Seaspan CORP
Form 424B5
October 02, 2017
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-211545

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying base prospectus are not an offer to sell the notes, and we are not soliciting an offer to buy the notes in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated October 2, 2017

PROSPECTUS SUPPLEMENT

(To Prospectus dated April 19, 2017)

Seaspan Corporation

$

% Notes due 2027

We are offering $ aggregate principal amount of our % Notes due , 2027 (the Notes or our Notes).

We have granted the underwriters the option to purchase, exercisable during the 30-day period beginning on the date of this prospectus supplement, up to an additional $ aggregate principal amount of the Notes.

The Notes will bear interest from the date of original issue until maturity at a rate of % per year. Interest will be payable quarterly in arrears on the 30th day of January, April, July and October of each year, commencing on January 30, 2018. The Notes will be issued in minimum denominations of $25 and integral multiples of $25 in excess thereof.

We may redeem some or all of the Notes at any time on or after October , 2020 at a redemption price equal to 100% of their principal amount. The Notes may also be redeemed in whole, but not in part, at any time at our option, at a price equal to 100% of their principal amount in the event of certain developments affecting taxation. If we experience specific kinds of changes in control, we must offer to purchase the Notes at a price equal to 101% of their principal amount. In all such cases, holders will also be entitled to receive accrued and unpaid interest to but not including the applicable purchase or redemption date. See Description of Notes.

The Notes will be our unsubordinated unsecured obligations and will rank senior to any of our future subordinated debt and rank equally in right of payment with all of our existing and future unsecured and unsubordinated debt. The Notes will effectively rank junior to our existing and future secured debt, to the extent of the value of the assets securing such debt, as well as to existing and future debt of our subsidiaries.

We intend to apply to have the Notes listed on the New York Stock Exchange. Currently, there is no public market for the Notes.

Investing in the Notes involves a high degree of risk. The Notes have not been rated. See Risk Factors beginning on page S-11 of this prospectus supplement and on page 4 of the accompanying base prospectus for a discussion of certain risks that you should consider in connection with an investment in the Notes.

Neither the United States Securities and Exchange Commission (SEC) nor any state or foreign securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public Offering Price	$	$
Underwriting Discount and Commissions(1)	$	$
Proceeds to Us (Before Expenses)	$	$

(1) We have granted the underwriters the option to purchase, exercisable during the 30-day period beginning on the date of this prospectus supplement, up to an additional $ aggregate principal amount of the Notes. If the underwriters exercise the option in full, and assuming the sale of all over-allotment Notes to certain institutions for which the underwriters would receive an underwriting discount of $ per Note, the total underwriting discounts and commissions payable by us will be $ and total proceeds to us before other expenses will be $.

Delivery of our Notes is expected to be made in book-entry form through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme, against payment in New York, New York, on or about October 2017.

Joint Book-Running Managers

RBC Capital Markets **Stifel**

Joint Lead Managers

FBR **Janney Montgomery Scott** **Incapital**

a B. Riley Financial Company

Co-Managers

BB&T Capital Markets **Ladenburg Thalmann** **William Blair** **C.L. King & Associates** **Maxim Group LLC**

The date of this prospectus supplement is October , 2017.

Table of Contents

Prospectus Supplement

Base Prospectus

Table of Contents

About This Prospectus Supplement

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying base prospectus, which gives more general information, some of which may not apply to this offering. Generally, when we refer to the prospectus, we are referring to both parts combined. If information in this prospectus supplement conflicts with information in the accompanying base prospectus, you should rely on the information in this prospectus supplement.

Any statement made in the prospectus or in a document incorporated or deemed to be incorporated by reference into the prospectus will be deemed to be modified or superseded for purposes of the prospectus to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated by reference into the prospectus modifies or supersedes that statement. Any statement so modified or superseded will be deemed not to constitute a part of the prospectus except as so modified or superseded.

You should rely only on the information contained in or incorporated by reference in the prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of the Notes in any state or jurisdiction where the offer is not permitted. You should not assume that the information contained in the prospectus or the information that is incorporated by reference herein is accurate as of any date other than its respective date. Our business, financial condition, results of operations and prospects may have changed since that date.

