

Eagle Bulk Shipping Inc.
Form 424B3
January 11, 2007
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Filed Pursuant to Rule 424(b)(3)
Registration File No. 333-139745

Prospectus Supplement
(To Prospectus dated January 9, 2007)

7,202,679 Shares

Eagle Bulk Shipping Inc.

Common Stock

The selling shareholder is offering all of the shares of common stock offered by this prospectus supplement.

Our common stock is quoted on The Nasdaq Global Select Market under the symbol "EGLE." The last reported sales price of our common stock on The Nasdaq Global Select Market on January 9, 2007 was \$18.79 per share. We will not receive any proceeds from the sale of the shares of common stock by the selling shareholder.

The underwriter will purchase the shares offered by this prospectus supplement from the selling shareholder at a price of \$16.93 per share, resulting in aggregate proceeds to the selling shareholder of \$121,941,355.47, before expenses.

The underwriter may offer the shares from time to time to purchasers directly or through agents, or through brokers in brokerage transactions on The Nasdaq Global Select Market, or to dealers in negotiated transactions or in a combination of such methods of sale, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The underwriter may receive a commission equivalent from investors in the amount of up to \$0.05 for each share sold to investors in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriter is offering the common stock as set forth under "Underwriting." Delivery of the shares will be made on or about January 16, 2007.

Bear, Stearns & Co. Inc.

The date of this prospectus supplement is January 10, 2007.

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You should rely only on the information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and Bear, Stearns & Co. Inc. has not, authorized anyone to give you different or additional information. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell, or a solicitation of an offer to purchase, the securities offered by this prospectus supplement and the accompanying prospectus in any jurisdiction to or from any person to whom or from whom it is unlawful to make such offer or solicitation of an offer in such jurisdiction. You should not assume that the information in this prospectus supplement and accompanying prospectus is accurate as of any date after their respective dates.

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The Offering

Common stock offered by the selling shareholder	7,202,679 shares
Common stock outstanding and to be outstanding after this offering	35,900,001 shares
Nasdaq Global Select Market symbol	“EGLE”

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USE OF PROCEEDS

All of the shares of common stock offered hereby are being sold by the selling shareholder. We will not receive any proceeds from the sale of shares by the selling shareholder.

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SELLING SHAREHOLDER

Name	Shares Beneficially Owned (1)		Number of Shares That Will Be Offered	Number of Shares of Common Stock Beneficially Owned Following the Offering	Percentage of Shares of Common Stock Beneficially Owned Following the Offering
	Number	Percentage			
Eagle Ventures LLC (2)(3)	7,330,457	20.4%	7,202,679	127,778	0.4%
Kelso Investment Associates VII, L.P. (2)(4)	5,748,678	16.0%	5,742,771	5,907	0.0%
KEP VI, LLC (2)(4)	5,748,678	16.0%	5,742,771	5,907	0.0%
Frank T. Nickell (2)(4)(5)	5,748,678	16.0%	5,742,771	5,907	0.0%
Thomas R. Wall, IV (2)(4)(5)	5,748,678	16.0%	5,742,771	5,907	0.0%
George E. Matelich (2)(4)(5)	5,748,678	16.0%	5,742,771	5,907	0.0%
Michael B. Goldberg (2)(4)(5)(6)	5,748,678	16.0%	5,742,771	5,907	0.0%
David I. Wahrhaftig (2)(4)(5)	5,748,678	16.0%	5,742,771	5,907	0.0%
Frank K. Bynum, Jr. (2)(4)(5)	5,748,678	16.0%	5,742,771	5,907	0.0%
Philip E. Berney (2)(4)(5)	5,748,678	16.0%	5,742,771	5,907	0.0%
Frank J. Loverro (2)(4)(5)(6)	5,748,678	16.0%	5,742,771	5,907	0.0%
James J. Connors, II (2)(4)(5)	5,748,678	16.0%	5,742,771	5,907	0.0%

