TAYGETUS SHIPPING CO LTD
Form 424B2
December 03, 2007

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

SUBJECT TO COMPLETION, DATED DECEMBER 3, 2007

PRELIMINARY PROSPECTUS SUPPLEMENT (to the Prospectus dated August 1, 2005)

21,000,000 Shares
of Common Stock

We are offering 21,000,000 shares of our common stock, par value $0.01 per share, or "Common Stock."

Our Common Stock is traded on the Nasdaq Global Select Market, or "Nasdaq" under the symbol "TOPT." The last reported sale price of our Common Stock on November 30, 2007 was $4.42 per share.

Investing in our Common Stock involves a high degree of risk. See "Risk Factors" beginning on page S-9 for a discussion of risks that you should consider in connection with an investment in our Class A Common Shares.

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.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds, before expenses, to us	$	$

We have granted the underwriters an option to purchase up to 3,150,000 additional shares of our Common Stock to cover any over-allotments within 30 days from the date of this prospectus. If the underwriters exercise this option in full, the total underwriting discount and commissions will be $ and the total proceeds to us, before expenses, will be $.

The underwriters expect to deliver the shares to purchasers on or about December , 2007.

Sole bookrunner

Deutsche Bank Securities

DVB Capital Markets **Oppenheimer & Co.** **Cantor Fitzgerald & Co.**

ABOUT THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of common stock. The second part, the base prospectus, gives more general information, some of which may 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 only.

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.

You should rely only on the information contained in this prospectus. We have not authorized anyone to give you different or additional information.

This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Common Stock offered by this prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. We are not making an offer of these securities in any state where the offer is not permitted.

You should not assume that the information in this prospectus is accurate as of any date after their respective dates. Neither the delivery of this prospectus nor any sale made under this prospectus shall under any circumstances imply that there has been no change in our affairs or that the information set forth in this prospectus is correct as of any date subsequent to the date of this prospectus.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file annual reports and other information with the SEC.

We incorporate by reference in this prospectus the following documents filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"):

- our Annual Report on Form 20-F for the fiscal year ended December 31, 2006;
- our current reports on Form 6-K filed on November 13, 2007 (delivery of M/V Bertram) and November 26, 2007.

We also incorporate by reference any future filing made by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, until the underwriters have completed the distribution of all of the common stock offered in this prospectus.

The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information as well as the information included in this prospectus.

You may read and copy any document we file with the SEC at the SEC public reference room located at:

100 F Street, N.E.
Room 1580
Washington, D.C. 20549

Please call the SEC at 1-800-SEC-0330 for further information on the public reference room and its copy charges. Our SEC filings are also available to the public on the SEC's web site at *http://www.sec.gov*, as well as on our website at *http://www.toptankers.com*. The information contained in or accessible from the SEC's website is not part of this prospectus.

You may obtain a copy of any or all of the documents summarized in this offering memorandum or incorporated by reference in this prospectus, without charge, by request directed to us at the following address and phone number:

Top Tankers, Inc.
1, Vassilissis Sofias Str. & Meg.
Alexandrou Street
151 24, Maroussi
Athens, Greece
Attention: Stamatios Tsantanis
Telephone: (011) (30) (210) 81 28 199

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Matters discussed in this document may constitute forward-looking statements. In this prospectus, "we," "us," "our," and "the Company" all refer to Top Tankers Inc. and its consolidated subsidiaries. This prospectus and any other written or oral statements made by us or on our behalf may include forward-looking statements which include assumptions, expectations, projections, intentions and beliefs about future events. When used in this document, the words "anticipate," "estimate," "project," "forecast," "plan," "potential," "will," "may," "should," and "expect" reflect forward-looking statements. We caution that assumptions, expectations, projections, intentions and beliefs about future events may and often do vary from actual results and the differences can be material.

All statements in this document that are not statements of historical fact are forward-looking statements. Forward-looking statements include, but are not limited to, such matters as:

- future operating or financial results;
- statements about planned, pending or recent acquisitions, business strategy and expected capital spending or operating expenses, including drydocking and insurance costs;
- statements about crude oil and refined petroleum products tanker and drybulk shipping market trends, including charter rates and factors affecting supply and demand;
- our ability to obtain additional financing;
- expectations regarding the availability of vessel acquisitions; and
- anticipated developments with respect to pending litigation.

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

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including changes in charter rates and vessel values, failure of a seller to deliver one or more vessels, failure of a buyer to accept delivery of a vessel, inability to procure acquisition financing, default by one or more charterers of our ships, changes in demand for crude oil, refined petroleum products, the effect of changes in OPEC's petroleum production levels, worldwide crude oil consumption and storage, demand for drybulk shipping capacity, changes in demand that may affect attitudes of time charterers, scheduled and unscheduled drydocking, changes in our voyage and operating expenses, including bunker prices, dry-docking and insurance costs, changes in governmental rules and regulations including income tax legislation, requirements for double-hull tankers or actions taken by regulatory authorities, potential liability from pending or future litigation, domestic and international political conditions, potential disruption of shipping routes due to accidents, international hostilities and political events or acts by terrorists and other important factors described from time to time in reports filed by us with the SEC.

For more complete discussion of these risks and uncertainties please see "Risk Factors" beginning on page S-8 of this prospectus supplement.

PROSPECTUS SUMMARY

This section summarizes some of the information that appears later in this prospectus and is qualified by the more detailed information that appears later in this prospectus. This summary may not contain all of the information that may be important to you. As an investor or prospective investor, you should review carefully the entire prospectus and the risk factors and the more detailed information and financial statements that appear later. We refer you to the Glossary of Shipping Terms beginning on page S-69 for definitions of certain industry terms that we use in this prospectus.

All amounts in this prospectus are expressed in U.S. dollars and the financial information has been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). All references in this prospectus to "$," "U.S. $," and "Dollars" refer to United States dollars.

Our Company

We are a provider of international seaborne transportation services, carrying petroleum products and crude oil and, after the delivery of the Identified Vessels described below, drybulk commodities for the steel, electric utility, construction and agri-food industries. Our fleet as of September 30, 2007, comprises 20 vessels (including 11 vessels sold and leased back), consisting of 8 double-hull Handymax tankers and 12 double-hull Suezmax tankers, with a total cargo carrying capacity of approximately 2.2 million deadweight tons, or "dwt." In addition, we have entered into agreements to purchase six drybulk vessels, comprising one Supramax vessel, four Panamax vessels and one Handymax vessel, with a total cargo carrying capacity of 0.4 million deadweight tons, or dwt. We will refer to these six drybulk vessels as the "Identified Vessels." One of the Identified Vessels, the Panamax vessel M/V Bertram, was delivered to us on November 12, 2007. Our Handymax tankers carry refined petroleum products, such as gasoline, jet fuel, kerosene, naphtha and heating oil, and our Suezmax tankers carry crude oil. 100% of our current tanker fleet is double-hull. Our drybulk vessels will carry drybulk cargoes such as iron ore, coal, grains, steel products, fertilizer, cement, bauxite, sugar and scrap metals.

We have agreed to acquire the Identified Vessels from their current owners for a total purchase price of $370.1 million. The acquisition of these vessels is being financed in part through the proceeds of this offering, through new secured loan facilities in the amount of $228.0 million and working capital.

87% of our current tanker fleet by dwt are sister ships, which enhances the revenue generating potential of our fleet by providing us with operational and scheduling flexibility. Sister ships also increase our operating efficiencies because technical knowledge can be applied to all vessels in a series and create cost efficiencies and economies of scale when ordering spare parts, supplying and crewing those vessels.

We actively manage the deployment of our fleet between spot market voyage charters, which generally last from several days to several weeks, and time charters, which can last up to several years.

Five of the Identified Vessels, a Supramax vessel of 51,200 dwt built in 2002, a Panamax vessel of 75,928 dwt built in 2001, a Panamax vessel of 75,933 dwt built in 2000, a Panamax vessel of 75,681 dwt built in 2000 and a Handymax vessel of 45,526 dwt built in 2000, are expected to be delivered to us between December 2007 and March 2008. One of the Identified Vessels, a Panamax vessel of 73,506 dwt built in 1995 named M/V Bertram, was delivered to us on November 12, 2007. We have agreed to deploy one of the Panamax vessels on a time charter for a period of 24-26 months at $29,700 per day, the Supramax vessel on a bareboat charter to the sellers of the vessel for a period of 18 months at a daily net rate of $25,650 and the Handymax vessel on a time charter for a period of 14-16 months at $22,000. We expect that the remaining three Panamax vessels will be employed under spot market charters.

Our acquisition of the Identified Vessels will increase the size of our Combined Fleet to 26 vessels, representing approximately 2.6 million dwt. Unless indicated otherwise, references to our Combined Fleet are to our fleet of vessels as of September 30, 2007, after giving effect to the purchase of the Identified Vessels, discussed below. After the acquisition of the Identified Vessels, we will own 15 of the 26 vessels in our Combined Fleet.

Our Fleet

As of November 30, 2007, our Combined Fleet consisted of 26 vessels (including 11 vessels sold and leased back), comprised of 8 double-hull Handymax product tankers and 12 double-hull Suezmax tankers, with a total cargo carrying capacity of approximately 2.2 million dwt, and six Identified Vessels with a total cargo capacity of approximately 0.4 million dwt. One of the Identified Vessels was delivered to us on November 12, 2007, and we expect the remaining five Identified Vessels to be delivered between December 2007 and March 2008.

In July 2007, we entered into agreements to acquire three drybulk vessels from unrelated third parties as follows: (i) a 2002 built super Handymax, or Supramax, vessel of 51,200 dwt, built in China, which will be chartered back to the sellers for a period of 18 months at a daily net rate of $25,650 on a bareboat basis; (ii) a 1995 built Panamax vessel of 73,506 dwt, built in South Korea, which will be time-chartered for a period of 24-26 months at a daily net rate of $29,700; and (iii) a 2000 built Handymax vessel of 45,526 dwt, built in Philippines, which will be time-chartered for a period of 14-16 months at a daily net rate of $22,000. On November 12, 2007, we took delivery of one of these vessels, the Panamax vessel M/V Bertram. The other two vessels are scheduled to be delivered between December 2007 and January 2008. The aggregate purchase price of the vessels is $148.1 million, of which we paid a deposit totaling in aggregate $14.7 million. We intend to finance the acquisition through new loan facilities, working capital, and the proceeds from this offering.

In August 2007, we entered into agreements to acquire another three drybulk vessels from unrelated third parties as follows: (i) one 2001 built Panamax vessel of 75,928 dwt, built in Japan, (ii) one 2000 built Panamax vessel of 75,933 dwt, built in Japan and (iii) one 2000 built Panamax vessel of 75,681 dwt, built in Japan. The vessels are scheduled to be delivered between January and March 2008 and to enter into spot market trading. The aggregate purchase price of the vessels is $222.0 million, of which we paid a deposit totaling in aggregate $22.2 million. We intend to finance the acquisition through new loan facilities, working capital, and the proceeds from this offering.

The following table presents the Company's fleet list and employment as of November 23, 2007:

	Dwt	Year Built	Charter Type	Expiry	Daily Base Rate	Profit Sharing Above Base Rate (2007)	Daily Charter Hire Expense
12 Suezmax Tankers							
Timeless (C)	154,970	1991	Spot (1)				$ 25,000
Flawless (C)	154,970	1991	Spot (2)				$ 25,000
Stopless (C)	154,970	1991	Time Charter	Q3/2008	$ 35,000	50% thereafter	$ 25,000
Priceless (C)	154,970	1991	Spot (3)				$ 25,000
Faultless (D)	154,970	1992	Spot (4)				$ 23,450
Noiseless (F)	149,554	1992	Spot (5)			None	
Stainless (F)	149,599	1992	Time Charter	Q3/2008 (A)	$ 44,500	None	
Endless (F)	135,915	1992	*			None	
Limitless (F)	136,055	1993	Time Charter	Q4/2008 (E)	$ 36,500		
Stormless (F)	150,038	1993	Time Charter**	Q2/2010	$ 35,000	None	
Ellen P (F)	146,286	1996	Spot (6)				
Edgeless (F)	147,048	1994	Spot (7)				
8 Handymax Tankers							
Sovereign (B)	47,084	1992	Time Charter	Q3/2009	$ 14,000	50% thereafter	$ 11,600
Relentless (B)	47,084	1992	Time Charter	Q3/2009	$ 14,000	50% thereafter	$ 11,500
Vanguard (C)	47,084	1992	Time Charter	Q1/2010	$ 15,250	50% thereafter	$ 13,200
Spotless (C)	47,094	1991	Time Charter	Q1/2010	$ 15,250	50% thereafter	$ 13,200
Doubtless (C)	47,076	1991	Time Charter	Q1/2010	$ 15,250	50% thereafter	$ 13,200
Faithful (C)	45,720	1992	Time Charter	Q2/2010	$ 14,500	100% first $500 + 50% thereafter	$ 13,200
Dauntless (F)	46,168	1999	Time Charter	Q1/2010	$ 16,250	100% first $1,000 + 50% thereafter	
Ioannis P (F)	46,346	2003	Time Charter	Q4/2010	$ 18,000	100% first $1,000 + 50% thereafter	
Total Tanker DWT	**2,163,001**						

(A) Charterers have option to extend contract for an additional one-year period.

