

Baltic Trading Ltd
Form 424B5
May 21, 2013

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The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. A registration statement relating to the Securities has been declared effective by the Securities and Exchange Commission. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 21, 2013

Filed Pursuant to Rule 424(b)(5)
Registration Statement No. 333-168700

Preliminary Prospectus Supplement
(to Prospectus dated March 22, 2013)

Shares

BALTIC TRADING LIMITED

Common Stock

We are offering _____ shares of common stock pursuant to this prospectus supplement and the accompanying prospectus. Our common stock is listed on the New York Stock Exchange under the symbol "BALT." On May 20, 2013, the last reported sale price of our common stock on the New York Stock Exchange was \$3.98 per share.

The aggregate market value of our outstanding common stock held by non-affiliates pursuant to General Instruction I.B.6 of Form S-3 was approximately \$70.1 million, which was calculated based on the closing price of our common stock reported by the NYSE as of a date within 60 days prior to the date hereof. Other than the shares of common stock offered pursuant to this prospectus supplement, we have not offered any securities pursuant to General Instruction I.B.6 of Form S-3 during the 12 calendar months prior to and including the date of this prospectus supplement.

We have two classes of stock outstanding, common stock and Class B Stock. The rights of the holders of shares of common stock and Class B Stock are identical, except with respect to voting and conversion. Each share of common stock is entitled to one vote per share. Each share of Class B Stock is entitled to 15 votes per share and is convertible at any time at the election of the holder into one share of common stock. If holders of a majority of the Class B Stock so elect, the aggregate voting power of the Class B Stock will be limited to a maximum of 49% of the voting power of our outstanding common stock and Class B Stock, voting together as a single class.

Investing in our common stock involves a high degree of risk. Please read "Risk Factors" beginning on page S-12 of this prospectus supplement, on page 1 of the accompanying prospectus and in the documents incorporated by reference into this prospectus supplement.

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

contrary is a criminal offense.

| | Per Share | Total |
|---|----------------------|--------------|
| Public offering price | \$ | \$ |
| Underwriting discounts and commissions ⁽¹⁾ | \$ | \$ |
| Proceeds to us (before expenses) | \$ | \$ |

⁽¹⁾ See "Underwriting".

Delivery of the shares of common stock is expected to be made on or about _____, 2013. We have granted the underwriter an option for a period of 30 days to purchase an additional _____ shares of our common stock. If the underwriter exercises the option in full, the total underwriting discounts and commissions payable by us will be \$ _____, and the total proceeds to us, before expenses, will be \$ _____.

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_____, 2013

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to this offering. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus, the information in this prospectus supplement controls. Before you invest in shares of our common stock, you should carefully read this prospectus supplement, along with the accompanying prospectus, in addition to the information contained in the documents referred to under the heading "Where You Can Find More Information" and "Incorporation of Certain Documents by Reference" in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any "free writing prospectus" we may authorize to be delivered to you. Neither we nor the underwriter has authorized anyone to provide you with information that is different. If anyone provides you with different or inconsistent information, you should not rely on it. In making an investment decision regarding the common stock we are offering, you must rely on your own examination of our company and the terms of this offering, including the potential merits and risks involved. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy shares of our common stock in any jurisdiction where such offer or any sale would be unlawful. You should not assume that the information in this prospectus supplement, the accompanying prospectus or any free writing prospectus we may authorize to be delivered to you, including any information incorporated by reference, is accurate as of any date other than their respective dates. If any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in this prospectus supplement or the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement.

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PROSPECTUS SUPPLEMENT SUMMARY

This section summarizes material information that appears later or is incorporated by reference in this prospectus and is qualified in its entirety by the more detailed information and financial statements included elsewhere or incorporated by reference 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 carefully review the entire prospectus and the documents incorporated by reference herein, including the risk factors and the more detailed information that appears later.

Unless we specify otherwise, when used in this prospectus the terms "Baltic Trading Limited," the "Company," "we," "our" and "us" refer to Baltic Trading Limited. References to "Genco" or "our Manager" are to Genco Shipping & Trading Limited, which provides to us commercial, technical, administrative and strategic services.

Unless otherwise indicated, all references to "dollars" and "\$" in this prospectus are to, and amounts are presented in, U.S. Dollars. Except where we or the context otherwise indicate, the information presented in this prospectus assumes that the underwriter will not exercise its option to purchase additional shares.

Overview

We are a New York City-based company incorporated in October 2009 in the Marshall Islands to conduct a shipping business focused on the drybulk industry spot market. We were formed by Genco Shipping & Trading Limited (NYSE: GNK) ("Genco"), an international drybulk shipping company that also serves as our Manager. Our fleet currently consists of two Capesize vessels, four Supramax vessels and three Handysize vessels with an aggregate carrying capacity of approximately 672,000 deadweight tons ("dwt"). Our fleet contains three groups of sister ships, which are vessels of virtually identical sizes and specifications. We believe that maintaining a fleet that includes sister ships reduces costs by creating economies of scale in the maintenance, supply and crewing of our vessels.

We seek to leverage the expertise of Genco and its management to pursue growth opportunities in the drybulk shipping spot market. To pursue these opportunities, we operate a fleet of drybulk ships that transports iron ore, coal, grain, steel products and other drybulk cargoes along worldwide shipping routes. We generally operate all of our vessels in the spot market, on spot market-related time charters, or in vessel pools trading in the spot market. We intend to distribute to our shareholders on a quarterly basis all of our net income less cash expenditures for capital items related to our fleet, other than vessel acquisitions and related expenses, plus non-cash compensation, during the previous quarter, subject to any additional reserves our Board of Directors may from time to time determine are required for the prudent conduct of our business. In recent quarters, our Board of Directors determined to declare a dividend based on our cash flow, liquidity, and capital resources, even though the application of our dividend policy would have resulted in a lesser dividend or no dividend.

Our operations are managed, under the supervision of our board of directors, by Genco as our Manager. In 2010, we entered into a long-term management agreement (the "Management Agreement") pursuant to which our Manager and its affiliates will apply their expertise and experience in the drybulk shipping industry to provide us with commercial, technical, administrative and strategic services. The Management Agreement has an initial term of approximately fifteen years and will automatically renew for additional five-year periods unless terminated in accordance with its terms. We pay our Manager fees for the services it provides us as well as reimburse our Manager for its costs and expenses incurred in providing certain of these services.

Table of Contents**Our Relationship with Genco Shipping & Trading Limited**

One of our key strengths is our relationship with Genco, a leading international drybulk shipping company which also serves as our Manager. Genco has developed strong relationships with major international charterers, shipbuilders and financial institutions through its seasoned management team. Genco's management team is based in New York City and includes several executives with extensive experience in the shipping industry, including managing the strategic, commercial, technical and financial aspects of shipping businesses. Genco owns indirectly all of our outstanding shares of Class B Stock through a wholly-owned subsidiary.

Our Fleet

Our fleet currently consists of two Capesize, four Supramax and three Handysize drybulk carriers, with an aggregate carrying capacity of approximately 672,000 dwt. As of May 21, 2013 the average age of the vessels currently in our fleet was approximately 3.4 years, as compared to the average age for the world fleet of approximately 10 years for the drybulk shipping segments in which we compete. The table below sets forth information about the current employment of the vessels currently in our fleet as of May 21, 2013:

| Vessel | Year Built | Dwt | Charterer | Charter Expiration(1) | Employment Structure |
|--------------------------|-------------------|------------|--|------------------------------|------------------------------|
| <i>Capesize Vessels</i> | | | | | |
| Baltic Bear | 2010 | 177,717 | Swissmarine Services S.A. | June 2013 | 101.5% of BCI ⁽²⁾ |
| Baltic Wolf | 2010 | 177,752 | Cargill International S.A. | May 2014 | 100% of BCI ⁽³⁾ |
| <i>Supramax Vessels</i> | | | | | |
| Baltic Leopard | 2009 | 53,447 | Resource Marine PTE Ltd. (part of the Macquarie group of companies) | February 2014 | 95% of BSI ⁽⁴⁾ |
| Baltic Panther | 2009 | 53,351 | Klaveness Chartering | June 2013 | \$9,100 ⁽⁵⁾ |
| Baltic Jaguar | 2009 | 53,474 | Resource Marine PTE Ltd. (part of the Macquarie group of companies) | April 2014 | 95% of BSI ⁽⁶⁾ |
| Baltic Cougar | 2009 | 53,432 | Cargill Ocean Transportation PTE Ltd. | June 2013 | \$6,000 ⁽⁷⁾ |
| <i>Handysize Vessels</i> | | | | | |
| Baltic Wind | 2009 | 34,409 | Cargill International S.A. | June 2013 | 115% of BHSI ⁽⁸⁾ |
| Baltic Cove | 2010 | 34,403 | Cargill International S.A. | February 2014 | 115% of BHSI ⁽⁸⁾ |
| Baltic Breeze | 2010 | 34,386 | Cargill International S.A. | July 2014 | 115% of BHSI ⁽⁸⁾ |

(1) The charter expiration dates presented represent the earliest dates that our charters may be terminated in the ordinary course. Under the terms of each contract, the charterer is entitled to extend the time charters from two to four months in order to complete the vessel's final voyage plus any time the vessel has been off-hire.