Unless otherwise specified or unless the context requires otherwise, all references in this prospectus supplement to the Company, Seaspan, we, us, our or similar references mean Seaspan Corporation and its subsidiarie References to underwriters refer to the firms listed on the cover page of this prospectus supplement. Unless indicated otherwise, or the context otherwise requires, references in this prospectus supplement to $ or dollars are to the lawful currency of the United States and financial information presented in this prospectus supplement is prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP.

References in this prospectus supplement to shipbuilders are as follows:

SHIPBUILDER	REFERENCE
Jiangsu New Yangzi Shipbuilding Co., Ltd.	New Jiangsu
Jiangsu Yangzi Xinfu Shipbuilding Co., Ltd.	Jiangsu Xinfu
HHIC-PHIL INC.	HHIC

References in this prospectus supplement to customers are as follows:

CUSTOMER	REFERENCE
ANL Singapore Pte. Ltd.(1)	ANL
CMA CGM S.A.	CMA CGM
Cheng Lie Navigation Co., Ltd.(1)	CNC
China Shipping Container Lines (Asia) Co., Ltd.(2)(3)	CSCL Asia
COSCO Shipping Lines Co., Ltd.(3)(4)	COSCON
COSCO (Cayman) Mercury Co., Ltd.(5)	COSCO Mercury
New Golden Sea Pte. Ltd.(5)	COSCO New Golden Sea
Hapag-Lloyd AG	Hapag-Lloyd
Kawasaki Kisen Kaisha Ltd.(6)	K-Line
Maersk Line A/S(7)	Maersk
MSC Mediterranean Shipping Company S.A.	MSC
Mitsui O.S.K. Lines, Ltd.(6)	MOL
Seago Line A/S(7)	Seago
Simatech Marine S.A.	Simatech Marine
Yang Ming Marine Transport Corp.	Yang Ming Marine
ZIM Integrated Shipping Services Ltd.	ZIM

(1) A subsidiary of CMA CGM.
(2) A subsidiary of China Shipping Container Lines Co., Ltd., or CSCL.
(3) While we continue to charter our vessels to CSCL Asia and COSCON, CSCL Asia and COSCON merged their container shipping businesses in March 2016.
(4) A subsidiary of China COSCO Holdings Company Limited.
(5) A subsidiary of COSCON.
(6) On October 31, 2016, MOL, K-Line and Nippon Yusen Kabushiki Kaisha announced they will integrate their container shipping businesses under a new joint venture company. This is expected to be effective in April 2018.
(7) A subsidiary of A.P. Møeller Mærsk A/S.

We use the term twenty foot equivalent unit, or TEU, the international standard measure of containers, in describing the capacity of our containerships, which are also referred to as our vessels. We identify the classes of our vessels by the approximate average TEU capacity of the vessels in each class. However, the actual TEU capacity of a vessel may differ from the approximate average TEU capacity of the vessels in such vessel s class.

Alternative Settlement Cycle

It is expected that delivery of the Notes will be made against payment therefor on or about October , 2017, which is the fifth business day following the date of the pricing of the Notes (such settlement cycle being referred to as T+5). Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended (the Exchange Act), trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes prior to the delivery of the Notes hereunder will be required, by virtue of the fact that the Notes initially will settle in T+5, to specify an alternative settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of the Notes who wish to trade the Notes prior to the delivery of the Notes hereunder should consult their own advisors.

Forward-Looking Statements

The prospectus and the documents incorporated by reference herein contain certain forward-looking statements (as such term is defined in Section 21E of the Exchange Act and Section 27A of the Securities Act of 1933, as amended (the Securities Act)) concerning our operations, cash flows, and financial position, including, in particular, the likelihood of our success in developing and expanding our business. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as continue, expects, anticipates, intends, plans, believes, estimates, projects, forecasts, will, may, potential, should and similar exp forward-looking statements. Forward-looking statements in the prospectus or the documents incorporated by reference herein are estimates reflecting the judgment of senior management and involve known and unknown risks and uncertainties. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements appear in a number of places in the prospectus and the documents incorporated by reference herein. These statements include, but are not limited to:

- future operating or financial results;
- future growth prospects;
- trends in the international containership industry;
- our business strategy and other plans and objectives for future operations;
- our primary sources of funds for our short, medium and long-term liquidity needs;
- our expectations as to impairments of our vessels, including the timing and amount of any potential impairments;
- the future valuation of our vessels and goodwill;

potential acquisitions, vessel financing arrangements and other investments, and our expected benefits from such transactions;

future time charters and vessel deliveries, including replacement charters and future long-term charters for certain existing vessels;

estimated future capital expenditures needed to preserve our capital base and to comply with regulatory standards, our expectations regarding future dry-docking and operating expenses, including ship operating expenses and general and administrative expenses; and

our expectations about the availability of vessels to purchase, the time that it may take to construct new vessels, the delivery dates of new vessels, the commencement of service of new vessels under long-term time charter contracts and the useful lives of our vessels.

