

# Batista's OSX says it filed for bankruptcy protection

RIO DE JANEIRO: Debt-hit shipbuilding company OSX said early last week that it had filed for bankruptcy protection in Rio de Janeiro, the second unit in Brazilian tycoon Eike Batista's crumbling empire to do so.



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Earlier in the day trading of the OSX stock was suspended on the Sao Paulo bourse ahead of the filing, spokeswoman Roberta Brandao said.

On Friday, OSX announced that its board of directors had approved the recourse to bankruptcy protection.

Monday's move came less than two weeks after Batista's crippled oil giant OGX, which has debts totaling \$5.4 billion, also filed for protection to avoid default following the failure of debt-restructuring talks with creditors.

OSX and OGX are part of Batista's collapsing EBX empire of energy, mining and logistics companies.

If the court accepts the request, OSX will have 60 days to come up with a restructuring plan for its \$2.3 billion debt.

On Friday, OSX also announced the ouster of its chief executive Marcelo Gomes who is being replaced by Ivo Dworshak.

It set a special meeting of its shareholders for November 28 and said it planned to change its name.

Last week, OSX said it reached agreement with state-run Caixa Economic Federal to refinance a \$210 million loan for another year.

The loan, which was extended from October 19, was to finance construction of Batista's Acu Superport, located in Sao Joao da Barra, in the north of Rio de Janeiro state.

OSX said it also signed a contract guaranteeing the loan extension with Spanish banking giant Santander. The decline of EBX began in the middle of last year, when OGX announced that its oil production would be a quarter of what it had

promised.

In three years, EBX's worth has plummeted from \$43.5 billion to less than \$3 billion.

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