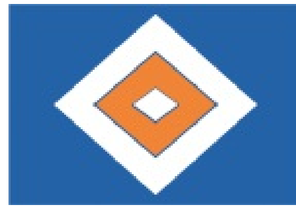
Filed Pursuant to Rule 424(b)(5)
Registration No. 333-181076

PROSPECTUS SUPPLEMENT

558,333 Shares



BOX SHIPS INC.

9.00% Series C Cumulative Redeemable Perpetual Preferred Shares

We are selling 558,333 shares of our 9.00% Series C Cumulative Redeemable Perpetual Preferred Shares, par value $0.01 per share, liquidation preference $25.00 per share (the "Series C Preferred Shares").

Neige International Inc., a company controlled by our Chairman, President and Chief Executive Officer, has agreed to purchase $5.0 million of the Series C Preferred Shares, or 208,333 shares, sold in this offering directly from us at the public offering price.

Dividends on the Series C Preferred Shares will accrue and be cumulative from the date of original issue and will be payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, commencing October 1, 2013, when, as and if declared by our board of directors. Dividends will be payable out of amounts legally available therefor at a rate equal to 9.00% per annum of the stated liquidation preference, subject to adjustment as described in this prospectus supplement.

At any time on or after July 29, 2016 and prior to July 29, 2018, we may redeem, in whole or in part, the Series C Preferred Shares at a redemption price equal to 101% of the liquidation preference ($25.00 per share) and at any time thereafter at a redemption price equal to the $25.00 liquidation preference, in each case plus an amount equal to all accumulated and unpaid dividends thereon to the date of redemption, whether or not declared. Any such redemption would be effected only out of funds legally available for such purpose. We must provide not less than 30 days' and not more than 60 days' written notice of any such redemption.

Also, upon the occurrence of a Change of Control, we may, at our option, redeem any or all of the shares of Series C Preferred Stock within 120 days after the first date on which such Change of Control occurred at $25.00 per share plus any accumulated and unpaid dividends to, but not including, the redemption date. The Series C Preferred Shares have no stated maturity, are not subject to any sinking fund or mandatory redemption and will remain outstanding indefinitely unless repurchased or redeemed by us or converted into our common shares in connection with a Change of Control by the holders of Series C Preferred Shares.

Upon the occurrence of a Change of Control, each holder of Series C Preferred Shares will have the right (subject to our election to redeem the Series C Preferred Shares in whole or in part, as described above, prior to the Change of Control Conversion Date (as defined herein)) to convert some or all of the Series C Preferred Shares held by such holder on the Change of Control Conversion Date into a number of our common shares. The number of common shares into which each Series C Preferred Share shall be convertible shall be equal to the lesser of: (i) the quotient obtained by dividing (x) the sum of the $25.00 liquidation preference per Series C Preferred Shares plus the amount of any accumulated and unpaid dividends thereon to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a dividend record date (as defined herein) and prior to the corresponding dividend payment date (as defined herein) for the Series C Preferred Shares, in which case no additional amount for such accrued and unpaid dividends will be included in this sum) by (y) the Common Share Price (as defined herein); and (ii) 25.00, which we refer to as the "Share Cap," subject to certain adjustments as explained herein; in each case, on the terms and subject to the conditions described in this prospectus supplement, including provisions for the receipt, under specified circumstances, of alternative consideration as described in this prospectus supplement.

The dividend rate for the Series C Preferred Shares will be a rate equal to 9.00% per annum of the liquidation preference of $25.00 per share, subject to increase if (i) we fail to comply with certain covenants (a "Covenant Default"), (ii) we experience certain defaults under any of our credit facilities (a "Cross Default"), (iii) six quarterly dividends payable on the Series C Preferred Shares are in arrears (a "Dividend Payment Default"), or (iv) the Series C Preferred Shares are not redeemed by us in whole by July 29, 2020 (a "Failure to Redeem"), the dividend rate payable on the Series C Preferred Shares shall increase to a rate that is 1.25 times the dividend rate payable on the Series C Preferred Shares as of the close of business on the day immediately preceding the occurrence of a Covenant Default, Cross Default, Divided Payment Default or Failure to Redeem, as applicable, and on each subsequent Dividend Payment Date, the dividend rate payable shall increase to a rate that is 1.25 times the dividend rate payable on the Series C Preferred Shares as in effect as of the close of business on the day immediately preceding such Dividend Payment Date, subject to an aggregate maximum rate per annum of 25%, until the Covenant Default, Cross Default or Divided Payment Default is cured or the Series C Preferred Shares are no longer outstanding. Please see the section entitled "Description of Series C Preferred Shares—Dividends—Dividend Payment Dates—Increase in Dividend Rate Following a Covenant Default, Cross Default, Dividend Payment Default or Failure to Redeem."

We have applied to have the Series C Preferred Shares listed on the New York Stock Exchange. Currently, there is no public market for the Series C Preferred Shares.

Investing in our equity securities, including our Series C Preferred Shares, involves risks. See "Risk Factors" beginning on page S-17 of this prospectus supplement and beginning on page 6 of our Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 8, 2013.

	Price to Public	Underwriting Discounts and Commissions(1)	Proceeds to Box Ships Inc.(1)
Per Share	$ 24.00	$ 1.44	$ 22.56
Total	$ 13,399,992	$ 504,000	$ 12,895,992

(1) The underwriters are not purchasing and will not receive an underwriting discount or commission on the sale of the Series C Preferred Shares to Neige International Inc.

We have granted the underwriters an option to purchase up to an additional 52,500 of our Series C Preferred Shares at the public offering price less underwriting discounts to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the Series C Preferred Shares on or about July 29, 2013.

Joint Book-Running Managers

Maxim Group LLC **Ladenburg Thalmann & Co. Inc.** **MLV & Co.**

Lead Manager

National Securities Corporation

Co-Managers

Aegis Capital Corp **Global Hunter Securities**

The date of this prospectus is July 24, 2013

TABLE OF CONTENTS

Prospectus Supplement

IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT	S-ii
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS	S-iii
PROSPECTUS SUMMARY	S-1
THE OFFERING	S-7
SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA	S-14
RISK FACTORS	S-17
USE OF PROCEEDS	S-49
CAPITALIZATION	S-50
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERENCE DIVIDENDS	S-52
DESCRIPTION OF SERIES C PREFERRED SHARES	S-53
TAX CONSIDERATIONS	S-66
UNDERWRITING	S-74
EXPENSES	S-79
LEGAL MATTERS	S-80
EXPERTS	S-80
WHERE YOU CAN FIND ADDITIONAL INFORMATION	S-80

Prospectus

PROSPECTUS SUMMARY	1
RISK FACTORS	7
CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS	9
RATIO OF EARNINGS TO FIXED CHARGES	11
USE OF PROCEEDS	12
CAPITALIZATION	13
DILUTION	14
PER SHARE MARKET PRICE INFORMATION	15
ENFORCEABILITY OF CIVIL LIABILITIES	16
PLAN OF DISTRIBUTION	17
DESCRIPTION OF CAPITAL STOCK	19
DESCRIPTION OF DEBT SECURITIES	29
DESCRIPTION OF WARRANTS	38
DESCRIPTION OF PURCHASE CONTRACTS	39
DESCRIPTION OF RIGHTS	40
DESCRIPTION OF UNITS	41
EXPENSES	42
LEGAL MATTERS	42
EXPERTS	42
WHERE YOU CAN FIND ADDITIONAL INFORMATION	42

IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying base prospectus and the documents incorporated by reference into this prospectus supplement and the base prospectus. The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined, and when we refer to the accompanying prospectus, we are referring to the base prospectus.

If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. This prospectus supplement, the accompanying prospectus and the documents incorporated into each by reference include important information about us, our common shares being offered and other information you should know before investing. You should read this prospectus supplement and the accompanying prospectus together with additional information described under the heading, "Where You Can Find Additional Information" before investing in our common shares.

Unless otherwise indicated, all references to "dollars" and "$" in this prospectus supplement are to, and amounts presented in, United States dollars and financial information presented in this prospectus supplement that is derived from financial statements incorporated by reference is prepared in accordance with accounting principles generally accepted in the United States.

We have authorized only the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus, and any free writing prospectus prepared by or on behalf of us or to which we have referred you. We have not, and any underwriters have not, authorized anyone to provide you with information other than as set forth in this prospectus supplement and the accompanying prospectus. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. We are offering to sell, and seeking offers to buy, our Series C Preferred Shares only in jurisdictions where offers and sales are permitted. The information contained in or incorporated by reference in this document is accurate only as of the date such information was issued, regardless of the time of delivery of this prospectus supplement or any sale of our common shares.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus, including the information we incorporate by reference, include "forward-looking statements," as defined by U.S. federal securities laws, with respect to our financial condition, results of operations and business and our expectations or beliefs concerning future events. Words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "projects," "likely," "will," "would," "could" and similar expressions or phrases may identify forward-looking statements.

All forward-looking statements involve risks and uncertainties. The occurrence of the events described, and the achievement of the expected results, depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from expected results.

Forward-looking statements appear in a number of places and include statements with respect to, among other things:

- our expectations of our ability to pay dividends on our equity securities, including our Series C Preferred Shares;
- our future financial condition or results of operations and future revenues and expenses;
- our ability to identify and acquire additional containerships;
- general market conditions and shipping market trends, including charter rates and factors affecting supply and demand;
- our ability to repay our debt and obtain additional financing;
- expected compliance with financing agreements and the expected effect of restrictive covenants in such agreements;
- planned capital expenditures and the ability to fund capital expenditures from external financing sources;
- the need to establish reserves that would reduce the amounts available to pay dividends on our Series C Preferred Shares;
- changes in demand or rates in the container shipping industry;
- future supply of, and demand for, products suitable for shipping in containers;
- our charterers' performance of their obligations under our time charters;
- changes in the supply and demand of containerships, including newbuilding vessels or lower than anticipated scrapping of older vessels;
- changes in rules and regulations applicable to the container shipping industry, including, without limitation, legislation adopted by international organizations or by individual countries and actions taken by regulatory authorities;
- increases in costs and expenses including but not limited to: crew wages, insurance, provisions, lube oil, bunkers, repairs, maintenance and general and administrative expenses;
- the adequacy of our insurance arrangements;
- changes in general domestic and international political conditions;
- changes in the condition of our vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking or maintenance and repair costs) and unanticipated drydock expenditures;

- the ability to leverage the relationship and reputation of Allseas Marine S.A. in the shipping industry;
- the ability to maximize the use of vessels;
- operating expenses, availability of crew, number of off-hire days, drydocking requirements and insurance costs;
- expected pursuit of strategic opportunities, including the acquisition of vessels and expansion into new markets;
- expected financial flexibility to pursue acquisitions and other expansion opportunities;
- the ability to compete successfully for future chartering and newbuilding opportunities;
- the expenses under service agreements with affiliates of the Company;
- the anticipated taxation of our Company and distributions to our shareholders;
- the expected life span of our vessels;
- customers' increasing emphasis on environmental and safety concerns;
- anticipated funds for liquidity needs and the sufficiency of cash flows; and
- our business strategy and other plans and objectives for future operations.

We have based these statements on assumptions and analyses formed by applying our experience and perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. All future written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We undertake no obligation, and specifically decline any obligation, except as required by law, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur.

See the section entitled "Risk Factors," beginning on page S-17 of this prospectus supplement and beginning on page 6 of our Annual Report on Form 20-F filed with the Securities and Exchange Commission, or SEC, on March 8, 2013 for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. These factors and the other risk factors described in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. Consequently, there can be no assurance that actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

PROSPECTUS SUMMARY

This section summarizes some of the information that is contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. As an investor or prospective investor, you should review carefully the entire prospectus supplement and the accompanying prospectus, any free writing prospectus that may be provided to you in connection with the offering of the Series C Preferred Shares and the information incorporated by reference in this prospectus supplement and the accompanying prospectus, including the sections entitled "Risk Factors" included on page S-17 of this prospectus supplement, on page 7 of the accompanying prospectus and in our Annual Report on Form 20-F for the year ended December 31, 2012, filed with the SEC on March 8, 2013.

Unless we specify otherwise, when used in this prospectus the terms the "Company," "we," "our" and "us" refer to Box Ships Inc. and its subsidiaries. References to "Paragon Shipping" are to Paragon Shipping Inc., references to "Allseas" or "our Manager" are to Allseas Marine S.A. and its relevant subsidiaries, which provides our fleet with commercial and technical management services and provides certain administrative and corporate services to us, and references to "Neige International" are to Neige International Inc., a company controlled by our Chairman, President and Chief Executive Officer.

We use the term "TEU" in describing the size of containerships. TEU is a standard measure of a containership's cargo-carrying capacity and refers to the space occupied by a container having the International Organization for Standardization's standard external dimensions, the length of which is 20 feet, the height of which is 8.5 feet and the width of which is 8.0 feet.

Our Company

We are an international shipping company engaged in the seaborne transportation of containers worldwide. We are focused on pursuing growth opportunities in the container shipping industry by leveraging the reputation, expertise and relationships of our management team and our Manager in identifying attractive vessel acquisition opportunities and maintaining cost-competitive, efficient operations.

As of the date of this prospectus supplement, our fleet is comprised of nine containerships with a TEU-weighted average age of 8.5 years, a total capacity of 43,925 TEU and a weighted average remaining charter duration of 17 months (weighted by aggregate contracted charter hire and assuming no exercise of any options to extend the durations of the charters).

We operate through a number of wholly-owned, vessel-owning subsidiaries incorporated in the Republic of Liberia, the Republic of the Marshall Islands and Hong Kong. Allseas, a company controlled by our Chairman, President and Chief Executive Officer, Mr. Michael Bodouroglou, provides the commercial and technical management services for all of the vessels in our fleet.

Table of Contents

Our Fleet

The following table presents certain information concerning our fleet as of the date of this prospectus supplement:

Vessel	Year Built	TEU	Charterer	Daily Gross Charter Rate (7)	Charter Expiration	Notes
Box Voyager	2010	3,426	CNC	$ 6,850	August 2013	1
Box Trader	2010	3,426	Hapag Lloyd	$ 6,750	August 2013	2
CMA CGM *Kingfish*	2007	5,095	CMA CGM	$ 23,000	April 2014	3
CMA CGM *Marlin*	2007	5,095	CMA CGM	$ 23,000	May 2014	3
Maersk *Diadema*	2006	4,546	Maersk	$ 28,000	January 2014	3,4
Maule	2010	6,589	CSAV Valparaiso	$ 38,000	May 2016	5
MSC *Emma*	2004	5,060	MSC	$ 28,500	August 2014	6
OOCL *Hong Kong*	1995	5,344	OOCL	$ 26,800	June 2015	8
OOCL *China*	1996	5,344	OOCL	$ 26,800	July 2015	8
Total		**43,925**				

Notes:

1) The charterer has the option to increase the term of the charter up until March 2014.
2) The charterer has the option to increase the term of the charter by up to an additional 3 months at the same gross daily charter rate. The charterer also has the option to extend the term of the charter by an additional one-year term, plus or minus 30 days, at a gross daily charter rate of $15,000.
3) The charterer has the option to increase or decrease the term of the charter by 45 days.
4) The charterer has the option to extend the term of the charter by additional one-year terms for four successive years at the same gross daily charter hire.
5) The charterer has the option to increase or decrease the term of the charter by 30 days. The charterer also has the option to purchase the vessel upon expiration of the charter, provided that the option is exercised at least six months prior to the expiration of the term of the charter, for a purchase price of $57.0 million, less a 0.5% purchase commission payable to parties unaffiliated to us.
6) The charterer has the option to increase or decrease the term of the charter by 30 days. The charterer also has the option to extend the term of the charter by an additional one-year term at the same gross daily charter rate.
7) Daily gross charter rates do not reflect commissions payable by us to third party chartering brokers and our Manager, totaling 4.75% for *Box Voyager,* 1.25% for each of CMA CGM *Kingfish*, CMA CGM *Marlin*, OOCL *Hong Kong* and OOCL *China*, and 2.5% for each of the other vessels in our fleet, including, in each case, 1.25% to Allseas.
8) The charterer has the option to increase or decrease the term of the charter by 30 days.

On April 19, 2011, we entered into an agreement with Paragon Shipping pursuant to which Paragon Shipping has granted us options to acquire two 4,800 TEU newbuilding containerships for which Paragon Shipping has entered into construction contracts and that are scheduled to be delivered to Paragon Shipping during the second quarter of 2014. The purchase price of the options will be equal to the greater of (i) Paragon Shipping's actual carrying cost of the vessel at the date the option is exercised, plus any actual expenses incurred by Paragon Shipping in connection with the construction contracts or the vessels and (ii) the fair market value of the vessel at the date the option is exercised as determined by the average of two independent ship brokers selected by Paragon Shipping and us. We may exercise our options to acquire each vessel by way of an assignment of the relevant construction contract from Paragon Shipping at any time prior to the applicable vessel's delivery to Paragon Shipping, or purchase of such vessel at any time after its delivery to Paragon Shipping, so long as the vessel is owned by Paragon Shipping at such time. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Options to Acquire Two Newbuilding

Containerships" of our Annual Report on Form 20-F for the year ended December 31, 2012, filed with the SEC on March 8, 2013 and incorporated by reference herein.

Our chartering policy is to employ our vessels and any vessels we may acquire in the future on short- to medium-term time charters of one to five years in order to take advantage of stable cash flows and high utilization rates while preserving the flexibility to later capitalize on potentially rising charter rates with longer terms, although we may opportunistically enter into attractive longer-term charters or, as we did with the *Box Voyager* and the *Box Trader* in the third and fourth quarter of 2012, respectively, short-term time charters with durations of less than one year or, under certain circumstances, our vessels may operate on the spot market. Based on the earliest redelivery dates, the Company has secured under such contracts 81% and 44% of its fleet capacity for the remainder of 2013 and 2014, respectively. We intend to continue to charter our vessels to a diversified portfolio of leading liner charterers with staggered re-delivery dates in accordance with our market outlook.

Management of Our Fleet

Allseas, a Liberian corporation based in Athens, Greece, was formed in 2000 as a ship management company and is wholly-owned by our Chairman, President and Chief Executive Officer, Mr. Michael Bodouroglou, who is also the Chairman, President and Chief Executive Officer of Paragon Shipping. We believe Allseas has established a reputation in the international shipping industry for operating and maintaining a fleet with high standards of performance, reliability and safety and that our business benefits through access to the expertise and resources of Allseas.

Allseas provides commercial and technical management services for our fleet, pursuant to long-term management agreements between Allseas and each of our vessel-owning subsidiaries. Commercial management includes, among other things, negotiating charters for our vessels, monitoring various types of charters, monitoring the performance of our vessels under charter, locating, purchasing, financing and negotiating the purchase and sale of our vessels, obtaining insurance for our vessels and finance and accounting functions. Technical management services include, among other things, arranging for and managing crews, vessel maintenance, drydocking, repairs, insurance, maintaining regulatory and classification society compliance and providing technical support.

We have also entered into an Administrative Services Agreement for the provision of certain administrative services at cost, an Executive Services Agreement, pursuant to which the services of our executive officers are provided to us and an Accounting Agreement, pursuant to which financial, accounting and financial reporting services are provided to us, in each case with Allseas. In addition, Allseas subcontracts crewing services related to our vessels to Crewcare Inc., a company owned by our Chairman, President and Chief Executive Officer.

For more information on our agreements with Allseas and Crewcare discussed above, see "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions" of our Annual Report on Form 20-F for the year ended December 31, 2012, filed with the SEC on March 8, 2013 and incorporated by reference herein.

Our Key Strengths

Experienced management team. Our Chairman, President and Chief Executive Officer, has more than 30 years of experience in the international shipping industry and our Chief Financial Officer has more than 15 years experience in the shipping and finance industries. Mr. Bodouroglou, our Chairman, President and Chief Executive Officer, while at our Company, Allseas, Paragon Shipping and Eurocarriers S.A., or Eurocarriers, has managed in excess of 60 vessels. We believe the strong relationships members of our management team have developed with shipping industry participants, including chartering brokers, shipbuilders and financial institutions, provides us with vessel acquisition and employment opportunities in the containership sector as well the ability to access financing to grow our Company.

Young fleet acquired at an opportune time. Our fleet is composed of nine containerships with a TEU-weighted average age of 8.5 years, and while we cannot assure you we will be able to do so, we aim to grow our fleet further through timely and selective acquisitions of newbuildings and young secondhand containerships, which we consider to be not more than ten years of age. We believe that owning and operating a young fleet incorporating advanced technical specifications that are attractive to charterers, reduces operating costs and allows our fleet to be more reliable, which improves utilization. In addition, we believe that the acquisition of containership vessels at attractive prices at an advantageous point in the shipping market cycle will allow us to achieve attractive returns as the containership charter market continues to improve.

Cost-competitive, efficient operations. Allseas, which we believe has established a reputation as an experienced and dependable vessel operator, provides the commercial and technical management of our fleet. We believe that Allseas, due to its management of operating expenses through comprehensive planned maintenance systems, preventive maintenance programs and by retaining and training qualified crew members, is able to do so at a cost that is lower than what could be achieved by performing these functions in-house and that Allseas' rates are competitive with those available to us through independent vessel management companies. We believe this external management arrangement enhances the scalability of our business by allowing us to grow our fleet without incurring significant additional overhead costs.

Our Business Strategy

Invest in vessels at an attractive point in the container shipping cycle. We intend to identify attractive vessel acquisition opportunities to expand our fleet. We believe we are well-positioned to take advantage of the significant opportunities created by the recent global economic slowdown and developments in the container shipping sector as vessel prices remain below their 10-year historical averages and charter rates remain at levels well below their long-term averages.

Operate a young, high-quality fleet. The TEU-weighted average age of our fleet is approximately 8.5 years, while, according to industry sources, the average age of the world containership fleet was approximately 10.8 years as of June 25, 2013. The smaller class sizes of the worldwide containership fleet have a higher proportion of aging tonnage: the majority of containerships 25 years or older have carrying capacities below 4,000 TEUs. We intend to operate a young, high-quality fleet that meets or exceeds stringent industry standards and complies with charterer requirements.

Strategically employ our vessels in order to maximize the opportunities in the chartering market. We intend to continue to employ our fleet, and any additional vessels we acquire, on short- to medium-term time charters of one to five years with staggered maturities which we believe will provide us with the benefits of stable cash flows and high utilization rates, while preserving the flexibility to capitalize on potentially rising rates by entering into longer-term period charters alongside any increase in containership charter rates toward their historical averages when the current time charters expire. We may, under certain circumstances, opportunistically enter our vessels into shorter-term charters or our vessels may operate on the spot market. We intend to charter our vessels to a diversified portfolio of leading liner charterers with staggered re-delivery dates in accordance with our market outlook.

Diversify our fleet to serve various trade routes and ports. We intend to continue to focus on containerships with carrying capacities ranging from 1,700 TEU to 7,000 TEU as we believe vessels of these sizes provide attractive risk-return characteristics, but may evaluate other classes of containerships for potential acquisitions as we seek to strategically diversify our fleet to serve a variety of customers, trade routes and ports. In evaluating vessel purchases, we plan to acquire young, secondhand vessels that were constructed to stringent technical specifications that meet all the class society requirements, with speed and consumption characteristics that are attractive to the liner companies and that we believe will provide an attractive return on equity.

Table of Contents

Return substantially all of our operating cash flow to shareholders through quarterly dividends. We intend to distribute to holders of our Series C Preferred Shares and our common shareholders on a quarterly basis substantially all of our operating cash flow less any amounts required to pay cash expenses and capital expenditures, service our debt and maintain reserves for drydockings, surveys and other purposes as our board of directors may from time to time determine. We have consistently paid quarterly dividends in respect of our common stock since inception, and on our Series B-1 Cumulative Redeemable Perpetual Preferred Shares, or the Series B-1 Preferred Shares, since their issuance.

Series B-1 Preferred Shares

Our Series C Preferred Shares will be equal in rank to our Series B-1 Preferred Shares. Cumulative dividends on our Series B-1 Preferred Shares accrue at a rate of 9.75% per annum per $30.00 stated liquidation preference per Series B-1 Preferred Share, subject to increase upon the occurrence of certain events. The Series B-1 Preferred Shares are subject to redemption at the Company's option in whole or in part at a redemption price of 100% of the liquidation preference of $30.00 per share at any time on or prior to September 1, 2012, 102.25% of the liquidation preference at any time up to September 1, 2013, 103.75% of the liquidation preference at any time prior to September 1, 2014 and 105% of the liquidation preference thereafter. As of the date of this prospectus supplement, the holder of all of our outstanding Series B-1 Preferred Shares is Neige International Inc., or Neige International, a company controlled by our Chairman, President and Chief Executive Officer, Mr. Michael Bodouroglou. For additional information about our Series B-1 Preferred Shares, please see the section of our Annual Report on Form 20-F for the year ended December 31, 2012 entitled "Item 10. Additional Information—B. Memorandum and Articles of Association" filed with the SEC on March 8, 2013 and incorporated by reference herein.

We intend to use a portion of the proceeds of this offering to redeem all outstanding Series B-1 Preferred Shares. Following the completion of this offering, no Series B-1 Preferred Shares will remain outstanding. Please see the section of this prospectus supplement entitled "Use of Proceeds."

Unsecured Loan Agreement with Paragon Shipping

On March 10, 2013, we agreed to amend the terms of our unsecured loan agreement with Paragon Shipping dated May 27, 2011, with a current outstanding principal balance of $11.0 million. Pursuant to the terms of the amended loan agreement, the maturity of the loan was extended from April 19, 2013 to April 19, 2014. During the remaining term of the loan, we will be required to make quarterly principal installment payments in the amount of $1.0 million each, commencing on April 19, 2013, with a final balloon payment of $9.0 million on the maturity date. In consideration for the amendment of the loan agreement, we have agreed to pay an amendment fee and to increase the margin by 100 basis points. Subject to the successful completion of this offering, we intend to use a portion of our cash reserves to repay a portion of this loan. Please see the section of this prospectus supplement entitled "Use of Proceeds."

Recent Developments

During May, June and July 2013, we entered into supplemental agreements with our lenders, subject in the case of ABN AMRO to the completion of customary documentation, and agreed to certain amendments in the financial covenants. For the period commencing on June 27, 2013 and ending between January 1, 2014 and July 3, 2014, as specified in each supplemental agreement ("Waiver Period"), we are required to be in compliance with the following financial covenants, calculated on a consolidated basis:

- The Market Value Adjusted Net Worth shall not be less than $100,000,000 during the Waiver Period and $150,000,000 at all other times thereafter; and

- The ratio of Total Debt or Total Liabilities to Market Value Adjusted Total Assets shall not exceed 0.85:1 during the Waiver Period and 0.65:1 at all other times thereafter.

In addition, the supplemental agreements provide for reduced minimum asset cover ratios, during the Waiver Period, ranging between 110% and 120%, with the exception of Credit Suisse, where the minimum asset cover ratio remains unchanged. The supplemental agreement we have entered into with Commerzbank also includes a covenant whereby the Waiver Period with respect to the Commerzbank loan agreement will expire if the employment of the MSC Emma is terminated or reduced to a level that is insufficient to fund payments due under their loan agreement. During the Waiver Period, we may declare and pay quarterly dividends at a maximum amount of $0.15 per common share outstanding. In consideration for the amendments of the loan agreements, we agreed to pay waiver fees and to increase the margin with one of our lenders during the Waiver Period by 35 basis points.

Corporate Structure

Box Ships Inc. is a company organized under the laws of the Republic of the Marshall Islands on May 19, 2010 as a wholly-owned subsidiary of Paragon Shipping. We completed our initial public offering on April 19, 2011. The address of our principal executive offices is 15, Karamanli Avenue, 16673, Voula, Greece. Our telephone number at that address is +30 (210) 891-4600. We maintain a website at www.box-ships.com. Information contained on our website does not constitute part of this prospectus supplement.

As of the date of this prospectus supplement, Paragon Shipping owns approximately 13.8% of our outstanding common shares.

Our Chairman, President and Chief Executive Officer, Mr. Michael Bodouroglou, owns approximately 15.7% of our outstanding common shares, which includes 1,333,333 common shares issuable upon the exercise of warrants issued to Neige International in June 2012, which have an exercise price of $7.74 per share and may be exercised at any time on or prior to June 30, 2017, but which excludes our common shares held by Paragon Shipping, which Mr. Bodouroglou may be deemed to beneficially own by virtue of his ownership of approximately 56.5% of Paragon Shipping's issued and outstanding common shares.

We own our vessels through separate wholly-owned subsidiaries that are incorporated in the Republic of the Marshall Islands, the Republic of Liberia and Hong Kong.

Table of Contents

THE OFFERING

Issuer	Box Ships Inc.
Securities offered by us	558,333 shares of our 9.00% Series C Cumulative Redeemable Perpetual Preferred Shares, par value $0.01 per share, liquidation preference $25.00 per share. For a detailed description of the Series C Preferred Shares, please see the section entitled "Description of Series C Preferred Shares."
Over-allotment option	We have granted the underwriters an option to purchase up to an additional 52,500 of our Series C Preferred Shares at the public offering price less underwriting discounts to cover over-allotments.
Price per share	$24.00
Share purchases by an affiliate	Neige International Inc., a company controlled by our Chairman, President and Chief Executive Officer, has agreed to purchase $5.0 million of the Series C Preferred Shares, or 208,333 shares, sold in this offering at the public offering price.
Dividends	Dividends on our Series C Preferred Shares will accrue and be cumulative from the date the Series C Preferred Shares 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.
Dividend payment dates	January 1, April 1, July 1 and October 1, commencing on October 1, 2013 (each, a "Dividend Payment Date"), provided, however, that if any Dividend Payment Date would otherwise occur on a day that is not a business day, such Dividend Payment Date shall instead be on the immediately succeeding business day.
Dividend rate	The dividend rate for the Series C Preferred Shares will be a rate equal to 9.00% per annum of the liquidation preference of $25.00 per share, subject to increase if (i) we fail to comply with certain covenants (a "Covenant Default"), (ii) we experience certain defaults under any of our credit facilities (a "Cross Default"), (iii) six quarterly dividends payable on the Series C Preferred Shares are in arrears (a "Dividend Payment Default"), or (iv) the Series C Preferred Shares are not redeemed by us in whole by July 29, 2020 (a "Failure to Redeem"), the dividend rate payable on the Series C Preferred Shares shall increase to a rate that is 1.25 times the dividend rate payable on the Series C Preferred Shares as of the close of business on the day immediately preceding the occurrence of a Covenant Default, Cross Default, Divided Payment Default or Failure to Redeem, as applicable, and on each subsequent Dividend Payment Date, the dividend rate payable shall increase to a rate that is 1.25

Table of Contents

	times the dividend rate payable on the Series C Preferred Shares as in effect as of the close of business on the day immediately preceding such Dividend Payment Date, subject to an aggregate maximum rate per annum of 25%, until the Covenant Default, Cross Default or Divided Payment Default is cured or the Series C Preferred Shares are no longer outstanding.
No Maturity, Sinking Fund or Mandatory Redemption	The Series C Preferred Shares have no stated maturity and will not be subject to any sinking fund or mandatory redemption. The Series C Preferred Shares will remain outstanding indefinitely unless we decide to redeem or otherwise repurchase them or they become convertible and are converted as described below under "—Conversion Rights." We are not required to set aside funds to redeem Series C Preferred Shares.
Ranking	The Series C Preferred Shares will rank: (a) senior to our common shares, our Series A Participating Preferred Stock and to any other class or series of capital stock established after the original issue date of the Series C Preferred Shares, the terms of which class or series do not expressly provide that it is made senior to or on parity with the Series C Preferred Shares as to dividend distributions and distributions upon liquidation; and (b) equal with our 9.75% Series B Cumulative Redeemable Perpetual Preferred Shares ("Series B Preferred Shares") and our Series B-1 Preferred Shares (which are being redeemed with the proceeds of this offering) and any other class or series of capital stock established after the original issue date of the Series C Preferred Shares by our board of directors, the terms of which class or series are not expressly subordinated or senior to the Series C Preferred Shares as to dividend distributions and distributions upon liquidation; and (c) junior to all of our indebtedness and other liabilities with respect to assets available to satisfy claims against us and to each class or series of capital stock established after the original issue date of the Series C Preferred Shares by our board of directors, the terms of which class or series expressly provide that it ranks senior to the Series C Preferred Shares as to dividend distributions and distributions upon liquidation.
Optional redemption	At any time on or after July 29, 2016 and prior to July 29, 2018, we may redeem, in whole or in part, the Series C Preferred Shares at a redemption price equal to 101% of the liquidation preference ($25.00 per share) and at any time thereafter at a redemption price equal to the $25.00 liquidation preference, in each case plus an amount equal to all accumulated and unpaid dividends thereon to the date of redemption, whether or not declared. Any such redemption

	would be effected only out of funds legally available for such purpose. We must provide not less than 30 days' and not more than 60 days' written notice of any such redemption.
Special Optional Redemption	Upon the occurrence of a Change of Control, we may, at our option, redeem the Series C Preferred Shares, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price of $25.00 per share, plus any accumulated and unpaid dividends to, but not including, the redemption date. If, prior to the Change of Control Conversion Date (as defined herein), we have provided notice of our election to redeem some or all of the Series C Preferred Shares (whether pursuant to our optional redemption right described above or this special optional redemption right), the holders of Series C Preferred Shares will not have the conversion right described below under "—Conversion Rights" with respect to the Series C Preferred Shares called for redemption. Please see the section entitled "Description of the Series C Preferred Shares—Redemption—Special Optional Redemption." A "Change of Control" is deemed to occur when, after the original issuance of Series C Preferred Shares, the following have occurred and are continuing: • the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than a person affiliated with our Chairman and Chief Executive Officer, Mr. Michael Bodouroglou, or members of his family or companies legally or beneficially owned or controlled by such persons, and any "person" or "group" under Section 13(d)(3) of the Exchange Act, that is controlled by Mr. Michael Bodouroglou, members of his family or companies legally or beneficially owned or controlled by such persons), of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of our stock entitling that person to exercise more than 50% of the total voting power of all our stock entitled to vote generally in the election of our directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and • following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or

	surviving entity has a class of securities listed on a national securities exchange in the United States.
Conversion Rights	Upon the occurrence of a Change of Control, each holder of Series C Preferred Shares will have the right, subject to our election to redeem the Series C Preferred Shares in whole or part, as described above under "—Optional Redemption" or "—Special Optional Redemption," prior to the Change of Control Conversion Date, to convert some or all of the Series C Preferred Shares held by such holder on the Change of Control Conversion Date into a number of our common shares. The number of common shares into which each Series C Preferred Share shall be convertible shall be equal to the lesser of: • the quotient obtained by dividing (i) the sum of the $25.00 liquidation preference per Series C Preferred Shares plus the amount of any accumulated and unpaid dividends thereon to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a dividend record date (as defined herein) and prior to the corresponding dividend payment date (as defined herein) for the Series C Preferred Shares, in which case no additional amount for such accrued and unpaid dividends will be included in this sum) by (ii) the Common Share Price (as defined herein); and • 25.00, which we refer to as the "Share Cap," subject to certain adjustments as explained herein; in each case, on the terms and subject to the conditions described in this prospectus supplement, including provisions for the receipt, under specified circumstances, of alternative consideration as described in this prospectus supplement. For definitions of "Change of Control Conversion Date" and "Common Share Price" and a description of certain adjustments and provisions for the receipt of alternative consideration that may be applicable to the conversion of Series C Preferred Shares in the event of a Change of Control, and for other important information, please see the section entitled "Description of the Series C Preferred Shares —Conversion Rights."
Voting rights	Holders of the Series C Preferred Shares generally have no voting rights. However, if and whenever dividends payable on the Series C Preferred Shares are in arrears for six or more quarterly periods, whether or not consecutive, holders of Series C Preferred Shares (voting together as a class with all other classes or series of preferred stock upon which like voting rights have been conferred and are exercisable) will,

	subject to certain exceptions, be entitled to elect two additional directors to serve on our board of directors until we pay in full all dividends accumulated and in arrears on the Series C Preferred Shares.
Net worth covenant	We will be subject to a covenant requiring that we maintain a ratio of net worth to preferred stock of 1.50 or greater, as measured on the last day of each fiscal quarter. See the section entitled "Description of Series C Preferred Shares—Dividends—Increase in Dividend Rate Following a Covenant Default or Dividend Payment Default." Our failure to comply with such covenant, if such failure continues unremedied for 120 days, shall constitute a "Covenant Default" pursuant to the terms of the Series C Preferred Shares, and the dividend rate payable on the Series C Preferred Shares shall increase as described above under "Dividend rate." In addition, we will not be permitted to declare, pay or set apart for payment any cash dividend on any junior securities, including our common shares, unless we are in compliance with this net worth covenant.
Cross defaults:	The receipt by us or any of our wholly owned subsidiaries of a written notice by our or their lender that an event of default under any Credit Facility, as defined below, that we or such subsidiary has not cured within 30 calendar days of receipt of notice of an event of default shall constitute a "Cross Default" if such event of default is caused by a failure to pay principal of, or interest or premium, if any, on outstanding indebtedness under any Credit Facility prior to the expiration of the grace period for payment of such indebtedness set forth in such Credit Facility (as such Credit Facility may be amended) and the principal amount of any such indebtedness, together with the principal amount of any other such indebtedness under which there has been a payment default, aggregates $25 million or more. Solely for the purpose of the Series C Preferred Shares, a "Credit Facility" shall mean, with respect to us or any of our wholly owned subsidiaries, any debt or commercial paper facilities with banks or other lenders providing for revolving credit or term loans or any agreement treated as a finance or capital lease in accordance with U.S. GAAP.
Liquidation preference	If we liquidate, dissolve or wind-up, holders of the Series C Preferred Shares will have the right to receive $25.00 per share plus an amount equal to all accumulated and unpaid dividends thereon to the date of payment, whether or not declared, before any payments are made to holders of our common shares or other junior securities.