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- (1)Numbers and percentages for Eagle Ventures LLC, Kelso Investment Associates VII, L.P., a Delaware limited partnership, or KIA VII, KEP VI, LLC, a Delaware limited liability company, or KEP VI, and Messrs. Nickell, Wall, Matelich, Goldberg, Wahrhaftig, Bynum, Berney, Loverro and Connors are reflective of beneficial ownership of Eagle Ventures LLC common interests. On January 8, 2007, Eagle Ventures LLC made an in-kind distribution of 94,543 shares of our common stock to Sophocles Zoullas in complete redemption of his common membership interests in Eagle Ventures LLC.
 - (2)The business address for these persons is c/o Kelso & Company, L.P., 320 Park Avenue, 24th Floor, New York, NY 10022.
 - (3)The members of Eagle Ventures LLC include, among others, affiliates of Kelso & Company, L.P., our named executive officers and David Hiley. Members of Eagle Ventures LLC are entitled to receive a distribution from the net proceeds received by Eagle Ventures LLC from the offering pursuant to this prospectus supplement in accordance with the Fifth Amended and Restated Limited Liability Company Agreement of Eagle Ventures LLC. Alan Ginsberg, one of our named executive officers, will receive a distribution (in respect of his common ownership interests in Eagle Ventures LLC) of \$10,061. Our named executive officers will receive distributions as follows: Sophocles Zoullas (\$13,733,491) and Alan Ginsberg (\$2,961,868). Eagle Ventures LLC will retain 90,133 of our shares in respect of Mr. Zoullas' profit interests and 19,439 of our shares in respect of Mr. Ginsberg's profit interests.
 - (4)Includes shares of common stock held by: (i) KIA VII and (ii) KEP VI. KIA VII and KEP VI may be deemed to share beneficial ownership of shares of common stock owned of record by Eagle Ventures LLC, by virtue of their ownership interests in Eagle Ventures LLC. KIA VII and KEP VI, due to their common control, could be deemed to beneficially own each of the other's shares. Shares and percentages indicated represent the ownership of our equity securities by these persons and entities and are based on a share price of \$18.79, the closing price of a share of our common stock on January 9, 2007. Each of KIA VII and KEP VI disclaim such beneficial ownership.
 - (5)Messrs. Nickell, Wall, Matelich, Goldberg, Wahrhaftig, Bynum, Berney, Loverro and Connors may be deemed to share beneficial ownership of shares of common stock owned of record by Eagle Ventures LLC, by virtue of their status as managing members of KEP VI and of Kelso GP VII, LLC, a Delaware limited liability company, the principal business of which is serving as the general partner of Kelso GP VII, L.P., a Delaware limited partnership, the principal business of which is serving as the general partner of KIA VII. Each of Messrs. Nickell, Wall, Matelich, Goldberg, Wahrhaftig, Bynum, Berney, Loverro and Connors share investment and voting power with respect to the ownership interests owned by KIA VII and KEP VI but disclaim beneficial ownership of such interests.
 - (6)Member of our board of directors.

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UNDERWRITING

The selling shareholder is offering the shares of our common stock described in this prospectus supplement through Bear, Stearns & Co. Inc., the underwriter. We and the selling shareholder have entered into an underwriting agreement with the underwriter. Subject to the terms and conditions of the underwriting agreement, the underwriter has agreed to purchase the 7,202,679 shares of common stock from the selling shareholder.

The underwriting agreement provides that the underwriter must buy all of the shares if it buys any of them.

The underwriter will purchase the shares of our common stock from the selling shareholder at a price of \$16.93 per share, resulting in aggregate proceeds to the selling shareholder of \$121,941,355.47, before expenses. The underwriter may offer the shares from time to time to purchasers directly or through agents, or through brokers in brokerage transactions on The Nasdaq Global Select Market, or to dealers in negotiated transactions or in a combination of such methods of sale, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

The difference between the price at which the underwriter purchases shares from the selling shareholder and the price at which the underwriter resells such shares, which may include a commission equivalent of up to \$0.05 per share, may be deemed underwriting compensation.

Our common stock is offered subject to a number of conditions, including:

- receipt and acceptance of our common stock by the underwriter; and
- the underwriter's right to reject orders in whole or in part.

In connection with this offering, the underwriter or securities dealers may distribute prospectuses electronically.

