

PRESS RELEASE**For information contact:**

Mike Avara
Chief Financial Officer
704-973-7027
mavara@horizonlines.com

***HORIZON LINES PLANS TO CONVERT STEAM-POWERED
CARGO VESSELS TO DUAL DIESEL/LNG ENGINE POWER PLANTS***

Plans For A Repowering Of Two Vessels As An Initial Step In A Broader Fleet Program

Project RFPs Issued To Six U.S. Shipyards And Six Foreign Shipyards

CHARLOTTE, NC, June 25, 2013 – Horizon Lines, Inc. (OTCQB: HRZL), one of the nation’s leading domestic ocean shipping companies, today announced that it plans to convert the power plants on two of its steam turbine cargo vessels to modern diesel engines capable of burning conventional liquid fuels or liquefied natural gas (LNG).

“We are viewing this as the first step in a repowering initiative for Horizon Lines vessels serving in the Hawaii and Puerto Rico trade lanes,” said Sam Woodward, President and Chief Executive Officer. “The two initial steam vessels targeted for the planned repowering are structurally viable for the conversion from steam-powered to dual diesel/LNG engines. Additionally, our repowering project has the support of the American Bureau of Shipping (ABS). We plan to work closely with the ABS and the U.S. Coast Guard (USCG) throughout the life of the project.”

The project’s goal is to reduce fuel consumption and lower emissions. The project, which would include an integrated repowering solution encompassing main engines, supporting components, and LNG storage tanks, has attracted interest from both domestic and foreign shipyards. As a result, six request-for-pricings (RFPs) have been issued to U.S. shipyards and six have been issued to foreign shipyards. The company has not decided where the repowering work would be conducted at this time, pending receipt and evaluation of the RFPs.

Horizon Lines requested a predetermination ruling from the USCG National Vessel Documentation Center on coastwise eligibility in order to determine if the company could consider foreign options in addition to U.S. shipyards for the project. The USCG ruled that

the work as described can take place in a foreign shipyard without jeopardizing the Jones Act status of the vessels.

“We expect to receive the completed RFPs in mid-July and will evaluate each based on the overall value that the shipyard can provide in terms of quality of work, cost of the project and schedule requirements,” said Pete Strohla, Vice President and General Manager of the company’s Ocean Transportation Services group. “As we further explore a comprehensive fleet program, additional RFPs will be needed to meet our vessel requirements. We expect U.S. shipyards will provide bids for this initial repowering project, as well as for upcoming projects. We tentatively expect work to commence on the first vessel in January 2015 and the first two ships to be completed late that same year or in early 2016.”

Horizon Lines also is conducting due diligence regarding various engine manufacturers capable of meeting the company’s specifications for a dual-fuel, medium-speed diesel power plant required for the planned repowering project. The company currently does not have a contract with any engine manufacturer but has engaged MAN Diesel & Turbo SE to conduct preliminary engineering, consulting and design work related to the proposed repowering project.

“Horizon Lines is committed to a comprehensive repowering program that will improve our fleet’s fuel efficiency and environmental impact,” said Bill Hamlin, Executive Vice President and Chief Operating Officer. “Doing this in a cost-effective manner, while at the same time continuing to provide outstanding service to our customers without disruption, is consistent with Horizon Lines’ commitment to its customers, the consumers in the markets we serve, and our obligations as a Jones Act carrier.”

About Horizon Lines

Horizon Lines, Inc. is one of the nation’s leading domestic ocean shipping companies and the only ocean cargo carrier serving all three noncontiguous domestic markets of Alaska, Hawaii and Puerto Rico from the continental United States. The company owns a fleet of 13 fully Jones Act qualified vessels and operates five port terminals in Alaska, Hawaii and Puerto Rico. A trusted partner for many of the nation’s leading retailers, manufacturers and U.S. government agencies, Horizon Lines provides reliable transportation services that leverage its unique combination of ocean transportation and inland distribution capabilities to deliver goods that are vital to the prosperity of the markets it serves. The company is based in Charlotte, NC, and its stock trades on the over-the-counter market under the symbol HRZL.

Forward Looking Statements

The information contained in this press release should be read in conjunction with our filings made with the Securities and Exchange Commission. This press release contains “forward-looking statements” within the meaning of the federal securities laws. Forward-looking statements are those that do not relate solely to historical fact. They include, but are not limited to, any statement that may predict, forecast, indicate or imply future results,

performance, achievements or events. Words such as, but not limited to, “believe,” “anticipate,” “consider,” “plan,” “potential,” “targets,” “projects,” “will,” “expect,” “would,” “could,” “should,” “may,” and similar expressions or phrases identify forward-looking statements.

Factors that may cause expected results or anticipated events or circumstances discussed in this press release to not occur or to differ from expected results include: our ability to obtain financing on acceptable terms or generate sufficient free cash flow to pay for the potential repowering project; whether shipyards providing RFPs will meet our expectations for the potential repowering project at a price we believe is fair and reasonable; our ability to acquire engines that meet our specifications; the continued support of ABS and USCG for this potential repowering project; our ability to manage the potential repowering project effectively to deliver the results we hope to achieve; the price of raw materials required in connection with the potential repowering project; decreases in shipping volumes; our ability to maintain adequate liquidity to operate our business; the reaction of our customers and business partners to our announcements and filings, including those referred to herein; repeal or substantial amendment of the coastwise laws of the United States, also known as the Jones Act; catastrophic losses and other liabilities; the successful start-up of any Jones Act competitor; failure to comply with the various ownership, citizenship, crewing, and U.S. build requirements dictated by the Jones Act; and unexpected substantial dry-docking or repair costs for our existing vessels.

All forward-looking statements involve risk and uncertainties. In light of these risks and uncertainties, expected results or other anticipated events or circumstances discussed in this press release might not occur. The forward-looking statements included in the press release are made only as of the date they are made and the company undertakes no obligation to update any such statements, except as otherwise required by applicable law. See the section entitled “Risk Factors” in our 2012 Form 10-K filed with the SEC on March 12, 2013, for a more complete discussion of these risks and uncertainties and for other risks and uncertainties. Those factors and the other risk factors described therein are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. Consequently, there can be no assurance that actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences.

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