

The Great Eastern Shipping Co. Ltd.

Business & Financial Review

June 2011

Forward Looking Statements

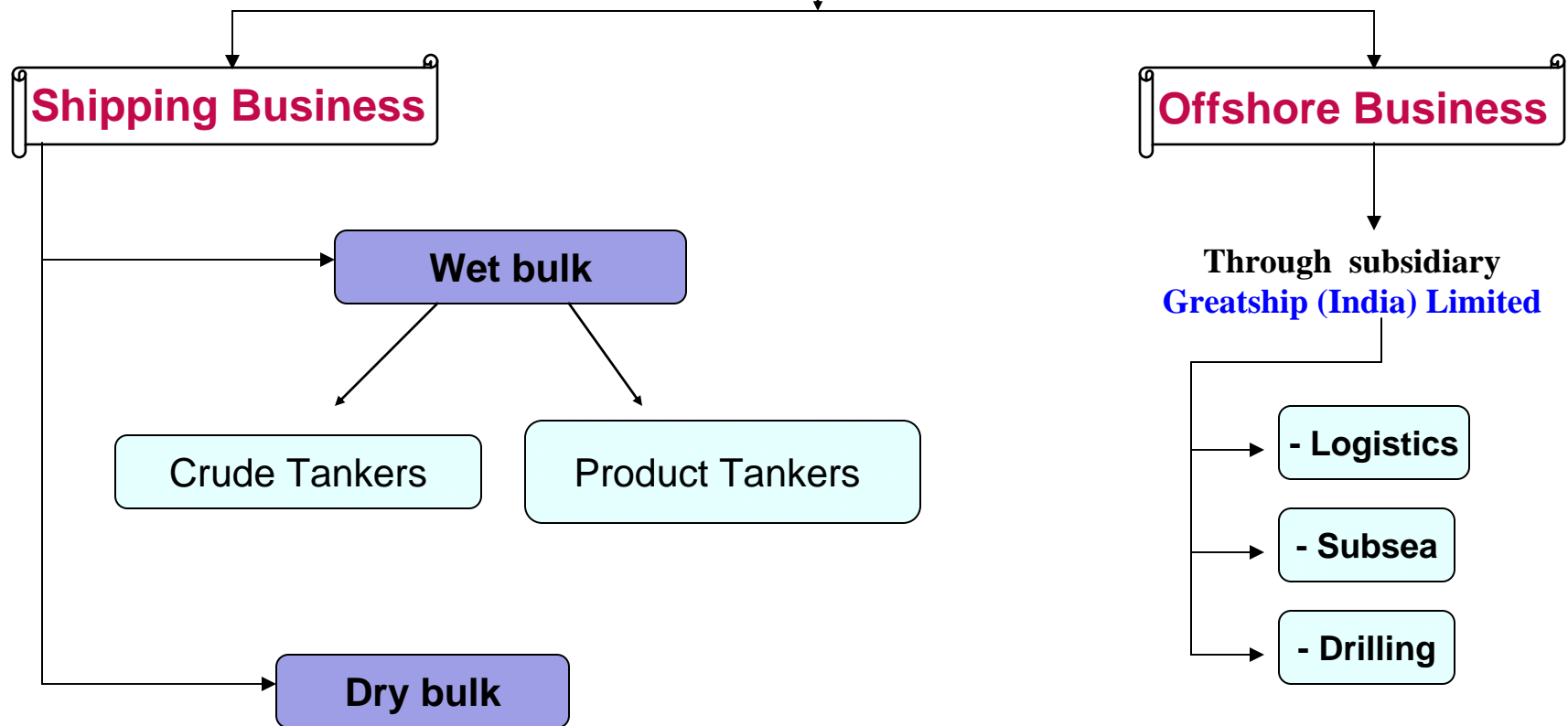
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Certain factors may cause actual results to differ materially from those contained in the forward looking statements; including changes in freight rates; global economic and business conditions; effects of competition and technological developments; changes in laws and regulations; difficulties in achieving cost savings; currency, fuel price and interest rate fluctuations etc.