(B) Vessels sold and leased back in August and September 2005 for a period of 7 years.

(C) Vessels sold and leased back in March 2006 for a period of 5 years.

(D)

Vessel sold and leased back in April 2006 for a period of 7 years.

(E) Charterers have option to extend contract for an additional four-year period.

(F) Owned vessels.

* In drydock.

** Time charter will commence December 5, 2007.

1. Currently on a spot charter at a rate of $53,000. Already fixed for two additional, repositioning spot charters at $22,000 each.

2. Has concluded its previous spot charter and is awaiting fixing of its next spot charter.

3. Currently completing a spot charter at a rate of $11,550. After conclusion of its current charter, will be fixed on a time charter at a daily base rate of $29,000 that will expire in Q4/2009. This charter has a profit sharing above the base rate of 65% to us.

4. Currently completing a spot charter at a rate of $25,000.

5. Currently completing a spot charter at a rate of $14,000. Already fixed for another spot charter at $75,000.

6. Currently completing a spot charter at a rate of $17,000. Already fixed for another spot charter at $40,000.

7. Currently completing a spot charter at a rate of $52,000. Already fixed for another spot charter at $41,000.

The following table presents information about the Identified Vessels:

	Dwt	Year Built	Charter Type	Expiry	Net Daily Base Rate (1)	Expected Delivery Date
Identified Vessel #1	73,506	1995	Time Charter	24-26 months from delivery, at charterer's option	$ 29,700	November 2007(2)
Identified Vessel #2	45,526	2000	Time Charter	14-16 months at charterer's option	$ 22,000	December 2007
Identified Vessel #3	51,200	2002	Bareboat Charter	May 1st or June 30th 2009, at charterer's option	$ 25,650	January 2008
Identified Vessel #4	75,928	2001	Spot			January 2008
Identified Vessel #5	75,933	2000	Spot			February 2008
Identified Vessel #6	75,681	2000	Spot			March 2008
Total Drybulk DWT	**397,774**					

(1) There are no profit sharing arrangements for these charters.

(2) We took delivery of this vessel, the M/V Bertram, on November 12, 2007.

Chartering of the Fleet

As of November 30, 2007, 13 of the 20 tankers (eight Handymax tankers and five Suezmax tankers) operated under time charter contracts with an average initial term of over three years, with all but four of the time charters including profit sharing arrangements. We seek to deploy our vessels on both time charters and in the spot market in a manner that will optimize our earnings. Upon delivery, two of the Identified Vessels will operate under time charters, one of the Identified Vessels will operate under a bareboat charter, and we expect the remaining three Identified Vessels to be employed under spot market charters.

Management of the Fleet

Since July 1, 2004, TOP Tanker Management, our wholly-owned subsidiary, has been responsible for all of the chartering, operational and technical management of our tanker fleet, including crewing, maintenance, repair, capital expenditures, drydocking, vessel taxes, maintaining insurance and other vessel operating expenses under management agreements with our vessel owning subsidiaries. TOP Tanker Management Inc. has built a management team with significant experience in operating large and diversified fleets of tankers and drybulk carriers and has expertise in all aspects of commercial, technical, management and financial areas of our business.

As of November 30, 2007, TOP Tanker Management has subcontracted the day to day technical management of two Handymax tankers and two Suezmax tankers to V.Ships Management Limited and Hanseatic Shipping Company Ltd, both being ship management companies.

Top Tanker Management will be responsible for the management of the Identified Vessels and it may subcontract certain aspects of day-to-day management to third parties.

Competitive Strengths

We believe we possess a number of distinguishing factors that provide us with a strong position within the industry including:

Multi-Sector Presence. Following our acquisition of the Identified Vessels, our vessels will carry a wide range of cargoes worldwide over a number of trade routes. Our tankers carry refined petroleum products and crude oil and we expect our drybulk carriers will carry predominantly iron ore, coal, grains, steel products, cement, bauxite, fertilizers, sugar and scrap metals. These commodities are used in the energy, construction, steel and agri-food industries. We intend to transport these cargoes on several geographically diverse routes, thereby reducing our dependency on any one cargo, industry or trade route. By diversifying into the drybulk sector, we will also reduce our dependency on the tanker sector.

Experienced Management Team. Our founder, President and Chief Executive Officer, Evangelos J. Pistiolis, has assembled a management team of senior executive officers and key employees with extensive experience in the shipping industry. Our management team has significant experience operating large and diversified fleets of tankers and drybulk carriers and has expertise in all aspects of commercial, technical, management and financial areas of our business, promoting a focused marketing effort, tight quality and cost controls, effective operations and safety.

Established Track Record. We have established a track record of growth, increasing our fleet from seven vessels representing approximately 454,000 dwt before the initial public offering of our common stock in July 2004 to 21 vessels representing approximately 2.0 million dwt after the follow-on offering of our common stock in November 2004. We now have grown to 26 vessels (including the 11 vessels sold and leased back) representing approximately 2.6 million dwt following delivery of the Identified Vessels to be acquired partially with proceeds from this offering. We believe that our management structure, operations and financial systems are well-equipped to accommodate the expansion of our fleet into the drybulk area.

Strong Customer Relationships. We have strong relationships with our customers and charterers that we believe are the result of the quality of our fleet and our reputation for dependability. Through fixed period time charters and spot charters, we provide services to many national, regional and international oil companies, charterers and oil traders, including Glencore, PDVSA, Shell and Arcadia. We focus on the needs of our customers and acquire tankers and upgrade our fleet based on their requirements and specifications, which we believe enables us to obtain repeat business from our customers. Similarly, we intend to build strategic relationships with customers and charterers in the drybulk market.

Cost-Efficient Operations. We believe we are a cost-efficient and reliable vessel operator because of the strength of our management team and the quality of our vessels. We have contained operating expenses through regular maintenance programs. Furthermore, our technical and operating expertise enables us to switch efficiently between different cargoes, such as dirty or clean refined petroleum products in our tankers, and following our acquisition of the six drybulk carriers in connection with this offering, between iron ore, coal, grains and other cargoes, in a timely manner, thereby reducing ballast time between voyages.

High-Quality Vessels. Our combined fleet will consist of high quality tankers and drybulk carriers. All of our tankers are double hulled and we believe that the Identified Vessels are high quality ships in good technical condition. We intend to acquire only vessels with high quality design and specifications and preserve their condition through our ongoing maintenance programs. We believe that this policy enhances the value of our vessels over time and enables us to operate our vessels efficiently.

Focus on Sister Ships. Approximately 87% of our current tanker fleet are sister ships. We have and will continue to seek to acquire sister ships, which provide us with efficiencies in meeting our customers' needs and enhance the revenue generating potential of our fleet by providing operational and scheduling flexibility. The uniform nature of sister ships also provides us with operating cost efficiencies in maintaining, supplying and crewing them.

Business Strategy

Our business strategy is focused on building and maintaining enduring relationships with participants in the international tanker and drybulk industries, including leading charterers, oil companies, oil traders, brokers, suppliers, classification societies, insurers and others. We seek to continue to create long-term value principally by acquiring and operating high quality double-hull, refined petroleum products and crude oil tankers on an accretive basis for our shareholders. In addition, we will diversify our fleet portfolio by acquiring drybulk vessels as described herein, beginning with the acquisition of the Identified Vessels. We intend to continue to review the market for drybulk vessels to continue our program of acquiring suitable vessels on accretive terms.

We believe we have established a reputation in the international ocean transport industry for operating and maintaining our fleet with high standards of performance, reliability and safety. We have assembled a management team comprised of executives who have extensive experience operating large and diversified fleets of tankers and drybulk vessels, and who have strong ties to a number of national, regional and international oil companies, charterers and traders.

We believe we can optimize return on our investments and maximize shareholder value through our strategy.

Diversified Sector Profile. We intend to maintain a diversified fleet profile, operating vessels in sectors and size segments within those sectors that provide seaborne transportation services to a number of industries and trades. Our fleet of double-hull tankers enable us to serve customers in both the crude oil and refined petroleum products sectors of the oil and refining industries and our drybulk carriers, beginning with the Identified Vessels, are expected to serve customers in the steel, electric utility, construction, steel and agri-food industries. This will reduce our reliance on any one industry and should provide us with diversified sources and greater stability of revenue.

Return Driven Acquisitions and Selected Fleet Expansion. We intend to grow our fleet through timely and accretive acquisitions of high quality, double-hull crude oil and refined petroleum products tankers, drybulk carriers and other types of vessels. We continuously monitor acquisition opportunities in the shipping industry among a number of sectors based on financial returns criteria. Cargo shipping sectors such as tankers, drybulk carriers, container vessels and LNG carriers share similar operating characteristics. At times, a certain shipping sector may offer unique investment opportunities that exceed those of other sectors based on our financial criteria. We seek to identify, analyze and invest when attractive opportunities arise.

Balanced Fleet Deployment. We seek to further reduce revenue volatility and enhance our potential for participation in rising charter markets by utilizing various employment contracts for our vessels. We actively and strategically deploy our fleet between time charters, which can last up to several years, and spot charters, which generally last from several weeks to six months. Vessels operating under spot charters may generate increased or decreased profit margins during periods of improvement or deterioration in charter rates, while vessels operating on period charters generally provide more predictable cash flows. After the acquisition of the Identified Vessels, 62% of our Combined Fleet will be on period charters and 38% will be on spot charters.

Significant Market Presence. Our growth strategy of operating a relatively significant fleet in selected sectors will provide us with the ability to develop a strong presence in multiple sectors of the shipping industry and to build and maintain enduring relationships with charterers. By operating a significant fleet in selected shipping sectors and size segments within those sectors, we will enhance our attractiveness to charterers by offering a variety of vessels, including sister ships, to meet their diverse scheduling needs and provide flexibility to deploy our vessels in period and spot charter contracts.

RECENT DEVELOPMENTS

In October 2007, our Board of Directors proposed to our shareholders that it would be in the best interests of the Company and its shareholders to adopt an amendment to the Company's Amended and Restated Articles of Incorporation (the "Articles") to change the Company's name to "TOP SHIPS INC." Our Board believes that the Company's name should reflect its ability to participate in various segments of the shipping industry, whereas our current name may imply that the Company is limited to one market segment. The date for the Special Meeting of the Shareholders to vote on this name change has been scheduled for December 13, 2007.

We have historically accounted for drydocking costs that qualified as "Planned Major Maintenance Activities" using the deferral method, under which we amortized drydocking costs over the estimated period of benefit between drydockings. Beginning with the fourth quarter of 2007 we intend to change our accounting policy and will now expense all drydocking costs as we incur them. The effect of this new accounting policy will be presented on a comparative basis for all periods covered in future quarterly and annual earnings announcements and filings. When the accounting policy is applied to comparatives, net income for the year ended December 31, 2006 and for the nine month period ended September 30, 2007 will decrease by approximately $26.1 million and $0.07 million, or $0.86 and $0.01 per share, respectively.

DIVIDEND POLICY

The Company does not currently pay dividends to holders of its Common Stock.

CORPORATE STRUCTURE

We were incorporated in the Marshall Islands in 2000. We own our vessels through separate wholly-owned subsidiaries incorporated in the Marshall Islands, Liberia and Cyprus. Our wholly-owned subsidiary, TOP Tanker Management, acts as manager for our current fleet, providing services such as managing day-to-day vessel operations including supervising the crewing, supplying, maintaining and drydocking of vessels, as well as providing commercial management services regarding identifying suitable vessel charter opportunities and monitoring the performance of our third-party technical management subcontractors.

We maintain our principal executive offices at 1, Vassilissis Sofias Str. & Meg., Alexandrou Str., 151 24, Maroussi, Athens, Greece. Our telephone number at that address is (011) (30) (210) 81 28 107. Our corporate website address is *www.toptankers.com*. The information contained on our website does not constitute part of this prospectus.

