events will further develop, the duration and extent of the restrictive measures that are associated with such events and their impact on global economy and trade, which is still uncertain.

The Company is constantly monitoring the developing situations, as well as its charterers' and other counterparties' response to the market and continuously evaluates the effect on its operations. Also, the Company monitors inflation in the United States of America (U.S.), Eurozone and other countries, including ongoing global prices pressures that are driving up energy and commodity prices in the wake of the armed conflicts in Ukraine and the Middle East, which continue to have a moderate effect on the Company's operating expenses.

Protectionist developments, or the perception that they may occur, may have a material adverse effect on global economic conditions, may significantly reduce global trade, and could adversely impact the Company's business and financial position. Recently, the current U.S. administration has implemented more protective trade measures. There is significant uncertainty about the future relationship between the U.S. and China and other exporting countries, such as Canada, Mexico, and the European Union, among others, including with respect to trade policies, treaties, government regulations, and tariffs. In addition, the U.S. Trade Representative's public notice, to promote the transport of U.S. goods on U.S. vessels, has proposed certain service fees to be levied against Chinese maritime transport operators and other operators with fleets of or orders for Chinese-built vessels. It is unknown whether and to what extent such tariffs and proposed tariffs will be retained, expanded, or otherwise modified by the U.S., or the effect that any such actions or any actions taken by other countries in response will have on the Company's business and industry, and the efficacy of any measures the Company may take in response to the challenges presented by these protective trade measures, will depend on how those events will further develop.

2. Significant Accounting Policies – Recent Accounting Pronouncements

a) Principles of consolidation: The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and include the accounts of OceanPal Inc. and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated upon consolidation. Under Accounting Standards Codification ("ASC") 810 "Consolidation", the Company consolidates entities in which it has a controlling financial interest, by first considering if an entity meets the definition of a variable interest entity ("VIE") for which the Company is deemed to be the primary beneficiary under the VIE model, or if the Company controls an entity through a majority of voting interest based on the voting interest model. The Company evaluates financial instruments, service contracts, and other arrangements to determine if any variable interests relating to an entity exist. For entities in which the Company has a variable interest, the Company determines if the entity is a VIE by considering whether the entity's equity investment at risk is sufficient to finance its activities without additional subordinated financial support and whether the entity's at-risk equity holders have the characteristics of a controlling financial interest. In performing the analysis of whether the Company is the primary beneficiary of a VIE, the Company considers whether it individually has the power to direct the activities of the VIE that most significantly affect the entity's performance and also has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. If the Company holds a variable interest in an entity that previously was not a VIE, the Company reconsiders the initial determination of whether the entity has become a VIE if certain types of events ("reconsideration events") occur. The Company has identified it has variable interests in RFSea Infrastructure II AS ("RFSea") and that RFSea is a variable interest entity as of December 31, 2024, but is not the primary beneficiary of such entity (Note 4). The Company's evaluation did not result in identification of consolidated variable interest entities as of December 31, 2024, and 2023.

b) Use of estimates: The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

c) Other comprehensive (loss)/ income: The Company has no other comprehensive (loss)/income and accordingly comprehensive (loss)/income equals net (loss)/income for the periods presented.

d) Foreign currency translation: The functional currency of the Company is the U.S. dollar because the Company's vessels operate in international shipping markets, and therefore primarily transact business in U.S. dollars. The Company's accounting records are maintained in U.S. dollars. Transactions involving other currencies during the year are converted into U.S. dollars using the exchange rates in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities which are denominated in other currencies are translated into U.S. dollars at the year-end exchange rates. Resulting gains or losses are reflected separately in the accompanying consolidated statements of comprehensive loss.

e) Cash and cash equivalents: The Company considers highly liquid investments such as time deposits, certificates of deposit and their equivalents with an original maturity of up to about three months to be cash equivalents. Interest earned on cash and cash equivalents is separately presented in the accompanying consolidated statements of comprehensive loss under "Interest Income".

f) Accounts receivable, trade, net: The amount shown as accounts receivable, trade, net at each balance sheet date, includes receivables from charterers for hire from lease agreements and freight and demurrage, net of allowance for doubtful accounts and provision for credit losses related to expected uncollectible accounts receivable, if any. Impairment of accounts receivable arising from voyage charters, which are accounted in accordance with ASC 606, are within the scope of Subtopic 326 and must therefore, be assessed for expected credit losses. Under ASC 326 entities are required to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade accounts receivable. Under this guidance, an entity recognizes as an allowance its estimate of lifetime expected credit losses which will result in more timely recognition of such losses. The Company maintains an allowance for credit losses for expected uncollectable accounts receivable, which is recorded as an offset to trade accounts receivable and changes in such, if any, are classified as allowance for credit losses in the consolidated statement of comprehensive loss. The Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when the Company identifies specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, the Company considers historical collectability based on past due status, customer-specific information, current market conditions and reasonable and supportable forecasts of future economic conditions to determine adjustments to historical loss data. No credit loss allowance was recognized in any of the years ended December 31, 2024, 2023 and 2022. The Company assesses that any impairment of accounts receivable arising from operating leases, i.e. time charters, should be accounted in accordance with ASC 842. The Company recognizes allowance for doubtful accounts deriving from the collectability assessment of operating leases as direct reduction to lease income, which for 2024, 2023 and 2022 amounted to $34, $33, and $15, respectively. The Company does not recognize interest income on trade receivables as all balances are usually settled within a year. The Company classifies accounts receivable, trade, net from charterers in dispute within "Prepaid expenses and other assets, net" in the accompanying consolidated balance sheets (Note 6).

g) Inventories: Inventories consist of bunkers, lubricants and victualling which are stated, on a consistent basis, at the lower of cost or net realizable value. Bunkers inventories exist when the vessel operates under voyage charter, or when a vessel is without employment or remains idle as of the balance sheet date. Net realizable value is defined as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in earnings in the period in which it occurs. Cost is determined by the first in, first out method.

h) Equity method investments: Investments in the equity of entities over which the Company exercises significant influence but does not exercise control are accounted for by the equity method of accounting in accordance with ASC 321 "Investments-Equity securities". In reaching such a conclusion, the Company first assesses whether it holds variable interests in the investee and further, whether the investee meets the definition of a VIE. The Company then determines whether it is the investee's primary beneficiary by considering any special rights (in terms of voting, board representation, kick out rights, or otherwise), that grant it with the power to direct the activities of the investee. In case the investee does not fall under the consolidation guidance, the Company records such an investment at cost and adjusts the carrying amount for its share of the earnings or losses of the entity subsequent to the date of investment and reports the recognized earnings or losses in income. Dividends received, if any, reduce the carrying amount of the investment. When the carrying value of an equity method investment equals or exceeds the Company's interest because of losses, the Company does not recognize further losses, unless the Company has made advances, incurred obligations, or has made payments on behalf of the investee and is committed to provide further financial support to the investee. At each reporting period, the Company also evaluates whether a loss in the value of an investment that is other than a temporary decline should be recognized. In its assessment, the Company evaluates indicators such as market conditions, the investee's performance, and the ability to sustain an earnings capacity that would justify the carrying amount of the investment and its ability to continue as a going concern. Measurement of the impairment loss is based on the fair value of the investment. As of December 31, 2024, and 2023, with regards to its investment in RFSea, the Company determined that it had variable interests in RFSea and that RFSea was a VIE, but the Company was not the primary beneficiary of such entity. The Company further evaluated that no loss in the value of its investment in RFSea should be recognized (Note 4).

i) Insurance claims: The Company records insurance claims for insured loss recoveries due to fixed assets damage and for insured crew medical expenses. Insurance claims are recorded, net of any deductible amounts, at the time when the Company's vessels suffer insured damages or at the time when crew medical expenses are incurred, recovery is probable under the related insurance policies, the Company can estimate the amount of such recovery, and the claim is not subject to litigation. During 2024, 2023 and 2022, the Company raised insurance claims relating to medical and cargo claims as well as vessel damages amounting to $92, $1,058, and $nil in the aggregate, respectively, mainly included in "Vessel operating expenses" in the accompanying consolidated statements of comprehensive loss.

j) Vessels, net: Vessels are stated at cost which consists of the contract price and any material expenses incurred upon acquisition or during construction. Expenditures for conversions and major improvements are also capitalized when they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels; otherwise, these amounts are charged to expense as incurred. As of the balance sheet date, vessels are stated at cost less accumulated depreciation expense and impairment charge, if any.

k) Vessels held for sale: The Company classifies a vessel as being held for sale when all of the following criteria, under ASC 360 "Property, Plant, and Equipment", are met: (i) management has committed to a plan to sell the asset; (ii) the asset is available for immediate sale in its present condition; (iii) an active program to locate a buyer and other actions required to complete the plan to sell the asset have been initiated; (iv) the sale of the asset is probable, and transfer of the asset is expected to qualify for recognition as a completed sale within one year; (v) the asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (vi) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Vessels classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. The resulting difference, if any, is recorded under "Impairment loss" in the consolidated statement of comprehensive loss. The vessels are not depreciated once they meet the criteria to be classified as held for sale. No vessel was classified as held for sale as of December 31, 2024, and 2023. Following the classification on April 25, 2024, of the M/V Baltimore as held for sale, the Company recognized an impairment loss of $1,087 which is included in "Impairment loss" in the accompanying consolidated statements of comprehensive loss (Note 5).

l) Impairment of long-lived assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances (such as market conditions, obsolesce or damage to the asset, potential sales and other business plans) indicate that the carrying amount of an asset may not be recoverable. When the estimate of undiscounted projected net operating cash flows, expected to be generated by the use of an asset over its remaining useful life and its eventual disposition is less than its carrying amount plus unamortized dry-docking costs, the Company evaluates the asset for an impairment loss. Measurement of the impairment loss is based on the fair value of the asset, determined primarily by third party valuations. Both bulker and tanker sectors have recently experienced decreased charter rates and decreased vessel market values, which are conditions that the Company considered as indicators of a potential impairment. In developing estimates of future undiscounted projected net operating cash flows, the Company makes assumptions and estimates about the vessels' future performance, with the significant assumptions being related to future charter rates for the unfixed days and future fleet utilization rates. Other assumptions used are charter rates calculated for the fixed days using the fixed charter rate of each vessel from existing time charters, the expected outflows for scheduled vessels' maintenance, vessel operating expenses, estimated remaining useful life of each vessel, and the vessels' residual value if sold for scrap. The assumptions used to develop estimates of future undiscounted projected net operating cash flows are based on historical trends as well as future expectations, employment prospects under the then current market conditions and a vessels' age. In particular, for the unfixed days, the Company uses the most recent historical ten-year average market rates available for each type of vessel over the remaining estimated life of each vessel, as applicable, net of commissions. Historical ten-year average market rates are in line with the Company's overall chartering strategy, and they reflect the full operating history of vessels of the same type and particulars with the Company's operating fleet. In addition, effective fleet utilization for the Company's dry bulk and tanker segments is assumed to be 98% and 97%, respectively, which is additionally affected by the period(s) each vessel is expected to undergo her scheduled maintenance, assumptions in line with the Company's historical performance and its expectations for future fleet utilization under its fleet employment strategy. This calculation is then compared with the vessels' net book value plus unamortized dry-docking costs. The difference between the carrying amount of the vessel plus unamortized dry-docking costs and their fair value, if any, is recognized in the Company's accounts as impairment loss. The review of the bulker and tanker segments' vessel carrying values in connection with their estimated recoverable amounts for 2024 indicated impairment charges of $1,307 and $3,728, respectively (Notes 5 and 11), which are included in "Impairment loss" in the accompanying consolidated statements of comprehensive loss (Note 5). No impairment loss was identified or recorded in the years ended December 31, 2023, and 2022.

m) Vessel depreciation: Depreciation is computed using the straight-line method over the estimated useful life of the vessels, after considering the estimated salvage (scrap) value. Each vessel's salvage value is equal to the product of its lightweight tonnage and estimated scrap rate. In 2023, the Company identified that the estimated scrap rate used for the determination of annual depreciation was not in line with the current average historical rate and as such, the estimated scrap rate was revised (Note 5). Management estimates the useful life of the Company's dry bulk and tanker vessels to be 25 years from the date of initial delivery from the shipyard. Secondhand vessels are depreciated from the date of their acquisition through their remaining estimated useful life. When regulations place limitations over the ability of a vessel to trade on a worldwide basis, its remaining useful life is adjusted at the date such regulations are adopted.

n) Accounting for dry-docking costs: The Company follows the deferral method of accounting for dry-docking costs whereby actual costs incurred are deferred and amortized on a straight-line basis over the period through the date the next dry-docking is scheduled to become due. Unamortized dry-docking costs of vessels that are sold or impaired are written off and included in the calculation of the resulting gain or loss in the year of the vessel's sale or impairment. For vessels undergoing scheduled dry-dock/ special survey as of the balance sheet date, costs incurred in the year under consideration are capitalized under "Deferred charges, net", in the accompanying consolidated balance sheets. Amortization of deferred charges in each of the years ended December 31, 2024, 2023, and 2022 amounted to $1,368, $730, and $146, respectively.

o) Concentration of credit risk: Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash, trade accounts receivable and amounts due to/from related parties. The Company places its temporary cash investments, consisting mostly of deposits, with various qualified financial institutions and performs periodic evaluations of the relative credit standing of those financial institutions that are considered in the Company's investment strategy. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition and generally does not require collateral for its accounts receivable and does not have any agreements to mitigate credit risk (Note 12).

p) Accounting for revenues and expenses: Since the Company's vessels are employed under time and voyage charter contracts, the Company disaggregates its revenue from contracts with customers by the type of charter (time charters and spot charters). Agreements with the same charterer are accounted for as separate agreements according to their specific terms and conditions.

Time charter agreements, contain a lease and are therefore accounted for as operating leases in accordance with ASC 842. Charter agreements contain a minimum non-cancellable period and an may further provide for an extension period at the option of the charterer. Each lease term is assessed at the inception of that lease. Under a time charter agreement, the charterer pays a daily hire for the use of the vessel and reimburses the owner for hold cleanings, extra insurance premiums for navigating in restricted areas and damages caused by the charterers. The charterer pays to third parties port, canal and bunkers consumed during the term of the time charter agreement. Such costs are considered direct costs and are not recorded as they are directly paid by charterers, unless they are for the account of the owner, in which case they are included in voyage expenses. Revenues from time charter agreements providing for variable lease payments are accounted for as operating leases and thus recognized on a straight-line basis over the non-cancellable rental periods of such agreements, as the service is performed. The Company, as lessor, has elected to apply the practical expedient not to allocate the consideration in the agreement to the separate lease and non-lease components (operation and maintenance of the vessel) as their timing and pattern of transfer to the charterer, as the lessee, are the same and the lease component, if accounted for separately, would be classified as an operating lease, as the criteria of the paragraphs ASC 842-10-15-42A through 42B are met. Additionally, the lease component is considered the predominant component as the Company has assessed that more value is ascribed to the vessel rather than to the services provided under the time charter contracts. Also, the Company elected to apply a package of practical expedients which does not require the Company, as a lessor, to reassess: (1) whether any expired or existing contracts are or contain leases; (2) lease classification for any expired or existing leases; and (3) whether initial direct costs for any expired or existing leases would qualify for capitalization under ASC 842. Apart from the agreed hire rate, the owner may be entitled to an additional income, such as ballast bonus, which is considered as reimbursement of owner's expenses and is recognized together with the lease component over the duration of the charter. The Company has made an accounting policy election to recognize the related ballast costs incurred, mainly consisting of bunkers' consumption, over the period between the charter party date or the prior redelivery date (whichever is latest) and the delivery date to the charterer, as contract fulfillment costs are amortized over the charter period in accordance with ASC 340-40. Commissions paid to brokers are deferred and amortized over the related charter period to the extent revenue has been deferred, since commissions are earned as the Company's revenues are earned. Under time charter agreements, the owner pays for the operation and the maintenance of the vessel, including crew, insurance, spares and repairs, which are recognized in operating expenses.

A spot or voyage charter is a charter where a contract is made in the spot market for the use of a vessel for a specific voyage for a specified freight rate per ton, regardless of time to complete. The Company has determined that under voyage charters, the charterer has no right to control any part of the use of the vessel. Thus, the Company's voyage charters do not contain lease and are accounted for in accordance with ASC 606. Under a voyage charter agreement, the Company satisfies its single performance obligation to transfer cargo under the contract over the voyage period. Thus, revenues from voyage charters on the spot market are recognized ratably from the date of loading to discharge date of cargo (loading-to-discharge). Voyage charter payments are due upon discharge of the cargo. Demurrage revenue, which is included in voyage revenues, represents charterers' reimbursement for any potential delays exceeding the allowed lay time as per charter party agreement, represents form of variable consideration and is recognized as the performance obligation is satisfied. The Company has taken the practical expedient not to disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less.

Under a time charter, the Company incurs voyage expenses such as commissions, bunkers (fuel oil and diesel oil), and port expenses relating to owners' matters. Commissions are expensed as incurred. Also, for time charter agreements, when a vessel is delivered to a time charterer, bunkers are purchased by the charterer and sold back to the Company on the redelivery of the vessel. Bunker gain, or loss, results when a vessel is redelivered by a time charterer and delivered to the next time charterer at different bunker prices, or quantities. For the years ended December 31, 2024, 2023 and 2022, the Company incurred loss on bunkers amounting to $1,160, $186, and $1,949 respectively, primarily resulting from the difference in the value of bunkers paid by the Company when the vessel was redelivered to the Company from the time charterer under the vessel's previous time charter agreement and the value of bunkers sold by the Company when the vessel was delivered to a new time charterer for our vessels engaged in time charter contracts and the bunkers consumed during the period our product tanker vessel was engaged under a voyage charter within 2024. This loss is included in "Voyage expenses" in the accompanying consolidated statements of comprehensive loss.

Under spot charter arrangements, voyage expenses that are unique to a particular charter are paid for by the Company. Voyage expenses that qualify as contract fulfilment costs (mainly consisting of bunkers expenses and port dues) and are incurred by the Company from the latter of the end of the previous vessel employment, provided that the vessel is fixed, or from the date of inception of a voyage charter contract until the arrival at the loading port, are capitalized to Deferred Expenses and amortized ratably over the total transit time of the voyage (loading-to-discharge). Vessel voyage expenses that do not qualify as contract fulfilment costs, and operating expenses are expensed when incurred.

Unearned revenue includes cash received prior to the balance sheet date for which all criteria to recognize revenue have not been met. The majority of the vessels are employed on short to medium-term time charter contracts, which provides flexibility in responding to market developments. The Company monitors developments in the dry bulk and tanker shipping industries on a regular basis and adjusts the charter hire periods for the vessels according to prevailing market conditions.

q) Repairs and maintenance: All repair and maintenance expenses including underwater inspection expenses are expensed in the period incurred. Such costs are included in "Vessel operating expenses" in the accompanying consolidated statements of comprehensive loss.

r) Loss per common share: Basic loss per common share are computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding during the year. Unvested preferred shares granted under the Company's equity incentive plan and Class A warrants are entitled to receive dividends which are not refundable, and therefore are considered participating securities for basic earnings per share calculation purposes, using the two-class method. The two-class method is an earnings allocation method under which EPS is calculated for each class of common stock and participating security considering both dividends declared (or accumulated) and participation rights in undistributed earnings as if all such earnings had been distributed during the period. Under this method, net (loss)/income is reduced by the amount of dividends declared or accumulated in the current period for common stockholders and participating security holders. The remaining earnings or "undistributed earnings" are allocated between common stock and participating securities to the extent that each security may share in earnings as if all of the earnings for the period had been distributed. Once calculated, the (loss)/earnings per common share is computed by dividing the net (loss)/income attributable to common stockholders by the weighted average number of common shares outstanding during each year presented. Diluted (loss)/earnings per common share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted at the beginning of the periods presented, or issuance date, if later. Diluted (loss)/earnings attributable to common stockholders per common share is computed by dividing the net (loss)/income attributable to common stockholders by the weighted average number of common shares outstanding plus the dilutive effect of warrants and shares issued and outstanding under the Company's equity incentive plan during the applicable periods and the dilutive effect of convertible securities during the applicable periods as well. The treasury stock method is used to compute the dilutive effect of warrants and shares issued under the Company's equity incentive plan. The if converted method is used to compute the dilutive effect of shares which could be issued upon conversion of the convertible preferred stock. The two-class method is used for diluted (loss)/earnings per common share when such is the most dilutive method, considering anti – dilution sequencing as per ASC 260. For purposes of the if converted calculation, the conversion price of convertible preferred stock is based on the fixed conversion price or on the average market price when the number of shares that may be issued is variable. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted earnings per share.

s) Segment reporting: The Company has determined that it operates under two reportable segments, one relating to its operations of its dry bulk carrier vessels and one to the operations of its tanker vessel. The reportable segments reflect the internal organization of the Company and are strategic businesses that offer different services. For both segments, the Company reports financial information and evaluates the operations of the two segments by charter revenues and not by the length of ship employment for its customers, i.e. voyage or time charters. Management, including the chief operating decision-makers (or "CODMs", which consist of the Company's Chief Executive Officer and the members of its Executive Committee which comprises of the Company's Chairperson and two more directors of the board), review operating results solely by revenue per day and the operating results of the two fleets. Furthermore, when the Company charters a vessel to a charterer, the charterer is free to trade the vessel worldwide and, as a result, the disclosure of geographic information is impracticable. The CODMs are responsible for assessing performance, allocating resources, and making strategic decisions across the Company's business segments. The accounting policies applied to the reportable segments are the same as those used in the preparation of the Company's consolidated financial statements (Note 11).

t) Fair value measurements: The Company follows the provisions of ASC 820 "Fair Value Measurements and Disclosures", which defines fair value and provides guidance for using fair value to measure assets, liabilities and equity instruments classified in stockholders' equity. The guidance creates a fair value hierarchy of measurement and describes fair value as the price that would be received to sell an asset or paid to transfer a liability or the consideration to transfer equity interests issued in an orderly transaction between market participants in the market in which the reporting entity transacts. The fair value measurement assumes that an instrument classified in stockholders' equity is transferred to a market participant at the measurement date. The transfer of an instrument classified in stockholders' equity assumes that the instrument would remain outstanding, and the market participant takes on the rights and responsibilities associated with the instrument. In accordance with the requirements of accounting guidance relating to Fair Value Measurements, the Company classifies and discloses its assets, liabilities and equity instruments classified in stockholders' equity carried at the fair value in one of the following categories: Level 1: Quoted market prices in active markets for identical assets or liabilities or equity instruments; Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data; Level 3: Unobservable inputs that are not corroborated by market data.

u) Share based payments: The Company issues restricted share awards which are measured at fair value on their grant date and are not subsequently re-measured. That cost is recognized over the period during which an employee is required to provide service in exchange for the award—the requisite service period (usually the vesting period). No compensation cost is recognized for equity instruments for which employees do not render the requisite service. Forfeitures of awards are accounted for when and if they occur. If an equity award is modified after the grant date, incremental compensation cost will be recognized in an amount equal to the excess of the fair value of the modified award over the fair value of the original award immediately before the modification.

v) Going concern: The Company follows the provisions of ASC 205-40 "Presentation of financial statements – Going Concern", which provides guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and on related required footnote disclosures. Management evaluates, at each reporting period, whether there are conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year from the date the financial statements are issued.

w) Financial instruments, credit losses: At each reporting date, the Company evaluates its financial assets individually for credit losses and presents such assets in the net amount expected to be collected on such financial asset. When financial assets present similar risk characteristics, these are evaluated on a collective basis. When developing an estimate of expected credit losses the Company considers available information relevant to assessing the collectability of cash flows such as internal information, past events, current conditions and reasonable and supportable forecasts. No provision for credit losses were recorded in 2024, 2023 and 2022.

x) Distinguishing liabilities from equity: The Company follows the provisions of ASC 480 "Distinguishing liabilities from equity" to determine the classification of certain freestanding financial instruments as either liabilities or equity. In its assessment, the Company analyzes key features of these financial instruments to determine whether they are more akin to equity or to debt. It then identifies any embedded features in those instruments and examines whether the identified embedded features fall under the definition of a derivative according to the provisions of ASC 815 or whether those features require bifurcation (other than those with de minimis value) or affect classification in permanent equity. Financial instruments meeting the classification of liability are initially measured at fair value and are subsequently remeasured at each balance sheet date with the offsetting adjustments recorded within the consolidated statements of comprehensive loss. Upon settlement or termination, instruments classified as liabilities at fair value are marked to their fair value at the settlement date and then the liability gets settled. The Company values its instruments classified as liabilities using either the Black-Scholes option pricing model or other acceptable valuation models, including the binominal option pricing model.

y) Redemption of shares or convertible preferred stock for issuance of shares of common stock: In the case of conversion of preferred stock to common stock, with the conversion feature assessed by the Company at first using the provisions of ASC 480-10-25-14 and then determined as requiring evaluation as a redemption feature (Note 2(z)), the Company follows redemption accounting. A redemption of preferred stock according to its original terms may be paid using cash, other instruments issued by the issuer or other assets (individually and collectively, the consideration) and may include a premium or discount. As per ASC 260-10-S99-2, a premium paid on redemption represents a return similar to a dividend to/from the preferred holder. In particular, when the Company determines that on the redemption date there is a difference in the carrying value of the preferred stock, as compared to the fair value of the common shares issued, that value represents a dividend to/from the preferred holders, which should be deducted from (if a premium) or added to (if a discount) the net (loss)/ income to arrive at the net (loss)/income available to common stockholders (Note 8).

z) Offering expenses: Expenses directly attributable to an equity offering are deferred and offset against the proceeds of the offering within additional paid-in capital, unless the offering is aborted, in which case they are written-off and charged to net (loss)/income. Deferred offering expenses in relation to ongoing offerings that have not materialized as of December 31, 2024, and 2023, amounted to $59 and $59, respectively, and are included in "Deferred charges, net" in the accompanying consolidated balance sheets.

aa) Acquisition transactions: When the Company enters an acquisition transaction, it determines whether the acquisition transaction is a purchase of an asset or this of a business based on the facts and circumstances of the transaction and in accordance with the provisions of ASC 805, Business Combinations. All the Company's acquisition transactions that took place during the years ended December 31, 2024, 2023 and 2022 were determined as and accounted for as asset acquisitions (Note 5). For asset acquisitions, net assets acquired should be measured following a cost accumulation and allocation model under which the cost of the acquisition is allocated on a relative fair value basis to the qualifying assets acquired. Transaction costs associated with asset acquisitions are capitalized. When the consideration for the assets acquired includes equity interests issued, the Company determines the cost of the assets acquired generally based on the fair value of the consideration given, unless the fair value of the assets acquired is more reliably measurable.

Recent Accounting Pronouncements - Adopted

In *November 2023,* the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-07*,* "Segment Reporting (Topic *280*): Improvements to Reportable Segment Disclosures", which requires a public entity to disclose significant segment expenses and other segment items by reportable segment on an annual basis and expands the extent of interim segment disclosures. The guidance is applied retrospectively to all periods presented in the financial statements, unless it is impracticable to do so. The ASU does *not* change how a public entity identifies its operating segments, aggregates them, or applies the quantitative thresholds to determine its reportable segments. The Company adopted the new standard with effect from January 1, 2024. The adoption of this ASU affected only the Company's disclosures, with no impact to its financial condition and results of operations (Notes 2(s) and 11).

Recent Accounting Pronouncements - Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses". The amendments of this Update require more extensive presentation and disclosure of additional information about specific expense and cost categories on the face of the income statement and in the notes to financial statements at interim and annual reporting periods. The amendments in this Update do not change or remove those presentation requirements or any other current presentation requirements. The amendments in this Update do not change or remove current expense disclosure requirements. This ASU is effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to all prior periods presented in the financial statements. The Company is currently assessing the impact this standard will have on its consolidated financial statements and related disclosures.

3. Transactions with Related Parties

(a) Diana Wilhelmsen Management Limited, or DWM:

DWM provides management services for the Company's dry bulk vessels pursuant to management agreements, as amended, under which each of the dry bulk vessel-owning subsidiaries pays, for each vessel, an aggregate of 1.25% on hire and on freight of the vessel's gross income per month, plus either (i) $18.5 per month ($20.0 until March 1, 2022) that the vessel is employed or available for employment or (ii) $9.25 ($10.0 until March 1, 2022) per month for each month that the vessel is laid-up and not available for employment for at least 15 calendar days during such month. The management agreements, as amended, may be terminated by either party on three months' prior written notice. DWM, pursuant to a supervision agreement entered on October 1, 2024, also provides the Company's tanker vessel-owning subsidiary with technical supervision and technical advice services in exchange for a fee of $1 per calendar month, plus reimbursement of expenses. This technical supervision agreement may be terminated by either party on fifteen days' prior written notice. DWM is deemed a related party to the Company on the basis that certain members of the Company's board of directors also act as members of the board of directors at DWM. Management fees charged by DWM for the years ended December 31, 2024, 2023, and 2022, amounted to $1,416, $1,319, and $974, respectively. Of the management fees charged by DWM for the years ended December 31, 2024, 2023, and 2022, $1,110, $1,086, and $737, respectively, are included in "Management fees" and $306, $233, and $237, respectively, are included in "Voyage expenses", in the accompanying consolidated statements of comprehensive loss. Technical supervision fees and expenses charged by DWM for the year ended December 31, 2024, amounted to $11, $5 of which are included in "Deferred charges, net" and $6 of which are included in "Vessel operating expenses" in the accompanying consolidated financial statements. As of December 31, 2024, and 2023, amounts of $21 and $12, respectively, were due to DWM, included in "Due to related parties" in the accompanying consolidated balance sheets.

(b) Steamship Shipbroking Enterprises Inc. or Steamship:

Steamship provides insurance services to the Company's dry bulk vessel owning subsidiaries pursuant to management agreement for insurance-related services, and administrative and brokerage services to OceanPal pursuant to an administrative services agreement and a brokerage services agreement, respectively. Under each vessel-owning subsidiary's insurance management agreement with Steamship, the vessel-owning subsidiary pays Steamship a fixed fee of either (i) $0.5 per month for each month that the vessel is employed or is available for employment or (ii) $0.25 per month for each month that the vessel is laid-up and not available for employment for at least 15 calendar days during such month. These insurance management agreements may be terminated by either party on three months' prior written notice. Under the brokerage services agreement, the Company pays Steamship a lumpsum commission and 2.5% on the hire agreed per charter party for each dry bulk vessel, provided, however, that the Company and Steamship may agree to commissions on a percentage basis for specific deals. Up to December 31, 2022, as per the terms of the brokerage services agreement, the Company paid Steamship a fixed monthly fee of $95 which, with effect from January 1, 2023, was increased to $150 subject to the provisions of a new brokerage services agreement entered into with Steamship on March 7, 2023, the remaining terms of which remained unaltered. This brokerage services agreement had an initial term of twelve months that commenced on January 1, 2023, and is automatically thereafter renewed for further periods of one calendar year, unless terminated by either party on three months' prior written notice (Note 15). Under the administrative services agreement entered into between the Company and Steamship, the Company pays Steamship a monthly fee of $10. The administrative services agreement may be terminated by either party on 30 days' prior written notice. The administrative services agreement had an initial term of twelve months with effect from November 29, 2021, and an automatic further twelve-month renewal term. On November 29, 2023, the Company entered into a new administrative services agreement with Steamship on substantially the same terms as the expired agreement. Steamship is deemed a related party to the Company on the basis that members of the Company's board of directors also act as board of directors' members at Steamship and since January 2023, Steamship is controlled by the Company's Chairperson.

For the years ended December 31, 2024, 2023 and 2022, insurance and administrative management fees amounted to $149, $150, and $141, respectively, and are included in "Management fees" in the accompanying consolidated statements of comprehensive loss. For the years ended December 31, 2024, 2023 and 2022, aggregate brokerage fees amounted to $2,686, $2,266, and $1,614, respectively. Of the brokerage fees charged by Steamship for the years ended December 31, 2024, 2023, and 2022, $1,800, $1,800, and $1,140, respectively, are included in "General and administrative expenses", $612, $466, and $474, respectively, are included in "Voyage expenses", and $274, $nil and $nil, are included in "Loss on sale of vessel" in the accompanying consolidated statements of comprehensive loss. Further, during 2023, in connection with the Company's chemical tankers' investment (Note 4), Steamship charged the Company one off brokerage fee amounting to $150 that is included in "Equity method investment" in the accompanying 2023 consolidated balance sheet.

For the years ended December 31, 2024, 2023 and 2022, accrued performance bonuses of $225, $230, and $185 are included in "General and administrative expenses" in the accompanying consolidated statements of comprehensive loss (Note 14(c)). As of December 31, 2024, and 2023, there was an amount of $436 and $462, respectively, due to Steamship, included in "Due to related parties" in the accompanying consolidated balance sheets, regarding outstanding fees for the services provided under the agreements discussed above and also resulting from amounts paid by Steamship on behalf of the Company.

(c) Altair Travel Agency S.A. ("Altair"):

The Company uses from time to time the services of a travel agent, Altair, on which the Company's Chairperson, holds equity interests. Travel expenses charged by Altair for the year ended December 31, 2024, and 2023, amounted to $63 and $55, respectively, and are mainly included in "Vessel operating expenses" and "Deferred charges, net" in the accompanying consolidated financial statements.

(d) Issuance of Series E Preferred Stock:

On March 20, 2023, the Company issued 1,200 shares of its newly designated Series E Perpetual Convertible Preferred Stock (the "Series E Preferred Stock"), par value $0.01 per share, to an affiliated company of its Chairperson, for a purchase price of $35. The Series E Preferred Stock votes with the common shares of the Company, and each share of the Series E Preferred Stock entitles the holder thereof to up to 25,000 votes on all matters submitted to a vote of the stockholders of the Company, subject up to 15% of the total number of votes entitled to be cast on matters put to stockholders of the Company. The issuance of shares of Series E Preferred Stock to the Company's Chairperson was approved by an independent committee of the Company's Board of Directors, which received a fairness opinion from an independent third party that the transaction was fair from a financial point of view to the Company (Note 7(c)).

(e) Redemption of Series C Preferred Stock – Diana Shipping Inc. ("DSI"):

On October 17, 2023, pursuant to the provisions of the Series C Preferred Stock statement of designations, DSI exercised its right to redeem 9,793 of its 10,000 Series C Preferred Stock, through the issuance to DSI of 3,649,474 of the Company's shares of common stock. The redemption rate which was utilized in connection with the redemption of the Series C Preferred Stock was based on the 10-day trailing VWAP of the Company's common stock, in accordance with the conversion mechanism prescribed in the Series C Preferred Stock statement of designations. As a result of this redemption, the 9,793 Series C preferred shares have been cancelled and retired and 207 Series C Preferred Stock of the Company remained in DSI's possession. The Company's valuation determined that the redemption on October 17, 2023 of 9,793 Series C Preferred Stock for the issuance of the above Company's shares of common stock resulted in an excess value of the shares of common stock of $2,549 or $0.70 per common share, as compared to the carrying value of the Series C Preferred Stock redeemed (which have been recorded at inception at a fair value of $7,414 determined based on valuation obtained by an independent third party for the purposes of the spin-off of the Company by DSI on November 29, 2021), that was transferred to DSI on the measurement date (i.e. October 17, 2023), and thus this value represented a deemed dividend to DSI, that was deducted from the net loss to arrive at the net loss available to common stockholders (Note 8). The fair value of the common shares issued on the measurement date of $9,963 was determined through Level 1 inputs of the fair value hierarchy (quoted market price on the date of the redemption of the Series C Preferred Stock for issuance of common stock). As of December 31, 2024, and 2023, there was no amount due to or from DSI.

(f) Vessel Acquisitions and issuances of Series D Preferred Stock:

On July 15, 2024, the Company, through Batiki, entered into a memorandum of agreement, as amended, with an entity controlled by a director of the Company, to acquire the M/T Zeze Start for a purchase price of $27,000. The vessel was delivered to the Company on September 9, 2024. Of the agreed purchase price, $18,900 was paid in cash and the $8,100 balance consideration was paid through the issuance on September 11, 2024, of 9,442 shares of the Company's Series D Preferred Stock (Note 7(c)). Of the agreed cash consideration, $8,000 was paid as of September 30, 2024, whereas, the remaining $10,900 has been agreed, pursuant to a seller's credit agreement entered between Batiki and the seller on August 13, 2024, to be paid to the seller after the delivery of the vessel but not later than November 26, 2024. The seller's credit bore interest at the rate of 5.0% per annum and included a covenant that provided for failure to pay credit and interest payable thereto when due. The seller's credit was repaid to the seller on November 19, 2024, along with interest amounting to $109, which is presented in "Finance Costs" in the accompanying 2024 consolidated statement of comprehensive loss. The vessel's cost was accounted for at $27,500 pursuant to the provisions of ASC 805, representing the fair value of the asset acquired. The vessel acquisition was approved by a committee of independent members of the Company's Board of Directors.

On June 13, 2022, and February 1, 2023, pursuant to the exercise of the right of first refusal entered, upon the spin-off consummation of the Company by Diana Shipping Inc. (or "DSI") in November 2021, the Company through Darrit and Fiji entered into two separate Memoranda of Agreement with DSI, as amended, to acquire the Capesize M/V Baltimore and the Panamax M/V Melia, for purchase prices of $22,000 and $14,000, respectively. Of the agreed purchase price for each vessel, $4,400 for the M/V Baltimore and $4,000 for the M/V Melia was paid in cash upon signing of each Memorandum of Agreement and the remaining amounts, were paid upon delivery of each vessel to the Company, on September 20, 2022 and February 8, 2023, respectively, in the form of 25,000 and 13,157 shares of the Company's Series D Preferred Stock, respectively (Note 7(c)). The vessels' cost was accounted for at $22,000 and $14,000, respectively, pursuant to the provisions of ASC 805. The Series D Preferred Stock has been recorded at a fair value of $17,600 and $10,000, respectively determined based on valuations obtained by an independent third party for the purposes of the transactions (Note 7(c)). Each of the vessel acquisitions was approved by a committee of independent members of the Company's Board of Directors.

In connection with the issuances of the Series D preferred stock for the acquisitions of the M/V Baltimore and the M/V Melia, DSI declared special stock dividends to all its stockholders of record as of November 28, 2022, and April 24, 2023, respectively, of all of the Company's shares of Series D Preferred Stock held by DSI at that time. The dividends were paid on December 15, 2022, and June 9, 2023, respectively (Note 7(c)).

(Expressed in thousands of U.S. Dollars – except share, per share, warrants' and scrap rate data, unless otherwise stated)

(g) Support Agreement with Sphinx Investment Corp ("Sphinx"):

On May 17, 2024, the Company entered into a support agreement with Sphinx, a company affiliated with Mr. George Economou, which as of the latest publicly reported date (April 26, 2024), owned 14.1% of the Company's outstanding common stock (the "Support Agreement"). The Support Agreement was unanimously approved by the Company's Board. Pursuant to the Support Agreement, Sphinx has agreed to withdraw its shareholder proposals and director nominations contained in its prior notice delivered to the Company in respect of the Company's 2024 Annual Meeting of Shareholders, held on May 17, 2024, and to commit to voting in favor of the Board's slate of recommended directors and with respect to certain other proposals at each Company shareholder meeting through the 2029 annual meeting of the Company's shareholders. In addition, Sphinx and the Company have agreed on a non-binding basis to a structure for the provision by Mr. Economou of strategic advice to the Board with respect to future opportunities for creating shareholder value. In exchange for Sphinx's support and for the reimbursement of certain of its out of pocket and other expenses, the Company agreed to pay Sphinx a non-refundable sum of $6,750 which is presented in "Support Agreement costs" in the accompanying 2024 consolidated statement of comprehensive loss. Pursuant to the Support Agreement, the Company agreed not to convert, among other securities, preferred shares held by its directors and officers into common shares from the time of the execution of the Support Agreement to the first anniversary thereof. The agreement also includes customary standstill provisions, mutual releases, and non-disparagement terms, among others.

(h) Sea Transportation Inc. ("START")

On September 2, 2024, Batiki entered into a commercial services agreement with START, a company controlled by a director of the Company, pursuant to which the latter provides commercial services to M/T Zeze Start, for (i) a fixed fee of $0.3 per day, and (ii) 3.0% on the vessel's revenues. The commercial services agreement may be terminated by either party giving two months' notice. For the year ended December 31, 2024, aggregate commercial service fees amounted to $51, of which $17 are included in "Voyage expenses" and $34 are included in "Management fees" in the accompanying consolidated statements of comprehensive loss. As of December 31, 2024, there was an amount of $1 due to Start, included in "Due to related parties" in the accompanying 2024 consolidated balance sheet.

4. Equity Method Investment

On August 29, 2023, the Company agreed to make a 27.5% investment in a Norwegian limited liability company, RFSea, that is constructing under separate newbuilding contracts, two 6,600 dwt methanol-ready, stainless steel chemical tankers, with expected delivery dates between the fourth quarter of 2025 and the first quarter of 2026. As a result of entering this transaction, the Company committed an aggregate amount of $4,125, due in three equal installments of $1,375 each. The first installment was paid in September 2023, the second in October 2024 and the last installment was paid in March 2025 (Note 14). In assessing the accounting treatment of this transaction, the Company evaluated ASC 810 and concluded that RFSea was at inception of the transaction and continued as of December 31, 2024, to be a VIE and that the Company does not individually have the power to direct the activities of the VIE that most significantly affect its performance. The noncontrolling interest of 27.5% into RFSea was accounted for under the equity method due to the Company's significant influence over RFSea. As of December 31, 2024, and 2023, the investment in RFSea amounted to $2,970 and $1,645, respectively, and is included in "Equity method investment" in the accompanying consolidated balance sheets.

For the years ended December 31, 2024, and 2023, the loss and gain from this investment amounted to $50 and $2, respectively, and is presented in "(Loss)/Gain on equity method investment" in the accompanying consolidated statements of comprehensive loss. Furthermore, during 2023, the Company incurred net transaction costs in connection with this transaction which amounted to $268 and are presented in "Equity method investment" in the accompanying 2023 consolidated balance sheet. The Company's maximum exposure to a loss as a result of its investment in RFSea, is limited to its committed amounted in this investment, $4,125.

5. Vessels, net

The amounts reflected in "Vessels, net" in the accompanying consolidated balance sheets are analyzed as follows:

	Vessel Cost	Accumulated Depreciation	Net Book Value
Balance, December 31, 2022	**$ 68,776**	**$ (5,104)**	**$ 63,672**
-Vessel acquisition	14,064	-	14,064
-Additions for improvements	304	-	304
- Depreciation for the year	-	(6,940)	(6,940)
Balance, December 31, 2023	**$ 83,144**	**$ (12,044)**	**$ 71,100**
- Vessel acquisition	27,506	-	27,506
- Vessels' impairment	(6,164)	3,511	(2,653)
- Vessel disposal	(22,024)	3,164	(18,860)
- Depreciation for the year	-	(5,830)	(5,830)
Balance, December 31, 2024	**$ 82,462**	**$ (11,199)**	**$ 71,263**

Vessel acquisitions

In February 2023, Fiji entered into a memorandum of agreement, as amended, to purchase from DSI, the Panamax dry bulk carrier M/V Melia, for the purchase price of $14,000 pursuant to the right of first refusal granted by DSI (Notes 3(f) and 7(c)). The vessel was delivered to the Company on February 8, 2023.