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Corporate Profile

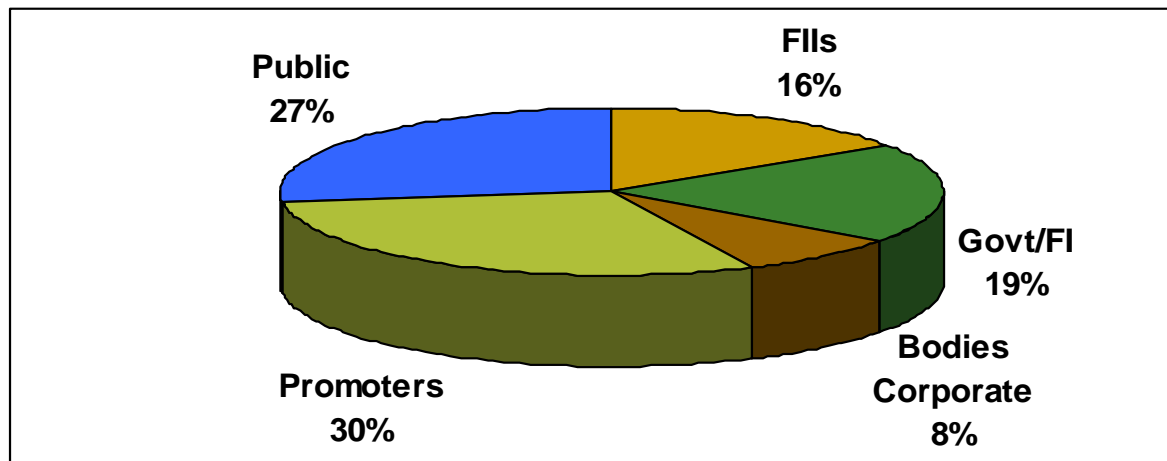
The Great Eastern Shipping Co. Ltd.
Incorporated in 1948



Company at a glance

- ✦ *India's largest private sector Shipping Company*
- ✦ *Diverse asset base with global operations*
- ✦ *Completed 63 years of operations*
- ✦ *More than 27 years of uninterrupted dividend track record*

Shareholding Pattern as on Mar 31, 2011



Shipping business-owned fleet

- ❑ **34 ships aggregating 2.55 Mn dwt, avg.age 8.8 years**
 - ❑ **26 Tankers** avg.age 8.9 years (76% in tonnage terms)
 - **9 Crude carriers (4 Suezmax, 5 Aframax)** avg.age 8.6 years
 - **16 Product tankers (4 LR1, 8 MR, 4 GP)** avg.age 9.0 years (1 single hull – double sided)
 - **1 LPG carrier** – avg.age 20 years
 - ❑ **8 Dry bulk carriers** avg.age 8.6 years
 - **1 Capesize** - avg.age 15 years
 - **2 Kamsarmax** - avg.age 0 years
 - **1 Panamax** - avg.age 16 years
 - **3 Supramax**- avg.age 6 years
 - **1 Handymax** - avg.age 14 years

Committed CAPEX – Shipping Business

Committed Capex of around USD 96 Mn

- 2 new building contracts aggregating 0.14 mn. dwt

To be delivered in:

✓ FY 2012

- 1 NB, Supramax Dry Bulk Carrier (Cosco (Zhoushan) Shipyard Co. Ltd)

- 1 NB, Kamsarmax Dry Bulk Carrier (SPP Shipbuilding Co.Ltd)

Stage payments already made : around US\$69 mn of the total CAPEX

Offshore business- Fleet Profile

➤ **Current Owned Fleet**

- ✓ **2 350ft Jack Up Rigs**
- ✓ **4 Platform Supply Vessels (PSV)**
- ✓ **7 Anchor Handling Tug cum Supply Vessels (AHTSV)**
- ✓ **3 Multipurpose Platform Supply and Support Vessels (MPSSV)**
- ✓ **3 Platform / ROV Support Vessels (ROVSV)**

Committed CAPEX – Offshore Business

➤ Committed Capex of around USD 450 Mn

To be delivered in:

✓ FY 2012

- 2 NB MSVs (Mazagon Dock)
- 2 NB 150T AHTSV (Drydock World, Singapore)
- 1 NB Platform / ROV Support Vessel (CDL)

✓ FY 2013

- 2 NB Platform / ROV Support Vessels (CDL)
- 1 Jackup Rig (350 feet) (Lamprell Energy, Dubai)