(2) We have agreed to an extension with Swissmarine Services S.A. on a spot market-related time charter at a rate based on 101.5% of the average of the daily rates of the Baltic Capesize Index (BCI), published by the Baltic Exchange, as reflected in daily reports. Hire is paid in arrears net of a 6.25% brokerage commission which includes the 1.25% commission payable to Genco. The duration of the extension is 10.5 to 13.5 months.

(3) We have agreed to an extension with Cargill International S.A. on a spot market-related time charter based on 100% of the average of the daily rates of the BCI, as reflected in daily reports. Hire is paid every 15 days in arrears net of a 5.00% brokerage commission, which includes the 1.25% commission payable to Genco. The

duration of the spot market-related time charter is 21.5 to 26.5 months.

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- (4) We have reached an agreement with Resource Marine PTE Ltd. on a spot market-related time charter for a minimum of 18.5 months to a maximum end date of May 30, 2014 based on 95% of the average of the daily rates of the Baltic Supramax Index (BSI), published by the Baltic Exchange, as reflected in daily reports. Hire is paid every 15 days in arrears net of a 6.25% brokerage commission, which includes the 1.25% commission payable to Genco.
- (5) We have agreed to an extension with Klaveness Chartering on a time charter for 2.5 to 5.5 months at a rate of \$9,100 per day. Hire is paid every 15 days in advance net of a 6.25% brokerage commission, which includes the 1.25% commission payable to Genco. The extension began on March 18, 2013.
- (6) We have reached an agreement with Resource Marine PTE Ltd. on a spot market-related time charter for a minimum of 20.5 months to a maximum end date of July 11, 2014 based on 95% of the average of the daily rates of the BSI, as reflected in daily reports. Hire is paid every 15 days in arrears net of a 6.25% brokerage commission, which includes the 1.25% commission payable to Genco.
- (7) We have reached an agreement with Cargill Ocean Transportation PTE Ltd. on a time charter for approximately 45 days at a rate of \$6,000 per day. Hire is paid every 15 days in advance net of a 6.25% brokerage commission, which includes the 1.25% commission payable to Genco. The vessel delivered to charterers on May 16, 2013. The vessel redelivered from Bulk Marine Ltd. on May 11, 2013.
- (8) The rate for each of these spot market-related time charters is based on 115% of the average of the daily rates of the Baltic Handysize Index (BHSI), published by the Baltic Exchange, as reflected in daily reports. Hire is paid every 15 days in advance net of a 6.25% brokerage commission, which includes the 1.25% commission payable to Genco.

Our fleet is currently comprised of Capesize, Supramax and Handysize vessels, but we will evaluate all classes of drybulk vessels for potential acquisition. Depending on market conditions, we seek to grow our fleet through timely and selective acquisitions of drybulk vessels. In evaluating vessel purchases, we plan to acquire modern vessels with high specifications that we believe will provide an attractive return on our investment.

We employ our vessels in the spot market, on certain spot market-related time charters or in vessel pools trading in the spot market. Our goal is to provide shareholders with the opportunity to invest in a company with a strategic focus on the drybulk spot market which utilizes relatively low leverage and seeks to distribute regular dividends based on earnings.

Business Strategy

Our strategy is to employ a fleet of drybulk vessels in the spot market and to grow our business through vessel acquisitions. As detailed below, our strategy largely relies on blending certain complementary elements of vessel employment with a capital structure that supports our operations. For example, we believe our focus on the drybulk spot market and our quarterly dividend policy is attractive to investors because it provides them exposure to the trends of the drybulk shipping industry. We have used equity and debt to finance our fleet and seek to maintain relatively low leverage. Key elements of our business strategy include:

Deploy our vessels primarily in the spot market. We seek to provide shareholders with the opportunity to invest in a company with a strategic focus on the drybulk market by deploying our vessels on voyage or time charters or in vessel pools that are related to the spot market. The spot market is volatile and holds the potential for significant increases or decreases in

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shipping rates over time. Upward movements in spot rates have the potential to increase our revenues, and we will have opportunities to take advantage of these upswings by not locking our vessels into long-term, fixed-rate time charters. Conversely, our revenues may decline if the spot market does, and we will not benefit from the stabilizing effect of fixed-rate time charters. The spot market may be affected by whether the global economy declines or recovers, particularly with respect to economies such as China and India, which have been the primary drivers of drybulk trade in recent years. Further, while economic health is one factor influencing demand, supply of drybulk vessels is also an important factor affecting spot market rates. An undersupply of drybulk vessels could lead to higher spot market rates

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despite weak economic conditions, while an oversupply of drybulk vessels could lead to lower spot market rates despite strong economic conditions as is the case under current market conditions.

Maintain a strong balance sheet. We have used equity and debt to finance our fleet, and we seek to maintain relatively low leverage going forward. When market conditions permit, we may use equity financing to reduce our outstanding debt. As of May 21, 2013, we had \$102.3 million of indebtedness under our revolving credit facility and a 28.6% debt to total capitalization ratio, which we believe is among the lowest within our publicly listed drybulk peers. We believe our goal of keeping our leverage relatively low will help offset the volatility risk of trading our vessels in the spot market. We also believe this approach will help us capitalize on opportunities if the spot market improves as well as reduce the impact debt covenant restrictions and scheduled debt payments would have on our business if the spot market remains weak or further declines.

Return a substantial portion of our cash flow to shareholders through quarterly dividends. Our dividend policy is to pay quarterly dividends to our shareholders approximately equal to our net income minus cash capital expenditures for vessels, other than vessel acquisitions and related expenses plus non-cash compensation. In recent quarters, our Board of Directors determined to declare a dividend based on our cash flow, liquidity, and capital resources, even though the application of our policy would have resulted in a lesser dividend or no dividend. We intend to finance future vessel acquisitions through equity financing as well as debt financing as market conditions permit. By paying dividends in this manner, our goal is to make our common stock more attractive to investors to enhance our ability to conduct equity financings. We paid a dividend of \$0.01 per share during the first quarter of 2013 and dividends of \$0.24, \$0.45 and \$0.32 per share during the years ended December 31, 2012, 2011 and 2010, respectively.

Strategically expand the size of our fleet. We intend to acquire modern, high-quality drybulk carriers through timely and selective acquisitions of vessels. Since our initial public offering, we have been able to grow the number of vessels in our fleet by 50% and the capacity of our fleet by 18%. Going forward, we expect to fund acquisitions of additional vessels using equity and debt financing while seeking to maintain relatively low leverage. We believe that opportunities exist for acquiring vessels at favorable prices, given the current low prices prevailing in the market, and are actively considering potential acquisitions. However, we have not agreed upon terms or entered into any agreements for any such acquisitions.

Continue to operate a high-quality fleet. We intend to maintain a modern, high-quality fleet that meets or exceeds stringent industry standards and complies with charterer requirements through our technical managers' comprehensive maintenance program. We operate a fleet of nine modern vessels built in shipyards with reputations for constructing high-quality vessels. We believe that owning a modern, high-quality fleet is more attractive to charterers, reduces operating costs and fuel consumption and allows our fleet to be more reliable, which improves utilization. In addition, our technical managers maintain the quality of our vessels by carrying out regular inspections, both while in port and at sea.

