

Ship Finance International LTD
Form F-3
April 07, 2008

Registration Statement No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SHIP FINANCE INTERNATIONAL LIMITED
(Exact name of registrant as specified in its charter)

Islands of Bermuda (State or other jurisdiction of incorporation or organization)	4412 (Primary Standard Industrial Classification Code Number)	N/A (I.R.S. Employer Identification No.)
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Ship Finance International Limited
Attn: Lars Solbakken
Par-la-Ville Place
14 Par-la-Ville Road
Hamilton, HM 08
Bermuda
(441) 295-9500
(Name, address and telephone number of
Registrant's principal executive office)

Seward & Kissel LLP
Attention: Gary J. Wolfe, Esq.
One Battery Park Plaza
New York, New York 10004
(212) 574-1200
(Name, address and telephone number of
agent for service)

Copies to:

Gary J. Wolfe, Esq.
Seward & Kissel LLP
One Battery Park Plaza
New York, New York 10004
(212) 574-1200

Approximate date of commencement of proposed sale to the public: From time to time after this registration statement becomes effective as determined by market conditions and other factors.

If only securities being registered on the Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective Registration Statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Security (1)	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee
Common Shares, par value \$1.00 per share	5,000,000	\$26.91	\$134,525,000	\$5,286.83

(1) Estimated solely for the purpose of calculating the registration fee based upon the average of the high and low prices reported for the common shares on the New York Stock Exchange on April 3, 2008, pursuant to Rule 457(c).

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

PROSPECTUS

SHIP FINANCE INTERNATIONAL LIMITED

DIVIDEND REINVESTMENT AND DIRECT STOCK PURCHASE PLAN

5,000,000 Common Shares, \$1.00 Par Value

We are an international shipping company that is engaged primarily in the ownership and operation of oil tankers, containerships and other vessels. With this Prospectus we are offering you the opportunity to participate in our Dividend Reinvestment and Direct Stock Purchase Plan, or the "Plan." The Plan allows our existing shareholders to increase their holdings of our common shares and gives new investors an opportunity to make an initial investment in our common shares.

PLAN HIGHLIGHTS

- If you are an existing shareholder, you may purchase additional common shares by reinvesting all or a portion of the dividends paid on your common shares and by making optional cash investments of not less than \$100 each and up to a maximum of \$10,000 per month. In some instances, we may permit optional cash investments in excess of this maximum.
- If you are a new investor, you may join the Plan by making an initial investment of not less than \$250 and up to a maximum of \$10,000. In some instances, we may permit initial investments in excess of this maximum.
- As a participant in the Plan, you may authorize electronic deductions from your bank account for optional cash investments.
- We may offer discounts ranging from 0% to 5% on optional and initial cash investments that are made pursuant to a request for waiver (i.e., on investments that are in excess of \$10,000). At our discretion the discount may be offered at variable rates on one, all or a combination of the sources of investments or not at all.

Investing in our common shares involves risks. You should consider certain risk factors before enrolling in the Plan. See "Risk Factors" on page 1 of this Prospectus and the documents incorporated herein by reference for more information. We suggest you retain this Prospectus for future reference.

Our common shares are listed on the New York Stock Exchange under the symbol "SFL." The last reported sales price of our common shares on April 3, 2008 was \$27.00.

Unless specifically noted otherwise in this Prospectus, all references to "we," "us," "our," or the "Company" refer to Ship Finance International Limited and its subsidiaries.

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

CRIMINAL OFFENSE.

The date of this Prospectus is April 7, 2008.

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RISK FACTORS

Before you decide to participate in the Plan and invest in our common shares, you should be aware of the following material risks in making such an investment. You should consider carefully this risk factor together with all risk factors and information included or incorporated by reference in this Prospectus before you decide to participate in the Plan and purchase common shares. In addition, you should consult your own financial and legal advisors before making an investment.

Risks Related to the Plan

You will not know the price of the common shares you are purchasing under the Plan at the time you authorize the investment or elect to have your dividends reinvested.

The price of our common shares may fluctuate between the time you decide to purchase common shares under the Plan and the time of actual purchase. In addition, during this time period, you may become aware of additional information that might affect your investment decision.