Stage payments already made : around US\$72 mn of the total CAPEX

Fleet Growth	FY2008	FY2009	FY2010	FY2011E	FY2012E	FY2013E
Fleet (in nos)	4	9	15	19	24	27

Modern & Technologically Advanced Fleet

Young Fleet

- Young fleet with an average age of approx. 3 years by FY 2012
- Demand shifting to modern vessels, especially as safety becomes a major concern for oil companies

Technologically Advanced

- Specialized/technologically advanced vessels equipped with DP I/DP II (Dynamic Positioning) and FiFi I (Fire Fighting) technologies
 - Subsea vessels are SPS 2008 compliant
- Equipped to operate in challenging environments
- Efficient and versatile vessels

Revenue Efficiencies

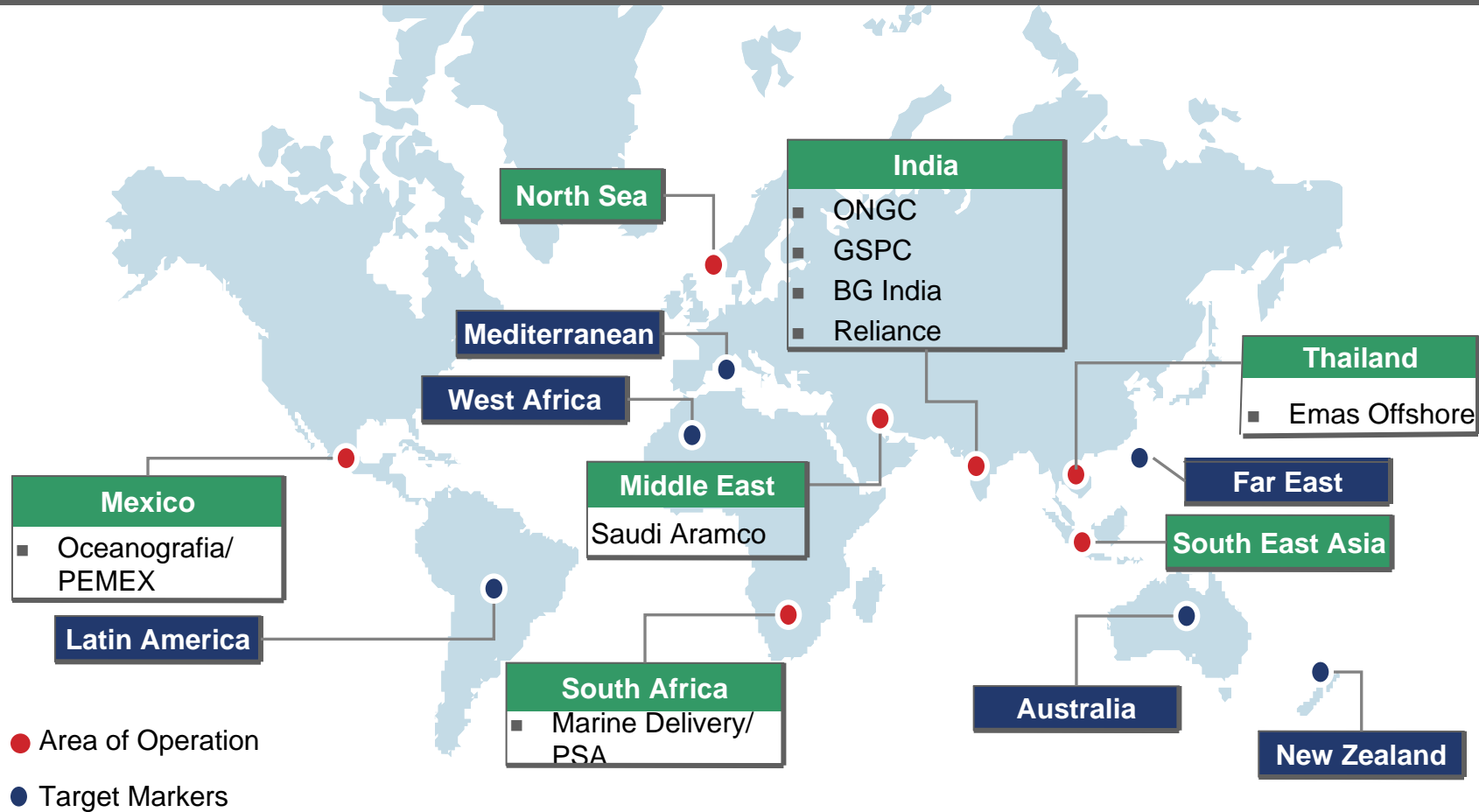
- Higher utilization rates
- Minimum down time