Table of Contents

Although the forward-looking statements are based upon assumptions we believe to be reasonable based upon available information, they are subject to risks and uncertainties. These risks and uncertainties include, but are not limited to:

- availability of crew, number of off-hire days and off-charter days and dry-docking requirements;
- general market conditions and shipping market trends, including charter rates and factors affecting supply and demand;
- our financial condition and liquidity, including our ability to borrow funds under our credit facilities, our ability to continue to obtain waivers or secure acceptable replacement charters under two of our credit facilities, our ability to refinance our existing facilities and to obtain additional financing in the future to fund capital expenditures, acquisitions and other general corporate activities;
- our ability to maintain, enter into or renew primarily long-term, fixed-rate time charters with our existing customers or new customers, and enter into short-term charters for those vessels that are not on long-term charters;
- the potential for early termination of long-term contracts and our potential inability to enter into, renew or replace long-term contracts;
- conditions in the public equity and debt markets and the prices of our securities;
- the potential future recognition of impairment charges relating to vessels;
- our ability to leverage to our advantage our relationships and reputation in the containership industry;
- changes in governmental rules and regulations or actions taken by regulatory authorities, and the effect of governmental regulations on our business;
- the financial condition of our customers, lenders, refund guarantors and other counterparties and their ability to perform their obligations under their agreements with us;
- our continued ability to meet specified restrictive covenants in our financing and lease arrangements, our Notes and our preferred shares;

- any economic downturn in the global financial markets and potential negative effects of any recurrence of such disruptions on our customers ability to charter our vessels and pay for our services;
- taxation of our company and of distributions to our shareholders, and interest to our debtors;
- our exemption from tax on our U.S. source international transportation income;
- potential liability from future litigation;
- our ability to hire a comparable successor to Gerry Wang as our new chief executive officer due to his retirement and any disruption to our business as a result of the transition; and
- other factors discussed in the section titled Risk Factors in this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference herein.

We do not intend to revise any forward-looking statements in order to reflect any change in our expectations or events or circumstances that may subsequently arise. We expressly disclaim any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in our views or expectations, or otherwise. We make no prediction or statement about the performance of our securities.

Table of Contents

Summary

This summary highlights important information contained elsewhere in this prospectus supplement, the accompanying base prospectus or the documents incorporated by reference. You should carefully read this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference to understand fully our business and the terms of our Notes, as well as tax and other considerations that are important to you in making your investment decision. You should consider carefully the Risk Factors section beginning on page S-11 of this prospectus supplement and on page 4 of the accompanying base prospectus to determine whether an investment in our Notes is appropriate for you. See Glossary of Shipping Terms for the definitions for certain terms used in this prospectus supplement.

Our Company

We are the world s largest independent charter owner and manager of containerships, with a comprehensive, integrated operating lease platform that includes experienced in-house ship design, technical management and operations teams operating globally. We charter our vessels primarily pursuant to long-term, fixed-rate charters, which provide us with highly visible and stable cash flows through business cycles and high vessel utilization rates. Our customer base is comprised of the world s leading container liner companies, including nine of the top 15 containership liners. Our objective is to develop and maintain a diverse and stable operating lease portfolio. As of September 30, 2017, the charters on the 88 vessels in our operating fleet, excluding the two 4250 TEU vessels which are being sold as described below, have an average remaining term of approximately five years, on a TEU-weighted basis, excluding the effect of charterers options to extend certain time charters.