Table of Contents

Use of proceeds	We estimate that we will receive net proceeds of approximately $12.6 million from this offering assuming the underwriters' over-allotment option is not exercised, and approximately $13.8 million if the underwriters' over-allotment option is exercised in full, in each case after deducting underwriting discounts and commissions and estimated expenses payable by us.
	We intend to use the net proceeds of this offering (including an investment of $5.0 million from Neige International) and up to approximately $7.2 million of our cash reserves to redeem all of our outstanding Series B-1 Preferred Shares at a price equal to the applicable redemption price per share, plus accrued and unpaid dividends, in an aggregate amount of $19.8 million. We do not expect that there will be additional net proceeds after such redemption, but in the event such additional proceeds are raised, the balance of the net proceeds, if any, will be used for general corporate purposes. Subject to the completion of this offering, we also intend to repay a portion of our unsecured loan with Paragon Shipping with a current outstanding principal balance of $11.0 million, using amounts drawn from our cash reserves. Please see the section of this prospectus supplement entitled "Use of Proceeds."
NYSE listing	We have applied to list the Series C Preferred Shares on the New York Stock Exchange (the "NYSE"). If the application is approved, trading of the Series C Preferred Shares on the NYSE is expected to begin within two business days after the closing of this offering.
Tax considerations	Subject to the more comprehensive discussion under "Tax Considerations—U.S. Federal Income Tax Considerations—U.S. Federal Income Taxation of U.S. Holders," any distributions with respect to our Series C Preferred Shares that you receive from us will constitute dividends to the extent of our current and accumulated earnings and profits, which may be taxable at ordinary income rates or taxable as "qualified dividend income" at preferential rates.
Ratings	The Series C Preferred Shares are not expected to be rated by any Nationally Recognized Statistical Rating Organization.
Lock-up agreements	Our executive officers and directors have agreed to a 90-day lock-up period from the closing of this offering with respect to the common shares and preferred shares that they beneficially own, including the issuance of common shares upon the exercise of convertible securities and options that are currently outstanding or which may be issued, during which period such persons may not offer, sell, pledge or

	otherwise dispose of these securities without the prior written consent of the underwriter. In addition, Neige International and Paragon Shipping have agreed to a 90-day lock-up period from the closing of this offering with respect to any preferred shares that they beneficially own. In addition, we have agreed that we will not, for a period of 90 days following the closing of this offering, offer, sell or distribute any of our securities, without the prior written consent of the underwriter.
Risk factors	See the sections entitled "Risk Factors" included on page S-17 of this prospectus supplement, on page 7 of the accompanying prospectus and in our Annual Report on Form 20-F for the year ended December 31, 2012, filed with the SEC on March 8, 2013.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables present selected consolidated financial and other data of the Company. The selected consolidated financial data of the Company as of December 31, 2010 and for the period from May 19, 2010, referred to herein as Inception, to December 31, 2010, and as of December 31, 2011 and 2012 and for the years then ended, are a summary of, are derived from, and are qualified by reference to our audited consolidated financial statements and notes thereto, which have been prepared in accordance with U.S. generally accepted accounting principles, or "U.S. GAAP." The consolidated financial data for the three months ended March 31, 2012 and 2013, and as of March 31, 2012 and 2013, have been derived from our interim unaudited consolidated financial statements. Operating results for the three months ended March 31, 2013 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2013.

STATEMENTS OF INCOME DATA

(Expressed in United States Dollars, except for share data)	For the period from May 19, 2010 (inception) to December 31, 2010	For the year ended December 31, 2011	For the year ended December 31, 2012	For the three months ended March 31, 2012	For the three months ended March 31, 2013
Net Revenues	$ —	$ 38,272,662	$65,888,142	$15,723,589	$17,724,563
Voyage expenses	—	486,158	2,522,736	301,441	908,692
Vessels operating expenses	—	8,170,703	15,774,453	3,381,022	4,262,886
Vessels operating expenses—related party	—	246,744	512,579	119,193	306,336
Dry-docking expenses	—	—	1,986,897	—	133,212
Dry-docking expenses—related party	—	—	75,493	—	7,684
Management fees charged by a related party	—	1,350,685	2,370,144	517,475	680,671
Depreciation	—	8,050,079	15,027,280	3,344,724	3,732,140
General and administrative expenses	2,051	1,057,119	3,080,971	911,684	841,226
General and administrative expenses—related party	—	1,443,350	2,839,865	460,848	709,614
Operating (loss) / income	**(2,051)**	**17,467,824**	**21,697,724**	**6,687,202**	**6,142,102**
Total other expenses, net	(1,771)	(4,514,438)	(8,521,560)	(2,026,488)	(2,124,817)
Net (loss) / income	**$ (3,822)**	**$12,953,386**	**$ 13,176,164**	**$ 4,660,714**	**$ 4,017,285**
(Loss) / Earnings per capital stock / common share, basic	**$ (38.22)**	**$ 0.83**	**$ 0.56**	**$ 0.29**	**$ 0.16**
(Loss) / Earnings per capital stock / common share, diluted	**$ (38.22)**	**$ 0.83**	**$ 0.54**	**$ 0.29**	**$ 0.15**
Weighted average number of capital stock / common shares outstanding, basic	100	15,433,519	17,980,980	16,000,000	21,016,604
Weighted average number of capital stock / common shares outstanding, diluted	100	15,433,519	20,396,633	16,000,000	25,712,716
Dividends declared per common share	$ —	$ 0.45	$ 1.08	$ 0.30	$ 0.22

Table of Contents

CASH FLOW DATA

(Expressed in United States Dollars)	For the period from May 19, 2010 (inception) to December 31, 2010	For the year ended December 31, 2011	For the year ended December 31, 2012	For the three months ended March 31, 2012	For the three months ended March 31, 2013
Net Cash from operating activities	$ —	$ 21,879,409	$ 32,531,933	$ 9,008,806	$10,183,218
Net Cash used in investing activities	—	(338,814,109)	(62,420,555)	(3,259)	—
Net Cash from / (used in) financing activities	—	324,084,855	29,879,919	(9,322,800)	7,368,866
Net increase / (decrease) in cash and cash equivalents	—	7,150,155	(8,703)	(317,253)	17,552,084

BALANCE SHEET DATA

	As of December 31,			As of March 31,	
(Expressed in United States Dollars)	2010	2011	2012	2012	2013
Total current assets	$ —	$ 16,294,791	$ 19,578,166	$ 16,739,301	$ 37,384,766
Fixed assets, net	—	366,969,347	401,328,434	363,633,173	397,596,294
Other non-current assets	425,142	18,146,748	24,157,269	16,937,979	22,851,518
Total Assets	**425,142**	**401,410,886**	**445,063,869**	**397,310,453**	**457,832,578**
Current liabilities	428,964	22,357,768	42,659,883	23,035,747	33,917,097
Long-term liabilities	—	196,692,041	181,624,703	191,941,614	184,498,564
Total Liabilities	428,964	219,049,809	224,284,586	214,977,361	218,415,661
Total stockholders' (deficit) / equity	(3,822)	182,361,077	220,779,283	182,333,092	239,416,917
Total Liabilities and Equity	**425,142**	**401,410,886**	**445,063,869**	**397,310,453**	**457,832,578**

OTHER DATA

(Expressed in United States Dollars)	For the period from May 19, 2010 (inception) to December 31, 2010	For the year ended December 31, 2011	For the year ended December 31, 2012	For the three months ended March 31, 2012	For the three months ended March 31, 2013
EBITDA	$ (3,714)	$25,571,192	$36,676,732	$10,006,559	$ 9,898,285
Adjusted EBITDA	$ (3,714)	$26,948,254	$42,086,869	$10,777,537	$11,945,122

A reconciliation of net (loss)/income to EBITDA and a reconciliation of EBITDA to Adjusted EBITDA are set forth below:

(Expressed in United States Dollars)	For the period from May 19, 2010 (inception) to December 31, 2010	For the year ended December 31, 2011	For the year ended December 31, 2012	For the three months ended March 31, 2012	For the three months ended March 31, 2013
Net (loss) / income	$ (3,822)	$ 12,953,386	$ 13,176,164	$ 4,660,714	$ 4,017,285
Plus Net Interest Expense	108	4,567,727	8,473,288	2,001,121	2,148,860
Plus Depreciation	—	8,050,079	15,027,280	3,344,724	3,732,140
EBITDA	**$ (3,714)**	**$ 25,571,192**	**$ 36,676,732**	**$10,006,559**	**$9,898,285**
Plus Amortization of Intangibles	—	1,054,959	4,184,861	492,004	1,559,109
Plus Share-based compensation	—	322,103	1,225,276	278,974	487,728
Adjusted EBITDA	**$ (3,714)**	**$26,948,254**	**$42,086,869**	**$ 10,777,537**	**$11,945,122**

EBITDA and Adjusted EBITDA are items not recognized by generally accepted accounting principles in the United States of America ("U.S. GAAP" or "GAAP") and should not be considered as an alternative to net income, operating income or any other indicator of a company's operating performance required by U.S. GAAP. We consider EBITDA to represent net income plus net interest expense and depreciation and amortization. Our definition of EBITDA may not be the same as that used by other companies in the shipping or other industries. We use EBITDA as a performance measure. We believe that EBITDA is useful to investors because the shipping industry is capital intensive and may involve significant financing costs. We exclude non-cash items to derive Adjusted EBITDA because we believe that these adjustments provide additional information on the fleet operational results which may be useful to investors.

Fleet Data and Average Daily Results

FLEET DATA	For the year ended December 31, 2011	For the year ended December 31, 2012	For the three months ended March 31, 2012	For the three months ended March 31, 2013
Average number of vessels(1)	5.92	8.01	7.00	9.00
Operating days for the fleet(2)	1,551	2,734	636	793
Number of vessels at end of period	7	9	7	9
Calendar days for the fleet(3)	1,551	2,932	637	810
Fleet utilization(4)	100%	93%	100%	98%
AVERAGE DAILY RESULTS				
Vessel operating expenses(5)	$ 5,427	$ 5,555	$ 5,495	$ 5,641
Management fees(6)	$ 871	$ 808	$ 812	$ 840
General and administrative expenses(7)	$ 1,612	$ 2,019	$ 2,155	$ 1,915

(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 calendar days each vessel was a part of our fleet during the period divided by the number of calendar days in that period.
(2) Operating days for the fleet are the total calendar days the vessels were in our possession for the relevant period net of off-hire days for scheduled dry-dockings or special or intermediate surveys and unscheduled off-hire days associated with repairs and other operational matters. Any idle days relating to the days a vessel remains unemployed are included in unscheduled off-hire days.
(3) Calendar days for the fleet are the total days the vessels were in our possession for the relevant period.
(4) Fleet utilization is the percentage of time that our vessels were available for generating revenue, and is determined by dividing operating days by fleet calendar days for the relevant period.
(5) Daily vessel operating expenses, which includes crew costs, provisions, deck and engine stores, lubricating oil, insurance, maintenance, repairs and amortization of other intangibles, is calculated by dividing vessel operating expenses by fleet calendar days for the relevant time period.
(6) Daily management fees are calculated by dividing management fees by fleet calendar days for the relevant time period.
(7) Daily general and administrative expenses are calculated by dividing general and administrative expense by fleet calendar days for the relevant time period.

RISK FACTORS

An investment in our Series C Preferred Shares involves a high degree of risk. You should carefully consider the risks set forth below and the discussion of risks under the heading "Item 3. Key Information—D. Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2012, filed with the SEC on March 8, 2013 and the other documents we have incorporated by reference in this prospectus supplement and the accompanying prospectus that summarize the risks that may materially affect our business before making an investment in our Series C Preferred Shares. Please see the section of this prospectus supplement entitled "Where You Can Find Additional Information—Information Incorporated by Reference." The occurrence of one or more of those risk factors could adversely impact our results of operations or financial condition.

Risk Factors Related To Our Series C Preferred Shares

We may not have sufficient cash from our operations to enable us to pay dividends on our Series C Preferred Shares following the payment of expenses and the establishment of any reserves.

We will pay quarterly dividends on our Series C Preferred Shares only from funds legally available for such purpose when, as and if declared by our board of directors. We may not have sufficient cash available each quarter to pay dividends. The amount of dividends we can pay on our Series C Preferred Shares depends upon the amount of cash we generate from our operations, which may fluctuate.

The amount of cash we have available for dividends on our Series C Preferred Shares will not depend solely on our profitability.

The actual amount of cash we will have available to pay dividends on our Series C Preferred Shares will depend on many factors, including the following:

- changes in our operating cash flow, capital expenditure requirements, working capital requirements and other cash needs;
- restrictions under our existing or future credit facilities or any future debt securities, including existing restrictions under our existing credit facilities on our ability to pay dividends if an event of default has occurred and is continuing or if the payment of the dividend would result in an event of default;
- the amount of any cash reserves established by our board of directors; and
- restrictions under Marshall Islands law, which 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.

The amount of cash we generate from our operations may differ materially from our net income or loss for the period, which will be affected by noncash items, and our board of directors in its discretion may elect not to declare any dividends. As a result of these and the other factors mentioned above, we may pay dividends during periods when we record losses and may not pay dividends during periods when we record net income.

The Series C Preferred Shares represent perpetual equity interests.

The Series C Preferred Shares represent perpetual equity interests in us and, unlike our indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. As a result, holders of the Series C Preferred Shares may be required to bear the financial risks of an investment in the Series C Preferred Shares for an indefinite period of time. In addition, the Series C Preferred Shares will rank junior to all our indebtedness and other liabilities, and to any other senior securities we may issue in the future with respect to assets available to satisfy claims against us.

No established market exists for the Series C Preferred Shares.

We have applied to list the Series C Preferred Shares on the NYSE. However, an active trading market on the NYSE for the shares may not develop or, even if it develops, may not last, in which case the trading price of the Series C Preferred Shares could be adversely affected and your ability to transfer your shares will be limited. If an active trading market does develop on the NYSE, our Series C Preferred Shares may trade at prices lower than the public offering price. The trading price of our Series C Preferred Shares would depend on many factors, including:

- prevailing interest rates;
- the market price of our common stock;
- the market for similar securities;
- general economic and financial market conditions;
- our issuance of debt or other preferred equity securities; and
- our financial condition, results of operations and prospects.

The Series C Preferred Shares have not been rated.

We have not sought to obtain a rating for the Series C Preferred Shares, and the shares may never be rated. It is possible, however, that one or more rating agencies may independently determine to assign a rating to the Series C Preferred Shares or that we may elect to obtain a rating of our Series C Preferred Shares in the future. In addition, we may elect to issue other securities for which we may seek to obtain a rating. If any ratings are assigned to the Series C Preferred Shares in the future or if we issue other securities with a rating, such ratings, if they are lower than market expectations or are subsequently lowered or withdrawn, could adversely affect the market for or the market value of the Series C Preferred Shares. Ratings only reflect the views of the issuing rating agency or agencies and such ratings could at any time be revised downward or withdrawn entirely at the discretion of the issuing rating agency. A rating is not a recommendation to purchase, sell or hold any particular security, including the Series C Preferred Shares. Ratings do not reflect market prices or suitability of a security for a particular investor and any future rating of the Series C Preferred Shares may not reflect all risks related to us and our business, or the structure or market value of the Series C Preferred Shares.

Our Series C Preferred Shares are subordinate to our debt, and your interests could be diluted by the issuance of additional preferred shares, including additional Series B, Series B-1 or Series C Preferred Shares, and by other transactions.

Our Series C Preferred Shares are subordinate to all of our existing and future indebtedness. Therefore, our ability to pay dividends on, redeem or pay the liquidation preference to holders of Series C Preferred Shares in liquidation or otherwise may be subject to prior payments due to the holders of our indebtedness. Our existing indebtedness restricts, and our future indebtedness may include restrictions on, our ability to pay dividends on or redeem preferred shares. Our articles of incorporation currently authorize the issuance of up to 25,000,000 shares of blank check preferred stock, par value $0.01 per share. Of this blank check preferred stock, 1,000,000 shares have been designated Series A Participating Preferred Stock in connection with our adoption of a stockholder rights plan as described under “Item 10. Additional Information—B. Memorandum and Articles of Association—Stockholder Rights Agreement” of our Annual Report on Form 20-F for the year ended December 31, 2012 which is incorporated herein by reference, 2,500,000 shares have been designated Series B Preferred Shares and 2,500,000 shares have been designated Series B-1 Preferred Shares. The Series C Preferred Shares are equal in rank to the Series B and Series B-1 Preferred Shares and senior in rank to the Series A Preferred Shares. The issuance of additional Series B, Series B-1 or other preferred shares on a parity with or senior to the Series C Preferred Shares would dilute the interests of holders of our Series C Preferred Shares, and any issuance of preferred shares senior to our Series C Preferred Shares or of additional indebtedness could affect our ability to pay dividends on, redeem or pay the liquidation preference on our Series C Preferred Shares. The Series C

Preferred Shares do not contain any provisions affording the holders of our Series C Preferred Shares protection in the event of a highly leveraged or other transaction, including a merger or the sale, lease or conveyance of all or substantially all our assets or business, which might adversely affect the holders of our Series C Preferred Shares, so long as the rights of our Series C Preferred Shares are not directly materially and adversely affected.

We may redeem the Series C Preferred Shares.

On or after July 29, 2016, we may, at our option, redeem Series C Preferred Shares, in whole or in part, at any time or from time to time. Also, upon the occurrence of a Change of Control, we may, at our option, redeem Series C Preferred Shares, in whole or in part, within 120 days after the first date on which such Change of Control occurred. We may have an incentive to redeem Series C Preferred Shares voluntarily if market conditions allow us to issue other preferred stock or debt securities at a rate that is lower than the dividend on the Series C Preferred Shares. If we redeem Series C Preferred Shares, then from and after the redemption date, your dividends will cease to accrue on your Series C Preferred Shares, your shares of Series C Preferred Shares shall no longer be deemed outstanding and all your rights as a holder of those shares will terminate, except for the right to receive the redemption price plus accumulated and unpaid dividends, if any, payable upon redemption.

You may not be able to exercise conversion rights upon a Change of Control. If exercisable, the change of control conversion rights described in this prospectus supplement may not adequately compensate you. These change of control conversion rights may also make it more difficult for a party to acquire us or discourage a party from acquiring us.

Upon the occurrence of a Change of Control, each holder of Series C Preferred Shares will have the right (unless, prior to the Change of Control Conversion Date, we have provided notice of our election to redeem some or all of the Series C Preferred Shares held by such holder as described under “Description of the Series C Preferred Shares—Redemption—Optional Redemption” or “—Special Optional Redemption,” in which case such holder will have the right only with respect to shares of Series C Preferred Shares that are not called for redemption) to convert some or all of such holder’s Series C Preferred Shares into our common shares (or under specified circumstances, certain alternative consideration).

Notwithstanding that we generally may not redeem the Series C Preferred Shares prior to   , 2018, we have a special optional redemption right to redeem the Series C Preferred Shares in the event of a Change of Control, and holders of the Series C Preferred Shares will not have the right to convert any shares that we have elected to redeem prior to the Change of Control Conversion Date. Please see the sections entitled “Description of the Series C Preferred Shares—Redemption—Special Optional Redemption” and “Description of the Series C Preferred Shares—Conversion Rights.”

If we do not elect to redeem the Series C Preferred Shares prior to the Change of Control Conversion Date, then upon an exercise of the conversion rights provided for in this prospectus supplement, the maximum number of our common shares (or, if applicable, the alternative conversion consideration) the holders of Series C Preferred Shares can receive will be limited to 25.00, which we refer to as the “Share Cap,” multiplied by the number of shares of Series C Preferred Shares converted. If the Common Share Price is less than $1.00, subject to adjustment in certain circumstances, the holders of Series C Preferred Shares will receive a maximum of 25.00 of our common shares for each Series C Preferred Share converted, which may result in a holder receiving common shares (or alternative conversion consideration, as applicable) with a value that is less than the liquidation preference of the Series C Preferred Shares plus any accumulated and unpaid dividends.

Also, the Change of Control conversion feature of the Series C Preferred Shares may have the effect of discouraging a third party from making an acquisition proposal for us or of delaying, deferring or preventing certain change of control transactions under circumstances that otherwise could provide the holders of our common shares and Series C Preferred Shares with the opportunity to realize a premium over the then-current market price of such shares or that shareholders may otherwise believe is in their best interests.

Market interest rates may adversely affect the value of our Series C Preferred Shares.

One of the factors that will influence the price of our Series C Preferred Shares will be the dividend yield on the Series C Preferred Shares (as a percentage of the price of our Series C Preferred Shares, as applicable) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of our Series C Preferred Shares to expect a higher dividend yield, and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. Accordingly, higher market interest rates could cause the market price of our Series C Preferred Shares to decrease.

As a holder of Series C Preferred Shares you have extremely limited voting rights.

Your voting rights as a holder of Series C Preferred Shares will be extremely limited. Our common shares are the only class or series of our shares carrying full voting rights. Holders of Series C Preferred Shares will have no voting rights other than the ability, subject to certain exceptions, to elect two directors if dividends for six quarterly dividend periods (whether or not consecutive) payable on our Series C Preferred Shares are in arrears and certain other limited protective voting rights described in this prospectus under “Description of Series C Preferred Shares—Voting Rights.”

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 or to make dividend payments.

We are a holding company, and our subsidiaries, which are all wholly-owned by us, conduct all of our operations and own all of our operating assets. We have no significant assets other than the equity interests in our wholly-owned subsidiaries. As a result, our ability to satisfy our financial obligations and to pay dividends depends on the ability of our subsidiaries to distribute funds to us. In turn, the ability of our subsidiaries to make dividend payments to us depends on them having profits available for distribution and, to the extent that we are unable to obtain dividends from our subsidiaries, this will limit the discretion of our board of directors to pay or recommend the payment of dividends to holders of our Series C Preferred Shares in amounts anticipated or at all. In addition, in determining the amount of cash available for distribution after payment of our cash expenses, our board of directors determines appropriate reserves to be set aside for, among other things, contingent liabilities, liquidity needs, principal payment and other amounts required under the terms and conditions of our secured loan agreements, the requirements of Marshall Islands law, the acquisition of additional vessels, dry-docking costs, repairs, claims and other liabilities and obligations.

We may have to pay tax on certain shipping income, which would reduce our earnings.

Under the United States Internal Revenue Code of 1986, or the Code, 50% of the gross shipping income of a corporation that owns or charters vessels, such as us 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 applicable Treasury Regulations promulgated thereunder.

We believe that we and our subsidiaries currently qualify for this statutory tax exemption and, assuming we continue to so qualify, we intend to take this position on our U.S. federal income tax returns. However, there are factual circumstances beyond our control that could cause us to lose the benefit of this tax exemption and thereby become subject to United States federal income tax on our United States source shipping income for future taxable years. For example, in certain circumstances we may no longer qualify for exemption under Code section 883 for a particular taxable year if shareholders with a five percent or greater interest in a class of our stock owned, in the aggregate, 50% or more of such class of stock for more than half the days during the taxable year. It is possible that the ownership threshold could be met for any taxable year. In such a case, we may not qualify for exemption unless we can establish that among the closely-held group of five percent shareholders of such

class of stock, there are sufficient five percent shareholders that are qualified shareholders for purposes of Section 883 to preclude non-qualified five percent shareholders in the closely-held group from owning 50% or more of such class of stock for more than half the number of days during the taxable year. In order to establish this, sufficient five percent shareholders that are qualified shareholders would have to comply with certain documentation and certification requirements designed to substantiate their identity as qualified shareholders. These requirements are onerous and we may not be able to satisfy them. Due to the factual nature of the issues involved, there can be no assurances on the tax-exempt status of us or any of our subsidiaries.

If we or our subsidiaries were not entitled to exemption under Section 883 for any taxable year, they could be subject for such year to an effective 2% United States federal income tax on the shipping income they derive during the year which is attributable to the transport or cargoes to or from the United States. The imposition of this taxation would have a negative effect on our business and would decrease our earnings available for distribution to our shareholders.

In addition, two of our vessel-owning subsidiaries are incorporated in Hong Kong and own vessels flagged in Hong Kong. While we do not believe that we or our Hong Kong subsidiaries will be subject to taxation in Hong Kong due to an available exemption that we expect to qualify for, we cannot assure you that we will not incur tax liability in Hong Kong in 2013 or in the future.

U.S. tax authorities could treat us as a "passive foreign investment company," which could have certain adverse U.S. federal income tax consequences to U.S. holders.

A foreign corporation will be treated as a "passive foreign investment company," or PFIC, for U.S. 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, cash will be treated as an asset held for the production of passive income. For purposes of these tests, "passive income" generally includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than those 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." U.S. holders of stock in a PFIC are subject to a disadvantageous U.S. 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 stock in the PFIC.

Whether we will be treated as a PFIC will depend upon our method of operation. In this regard, we intend to treat the gross income we derive or are deemed to derive from time or voyage chartering activities as services income, rather than rental income. Income we derive or are deemed to have derived from time or voyage chartering activities (whether directly or through participation in a pool) should not constitute "passive income," and any assets that we may own and operate in connection with the production of that income should not constitute passive assets. However, any gross income that we derive or are deemed to have derived from bareboat chartering activities will be treated as rental income and thus will constitute "passive income," and any assets that we may own and operate in connection with the production of that income will constitute passive assets. There is substantial legal authority supporting this position consisting of case law and United States Internal Revenue Service, or 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, IRS or a court of law may not accept our position with regard to our status from time to time as a PFIC, and there is a risk that the IRS or a court of law could determine that we are or have been a PFIC for a particular taxable year.

If we are treated as a PFIC for any taxable year, U.S. holders of our Series C Preferred Shares will face certain adverse U.S. federal income tax consequences. Under the PFIC rules, unless such U.S. holders make certain elections available under the Code (which elections could themselves have certain adverse consequences

for such U.S. holders, as discussed below under "Tax Considerations"), such U.S. holders would be liable to pay U.S. federal income tax at the then highest income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of Series C Preferred Shares, as if the excess distribution or gain had been recognized ratably over such U.S. holder's holding period for the Series C Preferred Shares. Additionally, such U.S. holders may be subject to certain information reporting obligations. Please see "Tax Consideration—United States Federal Income Taxation of U.S. Holders—Passive Foreign Investment Company Status and Significant Tax Consequences" for a more comprehensive discussion of the U.S. federal income tax consequences to U.S. holders of our Series C Preferred Shares if we are or were to be treated as a PFIC.

Industry Specific Risk Factors

The container shipping industry is cyclical and volatile, with charter hire rates and profitability currently at depressed levels, and the recent global economic recession has resulted in decreased demand for container shipping, which may negatively impact our operations.

Our growth generally depends on continued growth in world and regional demand for container shipping services, and the recent global economic slowdown has resulted in decreased demand for container shipping and a related decrease in charter rates.

The ocean-going container shipping industry is both cyclical and volatile in terms of charter hire rates and profitability. Containership charter rates peaked in 2005 and generally stayed strong until the middle of 2008, when the effects of the recent economic crisis began to affect global container trade. Containership charter rates declined substantially in 2011 and 2012 primarily as a result of excess capacity on the key east-west routes, the reluctance of liners to cull services in the first six months of the year and a fight for market share between certain liner companies. Freight rates and charter rates stabilized somewhat in the second half of 2012, particularly for larger vessel sizes, but in early 2013 they remained significantly below their historical averages.

Fluctuations in charter rates result from changes in the supply of and demand for containership capacity and changes in the supply of and demand for the major products internationally transported by containerships. The factors affecting the supply of and demand for containerships and supply of and demand for products shipped in containers are outside of our control, and the nature, timing and degree of changes in industry conditions are unpredictable.

The factors that influence demand for containership capacity include:

- supply of and demand for products suitable for shipping in containers;
- changes in global production of products transported by containerships;
- the distance container cargo products are to be moved by sea;
- the globalization of manufacturing;
- global and regional economic and political conditions;
- developments in international trade;
- changes in seaborne and other transportation patterns, including changes in the distances over which container cargoes are transported;
- currency exchange rates; and weather.

The factors that influence the supply of containership capacity include:

- the number of newbuilding deliveries;
- the scrapping rate of older containerships;
- containership owner access to capital to finance the construction of newbuildings;
- the price of steel and other raw materials;

- changes in environmental and other regulations that may limit the useful life of containerships;
- the number of containerships that are slow-steaming to conserve fuel;
- the number of containerships that are out of service; and
- port congestion and canal closures.

Our ability to charter additional vessels we may acquire in the future and recharter our containerships upon the expiration or termination of their current charters, including the *Box Trader*, which is currently employed on a short-term time charter scheduled to expire between August 2013 and November 2014 (subject to the charterer's option to extend the term of the charter by an additional one-year term, plus or minus 30 days), and the *Box Voyager*, which is currently employed on a short-term time charter scheduled to expire between August 2013 and March 2014, and the charter rates payable under any charters or renewal options or replacement charters will depend upon, among other things, the prevailing state of the containership charter market, which can be affected by consumer demand for products shipped in containers. If the charter market is depressed when our containerships' charters expire, as was the case when the charters for the *Box Trader* and the *Box Voyager* with Compania Sud Americana De Vapores S.A., or CSAV Valparaiso, expired in the second and third quarter of 2012, respectively, we may be forced to recharter our containerships at reduced or even unprofitable rates, or we may not be able to recharter our vessels at all, which may reduce or eliminate our earnings or make our earnings volatile. The same issues will exist if we acquire additional vessels and attempt to obtain multi-year time charter arrangements as part of our acquisition and financing plan, which may affect our ability to operate our vessels profitably. The containership market also affects the value of our vessels, which follow the trends of freight rates and containership rates.

Liner companies, which are the most significant charterers of containerships, have been placed under significant financial pressure, thereby increasing our charter counterparty risk.

The decline in global trade due to the economic slowdown has resulted in a significant decline in demand for the seaborne transportation of products in containers, including for exports from China to Europe and the United States. Consequently, the cargo volumes and freight rates achieved by liner companies, which charter containerships from ship owners like us, declined sharply in the second half of 2011, and continued to be weak throughout 2012, especially for medium to smaller size containerships. Freight rates stabilized toward the end of 2012 and remained at similar levels in the first half of 2013, although charter rates continued their declines in 2012 and currently remain significantly below their historical averages, which has adversely affected the profitability of liner companies. The financial challenges faced by liner companies and efforts to obtain third party aid to restructure their obligations, have reduced demand for containership charters and may increase the likelihood of our customers being unable or unwilling to pay us the contracted charter rates. The combination of the current surplus of containership capacity and the expected increase in the size of the world containership fleet over the next several years may make it difficult to secure substitute employment for our containerships if our counterparties fail to perform their obligations under our time charters, and any new charter arrangements we are able to secure may be at lower rates, which would adversely affect our results of operations, cash flows and ability to pay dividends in the amounts anticipated or at all.

We are dependent on a limited number of customers in a consolidating industry for a large part of our revenues. The loss of these customers could adversely affect our financial performance.

Subject to certain extension options available to the charterers, the *Box Trader*, one of our two 2010-built 3,400 TEU containerships, is currently employed on a short-term time charter with Hapag Lloyd scheduled to expire between August 2013 and November 2014, the *Box Voyager*, our other 2010-built 3,400 TEU containership, is currently employed on a short-term time charter with Chenglie Navigation Co. Ltd, or CNC, a part of the CMA CGM Group, that is scheduled to expire between August 2013 and March 2014, our two 2007-built 5,100 TEU containerships, the CMA CGM *Kingfish* and the CMA CGM *Marlin*, are employed on time charters to CMA CGM scheduled to expire in 2014, the Maersk *Diadema*, formerly the MSC *Siena,* our

4,500 TEU 2006-built containership, and the MSC *Emma*, our 5,060 TEU 2004-built containership, are currently employed on time charters with A.P. Moller—Maersk A/S, or Maersk and Mediterranean Shipping Co. S.A., or MSC, respectively, that are scheduled to expire in 2014, the OOCL *Hong Kong* and the OOCL *China*, our 5,344 TEU containerships built in 1995 and 1996, respectively, are employed on time charters to Orient Overseas Container Line Ltd., or OOCL, scheduled to expire in 2015 and the *Maule*, our 6,500 TEU 2010-built containership, is employed on a time charter with CSAV Valparaiso scheduled to expire in 2016.

With any improvement in the charter market, we will seek to re-employ our containerships upon the termination or expiration of the charters described above, and to employ any additional vessels we acquire, pursuant to medium- and long-term fixed-rate time charters with leading liner companies, and we may remain dependent upon a limited number of liner operators. In recent years, some liner companies, including our charterers, have publicly acknowledged the financial difficulties they face, announced efforts to obtain third-party aid to restructure their obligations and reported substantial losses. Many liner companies reported losses during 2012, although slightly improved from the significant losses liner companies incurred in 2011. In addition, in recent years there have been significant examples of consolidation in the container shipping industry, including recently announced alliances between major liner companies; at present, there are over 200 liner companies, but according to industry sources, the top 10 and top 20 companies, including subsidiaries, accounted for approximately 66% and 87% of global liner capacity, respectively, as of February 2013. Financial difficulties in the industry may accelerate the trend towards consolidation. The cessation of business with these liner companies or their failure to fulfill their obligations under the charters for our containerships could have a material adverse effect on our financial condition and results of operations, as well as our cash flows, and our ability to pay dividends in the amounts anticipated or at all.

An over-supply of containership capacity may lead to a further reduction in charter rates, which may limit our ability to operate our vessels profitably.

The size of the containership orderbook is large relative to historical levels and will result in the increase in the size of the world containership fleet over the next few years. An over-supply of containership capacity, combined with a decline in the demand for containerships, may result in a further reduction of charter hire rates, which could impact the rate at which we are able to recharter our current fleet or charter any additional vessels we acquire. If such a reduction continues in the future, we may only be able to recharter vessels in our current fleet, including the charters for two of our vessels that are scheduled to expire in August 2013 (assuming no exercise of any options to extend the durations of the charters), or charter any additional vessels we acquire, for reduced rates or unprofitable rates or we may not be able to recharter our containerships, or charter any additional vessels we acquire, at all.

If economic conditions throughout the world do not improve, it will impede our operations and our ability to implement our growth successfully.

Negative trends in the global economy that emerged in 2008 continue to adversely affect global economic conditions. In addition, the world economy is currently facing a number of new challenges, including uncertainty related to the continuing discussions in the United States regarding the U.S. federal debt ceiling, the combination of expiring tax cuts and mandatory reduction in federal spending, along with widespread skepticism about the implementation of any resulting agreements, and recent turmoil and hostilities in the Middle East, North Africa and other geographic areas and countries. The deterioration in the global economy has caused, and may continue to cause, a decrease in worldwide demand for certain goods and, thus, shipping. Continuing economic instability could have a material adverse effect on our ability to implement our business strategy.

The United States, the European Union and other parts of the world have recently been or are currently in a recession and continue to exhibit weak economic trends. The credit markets in the United States and Europe have experienced significant contraction, deleveraging and reduced liquidity, and the U.S. federal government and state governments and European authorities have implemented and are considering a broad variety of governmental action and/or new regulation of the financial markets. Securities and futures markets and the credit

markets are subject to comprehensive statutes, regulations and other requirements. The SEC, other regulators, self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies, and may effect changes in law or interpretations of existing laws. Global financial markets and economic conditions have been, and continue to be, severely disrupted and volatile. Credit markets and the debt and equity capital markets have been exceedingly distressed.

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. We cannot predict how long the current market conditions will last. However, these recent and developing economic and governmental factors, together with the concurrent decline in charter rates and vessel values, may have a material adverse effect on our operations and our ability to implement our growth successfully.

Continued economic slowdown in the Asia Pacific region, especially in Japan and China, may exacerbate the effect on us of the recent slowdown in the rest of the world. Before the global economic financial crisis that began in 2008, China had one of the world's fastest growing economies in terms of gross domestic product, or GDP, which had a significant impact on shipping demand. The growth rate of China's GDP is estimated to have decreased for the third year in a row to approximately 7.8% for the year ended December 31, 2012 and continues to remain below pre-2008 levels. China has imposed measures to restrain lending, which may further contribute to a slowdown in its economic growth. China and other countries in the Asia Pacific region may continue to experience slowed or even negative economic growth in the future. Moreover, the current economic slowdown in the economies of the United States, the European Union and other Asian countries may further adversely affect economic growth in China and elsewhere. Our operations and ability to implement our growth successfully would be impeded by a continuing or worsening economic downturn in any of these countries.

The instability of the euro or the inability of countries to refinance their debts could have a material adverse effect on our revenue, profitability and financial position.