On July 15, 2024, Batiki entered into a memorandum of agreement, as amended, to purchase from an entity controlled by one of the Company's directors, the M/T Zeze Start, for a purchase price of $27,000 (Notes 3(h) and 7(c)). The vessel was delivered to the Company on September 9, 2024. As also noted under Note 3(f) above, the vessel's cost was accounted for at $27,500.

For the years ended December 31, 2024, and 2023, pre-delivery expenses amounted to $6 and $64, respectively.

Vessel disposal

On April 30, 2024, the Company, through its wholly owned subsidiary Darrit, entered into an agreement with an unrelated party to sell the vessel M/V Baltimore for a sale price of $18,250, before commissions and other sale expenses. On April 25, 2024, according to the provisions of ASC 360, the vessel was classified in current assets as "Vessel held for sale" and was measured at its fair value (as determined through Level 1 inputs of the fair value hierarchy by reference to its agreed sale price as per the memorandum of agreement terms) less estimated costs to sell, which was lower than the vessel's carrying amount. Such classification resulted in an impairment loss of $1,087 which is separately presented in "Impairment loss" in the accompanying 2024 consolidated statement of comprehensive loss. The fair value of the impaired vessel as of its impairment date was $18,250. The vessel was delivered to its buyers on November 19, 2024. Upon conclusion of the sale, the Company recognized an additional loss of $7 representing additional expenses related to the sale, which is separately reflected in "Loss of sale of vessel" in the accompanying 2024 consolidated statement of comprehensive loss.

Vessels' impairment

During 2024, the carrying value of two vessels was impaired as a result of the Company's impairment exercise. More specifically, an impairment loss of $1,307 and $3,728 was recognized for the vessels M/V Melia, and M/T Zeze Start, respectively, that were classified as held and used as at December 31, 2024, as the Company's impairment exercise concluded that their carrying values were not recoverable as of that date. The carrying value plus unamortized dry-docking costs of the M/V Melia and the M/T Zeze Start prior to the impairment amounted to $11,667 and $29,108, respectively. The vessels were measured at fair value on a non-recurring basis based on Level 2 inputs of the fair value hierarchy by making use of available market data. The aggregate fair value of the impaired vessels as of their impairment date was $35,740. The aggregate impairment loss recognized by the Company during the year ended December 31, 2024, amounted to $6,122 which is presented in "Impairment loss" in the accompanying 2024 consolidated statement of comprehensive loss (Note 11).

Aggregate impairment charges for the year ended December 31, 2024, for the dry bulk and tanker segments amounted to $2,394 and $3,728, respectively (Note 11).

Vessel improvements

Vessel improvements mainly relate to the implementation of ballast water treatment system and other works necessary for the vessels to comply with new regulations and be able to navigate to additional ports. During 2024 and 2023, the additions to vessels' cost amounted to $nil and $304, respectively.

Change in scrap rate estimate

Effective July 1, 2023, the Company changed the estimated scrap rate of all of its vessels from $250 per lightweight ton to $400 per lightweight ton. This change was made because the historical scrap rates over the past ten years have increased and as such the $250 rate was no longer considered representative. For 2024, this increase in the vessels' salvage value reduced depreciation and net loss by approximately $1,538 and basic and diluted loss per share by approximately $0.21 and $0.21, respectively. For 2023, it reduced depreciation and net loss by approximately $917 and basic and diluted loss per share by approximately $0.28 and $0.27, respectively.

6. Commitments and Contingencies

(a) Various claims, suits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance, and other claims with suppliers relating to the operations of the Company's vessels. The Company accrues for the cost of environmental and other liabilities when management becomes aware that a liability is probable and is able to reasonably estimate the probable exposure. The Company's vessels are covered for pollution in the amount of $1 billion per vessel per incident, by the P&I Association in which the Company's vessels are entered. The Company's vessels are subject to estimated total calls payable to their P&I Association and may be subject to supplementary calls which are calculated as a percentage of the net estimated total calls for each year and after deducting any applicable rebates, laid up returns and other deductions. A decision to levy supplementary calls is made by the Board of Directors of the Association at any time during or after the end of the relevant policy year. There is no limit to the number or amount of supplementary calls that can be levied in respect of a policy year. Supplementary calls, if any, are issued when they are announced and according to the period they relate to. The Company, so far, has not been made aware of any supplementary calls outstanding in respect of any policy year.

The Company has an open balance from a dispute with one charterer for revenues recognized during 2022, which as of December 31, 2024, and 2023 amounted to $116 and is included in Prepaid expenses and other assets, net, in the accompanying consolidated balance sheets. In connection with the respective open case, the Company estimated as of December 31, 2023, that loss contingencies of $19 could arise, and has further established allowance for doubtful accounts of $75, included in "Other operating loss/(income)" in the accompanying 2023 consolidated statement of comprehensive (income)/loss. No additional loss contingency or allowance was recorded in 2024.

In May 2024, in connection with its previously outstanding balance as of December 31, 2023 regarding another dispute with one of its charterers amounting to $120, the Company reached an amicable settlement in the amount of $111 and recorded, as a result, in the year ended December 31, 2024, an additional loss of $9 which is included in "Other operating (income)/loss" in the accompanying 2024 consolidated statement of comprehensive loss.

(b) As of December 31, 2024, all of the Company's dry bulk vessels (apart from the M/V Melia which was undergoing dry-dock repairs) were fixed under time charter agreements, considered as operating leases and accounted for as per the provisions of ASC 842, while the newly acquired tanker vessel was idle. The minimum contracted revenues expected to be generated (gross of charterers' commissions), based on the existing commitments to non-cancelable time charter contracts as of December 31, 2024, and until their earliest expiration dates, all falling within the first quarter of 2025, were estimated at $315.

(c) As of December 31, 2024, the total contractual obligations in connection with the Company's chemical tankers' investment amounted to $1,375, which was paid in March 2025 (Notes 4 and 14).

7. Capital Stock and Changes in Capital Accounts

(a) Common Stock

As of December 31, 2024, and 2023, 7,504,982 and 7,448,601, respectively, shares of common stock were issued and outstanding (all shares of common stock in registered form).

(i) Receipt of Nasdaq Notices and Reverse Stock Splits:

On March 8, 2022, the Company received a written notification from Nasdaq indicating that because the closing bid price of the Company's common shares for 30 consecutive business days, i.e., from January 21, 2022 to March 7, 2022, was below the minimum $1.00 per share bid price requirement for continued listing on the Nasdaq, the Company was not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the original applicable grace period to regain compliance was 180 days, or until September 5, 2022. On September 6, 2022, the Company was granted an additional 180-day period from the Nasdaq Capital Market, through March 6, 2023, to regain compliance with the $1.00 minimum bid price requirement for continued listing on the Nasdaq Capital Market. Effective December 22, 2022, the Company effected a one-for-ten reverse stock split on its issued and outstanding common stock. The one-for ten ratio was approved by the Company's Board on December 19, 2022. The Company's common stock began trading on a split-adjusted basis on the Nasdaq Capital Market at the opening of trading on December 22, 2022. As a result of this reverse stock split, the number of the Company's issued and outstanding common shares was reduced with no change in the number of the Company's authorized shares or the par value of the Company's common stock. As of January 6, 2023, the Company's common stock remained at $1.00 per share or higher for ten consecutive days. As such, on January 9, 2023, the Company received a letter from the Nasdaq confirming that it regained compliance with the minimum bid price requirement.

On March 27, 2023, the Company further received a written notification from Nasdaq indicating that because the closing bid price of the Company's common shares for 32 consecutive business days, i.e., from February 8, 2023 to March 24, 2023, was below the minimum $1.00 per share bid price requirement for continued listing on the Nasdaq, the Company was not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to the Nasdaq Listing Rules, the applicable grace period to regain compliance was 180 days, or until September 25, 2023. On May 24, 2023, pursuant to shareholder approval granted on May 3, 2023 which authorized the Company's Board of Directors to effect one or more reverse stock splits of its issued common shares, in the aggregate ratio of not more than 1-for-250, with the exact ratio to be determined by the Board of Directors in its discretion, the Company's board of directors approved a one-for-20 reverse stock split of the Company's common shares. The reverse stock split took effect and the Company's common shares began trading on a split-adjusted basis on Nasdaq Capital Market, as of the opening of trading on June 8, 2023, under the existing trading symbol "OP". As a result of this reverse stock split, on June 8, 2023, the number of the Company's issued and outstanding common shares was reduced to 1,259,135 with no change in the number of the Company's authorized shares or the par value of the Company's common stock. As of June 22, 2023, the Company's common stock had remained at $1.00 per share or higher for ten consecutive business days. As such, on June 23, 2023, the Company received a letter from the Nasdaq confirming that it regained compliance with the minimum bid price requirement.

(ii) Equity Offerings:

January 2022 Underwritten Public Offering:

On January 12, 2022, the Company filed a registration statement with the SEC on Form F-1, which was declared effective on January 20, 2022. On January 25, 2022, the Company closed an underwritten public offering of 15,571,429 units at a price of $0.77 per unit, 200 units consisting of one share of the Company's common stock (or 200 prefunded warrants in lieu of one share of the Company's common stock) and 200 Class A warrants to purchase one common share of the Company's common stock and was immediately separated upon issuance (the "January 2022 Offering"). In particular, upon the closing of the offering, 65,357 shares of common stock, 2,500,000 prefunded warrants to purchase 12,500 shares of common stock, and 15,571,429 Class A warrants to purchase 77,857 shares of common stock were sold.

In addition, the Company had previously agreed with certain of its' executive officers and significant stockholders (the "selling stockholders") to register their resale of shares of common stock, whereas an aggregate of 8,886 shares of common stock of certain of the selling stockholders were registered in connection with the January 2022 offering. As such, certain selling stockholders sold an aggregate of 3,143 shares of common stock in the primary offering. Each of the 3,143 shares of common stock sold by the selling stockholders on the primary offering was delivered to the underwriters with 200 additional Class A warrants to purchase one share of common stock (sold by the Company), on a firm commitment basis. In addition, the underwriter for the offering fully-exercised its option to purchase an additional 5,743 common shares sold from the selling stockholders and 6,407 common shares along with 2,430,000 Class A warrants to purchase 12,150 shares of common stock sold from the Company. Each of the 5,743 shares of common stock sold by the selling stockholders upon exercise of the underwriters' over-allotment option, was sold with 200 Class A warrants (sold by the Company) to purchase one share of common stock, on a firm commitment basis. The Company did not receive any of the proceeds from the sale of common shares by the selling stockholders and only received the proceeds for the Class A warrants sold together with the selling stockholders' shares of common stock (i.e., Class A warrants to purchase 8,886 shares of common stock in aggregate). The net proceeds received during 2022, under the January 2022 Offering, including the exercise of Class A and prefunded warrants discussed in Note 7(b) below and after deducting underwriting commissions and offering expenses paid by the Company, amounted to $14,736. The Company has recorded the excess of the proceeds received over the par value of common stock to additional paid in capital.

February 2023 Registered Direct Offering and Concurrent Private Placement:

On February 8, 2023, the Company closed a registered direct offering of 15,000,000 units, at a price of $1.01 per unit, with each twenty units consisting of one share of the Company's common stock and twenty Class B warrants exercisable for one share of the Company's common stock. The Company also offered to each purchaser, with respect to the purchase of units that would otherwise result in the purchaser's beneficial ownership exceeding 4.99% of the Company's outstanding common stock immediately following the consummation of the offering, the opportunity to purchase twenty prefunded warrants in lieu of one share of common stock. As a result of the above, on February 10, 2023, the Company issued and sold 15,000,000 units comprising of 615,000 shares of the Company's common stock, 2,700,000 prefunded warrants to purchase 135,000 shares of common stock, and 15,000,000 Class B warrants to purchase 750,000 shares of the Company's common stock.

The Company, concurrently with this transaction, also conducted a private placement of 15,000,000 additional unregistered at that time warrants to purchase up to an aggregate 750,000 shares of the Company's common stock (Note 7(b)). On February 23, 2023, the Company filed with the SEC a resale registration agreement on Form F-1 for the registration of the private placement warrants in this transaction, which was declared effective on March 8, 2023.

The gross and net proceeds received in the February 2023 Registered Direct Offering and the Concurrent Private Placement, including the proceeds from the exercise of the 2,700,000 prefunded warrants discussed above, amounted to $15,150 and $13,296, respectively.

(b) Warrants

As discussed under 7(a)(ii) above, all prefunded warrants (i.e., 2,500,000) and 4,156,000 Class A warrants in the January 2022 Offering have been exercised resulting in the issuance of an aggregate 33,280 shares of common stock during 2022. The Class A warrants were immediately exercisable and expire in five years from issuance, i.e., in January 2027. The Company may at any time during the term of the Class A warrants reduce the then current exercise price of each warrant to any amount and for any period of time deemed appropriate by the board of directors of the Company, subject to terms disclosed in the warrants' agreements. The Class A warrants also contain a cashless exercise provision, whereby if at the time of exercise, there is no effective registration statement, then the Class A warrants can be exercised by means of a cashless exercise as disclosed in the warrants' agreement. All Class A warrants are classified as equity, in accordance with the Company's accounting policy (Note 2(x)). In particular, the Company in its assessment for the accounting of the Class A and the prefunded warrants issued in connection with the January 2022 Offering, analyzed key features of the warrants and determined that classification as permanent equity is appropriate, and no features required bifurcation (other than those with de minimis value) or fall under the scope exceptions from derivative accounting. Based on the terms of the Class A warrants' agreement, each holder of a Class A warrant is, at any time after the issuance of the warrants, entitled to participate in the distribution of dividends by the Company, if and when declared, to the same extent that the holder would participate for each common share that such holder would be entitled to receive upon complete exercise of their Class A warrants (Notes 7(a) and 8).

Further, as also discussed under 7(a)(ii) above, the Company, in connection with the February 2023 Registered Direct Offering and the Concurrent Private Placement, issued 15,000,000 Class B Warrants to purchase 750,000 common shares, 15,000,000 private placement warrants to purchase 750,000 common shares, and 2,700,000 prefunded warrants to purchase 135,000 common shares. The prefunded warrants were exercisable at an exercise price of $0.20 per common share and were exercisable at any time after their original issuance date (i.e., February 10, 2023) until they were exercised in full. The Class B warrants have an exercise price of $20.20 per common share and are exercisable at any time after their original issuance up to the date that is five years after their original issue date, i.e., February 10, 2028. The private placement warrants also had an exercise price of $20.20 per common share and an identical to the Class B warrants exercise period. Alternatively, the holder of each private placement warrant, could elect to exercise such warrants on a cashless basis at the rate of 0.75 common share per twenty warrants on or after the later of (i) the date the selling shareholders' registration statement was declared effective, (ii) March 24, 2023, and (iii) the date the aggregate cumulative trading volume of the Company's common shares beginning on February 8, 2023 exceeds 60 million shares. The latter of the above conditions was satisfied on June 8, 2023, and, as a result, from that date onwards holders of the private placement warrants could elect to exercise their warrants on an alternative cashless basis. The Class B warrants and the private placement warrants also contain/contained a cashless exercise provision, whereby, if at the time of exercise there is no effective registration statement registering those warrants for resale, then these warrants can/could be exercised by means of a cashless exercise as per the mechanism prescribed in the respective warrants' agreements. The Company may/could at any time during the term of its Class B warrants and private placement warrants reduce the then current exercise price of each warrant to any amount and for any period of time deemed appropriate by the board of directors of the Company, subject to terms disclosed in the respective warrants' agreements.

As of December 31, 2023, all of the 2,700,000 prefunded warrants issued in the February 2023 Registered Direct Offering had been exercised. Further, during 2023, the Company received notices of alternative cashless exercises for all the 15,000,000 private placement warrants issued in the Concurrent Private Placement which resulted in the issuance of 562,501 shares of common stock.

The Company in its assessment for the accounting of the Class B warrants, private placement warrants, and the prefunded warrants issued in the February 2023 Registered Direct Offering and the Concurrent Private Placement, has taken into consideration the provisions enumerated under ASC 480 and ASC 815 (Note 2(x)). With regards to the Class B warrants and the prefunded warrants, the Company determined that they are out of the scope of ASC 480 and, by further analyzing their key features, that classification in permanent equity is appropriate and no features required bifurcation. In its assessment of the accounting treatment of the private placement warrants, the Company determined that the alternative cashless exercise of the private placement warrants precluded them from being considered indexed to the Company's stock. In this respect, the Company initially recorded the private placement warrants as noncurrent liabilities at their fair value under Warrants' liability on the accompanying consolidated balance sheet, with subsequent changes in their respective fair values recognized in line "Changes in fair value of warrants' liability" in the accompanying 2023 consolidated statement of comprehensive loss. Estimating fair values of liability-classified financial instruments requires the development of estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. In addition, option-based techniques are highly volatile and sensitive to changes in the trading market price of the Company's common stock. Because liability-classified financial instruments are recorded at fair value, the Company's financial results reflected the volatility and changes in these estimates and assumptions until the respective liability was fully extinguished. As of the date the Company completed the 2023 February Registered Direct Offering and the concurrent private placement (i.e. February 10, 2023), the private placement warrants were valued using the Black-Scholes option pricing model at a fair value of $7,504 in aggregate, while the remaining gross proceeds of the offering amounting to $7,619 (net proceeds of $6,699) were allocated to common shares, prefunded warrants, and Class B warrants using the residual value method. Issuance costs amounting to $909 were expensed using the pro rata method by taking into account the portion of the liability recorded at inception and are included in "Finance costs" in the accompanying 2023 consolidated statement of comprehensive loss. As mentioned above, pursuant to the exercises of all the private placement warrants during 2023, on an alternative cashless basis for 562,501 shares of common stock, the warrants were marked to their fair value at their respective settlement dates and then the respective warrants' liability aggregating to an amount of $1,282 got settled with relevant transfers of $6 to par value and $1,276 to additional paid-in-capital within the accompanying consolidated statement of stockholders' equity for the year ended December 31, 2023. The gain of $6,222 resulting from the settlement of the warrants' liability throughout the period was accounted for as a change in fair value of the warrants' liability and is presented in "Change in fair value of the warrants' liability" in the accompanying 2023 consolidated statement of comprehensive loss. The private placement warrants' fair value as of their initial measurement and subsequent settlement dates per discussion above, was determined through Level 3 inputs of the fair value hierarchy as determined by management. The Company weighed the probability that such warrants were alternatively cashless exercised for common shares in the initial fair value measurement of the private placement warrants, while the Black-Scholes option pricing model was applied under the following assumptions: (a) expected volatility (b) risk free rate (c) market value of common stock of, which was the current market price at each fair value measurement date. Fair value sensitivity was driven by the stock price at the time of valuation and is limited in terms of the other parameters.

As of December 31, 2024, and 2023, pursuant to the January 2022 Offering, 14,474,000 Class A warrants to purchase 72,370 shares of common stock remained available for exercise at an exercise price of $154.00 dollars per common share. As of December 31, 2024, all the 15,000,000 Class B warrants to purchase an aggregate 750,000 common shares in the February 2023 Registered Direct Offering remained available for exercise at an exercise price of $20.20 dollars per common share.

(c) Preferred Stock

As of December 31, 2024, and 2023, the Company's authorized preferred stock consisted of 100,000,000 shares of preferred stock, par value $0.01 per share, designated as Series A Participating Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock. As of December 31, 2024, and 2023, there were no Series A Participating Preferred Stock issued and outstanding.

(i) Series B Preferred Stock

As of December 31, 2024, and 2023, the Company had outstanding 500,000 Series B Preferred Stock, with par value $0.01 per share, issued to DSI. The Series B Preferred Stock votes with the common shares of the Company, and each share of Series B Preferred Stock entitles the holder thereof to 2,000 votes on all matters on which the Company's stockholders are entitled to vote of up to 34% of the total number of votes entitled to be cast for all matters for which the Company's stockholders are entitled to vote on, but with no economic rights. To the extent the aggregate voting power of any holder of Series B Preferred Stock, together with any affiliate of such holder, would exceed 49% of the total number of votes that may be cast on any matter submitted to a vote of the Company's stockholders, the number of votes of the Series B Preferred Stock shall be automatically reduced so that such holder's aggregate voting power, together with any affiliate of such holder, is not more than 49%. Furthermore, the Series B Preferred Stock has no dividend, distribution or liquidation rights and cannot be transferred without the consent of the Company except to the holder's affiliates or successors.

(ii) Series C Preferred Stock

The Series C Preferred Stock, with liquidation preference $1,000 per share, has no voting rights except (1) in respect of amendments to the articles of incorporation which would adversely alter the preferences, powers or rights of the Series C Preferred Stock or (2) in the event that the Company proposes to issue any parity stock if the cumulative dividends payable on outstanding Series C Preferred Stock are in arrears or any senior stock. Also, holders of Series C Preferred Stock, rank prior to (i) the holders of common shares, (ii) if issued, any Series A Participating Preferred Stock, the Series B Preferred Stock and (iii) any other class or series of capital stock established after their original issuance date with respect to dividends, distributions and payments upon liquidation. The Series C Preferred Stock has a cumulative preferred dividend accruing from the date of original issuance which is payable on the 15th day of January, April, July and October of each year at the dividend rate of 8.0% per annum, and is convertible into common shares at the holders' option commencing upon the first anniversary of the original issuance date, at a conversion price equal to the lesser of $1,300.00 (subject to change under anti-dilution provisions) and the 10-trading day trailing VWAP of the common shares, or at any time after their issuance date in case of any fundamental change (i.e. liquidation, change of control, dissolution or winding up of the affairs) of the Company. The Series C Preferred Stock is also optionally redeemable at the holder's option in case of fundamental change, if the holder does not exercise its conversion right discussed above, and optionally redeemable at the option of the holder in case of certain corporate events as defined in the statement of designations of the Series C Preferred Stock. The holder, however, is prohibited from converting the Series C Preferred Stock into common shares to the extent that, as a result of such conversion, the holder (together with its affiliates) would beneficially own more than 49% of the total outstanding common shares of the Company.

The Series C Preferred Stock is not mandatorily redeemable and does not meet any other criteria under ASC 480 to be classified as liability, and under the Company's assessment is classified in permanent equity, according to the Company's accounting policy (Note 2(x)). In particular, the Company assessed that certain of the aforementioned features requiring bifurcation under ASC 815 had de minimis value at inception and in each measurement date, while others were clearly and closely related to the host instrument thus no bifurcation was required or falling under the scope exceptions from derivative accounting.

On April 15, 2022, March 7, 2023, and February 21, 2024, the Company awarded and granted its directors with 1,982, 3,332 and 3,332, respectively, shares of Series C Preferred Stock, as per the terms of the amended and restated Equity Incentive Plan (refer to (iv) below).

On October 17, 2023, DSI elected to redeem 9,793 of the 10,000 Series C Preferred Stock issued to DSI in the Company's spin-off transaction from DSI that was completed on November 29, 2021. The 10,000 Series C Preferred Stock issued in the spin-off transaction have been recorded at inception at a fair value of $7,570 determined based on valuation obtained by an independent third party for such purpose.

As of December 31, 2024, the Series C Preferred Stock remained outside the scope of ASC 480, classified as permanent equity, while all features requiring bifurcation under ASC 815 at inception, were determined of de minimis value upon reassessment as of December 31, 2024.

As of December 31, 2024, and 2023, the Company had 8,853 and 5,521, respectively, shares of Series C Preferred Stock issued and outstanding with par value of $0.01 per share. As of December 31, 2024, 4,998 shares of Series C Preferred Stock awarded under the amended and restated 2021 Equity Incentive Plan remained unvested.

Dividend payments and declarations on Series C Preferred Stock:

During the year ended December 31, 2024, the Company declared and paid cash dividends on its Series C preferred stock of $80 per share, aggregating the amount of $681 and $614, respectively.

During the year ended December 31, 2023, the Company declared and paid cash dividends on its Series C preferred stock of $80 per share, aggregating the amount of $991 and $1,121, respectively.

(iii) Series D Preferred Stock

The Series D Preferred Stock, with liquidation preference $1,000 per share, has no voting rights except (1) in respect of amendments to the articles of incorporation which would adversely alter the preferences, powers or rights of the Series D Preferred Stock or (2) in the event that the Company proposes to issue any parity stock if the cumulative dividends payable on outstanding Series D Preferred Stock are in arrears or any senior stock. Also, holders of Series D Preferred Stock, rank equal to Series C Preferred Stock, prior to (i) the holders of common shares, (ii) if issued, any Series A Participating Preferred Stock, and any Series B Preferred Stock and (iii) any other class or series of capital stock established after their original issuance date with respect to dividends, distributions and payments upon liquidation. The Series D Preferred Stock has a cumulative preferred dividend accruing from the date of original issuance which is payable on the 15th day of January, April, July and October of each year at the dividend rate of 7.0% per annum, and is convertible into common shares at the holders' option at any time after the original issuance date, at a conversion price equal to the 10-trading day trailing VWAP of the common shares. The Series D Preferred Stock is also optionally redeemable at the holder's option in case of fundamental change or in case of certain corporate events as defined in the statement of designation of the Series D Preferred Stock. Holders of the Series D Preferred Stock, however, are prohibited from converting the Series D Preferred Stock into common shares to the extent that, as a result of such conversion, holders (together with their affiliates) would beneficially own more than 49% of the total outstanding common shares of the Company.

Issuances of Series D Preferred Stock:

As discussed under Note 3(f) above, as partial consideration for the acquisition of the M/T Zeze Start, the Company issued on September 11, 2024, 9,442 shares of Series D Preferred Stock, with par value $0.01 per share, at a stated value of $1,000 per share with liquidation preference at $1,000 (i.e., $9,442 aggregate liquidation preference). The Series D Preferred Stock is not mandatorily redeemable and does not meet any other criteria under ASC 480 to be classified as liability and under the Company's assessment are classified in equity, according to the Company's accounting policy. In particular, the Company assessed that certain of the features requiring bifurcation under ASC 815 had de minimis value at inception, while others were clearly and closely related to the host instrument thus no bifurcation was required.

Further, as partial consideration for the acquisitions of the M/V Baltimore and the M/V Melia, the Company issued on September 21, 2022, and on February 8, 2023, 25,000 and 13,157 shares of Series D Preferred Stock, respectively, with par value $0.01 per share, at a stated value of $1,000 per share with liquidation preference at $1,000 (i.e., $25,000 and $13,157 aggregate liquidation preference, respectively). DSI declared two separate special stock dividends of the M/V Baltimore and the M/V Melia Series D Preferred Stock issued to it as part of these transactions, to all of its common stockholders as of certain record dates (the "Baltimore Stock Dividend" and the "Melia Stock Dividend", respectively, and, together, the "Special Stock Dividends"), through offering to convert the shares of the Company's Series D Preferred Stock into the Company's shares of common stock on the Baltimore Stock Dividend and the Melia Stock Dividend payment dates and distributing the Company's shares of common stock to each of its common stockholders. DSI common stockholders, in their sole discretion, were given the opportunity to opt out, in whole but not in part, of the conversion of the shares of Series D Preferred Stock into the Company's shares of common stock and instead receive shares of Series D Preferred Stock in connection with the Special Stock Dividends. On December 15, 2022, and June 9, 2023, in connection with the Special Stock Dividends, 15,828 and 8,590, respectively, of the Company's Series D Preferred Stock were redeemed through the issuance of 360,055 and 1,977,106, respectively, of the Company's shares of common stock, whereas 9,172 and 4,567 shares of the Company's Series D Preferred Stock, respectively, were distributed to DSI stockholders. Because the value the holders received upon conversion was not based on the price of the common shares and the Series D Preferred Stock settled by providing the holders with a variable number of common shares with an aggregate fair value that equaled the stock instrument's liquidation preference, the Company assessed that, for accounting purposes, such separate transactions should be considered as redemptions of the Series D Preferred Stock, rather than conversions. The redemption rate which was utilized in connection with each of the two distributions of the Series D Preferred Stock was based on the 10-day trailing VWAP of the Company's common stock at each election deadline date (i.e., December 13, 2022, and May 25, 2023, respectively) in accordance with the Series D Preferred Stock statement of designations. The Company's valuations determined that the redemptions on December 15, 2022 and on June 9, 2023, of 15,828 and 8,590 Series D Preferred Stock for the issuance of 360,055 and 1,977,106, respectively, of the Company's shares of common stock, resulted in an excess value of the shares of common stock of $134 and $154, respectively, or $0.0372 and $0.0779 per share of common stock, respectively as compared to the fair value of the Series D Preferred Stock redeemed, that was transferred from the Series D Preferred Stock holders to the common holders on each measurement date (i.e. December 15, 2022 and June 9, 2023, respectively), and that this value represented a deemed dividend to the common holders, that should be deducted from the net loss to arrive at the net loss available to common stockholders (Note 8). The fair value of the common shares issued on each measurement date (i.e., December 15, 2022, and June 9, 2023, respectively) of $11,277 and $6,683, respectively, was determined through Level 1 inputs of the fair value hierarchy (quoted market price on the date of the redemption of the Series D Preferred Stock for issuance of common stock).

DSI's stockholders electing to receive shares of the Company's Series D Preferred Stock by opting out of the automatic conversion, received a number of shares of Series D Preferred Stock equal to such common stockholder's pro-rata portion of all the shares of the Company's Series D Preferred Stock, rounded down to the nearest whole number. Any fractional shares of the Series D Preferred Stock that would otherwise be distributed were converted into shares of common stock of the Company at the applicable conversion rate and sold, and the net proceeds therefrom were delivered to such common stockholder. DSI's common stockholders receiving shares of common stock of the Company received the pro-rata number of shares of common stock of the Company to which they were entitled following conversion, rounded down to the nearest whole number, and any fractional shares were aggregated and sold, and the net proceeds thereof were delivered to DSI's common stockholders. All of the fractional share calculations and the payment of cash in lieu thereof were determined at the stockholder nominee level.

Other Series D Preferred Stock redemptions:

During 2024, holders of the Company's Series D preferred stock unaffiliated with the Company, exercised their right to redeem 97 Series D Preferred Stock to common stock, resulting in the issuance of 56,381 shares of common stock of the Company and a deemed dividend of $26 to Series D preferred holders, being the excess value of the shares of common stock of as compared to the fair value of the Series D Preferred Stock redeemed.

During 2023, one holder of the Company's Series D preferred stock, unaffiliated with the Company, exercised his right to redeem one share of Series D Preferred Stock to common stock, resulting in the issuance of 385 shares of common stock of the Company.

Following the conclusion of the above transactions, as of December 31, 2024, and 2023, the Company had 23,083 and 13,738, respectively, shares of Series D Preferred Stock issued and outstanding.

As of December 31, 2024, the Series D Preferred Stock remained outside the scope of ASC 480, classified as permanent equity, while all features requiring bifurcation under ASC 815 had de minimis value upon reassessment as of December 31, 2024.

Dividend payments and declarations on Series D Preferred Stock:

During the year ended December 31, 2024, the Company declared and paid cash dividends on its Series D preferred stock of $70 per share, aggregating the amount of $1,022 and $1,022, respectively.

During the year ended December 31, 2023, the Company declared and paid cash dividends on its Series D preferred stock of $70 per share, aggregating the amount of $968 and $968, respectively.

(Expressed in thousands of U.S. Dollars – except share, per share, warrants' and scrap rate data, unless otherwise stated)

(iv) Equity Incentive Plan

On March 23, 2022, the Company's 2021 Equity Incentive Plan was amended and restated to, among other things, permit grants of Series C Preferred Stock thereunder, in an aggregate amount of up to 10,000 shares. On April 10, 2024, the Company further amended and restated its 2021 Equity Incentive Plan so that the maximum aggregate number of shares of common stock that may be delivered pursuant to awards granted under the 2021 Equity Incentive Plan, as amended and restated, is 2,000,000 (Note 14).

The Company assessed the issuance of the Series C Preferred Stock and their features pursuant to these awards and concluded that they should be classified in permanent equity with no embedded derivative requiring bifurcation other than those that were assessed with de minimis value.

A summary of the Company's restricted stock awards pursuant to the amended and restated Equity Incentive Plan as of December 31, 2022, 2023 and 2024, and the movement during these years are presented below.

Summary of Series C Preferred Stock awards

Issuance date	Series C shares awarded/issued	Fair value of award	Vesting period	Valuation method used	Discount factor applied	Risk free rate applied	Beta applied	Equity market average return applied
15 April 2022	1,982	$1,590	2 years	Dividends' Present value (1) plus liquidation proceeds	12.7%	1.0%	1.3	10.0%
7 March 2023	3,332	$2,679	2 years	Dividends' Present value (1) plus liquidation proceeds	12.5%	3.4%	1.3	10.4%
21 February 2024	3,332	$2,800	2 years	Dividends' Present value (2) plus liquidation proceeds	9.3%	4.25%	0.8	10.5%

(1) Assuming the shares are held until the end of the vessels' useful life
(2) Assuming the shares are held in perpetuity

The fair value of all Series C Preferred Stock restricted stock awards was determined based on valuations obtained by an independent third party for the purposes of these transactions.

Movement of Series C Preferred Stock awards

	Number of shares of Series C Preferred Stock	Weighted average grant-date fair value
Unvested as of December 31, 2023	**4,323**	$ 793
Granted	3,332	840
Vested	(2,657)	786
Unvested as of December 31, 2024	**4,998**	$ 828

As of December 31, 2024, 1,354 shares of Series C Preferred Stock remained reserved for issuance according to the Company's amended and restated Equity Incentive Plan (Note 14). For the years ended December 31, 2024, 2023, and 2022, compensation cost on restricted stock awards amounted to $2,776, $1,893, and $568, respectively, and is included in "General and administrative expenses" in the accompanying consolidated statements of comprehensive loss. As of December 31, 2024, and 2023, the total unrecognized compensation cost relating to the Company's outstanding restricted stock awards was $1,832 and $1,808, respectively. As of December 31, 2024, and 2023, the average period over which the total compensation cost related to non-vested restricted stock, was expected to be recognized, was 0.66 years and 0.73 years, respectively.

(v) Series E Preferred Stock

As discussed under Note 3(d) above, on March 20, 2023, the Company issued 1,200 shares of its newly designated Series E Perpetual Convertible Preferred Stock (the "Series E Preferred Stock"), par value $0.01 per share, to an affiliated entity to the Company's Chairperson for a purchase price of $35. The Series E Preferred Stock has no dividend or liquidation rights. The Series E Preferred Stock votes with the common shares of the Company, and each share of the Series E Preferred Stock entitles the holder thereof to up to 25,000 votes, on all matters submitted to a vote of the stockholders of the Company, subject up to 15% of the total number of votes entitled to be cast on matters put to stockholders of the Company. The Series E Preferred Stock is convertible, at the election of the holder, in whole or in part, into shares of the Company's common stock at a conversion price equal to the 10-trading day trailing VWAP of the Company's common stock, subject to certain adjustments, at any time after (i) the cancellation of all of the Company's Series B Preferred Stock or (ii) the transfer for all of the Company's Series B Preferred Stock (collectively a "Series B Event"). The 15% limitation discussed above shall terminate upon the occurrence of a Series B Event. The Series E Preferred Stock is transferable only to the holder's immediate family members and to affiliated persons or entities, with the Company's prior consent.

The Series E Preferred Stock is classified in equity, in accordance with the Company's accounting policy (Note 2(x)). Upon its initial assessment, the Company followed the provisions of ASC 480 "Distinguishing liabilities from equity" in order to assess the classification of the Series E Preferred Stock as well as that of their embedded features and determined that the Series E Preferred Stock should be classified as permanent equity. In particular, the Company assessed that certain of the aforementioned embedded features requiring bifurcation under ASC 815 had de minimis value at inception and in each subsequent measurement date, while other fell under the scope exceptions from derivative accounting, thus no bifurcation was required. As of December 31, 2024, the Series E Preferred Stock remained outside the scope of ASC 480, classified as permanent equity, while all features requiring bifurcation under ASC 815 had de minimis value upon reassessment as of December 31, 2024.

8. Loss per Common Share

All of the Company's issued and outstanding common stock (including any restricted shares issued under the Company's amended and restated equity incentive plan) have equal rights to vote and participate in dividends, subject to forfeiture provisions as set forth in the respective stock award agreements, as applicable. Furthermore, the Class A warrants are entitled to receive dividends, if and when declared, which are not refundable, and therefore are considered participating securities for basic earnings per share calculation purposes. The Class A warrants do not participate in losses. For the year ended December 31, 2024, the Company declared and paid aggregate cash dividends on its Series C preferred stock of $681 and $614, respectively. With regards to the Series D preferred stock, during the year ended December 31, 2024, the Company declared and paid aggregate cash dividends of $1,022, which excludes any amounts accrued in prior periods, as applicable. Also, during the year ended December 31, 2024, certain Series D preferred stockholders redeemed 97 shares of Series D preferred stock, for which the Company recorded deemed dividend amounting to $26. For the year ended December 31, 2023, the Company declared and paid aggregate cash dividends on its Series C preferred stock of $991 and $1,121, respectively. With regards to the Series D preferred stock, during the year ended December 31, 2023, the Company declared and paid aggregate cash dividends of $968, which excludes any amounts accrued in prior periods, as applicable. Also, during the year ended December 31, 2023, in connection with the M/V Melia Stock Dividend and the DSI Series C preferred stock redemption, the Company recorded deemed dividends amounting to $154 and $2,549, respectively (Note 7(c)). No dividends were declared on the Company's common stock and its Class A warrants during 2024 and 2023. For the year ended December 31, 2022, the Company declared and paid aggregate cash dividends to its common and Class A warrants' holders of $2,089 and $1,012, respectively. Further, in the same year, the Company declared and paid aggregate cash dividends on its Series C preferred stock of $950 and $780, respectively. With regards to the Series D preferred stock, during 2022, the Company declared and paid aggregate cash dividends of $117, which excludes any amounts accrued in prior periods, as applicable. Also, during 2022, in connection with the M/V Baltimore Stock Dividend, the Company recorded a deemed dividend amounting to $134.

For the year ended December 31, 2024, the calculation of basic loss per share does not treat the non-vested shares (considered non-participating securities) as outstanding until the time/service-based vesting restrictions have lapsed. The dilutive effect, if any, of the Company's share-based compensation arrangements (following assumed conversion of the Series C preferred stock to common under the "if converted method") and the Class A and Class B warrants is computed using the treasury stock method, which assumes that the "proceeds" upon exercise of these awards or warrants are used to purchase common shares at the average market price for the period. The dilutive effect, if any, from the conversion of outstanding Series C and Series D preferred stock is calculated with the "if converted" method, to the extent that such conversion would not result in beneficial ownership by the preferred stockholders of more than 49% of the total outstanding common shares of the Company, in accordance with the terms of the respective agreements governing the Series C and Series D preferred stock. The dilutive effect, if any, from the conversion of outstanding Series E Preferred Stock is calculated with the "if converted" method, to the extent the contingencies triggering such conversion are satisfied by the end of the reporting period. Incremental shares are the number of shares assumed issued under the i) treasury stock method and the ii) "if converted" method weighted for the periods the non-vested shares, warrants and convertible preferred stock were outstanding. During the year ended December 31, 2024, no incremental shares were calculated from the application of the treasury stock method on i) the Class A and Class B warrants and ii) the share-based compensation arrangements (following assumed conversion of the Series C Preferred Stock to common under the "if converted" method) and the "if converted" method for the Series C and Series D preferred stock, because to do so would be anti-dilutive. In addition, for the year ended December 31, 2024, the Company has not applied the if converted method to the Series E Preferred Stock, since none of the contingencies triggering such conversion were met as of December 31, 2024. For the year ended December 31, 2023, the computation of diluted earnings per share reflects the potential dilution resulting from the exercise of the private placement warrants issued, amongst other securities, as part of the February 2023 Registered Direct Offering and Concurrent Private Placement fully exercised until September 29, 2023, using the treasury stock method which resulted in 56,688 common shares. No incremental shares were calculated for the year ended December 31, 2023 from the application of the treasury stock method for the Class A warrants, the Class B warrants, and the share-based compensation arrangements (following assumed conversion of the Series C Preferred Stock to common under the "if converted" method) and the "if converted" method for the Series C and Series D preferred stock, as the effect of such shares would be anti-dilutive. Similarly, for the year ended December 31, 2022, no incremental shares were calculated from the application of the treasury stock method for i) the Class A warrants and ii) the share-based compensation arrangements (following assumed conversion of Series C Preferred Stock to common under the "if converted method") and the "if converted" method for the Series C and Series D preferred stock as the effect of such shares was anti-dilutive.

OCEANPAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Also, net loss in each year is adjusted by the amount of dividends declared and/or accumulated on the Series C and D preferred stock, deemed dividends on the Series C and Series D preferred stock in connection with redemptions incurred in the year, dividends on Class A warrants and undistributed earnings on Class A warrants, as applicable in each year, as follows:

	December 31, 2024	December 31, 2023	December 31, 2022
Net loss and comprehensive loss	**$ (17,862)**	**$ (1,977)**	**$ (326)**
Less deemed dividend upon redemption of Series C Preferred Stock	-	(2,549)	-
Less deemed dividend upon redemption of Series D Preferred Stock	(26)	(154)	(134)
Less dividends on Series C Preferred Stock	(681)	(991)	(950)
Less dividends on Series D Preferred Stock	(1,160)	(1,036)	(252)
Less dividends on Class A warrants	-	-	(1,012)
Net loss and comprehensive loss attributable to common stockholders for basic loss per share purposes	**$ (19,729)**	**$ (6,707)**	**$ (2,674)**
Less changes in fair value of warrants' liability	-	(6,222)	-
Net loss and comprehensive loss attributable to common stockholders for diluted loss per share purposes	**$ (19,729)**	**$ (12,929)**	**$ (2,674)**
Weighted average number of common stock, basic	7,465,136	3,315,519	155,655
Effect of dilutive securities	-	56,688	-
Weighted average number of common stock, diluted	7,465,136	3,372,207	155,655
Loss per share, basic	**$ (2.64)**	**$ (2.02)**	**$ (17.18)**
Loss per share, diluted	**$ (2.64)**	**$ (3.83)**	**$ (17.18)**

(Expressed in thousands of U.S. Dollars – except share, per share, warrants' and scrap rate data, unless otherwise stated)

9. Vessel Revenues

The following table includes the voyage revenues earned by the Company by type of contract (time charter, voyage charter) in each of the years ended December 31, 2024, 2023 and 2022, as presented in the accompanying consolidated statements of comprehensive loss:

	December 31, 2024	December 31, 2023	December 31, 2022
Time charter revenues	24,768	18,957	19,085
Voyage charter revenues	934	-	-
Total Vessel Revenues	**$ 25,702**	**$ 18,957**	**$ 19,085**

As of December 31, 2024, trade accounts receivable related to voyage charters amounted to $40.