In addition to our operating fleet, we have four newbuilding containerships on order, which have scheduled delivery dates through 2018. All of these newbuilding containerships will commence operation under long-term, fixed-rate charters upon delivery. In August 2017, we entered into vessel sale agreements for four 4250 TEU vessels. Two of the vessel sales closed in August and September 2017 and the remaining two vessel sales are expected to close during the fourth quarter of 2017. Please read Business Recent Developments. As of September 30, 2017, the average age of the 88 vessels in our operating fleet, excluding the two 4250 TEU vessels which are being sold, was approximately six years, on a TEU-weighted basis.

Market Opportunity

We believe we are well positioned to take advantage of current market opportunities and further enhance our industry leading position as competitive dynamics are constraining the growth potential of many of our competitors. We believe that there is an opportunity for charter owners with access to capital to acquire vessels at attractive prices and employ them in a manner that will generate attractive returns on capital and are expected to be accretive to cash flow. We believe demand for large fuel-efficient ships will remain strong as container liner companies seek to reduce costs and achieve operating efficiencies, creating opportunities for charter owners with the necessary operational and financial capabilities.

Our Competitive Strengths

We believe that we possess a number of competitive strengths that will allow us to capitalize on the opportunities in the containership industry, including the following:

High-Quality Customer Portfolio Comprised of Leading Container Liner Companies. We have developed strong customer relationships focused on a select group of leading container liner companies globally. Our vessels represent flagship assets for some of our customers, and our customers rely on us

Table of Contents

to fulfill a key component of their operating capacity. We employ a disciplined approach to customer selection and manage counterparty risk by primarily targeting customers with government ownership or broad institutional investor ownership.

Highly Visible Cash Flow with Focus on Long-Term Charters. Long-term charters with high-quality customers represent the core foundation of our chartering strategy. We charter our vessels primarily pursuant to long-term, fixed-rate time charters. As a result, we have high cash flow visibility with the majority of our current revenue protected from the volatility of spot rates and short-term charters. In addition, we are not exposed to changes in fuel cost, as all of our customers are responsible for the vessel s fuel expense while the vessels are on charter. To further promote cash flow stability, we have primarily placed newbuilding orders and purchased secondhand vessels only when we have concurrently entered into long-term time charters with our customers. As at September 30, 2017, we had an aggregate of approximately $4.7 billion of contracted future minimum revenue under existing fixed-rate time charters and interest income from sales-type capital leases and direct financing leases.

Large, Modern Fleet Portfolio Aligned to Key Trade Routes. Our operating fleet, ranging in size from 2500 TEU to 14000 TEU vessels, provides a comprehensive product offering to our customers and is subject to our high standards for design, construction quality and maintenance. We have 88 vessels in operation (excluding the two 4250 TEU vessels which are being sold) and four newbuilding containerships on order, aggregating 696,900 TEU of capacity. Our operating fleet of 88 containerships has an average age of approximately six years, on a TEU-weighted basis, which is below the industry average of approximately eight years. We have four newbuilding vessels that we have contracted to purchase, with scheduled delivery dates through 2018, all of which are subject to charters. All of our newbuilding containerships under construction are 10000 TEU and 11000 TEU containerships, which we view as the workhorses of the global fleet in the coming decades and highly attractive for major trade lanes. We expect to fund our remaining capital expenditures for these newbuilding vessels with our cash, availability under committed lease arrangements and with new debt or equity financing.

Integrated Operating Platform. We provide our customers with a full-scale, full-service operating lease solution. Our in-house design teams have extensive experience in overseeing new vessel construction, vessel conversions and marine engineering and maintenance. We are responsible for the day-to-day operation of the vessels, providing crew for vessels operating under time charters and overseeing the various aspects of fleet management with a shore-based management team. Our skilled and experienced employee base includes 3,900 seafarers, 300 corporate staff and 30 site teams.

Track Record of Operational Excellence and Efficiency. We are focused on operational excellence and cost control. We attribute the strength of our customer relationships in part to our consistent operational quality and customer oriented service. Our technical management track record has resulted in high vessel utilization, with vessel available days of approximately 98% since our initial public offering in 2005. We have been successful in identifying efficiencies and reducing operating costs through targeted initiatives. For example, we have reduced our average ship operating expense per ownership day by 22% for the quarter ended June 30, 2017 compared to the quarter ended June 30, 2015.