As a result of the credit crisis in Europe, in particular in Greece, Italy, Ireland, Portugal and Spain, the European Commission created the European Financial Stability Facility, or the EFSF, and the European Financial Stability Mechanism, or the EFSM, to provide funding to Eurozone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Eurozone countries to establish a permanent stability mechanism, the European Stability Mechanism, or the ESM, which will be activated by mutual agreement, to assume the role of the EFSF and the EFSM in providing external financial assistance to Eurozone countries. Despite these measures, concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations and the overall stability of the euro. An extended period of adverse development in the outlook for European countries could reduce the overall demand for our services. These potential developments, or market perceptions concerning these and related issues, could affect our financial position, results of operations and cash flow.

A decrease in the level of China's export of goods or an increase in trade protectionism 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.

China exports considerably more goods than it imports. Our containerships may be deployed on routes involving containerized trade in and out of emerging markets, and our charterers' container shipping and business revenue may be derived from the shipment of goods from the Asia Pacific region to various overseas export markets including the United States and Europe. Any reduction in or hindrance to the output of China-based exporters could have a material adverse effect on the growth rate of China's exports and on our charterers' business. For instance, the government of China has recently 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. Additionally, though in China there is an increasing level of autonomy and a gradual shift in emphasis to a "market economy" and

enterprise reform, 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. The level of imports to and exports from China could be adversely affected by changes to these economic reforms by the Chinese government, as well as by changes in political, economic and social conditions or other relevant policies of the Chinese government.

Our operations expose us to the risk that increased trade protectionism will adversely affect our business. If the incipient global recovery is undermined by downside risks and the recent economic downturn is prolonged, governments may turn to trade barriers to protect their domestic industries against foreign imports, thereby depressing the demand for shipping. Specifically, increasing trade protectionism in the markets that our charterers serve has caused and may continue to cause an increase in (i) the cost of goods exported from China; (ii) the length of time required to deliver goods from China; and (iii) the risks associated with exporting goods from China, as well as a decrease in the quantity of goods to be shipped.

Any increased trade barriers or restrictions on trade, especially trade with China, would 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 and to renew and increase the number of their time charters with us. This could have a material adverse effect on our business, results of operations and financial condition and our ability to pay dividends in the amounts anticipated or at all.

The current state of global financial markets and current economic conditions may adversely impact our ability to obtain additional financing on acceptable terms which may hinder or prevent us from expanding our business.

Global financial markets and economic conditions have been, and continue to be, volatile. Recently, the debt and equity capital markets have been severely distressed. These issues, along with significant write-offs in the financial services sector, the re-pricing of credit risk and the current weak economic conditions, have made, and will likely continue to make, it difficult to obtain additional financing. The current state of global financial markets and current economic conditions might adversely impact our ability to issue additional equity at prices which will not be dilutive to our existing shareholders or preclude us from issuing equity at all.

Also, as a result of concerns about the stability of financial markets generally and the solvency of counterparties specifically, the cost of obtaining money from the credit markets has increased as many lenders have increased interest rates, enacted tighter lending standards, refused to refinance existing debt at all or on terms similar to current debt and reduced, and in some cases ceased, to provide funding to borrowers. Due to these factors, we cannot be certain that additional financing will be available if needed and to the extent required, on acceptable terms or at all. If additional financing is not available when needed, or is available only on unfavorable terms, we may be unable to meet our obligations as they come due or we may be unable to enhance our existing business, complete additional vessel acquisitions or otherwise take advantage of business opportunities as they arise.

Vessel values may fluctuate, which may adversely affect our financial condition, result in the incurrence of a loss upon disposal of a vessel or increase the cost of acquiring additional vessels.

Vessel values may fluctuate due to a number of different factors, including: general economic and market conditions affecting the shipping industry; competition from other shipping companies; the types and sizes of available vessels; the availability of other modes of transportation; increases in the supply of vessel capacity; the cost of newbuildings; governmental or other regulations; prevailing freight rates, which are the rates paid to the shipowner by the charterer under a voyage charter, usually calculated either per ton loaded or as a lump sum amount; and the need to upgrade second hand and previously owned vessels as a result of charterer requirements, technological advances in vessel design or equipment, or otherwise. In addition, as vessels grow older, they generally decline in value. Due to the cyclical nature of the container market, if for any reason we sell any of our owned vessels at a time when prices are depressed, we could incur a loss and our business, results of operations,

cash flow and financial condition could be adversely affected. Moreover, if the book value of a vessel is impaired due to unfavorable market conditions we may incur a loss that could adversely affect our operating results.

Conversely, if vessel values are elevated at a time when we wish to acquire additional vessels, the cost of acquisition may increase and this could adversely affect our business, results of operations, cash flow and financial condition.

The containership industry is highly competitive, and we may be unable to compete successfully for charters with established companies or new entrants that may have greater resources and access to capital, which may have a material adverse affect on us.

The containership industry is a highly competitive industry that is capital intensive and highly fragmented. Competition arises primarily from other vessel owners, some of whom may have greater resources and access to capital than we have. Competition among vessel owners for the seaborne transportation of semi-finished and finished consumer and industrial products can be intense and depends on the charter rate, location, size, age, condition and the acceptability of the vessel and its operators to charterers. Due in part to the highly fragmented market, many of our competitors with greater resources and access to capital than we have could operate larger fleets than we may operate and thus be able to offer lower charter rates or higher quality vessels than we are able to offer. If this were to occur, we may be unable to retain or attract new charterers on attractive terms or at all, which may have a material adverse effect on our business, prospects, financial condition, liquidity, results of operations and ability to pay dividends in the amounts anticipated or at all.

An increase in operating costs could adversely affect our cash flows and financial condition.

Vessel operating expenses include the costs of crew, provisions, deck and engine stores, lube oil, insurance and maintenance and repairs, which depend on a variety of factors, many of which are beyond our control. Some of these costs, primarily relating to insurance and enhanced security measures implemented after September 11, 2001 and as a result of a recent increase in the frequency of acts of piracy, have been increasing. If our vessels suffer damage, they may need to be repaired at a dry-docking facility. The costs of dry-dock repairs are unpredictable and can be substantial. Increases in any of these costs could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends in the amounts anticipated or at all.

Fuel, or bunker prices, may adversely affect profits.

The cost of fuel is a significant factor in negotiating charter rates and will be borne by us when our containerships are employed on voyage charters or contracts of affreightment. We currently have no voyage charters or contracts of affreightment, but we may enter into such arrangements in the future, and to the extent we do so, an increase in the price of fuel beyond our expectations may adversely affect our profitability. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geo-political developments, supply of and demand for oil, actions by members of the Organization of the Petroleum Exporting Countries and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns and regulations.

Further, fuel may become much more expensive in the future, which may reduce the profitability and competitiveness of our business versus other forms of transportation, such as truck or rail.

Increased inspection procedures, tighter import and export controls and new security regulations could increase costs and cause disruption of our container shipping business.

International container shipping is subject to additional security and customs inspection and related procedures in countries of origin, destination and trans-shipment points. These security procedures can result in cargo seizure, delays in the loading, offloading, trans-shipment, or delivery of containers and the levying of customs duties, fines or other penalties against exporters or importers and, in some cases, carriers.

Since the events of September 11, 2001, U.S. authorities have significantly increased the levels of inspection for all imported containers. Government investment in non-intrusive container scanning technology has grown, and there is interest in electronic monitoring technology, including so-called “e-seals” and “smart” containers that would enable remote, centralized monitoring of containers during shipment to identify tampering with or opening of the containers, along with potentially measuring other characteristics such as temperature, air pressure, motion, chemicals, biological agents and radiation.

It is unclear what changes, if any, to the existing security procedures will ultimately be proposed or implemented, or how any such changes will affect the container shipping industry. These changes have the potential to impose additional financial and legal obligations on carriers and, in certain cases, to render the shipment of certain types of goods by container uneconomical or impractical. These additional costs could reduce the volume of goods shipped in containers, resulting in a decreased demand for containerships. In addition, it is unclear what financial costs any new security procedures might create for containership owners and operators. Any additional costs or a decrease in container volumes could have an adverse impact on our ability to attract customers and therefore have an adverse impact on our ability to operate our vessels profitably.

Compliance with safety and other vessel requirements imposed by classification societies may be very costly and may adversely affect our business.

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 the Safety of Life at Sea Convention.

A vessel must undergo annual surveys, intermediate surveys 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. If any vessel does not maintain its class and/or fails any annual survey, intermediate survey or special survey, the vessel will be unable to trade between ports and will be unemployable. This could negatively impact our results of operations and financial condition.

We are subject to regulation and liability under environmental laws that could require significant expenditures and affect our cash flows and net income.

Our business and the operations of our containerships will be 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 containerships 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, water discharges and ballast water management. 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 resale price or useful life of any containership that we 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. For example, the cost of compliance with any new regulation that may be adopted by the United Nations Framework Convention on Climate Change may be substantial or we may face substantial taxes on bunkers. Additionally, we cannot predict the costs of compliance with any new laws or regulations that may be adopted by the United States as a result of the 2010 BP plc *Deepwater Horizon* oil spill in the Gulf of Mexico.

In addition, we will be required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, certificates and financial assurances with respect to our operations. Many environmental requirements are designed to reduce the risk of pollution, such as oil spills, and our compliance with these requirements could be costly.

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 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 subject to personal injury or property damage claims relating to the release of hazardous substances 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.

The operation of our containerships will also be affected by the requirements set forth in the International Maritime Organization's International Management Code for the Safe Operation of Ships and Pollution Prevention, or the ISM Code. The ISM Code requires shipowners and bareboat charterers to develop and maintain an extensive "Safety Management System" that includes the adoption of a safety and environmental protection policy setting forth instructions and procedures for safe operation and describing procedures for dealing with emergencies. Failure to comply with the ISM Code may subject us to increased liability, may decrease available insurance coverage for the affected ships and may result in denial of access to, or detention in, certain ports.

We may be unable to attract and retain qualified, skilled employees or crew necessary to operate our business, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Our success depends in large part on the ability of Allseas Marine S.A., or Allseas or our Manager, a company controlled by our Chairman, President and Chief Executive Officer, Mr. Michael Bodouroglou, that is responsible for the technical and commercial management of the vessels in our fleet, and us to attract and retain highly skilled and qualified personnel. In crewing our vessels, we require technically skilled employees with specialized training who can perform physically demanding work. Competition to attract and retain qualified crew members is intense. If we are not able to increase our rates to compensate for any crew cost increases, it could have a material adverse effect on our business, results of operations, cash flows and financial condition. Any inability we, or our Manager, experience in the future to hire, train and retain a sufficient number of qualified employees could impair our ability to manage, maintain and grow our business, which could have a material adverse effect on our financial condition, results of operations and cash flows.

Our vessels may suffer damage due to the inherent operational risks of the seaborne transportation industry and we may experience unexpected dry-docking costs, which may adversely affect our business and financial condition.

Our vessels and their cargoes are at risk of being damaged or lost because of events such as:

- marine disasters;
- bad weather;
- business interruptions caused by mechanical failures;
- fire, explosions or collisions;
- human error;
- war;
- terrorism; and
- piracy and other circumstances or events.

These hazards may result in death or injury to persons, loss of revenues or property, environmental damage, higher insurance rates, damage to our customer relationships, delay or rerouting. If our vessels suffer damage, they may need to be repaired at a dry-docking facility. The costs of dry-dock repairs are unpredictable and may be substantial. We may have to pay dry-docking costs that our insurance does not cover in full. The loss of

earnings while these vessels are being repaired and repositioned, as well as the actual cost of these repairs, would decrease our earnings. In addition, space at dry-docking facilities is sometimes limited and not all dry-docking facilities are conveniently located. We may be unable to find space at a suitable dry-docking facility or our vessels may be forced to travel to a dry-docking facility that is not conveniently located to our vessels' positions. The loss of earnings while these vessels are forced to wait for space or to steam to more distant dry-docking facilities would decrease our earnings. The involvement of our vessels in an environmental disaster may also harm our reputation as a safe and reliable vessel owner and operator.

We operate substantially outside the United States, which will expose us to political and governmental instability, which could harm our operations.

Our operations are primarily conducted outside the United States and may be adversely affected by changing or adverse political and governmental conditions in the countries where our vessels are flagged or registered and in the regions where we otherwise engage in business. Any disruption caused by these factors may interfere with the operation of our vessels, which could harm our business, financial condition and results of operations. Past political efforts to disrupt shipping in these regions, particularly in the Arabian Gulf, have included attacks on ships and mining of waterways. In addition, terrorist attacks outside this region, such as the attacks that occurred against targets in the United States on September 11, 2001, Spain on March 11, 2004, London on July 7, 2005, Mumbai on November 26, 2008 and continuing hostilities in Iraq and Afghanistan and elsewhere in the Middle East and the world may lead to additional armed conflicts or to further acts of terrorism, armed conflict and civil disturbance in the United States and elsewhere, which may contribute to further economic instability in the global financial markets. Any such attacks, conflict or disturbances may disrupt our business, increase vessel operating costs, including insurance costs, and adversely affect our financial condition, results of operations and ability to obtain additional financing on terms acceptable to us or at all and pay dividends in the amounts anticipated or at all. Our operations may also be adversely affected by expropriation of vessels, taxes, regulation, tariffs, trade embargoes, economic sanctions or a disruption of or limit to trading activities or other adverse events or circumstances in or affecting the countries and regions where we operate or where we may operate in the future.

Acts of piracy on ocean-going vessels have recently increased in frequency, which could adversely affect our business.

Acts of piracy have historically affected ocean-going vessels trading in regions of the world such as the South China Sea, the Indian Ocean, West Africa and in the Gulf of Aden off the coast of Somalia. Although the frequency of sea piracy worldwide decreased during 2012 to its lowest level since 2009, sea piracy incidents continue to occur, particularly in the Gulf of Aden off the coast of Somalia and increasingly in the Gulf of Guinea, with drybulk vessels and tankers particularly vulnerable to such attacks. If these piracy attacks result in regions in which our vessels are deployed being characterized as "war risk" zones by insurers, or Joint War Committee "war and strikes" listed areas, premiums payable for such coverage could increase significantly and such insurance coverage may be more difficult to obtain. In addition, crew costs, including due to employing onboard security guards, could increase in such circumstances. We may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on us. In addition, any detention hijacking as a result of an act of piracy against our vessels, or an increase in cost, or unavailability, of insurance for our vessels, could have a material adverse impact on our business, financial condition and results of operations.

If we enter into charter agreements or engage in certain other activities with countries or government-controlled entities or customers associated with countries that are subject to restrictions imposed by the U.S. government, or engage in certain other activities, our ability to conduct business and access U.S. capital markets and our reputation and the market for our securities could be adversely affected.

Although no vessels operated by us have called on ports located in countries subject to sanctions and embargoes imposed by the U.S. government and other authorities or countries identified by the U.S. government

or other authorities as state sponsors of terrorism, including Cuba, Iran, Sudan and Syria, in the future our vessels may call on ports in these countries from time to time on our charterers' instructions. The U.S. sanctions and embargo laws and regulations vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time. In 2010, the U.S. enacted the Comprehensive Iran Sanctions Accountability and Divestment Act, or CISADA, which amended the Iran Sanctions Act. Among other things, CISADA introduced limits on the ability of companies and persons to do business or trade with Iran when such activities relate to the investment, supply or export of refined petroleum or petroleum products. In 2012, President Obama signed Executive Order 13608 which prohibits foreign persons from violating or attempting to violate, or causing a violation of any sanctions in effect against Iran or facilitating any deceptive transactions for or on behalf of any person subject to U.S. sanctions. Any persons found to be in violation of Executive Order 13608 will be deemed a foreign sanctions evader and will be banned from all contacts with the United States, including conducting business in U.S. dollars. Also in 2012, President Obama signed into law the Iran Threat Reduction and Syria Human Rights Act of 2012, or the Iran Threat Reduction Act, which created new sanctions and strengthened existing sanctions. Among other things, the Iran Threat Reduction Act intensifies existing sanctions regarding the provision of goods, services, infrastructure or technology to Iran's petroleum or petrochemical sector. The Iran Threat Reduction Act also includes a provision requiring the President of the United States to impose five or more sanctions from Section 6(a) of the Iran Sanctions Act, as amended, on a person the President determines is a controlling beneficial owner of, or otherwise owns, operates, or controls or insures a vessel that was used to transport crude oil from Iran to another country and (1) if the person is a controlling beneficial owner of the vessel, the person had actual knowledge the vessel was so used or (2) if the person otherwise owns, operates, or controls, or insures the vessel, the person knew or should have known the vessel was so used. Such a person could be subject to a variety of sanctions, including exclusion from U.S. capital markets, exclusion from financial transactions subject to U.S. jurisdiction, and exclusion of that person's vessels from U.S. ports for up to two years.

Although we believe that we have been in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we 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 some investors deciding, or being required, to divest their interest, or not to invest, in us. In addition, certain institutional investors may have investment policies or restrictions that prevent them from holding securities of companies that have contracts with countries 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 equity securities may adversely affect the price at which our equity securities 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. In addition, our reputation and the market for our securities may be adversely affected if we engage in certain other activities, such as entering into charters with individuals or entities in countries subject to U.S. sanctions and embargo laws that are not controlled by the governments of those countries, or engaging in operations associated with those countries pursuant to contracts with third parties that are unrelated to those countries or entities controlled by their governments. Investor perception of the value of our equity securities may be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in these and surrounding countries.

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

A government of a vessel's registry could requisition for title or seize our vessels. Requisition for title occurs when a government takes control of a vessel and becomes the owner. A government could also requisition our vessels for hire. Requisition for hire occurs when a government takes control of a vessel and effectively becomes the charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Government requisition of one or more of our vessels could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Maritime claimants could arrest our vessels, which would interrupt our business.

Crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against that vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by arresting a vessel through foreclosure proceedings. The arrest or attachment of one or more of our vessels could interrupt our business or require us to pay large sums of funds to have the arrest lifted, which would have a negative 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 which 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.

We are subject to complex laws and regulations, including environmental regulations that can adversely affect the cost, manner or feasibility of doing business.

Our operations are subject to numerous laws and regulations in the form of international conventions and treaties, national, state and local laws and national and international regulations in force in the jurisdictions in which our vessels operate or are registered, which can significantly affect the ownership and operation of our vessels. These regulations include, but are not limited to European Union regulations, the U.S. Oil Pollution Act of 1990, or OPA, the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1990, or CERCLA, the U.S. Clean Air Act, U.S. Clean Water Act and the U.S. Marine Transportation Security Act of 2002, and regulations of the International Maritime Organization, or 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 1975, the International Convention for the Prevention of Marine Pollution of 1973, the IMO International Convention for the Safety of Life at Sea of 1974 and the International Convention on Load Lines of 1966. Compliance with such laws, regulations and standards, where applicable, may require installation of costly equipment or operational changes and may affect the resale value or useful lives of our vessels. We may also incur additional costs in order to comply with other existing and future regulatory obligations, including, but not limited to, costs relating to air emissions including greenhouse gases, the management of ballast waters, maintenance and inspection, development and implementation of emergency procedures and insurance coverage or other financial assurance of our ability to address pollution incidents. Additionally, we cannot predict the cost of compliance with any new regulations that may be promulgated as a result of the 2010 BP plc *Deepwater Horizon* oil spill in the Gulf of Mexico.

These costs could have a material adverse effect on our business, results of operations, cash flows and financial condition. A failure to comply with applicable laws and regulations may result in administrative and civil penalties, criminal sanctions or the suspension or termination of our operations. Environmental laws often impose strict liability for remediation of spills and releases of oil and hazardous substances, which could subject us to liability without regard to whether we were negligent or at fault. Under OPA, for example, owners, operators and bareboat charterers are jointly and severally strictly liable for the discharge of oil within the 200-mile exclusive economic zone around the United States. An oil spill could result in significant liability, including fines, penalties and criminal liability and remediation costs for natural resource damages under other federal, state and local laws, as well as third-party damages. We are required to satisfy insurance and financial responsibility requirements for potential oil (including marine fuel) spills and other pollution incidents. We may not maintain sufficient insurance to cover all environmental risks and environmental claims may have a material adverse effect on our business, results of operations, cash flows and financial condition and our ability to pay dividends in the amounts anticipated or at all.

Company Specific Risk Factors

In the past we have not been, and in the future we may not be, in compliance with certain of the financial covenants contained in our loan agreements, which may have an adverse effect on our financial condition, results of operations, cash flows, and ability to pay dividends in the amounts anticipated or at all.

Our loan agreements, which are secured by mortgages on our vessels, require us to comply with specified collateral coverage ratios and satisfy certain financial and other covenants. In general, these financial covenants require us, among other things, to maintain (i) a maximum market adjusted leverage ratio; (ii) minimum liquidity; (iii) a maximum ratio of total liabilities to EBITDA; (iv) a minimum market value adjusted net worth or net worth; (v) a minimum ratio of EBITDA to net interest expenses; and (vi) a maximum ratio of total debt to EBITDA.

A violation of any of these covenants constitutes an event of default under our loan agreements, which, unless waived or modified by our lenders, provide our lenders with the right to require us to post additional collateral, enhance our equity and liquidity, increase our interest payments, pay down our indebtedness to a level where we are in compliance with our loan covenants, sell vessels in our fleet, reclassify our indebtedness as current liabilities, accelerate our indebtedness and foreclose their liens on our vessels, which would impair our ability to continue to conduct our business.

In addition, all of our secured loan agreements contain a cross-default provision that may be triggered by a default under one of our other secured loan agreements. A cross-default provision means that a default on one loan would result in a default on all other loans. Because of the presence of cross default provisions in all of our secured loan agreements, the refusal of any one lender under our secured loan agreements to grant or extend a waiver could result in all of our secured indebtedness being accelerated, even if our other lenders under our secured loan agreements have waived covenant defaults under the respective loan and credit facilities. If our secured indebtedness is accelerated in full or in part, it would be very difficult in the current financing environment for us to refinance our debt or obtain additional financing and we could lose our vessels if our lenders foreclose their liens, which would adversely affect our ability to conduct our business. In addition, if we find it necessary to sell our vessels at a time when vessel prices are low, we will recognize losses and a reduction in our earnings, which could affect our ability to raise additional capital necessary for us to comply with our loan agreements.

Furthermore, under the terms of our loan agreements, our ability to pay dividends or make other payments to shareholders is subject to no event of default having occurred without being remedied or resulting from the payment of such dividends or other distributions. See “Item 8. Financial Information—Dividend Policy” of our Annual Report on Form 20-F for the year ended December 31, 2012, filed with the SEC on March 8, 2013 and incorporated by reference herein.

As of December 31, 2011, we were not in compliance with the net worth covenant contained in our $30.3 million loan agreement with Commerzbank AG, or Commerzbank, which requires us to maintain a minimum net worth of at least $150.0 million. This breach was cured as the loan agreement was amended. The amended loan agreement requires that the net worth be above $130.0 million in the fourth quarter of 2011, above $125.0 million in the first quarter of 2012, above $130.0 million in the second through fourth quarters of 2012, and thereafter at least $150.0 million, except that, pursuant to a waiver obtained in July 2013, the net worth is required to be above $50.0 million for the period beginning June 28, 2013 and expiring July 3, 2014. This breach constituted an event of default under our loan agreement with Commerzbank and, absent the waiver, together with the cross-default provisions in our secured loan agreements discussed above, could have resulted in the lenders requiring immediate repayment of all of our secured loans. There can be no assurance that our lenders would permit further amendments to this loan agreement in the event we are not able to comply with the net worth covenant in the future.

Moreover, our lenders may impose additional operating and financial restrictions on us or modify the terms of our existing loan agreements in connection with any additional waivers of or amendments to our loan

agreements that we may obtain in the future as a result of additional breaches of the financial and other covenants contained in our secured loan agreements. These restrictions may restrict our ability to, among other things, pay dividends, make capital expenditures or incur additional indebtedness, including through the issuance of guarantees. In addition, our lenders may require the payment of additional fees, require prepayment of a portion of our indebtedness to them, accelerate the amortization schedule for our indebtedness and increase the interest rates they charge us on our outstanding indebtedness.

As of March 31, 2013, we were in compliance with all of the covenants contained in our loan agreements.

Our secured loan agreements contain restrictive covenants that may limit our liquidity and corporate activities, including the payment of dividends.

In addition to certain covenants relating to our financial position, operating performance and liquidity, the operating and financial restrictions and covenants in our secured loan agreements could adversely affect our capital needs or ability to finance future operations or capital needs or to pursue and expand our business activities. For example, these financing arrangements may restrict our ability to:

- incur and guarantee additional indebtedness;
- create liens on our assets;
- sell capital stock of our subsidiaries;
- make investments;
- pay dividends;
- make capital expenditures;
- change our ownership or structure, including engaging in mergers, consolidations, liquidations or dissolutions;
- adjust and alter existing charters;
- enter into a new line of business;
- change the management of our vessels or terminate or materially amend the management agreement relating to each vessel;
- appoint a Chairman or Chief Executive Officer other than Michael Bodouroglou or change the composition of our board of directors or executive management without the prior written consent of our lenders;
- terminate our charters prior to their stated termination dates; and
- sell, transfer, assign or convey assets.

In addition, under these covenants, we are required to maintain minimum liquidity ranging between the greater of $750,000 per vessel owned and $10.0 million in the aggregate and certain pledged deposits with our lenders.

Our ability to comply with covenants and restrictions contained in debt instruments may be affected by events beyond our control, including prevailing economic, financial and industry conditions. If market or other economic conditions do not improve or worsen, we may fail to comply with these covenants. If we breach any of the restrictions, covenants, ratios or tests in our secured loan agreements, our obligations may become immediately due and payable, and the lenders' commitment, if any, to make further loans may terminate. A default under any of our secured loan agreements could also result in foreclosure on any of our vessels and other assets securing the related loans. The occurrence of any of these events could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends in amounts anticipated or at all.

In addition, our discretion is limited because we may need to obtain the consent from our lenders in order to engage in certain corporate actions. Our lenders' interests may be different from ours, and we may not be able to obtain our lenders' consent when needed. This may prevent us from taking actions that are in our shareholders' best interest.

The current low containership charter rates and values and any future declines in these rates may affect our ability to comply with various covenants in our secured loan agreements, and may cause us to incur impairment charges or to incur a loss if vessel values are low at a time when we are attempting to dispose of a vessel.

Our secured loan agreements, which are secured by mortgages on our vessels, contain various financial covenants. Among those covenants are requirements that relate to our net worth, operating performance and liquidity. For example, there is a minimum equity ratio requirement that is based, in part, upon the market value of the vessels securing the loans, as well as requirements to maintain a minimum ratio of the market value of our vessels mortgaged thereunder to our aggregate outstanding balance under each respective loan agreement. The market value of containerships is sensitive, among other things, to changes in the containership charter markets, with vessel values deteriorating in times when charter rates are falling and improving when charter rates are anticipated to rise. The current low charter rates in the containership market coupled with the prevailing difficulty in obtaining financing for vessel purchases have adversely affected containership values. A continuation of these conditions would lead to a further significant decline in the fair market values of our vessels, which may result in our not being in compliance with these loan covenants. In such a situation, unless our lenders were willing to provide waivers of covenant compliance or modifications to our covenants, or would be willing to refinance, we would have to reduce or eliminate our dividend, sell vessels in our fleet and/or seek to raise additional capital in the equity markets. Furthermore, if the market value of our vessels further deteriorates significantly or we lose the benefit of the existing time charter arrangements for any of our vessels and cannot replace such arrangements with charters at comparable rates, we may have to record an impairment adjustment in our financial statements, which would adversely affect our financial results and further hinder our ability to raise capital.

If we fail to comply with our covenants and are not able to obtain covenant waivers or modifications, our lenders could require us to post additional collateral, enhance our equity and liquidity, increase our interest payments or pay down our indebtedness to a level where we are in compliance with our loan covenants, arrest the vessels in our fleet, or they could accelerate our indebtedness, which would impair our ability to continue to conduct our business. In addition, if we were unable to obtain waivers, we could be required to reclassify all of our indebtedness as current liabilities, which would be significantly in excess of our cash and other current assets, and which could trigger further defaults under our loan agreements. If our indebtedness was accelerated in full or in part, it would be very difficult in the current financing environment for us to refinance our debt or obtain additional financing and we could lose our vessels if our lenders foreclose their liens, which would adversely affect our ability to conduct our business. Furthermore, if we find it necessary to sell our vessels at a time when vessel prices are low, we will recognize losses and a reduction in our earnings, which could affect our ability to raise additional capital necessary for us to comply with our loan agreements.

We may have difficulty securing profitable employment for our vessels as their charters expire in the currently depressed containership market.

Each of our nine containerships are currently deployed on time charters, with the time charters for two of our vessels expected to expire in August 2013, and the time charters for four of our vessels, each of which are well above current market rates, scheduled to expire during 2014. Given the current depressed state of the containership charter market, especially for medium to smaller sized vessels, we may be unable to re-charter these vessels at attractive rates, or at all, when their charters expire. Although we do not receive any revenues from our vessels while not employed, we are required to pay expenses necessary to maintain the vessel in proper operating condition, insure it and service any indebtedness secured by such vessel. If we cannot re-charter our vessels on time charters or trade them in the spot market profitably, our results of operations and operating cash flow will be adversely affected.

We are subject to certain risks with counterparties on contracts, including our charterers under our time charter agreements on which we depend for substantially all of our revenues, and the failure of our counterparties to meet their obligations could cause us to suffer losses or otherwise adversely affect our business and ability to comply with covenants in our loan agreements.

We have entered into various contracts, including time charter agreements with our customers. Such agreements subject us to counterparty risks. The ability and willingness of each of our counterparties to perform its obligations under a contract with us will depend on a number of factors that are beyond our control, including, among other things, general economic conditions, the condition of the container shipping industry, the overall financial condition of the counterparty, charter rates received for specific types of vessels and various expenses.

As of the date of this prospectus supplement, we have employed all nine of our containerships under time charters with a weighted average remaining charter duration of 17 months (weighted by aggregate contracted charter hire and assuming no exercise of any options to extend the durations of the charters) with seven charterers and we plan to employ any additional vessels we acquire on time charters. Recently, there have been reports of charterers, including some of our charterers, renegotiating their charters or defaulting on their obligations under charters, and our charterers may fail to pay charter hire or attempt to renegotiate charter rates. The time charters on which we employ most of our vessels provide for charter rates that are significantly above market rates as of the date of this prospectus supplement. Should a counterparty fail to honor its obligations under its charter with us, it may be difficult to secure substitute employment for such vessel, and any new charter arrangements we secure in the spot market or on time charters would be at lower rates given currently decreased containership charter rate levels. If our charterers fail to meet their obligations to us or attempt to renegotiate our charter agreements, we could sustain significant losses which could have a material adverse effect on our business, financial condition, results of operations, cash flows, ability to pay dividends in the amounts anticipated or at all and compliance with covenants in our secured loan agreements.

In addition, under our $30.0 million loan agreement with UniCredit Bank AG, or UniCredit, if our charter with Maersk, for the vessel mortgaged thereunder, the Maersk *Diadema* (formerly the MSC *Siena*), is terminated or ceases to remain in full force and effect for any reason prior to its stated termination date, it would constitute an event of default under such loan agreement. Furthermore, under our loan agreements with ABN AMRO Bank N.V., or ABN AMRO, if our charter with CSAV Valparaiso for the *Maule*, one of the vessels mortgaged under our $100.0 million loan agreement with ABN AMRO, or either of our charters with OOCL for the OOCL *Hong Kong* and the OOCL *China*, the vessels mortgaged under our $25.0 million credit facility with ABN AMRO, is terminated or ceases to remain in full force and effect for any reason prior to its stated termination date, it would constitute an event of default under such loan agreements if the charter were not replaced within 60 days by another charter and with a charterer approved by the lender.

We may not be able to secure adequate financing to acquire or identify additional vessels beyond our current fleet, which result could adversely affect our business.

We have limited cash resources and no borrowing capacity and we may not be successful in entering into any other financing arrangements. All of the vessels in our fleet are being used as collateral to secure our secured loan agreements. In addition, we may not be able to identify additional vessels beyond our current fleet for acquisition at attractive prices or at all. To the extent we are unable to identify additional vessels suitable for acquisition or obtain acquisition financing on acceptable terms or at all, we may not be able to acquire additional vessels beyond our current fleet, which result could adversely affect our business.

We may be unable to locate suitable vessels for acquisition which would adversely affect our ability to expand our business.

Our business strategy is dependent on identifying and purchasing suitable vessels. Changing market and regulatory conditions may limit the availability of suitable vessels because of customer preferences or because they are not or will not be compliant with existing or future rules, regulations and conventions. Additional

vessels of the age and quality we desire may not be available for purchase at prices we are prepared to pay or at delivery times acceptable to us. If we are unable to purchase additional vessels at reasonable prices in accordance with our business strategy or in response to changing market and regulatory conditions, our business would be adversely affected.

One of the containerships in our current fleet, the Maule, is subject to a purchase option held by its charterer, which, if exercised, could reduce the size of our containership fleet and result in the loss of a substantial portion of our future revenues.

The charter with respect to the *Maule* includes an option for its charterer, CSAV Valparaiso, to purchase such vessel upon the expiration of the charter, which is expected to be in May 2016, provided that the option is exercised at least six months prior to the expiration of the term of the charter at a price of $57.0 million, less a 0.5% purchase commission payable to parties unaffiliated with us, which is more than $20.0 million less than the purchase price that we paid for the vessel. If CSAV Valparaiso were to exercise this option with respect to the *Maule*, the size of our fleet would be reduced. As a result of the periodic scarcity of secondhand containerships available for acquisition and the length of time required prior to delivery of newbuildings, we may be unable to replace the *Maule* with a comparable vessel, or any other vessel, quickly or, if containership values are higher than the option exercise price as currently anticipated, at a cost equal to the option exercise price paid by CSAV Valparaiso. As a result, if this purchase option were to be exercised, the expected size of our fleet would be reduced and our anticipated revenues would be reduced.

We are a recently organized corporation with limited operating history and Paragon Shipping will not provide any guarantee of the performance of our obligations nor will you have any recourse against Paragon Shipping, or its affiliates, should you seek to enforce a claim against us.

We were formed by Paragon Shipping (NASDAQ: PRGN) and completed the initial public offering of our common stock in the United States, or our Initial Public Offering, in April 2011. Because we are a recently organized corporation with a limited operating history, you will have a limited basis on which to evaluate our performance.

As of the date of this prospectus supplement, Paragon Shipping owned approximately 13.8% of our outstanding shares of common stock. However, Paragon Shipping has not and will not provide any guarantee of the performance of our obligations. Further, you will have no recourse against Paragon Shipping, or its affiliates, should you seek to enforce a claim against us.

Our Manager has limited experience with respect to the containership sector and may not be able to successfully address the variety of vessel management risks in the containership sector or develop and maintain commercial relationships with leading liner companies, which could adversely affect our containership business and results of operations.

Our business strategy relies to a significant extent on our ability to successfully operate containerships, which include unique risks involving, among other things, the speeds at which containerships travel in order to move cargoes around the world quickly and minimize delivery delays, the loading or unloading of containers with highly varied cargoes and industry specific inspection procedures. In addition, we will be required to access attractive chartering opportunities by developing and maintaining relationships with established container liner companies. Our ability to establish containership industry relationships and a reputation for customer service and safety, as well as to acquire and renew charters with leading liner companies, will depend on a number of factors, including our ability to crew our vessels with experienced containership crews and the ability to manage such risks.

We believe that maintaining a modern and technologically advanced fleet, capitalizing on our Manager's experience in the commercial management of vessels and Paragon Shipping's reputation as an owner with high safety and operating standards, as well as on our senior management's experience in the shipping industry, will be important factors in acquiring and retaining major container liner company charterers. However, given our

limited operating history and the limited experience of our Manager with respect to the containership industry, which began providing technical and commercial management services to containership vessels in 2010, we may not be able to successfully operate containerships or to develop and maintain the commercial relationships or to replace them in the event any of these relationships are terminated, which would adversely affect our business prospects and profitability.

We may not be able to implement our growth effectively.

Our business plan is to identify and acquire suitable containerships at favorable prices and to employ our vessels on short- to medium-term time charters of one to five years with staggered maturities. Our business plan therefore depends on our ability to acquire containerships in addition to our current fleet, successfully re-employ our vessels and charter our vessels in the future at favorable rates.

Growing any business by acquisition presents numerous risks, including undisclosed liabilities and obligations, difficulty obtaining additional qualified personnel and managing relationships with customers and suppliers. In addition, competition from other companies, many of which may have significantly greater financial resources than we do, may reduce our acquisition opportunities or cause us to pay higher prices. We cannot assure you that we will be successful in executing our plans to grow our business or that we will not incur significant expenses and losses in connection with this plan. Our failure to effectively identify, purchase, develop and integrate additional vessels could impede our ability to implement our growth successfully. Our acquisition growth strategy exposes us to risks that may harm our business, financial condition and operating results, including risks that we may:

- fail to realize anticipated benefits, such as cost-savings or cash flow enhancements;
- incur or assume unanticipated liabilities, losses or costs associated with any additional vessels or businesses acquired, particularly if any additional vessel we acquire proves not to be in good condition;
- be unable to hire, train or retain qualified shore and seafaring personnel to manage and operate our growing business and fleet;
- decrease our liquidity by using a significant portion of available cash or borrowing capacity to finance acquisitions;
- significantly increase our interest expense or financial leverage if we incur additional debt to finance acquisitions; or
- incur other significant charges, such as impairment of goodwill or other intangible assets, asset devaluation or restructuring charges.