THE OFFERING

The following summary contains basic information about the offering of our Common Stock hereunder and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of our Common Stock, please refer to the section of this prospectus entitled "Description of Capital Stock."

Shares offered by us	21,000,000 shares of Common Stock
Shares to be outstanding immediately after this offering	58,375,726 shares of Common Stock (assumes no exercise of the underwriters' overallotment option)
Shares outstanding prior to this offering	37,375,726 shares of Common Stock
Over-allotment option	We have granted the underwriters a 30-day option to purchase from us, from time to time, up to an additional 3,150,000 shares of Common Stock, to cover any over-allotments
Use of proceeds	We expect the net proceeds we receive from this offering will be approximately $87.4 million ($100.6 million if the underwriters exercise their over-allotment option in full), after deducting the underwriting discount and estimated offering expenses. These estimates are based on an assumed public offering price of $4.42 per share, which is the last reported sale price on November 30, 2007. We intend to use our net proceeds for general corporate purposes including the acquisition of the Identified Vessels, and the repayment of outstanding indebtedness:
	$35.0 million to purchase the Identified Vessels;
	$20.0 million to repay currently outstanding debt to DVB Bank;
	$20.4 million to repay debt for (i) the acquisition of the M/V Bertram and arrangement fees and (ii) outstanding debt to DVB Bank;
	$5.0 million to repay debt for the acquisition of the Identified Vessels to HSH NORDBANK;
	the remainder for general corporate purposes.
	Please read "Use of Proceeds."
Dividend policy	We currently do not pay dividends on our Common Stock
Tax Consequences	The U.S. federal income tax and Marshall Islands tax consequences of purchasing, owning and disposing of shares of our Common Stock are described under "Tax Considerations." Prospective investors are urged to consult their own tax advisors regarding the tax consequences of purchasing, owning and disposing of our Common Stock. See "Tax Considerations".
Nasdaq Global Select Market listing	Our common stock is listed for trading on the Nasdaq Global Select Market under the symbol "TOPT."

Assuming the sale of all shares of Common Stock covered by this prospectus.

RISK FACTORS

You should carefully consider the risk factors set forth below as well as the other information in this prospectus before deciding to purchase any Common Stock. The following risks relate principally to the industry in which we operate and our business in general and are not the only risks we face. Any of the risk factors could materially and adversely affect our business, financial condition or operating results and the trading price of our common stock.

Risks Related to Our Industry

The international tanker and drybulk industries are both cyclical and volatile and this may lead to reductions and volatility in our charter rates when we re-charter our vessels, vessel values and our results of operations

The international tanker and drybulk industries in which we operate are cyclical with attendant volatility in charter hire rates and industry profitability. For both tankers and drybulk carriers, the degree of charter rate volatility among different types of vessels has varied widely. If we enter into a charter when charter rates are low, our revenues and earnings will be adversely affected. In addition, a decline in charter hire rates likely will cause the value of our vessels to decline. Although our balanced fleet deployment strategy may limit our exposure to charter rate volatility, we are nonetheless exposed to changes in spot rates for tankers and, after the acquisition of drybulk carriers without charters, drybulk carriers and such changes may affect our earnings and the value of our vessels at any given time.

The factors affecting the supply and demand for our vessels are outside our control and are unpredictable. The nature, timing, direction and degree of changes in tanker and drybulk industry conditions are also unpredictable. Factors that influence demand for tanker and drybulk carriers capacity include:

- demand for refined petroleum products and crude oil for tankers and drybulk commodities for drybulk carriers;
- changes in crude oil production and refining capacity as well as drybulk commodity production and resulting shifts in trade flows for crude oil, petroleum product and drybulk commodities;
- the location of regional and global crude oil refining facilities and drybulk commodities markets that affect the distance that refined petroleum products and crude oil or drybulk commodities are to be moved by sea;
- global and regional economic and political conditions;
- the globalization of manufacturing and other developments in international trade;
- changes in seaborne and other transportation patterns, including changes in the distances over which cargoes are transported and, with regard to drybulk, the supply of and rates for alternate means of transportation;
- environmental and other regulatory developments;
- currency exchange rates; and
- weather.

The factors that influence the supply of oceangoing vessel capacity include:

the number of newbuilding deliveries;

the scrapping rate of older vessels;

- the price of steel;
- the lead times required to purchase new vessels;
- vessel casualties;
- changes in environmental and other regulations that may limit the useful lives of vessels;
- port or canal congestion;
- the number of vessels that are out of service at a given time; and
- changes in global crude oil and drybulk commodity production.

The international tanker and drybulk shipping industries have experienced historically high charter rates and vessel values in the recent past and there can be no assurance that these historically high charter rates and vessel values will be sustained

Charter rates in the tanker and drybulk shipping industries in the recent past have been near historically high levels. We anticipate that future demand for our vessels, and in turn our future charter rates, will be dependent upon continued global economic growth as well as seasonal and regional changes in demand and changes in the capacity of the world's fleet. We believe that these charter rates are the result of continued economic growth in the world economy that exceeds growth in global vessel capacity. There can be no assurance that economic growth will not stagnate or decline leading to a decrease in vessel values and charter rates. A decline in charter rates could have a material adverse effect on our business, financial condition and results of operations.

Compliance with environmental laws or regulations may adversely affect our operations

The shipping industry in general, our business and the operation of tankers and drybulk vessels, are affected by a variety of governmental regulations in the form of numerous international conventions, national, state and local laws and international, national and local regulations in force in the jurisdictions in which such tankers and drybulk vessels operate, as well as in the country or countries in which such tankers and drybulk vessels are registered. These regulations include:

- the United States Oil Pollution Act of 1990, or OPA, which imposes strict liability for the discharge of oil into the 200-mile United States exclusive economic zone, the obligation to obtain certificates of financial responsibility for vessels trading in United States waters and the requirement that newly constructed tankers that trade in United States waters be constructed with double-hulls;
- the International Convention on Civil Liability for Oil Pollution Damage of 1969 entered into by many countries (other than the United States) relating to strict liability for pollution damage caused by the discharge of oil;
- the International Maritime Organization, or IMO, International Convention for the Prevention of Pollution from Ships with respect to strict technical and operational requirements for tankers;
- the IMO International Convention for the Safety of Life at Sea of 1974, or SOLAS, with respect to crew and passenger safety;

- the International Convention on Load Lines of 1966 with respect to the safeguarding of life and property through limitations on load capability for vessels on international voyages; and
- the United States Marine Transportation Security Act of 2002.

More stringent maritime safety rules are being imposed worldwide as a result of the oil spill off the coast of France in November 2002 relating to the loss of the M/T *Prestige*, a 26-year old single-hull tanker owned by a company not affiliated with us. Additional laws and regulations may also be adopted that could limit our ability to do business or increase the cost of our doing business and that could have a material adverse effect on our operations. In addition, we are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, certificates and financial assurances with respect to our vessel operations. In the event of war or national emergency, our tankers and drybulk vessels may be subject to requisition by the government of the flag flown by the tanker or drybulk vessel without any guarantee of compensation for lost profits. We believe our vessels are maintained in good condition in compliance with present regulatory requirements, are operated in compliance with applicable safety/environmental laws and regulations and are insured against usual risks for such amounts as our management deems appropriate. Our vessels' operating certificates and licenses are renewed periodically during each vessel's required annual survey. However, government regulation of tankers and drybulk carriers, particularly in the areas of safety and environmental impact, may change in the future and require us to incur significant capital expenditures on our ships to keep them in compliance.

Because the market value of our vessels may fluctuate significantly, we may incur losses when we sell vessels or we may be required to write down their carrying value, which will adversely affect our earnings

The fair market value of our vessels may increase and decrease depending on the following factors:

- general economic and market conditions affecting the international tanker and drybulk shipping industries;
- competition from other shipping companies;
- types, sizes and ages of vessels;
- other modes of transportation;
- cost of newbuildings;
- price of steel;
- governmental or other regulations;
- prevailing level of charter rates; and
- technological advances.

If we sell vessels at a time when vessel prices have fallen and before an impairment is identified the sale may be at less than the vessel's carrying amount in our financial statements or if vessel prices have fallen below the carrying amount in our financial statements we may be required to write down the carrying amount of the vessels on our financial statements, with the result that we shall incur a loss and a reduction in earnings.

An increase in the supply of vessel capacity without an increase in demand for vessel capacity would likely cause charter rates and vessel values to decline, which could have a material adverse effect on our revenues and profitability

The supply of vessels generally increases with deliveries of new vessels and decreases with the scrapping of older vessels, conversion of vessels to other uses, such as floating production and storage facilities, and loss of tonnage as a result of casualties. Currently there is significant new building activity with respect to virtually all sizes and classes of vessels. If the amount of tonnage delivered exceeds the number of vessels being scrapped, vessel capacity will increase. If the supply of vessel capacity increases faster than the demand for vessel capacity, the charter rates paid for our vessels as well as the value of our vessels could materially decline. Such a decline in charter rates and vessel values would likely have a material adverse effect on our revenues and profitability.

Our operating results from our tankers are subject to seasonal fluctuations, which may adversely affect our operating results and ability to pay dividends

After the acquisition of the Identified Vessels, 20 of the vessels in our Combined Fleet will be tankers, representing approximately 77% of our Combined Fleet and approximately 85% of our total deadweight capacity. We operate our tankers in markets that have historically exhibited seasonal variations in demand and, therefore, charter rates. This seasonality may result in quarter-to-quarter volatility in our operating results. The tanker sector is typically stronger in the fall and winter months in anticipation of increased oil consumption of oil and petroleum products in the northern hemisphere during the winter months. Our Handymax tankers carry, in part, refined petroleum products such as gasoline, jet fuel, kerosene, naphtha and heating oil. As a result, our revenues from our tankers may be weaker during the fiscal quarters ended June 30 and September 30, and, conversely, revenues may be stronger in fiscal quarters ended December 31 and March 31. This seasonality could materially affect our results from operations.

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. Our vessels are currently enrolled with the American Bureau of Shipping, Lloyd's Register of Shipping and Det Norske Veritas, each of which is a member of the International Association of Classification Societies.

A vessel must undergo annual surveys, intermediate surveys and special surveys. In lieu of a special survey, a vessel's machinery may be placed on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Our vessels are on special survey cycles for hull inspection and continuous survey cycles for machinery inspection. Every vessel is also required to be dry docked every two to three years for inspection of the underwater parts of such vessel.

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, which would negatively impact our revenues and results from operations.

Our earnings may be adversely affected if we do not successfully employ our vessels

We seek to deploy our vessels on both time charters and in the spot market in a manner that will optimize our earnings. As of November 30, 2007, 12 of our tanker vessels, as well as the drybulk vessel delivered to us on November 12, 2007, were contractually committed to time charters. One of the remaining Identified Vessels will initially be committed to a time charter, and another will initially be committed to a bareboat charter. Although these time charters provide relatively steady streams of revenue as well as a portion of the revenues generated by the charterer's deployment of the vessels in the spot market or otherwise, our vessels committed to time charters may not be available for spot voyages during an upturn in the tanker or drybulk industry cycle, as the case may be, when spot voyages might be more profitable. The spot market is highly competitive, and spot market charter rates may fluctuate dramatically based on the supply and demand for the major commodities internationally carried by water and other factors. We cannot assure you that future spot market voyage charters will be available at rates that will allow us to operate our vessels profitably. As of November 30, 2007, seven vessels were trading in the spot market, and we expect three of the Identified Vessels will initially trade on the spot market after their delivery to us. If we cannot continue to employ these vessels on time charters or trade them in the spot market profitably, our results of operations and operating cash flow may suffer.

World events could adversely affect our results of operations and financial condition

Terrorist attacks such as the attacks on the United States on September 11, 2001, the bombings in Spain on March 11, 2004 and in London on July 7, 2005 and the continuing response of the United States to these attacks, as well as the threat of future terrorist attacks in the United States or elsewhere, continue to cause uncertainty in the world financial markets and may affect our business, operating results and financial condition. The continuing conflict in Iraq may lead to additional acts of terrorism and armed conflict around the world, which may contribute to further economic instability in the global financial markets. These uncertainties could also adversely affect our ability to obtain any additional financing or, if we are able to obtain additional financing, to do so on terms favorable to us. In the past, political conflicts have also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea. Any of these occurrences could have a material adverse impact on our business, financial condition, results of operations and ability to pay dividends.

Increased inspection procedures and tighter import and export controls could increase costs and disrupt our business

International shipping is subject to various security and customs inspection and related procedures in countries of origin and destination. Inspection procedures can result in the seizure of contents of our vessels, delays in the loading, offloading or delivery and the levying of customs duties, fines or other penalties against us.