10. Vessel Operating Expenses

The amounts reflected in "Vessel Operating expenses" in the accompanying consolidated statements of comprehensive loss are analyzed as follows:

Vessel Operating Expenses	December 31, 2024	December 31, 2023	December 31, 2022
Crew & crew related costs	$ 6,235	$ 5,254	$ 3,770
Repairs & maintenance, spares, stores, classification, chemicals & gases, paints, victualling	2,828	2,865	1,769
Lubricants	660	638	415
Insurances	816	781	534
Annual taxes and registration fees	255	232	151
Other	1,692	651	241
Total Vessel operating expenses	**$ 12,486**	**$ 10,421**	**$ 6,880**

11. Segment information

The Company has determined that it operates under two reportable segments from which it derives its revenues, the dry bulk segment and the tanker segment. The table below presents information about the Company's reportable segments for the year ended December 31, 2024. The accounting policies followed in the preparation of the reportable segments are the same as those followed in the preparation of the Company's consolidated financial statements. Segment results are evaluated based on income/(loss) from operations.

	December 31, 2024			December 31, 2023	December 31, 2022
	Dry Bulk segment	Tanker segment	Total	Dry Bulk segment	Dry Bulk segment
-Time charter revenues	$ 24,768	$ -	$ 24,768	$ 18,957	$ 19,085
-Voyage charter revenues	-	934	934	-	-
Vessel revenues, net	**$ 24,768**	**$ 934**	**$ 25,702**	**$ 18,957**	**$ 19,085**
Voyage expenses	3,104	606	3,710	1,940	3,680
Vessel operating expenses	10,961	1,525	12,486	10,421	6,880
Management fees	1,139	84	1,223	1,116	758
Impairment loss	2,394	3,728	6,122	-	-
Loss on sale of vessel	7	-	7	-	-
General and administrative expenses	8	1	9	7	5
Depreciation and amortization of deferred charges	6,368	830	7,198	7,670	4,896
Other operating (income)/loss	(81)	-	(81)	125	-
Segments' operating income/(loss)	**$ 868**	**$ (5,840)**	**$ (4,972)**	**$ (2,322)**	**$ 2,866**
Less: Unallocated general and administrative expenses (1)	-	-	(6,203)	(5,274)	(3,078)
Less: Unallocated management fees (1)	-	-	(120)	(120)	(120)
Less: Unallocated support agreement costs (1)	-	-	(6,750)	-	-
Less: Unallocated other operating (loss)/gain (1)	-	-	-	(6)	6
Total consolidated operating loss			**$ (18,045)**	**$ (7,722)**	**$ (326)**

(1) Refers to general and administrative expenses, support agreement costs, management fees and other operating loss of the parent company, OceanPal Inc.

A reconciliation of total segment assets to total assets presented in the accompanying consolidated balance sheets of December 31, 2024, and December 31, 2023, is as follows:

	December 31, 2024	December 31, 2023
Dry bulk segment	$ 53,205	$ 78,480
Tanker segment	26,873	-
Cash and cash equivalents (1)	6,284	14,584
Equity method investment (1)	2,970	1,645
Prepaid expenses and other current assets, net (1)	130	136
Total consolidated assets	**$ 89,462**	**$ 94,845**

(1) Refers to the assets of the parent company, OceanPal Inc.

12. Financial Instruments and Fair Value Disclosures

Concentration of credit risk: Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and cash equivalents, trade accounts receivable and amounts due from related parties. The ability and willingness of each of the Company's counterparties to perform their obligations under a contract depend upon several factors that are beyond the Company's control and may include, among other things, general economic conditions, the state of the capital markets, the condition of the shipping industry and charter hire rates. The Company's credit risk with financial institutions is limited as it has temporary cash investments, consisting mostly of deposits, placed with qualified financial institutions and performs periodic evaluations of the relative credit standing of those financial institutions. The Company limits its credit risk with accounts receivable and related parties by performing ongoing credit evaluations of these counterparties' financial condition and by receiving payments of hire in advance. The Company, generally, does not require collateral for its accounts receivable and does not have any agreements to mitigate credit risk.

(Expressed in thousands of U.S. Dollars – except share, per share, warrants' and scrap rate data, unless otherwise stated)

For the years ended December 31, 2024, 2023 and 2022, charterers that individually accounted for 10% or more of the Company's revenues, all derived from the Company's dry bulk segment, were as follows:

Charterer	2024	2023	2022
A	31%	10%	-
B	16%	-	-
C	10%	-	-
D	-	25%	-
E	-	16%	20%
F	-	-	14%
G	-	-	12%
H	-	-	11%

The maximum aggregate amount of loss due to credit risk that the Company would incur if the aforementioned charterers failed completely to perform according to the terms of the relevant time charter parties, amounted to $1,294, $1,640, and $215 as of December 31, 2024, 2023 and 2022, respectively.

Fair value of assets and liabilities

The principal financial assets of the Company consist of cash at banks, accounts receivable trade, net, insurance claims, and amounts due from related party(ies). The principal financial liabilities of the Company consist of accounts payable, trade and other, and amounts due to related party(ies).

Cash and cash equivalents, accounts receivable, insurance claims, amounts due from related party/(ies) and accounts payable: The carrying values reported in the accompanying consolidated balance sheets for those financial instruments are reasonable estimates of their fair values due to their short-term maturity nature. The carrying value of these instruments is separately reflected in the accompanying consolidated balance sheets.

2023- Non-recurring fair value measurements related to the warrants' liability.

Warrants' liability: The private placement warrants were initially recorded at fair value on their issuance date and subsequent settlement dates with the offsetting adjustments recorded in "Change in fair value of warrants' liability" within the accompanying consolidated statements of comprehensive loss. The fair value of the private placement warrants at their issuance date (i.e., February 10, 2023), and subsequent settlement dates, has been determined through Level 3 inputs of the fair value hierarchy (Note 7(a)).

Non-recurring fair value measurements from warrants' subsequent settlements:

- At partial settlement date as of June 8, 2023, a fair value of $286;
- At partial settlement date as of June 15, 2023, a fair value of $276;
- At partial settlement date as of June 16, 2023, a fair value of $141;
- At partial settlement date as of June 20, 2023, a fair value of $58;
- At partial settlement date as of July 10, 2023, a fair value of $33;
- At partial settlement date as of August 9, 2023, a fair value of $268; and
- At final settlement date as of September 29, 2023, a fair value of $220.

13. Income Taxes

Under the laws of the countries of the companies' incorporation and / or vessels' registration, the companies are not subject to tax on international shipping income; however, they are subject to registration and tonnage taxes, which are included in "Vessel operating expenses" in the accompanying consolidated statements of comprehensive loss.

The Company is potentially subject to a four percent U.S. federal income tax on 50% of its gross income derived by its charters that begin or end in the United States. However, under Section 883 of the Internal Revenue Code of the United States (the "Code"), a corporation is exempt from U.S. federal income taxation on its U.S.-source shipping income if: (a) it is organized in a foreign country that grants an equivalent exemption from tax to corporations organized in the United States (an "equivalent exemption"); and (b) either (i) more than 50% of the value of its common stock is owned, directly or indirectly, by "qualified stockholders", which is referred to as the "50% Ownership Test" or (ii) its common stock is "primarily and regularly traded on an established securities market" in the United States or in a country that grants an "equivalent exemption", which is referred to as the "Publicly-Traded Test."

The Company and each of its subsidiaries expects it qualifies for this statutory tax exemption for the 2024 taxable year, and the Company takes this position for United States federal income tax return reporting purposes. Therefore, the Company does not expect to have any U.S. federal income tax liability the year ended December 31, 2024.

14. Subsequent Events

(a) Dividend Payments on Series C and Series D Preferred Stock

On January 15, 2025, the Company declared and paid a quarterly cash dividend of $17.5 per share, or $404 in the aggregate, on the Company's then outstanding 23,083 Series D Preferred Stock to Series D Preferred Stockholders of record date January 14, 2025, for the period from October 15, 2024 up to and including January 14, 2025.

On January 15, 2025, the Company also paid a quarterly cash dividend of $20.0 per share, or $177 in the aggregate, on its then outstanding 8,853 Series C Preferred Stock to Series C Preferred Stockholders of record date January 14, 2025, for the period from October 15, 2024, up to and including January 14, 2025.

On April 15, 2025, the Company declared and paid a quarterly cash dividend of $117.5 per share, or $404 in the aggregate, on the Company's then outstanding 23,083 Series D Preferred Stock to Series D Preferred Stockholders of record date April 14, 2025, for the period from January 15, 2025, up to and including April 14, 2025.

On April 15, 2025, the Company also paid a quarterly cash dividend of $20.0 per share, or $202 in the aggregate, on (i) its then outstanding 8,853 Series C Preferred Stock for the period from January 15, 2025, up to and including April 14, 2025, and (ii) the 3,332 shares of Series C Preferred Stock awarded to directors on March 12, 2025 for the period from March 12, 2025 up to and including April 14, 2025, to Series C Preferred Stockholders of record date April 14, 2025.

(b) Sale of the M/V Salt Lake City

On January 21, 2025, the Company, through Marfort, entered into a Memorandum of Agreement with an unaffiliated third party for the sale of M/V Salt Lake City at an aggregate purchase price of $16,100, before commissions and other sale expenses. The vessel was delivered to its new owners on February 13, 2025. The sale is expected to result to an approximate $0.6 million loss to the Company.

(c) Restricted stock award and cash bonus

On March 11, 2025, the Company amended and restated its 2021 Equity Incentive Plan so that the maximum aggregate number of shares Series C Preferred Stock that may be delivered pursuant to awards granted under the 2021 Equity Incentive Plan, as amended and restated, is 25,000.

On March 12, 2025, the Company's Board of Directors further approved the award of 3,332 shares of restricted Series C Preferred Stock to the Company's directors, pursuant to the Company's amended and restated 2021 Equity Incentive Plan, as annual bonus. The cost of these awards will be recognized in income ratably over the restricted shares vesting period which will be two years. The Board of Directors also approved an aggregate performance cash bonus of $225 to Steamship, which has been accrued for as of December 31, 2024, in the accompanying consolidated financial statements.

(d) Payment of equity installment for chemical tankers investment

On March 18, 2025, the Company paid its last installment due in connection with its chemical tankers' investment (Note 4), amounting to $1,375.

(e) Renewal of brokerage services agreement with Steamship

On March 12, 2025, the Brokerage Services Agreement between the Company and Steamship was terminated and replaced with a new agreement with retroactive effect from January 1, 2025, ending on December 31, 2025 (unless terminated earlier on the basis of any other provision contained therein) and is automatically renewed for further periods of one calendar year. The remaining agreement terms remained unaltered.

FIRST AMENDED AND RESTATED

STATEMENT OF DESIGNATION OF THE RIGHTS, PREFERENCES AND PRIVILEGES

OF

THE 8.0% SERIES C CUMULATIVE CONVERTIBLE PERPETUAL PREFERRED SHARES OF OCEANPAL INC.

OCEANPAL INC., a Company organized and existing under the Business Corporations Act (the **"BCA")** of the Republic of the Marshall Islands (the **"Company"),** in accordance with the provisions of Section 35 thereof and the Company's Articles of Incorporation, does hereby certify that:

1. The Board of Directors of the Company (the **"Board")** previously adopted a resolution creating a series of preferred stock of the Company designated as "8.0% Series C Cumulative Convertible Perpetual Preferred Shares" (the **"Series C Preferred Shares").**

2. Pursuant to resolutions adopted by the unanimous written consent of the Board on March 11, 2025, the Statement of Designation of the Rights, Preferences and Privileges for the Series C Preferred Shares, dated November 29, 2021 (the **"Statement of Designation"),** as amended and restated, is hereby amended and restated as follows:

Section 1. Designation. The distinctive designation of such series of Preferred Stock is "8.0% Series C Cumulative Convertible Perpetual Preferred Shares" **("Series C Preferred Shares").** Each share of Series C Preferred Shares shall be identical in all respects to every other share of Series C Preferred Shares, except as to the respective dates from which dividends may begin accruing, to the extent such dates may differ. The Series C Preferred Shares represents perpetual equity interests in the Company and shall not give rise to a claim for payment of a principal amount at a particular date.

Section 2. Shares.

(a) *Number.* The authorized number of shares of Series C Preferred Shares shall be 35,000, subject to increase by filing a statement of designation with respect to such additional shares. Shares of Series C Preferred Shares that are repurchased or otherwise acquired by the Company shall be cancelled and shall revert to authorized but unissued Preferred Stock, undesignated as to series.

Section 3. Dividends.

(a) *Dividends.* Dividends on each share of Series C Preferred Shares shall be cumulative and shall accrue at the Dividend Rate from the Original Issue Date (or, for any subsequently issued and newly outstanding stock, from the Dividend Payment Date immediately preceding the issuance date of such stock) until such time as the Company pays the dividend or redeems the stock in full in accordance with Section 6 below, whether or not such dividends shall have been declared, and whether or not there are profits, surplus, or other funds legally available for the payment of dividends.

Holders of Series C Preferred Shares shall be entitled to receive dividends from time to time out of any assets of the Company legally available for the payment of dividends at the Dividend Rate per share, when, as, and if declared by the Board of Directors. Dividends, to the extent declared to be paid by the Company in accordance with this Statement of Designation, shall be paid quarterly on each Dividend Payment Date. Dividends shall accumulate in each Dividend Period from and including the preceding Dividend Payment Date or the initial issue date, as the case may be, to but excluding the applicable next Dividend Payment Date for such Dividend Period. If any Dividend Payment Date otherwise would fall on a day that is not a Business Day, declared dividends shall be paid on the immediately succeeding Business Day without the accumulation of additional dividends. Dividends on the Series C Preferred Shares shall be payable based on a 360- day year consisting of twelve 30-day months. The Dividend Rate is not subject to adjustment.

Holders of Series C Preferred Shares shall receive preferential cumulative quarterly dividends payable in cash or, at the election of the Company, in PIK Shares, on each Dividend Payment Date, commencing on the first Dividend Payment Date after the first issuance of a Series C Preferred Share, in either a cash amount per share equal to the product of the Liquidation Preference and the Dividend Rate (the **"Dividend Amount")** or, at the election of the Company, in an amount of PIK Shares for each outstanding Series C Preferred Share equal to the Dividend Amount divided by the Original Issue Price (the **"PIK Share Amount").** The Series A Preferred Stock and the Series B Preferred Stock shall be junior to the Series C Preferred Shares with respect to all dividends.

(b) *Payment and Priorities of Dividends.* Not later than 5:00 p.m., New York City time, on each Dividend Payment Date, the Company shall pay those dividends, if any, on the Series C Preferred Shares that shall have been declared by the Board of Directors to the Holders of record of such shares as such Holders' names appear on the stock transfer books of the Company maintained by the Registrar and Transfer Agent on the applicable record date (the **"Record Date"),** being the Business Day immediately preceding the applicable Dividend Payment Date, except that in the case of payments of dividends in arrears, the Record Date with respect to a Dividend Payment Date shall be such date as may be designated by the Board of Directors in accordance with the Company's Bylaws and this Statement of Designation. No dividend shall be declared or paid or set apart for payment on any Junior Stock (other than a dividend payable solely in shares of Junior Stock) unless full cumulative dividends have been or contemporaneously are being paid or provided for on all outstanding Series C Preferred Shares and any Parity Stock for all prior and the then-ending Dividend Periods.

In the event that full cumulative dividends on the Series C Preferred Shares and any Parity Stock shall not have been paid or declared and set apart for payment, the Company shall not be permitted to repurchase, redeem or otherwise acquire, in whole or in part, any Series C Preferred Shares or Parity Stock except pursuant to a purchase or exchange offer made on the same terms to all holders of Series C Preferred Shares and any Parity Stock.

The Company shall not be permitted to redeem, repurchase or otherwise acquire any Common Stock or any other Junior Stock unless full cumulative dividends on the Series C Preferred Shares and any Parity Stock for all prior and the then-ending Dividend Periods shall have been paid or declared and set apart for payment.

Accumulated dividends in arrears for any past Dividend Period may be declared by the Board of Directors and paid on any date fixed by the Board of Directors, whether or not a Dividend Payment Date, to Holders of the Series C Preferred Shares on the record date for such payment, which may not be more than 60 days, nor less than 5 days, before such payment date. Subject to the next succeeding sentence, if all accumulated dividends in arrears on all outstanding Series C Preferred Shares and any Parity Stock shall not have been declared and paid, or if sufficient funds for the payment thereof shall not have been set apart, payment of accumulated dividends in arrears on the Series C Preferred Shares and any such Parity Stock shall be made in order of their respective Dividend Payment Dates, commencing with the earliest. If less than all dividends payable with respect to all Series C Preferred Shares and any Parity Stock are paid, any partial payment shall be made pro rata with respect to the Series C Preferred Shares and any Parity Stock entitled to a dividend payment at such time in proportion to the aggregate dividend amounts remaining due in respect of such shares at such time. Holders of the Series C Preferred Shares shall not be entitled to any dividend, whether payable in cash, property or stock, in excess of full cumulative dividends. No interest or sum of money in lieu of interest shall be payable in respect of any dividend payment which may be in arrears on the Series C Preferred Shares. Dividends shall be paid by check mailed to the registered address of the Holder, unless, in any particular case, the Company elects to pay by wire transfer.

Section 4. Liquidation Rights.

(a) *Liquidation Event.* Upon the occurrence of any Liquidation Event, Holders of Series C Preferred Shares shall be entitled to receive out of the assets of the Company or proceeds thereof legally available for distribution to stockholders of the Company, (i) after satisfaction of all liabilities, if any, to creditors of the Company, (ii) after all applicable distributions of such assets or proceeds being made to or set aside for the holders of any Senior Stock then outstanding in respect of such Liquidation Event, (iii) concurrently with any applicable distributions of such assets or proceeds being made to or set aside for holders of any Parity Stock then outstanding in respect of such Liquidation Event and (iv) before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other classes or series of Junior Stock as to such distribution, a liquidating distribution or payment in full redemption of such Series C Preferred Shares in an amount initially equal to $1,000.00 per share in cash, plus an amount equal to accumulated and unpaid dividends thereon to the date fixed for payment of such amount (whether or not declared) (the **"Liquidation Preference").** For purposes of clarity, upon the occurrence of any Liquidation Event, (x) the holders of then outstanding Senior Stock shall be entitled to receive the applicable liquidation preference on such Senior Stock before any distribution shall be made to the Holders of the Series C Preferred Shares or any Parity Stock and (y) the Holders of outstanding Series C Preferred Shares shall be entitled to the Liquidation Preference per share in cash concurrently with any distribution made to the holders of Parity Stock and before any distribution shall be made to the holders of Common Stock or any other Junior Stock. Holders of Series C Preferred Shares shall not be entitled to any other amounts from the Company, in their capacity as Holders of such stock, after they have received the Liquidation Preference. The payment of the Liquidation Preference shall be a payment in redemption of the Series C Preferred Shares such that, from and after payment of the full Liquidation Preference, any such Series C Preferred Shares shall thereafter be cancelled and no longer be outstanding.

(b) *Partial Payment.* In the event that the distribution or payment described in Section 4(a) above where the Company's assets available for distribution to holders of the outstanding Series C Preferred Shares and any Parity Stock are insufficient to permit payment of all required amounts, the Company's then remaining assets or proceeds thereof legally available for distribution to stockholders of the Company shall be distributed among the Series C Preferred Shares and any Parity Stock, as applicable, ratably on the basis of their relative aggregate liquidation preferences. To the extent that the Holders of Series C Preferred Shares receive a partial payment of their Liquidation Preference, such partial payment shall reduce the Liquidation Preference of their Series C Preferred Shares, but only to the extent of such amount paid.

(c) *Residual Distributions.* After payment of all required amounts to the Holders of the outstanding Series C Preferred Shares and any Parity Stock, the Company's remaining assets and funds shall be distributed among the holders of the Common Stock and any other Junior Stock then outstanding according to their respective rights.

Section 5. Voting Rights.

(a) *General.* The Series C Preferred Shares shall have no voting rights except as set forth in this Section 5 or as otherwise provided by Marshall Islands law.

(b) *Other Voting Rights*

(1) Unless the Company shall have received the affirmative vote or consents of the Holders of at least two-thirds of the outstanding Series C Preferred Shares, voting as a single class, the Company may not adopt any amendment to the Articles of Incorporation that adversely alters the preferences, powers or rights of the Series C Preferred Shares.

(2) Unless the Company shall have received the affirmative vote or consent of the Holders of at least two-thirds of the outstanding Series C Preferred Shares, voting as a class together with holders of any other Parity Stock upon which like voting rights have been conferred and are exercisable, the Company may not (x) issue any Parity Stock if the cumulative dividends payable on outstanding Series C Preferred Shares are in arrears or (y) create or issue any Senior Stock.

(c) *Voting Power.* For any matter described in this Section 5 in which the Holders of the Series C Preferred Shares are entitled to vote as a class, such Holders shall be entitled to one vote in respect of each $1,000.00 in liquidation preference held by them. Any Series C Preferred Shares held by the Company or any of its subsidiaries or Affiliates shall not be entitled to vote.

(d) *No Vote or Consent in Other Cases.* No vote or consent of Holders of Series C Preferred Shares shall be required for (i) the creation or incurrence of any indebtedness, (ii) the authorization or issuance of any Common Stock or other Junior Stock or (iii) except as expressly provided in paragraph (b)(2) above, the authorization or issuance of any Preferred Stock of the Company.

Section 6. Rank. The Series C Preferred Shares shall be deemed to rank with respect to dividend distributions and distributions upon a Liquidation Event:

(a)*Seniority.* Senior to (i) all classes of Common Stock, (ii) if issued, any Series A Participating Preferred Stock and any Series B Preferred Stock and (iii) any other class or series of capital stock established after the Original Issue Date, the terms of which expressly provide that it is made junior to the Series C Preferred Shares or any Parity Stock as to the payment of dividends and amounts payable upon any Liquidation Event (collectively referred to with the Company's Common Stock as **"Junior Stock");**

(b) *Parity.* Equal with any class or series of capital stock established after the Original Issue Date, the terms of which are not expressly subordinated or senior to the Series C Preferred Shares as to the payment of dividends and amounts payable upon any Liquidation Event (referred to as **"Parity Stock");** and

(c) *Junior.* Junior to any class or series of capital stock established after the Original Issue Date, the terms of which expressly provide that it ranks senior to the Series C Preferred Shares as to the payment of dividends and amounts payable upon any Liquidation Event (referred to as **"Senior Stock"),** and to all of our indebtedness and other liabilities, including trade payables.

The Company may issue additional Common Stock, additional Series C Preferred Shares and Junior Stock and, subject to Section 5(b)(2) of this Statement of Designation, Parity Stock or Senior Stock from time to time in one or more series without the consent of the holders of the Series C Preferred Shares. The Board of Directors has the authority to determine the preferences, powers, qualifications, limitations, restrictions and special or relative rights or privileges, if any, of any such Series C before the issuance of any shares of that series. The Board of Directors shall also determine the number of shares constituting each series of securities.

Section 7. Definitions. As used herein with respect to the Series C Preferred Shares:

"Affiliate" means, in regard to a specified Person, a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified. As used in this definition, *"control"* (including the terms *controlling, controlled by* and *under common control with)* means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

"Articles of Incorporation" means the amended and restated articles of incorporation of the Company, as they may be amended from time to time in a manner consistent with this Statement of Designation, and shall include this Statement of Designation

"BCA" has the meaning set forth in the introductory paragraph of this Statement of Designation

"Board of Directors" means the board of directors of the Company or, to the extent permitted by the Articles of Incorporation and the BCA, any authorized committee thereof.

"Business Day" means a day on which The New York Stock Exchange is open for trading and which is not a Saturday, a Sunday or other day on which banks in New York City are authorized or required by law to close.

"Bylaws" means the bylaws of the Company, as they may be amended from time to time.

"Common Stock" means the common stock of the Company, par value $0.01 per share, and any other outstanding class of common stock of the Company.

"Conversion Price" means the lesser of (i) $6.50 and (ii) the 10-Trading Day trailing VWAP of the Common Stock, subject to adjustment as contemplated in Section 10(b) hereof.

"Company" has the meaning set forth in the introductory paragraph of this Statement of Designation.

"Dividend Payment Date" means each January 15, April 15, July 15 and October 15 of each year, commencing January 15, 2022.

"Dividend Period" means a period of time commencing on and including a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the Original Issue Date) and ending on and including the calendar day next preceding the next Dividend Payment Date.

"Dividend Rate" means a rate equal to 8.0% per annum of the Liquidation Preference per share of Series C Preferred Shares.

"Effective Price" of shares of Common Stock shall mean the quotient determined by dividing the total number of shares of Common Stock issued or sold, or deemed to have been issued or sold by the Company under Section 10(b)(iii) hereof, into the Aggregate Consideration received, or deemed to have been received by the Company for such issue under Section 10(b)(iii) hereof, for such shares of Common Stock. In the event that the number of shares of Common Stock or the Effective Price cannot be ascertained at the time of issuance, such shares of Common Stock shall be deemed issued immediately upon the occurrence of the first event that makes such number of shares or the Effective Price, as applicable, ascertainable.

"Excluded Shares" means any shares of Common Stock issued or issuable by the Company: (A) to directors, officers, employees and consultants under any stock incentive plan or similar plan or arrangement approved by the Board of Directors; (B) in respect of a conversion of the Series C Preferred Shares in accordance herewith; (C) pursuant to a stock split, stock dividend, reorganization or recapitalization applicable to all of the shares of Common Stock of the Company; or (D) pursuant to a transaction that the Initial Holder agrees shall be deemed to be an issuance of Excluded Shares.

"Fair Market Value" means the 30-Trading Day trailing VWAP of the Common Stock (as adjusted to take into account any offering expenses, such as underwriting discounts and expenses (but not including discounts to the VWAP), that are customary for the type of offering being conducted by the Company)

"Fundamental Change" means the occurrence of a liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, or a sale of all or substantially all of the assets, property or business of the Company individually or in a series of transactions, or a change of control of the Company.

"Holder" means the Person in whose name the Series C Preferred Shares is registered on the stock register of the Company maintained by the Registrar and Transfer Agent.

"Initial Holder" means Diana Shipping Inc. and/or its Affiliates.

"Junior Stock" has the meaning set forth in Section 6(a) of this Statement of Designation.

"Liquidation Event" means the occurrence of a liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, or a sale of all or substantially all of the assets, property or business of the Company individually or in a series of transactions, or a change of control of the Company. A consolidation or merger of the Company with or into any other Person, individually or in a series of transactions, shall not be deemed a Liquidation Event.

"Liquidation Preference" has the meaning set forth in Section 4(a) of this Statement of Designation.

"Officer's Certificate" means a certificate signed by the Company's Chief Executive Officer or the Chief Financial Officer or another duly authorized officer.

"Original Issue Date" means November 29, 2021.

"Original Issue Price" means $1,000.00 per share for each Series C Preferred Share (as adjusted for any stock dividends, stock splits, combinations, recapitalizations, reclassifications or other similar events with respect to the Series C Preferred Shares).

"Parity Stock" has the meaning set forth in Section 6(b) of this Statement of Designation.

"Paying Agent'' means Computershare Inc., acting in its capacity as paying agent for the Series C Preferred Shares, and its respective successors and assigns or any other payment agent appointed by the Company.

"Person" means a legal person, including any individual, Company, estate, partnership, joint venture, association, joint-stock company, limited liability company, trust or entity.

"PIK Share Amount'' has the meaning set forth in Section 3(a) of this Statement of Designation.

"PIK Shares" shall mean Series C Preferred Shares issued to Holders in lieu of cash dividends in accordance with this Statement of Designation.

"Preferred Stock'' means any of the Company's capital stock, however designated, which. entitles the holder thereof to a preference with respect to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the Company's affairs, over shares of the Common Stock.

"Record Date" has the meaning set forth in Section 3(b) of this Statement of Designation.

"Registrar" means Computershare Inc., acting in its capacity as registrar for the Series C Preferred Shares, and its successors and assigns or any other registrar appointed by the Company

"Preferred Shares" means any of the Company's preferred stock, par value $0.01 per share, however designated, which entitles the holder thereof to one or more preferences over shares of the Company's Common Stock.

"Senior Stock' has the meaning set forth in Section 7(c) of this Statement of Designation

"Series A Participating Preferred Stock" means the Company's Series A Participating Preferred Stock as provided for in the Company's Stockholders Rights Agreement.

"Series C Preferred Shares" has the meaning set forth in Section 1 of this Statement of Designation..

"Statement of Designation" means this Statement of Designation relating to the Series C Preferred Shares, as it may be amended from time to time in a manner consistent with this Statement of Designation, the Articles of Incorporation and the BCA.

"Trading Day" means any day on which the Common Stock is traded on the principal securities exchange or securities market on which the Common Stock is then traded; provided that "Trading Day" shall not include any day on which the Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time).

"Transfer Agent" means Computershare Inc., acting in its capacity as transfer agent for the Series C Preferred Shares, and its respective successors and assigns or any other transfer agent appointed by the Company.

"VWAP" means volume-weighted average price of the Common Stock.

For all purposes relevant to this Statement of Designation: the terms defined in the singular have a comparable meaning when used in the plural and vice versa; whenever the words "include," "includes," or "including" are used, they are deemed followed by the words "without limitation;" all references to number of shares, amounts per share, prices, and the like shall be subject to appropriate adjustment for stock splits, stock combinations, stock dividends and similar events; and, except as otherwise set forth in this Statement of Designation, if any event under this Statement of Designation occurs on a day that is not a Business Day, such event shall be deemed to occur on the first Business Day after such date.

Section 8. Fractional Shares. No Series C Preferred Shares may be issued in fractions of a share.

Section 9. No Mandatory Redemption or Sinking Fund. The Series C Preferred Shares shall not be subject to mandatory redemption and shall not have the benefit of any sinking fund.

Section 10. Conversion. The Series C Preferred Shares shall not be convertible into Common Stock or other of the Company's securities and shall not have exchange rights or be entitled or subject to any preemptive or similar rights, except as provided in this Section 10.

(a) Optional Conversion. Each Holder of Series C Preferred Shares may elect to convert its Series C Preferred Shares, in whole or in part, into shares of Common Stock (i) at any time on or after the first anniversary of the issue date of the Series C Preferred Shares and (ii) at any time upon a Fundamental Transaction of the Company, in each case at the Conversion Price then in effect; provided, however, that except in the case of a Fundamental Change, the Holder may not convert its Series C Preferred Shares into shares of Common Stock if, after giving effect to such attempted conversion, the Holder would beneficially own greater than 49.0% of the outstanding shares of Common Stock.

For purposes of this Section 10(a), "affiliate" shall have the meaning as defined in Rule 144(a)(3) under the Securities Act of 1933, as amended, and "beneficial ownership" shall be determined in accordance with Section 13 of the Securities Exchange Act of 1934, as amended.

(b) *Adjustment of Conversion Price as Result of Certain Corporate Actions.* The Conversion Price in effect at any time shall be adjusted as follows:

(i) If the Company shall, at any time or from time to time, effect a subdivision or split of the outstanding Common Stock, the Conversion Price in effect immediately before such subdivision or split shall be proportionately decreased and, conversely, if the Company shall, at any time or from time to time, effect a combination of the outstanding Common Stock, the Conversion Price in effect immediately before such combination shall be proportionately increased. Any adjustment under this Section 10(b)(i) shall become effective at the close of business on the date of the applicable subdivision, split or combination.

(ii) In the event that the Company shall, at any time or from time to time, make or issue to all holders of shares of Common Stock, a dividend or other distribution payable in shares of Common Stock, then the Conversion Price in effect shall be decreased as of the time of such issuance in accordance with the following formula:

$$C_1 = C \times \frac{O}{O+N}$$

where:

C_1 =	The adjusted Conversion Price.
C =	The current Conversion Price.
O =	The number of shares of Common Stock outstanding immediately prior to the applicable issuance.
N =	The number of additional shares of Common Stock issued in payment of such dividend or distribution.

(iii) In the event that the Company shall, at any time or from time to time, offer shares of Common Stock (other than Excluded Shares) in a non-public offering (or in a public offering in which more than 50% of such public offering is subscribed to by Affiliates of the Company) in which the Common Stock is sold at a price less than Fair Market Value, then the Conversion Price shall be reduced (but not increased) to an amount determined by multiplying the Conversion Price by a fraction (x) the numerator of which shall be (A) the number of shares of Common Stock deemed outstanding (as determined in the following sentence) immediately prior to such issue or sale, plus (B) the number of shares of Common Stock which the Aggregate Consideration received or deemed received by the Company for the total number of additional shares of Common Stock so issued would purchase at such then-existing Conversion Price, and (y) the denominator of which shall be the number of shares of Common Stock deemed outstanding (as determined in the following sentence) immediately prior to such issue or sale plus the total number of additional shares of Common Stock so issued. For the purposes of the preceding sentence, the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of (I) the number of shares of Common Stock outstanding, (II) the number of shares of Common Stock into which the then-outstanding Series C Preferred Shares could be converted if fully converted on the day immediately preceding the given date, and (III) the number of shares of Common Stock which are issuable upon the exercise or conversion of all other rights, options and Convertible Securities outstanding on the day immediately preceding the given date. In addition, any issuance of additional Series C Preferred Shares shall not cause an adjustment of the Conversion Price under this Section 10(b)(iii).

An adjustment made pursuant to this Section 10(b)(iii) shall be made on the next Business Day following the date on which any such issuance or sale is made and shall be effective retroactively to the close of business on the date of such issuance or sale.

For the purpose of making any adjustment required under this Section 10(b)(iii), the aggregate consideration received by the Company for any issue or sale of securities (the “Aggregate Consideration”) shall be computed as: (A) to the extent it consists of cash, the gross amount of cash received by the Company before deduction of any underwriting or similar commissions, compensation or concessions paid or allowed by the Company in connection with such issue or sale and without deduction of any expenses payable by the Company, (B) to the extent it consists of property other than cash, the fair value of that property as determined in good faith by the Board of Directors; provided, however, that to the extent the Board of Directors determines the fair value of property other than cash is equal to or exceeds $1,000,000, then the Company shall have such property appraised by a qualified independent appraiser, whose valuation shall conclusively determine the value, and (C) if shares of Common Stock, Convertible Securities or rights or options to purchase either shares of Common Stock or Convertible Securities are issued or sold together with other stock or securities or other assets of the Company for a consideration which covers both, the portion of the consideration so received that may be reasonably determined in good faith by the Board of Directors to be allocable to such shares of Common Stock, Convertible Securities or rights or options.

For the purpose of the adjustment required under this Section 7(c)(iii), if the Company issues or sells (x) Preferred Shares or other stock, options, warrants, purchase rights or other securities convertible into, shares of Common Stock other than Excluded Shares (such convertible stock or securities being herein referred to as “Convertible Securities”) or (y) rights or options for the purchase of shares of Common Stock or Convertible Securities (other than Excluded Shares) and if the Effective Price of such shares of Common Stock is less than the Conversion Price, the Company shall be deemed to have issued at the time of the issuance of such rights or options or Convertible Securities the maximum number of shares of Common Stock issuable upon exercise or conversion thereof and to have received as consideration for the issuance of such shares an amount equal to the total amount of the consideration, if any, received by the Company for the issuance of such rights or options or Convertible Securities plus: (A) in the case of such rights or options, the minimum amounts of consideration, if any, payable to the Company upon the exercise of such rights or options; and (B) in the case of Convetiible Securities, the minimum amounts of consideration, if any, payable to the Company upon the conversion thereof (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities); provided that if the minimum amounts of such consideration cannot be ascertained, but are a function of anti-dilution or similar protective clauses, the Company shall be deemed to have received the minimum amounts of consideration without reference to such clauses.

If the minimum amount of consideration payable to the Company upon the exercise or conversion of rights, options or Convertible Securities is reduced over time or on the occurrence or non-occurrence of specified events other than by reason of anti-dilution adjustments, the Effective Price shall be recalculated using the figure to which such minimum amount of consideration is reduced; provided further, that if the minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities is subsequently increased, the Effective Price shall be again recalculated using the increased minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities.

If any option or warrant expires or is cancelled without having been exercised, then, for the purposes of the adjustments set forth above, such option or warrant shall have been deemed not to have been issued and the Conversion Price shall be adjusted accordingly. No holder of Common Stock which was previously issued upon conversion of Series C Preferred Shares shall have any obligation to redeem or cancel any such shares of Common Stock as a result of the operation of this paragraph.

(iv) Anything herein to the contrary notwithstanding, no adjustment will be made to the Conversion Price by reason of the issuance of Common Stock upon the conversion of Series C Preferred Shares or the exercise of any such rights or options.

(c) *Corporate Events.* Prior to the consummation of any transaction pursuant to which holders of shares of Common Stock are entitled to receive securities or other assets with respect to or in exchange for shares of Common Stock, including a reclassification, exchange, substitution or reorganization (a "Corporate Event"), the Company shall make appropriate provision to ensure that each Holder will thereafter have the right to receive upon a conversion of all the Series C Preferred Shares held by such Holder, such securities and other assets (including cash) that such Holder would have been entitled to receive had such Holder converted its Series C Preferred Shares into Common Stock immediately prior to the consummation of such Corporate Event. The provisions of this Section 10(c) shall apply similarly and equally to successive Corporate Events.

(d) *Mechanics of Conversion.* No fractional shares of Common Stock shall be issued upon conversion of Series C Preferred Shares. In lieu of any fractional shares to which the Holder would otherwise be entitled, the Company shall pay cash equal to such fraction multiplied by the then Fair Market Value of such fractional shares. Before any Holder of Series C Preferred Shares shall be entitled to convert the same into full shares of Common Stock, and to receive certificates therefor, the Holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any Transfer Agent for the Series C Preferred Shares, and shall give written notice to the Company at such office that such Holder is converting the same; provided, however, that the Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon conversion unless either the certificates evidencing such Series C Preferred Shares are delivered to the Company or its Transfer Agent as provided above, or the Holder notifies the Company or its Transfer Agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates.

The Company shall, as soon as practicable after such delivery, or after such agreement and indemnification, issue and deliver at such office to such Holder of Series C Preferred Shares, a certificate or certificates for the number of shares of Common Stock to which such Holder shall be entitled as aforesaid (or the applicable book-entry account shall be created and/or noted as credited with such shares of Common Stock) and a check payable to the Holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common Stock, plus any accrued and unpaid cash dividends on the converted Series C Preferred Shares. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of Series C Preferred Shares to be converted, and the Person or Persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date.

(e) *Reservation of Stock Issuable Upon Conversion.* The Company shall at all times after the Original Issue Date, reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of the Series C Preferred Shares, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of the Series C Preferred Shares; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series C Preferred Shares, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to this Statement of Designation or the Articles of Incorporation.

(f) *Treasury Stock.* The number of shares of Common Stock outstanding at any given time shall not include shares owned or held, directly or indirectly, by or for the account of the Company. The disposition of such shares of Common Stock shall be deemed a sale for the purpose of Section 10(b)(iii) hereof.

(g) *Other Events.* If any event occurs of the type contemplated by the foregoing provisions of this Section 10 but not expressly provided for by such provisions, then the Board of Directors will make an appropriate adjustment to the Conversion Price so as to protect the rights of the holders of the Series C Preferred Shares; provided, however, that no such adjustment will increase the Conversion Price as otherwise determined pursuant to this Section 10.

Section 11. Record Holders. To the fullest extent permitted by applicable law, the Company, the Registrar, the Transfer Agent and the Paying Agent may deem and treat the Holder of any Series C Preferred Shares as the true, lawful and absolute owner thereof for all purposes, and neither the Company nor the Registrar, the Transfer Agent or the Paying Agent shall be affected by any notice to the contrary.

Section 12. Notices. All notices or communications in respect of the Series C Preferred Shares shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Statement of Designation, in the Articles of Incorporation and Bylaws or by applicable law.

Section 13. Other Rights. The Series C Preferred Shares shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth in this Statement of Designation or in the Articles of Incorporation or as provided by applicable law.

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IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, does hereby affirm that this certificate is the act and deed of the Company and that the facts herein stated are true, and accordingly has hereunto set his hand this 11th day of March, 2025.

OCEANPAL INC.

By:	/s/ Robert Perri
Name:	Robert Perri
Title:	Chief Executive Officer

Exhibit 2.10

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

OceanPal Inc. (the "Company", "we", "us" or "our") only has common stock registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Act"). In addition, the Company has outstanding Series B Preferred Shares, Series C Preferred Shares, Series D Preferred Shares, Series E Preferred Shares, Class A Warrants and Class B Warrants which are not registered under Section 12 of the Act.

The following description sets forth certain material provisions of these securities. The following summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of the Company's Amended and Restated Articles of Incorporation, as amended (the "Articles of Incorporation") and Amended and Restated Bylaws (the "Bylaws"), the Statement of Designation of the Series B Preferred Shares of the Company, the Statement of Designation of the 8.0% Series C Cumulative Convertible Perpetual Preferred Shares of the Company, the Statement of Designation of the 7.0% Series D Preferred Shares of the Company, the Statement of Designation of the Series E Preferred Stock, Class A Warrant, Class B Warrant, and Warrant Agency Agreement, as applicable, each of which is incorporated by reference as an exhibit to the Annual Report on Form 20-F of which this Exhibit is a part. We encourage you to refer to the Company's Articles of Incorporation and Bylaws for additional information.

DESCRIPTION OF COMMON STOCK

General

Under our Articles of Incorporation, our authorized capital stock consists of 1,000,000,000 shares of common stock, par value $0.01 per share and 100,000,000 shares of preferred stock, par value $0.01 per share, of which (i) 1,000,000 shares are designated Series A Participating Preferred Stock, none of which are issued and outstanding as of April 15, 2025, (ii) 500,000 shares are designated Series B Preferred Stock, all of which are issued and outstanding as of April 15, 2025, (iii) 35,000 shares are designated Series C Preferred Stock, of which 12,185 are issued and outstanding as of April 15, 2025 (iv) 47,599 shares are designated as Series D Preferred stock, of which 23,083 are issued and outstanding as of April 15, 2025, and (v) 10,000 shares are designated Series E Preferred Stock, of which 1,200 are issued and outstanding as of April 15, 2025. All of our shares of stock are in registered form.

Common Stock

Each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders. Subject to preferences that may be applicable to any outstanding shares of preferred stock, holders of shares of common stock are entitled to receive ratably all dividends, if any, declared by our board of directors out of funds legally available for dividends. Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of our common stock will be entitled to receive pro rata our remaining assets available for distribution. Holders of common stock do not have conversion, redemption or preemptive rights to subscribe to any of our securities. The rights, preferences and privileges of holders of common stock are subject to the rights of the holders of our preferred stock.

Liquidation Rights

Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation

preferences, if any, the holders of our common shares are entitled to receive pro rata our remaining assets available for distribution.

Limitations on Ownership

Under Marshall Islands law generally and our Articles of Incorporation, there are no limitations on the right of non-residents of the Marshall Islands or owners who are not citizens of the Marshall Islands to hold or vote our common shares.