Cost Efficiencies

- Lower Operating costs
- Reduced maintenance capex & opex

Global Presence-Risk Diversification and Profit Maximization

One of the few Indian companies to operate in diverse markets across the world with prestigious counterparties; helps to hedge against fluctuations in charter rates



Offshore Service Value Chain

	Exploration	Development	Production
Length of Typical Cycle	- 3 to 5 years	- 2 to 4 years	- 5 to 55 years
Description	<ul style="list-style-type: none"> - Collection of survey data - Analysis & interpretation - Identification of oil & gas reserves 	<ul style="list-style-type: none"> - Construction & installation of production platforms, pipelines & equipment - Preparation for production 	<ul style="list-style-type: none"> - Management of oil & gas production - Operations & Maintenance - Retrofit work
Vessels	<ul style="list-style-type: none"> - AHTV, AHTSV, MPSSV, Tugs - PSV/ Supply, Crewboats - ROV Support Vessels - Seismic survey & support hydrographic survey (for pipeline routes) - Chase boats 	<ul style="list-style-type: none"> - AHTV, AHTSV, MPSSV, Tugs - PSV/ Supply, Crewboats - Derrick/ Crane Vessels - Cable & pipe-lay vessels - Heavy Lift Transport - Offshore Dredgers - Accommodation units 	<ul style="list-style-type: none"> - AHTSV, - PSV/ Supply - MPSSV/ Production Support Vessels - Emergency Rescue & Response Vessels - Crewboats - Accommodation units

Q4FY'11 Financial Highlights

Standalone			Consolidated	
FY'11	FY'10	(Amount in Rs. crs)	FY'11	FY'10
Income Statement				
1649	2245	Revenue (including other income)	2741	3322
829	921	EBITDA (including other income)	1275	1191
266	396	Net Profit	469	513
Balance Sheet				
9596	9605	Total Assets	12653	11868
5504	5371	Equity	6031	5710
3616	3669	Long Term Debt (Gross)	5957	5370
1112	214	Long Term Debt (Net of Cash)	2832	1447
Key financial figures				
50.30%	41.03%	EBITDA Margin (%)	46.51%	35.86%
4.90%	7.68%	Return on Equity (ROE) (%)	8.62%	9.37%
4.53%	6.29%	Return on Capital Employed (ROCE) (%)	6.13%	7.02%
0.66	0.68	Gross Debt/Equity Ratio (x)	0.99	0.93
0.20	0.04	Net Debt/Equity Ratio (x)	0.47	0.24
Share related figures				
17.50	25.99	Earnings per share, EPS (Rs)	30.78	33.67
17.46	25.93	Diluted earnings per share (Rs)	30.71	33.60
43.02	48.74	Cash Profit per share (Rs)	58.38	61.55
8.00	8.00	Dividend per share (Rs)	8.00	8.00

NAV as on 31 Mar'11 Rs.345

Q4FY'11 Performance Highlights

Breakup of revenue days

FY11	FY10	Revenue Days	Q4'FY11	Q4'FY10
12,097	13,269	Owned Tonnage	2,827	3,374
111	256	Inchartered Tonnage	23	-
12,208	13,525	Total Revenue Days	2,850	3,374
2.63	2.89	Total Owned Tonnage (mn.dwt)	2.63	2.89