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

Risks Related to Our Business

If we fail to manage our planned growth properly, we may not be able to successfully expand our market share

We intend to continue to grow our fleet after the acquisition of the Identified Vessels. Our growth will depend on:

- locating and acquiring suitable vessels;
- identifying and consummating acquisitions or joint ventures;
- integrating any acquired business successfully with our existing operations;
- enhancing our customer base;
- managing expansion; and
- obtaining required financing.

Growing any business by acquisition presents numerous risks such as undisclosed liabilities and obligations, difficulty in obtaining additional qualified personnel, managing relationships with customers and suppliers and integrating newly acquired operations into existing infrastructures. We cannot give any assurance that we will be successful in executing our growth plans or that we will not incur significant additional expenses and losses in connection therewith.

As we expand our business, we will need to improve our operations and financial systems and staff; if we cannot improve these systems or recruit suitable employees, our performance may be adversely affected

Our current operating and financial systems may not be adequate as we implement our plan to expand the size of our fleet, and our attempts to improve those systems may be ineffective. If we are unable to operate our financial and operations systems effectively or to recruit suitable employees as we expand our fleet, our performance may be adversely affected.

A decline in the market value of our vessels could lead to a default under our loan agreements and the loss of our vessels

The loan agreements under our secured credit facilities contain a covenant that requires the aggregate market value of the mortgaged vessels to at all times exceed 140% of the aggregate outstanding principal amount of the loan. If the market value of our fleet declines, we may be in default of this loan covenant and we may not be able to refinance our debt or obtain additional financing. If we are unable to pledge additional collateral, our lenders could accelerate our debt and foreclose on our fleet. In addition, a sale of a vessel at a time when its market value has declined below its carrying value on our books would adversely affect our results.

Servicing current and future debt will limit funds available for other purposes and impair our ability to react to changes in our business

To finance our fleet expansion program, we incurred secured indebtedness. We must dedicate a portion of our cash flow from operations to pay the principal and interest on our indebtedness. These payments limit funds otherwise available for working capital, capital expenditures and other purposes. As of September 30, 2007, we had total indebtedness of $335.1 million (net of unamortized deferred financing fees of $3.5 million), and a ratio of indebtedness to total capital of approximately 60.8%. We will need to take on additional indebtedness as we expand our fleet, which could increase our debt to equity ratio.

Our substantial level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay, when due, the principal of, interest on or other amounts due in respect of, our indebtedness. Our substantial debt could also have other significant consequences. For example, it could:

- increase our vulnerability to general economic downturns and adverse competitive and industry conditions;
- require us to dedicate a substantial portion, if not all, of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage compared to competitors that have less debt or better access to capital;
- limit our ability to raise additional financing on satisfactory terms or at all; and
- adversely impact our ability to comply with the financial and other restrictive covenants in the indenture governing the notes and the credit agreements governing the debts of our subsidiaries, which could result in an event of default under such agreements.

Furthermore, our interest expense could increase if interest rates increase because some of the debt under the credit facilities of our subsidiaries is variable rate debt. If we do not have sufficient earnings, we may be required to refinance all or part of our existing debt, sell assets, borrow more money or sell more securities, none of which we can guarantee we will be able to do.

Our loan agreements contain restrictive covenants that may limit our liquidity and corporate activities

Our loan agreements impose operating and financial restrictions on us. These restrictions may limit our ability to:

- incur additional indebtedness;
- create liens on our assets;
- sell capital stock of our subsidiaries;
- engage in mergers or acquisitions;
- pay dividends;
- make capital expenditures or other investments;
- change the management of our vessels or terminate or materially amend the management agreement relating to each vessel; and

sell our vessels.

Therefore, we may need to seek permission from our lenders in order to engage in some corporate actions. Our lenders' interests may be different from ours, and we cannot guarantee that we will be able to obtain our lenders' permission when needed. This may prevent us from taking actions that are in our best interest.

Our ability to obtain additional debt financing 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 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 will change our accounting policy and expense all drydocking costs as we incur them, which may result in significant and varying effect on our results of operations from period to period.

We have historically accounted for drydocking costs that qualified as "Planned Major Maintenance Activities" using the deferral method, under which we amortized drydocking costs over the estimated period of benefit between drydockings. Beginning with the fourth quarter of 2007 we intend to change our accounting policy and will now expense all drydocking costs as we incur them. The effect of this new accounting policy will be presented on a comparative basis for all periods covered in future quarterly and annual earnings announcements and filings. When the accounting policy is applied to comparatives, net income for the year ended December 31, 2006 and for the nine month period ended September 30, 2007 will decrease by approximately $26.1 million and $0.07 million, or $0.86 and $0.01 per share, respectively.

Depending upon the future drydocking schedule for our fleet and the extent of repairs our vessels will require, expensing our drydocking costs as incurred could have a significant and varying effect on our results of operations from period to period and may make it difficult to compare our operating results to those of other companies.

In the highly competitive international tanker and drybulk shipping markets, we may not be able to compete for charters with new entrants or established companies with greater resources

We employ our vessels in a highly competitive market that is capital intensive and highly fragmented. The operation of tanker and drybulk vessels and the transportation of cargoes shipped in these vessels, as well as the shipping industry in general, is extremely competitive. Competition arises primarily from other vessel owners, including major oil companies as well as independent tanker and drybulk shipping companies, some of whom have substantially greater resources than we do. Competition for the transportation of oil and refined petroleum products and drybulk cargoes can be intense and depends on price, location, size, age, condition and the acceptability of the vessel and its operators to the charterers. Due in part to the highly fragmented market, competitors with greater resources could enter and operate larger fleets through consolidations or acquisitions that may be able to offer better prices and fleets than us.

Our stock price may fall below the minimum share price requirements of the NASDAQ Global Select Market

Although the price of shares of our common stock is currently above the minimum share price requirement to maintain the listing of our shares on the NASDAQ Global Select Market, it may not remain above the minimum required share price in the future. Our common stock has recently been trading between $6.00 and $3.58 per share. If our share price falls below the required $1.00 minimum share price requirement for listed stock or we fail to maintain any other listing requirements, our stock could be delisted. As long as our share price remains below $5.00, our common stock will not be marginable and this may reduce the liquidity of our common stock. Any of these events could result in an active trading market no longer existing for our shares. In addition, many institutional investors will not invest in companies whose shares trade at less than $5.00, meaning that there may be less demand for our shares if the price of our common stock falls below $5.00, which may result in a decrease in our share price.

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

We have historically derived a significant part of our revenue from a small number of charterers. In 2006, approximately 40% of our revenue was derived from 2 charterers; Glencore and Vitol provided 29% and 11% of our revenues, respectively. The occurrence of any problems with these charterers may adversely affect our revenues.

We may be unable to attract and retain key management personnel and other employees in the international tanker and drybulk shipping industries, which may negatively affect the effectiveness of our management and our results of operations

Our success depends to a significant extent upon the abilities and efforts of our management team. We have entered into employment contracts with our President, Chief Executive Officer and Director, Evangelos Pistiolis, our Chief Financial Officer and Director, Stamatios Tsantanis and our Executive Vice President and Director, Vangelis Ikonomou and our Officer Demetrios Souroullas. Our success will depend upon our ability to hire and retain key members of our management team. The loss of any of these individuals could adversely affect our business prospects and financial condition. Difficulty in hiring and retaining personnel could adversely affect our results of operations. We do not intend to maintain "key man" life insurance on any of our officers.

Risks involved with operating oceangoing vessels could affect our business and reputation, which would adversely affect our revenues and stock price

The operation of an oceangoing vessel carries inherent risks. These risks include the possibility of:

- marine disaster
- piracy;
- environmental accidents;
- cargo and property losses or damage; and
- mechanical failure, human error, war, terrorism, political action in various countries, labor strikes or adverse weather conditions.

Any of these circumstances or events could 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, and could increase our costs or lower our revenues. The involvement of our vessels in an oil spill or other environmental disaster may harm our reputation as a safe and reliable vessel operator. If one of our vessels were involved in an accident with the potential risk of environmental contamination, the resulting media coverage could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Delays in deliveries of our vessels could harm our operating results

We took delivery of one Identified Vessel on November 12, 2007, and are scheduled to take delivery of the other five Identified Vessels in connection with this offering between

December 2007 and March 2008. The delivery of the remaining five Identified Vessels, or any secondhand vessels we may purchase, could be delayed, which would delay our receipt of revenues in the spot market or under period charters for the vessels. If delivery of a vessel is materially delayed, it could adversely affect our results of operations and financial condition.

Rising fuel prices may adversely affect our profits

Fuel is a significant, if not the largest, operating expense for many of our shipping operations when our vessels are not under period charter. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by OPEC and other oil and gas producers, war and unrest in oil producing countries and regions, regional production patterns and environmental concerns. As a result, an increase in the price of fuel may adversely affect our profitability. Further, fuel may become much more expensive in future, which may reduce the profitability and competitiveness of our business versus other forms of transportation, such as truck or rail.

Our vessels may suffer damage and we may face unexpected drydocking costs, which could affect our cash flow and financial condition

If our vessels suffer damage, they may need to be repaired at a drydocking facility, resulting in vessel downtime. The costs of drydock repairs are unpredictable and can be substantial. We may have to pay drydocking costs that our insurance does not cover. The inactivity of these vessels while they are being repaired and repositioned, as well as the actual cost of these repairs, would decrease our earnings. In addition, space at drydocking facilities is sometimes limited and not all drydocking facilities are conveniently located. We may be unable to find space at a suitable drydocking facility or we may be forced to move to a drydocking facility that is not conveniently located to our vessels' positions. The loss of earnings while our vessels are forced to wait for space or to relocate to drydocking facilities that are farther away from the routes on which our vessels trade would decrease our earnings.

Purchasing and operating previously owned, or secondhand, vessels may result in increased operating costs and vessels off-hire, which could adversely affect our earnings

While we rigorously inspect previously owned, or secondhand vessels prior to purchase, this does not normally provide us with the same knowledge about their condition and cost of any required (or anticipated) repairs that we would have had if these vessels had been built for and operated exclusively by us. Also, we do not receive the benefit of warranties from the builders 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. As of November 30, 2007, 19 of the vessels in our fleet were more than 10 years of age. One of the Identified Vessels is more than 10 years of age. Older vessels are typically less fuel efficient and more costly to maintain than more recently constructed vessels due to improvements in engine technology. Cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers.

Governmental regulations, safety or other equipment standards related to the age of vessels may require expenditures for alterations, or the addition of new equipment, to our vessels and may restrict the type of activities in which the 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. If we sell vessels, we are not certain that the price for which we sell them will equal at least their carrying amount at that time.

We may not have adequate insurance to compensate us if we lose our vessels

We procure insurance for our fleet against those types of risks commonly insured against by vessel owners and operators. These insurances include hull and machinery insurance, protection and indemnity insurance, which includes environmental damage and pollution insurance coverage, war risk insurance and insurance against loss of hire, which covers business interruptions that result in the loss of use of a vessel. While we currently have loss of hire insurance that covers, subject to annual coverage limits, all of the vessels in our fleet, we may not purchase loss of hire insurance to cover newly acquired vessels. We can give no assurance that we are adequately insured against all risks. We may not be able to obtain adequate insurance coverage at reasonable rates for our fleet in the future. The insurers may not pay particular claims. Our insurance policies contain deductibles for which we will be responsible, limitations and exclusions which may nevertheless increase our costs or lower our revenue.

Maritime claimants could arrest our vessels, which could interrupt our cash flow

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 lienholder 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 cash flow and require us to pay large sums of money to have the arrest lifted.

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.

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

A government could requisition for title or seize our vessels. Requisition for title occurs when a government takes control of a vessel and becomes her owner. Also, a government could requisition our vessels for hire. Requisition for hire occurs when a government takes control of a vessel and effectively becomes her charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Government requisition of one or more of our vessels could negatively impact our revenues should we not receive adequate compensation.

Certain existing stockholders, who hold approximately 20.8% of our common stock, may have the power to exert control over us, which may limit your ability to influence our actions

Sovereign Holdings Inc., or Sovereign Holdings, a company that is wholly owned by our President, Chief Executive Officer and Director, Evangelos J. Pistiolis, and Kingdom Holdings Inc., or Kingdom Holdings, a company owned primarily by adult relatives of our President, Chief Executive Officer and Director, Evangelos J. Pistiolis, own, directly or indirectly, approximately 10.9% of the outstanding shares of our common stock. In addition, Sphinx Investment Corp., a corporation owned and controlled by unaffiliated third parties, owns 9.9% of our stock. Together, these existing shareholders own 20.8% of our common stock. While these shareholders have no agreement, arrangement or understanding relating to the voting of their shares of common stock, due to the number of shares of our common stock they own, they have the power to exert considerable influence over our actions.