Maintain an efficient management structure with low operating cost. Under the Management Agreement, Genco coordinates and oversees the technical management of our fleet and utilizes qualified third-party independent technical managers. We believe that Genco is able to do so at a cost to us that is lower than what could be achieved by performing the function in-house. Genco's management team actively monitors and controls vessel operating expenses incurred by the independent technical managers by overseeing their activities. We believe this can enhance the scalability of our business, allowing us to expand our fleet without substantial increases in overhead costs. We also believe we may realize cost benefits based on the combined size of Genco's fleet and our fleet from the extensive network of sellers of vessel supplies, crewing companies, insurers, and other service providers that Genco and its management team have built over the years.

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Capitalize on our management's experience and reputation. We intend to continue to capitalize on the reputation of the management at Genco and our company for high standards of performance, reliability and safety, and maintain strong relationships with major international charterers and other owners, many of whom consider the reputation of a vessel owner and operator when entering into charters and asset sales. We believe that the track record of Genco's management team improves our relationships with high quality shipowners, charterers and financial institutions.

Corporate Information

We maintain our principal executive offices at 299 Park Avenue, 12th Floor, New York, NY 10171. Our telephone number at that address is (646) 443-8550. We maintain a website at www.baltictrading.com. The information contained on or linked to from our website is not incorporated herein by reference.

Table of Contents**Summary Consolidated Financial and Other Data**

The following summary consolidated financial and other data summarize our historical financial and other information as of and for the years ended December 31, 2012 and 2011, which is derived from our audited consolidated financial statements, and as of and for the three months ended March 31, 2013 and 2012, which is derived from our unaudited consolidated financial statements. This information should be read in conjunction with other information presented in or incorporated by reference into this prospectus supplement, including "Selected Consolidated Financial and Other Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the year ended December 31, 2012 and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013.

| | As of and for the Year Ended December 31, | | As of and for the Three Months ended March 31, | |
|---|--|-----------|---|------------|
| | 2012 | 2011 | 2013 | 2012 |
| (U.S. dollars in thousands, except ratios and per share amounts) | | | | |
| Income Statement Data: | | | | |
| Revenues | \$ 27,304 | \$ 43,492 | \$ 5,986 | \$ 6,294 |
| Operating (loss) income | (12,967) | 4,049 | (4,075) | (3,368) |
| Net loss | \$ (17,270) | \$ (430) | \$ (5,083) | \$ (4,456) |
| <i>Net loss per share of common and Class B Stock:</i> | | | | |
| Net (loss) income per share basic | \$ (0.78) | \$ (0.02) | \$ (0.23) | \$ (0.20) |
| Net (loss) income per share diluted | \$ (0.78) | \$ (0.02) | \$ (0.23) | \$ (0.20) |
| Dividends declared and paid per share of common and Class B Stock | \$ 0.24 | \$ 0.45 | \$ 0.01 | \$ 0.13 |
| Balance Sheet Data (at period end): | | | | |
| Cash and cash equivalents | \$ 3,280 | \$ 8,300 | \$ 954 | \$ 5,173 |
| Total assets | 364,370 | 384,955 | 359,431 | 378,036 |
| Total debt | 101,250 | 101,250 | 101,250 | 101,250 |
| Total shareholders' equity | 260,662 | 281,603 | 255,813 | 274,768 |
| Debt to total capitalization ⁽¹⁾ | 28.0% | 26.4% | 28.4% | 26.9% |
| Cash Flow Data: | | | | |
| Net cash provided by (used in) operating activities | \$ 433 | \$ 15,379 | \$ (2,096) | \$ (176) |
| Other Data: | | | | |
| EBITDA ⁽²⁾ | \$ 1,819 | \$ 18,786 | \$ (425) | \$ 307 |

(1) Debt to total capitalization is defined as debt divided by total capitalization. Total capitalization is defined as debt plus total shareholders' equity.

(2) EBITDA represents net loss less net interest expense, taxes and depreciation. EBITDA is included because it is used by management and certain investors as a measure of operating performance. EBITDA is used by analysts in the shipping industry as a common performance measure to compare results across peers. Our management uses EBITDA as a performance measure in our consolidated internal financial statements, and it is presented for review at our board meetings. We believe that EBITDA is useful to investors as the shipping industry is capital intensive which often results in significant depreciation and cost of financing. EBITDA presents investors with a measure in addition to net loss to evaluate our performance prior to these costs. EBITDA is not an item recognized by U.S. GAAP and should not be considered as an alternative to net loss, operating income or any other indicator of a company's operating performance required by U.S. GAAP. EBITDA is not a measure of liquidity or cash flows as shown in our consolidated statement of cash flows. The

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EBITDA used here may not be comparable to that used by other companies. The following table demonstrates our calculation of EBITDA and provides a reconciliation of EBITDA to net loss for each of the periods presented above:

| | For the Year Ended | | For the Three | |
|----------------------|------------------------------------|------------------|----------------------|---------------|
| | December 31, | | Months | |
| | 2012 | 2011 | 2013 | 2012 |
| | (U.S. dollars in thousands) | | | |
| Net loss | \$ (17,270) | \$ (430) | \$ (5,083) | \$ (4,456) |
| Net interest expense | 4,247 | 4,413 | 1,015 | 1,073 |
| Income tax expense | 28 | 34 | | 7 |
| Depreciation | 14,814 | 14,769 | 3,643 | 3,683 |
| EBITDA | \$ 1,819 | \$ 18,786 | \$ (425) | \$ 307 |

The table below shows fleet utilization and certain related data for the years ended December 31, 2012 and 2011 and for the three months ended March 31, 2013 and 2012:

| | For the Year | | For the Three | |
|--|---------------------|-------------|----------------------|-------------|
| | Ended | | Months | |
| | December 31, | 2011 | 2013 | 2012 |
| | 2012 | | | |
| <i>Available days⁽¹⁾</i> | | | | |
| Capesize | 732.0 | 730.0 | 180.0 | 182.0 |
| Supramax | 1,453.3 | 1,460.0 | 347.5 | 364.0 |
| Handysize | 1,098.0 | 1,095.0 | 270.0 | 273.0 |
| Total | 3,283.3 | 3,285.0 | 797.5 | 819.0 |
| <i>Fleet utilization⁽²⁾</i> | | | | |
| Capesize | 99.7% | 100.0% | 100.0% | 100.0% |
| Supramax | 98.7% | 98.6% | 99.9% | 99.0% |
| Handysize | 99.9% | 99.9% | 100.0% | 99.4% |
| Fleet average | 99.3% | 99.3% | 100.0% | 99.3% |

- (1) We define available days as the number of our ownership days less the aggregate number of days that our vessels are off-hire due to scheduled repairs or repairs under guarantee, vessel upgrades or special surveys and the aggregate amount of time that we spend positioning our vessels. Companies in the shipping industry generally use available days to measure the number of days in a period during which vessels should be capable of generating revenues.
- (2) We calculate fleet utilization by dividing the number of our operating days during a period by the number of our available days during the period. The shipping industry uses fleet utilization to measure a company's efficiency in finding suitable employment for its vessels and minimizing the number of days that its vessels are off-hire for reasons other than scheduled repairs or repairs under guarantee, vessel upgrades, special surveys or vessel positioning.

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The Offering

| | |
|---|--|
| Common stock offered | shares (shares, if the underwriter exercises its option to purchase additional shares in full). |
| Shares outstanding upon completion of this offering | shares of common stock, assuming the underwriter does not exercise its option to purchase additional shares. shares of Class B Stock, including shares issuable to a wholly-owned subsidiary of Genco in accordance with its anti-dilution rights in respect of this offering (or outstanding shares of Class B Stock and newly issued shares of Class B Stock, if the underwriter exercises its option to purchase additional shares in full). Such newly issued shares represent 2% of the total number of shares of common stock issued in this offering. See "Class B Stock" below in this table. ⁽¹⁾ |
| Use of proceeds | We expect to use the net proceeds from this offering for future vessel acquisitions. To the extent we do not use the net proceeds for such acquisitions, we expect to use them for working capital and general corporate purposes. See "Use of Proceeds" below for further details. |
| Cash dividends | Our dividend policy is to pay a variable cash dividend each quarter on our common stock and Class B Stock of all our Cash Available for Distribution, subject to the discretion of our board of directors. Cash Available for Distribution represents net income less cash expenditures for capital items related to our fleet, other than vessel acquisitions and related expenses, plus non-cash compensation. We have paid dividends in recent quarters even though the application of the formula in our policy would not have resulted in a dividend, although we may not continue to do so. There is no guarantee that we will pay any dividends on our shares of common stock in any quarter, and our payment of dividends will subject to compliance with the laws of the Republic of the Marshall Islands and any reserves the board of directors may from time to time determine are required. |
| Common Stock Purchase Rights | Each share of our common stock includes one right, or a Common Stock Purchase Right, that entitles the holder to purchase from us a unit consisting of one tenth of one share of common stock at a purchase price of \$100 per share, subject to specified adjustments. The rights are issuable pursuant to the rights agreement between us and Computershare Shareowner Services (formerly BNY Mellon Shareowner Services), as rights agent. Until a right is exercised, the holder of a right will have no rights to vote, receive dividends or any other shareholder rights by virtue of its ownership of such right. |