Mix of Spot & Time

Average TCY Details

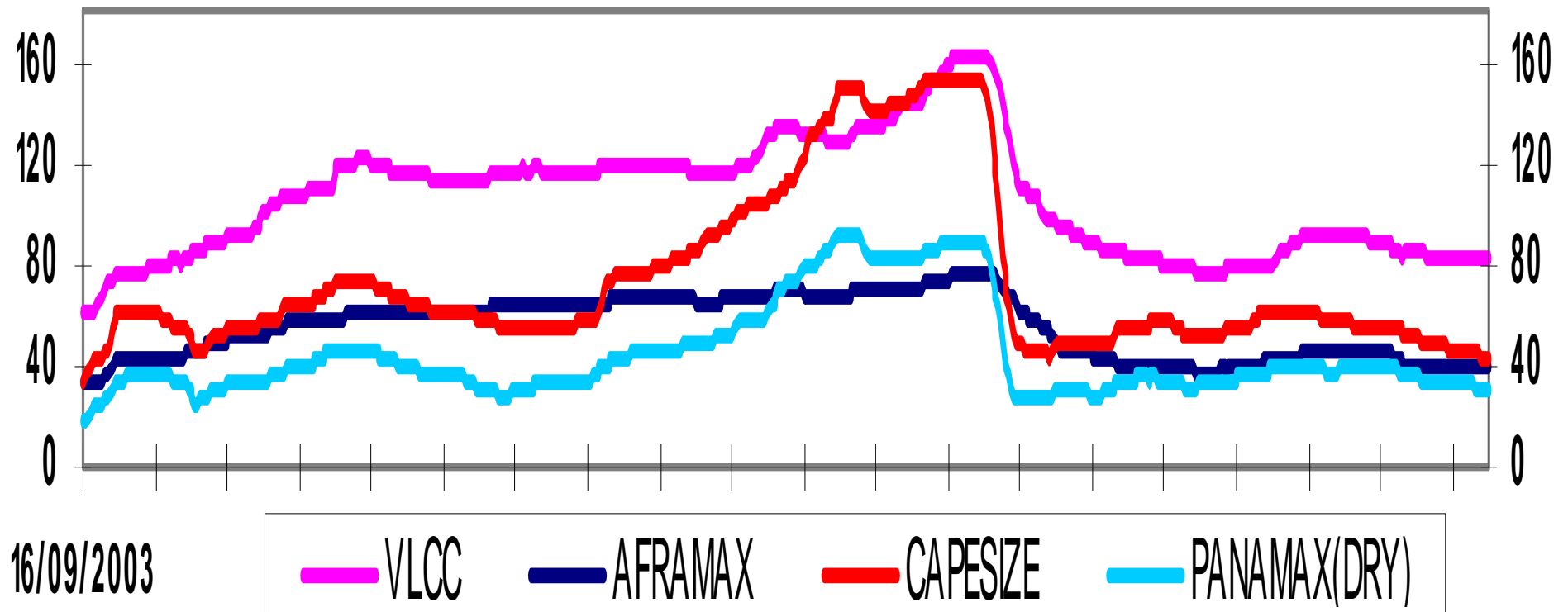
Average (TCY \$ per day)	Q4'FY11	Q4'FY10	% Chg
Crude Carriers	23,072	29,322	(21)%
Product Carriers (Incl. Gas)	15,556	17,920	(13)%
Dry Bulk	18,153	23,963	(24)%

Q4 FY11	Q4 FY10	Days (in %)	FY11	FY10
59%	47%	Dry Bulk		
41%	53%	Spot %	52%	63%
		Time %	48%	37%
52%	39%	Tankers		
48%	61%	Spot %	46%	47%
		Time %	54%	53%
53%	41%	Total		
47%	59%	Spot %	47%	49%
		Time %	53%	51%

Asset Price Movement (5 yr old)