Barriers to Entry. We believe that our operating expertise and experience, diversified fleet offering and access to capital provide us with a competitive advantage. Our experience and track-record of efficiently designing, operating and managing containerships provides us with access to growth opportunities with the world s leading liners. The range of containership vessels within our fleet allows us to meet our customers needs across a variety of trade lanes and routes. As the world s largest charter owner and with access to diverse sources of capital, we have been able to structure and finance large, multi-vessel containership orders. This has enabled us to achieve cost savings through volume purchases and leverage in negotiating newbuilding contracts and accessing shipyard berths. Increasingly, leading containership liner companies seek partners and service providers with financial strength and proven access to capital.

Seasoned Management Team and Board of Directors. The members of our management team and certain members of our board of directors have professional experience in the shipping and ship finance industry, including experience managing shipping companies through several economic cycles. Our board and management team have experience working with companies such as Berkshire Hathaway, the Washington Group of Companies, Citibank, Neptune Orient Lines, APL Limited, Safmarine Container Lines, Columbia Ship Management and Höegh LNG Partners LP, and provide expertise across commercial, technical, financial and other functional management areas of our business.

Our Business Strategies

We seek to continue to expand our business and increase our cash flow by employing the following business strategies:

Pursuing Long-Term, Fixed-Rate Charters. We intend to continue to primarily employ our vessels under long-term, fixed-rate charters, which contribute to the stability of our cash flows. In addition, container liner companies typically employ long-term charters for strategic expansion into major trade routes, while using spot charters for shorter term discretionary needs. To the extent container liner companies expand their services into major trade routes, we believe we are well positioned to participate in their growth.

Expanding and Diversifying Our Customer Relationships. We have diversified our customer base over the past decade. We intend to continue to expand our existing customer relationships and add new customers in growing our business and sources of revenue. We believe we are well positioned to secure new chartering business from existing and potential new customers due to our experience in ship design and construction supervision and our reputation for high quality operations.

Actively Acquiring Newbuilding and Secondhand Vessels. We have increased, and intend to further increase, the size of our fleet through selective acquisitions of new and secondhand containerships, with either existing long-term charters or where we can enter into long-term charters concurrently with the acquisitions, that we believe will generate attractive returns on capital and be accretive to our cash flow. We also intend to consider appropriate partnering opportunities to capitalize on opportunities in the newbuilding and secondhand markets with more modest investments. We may also consider business acquisitions, as appropriate. Please read Business Recent Developments. We believe that our longstanding relationships with key constituents in the containership industry, including container liner companies, shipbuilders and shipping banks, will enable us to continue sourcing newbuilding and secondhand vessel acquisition opportunities at terms attractive to us.

Maintaining Strong Balance Sheet and Diversified Sources of Capital. We operate a capital-intensive business. We aim to pursue a financial strategy that preserves our balance sheet strength and maintains access to diverse sources of capital in order to take advantage of acquisition and expansion opportunities in the future while also meeting our existing obligations. We intend to continue to access existing capital and to seek new sources of capital to maintain and grow our fleet over the long-term. We believe that our ability to access new sources of capital from a broad range of capital providers has provided a competitive advantage for us.

An investment in our Notes involves risks. Our growth depends on our ability to make accretive vessel acquisitions, expand existing and develop new relationships with charterers and obtain new charters. Substantial competition may hinder achievement of our business strategy. Our growth also depends upon continued growth in demand for containerships. A reduction in demand for containerships, increased competition or an inability to make accretive vessel acquisitions may lead to reductions and volatility in charter hire rates and profitability. In addition, we may be unable to realize expected benefits from acquisitions, and implementing our growth strategy

Table of Contents

through acquisitions may harm our business, financial condition, operating results and ability to pay the amounts owed under the Notes. Before investing in our Notes, you should consider carefully the factors set forth in the section entitled Risk Factors beginning on page S-11 of this prospectus supplement and on page 4 of the accompanying base prospectus.

Greater China Intermodal Investments LLC

In March 2011, we co-founded Greater China Intermodal Investments LLC, or GCI, which is our investment partnership established with an affiliate of global asset manager The Carlyle Group, or Carlyle, and others. GCI invests equity capital in containership assets, primarily newbuilding vessels strategic to the People s Republic of China, Taiwan, Hong Kong and Macau, or Greater China. Our belief in co-founding GCI was that the combination of our expertise and relationships in the containership market and Carlyle s financial resources, global business network and access to capital would enhance our ability to take advantage of growth opportunities in the containership market.