Mellon Bank, N.A., or the Plan Administrator, administers the Plan. If you instruct the Plan Administrator to sell common shares under the Plan, you will not be able to direct the time or price at which your common shares are sold. The price of our common shares may decline between the time you decide to sell common shares and the time of actual sale.

If you decide to withdraw from the Plan, the Plan Administrator will continue to hold your common shares unless you request a certificate for whole shares.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain matters discussed herein may constitute forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts.

We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and we are including this cautionary statement in connection with this safe harbor legislation. The words “believe,” “anticipate,” “intend,” “estimate,” “forecast,” “project,” “plan,” “potential,” “will,” “may,” “should,” “expect,” “pending” and expressions identify forward-looking statements.

The forward-looking statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, our management's examination of historical operating trends, data contained in our records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond our control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include the strength of world economies and currencies, general market conditions, including fluctuations in charter rates and vessel values, changes in demand in the shipping market, as a result of changes in the world economy, OPEC's petroleum production levels and world wide oil consumption and storage, changes in our operating expenses, including bunker prices, drydocking and insurance costs, the market for our vessels, availability of financing and refinancing, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents or political events, vessels breakdowns and instances of off-hire and other important factors described from time to time in the reports filed by us with the Securities and Exchange Commission.

AVAILABLE INFORMATION

We file annual, periodic and other reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. You may read and copy any materials that we file with the SEC at the SEC's public reference room at 100 Fifth Street, N.E., Room 1580 Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. The SEC maintains an Internet site that contains reports, proxy, and information statements, and other information regarding issuers that file electronically with the SEC. The address for the Internet site is: <http://www.sec.gov>.

You can also inspect our reports, proxy statements, and other information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to “incorporate by reference” the information we file with them, which means that we can disclose important information to you by referring to those documents. The information incorporated by reference is considered to be a part of this Prospectus, and information that we file later with the SEC will automatically update and supersede this information.

We incorporate by reference the documents listed below and the documents that we file in the future with the SEC under Sections 13(a), 13(c), 14 or 15(d) the Securities Exchange Act until the termination of this offering. Nothing contained herein shall be deemed to incorporate by reference documents that we furnish to, but do not file with, the SEC unless such documents state that they are incorporated by reference into this Prospectus.

- Our Registration Statement on Form 8-A12B filed with the SEC on May 26, 2004; and
- Our Annual Report on Form 20-F for the fiscal year ended December 31, 2007, filed with the SEC on March 17, 2008.

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

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

Ship Finance International Limited

P.O. Box HM 1593
Par-la-Ville Place
14 Par-la-Ville Road
Hamilton HM 08
Bermuda
+1 (441) 295-9500
e-mail: ir@shipfinance.no

THE COMPANY

We are an international marine finance company with one of the largest asset bases across the maritime and offshore industries. We were formed in December 2003, when we acquired our initial fleet from Frontline, consisting of 23 very large crude carriers, or VLCCs, 16 Suezmax tankers and 8 OBO carriers with a combined market value of approximately \$2.1 billion. Since the purchase of our initial fleet, we have significantly grown and diversified our asset base.

As of December 31, 2007, our fleet consisted of a total of 58 operating vessels and oil drilling rigs. After giving effect to newbuildings and announced acquisitions and sales, we will have a fleet consisting of 69 vessels, including 34 crude oil tankers (VLCC and Suezmax), eight oil/bulk/ore vessels, 13 container vessels, three dry bulk carriers, two jack-up drilling rigs, six offshore supply vessels and three seismic vessels. The fleet is one of the largest in the world with a total cargo capacity of more than 11 million dwt.

Our principal strategy is to generate stable and increasing cash flows by chartering our assets under long-term time or bareboat charters to a diverse group of maritime and offshore customers. We have secured charter arrangements for each of our new acquisitions apart from two Suezmax tankers and five container vessels, which we are currently marketing for medium to long-term employment. Currently, customers include certain subsidiaries of Frontline Ltd., Horizon Lines Inc., Golden Ocean Group Limited, Seadrill Ltd., SCAN Geophysical ASA, Great Elephant Corporation, Compania Sud Americana de Vapores and Heung-A Shipping Co., Ltd. Our charters provide us with significant, stable cash flows and high utilization. Our primary objective is to continue to grow our business through accretive acquisitions in order to increase our dividends per share.