Moreover, we plan to finance potential future expansions of our fleet through equity financing, which we expect will mainly consist of issuances of additional shares of our common stock or preferred stock, or with borrowings under any credit facilities we may enter into in the future. If we are unable to complete equity issuances at prices that we deem acceptable, our cash on hand is insufficient to fund the costs of future vessel acquisitions, or we cannot enter into future credit facilities on favorable terms, we may need to revise our growth plan or consider alternative forms of financing.

If we cannot successfully re-employ the vessels in our current fleet or charter additional vessels we may acquire in the future, we may incur net losses.

Our business plan is to identify and acquire suitable vessels, in addition to our current fleet, at favorable prices and, as market conditions warrant, employ our vessels on short- to medium-term time charters ranging from one to five years with staggered maturities. As of the date of prospectus supplement, we have employed all nine containerships in our current fleet under time charters with a weighted average remaining charter duration of 17 months (weighted by aggregate contracted charter hire and assuming no exercise of any options to extend the durations of the charters). Under the terms of our $30.0 million loan agreement with UniCredit, however, we are

required to obtain the consent of such lender to charter the Maersk *Diadema*, under a charter of more than 12 months following the completion of that vessel's current charter in January 2014, or any extensions thereof pursuant to the charterer's four successive one-year option periods. Under the terms of our $100.0 million loan agreement with ABN AMRO, we are required to obtain the consent of such lender to charter the *Box Voyager*, the *Box Trader* and, other than with respect to its current charter with CSAV Valparaiso scheduled to be completed in May 2016, the *Maule*, under charters with durations of more than 12 months. We are subject to a similar requirement under our $25.0 million loan agreement with ABN AMRO, pursuant to which we are required to obtain the consent of such lender to charter the OOCL *Hong Kong* and the OOCL *China*, other than with respect to their current charters with OOCL scheduled to be completed in 2015, under charters with durations of more than 12 months.

In addition, given the current depressed conditions of the containership market, it is possible that we may acquire a vessel without having a chartering agreement in place or without having a profitable charter in place for such vessel, and we may not find suitable employment for a substantial period of time after taking delivery of such vessel. We would still be incurring costs related to administrative costs, vessel maintenance and general business expenses, but would be generating no income or income below our operating costs. If we are unable to secure suitable re-employment for our current fleet or obtain suitable employment for any vessels that we may acquire in accordance with our business strategy while incurring operating expenses, our business would be adversely affected.

Our growth in the future depends on our ability to successfully re-employ our vessels and charter the vessels we may acquire in the future, for which we will face substantial competition.

We plan to re-employ our current fleet and initially employ any vessels we may acquire in the future on short- to-medium term time charters ranging from one to five years with staggered maturities, consistent with our chartering policy. The process of obtaining new medium-term time charters is highly competitive and generally involves an intensive screening process and competitive bids, and often extends for several months. Container shipping charters are awarded based upon a variety of factors relating to the vessel operator, including:

- shipping industry relationships and reputation for customer service and safety;
- container shipping experience and quality of ship operations (including cost effectiveness);
- quality and experience of seafaring crew;
- relationships with shipyards and the ability to get suitable berths;
- construction management experience, including the ability to obtain on-time delivery of new ships according to customer specifications;
- willingness to accept operational risks pursuant to the charter, such as allowing termination of the charter for force majeure events; and
- competitiveness of the bid in terms of overall price.

We expect substantial competition for providing new containership service from a number of experienced companies, including state-sponsored entities and major shipping companies. Many of these competitors have more experience in the containership sector than we have and significantly greater financial resources than we do, and can therefore operate larger fleets and may be able to offer better charter rates. As a result of these factors, we may be unable to obtain new customers on a profitable basis, if at all, which will impede our ability to implement our growth successfully.

Furthermore, if our vessels become available for employment under new time charters during periods when charter rates are at depressed levels, as was the case with the *Box Trader* and the *Box Voyager* upon the expiration of their charters with CSAV Valparaiso in the second and third quarters of 2012, respectively, we may have to employ our containerships at depressed charter rates, if we are able to secure employment for our vessels at all,

which would lead to reduced or volatile earnings. Future charter rates may not be at a level that will enable us to operate our containerships profitably to allow us to implement our growth strategy successfully, pay dividends in amounts anticipated or at all or repay our debt.

Paragon Shipping and its affiliates may claim business opportunities that would benefit us.

Paragon Shipping is contractually prohibited from competing with us in the international containership industry. We have entered into an agreement with Paragon Shipping and our Chairman, President and Chief Executive Officer, Mr. Michael Bodouroglou, that provides that so long as Mr. Bodouroglou is a director or executive officer of our Company (i) Mr. Bodouroglou and any entity which he controls and (ii) during any period in which Mr. Bodouroglou is also a director or executive officer of Paragon Shipping and Paragon Shipping is the holder of more than 5% of the total issued and outstanding shares of our common stock, Paragon Shipping, will be prohibited from acquiring or entering into any charter for containerships without our prior written consent and we will not acquire or enter into any charter for drybulk carriers without the prior written consent of Mr. Bodouroglou, such entities controlled by him and Paragon Shipping, as applicable.

Nevertheless, Paragon Shipping and its affiliates may claim business opportunities that would benefit us and compete with us in the international containership industry. For example, if we do not exercise our options to acquire one or both of the newbuilding containerships Paragon Shipping has entered into contracts to build and has granted us the options to acquire, Paragon Shipping will be permitted to operate, or sell, the vessels pursuant to a waiver that we will grant to Paragon Shipping under the non-competition agreement described above, provided that Paragon Shipping will grant to us a right of first offer on any proposed sale, transfer or other disposition of the vessels and a right of first refusal over any containership chartering opportunities. We may exercise our options to acquire each vessel by (i) way of an assignment of the relevant construction contract from Paragon Shipping at any time prior to the applicable vessel's delivery to Paragon Shipping, each scheduled for the second quarter of 2014, or (ii) purchase of such vessel at any time after its delivery to Paragon Shipping, so long as the vessel is owned by Paragon Shipping at such time. The purchase price of the options will be equal to the greater of (i) Paragon Shipping's actual carrying cost of the vessel at the date the option is exercised, plus any actual expenses incurred by Paragon Shipping in connection with the construction contracts or the vessels and (ii) the fair market value of the vessel at the date the option is exercised as determined by the average of two independent ship brokers selected by Paragon Shipping and us.

In addition, notwithstanding our non-competition agreement with Paragon Shipping, Paragon Shipping may claim other business opportunities that would benefit us, such as the hiring of employees, the acquisition of other businesses, or the entry into joint ventures, and in each case other than business opportunities in the international containership industry, and this could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends in amounts anticipated or at all.

Our purchasing and operating secondhand vessels may result in increased operating costs and vessels off-hire, which could adversely affect our earnings.

Our current business strategy includes growing our fleet through the acquisition of secondhand vessels. The acquisition of secondhand vessels does not provide us with the same knowledge about their condition that we would have had if these vessels had been built for and operated exclusively by us. Accordingly, we may not discover defects or other problems with such vessels before purchase. Any such hidden defects or problems, when detected, may be expensive to repair, and if not detected, may result in accidents or other incidents for which we may become liable to third parties. These repairs may require us to put a vessel in dry-dock, which would reduce our fleet utilization. In addition, when purchasing secondhand vessels, we do not receive the benefit of any builder warranties if the vessels we buy are older than one year.

In general, the costs to maintain a vessel in good operating condition increase with the age of the vessel. Older vessels are typically less fuel efficient than more recently constructed vessels due to improvements in engine technology and vessel design. Governmental regulations, safety and other equipment standards related to

the age of vessels may require expenditures for alterations or the addition of new equipment to some of our vessels and may restrict the type of activities in which these vessels may engage. We cannot assure you that, as our vessels age, market conditions will justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives. As a result, regulations and standards could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Increased competition in technological innovation could reduce the demand for our vessels and our ability to successfully implement our business strategy.

The charter hire 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 be loaded and unloaded quickly. Flexibility includes the ability to enter harbors, utilize related docking facilities and pass through canals and straits. Physical life is related to the original design and construction, maintenance and the impact of the stress of operations. If new containerships are built that are more efficient or flexible or have longer physical lives than our vessels, competition from these more technologically advanced containerships could adversely affect the amount of charter hire payments we receive for our vessels or our ability to employ or re-employ our vessels at all.

Our executive officers and the officers of our Manager will not devote all of their time to our business, which may hinder our ability to operate successfully.

Our executive officers and the officers of our Manager will be involved in Paragon Shipping's and other business activities, which may result in their spending less time than is appropriate or necessary to manage our business successfully. The actual allocation of time could vary significantly from time to time depending on various circumstances and needs of the businesses, such as the relative levels of strategic activities of the businesses. This could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends in amounts anticipated or at all.

Our executive officers and directors and our Manager have conflicts of interest and limited duties, which may permit them to favor interests of Paragon Shipping or its affiliates above our interests and those of holders of our common stock.

Conflicts of interest may arise between Paragon Shipping, our Manager, and its affiliates, on the one hand, and us and our shareholders, on the other hand. These conflicts include, among others, the following situations:

- Our Chairman, President and Chief Executive Officer serves as the Chairman, President, and Chief Executive Officer of Paragon Shipping and our Chief Financial Officer serves as the Chief Financial Officer of Paragon Shipping. Our Chief Executive Officer is also the beneficial owner of all of the capital stock of our Manager and Crewcare Inc., or Crewcare, our manning agent. Therefore, these individuals may favor the interests of Paragon Shipping, Allseas or their affiliates and may not provide us with business opportunities that would benefit us.
- Our Manager advises our board of directors about the amount and timing of asset purchases and sales, capital expenditures, borrowings, issuances of additional capital stock and cash reserves, each of which can affect the amount of the cash available for distribution to our shareholders.
- Our executive officers and those of our Manager will not spend all of their time on matters related to our business.
- Our Manager will advise us of costs incurred by it and its affiliates that it believes are reimbursable by us.

As a result of these conflicts, our Manager may favor its own interests, the interests of Paragon Shipping and the interests of its affiliates over our interests and those of our shareholders, which could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends in amounts anticipated or at all.

The fiduciary duties of our officers and directors may conflict with those of the officers and directors of Paragon Shipping and/or its affiliates.

Our officers and directors have fiduciary duties to manage our business in a manner beneficial to us and our shareholders. However, our Chairman, President and Chief Executive Officer, Mr. Michael Bodouroglou, serves as an executive officer and director of Paragon Shipping and our Chief Financial Officer, Mr. Robert Perri, serves as a Chief Financial Officer of Paragon Shipping. As a result, these individuals have fiduciary duties to manage the business of Paragon Shipping and its affiliates in a manner beneficial to such entities and their shareholders. Consequently, these officers and directors may encounter situations in which their fiduciary obligations to Paragon Shipping and us are in conflict. We believe the principal situations in which these conflicts may occur are in the allocation of business opportunities to Paragon Shipping or us, such as with respect to the allocation and hiring of employees, the acquisition of other businesses or the entry into joint ventures, and in each case other than business opportunities in the international containership industry. The resolution of these conflicts may not always be in our best interest or that of our shareholders and could have a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends in amounts anticipated or at all.

However, we have entered into a non-competition agreement with Paragon Shipping and Mr. Michael Bodouroglou that provides that so long as Mr. Bodouroglou is a director or executive officer of our Company (i) Mr. Bodouroglou and any entity which he controls and (ii) during any period in which Mr. Bodouroglou is also a director or executive officer of Paragon Shipping and Paragon Shipping is the holder of more than 5% of the total issued and outstanding shares of our common stock, Paragon Shipping, will be prohibited from acquiring or entering into any charter for containerships without our prior written consent and we will not acquire or enter into any charter for drybulk carriers without the prior written consent of Mr. Bodouroglou, such entities controlled by him and Paragon Shipping, as applicable.

We are dependent on Allseas for the commercial and technical management of our fleet, as well as to provide us with our executive officers, and the failure of Allseas to satisfactorily perform its services may adversely affect our business.

We have entered into an executive services agreement with Allseas, pursuant to which Allseas provides us with the services of our executive officers, who report directly to our board of directors. In addition, as we have subcontracted the commercial and technical management of our fleet, including crewing, maintenance and repair, to Allseas, the loss of Allseas's services or Allseas's failure to perform its obligations to us could materially and adversely affect the results of our operations. We may have rights against Allseas if it defaults on its obligations to us but you will have no recourse directly against Allseas. Further, we are required to seek approval from our lenders under our secured loan agreements to change our commercial and technical manager. In addition, under the terms of the compensation agreement we have entered into with Allseas, in the event that Allseas is involuntarily terminated as the manager of our fleet, Allseas is entitled to an amount equal to the sum of (i) three years of the most recent management fees and commissions, based on the fleet at the time of termination, and (ii) €3.0 million (or $3.9 million using an exchange rate of $1.3023:€1.00, the U.S. dollar/Euro exchange rate as of February 26, 2013, according to Bloomberg). Please see "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions" of our Annual Report on Form 20-F for the year ended December 31, 2012, filed with the SEC on March 8, 2013 and incorporated by reference herein.

Since Allseas is a privately held company and there is little or no publicly available information about it, an investor could have little advance warning of potential problems that might affect Allseas that could have a material adverse effect on us.

The ability of Allseas to continue providing services for our benefit will depend in part on its own financial strength. Circumstances beyond our control could impair Allseas's financial strength, and because it is privately held, it is unlikely that information about its financial strength would become public unless Allseas began to default on its obligations. As a result, an investor in our shares might have little advance warning of problems affecting Allseas, even though these problems could have a material adverse effect on us.

Our Chairman, President and Chief Executive Officer has affiliations with Allseas which may create conflicts of interest.

Our Chairman, President and Chief Executive Officer, Mr. Michael Bodouroglou, is the beneficial owner of all of the issued and outstanding capital stock of Allseas. These responsibilities and relationships could create conflicts of interest between us, on the one hand, and Allseas, on the other hand. These conflicts may arise in connection with the chartering, purchase, sale and operations of the vessels in our fleet versus vessels managed by other companies affiliated with Allseas and Mr. Bodouroglou. To the extent that any entities affiliated with Mr. Bodouroglou, other than us, or Allseas, owns or operates vessels that may compete for employment or management services in the future, Allseas may give preferential treatment to vessels that are beneficially owned by related parties because Mr. Bodouroglou and members of his family may receive greater economic benefits. Allseas currently provides management services to vessels in Paragon Shipping's fleet, private fleets and our fleet. Entities affiliated with Mr. Bodouroglou may acquire vessels that may compete with our vessels in the future, subject to an agreement entered into among the Company, Paragon Shipping and Mr. Bodouroglou, which prohibits Mr. Bodouroglou or entities affiliated with him, including Paragon Shipping, from acquiring or chartering container vessels without our prior written consent, and pursuant to which we have agreed not to acquire or charter drybulk vessels without the prior consent of Mr. Bodouroglou, entities controlled by him or Paragon Shipping, as applicable. To the extent that we believe it is in our interest to grant such consent and Mr. Bodouroglou, entities controlled by him or Paragon Shipping acquires containerships, such vessels may compete with our fleet. Allseas is not a party to the non-competition agreement described above and, under the terms of the agreement, may provide vessel management services to containerships other than ours. These conflicts of interest may have an adverse effect on our results of operations.

Our ability to obtain additional debt financing in the future may be dependent on the performance of our then existing charters and the creditworthiness of our charterers.

The actual or perceived credit quality of our charterers, and any defaults by them, may materially affect our ability to obtain the additional capital resources that we will require to purchase additional vessels in the future or to refinance our existing debt as it matures or may significantly increase our costs of obtaining such capital. Our inability to obtain additional financing at all or at a higher than anticipated cost may materially affect our results of operation and our ability to implement our business strategy.

We may be unable to attract and retain key management personnel and other employees in the shipping industry, which may negatively impact the effectiveness of our management and results of operations.

Our success depends to a significant extent upon the abilities and efforts of our management team. Pursuant to an executive services agreement, Allseas provides us with the services of our executive officers, who report directly to our board of directors. Our success depends upon our ability to retain key members of our management team and to hire new members as may be necessary. The loss of any of these individuals could adversely affect our business prospects and financial condition. Difficulty in hiring and retaining replacement personnel could adversely affect our business, results of operations and ability to pay dividends in the amounts anticipated or at all. We do not intend to maintain "key man" life insurance on any of our officers or other members of our management team.

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

There are a number of risks associated with the operation of ocean-going vessels, including mechanical failure, collision, human error, war, terrorism, piracy, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, hostilities and labor strikes. Any of these events may result in loss of revenues, increased costs and decreased cash flows. In addition, the operation of any vessel is subject to the inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade.

We are insured against tort claims and some contractual claims (including claims related to environmental damage and pollution) through memberships in protection and indemnity associations or clubs, or P&I

Associations. As a result of such membership, the P&I Associations provide us coverage for such tort and contractual claims. We also carry hull and machinery insurance and war risk insurance for our fleet. We insure our vessels for third-party liability claims subject to and in accordance with the rules of the P&I Associations in which the vessels are entered. We also maintain insurance against loss of hire, which covers business interruptions that result in the loss of use of a vessel. We may not be adequately insured against all risks and particular claims may not be paid by our insurers.

In addition, we cannot assure you that we will be able to obtain adequate insurance coverage for our fleet in the future or renew our insurance policies on the same or commercially reasonable terms, or at all. For example, more stringent environmental regulations have led in the past to increased costs for, and in the future may result in the lack of availability of, protection and indemnity insurance against risks of environmental damage or pollution. Any uninsured or underinsured loss could harm our business, results of operations, cash flows, financial condition and ability to pay dividends in the amounts anticipated or at all. In addition, our insurance may be voidable by the insurers as a result of certain of our actions, such as our ships failing to maintain certification with applicable maritime self-regulatory organizations. Further, we cannot assure you that our insurance policies will cover all losses that we incur, or that disputes over insurance claims will not arise with our insurance carriers. Any claims covered by insurance would be subject to deductibles, and since it is possible that a large number of claims may be brought, the aggregate amount of these deductibles could be material. In addition, our insurance policies are subject to limitations and exclusions, which may increase our costs or lower our revenues, thereby possibly having a material adverse effect on our business, results of operations, cash flows, financial condition and ability to pay dividends in the amounts anticipated or at all.

We will be subject to funding calls by our protection and indemnity associations, and our associations may not have enough resources to cover claims made against them.

We are indemnified for legal liabilities incurred while operating our vessels through membership in P&I Associations. P&I Associations are mutual insurance associations whose members must contribute to cover losses sustained by other association members. The objective of a P&I Association is to provide mutual insurance based on the aggregate tonnage of a member’s vessels entered into the association. Claims are paid through the aggregate premiums of all members of the association, although members remain subject to calls for additional funds if the aggregate premiums are insufficient to cover claims submitted to the association. Claims submitted to the association may include those incurred by members of the association, as well as claims submitted to the association from other P&I Associations with which our P&I Association has entered into interassociation agreements. We cannot assure you that the P&I Associations to which we belong will remain viable or that we will not become subject to additional funding calls which could adversely affect us.

We generate substantially all of our revenues in U.S. dollars and incur a portion of our expenses in other currencies, and therefore exchange rate fluctuations could have an adverse impact on our results of operations.

We generate a majority of our revenues in U.S. dollars and incur a portion of our expenses in currencies other than the U.S. dollar. This difference could lead to fluctuations in our net income due to changes in the value of the dollar relative to the other currencies, in particular the Euro. Expenses incurred in foreign currencies against which the U.S. dollar falls in value could increase, decreasing our net income and cash flows from operations. Further declines in the value of the U.S. dollar could also lead to higher expenses payable by us.

We may have to pay tax on certain shipping income, which would reduce our earnings.

Under the United States Internal Revenue Code of 1986, or the Code, 50% of the gross shipping income of a corporation that owns or charters vessels, such as us 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 applicable Treasury Regulations promulgated thereunder.

For the 2012 taxable year, we believe that we and our subsidiaries qualified for this statutory tax exemption and we intend to take this position on our U.S. federal income tax returns. However, there are factual circumstances beyond our control that could cause us to lose the benefit of this tax exemption and thereby become subject to United States federal income tax on our United States source shipping income for future taxable years. For example, in certain circumstances we may no longer qualify for exemption under Code section 883 for a particular taxable year if shareholders with a five percent or greater interest in our shares of common stock owned, in the aggregate, 50% or more of our outstanding shares of common stock for more than half the days during the taxable year. It is possible that the ownership threshold could be met for any taxable year. In such a case, we may not qualify for exemption unless we can establish that among the closely-held group of five percent shareholders, there are sufficient five percent shareholders that are qualified shareholders for purposes of Section 883 to preclude non-qualified five percent shareholders in the closely-held group from owning 50% or more of our common stock for more than half the number of days during the taxable year. In order to establish this, sufficient five percent shareholders that are qualified shareholders would have to comply with certain documentation and certification requirements designed to substantiate their identity as qualified shareholders. These requirements are onerous and we may not be able to satisfy them. Due to the factual nature of the issues involved, there can be no assurances on the tax-exempt status of us or any of our subsidiaries.

If we or our subsidiaries were not entitled to exemption under Section 883 for any taxable year, they could be subject for such year to an effective 2% United States federal income tax on the shipping income they derive during the year which is attributable to the transport or cargoes to or from the United States. The imposition of this taxation would have a negative effect on our business and would decrease our earnings available for distribution to our shareholders.

In addition, two of our vessel owning subsidiaries are incorporated in Hong Kong and own vessels flagged in Hong Kong. While we do not believe that we or our Hong Kong subsidiaries will be subject to taxation in Hong Kong due to an available exemption that we expect to qualify for, we cannot assure you that we will not incur tax liability in Hong Kong in 2013 or in the future.

Our ability to grow and satisfy our financial needs may be adversely affected by our dividend policy.

Our dividend policy is to pay quarterly dividends to holders of our common stock in February, May, August and November of each year, in amounts equal to substantially all of our operating cash flow less any amounts required to pay cash expenses and capital expenditures, service our debt and maintain reserves for dry-docking, surveys and other purposes as our board of directors may from time to time determine and fund dividend payments to holders of our preferred shares. In determining the amount of cash available for distribution after payment of our cash expenses, our board of directors determines appropriate reserves to be set aside for, among other things, contingent liabilities, liquidity needs, principal payment and other amounts required under the terms and conditions of our secured loan agreements, the requirements of Marshall Islands law, the acquisition of additional vessels, dry-docking costs, repairs, claims and other liabilities and obligations. In addition, we have used in the past, and may use in the future, a portion of our cash reserves, in addition to our operating cash flows, to fund quarterly dividend payments. Accordingly, our growth, if any, may not be as fast as other shipping companies that reinvest all of their cash for acquisitions.

We believe that we will generally finance any capital expenditures from cash balances and external financing sources, including future equity issuances, borrowings under additional credit facilities we may enter into in the future and potential debt issuances. To the extent we do not have sufficient cash balances or are unable to obtain external financing for these purposes, our dividend policy may significantly impair our ability to meet our financial needs or to grow.

We must make substantial capital expenditures to maintain the operating capacity of our fleet, which may reduce the amount of cash for dividends to our shareholders.

We must make substantial capital expenditures to maintain the operating capacity of our fleet and we generally expect to finance these maintenance capital expenditures with cash balances or undrawn credit facilities that we may enter into in the future. We anticipate growing our fleet through the acquisition of vessels, which would increase the level of our maintenance capital expenditures.

Maintenance capital expenditures include capital expenditures associated with dry-docking a vessel, modifying an existing vessel or acquiring a new vessel to the extent these expenditures are incurred to maintain the operating capacity of our fleet. These expenditures could increase as a result of changes in the cost of labor and materials; customer requirements; increases in our fleet size or the cost of replacement vessels; governmental regulations and maritime self-regulatory organization standards relating to safety, security or the environment; and competitive standards.

In addition, maintenance capital expenditures will vary significantly from quarter to quarter based on the number of vessels dry-docked during that quarter. For example, we incurred costs of approximately $2.1 million in the aggregate during 2012 in connection with dry-docks relating to the CMA CGM *Kingfish* and the CMA CGM *Marlin*. Significant maintenance capital expenditures may reduce the amount of cash available for distribution to our shareholders.

We will be required to make substantial capital expenditures to expand the size of our fleet, which may diminish our ability to pay dividends in the amounts anticipated or at all, increase our financial leverage, or dilute our shareholders' ownership interest in us.

We will be required to make substantial capital expenditures to increase the size of our fleet. We intend to expand our fleet by acquiring existing vessels from other parties or newbuilding vessels, which we refer to as newbuildings. We generally will be required to make installment payments on any newbuildings prior to their delivery. We typically would pay 10% to 30% of the purchase price of a vessel upon signing the purchase contract, even though delivery of the completed vessel will not occur until much later (approximately one to three years from the order). We expect to fund such capital expenditures with future equity issuances and interim debt, which would dilute our quarterly per-share dividends and reduce the cash available for quarterly dividends, respectively, prior to generating cash from the operation of the newbuilding. If equity financing is not available on favorable terms, we may have to use debt financing. If we finance all or a portion of these acquisition costs by issuing debt securities, we will increase the aggregate amount of interest we must pay prior to generating cash from the operation of the newbuilding. Any interest expense we incur in connection with financing our vessel acquisitions, including capitalized interest expense, will decrease the amount of our dividends.

To fund expansion capital expenditures, we may be required to use cash balances, cash from operations, incur borrowings or raise capital through the sale of debt or additional equity securities. Use of cash from operations will reduce the amount of cash available for dividends to holders of our common stock. Our ability to obtain bank financing or to access the capital markets for future offerings may be limited by our financial condition at the time of any such financing or offering, as well as by adverse market conditions resulting from, among other things, general economic conditions and contingencies and uncertainties that are beyond our control. Our failure to obtain funds for capital expenditures could have a material adverse effect on our business, results of operations and financial condition and on our ability to pay dividends in the amounts anticipated or at all. Even if we are successful in obtaining the necessary funds, the terms of such financings could limit our ability to pay dividends in the amounts anticipated or at all. In addition, incurring additional debt may significantly increase our interest expense and financial leverage, and issuing additional equity securities may result in significant shareholder ownership or dividend dilution.

Restrictions in, or interest payments required by, our debt agreements may prevent us from paying dividends.

The payment of principal and interest on our debt will reduce the amount of cash available for dividends to holders of our equity securities. In addition, our existing secured loan agreements prohibit, and we expect any future debt agreements we enter into will also prohibit, the payment of dividends upon the occurrence of the following events, among others:

- failure to pay any principal, interest, fees, expenses or other amounts when due;
- failure to notify the lenders of any material oil spill or discharge of hazardous material, or of any action or claim related thereto;
- breach or lapse of any insurance with respect to the vessels;
- breach of certain financial covenants;
- failure to observe any other agreement, security instrument, obligation or covenant beyond specified cure periods in certain cases;
- default under other indebtedness;
- bankruptcy or insolvency events;
- failure of any representation or warranty to be materially correct;
- a change of control, as defined in the applicable agreement; and
- a material adverse effect, as defined in the applicable agreement.

If management is unable to provide reports as to the effectiveness of our internal control over financial reporting or our independent registered public accounting firm is unable to provide us with unqualified attestation reports as to the effectiveness of our internal control over financial reporting, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our common stock.

Under Section 404 of the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley, we are required to include in each of our annual reports on Form 20-F a report containing our management's assessment of the effectiveness of our internal control over financial reporting and an attestation report of our independent registered public accounting firm related to the effectiveness of our internal control over financial reporting. If, in such annual reports on Form 20-F, our management cannot provide a report as to the effectiveness of our internal control over financial reporting or our independent registered public accounting firm is unable to provide us with an unqualified attestation report as to the effectiveness of our internal control over financial reporting as required by Section 404, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our common stock.

Because we are a foreign corporation, you may not have the same rights or protections that a shareholder in a United States corporation may have.

We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law and may make it more difficult for our shareholders to protect their interests. Our corporate affairs are governed by our Amended and Restated Articles of Incorporation and our Amended and Restated Bylaws and 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. The rights and fiduciary responsibilities of directors under the law 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 certain U.S. jurisdictions and there have been few judicial cases in the Marshall Islands interpreting the BCA. Shareholder rights may differ as well. While the BCA does specifically incorporate the non-statutory law, or judicial case law, of the State of Delaware and other states with substantially similar legislative provisions, our public shareholders may have more difficulty in protecting their

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. Therefore, you may have more difficulty in protecting your interests as a shareholder in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction.

It may not be possible for our investors to enforce U.S. judgments against us and our officers and directors.

We are incorporated in the Republic of the Marshall Islands and our wholly-owned subsidiaries through which we own and operate our vessels are incorporated in jurisdictions outside the United States. All of our directors and officers reside outside of the United States, and all or a substantial portion of our assets, our subsidiaries' assets and the assets of most of our officers and directors are, and will likely remain, located outside of the United States. As a result, it may be difficult or impossible for U.S. shareholders to serve process within the United States upon us or any of these persons or to enforce judgment upon us for civil liabilities in U.S. courts. In addition, you should not assume that courts in the countries in which we or our subsidiaries are incorporated or where our assets or our subsidiaries' assets are located (i) would enforce judgments of U.S. courts obtained in actions against us based upon the civil liability provisions of applicable U.S. federal and state securities laws or (ii) would enforce, in original actions, liabilities against us based upon these laws. In addition, the protections offered minority shareholders in the Marshall Islands are different than in the United States.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately $12.6 million from this offering assuming the underwriters' over-allotment option is not exercised, and approximately $13.8 million if the underwriters' over-allotment option is exercised in full, in each case after deducting underwriting discounts and commissions and estimated expenses payable by us.

We intend to use the net proceeds of this offering (including an investment of $5.0 million from Neige International) and up to approximately $7.2 million of our cash reserves to redeem all of our outstanding Series B-1 Preferred Shares at a price equal to the applicable redemption price per share, plus accrued and unpaid dividends, in an aggregate amount of $19.8 million. We do not expect that there will be additional net proceeds after such redemption, but in the event such additional proceeds are raised, the balance of the net proceeds, if any, will be used for general corporate purposes.

Subject to the completion of this offering, we also intend to repay a portion of our unsecured loan with Paragon Shipping with a current outstanding principal balance of $11.0 million, using amounts drawn from our cash reserves.

CAPITALIZATION

The following unaudited table sets forth our capitalization at March 31, 2013:

- on an actual basis;
- on an as adjusted basis to give effect to the following transactions, which occurred during the period from April 1, 2013 to July 12, 2013:
  - $6,925,000 in debt repayments under the terms of our secured loan agreements;
  - the payment of a cash dividend of $0.12 per common share declared with respect to the first quarter of 2013, paid on May 16, 2013, which amounted to $2,995,286.
  - the payment of a cash dividend on July 1, 2013 on our Series B-1 Preferred Shares for the period from April 1, 2013 to June 30, 2013 of $468,506;
  - the accrual of a cash dividend for the period from July 1, 2013 to July 12, 2013, of $57,262, on our 640,692 Series B-1 Preferred Shares, outstanding as of the date of this prospectus supplement; and
  - $1,000,000 in debt repayment related to our unsecured loan agreement with Paragon Shipping.
- on an as further adjusted basis to give effect to:
  - $1,000,000 in debt repayment related to our unsecured loan agreement with Paragon Shipping, paid on July 19, 2013;
  - the issuance and sale at $24.00 per share of 558,333 Series C Preferred Shares with par value of $0.01 per share and a liquidation preference of $25.00 per share, resulting in net proceeds of approximately $12.6 million, after deducting estimated expenses related to this offering of $0.3 million payable by us and the underwriting discounts and commissions of approximately $0.5 million; and
  - the redemption of 640,692 Series B-1 Preferred Shares issued to Neige International in connection with the private offering to Neige International described in "Item 4. Information on the Company—A. History and Development of the Company—Business Development and Capital Expenditures" of our Annual Report on Form 20-F for the year ended December 31, 2012, filed with the SEC on March 8, 2013, at a redemption price of 102.25% of the liquidation preference of $30.00 per share and the payment of accrued and unpaid dividends of $62,467 for the period from July 13, 2013 to July 24, 2013 from proceeds of this offering and our cash reserves.

As of March 31, 2013, we had $24.7 million in cash and cash equivalents and $10.0 million in current and non-current restricted cash. On an "as further adjusted" basis, as described above and taking into account the starting cash balance of March 31, 2013, cash and cash equivalents amounts to approximately $5.1 million and restricted cash amounts to $10.0 million. The foregoing does not include any adjustment for the portion of the unsecured loan with Paragon Shipping that we intend to repay, as discussed under "Use of Proceeds".

Table of Contents

There have been no significant adjustments to our capitalization since March 31, 2013, other than the adjustments described above. You should read the adjusted capitalization table information below in connection with the section of this prospectus entitled "Use of Proceeds" and our financial statements and related notes elsewhere in this prospectus.

UNAUDITED	As of March 31, 2013 Actual	As Adjusted	As Further Adjusted
Debt[1]			
Secured debt	$ 196,575,000	$ 189,650,000	$ 189,650,000
Unsecured debt	13,000,000	12,000,000	11,000,000[4]
Long-term and current debt	**$209,575,000**	**$201,650,000**	**$200,650,000**
Stockholders' Equity			
Preferred stock, par value $0.01 per share: 25,000,000 shares authorized, of which 1,000,000 are designated as Series A Participating Preferred Stock; none issued and outstanding actual, as adjusted and as further adjusted, 2,500,000 are designated as Series B Preferred Shares; none issued and outstanding actual, as adjusted and as further adjusted, 2,500,000 are designated as Series B-1 Preferred Shares, 640,692 issued and outstanding actual and as adjusted, and none issued and outstanding as further adjusted, and 2,500,000 are designated as Series C Preferred Shares, none issued and outstanding actual and as adjusted, and 558,333 issued and outstanding as further adjusted[2]	$ 6,407	$ 6,407	$ 5,583
Common stock, par value $0.01 per share: 475,000,000 shares authorized; 24,960,715 shares issued and outstanding actual, as adjusted and as further adjusted[3]	249,607	249,607	249,607
Additional paid-in capital[2], [3]	236,151,911	236,151,911	231,158,288
Accumulated other comprehensive loss	(539,787)	(539,787)	(539,787)
Retained earnings / (Accumulated deficit)	3,548,779	27,725	(2,097,530)
Total stockholders' equity	**$ 239,416,917**	**$235,895,863**	**$ 228,776,161**
Total capitalization	**$448,991,917**	**$437,545,863**	**$ 429,426,161**

(1) All of our secured debt is guaranteed by the Company or the vessel-owning subsidiaries. Our unsecured debt is not guaranteed.
(2) Excludes any Series C Preferred Shares issuable upon exercise of the underwriters' option to purchase up to 52,500 of our Series C Preferred Share to cover any over-allotments.
(3) Excludes (i) 1,325,000 shares of our common stock reserved for issuance under our 2011 Equity Incentive Plan; and (ii) 1,333,333 of our common shares issuable upon exercise, at a price equal to $7.74 per share, of the warrants issued to Neige International.
(4) Does not include any adjustment for the portion of the unsecured loan with Paragon Shipping that we intend to repay, as discussed under "Use of Proceeds".

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERENCE DIVIDENDS

The following table sets forth our unaudited ratio of earnings to combined fixed charges and preference dividends for the years ended December 31, 2011 and 2012, and for the three months ended March 31, 2012[1] and 2013. For the period from May 19, 2010 (referred to herein as Inception) to December 31, 2010, we incurred losses and thus the following table sets forth the dollar amount of the coverage deficiency.

	For the period from May 19, 2010 (Inception) to December 31, 2010	For the year ended December 31, 2011	For the year ended December 31, 2012	For the three months ended March 31, 2012	For the three months ended March 31, 2013
(Loss) / Earnings:					
Net (loss) / income	(3,822)	12,953,386	13,176,164	4,660,714	4,017,285
Add: Fixed charges	—	4,548,382	8,301,591	1,998,181	2,028,102
Total (Loss) / Earnings	**(3,822)**	**17,501,768**	**21,477,755**	**6,658,895**	**6,045,387**
Fixed Charges:					
Interest expense	—	4,104,333	7,548,903	1,796,687	1,801,657
Amortization of capitalized expenses relating to indebtedness	—	444,049	752,688	201,494	226,445
Total Fixed Charges	**—**	**4,548,382**	**8,301,591**	**1,998,181**	**2,028,102**
Preference Dividends	**—**	**—**	**3,001,027**	**—**	**468,506**
Ratio of Earnings to Combined Fixed Charges and Preference Dividends[2]		**3.8x**	**1.9x**	**3.3x**	**2.4x**
Dollar amount of the coverage deficiency	3,822	—	—	—	—

(1) As of March 31, 2012, we had not issued any preferred stock. Accordingly, the ratio of earnings to combined fixed charges and preference dividends is equivalent to the ratio of earnings to fixed charges.

(2) For purposes of calculating the ratios of earnings to combined fixed charges and preference dividends:

- "earnings" consist of pre-tax income from continuing operations prepared under GAAP plus fixed charges;
- "fixed charges" represent interest incurred and amortization of deferred financing costs; and
- "preference dividends" refers to the amount of pre-tax earnings that is required to pay the cash dividends on outstanding preference securities and is computed as the amount of the dividend divided by (1 minus the effective income tax rate applicable to continuing operations). It also includes the redemption of preferred stock.