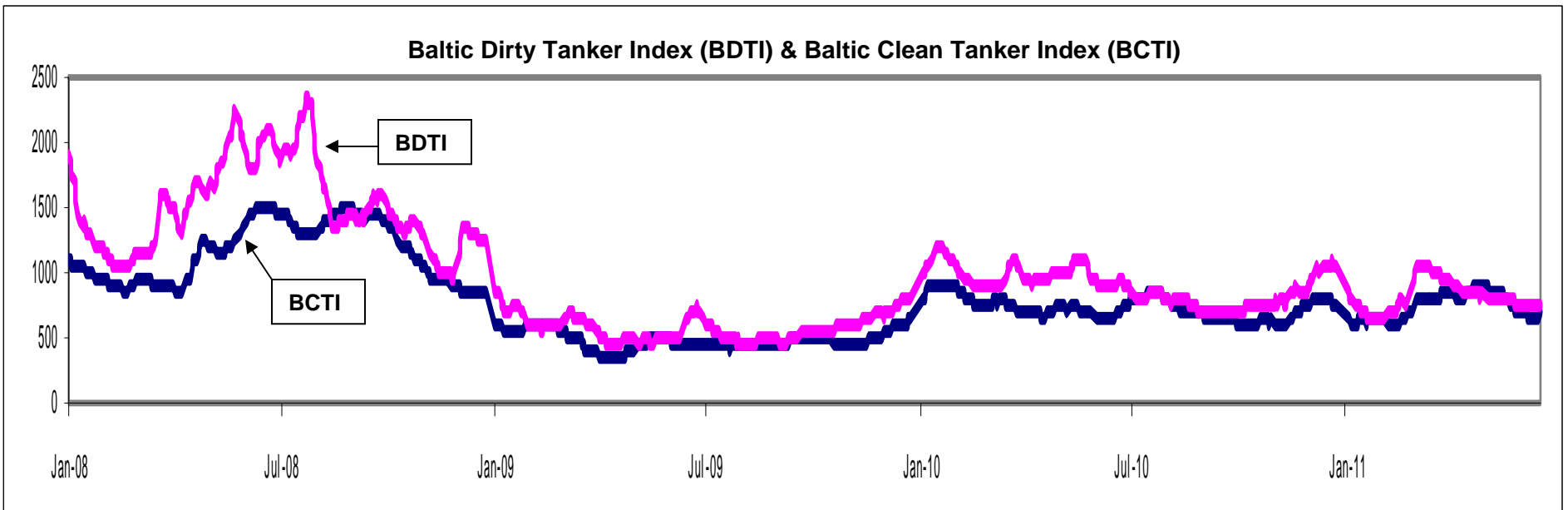
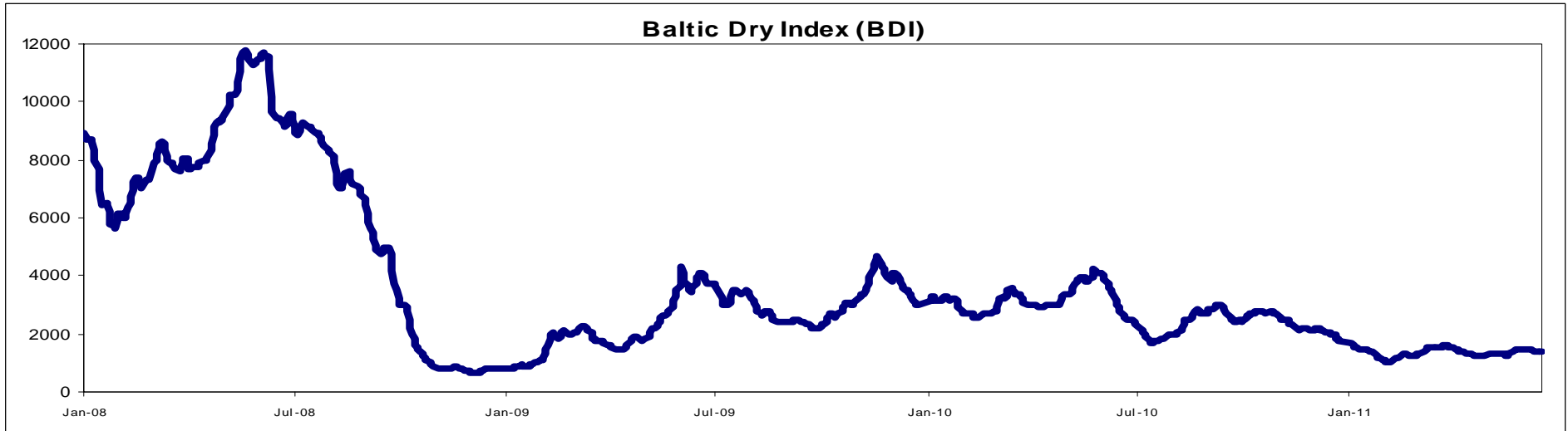
Timeline- Sep2003 till June 13, 2011

Amt in US\$ mn



Source: Baltic Sale & Purchase Assessment

Indices Movement - Timeline Jan'08 to 17 Jun'11



Total Seaborne trade at a glance... Dry Bulk

Seaborne Bulk trade

(in mn. tonnes)	2008	2009	2010	2011(F)	% chg (CY11 over CY10)
Iron ore	841	907	970	1043	8%
Steam Coal (Thermal)	578	590	654	680	4%
Coking Coal	221	215	264	298	13%
Grains	244	236	248	254	2%
Bauxite	86	66	79	86	9%
Sugar	49	50	53	50	6%
Agri. Bulks	114	115	117	120	3%
Fertilizers	80	71	87	88	1%
Other minor bulks	736	622	695	748	8%
Total	2949	2872	3167	3367	6%