Anti-takeover Effect of Certain Provisions of our Articles of Incorporation and Bylaws

Several provisions of our Articles of Incorporation and Bylaws, which are summarized below, may have anti-takeover effects. These provisions are intended to avoid costly takeover battles, lessen our vulnerability to a hostile change of control and enhance the ability of our board of directors to maximize shareholder value in connection with any unsolicited offer to acquire us. However, these anti-takeover provisions, which are summarized below, could also discourage, delay or prevent (1) the merger or acquisition of us by means of a tender offer, a proxy contest or otherwise that a shareholder may consider in its best interest and (2) the removal of incumbent officers and directors.

Blank check preferred stock

Under the terms of our Articles of Incorporation, our board of directors has authority, without any further vote or action by our shareholders, to issue up to 100,000,000 shares of blank check preferred stock. Our board of directors may issue preferred shares on terms calculated to discourage, delay or prevent a change of control of us or the removal of our management and might harm the market price of our common shares.

Election and removal of directors

Our Articles of Incorporation prohibit cumulative voting in the election of directors. Our Bylaws require parties other than the board of directors to give advance written notice of nominations for the election of directors. Our Articles of Incorporation also provide that our directors may be removed for cause upon the affirmative vote of not less than a majority of the outstanding shares of our common stock entitled to vote for those directors. These provisions may discourage, delay or prevent the removal of incumbent officers and directors.

Limited actions by shareholders

Our Articles of Incorporation and our Bylaws provide that any action required or permitted to be taken by our shareholders must be effected at an annual or special meeting of shareholders or by the unanimous written consent of our shareholders. Our Articles of Incorporation and our Bylaws provide that, unless otherwise prescribed by law, only our Board of Directors may call special meetings of our shareholders and the business transacted at the special meeting is limited to the purposes stated in the notice. If there is a failure to hold the annual meeting within a period of ninety (90) days after the date designated therefor, or if no date has been designated for a period of thirteen (13) months after its last annual meeting, holders of not less than one-fifth of the shares entitled to vote in an election of directors may, in writing, demand the call of a special meeting in lieu of the annual meeting specifying the time thereof, which shall not be less than two (2) nor more than three (3) months from the date of such call.

Advance notice requirements for shareholder proposals and director nominations

Our Bylaws provide that shareholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary. Generally, to be timely, a shareholder’s notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the one year anniversary of the date on which the Company first mailed its proxy materials for the preceding year’s annual meeting of stockholders. Our Bylaws also specify requirements as to the form and content of a shareholder’s notice. These provisions may impede shareholders’ ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of shareholders.

Classified board of directors

As described above, our Articles of Incorporation provide for the division of our board of directors into three classes of directors, with each class as nearly equal in number as possible, serving staggered three year terms beginning on the expiration of the initial term for each class. Accordingly, approximately one-third of our board of directors will be elected each year. This classified board provision could discourage a third party from making a tender offer for our shares or attempting to obtain control of us. It could also delay shareholders who do not agree with the policies of our board of directors from removing a majority of our board of directors for two years.

Business combinations

Although the Marshall Islands Business Corporations Act (the “BCA”) does not contain specific provisions regarding “business combinations” between companies organized under the laws of the Marshall Islands and “interested shareholders,” we have included these provisions in our Articles of Incorporation. Specifically, our Articles of Incorporation prohibit us from engaging in a “business combination” with certain persons for three years following the date the person becomes an interested shareholder.

Interested shareholders generally include:

- any person who is the beneficial owner of 15% or more of our outstanding voting shares; or
- any person who is our affiliate or associate and who held 15% or more of our outstanding voting shares at any time within three years before the date on which the person’s status as an interested shareholder is determined, and the affiliates and associates of such person.

Subject to certain exceptions, a business combination includes, among other things:

- certain mergers or consolidations of us or any direct or indirect majority-owned subsidiary of ours;
- any sale, lease, exchange, mortgage, pledge, transfer or other disposition of our assets or of any subsidiary of ours having an aggregate market value equal to 10% or more of either the aggregate market value of all of our assets, determined on a combined basis, or the aggregate value of all of our outstanding shares;
- certain transactions that result in the issuance or transfer by us of any shares of ours to the interested shareholder;
- any transaction involving us or any of our subsidiaries that has the effect of increasing the proportionate share of any class or series of stock, or securities convertible into any class or series of stock, of ours or any such subsidiary that is owned directly or indirectly by the interested shareholder or any affiliate or associate of the interested shareholder; and any receipt by the interested shareholder of the benefit directly or indirectly (except proportionately as a shareholder) of any loans, advances, guarantees, pledges or other financial benefits provided by or through us.

- any sale, lease, exchange, mortgage, pledge, transfer or other disposition of our assets or of any subsidiary of ours having an aggregate market value equal to 10% or more of either the aggregate market value of all of our assets, determined on a combined basis, or the aggregate value of all of our outstanding shares;
- certain transactions that result in the issuance or transfer by us of any shares of ours to the interested shareholder;

- any transaction involving us or any of our subsidiaries that has the effect of increasing the proportionate share of any class or series of stock, or securities convertible into any class or series of stock, of ours or any such subsidiary that is owned directly or indirectly by the interested shareholder or any affiliate or associate of the interested shareholder; and
- any receipt by the interested shareholder of the benefit directly or indirectly (except proportionately as a shareholder) of any loans, advances, guarantees, pledges or other financial benefits provided by or through us.

These provisions of our Articles of Incorporation do not apply to a business combination if:

- before a person became an interested shareholder, our board of directors approved either the business combination or the transaction in which the shareholder became an interested shareholder;
- upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of our voting shares outstanding at the time the transaction commenced, other than certain excluded shares;

- at or following the transaction in which the person became an interested shareholder, the business combination is approved by our board of directors and authorized at an annual or special meeting of shareholders, and not by written consent, by the affirmative vote of the holders of at least two-thirds of our outstanding voting shares that is not owned by the interest shareholder;
- the shareholder was or became an interested shareholder prior to the closing of our initial public offering;

● a shareholder became an interested shareholder inadvertently and (i) as soon as practicable divested itself of ownership of sufficient shares so that the shareholder ceased to be an interested shareholder; and (ii) would not, at any time within the three-year period immediately prior to a business combination between us and such shareholder, have been an interested shareholder but for the inadvertent acquisition of ownership; or the business combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required under our Articles of Incorporation which (i) constitutes one of the transactions described in the following sentence; (ii) is with or by a person who either was not an interested shareholder during the previous three years or who became an interested shareholder with the approval of the board; and (iii) is approved or not opposed by a majority of the members of the board of directors then in office (but not less than one) who were directors prior to any person becoming an interested shareholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors.

The proposed transactions referred to in the preceding sentence are limited to:

● a merger or consolidation of us (except for a merger in respect of which, pursuant to the BCA, no vote of our shareholders is required);

● a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of us or of any direct or indirect majority-owned subsidiary of ours (other than to any direct or indirect wholly-owned subsidiary or to us) having an aggregate market value equal to 50% or more of either the aggregate market value of all of our assets determined on a consolidated basis or the aggregate market value of all the outstanding shares; or
● a proposed tender or exchange offer for 50% or more of our outstanding voting shares.

Marshall Islands Company Considerations

Our corporate affairs are governed by our Articles of Incorporation and Bylaws and by the BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. While the BCA also provides that it is to be interpreted according to the laws of the State of Delaware and other states with substantially similar legislative provisions, there have been few, if any, court cases interpreting the BCA in the Marshall Islands and we cannot predict whether Marshall Islands courts would reach the same conclusions as courts in the United States. As a result, you may have more difficulty protecting your interests in the face of actions by our management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction which has developed a substantial body of case law. The following table provides a comparison between the statutory provisions of the BCA and the General Corporation Law of the State of Delaware relating to shareholders' rights.

Marshall Islands	**Delaware**
Shareholder Meetings	
Held at a time and place as designated in the bylaws.	May be held at such time or place as designated in the certificate of incorporation or the bylaws, or if not so designated, as determined by the board of directors.
Special meetings of the shareholders may be called by the board of directors or by such person or persons as may be authorized by the articles of incorporation or by the bylaws.	Special meetings of the shareholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or by the bylaws.
May be held within or without the Marshall Islands.	May be held within or without Delaware.
Notice:	*Notice*:
Whenever shareholders are required to take any action at a meeting, written notice of the meeting shall be given which shall state the	

place, date and hour of the meeting and, unless it is an annual meeting, indicate that it is being issued by or at the direction of the person calling the meeting. Notice of a special meeting shall also state the purpose for which the meeting is called.	Whenever shareholders are required to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, and the means of remote communication, if any.
A copy of the notice of any meeting shall be given personally, sent by mail or by electronic mail not less than 15 nor more than 60 days before the meeting.	Written notice shall be given not less than 10 nor more than 60 days before the meeting.
Shareholders' Voting Rights	
Unless otherwise provided in the articles of incorporation, any action required to be taken at a meeting of shareholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by all the shareholders entitled to vote with respect to the subject matter thereof, or if the articles of incorporation so provide, by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.	Any action required to be taken at a meeting of shareholders may be taken without a meeting if a consent for such action is in writing and is signed by shareholders having not fewer than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.
Any person authorized to vote may authorize another person or persons to act for him by proxy.	Any person authorized to vote may authorize another person or persons to act for him by proxy.
Unless otherwise provided in the articles of incorporation or bylaws, a majority of shares entitled to vote constitutes a quorum. In no event shall a quorum consist of fewer than one-third of the shares entitled to vote at a meeting.	For stock corporations, the certificate of incorporation or bylaws may specify the number of shares required to constitute a quorum but in no event shall a quorum consist of less than one-third of shares entitled to vote at a meeting. In the absence of such specifications, a majority of shares entitled to vote shall constitute a quorum. However, where a company's certificate of incorporation provides for more or less than one vote for any share or matter, references to quorum shall refer to the number of votes entitled to be cast.
When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders.	When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders.
The articles of incorporation may provide for cumulative voting in the election of directors.	The certificate of incorporation may provide for cumulative voting in the election of directors.
Merger or Consolidation	
Any two or more domestic corporations may merge into a single corporation if approved by the board and if authorized by a majority vote of the holders of outstanding shares at a shareholder meeting.	Any two or more corporations existing under the laws of the state may merge into a single corporation pursuant to a board resolution and upon the majority vote by shareholders of each constituent corporation at an annual or special meeting.
Any sale, lease, exchange or other disposition of all or substantially all the assets of a corporation, if not made in the corporation's usual or regular course of business, once approved by the board, shall be authorized by the affirmative vote of two-thirds of the shares of those entitled to vote at a shareholder meeting.	Every corporation may at any meeting of the board sell, lease or exchange all or substantially all of its property and assets as its board deems expedient and for the best interests of the corporation when so authorized by a resolution adopted by the holders of a majority of the outstanding stock of the corporation entitled to vote.

Any domestic corporation owning at least 90% of the outstanding shares of each class of another domestic corporation may merge such other corporation into itself without the authorization of the shareholders of any corporation.	Any corporation owning at least 90% of the outstanding shares of each class of another corporation may merge the other corporation into itself and assume all of its obligations without the vote or consent of shareholders; however, in case the parent corporation is not the surviving corporation, the proposed merger shall be approved by a majority of the outstanding stock of the parent corporation entitled to vote at a duly called shareholder meeting.
Any mortgage, pledge of or creation of a security interest in all or any part of the corporate property may be authorized without the vote or consent of the shareholders, unless otherwise provided for in the articles of incorporation.	Any mortgage or pledge of a corporation's property and assets may be authorized without the vote or consent of shareholders, except to the extent that the certificate of incorporation otherwise provides.
Director	
The board of directors must consist of at least one member.	The board of directors must consist of at least one member.
The number of board members may be changed by an amendment to the bylaws, by the shareholders, or by action of the board under the specific provisions of a bylaw.	The number of board members shall be fixed by, or in a manner provided by, the bylaws, unless the certificate of incorporation fixes the number of directors, in which case a change in the number shall be made only by an amendment to the certificate of incorporation.
If the board is authorized to change the number of directors, it can only do so by a majority of the entire board and so long as no decrease in the number shall shorten the term of any incumbent director.	If the number of directors is fixed by the certificate of incorporation, a change in the number shall be made only by an amendment of the certificate. If the number of directors is fixed by the by-laws, it may be changed by an amendment to the by-laws.
Removal:	*Removal*:
Any or all of the directors may be removed for cause by vote of the shareholders.	Any or all of the directors may be removed, with or without cause, by the holders of a majority of the shares entitled to vote unless the certificate of incorporation otherwise provides.
If the articles of incorporation or the bylaws so provide, any or all of the directors may be removed without cause by vote of the shareholders.	In the case of a classified board, shareholders may effect removal of any or all directors only for cause.
Dissenters' Rights of Appraisal	
Shareholders have a right to dissent from any plan of merger, consolidation or sale of all or substantially all assets not made in the usual course of business, and receive payment of the fair value of their shares. However, the right of a dissenting shareholder under the BCA to receive payment of the appraised fair value of his shares shall not be available for the shares of any class or series of stock, which shares or depository receipts in respect thereof, at the record date fixed to determine the shareholders entitled to receive notice of and to vote at the meeting of the shareholders to act upon the agreement of merger or consolidation, were either (i) listed on a securities exchange or admitted for trading on an interdealer quotation system or (ii) held of record by more than 2,000 holders. The right of a dissenting shareholder to receive payment of the fair value of his or her shares shall not be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the shareholders of the surviving corporation.	Appraisal rights shall be available for the shares of any class or series of stock of a corporation in a merger or consolidation, subject to limited exceptions, such as a merger or consolidation of corporations listed on a national securities exchange in which listed stock is offered for consideration which is (i) listed on a national securities exchange or (ii) held of record by more than 2,000 holders. Notwithstanding those limited exceptions, appraisal rights will be available if shareholders are required by the terms of an agreement of merger or consolidation to accept certain forms of uncommon consideration.

A holder of any adversely affected shares who does not vote on or consent in writing to an amendment to the articles of incorporation has the right to dissent and to receive payment for such shares if the amendment:	Shareholders do not have appraisal rights due to an amendment of the company's certificate of incorporation unless provided for in such certificate.
Alters or abolishes any preferential right of any outstanding shares having preference; or	
Creates, alters, or abolishes any provision or right in respect to the redemption of any outstanding shares; or	
Alters or abolishes any preemptive right granted by law and not disseated by the articles of incorporation of such holder to acquire shares or other securities; or	
Excludes or limits the right of such holder to vote on any matter, except as such right may be limited by the voting rights given to new shares then being authorized of any existing or new class.	
Shareholder's Derivative Actions	
Such action shall not be discontinued, compromised or settled, without the approval of the High Court of the Republic of the Marshall Islands.	
Reasonable expenses including attorney's fees may be awarded if the action is successful.	
A corporation may require a plaintiff bringing a derivative suit to give security for reasonable expenses if the plaintiff owns less than 5% of any class of outstanding shares or holds voting trust certificates or a beneficial interest in shares representing less than 5% of any class of such shares and the shares, voting trust certificates or	
beneficial interest of such plaintiff has a fair value of $50,000 or less.	

Preferred Stock Purchase Rights

We have entered into a Stockholders Rights Agreement, or the Rights Agreement, with Computershare Trust Company, N.A., as Rights Agent.

Under the Rights Agreement, we will declare a dividend payable of one preferred stock purchase right, or Right, for each share of common stock outstanding immediately following the consummation of Diana Shipping's distribution of our common shares. Each Right entitles the registered holder to purchase from us one one-thousandth of a share of Series A Participating Preferred Stock, par value $0.01 per share, at an exercise price of $40.00 per share. The Rights will separate from the common stock and become exercisable only if a person or group acquires beneficial ownership of 15% or more of our common stock (including through entry into certain derivative positions) in a transaction not approved by our board of directors. In that situation, each holder of a Right (other than the acquiring person, whose Rights will become void and will not be exercisable) will have the right to purchase, upon payment of the exercise price, a number of shares of our common stock having a then-current market value equal to twice the exercise price. In addition, if the Company is acquired in a merger or other business combination after an acquiring person acquires 15% or more of our common stock, each holder of the Right will thereafter have the right to purchase, upon payment of the exercise price, a number of shares of common stock of the acquiring person having a then-current market value equal to twice the exercise price. The acquiring person will not be entitled to exercise these Rights. Until a Right is exercised, the holder of a Right will have no rights to vote or receive dividends or any other stockholder rights.

The Rights may have anti-takeover effects. The Rights will cause substantial dilution to any person or group that attempts to acquire us without the approval of our board of directors. As a result, the overall effect of the Rights may be to render more difficult or discourage any attempt to acquire us. Because our board of directors can approve a redemption of the Rights or a permitted offer, the Rights should not interfere with a merger or other business combination approved by our board of directors.

We have summarized the material terms and conditions of the Rights Agreement and the Rights below. For a complete description of the Rights, we encourage you to read the Rights Agreement, which we have filed as an exhibit hereto.

Detachment of the Rights

The Rights are attached to all certificates representing our currently outstanding common stock, or, in the case of uncertificated common shares registered in book entry form, which we refer to as "book entry shares," by notation in book entry accounts reflecting ownership, and will attach to all common stock certificates and book entry shares we issue prior to the Rights distribution date that we describe below. The Rights are not exercisable until after the Rights distribution date and will expire 10 years after the date thereof, unless we redeem or exchange them earlier as we describe below. The Rights will separate from the common stock and a Rights distribution date would occur, subject to specified exceptions, on the earlier of the following two dates:

- the 10th day after public announcement that a person or group has acquired ownership of 15% or more of the Company's common stock; or
- the 10th business day (or such later date as determined by the Company's board of directors) after a person or group announces a tender or exchange offer which would result in that person or group holding 15% or more of the Company's common stock.

"Acquiring person" is generally defined in the Rights Agreement as any person, together with all affiliates or associates, who beneficially owns 15% or more of the Company's common stock. However, the Company, any subsidiary of the Company or any employee benefit plan of the Company or of any subsidiary of the Company, or any person holding shares of common stock for or pursuant to the terms of any such plan, are excluded from the definition of "acquiring person." In addition, persons who beneficially own 15% or more of the Company's common stock on the effective date of the Rights Agreement are excluded from the definition of "acquiring person" until such time as they acquire additional shares in excess of 2% of the Company's then outstanding common stock as specified in the Rights Agreement for purposes of the Rights, and therefore, until such time, their ownership cannot trigger the Rights. For purposes of the Stockholders Rights Agreements, Diana Shipping Inc., Tuscany Shipping Corp., Abra Marinvest Inc. and Eleftherios Papatrifon, individually or together with one or more of their respective Affiliates will not be considered an Acquiring Person regardless of the beneficial ownership. Specified "inadvertent" owners that would otherwise become an acquiring person, including those who would have this designation as a result of repurchases of common stock by us, will not become acquiring persons as a result of those transactions.

Our board of directors may defer the Rights distribution date in some circumstances, and some inadvertent acquisitions will not result in a person becoming an acquiring person if the person promptly divests itself of a sufficient number of shares of common stock.

Until the Rights distribution date:

- our common stock certificates and book entry shares will evidence the Rights, and the Rights will be transferable only with those certificates; and
- any new common stock will be issued with Rights and new certificates or book entry shares, as applicable, will contain a notation incorporating the Rights Agreement by reference.

As soon as practicable after the Rights distribution date, the Rights agent will mail certificates representing the Rights to holders of record of common stock at the close of business on that date. After the Rights distribution date, only separate Rights certificates will represent the Rights.

We will not issue Rights with any shares of common stock we issue after the Rights distribution date, except as our board of directors may otherwise determine.

Flip-In Event

A “flip-in event” will occur under the Rights Agreement when a person becomes an acquiring person other than pursuant to certain kinds of permitted offers. An offer is permitted under the Rights Agreement if a person will become an acquiring person pursuant to a merger or other acquisition agreement that has been approved by our board of directors prior to that person becoming an acquiring person.

If a flip-in event occurs and we have not previously redeemed the Rights as described under the heading “Redemption of Rights” below or, if the acquiring person acquires less than 50% of our outstanding common stock and we do not exchange the Rights as described under the heading “Exchange of Rights” below, each Right, other than any Right that has become void, as we describe below, will become exercisable at the time it is no longer redeemable for the number of shares of common stock, or, in some cases, cash, property or other of our securities, having a current market price equal to two times the exercise price of such right.

When a flip-in event occurs, all Rights that then are, or in some circumstances that were, beneficially owned by or transferred to an acquiring person or specified related parties will become void in the circumstances the Rights Agreement specifies.

Flip-Over Event

A “flip-over event” will occur under the Rights Agreement when, at any time after a person has become an acquiring person:

- we are acquired in a merger or other business combination transaction, other than specified mergers that follow a permitted offer of the type we describe above; or
- 50% or more of our assets or earning power is sold or transferred.

If a flip-over event occurs, each holder of a Right, other than any Right that has become void as we describe under the heading “Flip-In Event” above, will have the right to receive the number of shares of common stock of the acquiring company which has a current market price equal to two times the exercise price of such Right.

Anti-dilution

The number of outstanding Rights associated with our common stock is subject to adjustment for any stock split, stock dividend or subdivision, combination or reclassification of our common stock occurring prior to the Rights distribution date. With some exceptions, the Rights Agreement will not require us to adjust the exercise price of the Rights until cumulative adjustments amount to at least 1% of the exercise price. It also will not require us to issue fractional shares of our Series A Participating Preferred Stock that are not integral multiples of one-thousandth of a share, and, instead we may make a cash adjustment based on the market price of the common stock on the last trading date prior to the date of exercise.

Redemption of Rights

At any time until the date on which the occurrence of a flip-in event is first publicly announced, we may order redemption of the Rights in whole, but not in part, at a redemption price of $0.01 per right. The redemption price is subject to adjustment for any stock split, stock dividend or similar transaction occurring before the date of redemption. At our option, we may pay that redemption price in cash or shares of common stock. The Rights are not exercisable after a flip-in event if they are timely redeemed by us or until ten days following the first public announcement of a flip-in event. If our board of directors timely orders the redemption of the Rights, the Rights will terminate on the effectiveness of that action.

Exchange of Rights

We may, at our option, exchange the Rights (other than Rights owned by an acquiring person or an affiliate or an associate of an acquiring person, which have become void), in whole or in part. The exchange will be at an exchange ratio of one share of common stock per right, subject to specified adjustments at any time after the occurrence of a flip-in event and prior to any person other than us or our existing stockholders becoming the beneficial owner of 50% or more of our outstanding common stock for the purposes of the Rights Agreement.

Amendment of Terms of Rights

During the time the Rights are redeemable, we may amend any of the provisions of the Rights Agreement, other than by decreasing the redemption price. Once the Rights cease to be redeemable, we generally may amend the provisions of the Rights Agreement, other than to decrease the redemption price, only as follows:

- to cure any ambiguity, defect or inconsistency;
- to make changes that do not materially adversely affect the interests of holders of Rights, excluding the interests of any acquiring person; or
- to shorten or lengthen any time period under the Rights Agreement, except that we cannot lengthen the time period governing redemption or lengthen any time period that protects, enhances or clarifies the benefits of holders of Rights other than an acquiring person.

DESCRIPTION OF OTHER SECURITIES OF THE COMPANY

Series B Preferred Stock

The Series B Preferred Shares entitle the holder thereof the right to vote up to 34% of the total number of votes entitled to be cast for all matters for which our shareholders are entitled to vote on, but will have no economic rights. To the extent the aggregate voting power of any holder of Series B Preferred Shares, together with any affiliate of such holder, would exceed 49% of the total number of votes that may be cast on any matter submitted to a vote of our shareholders, the number of votes of the Series B Preferred Shares shall be automatically reduced so that such holder's aggregate voting power, together with any affiliate of such holder, is not more than 49%.

Series C Preferred Stock

The Series C Preferred Shares have a cumulative preferred dividend accruing at the rate of 8.0% per annum, contain a $1,000 liquidation preference and are convertible into common shares at the holder's option commencing upon the first anniversary of the original issue date, at a conversion price equal to the lesser of $1,300 and the 10-trading day trailing VWAP of our common shares, subject to certain adjustments. The holder, however, will be prohibited from converting the Series C Preferred Shares into common shares to the extent that, as a result of such conversion, the holder (together with its affiliates) would beneficially own more than 49% of the total outstanding common shares.

The Series C Preferred Shares will have no voting rights except (1) in respect of amendments to the Articles of Incorporation which would adversely alter the preferences, powers or rights of the Series C Preferred Shares or (2) in the event that we propose to issue any parity stock if the cumulative dividends payable on outstanding Preferred Stock are in arrears or any senior stock.

Dividends on shares of the Series C Preferred Stock will accrue and be cumulative from the date that the shares of the Series C Preferred Stock are originally issued and will be payable on each Dividend Payment Date (as defined below) when, as and if declared by our board of directors or any authorized committee thereof out of legally available funds for such purpose. Dividends will be paid on January 15, April 15, July 15 and October 15 (each, a "Dividend Payment Date") commencing January 15, 2022. If any Dividend Payment Date otherwise would fall on a day that is not a business day, declared dividends will be payable on the next day business day without the accumulation of additional dividends.

The Series C Preferred Stock shall be deemed to rank with respect to dividend distributions and distributions upon a Liquidation Event:

a) Seniority. Senior to (i) all classes of common stock, (ii) any Series A Participating Preferred Stock and any Series B Preferred Stock and (iii) any other class or series of capital stock established after the original issue date of the Series C Preferred Stock, the terms of which expressly provide that it is made junior to the Series C Preferred Stock or any Parity Stock as to the payment of dividends and amounts payable upon any liquidation, dissolution or winding-up, whether voluntary or involuntary (collectively referred to with the Company's Common Shares as "Junior Stock");

b) Parity. Equal with any class or series of capital stock established after the original issue date of the Series C Preferred Stock, the terms of which are not expressly subordinated or senior to the Series C Preferred Stock as to the payment of dividends and amounts payable upon liquidation, dissolution or winding-up, whether voluntary or involuntary (referred to as "Parity Stock"); and

c) Junior. Junior to any class or series of capital stock established after the original issue date of the Series C Preferred Stock, the terms of which expressly provide that it ranks senior to the Series C Preferred Stock as to the payment of dividends and amounts payable upon any liquidation, dissolution or winding-up, whether voluntary or involuntary (referred to as "Senior Stock"), and to all of our indebtedness and other liabilities, including trade payables.

Series D Preferred Stock

The Series D Preferred Stock has a cumulative preferred dividend accruing at the rate of 7.0% per annum, contain a $1,000 liquidation preference and are convertible into common shares at any time at the holder's option commencing from the original issue date, at a conversion price equal to the 10-trading day trailing VWAP of our common shares, subject to certain adjustments. Each holder, however, is prohibited from converting its shares of Series D Preferred Stock to the extent that, as a result of such conversion, the holder would beneficially own more than 49% of our total outstanding common shares.

The Series D Preferred Shares will have no voting rights except (1) in respect of amendments to the Articles of Incorporation which would adversely alter the preferences, powers or rights of the holders of Series D Preferred Stock or (2) in the event that we propose to issue any parity stock if the cumulative dividends payable on our outstanding shares of Series D Preferred Stock are in arrears or any senior stock.

Dividends on shares of the Series D Preferred Stock will accrue and be cumulative from the date that the shares of the Series D Preferred Stock are originally issued and will be payable on each Dividend Payment Date (as defined below) when, as and if declared by our board of directors or any authorized committee thereof out of legally available funds for such purpose. Dividends will be paid on January 15, April 15, July 15 and October 15 (each, a "Dividend Payment Date") commencing October 15, 2022. If any Dividend Payment Date otherwise would fall on a day that is not a business day, declared dividends will be payable on the next day business day without the accumulation of additional dividends.

The Series D Preferred Stock shall be deemed to rank with respect to dividend distributions and distributions upon a Liquidation Event:

a) Seniority. Senior to (i) all classes of common stock, (ii) any Series A Participating Preferred Stock and any Series B Preferred Stock and (iii) any other class or series of capital stock established after the original issue date of the Series D Preferred Stock, the terms of which expressly provide that it is made junior to the Series D Preferred Stock or any Parity Stock as to the payment of dividends and amounts payable upon any liquidation, dissolution or winding-up, whether voluntary or involuntary (collectively referred to with the Company's Common Shares as "Junior Stock");

b) Parity. Equal with (i) the Series C Preferred Stock, and (ii) any class or series of capital stock established after the original issue date of the Series D Preferred Stock, the terms of which are not expressly subordinated or senior to the Series D Preferred Stock as to the payment of dividends and amounts payable upon liquidation, dissolution or winding-up, whether voluntary or involuntary (referred to as "Parity Stock"); and

c) Junior. Junior to any class or series of capital stock established after the original issue date of the Series D Preferred Stock, the terms of which expressly provide that it ranks senior to the Series D Preferred Stock as to the payment of dividends and amounts payable upon any liquidation, dissolution or winding-up, whether voluntary or involuntary (referred to as “Senior Stock”), and to all of our indebtedness and other liabilities, including trade payables.

Series E Preferred Stock

The Series E Preferred Stock has no dividend or liquidation rights. The Series E Preferred Stock votes with the shares of common stock of the Company, and each share of the Series E Preferred Stock entitles the holder thereof to up to 25,000 votes, on all matters submitted to a vote of the stockholders of the Company, subject up to 15% of the total number of votes entitled to be cast on matters put to shareholders of the Company. The Series E Preferred Stock is convertible, at the election of the holder, in whole or in part, into shares of our common stock at a conversion price equal to the 10-trading day trailing VWAP of our common stock, subject to certain adjustments, commencing at any time after (i) the cancellation of all of our Series B Preferred Stock or (ii) the transfer for all of our Series B Preferred Stock (collectively, a “Series B Event”). The 15% limitation discussed above, shall terminate upon the occurrence of a Series B Event. The Series E Preferred Stock is transferable only to the holder’s immediate family members and to affiliated persons or entities, with the prior consent of the Company.

Class A Warrants and Class B Warrants

Exercisability. The Class A Warrants and Class B Warrants are exercisable at any time after their original issuance up to the date that is five years after their original issuance. Each of the Class A Warrants and the Class B Warrants are exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice and, at any time a registration statement registering the issuance of the common shares underlying the Class A Warrants and the Class B Warrants under the Securities Act is effective and available for the issuance of such shares, or an exemption from registration under the Securities Act is available for the issuance of such shares, by payment in full in immediately available funds for the number of common shares purchased upon such exercise. If a registration statement registering the issuance of the common shares underlying the Class A Warrants or the Class B Warrants under the Securities Act is not effective or available and an exemption from registration under the Securities Act is not available for the issuance of such shares, the holder may, in its sole discretion, elect to exercise the Class A Warrant or the Class B Warrant through a cashless exercise, in which case the holder would receive upon such exercise the net number of common shares determined according to the formula set forth in the Class A Warrant or the Class B Warrant. No fractional common shares will be issued in connection with the exercise of a Class A Warrant or the Class B Warrant. In lieu of fractional shares, we will pay the holder an amount in cash equal to the fractional amount multiplied by the exercise price.

Exercise Limitation. A holder will not have the right to exercise any portion of the Class A Warrants or the Class B Warrants if the holder (together with its affiliates) would beneficially own in excess of 4.99% (or, upon election by a holder prior to the issuance of any pre-funded warrants, 9.99%) of the number of shares of our common shares outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the warrants. However, any holder may increase or decrease such percentage to any other percentage not in excess of 9.99%, upon at least 61 days’ prior notice from the holder to us with respect to any increase in such percentage.

Exercise Price. The exercise price per whole common share purchasable upon exercise of the Class B Warrants is $20.20 per share. The exercise price per whole common share purchasable upon exercise of the Class A Warrants is $154.00 per share, as adjusted for the reverse stock splits effected on December 22, 2022 and June 8, 2023. The exercise price and number of common shares issuable upon exercise will adjust in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our common shares.

Transferability. Subject to applicable laws, the Class A Warrants, Class B Warrants and the pre-funded warrants may be offered for sale, sold, transferred or assigned without our consent.

Exchange Listing. We do not intend to apply for the listing of the Class A Warrants or the Class B Warrants offered in their respective offerings on any stock exchange. Without an active trading market, the liquidity of the Class A Warrants and the Class B Warrants will be limited.

Rights as a Shareholder. Except as otherwise provided in the Class A Warrants, Class B Warrants or the pre-funded warrants or by virtue of such holder's ownership of our common shares, the holder of a Class A Warrant, Class B Warrant or pre-funded warrant does not have the rights or privileges of a holder of our common shares, including any voting rights, until the holder exercises the warrant.

Fundamental Transactions. In the event of a fundamental transaction, as described in the Class A Warrants, Class B Warrants, and the pre-funded warrants and generally including, with certain exceptions, any reorganization, recapitalization or reclassification of our common shares, the sale, transfer or other disposition of all or substantially all of our properties or assets, our consolidation or merger with or into another person, the acquisition of more than 50% of our outstanding common shares, or any person or group becoming the beneficial owner of 50% of the voting power represented by our outstanding common shares, the holders of the Class A Warrants, Class B Warrants, and the pre-funded warrants will be entitled to receive upon exercise of the warrants the kind and amount of securities, cash or other property that the holders would have received had they exercised the warrants immediately prior to such fundamental transaction. Additionally, as more fully described in the Class A Warrants, Class B Warrants, and the pre-funded warrants , in the event of certain fundamental transactions, the holders of the Class A Warrants, Class B Warrants, and the pre-funded warrants will be entitled to receive consideration in an amount equal to the Black Scholes value of the Class A Warrants, Class B Warrants, and the pre-funded warrants on the date of consummation of such transaction.

Governing Law. The Class A Warrants and Class B Warrants and Warrant Agreement are governed by New York law.

Exhibit 4.2

OCEANPAL INC.

2021 EQUITY INCENTIVE PLAN

(effective November 8, 2021, as amended and restated on March 11, 2025)

ARTICLE I

General

1.1 Purpose

The OceanPal Inc. 2021 Equity Incentive Plan (the "Plan") is designed to provide certain Key Persons (as defined below), whose initiative and efforts are deemed to be important to the successful conduct of the business of OceanPal Inc. (the "Company"), with incentives to (a) acquire a proprietary interest in the success of the Company, (b) maximize their performance in respect of the provision of their services to the Company, a Subsidiary (as defined below) and/or an Affiliate (as defined below) and (c) enhance the long-term performance of the Company.

1.2 Administration

(a) Administration. The Plan shall be administered by the Compensation Committee of the Company's Board of Directors (the "Board") or such other committee of the Board as may be designated by the Board to administer the Plan (the Compensation Committee or such other committee, as applicable, the "Administrator"); provided that (i) in the event the Company is subject to Section 16 of the U.S. Securities Exchange Act of 1934, as amended (the "1934 Act"), the Administrator shall be composed of two or more directors, each of whom is a "Non-Employee Director" (a "Non-Employee Director") under Rule 16b-3 (as promulgated and interpreted by the Securities and Exchange Commission (the "SEC") under the 1934 Act, or any successor rule or regulation thereto as in effect from time to time ("Rule 16b-3")), and (ii) the Administrator shall be composed solely of two or more directors who are "independent directors" under the rules of any stock exchange on which the Company's Common Stock (as defined below) is traded; provided further, however, that, (A) prior to the date of the consummation of an initial listing of the Company's Common Stock, if any, the Administrator may be composed of one or more members of the Board, as determined by the Board, (B) the requirement in the preceding clause (i) shall apply only when required to exempt an Award (as defined below) intended to qualify for an exemption under the applicable provisions referenced therein, (C) the requirement in the preceding clause (ii) shall apply only when required pursuant to the applicable rules of the applicable stock exchange and (D) if at any time the Administrator is not so composed as required by the preceding provisions of this sentence, that fact will not invalidate any grant made, or action taken, by the Administrator hereunder that otherwise satisfies the terms of the Plan. Subject to the terms of the Plan, applicable law and the applicable rules and regulations of any stock exchange on which the Common Stock is listed for trading, and in addition to other express powers and authorizations conferred on the Administrator by the Plan, the Administrator shall have the full power and authority to: (1) designate the Key Persons to receive Awards under the Plan; (2) determine the types of Awards granted to a participant under the Plan; (3) determine the number of shares to be covered by, or with respect to which payments, rights or other matters are to be calculated with respect to, Awards; (4) determine the terms and conditions of any Awards; (5) determine whether, and to what extent, and under what circumstances, Awards may be settled or exercised in cash, shares, other securities, other Awards or other property, or cancelled, forfeited or suspended, and the methods by which Awards may be settled, exercised, cancelled, forfeited or suspended; (6) determine whether, to what extent, and under what circumstances cash, shares, other securities, other Awards, other property and other amounts payable with respect to an Award shall be deferred, either automatically or at the election of the holder thereof or the Administrator; (7) construe, interpret and implement the Plan and any Award Agreement (as defined below); (8) prescribe, amend, rescind or waive rules and regulations relating to the Plan, including rules governing its operation, and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (9) correct any defect, supply any omission and reconcile any inconsistency in the Plan or any Award Agreement; and (10) make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of the Plan. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Administrator, may be made at any time and shall be final, conclusive and binding upon all Persons (as defined below).

(b) General Right of Delegation. Except to the extent prohibited by applicable law, the applicable rules of a stock exchange or any charter, by-laws or other agreement governing the Administrator, the Administrator may delegate all or any part of its responsibilities to any Person or Persons selected by it; provided, however, that in no event shall an officer of the Company be delegated the authority to grant Awards to, or amend Awards held by, the following individuals: (i) individuals who are subject to Section 16 of the 1934 Act, to the extent applicable, or (ii) officers of the Company to whom authority to grant or amend Awards has been delegated hereunder or directors of the Company; provided, further , that any delegation of administrative authority shall only be permitted to the extent it is permissible under applicable securities laws (including, without limitation, Rule 16b-3, to the extent applicable) and the rules of any applicable stock exchange. Any delegation hereunder shall be subject to the restrictions and limits that the Administrator specifies at the time of such delegation, and the Administrator may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 1.2(b) shall serve in such capacity at the pleasure of the Administrator.

(c) Indemnification. No member of the Board, the Administrator or any officer or employee of the Company or any Subsidiary or any Affiliate or any of their agents (each such Person, a "Covered Person") shall be liable for any action taken or omitted to be taken, or any determination made, in good faith on behalf of the Company with respect to the Plan or any Award hereunder. Each Covered Person shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Covered Person in connection with or resulting from any action, suit or proceeding to which such Covered Person may be a party or in which such Covered Person may be involved by reason of any action taken or omitted to be taken under the Plan or any Award Agreement and (ii) any and all amounts paid by such Covered Person, with the Company's approval, in settlement thereof, or paid by such Covered Person in satisfaction of any judgment in any such action, suit or proceeding against such Covered Person; provided that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of the Company's choice. The foregoing right of indemnification shall not be available to a Covered Person to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case not subject to further appeal, determines that the acts or omissions of such Covered Person giving rise to the indemnification claim resulted from such Covered Person's bad faith, fraud or willful criminal act or omission or that such right of indemnification is otherwise prohibited by law or by the Company's articles of incorporation or bylaws (in each case, as amended and/or restated). The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which Covered Persons may be entitled under the Company's articles of incorporation or bylaws (in each case, as amended and/or restated), as a matter of law, or otherwise, or any other power that the Company may have to indemnify such Persons or hold them harmless.

(d) Delegation of Authority to Senior Officers. The Administrator may, in accordance with and subject to the terms of Section 1.2(b), delegate, on such terms and conditions as it determines, to one or more senior officers of the Company the authority to make grants of Awards to Key Persons who are employees of the Company or any Subsidiary (including any such prospective employee) and consultants or service providers to (including Persons who are employed by or provide services to any entity that is itself a consultant or service provider to) the Company or any Subsidiary.

(e) Awards to Non-Employee Directors. Notwithstanding anything to the contrary contained herein, the Board may, in its sole discretion, at any time and from time to time, grant Awards to Non-Employee Directors or administer the Plan with respect to such Awards. In any such case, the Board shall have all the authority and responsibility granted to the Administrator herein with respect to such Awards.

1.3 Persons Eligible for Awards

The Persons eligible to receive Awards under the Plan are those directors, officers and employees (including any prospective officer or employee) of the Company or a Subsidiary or an Affiliate and consultants and service providers to (including Persons who are employed by or provide services to any entity that is itself a consultant or service provider to) the Company or a Subsidiary or an Affiliate (collectively, "Key Persons") as the Administrator shall select.

1.4 Types of Awards

Awards may be made under the Plan in the form of (a) non-qualified stock options (i.e., stock options that are not "incentive stock options" for purposes of Sections 421 and 422 of the Code (as defined below)), (b) stock appreciation rights, (c) restricted stock, (d) restricted stock units, (e) unrestricted stock, (f) other equity-based or equity-related awards, (g) dividend equivalents and (h) cash awards, all as more fully set forth in the Plan. The term "Award" means any of the foregoing that are granted under the Plan.

1.5 Shares Available for Awards; Adjustments for Changes in Capitalization

(a) Maximum Number. Subject to adjustment as provided in Section 1.5(c):

The maximum aggregate number of shares of common stock of the Company, par value $0.01 ("Common Stock"), that may be delivered pursuant to Awards granted under the Plan shall be 2,000,000 and the maximum aggregate number of shares of 8.0% Series C Cumulative Convertible Perpetual Preferred Stock of the Company, par value $0.01 per share ("Preferred Stock"), that may be delivered pursuant to Awards granted under the Plan shall be 25,000. The following shares of Common Stock and Preferred Stock shall again become available for Awards under the Plan:

1. any shares that are subject to an Award under the Plan and that remain unissued upon the cancellation or termination of such Award for any reason whatsoever;

2. any shares of restricted stock forfeited pursuant to the Plan or the applicable Award Agreement; provided that any dividend equivalent rights with respect to such shares that have not theretofore been directly remitted to the grantee are also forfeited; and

3. any shares in respect of which an Award is settled for cash without the delivery of shares to the grantee.

Any shares that are held back to satisfy the exercise price or tax withholding obligation pursuant to any stock options or stock appreciation rights granted under the Plan shall again become available to be delivered pursuant to Awards under the Plan. Awards that are payable solely in cash shall not be counted against the aggregate number of shares of Common Stock and Preferred Stock available for Awards under the Plan.

(b) Source of Shares. Shares issued pursuant to the Plan may be authorized but unissued Common Stock, Preferred Stock or treasury shares. The Administrator may direct that any stock certificate or book entry interest evidencing shares issued pursuant to the Plan shall bear a legend setting forth such restrictions on transferability as may apply to such shares.

(c) Adjustments. (i) In the event that any dividend or other distribution (whether in the form of cash, Company shares, other securities or other property), stock split, reverse stock split, reorganization, merger, consolidation, split-up, combination, repurchase or exchange of Company shares or other securities of the Company, issuance of warrants or other rights to purchase Company shares or other securities of the Company, or other similar corporate transaction or event affects the Company shares such that an adjustment is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to an Award, then, subject to the provisions of Section 1.5(c)(iv) below, the Administrator shall, in such manner as it may deem equitable, adjust any or all of the number of shares or other securities of the Company (or number and kind of other securities or property) with respect to which Awards may be granted under the Plan.

