

The Great Eastern Shipping Co. Ltd.

Business & Financial Review

January 2010

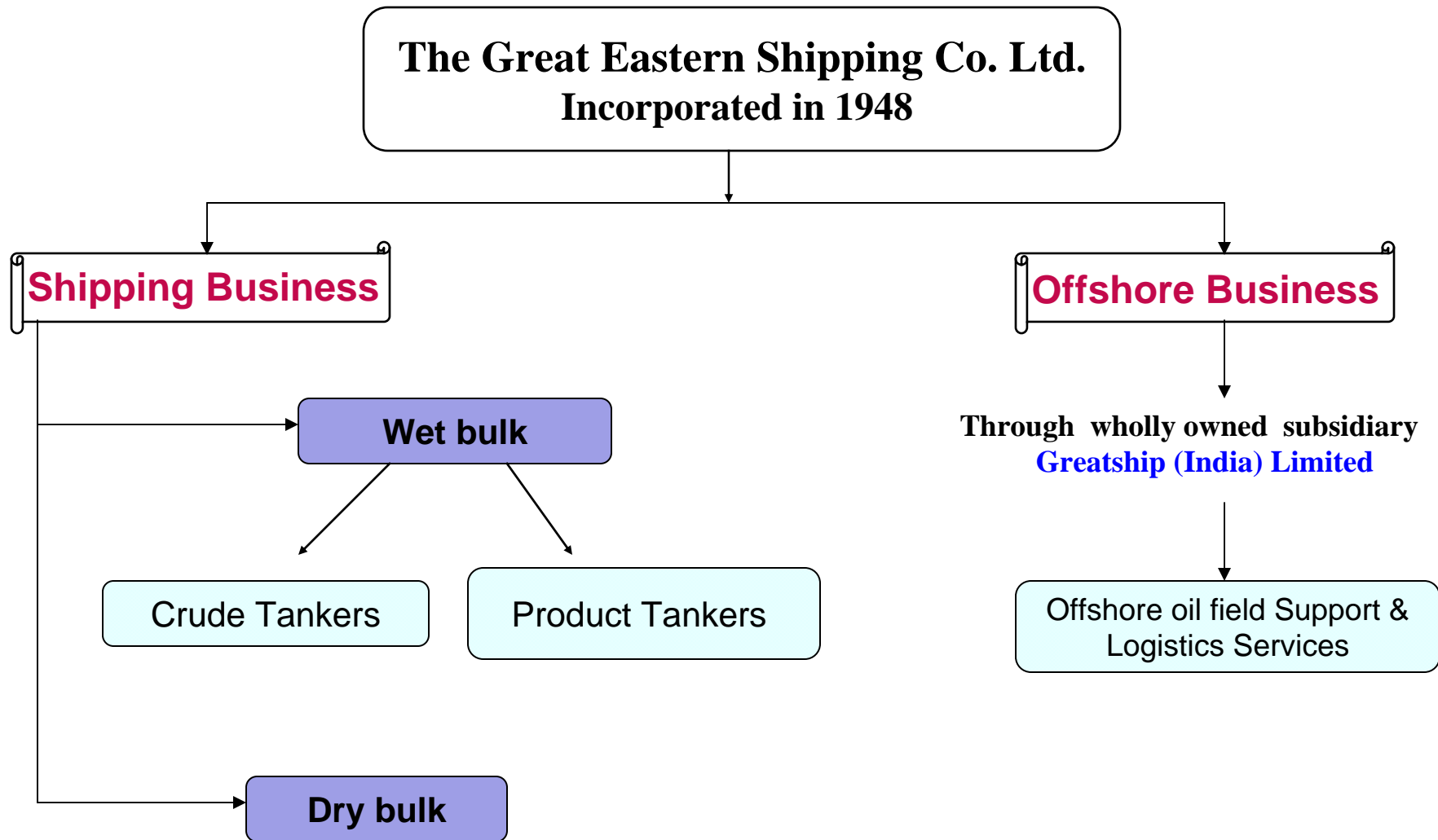
Forward Looking Statements

Except for historical information, the statements made in this presentation constitute forward looking statements. These include statements regarding the intent, belief or current expectations of GE Shipping and its management regarding the Company's operations, strategic directions, prospects and future results which in turn involve certain risks and uncertainties.

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.

The Company assumes no responsibility with regard to publicly amending, modifying or revising the statements based on any subsequent developments, information or events that may occur.

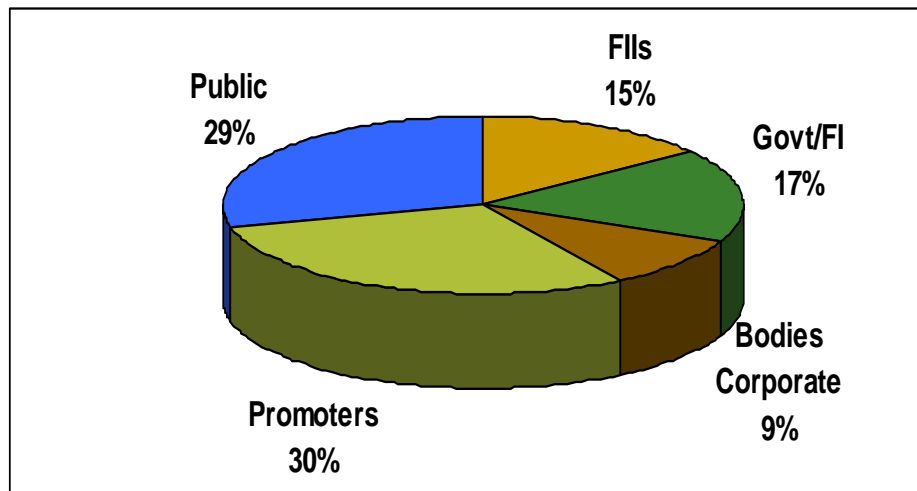
Corporate Profile



Company at a glance

- ✦ *India's largest private sector Shipping Company*
- ✦ *Diverse asset base with global operations*
- ✦ *Completed 61 years of operations*
- ✦ *More than 26 years of uninterrupted dividend track record*

Shareholding Pattern as on Sep 30th, 2009



Shipping business-owned fleet

- ❑ **37 ships aggregating 2.84 Mn dwt, avg.age 11.0 years**
 - ❑ **31 Tankers** avg.age 10.5 years (85% in tonnage terms)
 - ