

Pioneer Marine Inc. Announces Cancellation of Five Newbuildings

MAJURO -- (Marketwired – March 23, 2016) – Pioneer Marine Inc. (OSLO-OTC: PNRM) ("Pioneer Marine," or the "Company") a leading shipowner and global drybulk handysize transportation service provider announced the following developments regarding its newbuilding program:

- (1) Termination of five (5) newbuilding contracts for Green Dolphin 38,400 dwt Handysize vessels following mutual agreement with Yangzhou Guoyu Shipyard. The instalments paid in relation with these contracts including interest will be paid back by the refund guarantor.
- (2) Delays in the current delivery schedule with one (1) vessel now scheduled to be delivered in Q3 2016 and the last vessel in the newbuilding program to be delivered in Q1 2017.

The Company's CEO, Pankaj Khanna, further elaborated by stating "The unprecedented downturn in drybulk freight rates has prompted us to cancel another five of our newbuilding contracts at Guoyu Shipyard. This cancellation was achieved amicably through mutual consent in a negotiated settlement with the shipyard. The cancellation frees up \$30 million in cash immediately, to add to our existing cash balance of \$57 million as of the end of February 2016. In addition we have \$24 million in pre-paid instalments for the last two newbuildings. To put it simply we have \$111 million of cash with two newbuildings to be delivered in the next ten months.

"We have proactively created a long runway for the company even assuming today's very low freight rates, reduced our capital expenditure commitments and have worked in the last few months to trim our costs significantly. Post the cancellation we now have 15 vessels on the water and only two newbuildings, which have been financed with 60% debt with Sinasure cover. Pioneer is now in a strong position to take advantage of the distress in the drybulk market either from direct asset purchases, bank deals or a M&A transaction.

"The Company also announced the resignation of Erol Sarikaya, one of Garrison Investment Group's representatives on the Pioneer Board of Directors. Mr Sarikaya is leaving Garrison to pursue other shipping related interests. Mr Gregg Chiota, the Head of the Financial Assets Group within Garrison will be replacing Erol on the Board.

"We thank Mr Sarikaya for his energy and contribution to the Company's development for the last two and a half years and wish him well in his next venture."

About Pioneer Marine Inc.

Pioneer Marine Inc. is a leading shipowner and global drybulk handysize transportation service provider. Pioneer Marine owns fourteen Handysize and one Handymax drybulk carriers with an additional 2 Handysize newbuildings on order for delivery through 2016 and 2017. The Handysize Green Dolphins newbuildings are 'Eco' vessels.

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, which are other than statements of historical facts. 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, our management's examination of historical operating trends, data contained in our 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 our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

In addition to these important factors, other important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the failure of counterparties to fully perform their contracts with us, the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand for dry bulk vessel capacity, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, charter counterparty performance, ability to obtain financing and comply with covenants in such financing arrangements, 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, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hires and other factors.

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