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Class B Stock

Genco owns indirectly all of our outstanding shares of Class B Stock through a wholly-owned subsidiary. The principal difference between our common stock and our Class B Stock is that each share of Class B Stock entitles the holder thereof to 15 votes on matters presented to our shareholders, while each share of common stock entitles the holder thereof to only one vote on such matters. As a result, Genco controls over 50% of the combined voting power of our common stock and Class B Stock as of the date of this prospectus. However, if holders of a majority of the Class B Stock make an irrevocable election to do so, the aggregate voting power of the Class B Stock will be limited to a maximum of 49% of the voting power of our outstanding common stock and Class B Stock, voting together as a single class. No such election has been made. Holders of shares of Class B Stock may elect at any time to have such shares converted into shares of common stock on a one-for-one basis.

In addition, upon any transfer of shares of Class B Stock to a holder other than Genco or its affiliates or any successor to Genco's business or to all or substantially all of its assets, such shares shall automatically convert into shares of common stock. All such conversions will be effected on a one-for-one basis.

Pursuant to the subscription agreement between us and Genco Investments LLC, Genco Investments LLC is entitled to receive a number of shares of Class B Stock equal to 2% of the number of shares of common stock issued from time to time, excluding any shares of common stock issued as an award or issuable upon exercise of an award under our 2010 Equity Incentive Plan. These additional shares would be issued for no additional consideration unless insufficient surplus from Genco Investments LLC's \$75 million capital contribution exists to cover the par value of such additional shares, in which case Genco Investment LLC will pay us the par value of such shares.

Tax considerations

We believe that, under current law, our dividend payments from earnings and profits will constitute "qualified dividend income." For taxable years beginning after December 31, 2012, the maximum federal income tax rate on qualified dividends paid to non-corporate shareholders is 20%, and all or a portion of dividend income received by shareholders whose modified adjusted gross income exceeds certain thresholds (\$250,000 for married taxpayers filing jointly and \$200,000 for single taxpayers) may be subject to a 3.8% surtax. Distributions in excess of our earnings and profits will be treated first as a non-taxable return of capital to the extent of a U.S. shareholder's tax basis in its common stock on a dollar-for-dollar basis and, thereafter, as capital gain.

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NYSE listing

Our common stock is listed on the New York Stock Exchange under the symbol "BALT."

(1)

The numbers of shares of common stock and Class B Stock shown as being outstanding after this offering is based on 17,360,679 shares of common stock and 5,699,088 shares of Class B Stock outstanding as of May 21, 2013 and the issuance by us of _____ shares of common stock in this offering and _____ shares of Class B Stock pursuant to the anti-dilution rights described above.

Risk Factors

Investing in our common stock involves substantial risk. You should carefully consider all the information in this prospectus prior to investing in our common stock. In particular, we urge you to consider carefully the factors set forth in the section of this prospectus entitled "Risk Factors" beginning on page S-12 and under "Risk Factors" under Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and Item IA of Part II of our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2013.

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RISK FACTORS

Any investment in our common stock involves a high degree of risk. You should carefully consider the following risk factors together with all of the other information included in this prospectus, including the risk factors set forth under "Risk Factors" under Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, and Item 1A of Part II of our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2013, when evaluating an investment in our common stock. Some of the following risks relate principally to us and our business and the industry in which we operate. Other risks relate principally to the securities market and ownership of our shares.

If any of the following risks actually occurs, our business, financial condition, operating results or cash flows could be materially adversely affected. In that case, we might not be able to pay dividends on shares of our common stock, the trading price of our common stock could decline, and you could lose all or part of your investment.

Risks Related to Our Common Stock

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

The market price of our common stock may be influenced by many factors, many of which are beyond our control, including those described above under "Risk Factors – Risk Factors Related to Our Business and Operations" under Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and Item IA of Part II of our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2013 and the following:

securities analysts making changes in their financial estimates concerning us;

announcements by us or our competitors of significant contracts, acquisitions or capital commitments;

variations in quarterly operating results;

general economic conditions;

terrorist acts;

future sales of our common stock or other securities; and

investors' perception of us and the drybulk shipping industry.

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

Given the range in which our common stock has traded recently, certain factors may create downward pressure on our stock price. For example, the internal policies of certain institutional investors prohibit the purchase of low-priced stocks. Additionally, many brokerage houses do not permit low-priced stocks to be used as collateral for margin accounts or to be purchased on margin. These factors may reduce demand for our common stock.

We may need to raise additional capital in the future, which may not be available on favorable terms or at all or which may dilute our common stock or adversely affect its market price.

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We may require additional capital to expand our business and increase revenue, add liquidity in response to negative economic conditions, meet unexpected liquidity needs caused by industry volatility or uncertainty and reduce our outstanding indebtedness under our existing facilities. To the extent that our existing capital and borrowing capabilities are insufficient to meet these requirements and cover any losses, we will need to raise additional funds through debt or equity financings, including offerings of our common stock, securities convertible into our common stock, or rights to acquire our common stock or curtail our growth and reduce

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our assets or restructure arrangements with existing security holders. Any equity or debt financing, or additional borrowings, if available at all, may be on terms that are not favorable to us. Equity financings could result in dilution to our stockholders, and the securities issued in future financings may have rights, preferences and privileges that are senior to those of our common stock. If our need for capital arises because of significant losses, the occurrence of these losses may make it more difficult for us to raise the necessary capital. If we cannot raise funds on acceptable terms if and when needed, we may not be able to take advantage of future opportunities, grow our business or respond to competitive pressures or unanticipated requirements.

Sales of our common stock in the public market could lower the market price of our common stock or dilute our common stock.

In the future, we may sell additional shares of our common stock or securities convertible into common stock to raise capital. In addition, a substantial number of shares of our common stock is reserved for issuance under our 2010 Equity Incentive Plan. We cannot predict the size of future issuances or the effect, if any, that they may have on the market price of our common stock. The issuance and sale of substantial amounts of common stock or securities convertible into common stock, or the perception that such issuances and sales may occur, could adversely affect the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. The conversion of any such securities into common stock could result in dilution to our stockholders.

Volatility in the market price and trading volume of our common stock could adversely impact the trading price of our common stock.

The stock market in recent years has experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies like us. These broad market factors may materially reduce the market price of our common stock, regardless of our operating performance. The market price of our common stock, which has experienced significant price and volume fluctuations in recent months, could continue to fluctuate significantly for many reasons, including in response to the risks described in this section of, elsewhere in, or incorporated by reference into, this prospectus supplement or for reasons unrelated to our operations, such as reports by industry analysts, investor perceptions or negative announcements by our competitors or suppliers regarding their own performance, as well as industry conditions and general financial, economic and political instability. A decrease in the market price of our common stock would adversely impact the value of your shares of common stock.

The concentration of our capital stock ownership with Genco and its affiliates and the superior voting rights of our Class B Stock held by Genco will limit our common stockholders' ability to influence corporate matters.