(i) The Administrator shall make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or infrequently occurring events (including the events described in Section 1.5(c)(i) or the occurrence of a Change in Control (as defined below), subject to the provisions of Section 1.5(c)(iv) below) affecting the Company, a Subsidiary or an Affiliate, or the financial statements of the Company, a Subsidiary or an Affiliate, or of changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange, accounting principles or law, whenever the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to an Award, including providing for (A) adjustment to (1) the number of shares or other securities of the Company (or number and kind of other securities or property) subject to outstanding Awards or to which outstanding Awards relate and (2) the Exercise Price (as defined below) with respect to any Award and (B) a substitution or assumption of Awards, accelerating the exercisability or vesting of, or lapse of restrictions on, Awards, or accelerating the termination of Awards by providing for a period of time for exercise prior to the occurrence of such event, or, if deemed appropriate or desirable, providing for a cash payment to the holder of an outstanding Award in consideration for the cancellation of such Award (it being understood that, in such event, any option or stock appreciation right having a per share Exercise Price equal to, or in excess of, the Fair Market Value (as defined below) of a share subject to such option or stock appreciation right may be cancelled and terminated without any payment or consideration therefor); provided, however , that with respect to options and stock appreciation rights, unless otherwise determined by the Administrator, such adjustment shall be made in accordance with the provisions of Section 424(h) of the Code.

(ii) In the event of ((A) a dissolution or liquidation of the Company, (B) a sale of all or substantially all the Company's assets or (C) a merger, reorganization or consolidation involving the Company or a Subsidiary, the Administrator shall have the power to:

(1) provide that outstanding options, stock appreciation rights, restricted stock units (including any related dividend equivalent right) and/or other Awards granted under the Plan shall either continue in effect, be assumed or an equivalent award shall be substituted therefor by the successor entity or a parent or subsidiary entity;

(2) cancel, effective immediately prior to the occurrence of such event, options, stock appreciation rights, restricted stock units (including each dividend equivalent right related thereto) and/or other Awards granted under the Plan outstanding immediately prior to such event (whether or not then exercisable) and, in full consideration of such cancellation, pay to the holder of such Award a cash payment in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Administrator) of the shares subject to such Award (or the value of such Award, as determined by the Administrator, if not based on the Fair Market Value of shares) over the aggregate Exercise Price of such Award (or the grant price of such Award, if any, if applicable)(it being understood that, in such event, any option or stock appreciation right having a per share Exercise Price equal to, or in excess of, the Fair Market Value of a share subject to such option or stock appreciation right may be cancelled and terminated without any payment or consideration therefor); or

(3) notify the holder of an option or stock appreciation right in writing or electronically that each option and stock appreciation right shall be fully vested and exercisable for a period of 30 days from the date of such notice, or such shorter period as the Administrator may determine to be reasonable, and the option or stock appreciation right shall terminate upon the expiration of such period (which period shall expire no later than immediately prior to the consummation of the corporate transaction).

(iii) In connection with the occurrence of any Equity Restructuring (as defined below), and notwithstanding anything to the contrary in this Section 1.5(c):

(A) The number and type of securities or other property subject to each outstanding Award and the Exercise Price or grant price thereof, if applicable, shall be equitably adjusted; and

(B) The Administrator shall make such equitable adjustments, if any, as the Administrator may deem appropriate to reflect such Equity Restructuring with respect to the aggregate number and kind of shares that may be issued under the Plan (including, but not limited to, adjustment of the limitation set forth in Section 1.5(a)). The adjustments provided under this Section 1.5(c)(iv) shall be nondiscretionary and shall be final and binding on the affected participant and the Company.

1.6 Definitions of Certain Terms

(a) "Affiliate" shall mean (i) any entity that, directly or indirectly, is controlled by, controls or is under common control with, the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Administrator.

(b) Unless otherwise specifically set forth in the applicable Award Agreement, in connection with a termination of employment or consultancy/service relationship, for purposes of the Plan, the term "for Cause" shall be defined as follows:

(i) if there is an employment, severance, consulting, service, change in control or other agreement governing the relationship between the grantee, on the one hand, and the Company or a Subsidiary or an Affiliate, on the other hand, that contains a definition of "cause" (or similar phrase), for purposes of the Plan, the term "for Cause" shall mean those acts or omissions that would constitute "cause" under such agreement; or

(ii) if the preceding clause (i) is not applicable to the grantee, for purposes of the Plan, the term "for Cause" shall mean any of the following:

Any rights the Company or any Subsidiary or any Affiliate may have under the Plan in respect of the events giving rise to a termination "for Cause" shall be in addition to any other rights the Company or any Subsidiary or any Affiliate may have under any other agreement with a grantee or at law or in equity. Any determination of whether a grantee's employment or consultancy/service relationship is (or is deemed to have been) terminated "for Cause" shall be made by the Administrator. If, subsequent to a grantee's voluntary termination of employment or consultancy/service relationship or involuntary termination of employment or consultancy/service relationship without Cause, it is discovered that the grantee's employment or consultancy/service relationship could have been terminated "for Cause", the Administrator may deem such grantee's employment or consultancy/service relationship to have been terminated "for Cause" upon such discovery and determination by the Administrator.

(A) any failure by the grantee substantially to perform the grantee's employment or consulting/service or Board membership duties;

(B) any excessive unauthorized absenteeism by the grantee;

(C) any refusal by the grantee to obey the lawful orders of the Board or any other Person to whom the grantee reports;

(D) any act or omission by the grantee that is or may be injurious to the Company or any Subsidiary or any Affiliate, whether monetarily, reputationally or otherwise;

(E) any act by the grantee that is inconsistent with the best interests of the Company or any Subsidiary or any Affiliate;

(F) the grantee's gross negligence that is injurious to the Company or any Subsidiary or any Affiliate, whether monetarily, reputationally or otherwise;

(G) the grantee's material violation of any of the policies of the Company or any Subsidiary or any Affiliate, as applicable, including, without limitation, those policies relating to discrimination or sexual harassment;

(H) the grantee's material breach of his or her employment or service contract with the Company or any Subsidiary or any Affiliate;

(I) the grantee's unauthorized (1) removal from the premises of the Company or any Subsidiary or any Affiliate of any document (in any medium or form) relating to the Company or any Subsidiary or any Affiliate or the customers or clients of the Company or any Subsidiary or any Affiliate or (2) disclosure to any Person of any of the Company's, any Subsidiary's or any Affiliate's confidential or proprietary information;

(J) the grantee's being convicted of, or entering a plea of guilty or nolo contendere to, any crime that constitutes a felony or involves moral turpitude; and

(K) the grantee's commission of any act involving dishonesty or fraud.

(c) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) Unless otherwise specifically set forth in the applicable Award Agreement, "Disability" shall mean the grantee's being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or the grantee's, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the grantee's employer. The existence of a Disability shall be determined by the Administrator.

(e) "Equity Restructuring" shall mean a non-reciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the shares of Common Stock (or other securities of the Company) or the share price thereof and causes a change in the per share value of the shares underlying outstanding Awards.

(f) "Exercise Price" shall mean (i) in the case of options, the price specified in the applicable Award Agreement as the price-per-share at which such share can be purchased pursuant to the option or (ii) in the case of stock appreciation rights, the price specified in the applicable Award Agreement as the reference price-per-share used to calculate the amount payable to the grantee.

(g) The "Fair Market Value" of a share of Common Stock on any day shall be the closing price on the Nasdaq Capital Market, or such other primary stock exchange upon which such shares are then listed, as reported for such day in The Wall Street Journal (or, if not reported in The Wall Street Journal, such other reliable source as the Administrator may determine), or, if no such price is reported for such day, the average of the high bid and low asked price of Common Stock as reported for such day. If no quotation is made for the applicable day, the Fair Market Value of a share of Common Stock on such day shall be determined in the manner set forth in the preceding sentence for the next preceding trading day. Notwithstanding the foregoing, if there is no reported closing price or high bid/low asked price that satisfies the preceding sentences, or if otherwise deemed necessary or appropriate by the Administrator, the Fair Market Value of a share of Common Stock on any day shall be determined by such methods and procedures as shall be established from time to time by the Administrator. The "Fair Market Value" of any property other than Common Stock shall be the fair market value of such property determined by such methods and procedures as shall be established from time to time by the Administrator.

(h) "Person" shall mean any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, governmental body or other entity of any kind.

(i) "Repricing" shall mean (i) lowering the Exercise Price of an option or a stock appreciation right after it has been granted, (ii) the cancellation of an option or a stock appreciation right in exchange for cash or another Award when the Exercise Price exceeds the Fair Market Value of the underlying shares subject to the Award and (iii) any other action with respect to an option or a stock appreciation right that is treated as a repricing under (A) generally accepted accounting principles or (B) any applicable stock exchange rules.

(j) "Subsidiary" shall mean any entity in which the Company, directly or indirectly, has a 50% or more equity interest.

ARTICLE II

Awards Under The Plan

2.1 Agreements Evidencing Awards

Each Award granted under the Plan shall be evidenced by a written certificate (“Award Agreement”), which shall contain such provisions as the Administrator may deem necessary or desirable and which may, but need not, require execution or acknowledgment by a grantee. The Award shall be subject to all of the terms and provisions of the Plan and the applicable Award Agreement.

2.2 Grant of Stock Options and Stock Appreciation Rights

(a) Stock Option Grants. The Administrator may grant non-qualified stock options (“options”) to purchase shares of Common Stock from the Company to such Key Persons, and in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions, as the Administrator shall determine, subject to the provisions of the Plan. No option will be treated as an “incentive stock option” for purposes of the Code. It shall be the intent of the Administrator to not grant an Award in the form of stock options to any Key Person who is then subject to the requirements of Section 409A of the Code with respect to such Award if the Common Stock underlying such Award does not then qualify as “service recipient stock” for purposes of Section 409A. Furthermore, it shall be the intent of the Administrator, in granting options to Key Persons who are subject to Sections 409A and/or 457A of the Code, to structure such options so as to comply with the requirements of Sections 409A and/or 457A of the Code, to the extent applicable.

(b) Stock Appreciation Right Grants; Types of Stock Appreciation Rights. The Administrator may grant stock appreciation rights to such Key Persons, and in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions, as the Administrator shall determine, subject to the provisions of the Plan. The terms of a stock appreciation right may provide that it shall be automatically exercised for a payment upon the happening of a specified event that is outside the control of the grantee and that it shall not be otherwise exercisable. Stock appreciation rights may be granted in connection with all or any part of, or independently of, any option granted under the Plan. It shall be the intent of the Administrator to not grant an Award in the form of stock appreciation rights to any Key Person (i) who is then subject to the requirements of Section 409A of the Code with respect to such Award if the Common Stock underlying such Award does not then qualify as “service recipient stock” for purposes of Section 409A or (ii) if such Award would create adverse tax consequences for such Key Person under Section 457A of the Code. Furthermore, it shall be the intent of the Administrator, in granting stock appreciation rights to Key Persons who are subject to Sections 409A and/or 457A of the Code, to structure such stock appreciation rights so as to comply with the requirements of Sections 409A and/or 457A of the Code, to the extent applicable.

(c) Nature of Stock Appreciation Rights. The grantee of a stock appreciation right shall have the right, subject to the terms of the Plan and the applicable Award Agreement, to receive from the Company an amount equal to (i) the excess of the Fair Market Value of a share of Common Stock on the date of exercise of the stock appreciation right over the Exercise Price of the stock appreciation right, multiplied by (ii) the number of shares with respect to which the stock appreciation right is exercised. Each Award Agreement with respect to a stock appreciation right shall set forth the Exercise Price of such Award and, unless otherwise specifically provided in the Award Agreement, the Exercise Price of a stock appreciation right shall equal the Fair Market Value of a share of Common Stock on the date of grant; provided that in no event may such Exercise Price be less than the greater of (A) the Fair Market Value of a share of Common Stock on the date of grant and (B) the par value of a share of Common Stock. Payment upon exercise of a stock appreciation right shall be in cash or in shares of Common Stock (valued at their Fair Market Value on the date of exercise of the stock appreciation right) or any combination of both, all as the Administrator shall determine. Repricing of stock appreciation rights granted under the Plan shall not be permitted (1) to the extent such action could cause adverse tax consequences to the grantee under Section 409A or 457A of the Code, to the extent applicable, or (2) without prior shareholder approval, to the extent such approval would be required to be obtained by the Company pursuant to the applicable rules of any applicable stock exchange on which the Common Stock is then listed, and any action that would be deemed to result in a Repricing of a stock appreciation right shall be deemed null and void if it would cause such adverse tax consequences or if any requisite shareholder approval related thereto is not obtained prior to the effective time of such action. Upon the exercise of a stock appreciation right granted in connection with an option, the number of shares subject to the option shall be reduced by the number of shares with respect to which the stock appreciation right is exercised. Upon the exercise of an option in connection with which a stock appreciation right has been granted, the number of shares subject to the stock appreciation right shall be reduced by the number of shares with respect to which the option is exercised.

(d) Option Exercise Price. Each Award Agreement with respect to an option shall set forth the Exercise Price of such Award and, unless otherwise specifically provided in the Award Agreement, the Exercise Price of an option shall equal the Fair Market Value of a share of Common Stock on the date of grant; provided that in no event may such Exercise Price be less than the greater of (i) the Fair Market Value of a share of Common Stock on the date of grant and (ii) the par value of a share of Common Stock. Repricing of options granted under the Plan shall not be permitted (1) to the extent such action could cause adverse tax consequences to the grantee under Section 409A or 457A of the Code, to the extent applicable, or (2) without prior shareholder approval, to the extent such approval would be required to be obtained by the Company pursuant to the applicable rules of any applicable stock exchange on which the Common Stock is then listed, and any action that would be deemed to result in a Repricing of an option shall be deemed null and void if it would cause such adverse tax consequences or if any requisite shareholder approval related thereto is not obtained prior to the effective time of such action.

2.3 Exercise of Options and Stock Appreciation Rights

Subject to the other provisions of this Article II and the Plan, each option and stock appreciation right granted under the Plan shall be exercisable as follows:

(a) Timing and Extent of Exercise. Options and stock appreciation rights shall be exercisable at such times and under such conditions as determined by the Administrator and set forth in the corresponding Award Agreement, but in no event shall any portion of such Award be exercisable subsequent to the tenth anniversary of the date on which such Award was granted. Unless the applicable Award Agreement otherwise specifically provides, an option or stock appreciation right may be exercised from time to time as to all or part of the shares as to which such Award is then exercisable.

(b) Notice of Exercise. An option or stock appreciation right shall be exercised by the filing of a written notice with the Company or the Company's designated exchange agent (the "Exchange Agent"), on such form and in such manner as the Administrator shall prescribe.

(c) Payment of Exercise Price. Any written notice of exercise of an option shall be accompanied by payment for the shares being purchased. Such payment shall be made: (i) by certified or official bank check (or the equivalent thereof acceptable to the Company or its Exchange Agent) for the full option Exercise Price; (ii) with the consent of the Administrator, which consent shall be given or withheld in the sole discretion of the Administrator, by withholding of shares of Common Stock having a Fair Market Value (determined as of the exercise date) equal to all or part of the option Exercise Price and a certified or official bank check (or the equivalent thereof acceptable to the Company or its Exchange Agent) for any remaining portion of the full option Exercise Price; or (iii) at the sole discretion of the Administrator and to the extent permitted by law, by such other provision, consistent with the terms of the Plan, as the Administrator may from time to time prescribe (whether directly or indirectly through the Exchange Agent), or by any combination of the foregoing payment methods.

(d) Delivery of Certificates Upon Exercise. Subject to Sections 3.2, 3.4 and 3.13, promptly after receiving payment of the full option Exercise Price, or after receiving notice of the exercise of a stock appreciation right for which the Administrator determines payment will be made partly or entirely in shares, the Company or its Exchange Agent shall (i) deliver to the grantee, or to such other Person as may then have the right to exercise the Award, a certificate or certificates for the shares of Common Stock for which the Award has been exercised or, in the case of stock appreciation rights, for which the Administrator determines will be made in shares or (ii) establish an account evidencing ownership of the stock in uncertificated form for the shares of Common Stock for which the Award has been exercised or, in the case of stock appreciation rights, for which the Administrator determines will be made in shares. If the method of payment employed upon an option exercise so requires, and if applicable law permits, an optionee may direct the Company or its Exchange Agent, as the case may be, to deliver the stock certificate(s) to the optionee's stockbroker.

(e) No Stockholder Rights. No grantee of an option or stock appreciation right (or other Person having the right to exercise such Award) shall have any of the rights of a stockholder of the Company with respect to shares subject to such Award until the issuance of a stock certificate to such Person for such shares or an account in the name of the grantee evidences ownership of stock in uncertificated form. Except as otherwise provided in Section 1.5(c), no adjustment shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate is issued or the date an account evidencing ownership of the stock in uncertificated form notes receipt of such stock.

2.4 Termination of Employment/Service; Death Subsequent to a Termination of Employment/Service

(a) General Rule. Except to the extent otherwise provided in paragraphs (b), (c), (d), (e) or (f) of this Section 2.4 or Section 3.5(b)(iii), a grantee who incurs a termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates may exercise any outstanding option or stock appreciation right on the following terms and conditions: (i) exercise may be made only to the extent that the grantee was entitled to exercise the Award on the date of termination of employment or consultancy/service relationship, as applicable; and (ii) exercise must occur within three months after termination of employment or consultancy/service relationship but in no event after the original expiration date of the Award; it being understood that then outstanding options and stock appreciation rights shall not be affected by a change of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates so long as the grantee continues to be a director, officer or employee of, or a consultant or service provider to (or a Person employed by or providing services to any entity that is itself a consultant or service provider to), the Company or any of its Subsidiaries or Affiliates.

(b) Termination “for Cause”. If a grantee incurs a termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates “for Cause”, all options and stock appreciation rights not theretofore exercised (whether vested or unvested) shall immediately terminate upon such termination of employment or consultancy/service relationship.

(c) Retirement. If a grantee incurs a termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates as the result of his or her retirement (as defined below), then any outstanding option or stock appreciation right shall, to the extent exercisable at the time of such retirement, remain exercisable for a period of three years after such retirement; provided that in no event may such option or stock appreciation right be exercised following the original expiration date of the Award. For this purpose, unless otherwise specifically set forth in the applicable Award Agreement, “retirement” shall mean a grantee’s resignation of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates, with the Company’s or its applicable Subsidiary’s or Affiliate’s prior consent, on or after (i) his or her 65th birthday, (ii) the date on which he or she has attained age 60 and completed at least five years of service with the Company or one or more of its Subsidiaries or Affiliates (using any method of calculation the Administrator deems appropriate) or (iii) if approved by the Administrator, on or after his or her having completed at least 20 years of service with the Company or one or more of its Subsidiaries or Affiliates (using any method of calculation the Administrator deems appropriate).

(d) Disability. If a grantee incurs a termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates by reason of a Disability, then any outstanding option or stock appreciation right shall, to the extent exercisable at the time of such termination, remain exercisable for a period of one year after such termination; provided that in no event may such option or stock appreciation right be exercised following the original expiration date of the Award.

(e) Death.

(i) *Termination of Employment/Service as a Result of Grantee’s Death*. If a grantee incurs a termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates as the result of his or her death, then any outstanding option or stock appreciation right shall, to the extent exercisable at the time of such death, remain exercisable for a period of one year after such death; provided that in no event may such option or stock appreciation right be exercised following the original expiration date of the Award.

(ii) *Restrictions on Exercise Following Death*. Any exercise of an Award following a grantee’s death shall be made only by the grantee’s executor or administrator or other duly appointed representative reasonably acceptable to the Administrator, unless the grantee’s will specifically disposes of such Award, in which case such exercise shall be made only by the recipient of such specific disposition. If a grantee’s personal representative or the recipient of a specific disposition under the grantee’s will shall be entitled to exercise any Award pursuant to the preceding sentence, such representative or recipient shall be bound by all the terms and conditions of the Plan and the applicable Award Agreement which would have applied to the grantee.

(f) Administrator Discretion. The Administrator may, in writing, waive or modify the application of the foregoing provisions of this Section 2.4, subject to Section 3.1(c).

2.5 Transferability of Options and Stock Appreciation Rights

Except as otherwise specifically provided in this Plan or the applicable Award Agreement evidencing an option or stock appreciation right, during the lifetime of a grantee, each such Award granted to a grantee shall be exercisable only by the grantee, and no such Award may be sold, assigned, transferred, pledged or otherwise encumbered or disposed of other than by will or by the laws of descent and distribution. The Administrator may, in any applicable Award Agreement evidencing an option or stock appreciation right, permit a grantee to transfer all or some of the options or stock appreciation rights to (a) the grantee's spouse, children or grandchildren ("Immediate Family Members"), (b) a trust or trusts for the exclusive benefit of such Immediate Family Members or (c) other parties approved by the Administrator. Following any such transfer, any transferred options and stock appreciation rights shall continue to be subject to the same terms and conditions as were applicable immediately prior to the transfer.

2.6 Grant of Restricted Stock

(a) Restricted Stock Grants. The Administrator may grant restricted shares of Common Stock and Preferred Stock to such Key Persons, in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions as the Administrator shall determine, subject to the provisions of the Plan. A grantee of a restricted stock Award shall have no rights with respect to such Award unless such grantee accepts the Award within such period as the Administrator shall specify by accepting delivery of a restricted stock Award Agreement in such form as the Administrator shall determine.

(b) Issuance of Stock Certificate. Promptly after a grantee accepts a restricted stock Award in accordance with Section 2.6(a), subject to Sections 3.2, 3.4 and 3.13, the Company or its Exchange Agent shall issue to the grantee a stock certificate or stock certificates for the shares of Common Stock and Preferred Stock covered by the Award or shall establish an account evidencing ownership of the stock in uncertificated form. Upon the issuance of such stock certificates, or establishment of such account, the grantee shall have the rights of a stockholder with respect to the restricted stock, subject to: (i) the nontransferability restrictions and forfeiture provisions described in the Plan (including paragraphs (d) and (e) of this Section 2.6); (ii) in the Administrator's sole discretion, a requirement, as set forth in the Award Agreement, that any dividends paid on such shares shall be held in escrow and, unless otherwise determined by the Administrator, shall remain forfeitable until all restrictions on such shares have lapsed; and (iii) any other restrictions and conditions contained in the applicable Award Agreement.

(c) Custody of Stock Certificate. Unless the Administrator shall otherwise determine, any stock certificates issued evidencing shares of restricted stock shall remain in the possession of the Company (or such other custodian as may be designated by the Administrator) until such shares are free of any restrictions specified in the applicable Award Agreement. The Administrator may direct that such stock certificates bear a legend setting forth the applicable restrictions on transferability.

(d) Nontransferability. Shares of restricted stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of prior to the lapsing of all restrictions thereon, except as otherwise specifically provided in this Plan or the applicable Award Agreement. The Administrator at the time of grant shall specify the date or dates (which may depend upon or be related to the attainment of performance goals and other conditions) on which the nontransferability of the restricted stock shall lapse.

(e) Consequence of Termination of Employment/Service. Unless otherwise specifically set forth in the applicable Award Agreement, (i) a grantee's termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates for any reason other than death or Disability shall cause the immediate forfeiture of all shares of restricted stock that have not yet vested as of the date of such termination of employment or consultancy/service relationship and (ii) if a grantee incurs a termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates as the result of his or her death or Disability, all shares of restricted stock that have not yet vested as of the date of such termination shall immediately vest as of such date; it being understood that then outstanding restricted stock Awards shall not be affected by a change of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates so long as the grantee continues to be a director, officer or employee of, or a consultant or service provider to (or a Person employed by or providing services to any entity that is itself a consultant or service provider to), the Company or any of its Subsidiaries or Affiliates. All dividends paid on shares forfeited under this Section 2.6(e) that have not theretofore been directly remitted to the grantee shall also be forfeited, whether by termination of any escrow arrangement under which such dividends are held or otherwise. The Administrator may, in writing, waive or modify the application of the foregoing provisions of this Section 2.6(e), subject to Section 3.1(c).

2.7 Grant of Restricted Stock Units

(a) Restricted Stock Unit Grants. The Administrator may grant restricted stock units to such Key Persons, and in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions, as the Administrator shall determine, subject to the provisions of the Plan. A restricted stock unit granted under the Plan shall confer upon the grantee a right to receive from the Company, conditioned upon the occurrence of such vesting event as shall be determined by the Administrator and specified in the Award Agreement, the number of such grantee's restricted stock units that vest upon the occurrence of such vesting event multiplied by the Fair Market Value of a share of Common Stock or Preferred Stock, as applicable, on the date of vesting. Payment upon vesting of a restricted stock unit shall be in cash or in shares of Common Stock or Preferred Stock, as applicable (valued at their Fair Market Value on the date of vesting) or both, all as the Administrator shall determine, and such payments shall be made to the grantee at such time as provided in the Award Agreement, which the Administrator shall intend to be (i) if Section 409A of the Code is applicable with respect to Awards granted to the grantee, within the period required by Section 409A such that it qualifies as a "short-term deferral" pursuant to Section 409A and the Treasury Regulations issued thereunder, unless the Administrator shall provide for deferral of the Award intended to comply with Section 409A, (ii) if Section 457A of the Code is applicable with respect to Awards granted to the grantee, within the period required by Section 457A(d)(3)(B) such that it qualifies for the exemption thereunder, or (iii) if Sections 409A and 457A of the Code are not applicable with respect to Awards granted to the grantee, at such time as determined by the Administrator.

(b) Dividend Equivalents. The Administrator may include in any Award Agreement with respect to a restricted stock unit a dividend equivalent right entitling the grantee to receive amounts equal to the ordinary dividends that would be paid, during the time such Award is outstanding and unvested, and/or, if payment of the vested Award is deferred, during the period of such deferral following such vesting event, on the shares of Common Stock or Preferred Stock underlying such Award if such shares were then outstanding. In the event such a provision is included in a Award Agreement, the Administrator shall determine whether such payments shall be (i) paid to the holder of the Award, as specified in the Award Agreement, either (A) at the same time as the underlying dividends are paid, regardless of the fact that the restricted stock unit has not theretofore vested, (B) at the time at which the Award's vesting event occurs, conditioned upon the occurrence of the vesting event, (C) once the Award has vested, at the same time as the underlying dividends are paid, regardless of the fact that payment of the vested restricted stock unit has been deferred, and/or (D) at the time at which the corresponding vested restricted stock units are paid, (ii) made in cash, shares of Common Stock, shares of Preferred Stock or other property and (iii) subject to such other vesting and forfeiture provisions and other terms and conditions as the Administrator shall deem appropriate and as shall be set forth in the Award Agreement.

(c) No Stockholder Rights. No grantee of a restricted stock unit shall have any of the rights of a stockholder of the Company with respect to such Award unless and until a stock certificate is issued with respect to such Award upon the vesting of such Award or an account in the name of the grantee evidences ownership of stock in uncertificated form (it being understood that the Administrator shall determine whether to pay any vested restricted stock unit in the form of cash or Company shares or both), which issuance shall be subject to Sections 3.2, 3.4 and 3.13. Except as otherwise provided in Section 1.5(c), no adjustment to any restricted stock unit shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate, if any, is issued or the date an account evidencing ownership of the stock in uncertificated form notes receipt of such stock.

(d) Nontransferability. No restricted stock unit granted under the Plan may be sold, assigned, transferred, pledged or otherwise encumbered or disposed of, except as otherwise specifically provided in this Plan or the applicable Award Agreement.

(e) Consequence of Termination of Employment/Service. Unless otherwise specifically set forth in the applicable Award Agreement, (i) a grantee's termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates for any reason other than death or Disability shall cause the immediate forfeiture of all restricted stock units that have not yet vested as of the date of such termination of employment or consultancy/service relationship and (ii) if a grantee incurs a termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates as the result of his or her death or Disability, all restricted stock units that have not yet vested as of the date of such termination shall immediately vest as of such date; it being understood that then outstanding restricted stock units shall not be affected by a change of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates so long as the grantee continues to be a director, officer or employee of, or a consultant or service provider to (or a Person employed by or providing services to any entity that is itself a consultant or service provider to), the Company or any of its Subsidiaries or Affiliates. All dividend equivalent rights on any restricted stock units forfeited under this Section 2.7(e) that have not theretofore been directly remitted to the grantee shall also be forfeited, whether by termination of any escrow arrangement under which such dividends are held or otherwise. The Administrator may, in writing, waive or modify the application of the foregoing provisions of this Section 2.7(e), subject to Section 3.1(c).

2.8 Grant of Unrestricted Stock

The Administrator may grant (or sell at a purchase price at least equal to par value) shares of Common Stock or Preferred Stock free of restrictions under the Plan to such Key Persons and in such amounts and subject to such forfeiture provisions as the Administrator shall determine. Shares may be thus granted or sold in respect of past services or other valid consideration.

2.9 Other Equity-Based or Equity-Related Awards

Subject to the provisions of the Plan (including, without limitation, Section 3.16), the Administrator shall have the sole and complete authority to grant to Key Persons other equity-based or equity-related Awards in such amounts and subject to such terms, conditions, restrictions and forfeiture provisions as the Administrator shall determine; provided that any such Awards must comply with applicable law and, to the extent deemed desirable by the Administrator, Rule 16b-3.

2.10 Dividend Equivalents

Subject to the provisions of the Plan (including, without limitation, Section 3.16), in the discretion of the Administrator, an Award, other than an option or stock appreciation right, may provide the Award recipient with dividends or dividend equivalents, payable in cash, shares, other securities, other Awards or other property, on a current or deferred basis, on such terms and conditions as may be determined by the Administrator, including, without limitation, payment directly to the Award recipient, withholding of such amounts by the Company subject to vesting of the Award, or reinvestment in additional shares, restricted shares or other Awards.

2.11 Grant of Cash Awards

The Administrator may grant Awards that are payable solely in cash to such Key Persons and in such amounts and subject to such terms, conditions, restrictions and forfeiture provisions as the Administrator shall determine. Cash Awards may be thus granted in respect of past services or other valid consideration.

ARTICLE III

Miscellaneous

3.1 Amendment of the Plan; Modification of Awards

(a) Amendment of the Plan. The Board may from time to time suspend, discontinue, revise or amend the Plan in any respect whatsoever, except that no such suspension, discontinuation, revision or amendment shall materially impair any rights or materially increase any obligations under any Award theretofore made under the Plan without the consent of the grantee (or, upon the grantee's death, the Person having the rights to the Award). For purposes of this Section 3.1, any action of the Board or the Administrator that in any way alters or affects the tax treatment of any Award shall not be considered to materially impair any rights of any grantee.

(b) Stockholder Approval Requirement. If required by applicable rules or regulations of a national securities exchange or the SEC, the Company shall obtain stockholder approval with respect to any amendment to the Plan that (i) expands the types of Awards available under the Plan, (ii) materially increases the aggregate number of shares which may be issued under the Plan, except as permitted pursuant to Section 1.5(c), (iii) materially increases the benefits to participants under the Plan, including any material change to (A) permit, or that has the effect of, a Repricing of any outstanding Award, (B) reduce the price at which shares or options to purchase shares may be offered or (C) extend the duration of the Plan, or (iv) materially expands the class of Persons eligible to receive Awards under the Plan.

(c) Modification of Awards. The Administrator may cancel any Award under the Plan. The Administrator also may amend any outstanding Award Agreement, including, without limitation, by amendment which would: (i) accelerate the time or times at which the Award becomes unrestricted, vested or may be exercised; (ii) waive or amend any goals, restrictions or conditions set forth in the Award Agreement; or (iii) waive or amend the operation of Section 2.4, 2.6(e) or 2.7(e) with respect to the termination of the Award upon termination of employment or consultancy/service relationship; provided, however, that no such amendment shall be made without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to the Award. However, any such cancellation or amendment (other than an amendment pursuant to Section 1.5, 3.5 or 3.16) that materially impairs the rights or materially increases the obligations of a grantee under an outstanding Award shall be made only with the consent of the grantee (or, upon the grantee's death, the Person having the rights to the Award). In making any modification to an Award (e.g., an amendment resulting in a direct or indirect reduction in the Exercise Price or a waiver or modification under Section 2.4(f), 2.6(e) or 2.7(e)), the Administrator may consider the implications, if any, of such modification under the Code with respect to Sections 409A and 457A of the Code in respect of Awards granted under the Plan to individuals subject to such provisions of the Code.

3.2 Consent Requirement

(a) No Plan Action Without Required Consent. If the Administrator shall at any time determine that any Consent (as defined below) is necessary or desirable as a condition of, or in connection with, the granting of any Award under the Plan, the issuance or purchase of shares or other rights thereunder, or the taking of any other action thereunder (each such action being hereinafter referred to as a "Plan Action"), then such Plan Action shall not be taken, in whole or in part, unless and until such Consent shall have been effected or obtained to the full satisfaction of the Administrator.

(b) Consent Defined. The term "Consent" as used herein with respect to any Plan Action means (i) any and all listings, registrations or qualifications in respect thereof upon any securities exchange or under any Federal, state or local law, rule or regulation, (ii) any and all written agreements and representations by the grantee with respect to the disposition of shares, or with respect to any other matter, which the Administrator shall deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made and (iii) any and all consents, clearances and approvals in respect of a Plan Action by any governmental or other regulatory bodies or any other Person.

3.3 Nonassignability; Successors

Except as provided in Section 2.4(e), 2.5, 2.6(d) or 2.7(d), (a) no Award or right granted to any Person under the Plan or under any Award Agreement shall be assignable or transferable other than by will or by the laws of descent and distribution and (b) all rights granted under the Plan or any Award Agreement shall be exercisable during the life of the grantee only by the grantee or the grantee's legal representative or the grantee's permissible successors or assigns (as authorized and determined by the Administrator). The rights, duties and obligations under the Plan and any applicable Award Agreement shall be assignable by the Company to any successor entity, including any entity acquiring all, or substantially all, of the assets of the Company. All terms and conditions of the Plan and the applicable Award Agreements will be binding upon any permitted successors or assigns.

3.4 Taxes

(a) Withholding. A grantee or other Award holder under the Plan shall be required to pay, in cash, to the Company, and the Company, its Subsidiaries and Affiliates shall have the right and are hereby authorized to withhold from any Award, from any cash or other payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to such grantee or other Award holder, the amount of any applicable withholding taxes in respect of an Award, its grant, its exercise, its vesting, or any payment or transfer under an Award or under the Plan, up to the maximum statutory rates in the applicable jurisdiction with respect to the Award, as determined by the Company, and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for payment of such taxes. Whenever shares of Common Stock or Preferred Stock are to be delivered pursuant to an Award under the Plan, with the approval of the Administrator, which the Administrator shall have sole discretion whether or not to give, the grantee may satisfy the foregoing condition by electing to have the Company withhold from delivery shares having a value equal to the amount of the applicable withholding taxes as determined in accordance with this Section 3.4(a). Such shares shall be valued at their Fair Market Value as of the date on which the amount of tax to be withheld is determined. Fractional share amounts shall be settled in cash. Such a withholding election may be made with respect to all or any portion of the shares to be delivered pursuant to an Award as may be approved by the Administrator in its sole discretion.

(b) Liability for Taxes. Grantees and holders of Awards are solely responsible and liable for the satisfaction of all taxes and penalties that may arise in connection with Awards (including, without limitation, any taxes arising under Sections 409A and 457A of the Code) and the Company shall not have any obligation to indemnify or otherwise hold any such Person harmless from any or all of such taxes. The Administrator shall have the discretion to organize any deferral program, to require deferral election forms, and to grant or, notwithstanding anything to the contrary in the Plan or any Award Agreement, to unilaterally modify any Award in a manner that (i) conforms with the requirements of Sections 409A and 457A of the Code (to the extent applicable), (ii) voids any participant election to the extent it would violate Section 409A or 457A of the Code (to the extent applicable) and (iii) for any distribution event or election that could be expected to violate Section 409A of the Code, make the distribution only upon the earliest of the first to occur of a “permissible distribution event” within the meaning of Section 409A of the Code or a distribution event that the participant elects in accordance with Section 409A of the Code, all in such a way so as to retain, to the maximum extent possible, the originally intended economic and tax benefits under the Award. The Administrator shall have the sole discretion to interpret the requirements of the Code, including, without limitation, Sections 409A and 457A, for purposes of the Plan and all Awards.

3.5 Change in Control

(a) Change in Control Defined. Unless otherwise specifically set forth in the applicable Award Agreement, for purposes of the Plan, “Change in Control” shall mean the occurrence of any of the following:

(i) any “person” (as defined in Section 13(d)(3) of the 1934 Act), company or other entity acquires “beneficial ownership” (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of twenty-five percent (25%) or more of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company; provided, however, that no Change in Control shall have occurred in the event of such an acquisition by (A) the Company, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary or Affiliate, (C) any company or other entity owned, directly or indirectly, by the holders of the voting stock ordinarily entitled to elect directors of the Company in substantially the same proportions as their ownership of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company immediately prior to such acquisition, (D) Mrs. Semiramis Paliou or any entity that she directly or indirectly “controls” (as defined in Rule 12b-2 under the 1934 Act), or (E) Diana Shipping Inc. or to any of its Affiliates or successors;

(ii) the sale of all or substantially all the Company's assets in one or more related transactions to any "person" (as defined in Section 13(d)(3) of the 1934 Act), company or other entity; provided, however, that no Change in Control shall have occurred in the event of such a sale (A) to a Subsidiary which does not involve a material change in the equity holdings of the Company, (B) to an entity (the "Acquiring Entity") which has acquired all or substantially all the Company's assets if, immediately following such sale, 50% or more of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Acquiring Entity (or, if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership of more than 50% of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Acquiring Entity) is beneficially owned by the holders of the voting stock ordinarily entitled to elect directors of the Company immediately prior to such sale in substantially the same proportions as the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company immediately prior to such sale or (C) to Mrs. Semiramis Paliou or any entity that she directly or indirectly "controls" (as defined in Rule 12b-2 under the 1934 Act) or (D) Diana Shipping Inc. or to any of its Affiliates or successors;

(iii) any merger, consolidation, reorganization or similar event of the Company or any Subsidiary; provided, however, that no Change in Control shall have occurred in the event 50% or more of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the surviving entity (or, if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership of more than 50% of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the surviving entity) is beneficially owned by the holders of the voting stock ordinarily entitled to elect directors of the Company immediately prior to such event in substantially the same proportions as the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company immediately prior to such event;

(iv) the approval by the Company's stockholders of a plan of complete liquidation or dissolution of the Company; or

(v) during any period of 12 consecutive calendar months, individuals:

(A) who were directors of the Company on the first day of such period, or

(B) whose election or nomination for election to the Board was recommended or approved by at least a majority of the directors then still in office who were directors of the Company on the first day of such period, or whose election or nomination for election were so approved, shall cease to constitute a majority of the Board.

Notwithstanding the foregoing, unless otherwise specifically set forth in the applicable Award Agreement, (1) in no event shall a Change in Control be deemed to have occurred in connection with an initial listing of Common Stock, and (2) for each Award subject to Section 409A of the Code, a Change in Control shall be deemed to have occurred under this Plan with respect to such Award only if a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company shall also be deemed to have occurred under Section 409A of the Code, provided that such limitation shall apply to such Award only to the extent necessary to avoid adverse tax effects under Section 409A of the Code.

(b) Effect of a Change in Control. Unless the Administrator specifically provides otherwise in an Award Agreement, upon the occurrence of a Change in Control:

(i) any Award then outstanding shall become fully vested and any forfeiture provisions thereon imposed pursuant to the Plan and the applicable Award Agreement shall lapse and any Award in the form of an option or stock appreciation right shall be immediately exercisable;

(ii) to the extent permitted by law and not otherwise limited by the terms of the Plan, the Administrator may amend any Award Agreement in such manner as it deems appropriate; and

(iii) a grantee who incurs a termination of employment or consultancy/service relationship for any reason, other than a termination “for Cause”, concurrent with or within one year following the Change in Control may exercise any outstanding option or stock appreciation right, but only to the extent that the grantee was entitled to exercise the Award on the date of his or her termination of employment or consultancy/service relationship, until the earlier of (A) the original expiration date of the Award and (B) the later of (x) the date provided for under the terms of Section 2.4 without reference to this Section 3.5(b)(iii) and (y) the first anniversary of the grantee’s termination of employment or consultancy/service relationship.

(c) Miscellaneous. Whenever deemed appropriate by the Administrator, any action referred to in paragraph (b)(ii) of this Section 3.5 may be made conditional upon the consummation of the applicable Change in Control transaction.

3.6 Operation and Conduct of Business

Nothing in the Plan or any Award Agreement shall be construed as limiting or preventing the Company, any Subsidiary or any Affiliate from taking any action with respect to the operation and conduct of its business that it deems appropriate or in its best interests, including any or all adjustments, recapitalizations, reorganizations, exchanges or other changes in the capital structure of the Company, any Subsidiary or any Affiliate, any merger or consolidation of the Company, any Subsidiary or any Affiliate, any issuance of Company shares or other securities or subscription rights, any issuance of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or other securities or rights thereof, any dissolution or liquidation of the Company, any Subsidiary or any Affiliate, any sale or transfer of all or any part of the assets or business of the Company, any Subsidiary or any Affiliate, or any other corporate act or proceeding, whether of a similar character or otherwise.

3.7 No Rights to Awards

No Key Person or other Person shall have any claim to be granted any Award under the Plan.

3.8 Right of Discharge Reserved; Service Relationship

(a) Nothing in the Plan or in any Award Agreement shall confer upon any grantee the right to continue his or her employment with the Company, any Subsidiary or any Affiliate, his or her consultancy/service relationship with the Company, any Subsidiary or any Affiliate, or his or her position as an officer or director of the Company, any Subsidiary or any Affiliate, or affect any right that the Company, any Subsidiary or any Affiliate may have to terminate such employment or consultancy/service relationship.

(b) For the avoidance of doubt, for purposes of the Plan, reference to (i) a service relationship shall include service as a director or officer and (ii) a termination of a service relationship shall include a removal or resignation as a director or officer.

3.9 Non-Uniform Determinations

The Administrator’s determinations and the treatment of Key Persons and grantees and their beneficiaries under the Plan need not be uniform and may be made and determined by the Administrator selectively among Persons who receive, or who are eligible to receive, Awards under the Plan (whether or not such Persons are similarly situated). Without limiting the generality of the foregoing, the Administrator shall be entitled, among other things, to make non-uniform and selective determinations, and to enter into non-uniform and selective Award Agreements, as to (a) the Persons to receive Awards under the Plan, (b) the types of Awards granted under the Plan, (c) the number of shares to be covered by, or with respect to which payments, rights or other matters are to be calculated with respect to, Awards and (d) the terms and conditions of Awards.