The ratio of earnings to combined fixed charges and preference dividends is a ratio that we are required to present in this prospectus supplement and has been calculated in accordance with SEC rules and regulations. This ratio has no application to our credit facilities and Series C Preferred Shares, and we believe is not a ratio generally used by investors to evaluate our overall operating performance.

DESCRIPTION OF SERIES C PREFERRED SHARES

The following description of the Series C Preferred Shares does not purport to be complete and is subject to the provisions of our Amended and Restated Articles of Incorporation, including the Statement of Designation of the Rights, Preferences and Privileges of 9.00% Series C Cumulative Redeemable Perpetual Preferred Shares, or the Statement of Designation, designating the Series C Preferred Shares and setting forth the rights, preferences and limitations of the Series C Preferred Shares. Capitalized terms used in this section but not otherwise defined in this prospectus supplement have the meanings assigned to them in the Statement of Designation.

General

The Series C Preferred Shares offered hereby are a new series of preferred shares. Upon completion of this offering, there will be 2,500,000 Series C Preferred Shares authorized, and 558,333 issued and outstanding (or 610,833 Series C Preferred Shares issued and outstanding if the underwriters exercise their option to purchase additional shares in full). We may, without notice to or consent of the holders of the then-outstanding Series C Preferred Shares, authorize and issue additional Series C Preferred Shares as well as Parity Securities and Junior Securities (each as defined under "—Ranking") and, subject to the further limitations described under "—Voting Rights," Senior Securities (as defined under "—Ranking").

Holders of the Series C Preferred Shares will be entitled to receive cumulative quarterly cash dividends when, as and if declared by our board of directors out of legally available funds for such purpose, commencing on the first Dividend Payment Date. No fractional Series C Preferred Shares will be issued. When issued and paid for in the manner described in this prospectus supplement, the Series C Preferred Shares offered hereby will be fully paid and nonassessable. Each Series C Preferred Share will have a fixed liquidation preference of $25.00 per share plus an amount equal to accumulated and unpaid dividends thereon to the date fixed for payment, whether or not declared. Please see the section entitled "—Liquidation Rights."

The Series C Preferred Shares will represent perpetual equity interests in us and, unlike our indebtedness, will not give rise to a claim for payment of a principal amount at a particular date. As such, the Series C Preferred Shares will rank junior to all of our indebtedness and other liabilities with respect to assets available to satisfy claims against us.

All or a portion of the Series C Preferred Shares may be represented by a single certificate issued to the Securities Depository (as defined below) and registered in the name of its nominee and, so long as a Securities Depository has been appointed and is serving, no person acquiring Series C Preferred Shares will be entitled to receive a certificate representing such shares unless applicable law otherwise requires or the Securities Depository resigns or is no longer eligible to act as such and a successor is not appointed.

Except under certain conditions upon a Change of Control, described below under "—Conversion Rights," the Series C Preferred Shares will not be convertible into common shares or any of our other securities and will not have exchange rights or be entitled or subject to any preemptive or similar rights. The Series C Preferred Shares will not be subject to mandatory redemption or to any sinking fund requirements. The Series C Preferred Shares will be subject to redemption, in whole or in part, at our option commencing on July 29, 2016. Please see the section entitled "—Redemption."

We have engaged Computershare Trust Company, N.A., or Computershare, as the paying agent, or the Paying Agent, and the registrar and transfer agent, or the Registrar and Transfer Agent, for the Series C Preferred Shares.

Ranking

The Series C Preferred Shares rank, with respect to dividend distributions and distributions upon the liquidation, winding-up and dissolution of our affairs:

- senior to our common shares, our Series A Participating Preferred Stock and to any other class or series of capital stock established after the original issue date of the Series C Preferred Shares, the terms of which class or series do not expressly provide that it is made senior to or on parity with the Series C Preferred Shares as to dividend distributions and distributions upon liquidation ("Junior Securities"); and
- equal with our Series B Preferred Shares and our Series B-1 Preferred Shares, and any other class or series of capital stock established after the original issue date of the Series C Preferred Shares by our board of directors, the terms of which class or series are not expressly subordinated or senior to the Series C Preferred Shares as to dividend distributions and distributions upon liquidation ("Parity Securities"); and
- junior to all of our indebtedness and other liabilities with respect to assets available to satisfy claims against us and to each class or series of capital stock established after the original issue date of the Series C Preferred Shares by our board of directors, the terms of which class or series expressly provide that it ranks senior to the Series C Preferred Shares as to dividend distributions and distributions upon liquidation ("Senior Securities").

Under the Statement of Designation, we may issue Junior Securities from time to time in one or more series without the consent of the holders of the Series C Preferred Shares. Our 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 before the issuance of any shares of that series. Our board of directors will also determine the number of shares constituting each series of securities. Our ability to issue Parity Securities and additional Senior Securities is limited as described under "—Voting Rights."

Liquidation Rights

The holders of outstanding Series C Preferred Shares are entitled, in the event of any liquidation, dissolution or winding up of our affairs, whether voluntary or involuntary, to receive out of our assets a liquidation distribution of $25.00 per share in cash, plus an amount per share equal to accumulated and unpaid dividends thereon to the date fixed for payment of such amount (whether or not declared), and no more, before any distribution will be made to the holders of our common stock or any other Junior Securities. A consolidation or merger of us with or into any other entity, individually or in a series of transactions, will not be deemed a liquidation, dissolution or winding up of our affairs for this purpose. In the event that our assets available for distribution to holders of the outstanding Series C Preferred Shares and any Parity Securities are insufficient to permit payment of all required amounts, our assets then remaining will be distributed among the Series C Preferred Shares and any Parity Securities, as applicable, ratably on the basis of their relative aggregate liquidation preferences. After payment of all required amounts to the holders of the outstanding Series C Preferred Shares and Parity Securities, our remaining assets and funds will be distributed among the holders of the common stock and any other Junior Securities then outstanding according to their respective rights.

Voting Rights

The Series C Preferred Shares have no voting rights except as set forth below or as otherwise provided by Marshall Islands law. In the event of a Dividend Payment Default, the Holders of Series C Preferred Shares shall have the right, voting separately as a class together with holders of any other Parity Securities upon which like voting rights have been conferred and are exercisable, at a special meeting of shareholders called by the board of directors or, at the board of directors' election, at the next annual meeting of shareholders, provided that such special or annual meeting must be held within 120 days of the first date of occurrence of such Dividend Payment

Default, to elect two members of the board of directors (the “Series C Directors”). Series C Directors shall be nominated by the board of directors pursuant to the following qualifications: each Series C Director (i) shall be independent pursuant to the rules of the NYSE, (ii) shall have no family relationship with any of our officers or directors, and (iii) shall be determined by the board of directors to be financially sophisticated and to have material relevant shipping industry experience. The Series C Directors shall be elected by the affirmative vote of a majority of the votes cast at the meeting by holders of Series C Preferred Shares. At any special or annual meeting held to elect a Series C Director, if no nominee for such election as a Series C Director receives the affirmative vote of a majority of the votes cast at the meeting, the board of directors will nominate a Series C Director to fill such vacancy at an annual or special meeting to be called within 120 days. The right of such holders of Series C Preferred Shares to elect such members of the board of directors shall continue until such time as all dividends accumulated and in arrears on the Series C Preferred Shares shall have been paid in full, at which time such right shall terminate, subject to revesting in the event of each and every subsequent failure to pay six quarterly dividends as described above. Upon any termination of the right of the holders of the Series C Preferred Shares and holders of any other Parity Securities, if issued, to vote as a class for such directors, the term of office of the directors then in office elected by such holders voting as a class shall terminate immediately. Each director elected by the holders of the Series C Preferred Shares and the holders of any other Parity Securities, if issued, shall be entitled to one vote on any matter before the board of directors.

Unless we 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 single class, we may not:

- adopt any amendment to our Amended and Restated Articles of Incorporation that adversely alters the preferences, powers or rights of the Series C Preferred Shares; or
- issue any Parity Securities or Senior Securities.

On any matter described above in which the holders of the Series C Preferred Shares are entitled to vote as a class, such holders will be entitled to one vote per share. The Series C Preferred Shares held by us or any of our subsidiaries will not be entitled to vote.

Dividends

General

Holders of Series C Preferred Shares are entitled to receive, when, as and if declared by our board of directors out of legally available funds for such purpose, preferential cumulative quarterly cash dividends which shall accrue at the applicable Dividend Rate from the original issue date of the Series C Preferred Shares or, for any subsequently issued and newly outstanding Series C Preferred Shares, from the Dividend Payment Date immediately preceding the Issue Date of such shares.

Determination of Dividend Rate

Dividends on Series C Preferred Shares are cumulative, accrue on outstanding Series C Preferred Shares from the original issue date of the Series C Preferred Shares (or, for any subsequently issued and newly outstanding Series C Preferred Shares, from the Dividend Payment Date immediately preceding the Issue Date of such shares) and are payable on each Dividend Payment Date, as defined below, commencing on October 1, 2013, when, as and if declared by our board of directors or any authorized committee thereof out of legally available funds for such purpose. Dividends on the Series C Preferred Shares accrue at a rate of 9.00% per annum per $25.00 stated liquidation preference per Series C Preferred Share, subject to increase upon a Covenant Default (as defined below) Cross Default (as defined below), Dividend Payment Default or a Failure to Redeem (as defined below). We refer to such rate, as increased, if applicable, as the Dividend Rate.

Dividend Payment Dates

The dividend payment dates, or Dividend Payment Dates, for the Series C Preferred Shares are each of January 1, April 1, July 1 and October 1, commencing October 1, 2013. Dividends accumulate in each dividend period from and including the preceding Dividend Payment Date, or, in the case of the Series C Preferred Shares issued on the original issue date of the Series C Preferred Shares, from and including the original issue date of the Series C Preferred Shares, to but excluding the applicable Dividend Payment Date for such dividend period, and dividends will accrue on accumulated dividends at the applicable Dividend Rate. If any Dividend Payment Date otherwise would fall on a day that is not a Business Day, declared dividends will be paid on the immediately succeeding Business Day without the accumulation of additional dividends. Dividends on the Series C Preferred Shares are payable based on a 360-day year consisting of twelve 30-day months. A "Business Day" means a day on which the NYSE 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.

Increase in Dividend Rate Following a Covenant Default, Cross Default, Dividend Payment Default or Failure to Redeem

- In the event that six quarterly dividends, whether consecutive or not, payable on Series C Preferred Shares are in arrears, such event shall constitute a "Dividend Payment Default."
- "Covenant Default" means our failure to maintain a Net Worth to Preferred Stock Ratio (as defined below) of 1.50 or greater, if such failure continues unremedied for 120 days and commencing after the end of such 120-day period.
- "Cross Default" means the receipt by us or any of our wholly owned subsidiaries of a written notice by our or their lender that an event of default under any Credit Facility, as defined below, that we or our subsidiary has not cured within 30 calendar days of receipt of notice of an event of default, if such event of default is caused by a failure to pay principal of, or interest or premium, if any, on outstanding indebtedness under any Credit Facility prior to the expiration of the grace period for payment of such indebtedness set forth in such Credit Facility (as such Credit Facility may be amended) and the principal amount of any such indebtedness, together with the principal amount of any other such indebtedness under which there has been a payment default, aggregates $25 million or more.
- "Failure to Redeem" means our failure to redeem all the Series C Preferred Shares on or prior to July 29, 2020 whether or not our board of directors has authorized any such redemption and whether or not such redemption is legally permissible or is prohibited by any agreement to which we are subject.

If a Covenant Default, Cross Default, Dividend Payment Default or a Failure to Redeem occurs, then:

- effective as of the date of such Covenant Default, Cross Default, Divided Payment Default or Failure to Redeem, and without duplication if more than one such event has occurred and is continuing at any time, the Dividend Rate payable on the Series C Preferred Shares shall increase to a number that is 1.25 times the Dividend Rate payable on the Series C Preferred Shares as of the close of business on the day immediately preceding the date of such Covenant Default, Cross Default, Divided Payment Default or Failure to Redeem, as applicable; and
- on each subsequent Dividend Payment Date, the Dividend Rate payable in respect of the succeeding quarterly dividend period shall increase to a number that is 1.25 times the Dividend Rate payable on the Series C Preferred Shares as in effect as of the close of business on the day immediately preceding such Dividend Payment Date, until the Covenant Default, Cross Default or Divided Payment Default is cured or the Series C Preferred Shares are no longer outstanding.

Notwithstanding the foregoing, in no event shall dividends accrue on the Series C Preferred Shares at a rate greater than 25% per annum in respect of any period. If a Covenant Default, Cross Default or Divided Payment Default, as applicable, ceases to exist, the Dividend Rate payable on the Series C Preferred Shares shall be reduced, effective as of the date such Covenant Default, Cross Default or Divided Payment Default ceases to exist, to such Dividend Rate that would have been applicable had such Covenant Default, Cross Default or Divided Payment Default never existed.

Payment of Dividends

Not later than 5:00 pm, New York City time, on each Dividend Payment Date, we will pay those dividends, if any, on the Series C Preferred Shares that have been declared by our board of directors to the holders of such shares as such holders' names appear on our stock transfer books maintained by the Registrar and Transfer Agent on the applicable dividend record date, or the Record Date. The Record Date will be 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 will be such date as may be designated by our board of directors in accordance with our Amended and Restated Bylaws (as the same may be further amended and/or restated from time to time) then in effect and the Statement of Designation.

In the event the Series C Preferred Shares are held of record by the nominee of the Securities Depository, declared dividends will be paid to the Securities Depository in same-day funds on each Dividend Payment Date. The Securities Depository will credit accounts of its participants in accordance with the Securities Depository's normal procedures. The participants will be responsible for holding or disbursing such payments to beneficial owners of the Series C Preferred Shares in accordance with the instructions of such beneficial owners.

No dividend may be declared or paid or set apart for payment on any Junior Securities (other than a dividend payable solely in shares of Junior Securities) and no redemption or repurchase of Junior Securities shall be permitted unless full cumulative dividends have been or contemporaneously are being paid or provided for on all outstanding Series C Preferred Shares and any Parity Securities through the most recent respective dividend payment dates. In addition, no dividend may be declared or paid or set apart for payment on any Junior Securities if our Net Worth to Preferred Stock Ratio (as defined below) is below 1.50. Accumulated dividends in arrears for any past dividend period may be declared by our board of directors and paid on any date fixed by our 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 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 Securities have not been declared and paid, or sufficient funds for the payment thereof shall not have been set apart, payment of accumulated dividends in arrears will 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 Securities are paid, any partial payment will be made pro rata with respect to the Series C Preferred Shares and any Securities entitled to a dividend payment at such time in proportion to the aggregate amounts remaining due in respect of such shares at such time. Holders of the Series C Preferred Shares will not be entitled to any dividend in excess of full cumulative dividends. Except insofar as dividends accrue on the amount of any accumulated and unpaid dividends as described under "—Dividends—Determination of Dividend Rate", no interest or sum of money in lieu of interest will be payable in respect of any dividend payment which may be in arrears on the Series C Preferred Shares.

Redemption

Optional Redemption

At any time on or after July 29, 2016 and prior to July 29, 2018, we may redeem, in whole or in part, the Series C Preferred Shares at a redemption price equal to 101% of the liquidation preference ($25.00 per share) and at any time thereafter at a redemption price equal to the $25.00 liquidation preference, in each case plus an

amount equal to all accumulated and unpaid dividends thereon to the date of redemption, whether or not declared. Any such redemption would be effected only out of funds legally available for such purpose.

Special Optional Redemption.

Upon the occurrence of a Change of Control, we may, at our option, upon not less than 30 nor more than 60 days' written notice, redeem the Series C Preferred Shares, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price of $25.00 per share, plus any accumulated and unpaid dividends thereon to, but not including, the redemption date. If, prior to the Change of Control Conversion Date, we have provided notice of our election to redeem some or all of the Series C Preferred Shares (whether pursuant to our optional redemption right described above under "—Optional Redemption" or this special optional redemption right), the holders of Series C Preferred Shares will not have the Change of Control Conversion Right (as defined below) described below under "—Conversion Rights" with respect to the shares called for redemption.

A "Change of Control" is deemed to occur when, after the original issuance of Series C Preferred Shares, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than a person affiliated with our Chairman and Chief Executive Officer, Mr. Michael Bodouroglou, or members of his family or companies legally or beneficially owned or controlled by such persons, and any "person" or "group" under Section 13(d)(3) of the Exchange Act, that is controlled by Mr. Michael Bodouroglou, members of his family or companies legally or beneficially owned or controlled by such persons), of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of our stock entitling that person to exercise more than 50% of the total voting power of all our stock entitled to vote generally in the election of our directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and
- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of securities listed on a national securities exchange in the United States.

Redemption Procedures

We will give notice of any redemption by mail, postage prepaid, not less than 30 days and not more than 60 days before the scheduled date of redemption, to the holders of any shares to be redeemed as such holders' names appear on our share transfer books maintained by the Registrar and Transfer Agent at the address of such holders shown therein. Such notice shall state: (1) the redemption date, (2) the number of Series C Preferred Shares to be redeemed and, if less than all issued and outstanding Series C Preferred Shares are to be redeemed, the number (and the identification) of shares to be redeemed from such holder, (3) the redemption price, (4) the place where the Series C Preferred Shares are to be redeemed and shall be presented and surrendered for payment of the redemption price therefor and (5) that dividends on the shares to be redeemed will cease to accumulate from and after such redemption date.

If fewer than all of the issued and outstanding Series C Preferred Shares are to be redeemed, the number of shares to be redeemed will be determined by us, and such shares will be redeemed pro rata or by lot as the Securities Depository or we shall determine, with adjustments to avoid redemption of fractional shares. So long as all Series C Preferred Shares are held of record by the nominee of the Securities Depository, we will give notice, or cause notice to be given, to the Securities Depository of the number of Series C Preferred Shares to be redeemed and the Securities Depository will determine the number of Series C Preferred Shares to be redeemed

from the account of each of its participants holding such shares in its participant account. Thereafter, each participant will select the number of shares to be redeemed from each beneficial owner for whom it acts (including the participant, to the extent it holds Series C Preferred Shares for its own account). A participant may determine to redeem Series C Preferred Shares from some beneficial owners (including the participant itself) without redeeming Series C Preferred Shares from the accounts of other beneficial owners.

So long as the Series C Preferred Shares are held of record by the nominee of the Securities Depository, the redemption price will be paid by the Paying Agent to the Securities Depository on the redemption date. The Securities Depository's normal procedures provide for it to distribute the amount of the redemption price in same- day funds to its participants who, in turn, are expected to distribute such funds to the persons for whom they are acting as agent.

If we give or cause to be given a notice of redemption, then we will deposit with the Paying Agent funds sufficient to redeem the Series C Preferred Shares as to which notice has been given by 5:00 pm, New York City time, no later than the Business Day immediately preceding the date fixed for redemption, and will give the Paying Agent irrevocable instructions and authority to pay the redemption price to the holder or holders thereof upon surrender or deemed surrender (which will occur automatically if the certificate representing such shares is issued in the name of the Securities Depository or its nominee) of the certificates therefor. If notice of redemption shall have been given, then from and after the date fixed for redemption, unless we default in providing funds sufficient for such redemption at the time and place specified for payment pursuant to the notice, all dividends on such shares will cease to accumulate and all rights of holders of such shares as our shareholders will cease, except the right to receive the redemption price, including an amount equal to accumulated and unpaid dividends through the date fixed for redemption, whether or not declared. We will be entitled to receive from the Paying Agent the interest income, if any, earned on such funds deposited with the Paying Agent (to the extent that such interest income is not required to pay the redemption price of the shares to be redeemed), and the holders of any shares so redeemed will have no claim to any such interest income. Any funds deposited with the Paying Agent hereunder by us for any reason, including, but not limited to, redemption of Series C Preferred Shares, that remain unclaimed or unpaid after two years after the applicable redemption date or other payment date, shall be, to the extent permitted by law, repaid to us upon our written request after which repayment the holders of the Series C Preferred Shares entitled to such redemption or other payment shall have recourse only to us.

If only a portion of the Series C Preferred Shares represented by a certificate has been called for redemption, upon surrender of the certificate to the Paying Agent (which will occur automatically if the certificate representing such shares is registered in the name of the Securities Depository or its nominee), the Paying Agent will issue to the holder of such shares a new certificate (or adjust the applicable book- entry account) representing the number of Series C Preferred Shares represented by the surrendered certificate that have not been called for redemption.

Notwithstanding any notice of redemption, there will be no redemption of any Series C Preferred Shares called for redemption until funds sufficient to pay the full redemption price of such shares, including all accumulated and unpaid dividends to the date of redemption, whether or not declared, have been deposited by us with the Paying Agent. Any Redemption Notice may, at our discretion, be subject to one or more conditions precedent, including but not limited to, completion of any equity offering, the issuance of indebtedness or other corporate transaction or event.

We and our affiliates may from time to time purchase the Series C Preferred Shares, subject to compliance with all applicable securities and other laws. Neither we nor any of our affiliates has any obligation or any present plan or intention, to purchase any Series C Preferred Shares. Any shares repurchased and cancelled by us will revert to the status of authorized but unissued preferred shares, undesignated as to series.

Conversion Rights

Upon the occurrence of a Change of Control, each holder of Series C Preferred Shares will have the right (unless, prior to the Change of Control Conversion Date, we have provided notice of our election to redeem some or all of the Series C Preferred Shares held by such holder as described above under "—Redemption—Optional Redemption" or "—Redemption—Special Optional Redemption," in which case such holder will have the right only with respect to those Series C Preferred Shares that are not called for redemption) to convert some or all of the Series C Preferred Shares held by such holder (the "Change of Control Conversion Right") on the Change of Control Conversion Date into a number of our common shares. The number of common shares into which each Series C Preferred Share shall be convertible (the "Common Shares Conversion Consideration") shall be equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the $25.00 liquidation preference per Series C Preferred Shares plus the amount of any accumulated and unpaid dividends thereon to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a dividend record date (as defined herein) and prior to the corresponding dividend payment date (as defined herein) for the Series C Preferred Shares, in which case no additional amount for such accrued and unpaid dividends will be included in this sum) by (ii) the Common Share Price (as defined herein); and

- 25.00, which we refer to as the "Share Cap," subject to certain adjustments as explained herein.

Notwithstanding anything in our amended and restated articles of incorporation to the contrary, and except as otherwise required by law, the holders of record of Series C Preferred Shares at the close of business on a dividend record date will be entitled to receive the dividend payable on the corresponding dividend payment date notwithstanding the conversion of those shares after such dividend record date and on or prior to such dividend payment date and, in such case, the full amount of such dividend shall be paid on such dividend payment date to the persons who were the holders of record at the close of business on such dividend record date. Except as provided above, we will make no allowance for unpaid dividends that are not in arrears on the Series C Preferred Shares to be converted.

The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of our common shares to existing holders of our common shareholders), subdivisions or combinations (in each case, a "Share Split") with respect to our common shares as follows: the adjusted Share Cap as the result of a Share Split will be the number of common shares that is equivalent to the product obtained by multiplying (i) the Share Cap in effect immediately prior to such Share Split by (ii) a fraction, the numerator of which is the number of common shares outstanding immediately after giving effect to such Share Split and the denominator of which is the number of common shares outstanding immediately prior to such Share Split.

For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate number of common shares (or equivalent Alternative Conversion Consideration (as defined below), as applicable) issuable or deliverable, as applicable, in connection with the exercise of the Change of Control Conversion Right will not exceed 62,500,000 of our common shares (or equivalent Alternative Conversion Consideration, as applicable) (the "Exchange Cap"). The Exchange Cap is subject to pro rata adjustments for any Share Splits on the same basis as the corresponding adjustment to the Share Cap.

In the case of a Change of Control where our common shares are or will be converted into cash, securities or other property or assets (including any combination thereof) (the "Alternative Form Consideration"), a holder of Series C Preferred Shares will receive upon conversion of such Series C Preferred Shares the kind and amount of Alternative Form Consideration that such holder would have owned or been entitled to receive upon the Change of Control had such holder held a number of common shares equal to the Common Shares Conversion Consideration immediately prior to the effective time of the Change of Control (the "Alternative Conversion Consideration"). The Common Share Conversion Consideration or the Alternative Conversion Consideration, whichever shall be applicable to a Change of Control, is referred to as the "Conversion Consideration."

If the holders of our common shares have the opportunity to elect the form of consideration to be received in the Change of Control, the Conversion Consideration in respect of such Change of Control will be deemed to be the kind and amount of consideration actually received by holders of a majority of our outstanding common shares that made or voted for such an election (if electing between two types of consideration) or holders of a plurality of our outstanding common shares that made or voted for such an election (if electing between more than two types of consideration), as the case may be, and will be subject to any limitations to which all holders of our common shares are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in such Change of Control.

We will not issue fractional common shares upon the conversion of the Series C Preferred Shares in connection with a Change of Control. Instead, we will make a cash payment equal to the value of such fractional common shares based upon the Common Share Price used in determining the Common Share Conversion Consideration for such Change of Control.

Within 15 days following the occurrence of a Change of Control, provided that we have not then exercised our right to redeem all outstanding Series C Preferred Shares under the redemption provisions described above, we will provide to holders of Series C Preferred Shares a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right. This notice will state the following:

- the events constituting the Change of Control;
- the date of the Change of Control;
- the last date on which the holders of Series C Preferred Shares may exercise their Change of Control Conversion Right;
- the method and period for calculating the Common Share Price;
- the Change of Control Conversion Date;
- that if, prior to the Change of Control Conversion Date, we have provided notice of our election to redeem all or any Series C Preferred Shares, holders will not be able to convert the shares of Series C Preferred Shares called for redemption and such shares will be redeemed on the related redemption date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right;
- if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per Series C Preferred Share;
- the name and address of the paying agent, transfer agent and conversion agent for the Series C Preferred Shares;
- the procedures that the holders of Series C Preferred Shares must follow to exercise the Change of Control Conversion Right (including procedures for surrendering shares for conversion through the facilities of a Depositary (as defined below)), including the form of conversion notice to be delivered by such holders as described below; and
- the last date on which holders of Series C Preferred Shares may withdraw shares surrendered for conversion and the procedures that such holders must follow to effect such a withdrawal.

Under such circumstances, we will also issue a press release containing such notice for publication on any of Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), and post a notice on our website, in any event prior to the opening of business on the first business day following any date on which we provide the notice described above to the holders of Series C Preferred Shares.

To exercise the Change of Control Conversion Right, the holders of Series C Preferred Shares will be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) representing the shares of Series C Preferred Shares to be converted, duly endorsed for transfer (or, in the case of any shares of Series C Preferred Shares held in book-entry form through a Depositary (as defined below) to deliver, on or before the close of business on the Change of Control Conversion Date, the shares of Series C Preferred Shares to be converted through the facilities of such Depositary), together with a written conversion notice in the form provided by us, duly completed, to our transfer agent. The conversion notice must state:

- the relevant Change of Control Conversion Date;
- the number of Series C Preferred Shares to be converted; and
- that the Series C Preferred Shares are to be converted pursuant to the applicable provisions of the Series C Preferred Shares.

The “Change of Control Conversion Date” is the date the Series C Preferred Shares are to be converted, which will be a business day selected by us that is no fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of Series C Preferred Shares.

The “Common Share Price” is (i) if the consideration to be received in the Change of Control by the holders of our common shares is solely cash, the amount of cash consideration per share of our common shares or (ii) if the consideration to be received in the Change of Control by holders of our common shares is other than solely cash (x) the average of the closing sale prices per common share (or, if no closing sale price is reported, the average of the closing bid and ask prices per common share or, if more than one in either case, the average of the average closing bid and the average closing ask prices per share) for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred as reported on the principal U.S. securities exchange on which our common shares then trade, or (y) the average of the last quoted bid prices for our common shares in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred, if our common shares are not then listed for trading on a U.S. securities exchange.

Holders of Series C Preferred Shares may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to our transfer agent prior to the close of business on the business day prior to the Change of Control Conversion Date. The notice of withdrawal delivered by any holder must state:

- the number of withdrawn Series C Preferred Shares;
- if certificated Series C Preferred Shares have been surrendered for conversion, the certificate numbers of the withdrawn Series C Preferred Shares; and
- the number of Series C Preferred Shares, if any, which remain subject to the holder’s conversion notice.

Notwithstanding the foregoing, if any Series C Preferred Shares are held in book-entry form through DTC, or a similar depositary (each, a “Depositary”), the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures, if any, of the applicable Depositary.

Series C Preferred Shares as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless prior to the Change of Control Conversion Date we have provided notice of our election to redeem some or all of the Series C Preferred Shares, as described above under “—Redemption—Optional Redemption” or “—Redemption—Special Optional Redemption,” in which case only the Series C Preferred

Shares properly surrendered for conversion and not properly withdrawn that are not called for redemption will be converted. If we elect to redeem Series C Preferred Shares that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such Series C Preferred Shares will not be so converted and the holders of such shares will be entitled to receive on the applicable redemption date the redemption price described above under "—Redemption—Optional Redemption" or "—Redemption—Special Optional Redemption," as applicable.

We will deliver all securities, cash and any other property owing upon conversion no later than the third business day following the Change of Control Conversion Date. Notwithstanding the foregoing, the persons entitled to receive any of our common shares or other securities delivered on conversion will be deemed to have become the holders of record thereof as of the Change of Control Conversion Date.

In connection with the exercise of any Change of Control Conversion Right, we will comply with all federal and state securities laws and stock exchange rules in connection with any conversion of Series C Preferred Shares into our common shares or other property.

The Change of Control Conversion Right may make it more difficult for a third party to acquire us or discourage a party from acquiring us. See "Risk Factors—You may not be able to exercise conversion rights upon a Change of Control. If exercisable, the change of control conversion rights described in this prospectus supplement may not adequately compensate you. These change of control conversion rights may also make it more difficult for a party to acquire us or discourage a party from acquiring us."

Except as provided above in connection with a Change of Control, the Series C Preferred Shares are not convertible into, or exchangeable for, any other securities or property.

Certain Definitions and Interpretations

For purposes of the foregoing provisions, the following definitions shall apply:

"Cash and Cash Equivalents" means, as of any given Measurement Date, our cash and cash equivalents as determined in accordance with U.S. GAAP, including any amounts characterized as restricted cash in any of our credit facilities or loan agreements.

"Intangible Assets" means, in respect of us as of any given Measurement Date, our intangible assets of the types, if any, presented in our consolidated balance sheet as of such date.

"Measurement Date" means the last date of any fiscal quarter for which we are required to calculate its Net Worth to Preferred Stock Ratio, commencing September 30, 2013.

"Net Worth" means, as of any given Measurement Date, the result of, without duplication:

(a) Total Assets, less

(b) Intangible Assets, less

(c) Total Borrowings (without giving effect to any fair value adjustments pursuant to the Financial Accounting Standards Board Accounting Standards Codification 820 or any successor accounting standard thereto).

"Net Worth to Preferred Stock Ratio" means, as of any given Measurement Date, the result of dividing (x) Net Worth as of such date by (y) the aggregate Preferred Shares Amount as of such date.

"Non-Recourse Liabilities" means, in respect of us as of any given Measurement Date, the non-recourse liabilities as described in subparts (a)-(h) of the definition of Total Borrowings and of the types, if any, presented in our consolidated balance sheet as of such date.

"Preferred Shares" means any of our preferred stock, par value $0.01 per share, 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 our affairs, over our common shares, including, without limitation, the Series A Participating Preferred Stock, the Series B Preferred Shares, the Series B-1 Preferred Shares and the Series C Preferred Shares.

"Preferred Shares Amount" means, in respect of any series of Preferred Shares other than Junior Securities, the sum, without duplication, of (x) the aggregate liquidation preference of the outstanding shares of such Preferred Shares as of the relevant Measurement Date and (y) the aggregate amount of any accumulated and unpaid dividends in respect of the outstanding shares of such Preferred Shares as of the relevant Measurement Date.

"Total Assets" means, in respect of us on a consolidated basis as of any given Measurement Date, the aggregate of the following, without duplication:

(a) all of our assets of the types presented on our consolidated balance sheet as of such date; less

(b) Cash and Cash Equivalents; less

(c) Non-Recourse Liabilities; and less

(d) indebtedness under any vessel construction or ship purchase agreement (including novation and assignment and assumption agreements) that we are required to record on our books under U.S. GAAP even though we are no longer the legal owner of the vessel or legally obligated to take delivery of the vessel.

"Total Borrowings" means, in respect of us on a consolidated basis as of any given Measurement Date, the aggregate of the following, without duplication:

(a) the outstanding principal amount of any moneys borrowed; plus

(b) the outstanding principal amount of any acceptance under any acceptance credit; plus

(c) the outstanding principal amount of any bond, note, debenture or other similar instrument; plus

(d) the book values of indebtedness under a lease, charter, hire purchase agreement or other similar arrangement which would, in accordance with U.S. GAAP, be treated as a finance or capital lease; plus

(e) the outstanding principal amount of all moneys owing in connection with the sale or discounting of receivables (otherwise than on a non-recourse basis or which otherwise meet any requirements for de-recognition under U.S. GAAP); plus

(f) the outstanding principal amount of any indebtedness arising from any deferred payment agreements arranged primarily as a method of raising finance or financing the acquisition of an asset (except trade payables); plus

(g) any fixed or minimum premium payable on the repayment or redemption of any instrument referred to in clause (c) above; plus

(h) the outstanding principal amount of any indebtedness of any person of a type referred to in the above clauses of this definition which is the subject of a guarantee given by us to the extent that such guaranteed indebtedness is determined and given a value in respect of us on a consolidated basis in accordance with U.S. GAAP; less

(i) Cash and Cash Equivalents; less

Table of Contents

(j) Non-Recourse Liabilities.

Notwithstanding the foregoing, "Total Borrowings" shall not include any of the following:

(a) indebtedness or obligations arising from derivative transactions, such as protecting against interest rate or currency fluctuations; and

(b) indebtedness under any vessel construction or ship purchase agreement (including novation and assignment and assumption agreements) that we are required to record on its books under U.S. GAAP even though we are no longer the legal owner of the vessel or legally obligated to take delivery of the vessel.

"Securities Depository" means The Depository Trust Company, and its successors or assigns or any other securities depository selected by us.

TAX CONSIDERATIONS

The following is a discussion of the material Marshall Islands and U.S. federal income tax considerations relevant to a U.S. Holder and a Non-U.S. Holder, each as defined below, of our Series C Preferred Shares. This discussion does not purport to deal with the tax consequences of owning our Series C Preferred Shares to all categories of investors, some of which, such as financial institutions, regulated investment companies, real estate investment trusts, tax-exempt organizations, insurance companies, persons holding our Series C Preferred Shares as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, traders in securities that have elected the mark-to-market method of accounting for their securities, persons liable for alternative minimum tax, persons who are investors in partners or other pass-through entities for U.S. federal income tax purposes, dealers in securities or currencies, U.S. Holders whose functional currency is not the U.S. dollar and investors that own, actually or under applicable constructive ownership rules, 10% or more of our stock, may be subject to special rules. This discussion deals only with holders who purchase the Series C Preferred Shares in this offering and hold the shares as a capital asset—generally for investment purposes. 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 our Series C Preferred Shares.

Marshall Islands Tax Considerations

The following are the material Marshall Islands tax consequences to us and our shareholders. We are incorporated in the Marshall Islands. Under current Marshall Islands law, we are not subject to tax on income or capital gains, and no Marshall Islands withholding tax will be imposed upon payments of dividends by us to our shareholders.

U.S. Federal Income Tax Considerations

The following are the material U.S. federal income tax consequences to us of our activities and to U.S. Holders and Non-U.S Holders, each as defined below, of the ownership of our Series C Preferred Shares. The following discussion of U.S. federal income tax matters is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, judicial decisions, administrative pronouncements, and existing and proposed regulations issued by the U.S. Department of the Treasury, all of which are subject to change, possibly with retroactive effect.

Taxation of Operating Income

Unless exempt from U.S. federal income taxation under the rules discussed below, a foreign corporation is subject to U.S. 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 arrangements 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 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 U.S. federal income tax.

In the absence of exemption from tax under Section 883 of the Code, we anticipate that 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 U.S. Federal Income Taxation

Under Section 883 of the Code, we will be exempt from U.S. federal income taxation on our U.S.-source shipping income if:

(1) we are organized in a foreign country that grants an "equivalent exemption" to corporations organized in the United States, which we refer to as United States corporations; and

(2) either:

- more than 50% of the value of our outstanding stock is owned, directly or indirectly, by "qualified shareholders," as described in more detail below, which we refer to as the "50% Ownership Test," or
- one or more classes of our stock are "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 we are incorporated, grant an "equivalent exemption" to United States corporations. The Marshall Islands, Hong Kong and Liberia, the jurisdictions in which our vessel-owning subsidiaries are incorporated, each provides an "equivalent exemption" to U.S. corporations. Therefore, we will be exempt from U.S. federal income taxation with respect to our U.S.-source shipping income if either the 50% Ownership Test or the Publicly-Traded Test is met.

Due to the widely held nature of our stock we do not currently anticipate a circumstance where we would be able to satisfy the 50% Ownership Test.

Our ability to qualify for exemption hinges solely on our ability to satisfy the Publicly-Traded Test.