Under our amended and restated articles of incorporation, our Class B Stock has 15 votes per share, and our common stock has one vote per share resulting in Genco controlling in excess of 50% of the combined voting power of these two classes of stock. However, if holders of a majority of the Class B Stock make an irrevocable election to do so, the aggregate voting power of the Class B Stock will be limited to a maximum of 49% of the voting power of our outstanding common stock and Class B Stock, voting together as a single class. As of May 21, 2013, Genco owns shares of our Class B Stock representing 83.12% of the voting power of our outstanding capital stock through its wholly-owned subsidiary, Genco Investments LLC. In addition, pursuant to the subscription agreement between us and Genco Investments LLC, for so long as Genco Investments LLC or its affiliates holds at least 10% of the aggregate number of outstanding shares of our common stock and Class B Stock, Genco Investments LLC is entitled to receive an additional number of shares of Class B Stock equal to 2% of the number of shares of common stock issued after our initial public offering was consummated in March 2010, excluding any shares of common stock issuable upon the exercise of the underwriter's over-allotment option in our initial public offering or issued as an award or

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issuable upon exercise of an award under our 2010 Equity Incentive Plan. These additional shares would be issued for no additional consideration unless insufficient surplus exists to cover the par value of such additional shares, in which case Genco Investments LLC will pay us the par value of such shares. Accordingly, as a result of this offering, assuming that the underwriter does not exercise its option to purchase additional shares, the shares of Class B Stock owned by Genco through Genco Investments LLC will represent % of the voting power of our outstanding capital stock. In addition, our directors or officers who are affiliated with Genco or other individuals providing services under the Management Agreement who are affiliated with Genco may receive equity awards under our 2010 Equity Incentive Plan.

Through its ownership of our Class B Stock, its role as our Manager and the issuance of equity awards to individuals affiliated with Genco, Genco will have substantial control and influence over our management and affairs and over all matters requiring shareholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets, for the foreseeable future. In addition, because of this dual-class stock structure, Genco will continue to be able to control all matters submitted to our shareholders for approval even though it owns significantly less than 50% of the aggregate number of outstanding shares of our common stock and Class B Stock. This concentrated control limits our common stockholders' ability to influence corporate matters and, as a result, we may take actions that our common stockholders do not view as beneficial. As a result, the market price of our common stock could be adversely affected.

In addition, Genco has pledged its Class B Stock as security for its borrowings under its \$1.4 billion credit facility entered into as of July 20, 2007, as amended. If Genco is in default under this facility and the lenders foreclose on the Class B shares under the terms of the facility, a change in control of Baltic Trading could result, which would constitute an event of default under our existing credit facility with Nordea Bank Finland plc. Upon the occurrence of an event of default, our lenders could accelerate the outstanding indebtedness under our existing credit facility, which is secured by the vessels in our fleet. In its earnings release for the three months ended March 31, 2013, Genco stated that it may be unable to maintain compliance with certain covenants under its credit facilities at measurement dates during the twelve months ending March 31, 2014. For further information concerning Genco, please refer to its reports filed with the SEC.

Risks Related to Potential Vessel Acquisitions

We may not complete a vessel acquisition with the net proceeds of this offering and may use such proceeds for working capital or general corporate purposes that you may not agree with.

While we are actively considering potential vessel acquisitions, we may not consummate any vessel acquisition using the net proceeds of this offering. For example, we may be unable to agree to acceptable terms with any potential seller of vessels, market conditions could become unfavorable for the acquisition of new vessels, or we may be unable to obtain additional financing from banks or other sources on acceptable terms or at all. It may take a substantial period of time before we apply the net proceeds of this offering, which could result in adverse U.S. federal income tax consequences for U.S. shareholders. See the section captioned "Tax Considerations U.S. Federal Income Taxation of U.S. Holders Passive Foreign Investment Company Status and Significant Tax Consequences." For further discussion of risks associated with our potential acquisition of vessels, please refer to the section entitled "Risk Factors" under Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

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FORWARD-LOOKING STATEMENTS

We make statements in this prospectus and the documents incorporated by reference that are considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are based on the beliefs of our management as well as assumptions made by and information currently available to them. The words "anticipate," "believe," "may," "estimate," "expect," and similar expressions, and variations of such terms or the negative of such terms, are intended to identify such forward-looking statements.

All forward-looking statements are subject to certain risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results, performance or achievements could differ materially from those expressed in, or implied by, any such forward-looking statements. Important factors that could cause or contribute to such difference include those referenced under "Risk Factors" in this prospectus and any accompanying prospectus supplement and in our most recent Annual Report on Form 10-K incorporated by reference into this prospectus. You should not place undue reliance on such forward-looking statements, which speak only as of their dates. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should carefully consider the information referenced under the heading "Risk Factors."

USE OF PROCEEDS

We expect to receive net proceeds of approximately \$ million from the sale of shares of common stock offered by this prospectus (or approximately \$ million, if the underwriter exercises its option to purchase additional shares in full), after deducting assumed underwriting discounts and commissions and estimated expenses payable by us.

We believe that opportunities exist for acquiring vessels at favorable prices and are actively considering potential acquisitions. However, we have not agreed upon terms or entered into any agreements for any such acquisitions. We intend to seek to acquire one or two vessels, using proceeds of this offering, cash on hand, and bank financing for approximately 50% of the purchase price. Market conditions for purchasing and financing vessels change rapidly, and there is no assurance we will be able to obtain vessels or bank financing on these or other terms. Depending on the amount of proceeds we actually receive and conditions in the vessel purchase market, we may consider acquiring a different number of vessels, alter the sources and amounts of financing we may use for vessel acquisitions, or defer our acquisition of vessels. Pending our use of net proceeds from this offering for vessel acquisitions, or if we determine not to use any net proceeds for such acquisitions, we expect to use such proceeds for working capital and general corporate purposes.

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Our common stock is traded on the NYSE under the symbol "BALT." The following table sets forth the high and low closing sale prices for shares of our common stock as reported on the NYSE, for the periods indicated, together with the dividends declared and paid per share for each of those periods.

| For the period: | High | Low | Dividend |
|----------------------------------|-------------|------------|-----------------|
| Quarter ended March 31, 2011 | \$ 10.93 | \$ 8.29 | \$ 0.06 |
| Quarter ended June 30, 2011 | \$ 9.29 | \$ 5.74 | \$ 0.10 |
| Quarter ended September 30, 2011 | \$ 5.76 | \$ 4.06 | \$ 0.12 |
| Quarter ended December 31, 2011 | \$ 5.97 | \$ 4.25 | \$ 0.13 |
| Quarter ended March 31, 2012 | \$ 4.80 | \$ 3.86 | \$ 0.05 |
| Quarter ended June 30, 2012 | \$ 4.77 | \$ 3.14 | \$ 0.05 |
| Quarter ended September 30, 2012 | \$ 3.71 | \$ 3.00 | \$ 0.01 |
| Quarter ended December 31, 2012 | \$ 3.52 | \$ 2.73 | \$ 0.01 |
| Quarter ended March 31, 2013 | \$ 4.30 | \$ 3.09 | \$ 0.01 |
| April 1, 2013 to May 20, 2013 | \$ 3.98 | \$ 3.23 | N/A |

As of May 20, 2013, the last reported sale price of our common stock was \$3.98 per share.

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The following unaudited table sets forth our capitalization at March 31, 2013, on an actual basis and as adjusted to give effect to the sale of the common stock in this offering, the application of the net proceeds of this offering as described under "Use of Proceeds," the issuance of shares of Class B Stock to a wholly-owned subsidiary of Genco in respect of its anti-dilution rights, the drawdown of an additional \$1.0 million in borrowings under our revolving credit facility on May 9, 2013, the payment of \$0.2 million of dividends on May 20, 2013 and the issuance of a total of 59,680 restricted shares of common stock under our 2010 Equity Incentive Plan to our directors as of May 16, 2013:

| | As of March 31, 2013 | |
|--|-----------------------------|-----------------|
| | Actual | Adjusted |
| | (in thousands) | |
| Long-term Debt | \$ 101,250 | |
| Common Stock, par value \$0.01 per share: 500,000,000 shares authorized; 17,300,999 shares issued and outstanding actual and shares issued and outstanding as adjusted, respectively | | 173 |
| Class B Stock, par value \$0.01 per share: 100,000,000 shares authorized; 5,699,088 shares issued and outstanding actual and shares issued and outstanding as adjusted, respectively | | 57 |
| Additional paid-in capital | 277,483 | |
| Accumulated deficit | (21,900) | |
| Total shareholders' equity | | 255,813 |
| Total capitalization | \$ 357,063 | |

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TAX CONSIDERATIONS

The following is a discussion of the material Marshall Islands and U.S. federal income tax considerations relevant to an investment decision by a U.S. Holder or a Non-U.S. Holder, as defined below, with respect to the common stock. This discussion does not purport to deal with the tax consequences of owning our common stock to all categories of investors, some of which (such as financial institutions, regulated investment companies, real estate investment trusts, tax-exempt organizations, insurance companies, persons holding our common stock as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, traders in securities that have elected the mark-to-market method of accounting for their securities, persons liable for alternative minimum tax, pass-through entities or persons who are investors in pass-through entities, persons who own, actually or under applicable constructive ownership rules, 10% or more of our common stock, dealers in securities or currencies and investors whose functional currency is not the U.S. Dollar) may be subject to special rules. This discussion deals only with holders who purchase common stock in connection with this offering and hold the common stock as a capital asset. Moreover, this discussion is based on laws, regulations and other authorities in effect as of the date of this prospectus supplement, all of which are subject to change, possibly with retroactive effect. You are encouraged to consult your own tax advisors concerning the overall tax consequences arising in your own particular situation under U.S. federal, state, local or foreign law of the ownership of our common stock.