3.10 Other Payments or Awards

Nothing contained in the Plan shall be deemed in any way to limit or restrict the Company or any Subsidiary from making any award or payment to any Person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

3.11 Headings

Any section, subsection, paragraph or other subdivision headings contained herein are for the purpose of convenience only and are not intended to expand, limit or otherwise define the contents of such section, subsection, paragraph or subdivision.

3.12 Effective Date and Term of Plan

(a) Adoption; Stockholder Approval. The Plan was adopted by the Board on November 8, 2021 and amended and restated on March 23, 2022, further amended and restated on April 10, 2024 and further amended and restated on March 11, 2025. The Board may, but need not, make the granting of any Awards under the Plan subject to the approval of the Company's stockholders.

(b) Termination of Plan. The Board may terminate the Plan at any time. All Awards made under the Plan prior to its termination shall remain in effect until such Awards have been satisfied or terminated in accordance with the terms and provisions of the Plan and the applicable Award Agreements. No Awards may be granted under the Plan following the tenth anniversary of the date on which the Plan was adopted by the Board (i.e., November 8, 2031).

3.13 Restriction on Issuance of Stock Pursuant to Awards

The Company shall not permit any shares of Common Stock or Preferred Stock to be issued pursuant to Awards granted under the Plan unless such shares of Common Stock or Preferred Stock are fully paid and non-assessable under applicable law. Notwithstanding anything to the contrary in the Plan or any Award Agreement, at the time of the exercise of any Award, at the time of vesting of any Award, at the time of payment of shares of Common Stock or Preferred Stock in exchange for, or in cancellation of, any Award, or at the time of grant of any unrestricted shares under the Plan, the Company and the Administrator may, if either shall deem it necessary or advisable for any reason, require the holder of an Award (a) to represent in writing to the Company that it is the Award holder's then-intention to acquire the shares with respect to which the Award is granted for investment and not with a view to the distribution thereof or (b) to postpone the date of exercise until such time as the Company has available for delivery to the Award holder a prospectus meeting the requirements of all applicable securities laws; and no shares shall be issued or transferred in connection with any Award unless and until all legal requirements applicable to the issuance or transfer of such shares have been complied with to the satisfaction of the Company and the Administrator. The Company and the Administrator shall have the right to condition any issuance of shares to any Award holder hereunder on such Person's undertaking in writing to comply with such restrictions on the subsequent transfer of such shares as the Company or the Administrator shall deem necessary or advisable as a result of any applicable law, regulation or official interpretation thereof, and all share certificates delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Company or the Administrator may deem advisable under the Plan, the applicable Award Agreement or the rules, regulations and other requirements of the SEC, any stock exchange upon which such shares are listed, and any applicable securities or other laws, and certificates representing such shares may contain a legend to reflect any such restrictions. The Administrator may refuse to issue or transfer any shares or other consideration under an Award if it determines that the issuance or transfer of such shares or other consideration might violate any applicable law or regulation or entitle the Company to recover the same under Section 16(b) of the 1934 Act, and any payment tendered to the Company by a grantee or other Award holder in connection with the exercise of such Award shall be promptly refunded to the relevant grantee or other Award holder. Without limiting the generality of the foregoing, no Award granted under the Plan shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Administrator has determined that any such offer, if made, would be in compliance with all applicable requirements of any applicable securities laws.

3.14 Requirement of Notification of Election Under Section 83(b) of the Code

If an Award recipient, in connection with the acquisition of Company shares under the Plan, makes an election under Section 83(b) of the Code (to include in gross income in the year of transfer the amounts specified in Section 83(b) of the Code), the grantee shall notify the Administrator of such election within ten days of filing notice of the election with the U.S. Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code.

3.15 Severability

If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Administrator, such provision shall be construed or deemed amended to conform to the applicable laws or, if it cannot be construed or deemed amended without, in the determination of the Administrator, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

3.16 Sections 409A and 457A

To the extent applicable, the Plan and Award Agreements shall be interpreted in accordance with Sections 409A and 457A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder. Notwithstanding any provision of the Plan or any applicable Award Agreement to the contrary, in the event that the Administrator determines that any Award may be subject to Section 409A or 457A of the Code, the Administrator may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (i) exempt the Plan and Award from Sections 409A and 457A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Sections 409A and 457A of the Code and related Department of Treasury guidance and thereby avoid the application of penalty taxes under Sections 409A and 457A of the Code, all in such a way so as to retain, to the maximum extent possible, the originally intended economic and tax benefits under the Award.

3.17 Forfeiture; Clawback

The Administrator may, in its sole discretion, specify in the applicable Award Agreement that any realized gain with respect to options or stock appreciation rights and any realized value with respect to other Awards shall be subject to forfeiture or clawback, in the event of (a) a grantee’s breach of any non-competition, non-solicitation, confidentiality or other restrictive covenants with respect to the Company, any Subsidiary or any Affiliate, (b) a grantee’s breach of any employment or consulting agreement with the Company, any Subsidiary or any Affiliate, (c) a grantee’s termination of employment or consultancy/service relationship for Cause or (d) a financial restatement that reduces the amount of compensation under the Plan previously awarded to a grantee that would have been earned had results been properly reported.

3.18 No Trust or Fund Created

Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company, any Subsidiary or any Affiliate and an Award recipient or any other Person. To the extent that any Person acquires a right to receive payments from the Company, any Subsidiary or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company, Subsidiary or Affiliate.

3.19 No Fractional Shares

No fractional shares shall be issued or delivered pursuant to the Plan or any Award, and the Administrator shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional shares or whether such fractional shares or any rights thereto shall be canceled, terminated, or otherwise eliminated.

3.20 Governing Law

The Plan will be construed and administered in accordance with the laws of the State of New York, without giving effect to principles of conflict of laws.

Exhibit 4.10

STEAMSHIP SHIPBROKING ENTERPRISES INC.

THIS AGREEMENT dated this 12th day of March 2025 by and between OceanPal Inc., a Marshall Islands company having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "Company") and Steamship Shipbroking Enterprises Inc. a Marshall Islands company having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "Broker").

BY WHICH, in consideration of the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1. The Company. OceanPal Inc. is a global provider of shipping transportation services through its ownership of dry bulk vessels (the "Vessels"). The Company's Vessels are employed primarily on short to medium-term time charters and transport a range of dry bulk cargoes, including such commodities as iron ore, coal, grain and other materials along worldwide shipping routes.

2. Engagement. The Company hereby engages the Broker to act as broker for the Company and for any of its affiliated companies that own Vessels managed by Diana Wilhelmsen Management Limited as directed by the Company to assist the Company in the provision of the services by providing to the Company or to an entity designated by the Company from time to time, brokerage services relating to the purchase, sale or chartering of Vessels, brokerage services relating to the repairs and other maintenance of Vessels, and any relevant consulting services permitted by Greek laws or the Broker's Law 27/1975 license (collectively the "Brokerage Services"), and the Broker hereby accepts such appointment.

3. Duration. The duration of the engagement shall be for a term of 12 (twelve) months commencing the 1st day of January 2025 and ending (unless terminated earlier on the basis of any other provision of this Agreement) on the 31st day of December 2025 and shall be automatically renewed for further periods of one (1) calendar year, (the said period as it may be extended being hereinafter referred to as the "Term").

4. Representations of Broker. The Broker represents that it has personnel fully qualified, without the benefit of any further training or experience and has obtained all necessary permits and licenses, to perform the Brokerage Services. The duties of the Broker shall be offered on a worldwide basis. Broker's duties and responsibilities hereunder shall always be subject to the policies and directives of the board of directors of the Company as communicated from time to time to the Broker. Subject to the above, the precise duties, responsibilities and authority of the Broker may be expanded, limited or modified, from time to time, at the discretion of the board of directors of the Company.

5. Commission. Because of their permanent relation the Company shall pay the Broker a lump sum commission in the amount of United States Dollars $150,000 per month, starting on the 1st day of January 2025 payable quarterly in advance plus 2.5% on the hire agreed per charter party for each Vessel, subject to required deductions and withholdings. Commissions on a percentage basis for specific deals may be agreed by separate agreements in writing.

6. **Expenses.** The Company shall not pay or reimburse the Broker for any out-of pocket expenses as such expenses are included in the commission paid to the Broker.

7. **Termination.** This Agreement, unless otherwise agreed in writing between the parties, shall be terminated as follows:

(a) At the end of the Term, unless extended by mutual agreement in writing.

(b) The parties, by mutual agreement, may terminate this Agreement at any time.

(c) Either party may terminate this Agreement for any material breach by the other party of their respective obligations under this Agreement.

8. **Change of Control**.

(a) In the event of a "Change in Control" (as defined herein) within the duration of this Agreement, the Broker has the option to terminate this Agreement within six (6) months following such Change in Control, and shall be eligible to receive the payment specified in sub-paragraph (c), below, provided that the conditions of said paragraph are satisfied.

(b) For purposes of this Agreement, the term "Change of Control" shall mean the:

(i) event where Diana Shipping Inc. ceases to have the highest voting control of any matter submitted to the vote of the common shareholders of the Company.

(ii) consummation of a reorganization, merger or consolidation of the Company or the sale or other disposition of all or substantially all of the assets of the Company and/or of the Affiliates; or

(iii) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

(c) If the Broker terminates this Agreement within six (6) months following a Change of Control, the Broker shall receive a payment equal to five (5) years' annual commission. Receipt of the foregoing shall be contingent upon the Broker's execution and non-revocation of a Release of Claims in favor of the Company and the Affiliates in a form that is reasonably satisfactory to the Company and its counsel.

9. **Notices.** Every notice, request, demand or other communication under this Agreement shall:

(a) be in writing delivered personally or by courier or by fax or shall be served through a process server;

(b) be deemed to have been received, subject as otherwise provided in this Agreement in the case of fax upon receipt of a successful transmission report (or —if sent after business hours— the following business day) and in the case of a letter when delivered personally or through courier or served at the address below; and

(c) be sent:

(i) If to the Company, to:
OceanPal Inc.
c/o Steamship Shipbroking Enterprises Inc.
Pendelis 26, Palaio Faliro, 175 64
Athens, Greece
Telephone: +30 210 9485360
Telefax: +30 210 9401810
Attn: Chief Executive Officer

(ii) If to the Broker, to:
Steamship Shipbroking Enterprises Inc.
Pendelis 26, Palaio Faliro, 175 64
Athens, Greece
Telephone: +30 210 9485360
Telefax: +30 210 9401810
Attn: Director and President

or to such other person, address or telefax, as is notified by the relevant Party to the other Party to this Agreement and such notification shall not become effective until notice of such change is actually received by the other Party. Until such change of person or address is notified, any notification to the above addresses and fax numbers are agreed to be validly effected for the purposes of this Agreement.

10. Entire Agreement. This Agreement supersedes all prior agreements written or oral, with respect thereto.

11. Amendments. This Agreement may be amended, superseded, canceled, renewed or extended and the terms hereof may be waived, only by a written instrument signed by the parties.

12. Independent Contractor. All services provided hereunder shall be provided by the Broker as an independent contractor. No employment contract, partnership or joint venture between the Broker and the Company has been created in or by this Agreement or as a result of services provided hereunder.

13. Assignment. This Agreement, and the Broker's rights and obligations hereunder, may not be assigned by the Broker; any purported assignment in violation hereof shall be null and void. This Agreement, and the Company's rights and obligations hereunder, may not be assigned by the Company; provided, however, that in the event of any sale, transfer or other disposition of all or substantially all of the Company's assets and business, whether by merger, consolidation or otherwise, the Company shall assign this Agreement and its rights hereunder to the successor to its assets and business.

14. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, heirs, executors and legal representative.

15. **Counterparts.** This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof each signed by one of the parties hereto.

16. **Headings.** The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

17. **Governing Law and Jurisdiction**.

(a) This Agreement shall be governed by and construed in accordance with English Law.

(b) Any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this clause.

IN WITNESS WHEREOF, the parties hereto have signed their names as of the day and year first above written.

OCEANPAL INC.

/s/ Robert Perri

BY: Robert Perri
Title: Chief Executive Officer

STEAMSHIP SHIPBROKING ENTERPRISES INC.

/s/ Ioannis Zafirakis

BY: Ioannis Zafirakis
Title: Director and Treasurer

Exhibit 4.12

EXECUTION VERSION

SUPPORT AGREEMENT

This SUPPORT AGREEMENT (this "Agreement") is made and entered into as of May 17, 2024, by and between OceanPal Inc., a corporation organized under the laws of the Republic of the Marshall Islands (the "Company"), and Sphinx Investment Corp., a corporation organized under the laws of the Republic of the Marshall Islands ("Sphinx", and together with the Company, the "Parties").

WHEREAS, (i) as of the date of this Agreement, Sphinx beneficially owns 1,050,505 common shares of the Company, par value $0.01 per share (the Company's common shares, the "Common Shares", and the Common Shares beneficially owned by Sphinx from time to time, the "Sphinx Shares"), and on December 15, 2023, Sphinx delivered a formal notice (such notice, as supplemented on January 5, 2024, the "Nomination Notice") to the Company nominating two individuals for election to the Board of Directors of the Company (the "Board") and making certain other stockholder proposals to be voted upon at the Company's 2024 annual meeting of stockholders (the "2024 Annual Meeting"); and

WHEREAS, the Parties desire to put aside their differences in respect of the 2024 Annual Meeting, and the Company desires that Sphinx provide, and Sphinx desires to provide, strategic advice and support to the Company.

NOW, **THEREFORE**, in consideration of the foregoing premises and the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound hereby, agree as follows:

1. Withdrawal of Nomination Notice. Sphinx hereby irrevocably (a) withdraws the Nomination Notice, as well as the director nominations and the proposals set forth therein, and (b) agrees not to make any nominations or proposals at, or to solicit any proxies with respect to, the 2024 Annual Meeting.

2. Voting Commitment.

(a) Until the conclusion of the Company's 2029 annual meeting of shareholders (the "Termination Date"), Sphinx shall cause all Sphinx Shares that it or any of its affiliates (including Mr. George Economou, his direct linear descendants, spouses, or members of their respective immediate families, together the "Economou Parties") has the power to vote as of the record date of any meeting of stockholders of the Company occurring on or prior to the Termination Date (without prejudice to the right of Sphinx to dispose of some or all of the Sphinx Shares at any time prior to, on or after the Termination Date), to be present for quorum purposes and voted at such shareholder meeting (i) in favor of each candidate for election as a director nominated or otherwise recommended by the Board, (ii) against any candidate for election as a director that is not nominated or otherwise recommended by the Board and (iii) otherwise in connection with the Board's recommendation on any other proposal other than proposals (A) with respect to any Extraordinary Transaction (as defined below), (B) with respect to any related party transaction to which the Company is a party, (C) with respect to any issuance of equity securities of the Company (or any securities convertible into or exchangeable or exercisable for such securities), and/or (D) which adversely affect the rights of common stockholders of the Company in a manner that is disproportionate to other stockholders of the Company.

(b) Sphinx currently holds 100 shares of common stock of Diana Shipping. Except as described in the immediately preceding sentence, Sphinx represents and warrants to the Company that, as of the date hereof, the Economou Parties do not hold any common stock, preferred stock or warrants (collectively, "Diana Shipping Equity Interests") in Diana Shipping Inc. ("Diana Shipping"). Until the conclusion of Diana Shipping's 2029 annual meeting of shareholders (the "Diana Shipping 2029 Annual Meeting"), Sphinx shall cause all Diana Shipping Equity Interests that the Economou Parties have the power to vote as of the record date of any meeting of stockholders of Diana Shipping occurring on or prior to the Diana Shipping 2029 Annual Meeting to be present for quorum purposes and voted at such shareholder meeting (i) in favor of each candidate for election as a director that is not nominated or otherwise recommended by the board of directors of Diana Shipping (the "Diana Shipping Board") and (iii) otherwise in connection with the Diana Shipping Board's recommendation on any other proposal other than proposals (A) with respect to any Extraordinary Transaction (as defined below), (B) with respect to any related party transaction to which Diana Shipping is a party, (C) with respect to any issuance of equity securities of Diana Shipping (or any securities convertible into or exchangeable or exercisable for such securities), and/or (D) which adversely affect the rights of common stockholders of the Diana Shipping in a manner that is disproportionate to other stockholders of Diana Shipping.

3. Standstill. From the execution of this Agreement until the Termination Date (*provided* that to the extent that the provisions of this Section 3 apply with respect to Diana Shipping or its subsidiaries, officers, directors or employees, the obligations of this Section 3 shall extend until the Diana Shipping 2029 Annual Meeting), without the prior written approval of the Board, Sphinx shall not, and Sphinx shall cause its affiliates (including the Economou Parties), and the officers, directors, employees, managers, agents and other representatives of it and its affiliates, not to, directly or indirectly, in whole or in part:

(a) acquire, offer to acquire or agree to acquire, by purchase or otherwise, or direct any third party in the acquisition of record or beneficial ownership of, any Common Shares (other than the Sphinx Shares held as of the date of this Agreement, as such number may decrease in the future) or other voting securities of the Company, Diana Shipping or any subsidiary of the Company or any subsidiary of Diana Shipping (excluding for the avoidance of doubt any Excluded Person) (such parties, the "Covered Parties"), or any beneficial ownership in any of the foregoing (except by way of stock splits, stock or rights dividends, recapitalizations, reorganizations and the like, or other distributions or offerings generally made available on a pro rata basis to holders of voting securities of the Company) or engage in any swap or hedging transactions or other derivative agreements of any nature with respect to any Common Shares or other voting securities of any Covered Party;

(b) (i) seek, alone or in concert with others, election or appointment to, or representation on, the Board, or the board of directors or other governing body of any Covered Party, or nominate, recommend for nomination or give notice of an intent to nominate or recommend for nomination any person for election (or to make or be the proponent of any other shareholder proposal or bring forth any other Covered Party business) at any Company or Diana Shipping shareholder meeting; (ii) initiate or participate in any solicitation of proxies or written consents (or become a "participant" (as such term is defined in Instruction 3 to Item 4 of Schedule 14A promulgated under the Exchange Act)) in respect of (A) any election contest or removal contest (or conduct or participate in any "withhold" campaign) with respect to the Company's or Diana Shipping's directors or (B) otherwise in respect of any other proposal or business to be brought before a Company or Diana Shipping shareholder meeting; or (iii) call or request to call (publicly or otherwise), alone or in concert with others, any special meeting of Company or Diana Shipping shareholders (or the setting of a record date therefor);

(c) make any request for shareholder lists or other books and records of any Covered Party under any statutory or regulatory provisions providing for shareholder access to books and records of any Covered Party;

(d) form, join or act in concert with any "group" (as defined under Section 13(d) of the Exchange Act) with respect to any Common Shares or other voting securities of any Covered Party (excluding for the avoidance of doubt any group comprised solely of Sphinx and its affiliates);

(e) deposit in or subject any Common Shares or other voting securities of any Covered Party to any voting trust or voting agreement or arrangement or enter into any voting trust or voting agreement or arrangement with any person (other than the Company) with respect to any Common Shares or other voting securities of any Covered Party;

(f) make any public proposal with respect to, or publicly disclose any intent to: (i) any change in the number, term or identity of directors serving on the Board or the Diana Shipping Board or the filling of any vacancies on the Board or the Diana Shipping Board; (ii) any change in the capitalization, capital allocation policy or dividend policy of the Company or Diana Shipping; (iii) any other change in the Company's or Diana Shipping's management, governance, corporate structure, affairs, business or policies; (iv) any waiver, amendment or modification to the Company's or Diana Shipping's Articles of Incorporation, Bylaws or other organizational documents; (v) causing a class of securities of the Company or Diana Shipping to be delisted from, or to cease to be authorized to be quoted on, any securities exchange; or (vi) causing a class of equity securities of the Company or Diana Shipping to become eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act;

(g) make, submit, effect, offer or propose, or knowingly encourage any other person to effect, offer or propose, either alone or in concert with others, any tender offer, exchange offer, merger, consolidation, acquisition, business combination, sale, recapitalization, restructuring, sale of all or substantially all assets, liquidation, dissolution or similar transaction with respect to any Covered Party (or any of their respective joint ventures or any of their respective securities or material assets) (each, an "Extraordinary Transaction"); *provided*, *however*, that nothing in this Section 3(g) shall be construed to limit the ability of Sphinx or any of its affiliates' (including the Economou Parties) to acquire or make any offer to acquire any vessel of any Covered Party that is then-being auctioned or otherwise held for sale by a Covered Party;

(h) engage in any short sale or any purchase, sale, or grant of any option, warrant, convertible security, share appreciation right, or other similar right (including any put or call option or "swap" transaction) with respect to any Company or Diana Shipping security (excluding for the avoidance of doubt (i) any index fund, exchange traded fund, benchmark fund or broad basket of securities, (ii) any commodities investments and (iii) any investments in or with respect to the securities of any company other than the Company (whether engaged in or involved with the shipping industry or otherwise));

(i) sell, offer, or agree to sell, all or substantially all, directly or indirectly, through swap or hedging transactions or otherwise, voting rights decoupled from the underlying common stock of any Covered Party held by Sphinx or its affiliates to any third party;

(j) enter into any negotiations, agreements, arrangements or understandings with any third party (whether written or oral) with respect to any of the foregoing, or advise, assist or seek to persuade any third party to take any action with respect to any of the foregoing;

(k) publicly (or in a manner that would reasonably be expected to result in a publicly announcement or disclosure) make or in any way advance publicly (or in a manner that would reasonably be expected to result in a public announcement or disclosure) any request or proposal that the Company or the Board amend, modify or waive any provision of this Agreement (including this subclause); or

(l) take any action challenging the validity or enforceability of this Agreement unless the Company is challenging the validity or enforceability of this Agreement; *provided, however*, that the restrictions in this Section 3 shall not prevent, prohibit or restrict Sphinx or any of its affiliates from (x) making (A) any factual statement as required by applicable legal process, subpoena or legal requirement from any governmental authority with competent jurisdiction over the person from whom information is sought (so long as such process, subpoena or legal requirement did not arise as a result of discretionary acts by Sphinx or such affiliates in violation of this Agreement) or (B) any private or confidential communication to or with the Board, the Diana Shipping Board or any officer or director of the Company or Diana Shipping or legal counsel that is not intended to, and would not reasonably be expected to, trigger or require any public disclosure of such communications for any of the Parties or (y) selling all or any portion of the Sphinx Shares or any Diana Shipping Equity Interests at any time.

4. Mutual Release of Claims and Covenant Not to Sue.

(a) Each of Sphinx, on behalf of itself and its past, present and future affiliates (and the respective officers, directors, employees, managers, agents and other representatives of it and its affiliates, including but not limited to the Economou Parties) (each, a "Sphinx Releasor") hereby (subject to Section 10) irrevocably, waives, releases and forever discharges, to the fullest extent permitted by law, the Company, its subsidiaries and its and their respective officers, directors and employees (each solely in their capacities as such) and Diana Shipping, its subsidiaries and its and their respective officers, directors and employees ((x) in the case of Diana Shipping and its subsidiaries, solely in their capacity as shareholders of the Company (and in the capacity as the Company's parent company prior to the spin-off of the Company) and/or with respect to transactions entered into by Diana Shipping Inc. or its subsidiaries with the Company or its subsidiaries prior to the execution of this Agreement, and (y) in the case of such officers and directors and employees, each solely in their capacity as an officer, director and/or employee of Diana Shipping and/or any of its subsidiaries) (each, a "Covered Party Releasee") from any and all claims, liabilities, obligations, promises, agreements, injuries, damages, costs, losses, debts, expenses (including attorneys' fees and costs incurred), causes of action, suits, judgments, rights and demands of any nature whatsoever, known or unknown, suspected or unsuspected, existing or prospective, fixed or contingent, whether made or to be made directly or derivatively, whether at law or at equity or otherwise (all of the foregoing, collectively, "Claims"), that any Sphinx Releasor has, has had or may in the future have against any Covered Party Releasee arising out of or in connection with facts, matters and circumstances having occurred prior to the execution of this Agreement, other than (x) any Claims that any Sphinx Releasor may have in respect of any commercial transactions that any Sphinx Releasor may have with any Covered Party Releasee independent of the past or present ownership by any Sphinx Releasor of Company securities, (y) (for the avoidance of doubt) any rights that any Sphinx Releasor may have, now or in the future to receive any cash, stock, rights or other dividends or distributions upon the Common Shares that are declared or otherwise made by the Company (irrespective of when such dividend or distribution is made or declared or was required to have been made or declared) or (z) (for the avoidance of doubt) any Claims that any Sphinx Releasor has, has had or may in the future have against Performance Shipping Inc. or any of its respective subsidiaries (or any successor of Performance Shipping Inc. or any of its subsidiaries) (or any of its or their respective shareholders (or successors thereto), officers, directors or employees (in their capacities as such)), ((x), (y) and (z), together, "Excluded Sphinx Claims").

(b) The Company, on behalf of itself and its past, present and future affiliates (and the respective officers, directors, employees, managers, agents and other representatives of it and its affiliates) (each, a "Company Releasor"), hereby irrevocably waives, releases and forever discharges, to the fullest extent permitted by law, each of Sphinx, Maryport Navigation Corp. and the Economou Parties, and their respective officers, directors and employees (each in their capacities as such) (each, a "Sphinx Releasee") from any and all Claims that any Company Releasor has, has had or may in the future have against any Sphinx Releasee arising out of or in connection with facts, matters and circumstances having occurred prior to the execution of this Agreement (other than any Claims that any Company Releasor may have in respect of any commercial transactions that any Sphinx Releasee may have with any Covered Party Releasee independent of the past or present ownership by any Sphinx Releasee of Company securities) ("Excluded Company Claims").

(c) Each of Sphinx (on behalf of itself and on behalf of the other Sphinx Releasors) and the Company (on behalf of itself and the other Company Releasors) acknowledges that it may hereafter discover facts in addition to or different from those that it or its officers, directors, employees, managers, agents and other representatives now know or believe to be true with respect to the subject matter of this Agreement or any Claim, but it is the Parties' intention to fully and finally and forever settle, discharge and release any and all Claims arising out of or in connection with facts, matters and circumstances having occurred prior to the execution of this Agreement (other than Excluded Sphinx Claims and Excluded Company Claims). In furtherance of this intention, the releases contained in this Section 4 shall be and remain in effect as full and complete general releases with respect to the Claims released hereby notwithstanding the discovery or existence of any such additional or different facts.

(d) Sphinx (on behalf of itself and on behalf of the other Sphinx Releasors) hereby (subject to Section 10) irrevocably covenants not to sue, individually or with any person in any way, to commence, knowingly aid in any way, prosecute or knowingly cause to be prosecuted against any Covered Party Releasee any judicial action or other similar proceeding, in law or in equity, asserted directly or derivatively, including without limitation arbitration or other alternative dispute resolution procedure, based upon any Claim released pursuant to Section 4(a).

(e) The Company (on behalf of itself and the other Company Releasors) hereby irrevocably covenants not to sue, individually or with any person in any way, to commence, knowingly aid in any way, prosecute or knowingly cause to be prosecuted against any Sphinx Releasee any judicial action or other similar proceeding, in law or in equity, asserted directly or derivatively, including without limitation arbitration or other alternative dispute resolution procedure, based upon any Claim released pursuant to Section 4(b).

(f) Each Sphinx Releasee and Covered Party Releasee is an express third party beneficiary of this Section 4, and shall be entitled to enforce this Section 4 as if it were a direct party hereto.

5. Strategic Advice. Each of Sphinx and the Company anticipate on a non-binding, non-reliance basis that until the earlier of the Termination Date and such other date as Sphinx ceases to beneficially own at least 5% of the Company's outstanding Common Shares, Sphinx may from time to time (if requested by the Board and solely to the extent Mr. Economou desires to do so) make Mr. Economou available to the Board of the Company to provide strategic advice with respect to opportunities for the creation of shareholder value.

6. Mutual Non-Disparagement. Until the Termination Date, Sphinx shall not and shall cause its affiliates (and the officers, directors, employees, managers, agents and other representatives of it and its affiliates (each in their capacities as such)) not to, and the Company shall not and shall cause its affiliates (and the officers, directors, employees, managers, agents and other representatives of it and its affiliates (each in their capacities as such)) not to, make any public statement that disparages or otherwise reflects detrimentally on the Covered Party Releasees (or as applicable, the Sphinx Releasees), or the business of the Covered Party Releasees (or as applicable, the Sphinx Releasees). The restrictions in this Section 6 shall not prevent any person from providing any truthful testimony or production of information, in each case when compelled to provide such testimony or information (whether by legal process, subpoena or as part of a response to a request for information from any governmental or regulatory authority with jurisdiction over the party from whom information is sought). Each Sphinx Releasee and Covered Party Releasee is an express third party beneficiary of this Section 6, and shall be entitled to enforce this Section 6 as if it were a direct party hereto.

7. Company Equity Issuances. The Company hereby agrees that from the execution of this Agreement until the first anniversary of the date of this Agreement, the Company shall not authorize or issue any additional Common Shares (including the conversion of existing or newly issued preferred stock into Common Shares), except for underwritten registered offerings of Common Shares made at a price per Common Share equal to or higher than $2.47 in which the Company provides Sphinx *pro rata* piggy-back rights (which shall be subject to *pro rata* cutbacks, but which shall otherwise be on customary terms) to participate as a seller alongside the Company in such transaction at such same price. The foregoing excludes the issuance of Common Shares pursuant to any options outstanding as of the date hereof pursuant to the Company's employee stock award plans and the issuance of Common Shares upon the exercise of outstanding convertible preferred securities as of the date hereof by holders that are not directors, officers or other affiliates of the Company.

8. Public Statements; SEC Filings.

(a) Promptly following the execution of this Agreement (and in any event within one (1) business day after the date of this Agreement), the Company shall issue a press release (the "Press Release") announcing this Agreement, in the form attached hereto as Exhibit A. Prior to the issuance of the Press Release, no Party shall issue any press release or make any public statement or announcement regarding this Agreement or take any action that would require public disclosure thereof without the prior written consent of the other Party.

(b) No later than two (2) business days following the date of this Agreement, the Company shall file with the SEC a Current Report on Form 6-K reporting its entry into this Agreement (the "Form 6-K"). The Form 6-K shall be consistent with the terms of this Agreement and the Press Release. The Company shall provide Sphinx with a reasonable opportunity to review and comment on the Form 6-K prior to the filing with the SEC and consider in good faith any comments of Sphinx.

(c) No later than two (2) business days following the date of this Agreement, Sphinx shall file with the SEC an amendment to its Schedule 13D in compliance with Section 13 of the Exchange Act reporting its entry into this Agreement (the "Schedule 13D Amendment"). The Schedule 13D Amendment shall be consistent with the terms of this Agreement and the Press Release. Sphinx shall provide the Company with a reasonable opportunity to review the Schedule 13D Amendment prior to it being filed with the SEC and consider in good faith any comments of the Company.

(d) No Party shall, and each Party shall cause its affiliates and representatives not to, make any statement inconsistent with the Press Release, the Form 6-K or the Schedule 13D Amendment.

9. Termination. Unless otherwise mutually agreed to in writing by the Company and Sphinx, this Agreement shall remain in effect until the Termination Date (except to the extent that the provisions hereof apply with respect to Diana Shipping or its subsidiaries, officers, directors or employees, which shall remain in effect until the Diana Shipping 2029 Annual Meeting), whereupon it shall terminate (other than with respect to Section 4, which shall survive such termination). Notwithstanding the foregoing, in the event that any of the Company, Diana Shipping or any of their respective subsidiaries (alone or in combination) at any time acquires any interest in, merges with or otherwise engages in any Extraordinary Transaction with respect to (x) Performance Shipping, Inc. (or any successor thereto) or any of Performance Shipping, Inc.'s subsidiaries (or any successor thereto) or (y) any shareholder of any person referred to in clause (x) (or any successor to any such shareholder) other than a Permitted Performance Shareholder (each of the persons referred to in clause (x) and/or clause (y), an "Excluded Person", and collectively, the "Excluded Persons"), whether in one transaction or through a series of transactions, then (i) all of the obligations of the Sphinx Parties pursuant to this Agreement shall immediately terminate and (ii) this Agreement shall not apply, and shall be deemed to have never applied, to any of the Excluded Persons or (in each case in their capacities as such) any of their respective officers, directors or employees. For purposes of this Section 9, a "Permitted Performance Shareholder" shall mean any company traded on a national securities exchange or registered investment company within the meaning of the Investment Company Act of 1940, as amended, that owns securities of Performance Shipping, Inc. solely for investment purposes and of which the Company, Diana Shipping and/or their respective subsidiaries, individually or in the aggregate, own less than five (5) percent of the issued and outstanding voting securities, but shall in all circumstances exclude Mango Shipping Corp., Taracan Investments S.A. and Mitzela Corp. and their respective subsidiaries (and the successors of any of the forgoing). As a material inducement to the willingness of Sphinx to enter into this Agreement and provide the covenants, releases and other agreements set forth herein, the Company represents and warrants that none of the Company, Diana Shipping or any of their respective subsidiaries has engaged in any transactions of the type referred to in the immediately preceding sentence with respect to any Excluded Person.

10. Expenses. Within seven (7) business days following the date of this Agreement, the Company shall pay to Sphinx $6,750,000 as deemed reimbursement in full for Sphinx's costs, effort and expense in respect of the Company through the date of this Agreement, including in connection with the Nomination Notice. Notwithstanding anything in this Agreement to the contrary, the agreements, obligations and undertakings of Sphinx in this Agreement, and the effectiveness of the releases set forth in Section 4, are conditioned upon the timely performance by the Company of its payment obligations pursuant to this Section 10.

11. Amendments. This Agreement may be modified, amended or otherwise changed only in a writing signed by each of Sphinx and the Company.

12. Notices. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given: (a) when delivered by hand, with written confirmation of receipt; (b) upon sending if sent by electronic mail to the electronic mail addresses below, with confirmation of receipt from the receiving party by electronic mail; (c) one (1) business day after being sent by a nationally recognized overnight carrier to the addresses set forth below; or (d) when actually delivered if sent by any other method that results in delivery, with written confirmation of receipt:

If to the Company:

OceanPal Inc.
c/o Steamship Shipbroking Enterprises Inc.
Pendelis 26
175 64 Palaio Faliro
Athens, Greece
Attn: Robert Perri

akrause@paulweiss.com

with copies (which shall not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP

1285 Avenue of the Americas
New York, NY 10019
Attn: Andrew J. Ehrlich
Andrew D. Krause
Email: aehrlich@paulweiss.com

Email: rperri@oceanpal.com

If to Sphinx:

Sphinx Investment Corp
c/o Levante Services Limited
Leoforos Evagorou 31, 2nd F. Office 211066
Nicosia, Cyprus 1066
Attn: Kleanthis Costa Spathias
Email: info@kapadf.com.cy

with copies (which shall not constitute notice) to:

Cadwalader, Wickersham & Taft LLP
200 Liberty Street
New York, NY 10281
Attn: Richard M. Brand
Kiran S. Kadekar
Email: richard.brand@cwt.com
kiran.kadekar@cwt.com

13. Governing Law; Jurisdiction; Jury Waiver. This Agreement, and any disputes arising out of or relating to this Agreement, shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to its conflict of laws principles. The Parties agree that exclusive jurisdiction and venue for any lawsuit, claim or proceeding before any court (each, a "Legal Proceeding") arising out of or related to this Agreement shall exclusively lie in the courts of the State of New York located in New York County and the United States District Court for the Southern District of New York. Each Party waives any objection it may now or hereafter have to the laying of venue of any such Legal Proceeding, and irrevocably submits to personal jurisdiction in any such court in any such Legal Proceeding and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any court that any such Legal Proceeding brought in any such court has been brought in any inconvenient forum. Each Party consents to accept service of process in any such Legal Proceeding by service of a copy thereof upon either its registered agent in the State of New York or the Secretary of State of the State of New York, with a copy delivered to it by certified or registered mail, postage prepaid, return receipt requested, addressed to it at the address set forth in Section 12. Nothing contained herein shall be deemed to affect the right of any Party to serve process in any manner permitted by law. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT.

14. Specific Performance. Each Party to this Agreement acknowledges and agrees that a non-breaching Party would be irreparably injured by an actual breach of this Agreement by the other Party or its representatives and that monetary remedies may be inadequate to protect the Parties against any actual or threatened breach or continuation of any breach of this Agreement. Without prejudice to any other rights and remedies otherwise available to the Parties under this Agreement, each Party shall be entitled to equitable relief by way of injunction or otherwise and specific performance of the provisions hereof upon satisfying the requirements to obtain such relief without the necessity of posting a bond or other security, if a Party or any of its representatives breach or threaten to breach any provision of this Agreement. Such remedy shall not be deemed to be the exclusive remedy for a breach of this Agreement, but shall be in addition to all other remedies available at law or equity to the non-breaching Party.

15. Miscellaneous.

(a) This Agreement contains the entire agreement between the Parties and supersedes all other prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof.

(b) Except as specifically set forth in Section 4 and Section 6, and as specifically set forth herein with respect to Diana Shipping, its subsidiaries and their respective officers, directors and employees, there are no third party beneficiaries to this Agreement.

(c) This Agreement shall not be assignable by operation of law or otherwise by a Party without the consent of the other Party. Any purported assignment without such consent is void *ab initio*. Subject to the foregoing sentence, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the permitted successors and assigns of each Party.

(d) If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated. It is hereby stipulated and declared to be the intention of the Parties that the Parties would have executed the remaining terms, provisions, covenants and restrictions without including any of such which may be hereafter declared invalid, void or unenforceable. In addition, the Parties agree to use their reasonable best efforts to agree upon and substitute a valid and enforceable term, provision, covenant or restriction for any of such that is held invalid, void or unenforceable by a court of competent jurisdiction.

(e) This Agreement may be executed in one (1) or more textually identical counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same agreement. Signatures to this Agreement transmitted by facsimile transmission, by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, shall have the same effect as physical delivery of the paper document bearing the original signature.

(f) Each of the Parties acknowledges that it has been represented by counsel of its choice throughout all negotiations that have preceded the execution of this Agreement, and that it has executed this Agreement with the advice of such counsel. This Agreement was prepared jointly by the Parties and no rules that it be construed against the drafter shall have any application in its construction or interpretation. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

(g) The headings set forth in this Agreement are for convenience of reference purposes only and shall not affect or be deemed to affect in any way the meaning or interpretation of this Agreement or any term or provision of this Agreement.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, each of the Company and Sphinx has executed this Agreement, or caused the same to be executed by its duly authorized representative, as of the date first above written.

OCEANPAL INC.

By: **/s/** Robert Perri
Name: Robert Perri
Title: Chief Executive Officer

[Signature Page to Support Agreement]

SPHINX INVESTMENT CORP.

By: Levante Services Limited

By: /s/ Kleanthis Costa Spathias

Name: Kleanthis Costa Spathias

Title: Director

[Signature Page to Support Agreement]

Exhibit A

Form of Press Release

OceanPal Inc. Announces Entry Into
Support Agreement with Sphinx Investment Corp.

Sphinx Terminates its Proxy Contest and Enters Into Voting Commitment
Mr. Economou Expected to Be Made Available to Provide Strategic Advice

ATHENS, GREECE – May 17, 2024 – OceanPal Inc. ("OceanPal" or the "Company") (NASDAQ: OP) announced today that it has entered into a Support Agreement (the "Agreement") with Sphinx Investment Corp. ("Sphinx"), an affiliate of George Economou, which owns approximately 14.1% of the Company's outstanding common stock, providing for the future support of the Company and its Board by Sphinx.

Pursuant to the Agreement, Sphinx has agreed to cease its efforts with respect to the election of directors and the passage of shareholder proposals at the 2024 annual meeting of the Company's stockholders, and to commit to voting in favor of the Board's slate of recommended directors and with respect to certain other proposals at each Company shareholder meeting through the 2029 annual meeting of the Company's shareholders. In addition, Sphinx and the Company have agreed on a non-binding basis to a structure for the provision by Mr. Economou of strategic advice to the Board with respect to future opportunities for creating shareholder value.

Mr. Robert Perri, Chief Executive Officer of the Company, said:

I am pleased that OceanPal and Sphinx have been able to put aside their differences. We value Sphinx's interest in the Company, and I and the rest of the board look forward to further discussing with George his views on opportunities to create value for OceanPal's stockholders.

The Agreement also includes customary standstill provisions, mutual releases and non-disparagement and expense reimbursement terms, among others.

Addition information with respect to the Agreement will be filed with the U.S. Securities and Exchange Commission (the "SEC") on a Current Report on Form 6-K.

About the Company

OceanPal Inc. is a global provider of shipping transportation services through its ownership of vessels. The Company's vessels currently transport a range of dry bulk cargoes, including such commodities as iron ore, coal, grain and other materials along worldwide shipping routes and it is expected that the Company's vessels will be primarily employed on short term time and voyage charters following the completion of their current employments.

Forward Looking Statements

Matters discussed in this press release may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements.

The Company desires to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and is including this cautionary statement in connection with this safe harbor legislation. The words "believe," "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "may," "should," "expect," "pending" and similar expressions identify forward-looking statements.

The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, Company management's examination of historical operating trends, data contained in the Company's records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies that are difficult or impossible to predict and are beyond the Company's control, the Company cannot assure you that it will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in the Company's view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand for dry bulk shipping capacity, changes in the Company's operating expenses, including bunker prices, drydocking and insurance costs, the market for the Company's vessels, availability of financing and refinancing, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, including risks associated with the continuing conflict between Russia and Ukraine and related sanctions, potential disruption of shipping routes due to accidents or political events, including the escalation of the conflict in the Middle East, vessel breakdowns and instances of off-hires and other factors. Please see the Company's filings with the U.S. Securities and Exchange Commission for a more complete discussion of these and other risks and uncertainties. The Company undertakes no obligation to revise or update any forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

COMMERCIAL SERVICES AGREEMENT

THIS COMMERCIAL SERVICES AGREEMENT (the "**Agreement**") is made on September 2, 2024 between **Batiki Shipping Company Inc.** whose registered office is at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960 (hereinafter called the "**Owners**"), of the one part, and **Sea Transportation Inc.**, a company incorporated and registered in the Republic of the Marshall Islands (Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH 96960), which has established an office in Greece (Leof. Poseidonos 13, Alimos 174 55, Athens, Greece) pursuant to the provisions of Greek Law 27/1975 as amended (hereinafter called the "**Commercial Services Managers**"), of the other part,

WHEREBY IT IS MUTUALLY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:-

1. The Owners hereby appoint the Commercial Services Managers, and the Commercial Services Managers hereby agree to act, as commercial services managers of the vessel more particularly described in the Schedule 1 hereto (hereinafter called the "**Ship**" and/or the "**Vessel**") for the period and on and subject to the terms and conditions hereinafter contained.

2. The Commercial Services Managers shall provide the commercial services specified here below ("**Commercial Services**") and shall have power in the name of the Owners or otherwise on their behalf to do all things which the Commercial Services Managers consider to be expedient or necessary for the provision of the said services or otherwise in relation to the proper and efficient employment of the Ship.