We deploy substantially all of our assets on long-term time or bareboat charters. The base charter rates of our charters provide for significant cash flows, which, based on existing contracts and contracted deliveries, aggregated \$5.6 billion as of December 31, 2007. In addition to these locked-in base charter rates, our long-term time charters with certain subsidiaries of Frontline also provide for additional incremental cash flows through a profit sharing arrangement. Through this profit sharing arrangement we receive profit sharing payments in markets of relative market strength where the market rate exceeds our base charter rate.

The predictability and stability of our cash flows is enhanced by our focus on minimizing our exposure to vessel operating costs. We are mainly employing our vessels on bareboat charters, whereby our charterers pay all operating expenses, including crewing, maintenance and dry-docking, or on time charters where we have locked-in operating cost agreements for the vessels.

DESCRIPTION OF THE PLAN

1. What is the Plan?

Our Dividend Reinvestment and Direct Stock Purchase Plan, or the Plan, enables new investors to make an initial investment in our common shares and existing investors to increase their holdings of our common shares. Participants can purchase our common shares with optional monthly cash investments and/or cash dividends. Enrollment in the Plan is voluntary and may not be available to investors in certain countries. Investors holding their shares outside of the United States will be required to transfer their shares to a U.S. registry prior to participation in the Plan. Each participant is responsible for reviewing the applicable laws of his or her country of residence prior to enrolling in the Plan.

The Plan is designed for long-term investors who wish to invest and build their share ownership over time. The Plan is not intended to provide holders of common shares with a mechanism for generating assured short-term profits through rapid turnover of shares acquired at a discount. The Plan's intended purpose precludes any person, organization or other entity from establishing a series of related accounts for the purpose of conducting arbitrage operations and/or exceeding the optional monthly cash investment limit.

We reserve the right to modify, suspend or terminate participation by a shareholder who is using the Plan for purposes inconsistent with its intended purpose.

2. What features does the Plan offer?

Initial investment. If you are not an existing shareholder, you can make an initial investment in our common shares, starting with as little as \$250 and up to a maximum of \$10,000. See "7. How do I enroll if I am not currently a shareholder?" below for more information.

Optional monthly cash investments. Once you are enrolled in the Plan, you can buy our common shares and pay fees and commissions lower than those typically charged by stockbrokers for small transactions. You can increase your holdings of our common shares through optional monthly cash investments of \$100 or more, up to a maximum of \$10,000 per month. You can make optional monthly cash investments by check or electronically with deductions from your personal bank account — either in a single transaction or automatically each month. If you wish to make optional monthly cash investments in excess of \$10,000 in any month or an initial investment in excess of \$10,000, see "9. What are my options for additional cash investments once I am enrolled in the Plan?" below for more information.

Automatic dividend reinvestment. You can also increase your holdings of our common shares through automatic reinvestment of your cash dividends. You will also be credited with dividends on fractions of common shares you hold in the Plan. You can elect to reinvest all or a portion of your dividends. You can receive, electronically or by check, any portion of dividends not reinvested by you. See "5. How do I enroll in the Plan if I am an existing shareholder and my common shares are registered in my own name?" and "10. What are my reinvestment options?" below for more information.

Share safekeeping. You can deposit your share certificate representing common shares for safekeeping with the Plan Administrator. See "19. Can I deposit share certificates for safekeeping?" below for more information.

Automated transactions. You can execute many of your Plan transactions on-line. See "16. May I enroll, view my account information, and execute transactions online?" below for more information.

Refer to "8. What are the fees associated with participation?" below for details on fees charged for these transactions and services.

3. Who is the Plan Administrator and what does the Plan Administrator do?

Mellon Bank, N.A., currently is the Plan Administrator. The Plan Administrator with certain administrative support provided by BNY Mellon Shareowner Services, a registered transfer agent, and Mellon Securities LLC, a registered broker/ dealer, as designated agent for each participating shareholder, administers the Plan, keeps records, sends statements of account activity to each participant and performs other duties relating to the Plan. The Plan Administrator holds for safekeeping the common shares purchased for you together with common shares forwarded by you to the Plan Administrator for safekeeping until termination of your participation in the Plan or receipt of your request for a certificate for all or part of your common shares. Common shares purchased under the Plan and held by the Plan Administrator will be registered in the Plan Administrator's name or the name of its nominee, as your agent. In the event that the Plan Administrator should resign or otherwise cease to act as agent, we will appoint a new administrator to administer the Plan.