Investor confidence and the market price of our common stock may be adversely impacted if we are unable to comply with Section 404 of the Sarbanes-Oxley Act of 2002.

We are subject to Section 404 of the Sarbanes-Oxley Act of 2002, which requires us to include in our annual report on Form 20-F our management's report on, and assessment of the effectiveness of, our internal controls over financial reporting. These requirements have been applied to our annual report for the fiscal year ending December 31, 2006. In addition, beginning with the annual report for the fiscal year ending December 31, 2007, our independent registered public accounting firm will be required to attest to and report on management's assessment of the effectiveness of our internal controls over financial reporting. If we fail to achieve and maintain the adequacy of our internal controls over financial reporting, we will not be in compliance with all of the requirements imposed by Section 404. Any failure to comply with Section 404 could result in an adverse reaction in the financial marketplace due to a loss of investor confidence in the reliability of our financial statements, which ultimately could harm our business and could negatively impact the market price of our common stock.

We may have to pay tax on United States source 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 vessel owning or chartering corporation, such as ourselves and our subsidiaries, that is attributable to transportation that begins or ends, but that does not begin and end, in the United States is characterized as United States source shipping income and such income is 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.

We expect that we and each of our subsidiaries will qualify for this statutory tax exemption and we have taken this position for United States federal income tax return reporting purposes. However, there are factual circumstances beyond our control that could cause us to lose the benefit of this tax exemption and thereby become subject to United States federal income tax on our United States source income. Therefore, we can give no assurances on our tax-exempt status or that of any of our subsidiaries.

If we or our subsidiaries are not entitled to this exemption under Section 883 for any taxable year, we or our subsidiaries would be subject for those years to a 4% United States federal income tax on our U.S. source shipping income. The imposition of this taxation could have a negative effect on our business.

U.S. tax authorities could treat us as a "passive foreign investment company," which could have 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, "passive income" includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute "passive income." U.S. shareholders of 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 shares in the PFIC.

Based on our current assets and activities, and our proposed method of operation, we do not believe that we will be a PFIC with respect to our current taxable year or any subsequent taxable year. In this regard, we intend to treat the gross income we derive or are deemed to derive from our time chartering activities as services income, rather than rental income. Accordingly, we believe that our income from our time chartering activities does not constitute "passive income," and the assets that we own and operate in connection with the production of that income do not constitute passive assets.

There is, however, no direct legal authority under the PFIC rules addressing our proposed method of operation. Accordingly, no assurance can be given that the U.S. Internal Revenue Service, or IRS, or a court of law will accept our position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, no assurance can be given that we would not constitute a PFIC for any future taxable year if there were to be changes in the nature and extent of our operations.

If the IRS were to find that we are or have been a PFIC for any taxable year, our U.S. shareholders will face adverse U.S. tax consequences. Under the PFIC rules, unless those shareholders make an election available under the Code (which election could itself have adverse consequences for such shareholders, as discussed below under "Tax Considerations U.S. Federal Income Taxation of U.S. Holders"), such shareholders would be liable to pay U.S. federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of our common stock, as if the excess distribution or gain had been recognized ratably over the shareholder's holding period of our common stock. See "Tax Considerations U.S. Federal Income Taxation of U.S. Holders" for a more comprehensive discussion of the U.S. federal income tax consequences to U.S. shareholders if we are treated as a PFIC.

Because we generate all of our revenues in U.S. dollars but incur a portion of our expenses in other currencies, exchange rate fluctuations could hurt our results of operations

We generate all of our revenues in U.S. dollars but incur approximately 6% of our expenses in currencies other than U.S. dollars, mainly Euros. This difference could lead to fluctuations in net income due to changes in the value of the U.S. dollar relative to the other currencies, in particular the Euro. Should the Euro appreciate relatively to the U.S. dollar, then our expenses will increase in U.S dollar terms, thereby decreasing our net income. Specifically, in the 12 months ended December 31, 2006, the value of the U.S. dollar decreased by 12.53% as compared to the Euro. We have not hedged these risks. Our operating results could suffer as a result.

We are incorporated in the Republic of the Marshall Islands, which does not have a well-developed body of corporate law

Our corporate affairs are governed by our Articles of Incorporation and Bylaws and by the Marshall Islands Business Corporations Act, or BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Republic of the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the law of the Republic 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 United States jurisdictions. Security holder 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 security holders may have more difficulty in protecting their interests in the face of actions by the management, directors or controlling shareholders than would security holders of a corporation incorporated in a United States jurisdiction.

Offering Specific Risk Factors

If we cannot complete the purchase of the vessels we intend to purchase with the proceeds of this offering, we may use the proceeds of this offering for general corporate purposes with which you may not agree

If the sellers of some or all of the vessels fail to deliver the vessels to us as agreed, or if we cancel a purchase agreement because a seller has not met its obligations to us, our management will have the discretion to apply the proceeds of this offering that we would have used to purchase those vessels to acquire other vessels or for general corporate purposes with which you may not agree. We will not escrow the proceeds from this offering and we will not return the proceeds to you if we do not take delivery of one or more vessels. It may take a substantial period of time before we can locate and purchase other suitable vessels. We cannot assure you that we will be able to charter these vessels at rates that yield returns comparable to those the vessels in our Initial Fleet might have earned.

The price of our common shares after this offering may be volatile

The price of our common shares may fluctuate due to factors such as:

- actual or anticipated fluctuations in quarterly and annual results;
- mergers and strategic alliances in the shipping industry;
- market conditions in the industry;
- changes in government regulation;
- fluctuations in our quarterly revenues and earnings and those of our publicly held competitors;
- shortfalls in our operating results from levels forecast by securities analysts;
- announcements concerning us or our competitors; and
- the general state of the securities market.

The seaborne transportation industry has been highly unpredictable and volatile. The market for common shares in this industry may be equally volatile. Consequently, you may not be able to sell the common shares at prices equal to or greater than those paid by you in this offering.

Future sales of our stock may depress our share price

The market price of our common stock could decline as a result of sales of substantial amounts of stock in the public market or the perception that these sales could occur. In addition, these factors could make it more difficult for us to raise funds through future equity offerings.

You may experience dilution in the future

Future offerings of our common shares may result in a dilution of your investment, depending on the price at which those shares will be offered.

USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately $87.4 million or approximately $100.6 million if the underwriters exercise their over-allotment option, after the payment of discounts and commissions to the underwriters. These estimates are based on an assumed public offering price of $4.42 per share, which is the last reported sale price on November 30, 2007.

We expect to use the net proceeds of this offering in the following manner:

- $35.0 million to purchase the Identified Vessels;
- $20.0 million to repay currently outstanding debt to DVB Bank (1);
- $20.4 million to repay debt for (i) the acquisition of the M/V Bertram and arrangement fees and (ii) outstanding debt to DVB Bank (2);
- $5.0 million to repay debt for the acquisition of the Identified Vessels to HSH NORDBANK (3);
- the remainder for general corporate purposes.

(1) This loan is a 5 year loan bearing interest at LIBOR plus a margin with an outstanding balance as of November 30, 2007 of $132.6 million.

(2) This repayment is part of a bridge loan of $35.0 million maturing June 30, 2008, bearing interest at LIBOR plus a margin.

(3) This loan is a 7 year loan bearing interest at LIBOR plus a margin with an outstanding balance as of November 30, 2007 of $29.7 million.

We will use some of the proceeds of this offering for general corporate or working capital purposes. See "Risk factors Risks related to our company We may use the proceeds of this offering for general corporate purposes with which you may not agree" for a discussion of the risks associated with our use of the proceeds.

CAPITALIZATION

The following table sets forth our consolidated capitalization at September 30, 2007:

- on an actual basis;
- on an adjusted basis to take effect of:
  - the drawdown of $50.1 million to (i) finance the acquisition of the M/V Bertram, delivered on November 12, 2007 and arrangement fees to DVB Bank and (ii) payments of loan installments and related fees on one of our existing loan facilities with DVB Bank;
  - the scheduled loan repayment of $7.4 million on our existing credit facility with DVB Bank;
- on a further adjusted basis to take effect of:
  - our issuance and sale of 21,000,000 shares of common stock in this offering at an assumed offering price of $4.42 per share, the last reported closing price of our common shares on November 30, 2007, net of estimated underwriters' discounts and commissions and offering expenses, and application of those proceeds as described under "Use of Proceeds";(1)(2)
  - the repayment of $45.4 million of debt with the net proceeds of this offering as described under "Use of Proceeds";
  - the indebtedness the Company intends to incur under the following credit facilities for the acquisition of the remaining Identified Vessels, which have been executed but on which no amounts have been drawn:
    - $50.0 million for the acquisition of a drybulk vessel;
    - $48.0 million for the acquisition of a drybulk vessel; and
    - $65.3 million for the acquisition of two drybulk vessels.

(Expressed in thousands of U.S. Dollars)	**As at September 30, 2007**	**As at September 30, 2007 (as adjusted)**	**As at September 30, 2007 (as further adjusted)(1)**
Debt:			
Current portion of long term debt	$ 40,190	$ 57,907	$ 32,478
Total long term debt, net of current portion	294,941	319,887	463,216
Total debt	335,131	377,794	495,694
Stockholders' equity:			

(Expressed in thousands of U.S. Dollars)	As at September 30, 2007	As at September 30, 2007 (as adjusted)	As at September 30, 2007 (as further adjusted)(1)
Common stock, $0.01 par value; 100,000,000 shares authorized; 37,375,726 and 58,375,726 shares issued and outstanding at September 30, 2007 and as adjusted, respectively	371	371	581
Additional paid-in capital	146,724	146,724	233,929
Accumulated other comprehensive loss	(6)	(6)	(6)
Retained earnings(2)	69,145	69,145	69,145
Total stockholders' equity	216,234	216,234	303,649
Total capitalization	$ 551,365	$ 594,028	$ 799,342

(1) Assumes that the over-allotment option is not exercised by the underwriters.

(2)

Does not include the effect of the change in accounting policy that we intend to make beginning with the fourth quarter of 2007. Specifically, we have historically accounted for drydocking costs that qualified as "Planned Major Maintenance Activities" ("PMMA") using the deferral method. Nevertheless, we believe the direct expense method is preferable as it eliminates the significant amount of time and subjectivity involved to determine which costs and activities related to drydocking qualify as PMMA under the deferral method.

Beginning with the fourth quarter of 2007 we intend to change our accounting policy for PMMA from the deferral method, under which we amortized drydocking costs over the estimated period of benefit between drydockings, to the direct expense method, under which we will expense all drydocking costs as incurred. We will reflect this change as a change in accounting principle from an accepted accounting principle to a preferable accounting principle in accordance with Statement of Financial Accounting Standards No. 154, *Accounting Changes and Error Corrections*.

The effect of this change in accounting policy would be a decrease in our retained earnings by $36.7 million.

PRICE RANGE OF COMMON STOCK

The trading market for our common stock is the Nasdaq Global Select Market, on which the shares are listed under the symbol "TOPT." The following table sets forth the high and low closing prices for our common stock since our initial public offering of common stock at $11.00 per share on July 23, 2004, as reported by the Nasdaq Global Select Market. The high and low closing prices for our common stock for the periods indicated were as follows:

	HIGH	LOW
For the Fiscal Year Ended December 31, 2006	$ 18.22	$ 4.65
For the Fiscal Year Ended December 31, 2005	22.00	12.27
For the Fiscal Year Ended December 31, 2004 (beginning July 23, 2004)	24.14	10.51
For the Quarter Ended:		
September 30, 2007	$ 8.40	$ 4.96
June 30, 2007	7.47	4.48
March 31, 2007	5.25	4.45
December 31, 2006	6.35	4.65
September 30, 2006	6.72	5.50
June 30, 2006	12.62	6.09
March 31, 2006	18.22	11.90
December 31, 2005	15.01	12.27
September 30, 2005	16.90	13.75
June 30, 2005	19.38	14.21
March 31, 2005	22.00	14.25
For the Month:		
December 2007 (to December 3, 2007)	$	$
November 2007	5.78	3.59
October 2007	7.41	5.70
September 2007	7.34	5.55
August 2007	7.40	4.96
July 2007	8.40	6.60
June 2007	7.47	6.05
May 2007	6.27	4.48
April 2007	4.85	4.52
March 2007	5.25	4.45
February 2007	5.23	4.75
January 2007	5.09	4.50
December 2006	5.53	4.65

DIVIDEND POLICY

The Company does not currently pay dividends to holders of its Common Stock.

BUSINESS

We are a provider of international seaborne transportation services, carrying petroleum products and crude oil and, after the delivery of the Identified Vessels, drybulk commodities for the steel, electric utility, construction and agri-food industries. Our fleet as of September 30, 2007, comprises 20 vessels (including 11 vessels sold and leased back), consisting of 8 double-hull Handymax tankers and 12 double-hull Suezmax tankers, with a total cargo carrying capacity of approximately 2.2 million dwt. In addition, we have entered into agreements to purchase six drybulk vessels, comprising one Supramax vessel, four Panamax vessels and one Handymax vessel, with a total cargo carrying capacity of 0.4 million dwt. One of the Identified Vessels, the Panamax vessel M/V Bertram, was delivered to us on November 12, 2007. Our Handymax tankers carry refined petroleum products, such as gasoline, jet fuel, kerosene, naphtha and heating oil, and our Suezmax tankers carry crude oil. 100% of our current tanker fleet is double-hull. Our drybulk vessels will carry drybulk cargoes such as iron ore, coal, grains, steel products, fertilizer, cement, bauxite, sugar and scrap metals.

We actively manage the deployment of our fleet between spot market voyage charters, which generally last from several days to several weeks, and time charters, which can last up to several years. 87% of our current tanker fleet by dwt are sister ships, which enhances the revenue generating potential of our fleet by providing us with operational and scheduling flexibility. Sister ships also increase our operating efficiencies because technical knowledge can be applied to all vessels in a series and create cost efficiencies and economies of scale when ordering spare parts, supplying and crewing those vessels.

We have agreed to acquire the Identified Vessels from their current owners for a total purchase price of $370.1 million. The acquisition of these vessels is financed in part through the proceeds of this offering and in part through new secured loan facilities in the amount of $228.0 million.

Five of the Identified Vessels, a Supramax vessel of 51,200 dwt built in 2002, a Panamax vessel of 75,928 dwt built in 2001, a Panamax vessel of 75,933 dwt built in 2000, a Panamax vessel of 75,681 dwt built in 2000 and a Handymax vessel of 45,526 dwt built in 2000, are expected to be delivered to us between December 2007 and March 2008. One of the Identified Vessels, a Panamax vessel of 73,506 dwt built in 1995 named M/V Bertram, was delivered to us on November 12, 2007. We have agreed to deploy one of the Panamax vessels on a time charter for a period of 24-26 months at $29,700 per day, the Supramax vessel on a bareboat charter to the sellers of the vessel for a period of 18 months at a daily net rate of $25,650 and the Handymax vessel on a time charter for a period of 14-16 months at $22,000. The remaining three Panamax vessels will be employed under spot market charters.

Our acquisition of the Identified Vessels will increase the size of our Combined Fleet to 26 vessels, representing approximately 2.6 million dwt. After the acquisition of the Identified Vessels, we will own 15 of the 26 vessels in our Combined Fleet.

Our Fleet

As of November 30, 2007, our Combined Fleet consisted of 26 vessels (including 11 vessels sold and leased back), comprised of 8 double-hull Handymax product tankers and 12 double-hull Suezmax tankers, with a total cargo carrying capacity of approximately 2.2 million dwt, and six Identified Vessels with a total cargo capacity of approximately 0.4 million dwt. One of the Identified Vessels was delivered to us on November 12, 2007, and we expect the remaining five Identified Vessels to be delivered between December 2007 and March 2008.

In July 2007, we entered into agreements to acquire three drybulk vessels from unrelated third parties as follows: (i) a 2002 built super Handymax, or Supramax, vessel of 51,200 dwt, built in China, which will be chartered back to the sellers for a period of 18 months at a daily net rate of $25,650 on a bareboat basis; (ii) a 1995 built Panamax vessel of 73,506 dwt, built in South Korea, which will be time-chartered for a period of 24-26 months at a daily net rate of $29,700; and (iii) a 2000 built Handymax vessel of 45,526 dwt, built in Philippines, which will be time-chartered for a period of 14-16 months at a daily net rate of $22,000. On November 12, 2007, we took delivery of one of these vessels, the Panamax vessel M/V Bertram. The other two vessels are scheduled to be delivered between December 2007 and January 2008. The aggregate purchase price of the vessels is $148.1 million, of which we paid a deposit totaling in aggregate $14.7 million. We intend to finance the acquisition through new loan facilities, working capital, and the proceeds from this offering.

In August 2007, we entered into agreements to acquire another three drybulk vessels from unrelated sellers as follows: (i) one 2001 built Panamax vessel of 75,928 dwt, built in Japan, (ii) one 2000 built Panamax vessel of 75,933 dwt, built in Japan and (iii) one 2000 built Panamax vessel of 75,681 dwt, built in Japan. The vessels are scheduled to be delivered between January and March 2008 and to enter into spot market trading. The aggregate purchase price of the vessels is $222.0 million, of which we paid a deposit totaling in aggregate $22.2 million. We intend to finance the acquisition through new loan facilities, working capital, and the proceeds from this offering.

The following table presents the Company's fleet list and employment as of November 23, 2007:

	Dwt	Year Built	Charter Type	Expiry	Daily Base Rate	Profit Sharing Above Base Rate (2007)	Daily Charter Hire Expense
12 Suezmax Tankers							
Timeless (C)	154,970	1991	Spot (1)				$ 25,000
Flawless (C)	154,970	1991	Spot (2)				$ 25,000
Stopless (C)	154,970	1991	Time Charter	Q3/2008	$ 35,000	50% thereafter	$ 25,000
Priceless (C)	154,970	1991	Spot (3)				$ 25,000
Faultless (D)	154,970	1992	Spot (4)				$ 23,450
Noiseless (F)	149,554	1992	Spot (5)			None	
Stainless (F)	149,599	1992	Time Charter	Q3/2008 (A)	$ 44,500	None	
Endless (F)	135,915	1992	*			None	
Limitless (F)	136,055	1993	Time Charter	Q4/2008 (E)	$ 36,500		
Stormless (F)	150,038	1993	Time Charter**	Q2/2010	$ 35,000	None	
Ellen P (F)	146,286	1996	Spot (6)				
Edgeless (F)	147,048	1994	Spot (7)				
8 Handymax Tankers							
Sovereign (B)	47,084	1992	Time Charter	Q3/2009	$ 14,000	50% thereafter	$ 11,600
Relentless (B)	47,084	1992	Time Charter	Q3/2009	$ 14,000	50% thereafter	$ 11,500
Vanguard (C)	47,084	1992	Time Charter	Q1/2010	$ 15,250	50% thereafter	$ 13,200
Spotless (C)	47,094	1991	Time Charter	Q1/2010	$ 15,250	50% thereafter	$ 13,200
Doubtless (C)	47,076	1991	Time Charter	Q1/2010	$ 15,250	50% thereafter	$ 13,200
Faithful (C)	45,720	1992	Time Charter	Q2/2010	$ 14,500	100% first $500 + 50% thereafter	$ 13,200
Dauntless (F)	46,168	1999	Time Charter	Q1/2010	$ 16,250	100% first $1,000 + 50% thereafter	
Ioannis P (F)	46,346	2003	Time Charter	Q4/2010	$ 18,000	100% first $1,000 + 50% thereafter	
Total Tanker DWT	**2,163,001**						

(A) Charterers have option to extend contract for an additional one-year period.

(B) Vessels sold and leased back in August and September 2005 for a period of 7 years.

(C) Vessels sold and leased back in March 2006 for a period of 5 years.

(D) Vessel sold and leased back in April 2006 for a period of 7 years.

(E) Charterers have option to extend contract for an additional four-year period.

(F) Owned vessels.

* In drydock.

** Time charter will commence December 5, 2007.

(1) Currently on a spot charter at a rate of $53,000. Already fixed for two additional, repositioning spot charters at $22,000 each.

2.

Has concluded its previous spot charter and is awaiting fixing of its next spot charter.

3. Currently completing a spot charter at a rate of $11,550. After conclusion of its current charter, will be fixed on a time charter at a daily base rate of $29,000 that will expire in Q4/2009. This charter has a profit sharing above the base rate of 65% to us.

4. Currently completing a spot charter at a rate of $25,000.

5. Currently completing a spot charter at a rate of $14,000. Already fixed for another spot charter at $75,000.

6. Currently completing a spot charter at a rate of $17,000. Already fixed for another spot charter at $40,000.

7. Currently completing a spot charter at a rate of $52,000. Already fixed for another spot charter at $41,000.

The following table presents information about the Identified Vessels:

	Dwt	Year Built	Charter Type	Expiry	Net Daily Base Rate (1)	Expected Delivery Date
Identified Vessel #1	73,506	1995	Time Charter	24-26 months from delivery, at charterer's option	$ 29,700	November 2007(2)
Identified Vessel #2	45,526	2000	Time Charter	14-16 months at charterer's option	$ 22,000	December 2007
Identified Vessel #3	51,200	2002	Bareboat Charter	May 1st or June 30th 2009, at charterer's option	$ 25,650	January 2008
Identified Vessel #4	75,928	2001	Spot			January 2008
Identified Vessel #5	75,933	2000	Spot			February 2008
Identified Vessel #6	75,681	2000	Spot			March 2008
Total Drybulk DWT	**397,774**					

(1) There are no profit sharing arrangements for these charters.

(2) We took delivery of this vessel, the M/V Bertram, on November 12, 2007.

Chartering of the Fleet

As of November 30, 2007, 13 of the 20 tankers (eight Handymax tankers and five Suezmax tankers) operated under time charter contracts with an average initial term of over three years with all but four of the time charters including profit sharing arrangements. We seek to deploy our vessels on both time charters and in the spot market in a manner that will optimize our earnings. Upon delivery, two of the Identified Vessels will operate under time charters, one of the Identified Vessels will operate under a bareboat charter, and we expect the remaining three Identified Vessels to be employed under spot market charters.

Management of the Fleet

Since July 1, 2004, TOP Tanker Management, our wholly-owned subsidiary, has been responsible for all of the chartering, operational and technical management of our tanker fleet, including crewing, maintenance, repair, capital expenditures, drydocking, vessel taxes, maintaining insurance and other vessel operating expenses under management agreements with our vessel owning subsidiaries. TOP Tanker Management Inc. has built a management team with significant experience in operating large and diversified fleets of tankers and drybulk carriers and has expertise in all aspects of commercial, technical, management and financial areas of our business.

As of November 30, 2007, TOP Tanker Management has subcontracted the day to day technical management of two Handymax tankers and two Suezmax tankers to V.Ships Management Limited and Hanseatic Shipping Company Ltd, both being ship management companies.

Top Tanker Management will be responsible for the management of the Identified Vessels and it may subcontract certain aspects of day-to-day management to third parties.

Competitive Strengths

We believe we possess a number of distinguishing factors that provide us with a strong position within the industry including:

Multi-Sector Presence. Following our acquisition of the Identified Vessels, our vessels will carry a wide range of cargoes worldwide over a number of trade routes. Our tankers carry refined petroleum products and crude oil and we expect our drybulk carriers will carry predominantly iron ore, coal, grains, steel products, cement, bauxite, fertilizers, sugar and scrap metals. These commodities are used in the energy, construction, steel and agri-food industries. We intend to transport these cargoes on several geographically diverse routes, thereby reducing our dependency on any one cargo, industry or trade route. By diversifying into the drybulk sector, we will also reduce our dependency on the tanker sector.

Experienced Management Team. Our founder, President and Chief Executive Officer, Evangelos J. Pistiolis, has assembled a management team of senior executive officers and key employees with extensive experience in the shipping industry. Our management team has significant experience operating large and diversified fleets of tankers and drybulk carriers and has expertise in all aspects of commercial, technical, management and financial areas of our business, promoting a focused marketing effort, tight quality and cost controls, effective operations and safety.

Established Track Record. We have established a track record of growth, growing from seven vessels representing approximately 454,000 dwt before the initial public offering of our common stock in July 2004 to 21 vessels representing approximately 2.0 million dwt after the follow-on offering of our common stock in November 2004. We now have grown to 26 vessels (including the 11 vessels sold and leased back) representing approximately 2.6 million dwt following delivery of the Identified Vessels to be acquired partially with proceeds from this offering. We believe that our management structure, operations and financial systems are well-equipped to accommodate the expansion of our fleet into the drybulk area.