GCI intends to invest up to $900 million equity capital in containership assets, of which we committed up to $100 million. We currently have an ownership interest in GCI of approximately 10.8% and, as of June 30, 2017, our equity investment in GCI totaled approximately $57.4 million. GCI s fleet of 18 containerships is comprised of 10000 TEU and 14000 TEU vessels, including 16 on-the-water vessels and two newbuilding vessels with delivery dates scheduled through 2018. Twelve of the on-the-water vessels and the two newbuilding vessels are subject to long-term charter contracts and of the four remaining on-the-water vessels that are on short-term charters, one will commence a long-term charter upon expiry of the current charter. We have overseen the construction of all of GCI s vessels and manage their entire operating fleet. For additional information about GCI, please read Certain Relationships and Related Party Transactions Our Investment in Carlyle Containership-Focused Investment Vehicle.

Recent Developments

For certain recent developments affecting the Company, please see Business Recent Developments in this prospectus supplement, which is incorporated by reference herein.

Corporate Information

We are a Marshall Islands corporation incorporated on May 3, 2005. We maintain our principal executive offices at Unit 2, 2nd Floor, Bupa Centre, 141 Connaught Road West, Hong Kong, China. Our telephone number is (852) 2540-1686. We maintain a website at www.seaspancorp.com. The information on our website is not part of the prospectus, and you should rely only on the information contained in the prospectus and the documents we incorporate by reference herein when making a decision as to whether to invest in our Notes. Our agent for service of process is Puglisi & Associates, located at 850 Library Avenue, Suite 204, Newark, Delaware 19711.

Table of Contents

The Offering

The following summary contains basic information about the Notes and the indenture that will govern the Notes, and is not intended to be complete. For a more complete understanding, please refer to the section entitled Description of Notes in this prospectus supplement which contains more detailed descriptions of the terms and conditions of the Notes and the indenture.

Issuer	Seaspan Corporation
Securities Offered	$ million aggregate principal amount (plus up to an additional $ million aggregate principal amount) of our % Notes due 2027 issued in minimum denominations of $25 and integral multiples of $25 in excess thereof.
Maturity Date	October , 2027
Interest Payment Dates	January 30, April 30, July 30 and October 30 of each year, commencing January 30, 2018.
Interest Rate	Our Notes will bear interest from the date of original issue until maturity at a rate of % per year, payable quarterly in arrears.
Ranking	Our Notes will be our unsubordinated unsecured obligations. Our Notes will rank senior to any of our future subordinated debt and rank equally in right of payment with all of our existing and future unsecured and unsubordinated debt. Our Notes will effectively rank junior to our existing and future secured debt, to the extent of the value of the assets securing such debt, as well as to existing and future debt of our subsidiaries.
No Security or Guarantees	None of our obligations under our Notes will be secured by collateral or guaranteed by any of our other affiliates or any other persons.
Covenants	The indenture governing our Notes contains certain covenants that require us to, among other things, limit the amount of debt we incur, limit the amount of restricted payments we make, maintain a certain minimum net worth, and provide certain reports. These covenants are subject to important exceptions and qualifications. For additional information, please read Description of Notes.

Reopening of Notes	We may reopen our Notes at any time without the consent of the holders of our Notes and issue additional notes with the same terms as our Notes (except the issue price, issue date and initial interest payment date), which will thereafter constitute a single fungible series with our Notes.
Use of Proceeds	We intend to use the net proceeds of this offering to repay a portion of a secured credit facility and any remaining proceeds will be used for general corporate purposes, which may include funding vessel acquisitions and repaying other outstanding secured indebtedness. See Use of Proceeds.