   The Commercial Services Managers shall provide the following services for the Vessel in accordance with the Owners' instructions, which shall include but not be limited to:

   (a) seeking and negotiating employment for the Vessel and the conclusion (excluding the execution thereof) of charter parties or other contracts relating to the employment of the Vessel, consent hereto in writing shall first be obtained from the Owners;

(b) arranging for the provision of fuels of the quality specified by the Owners as required for the Vessel's trade; Owners to be debited accordingly against invoice;
(c) voyage estimating and accounting and calculation of hire, off-hires (if applicable), freights, demurrage and/or dispatch monies due from or due to the charterers of the Vessel; assisting in the collection of any sums or emission allowances due to the Owners related to the commercial operation of the Vessel;
(d) issuing voyage and general charter instructions;
(e) appointing agents; checking, analyzing, approving and pay on behalf of Owners of disbursement accounts received by agents for all possible agency services needed and debit Owners accordingly;
(f) appointing stevedores when and if required;
(g) arranging surveys associated with the commercial operation of the Vessel;
(h) checking and analyzing expenses deducted by/ billed to Charterer from/on hire payments;
(i) provide consulting service for cargo, shortage, overlanding claims in cooperation with the vessel's P&I Club, and disputes and/or claims relating to speed deficiencies/underperformance of the vessel or any other disputes with Charterers as well as Freight, Demurrage and Defence claims;
(j) following up the requirements of the Charter Party and taking actions, when necessary;
(k) following up and assisting to resolve any problems arising during loading and discharge operations; and
(l) providing charter recap and charter party analysis upon concluding a new chartering contract.

3. This Agreement shall take effect from the date of delivery of the Vessel from its current owners to the Owners and is agreed for a non-specific period of time, provided that it may be terminated by either party giving two (2) months' notice at any time and without any justification but always in writing, PROVIDED HOWEVER that the Owners shall have the right to terminate the contract on giving notice with immediate effect against the payment to the Commercial Services Managers of damages equal to the average commercial services fees paid to them during the last 1 (one) month before termination. Either party shall have the right (but not be bound) to terminate with immediate effect the contract -by giving notice to the other party- without liability for damages in either of the following events:

(a) The Ship shall become an actual, compromised, constructive, or arranged total loss or be sold or otherwise disposed of or cease to be in the disponent ownership of the Owners; or
(b) If an order be made or resolution be passed for the winding up of the other party (otherwise than a winding up for the purpose of reconstruction or amalgamation), or if a receiver be appointed of the undertaking or property of the other party, or if the other party shall suspend payment or cease to carry on business or make any special arrangement or composition with its creditors.

If either party fails to meet their obligations under this Agreement, the other party may give notice to the party in default requiring them to remedy it. In the event that the party in default fails to remedy it within 30 calendar days from the date of the notice to the reasonable satisfaction of the other party, that party shall be entitled to terminate this Agreement with immediate effect by giving notice to the party in default.

4. (a) The Commercial Services Fees under this Agreement are the aggregate of the following:

(1) In regards to the provision of the commercial services the sum of 3% (three per centum) on hire (net of any off-hire) and on freight (including demurrage and dispatch) of the gross income of the Vessel plus US$300 (three hundred United States Dollars only) per day for each day that the Vessel is owned;

(b) The Commercial Services Fees payable pursuant to Section 4(a) above shall be paid in equal monthly installments in advance, the first installment (pro rata if appropriate) being payable on the date that this Agreement takes effect and subsequent installments being payable at the beginning of every calendar month.

5. The Commercial Services Managers shall at their own expense provide all office accommodation, equipment, stationery, and staff ordinarily required for the provision of the commercial services hereby contracted for.

6. (a) Force Majeure - Neither the Owners nor the Commercial Services Managers shall be under any liability for any loss, damage or delay due to any of the following force majeure events and/or conditions to the extent that the party invoking force majeure is prevented or hindered from performing any or all of their obligations under this Agreement, provided they have made all reasonable efforts to avoid, minimize or prevent the effect of such events and/or conditions:
(i) acts of God;
(ii) any Government requisition, control, intervention, requirement or interference;
(iii) any circumstances arising out of war, threatened act of war or warlike operations, acts of terrorism, sabotage or piracy, or the consequences thereof;
(iv) riots, civil commotion, blockades or embargoes;
(v) epidemics;
(vi) earthquakes, landslides, floods or other extraordinary weather conditions;
(vii) strikes, lockouts or other industrial action, unless limited to the employees (which shall not include the Crew) of the party seeking to invoke force majeure;
(viii) fire, accident, explosion except where caused by negligence of the party seeking to invoke force majeure; and
(ix) any other similar cause beyond the reasonable control of either party.

7. The Commercial Services Managers are entitled to subcontract any of their obligations under this agreement. In the event of such sub-contract, the Commercial Services Managers remain fully liable for the due performance and obligations under this Agreement.

8. The Commercial Services Managers shall be under no liability whatsoever to the Owners for any loss, damage delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the vessel) and howsoever arising in the course of performance of the Commercial Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or willful default of the Commercial Services Managers in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Commercial Services Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Commercial Services Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of five times the annual management fee payable hereunder.

9. This Agreement shall be governed by English law.

10. (a) Any notice which the Commercial Services Managers may require to give to the Owners shall be validly given if sent to the Owners at Pendelis 26, 175 64, Palaio Faliro, Athens, Greece or to the email address info@oceanpal.com.

(b) Any notice which the Owners may wish to give to the Commercial Services Managers shall be validly given if sent to the Commercial Services Managers at Leof. Poseidonos 13, Alimos 174 55, Athens, Greece or to the email address managnostopoulou@seatranspo.com and info@seatranspo.com

(c) Notices required to be given in writing may be given by letter, telex, fax, or e-mail.

11. If this Agreement shall be translated into different languages and any difference shall arise in the texts, the English text shall prevail and shall constitute the terms of the agreement.

12. This Agreement is to be executed in duplicate, 1 (one) for the Owners and 1 (one) for the Commercial Services Managers.

IN WITNESS whereof this Agreement has been signed on behalf of the parties hereto by persons duly authorized the day and year first above written.

SIGNED by

For and on behalf of
Batiki Shipping Company Inc.
(the “Owners”)

SIGNED by

For and on behalf of
Sea Transportation Inc.
(the “Commercial Services Managers”)

Schedule 1 - Ships' Details

Name: m/t Zeze Start
Gross Tons: 29,307mts
Net Tons: 13,129mts
IMO: 9392781
Flag: Marshall Islands
Regular Trading Area: Worldwide

Exhibit 4.14

SHIPMAN 2024

BIMCO STANDARD FORM

STANDARD SHIP MANAGEMENT AGREEMENT

PART I

	Vessel's name and IMO number (Annex A) **ZEZE START** **9392781**		
1.	Place and date of Agreement (Cl. 35) **HONG KONG** **15 AUGUST 2024**	2.	Date of commencement of Agreement (Cls. 2 and 30) **15 AUGUST 2024**
3.	Owners (name, place of registered office and law of registry) (Cl. 1) (i) Name: **BATIKI SHIPPING COMPANY INC** (ii) Place of registered office: **TRUST COMPANY COMPLEX, AJELTAKE ROAD, AJELTAKE ISLAND, MAJURO, MARSHALL ISLANDS MH 96960** (iii) Law of registry: **REPUBLIC OF THE MARSHALL ISLANDS**	4.	Managers (name, place of registered office and law of registry) (Cl. 1) (i) Name: **ANGLO-EASTERN SHIPMANAGEMENT (SINGAPORE) PTE. LTD.** (ii) Place of registered office: **200 CANTONMENT ROAD, #16-02 SOUTHPOINT, SINGAPORE 089763** (iii) Law of registry: **SINGAPORE**
5.	The Company (with reference to the ISM/ISPS Codes) (state name and IMO Unique Company Identification number. If the Company is a third party then also state registered office and principal place of business) (Cls. 1 and 9(c)(i)) (i) Name: **ANGLO-EASTERN SHIPMANAGEMENT (SINGAPORE) PTE. LTD.** (ii) IMO Unique Company Identification number: **1677771** (iii) Place of registered office: **200 CANTONMENT ROAD, #16-02 SOUTHPOINT, SINGAPORE 089763** (iv) Principal place of business: **SINGAPORE**	6. 7. 8.	Technical Management (state "yes" or "no" as agreed) (Cl. 4) Yes Crew Management (state "yes" or "no" as agreed) (Cl. 5(a)) Yes Commercial Management (state "yes" or "no" as agreed) (Cl. 6) No
9.	Chartering Services period (only to be filled in if "yes" stated in Box 8) (Cl.6(a)) No	10.	Crew Insurance arrangements (state "yes" or "no" as agreed) (i) Crew Insurances* (Cl. 5(b)): **No** (ii) Insurance for persons proceeding to sea onboard (Cl. 5(b)(i)): **No** *only to apply if Crew Management (Cl. 5(a)) agreed (see Box 7)
11.	Insurance arrangements (state "yes" or "no" as agreed) (Cl. 7) Yes	12.	Optional insurances (state optional insurance(s) as agreed, such as kidnap and ransom, loss of hire and FD & D) (Cl. 11(a)(iv)) **KIDNAP AND RANSOM IN PIRACY HIGH RISK AREAS**

13. Interest (state rate of interest to apply after due date to outstanding sums) (Cl. 9(a)) **NEW YORK FED (FEDERAL RESERVE BANK OF NEW YORK) 180-DAY AVERAGE SOFR (SECURED OVERNIGHT FINANCING RATE) PLUS FIVE (5%) PERCENT**	14. Emission Trading Scheme Allowances (Cl. 10) ~~(i) Subclause (a)(iii) to apply (state "yes" or "no" as agreed):~~ ~~(ii) Subclause (b)(iii), (iv) and (v) (state number of days to apply):~~ ~~(iii) Subclause (c) (state fee per port call, if not included in annual management fee):~~ **ACCORDING TO CLAUSE 10, AS AMENDED**
15. Management fees (state amounts) (Cl. 13(a)) (i) Predelivery management fee: **NIL** (ii) Annual management fee: **US$160,000.00**	16. Attendance fee (state amount and number of days) (Cl. 13(c)) (i) Daily rate: **US$750.00** (ii) For attendance in excess of number of days per year pro rata: **TWELVE (12) DAYS**
17. Nominated bank account (Cl.13(a)) **BENEFICIARY NAME: ANGLO-EASTERN SHIPMANAGEMENT (SINGAPORE) PTE. LTD.** **BENEFICIARY BANK: JPMORGAN CHASE BANK N.A., SINGAPORE BRANCH** **BENEFICIARY BANK SWIFT: CHASSGSG** **USD A/C NO.: 8830010652** **INTERMEDIATE BANK: JPMORGAN CHASE BANK, NEW YORK** **INTERMEDIATE BANK SWIFT: CHASUS33**	18. Lay-up period / number of months (Cl.13(d)) **THREE (3) MONTHS**
19. Minimum contract period (state number of months) (Cl. 30(a)) **TWELVE (12) MONTHS**	20. Management fee on termination (state number of months to apply) (Cl. 31(h)) **THREE (3) MONTHS**
21. Severance Costs (state maximum amount) (Cl. 31(i)) **TO BE PAID IN ACCORDANCE WITH THE TERMS AND CONDITIONS AND LAWS AND REGULATIONS GOVERNING EMPLOYMENT OF THE CREW**	
22. Law & arbitration ((a) English law/London arbitration, (b) US law/New York arbitration, (c) English law/Singapore arbitration, (d) Singapore law/Singapore arbitration, (e) Hong Kong law/Hong Kong arbitration, (f) English law/Hong Kong arbitration, (g) Other. Choose law and arbitration venue. If alternative (g)(Other) is chosen, Clause 32 must be appropriately filled in or replaced, failing which alternative (a)(English law/London arbitration) shall apply). (a): English law/London arbitration	
23. Email address for receipt of arbitration notices and communications on behalf of Owners (Cl. 32) **info@oceanpal.com**	24. Email address for receipt of arbitration notices and communications on behalf of Managers (Cl. 32) **notices.spr@angloeastern.com**
25. Notices (state full style contact details for serving notice to the Owners) (Cl. 34) **BATIKI SHIPPING COMPANY INC.** **C/O OCEANPAL INC.** **PENDELIS 26, 17564 PALAIO FALIRO, ATHENS, GREECE** **E-MAIL: info@oceanpal.com**	26. Notices (state full style contact details for serving notice to the Managers) (Cl. 34) **ANGLO-EASTERN SHIPMANAGEMENT (SINGAPORE) PTE. LTD.** **200 CANTONMENT ROAD, #16-02 SOUTHPOINT, SINGAPORE 089763** **E-MAIL: notices.spr@angloeastern.com**

It is mutually agreed between the Party stated in Box 3 and the Party stated in Box 4 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel or Vessels), "B" (Details of Crew), "C" (Budget), "D" (Associated Vessels) and "E" (Fee Schedule) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C", "D" and "E" shall prevail over those of PART II to the extent of such conflict but no further.

The Party responsible for issuing the final execution version of this Agreement warrants that it is an Authentic BIMCO Template procured from a properly authorised source and that all modifications to it are clearly visible. "Authentic BIMCO Template" means a BIMCO-approved standard contract in an editable electronic format.

Signature(s) (Owners)	Signature(s) (Managers)
Name: Margarita Veniou	Name: AJAY HAZARI
Position: Director and Secretary	Position: CHIEF RISK OFFICER

Table of content

PART II

SECTION 1 – Basis of the Agreement

1. Definitions

In this Agreement save where the context otherwise requires, the following words and expressions shall have the meanings hereby assigned to them:

"Affiliates" means a company, partnership, or other legal entity which controls, is controlled by, or is under common control with, a Party.

"Company" (with reference to the ISM Code and the ISPS Code) means the organisation identified in Box 5 or any replacement organisation appointed by the Owners from time to time (see subclauses 9(b)(i) or 9(c) (ii), whichever is applicable).

"Control" means the direct or indirect ownership of fifty per cent (50%) or more of the issued share capital or any kind of voting rights in a company, partnership, or legal entity, and "controls", "controlled" and "under common control" shall be construed accordingly.

"Crew" means the personnel of the numbers, rank and nationality specified in Annex "B" hereto.

"Crew Insurances" means insurance of liabilities in respect of crew risks which shall include but not be limited to death, permanent disability, sickness, injury, repatriation and loss of personal effects (see subclause 5(b) (Crew Insurances) and Clause 7 (Insurance Arrangements) and Clause 11 (Insurance Policies) and Boxes 10 and 11).

"Delivery" means the date on which the Company identified in Box 5 becomes responsible for the Vessel under the ISM and ISPS Codes.

"Flag State" means the State whose flag the Vessel is flying.

"ISM Code" means the International Management Code for the Safe Operation of Ships and for Pollution Prevention and any amendment thereto or substitution therefor.

"ISPS Code" means the International Code for the Security of Ships and Port Facilities and the relevant amendments to Chapter XI of SOLAS and any amendment thereto or substitution therefor.

"Managers" means the party identified in Box 4.

"Management Services" means the services specified in SECTION 2 - Services (Clauses 4 through 7) as indicated affirmatively in Boxes 6 through 8, 10 and 11, SECTION 3 - Obligations (Clause 10) as indicated in Box 14, and all other functions performed by the Managers under the terms of this Agreement, including Predelivery Services.

"Owners" means the party identified in Box 3.

"Parties" means the Owners and the Managers and each individually a "Party".

"Predelivery Services" means the services performed by the Managers for and in respect of the Vessel prior to Delivery.

"Severance Costs" means the costs which are legally required to be paid to the Crew as a result of the early termination of any seafarer employment agreement for service on the Vessel.

"SMS" means the Safety Management System (as defined by the ISM Code).

"STCW" means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as amended in 1995 and 2010 and any amendment thereto or substitution therefor.

"Vessel" means the vessel or vessels details of which are set out in Annex "A" attached hereto.

2. Commencement and Appointment

With effect from the date stated in Box 2 for the commencement of the Agreement and continuing unless and until terminated as provided herein, the Owners hereby appoint the Managers and the Managers hereby agree to act as the Managers of the Vessel in respect of the Management Services.

3. Authority of the Managers

Subject to the terms and conditions herein provided, during the period of this Agreement the Managers shall carry out the Management Services in respect of the Vessel as agents for and on behalf of the Owners. The Managers shall have authority to take such actions as they may from time to time in their absolute discretion consider to be necessary to enable them to perform the Management Services in accordance with sound ship management practice, including but not limited to compliance with all applicable rules and regulations.

SECTION 2 – Services

4. Technical Management

(only applicable if agreed according to Box 6).
The Managers shall provide technical management which includes, but is not limited to, the following services:

(a) ensuring that the Vessel complies with the requirements of the law of the Flag State;

(b) ensuring compliance with the ISM Code;

(c) ensuring compliance with the ISPS Code;

(d) operating a drug and alcohol policy as agreed with the Owners;

(e) providing competent personnel to supervise the maintenance and general efficiency of the Vessel;

(f) arranging and supervising dry dockings, repairs, alterations and the maintenance of the Vessel to the standards agreed with the Owners provided that the Managers shall be entitled to incur the necessary expenditure to ensure that the Vessel will comply with all requirements and recommendations of the classification society, and with the law of the Flag State and of the places where the Vessel is required to trade;

(g) arranging the supply of necessary stores, spares and lubricating oil;

(h) appointing surveyors and technical consultants as the Managers may consider from time to time to be necessary;

(i) arranging for the sampling and testing of fuels, as applicable; and

(j) in accordance with the Owners' instructions, supervising the sale and physical delivery of the Vessel under the sale agreement. However, services under this subclause 4(j) shall not include negotiation of the sale agreement or transfer of ownership of the Vessel.

4.1 Purchasing

To the extent that the Managers are responsible for arranging the supply of necessary stores, spare parts, lubricating oil, provisions and other marine products or services for the Vessel under this Agreement, the Managers shall have the discretion to arrange said supplies and services through purchasing associations or alliances the Managers may participate in or under their fleet purchase contracts for major bulk procurements, to obtain advantageous prices and terms.

If, however, the Owners are able to obtain, in good faith, on arm's length terms, on true like-for-like basis (including quality, certification, manufacture, timing, place of supply and other factors, but ignoring taxes and exchange rate fluctuations), the same supplies or services at a lower price than that obtainable by the Managers, the Owners can require the Managers to either procure said supplies or services from the Owners' source or undertake said procurement themselves.

The Owners agree that the Managers may retain any surpluses or dividends distributed by the purchasing associations or alliances the Managers participate in and any discounts or commissions that they may receive retrospectively under their fleet purchase contracts by virtue of the Managers' overall volume of procurements and not particular to the Vessel, subject always to the Owners having the benefit of competitive pricing as stipulated hereto. For all other purchases, subclause 13(e) of this Agreement shall apply.

5. Crew Management and Crew Insurances

(a) Crew Management
(only applicable if agreed according to Box 7)
The Managers shall provide suitably qualified Crew who shall comply with the requirements of STCW.
The provision of such crew management services includes, but is not limited to, the following services:

(i) selecting, engaging and providing for the administration of the Crew, including, as applicable, payroll arrangements, pension arrangements, tax, social security contributions and other mandatory dues related to their employment payable in each Crew member's country of domicile;

(ii) ensuring that the applicable requirements of the law of the Flag State in respect of rank, qualification and certification of the Crew and employment regulations, such as Crew's tax and social insurance, are satisfied;

(iii) ensuring that all Crew have passed a medical examination with a qualified doctor certifying that they are fit for the duties for which they are engaged and are in possession of valid medical certificates issued in accordance with appropriate Flag State requirements or such higher standard of medical examination as may be agreed with the Owners. In the absence of applicable Flag State requirements the medical certificate shall be valid at the time when the respective Crew member arrives on board the Vessel and shall be maintained for the duration of the service on board the Vessel;

(iv) ensuring that the Crew shall have a common working language and a command of the English language of a sufficient standard to enable them to perform their duties safely;

(v) arranging transportation of the Crew, including repatriation;

(vi) arranging the supply of provisions unless provided by the Owners;

(vii) training of the Crew;

(viii) conducting union negotiations; and

(ix) if the Managers are the Company, ensuring that the Crew, on joining the Vessel, are given proper familiarisation with their duties in relation to the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing.

~~(x) if the Managers are not the Company:~~

~~(1) ensuring that the Crew, before joining the Vessel, are given proper familiarisation with their duties in relation to the ISM Code; and~~

~~(2) instructing the Crew to obey all reasonable orders of the Company in connection with the operation of the SMS.~~

~~(xi) Where Managers are not providing technical management services in accordance with Clause 4 (Technical Management):~~

~~(1) ensuring that no person connected to the provision and the performance of the crew management services shall proceed to sea on board the Vessel without the prior consent of the Owners (such consent not to be unreasonably withheld); and~~

~~(2) ensuring that in the event that the Owners' drug and alcohol policy requires measures to be taken prior to the Crew joining the Vessel, implementing such measures;~~

~~(b) Crew Insurances~~
~~(only applicable if subclause 5(a) applies and if agreed according to Box 10)~~
~~The Managers shall throughout the period of this Agreement provide the following services:~~

~~(i) arranging Crew Insurances in accordance with the best practice of prudent managers of vessels of a similar type to the Vessel, with sound and reputable insurance companies, underwriters or associations. Insurances for any other persons proceeding to sea onboard the Vessel may be seperately agreed by the Owners and the Managers (see Box 10);~~

~~(ii) ensuring that the Owners are aware of the terms, conditions, exceptions and limits of liability of the insurances in subclause 5(b)(i);~~

~~(iii) ensuring that all premiums or calls in respect of the insurances in subclause 5(b)(i) are paid by their due date;~~

~~(iv) if obtainable at no additional cost, ensuring that insurances in subclause 5(b)(i) name the Owners as a joint assured with full cover and, unless otherwise agreed, on terms such that Owners shall be under no liability in respect of premiums or calls arising in connection with such insurances.~~

~~(v) providing written evidence, to the reasonable satisfaction of the Owners, of the Managers' compliance with their obligations under subclauses 5(b)(ii), and 5(b)(iii) within a reasonable time of the commencement of this Agreement, and of each renewal date and, if specifically requested, of each payment date of the insurances in subclause 5(b)(i).~~

6. **Commercial Management**

~~(only applicable if agreed according to Box 8).~~
~~The Managers shall provide the following services for the Vessel in accordance with the Owners' instructions, which shall include but not be limited to:~~

~~(a) seeking and negotiating employment for the Vessel and the conclusion (including the execution thereof) of charter parties or other contracts relating to the employment of the Vessel. If such a contract exceeds the period stated in Box 9, consent thereto in writing shall first be obtained from the Owners;~~

~~(b) arranging for the provision of fuels of the quality specified by the Owners as required for the Vessel's trade;~~

~~(c) voyage estimating and accounting and calculation of hire, freights, demurrage and/or despatch monies due from or due to the charterers of the Vessel; assisting in the collection of any sums or emission allowances due to the Owners related to the commercial operation of the Vessel in accordance with Clause 12 (Owners' Receivables and Expenses);~~

~~If any of the services under subclauses 6(a), 6(b) and 6(c) are to be excluded from the annual management fee, remuneration for these services must be stated in Annex E (Fee Schedule). See subclause 13(e).~~

~~(d) issuing voyage instructions;~~

~~(e) appointing agents;~~

~~(f) appointing stevedores; and~~

~~(g) arranging surveys associated with the commercial operation of the Vessel.~~

7. Insurance Arrangements

(only applicable if agreed according to Box 11).
For the entire duration of this Agreement, ~~The~~ **the** Managers shall arrange insurances in accordance with Clause 11 (Insurance Policies), on such terms as the Owners shall have instructed or agreed, in particular regarding conditions, insured values, deductibles, franchises and limits of liability.

SECTION 3 – Obligations

8 Managers' Obligations

(a) The Managers undertake to use their best endeavours to provide the Management Services as agents for and on behalf of the Owners in accordance with sound ship management practice and to protect and promote the interests of the Owners in all matters relating to the provision of services hereunder.

Provided, however, that in the performance of their management responsibilities under this Agreement, the Managers shall be entitled to have regard to their overall responsibility in relation to all vessels as may from time to time be entrusted to their management and in particular, but without prejudice to the generality of the foregoing, the Managers shall be entitled to allocate available personnel and resources in such manner as in the prevailing circumstances the Managers in their absolute discretion consider to be fair and reasonable.

(b) Where the Managers are providing technical management services in accordance with Clause 4 (Technical Management), they shall procure that the requirements of the Flag State are satisfied and they (or their nominee) shall agree to be appointed as the Company, assuming the responsibility for the operation of the Vessel and taking over the duties and responsibilities imposed by the ISM Code and the ISPS Code, if applicable.

9. Owners' Obligations

(a) The Owners shall pay all sums due to the Managers punctually in accordance with the terms of this Agreement. In the event of payment after the due date of any outstanding sums the Manager shall be entitled to charge interest at the rate stated in Box 13.

(b) Where the Managers are providing technical management services in accordance with Clause 4 (Technical Management), the Owners shall:

(i) report (or where the Owners are not the registered owners of the Vessel procure that the registered owners report) to the Flag State administration the details of the Company responsible for compliance with the ISM and ISPS Codes;

(ii) procure that any officers and ratings supplied by them or on their behalf comply with the requirements of STCW; and

(iii) instruct such officers and ratings to obey all reasonable orders of the Managers (in their capacity as the Company) in connection with the operation of the Managers' safety management system.

~~(c) Where the Managers are not providing technical management services in accordance with Clause 4 (Technical Management), the Owners shall:~~

~~(i) procure that the requirements of the Flag State are satisfied and notify the Managers upon execution of this Agreement of the name and contact details of the organisation that will be the Company by completing Box 5;~~

~~(ii) if the Company changes at any time during this Agreement, notify the Managers in a timely manner of the name and contact details of the new organisation;~~

~~(iii) procure that the details of the Company, including any change thereof, are reported to the Flag State administration as required to comply with the ISM and ISPS Codes. The Owners shall advise the Managers in a timely manner when the Flag State administration has approved the Company; and~~

~~(iv) unless otherwise agreed, arrange for the supply of provisions at their own expense.~~

(d) Where the Managers are providing crew management services in accordance with subclause 5(a) the Owners shall:

(i) inform the Managers prior to ordering the Vessel to any excluded or additional premium area under any of the Owners' Insurances by reason of war risks and/or piracy or like perils and pay whatever additional costs may properly be incurred by the Managers as a consequence of such orders including, if necessary, the costs of replacing any member of the Crew. Any delays resulting from negotiation with or replacement of any member of the Crew as a result of the Vessel being ordered to such an area shall be for the Owners' account. Should the Vessel be within an area which becomes an excluded or additional premium area the above provisions relating to cost and delay shall apply;

(ii) agree with the Managers prior to any change of flag of the Vessel and pay whatever additional costs may properly be incurred by the Managers as a consequence of such change. If agreement cannot be reached then either Party may terminate this Agreement in accordance with subclause 31(f); and

(iii) provide, at no cost to the Managers, in accordance with the requirements of the law of the Flag State, or higher standard, as mutually agreed, adequate Crew accommodation and living standards.

~~(e) Where the Managers are not the Company, the Owners shall ensure that Crew are properly familiarised with their duties in accordance with the Vessel's SMS and that instructions which are essential to the SMS are identified, documented and given to the Crew prior to sailing.~~

10. **Emission Trading Scheme Allowances**

~~ATTENTION: It is strongly recommended that the Parties read the accompanying explanatory notes and, in particular, carefully consider the consequences of the Owners mandating and the Managers accepting such mandate by a signed document whereby the Managers assume responsibility for compliance with applicable Emission Scheme(s) under subclause (b) of this Clause. The Parties should complete the number of days in subclause (b)(iii), (iv) and (v).~~

Notwithstanding any other provision in this Agreement, the Owners and the Managers (together the "Parties" and each individually a "Party") agree as follows:

"Administering Authority" means the administering authority in the European Union member state which has been assigned to the Responsible Entity applicable to the Vessel.

"Emission Allowances" means an allowance, credit, quota, permit or equivalent, representing a right of a vessel to emit a specified quantity of greenhouse gas emissions recognised by the Emission Scheme.

"Emission Data" means data and records of the Vessel's emissions in the form and manner necessary to calculate its Emission Allowances.

~~"Emission Scheme" means a greenhouse gas emissions trading scheme which for the purposes of this Clause shall include the European Union Emissions Trading System and any other similar systems imposed by applicable lawful authorities that regulate the issuance, allocation, trading or surrendering of Emission Allowances.~~

"EU Emission Scheme" or "EU ETS" means the European Union Emissions Trading System (Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC) that regulates the issuance, allocation, trading or surrendering of Emission Allowances, including the Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023, and any amendment thereto or substitution therefor.

"EU MRV" means the European Union (EU) MRV Regulation (Regulation (EU) 2015/757 on the monitoring, reporting and verification of greenhouse gas emissions from maritime transport, and any amendment thereto or substitution therefor.

"EU Voyage" means a voyage made by the Vessel from a foreign port to a port in the European Union, or a voyage from one port to another port within the European Union, or a voyage from a port within the European Union to a foreign port, which is subject to the EU Emission Scheme.

"Responsible Entity" means the party responsible for compliance under ~~any~~ **the EU** Emission Scheme~~(s)~~ applicable to the Vessel ~~by law and/or regulation~~.

(a) **The Owners (or the Owners' nominee) shall be the Responsible Entity and comply with the EU ETS as applicable to the Vessel throughout the period of this Agreement at the Owners' expense.**

(b) **The Managers shall provide the Owners with Emission Data in a timely manner to enable Owners (or the Owners' nominee) to fulfil their obligations as the Responsible Entity under subclause 10(a) hereabove, and/or at regular intervals to be agreed between the Parties. Such Emission Data shall be verified by an accredited verifier and, if required by Owners, audited by an independent party approved by them, at the Owners' expense.**

(c) **The Managers shall provide EU MRV and EU ETS management services for the Vessel which shall include, but not be limited to, the following:**

(i) establishing a monitoring system, developing a greenhouse gas emissions monitoring plan, having it assessed by a verifier, and submitting it to the Administering Authority;
(ii) arranging the monitoring, reporting and verification of the Emission Data in accordance with the EU MRV and EU ETS, respectively;
(iii) providing the Owners with Emission Data in accordance with subclause 10(b) hereabove together with the calculation of the Emission Allowances required thereof;
(iv) assisting the Owners to apply for a maritime operator holding account with the Administering Authority; and
(v) arranging the surrender of Emission Allowances to the Administering Authority in accordance with the EU Emission Scheme, subject always to the Owners having provided such Emission Allowances to the Managers.

The Managers shall perform the management services under this subclause 10(c) for and on behalf of the Owners provided that and to the extent the Administering Authority permits and it is possible for the Managers to do.

(d) Any Emission Allowances deposited or transferred by the Owners to the Managers under subclause 10(c) hereabove shall be held to the credit of the Owners until surrendered to the Administering Authority applicable to the Vessel.

(e) For their management services under this Clause 10 the Owners shall pay to the Managers fees of (i) USD150.00 per month, and (ii) USD250.00 per EU Voyage made by the Vessel provided that ABS (American Bureau of Shipping) is used for verification of the Emission Data, otherwise USD300.00 per EU Voyage. These fees shall be additional to and separate from the annual management fee and shall be subject to annual review.

For the avoidance of doubt, this Clause 10 shall apply to the EU Emission Scheme only. The Parties shall agree separate terms and arrangements for compliance with any other similar emission schemes imposed by applicable lawful authorities that regulate the monitoring, reporting, issuance, allocation, trading or surrendering of emission allowances.

~~(a) Owners as Responsible Entity~~

~~Where the Owners are the Responsible Entity:~~

~~(i) the Owners shall comply with or procure compliance with any Emission Scheme(s) applicable to the Vessel throughout the period of this Agreement at their expense.~~

~~(ii) the Managers shall provide the Owners with Emission Data in a timely manner to enable compliance with subclause (i) above, and/or at regular intervals to be agreed between the Parties. Such Emission Data shall be verified by an accredited verifier, where applicable, and if required by Owners audited by an independent party approved by them, at the Owners' expense.~~

~~(iii) Emission Scheme Management Services~~

~~This subclause (iii) is applicable only if the Parties state "Yes" in Box 14(i)~~

~~The Managers shall provide Emission Scheme management services which shall include, but not be limited to, the following:~~

~~(1) providing the Owners with Emission Data in accordance with subclause (a)(ii) above together with the calculation of the Emission Allowances required;~~

~~(2) arranging the monitoring and reporting of the Emission Data to the administering authority in accordance with the Emission Scheme(s); and~~

~~(3) arranging the surrender of the Owners' Emission Allowances in accordance with the Emission Scheme(s).~~

~~(b) Managers as Responsible Entity~~

~~Where the Managers (or the Managers' nominee) are made the Responsible Entity under any Emission Scheme(s) applicable to the Vessel, or assume that responsibility by agreement between the Parties in accordance with such Emission Scheme(s)*, the following shall apply:~~

~~(i) The Managers shall provide the Owners with Emission Data in accordance with subclause (a)(ii) above together with the calculation of the Emission Allowances required.~~

~~(ii) The Managers shall monitor and report Emission Data to the administering authority in accordance with the Emission Scheme(s) applicable to the Vessel.~~

~~(iii) The Managers shall each month prepare and present to the Owners, in writing, their estimates of the Emission Allowances for the Vessel for the ensuing month, including the reconciliation of the Vessel's actual emissions under each Emission Scheme applicable to the Vessel for the previous months and adjustment for any previous shortfall or excess. Such Emission Allowances shall be received by the Managers (or the Managers' nominee) from the Owners within the number of days stated in Box 14(ii) after receipt by the Owners of the Managers' written request.~~

~~(iv) No later than fourteen (14) days prior to termination of this Agreement, the Managers shall prepare and present to the Owners, in writing, their estimates of the Emission Allowances due for the Vessel for the final month or part thereof, except that where the Agreement is terminated in circumstances which do not allow the Managers fourteen (14) days' time the Managers shall notify the Owners of said Emission Allowances as soon as possible. Within the number of days stated in Box 14 (ii) of such notification, but not later than the termination of the Agreement, the Emission Allowances notified by the Managers shall be transferred by the Owners to the Managers (or the Managers' nominee).~~

~~(v) Any difference between the Emission Allowances estimated according to subclause (b)(iv) above and the Emission Allowances actually due according to the Emission Scheme(s) applicable to the Vessel as at the time and date of termination of this Agreement, shall be reconciled and settled between the Parties within the number of days stated in Box 14(ii).~~

~~(vi) The Parties may agree to financial security for the Owners' obligations under subclause (b)(iii), (iv) and (v) above. In any event, the Owners shall provide the Managers (or the Managers' nominee) in a timely manner with the Emission Allowances required to fulfil their~~

~~obligations under the applicable Emission Scheme(s).~~

~~(vii) The Managers (or the Managers' nominee) shall surrender the Emission Allowances in accordance with the Emission Scheme(s) applicable to the Vessel, subject always to the Owners being/remaining responsible for providing such emission Allowances to the Managers (or the Managers' nominee).~~

~~(viii) Any Emission Allowances or financial security transferred by the Owners to the Managers (or the Managers' nominee) under this subclause (b) shall be held to the credit of the Owners separately until surrendered to the administering authority of the Emission Scheme(s) applicable to the Vessel.~~

~~(c) The Owners shall pay to the Managers the fee stated in Box 14(iii) in an area subject to an Emission Scheme applicable to the Vessel. If no amount is entered in Box 14(iii), such fee shall be assumed to be included in the annual management fee.~~

~~(d) If either Party fails to comply with any of its obligations under this Clause, the other Party shall be entitled to terminate this Agreement with immediate effect by giving notice to the Party in default.~~

~~* The European Union Emission Trading System's Commission Implementing Regulation (EU) 2023/2599 of 22 November 2023 laying down rules for the application of Directive 2003/87/EC requires a signed document clearly indicating that the Managers have been duly mandated by the Owners for the Managers to assume responsibility under subclause (b).~~

SECTION 4 – Insurance, Budgets, Income, Expenses and Fees

11. Insurance Policies

The Owners shall procure, whether by instructing the Managers under Clause 7 (Insurance Arrangements) or otherwise, that throughout the period of this Agreement:

(a) at the Owners' expense, the Vessel is insured for not less than its sound market value or entered for its full gross tonnage, as the case may be, for:

(i) hull and machinery marine risks (including but not limited to crew negligence) and excess liabilities;

(ii) protection and indemnity risks (including but not limited to pollution risks, diversion expenses and, except to the extent insured separately by the Managers in accordance with subclause 5(b)(i), Crew Insurances);

NOTE: If the Managers are not providing crew management services under subclause 5(a) (Crew Management) or have agreed not to provide Crew Insurances separately in accordance with subclause 5(b)(i), then such insurances must be included in the protection and indemnity risks cover for the Vessel (see subclause 11(a)(ii) above).

(iii) war risks (including but not limited to piracy, blocking and trapping, protection and indemnity, terrorism and crew risks); and

(iv) such optional insurances as may be agreed (such as kidnap and ransom, loss of hire and FD & D) (see Box 12).

Subclauses 11(a)(i) through 11(a)(iv) all in accordance with the best practice of prudent owners of vessels of a similar type to the Vessel, with sound and reputable insurance companies, underwriters or associations **and, for protection and indemnity risks, with a club or association which is a member of the International Group of P&I Clubs** ("the Owners' Insurances");

(b) all premiums and calls on the Owners' Insurances are paid by their due date;

(c) the Owners' Insurances name the Managers and, subject to underwriters' agreement, any third party designated by the Managers as a joint assured, with full cover. It is understood that in some cases, such as protection and indemnity, the normal terms for such cover may impose on the Managers and any such third party a liability in respect of premiums or calls arising in connection with the Owners' Insurances.

If obtainable at no additional cost, however, the Owners shall procure such insurances on terms such that neither the Managers nor any such third party shall be under any liability in respect of premiums or calls arising in connection with the Owners' Insurances. In any event, on termination of this Agreement in accordance with Clause 30 (Duration of the Agreement) and Clause 31 (Termination), the Owners shall procure that the Managers and any third party designated by the Managers as joint assured shall cease to be joint assured and, if reasonably achievable, that they shall be released from any and all liability for premiums and calls that may arise in relation to the period of this Agreement; and

(d) written evidence is provided, to the reasonable satisfaction of the Managers, of the Owners' compliance with their obligations under this Clause 11 within a reasonable time of the commencement of the Agreement, and of each renewal date and, if specifically requested, of each payment date of the Owners' Insurances.

12. Owners' Receivables and Expenses

(a) Except as provided in subclause 12(c) all monies collected by the Managers under the terms of this Agreement (other than monies payable by the Owners to the Managers) and any interest thereon shall be held to the credit of the Owners in the nominated bank account stated in Box 17.

(b) All expenses incurred by the Managers under the terms of this Agreement on behalf of the Owners (including expenses as provided in subclause 13(c)) may be debited against the Owners in the account referred to under subclause 12(a) but shall in any event remain payable by the Owners to the Managers on demand.

~~(c) All monies collected by the Managers under Clause 6 (Commercial Management) shall be paid into a bank account in the name of the Owners or as may be otherwise advised by the Owners in writing.~~

~~(d) All emission allowances collected by the Managers under Clause 6 (Commercial Management) shall be deposited into the account advised by the Owners in writing.~~

13. Management Fees and Expenses

(a) (i) The Owners shall pay to the Managers a predelivery management fee as stated in Box 15(i) at the same time as the Owners pay the first instalment of the annual management fee to the Managers according to subclause 13(a)(ii). If Box 15(i) is left blank, an amount equivalent to one twelfth (1/12th) of the annual management fee shall apply. The predelivery management fee shall be payable to the nominated bank account stated in Box 17.

(ii) The Owners shall pay to the Managers an annual management fee as stated in Box 15(ii) for their services as Managers under this Agreement, which shall be payable in equal monthly instalments in advance, the first instalment (pro rata if appropriate) being payable as from Delivery and subsequent instalments being payable at the beginning of every calendar month. The annual management fee shall be payable to the nominated bank account stated in Box 17.

(iii) In the event Delivery of the Vessel does not take place for any reason other than default by the Managers, the predelivery management fee stated in Box 15(i) shall remain payable by the Owners to the Managers.

(b) The annual management fee shall be **increased by two and one half percent (2.5%) annually**~~subject to an annual review and the proposed fee shall be presented in the annual budget in accordance with subclause 14(a)~~.

(c) The Managers shall, at no extra cost to the Owners, provide their own office accommodation, office staff, facilities and stationery. Without limiting the generality of this Clause 13 (Management Fees and Expenses) the Owners shall reimburse the Managers for postage and communication expenses, travelling expenses, and other out of pocket expenses properly incurred by the Managers in the performance of the Management Services .

Any days used by the Managers' personnel travelling to or from or attending on the Vessel or otherwise used in connection with the Management Services in excess of those agreed shall be charged in accordance with Box 16 **except that the daily rate stated in Box 16(i) shall always be chargeable for attendance of any average damage occurrence and repairs, or for attendance of any extraordinary repairs or modifications or unscheduled (non-statutory) dry docking of the Vessel**.

(d) If the Owners decide to layup the Vessel and such layup lasts for more than the number of months stated in Box 18, an appropriate reduction of the annual management fee for the period exceeding such period until one (1) month before the Vessel is again put into service shall be mutually agreed between the Parties. If the Managers are providing crew management services in accordance with subclause 5(a), consequential costs of reduction and reinstatement of the Crew shall be for the Owners' account. If agreement cannot be reached then either Party may terminate this Agreement in accordance with subclause 31(e).

(e) Save as otherwise provided in this Agreement, all discounts and commissions obtained by the Managers in the course of the performance of the Management Services shall be credited to the Owners.

(f) All payments of fees and any other payments due to the Managers under this Agreement shall be made without any set-off whatsoever and free and clear of any withholding or deduction for, or on account of, any present or future stamp or other taxes, levies, fees, charges, restrictions or conditions of any nature. If the Owners are required by any authority in any country to make any withholding or deduction from any such payment, the sum due from the Owners in respect of such payment will be increased to the extent necessary to ensure that, after the making of such withholding or deduction the Managers receive a net sum equal to the amount which they would have received had no such deduction or withholding been required to be made.

(g) Any change of the nominated bank account stated in Box 17 shall only be made **by a signed notification in writing from the Managers to the Owners, which shall be subject to a secondary verification by a telephone call made by the Owners to the Managers**~~in accordance with a secure protocol agreed between the Parties in writing, which shall include a secondary verification process~~. Under no circumstances shall any change of the nominated bank account be made by email alone.

14. Budgets and Management of Funds

(a) The Managers' initial budget (including predelivery costs and expenses, as applicable) is set out in Annex "C" hereto. Subsequent budgets shall be for twelve (12) month periods and shall be prepared by the Managers and presented to the Owners not less than three (3) months before the end of the budget year.

(b) The Owners shall state to the Managers in a timely manner, but in any event within one (1) month of presentation, whether or not they agree to each proposed annual budget. The Parties shall negotiate in good faith and if they fail to agree on the annual budget, including the annual management fee, either Party may terminate this Agreement in accordance with subclause 31(e).