Strong Customer Relationships. We have strong relationships with our customers and charterers that we believe are the result of the quality of our fleet and our reputation for dependability. Through fixed period time charters and spot charters, we provide services to many national, regional and international oil companies, charterers and oil traders, including Glencore, PDVSA, Shell and Arcadia. We focus on the needs of our customers and acquire tankers and upgrade our fleet based on their requirements and specifications, which we believe enables us to obtain repeat business from our customers. Similarly, we intend to build strategic relationships with customers and charterers in the drybulk market.

Cost-Efficient Operations. We believe we are a cost-efficient and reliable vessel operator because of the strength of our management team and the quality of our vessels. We have contained operating expenses through rigorous regular maintenance programs. Furthermore, our technical and operating expertise enables us to switch efficiently between different cargoes, such as dirty or clean refined petroleum products in our tankers, and following our acquisition of the six drybulk carriers in connection with this offering, between iron ore, coal, grains and other cargoes, in a timely manner, thereby reducing ballast time between voyages.

High-Quality Vessels. Our combined fleet will consist of high quality tankers and drybulk carriers. All of our tankers are double hulled and we believe that the Identified Vessels are high quality ships in good technical condition. We intend to acquire only vessels with high quality design and specifications and preserve their condition through our ongoing maintenance programs. We believe that this policy enhances the value of our vessels, over time and enables us to operate our vessels efficiently.

Focus on Sister Ships. Approximately 87% of our current tanker fleet are sister ships. We have and will continue to seek to acquire sister ships, which provide us with efficiencies in meeting our customers' needs and enhance the revenue generating potential of our fleet by providing operational and scheduling flexibility. The uniform nature of sister ships also provides us with operating cost efficiencies in maintaining, supplying and crewing them.

Business Strategy

Our tanker business strategy is focused on building and maintaining enduring relationships with participants in the international tanker industry, including leading charterers, oil companies, oil traders, brokers, suppliers, classification societies, insurers and others. We seek to continue to create long-term value principally by acquiring and operating high quality double-hull, refined petroleum products and crude oil tankers on an attractive basis for our shareholders. In addition, we will diversify our fleet portfolio by acquiring drybulk vessels as described herein, beginning with the acquisition of the Identified Vessels. We intend to continue to review the market for drybulk vessels to continue our program of acquiring suitable vessels on attractive terms.

We believe we have established a reputation in the international ocean transport industry for operating and maintaining our fleet with high standards of performance, reliability and safety. We have assembled a management team comprised of executives who have extensive experience operating large and diversified fleets of tankers and drybulk vessels, and who have strong ties to a number of national, regional and international oil companies, charterers and traders.

We believe we can optimize return on our investments and maximize shareholder value through our strategy.

Diversified Sector Profile. We intend to maintain a diversified fleet profile, operating vessels in sectors and size segments within those sectors that provide seaborne transportation services to a number of industries and trades. Our fleet of double-hull tankers enable us to serve customers in both the crude oil and refined petroleum products sectors of the oil and refining industries and our drybulk carriers, beginning with the Identified Vessels, are expected to serve customers in the steel, electric utility, construction, steel and agri-food industries. This reduces our reliance on any one industry and provides us with diversified sources and greater stability of revenue.

Return Driven Acquisitions and Selected Fleet Expansion. We intend to grow our fleet through timely and attractive acquisitions of high quality, double-hull crude oil and refined petroleum products tankers, drybulk carriers and other types of vessels. We continuously monitor acquisition opportunities in the shipping industry among a number of sectors based on certain financial returns criteria. Cargo shipping sectors such as tankers, drybulk carriers, container vessels and LNG carriers share similar operating characteristics. At times, a certain shipping sector may offer unique investment opportunities that exceed those of other sectors based on our financial criteria. We seek to identify, analyze and invest when attractive opportunities arise.

Balanced Fleet Deployment. We seek to further reduce revenue volatility and enhance our potential for participation in rising charter markets by utilizing various employment contracts for our vessels. We actively and strategically deploy our fleet between time charters, which can last up to several years, and spot charters, which generally last from several weeks to six months. Vessels operating under spot charters may generate increased or decreased profit margins during periods of improvement or deterioration in charter rates, while vessels operating on period charters generally provide more predictable cash flows. After the acquisition of the Identified vessels, 62% of our Combined Fleet will be on period charters and 38% will be on spot charters.

Significant Market Presence. Our growth strategy of operating a relatively significant fleet in selected sectors will provide us with the ability to develop a strong presence in multiple sectors of the shipping industry and to build and maintain enduring relationships with charterers. By operating a significant fleet in selected shipping sectors and size segments within those sectors, we will enhance our attractiveness to charterers by offering a variety of vessels, including sister ships, to meet their diverse scheduling needs and provide flexibility to deploy our vessels in period and spot charter contracts.

Crewing and Employees

As of December 31, 2006 and September 30, 2007, TOP TANKERS Inc. had three and four employees, respectively, while our wholly-owned subsidiary, TOP Tanker Management, employed approximately 68 and 87 employees, respectively, all of whom are shore-based. TOP Tanker Management ensures that all seamen have the qualifications and licenses required to comply with international regulations and shipping conventions, and that our vessels employ experienced and competent personnel.

All of the employees of TOP Tanker Management are subject to a general collective bargaining agreement covering employees of shipping agents in Greece. These agreements set industry-wide minimum standards. We have not had any labor problems with our employees under this collective bargaining agreement and consider our workplace and labor union relations to be good.

Environmental Regulation

Government regulations and laws significantly affect the ownership and operation of our vessels. We are subject to various international conventions, national, state and local laws and regulations in force in the countries in which our vessels may operate or are registered. We cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our vessels.

Various governmental and quasi-governmental agencies require us to obtain permits, licenses, certificates and financial assurances for the operation of our vessels.

We believe that the heightened levels of environmental and quality concerns among insurance underwriters, regulators and charterers have led to greater inspection and safety requirements on all vessels and may accelerate the scrapping of older vessels throughout the industry. Increasing environmental concerns have created a demand for vessels that conform to the stricter environmental standards. We are required to maintain operating standards for all of our vessels that emphasize operational safety, quality maintenance, continuous training of our officers and crews and compliance with applicable local, national and international environmental laws and regulations. We believe that the operation of our vessels is in substantial compliance with applicable environmental laws and regulations and that our vessels have all material permits licenses, certificates or other authorizations necessary for the conduct of our operations. However, because such laws and regulations are frequently changed and may impose increasingly stricter requirements, we cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our vessels. In addition, a future serious marine incident that results in significant oil pollution or otherwise causes significant adverse environmental impact could result in additional legislation or regulation that could negatively affect our profitability.

Our vessels are subject to both scheduled and unscheduled inspections by a variety of governmental and private entities, each of which may have unique requirements. These entities include the local port authorities (U.S. Coast Guard, harbor master or equivalent), classification societies, flag state administration (country of registry) and charterers, particularly terminal operators and oil companies. Failure to maintain necessary permits or approvals could require us to incur substantial costs or temporarily suspend operation of one or more of our vessels.

International Maritime Organization (IMO)

The International Maritime Organization, or IMO (the United Nations agency for maritime safety and the prevention of pollution by ships), has adopted the International Convention for the Prevention of Marine Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, which has been updated through various amendments, or the "MARPOL Convention". The MARPOL Convention implements standards relating to various environmental matters, including oil leakage or spilling, garbage management, the handling and disposal of noxious liquids, harmful substances in packaged forms, sewage and air emissions. These regulations, which have been implemented in many jurisdictions in which our vessels operate, provide in part, that:

- 25 year old tankers must be of double-hull construction or of a mid-deck design with double-sided construction, unless:

  (1) they have wing tanks or double-bottom spaces not used for the carriage of oil, which cover at least 30% of the length of the cargo tank section of the hull or bottom; or

  (2) they are capable of hydrostatically balanced loading (loading less cargo into a tanker so that in the event of a breach of the hull, water flows into the tanker, displacing oil upwards instead of into the sea);

- 30 year old tankers must be of double-hull construction or mid-deck design with double sided construction; and

- all tankers will be subject to enhanced inspections.

Also, under IMO regulations, a tanker must be of double-hull construction, a mid-deck design with double-sided construction, or another approved design ensuring the same level of protection against oil pollution if the tanker:

- is the subject of a contract for a major conversion or original construction on or after July 6, 1993;

- commences a major conversion or has its keel laid on or after January 6, 1994; or

- completes a major conversion or is a newbuilding delivered on or after July 6, 1996.

Our vessels are also subject to regulatory requirements imposed by the IMO, including the phase-out of single-hull tankers. Effective September 2002, the IMO accelerated its existing timetable for the phase-out of single hull oil tankers. At that time, these regulations required the phase-out of most single hull oil tankers by 2015 or earlier, depending on the age of the tanker and whether it has segregated ballast tanks. We do not currently own any single-hull vessels.

Under the regulations, the flag state may allow for some newer single hull ships registered in its country that conform to certain technical specifications to continue operating until the 25th anniversary of their delivery. Any port state, however, may deny such single hull tankers entry to its ports or offshore terminals. These regulations have been adopted by over 150 nations, including many of the jurisdictions in which our tankers operate.

As a result of the oil spill in November 2002 relating to the loss of the M/T Prestige, which was owned by a company not affiliated with us, in December 2003, the Marine Environmental Protection Committee of the IMO, or MEPC, adopted an amendment to the MARPOL Convention, which became effective in April 2005. The amendment revised existing regulation 13G, accelerating the phase-out of single hull oil tankers, and adopted a new regulation 13H relating to the prevention of oil pollution from oil tankers when carrying heavy grade oil, or HGO. Under the revised regulation 13G, single hull oil tankers were required to be phased out no later than April 5, 2005, or the anniversary of the date of delivery of the ship on the date or in the year specified in the following table:

Category of Oil Tankers	**Date or Year for Phase Out**
Category 1 oil tankers of 20,000 dwt and above carrying crude oil, fuel oil, heavy diesel oil or lubricating oil as cargo, and of 30,000 dwt and above carrying other oils, which do not comply with the requirements for protectively located segregated ballast tanks	April 5, 2005 for ships delivered on April 5, 1982 or earlier 2005 for ships delivered after April 5, 1982
Category 2 oil tankers of 20,000 dwt and above carrying crude oil, fuel oil, heavy diesel oil or lubricating oil as cargo, and of 30,000 dwt and above carrying other oils, which do comply with the protectively located segregated ballast tank requirements and Category 3 oil tankers of 5,000 dwt and above but less than the tonnage specified for Category 1 and 2 tankers.	April 5, 2005 for ships delivered on April 5, 1977 or earlier 2005 for ships delivered after April 5, 1977 but before January 1, 1978 2006 for ships delivered in 1978 and 1979 2007 for ships delivered in 1980 and 1981 2008 for ships delivered in 1982 2009 for ships delivered in 1983 2010 for ships delivered in 1984 or later

A flag state may permit continued operation of certain Category 2 or 3 tankers beyond their phase out date in accordance with the above schedule. Under regulation 13G, the flag state may allow for some newer single hull oil tankers registered in its country that conform to certain technical specifications to continue operating, in the case of each such tanker, until the earlier of the anniversary of the date of delivery of the vessel in 2015 or the 25th anniversary of its delivery. Under regulations 13G and 13H, as described below, certain Category 2 and 3 tankers fitted only with double bottoms or double sides may be allowed by the flag state to continue operations until their 25th anniversary of delivery. Any port state, however, may deny entry of those single hull oil tankers operating under any of the flag state exemptions.

In October 2004, the MEPC, adopted a unified interpretation to regulation 13G that clarified the date of delivery for tankers that have been converted. Under the interpretation, where an oil tanker has undergone a major conversion that has resulted in the replacement of the fore-body, including the entire cargo carrying section, the major conversion completion date of the oil tanker is deemed to be the date of delivery of the ship, provided that:

the oil tanker conversion was completed before July 6, 1996;

the conversion included the replacement of the entire cargo section and fore-body and the tanker complies with all the relevant provisions of MARPOL Convention applicable at the date of completion of the major conversion; and

0 shares

SHARES
BENEFICIALLY
OWNED BY

6
SHARED VOTING POWER

2,681,250 shares

EACH
REPORTING
PERSON

7
SOLE DISPOSITIVE POWER

0 shares

WITH

8
SHARED DISPOSITIVE POWER

2,681,250 shares

9
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,681,250 shares

10
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) o

11
PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

7.9%

12
TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

1	NAMES OF REPORTING PERSONS Ravi Viswanathan		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) o (b) o		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION United States citizen		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		5	SOLE VOTING POWER 0 shares
		6	SHARED VOTING POWER 2,681,250 shares
		7	SOLE DISPOSITIVE POWER 0 shares
		8	SHARED DISPOSITIVE POWER 2,681,250 shares
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,681,250 shares		
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) o		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 7.9%		
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IN		

1	NAMES OF REPORTING PERSONS Harry R. Weller		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) o (b) o		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION United States citizen		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		5	SOLE VOTING POWER 0 shares
		6	SHARED VOTING POWER 2,681,250 shares
		7	SOLE DISPOSITIVE POWER 0 shares
		8	SHARED DISPOSITIVE POWER 2,681,250 shares
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,681,250 shares		
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) o		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 7.9%		
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IN		

Schedule 13G

Item 1(a). Name of Issuer:

Alimera Sciences, Inc.