Marshall Islands Tax Considerations

The following are the material Marshall Islands tax consequences of our activities to us and to the registration statement of which this prospectus forms a part, to our shareholders of investing in our common stock. We are incorporated in the Marshall Islands. Under current Marshall Islands law, we are not subject to tax on income or capital gains, and no Marshall Islands withholding tax or income tax will be imposed upon payments of dividends by us to our shareholders or proceeds from the disposition of our common stock.

U.S. Federal Income Tax Considerations

The following are the material U.S. federal income tax consequences to U.S. and Non-U.S. Holders (as defined below) with respect to the ownership and disposition of our common stock. For purposes of this discussion, the term "U.S. Holder" means a beneficial owner of our common stock that is, for U.S. federal income tax purposes, (i) an individual U.S. citizen or resident, (ii) a U.S. corporation or other U.S. entity taxable as a corporation, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if either (x) a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (y) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person. If a partnership, or an entity treated for U.S. federal income tax purposes as a partnership, such as a limited liability company, holds common stock, the tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. If you are a partner in such a partnership holding our common stock, you are encouraged to consult your tax advisor. A beneficial owner of our common stock (other than a partnership) that is not a U.S. Holder is referred to below as a "Non-U.S. Holder."

U.S. Federal Income Taxation of the Company

We have made special U.S. tax elections in respect of those of our shipowning or operating subsidiaries that are potentially subject to tax as a result of deriving income attributable to the transportation of cargoes to or from the United States. The effect of the special U.S. tax elections is to ignore or disregard the subsidiaries for which elections have been made as separate taxable entities from that of their parent, Baltic Trading Limited. Therefore, for purposes of the following discussion, Baltic Trading Limited, and not the subsidiaries subject to this special election, will be treated as the owner and operator of the subsidiaries' vessels and as receiving the income from these vessels.

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Taxation of Operating Income: In General

Unless exempt from U.S. federal income taxation, a foreign corporation is subject to U.S. federal income tax in respect of any income that is derived from the use of vessels, from the hiring or leasing of vessels for use on a time, voyage or bareboat charter basis or from the performance of services directly related to those uses, which we refer to as "shipping income," to the extent that the shipping income is derived from sources within the United States, which we refer to as "U.S. source shipping income."

For these purposes, 50% of shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States constitutes U.S. source shipping income.

No portion of shipping income attributable to transportation exclusively between non-U.S. ports will be considered to be U.S. source shipping income. Such shipping income will not be subject to any U.S. federal income tax.

Shipping income attributable to transportation exclusively between U.S. ports will be considered to be 100% derived from U.S. sources. However, due to prohibitions under U.S. law, we do not engage in transportation of cargo that produces 100% U.S. source shipping income.

Unless exempt from tax under Section 883 of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, or "effectively connected" with the conduct of a U.S. trade or business, as described below, our gross U.S. source shipping income generally will be subject to a 4% tax imposed without allowance for deductions.

Exemption of Operating Income from U.S. Federal Income Taxation

Under Section 883 of the Code and the related regulations, a foreign corporation will be exempt from U.S. federal income taxation on its U.S. source shipping income if:

- (1) it is organized in a qualified foreign country, which is one that grants an "equivalent exemption" from tax to corporations organized in the United States in respect of each category of shipping income for which exemption is being claimed under Section 883, to which we refer as the "Country of Organization Test"; and
- (2) either:
 - (a) more than 50% of the value of its stock is beneficially owned, directly or indirectly, by qualified shareholders, which includes individuals who are "residents" of a qualified foreign country, to which we refer as the "50% Ownership Test";
 - (b) one or more classes of its stock representing, in the aggregate, more than 50% of the combined voting power and value of all classes of its stock are "primarily and regularly traded on one or more established securities markets" in a qualified foreign country or in the United States, to which we refer as the "Publicly Traded Test"; or
 - (c) it is a "controlled foreign corporation" and it satisfies an ownership test to which, collectively, we refer as the "CFC Test."

The Marshall Islands, the jurisdiction where we are incorporated, has been officially recognized by the United States Internal Revenue Service, to which we sometimes refer as the IRS, as a qualified foreign country that currently grants the requisite equivalent exemption from tax in respect of each category of shipping income we expect to earn in the future, to which we refer as an "Equivalent Exemption." Therefore, we will satisfy the Country of Organization Test and will be exempt from U.S. federal income taxation with respect to our U.S. source shipping income if we are able to satisfy any one of the 50% Ownership Test, the Publicly Traded Test or the CFC Test.

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We believe that we do not satisfy the Publicly Traded Test, although we may satisfy such test in the future, as discussed below. We do not currently anticipate circumstances under which we would be able to satisfy either the 50% Ownership Test or the CFC Test. Thus, we do not believe we will be exempt from U.S. federal income tax on our U.S. source shipping income.

Publicly Traded Test

The regulations under Section 883 provide, in pertinent part, that a corporation will meet the Publicly Traded Test if one or more classes of stock of a foreign corporation representing, in the aggregate, more than 50% of the combined voting power and value of all classes of stock are "primarily and regularly traded on one or more established securities markets" in a qualified foreign country or in the United States. A class of stock will be considered to be "primarily traded" on an established securities market in a country if the number of shares of such class of stock that are traded during any taxable year on all established securities markets in that country exceeds the number of shares of such stock that are traded during that year on established securities markets in any other single country.

Under the regulations, a class of stock will be considered to be "regularly traded" on an established securities market if (1) such class of stock is listed on such market, (2) such class of stock is traded on such market, other than in minimal quantities, on at least 60 days during the taxable year or one sixth of the days in a short taxable year and (3) the aggregate number of shares of such class of stock traded on such market during the taxable year is at least 10% of the average number of shares of such class of stock outstanding during such year, or as appropriately adjusted in the case of a short taxable year. The regulations provide that the trading frequency and trading volume tests will be deemed satisfied if a class of stock is regularly quoted by dealers making a market in such stock. Our common stock is currently traded on the NYSE.

Notwithstanding the above, a class of stock will not be considered to be "regularly traded" on an established securities market for any taxable year in which 50% or more of the outstanding shares of such class of stock are owned, actually or constructively under specified stock attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the outstanding shares of such class of stock, to which we refer as the "Five Percent Override Rule."

The regulations permit a company to rely on Schedule 13G and Schedule 13D filings with the SEC for purposes of identifying the persons who actually or constructively own 5% or more of a class of stock, or "5% shareholders." The regulations further provide that an investment company which is registered under the Investment Company Act of 1940, as amended, will not be treated as a 5% shareholder for these purposes.

In the event the Five Percent Override Rule is triggered, the regulations provide that the Five Percent Override Rule will nevertheless not apply if the company can establish that there are sufficient 5% shareholders that are considered to be "qualified shareholders" for purposes of Section 883 to preclude non-qualified 5% shareholders from owning 50% or more of the class of stock for more than half the number of days during the taxable year.

As of the date of this prospectus supplement, our Class B Stock, which is not primarily and regularly traded on an established securities market, represents more than 50% of the combined voting power of all classes of stock, while our common stock represents more than 50% of the value of all classes of stock. Thus, at present, we do not believe we satisfy the Publicly Traded Test and accordingly are not exempt from U.S. federal income tax on our U.S. source shipping income.

If a majority of the holders of the Class B Stock irrevocably elects to reduce the voting power of the Class B Stock to constitute not more than 49% of the total voting power of all classes of stock, our common stock following such election would represent more than 50% of the combined voting power and value of all classes of stock. In that event, we believe that our common stock would be "primarily traded" on the NYSE. In addition, we believe that we would be able to satisfy the trading frequency and trading volume tests with

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respect to our common stock and, subject to the Five Percent Override Rule described above, our common stock would be considered to be "regularly traded" on the NYSE. Therefore, if a majority of the holders of the Class B Stock make such election, we believe that we would satisfy the Publicly Traded Test and thus qualify for the Section 883 exemption and be exempt from U.S. federal income tax on our U.S. source shipping income.