The regulations under Section 883 of the Code 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 are traded during any taxable year on all established securities markets in that country exceeds the number of shares in each such class that are traded during that year on established securities markets in any other single country. Our common stock is "primarily traded" on the NYSE and we expect our Series C Preferred Stock to be "primarily traded" on the NYSE after the offering.

Under the regulations, stock of a foreign corporation will be considered to be "regularly traded" on an established securities market if one or more classes of stock representing more than 50% of the outstanding stock, by both total combined voting power of all classes of shares entitled to vote and total value, are listed on such market, to which we refer as the "listing threshold." Since all shares of our common stock are, and all shares of our Series C Preferred Stock will be, listed on the NYSE, we believe that we will satisfy the listing threshold after the offering.

It is further required that with respect to each class of stock relied upon to meet the listing threshold, (i) such class of stock is traded on the market, other than in minimal quantities, on at least 60 days during the taxable year or one-sixth of the days in a short taxable year, or the trading frequency test, and (ii) the aggregate number of shares of such class of stock traded on such market during the taxable year 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, or the trading volume test. We believe that shares of our common stock satisfied the trading frequency and trading volume tests. Even if these tests are not satisfied, the regulations provide that such trading frequency and trading volume tests will be deemed satisfied if, as is expected to be the case with shares of our common stock and shares of our Series C Preferred Stock, such class of stock is traded on an established securities market in the United States and such shares are regularly quoted by dealers making a market in such shares.

Notwithstanding the foregoing, the regulations provide, in pertinent part, that a class of stock will not be considered to be "regularly traded" on an established securities market for any taxable year in which 50% or more of the vote and value of the outstanding shares of such class are owned, actually or constructively under

specified share attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the vote and value of the outstanding shares of such class, to which we refer as the 5% Override Rule.

For purposes of being able to determine the persons who actually or constructively own 5% or more of the vote and value of a class of our stock, or our 5% Shareholders, the regulations permit us to rely on those persons that are identified on Schedule 13G and Schedule 13D filings with the Securities and Exchange Commission, as owning 5% or more of a class of our stock. The regulations further provide that an investment company which is registered under the Investment Company Act of 1940, as amended, will not be treated as a 5% Shareholder for such purposes.

In the event the 5% Override Rule is triggered, the regulations provide that the 5% Override Rule will nevertheless not apply if we can establish that within the group of 5% Shareholders, there are sufficient qualified shareholders for purposes of Section 883 of the Code to preclude non-qualified shareholders in such group from owning 50% or more of such class of stock for more than half the number of days during the taxable year.

We do not believe that we are currently subject to the 5% Override Rule and therefore, we believe that we satisfy the Publicly-Traded Test. However, in any future taxable year, it is possible that our 5% Shareholders may own 50% or more of our common stock or our Series C Preferred Stock. Therefore, we may be subject to the 5% Override Rule for such year unless we can establish that among the closely-held group of 5% Shareholders, there are sufficient 5% Shareholders that are qualified shareholders for purposes of Section 883 to preclude non-qualified 5% Shareholders in the closely-held group from owning 50% or more of such class of stock for more than half the number of days during the taxable year. In order to establish this, sufficient 5% Shareholders that are qualified shareholders would have to comply with certain documentation and certification requirements designed to substantiate their identity as qualified shareholders. These requirements are onerous and there is no assurance that we would be able to satisfy them.

Taxation In Absence of Exemption

To the extent the benefits of Section 883 of the Code are unavailable, our U.S.-source shipping income, to the extent not considered to be “effectively connected” with the conduct of a U.S. trade or business, as described below, would be subject to a 4% tax imposed by Section 887 of the Code on a gross basis, without the benefit of deductions. Since under the sourcing rules described above, no more than 50% of our shipping income would be treated as being derived from U.S. sources, the maximum effective rate of U.S. federal income tax on our shipping income would never exceed 2% under the 4% gross basis tax regime.

To the extent the benefits of the Section 883 of the Code exemption are unavailable and our U.S.-source shipping income is considered to be “effectively connected” with the conduct of a U.S. trade or business, as described below, any such “effectively connected” U.S.-source shipping income, net of applicable deductions, would be subject to the U.S. federal corporate income tax currently imposed at rates of up to 35%. In addition, we may be subject to an additional 30% “branch profits” tax 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 our U.S. trade or business.

Our U.S.-source shipping income would be considered “effectively connected” with the conduct of a U.S. trade or business only if:

- we have, or are considered to have, a fixed place of business in the United States involved in the earning of shipping income; and
- substantially all of our 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 (or, in the case of income from the bareboat chartering of a vessel, is attributable to a fixed place of business in the United States).

We do not anticipate that we will have a fixed place of business in the United States involved in earning of shipping income. Based on the foregoing, we do not anticipate that any of our U.S.-source shipping income will be "effectively connected" with the conduct of a U.S. trade or business.

United States Federal Income Taxation of Gain on Sale of Vessels

Regardless of whether we qualify for exemption under Section 883 of the Code, we will not be subject to U.S. federal income tax with respect to gain realized on a sale of a vessel, provided the sale is considered to occur outside of the United States under U.S. 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 us 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 Series C Preferred Shares that is an individual U.S. citizen or resident, a U.S. corporation or other U.S. entity taxable as a corporation, an estate the income of which is subject to U.S. 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 U.S. persons have the authority to control all substantial decisions of the trust.

If a partnership holds shares of our Series C Preferred 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 shares of our Series C Preferred Shares you are encouraged to consult your tax advisor.

Distributions

Subject to the discussion of the passive foreign investment company rules below, distributions made by us with respect to Series C Preferred Shares to a U.S. Holder will generally constitute dividends, which may be taxable as ordinary income or "qualified dividend income" as described in more detail below, to the extent of our current and accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated 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 Series C Preferred Shares on a dollar-for-dollar basis and thereafter as capital gain. Our earnings and profits will be allocated first to distributions we make on the Series C Preferred Shares and only thereafter to distributions we make on our common stock. Because we are not a U.S. corporation, U.S. Holders that are corporations will not be entitled to claim a dividends-received deduction with respect to any distributions they receive from us. Dividends paid with respect to our Series C Preferred Shares will generally be treated as income from sources outside the United States and will generally constitute "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 U.S. foreign tax credit purposes.

Dividends paid on our Series C Preferred Shares to a U.S. Holder who is an individual, trust or estate, which we refer to as a U.S. Individual Holder, will generally be treated as "qualified dividend income" that is taxable to such U.S. Individual Holders at preferential tax rates provided that (1) the Series C Preferred Shares are readily tradable on an established securities market in the United States (such as the NYSE on which we expect our Series C Preferred Shares to be traded); (2) we are not a passive foreign investment company for the taxable year during which the dividend is paid or the immediately preceding taxable year (as discussed below); and (3) and certain other holding period and other requirements are met. There is no assurance that any dividends paid on our Series C Preferred Shares will be treated as "qualified dividend income." Any dividends paid by us which are not eligible for these preferential rates will be taxed as ordinary dividend income to a U.S. Individual Holder.

Special rules may apply to any "extraordinary dividend," generally, a dividend paid by us in an amount which is equal to or in excess of 5% of a U.S. Holder's adjusted tax basis (or fair market value in certain

circumstances) in the Series C Preferred Shares. If we pay an "extraordinary dividend" on our Series C Preferred 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 shares will be treated as long-term capital loss to the extent of such dividend.

Sale, Exchange or other Disposition of Series C Preferred Shares

Subject to the discussion of the passive foreign investment company rules below, a U.S. Holder generally will recognize taxable gain or loss upon a sale, exchange or other disposition of our Series C Preferred 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 shares. A U.S. Holder's tax basis in our Series C Preferred Shares generally will equal the U.S. Holder's acquisition cost less any prior return of capital. Such gain or loss will 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 and will generally be treated as U.S.-source income or loss, as applicable, for U.S. foreign tax credit purposes. A U.S. Holder's ability to deduct capital losses is subject to certain limitations.

Conversion of Series C Preferred Shares into Common Shares

A U.S. Holder generally should not recognize taxable gain or loss upon a conversion of Series C Preferred Shares into common shares. However, if at the time of the conversion the Series C Preferred Shares have any accumulated and unpaid dividends and, as a result of the conversion, the U.S. Holder increases its proportionate share in our assets and earnings and profits, the U.S. Holder will be deemed to have received a distribution which will be treated as described above under "Distributions." An increase of the U.S. Holder's proportionate interest will be deemed to occur in any case where the fair market value or the liquidation preference, whichever is greater, of the common shares received upon conversion exceeds the issue price of the Series C Preferred Shares surrendered. The amount of the deemed distribution will be the lesser of the amount by which the fair market value or the liquidation preference, whichever is greater, of the common shares received upon conversion exceeds the issue price of the Series C Preferred Shares, or the amount of the dividends in arrears.

Passive Foreign Investment Company Status and Significant Tax Consequences

Special U.S. federal income tax rules apply to a U.S. Holder that holds stock in a foreign corporation classified as a passive foreign investment company, of PFIC, for U.S. federal income tax purposes. In general, we will be treated as a PFIC with respect to a U.S. Holder if, for any taxable year in which such U.S. Holder held shares of our Series C Preferred Shares, either:

- at least 75% of our 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), which we refer to as the income test; or
- at least 50% of the average value of our assets during such taxable year produce, or are held for the production of, passive income, which we refer to as the asset test.

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

Based on our current and anticipated operations, we do not believe that we are currently a PFIC or will be treated a PFIC for any future taxable year. However, our status as a PFIC will depend upon the operations of our vessels. Therefore, we can give no assurances as to whether we will be a PFIC with respect to any taxable year.

In making the determination as to whether we are a PFIC, we intend to treat the gross income we derive or are deemed to derive from the time chartering and voyage chartering activities (whether conducted directly or through participation in a pool) of us or any of our wholly-owned subsidiaries as services income, rather than rental income. Correspondingly, we believe such income should not constitute passive income, and the assets that we or our wholly-owned subsidiaries own and operate in connection with the production of such income, should not constitute passive assets for purposes of determining whether we are a PFIC. We believe there is substantial legal authority supporting our position consisting of case law and Internal Revenue Service, or 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. In the absence of any legal authority specifically relating to the statutory provisions governing PFICs, the IRS or a court could disagree with our position. On the other hand, any income we derive from bareboat chartering activities will likely be treated as passive income for purposes of the income test. Likewise, any assets utilized in the performance of bareboat chartering activities will likely be treated as generating passive income for purposes of the asset test.

As discussed more fully below, if we were to be treated as a PFIC for any taxable year, a U.S. Holder would be subject to different taxation rules depending on whether the U.S. Holder makes an election to treat us as a "Qualified Electing Fund," which election we refer to as a "QEF election" or makes a "mark-to-market" election with respect to our Series C Preferred Shares. In addition, a U.S. Holder would be required to file an annual information return containing information regarding us as required by applicable regulations.

Taxation of U.S. Holders Making a Timely QEF Election.

If a U.S. Holder makes a timely QEF election, which U.S. Holder we refer to as an "Electing Holder," the Electing Holder must report each year for U.S. federal income tax purposes his pro rata share of our ordinary earnings and our net capital gain, if any, for our taxable year that ends with or within the taxable year of the Electing Holder, regardless of whether or not distributions were received from us by the Electing Holder. The Electing Holder's adjusted tax basis in our Series C Preferred Shares will be increased to reflect taxed but undistributed earnings and profits. Distributions of earnings and profits that had been previously taxed will result in a corresponding reduction in the adjusted tax basis in our Series C Preferred Shares and will not be taxed again once distributed. An Electing Holder would generally recognize capital gain or loss on the sale, exchange or other disposition of our Series C Preferred Shares. A U.S. Holder would make a QEF election with respect to any year that we are a PFIC by filing IRS Form 8621 with his U.S. federal income tax return. After the end of each taxable year, we will determine whether we were a PFIC for such taxable year. If we determine or otherwise become aware that we are a PFIC for any taxable year, we will provide each U.S. Holder with all necessary information (including a PFIC annual information statement) in order to allow such holder to make a QEF election for such taxable year.

Taxation of U.S. Holders Making a "Mark-to-Market" Election

Alternatively, if we were to be treated as a PFIC for any taxable year and our Series C Preferred Shares were treated as "marketable stock," a U.S. Holder would be allowed to make a "mark-to-market" election with respect to our Series C Preferred Shares, provided the U.S. Holder completes and files IRS Form 8621 in accordance with the relevant instructions and related regulations. If that election is made, the U.S. Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of our Series C Preferred Shares at the end of the taxable year over such holder's adjusted tax basis in our Series C Preferred Shares. The U.S. Holder would also be permitted an ordinary loss in respect of the excess, if any, of the U.S. Holder's adjusted tax basis in our Series C Preferred Shares over their fair market value at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. Holder's tax basis in our Series C Preferred Shares would be adjusted to reflect any such income or loss amount. Gain realized on the sale, exchange or other disposition of our Series C Preferred Shares would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of our Series C

Preferred Shares would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included by the U.S. Holder.

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

Finally, if we were to be treated as a PFIC for any taxable year, a U.S. Holder who has not timely made a QEF election or "mark-to-market" election for the first taxable year in which it holds our Series C Preferred Shares and during which we are treated as PFIC, whom we refer to as a "Non-Electing Holder," would be subject to special rules with respect to (1) any excess distribution (*i.e.*, the portion of any distributions received by the Non-Electing Holder on our Series C Preferred 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 our Series C Preferred Shares), and (2) any gain realized on the sale, exchange or other disposition of our Series C Preferred Shares. Under these special rules:

- the excess distribution or gain would be allocated ratably to each day over the Non-Electing Holders' aggregate holding period for our Series C Preferred Shares
- the amount allocated to the current taxable year and any taxable year before we became a PFIC would be taxed as ordinary income; and
- the amount allocated to each of the other 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.

Non-Electing Holders would also be subject to annual information reporting requirements with respect to their ownership of Series C Preferred Shares. In addition, if a Non-Electing Holder who is an individual dies while owning our Series C Preferred Shares, such holder's successor generally would not receive a step-up in tax basis with respect to such Series C Preferred Shares. These adverse tax consequence would not apply to a pension or profit sharing trust or other tax-exempt organization that did not borrow funds or otherwise utilize leverage in connection with its acquisition of our Series C Preferred Shares.

U.S. Federal Income Taxation of Non-U.S. Holders

A beneficial owner of our Series C Preferred Shares (other than a partnership or entity treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder is referred to herein as a "Non-U.S. Holder."

Dividends

Non-U.S. Holders generally will not be subject to U.S. federal income tax or withholding tax on dividends received from us with respect to our Series C Preferred Shares, unless that income is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States. In general, if the Non-U.S. Holder is entitled to the benefits of certain U.S. income tax treaties with respect to those dividends, such dividends are taxable only if attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States.

Sale, Exchange or Other Disposition of Series C Preferred Shares

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

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States. In general, if the Non-U.S. Holder is entitled to the benefits of certain income tax treaties with respect to that gain, that gain is taxable only if 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 U.S. trade or business for U.S. federal income tax purposes, the income from our Series C Preferred Shares, including dividends and the gain from the sale, exchange or other disposition of the shares, that is effectively connected with the conduct of that trade or business will generally be subject to regular U.S. federal income tax in the same manner as discussed in the previous section relating to the taxation of U.S. Holders. In addition, if you are a corporate Non-U.S. Holder, your earnings and profits that are attributable to the effectively connected income, which are subject to certain adjustments, may be subject to an additional branch profits tax at a rate of 30%, or at a lower rate as may be specified by an applicable U.S. 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 you are a non-corporate U.S. Holder and you:

- fail to provide an accurate taxpayer identification number;
- are notified by the IRS that you have failed to report all interest or dividends required to be shown on your U.S. federal income tax returns; or
- in certain circumstances, fail 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 IRS Form W-8BEN, W-8ECI or W-8IMY, as applicable.

If you sell your Series C Preferred Shares through a U.S. office or broker, the payment of the proceeds is subject to both U.S. backup withholding and information reporting unless you certify that you are a non-U.S. person, under penalties of perjury, or you otherwise establish an exemption. If you sell your Series C Preferred Shares through a non-U.S. office of a non-U.S. broker and the sales proceeds are paid to you outside the United States then information reporting and backup withholding generally will not apply to that payment. However, U.S. information reporting requirements, but not backup withholding, will apply to a payment of sales proceeds, even if that payment is made to you outside the United States, if you sell your Series C Preferred Shares through a non-U.S. office of a broker that is a U.S. person or has certain other contacts with the United States.

Backup withholding is not an additional tax. Rather, you generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your U.S. federal income tax liability by timely filing a refund claim with the IRS.

Individuals who are U.S. Holders (and to the extent specified in applicable regulations, Non-U.S. Holders and certain U.S. entities) who hold “specified foreign financial assets” (as defined in Section 6038D of the Code) are required to file IRS Form 8938 with information relating to the 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 (or such higher dollar amount as prescribed by applicable regulations). Specified foreign financial assets would include, among other assets, our Series C Preferred Shares, unless the shares are held through an account maintained with a U.S. 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, in the event an individual U.S. Holder (and to the extent specified in applicable regulations, a Non-U.S. Holder or a U.S. entity) that is required to file IRS Form 8938 does not file such form, the statute of limitations on the assessment and collection of U.S. federal income taxes of such holder for the related tax year may not close until three years after the date that the required information is filed. U.S. Holders (including U.S. entities) and Non-U.S. Holders are encouraged consult their own tax advisors regarding their reporting obligations with respect to the Series C Preferred Shares.

Table of Contents

UNDERWRITING

We have entered into an underwriting agreement with Maxim Group LLC, acting as the representative for the underwriters named below, with respect to the securities subject to this offering. Subject to certain conditions, we have agreed to sell to the underwriters, and the underwriters have agreed to purchase, the number of shares provided below:

Underwriter	Number of Shares
Maxim Group LLC	121,300
Ladenburg Thalmann & Co. Inc.	83,400
MLV & Co.	81,200
National Securities Corporation	46,000
Aegis Capital Corp.	13,100
Global Hunter Securities, LLC	5,000
Total	350,000

The underwriters are offering the shares, subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the underwriters to pay for and accept delivery of the securities offered by this prospectus supplement are subject to the approval of certain legal matters by their counsel and to certain other conditions, including the agreement by Neige International to purchase $5.0 million of the Series C Preferred Shares sold in this offering, or 208,333 shares, directly from us at the public offering price. The underwriters are obligated to take and pay for all of the shares if any such securities are taken, other than those shares covered by the over-allotment option described below.

Overallotment

The underwriting agreement provides that we will grant to the underwriters an option, exercisable within 45 days after the closing of this offering, to acquire up to an additional 15% of the total number of shares sold by the underwriters in this offering, solely for the purpose of covering over-allotments made in connection with this offering.

Commission and Expenses

The representative of the underwriters has advised us that it proposes to offer the shares to the public at the public offering price set forth on the cover page of this prospectus supplement and to certain dealers at that price less a concession not in excess of $0.864 per share. The underwriters may allow, and certain dealers may re-allow, a discount from the concession not in excess of $0.05 per share to certain brokers and dealers. After this offering, the public offering price, concession and reallowance to dealers may be reduced by the representative. No such reduction shall change the amount of proceeds to be received by us as set forth on the cover page of this prospectus supplement. The securities are offered by the underwriters as stated herein, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. The underwriters have informed us that they do not intend to confirm sales to any accounts over which they exercise discretionary authority.

The following table summarizes the public offering price and the underwriting discounts and commissions on the 350,000 shares sold by the underwriters in this offering assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Fee Per Share[(1)]	Total Without Exercise of Over-Allotment	Total With Exercise of Over-Allotment
Public offering price	$ 24.00	$ 8,400,000	$ 9,660,000
Underwriting discounts and commissions[(2)]	$ 1.44	$ 504,000	$ 579,600

(1) The fees do not include expense reimbursement as described below.
(2) The underwriters are not purchasing and will not receive an underwriting discount or commission on the sale of the $5.0 million of the Series C Preferred Shares to Neige International Inc.

We have agreed to reimburse Maxim Group LLC for certain out-of-pocket expenses incurred by them with respect to this offering.

We estimate that expenses payable by us in connection with the offering of our Series C Preferred Shares, other than the underwriting discounts and commissions and the expense reimbursement referred to above, will be approximately $300,000.

In compliance with the guidelines of the Financial Industry Regulatory Authority, Inc., or FINRA, the maximum aggregate discounts, commissions, agency fees or other items constituting compensation to be received by any FINRA member or independent broker-dealer will not exceed 8% of the aggregate offering price of the securities offered pursuant to this prospectus supplement.

Indemnification

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act and liabilities arising from breaches of representations and warranties contained in the underwriting agreement, or to contribute to payments that the underwriters may be required to make in respect of those liabilities.

Lock-Up Agreements

Our executive officers and directors have agreed to a 90-day "lock-up" period from the closing of this offering with respect to any of our common shares and preferred shares that they beneficially own, including the issuance of common shares upon the exercise of convertible securities and options that are currently outstanding or which may be issued. Neige International, a company controlled by our Chairman, President and Chief Executive Officer, and Paragon Shipping have agreed to a 90-day "lock-up" period from the closing of this offering with respect to any of our preferred shares that they beneficially own. This means that, for a period of 90 days following the closing of the offering of the shares, such persons may not offer, sell, pledge or otherwise dispose of these securities without the prior written consent of the representative.

The representative has no present intention to waive or shorten the lock-up period; however, the terms of the lock-up agreements may be waived at its discretion. In determining whether to waive the terms of the lockup agreements, the representative may base its decision on its assessment of the relative strengths of the securities markets and companies similar to ours in general, and the trading pattern of, and demand for, our securities in general.

In addition, the underwriting agreement provides that we will not, for a period of 90 days following the closing of the offering of the Series C Preferred Shares, offer, sell or distribute any of our securities, without the prior written consent of the representative.

In the event that either (a) during the last 17 days of the respective lock-up periods referred to above, we issue an earnings release or material news or a material event relating to us occurs or (b) prior to the expiration of the 90-day restricted period, we announce that we will release earnings results or become aware that material news or a material event will occur during the 16-day period beginning on the last day of the 90-day restricted period, the restrictions described above will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

Listing

No market currently exists for our Series C Preferred Shares. We have applied to list our Series C Preferred Shares on the New York Stock Exchange. If the application is approved, trading of the Series C Preferred Shares on the New York Stock Exchange is expected to begin within two business days after the closing of this offering. The underwriters have advised us that they intend to make a market in the Series C Preferred Shares prior to commencement of any trading on the New York Stock Exchange, but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Series C Preferred Shares.

Electronic Distribution

A prospectus in electronic format may be made available on websites or through other online services maintained by the one or more underwriters of this offering or by their affiliates. Other than the prospectus in electronic format, the information on the underwriters' website and any information contained in any other website maintained by the underwriters is not part of this prospectus supplement or the Registration Statement of which this prospectus supplement forms a part, has not been approved and/or endorsed by us or any underwriter in its capacity as underwriter, and should not be relied upon by investors.

Price Stabilization, Short Positions and Penalty Bids

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act:

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by the underwriters of Series C Preferred Shares in excess of the number of Series C Preferred Shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of Series C Preferred Shares over-allotted by the underwriters is not greater than the number of Series C Preferred Shares that they may purchase in the over-allotment option. In a naked short position, the number of Series C Preferred Shares involved is greater than the number of Series C Preferred Shares in the over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option and/or purchasing Series C Preferred Shares in the open market.
- Syndicate covering transactions involve purchases of Series C Preferred Shares in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of Series C Preferred Shares to close out the short position, the underwriters will consider, among other things, the price of Series C Preferred Shares available for purchase in the open market as compared to the price at which they may purchase Series C Preferred Shares through the over-allotment option. If the underwriters sell more Series C Preferred Shares than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying Series C Preferred Shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the Series C Preferred Shares in the open market after pricing that could adversely affect investors who purchase in the offering.
- Penalty bids permit the representative to reclaim a selling concession from a syndicate member when the Series C Preferred Shares originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our Series C Preferred Shares or preventing or retarding a decline in the market price of our Series C Preferred Shares. As a result, the price of our Series C Preferred Shares may be higher than the price that might otherwise exist in the open market. Neither we nor the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our Series C Preferred Shares. In addition, neither we nor the underwriters make any representations that the underwriters will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area ("EEA") which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any securities which are the subject of the offering contemplated by this prospectus may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any securities may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) by the underwriters to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive; provided that no such offer of securities shall result in a requirement for the publication by us or any representative of a prospectus pursuant to Article 3 of the Prospectus Directive.

Any person making or intending to make any offer of securities within the EEA should only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus for such offer.

Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of securities through any financial intermediary, other than offers made by the underwriters which constitute the final offering of securities contemplated in this prospectus.

For the purposes of this provision, and your representation below, the expression an "offer to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State. The expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any securities under, the offer of securities contemplated by this prospectus will be deemed to have represented, warranted and agreed to and with us and each underwriter that:

(A) it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(B) in the case of any securities acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the securities acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors", as defined in the Prospectus Directive, or in circumstances in which the prior consent of the representatives has been given to the offer or resale; or (ii) where securities have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those securities to it is not treated under the Prospectus Directive as having been made to such persons.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors", as defined in the Prospectus Directive, (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Other Relationships

The underwriters and their affiliates may in the future engage in investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

Table of Contents

EXPENSES

The following are the estimated expenses of the issuance and distribution of the common shares in this offering, other than the underwriting discount, all of which will be paid by us.

SEC registration fee	$ 1,536*
FINRA filing fee	$ 1,353*
NYSE supplemental listing fee	$ 2,000
Legal fees and expenses	$150,000
Accounting fees and expenses	$ 45,000
Printing and engraving expenses	$ 25,000
Miscellaneous	$ 75,111
Total	$300,000

* The SEC registration fee of $57,300 and the FINRA filing fee of $50,500 covering all of the securities being offered under the registration statement on Form F-3 (File No. 333-181076) filed with the SEC with an effective date of May 10, 2012, of which this prospectus supplement forms a part, was previously paid. We allocate the cost of these fees on an approximately pro-rata basis with each offering.

LEGAL MATTERS

The validity of the common shares offered hereby with respect to Marshall Islands law and certain other legal matters relating to United States and Marshall Islands law will be passed upon for us by Seward & Kissel LLP, New York, New York. The underwriters have been represented in connection with this offering by Ellenoff Grossman & Schole LLP, New York, New York.

EXPERTS

The consolidated financial statements of Box Ships Inc. (the "Company") and the combined financial statements of Ardelia Navigation Limited and Eridanus Trading Co. incorporated in this prospectus by reference from the Company's Annual Report on Form 20-F for the year ended December 31, 2012, and the effectiveness of the Company's internal control over financial reporting, have been audited by Deloitte Hadjipavlou, Sofianos & Cambanis S.A., an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements have been so incorporated by reference in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing. The offices of Deloitte Hadjipavlou, Sofianos & Cambanis S.A are located at Fragoklissias 3a & Granikou Street, Maroussi, Athens 151 25, Greece.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

As required by the Securities Act, we filed a registration statement relating to the securities offered by this prospectus with the SEC. This prospectus supplement and the accompanying prospectus is a part of that registration statement, which includes additional information.

Government Filings

We have filed with the SEC a registration statement including exhibits and schedules thereto on Form F-3 under the Securities Act with respect to the common shares offered hereby. This prospectus supplement and the accompanying prospectus, which form a part of the registration statement, do not contain all of the information in the registration statement, as permitted by SEC rules and regulations. For further information with respect to the Company and the securities offered hereby, reference is made to the registration statement. In addition, we are subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended, and file reports and other information with the SEC. You can read and copy any materials we file with the SEC at its Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain information about the operation of the SEC's Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site that contains information we file electronically, which you can access over the internet at http://www.sec.gov. Our filings are also available on our website at http://www.box-ships.com. The information on our website, however, is not, and should not be deemed to be, a part of this prospectus supplement and the accompanying prospectus.

Information Incorporated by Reference

The SEC allows us to "incorporate by reference" information that we file with it. This means that we can disclose important information to you by referring you to those filed documents. The information incorporated by reference is considered to be a part of this prospectus, and information that we file later with the SEC prior to the termination of this offering will also be considered to be part of this prospectus and will automatically update and supersede previously filed information, including information contained in this document.

This prospectus incorporates by reference the following documents:

- our Annual Report on Form 20-F for the year ended December 31, 2012, filed with the SEC on March 8, 2013, containing our audited consolidated financial statements for the most recent fiscal year for which those statements have been filed;
- our Registration Statement on Form 8-A12B, filed with the SEC on April 8, 2011, registering our common shares, par value $0.01 per share, and our preferred stock purchase rights under Section 12(b) of the Exchange Act, and any amendment filed thereto;
- our Report on Form 6-K filed with the SEC on March 11, 2013;
- our Report on Form 6-K filed with the SEC on March 20, 2013; and
- our Report on Form 6-K filed with the SEC on July 16, 2013.

We are also incorporating by reference all subsequent annual reports on Form 20-F that we file with the SEC and certain reports on Form 6-K that we furnish to the SEC after the date of this prospectus (if they state that they are incorporated by reference into this prospectus) until we file a post-effective amendment indicating that the offering of the securities made by this prospectus has been terminated. In all cases, you should rely on the later information over different information included in this prospectus or the prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus and any accompanying prospectus supplement. We have not, and any underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and any underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and any accompanying prospectus supplement as well as the information we previously filed with the SEC and incorporated by reference, is accurate as of the dates on the front cover of those documents only. Our business, financial condition and results of operations and prospects may have changed since those dates.

You may request a free copy of the above mentioned filing or any subsequent filing we incorporated by reference to this prospectus by writing or telephoning us at the following address:

Box Ships Inc.
15, Karamanli Ave.
Voula, 16673
Athens, Greece
+(30) (210) 8914 600
Attn: Mrs. Maria Stefanou

Information Provided by the Company

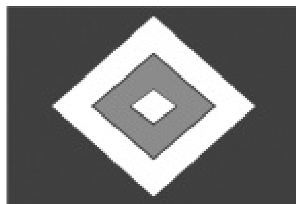
We will furnish holders of our equity securities, including our Series C Preferred Shares, with Annual Reports containing audited financial statements and a report by our independent registered public accounting firm. The audited financial statements will be prepared in accordance with U.S. generally accepted accounting principles. As a “foreign private issuer,” we are exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements to shareholders. While we furnish proxy statements to shareholders in accordance with the rules of the New York Stock Exchange, those proxy statements do not conform to Schedule 14A of the proxy rules promulgated under the Exchange Act. In addition, as a “foreign private issuer,” our officers and directors are exempt from the rules under the Exchange Act relating to short swing profit reporting and liability.

Table of Contents

PROSPECTUS

$500,000,000

Common Shares, Preferred Shares, Debt Securities, Warrants, Purchase Contracts, Rights and Units



Through this prospectus, we may periodically offer:

(1) our common shares, including related preferred stock purchase rights;

(2) our preferred shares;

(3) our debt securities;

(4) our warrants;

(5) our purchase contracts;

(6) our rights; and

(7) our units.

We may also offer securities of the types listed above that are convertible or exchangeable into one or more of the securities listed above.

The aggregate offering price of all securities issued under this prospectus may not exceed $500,000,000. The securities issued under this prospectus may be offered directly or through underwriters, agents or dealers. The names of any underwriters, agents or dealers will be included in a supplement to this prospectus.

The prices and other terms of the securities that we will offer will be determined at the time of their offering and will be described in a supplement to this prospectus.

Our common shares are listed on the New York Stock Exchange under the symbol "TEU".

An investment in these securities involves risks. See the section entitled "Risk Factors" beginning on page 7 of this prospectus, and other risk factors contained in the applicable prospectus supplement and in the documents incorporated by reference herein and therein.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is May 10, 2012

TABLE OF CONTENTS

PROSPECTUS SUMMARY	1
RISK FACTORS	7
CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS	9
RATIO OF EARNINGS TO FIXED CHARGES	11
USE OF PROCEEDS	12
CAPITALIZATION	13
DILUTION	14
PER SHARE MARKET PRICE INFORMATION	15
ENFORCEABILITY OF CIVIL LIABILITIES	16
PLAN OF DISTRIBUTION	17
DESCRIPTION OF CAPITAL STOCK	19
DESCRIPTION OF DEBT SECURITIES	29
DESCRIPTION OF WARRANTS	38
DESCRIPTION OF PURCHASE CONTRACTS	39
DESCRIPTION OF RIGHTS	40
DESCRIPTION OF UNITS	41
EXPENSES	42
LEGAL MATTERS	42
EXPERTS	42
WHERE YOU CAN FIND ADDITIONAL INFORMATION	42

Unless otherwise indicated, all references to "dollars" and "$" in this prospectus are to, and amounts presented in, United States dollars and financial information presented in this prospectus that is derived from financial statements incorporated by reference is prepared in accordance with accounting principles generally accepted in the United States.

This prospectus is part of a registration statement that we filed with the U.S. Securities and Exchange Commission, or the SEC, using a shelf registration process. Under the shelf registration process, we may sell the common shares (including the related preferred stock purchase rights), preferred shares, debt securities, warrants, purchase contracts, rights and units described in this prospectus in one or more offerings up to a total dollar amount of $500,000,000. This prospectus provides you with a general description of the securities we may offer. Each time we offer securities, we will provide you with a supplement to this prospectus that will describe the specific information about the securities being offered and the specific terms of that offering. The prospectus supplement may also add, update or change the information contained in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the prospectus supplement. Before purchasing any securities, you should read carefully both this prospectus and any prospectus supplement, together with the additional information described below.

This prospectus and any prospectus supplement are part of a registration statement we filed with the SEC and do not contain all the information in the registration statement. Forms of the indentures and other documents establishing the terms of the offered securities are filed as exhibits to the registration statement. Statements in this prospectus or any prospectus supplement about these documents are summaries and each statement is qualified in all respects by reference to the document to which it refers. You should refer to the actual documents for a more complete description of the relevant matters. For further information about us or the securities offered hereby, you should refer to the registration statement, which you can obtain from the SEC as described below under the section entitled "Where You Can Find Additional Information."

You should rely only on the information contained or incorporated by reference in this prospectus and in any prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We will not make any offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and the applicable supplement to this prospectus is accurate as of the date on its respective cover, and that any information incorporated by reference is accurate only as of the date of the document incorporated by reference, unless we indicate otherwise. Our business, financial condition, results of operations and prospects may have changed since those dates.

PROSPECTUS SUMMARY

This section summarizes some of the information that is contained later in this prospectus or in other documents incorporated by reference into this prospectus. As an investor or prospective investor, you should review carefully the risk factors and the more detailed information that appears later in this prospectus or is contained in the documents that we incorporate by reference into this prospectus.

Unless we specify otherwise, when used in this prospectus the terms the "Company," "we," "our" and "us" refer to Box Ships Inc. and its subsidiaries. References to "Paragon Shipping" are to Paragon Shipping Inc. and references to "Allseas" or "our Manager" are to Allseas Marine S.A. and its relevant subsidiaries, which provides our fleet with commercial and technical management services and provides certain administrative and corporate services to us.

We use the term "TEU" in describing the size of containerships. TEU is a standard measure of a containership's cargo-carrying capacity and refers to the space occupied by a container having the International Organization for Standardization's standard external dimensions, the length of which is 20 feet, the height of which is 8.5 feet and the width of which is 8.0 feet.

Our Company

We are an international shipping company engaged in the seaborne transportation of containers worldwide. We are focused on pursuing growth opportunities in the container shipping industry by leveraging the reputation, expertise and relationships of our management team and our Manager in identifying attractive vessel acquisition opportunities and maintaining cost-competitive, efficient operations.

We were formed by Paragon Shipping (NYSE: PRGN), a leading global provider of shipping transportation services specializing in transporting drybulk cargoes. We commenced operations following the completion of the initial public offering of our common shares in the United States, which we refer to as our Initial Public Offering, in April 2011. As of the date of this prospectus, our fleet was comprised of seven containerships with a TEU weighted average age of 4.4 years, a total capacity of over 33,000 TEU and a weighted average remaining charter duration of 25 months.

We operate through a number of wholly-owned, vessel-owning subsidiaries incorporated in the Republic of Liberia and the Republic of the Marshall Islands. Allseas, a company controlled by our Chairman, President and Chief Executive Officer, Mr. Michael Bodouroglou, provides the commercial and technical management services for all of the vessels in our fleet.