We estimate that the total expenses of this offering payable by us will be approximately \$200,000.

We, our executive officers and directors and the selling shareholder have entered into lock-up agreements with the underwriter. Under these agreements, we and each of these persons may not, without the prior written approval of Bear, Stearns & Co. Inc., subject to limited exceptions, offer, sell, contract to sell or otherwise dispose of or hedge our common stock or securities convertible into or exercisable or exchangeable for our common stock. These restrictions will be in effect for a period of 45 days after the date of this prospectus supplement. At any time and without public notice, Bear, Stearns & Co. Inc. may in its sole discretion release all or some of the securities from these lock-up agreements.

We and the selling shareholder have agreed to indemnify the underwriter and its controlling persons against certain liabilities, including liabilities under the Securities Act. If we or the selling shareholder are unable to provide this indemnification, we or the selling shareholder will contribute to payments the underwriter and its controlling persons may be required to make in respect of those liabilities.

Our common stock is quoted on The Nasdaq Global Select Market under the symbol "EGLE."

In connection with this offering, the underwriter may engage in activities that stabilize, maintain or otherwise affect the price of our common stock, including:

- stabilizing transactions;
- short sales;
- purchases to cover positions created by short sales;
- syndicate covering transactions; and
- passive market making.

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Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of our common stock while this offering is in progress. These transactions may also include making short sales of our common stock, which involve the sale by the underwriter of a greater number of shares of common stock than it is required to purchase in this offering.

The underwriter must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriter is concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchased in this offering.

As a result of these activities, the price of our common stock may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriter at any time. The underwriter may carry out these transactions on The Nasdaq Global Select Market, in the over-the-counter market or otherwise.

In addition, in connection with this offering the underwriter may engage in passive market making transactions in our common stock on The Nasdaq Global Select Market prior to the pricing and completion of this offering. Passive market making consists of displaying bids on The Nasdaq Global Select Market no higher than the bid prices of independent market makers and making purchases at prices no higher than these independent bids and effected in response to order flow. Net purchases by a passive market maker on each day are generally limited to a specified percentage of the passive market maker's average daily trading volume in the common stock during a specified period and must be discontinued when such limit is reached. Passive market making may cause the price of our common stock to be higher than the price that otherwise would exist in the open market in the absence of these transactions. If passive market making is commenced, it may be discontinued at any time.

The underwriter and its affiliates have provided and may provide certain commercial banking, financial advisory and investment banking services for us for which they receive fees. In addition, Frank T. Nickell, who is the CEO and President of Kelso & Company, L.P. and a managing member of KEP VI, LLC and Kelso GP VII, LLC (the general partner of Kelso GP VII, L.P., which is the general partner of KIA VII, two of our principal stockholders) is an outside director of Bear, Stearns & Co. Inc., the underwriter, and owns shares of Bear, Stearns & Co. Inc. which he has received pursuant to a directors stock plan. This offering is being conducted pursuant to Conduct Rule 2710(h) of the NASD.

The underwriter and its affiliates may from time to time in the future engage in transactions with us and perform services for us in the ordinary course of their business.

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LEGAL MATTERS

Various legal matters with respect to this offering will be passed upon for us by Seward & Kissel LLP, New York, New York and Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York. Simpson Thacher & Bartlett LLP, New York, New York is counsel for the underwriter in connection with this offering.

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\$220,500,000

and

7,425,000 of our Common Shares
Offered by a Selling Shareholder

Eagle Bulk Shipping Inc.

Through this prospectus, we may periodically offer:

- (1) our common shares,
- (2) our preferred shares,
- (3) our debt securities, which may be guaranteed by one or more of our subsidiaries,
- (4) our warrants,
- (5) our purchase contracts, and
- (6) our units.

In addition, the selling shareholder named in the section “Selling Shareholder” may sell in one or more offerings pursuant to this registration statement up to 7,425,000 of our common shares that were previously acquired in a private transaction. We will not receive any of the proceeds from the sale of our common shares by the selling shareholder.

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 currently listed on the Nasdaq Global Select Market under the symbol “EGLE.”

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.