Taxation in Absence of Section 883 Exemption

As of the date of this prospectus supplement (and unless and until the majority of the holders of the Class B Stock irrevocably elects to reduce the voting power of the Class B Stock to constitute not more than 49% of the total voting power of all classes of stock), we do not believe we qualify for exemption under Section 883 as described above. Therefore our gross U.S. source shipping income is subject to a 4% tax, without allowance for deductions, unless such income is effectively connected with the conduct of a U.S. trade or business ("effectively connected income"), as described below. Since under the sourcing rules described above no more than 50% of our shipping income will be treated as being U.S. source shipping income, the maximum effective rate of U.S. federal income tax on our non-effectively connected shipping income will never exceed 2%. We do not currently anticipate that a significant portion of our shipping income will be U.S. source shipping income. In the event that the holder of the Class B Stock elects to reduce the voting power of the Class B Stock, as described above, and we qualify for exemption under Section 883, we would no longer be subject to the 4% tax on our U.S. source shipping income.

To the extent our U.S. source shipping income, or other income we may have, is considered to be effectively connected income, as described below, any such income, net of applicable deductions, would be subject to the U.S. federal corporate income tax, currently imposed at rates of up to 35%. In addition, we may be subject to a 30% "branch profits" tax on such income, and on certain interest paid or deemed paid attributable to the conduct of such trade or business.

Our U.S. source shipping income would be considered effectively connected income only if:

we have, or are considered to have, a fixed place of business in the United States involved in the earning of U.S. source shipping income; and

substantially all of our U.S. source shipping income is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States.

We do not intend to have, or permit circumstances that would result in having, any vessel sailing to or from the United States on a regularly scheduled basis. Based on the expected mode of our future shipping operations and other activities, we believe that none of our U.S. source shipping income will constitute effectively connected income. However, we may from time to time generate non-shipping income that may be treated as effectively connected income.

U.S. Federal Taxation of Gain on Sale of Vessels

If, as we believe, our shipping income does not qualify for exemption under Section 883, then gain from the sale of a vessel may be treated as effectively connected income (determined under rules different from those discussed above) and subject to the net income and branch profits tax regime described above. If we were to qualify for exemption from tax under Section 883 in respect of our shipping income, such gain should also be exempt from tax under Section 883.

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

Distributions

Subject to the discussion of PFICs below, any distributions made by us with respect to our common stock to a U.S. Holder will generally constitute dividends to the extent of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of those earnings and profits will be treated first as a nontaxable return of capital to the extent of the U.S. Holder's tax basis in our common stock, and thereafter as capital gain. Because we are not a U.S. corporation, U.S. Holders that are corporations will not be entitled to claim a dividends-received deduction with respect to any distributions they receive from us. Amounts taxable as dividends generally will be treated as foreign source "passive income" for U.S. foreign tax credit purposes.

Dividends paid on our common stock to a U.S. Holder who is an individual, trust or estate (a "U.S. Non-Corporate Holder") will generally be treated as "qualified dividend income" that is taxable to such U.S. Non-Corporate Holder at preferential tax rates, provided that (1) the common stock is readily tradable on an established securities market in the United States (such as the NYSE, on which our common stock is traded); (2) we are not a PFIC for the taxable year during which the dividend is paid or the immediately preceding taxable year (which, as discussed below, we do not believe will be the case); (3) the U.S. Non-Corporate Holder's holding period of the common stock includes more than 60 days in the 121-day period beginning 60 days before the date on which the common stock becomes ex-dividend; and (4) the U.S. Non-Corporate Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. If we were to be a PFIC, as discussed below, for any year, dividends paid on our common stock in such year or in the following year would not be qualified dividends. In addition, a U.S. Non-Corporate Holder will be able to take a qualified dividend into account in determining its deductible investment interest (which is generally limited to its net investment income) only if it elects to do so; in such case the dividend will be taxed at ordinary income rates.

Special rules may apply to any "extraordinary dividend" generally, a dividend in an amount which is equal to or in excess of 10% of a shareholder's adjusted basis (or fair market value in certain circumstances) in a share of our common stock paid by us. If we pay an "extraordinary dividend" on our common stock that is treated as "qualified dividend income," then any loss derived by a U.S. Non-Corporate Holder from the sale or exchange of such common stock will be treated as long-term capital loss to the extent of such dividend.

Sale, Exchange or Other Disposition of Common Stock

Subject to the discussion of PFICs below, a U.S. Holder generally will recognize taxable gain or loss upon a sale, exchange or other taxable disposition of our common stock in an amount equal to the difference between the amount realized by the U.S. Holder from such disposition and the U.S. Holder's tax basis in such stock. Such gain or loss will be treated as long-term capital gain or loss if the U.S. Holder's holding period is greater than one year at the time of the disposition. Such capital gain or loss will generally be treated as U.S. source income or loss, as applicable, for U.S. foreign tax credit purposes. Long-term capital gains of U.S. Non-Corporate Holders are eligible for reduced rates of taxation. A U.S. Holder's ability to deduct capital losses is subject to certain limitations.

Tax on Net Investment Income

Certain U.S. Holders that are individuals, estates or trusts are required to pay an additional 3.8% tax on, among other things, dividends on and capital gains from the sale or other disposition of stock for taxable years beginning after December 31, 2012. U.S. Holders should consult their tax advisors regarding the effect, if any, of this tax on their ownership and disposition of our common stock.

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Passive Foreign Investment Company Status and Significant Tax Consequences

We will be a passive foreign investment company (a "PFIC") if, for any taxable year, either:

75% or more of our gross income in the taxable year consists of "passive income" (including, for example, dividends, interest, 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, as defined in applicable Treasury regulations); or

at least 50% of our assets in the taxable year (averaged over the year and generally determined based upon value) produce or are held for the production of passive income.

For purposes of determining whether we are a PFIC, we will be treated as earning and owning a proportionate share of the income and assets, respectively, of our subsidiaries that have made special U.S. tax elections to be disregarded as separate entities (as described above) as well as of any other corporate subsidiary in which we own at least 25% of the value of the subsidiary's stock. For purposes of these tests, income derived from the performance of services does not constitute passive income. By contrast, rental income would generally constitute passive income unless we were treated under specific rules as deriving our rental income in the active conduct of a trade or business. Based on our existing operations, we do not believe that we will be a PFIC with respect to any taxable year. In this regard, we intend to treat our income from the spot charter of vessels as services income, rather than rental income. Accordingly, we believe that such income does not constitute passive income, and that the assets that we own and operate in connection with the production of that income, primarily our vessels, do not constitute passive assets for purposes of determining whether we are a PFIC.

While there is no direct legal authority under the PFIC rules addressing our method of operation that characterizes time charter or voyage charter income as services income, there is legal authority supporting this position consisting of case law and pronouncements by the IRS concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, it should also be noted that there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. Accordingly, no assurance can be given that the 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, because there are uncertainties in the application of the PFIC rules, because the PFIC test is an annual test, and because, although we intend to manage our business so as to avoid PFIC status to the extent consistent with our other business goals, there could be changes in the nature and extent of our operations in future years, there can be no assurance that we will not become a PFIC in any taxable year.

If we were to be treated as a PFIC for any taxable year (and regardless of whether we remain a PFIC for subsequent taxable years), each U.S. Holder who is treated as owning our stock for purposes of the PFIC rules would be subject to special rules with respect to (1) any excess distribution (i.e., the portion of any distributions received by the U.S. Holder on our common stock in a taxable year in excess of 125 percent of the average annual distributions received by the U.S. Holder in the three preceding taxable years, or, if shorter, the U.S. Holder's holding period for the common stock), and (2) any gain realized on the sale, exchange or other disposition of our common stock. Under these special rules:

the excess distribution or gain would be allocated ratably over the U.S. Holder's aggregate holding period for the shares of our common stock;

the amount allocated to the current taxable year, and any taxable year before the first taxable year in which we were a PFIC, would be taxed as ordinary income in the current year; and

the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax on ordinary income in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed tax deferral benefit would be imposed on the resulting tax liability as if that tax liability had been due for each such other taxable year.