Source: Clarksons

Total Seaborne iron ore trade at a glance

Seaborne Iron Ore Imports

mn. tonnes	2008	2009	2010	2011(F)	% chg (CY10 over CY09)
W. Europe	131	81	112	114	2%
China	436	615	603	652	8%
Asia (Ex. China)	211	164	215	220	2%
ROW	56	48	52	54	4%
Total	834	908	982	1040	6%

Chinese iron ore imports in Jan to May '11: 283 mn tons

Global Oil Demand

mn.bpd	2008	2009	2010	2011 (F)	% chg (CY11 over CY10)
N.America	24.2	23.3	23.9	23.9	-
OECD Europe	15.4	14.5	14.5	14.4	(1)%
OECD Pacific (Japan& Korea)	8.0	7.7	7.8	7.8	-
Asia (Non OECD)	17.4	18.4	19.8	20.6	4%
Other Non OECD	21.0	20.9	22.1	22.7	3%
Total	86.0	84.8	88.1	89.1	1%

Source: Clarksons

Total Seaborne crude trade

Seaborne Crude Imports

mn bpd	2008	2009	2010	2011 (F)	% chg (CY11 over CY10)
Asia	15.9	16.1	17.6	18.4	5%
EU	10.9	10.3	10.0	10.0	-
N. America (incl. Canada)	7.0	6.9	6.8	7.0	3%
ROW	5.7	5.0	4.8	4.9	2%
Total	39.5	38.3	39.2	40.3	3%
of which					
Long Haul Trades	15.0	13.8	14.2	15.0	6%
	38%	36%	36%	37%	

Source: Clarksons

Gross World fleet addition-Shipping

World Fleet addition*	Fleet (as on 1 Jun'11)	CY2011	CY2012	CY2013 +
	(in mn dwt)			
Crude tankers	329.5	9%	10%	6%
Product tankers	132.2	8%	5%	2%
Dry bulk carriers	564.1	17%	16%	6%

Source: Clarksons

*includes only new building from yards

- 4% of world tanker fleet is single hull

Global Fleet – Scrapping Details

Fleet as on 1 st Jun'11		Scrapping (in mn dwt)	CY2008	CY2009	CY2010	CY2011 YTD
(in mn dwt)						
329.5		Crude	2.2	5.0	7.1	2.5
132.2		Product	2.2	3.8	5.8	1.7
564.1		Bulk	5.5	10.4	5.7	11.6

Source: Clarksons

Slippages... to be a decisive factor

CY 2010 (in mn dwt)	VLCC	Suezmax	Aframax	Panamax	MR	GP	Total
Expected orders to be delivered in CY'10	25.3	9.6	10.5	2.6	10.5	3.0	61.5
Actual deliveries	16.6	5.9	7.7	2.3	5.2	1.3	39.1
Slippages	8.7	3.7	2.8	0.3	5.3	1.7	22.4
Slippages/ cancellations as % of expected deliveries	34%	38%	26%	12%	50%	57%	36%

CY 2010 (in mn dwt)	Capesize	Panamax	H'max	H'size	Total
Expected orders to be delivered in CY'10	62.1	23.6	25.5	12.8	123.9
Actual deliveries	37.3	14.8	17.2	7.8	77.1
Slippages	24.8	8.8	8.3	5.0	46.8
Slippages/ cancellations as % of expected deliveries	40%	37%	32%	39%	38%

CY'09 Slippages (in mn dwt): Tankers ~ 24%, Dry Bulk ~ 40%

Global Fleet Supply -Offshore

(Nos)	Jackup Rigs	AHTSVs	PSVs	MSV, DSV & ROV Support
Current Fleet	541	3,148	2,223	268
Orderbook	66	333	257	87
% of O/B to current fleet	12%	11%	12%	32%
% fleet over 25 years	66%	48%	40%	20%
Average age	23.0	18.9	17.6	12.7

Source: Clarksons, Rigzone



THANK YOU

visit us at www.greatship.com