Our Fleet

The following table presents certain information concerning our current fleet:

Vessel	Year Built	TEU	Charterer	Daily Gross Charter Rate[1]	Remaining Time Charter Term[2]	Expiration of Charter	Date Delivered to Us
Box Trader	2010	3,426	Compañía Sud Americana de Vapores S.A. (CSAV Valparaiso)	$ 20,000	4 months[3]	August 2012	April 29, 2011
Box Voyager	2010	3,426	Compañía Sud Americana de Vapores S.A. (CSAV Valparaiso)	$ 20,000	3 months[3]	August 2012	April 29, 2011
CMA CGM Kingfish	2007	5,095	CMA CGM	$ 23,000	24 months[3]	April 2014	May 19, 2011
CMA CGM Marlin	2007	5,095	CMA CGM	$ 23,000	24 months[3]	May 2014	May 31, 2011
Maersk Diadema (formerly the MSC Siena)	2006	4,546	A.P. Moller — Maersk A/S (Maersk)	$ 28,000	21 months[4]	January 2014	May 19, 2011
Maule	2010	6,589	Compañía Sud Americana de Vapores S.A. (CSAV Valparaiso)	$ 38,000	48 months[5]	May 2016	May 9, 2011
MSC Emma	2004	5,060	Mediterranean Shipping Co. S.A. (MSC)	$ 28,500	27 months[6]	August 2014	August 3, 2011
TEU weighted average Fleet age/Total Fleet Capacity	4.4 years	33,237					

(1) Represents the daily gross charter rate and does not reflect commissions payable by us to third party chartering brokers and Allseas aggregating 1.25% for the *CMA CGM Kingfish* and the *CMA CGM Marlin* and 2.50% for each of the other vessels in our fleet, including, in each case, 1.25% to Allseas.
(2) As of the date of this prospectus, the average remaining duration of the charters of our fleet was 25 months (weighted by aggregate TEU capacity).
(3) The charterer has the option to increase or decrease the term of the charter by 45 days.
(4) The charterer has the option to extend the term of the charter by additional, one-year terms for four successive years at the same gross daily charter rate. In addition, the charterer has the option to increase or decrease the term of the charter by 45 days.
(5) The charterer has the option to increase or decrease the term of the charter by 30 days. The charterer also has the option to purchase the vessel upon expiration of the charter, provided the option is exercised at least six months prior to the expiration of the term of the charter, for a purchase price of $57.0 million, less a 0.5% purchase commission payable to parties unaffiliated with us.
(6) The charterer has the option to extend the term of the charter by an additional one-year term at the same gross daily charter rate. In addition, the charterer has the option to increase or decrease the term of the charter by 30 days.

We have also entered into an agreement with Paragon Shipping pursuant to which Paragon Shipping has granted us options to acquire two 4,800 TEU newbuilding containerships for which Paragon Shipping has entered into construction contracts and that are scheduled to be delivered to Paragon Shipping during the fourth

quarter of 2013. We may exercise our options to acquire each vessel by way of an assignment of the relevant construction contract from Paragon Shipping at any time prior to the applicable vessel's delivery to Paragon Shipping or purchase of such vessel at any time after its delivery to Paragon Shipping, so long as the vessel is owned by Paragon Shipping at such time. See "Item 7. Major Shareholders and Related Party Transactions — B. Related party transactions — Options to Acquire Two Newbuilding Containerships" of our Annual Report on Form 20-F for the year ended December 31, 2011, filed with the SEC on March 16, 2012 and incorporated by reference herein.

Our chartering policy is to employ our vessels and any vessels we may acquire in the future on short- to medium-term time charters of one to five years in order to take advantage of stable cash flows and high utilization rates while preserving the flexibility to later capitalize on potentially rising charter rates with longer terms, although we may opportunistically enter into attractive longer-term charters or short-term time charters with durations of less than one year. All of the seven vessels in our fleet are currently employed under fixed rate time charters with an average remaining duration of 25 months (weighted by aggregate TEU capacity), as of the date of this prospectus, with expirations ranging from three months to 48 months. We intend to continue to charter our vessels to a diversified portfolio of leading liner charterers with staggered re-delivery dates in accordance with our market outlook.

Management of Our Fleet

Allseas provides commercial and technical management services for our fleet, pursuant to long-term management agreements between Allseas and each of our vessel-owning subsidiaries. Allseas also provides commercial and technical management services for Paragon Shipping's fleet. Commercial management includes, among other things, negotiating charters for our vessels, monitoring various types of charters, monitoring the performance of our vessels under charter, locating, purchasing, financing and negotiating the purchase and sale of our vessels, obtaining insurance for our vessels and finance and accounting functions. Technical management services include, among other things, arranging for and managing crews, vessel maintenance, drydocking, repairs, insurance, maintaining regulatory and classification society compliance and providing technical support.

In addition, Allseas also provides us with certain administrative services and the services of our executive officers, who report directly to our board of directors, as discussed below.

Allseas, a Liberian corporation based in Athens, Greece, was formed in 2000 as a ship management company and is wholly-owned by our Chairman, President and Chief Executive Officer, Mr. Michael Bodouroglou, who is also the Chairman, President, Chief Executive Officer and Interim Chief Financial Officer of Paragon Shipping. We believe Allseas has established a reputation in the international shipping industry for operating and maintaining a fleet with high standards of performance, reliability and safety and that our business benefits through access to the expertise and resources of Allseas.

Management Agreements

We have entered into separate management agreements with Allseas for each of the vessels in our fleet. Each management agreement has an initial term of five years and automatically renews for additional five-year periods, unless, in each case, at least 90 days' advance notice of termination is given by either party. Under the management agreements, Allseas is entitled to a technical management fee of €620 per vessel, per day (or $827 per vessel, per day using an exchange rate of $1.3343:€1.00, the U.S. dollar/Euro exchange rate as of March 30, 2012 according to Bloomberg), payable on a monthly basis in advance, pro rata either for the calendar days these vessels are owned by us if the vessels are second-hand purchases, or from the date of the memorandum of agreement if the vessels are purchased directly from a shipyard. The technical management fee is adjusted annually based on the Eurozone inflation rate. Allseas is also entitled to (i) a fee equal to 1.25% of the gross freight, demurrage and charter hire collected from the employment of our vessels; (ii) a fee equal to 1.0% calculated on the price as stated in the relevant memorandum of agreement for any vessel bought or sold on our

behalf, with the exception of the purchase of the *Box Trader*, the *Box Voyager*, the *CMA CGM Kingfish* and the *CMA CGM Marlin*, which were acquired from companies affiliated with us; and (iii) a superintendent fee of €500 per day (or $667 per day using an exchange rate of $1.3343:€1.00, the U.S. dollar/Euro exchange rate as of March 30, 2012 according to Bloomberg), for each day in excess of five days per calendar year for which a superintendent performed on site inspection. In addition, Allseas is entitled to a lump sum fee of $15,000 for pre-delivery services, including legal fees, crewing and manning fees, manual preparation costs and other expenses related to preparing the vessel for delivery, rendered during the period from the date a memorandum of agreement is signed for the purchase of any such vessel until the delivery date.

Additional vessels that we may acquire in the future may be managed by Allseas or unaffiliated management companies.

Manning Agreements

Allseas subcontracts crewing services relating to our vessels to Crewcare Inc., or Crewcare, a Philippines company beneficially owned by our Chairman, President and Chief Executive Officer, Mr. Michael Bodouroglou. Each of our vessel-owning subsidiaries has entered into manning agreements with Crewcare, pursuant to which Crewcare provides manning services for each of our vessels in exchange for a fixed monthly fee of $95 per seaman for all officers and crew who serve on board our vessels and a one-time recruitment fee of $120 per seaman. In addition, the agreements also provide for a fee of $30 per seaman for in-house training and a fee of $50 per seaman for extra in-house training.

Administrative Services Agreement

On April 19, 2011, we entered into an administrative services agreement with Allseas, under which Allseas provides us with telecommunication services, secretarial and reception personnel and equipment, security facilities and cleaning for our offices and information technology services at cost. Under the terms of the agreement, we have agreed to reimburse Allseas on a quarterly basis for all costs and expenses reasonably incurred by Allseas in connection with the provision of the above services, which amounted to approximately $23,000 for the year ended December 31, 2011.

Executive Services Agreement

On April 19, 2011, we entered into an executive services agreement with Allseas, pursuant to which Allseas provides the services of our executive officers, which include strategy, business development, marketing, finance and other services, who report directly to our board of directors. The agreement has an initial term of five years and automatically renews for successive five-year terms unless sooner terminated. Allseas is entitled to an executive services fee of $1.8 million per annum, payable in 12 monthly installments, in connection with the provision of services under the agreement. In addition, Allseas is entitled also to incentive compensation, at the discretion of our Board of Directors, which amounted to approximately $0.1 million for the year ended December 31, 2011.

For more information on our agreements with Allseas and Crewcare discussed above, see "Item 7. Major Shareholders and Related Party Transactions — B. Related party transactions" of our Annual Report on Form 20-F for the year ended December 31, 2011, filed with the SEC on March 16, 2012 and incorporated by reference herein.

Dividend Policy

Our policy is to pay quarterly dividends to shareholders, in February, May, August and November of each year, in amounts equal to substantially all of our operating cash flow less any amounts required to pay cash

expenses and capital expenditures, service our debt and maintain reserves for drydockings, surveys and other purposes as our board of directors may from time to time determine. On April 30, 2012, our board of directors declared a dividend of $0.30 per share with respect to the first quarter of 2012, payable on or about May 18, 2012 to shareholders of record as of the close of business on May 11, 2012. On March 2, 2012, we paid a dividend of $0.30 per share with respect to the fourth quarter of 2011. On November 29, 2011, we paid a dividend of $0.30 per share with respect to the third quarter of 2011 and on August 24, 2011, we paid a dividend of $0.15 per share with respect to the second quarter of 2011.

Our board of directors may review and amend our dividend policy from time to time in light of our plans for future growth and other factors. We cannot assure you that we will be able to pay regular quarterly dividends in the amounts stated above or elsewhere in this prospectus or at all, and our ability to pay dividends will be subject to the restrictions in our loan agreements and the provisions of Marshall Islands law as well as the other limitations set forth in “Item 8. Financial Information — Consolidated statements and other financial information — Dividend Policy” of our Annual Report on Form 20-F for the year ended December 31, 2011, filed with the SEC on March 16, 2012 and incorporated by reference herein.

Recent Developments

On March 20, 2012, we entered into an interest rate swap agreement with UniCredit Bank AG, or UniCredit, with declining notional balances in order to hedge our variable interest rate exposure with an effective date of May 18, 2012 for an initial notional amount of $5,400,000 that will reduce by $150,000 on a quarterly basis for a period of five years. Under the terms of the agreement, we will make quarterly payments to UniCredit on the relevant amount at a fixed rate of 1.48% and UniCredit will make quarterly payments to us on the relevant amount based on the 3-month USD LIBOR.

On April 19, 2012, we entered into an interest rate swap agreement with Credit Suisse AG, or Credit Suisse, with declining notional balances in order to hedge our variable interest rate exposure with an effective date of May 30, 2012 for an initial notional amount of $5,025,000 that will reduce by $118,750 on a quarterly basis for a period of five years. Under the terms of the agreement, we will make quarterly payments to Credit Suisse on the relevant amount at a fixed rate of 1.20% and Credit Suisse will make quarterly payments to us on the relevant amount based on the 3-month USD LIBOR.

On April 30, 2012, our board of directors declared a quarterly dividend of $0.30 per share with respect to the first quarter of 2012, payable on or about May 18, 2012 to shareholders of record as of the close of business on May 11, 2012.

Corporate Structure

Box Ships Inc. is a company organized under the laws of the Republic of the Marshall Islands on May 19, 2010 as a wholly-owned subsidiary of Paragon Shipping. We completed our Initial Public Offering on April 19, 2011. The address of our principal executive offices is 15, Karamanli Avenue, 16673, Voula, Greece. Our telephone number at that address is +30 (210) 891-4600. We maintain a website at www.box-ships.com. Information contained on our website does not constitute part of this prospectus.

As of the date of this prospectus, Paragon Shipping and our Chairman, President and Chief Executive Officer, Mr. Michael Bodouroglou, own approximately 21.1% and 12.1% of our outstanding common shares, respectively.

We own our vessels through separate wholly-owned subsidiaries that are incorporated in the Republic of the Marshall Islands and the Republic of Liberia.

Table of Contents

The Securities We May Offer

We may use this prospectus to offer up to $500,000,000 of our:

- common shares, including the related preferred stock purchase rights;
- preferred shares;
- debt securities;
- warrants;
- purchase contracts;
- rights; and
- units.

We may also offer securities of the types listed above that are convertible or exchangeable into one or more of the securities listed above.

A prospectus supplement will describe the specific types, amounts, prices, and detailed terms of any of these offered securities and may describe certain risks in addition to those set forth below associated with an investment in the securities. Terms used in the prospectus supplement will have the meanings described in this prospectus, unless otherwise specified.

RISK FACTORS

An investment in our securities involves a high degree of risk. You should carefully consider the risks set forth below and the discussion of risks under the heading "Item 3. Key Information — D. Risk factors" in our Annual Report on Form 20-F for the year ended December 31, 2011, filed with the SEC on March 16, 2012, and the other documents we have incorporated by reference in this prospectus, including the section entitled "Item 3. Key Information — D. Risk factors" in future Annual Reports that summarize the risks that may materially affect our business, before making an investment in our securities. Please see the section of this prospectus entitled "Where You Can Find Additional Information — Information Incorporated by Reference." In addition, you should also consider carefully the risks set forth under the heading "Risk Factors" in any prospectus supplement before investing in the securities offered by this prospectus. The occurrence of one or more of those risk factors could adversely impact our business, financial condition or results of operations.

If the share price of our common shares fluctuates after this offering, you could lose a significant part of your investment.

Our common shares commenced trading on the New York Stock Exchange in April 2011. We cannot assure you that an active or liquid public market for our common shares will continue. Since 2008, the stock market has experienced extreme price and volume fluctuations. If the volatility in the market continues or worsens, it could have an adverse effect on the market price of our common shares and impact a potential sale price if holders of our common shares decide to sell their shares.

The market price of our common shares may be influenced by many factors, many of which are beyond our control, including those described above in "Item 3. Key Information — D. Risk factors" in our Annual Report on Form 20-F for the year ended December 31, 2011 and the following:

- the failure of securities analysts to publish research about us after this offering, or analysts making changes in their financial estimates;
- announcements by us or our competitors of significant contracts, acquisitions or capital commitments;
- variations in quarterly operating results;
- general economic conditions;
- terrorist or piracy acts;
- future sales of our common shares or other securities; and
- investors' perception of us and the international containership sector.

As a result of these and other factors, investors in our common shares may not be able to resell their shares at or above the price they paid for such shares or at all. These broad market and industry factors may materially reduce the market price of our common shares, regardless of our operating performance.

We may issue additional common shares or other equity securities without your approval, which would dilute your ownership interests and may depress the market price of our common shares.

We may issue additional common shares or other equity securities of equal or senior rank in the future in connection with, among other things, future vessel acquisitions, repayment of outstanding indebtedness or our 2011 Equity Incentive Plan, without shareholder approval, in a number of circumstances.

Our issuance of additional common shares or other equity securities of equal or senior rank would have the following effects:

- our existing shareholders' proportionate ownership interest in us will decrease;
- the amount of cash available for dividends payable on our common shares may decrease;
- the relative voting strength of each previously outstanding common share may be diminished; and
- the market price of our common shares may decline.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This prospectus includes "forward-looking statements," as defined by U.S. federal securities laws, with respect to our financial condition, results of operations and business and our expectations or beliefs concerning future events. Words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "projects," "likely," "will," "would," "could" and similar expressions or phrases may identify forward-looking statements.

All forward-looking statements involve risks and uncertainties. The occurrence of the events described, and the achievement of the expected results, depend on many events, some or all of which are not predictable or within our control. Actual results may differ materially from expected results.

Forward-looking statements appear in a number of places and include statements with respect to, among other things:

- our expectations of our ability to pay dividends on our common shares;
- our future financial condition or results of operations and future revenues and expenses;
- our ability to identify and acquire additional containerships;
- general market conditions and shipping market trends, including charter rates and factors affecting supply and demand;
- our ability to repay our debt and obtain additional financing;
- expected compliance with financing agreements and the expected effect of restrictive covenants in such agreements;
- planned capital expenditures and the ability to fund capital expenditures from external financing sources;
- the need to establish reserves that would reduce dividends on our common shares;
- changes in demand or rates in the container shipping industry;
- future supply of, and demand for, products suitable for shipping in containers;
- our charterers' performance of their obligations under our time charters;
- changes in the supply and demand of containerships, including newbuilding of vessels or lower than anticipated scrapping of older vessels;
- changes in rules and regulations applicable to the container shipping industry, including, without limitation, legislation adopted by international organizations or by individual countries and actions taken by regulatory authorities;
- increases in costs and expenses including but not limited to: crew wages, insurance, provisions, lube oil, bunkers, repairs, maintenance and general and administrative expenses;
- the adequacy of our insurance arrangements;
- changes in general domestic and international political conditions;
- changes in the condition of our vessels or applicable maintenance or regulatory standards (which may affect, among other things, our anticipated drydocking or maintenance and repair costs) and unanticipated drydock expenditures;
- the ability to leverage the relationships and reputations of Paragon Shipping and Allseas in the shipping industry;

- the ability to maximize the use of vessels;
- operating expenses, availability of crew, number of off-hire days, drydocking requirements and insurance costs;
- expected pursuit of strategic opportunities, including the acquisition of vessels and expansion into new markets;
- expected financial flexibility to pursue acquisitions and other expansion opportunities;
- the ability to compete successfully for future chartering and newbuilding opportunities;
- the expenses under service agreements with affiliates the Company and Paragon Shipping;
- the anticipated taxation of our Company and distributions to our shareholders;
- the expected life span of our vessels;
- customers' increasing emphasis on environmental and safety concerns;
- anticipated funds for liquidity needs and the sufficiency of cash flows; and
- our business strategy and other plans and objectives for future operations.

We have based these statements on assumptions and analyses formed by applying our experience and perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. All future written and verbal forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We undertake no obligation, and specifically decline any obligation, except as required by law, to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur.

See the section entitled "Risk Factors," beginning on page 7 of this prospectus for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. These factors and the other risk factors described in this prospectus are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. Consequently, there can be no assurance that actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our unaudited ratio of earnings to fixed charges for the year ended December 31, 2011.[1] For the period from May 19, 2010 (referred to herein as Inception) to December 31, 2010, we incurred losses and thus the following table sets forth the dollar amount of the coverage deficiency.

	For the period from May 19, 2010 (Inception) to December 31, 2010	For the year ended December 31, 2011
(Loss) / Earnings:		
Net (loss) / income	$ (3,822)	$ 12,953,386
Add: Fixed charges	—	4,548,382
Total (Loss) / Earnings	**$ (3,822)**	**$ 17,501,768**
Fixed Charges:		
Interest expense	$ —	$ 4,104,333
Amortization and write-off of capitalized expenses relating to indebtedness	—	444,049
Total Fixed Charges	**$ —**	**$ 4,548,382**
Ratio of Earnings to Fixed Charges		**3.8x**
Dollar amount of the coverage deficiency	**$ 3,822**	**N/A**

(1) We have not issued any preferred stock as of the date of this prospectus. Accordingly, the ratio of earnings to fixed charges and preference dividends is equivalent to the ratio of earnings to fixed charges.

USE OF PROCEEDS

We intend to use net proceeds from the sale of the securities as set forth in the applicable prospectus supplement.

CAPITALIZATION

Each prospectus supplement will include information on our consolidated capitalization.

DILUTION

Information about the amount by which the offering price of our common shares issued pursuant to this prospectus exceeds the net tangible book value per share of our common shares following such issuance will be included in a prospectus supplement.

Table of Contents

PER SHARE MARKET PRICE INFORMATION

Our common shares commenced trading on the New York Stock Exchange under the symbol “TEU” on April 14, 2011.

The table below sets forth the low and high closing prices for each of the periods indicated for our common shares.

For the Fiscal Year Ended	Low	High
December 31, 2011[(1)]	$7.10	$11.50

For the Quarter Ended	Low	High
June 30, 2011[(1)]	$9.17	$11.50
September 30, 2011	$7.10	$11.20
December 31, 2011	$7.20	$10.56
March 31, 2012	$8.12	$ 9.74

(1) For the period from April 14, 2011, the date on which our common shares began trading on the New York Stock Exchange, until the end of the period.

For the Month	Low	High
November 2011	$8.89	$10.56
December 2011	$8.35	$10.23
January 2012	$8.12	$ 9.11
February 2012	$8.13	$ 9.74
March 2012	$8.50	$ 9.11
April 2012	$8.56	$ 8.92

Table of Contents

ENFORCEABILITY OF CIVIL LIABILITIES

We are a Marshall Islands company, and our principal executive office is located outside of the United States, in Greece. Some of our directors, officers and the experts named in this registration statement reside outside the United States. In addition, a substantial portion of our assets and the assets of certain of our directors, officers and experts are located outside of the United States. As a result, you may have difficulty serving legal process within the United States upon us or any of these persons. You may also have difficulty enforcing, both in and outside the United States, judgments you may obtain in United States courts against us or these persons.

PLAN OF DISTRIBUTION

We may sell or distribute the securities included in this prospectus through underwriters, through agents, to dealers, in private transactions, at market prices prevailing at the time of sale, at prices related to the prevailing market prices, or at negotiated prices.

In addition, we may sell some or all of our securities included in this prospectus through:

- a block trade in which a broker-dealer may resell a portion of the block, as principal, in order to facilitate the transaction;
- purchases by a broker-dealer, as principal, and resale by the broker-dealer for its account; or
- ordinary brokerage transactions and transactions in which a broker solicits purchasers.

In addition, we may enter into option or other types of transactions that require us or them to deliver our securities to a broker-dealer, who will then resell or transfer the securities under this prospectus. We may enter into hedging transactions with respect to our securities. For example, we may:

- enter into transactions involving short sales of our common shares by broker-dealers;
- sell common shares short and deliver the shares to close out short positions;
- enter into option or other types of transactions that require us to deliver common shares to a broker-dealer, who will then resell or transfer the common shares under this prospectus; or
- loan or pledge the common shares to a broker-dealer, who may sell the loaned shares or, in the event of default, sell the pledged shares.

We may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third party may use securities pledged by us or borrowed from us or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us in settlement of those derivatives to close out any related open borrowings of stock. The third party in such sale transactions will be an underwriter and, if not identified in this prospectus, will be identified in the applicable prospectus supplement (or a post-effective amendment). In addition, we may otherwise loan or pledge securities to a financial institution or other third party that in turn may sell the securities short using this prospectus. Such financial institution or other third party may transfer its economic short position to investors in our securities or in connection with a concurrent offering of other securities.

Any broker-dealers or other persons acting on our behalf that participate with us in the distribution of the securities may be deemed to be underwriters and any commissions received or profit realized by them on the resale of the securities may be deemed to be underwriting discounts and commissions under the Securities Act of 1933, as amended, or the Securities Act. As of the date of this prospectus, we are not a party to any agreement, arrangement or understanding between any broker or dealer and us with respect to the offer or sale of the securities pursuant to this prospectus.

At the time that any particular offering of securities is made, to the extent required by the Securities Act, a prospectus supplement will be distributed, setting forth the terms of the offering, including the aggregate number of securities being offered, the purchase price of the securities, the initial offering price of the securities, the names of any underwriters, dealers or agents, any discounts, commissions and other items constituting compensation from us and any discounts, commissions or concessions allowed or reallowed or paid to dealers. Furthermore, we, our executive officers, our directors and our major shareholders may agree, subject to certain

exemptions, that for a certain period from the date of the prospectus supplement under which the securities are offered, we and they will not, without the prior written consent of an underwriter, offer, sell, contract to sell, pledge or otherwise dispose of any of our common shares or any securities convertible into or exchangeable for our common shares. However, an underwriter, in its sole discretion, may release any of the securities subject to these lock-up agreements at any time without notice.

Underwriters or agents could make sales in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an at-the-market offering as defined in Rule 415 promulgated under the Securities Act, which includes sales made directly on or through the New York Stock Exchange, the existing trading market for our common shares, or sales made to or through a market maker other than on an exchange.

We will bear costs relating to all of the securities being registered under this registration statement.

As a result of requirements of the Financial Industry Regulatory Authority, or FINRA, formerly the National Association of Securities Dealers, Inc., the maximum commission or discount to be received by any FINRA member or independent broker/dealer may not be greater than eight percent (8%) of the gross proceeds received by us for the sale of any securities being registered pursuant to Rule 415 promulgated by the SEC under the Securities Act. If more than 5% of the net proceeds of any offering of common shares made under this prospectus will be received by a FINRA member participating in the offering or affiliates or associated persons of such a FINRA member, the offering will be conducted in accordance with FINRA Rule 2720.

Table of Contents

DESCRIPTION OF CAPITAL STOCK

For purposes of the description of the Company's capital stock below, references to "us," "we" and "our" refer only to Box Ships Inc. and not any of our subsidiaries.

Authorized Capitalization

Our amended and restated articles of incorporation provide for common shares, which each have one vote per share. As of the date of this prospectus, our authorized capital stock consisted of 500,000,000 registered shares, of which:

- 475,000,000 shares are designated as common shares, par value $0.01 per share;
- 25,000,000 shares are designated as preferred shares, par value $0.01 per share, of which 1,000,000 shares are designated Series A Participating Preferred Stock in connection with the adoption of our Stockholders Rights Agreement described under "— Stockholders Rights Agreement."

All of our shares of stock are in registered form. As of the date of this prospectus, we had issued and outstanding 16,326,000 common shares.

Share History

On May 19, 2010, we issued to Paragon Shipping 100 shares of our capital stock, no par value, constituting all of the shares of our authorized capital stock.

On April 11, 2011, following approval by our board of directors and sole shareholder, we amended and restated our articles of incorporation, among other things, to increase our authorized share capital to 500,000,000 registered shares, comprised of 475,000,000 common shares and 25,000,000 preferred shares, each with a par value of $0.01 per share. The 100 shares of our capital stock, no par value, held by Paragon Shipping were converted to 100 common shares, par value $0.01 per share, upon the filing of our amended and restated articles of incorporation with the Registrar of Corporations of the Republic of the Marshall Islands and were subsequently cancelled as discussed below.

On April 19, 2011, we completed our Initial Public Offering, whereby we issued 11,000,000 common shares at a public offering price of $12.00 per share, resulting in net proceeds of approximately $122.7 million after deducting underwriting discounts and commissions. Our Chairman, President and Chief Executive Officer, Mr. Michael Bodouroglou, purchased 114,000 common shares in our Initial Public Offering at the public offering price of $12.00 per share. Concurrently with the closing of our Initial Public Offering, Paragon Shipping surrendered to us the 100 common shares that it owned and the 100 shares were subsequently cancelled.

On April 19, 2011, we entered into purchase agreements with Paragon Shipping to acquire the *Box Trader* and the *Box Voyager*, in consideration for 2,266,600 common shares and approximately $69.2 million in cash. The 2,266,600 common shares were issued to Paragon Shipping on April 29, 2011 in connection with the delivery of the *Box Trader* and the *Box Voyager*.

In addition, on April 19, 2011, we entered into purchase agreements with each of Paragon Shipping and Proplous Navigation S.A., or Proplous Navigation, a company owned by Mr. Michael Bodouroglou, our Chairman, President and Chief Executive Officer, to acquire the *CMA CGM Kingfish* and the *CMA CGM Marlin*, respectively. We funded the acquisition of the *CMA CGM Kingfish* with 1,170,900 common shares and approximately $35.8 million in cash from the net proceeds of our Initial Public Offering and borrowing under our secured loan agreements. We funded the acquisition of the CMA CGM Marlin with 1,562,500 common shares, issuable to Proplous Navigation, which nominated Neige International Inc., or Neige International, a company also controlled by Mr. Bodouroglou, to receive the shares, and approximately $29.5 million in borrowings under

our unsecured loan agreement with Paragon Shipping. The common shares were issued to Paragon Shipping and Neige International on May 19, 2011 and May 31, 2011, respectively, in connection with the delivery of the CMA CGM Kingfish and the CMA CGM Marlin, respectively.

In connection with the completion of our Initial Public Offering, on April 19, 2011, we granted 100,000 of our restricted common shares to Mr. Bodouroglou, our Chairman, President and Chief Executive Officer, under our 2011 Equity Incentive Plan, with such restricted shares being valued at $11.05 per share. All such restricted shares will vest ratably in annual installments over a three-year period commencing on April 19, 2012.

In connection with the completion of our Initial Public Offering, on July 14, 2011, we granted under our 2011 Equity Incentive Plan 1,000 of our restricted common shares to each of our non-executive directors and 5,000 of our restricted common shares to an employee of our Manager, with such restricted shares being valued at $10.735 per share. All such restricted shares will vest ratably in annual installments over a three-year period commencing on April 19, 2012.

On December 5, 2011, we granted under our 2011 Equity Incentive Plan 200,000 of our restricted common shares to Mr. Bodouroglou and 3,000 of our restricted common shares to each of our non-executive directors, with such restricted shares being valued at $10.23 per share. All such restricted shares will vest ratably in annual installments over a three-year period commencing on December 31, 2012.

On January 2, 2012, we granted under our 2011 Equity Incentive Plan 2,000 of our restricted common shares to our Chief Financial Officer, Mr. Robert Perri, and an aggregate of 6,000 of our restricted common shares to certain employees of our Manager, with such restricted shares being valued at $8.66 per share. All such restricted shares will vest ratably in annual installments over a three-year period commencing on December 31, 2012.

On February 3, 2012, we granted under our 2011 Equity Incentive Plan 1,000 of our restricted common shares to certain employees of our Manager, with such restricted shares being valued at $8.275 per share. All such restricted shares will vest ratably in annual installments over a three-year period commencing on December 31, 2012.

Our Articles of Incorporation and Bylaws

Our purpose, as is stated in our amended and restated articles of incorporation, is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the Marshall Islands Business Corporations Act, or BCA. Our amended and restated articles of incorporation and amended and restated bylaws do not impose any limitations on the ownership rights of our shareholders.

Description of Common Shares

Voting Rights

Generally, Marshall Islands law provides that the holders of a class of stock are entitled to a separate class vote on any proposed amendment to our amended and restated articles of incorporation that would change the aggregate number of authorized shares or the par value of that class of shares or alter or change the powers, preferences or special rights of that class so as to affect it adversely.

Holders of shares of our common shares have identical rights entitling the holder to one vote per share.

Dividends

Marshall Islands law generally prohibits the payment of a dividend when a company is insolvent or would be rendered insolvent by the payment of such a dividend or when the declaration or payment would be contrary

to any restrictions contained in the company's articles of incorporation. Dividends may be declared and paid out of surplus only, but if there is no surplus, dividends may be declared or paid out of the net profits for the fiscal year in which the dividend is declared and for the preceding fiscal year.

Subject to preferences that may apply to any preferred shares outstanding at the time, the holders of our common shares are entitled to share equally in any dividends that our board of directors may declare from time to time out of funds legally available for dividends. In the event a stock dividend is paid, the holders of our common shares will receive common shares, or rights to acquire common shares, as the case may be.

Liquidation Rights

Upon our liquidation, dissolution or winding-up, the holders of our common shares will be entitled to share equally in all assets remaining after the payment of any liabilities and the liquidation preferences on any outstanding preferred shares.

Conversion

Our common shares are not convertible into any other shares of our capital stock.

Other Rights

Holders of our common shares do not have redemption or preemptive rights to subscribe for any of our securities. The rights, preferences and privileges of holders of our common shares are subject to the rights of the holders of any preferred shares that we may issue in the future.

Description of Preferred Shares

Our amended and restated articles of incorporation authorize our board of directors to establish one or more series of preferred shares and to determine, with respect to any series of preferred shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the preferences and relative, participating, option or other special rights, if any, and any qualifications, limitations or restrictions of such series; and
- the voting rights, if any, of the holders of the series.

We have designated 1,000,000 preferred shares as Series A Participating Preferred Stock in connection with the adoption of our Stockholders Rights Agreement described under "— Stockholders Rights Agreement."

Directors

Our directors are elected by a plurality of the votes cast by shareholders entitled to vote. There is no provision for cumulative voting. Our amended and restated articles of incorporation provide that our board of directors must consist of at least three members, with the exact number to be fixed by a vote of at least two-thirds of the entire board of directors. Directors are elected annually on a staggered basis, whereby each director is divided into one of three classes, which shall be as nearly equal in number as possible. Each director shall serve for a three-year term and until his successor shall have been duly elected and qualified, except in the event of his death, resignation, removal or the earlier termination of his term of office. Our board of directors has the authority to fix the amounts which shall be payable to the members of the board of directors for attendance at any meeting or for services rendered to us.

Shareholder Meetings

Under our amended and restated bylaws, annual meetings of shareholders are held at a time and place selected by our board of directors. The meetings may be held in or outside of the Republic of the Marshall Islands. Special meetings may be called at any time by a majority of our board of directors, the chairman of our board of directors or an officer of the Company who is also a director. Our board of directors may set a record date between 15 and 60 days before the date of any meeting to determine the shareholders that will be eligible to receive notice and vote at the meeting. One or more shareholders representing at least one-third of the total voting rights of our total issued and outstanding shares present in person or by proxy at a shareholder meeting shall constitute a quorum for the purposes of the meeting.

Dissenters' Rights of Appraisal and Payment

Under the BCA, our shareholders have the right to dissent from various corporate actions, including any merger or consolidation or sale of all or substantially all of our assets not made in the usual course of our business, and receive payment of the fair value of their shares. However, the right of a dissenting shareholder to receive payment of the appraised fair value of his shares is not available under the BCA 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. In the event of any further amendment of our amended and restated articles of incorporation, a shareholder also has the right to dissent and receive payment for the shareholder's shares if the amendment alters certain rights in respect of those shares. The dissenting shareholder must follow the procedures set forth in the BCA to receive payment. In the event that we and any dissenting shareholder fail to agree on a price for the shares, the BCA procedures involve, among other things, the institution of proceedings in any appropriate court in any jurisdiction in which our shares are primarily traded on a local or national securities exchange.

Shareholders' Derivative Actions

Under the BCA, any of our shareholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the shareholder bringing the action is a holder of our common shares both at the time the derivative action is commenced and at the time of the transaction to which the action relates.

Limitations on Director Liability and Indemnification of Directors and Officers

The BCA authorizes corporations to limit or eliminate the personal liability of directors to corporations and their shareholders for monetary damages for breaches of directors' fiduciary duties. Our amended and restated articles of incorporation include a provision that eliminates the personal liability of directors for monetary damages for actions taken as a director to the fullest extent permitted by law.

Our amended and restated articles of incorporation bylaws provide that we must indemnify our directors and officers to the fullest extent permitted by law. Our amended and restated bylaws also authorize us to advance certain expenses (including attorneys' fees and disbursements and court costs) to our directors and officers and to carry directors' and officers' insurance providing indemnification for our directors and officers for some liabilities. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and officers.

The limitation of liability and indemnification provisions in our amended and restated articles of incorporation and amended and restated bylaws may discourage shareholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise

benefit us and our shareholders. In addition, your investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against our directors and officers pursuant to these indemnification provisions.

We have entered into a non-competition agreement with Paragon Shipping and our Chairman, President and Chief Executive Officer, Mr. Michael Bodouroglou, that provides that so long as Mr. Bodouroglou is a director or executive officer of our Company (i) Mr. Bodouroglou and any entity which he controls and (ii) during any period in which Mr. Bodouroglou is also a director or executive officer of Paragon Shipping and Paragon Shipping is the holder of more than 5% of our total issued and outstanding common shares, Paragon Shipping, will be prohibited from acquiring or entering into any charter for containerships without our prior written consent and we will not acquire or enter into any charter for drybulk carriers without the prior written consent of Mr. Bodouroglou, such entities controlled by him and Paragon Shipping, as applicable.

In addition, we have also entered into an agreement with Paragon Shipping pursuant to which Paragon Shipping has granted us options to acquire two 4,800 TEU newbuilding containerships for which Paragon Shipping has entered into construction contracts and that are scheduled to be delivered during the fourth quarter of 2013. We may exercise our options to acquire each vessel by way of an assignment of the relevant construction contract from Paragon Shipping at any time prior to the applicable vessel's delivery to Paragon Shipping or purchase of such vessel at any time after its delivery to Paragon Shipping, so long as the vessel is owned by Paragon Shipping at such time. The purchase price of the options will be equal to the greater of (i) Paragon Shipping's actual carrying cost of the vessel at the date the option is exercised, plus any actual expenses incurred by Paragon Shipping in connection with the construction contracts or the vessels and (ii) the fair market value of the vessel at the date the option is exercised as determined by the average of two independent ship brokers selected by Paragon Shipping and us. To the extent we do not exercise our options to acquire one or both of these vessels, Paragon Shipping will be permitted to operate, or sell, the vessels pursuant to a waiver that we will grant to Paragon Shipping under the non-competition agreement described above, provided that Paragon Shipping will grant to us a right of first offer on any proposed sale, transfer or other disposition of the vessels and a right of first refusal over any containership chartering opportunities.

The agreements described above have the effect of limiting the conflicts of interest that our directors and officers who also serve as directors or officers of Paragon Shipping or its other affiliates may have. There is currently no pending litigation or proceeding involving any of our directors, officers or employees for which indemnification is being sought.

Anti-Takeover Effect of Certain Provisions of Our Articles of Incorporation and Bylaws

Several provisions of our amended and restated articles of incorporation and amended and restated 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 amended and restated articles of incorporation, our board of directors has authority, without any further vote or action by our shareholders, to issue up to 25,000,000 shares of "blank check" preferred stock. Our board of directors could authorize the issuance of preferred shares with voting or conversion rights that could dilute the voting power or rights of the holders of our common shares. The issuance of preferred shares, of which 1,000,000 shares is designated Series A Participating Preferred Shares in connection with our adoption of a Stockholders Rights Agreement described under "— Stockholders Rights Agreement", while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other

things, have the effect of delaying, deferring or preventing a change in control of us or the removal of our management and might harm the market price of our common shares. We have no current plans to issue any preferred shares.