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A U.S. Holder who holds our common stock during a period when we are a PFIC generally will be subject to the foregoing rules for that taxable year and all subsequent taxable years with respect to that U.S. Holder's holding of our common stock, even if we ceased to be a PFIC, subject to certain exceptions for U.S. Holders who made a mark-to-market or QEF election.

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

The above rules relating to the taxation of excess distributions and dispositions will not apply to a U.S. Holder who has made a timely "qualified electing fund" ("QEF") election for all taxable years that the holder has held its shares of our common stock and we were a PFIC. Instead, each U.S. Holder who has made a timely QEF election is required for each taxable year to include in income a pro rata share of our ordinary earnings as ordinary income and a pro rata share of our net capital gain as long-term capital gain, regardless of whether we have made any distributions of the earnings or gain. The U.S. Holder's basis in our common stock will be increased to reflect taxed but undistributed earnings or gain. Distributions of earnings and profits that had been previously taxed will result in a corresponding reduction in the basis of the common stock and will not be taxed again once distributed. A U.S. Holder making a QEF election would generally recognize capital gain or loss on the sale, exchange or other disposition of our common stock. If we determine that we are a PFIC for any taxable year, we may provide each U.S. Holder with all necessary information in order to make the QEF election described above.

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

Alternatively, if we were to be treated as a PFIC for any taxable year and, as we believe will be the case, our common stock is treated as "marketable," a U.S. Holder may make a mark-to-market election. Under a mark-to-market election, any excess of the fair market value of the common stock at the close of any taxable year over the U.S. Holder's adjusted tax basis in the common stock is included in the U.S. Holder's income as ordinary income. In addition, the excess, if any, of the U.S. Holder's adjusted tax basis at the close of any taxable year over the fair market value of the common stock is deductible in an amount equal to the lesser of the amount of the excess or the amount of the net mark-to-market gains that the U.S. Holder included in income in prior years. A U.S. Holder's tax basis in its shares of our common stock would be adjusted to reflect any such income or loss. Gain realized on the sale, exchange or other disposition of our common stock would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of shares of our common stock would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included in income by the U.S. Holder.

U.S. Holders are urged to consult their tax advisors regarding the PFIC rules, including as to the advisability of choosing to make a QEF or mark-to-market election.

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

Non-U.S. Holders generally will not be subject to U.S. federal income tax or withholding tax on dividends received from us on our common stock unless the income is effectively connected income (and, if a treaty applies, the income is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States).

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

the gain is effectively connected income (and, if a treaty applies, the gain is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States); or

the Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year of disposition and certain other conditions are met.

Except as may otherwise be provided in an applicable income tax treaty between the United States and a foreign country, a Non-U.S. Holder will generally be subject to regular U.S. federal income tax with respect to effectively connected income in the same manner as discussed in the section above relating to the

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taxation of U.S. Holders (provided that, if a treaty applies, the income is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States). In addition, earnings and profits of a corporate Non-U.S. Holder that are attributable to such income, as determined after allowance for certain adjustments, may be subject to an additional branch profits tax at a rate of 30%, or at a lower rate as may be specified by an applicable income tax treaty.

Non-U.S. Holders may be subject to tax in jurisdictions other than the United States on dividends received from us on our common stock and on any gain realized upon the sale, exchange or other disposition of our common stock.

Backup Withholding and Information Reporting

In general, payments of distributions on, and the proceeds of a disposition of, our common stock held by a U.S. Non-Corporate Holder will be subject to U.S. federal income tax information reporting requirements. Such payments to a U.S. Non-Corporate Holder may also be subject to U.S. federal backup withholding tax if the U.S. Non-Corporate Holder:

fails to provide us with an accurate taxpayer identification number;

is notified by the IRS that it has failed to report all interest or dividends required to be shown on its federal income tax returns; or

fails to comply with applicable certification requirements.

Non-U.S. Holders generally will be subject to information reporting with respect to distributions on our common stock. Non-U.S. Holders may be required to establish their exemption from information reporting on proceeds of a disposition of our common stock and from backup withholding by certifying their status on IRS Form W-8BEN, W-8ECI or W-8IMY, as applicable.

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

Shareholders are urged to consult their tax advisors concerning the U.S. federal, state and local and non-U.S. tax consequences to them of owning our common stock.

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Subject to the terms and conditions of the underwriting agreement, dated May , 2013, between us and Jefferies LLC, we have agreed to sell to Jefferies LLC, and Jefferies LLC has agreed to purchase from us, shares of common stock.

The underwriting agreement provides that the obligations of the underwriter to purchase the shares of common stock offered hereby are subject to certain conditions precedent, such as the receipt by the underwriter of officer's certificates and legal opinions and approval of certain legal matters by its counsel. If the conditions precedent are satisfied, the underwriter will purchase all of the shares of common stock offered by this prospectus supplement. We have agreed to indemnify the underwriter against some specified types of liabilities, including liabilities under the Securities Act, and to contribute to payments the underwriter may be required to make in respect of any of these liabilities.

The underwriter is offering the shares of common stock subject to its acceptance of the shares of common stock from us and subject to prior sale. The underwriter reserves the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

The underwriter has advised us that, following the completion of this offering, it currently intends to make a market in the common stock as permitted by applicable laws and regulations. However, the underwriter is not obligated to do so, and the underwriter may discontinue any market-making activities at any time without notice in its sole discretion. Accordingly, no assurance can be given as to the liquidity of the trading market for the common stock, that you will be able to sell any of the common stock held by you at a particular time or that the prices that you receive when you sell will be favorable.

Commissions and Expenses

We have been advised by the underwriter that the underwriter proposes to offer the shares of common stock to the public at the public offering price set forth on the cover of this prospectus supplement and to dealers at a price that represents a concession not in excess of \$ per share under the public offering price. The underwriter may allow, and these dealers may re-allow, a concession of not more than \$ per share to other dealers. After the offering of the shares of our common stock, the underwriter may change the offering price and other selling terms. No such reduction will change the amount of proceeds to be received by us as set forth on the cover page of this prospectus supplement.

The following table shows the public offering price, the underwriting discounts and commissions that we are to pay the underwriter and the proceeds, before expenses, to us in connection with this offering. Such amounts are shown assuming both no exercise and full exercise of the underwriter's option to purchase additional shares.

| | Per Share | | Total | |
|---|--|---|--|---|
| | Without Option to Purchase Additional Shares | With Option to Purchase Additional Shares | Without Option to Purchase Additional Shares | With Option to Purchase Additional Shares |
| Public offering price | \$ | \$ | \$ | \$ |
| Underwriting discounts and commissions paid by us | \$ | \$ | \$ | \$ |
| Proceeds to us, before expenses | \$ | \$ | \$ | \$ |

We estimate expenses payable by us in connection with this offering, other than underwriting discounts and commissions referred to above, will be approximately \$297,670, including up to \$5,000 that we have agreed to reimburse the underwriter for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority, Inc.

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Listing

Shares of our common stock are listed on the New York Stock Exchange under the trading symbol "BALT."

Option to Purchase Additional Shares

We have granted to the underwriter an option, exercisable for 30 days from the date of this prospectus, to purchase, from time to time, in whole or in part, up to an aggregate of _____ shares from us at the public offering price set forth on the cover page of this prospectus, less underwriting discounts and commissions.

No Sale of Similar Securities

We, each of our directors and executive officers and Genco have agreed that, without the prior written consent of Jefferies LLC, none of us will, during the period ending 90 days after the date of this prospectus supplement:

offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock;

enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock; or

file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock;

whether any such transaction described in the first or second bullet above is to be settled by delivery of common stock or such other securities, in cash or otherwise.

The restrictions described in this paragraph do not apply to:

the sale by us of common stock in this offering;

the issuance by us of shares of common stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus supplement of which the underwriter has been advised in writing or which is described in this prospectus supplement;

the grant of options or the issuance of shares of restricted stock or restricted stock units by us to employees, officers, directors, advisors or consultants pursuant to any employee benefit plan referred to in this prospectus supplement;

the filing of any registration statement on Form S-8 in respect of any employee benefit plan referred to in this prospectus supplement;

the transfer by our executive officers or directors of shares of common stock or securities convertible into common stock by gift; provided that the transferee executes a copy of the lock-u