



CHANIN CAPITAL PARTNERS

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Sunterra Corporation Emerges From Chapter 11 Bankruptcy Protection

New York, New York, July 30, 2002 – Chanin Capital Partners ("Chanin"), an international investment bank specializing in financial restructurings and mergers and acquisitions, announced the emergence of its client, Sunterra Corporation ("Sunterra"), from Chapter 11 bankruptcy proceedings, effective July 29, 2002. Sunterra and certain of its subsidiaries filed for Chapter 11 bankruptcy protection on May 31, 2000 in the United States Bankruptcy Court for the District of Maryland (Baltimore). The court confirmed Sunterra's Plan of Reorganization, supported by all of its major creditor groups, on June 20, 2002. Chanin has been providing investment banking services to Sunterra throughout the reorganization process.

The capstone of Sunterra's two-year reorganization is yesterday's closing of a \$300 million financing facility provided by Merrill Lynch Mortgage Capital Inc. A portion of the financing will be used to retire the existing \$160 million debtor-in-possession loan from Greenwich Capital Markets, Inc., while the remainder will provide capital to fund post-emergence business operations. Chanin arranged and structured the Merrill Facility.

"In this very challenging financing environment, obtaining this level of capital for a company emerging from Chapter 11 is a testament to Sunterra's new business plan, its outstanding management team and its very dedicated employees worldwide," said Mark Rubin, senior vice president who led the Chanin engagement team.

"We would not be where we are today with a confirmed plan and the Merrill financing without the expertise and diligence of every member of Chanin who has been involved in this case," said Nicholas Benson, CEO of Sunterra.

Sunterra Corporation is one of the world's largest vacation ownership companies, with owner families and resorts in North America, Europe, the Pacific and the Caribbean.

Chanin Capital Partners is an international specialty investment bank providing the following financial services: Financial Restructurings, Mergers and Acquisitions, Corporate Finance, Valuations, and Fairness and Solvency Opinions. Please visit our website at www.chanin.com

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