(c) Following the agreement of the budget, the Managers shall prepare and present to the Owners their estimate of the working capital requirement for the Vessel and shall each month request the Owners in writing to pay the funds required to run the Vessel for the ensuing month, including the payment of any occasional or extraordinary item of expenditure, such as emergency repair costs, additional insurance premiums, bunkers or provisions. Such funds shall be received by the Managers within ten (10) running days after the receipt by the Owners of the Managers' written request and shall be held to the credit of the Owners in the nominated bank account stated in Box 17.

Subject to Clause 3 and subclause 4(f), the Managers will seek Owners' prior written approval for any unbudgeted expenditure, which shall not be unreasonably withheld or delayed by the Owners, except that in cases of urgency the Managers may incur or commit to such expenditure without Owners' approval but shall notify the Owners of it as soon as possible.

(d) The Managers shall at all times maintain and keep true and correct accounts in respect of the Management Services in accordance with the relevant ~~International Financial Reporting Standards~~ **United States Generally Accepted Accounting Practices (US GAAP)** or such other standard as the Parties may agree, including records of all costs and expenditure incurred, and produce a comparison between budgeted and actual income and expenditure of the Vessel in such form and at such intervals as shall be mutually agreed.

The Managers shall make such accounts available for inspection and auditing by the Owners and/or their representatives in the Managers' offices or by electronic means, provided reasonable notice is given by the Owners.

(e) Notwithstanding anything contained herein, the Managers shall in no circumstances be required to use or commit their own funds to finance the provision of the Management Services.

SECTION 5 – Legal, General and Duration of Agreement

15. Trading Restrictions

If the Managers are providing crew management services in accordance with subclause 5(a) (Crew Management), the Owners and the Managers will, prior to the commencement of this Agreement, agree on any trading restrictions to the Vessel that may result from the terms and conditions of the Crew's employment and shall review such trading restrictions if warranted during the period of this Agreement.

16. Replacement

If the Managers are providing crew management services in accordance with subclause 5(a) (Crew Management), the Owners may require the replacement, at their own expense, at the next reasonable opportunity, of any member of the Crew found on reasonable grounds to be unsuitable for service. If the Managers have failed to fulfil their obligations in providing suitable qualified Crew within the meaning of subclause 5(a) (Crew Management), then such replacement shall be at the Managers' expense.

17. Managers' Right to Subcontract

The Managers shall not subcontract any of their obligations hereunder without the prior written consent of the Owners which shall not be unreasonably withheld, however, the Managers may use their Affiliates to provide services ancillary to the Management Services. In any event the Managers shall remain fully liable for the due performance of the Management Services under this Agreement.

18. Change of Control

Each Party undertakes to provide the other at least fifteen (15) days' written notice of any proposed change of Control of such Party. The other Party shall be deemed to consent if it does not object in writing within fifteen (15) days of receipt of the written notice. If the other Party objects and agreement cannot be reached, then either Party may terminate this Agreement in accordance with subclause 31(f).

19. Responsibilities

(a) Force Majeure

Neither Party shall be liable for any loss, damage or delay due to any of the following force majeure events and/or conditions to the extent that the Party invoking force majeure is prevented or hindered from performing any or all of their obligations under this Agreement, provided they have made all reasonable efforts to avoid, minimise or prevent the effect of such events and/or conditions:

(i) acts of God;

(ii) any government requisition, control, intervention, requirement or interference;

(iii) any circumstances arising out of war, threatened act of war or warlike operations, acts of terrorism, sabotage or piracy, or the consequences thereof;

(iv) riots, civil commotion, blockades or embargoes;

(v) plague, epidemics or pandemics;

(vi) earthquakes, landslides, floods or other natural disaster or extreme natural event;

(vii) strikes, lockouts or other industrial action, unless limited to the employees (which shall not include the Crew) of the Party seeking to invoke force majeure;

(viii) ionising radiation or contamination by radioactivity, chemical or biological contamination;

(ix) fire, accident, explosion except where caused by negligence of the Party seeking to invoke force majeure; and

(x) any other similar cause beyond the reasonable control of either Party.

(b) Liability to Owners

(i) Without prejudice to subclause 19(a), the Managers shall be under no liability whatsoever to the Owners for any loss, damage, delay or expense of whatsoever nature, whether direct or indirect, (including but not limited to loss of profit arising out of or in connection with detention of or delay to the Vessel) and howsoever arising in the course of performance of the Management Services UNLESS same is proved to have resulted solely from the negligence, gross negligence or wilful default of the Managers (including their Affiliates) or their employees or agents, or subcontractors employed by them in connection with the Vessel, in which case (save where loss, damage, delay or expense has resulted from the Managers' personal act or omission committed with the intent to cause same or recklessly and with knowledge that such loss, damage, delay or expense would probably result) the Managers' liability for each incident or series of incidents giving rise to a claim or claims shall never exceed a total of ten (10) times the annual management fee payable hereunder.

(ii) Acts or omissions of the Crew - Notwithstanding anything that may appear to the contrary in this Agreement, the Managers shall not be liable for any acts or omissions of the Crew, even if such acts or omissions are negligent, grossly negligent or wilful, except only to the extent that they are shown to have resulted from a failure by the Managers to discharge their obligations under subclause 5(a) (Crew Management), in which case their liability shall be limited in accordance with the terms of this Clause 19 (Responsibilities).

(c) Indemnity

Except to the extent and solely for the amount therein set out that the Managers would be liable under subclause 19(b), the Owners hereby undertake to keep the Managers (including their Affiliates) and their employees, agents and subcontractors indemnified and to hold them harmless against all actions, proceedings, claims, demands or liabilities whatsoever or howsoever arising which may be brought against them or incurred or suffered by them arising out of or in connection with the performance of this Agreement, and against and in respect of all costs, loss, damages and expenses (including legal costs and expenses on a full indemnity basis) which the Managers may suffer or incur (either directly or indirectly) in the course of the performance of this Agreement.

(d) "Himalaya"

It is hereby expressly agreed that no employee or agent of the Managers (including every Affiliate and subcontractor from time to time employed by the Managers) shall in any circumstances whatsoever be under any liability whatsoever to the Owners for any loss, damage or delay of whatsoever kind arising or resulting directly or indirectly from any act, neglect or default on his part while acting in the course of or in connection with his employment and, without prejudice to the generality of the foregoing provisions in this Clause 19 (Responsibilities), every exemption, limitation, condition and liberty herein contained and every right, exemption from liability, defence and immunity of whatsoever nature applicable to the Managers or to which the Managers are entitled hereunder shall also be available and shall extend to protect every such employee or agent of the Managers acting as aforesaid and for the purpose of all the foregoing provisions of this Clause 19 (Responsibilities) the Managers are or shall be deemed to be acting as agent or trustee on behalf of and for the benefit of all persons who are or might be their servants or agents from time to time (including Affiliates and subcontractors as aforesaid) and all such persons shall to this extent be or be deemed to be parties to this Agreement.

20. General Administration

(a) The Managers shall keep the Owners and, if appropriate, the Company informed in a timely manner of any incident of which the Managers become aware which gives or may give rise to delay to the Vessel or claims or disputes involving third parties.

(b) The Managers shall handle and settle all claims and disputes arising out of the Management Services hereunder, unless the Owners instruct the Managers otherwise. The Managers shall keep the Owners appropriately informed in a timely manner throughout the handling of such claims and disputes.

(c) The Owners may request the Managers to bring or defend other actions, suits or proceedings related to the Management Services, on terms to be agreed.

(d) The Managers shall have power to obtain appropriate legal or technical or other outside expert advice, in consultation with the Owners, in relation to the handling and settlement of claims in relation to subclauses 20(a) and 20(b) and disputes and any other matters affecting the interests of the Owners in respect of the Vessel.

(e) On giving reasonable notice, the Owners may request, and the Managers shall in a timely manner make available, all documentation, information and records in respect of the matters covered by this Agreement either related to mandatory rules or regulations or other obligations applying to the Owners in respect of the Vessel under this Agreement to the extent permitted by relevant legislation.

On giving reasonable notice, the Managers may request, and the Owners shall in a timely manner make available, all documentation, information and records reasonably required by the Managers to enable them to perform the Management Services.

(f) The Owners shall arrange for the provision of any necessary guarantee bond or other security.

(g) Any costs incurred by the Managers in carrying out their obligations according to this Clause 20 shall be reimbursed by the Owners.

21. Managers' Information System

(a) The Managers will provide the Owners access to the Vessel's data through the Managers' digital information platform.

(b) The Owners agree that the Managers have full and sole ownership of the Managers' digital information platform, including intellectual property rights and copyright under law, and that the Owners shall be granted access to it for the duration of the Agreement only and shall relinquish any interest in it thereafter.

22. Vessel's Information and Data

All accounts, documents and information, including electronic data, relating specifically to the Vessel and its operation ("Vessel Information") shall be the property of the Owners. Upon termination of this Agreement the Managers shall release the Vessel Information to the Owners, if so requested. The Vessel Information shall be provided to the Owners, originals where possible or otherwise certified copies, with electronic data in a mutually agreed form. The Managers may retain copies of the Vessel Information.

23. Inspection of Vessel

The Owners may at any time after giving reasonable notice to the Managers inspect the Vessel for any reason they consider necessary.

24. Compliance with Laws and Regulations

The Parties will not do or permit to be done anything which might cause any breach or infringement of the laws and regulations of the Flag State, or of the places where the Vessel trades.

25. MLC

For the purposes of this Clause:

"MLC" means the International Labour Organization (ILO) Maritime Labour Convention (MLC 2006) and any amendment thereto or substitution thereof.

"Shipowner" shall mean the party named as "shipowner" on the Maritime Labour Certificate for the Vessel.

(a) Subject to Clause 3 (Authority of the Managers), the Managers shall, to the extent of their Management Services, assume the Shipowner's duties and responsibilities imposed by the MLC for the Vessel, on behalf of the Shipowner.

(b) The Owners shall ensure compliance with the MLC in respect of any crew members supplied by them or on their behalf.

(c) The Owners shall procure, whether by instructing the Managers under Clause 7 (Insurance Arrangements) or otherwise, insurance cover or financial security to satisfy the Shipowner's financial security obligations under the MLC.

26. Personal Data Protection

For the purposes of this Clause:

"Data Subject" means any identified or identifiable natural person, including Crew.

"Personal Data" means any information relating to any Data Subject connected with the Management Services.

"DPR" means any data protection regulations applicable to the Parties in relation to the Management Services, including the European Union General Data Protection Regulation (GDPR).

(a) The Parties shall each ensure compliance with the DPR in respect of Personal Data, with particular regard to:

(i) its collection and use;

(ii) its safeguarding;

(iii) any transfer to third parties;

(iv) its retention; and

(v) the protection of Data Subjects' rights.

(b) The Parties shall have proper notification and response procedures for any Personal Data breach.

(c) The Parties agree to conduct or submit to audits or inspections in accordance with the DPR.

27. Cyber Security

For the purposes of this Clause:

"Cyber Security Incident" is the loss or unauthorised destruction, alteration, disclosure of, access to, or control of a Digital Environment.

"Cyber Security" is technologies, processes, procedures and controls that are designed to protect Digital Environments from Cyber Security Incidents.

"Digital Environment" is information technology systems, operational technology systems, networks, internet-enabled applications or devices and the data contained within such systems.

(a) Each Party shall:

(i) implement appropriate Cyber Security measures and systems and otherwise use reasonable endeavours to maintain its Cyber Security;

(ii) have in place appropriate plans and procedures to allow it to respond efficiently and effectively to a Cyber Security Incident; and

(iii) regularly review its Cyber Security arrangements to verify its application in practice and maintain and keep records evidencing the same.

(b) Each Party shall use reasonable endeavours to ensure that any third party providing services on its behalf in connection with this Agreement complies with the terms of subclause (a)(i)-(iii).

(c) If a Party becomes aware of a Cyber Security Incident which affects or is likely to affect either Party's Cyber Security, it shall promptly notify the other Party.

(i) If the Cyber Security Incident is within the Digital Environment of one of the Parties, that Party shall:

(1) promptly take all steps reasonably necessary to mitigate and/or resolve the Cyber Security Incident; and

(2) as soon as reasonably practicable, but no later than twelve (12) hours after the original notification, provide the other Party with details of how it may be contacted and any information it may have which may assist the other Party in mitigating and/or preventing any effects of the Cyber Security Incident.

(ii) Each Party shall share with the other Party any information that subsequently becomes available to it which may assist the other Party in mitigating and/or preventing any effects of the Cyber Security Incident.

28. Sanctions

(a) For the purposes of this Clause:

"Sanctioned Activity" means any activity, service, carriage, trade or voyage subject to sanctions, prohibitions or restrictions imposed by a Sanctioning Authority.

"Sanctioning Authority" means the United Nations, European Union, United Kingdom, United States of America or any other applicable competent authority or government.

"Sanctioned Party" means any persons, entities, bodies, or vessels designated by a Sanctioning Authority.

(b) On entering into and throughout the duration of this Agreement:

(i) Owners and Managers warrant for themselves that they are not a Sanctioned Party and that any performance under this Agreement shall not constitute a Sanctioned Activity;

(ii) Owners warrant that the Vessel is not a Sanctioned Party and will not be used for any Sanctioned Activity;

(iii) Managers warrant that they will not subcontract any of their duties or obligations under this Agreement to any Sanctioned Party.

(c) If at any time during the performance of this Agreement either Party becomes aware that the other Party is in breach of any warranty given under subclause 28(b), the Party not in breach may terminate this Agreement with immediate effect by giving notice to the Party in breach.

(d) Notwithstanding anything in this Clause to the contrary, neither Owners nor Managers shall be required to do anything which constitutes a Sanctioned Activity.

(e) Notwithstanding any other provision in this Agreement, Owners and Managers shall be liable to indemnify the other Party against any and all claims, losses, damages, costs and fines whatsoever suffered by the other Party resulting from any breach of the warranties given under subclause 28(b).

29. Anti-Corruption

(a) The Parties agree that in connection with the performance of this Agreement they shall each comply at all times with all applicable anti-corruption legislation.

(b) Notwithstanding any other provision in this Agreement, if either Party fails to comply with any applicable anti-corruption legislation:

(i) it shall defend and indemnify the other Party against any and all claims, losses, damages, costs and fines whatsoever suffered by the other Party resulting from such breach; and

(ii) if such breach causes the non-breaching Party to be in breach of any applicable anti-corruption legislation, the non-breaching Party shall be entitled to terminate this Agreement and/or claim losses, damages and costs resulting from the breach.

30. Duration of the Agreement

(a) This Agreement shall come into effect at the date stated in Box 2 and shall continue until terminated by either Party by giving notice to the other; in which event this Agreement shall terminate upon the expiration of the later of the number of months stated in Box 19 or a period of two (2) months from the date on which such notice is received, unless terminated earlier in accordance with Clause 31 (Termination).

(b) Where the Vessel is not at a mutually convenient port or place on the expiry of such period, this Agreement shall terminate on the subsequent arrival of the Vessel at the next mutually convenient port or place.

31. Termination

(a) Owners' or Managers' default

If either Party fails to meet their obligations under this Agreement, the other Party may give notice to the Party in default requiring them to remedy it. In the event that the Party in default fails to remedy it within a reasonable time to the reasonable satisfaction of the other Party, that Party shall be entitled to terminate this Agreement with immediate effect by giving notice to the Party in default.

(b) Notwithstanding subclause 31(a):

(i) The Managers shall be entitled to terminate the Agreement with immediate effect by giving notice to the Owners if any monies payable by the Owners and/or the owners of any associated vessel, details of which are listed in Annex "D", shall not have been received in the Managers' nominated account within ten (10) days of receipt by the Owners of the Managers' written request, or if the Vessel is repossessed.

(ii) If the Owners proceed with the employment of or continue to employ the Vessel in the carriage of contraband, blockade running, or in an unlawful trade, or on a voyage which in the reasonable opinion of the Managers is unduly hazardous or improper, the Managers may give notice of the default to the Owners, requiring them to remedy it as soon as practically possible. In the event that the Owners fail to remedy it within a reasonable time to the satisfaction of the Managers, the Managers shall be entitled to terminate the Agreement with immediate effect by notice.

(iii) If either Party fails to meet their respective obligations under subclause 5(b) (Crew Insurances) and Clause 11 (Insurance Policies), the other Party may give notice to the Party in default requiring them to remedy it immediately, failing which the other Party may terminate this Agreement with immediate effect by giving notice to the Party in default.

(c) Extraordinary Termination

This Agreement shall be deemed to be terminated in the case of the sale of the Vessel or, if the Vessel becomes a total loss or is declared as a constructive or compromised or arranged total loss or is requisitioned or has been declared missing or, if bareboat chartered, unless otherwise agreed, when the bareboat charter comes to an end.

(d) For the purpose of subclause 31(c) hereof:

(i) the date upon which the Vessel is to be treated as having been sold or otherwise disposed of shall be the date on which the Vessel's owners cease to be the registered owners of the Vessel;

(ii) the Vessel shall be deemed to be lost either when it has become an actual total loss or agreement has been reached with the Vessel's underwriters in respect of its constructive total loss or if such agreement with the Vessel's underwriters is not reached it is adjudged by a competent court or tribunal that a constructive loss of the Vessel has occurred; and

(iii) the date upon which the Vessel is to be treated as declared missing shall be ten (10) days after the Vessel was last reported or when the Vessel is recorded as missing by the Vessel's underwriters, whichever occurs first. A missing vessel shall be deemed lost in accordance with the provisions of subclause 31(d)(ii).

(e) In the event the Parties fail to agree the annual budget in accordance with subclause 14(b), or to agree to a reduction in the annual management fee in accordance with subclause 13(d), either Party may terminate this Agreement by giving the other Party not less than one (1) month's notice, the result of which will be the expiry of the Agreement at the end of the current budget period or on expiry of the notice period, whichever is the later.

(f) In the event the Parties fail to agree a change of flag in accordance with subclause 9(d)(iii), or to a change of Control in accordance with Clause 18, either Party may terminate this Agreement by giving the other Party not less than one (1) month's notice, the result of which will be the termination of the Agreement upon the change of flag or change of Control or on expiry of the notice period, whichever is the earlier.

(g) This Agreement shall terminate forthwith in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of either Party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver or administrator is appointed, or if it suspends payment, ceases to carry on business or makes any special arrangement or composition with its creditors.

(h) In the event of the termination of this Agreement for any reason other than default by the Managers the annual management fee payable to the Managers according to the provisions of Clause 13 (Management Fees and Expenses), shall continue to be payable for a further period of the number of months stated in Box 20 as from the effective date of termination. If Box 20 is left blank then ninety (90) days shall apply.

(i) In addition, where the Managers provide Crew for the Vessel in accordance with subclause 5(a) (Crew Management), the Owners shall pay any Severance Costs which may be incurred, not exceeding the amount stated in Box 21. The Managers shall use their reasonable endeavours to minimise such Severance Costs.

(j) The termination of this Agreement shall be without prejudice to all rights accrued due between the Parties prior to the date of termination.

32 BIMCO Law and Arbitration Clause 2020

The Parties have been given a choice of law and arbitration alternatives in Part I and this is the clause that shall apply.

(a) This contract shall be governed by and construed in accordance with English law and any dispute arising out of or in connection with this contract shall be referred exclusively to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this clause. The seat of arbitration shall be London even where any hearing takes place in another jurisdiction.

(b) The reference shall be to three (3) arbitrators.

(c) The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms.

(d) In cases where neither the claim nor any counterclaim exceeds the sum of USD 100,000 (or such other sum as the parties may agree) the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure. In cases where the claim or any counterclaim exceeds the sum agreed for the LMAA Small Claims Procedure and neither the claim nor any counterclaim exceeds the sum of USD 400,000 (or such other sum as the parties may agree) the parties may agree that the arbitration shall be conducted in accordance with the LMAA Intermediate Claims Procedure.

(e) The terms, procedures and rules referred to in subclauses (c) and (d) above shall be those current at the time when the arbitration proceedings are commenced.

(f) Any and all notices and communications in relation to any arbitration proceedings under this Clause, including commencement notices and appointment of arbitrators, shall be treated as effectively served from the date and time the e-mail was sent if sent by e-mail to the e-mail address of the Owners stated in Box 23 and of the Managers stated in Box 24, respectively.

Either Party shall be entitled to change and/or add to the e-mail addresses by sending notice of change to the other Party at the address in Box 23 and Box 24 respectively (or, if previously amended by notice, the relevant amended addresses).

Nothing in this clause shall prevent any notice and communication in relation to any arbitration proceedings in connection with this contract being served by other effective means.

33. BIMCO Mediation/Alternative Dispute Resolution Clause 2021

(a) In the event of a dispute or difference arising under, out of or in connection with this Agreement either Party may at any time, either prior or subsequent to the commencement of any proceedings, invite the other to participate in an alternative dispute resolution (ADR) procedure including (but not limited to) mediation, early neutral evaluation and/or early intervention by written notice to the other Party.

(b) The other Party shall within fourteen (14) calendar days of receipt of such notice reply in writing either agreeing to participate or declining to participate, giving reasons for declining.

(c) If the Parties agree to participate in an ADR procedure, they shall both take such steps as are necessary to progress the ADR procedure in good faith and without undue delay.

(d) The Parties' participation in the ADR procedure shall not affect the rights of either Party to seek such relief or take such steps as it considers necessary to protect its interests.

(e) Subject to subclause (g), the ADR procedure shall be without prejudice and confidential and no information or documents disclosed during it shall be revealed to any Tribunal and/or Court in any subsequent or on-going proceedings except to the extent that they are disclosable under the law and procedure governing the relevant proceedings.

(f) Unless otherwise agreed, each Party shall bear its own costs incurred in the ADR procedure and the Parties shall share equally any third party costs and expenses.

(g) If the other Party does not agree to participate in any ADR procedure under this Clause, that fact may be brought to the attention of the competent Tribunal and/or Court and may be taken into account by such Tribunal and/or Court when allocating the costs of the proceedings as between the Parties.

(Note: The Parties should be aware that the ADR process may not interrupt time limits.)

34. Notices

(a) All notices given by either Party or their agents to the other Party or their agents in accordance with the provisions of this Agreement shall be in writing and shall, unless specifically provided in this Agreement to the contrary, be sent to the address for that other Party as set out in Boxes 25 and 26 or as appropriate or to such other address as the other Party may designate in writing.

A notice may be sent by registered or recorded mail, courier, email or delivered by hand in accordance with this subclause 34(a).

(b) Any notice given under this Agreement shall take effect on receipt by the other Party and shall be deemed to have been received:

(i) if sent by registered or recorded mail, on the seventh (7th) day after posting;

(ii) if sent by email, on the day of transmission; and

(iii) if delivered by courier or by hand, on the day of delivery.

And in each case proof of posting, couriering, handing in or transmission shall be proof that notice has been given, unless proven to the contrary.

35. Entire Agreement

This Agreement constitutes the entire agreement between the Parties and no promise, undertaking, representation, warranty or statement by either Party prior to the date stated in Box 1 shall affect this Agreement. Any modification of this Agreement shall not be of any effect unless in writing signed by or on behalf of the Parties.

36. Third Party Rights

Except to the extent provided in subclauses 19(c) (Indemnity) and 19(d) (Himalaya), no third parties may enforce any term of this Agreement.

37. Partial Validity

If any provision of this Agreement is or becomes or is held by any arbitrator or other competent body to be illegal, invalid or unenforceable in any respect under any law or jurisdiction, the provision shall be deemed to be amended to the extent necessary to avoid such illegality, invalidity or unenforceability, or, if such amendment is not possible, the provision shall be deemed to be deleted from this Agreement to the extent of such illegality, invalidity or unenforceability, and the remaining provisions shall continue in full force and effect and shall not in any way be affected or impaired thereby.

38. Waiver

A waiver of any breach or provision of this Agreement shall only be effective if it is made in writing and signed by an authorised signatory of the Party who is waiving such breach or provision. Any waiver of a breach of any term of this Agreement shall not be deemed a waiver of any subsequent breach and shall not affect the enforceability of any other term of this Agreement.

39. Warranty of Authority

The Owners and the Managers each warrant and represent that the person whose signature appears in Part I hereto is its representative and is duly authorised to execute this Agreement as a binding commitment of such Party.

40. Confidentiality

(a) This Agreement and all information or data provided or obtained in connection with the performance of this Agreement is and shall remain confidential and not be disclosed without the prior written consent of the other Party, provided however that each Party may disclose confidential information to its Affiliates, employees, agents, subcontractors and/or professional advisors for the performance of this Agreement or for legal or compliance purposes.

(b) The Parties shall use their best efforts to ensure that such information shall not be disclosed to any third party by any of their Affiliates, employees, agents, subcontractors and/or professional advisors.

(c) This Clause shall not apply to any information or data that has already been published or is in the public domain.

(d) All information and data provided by a Party is and shall remain the property of that Party.

41. BIMCO Electronic Signature Clause 2021

(a) For the purpose of this Clause "Electronic Signature" shall mean data in electronic form which is attached to or logically associated with other data in electronic form and which is used by a signatory to sign and includes, without limitation, typing a name into a contract, inserting a signature (in the form of an image) into a contract or using a web-based electronic signature platform to generate an electronic representation of a handwritten signature or a digital signature using public key encryption technology **or a scanned signature**.

(b) The Parties agree that this Agreement, and any documents to be signed in connection herewith, may be electronically signed and the use by a Party of an Electronic Signature shall, for the purposes of validity, enforceability and admissibility, be conclusive evidence of that Party's intention to be legally bound as if such signature had been written by hand.

(c) In the event that an Electronic Signature is, for any reason whatsoever, not recognised by any relevant person, entity or authority in any applicable jurisdiction, each Party undertakes, upon request, to promptly provide a handwritten signature on any relevant document.

(d) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement. A counterpart bearing an Electronic Signature shall satisfy the requirements of this Clause.

42. Interpretation

In this Agreement:

(a) Singular/Plural

The singular includes the plural and vice versa as the context admits or requires.

(b) Headings

The index and headings to the clauses and appendices to this Agreement are for convenience only and shall not affect its construction or interpretation.

(c) Day

"Day" means a calendar day unless expressly stated to the contrary.

ANNEX "A" (DETAILS OF VESSEL OR VESSELS)

TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2024

Date of Agreement: **15 AUGUST 2024**

Name of Vessel(s): **ZEZE START**

Particulars of Vessel(s):

IMO NO.: 9392781
REGISTRY: MARSHALL ISLANDS
CLASS: ABS
BUILT: 2009
DWT: 49,999
GT: 29,307
TYPE: CHEMICAL/PRODUCT TANKER

ANNEX "B" (DETAILS OF CREW)

TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2024

Date of Agreement: **15 AUGUST 2024**

Details of Crew:

MASTER AND CREW TO BE APPOINTED AS APPROPRIATE TO THE TRADING AND OPERATIONAL REQUIREMENTS OF THE VESSEL, ALWAYS SUBJECT TO THE GOVERNING LAWS AND REGULATIONS.

TOTAL COMPLEMENT = 21 PERSONS

Numbers	Rank	Nationality
1	**MASTER**	**INDIAN**
1	**CHIEF OFFICER**	**INDIAN**
1	**SECOND OFFICER**	**INDIAN**
1	**THIRD OFFICER**	**INDIAN**
1	**CHIEF ENGINEER**	**INDIAN**
1	**SECOND ENGINEER**	**INDIAN**
1	**THIRD ENGINEER**	**INDIAN**
1	**ELECTRICAL OFFICER**	**INDIAN**
1	**TRAINEE MARINE ENGINEER**	**INDIAN**
1	**DECK CADET**	**INDIAN**
1	**PUMPMAN**	**INDIAN**
1	**BOSUN**	**INDIAN**
1	**FITTER**	**INDIAN**
3	**ABLE SEAMAN**	**INDIAN**
1	**ORDINARY SEAMAN**	**INDIAN**
2	**OILER**	**INDIAN**
1	**CHIEF COOK**	**INDIAN**
1	**MESSMAN**	**INDIAN**

ANNEX "C" (BUDGET)

TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2024

Date of Agreement: **15 AUGUST 2024**

Managers' initial budget with effect from the commencement date of this Agreement (see Box 2):

THE MANAGERS' PRE-DELIVERY OPERATING EXPENSES BUDGET AND INITIAL BUDGET ARE ATTACHED HERETO.

MANAGERS' POE BUDGET

ANGLO-EASTERN

Vessel Name	Zeze Start (IMO No. 9392781)	Vessel Type	MR Tanker
Date	Aug-24	Year Built	2009
Principal	Oceanpal	Building Yard	Hyundai Mipo
Main Engine Make/Type	B&W 6 S 50 MC - C	GT	29307
Trading Area	World wide	DWT	49999
Expected Delivery Date	TBA	Flag	Marshall Island
Expected Takeover Place	TBA	Class	ABS

ITEM	BUDGET (USD)	REMARKS
Crew Wages / Stby / OT		
Crew Accommodation / Victualling for stay at Yard		
Crew Total	$ -	
Stores - Deck / Engine/ Steward	$ 3,000.00	
Computers and IT infrastructure + PMS	$ 2,000.00	
Paint	$ 5,000.00	
Charts/Publications incl. for ECDIS		
Ropes & Wires		
Chemicals & Test kits		
Gases & Welding Equipment		
Oil Spill Kit - OPA 90		
Medicines		
Lubricants / EAL for Stern Tube		
Stores Total	**$ 10,000.00**	
Spares Main Engine		
Spares Aux Engine, Generators		
Spares Electrical		
BWTS Annual calibration and servicing.		Calibration will be coming due
Spares BWTS / SCR/ Aux. Machinery		
Spares & Repair Total	$ -	
Communication Setup thru Service provider	$ 6,000.00	Optional Starlink hardware & Setup & Radio service attendance
Printing and Stationery	$ 3,000.00	
Superintendents Fee and Expenses	$ 5,000.00	
Class Fees	$ 6,500.00	UW inspection cost has not been included
Fuel Oil / Lube Oil / Other Test Kits		
Registration & Initial Flag Survey	$ 5,000.00	
Agency & Disbursements	$ 5,000.00	
Bank Charges		
Pre-delivery Management fee		
General Expenses Total	**$ 30,500.00**	
TOTAL PRE-OPERATING EXPENSES	$ 40,500.00	

COMMENTS

1) Starlink hardware cost is considered.
2) Anti-Piracy kit not included.
3) Lube oil costs not budgeted at this stage. Actual cost will be included in the Opex.
4) Agency fee basis estimate for normal husbandry services

Vessel Budget

ANGLO-EASTERN

Vessel Name	IMO No 9392781	Vessel Type	MR Tanker
Date	11 Jul 2024	Year Built	2009
Period From/To	Jan 2024 - Dec 2024	Building Yard	Hyundai Mipo Dockyard
Principal	Oceanpal	GT	29307
Main Engine Make/Type	B&W 6 S 50 MC-C - HHI	DWT	49999
Power	9,480	Flag	Marshall Islands
Running Days/Year	300	Class	ABS
Expected Delivery Date	TBA	Trading Area	Far East
Expected Takeover Place	TBA	Currency	USD
Number of Crew	21	Crew Nationality	All Indians
Crew Change Location	100% Far East	Crew CBA	Officers-MUI Ratings-NUSI IBF-WET

Items	New Budget/Year	New Budget/Month	New Budget/Day	Remarks
Manning Expenses				
Wages	1,143,684	95,307	3,133	
Overtime	15,615	1,301	43	
Crew Travel	105,600	8,800	289	
Medical	2,000	167	5	
Food Provisions	70,629	5,886	194	
Union Costs	41,884	3,490	115	
Crew Training	27,000	2,250	74	
Miscellaneous	65,040	5,420	178	
Manning Total	**1,471,461**	**122,621**	**4,031**	
Operational Expenses				
Spares	140,000	11,667	384	
Stores	129,500	10,792	355	
Services	93,000	7,750	255	
Lubricating Oils	97,396	8,116	267	
Ship Insurance	139,000	11,583	381	
General Expenses	116,000	9,667	318	
Operational Total	**714,896**	**59,575**	**1,959**	
Management Fee				
Management Fee	160,000	13,333	438	
Management Fee	**160,000**	**13,333**	**438**	
Financial Total	**5,100**	**425**	**17**	
Normal Operating Expenses	**2,352,447**	**196,054**	**6,446**	
Vetting/Opa/Audit				
General Vetting/OPA/Audit Expenses	29,000	2,417	79	
Vetting/Opa/Audit Total	**29,000**	**2,417**	**79**	
Disbursements				
Disbursements & Voyage Expenses	-	-	-	
Disbursements Total	-	-	-	
Other Operating Expense	**29,000**	**2,417**	**79**	
GRAND TOTAL	**2,381,647**	**198,471**	**6,525**	

COMMENTS

1. Vessel budget estimated basis vessel trading far east calling convenient and competitive ports where crew change, stores, supplies and services can be arranged.
2. Manning wages basis estimate 2024 wage revision, All Indians.
3. Stores and chemicals for chemical trade / cleaning not included.
4. Lub oil cost based on current contract prices and supply at competitive ports.
5. Repair and Survey: This cost includes the yearly servicing of LSA/FFA, Navigation and Radio equipment and Class Annual Survey Block Fee (Block Fee Agreement to be signed with Class).
6. Spares and stores budget is for replenishment of consumables and not for stocking.
7. General expenses includes waste disposal, communication and postage, superintendent visit, vetting inspection, CDI OPA/QI Fees($20,000), COFR and fuel oil analysis, Excludes tonnage tax.
8. The budget does not include cost for the change of Ownership/Vessel name, Manager's DOC documentation and sale exclusion items.

ANNEX "D" (ASSOCIATED VESSELS)

TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2024

NOTE: PARTIES SHOULD BE AWARE THAT BY COMPLETING THIS ANNEX "D" THEY WILL BE SUBJECT TO THE PROVISIONS OF SUBCLAUSE 31(b)(i) OF THIS AGREEMENT.

Date of Agreement: **15 AUGUST 2024**

Details of Associated Vessels:

NIL

ANNEX "E" (FEE SCHEDULE)

TO THE BIMCO STANDARD SHIP MANAGEMENT AGREEMENT
CODE NAME: SHIPMAN 2024

NOT APPLICABLE

Exhibit 8.1

Subsidiaries of the Company

Subsidiary	Country of Incorporation
Cypres Enterprises Corp.	Panama
Darien Compania Armadora S.A.	Panama
Fiji Shipping Company Inc.	Marshall Islands
Batiki Shipping Company Inc.	Marshall Islands
Darrit Shipping Company Inc.	Marshall Islands

Exhibit 11.2

Policies and Procedures to Detect and Prevent Insider Trading

OCEANPAL INC.

GENERAL

The Securities Exchange Act of 1934 prohibits the misuse of material, non-public information. In order to avoid even the appearance of impropriety, the Company has instituted procedures to prevent the misuse of non-public information.

Although "insider trading" is not defined in the securities laws, it is generally thought to be described as trading either personally or on behalf of others on the basis of material non-public information or communicating material non-public information to others in violation of the law. **This policy (the "Policy") will be administered and supervised by the Company's Chief** Accounting Officer. Please pay special attention to the "Blackout" and "Trading Window" policies discussed in this memorandum.

WHOM DOES THE POLICY COVER?

The Policy covers all of the Company's officers, directors and employees ("insiders"), as well as any transactions in any securities participated in by family members, trusts or corporations directly or indirectly controlled by insiders. In addition, the Policy applies to transactions engaged in by corporations in which the insider is an officer, director or 10% or greater stockholder and a partnership of which the insider is a partner, unless the insider has no direct or indirect control over the partnership.

The Company forbids any insider from trading, either for his or her personal account or on behalf of others, while in possession of material non-public information, or communicating material non-public information to others in violation of the law. This prohibited conduct is often referred to as "insider trading".

- **The Policy extends to each insider's activities within and outside his/her duties at the** Company. Each insider must read and retain this statement.

- Failure to comply with the Policy may cause an employee to be subject to disciplinary action.

WHAT IS INSIDER TRADING?

The term "insider trading" generally is used to refer to trading while in possession of material non-public information (whether or not one is an "insider") and/or to communications of material non-public information to others. The law in this area is generally understood to prohibit, among other things:

- trading by an insider while in possession of material non-public information;
- trading by a non-insider while in possession of material non-public information, where the information either was disclosed to the non-**insider in violation of an insider's duty** to keep it confidential or the information was misappropriated;
- trading while in possession of material non-public information concerning a tender offer; and
- wrongfully communicating, or "tipping", material non-public information to others.

THE INSIDER CONCEPT

As a general guide for our directors, officers and employees, components of what amounts to "insider trading" are described below:

Who is an insider?

The concept of "insider" is broad. It includes officers, directors, trustees, and employees of a company. In addition, a person can be a "temporary insider" if he or she enters into a special confidential relationship in the conduct of a company's affairs and as a result is given access to information solely for the company's purposes. A temporary insider can include, among others, a company's attorneys, accountants, consultants, bank lending officers, and the employees of those organizations.

What information is material?

Trading on information that is "material" is prohibited. Information generally is considered "material" if:

- there is a substantial likelihood that a reasonable investor would consider the information important in making an investment decision, or
- the information is reasonably certain to have a substantial effect on the price of a company's securities.

Information that should be considered material includes: dividend changes, earnings estimates not previously disseminated, material changes in previously-released earnings estimates, significant merger or acquisition proposals or agreements, major litigation, liquidity problems, and extraordinary management developments.

What information is non-public?

Information is non-public until it has been effectively communicated to the market place. For example, information found in a report filed with the SEC, or appearing in Dow Jones, Reuters, The Wall Street Journal, on Bloomberg or in other publications of general circulation ordinarily would be considered public. In addition, in certain circumstances, information disseminated to certain segments of the investment community may be deemed "public", for example, research communicated through institutional information dissemination services such as First Call. (However, the fact that research has been disseminated through such a service does not automatically mean that it is public.) Remember, it takes time for information to become public. The amount of time since the information was first disseminated ordinarily is a factor regarding whether the information is considered "public".

PENALTIES FOR INSIDER TRADING

Penalties for insider trading are severe both for the individuals involved as well as for their employers. A person can be subject to some or all of the penalties listed below, even if he or she does not personally benefit from the violation. Penalties may include:

- Jail sentences;
- Civil injunctions;
- Civil treble (3x) damages;
- Disgorgement of profits;
- Criminal fines of up to three times the profit gained or loss avoided, whether or not the person actually benefited; and
- Fines for the employers or other controlling person of up to the greater of $1 million or three times the amount of the profit gained or loss avoided.

Clearly, it is in the Company's and your best interests for the Company to put into place procedures to prevent improper trading by its insiders.

PROCEDURES TO PREVENT INSIDER TRADING

The following procedures have been established to aid in the prevention of insider trading. Every insider must follow these procedures or risk sanctions, including: dismissal, substantial personal liability and criminal penalties.

Questions to Ask

Prior to trading in the Company's shares, and if you think you may have material non-public information, ask yourself the following questions:

- Is the information material? - Is this information that an investor would consider important in making an investment decision? Would you take it into account in deciding whether to buy or sell? Is this information that would affect the market price of the securities if generally disclosed?

- Is the information non-public - To whom has this information been provided? Has it been effectively communicated to the marketplace? Has enough time gone by? ***Action Required***

If you are at all uncertain as to whether any information you have is "inside information", you must:

- Immediately report the matter to the Chief Accounting Officer;

- Refrain from purchasing or selling the shares; and

- Not communicate the information inside or outside the Company.

After the employee and the Chief Accounting Officer have reviewed the issue and consulted with outside counsel to the extent appropriate, the insider will be instructed as to whether he/she may trade and/or communicate that information.

Blackout Policy and Trading Window

To assure compliance with the Policy and applicable securities laws, the Company requires that all insiders refrain from conducting transactions involving the purchase or sale of Company's shares other than during the period commencing at the open of market on the second business day following the date of public disclosure of the financial results for a particular fiscal quarter or year and continuing until the close of market on the fourteenth (14^{th}) day after the last day of the current fiscal quarter (the "Trading Window"). In addition, from time to time material non-public information regarding the Company may be pending. While such information is pending, the Company may impose a special "blackout" period during which the same prohibitions and recommendations shall apply. Remember: Even during the Trading Window, any person possessing material non-public information concerning the Company, should not engage in any transactions in Company's shares until such information has been made public and absorbed by the market.

Pre-Clearance of Trades

All insiders must refrain from trading in Company's shares, even during the Trading Window, without first complying with the Company's "pre-clearance" process. Each such person should contact the Company's Chief Accounting Officer prior to commencing any trade. The Chief Accounting Officer will consult as necessary with senior management and/or counsel to the Company before clearing any proposed trade.

Coverage

The Policy applies not only to Company's shares, but also any other securities issued by the Company.

QUESTIONS OR CONCERNS

Any questions or concerns regarding the Company's Policies and Procedures to detect and prevent insider trading should be directed to the Chief Accounting Officer, or, if such questions or concerns involve the Chief Accounting Officer, to the Chief Financial Officer. The Chief Accounting Officer's personal trading activity will be reviewed by the Chief Financial Officer.

Exhibit 12.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Robert Perri, certify that:

1. I have reviewed this annual report on Form 20-F of OceanPal Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 15, 2025

By: /s/ Robert Perri
Robert Perri
Chief Executive Officer
(Principal Executive Officer)

Exhibit 12.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Vasiliki Plousaki, certify that:

1. I have reviewed this annual report on Form 20-F of OceanPal Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 15, 2025

/s/ Vasiliki Plousaki

Vasiliki Plousaki
Chief Financial Officer
(Principal Financial Officer)

Exhibit 13.1

PRINCIPAL EXECUTIVE OFFICER CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with this Annual Report of OceanPal Inc. (the "Company") on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission (the "SEC") on or about the date hereof (the "Report"), I, Robert Perri, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request

Date: April 15, 2025

/s/ Robert Perri

Robert Perri
Chief Executive Officer
(Principal Executive Officer)

Exhibit 13.2

PRINCIPAL FINANCIAL OFFICER CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with this Annual Report of OceanPal Inc. (the “Company”) on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission (the “SEC”) on or about the date hereof (the “Report”), I, Vasiliki Plousaki, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request

Date: April 15, 2025

/s/ Vasiliki Plousaki

Vasiliki Plousaki
Chief Financial Officer
(Principal Financial Officer)

Exhibit 15.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form F-3 No. 333-269961) of OceanPal Inc., and
(2) Registration Statement (Form F-3 No. 333-273073) of OceanPal Inc.;

of our report dated April 15, 2025, with respect to the consolidated financial statements of OceanPal Inc. included in this Annual Report (Form 20-F) of OceanPal Inc. for the year ended December 31, 2024.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Athens, Greece
April 15, 2025

Exhibit 21.1

Subsidiaries of the Company

Subsidiary	Country of Incorporation
Cypres Enterprises Corp.	Panama
Darien Compania Armadora S.A.	Panama
Fiji Shipping Company Inc.	Marshall Islands
Batiki Shipping Company Inc.	Marshall Islands