Classified Board of Directors

Our amended and restated articles of incorporation provide that our board of directors serve staggered, three-year terms. Approximately one-third of our board of directors will be elected each year. The classified board provision could discourage a third party from making a tender offer for our shares or attempting to obtain control of our company. 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.

Election and Removal of Directors

Our amended and restated articles of incorporation prohibit cumulative voting in the election of directors. Our amended and restated bylaws require parties other than the board of directors to give advance written notice of nominations for the election of directors. Our amended and restated articles of incorporation also provide that our directors may be removed only for cause upon the affirmative vote of not less than two-thirds of the outstanding shares of the capital 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 amended and restated 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 amended and restated bylaws provide that, subject to certain limited exceptions, only the chairman of the board of directors, a majority of the board of directors or any officer of the Company who is also a director may call special meetings of our shareholders, and the business transacted at the special meeting is limited to the purposes stated in the notice. Accordingly, a shareholder may be prevented from calling a special meeting for shareholder consideration of a proposal over the opposition of our board of directors and shareholder consideration of a proposal may be delayed until the next annual meeting of shareholders.

Advance Notice Requirements for Shareholder Proposals and Director Nominations

Our amended and restated 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 150 days nor more than 180 days prior to the one year anniversary of the preceding year's annual meeting of shareholders. Our amended and restated 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.

Business combinations

Although 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 amended and restated articles of incorporation. Specifically, our amended and restated 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 stock; or
- any person who is our affiliate or associate, other than Paragon Shipping, Mr. Bodouroglou and any entity controlled by Michael Bodouroglou, and who held 15% or more of our outstanding voting stock

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, provided, however, that the term "interested shareholder" will not include any person whose ownership of shares in excess of the 15% limitation is the result of action taken solely by us; provided that such person shall be an interested shareholder if thereafter such person acquires additional shares of our voting shares, except as a result of further action by us not caused, directly or indirectly, by 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 stock;
- certain transactions that result in the issuance or transfer by us of any stock 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 amended and restated 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 stock 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 stock 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 amended and restated 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:

(i) 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);

(ii) 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

(iii) a proposed tender or exchange offer for 50% or more of our outstanding voting stock.

Stockholders Rights Agreement

General

We have adopted a stockholders rights plan. Each of our common shares includes one preferred stock purchase right, referred to in this section of the prospectus entitled "— Stockholder Rights Agreement" as a right, or, collectively, the rights, that entitles the holder to purchase from us a unit consisting of one-thousandth of a share of our Series A Participating Preferred Stock at an exercise price of $90.00 per unit, subject to specified adjustments. The rights were issued pursuant to a Stockholders Rights Agreement between us and Computershare Trust Company, N.A., as rights agent. 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 Stockholders Rights Agreement and the rights below. For a complete description of the rights, we encourage you to read the Stockholders Rights Agreement filed as an exhibit to our Annual Report on Form 20-F for the year ended December 31, 2011, filed with the SEC on March 16, 2012 and incorporated by reference herein.

Detachment of the Rights

The rights are attached to all certificates representing our currently outstanding common shares and will attach to all certificates for our common shares we issue before the rights distribution date or the date on which the rights expire (or thereafter, in certain circumstances). The rights will not be exercisable until after the rights distribution date and will expire at the close of business on the tenth anniversary of the closing of our Initial Public Offering, unless we redeem or exchange them earlier as we describe below. The rights will separate from shares of our common shares and a rights distribution date would occur, subject to specified exceptions, on the earlier of the following two dates:

- ten days following a public announcement that a person or group of affiliated or associated persons, or an "acquiring person," has acquired or obtained the right to acquire beneficial ownership of 15% or more of the number of our outstanding common shares; or
- ten business days following the announcement of a tender or exchange offer that would result, if closed, in a person's becoming an acquiring person.

Paragon Shipping, Michael Bodouroglou and any entity controlled by Michael Bodouroglou, and their respective related entities, are excluded from the definition of "acquiring person" for purposes of the distribution of the rights, and therefore their ownership cannot trigger the distribution of the rights. Specified "inadvertent" owners that would otherwise become an acquiring person, including those who would have this designation as a result of repurchases of our common shares by us, will not become acquiring persons as a result of those transactions.

Our board of directors may defer the rights distribution date of 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 common shares.

Until the rights distribution date:

- our common share certificates will evidence the rights, and the rights will be transferable only with those certificates; and
- any new common shares will be issued with rights and new certificates 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 our common shares 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 common shares 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, as defined above.

If a flip-in event occurs and we do not redeem the rights as described under the heading "Redemption 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 stock of the same class of stock in which such right is included, 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 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, subject to limited exceptions; 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 common shares 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 shares is subject to adjustment for any stock split, stock dividend or subdivision, combination or reclassification of our common shares occurring before the rights distribution date. With some exceptions, the rights agreement does 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 does not require us to issue fractional common shares that are not integral multiples of one one-thousandth of a preferred share and, instead, we may make a cash adjustment based on the market price of the common shares on the last trading date before the date of exercise. The rights agreement reserves to us the right to require before the occurrence of any flip-in event or flip-over event that, on any exercise of rights, a number of rights must be exercised so that we will issue only whole shares of stock.

Redemption of Rights

At any time before the close of business on the earlier of the distribution date or the date on which the rights expire, we may redeem 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 common shares. The rights are not exercisable and no flip-in event shall occur if timely redeemed by us. The rights will terminate immediately upon ordering the redemption and making the appropriate filing with the rights agent.

Exchange of Rights

We may, at our option, subject to applicable laws, rules and regulations, 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 common share per right, subject to specified adjustments at any time after the occurrence of a flip-in event and before any person becoming the beneficial owner of 50% or more of the common shares then outstanding.

Amendment of Terms of Rights

During the time the rights are redeemable, we may amend any of the provisions of the rights agreement in any way without the approval of the rights holders. Once the rights cease to be redeemable, we generally may amend the provisions of the rights agreement without the approval of the rights holders, 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 any other time period, unless such lengthening is for the purpose of protecting, clarifying or enhancing the rights and benefits of the rights holders (other than an acquiring person).

DESCRIPTION OF DEBT SECURITIES

We may issue debt securities from time to time in one or more series, under one or more indentures, each dated as of a date on or prior to the issuance of the debt securities to which it relates. We may issue senior debt securities and subordinated debt securities pursuant to separate indentures, a senior indenture and a subordinated indenture, respectively, in each case between us and the trustee named in the indenture. These indentures will be filed either as exhibits to an amendment to this registration statement, or as an exhibit to a Securities Exchange Act of 1934, or Exchange Act, report that will be incorporated by reference to the registration statement or a prospectus supplement. We will refer to any or all of these reports as “subsequent filings.” The senior indenture and the subordinated indenture, as amended or supplemented from time to time, are sometimes referred to individually as an “indenture” and collectively as the “indentures.” Each indenture will be subject to and governed by the Trust Indenture Act. The aggregate principal amount of debt securities which may be issued under each indenture will be unlimited and each indenture will contain the specific terms of any series of debt securities or provide that those terms must be set forth in or determined pursuant to, an authorizing resolution, as defined in the applicable prospectus supplement, and/or a supplemental indenture, if any, relating to such series.

The following description of the terms of the debt securities sets forth certain general terms and provisions. The statements below are not complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the applicable indenture. The specific terms of any debt securities that we may offer, including any modifications of, or additions to, the general terms described below as well as any applicable material U.S. federal income tax considerations concerning the ownership of such debt securities will be described in the applicable prospectus supplement or supplemental indenture. Accordingly, for a complete description of the terms of a particular issue of debt securities, the general description of the debt securities set forth below should be read in conjunction with the applicable prospectus supplement and indenture, as amended or supplemented from time to time.

General

Neither indenture limits the amount of debt securities which may be issued, and each indenture provides that debt securities may be issued up to the aggregate principal amount from time to time. The debt securities may be issued in one or more series. The senior debt securities will be unsecured and will rank in parity with all of our other unsecured and unsubordinated indebtedness. Each series of subordinated debt securities will be unsecured and subordinated to all present and future senior indebtedness of debt securities will be described in an accompanying prospectus supplement.

You should read the subsequent filings relating to the particular series of debt securities for the following terms of the offered debt securities:

- the designation, aggregate principal amount and authorized denominations;
- the issue price, expressed as a percentage of the aggregate principal amount;
- the maturity date;
- the interest rate per annum, if any;
- if the offered debt securities provide for interest payments, the date from which interest will accrue, the dates on which interest will be payable, the date on which payment of interest will commence and the regular record dates for interest payment dates;
- any optional or mandatory sinking fund provisions or conversion or exchangeability provisions;
- the date, if any, after which and the price or prices at which the offered debt securities may be optionally redeemed or must be mandatorily redeemed and any other terms and provisions of optional or mandatory redemptions;

- if other than denominations of $1,000 and any integral multiple thereof, the denominations in which offered debt securities of the series will be issuable;
- if other than the full principal amount, the portion of the principal amount of offered debt securities of the series which will be payable upon acceleration or provable in bankruptcy;
- any events of default not set forth in this prospectus;
- the currency or currencies, including composite currencies, in which principal, premium and interest will be payable, if other than the currency of the United States of America;
- if principal, premium or interest is payable, at our election or at the election of any holder, in a currency other than that in which the offered debt securities of the series are stated to be payable, the period or periods within which, and the terms and conditions upon which, the election may be made;
- whether interest will be payable in cash or additional securities at our or the holder's option and the terms and conditions upon which the election may be made;
- if denominated in a currency or currencies other than the currency of the United States of America, the equivalent price in the currency of the United States of America for purposes of determining the voting rights of holders of those debt securities under the applicable indenture;
- if the amount of payments of principal, premium or interest may be determined with reference to an index, formula or other method based on a coin or currency other than that in which the offered debt securities of the series are stated to be payable, the manner in which the amounts will be determined;
- any restrictive covenants or other material terms relating to the offered debt securities, which may not be inconsistent with the applicable indenture;
- whether the offered debt securities will be issued in the form of global securities or certificates in registered form;
- any terms with respect to subordination;
- any listing on any securities exchange or quotation system;
- additional provisions, if any, related to defeasance and discharge of the offered debt securities; and
- the applicability of any guarantees.

Unless otherwise indicated in subsequent filings with the SEC relating to the indenture, principal, premium and interest will be payable and the debt securities will be transferable at the corporate trust office of the applicable trustee. Unless other arrangements are made or set forth in subsequent filings or a supplemental indenture, principal, premium and interest will be paid by checks mailed to the holders at their registered addresses.

Unless otherwise indicated in subsequent filings with the SEC, the debt securities will be issued only in fully registered form without coupons, in denominations of $1,000 or any integral multiple thereof. No service charge will be made for any transfer or exchange of the debt securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with these debt securities.

Some or all of the debt securities may be issued as discounted debt securities, bearing no interest or interest at a rate which at the time of issuance is below market rates, to be sold at a substantial discount below the stated principal amount. United States federal income consequences and other special considerations applicable to any discounted securities will be described in subsequent filings with the SEC relating to those securities.

We refer you to applicable subsequent filings with respect to any deletions or additions or modifications from the description contained in this prospectus.

Senior Debt

We may issue senior debt securities under a senior debt indenture. These senior debt securities would rank on an equal basis with all our other unsecured debt except subordinated debt.

Subordinated Debt

We may issue subordinated debt securities under a subordinated debt indenture. Subordinated debt would rank subordinate and junior in right of payment, to the extent set forth in the subordinated debt indenture, to all our senior debt (both secured and unsecured).

In general, the holders of all senior debt are first entitled to receive payment of the full amount unpaid on senior debt before the holders of any of the subordinated debt securities are entitled to receive a payment on account of the principal or interest on the indebtedness evidenced by the subordinated debt securities in certain events.

If we default in the payment of any principal of, or premium, if any, or interest on any senior debt when it becomes due and payable after any applicable grace period, then, unless and until the default is cured or waived or ceases to exist, we cannot make a payment on account of or redeem or otherwise acquire the subordinated debt securities.

If there is any insolvency, bankruptcy, liquidation or other similar proceeding relating to us or our property, then all senior debt must be paid in full before any payment may be made to any holders of subordinated debt securities.

Furthermore, if we default in the payment of the principal of and accrued interest on any subordinated debt securities that is declared due and payable upon an event of default under the subordinated debt indenture, holders of all our senior debt will first be entitled to receive payment in full in cash before holders of such subordinated debt can receive any payments.

Senior debt means:

- the principal, premium, if any, interest and any other amounts owing in respect of our indebtedness for money borrowed and indebtedness evidenced by securities, notes, debentures, bonds or other similar instruments issued by us, including the senior debt securities or letters of credit;
- all capitalized lease obligations;
- all hedging obligations;
- all obligations representing the deferred purchase price of property; and
- all deferrals, renewals, extensions and refundings of obligations of the type referred to above;

but senior debt does not include:

- subordinated debt securities; and
- any indebtedness that by its terms is subordinated to, or ranks on an equal basis with, our subordinated debt securities.

Covenants

Any series of offered debt securities may have covenants in addition to or differing from those included in the applicable indenture which will be described in subsequent filings prepared in connection with the offering of such securities, limiting or restricting, among other things:

- the ability of us or our subsidiaries to incur either secured or unsecured debt, or both;
- the ability to make certain payments, dividends, redemptions or repurchases;

- our ability to create dividend and other payment restrictions affecting our subsidiaries;
- our ability to make investments;
- mergers and consolidations by us or our subsidiaries;
- sales of assets by us;
- our ability to enter into transactions with affiliates;
- our ability to incur liens; and
- sale and leaseback transactions.

Modification of the Indentures

Each indenture and the rights of the respective holders may be modified by us only with the consent of holders of not less than a majority in aggregate principal amount of the outstanding debt securities of all series under the respective indenture affected by the modification, taken together as a class. But no modification that:

(1) changes the amount of securities whose holders must consent to an amendment, supplement or waiver;

(2) reduces the rate of or changes the interest payment time on any security or alters its redemption provisions (other than any alteration to any such section which would not materially adversely affect the legal rights of any holder under the indenture) or the price at which we are required to offer to purchase the securities;

(3) reduces the principal or changes the maturity of any security or reduce the amount of, or postpone the date fixed for, the payment of any sinking fund or analogous obligation;

(4) waives a default or event of default in the payment of the principal of or interest, if any, on any security (except a rescission of acceleration of the securities of any series by the holders of at least a majority in principal amount of the outstanding securities of that series and a waiver of the payment default that resulted from such acceleration);

(5) makes the principal of or interest, if any, on any security payable in any currency other than that stated in the security;

(6) makes any change with respect to holders' rights to receive principal and interest, the terms pursuant to which defaults can be waived, certain modifications affecting shareholders or certain currency-related issues; or

(7) waives a redemption payment with respect to any security or change any of the provisions with respect to the redemption of any securities;

will be effective against any holder without his consent. Other terms as specified in subsequent filings may be modified without the consent of the holders.

Events of Default

Each indenture defines an event of default for the debt securities of any series as being any one of the following events:

- default in any payment of interest when due which continues for 30 days;
- default in any payment of principal or premium when due;
- default in the deposit of any sinking fund payment when due;
- default in the performance of any covenant in the debt securities or the applicable indenture which continues for 60 days after we receive notice of the default;

- default under a bond, debenture, note or other evidence of indebtedness for borrowed money by us or our subsidiaries (to the extent we are directly responsible or liable therefor) having a principal amount in excess of a minimum amount set forth in the applicable subsequent filing, whether such indebtedness now exists or is hereafter created, which default shall have resulted in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, without such acceleration having been rescinded or annulled or cured within 30 days after we receive notice of the default; and
- events of bankruptcy, insolvency or reorganization.

An event of default of one series of debt securities does not necessarily constitute an event of default with respect to any other series of debt securities.

There may be such other or different events of default as described in an applicable subsequent filing with respect to any class or series of offered debt securities.

In case an event of default occurs and continues for the debt securities of any series, the applicable trustee or the holders of not less than 25% in aggregate principal amount of the debt securities then outstanding of that series may declare the principal and accrued but unpaid interest of the debt securities of that series to be due and payable. Any event of default for the debt securities of any series which has been cured may be waived by the holders of a majority in aggregate principal amount of the debt securities of that series then outstanding.

Each indenture requires us to file annually after debt securities are issued under that indenture with the applicable trustee a written statement signed by two of our officers as to the absence of material defaults under the terms of that indenture. Each indenture provides that the applicable trustee may withhold notice to the holders of any default if it considers it in the interest of the holders to do so, except notice of a default in payment of principal, premium or interest.

Subject to the duties of the trustee in case an event of default occurs and continues, each indenture provides that the trustee is under no obligation to exercise any of its rights or powers under that indenture at the request, order or direction of holders unless the holders have offered to the trustee reasonable indemnity. Subject to these provisions for indemnification and the rights of the trustee, each indenture provides that the holders of a majority in principal amount of the debt securities of any series then outstanding have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee as long as the exercise of that right does not conflict with any law or the indenture.

Defeasance and Discharge

The terms of each indenture provide us with the option to be discharged from any and all obligations in respect of the debt securities issued thereunder upon the deposit with the trustee, in trust, of money or U.S. government obligations, or both, which through the payment of interest and principal in accordance with their terms will provide money in an amount sufficient to pay any installment of principal, premium and interest on, and any mandatory sinking fund payments in respect of, the debt securities on the stated maturity of the payments in accordance with the terms of the debt securities and the indenture governing the debt securities. This right may only be exercised if, among other things, we have received from, or there has been published by, the United States Internal Revenue Service a ruling to the effect that such a discharge will not be deemed, or result in, a taxable event with respect to holders. This discharge would not apply to our obligations to register the transfer or exchange of debt securities, to replace stolen, lost or mutilated debt securities, to maintain paying agencies and hold moneys for payment in trust.

Defeasance of Certain Covenants

The terms of the debt securities provide us with the right to omit complying with specified covenants and that specified events of default described in a subsequent filing will not apply. In order to exercise this right, we

will be required to deposit with the trustee money or U.S. government obligations, or both, which through the payment of interest and principal will provide money in an amount sufficient to pay principal, premium, if any, and interest on, and any mandatory sinking fund payments in respect of, the debt securities on the stated maturity of such payments in accordance with the terms of the debt securities and the indenture governing such debt securities. We will also be required to deliver to the trustee an opinion of counsel to the effect that we have received from, or there has been published by, the IRS a ruling to the effect that the deposit and related covenant defeasance will not cause the holders of such series to recognize income, gain or loss for United States federal income tax purposes.

A subsequent filing may further describe the provisions, if any, of any particular series of offered debt securities permitting a discharge defeasance.

Global Securities

The debt securities of a series may be issued in whole or in part in the form of one or more global securities that will be deposited with, or on behalf of, a depository identified in an applicable subsequent filing and registered in the name of the depository or a nominee for the depository. In such a case, one or more global securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal amount of outstanding debt securities of the series to be represented by the global security or securities. Unless and until it is exchanged in whole or in part for debt securities in definitive certificated form, a global security may not be transferred except as a whole by the depository for the global security to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or by the depository or any nominee to a successor depository for that series or a nominee of the successor depository and except in the circumstances described in an applicable subsequent filing.

We expect that the following provisions will apply to depository arrangements for any portion of a series of debt securities to be represented by a global security. Any additional or different terms of the depository arrangement will be described in an applicable subsequent filing.

Upon the issuance of any global security, and the deposit of that global security with or on behalf of the depository for the global security, the depository will credit, on its book-entry registration and transfer system, the principal amounts of the debt securities represented by that global security to the accounts of institutions that have accounts with the depository or its nominee. The accounts to be credited will be designated by the underwriters or agents engaging in the distribution of the debt securities or by us, if the debt securities are offered and sold directly by us. Ownership of beneficial interests in a global security will be limited to participating institutions or persons that may hold interests through such participating institutions. Ownership of beneficial interests by participating institutions in the global security will be shown on, and the transfer of the beneficial interests will be effected only through, records maintained by the depository for the global security or by its nominee. Ownership of beneficial interests in the global security by persons that hold through participating institutions will be shown on, and the transfer of the beneficial interests within the participating institutions will be effected only through, records maintained by those participating institutions. The laws of some jurisdictions may require that purchasers of securities take physical delivery of the securities in certificated form. The foregoing limitations and such laws may impair the ability to transfer beneficial interests in the global securities.

So long as the depository for a global security, or its nominee, is the registered owner of that global security, the depository or its nominee, as the case may be, will be considered the sole owner or holder of the debt securities represented by the global security for all purposes under the applicable indenture. Unless otherwise specified in an applicable subsequent filing and except as specified below, owners of beneficial interests in the global security will not be entitled to have debt securities of the series represented by the global security registered in their names, will not receive or be entitled to receive physical delivery of debt securities of the series in certificated form and will not be considered the holders thereof for any purposes under the indenture.

Accordingly, each person owning a beneficial interest in the global security must rely on the procedures of the depository and, if such person is not a participating institution, on the procedures of the participating institution through which the person owns its interest, to exercise any rights of a holder under the indenture.

The depository may grant proxies and otherwise authorize participating institutions to give or take any request, demand, authorization, direction, notice, consent, waiver or other action which a holder is entitled to give or take under the applicable indenture. We understand that, under existing industry practices, if we request any action of holders or any owner of a beneficial interest in the global security desires to give any notice or take any action a holder is entitled to give or take under the applicable indenture, the depository would authorize the participating institutions to give the notice or take the action, and participating institutions would authorize beneficial owners owning through such participating institutions to give the notice or take the action or would otherwise act upon the instructions of beneficial owners owning through them.

Unless otherwise specified in applicable subsequent filings, payments of principal, premium and interest on debt securities represented by a global security registered in the name of a depository or its nominee will be made by us to the depository or its nominee, as the case may be, as the registered owner of the global security.

We expect that the depository for any debt securities represented by a global security, upon receipt of any payment of principal, premium or interest, will credit participating institutions' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global security as shown on the records of the depository. We also expect that payments by participating institutions to owners of beneficial interests in the global security held through those participating institutions will be governed by standing instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in street name, and will be the responsibility of those participating institutions. None of us, the trustees or any agent of ours or the trustees will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in a global security, or for maintaining, supervising or reviewing any records relating to those beneficial interests.

Unless otherwise specified in the applicable subsequent filings, a global security of any series will be exchangeable for certificated debt securities of the same series only if:

- the depository for such global securities notifies us that it is unwilling or unable to continue as depository or such depository ceases to be a clearing agency registered under the Exchange Act and, in either case, a successor depository is not appointed by us within 90 days after we receive the notice or become aware of the ineligibility;
- we in our sole discretion determine that the global securities shall be exchangeable for certificated debt securities; or
- there shall have occurred and be continuing an event of default under the applicable indenture with respect to the debt securities of that series.

Upon any exchange, owners of beneficial interests in the global security or securities will be entitled to physical delivery of individual debt securities in certificated form of like tenor and terms equal in principal amount to their beneficial interests, and to have the debt securities in certificated form registered in the names of the beneficial owners, which names are expected to be provided by the depository's relevant participating institutions to the applicable trustee.

In the event that the Depository Trust Company, or DTC, acts as depository for the global securities of any series, the global securities will be issued as fully registered securities registered in the name of Cede & Co., DTC's partnership nominee.

DTC is a member of the U.S. Federal Reserve System, a limited-purpose trust company under New York State banking law and a registered clearing agency with the SEC. Established in 1973, DTC was created to

reduce costs and provide clearing and settlement efficiencies by immobilizing securities and making “book-entry” changes to ownership of the securities. DTC provides securities movements for the net settlements of the National Securities Clearing Corporation, or NSCC, and settlement for institutional trades (which typically involve money and securities transfers between custodian banks and broker/dealers), as well as money market instruments.

DTC is a subsidiary of The Depository Trust & Clearing Company, or DTCC. DTCC is a holding company established in 1999 to combine DTC and NSCC. DTCC, through its subsidiaries, provides clearing, settlement and information services for equities, corporate and municipal bonds, government and mortgage backed securities, money market instruments and over the-counter derivatives. In addition, DTCC is a leading processor of mutual funds and insurance transactions, linking funds and carriers with their distribution networks. DTCC’s customer base extends to thousands of companies within the global financial services industry. DTCC serves brokers, dealers, institutional investors, banks, trust companies, mutual fund companies, insurance carriers, hedge funds and other financial intermediaries — either directly or through correspondent relationships.

DTCC is industry-owned by its customers who are members of the financial community, such as banks, broker/dealers, mutual funds and other financial institutions. DTCC operates on an at-cost basis, returning excess revenue from transaction fees to its member firms. All services provided by DTC are regulated by the SEC.

The 2012 DTCC Board of Directors is composed of 19 directors serving one-year terms. Thirteen directors are representatives of clearing agency participants, including international broker/dealers, custodian and clearing banks, and investment institutions; of these, two directors are designated by DTCC’s preferred shareholders, which are NYSE Euronext and FINRA. Three directors are from non-participants. The remaining three are the chairman and chief executive officer, president, and chief operating officer of DTCC. All of the Board members except those designated by the preferred shareholders are elected annually.

To facilitate subsequent transfers, the debt securities may be registered in the name of DTC’s nominee, Cede & Co. The deposit of the debt securities with DTC and their registration in the name of Cede & Co. will effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the debt securities. DTC’s records reflect only the identity of the direct participating institutions to whose accounts debt securities are credited, which may or may not be the beneficial owners. The participating institutions remain responsible for keeping account of their holdings on behalf of their customers.

Delivery of notices and other communications by DTC to direct participating institutions, by direct participating institutions to indirect participating institutions, and by direct participating institutions and indirect participating institutions to beneficial owners of debt securities are governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect.

Neither DTC nor Cede & Co. consents or votes with respect to the debt securities. Under its usual procedures, DTC mails a proxy to the issuer as soon as possible after the record date. The proxy assigns Cede & Co.’s consenting or voting rights to those direct participating institution to whose accounts the debt securities are credited on the record date.

If applicable, redemption notices shall be sent to Cede & Co. If less than all of the debt securities of a series represented by global securities are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each direct participating institution in that issue to be redeemed.

To the extent that any debt securities provide for repayment or repurchase at the option of the holders thereof, a beneficial owner shall give notice of any option to elect to have its interest in the global security repaid by us, through its participating institution, to the applicable trustee, and shall effect delivery of the interest in a global security by causing the direct participating institution to transfer the direct participating institution’s interest in the global security or securities representing the interest, on DTC’s records, to the applicable trustee.

The requirement for physical delivery of debt securities in connection with a demand for repayment or repurchase will be deemed satisfied when the ownership rights in the global security or securities representing the debt securities are transferred by direct participating institutions on DTC's records.

DTC may discontinue providing its services as securities depository for the debt securities at any time. Under such circumstances, in the event that a successor securities depository is not appointed, debt security certificates are required to be printed and delivered as described above.

We may decide to discontinue use of the system of book-entry transfers through the securities depository. In that event, debt security certificates will be printed and delivered as described above.

DESCRIPTION OF WARRANTS

We may issue warrants to purchase our debt or equity securities or securities of third parties or other rights, including rights to receive payment in cash or securities based on the value, rate or price of one or more specified commodities, currencies, securities or indices, or any combination of the foregoing. Warrants may be issued independently or together with any other securities and may be attached to, or separate from, such securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a warrant agent. The terms of any warrants to be issued and a description of the material provisions of the applicable warrant agreement will be set forth in the applicable prospectus supplement.

The applicable prospectus supplement will describe the following terms of any warrants in respect of which this prospectus is being delivered:

- the title of such warrants;
- the aggregate number of such warrants;
- the price or prices at which such warrants will be issued;
- the currency or currencies, in which the price of such warrants will be payable;
- the securities or other rights, including rights to receive payment in cash or securities based on the value, rate or price of one or more specified commodities, currencies, securities or indices, or any combination of the foregoing, purchasable upon exercise of such warrants;
- the price at which and the currency or currencies, in which the securities or other rights purchasable upon exercise of such warrants may be purchased;
- the date on which the right to exercise such warrants shall commence and the date on which such right shall expire;
- if applicable, the minimum or maximum amount of such warrants which may be exercised at any one time;
- if applicable, the designation and terms of the securities with which such warrants are issued and the number of such warrants issued with each such security;
- if applicable, the date on and after which such warrants and the related securities will be separately transferable;
- information with respect to book-entry procedures, if any;
- if applicable, a discussion of any material U.S. federal income tax considerations; and
- any other terms of such warrants, including terms, procedures and limitations relating to the exchange and exercise of such warrants.

DESCRIPTION OF PURCHASE CONTRACTS

We may issue purchase contracts for the purchase or sale of:

- debt or equity securities issued by us or securities of third parties, a basket of such securities, an index or indices of such securities or any combination of the above as specified in the applicable prospectus supplement; or
- currencies.

Each purchase contract will entitle the holder thereof to purchase or sell, and obligate us to sell or purchase, on specified dates, such securities or currencies at a specified purchase price, which may be based on a formula, all as set forth in the applicable prospectus supplement. We may, however, satisfy our obligations, if any, with respect to any purchase contract by delivering the cash value of such purchase contract or the cash value of the property otherwise deliverable or, in the case of purchase contracts on underlying currencies, by delivering the underlying currencies, as set forth in the applicable prospectus supplement. The applicable prospectus supplement will also specify the methods by which the holders may purchase or sell such securities or currencies and any acceleration, cancellation or termination provisions, provisions relating to U.S. federal income tax considerations, if any, or other provisions relating to the settlement of a purchase contract.

The purchase contracts may require us to make periodic payments to the holders thereof or vice versa, which payments may be deferred to the extent set forth in the applicable prospectus supplement, and those payments may be unsecured or pre-funded on some basis. The purchase contracts may require the holders thereof to secure their obligations in a specified manner to be described in the applicable prospectus supplement. Alternatively, purchase contracts may require holders to satisfy their obligations thereunder when the purchase contracts are issued. Our obligation to settle such pre-paid purchase contracts on the relevant settlement date may constitute indebtedness. Accordingly, pre-paid purchase contracts will be issued under either the senior indenture or the subordinated indenture.

DESCRIPTION OF RIGHTS

We may issue rights to purchase our equity securities. These rights may be issued independently or together with any other security offered by this prospectus and may or may not be transferable by the shareholder receiving the rights in the rights offering. In connection with any rights offering, we may enter into a standby underwriting agreement with one or more underwriters pursuant to which the underwriter will purchase any securities that remain unsubscribed for upon completion of the rights offering.

The applicable prospectus supplement relating to any rights will describe the terms of the offered rights, including, where applicable, the following:

- the exercise price for the rights;
- the number of rights issued to each stockholder;
- the extent to which the rights are transferable;
- any other terms of the rights, including terms, procedures and limitations relating to the exchange and exercise of the rights;
- the date on which the right to exercise the rights will commence and the date on which the right will expire;
- the amount of rights outstanding;
- the extent to which the rights include an over-subscription privilege with respect to unsubscribed securities; and
- the material terms of any standby underwriting arrangement entered into by us in connection with the rights offering.

The description in the applicable prospectus supplement of any rights we offer will not necessarily be complete and will be qualified in its entirety by reference to the applicable rights certificate or rights agreement, which will be filed with the SEC if we offer rights. For more information on how you can obtain copies of any rights certificate or rights agreement if we offer rights, see "Where You Can Find Additional Information" of this prospectus. We urge you to read the applicable rights certificate, the applicable rights agreement and any applicable prospectus supplement in their entirety.

DESCRIPTION OF UNITS

As specified in the applicable prospectus supplement, we may issue units consisting of one or more purchase contracts, rights, warrants, debt securities, preferred shares, common shares or any combination of such securities. The applicable prospectus supplement will describe:

- the terms of the units and of the securities comprising the units, including whether and under what circumstances the securities comprising the units may be traded separately;
- a description of the terms of any unit agreement governing the units;
- if applicable, a discussion of any material U.S. federal income tax considerations; and
- a description of the provisions for the payment, settlement, transfer or exchange of the units.

EXPENSES

The following are the estimated expenses of the issuance and distribution of the securities being registered under the registration statement of which this prospectus forms a part, all of which will be paid by us.

SEC registration fee	$57,300
FINRA filing fee	$50,500
New York Stock Exchange supplemental listing fee	$ *
Legal fees and expenses	$ *
Accounting fees and expenses	$ *
Printing and engraving expenses	$ *
Transfer agent and registrar fees	$ *
Indenture trustee fees and expenses	$ *
Blue sky fees and expenses	$ *
Miscellaneous	$ *
Total	$ *

* To be provided by a prospectus supplement or as an exhibit to a Report on Form 6-K that is incorporated by reference into this registration statement of which this prospectus is a part.

LEGAL MATTERS

The validity of the securities offered by this prospectus with respect to Marshall Islands law and certain other legal matters relating to United States and Marshall Islands law will be passed upon for us by Seward & Kissel LLP, New York, New York.

EXPERTS

The consolidated financial statements of Box Ships Inc. and the combined financial statements of Ardelia Navigation Limited and Eridanus Trading Co. incorporated in this Prospectus by reference from the Company's Annual Report on Form 20-F for the year ended December 31, 2011, filed with the SEC on March 16, 2012, have been audited by Deloitte Hadjipavlou, Sofianos & Cambanis S.A., an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements have been so incorporated by reference in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing. The offices of Deloitte Hadjipavlou, Sofianos & Cambanis S.A are located at Fragoklissias 3a & Granikou Street, Maroussi, Athens 151 25, Greece.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

As required by the Securities Act, we filed a registration statement relating to the securities offered by this prospectus with the SEC. This prospectus is a part of that registration statement, which includes additional information.

Government Filings

We file annual and special reports with the SEC. You may read and copy any document that we file and obtain copies at prescribed rates from the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling 1 (800) SEC-0330. The SEC maintains a website (http://www.sec.gov) that contains reports, proxy and

information statements and other information regarding issuers that file electronically with the SEC. In addition, you can obtain information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005. Our filings are also available on our website at http://www.box-ships.com. The information on our website, however, is not, and should not be deemed to be, a part of this prospectus.

This prospectus and any prospectus supplement are part of a registration statement that we filed with the SEC and do not contain all of the information in the registration statement. The full registration statement may be obtained from the SEC or us, as indicated below. Forms of the indenture and other documents establishing the terms of the offered securities are filed as exhibits to the registration statement. Statements in this prospectus or any prospectus supplement about these documents are summaries and each statement is qualified in all respects by reference to the document to which it refers. You should refer to the actual documents for a more complete description of the relevant matters. You may inspect a copy of the registration statement at the SEC's Public Reference Room in Washington, D.C., as well as through the SEC's website.

Information Incorporated by Reference

The SEC allows us to "incorporate by reference" information that we file with it. This means that we can disclose important information to you by referring you to those filed documents. The information incorporated by reference is considered to be a part of this prospectus, and information that we file later with the SEC prior to the termination of this offering will also be considered to be part of this prospectus and will automatically update and supersede previously filed information, including information contained in this document.

This prospectus incorporates by reference the following documents:

- our Annual Report on Form 20-F for the year ended December 31, 2011, filed with the SEC on March 16, 2012, containing our audited consolidated financial statements for the most recent fiscal year for which those statements have been filed.
- our Form 8-A12B, filed with the SEC on April 8, 2011, registering our common shares, par value $0.01 per share, and our preferred stock purchase rights under Section 12(b) of the Exchange Act, and any amendment filed thereto.

We are also incorporating by reference all subsequent annual reports on Form 20-F that we file with the SEC and certain reports on Form 6-K that we furnish to the SEC after the date of this prospectus (if they state that they are incorporated by reference into this prospectus) until we file a post-effective amendment indicating that the offering of the securities made by this prospectus has been terminated. In all cases, you should rely on the later information over different information included in this prospectus or the prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus and any accompanying prospectus supplement. We have not, and any underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and any underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and any accompanying prospectus supplement as well as the information we previously filed with the SEC and incorporated by reference, is accurate as of the dates on the front cover of those documents only. Our business, financial condition and results of operations and prospects may have changed since those dates.

You may request a free copy of the above mentioned filing or any subsequent filing we incorporated by reference to this prospectus by writing or telephoning us at the following address:

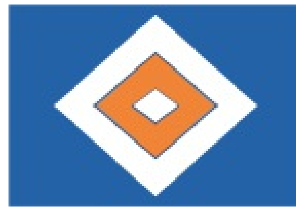
Box Ships Inc.
15, Karamanli Ave.
Voula, 16673
Athens, Greece
+(30) (210) 8914 600
Attn: Mrs. Maria Stefanou

Information Provided by the Company

We will furnish holders of common shares with Annual Reports containing audited financial statements and a report by our independent registered public accounting firm. The audited financial statements will be prepared in accordance with U.S. generally accepted accounting principles. As a “foreign private issuer,” we are exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements to shareholders. While we furnish proxy statements to shareholders in accordance with the rules of the New York Stock Exchange, those proxy statements do not conform to Schedule 14A of the proxy rules promulgated under the Exchange Act. In addition, as a “foreign private issuer,” our officers and directors are exempt from the rules under the Exchange Act relating to short swing profit reporting and liability.

Table of Contents

558,333 Shares



BOX SHIPS INC.

9.00% Series C Cumulative Redeemable Perpetual Preferred Shares

PROSPECTUS SUPPLEMENT

Joint Book-Running Managers

Maxim Group LLC **Ladenburg Thalmann & Co. Inc.** **MLV & Co.**

Lead Manager

National Securities Corporation

Co-Managers

Aegis Capital Corp **Global Hunter Securities**

July 24, 2013