An investment in these securities involves risks. See the sections entitled “Risk Factors” beginning on page 4 and page 21 of our Form 10-K for the period ended December 31, 2005.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is January 9, 2007.

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Unless otherwise indicated, all dollar references in this prospectus are to U.S. 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 Securities and Exchange Commission, or Commission, using a shelf registration process. Under the shelf registration process, we may sell the common shares, preferred shares, debt securities, warrants, purchase contracts and units described in this prospectus in one or more offerings up to a total dollar amount of \$220,500,000. In addition, a selling shareholder may sell in one or more offerings pursuant to this registration statement up to 7,425,000 of our common shares that were previously acquired in a private transaction. This prospectus provides you with a general description of the securities we or a selling shareholder may offer. Each time we or the selling shareholder offers securities, we will provide you with a prospectus

supplement that will describe the specific amounts, prices and terms of the offered

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securities. The prospectus supplement may also add, update or change the information contained in this prospectus. You should read carefully both this prospectus and any prospectus supplement, together with the additional information described below.

This prospectus does not contain all the information provided in the registration statement that we filed with the Commission. For further information about us or the securities offered hereby, you should refer to that registration statement, which you can obtain from the Commission as described below under “Where You Can Find Additional Information.”

In this prospectus, all references to “we,” “our,” “us” and the “Company” shall refer to Eagle Bulk Shipping Inc. and, unless the context requires otherwise, its consolidated subsidiaries.

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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 any supplements to this prospectus or in the documents that we incorporate by reference into this prospectus.

Our Company

Eagle Bulk Shipping Inc., or the Company, is incorporated under the laws of the Republic of the Marshall Islands and headquartered in New York, New York. We are engaged primarily in the ocean transportation of a broad range of major and minor bulk cargoes, including iron ore, coal, grain, cement and fertilizer, along worldwide shipping routes. As of December 29, 2006, we owned and operated a modern fleet of 16 oceangoing vessels with a combined carrying capacity of 796,663 deadweight tons, or dwt, and an average age of 6.0 years. Additionally, we have entered into two new vessel building contracts for the construction of two “Future-56” class 56,000 dwt Supramax vessels to be delivered in January and February of 2010, respectively.

We are the largest U.S. based owner of Handymax dry bulk vessels. Handymax dry bulk vessels range in size from 35,000 dwt to 60,000 dwt. Twelve of the 16 vessels in our operating fleet are classed as Supramax dry bulk vessels, a class of Handymax dry bulk vessels which range in size from 50,000 dwt to 60,000 dwt. These vessels have the cargo loading and unloading flexibility of on-board cranes while offering cargo carrying capacities approaching that of Panamax dry bulk vessels, which range in size from 60,000 dwt to 100,000 dwt and must rely on port facilities to load

and offload their cargoes. We believe that the cargo handling flexibility and cargo carrying capacity of the Supramax class vessels make them attractive to charterers.

We carry out the commercial and strategic management of our fleet through our wholly owned subsidiary, Eagle Shipping International (USA) LLC, a Marshall Islands limited liability company that was formed in January 2005 and maintains its principle executive offices in New York, New York. Each of our vessels is owned by us through a separate wholly owned Marshall Islands limited liability company. We maintain our principal executive offices at 477 Madison Avenue, New York, New York 10022. Our telephone number at that address is (212) 785-2500. Our website address is www.eagleships.com. Information contained on our website does not constitute part of this annual report.

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Our Fleet

The following table presents certain information concerning our fleet as of December 29, 2006.

Vessel	Delivered to Charterer	Time Charter Expiration ⁽¹⁾	Daily Time Charter Hire Rate
Cardinal	April 19, 2005	March 2007 to June 2007	\$ 26,500
Condor ⁽²⁾	April 30, 2005	November 2006 to March 2007	\$ 24,000
Falcon	April 22, 2005	February 2008 to June 2008	\$ 20,950
Griffon ⁽³⁾	February 17, 2006	January 2007 to March 2007	\$ 13,550
Harrier ⁽⁴⁾	April 21, 2005	June 2007	\$ 23,750
Hawk I ⁽⁵⁾			