S-5

Table of Contents

Ratings	The securities will not be rated by any nationally recognized statistical rating organization.
Listing	We intend to file an application to list our Notes on The New York Stock Exchange, or NYSE. If the application is approved, trading of our Notes on NYSE is expected to begin within 30 days after the original issue date of our Notes. The underwriters have advised us that they intend to make a market in our Notes prior to commencement of any trading on NYSE. However, the underwriters will have no obligation to do so, and no assurance can be given that a market for our Notes will develop prior to commencement of trading on NYSE or, if developed, will be maintained.
Form	Our Notes will be represented by one or more permanent global notes, which will be deposited with the trustee as custodian for The Depository Trust Company, or DTC, and registered in the name of a nominee designated by DTC. Holders of Notes may elect to hold interests in a global note only in the manner described in this prospectus supplement. Any such interest may not be exchanged for certificated securities except in limited circumstances described in this prospectus supplement. For additional information, please read Description of Notes Book-entry System; Delivery and Form in this prospectus supplement.
Additional Amounts	Any payments made by us with respect to the Notes will be made without withholding or deduction for or on account of taxes unless required by law. If we are required by law to withhold or deduct amounts for or on account of tax imposed by a relevant taxing authority with respect to a payment to the holders of Notes, we will, subject to certain exceptions, pay the additional amounts necessary so that the net amount received by the holders of the Notes after the withholding or deduction is not less than the amount that they would have received in the absence of the withholding or deduction. See Description of Notes Additional Amounts.
Optional Redemption	The Notes will be redeemable at our option, in whole or in part, at any time on or after October , 2020, at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest to, but not including, the redemption date. See Description of Notes Optional Redemption.
Tax Redemption	If we become obligated to pay additional amounts under the Notes as a result of changes affecting certain withholding taxes, we may redeem at our option all, but not less than all, of the Notes at 100% of their principal amount plus accrued and unpaid interest, if any, to, but not

including, the date of redemption and all additional amounts, if any. See Description of Notes Optional Redemption for Changes in Withholding Taxes.

Change of Control Offer	Unless the principal amount of the Notes has been accelerated, and such acceleration has not been rescinded, upon the occurrence of

Table of Contents

specific kinds of changes of control, you will have the right, as holders of the Notes, to cause us to repurchase some or all of your Notes at 101% of their face amount, plus accrued and unpaid interest, if any, to, but not including, the repurchase date. See Description of Notes Change of Control Permits Holders to Require Us to Purchase Notes.

Settlement	Delivery of our Notes offered hereby will be made against payment therefor on or about October , 2017. Please read Alternative Settlement Cycle in this prospectus supplement.
Risk Factors	An investment in our Notes involves risks. You should consider carefully the factors set forth in the section of the prospectus entitled Risk Factors beginning on page S-11 of this prospectus supplement and on page 4 of the accompanying base prospectus to determine whether an investment in our Notes is appropriate for you.

Table of Contents

Summary Historical Consolidated Financial and Operating Data

The following table presents, in each case for the periods and as at the dates indicated, our summary historical consolidated financial and operating data.

The summary historical consolidated financial data has been prepared on the following basis:

The historical consolidated financial data as at December 31, 2016 and 2015 and for the years ended December 31, 2016, 2015 and 2014 is derived from our audited consolidated financial statements and the notes thereto, which are contained in our Annual Report on Form 20-F for the year ended December 31, 2016, filed with the SEC on March 6, 2017, and incorporated by reference into this prospectus supplement.

The historical consolidated financial data as at December 31, 2014 is derived from our audited consolidated financial statements and the notes thereto, which is contained in our Annual Report on Form 20-F for the year ended December 31, 2014, filed with the SEC on March 10, 2015.

The historical consolidated financial data as at June 30, 2017 and for the six months ended June 30, 2017 and 2016 is derived from our unaudited interim consolidated financial statements and the notes thereto, which are contained in our Report on Form 6-K, filed with the SEC on August 1, 2017, and incorporated by reference into this prospectus supplement.

The historical consolidated financial data as at June 30, 2016 is derived from our unaudited interim consolidated financial statements and the notes thereto, which is contained in our Report on Form 6-K, filed with the SEC on July 27, 2016.

The following table should be read together with, and is qualified in its entirety by reference to our financial statements and the notes thereto incorporated by reference into this prospectus supplement. Our historical consolidated financial data may not be indicative of the results of operations or financial position to be expected in the future.

	Six months ended June 30,		Year ended December 31,		
	2017	2016	2016	2015	2014
Statements of operations data (in thousands of USD):					
Revenue	$ 405,930	$ 439,837	$ 877,905	$ 819,024	$ 717,170
Operating expenses:					
Ship operating	90,430	96,840	192,327	193,836	166,097
Cost of services, supervision fees		5,200	7,390	1,950	
Depreciation and amortization	99,744	113,352	216,098	204,862	181,527
General and administrative	14,975	16,857	32,118	27,338	30,462