

Eagle Bulk Shipping Inc.
Form 4
November 21, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
KELSO INVESTMENT ASSOCIATES VII LP

(Last) (First) (Middle)

320 PARK AVENUE, 24TH FLOOR

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Eagle Bulk Shipping Inc. [EGLE]

3. Date of Earliest Transaction (Month/Day/Year)
11/17/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___X___ Other (specify below)

See Footnote 2

6. Individual or Joint/Group Filing(Check Applicable Line)

___ Form filed by One Reporting Person
X Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| Common Stock, par value \$0.01 per share | 11/17/2006 | | S | 2,700,000 (1) | \$ 15.51 | 7,425,000 (1) | By Eagle Ventures LLC |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Michael B. Goldberg and Frank J. Loverro are members of the board of directors of Eagle Bulk Shipping Inc. and are managing members of each of KEP VI, LLC ("KEP VI") and Kelso GP VII, LLC ("GP VII, LLC"). Messrs. Goldberg and Loverro disclaim beneficial ownership of any Common Stock included herein except to the extent of their pecuniary interest therein.

- (3) Each of KEP VI and Kelso Investment Associates VII, L.P. ("KIA VII"), by virtue of its status as a member of Eagle Ventures LLC, may be deemed to share beneficial ownership of shares of Common Stock owned by Eagle Ventures LLC. Each of KIA VII and KEP VI share investment and voting power along with the other members of Eagle Ventures LLC with respect to Common Stock owned by Eagle Ventures LLC, but disclaim beneficial ownership of such Common Stock except to the extent of its pecuniary interest therein. Messrs. Nickell, Wall, Matelich, Goldberg, Wahrhaftig, Bynum, Berney, Loverro and Connors may be deemed to share beneficial ownership of securities owned of record by Eagle Venture LLC or indirectly by KEP VI or KIA VII, by virtue of their status as managing members of KEP VI and Kelso GP VII, LLC ("GP VII, LLC"), but disclaim beneficial ownership of such Common Stock except to the extent of their pecuniary interest therein.
- (4) Each of KIA VII and KEP VI, due to their common control, may be deemed to beneficially own the Common Stock owned by the other. Each of KIA VII and KEP VI disclaim beneficial ownership of Common Stock owned by the other, if any, except to the extent of such first person's pecuniary interest therein, if any.
- (5) GP VII, LLC is the general partner of Kelso GP VII, L.P. ("GP VII, L.P."). GP VII, L.P. is the general partner of KIA VII. Each of GP VII, LLC and GP VII, L.P. disclaim beneficial ownership of all of the Common Stock reported herein except to the extent of its pecuniary interest therein, if any.
- (6) Each of GP VII, LLC and GP VII, L.P., due to their common control, could be deemed to beneficially own the Common Stock owned by the other. Each of GP VII, LLC and GP VII, L.P. disclaim beneficial ownership of Common Stock owned by the other or directly by Eagle Ventures LLC, except to the extent of such first person's pecuniary interest therein, if any.

Remarks:

Because an electronically filed joint filing is limited to a maximum of ten reporting persons, this Form 4 is one of two filed to

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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