Item 1(b). Address of Issuer's Principal Executive Offices:

6120 Windward Parkway Suite 290, Alpharetta, GA 30005

Item 2(a). Names of Persons Filing:

Growth Equity Opportunities Fund III, LLC ("GEO"); New Enterprise Associates 14, L.P. ("NEA 14"), which is the sole member of GEO; NEA Partners 14, L.P. ("NEA Partners 14"), which is the sole general partner of NEA 14; NEA 14 GP, LTD ("NEA 14 GP"), which is the sole general partner of NEA Partners 14; and Michael James Barrett ("Barrett"), Peter J. Barris ("Barris"), Forest Baskett ("Baskett"), Ryan D. Drant ("Drant"), Anthony A. Florence, Jr. ("Florence"), Patrick J. Kerins ("Kerins"), Krishna S. Kolluri ("Kolluri"), David M. Mott ("Mott"), Scott D. Sandell ("Sandell"), Peter W. Sonsini ("Sonsini"), Ravi Viswanathan ("Viswanathan") and Harry R. Weller ("Weller") (collectively, the "Directors"). The Directors are the individual directors of NEA 14 GP. GEO, NEA 14, NEA Partners 14, NEA 14 GP and the Directors are sometimes referred to collectively herein as the "Reporting Persons."

Item 2(b). Address of Principal Business Office or, if None, Residence:

The address of the principal business office of GEO, NEA 14, NEA Partners 14 and NEA 14 GP is New Enterprise Associates, 1954 Greenspring Drive, Suite 600, Timonium, MD 21093. The address of the principal business office of Baskett, Kolluri, Sandell, Sonsini and Viswanathan is New Enterprise Associates, 2855 Sand Hill Road, Menlo Park, California 94025. The address of the principal business office of Barrett, Barris, Drant, Florence, Kerins, Mott and Weller is New Enterprise Associates, 5425 Wisconsin Avenue, Suite 800, Chevy Chase, MD 20815.

Item 2(c). Citizenship:

GEO is a limited liability company organized under the laws of the State of Delaware. NEA 14 GP is an exempted company organized under the laws of the Cayman Islands. Each of NEA 14 and NEA Partners 14 is an exempted limited partnership organized under the laws of the Cayman Islands. Each of the Directors is a United States citizen.

Item 2(d). Title of Class of Securities:

Common Stock, $.01 par value ("Common Stock").

Item 2(e). CUSIP Number:

016259103

Item 3. If this statement is filed pursuant to §§ 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

Not applicable.

Item 4. Ownership.

(a) Amount Beneficially Owned: GEO is a party to a Securities Purchase Agreement (the "Purchase Agreement") with the Issuer and other institutional investors for the purchase (the "Transaction") of 150,000 shares of Series A Convertible Preferred Stock of the Issuer (the "Series A Preferred") and a warrant to purchase 45,000 shares of Series A Preferred (the "Warrant").

The shares of Series A Preferred are governed by the Certificate of Designation of Series A Preferred (the "Certificate of Designation"), a form of which is attached as Exhibit 3.5 to the Issuer's Form 8-K filed on July 18, 2012 (the "8-K") and incorporated by reference herein. Pursuant to the Certificate of Designation and the Purchase Agreement, a form of which is attached as Exhibit 10.36 to the 8-K and incorporated by reference herein, GEO has the right to convert shares of Series A Preferred into Common Stock at any time after the closing of the Transaction (the "Closing"). Based on the initial conversion price provided in the Certificate of Designation (the "Initial Conversion Price"), after the Closing, the shares of Series A Preferred will be convertible into a maximum of 2,062,500 shares of Common Stock. In addition, pursuant to the Warrant, a form of which is attached as Exhibit 4.10 to the 8-K and incorporated by reference herein, after the Closing, GEO will have the right to purchase up to 45,000 additional shares of Series A Preferred at any time or, alternatively, GEO may purchase up to the number of shares of Common Stock into which such shares of Series A Preferred are convertible. After the Closing, in the event that GEO purchases Common Stock and based on the Initial Conversion Price of the Series A Preferred that would otherwise be issued, GEO may purchase up to 618,750 shares of Common Stock pursuant to the Warrant.

The Closing is subject to customary closing conditions, including the approval of the Transaction by the holders of a majority of the outstanding shares of Common Stock, as required under the applicable rules of The NASDAQ Global Market, at a special meeting of the stockholders of the Company. Stockholders holding approximately 56% of the Common Stock, as of July 17, 2012, have entered into separate agreements with the Issuer whereby such stockholders have agreed to vote all shares of Common Stock held by them as of the special meeting of the stockholders of the Issuer in favor of the Transaction. Accordingly, at this time, GEO may be deemed to own beneficially a total of 2,681,250 shares of Common Stock (the "Securities").

As the sole member of GEO, NEA 14 may be deemed to own beneficially the Securities and to share beneficial ownership with GEO. As the general partner of NEA 14, NEA Partners 14 may also be deemed to own beneficially the Securities. As the general partner of NEA Partners 14, NEA 14 GP likewise may be deemed to own beneficially the Securities. As the individual Directors of NEA 14 GP, each of the Directors also may be deemed to own beneficially the Securities.

(b) Percent of Class: See Line 11 of cover sheets. The percentages set forth on the cover sheets for each Reporting Person are calculated based on 34,113,605 shares of Common Stock, which includes (i) 31,432,355 shares of Common Stock reported to be outstanding by the Issuer as of May 9, 2012 on Form 10-Q filed with the Securities and Exchange Commission on May 11, 2012 and (ii) the Securities.

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote: See Line 5 of cover sheets.

(ii) shared power to vote or to direct the vote: See Line 6 of cover sheets.

(iii) sole power to dispose or to direct the disposition of: See Line 7 of cover sheets.

(iv) shared power to dispose or to direct the disposition of: See Line 8 of cover sheets.

Each Reporting Person disclaims beneficial ownership of such shares of Common Stock except for the shares, if any, such Reporting Person holds of record.

Item 5. Ownership of Five Percent or Less of a Class.

Not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

Not applicable.

Item 8. Identification and Classification of Members of the Group.

Not applicable. The Reporting Persons expressly disclaim membership in a "group" as used in Rule 13d-5(b).

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certification.

By signing below, each Reporting Person certifies that, to the best of his or its knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Material to be Filed as Exhibits.

Exhibit 1 – Agreement regarding filing of joint Schedule 13G.

Exhibit 2 – Power of Attorney regarding Schedule 13G filings.

SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: July 27, 2012

GROWTH EQUITY OPPORTUNITIES FUND III, LLC

By: NEW ENTERPRISE ASSOCIATES 14, L.P.
Sole Member

By: NEA PARTNERS 14, L.P.
General Partner

By: NEA 14 GP, LTD
General Partner

By: *
Peter J. Barris
Director

NEW ENTERPRISE ASSOCIATES 14, L.P.

By: NEA PARTNERS 14, L.P.
General Partner

By: NEA 14 GP, LTD
General Partner

By: *
Peter J. Barris
Director

NEA PARTNERS 14, L.P.

By: NEA 14 GP, LTD
General Partner

By: *
Peter J. Barris
Director

NEA 14 GP, LTD

By: *
Peter J. Barris
Director

*
Michael James Barrett

*
Peter J. Barris

*
Forest Baskett

*
Ryan D. Drant

*
Anothony A. Florence, Jr.

*
Patrick J. Kerins

*
Krishna S. Kolluri

*
David M. Mott

*
Scott D. Sandell

*
Peter W. Sonsini

*
Ravi Viswanathan

*
Harry R. Weller

*/s/ Louis S. Citron

Louis S. Citron
As attorney-in-fact

This Schedule 13G was executed by Louis S. Citron on behalf of the individuals listed above pursuant to a Power of Attorney a copy of which is attached as Exhibit 2.

EXHIBIT 1

AGREEMENT

Pursuant to Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, the undersigned hereby agree that only one statement containing the information required by Schedule 13G need be filed with respect to the ownership by each of the undersigned of shares of stock of Alimera Sciences, Inc.

EXECUTED this 27th day of July, 2012

GROWTH EQUITY OPPORTUNITIES FUND III, LLC

By: NEW ENTERPRISE ASSOCIATES 14, L.P.
Sole Member

By: NEA PARTNERS 14, L.P.
General Partner

By: NEA 14 GP, LTD
General Partner

By: *
Peter J. Barris
Director

NEW ENTERPRISE ASSOCIATES 14, L.P.

By: NEA PARTNERS 14, L.P.
General Partner

By: NEA 14 GP, LTD
General Partner

By: *
Peter J. Barris
Director

NEA PARTNERS 14, L.P.

By: NEA 14 GP, LTD
General Partner

By: *
Peter J. Barris
Director

NEA 14 GP, LTD

By: *
Peter J. Barris
Director

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Krishna S. Kolluri

*
David M. Mott

*
Scott D. Sandell

*
Peter W. Sonsini

*
Ravi Viswanathan

*
Harry R. Weller

*/s/ Louis S. Citron

Louis S. Citron
As attorney-in-fact

This Agreement relating to Schedule 13G was executed by Louis S. Citron on behalf of the individuals listed above pursuant to a Power of Attorney a copy of which is attached hereto as Exhibit 2.

EXHIBIT 2

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Charles W. Newhall III, Louis S. Citron, Eugene A. Trainor III, Timothy Schaller and Shawn Conway, and each of them, with full power to act without the others, his true and lawful attorney-in-fact, with full power of substitution, to sign any and all instruments, certificates and documents that may be necessary, desirable or appropriate to be executed on behalf of himself as an individual or in his capacity as a direct or indirect general partner, director, officer or manager of any partnership, corporation or limited liability company, pursuant to section 13 or 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any and all regulations promulgated thereunder, and to file the same, with all exhibits thereto, and any other documents in connection therewith, with the Securities and Exchange Commission, and with any other entity when and if such is mandated by the Exchange Act or by the Financial Industry Regulatory Authority, granting unto said attorney-in-fact full power and authority to do and perform each and every act and thing necessary, desirable or appropriate, fully to all intents and purposes as he might or could do in person, thereby ratifying and confirming all that said attorney-in-fact, or his substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, this Power of Attorney has been signed as of the 4th day of May, 2009.

/s/ M. James Barrett

M. James Barrett

/s/ Peter J. Barris

Peter J. Barris

/s/ Forest Baskett

Forest Baskett

/s/ Rohini Chakravarthy

Rohini Chakravarthy

/s/ Patrick Chung

Patrick Chung

/s/ Ryan Drant

Ryan Drant

/s/ Anthony A. Florence

Anthony A. Florence

/s/ Robert Garland

Robert Garland

/s/ Paul Hsiao

Paul Hsiao

/s/ Patrick J. Kerins

Patrick J. Kerins

/s/ Suzanne King

Suzanne King

/s/ Krishna S. Kolluri

Krishna S. Kolluri

/s/ C. Richard Kramlich

C. Richard Kramlich

/s/ Charles M. Linehan

Charles M. Linehan

/s/ Edward Mathers

Edward Mathers

/s/ David M. Mott

David M. Mott

/s/ John M. Nehra

John M. Nehra

/s/ Charles W. Newhall III

Charles W. Newhall III

/s/ Jason R. Nunn

Jason R. Nunn

/s/ Mark W. Perry

Mark W. Perry

/s/ Jon Sakoda

Jon Sakoda

/s/ Scott D. Sandell

Scott D. Sandell

/s/ Peter W. Sonsini

Peter W. Sonsini

/s/ A. Brooke Seawell

A. Brooke Seawell

/s/ Eugene A. Trainor III

Eugene A. Trainor III

/s/ Ravi Viswanathan

Ravi Viswanathan

/s/ Paul E. Walker

Paul E. Walker

/s/ Harry Weller

Harry Weller