The Plan Administrator also acts as dividend disbursing agent, transfer agent and registrar for our common shares.

We and the Plan Administrator will not be liable in administering the Plan for any act done in good faith or as required by applicable securities laws or for any good faith omission to act including, without limitation, any claim or liability arising out of failure to terminate your account upon your death, or with respect to the prices at which common shares are purchased for your account and the times when such purchases are made or with respect to any fluctuation in the market value after purchase or sale of common shares. Neither we nor the Plan Administrator shall have any duties, responsibilities or liabilities except such as are expressly set forth in the Plan.

4. How do I contact the Plan Administrator?

If you have questions regarding the Plan, please write to the Plan Administrator at the following address:

BNY Mellon Shareowner Services
c/o Mellon Investor Services
P.O. Box 358035
Pittsburgh, PA 15252-8035

Or call the Plan Administrator at:
1-800- 301-3489 if you are inside the United States or Canada,
1-201-680-6578 if you are outside the United States or Canada, or
1-800-231-5469 for the hearing impaired (TDD).

An automated voice response system is available 24 hours a day, 7 days a week. Customer service representatives are available from 9:00 a.m. to 7:00 p.m., Eastern Time, Monday through Friday (except holidays).

Include your name, address, daytime telephone number, account key, Investor Identification Number and reference Ship Finance International Limited on all written correspondence.

In addition, you may visit the BNY Mellon Shareowner Services website at www.bnymellon.com/shareowner. At this website, you can enroll in the Plan, obtain information, and perform certain transactions on your Plan account via Investor ServiceDirect®. New investors establish a Personal Identification Number (PIN) when setting up their account. For existing shareholders to gain access, use the 12-digit Investor Identification Number (IID) which can be found in a bolded box on your check stub, statement or advice to establish a PIN. In order to access your account through ISD, you will be required to complete an account activation process. This one-time authentication process will be used to validate your identity in addition to your 12-digit IID and self-assigned PIN.

5. How do I enroll in the Plan if I am an existing shareholder and my common shares are registered in my name?

If you already own our common shares and the common shares are registered in your name, you may participate in the Plan immediately. You may participate by choosing to reinvest all or part of your quarterly dividend, if any, or by making an additional cash investment. Please see “9. What are my options for additional cash investments once I am enrolled in the Plan?” below for details regarding optional monthly cash investments and “10. What are my reinvestment options?” below for details regarding the different reinvestment elections you can make under the Plan. You can enroll online through Investor ServiceDirect® at www.bnymellon.com/shareowner or by completing and returning the enclosed enrollment form to the Plan Administrator in the envelope provided. Your participation will begin promptly after your authorization is received. Once you have enrolled, your participation continues automatically until either you elect to withdraw from the Plan or the Plan is terminated by us.

If you need to obtain an enrollment package, contact the Plan Administrator at 1-800-301-3489 if you are inside the United States or Canada, 1-201-680-6578 if you are outside the United States or Canada, or 1-800-231-5469 for the hearing impaired (TDD). While there is no cost to enroll in the Plan, please refer to “8. What are the fees associated with participation?” for more information on purchase, reinvestment and sale fees, and other expenses.

6. My shares are held in “street name.” How do I enroll in the Plan if I am an existing shareholder and my common shares are registered in the name of my broker, bank or other nominee?

If your common shares are registered in the name of a broker, bank or other nominee, you should contact that institution and discuss with it whether it can arrange for you to participate in the Plan. If the broker, bank or other nominee cannot arrange for you to participate in the Plan, you should arrange for the broker, bank or other nominee to register in your name the number of common shares that you want to participate in the Plan or have the common shares electronically transferred into your own name through the Direct Registration System. You can then enroll in the Plan, as described in “5. How do I enroll in the Plan if I am an existing shareholder and my common shares are registered in my name?” above. Alternatively, if you do not want to re-register your common shares, you can enroll in the Plan in the same way as someone who is not currently a shareholder, as described in “7. How do I enroll if I am not currently a shareholder?” below. However, even if you enroll in the Plan by making an investment as described in “7. How do I enroll if I am not currently a shareholder?”, any existing common shares that a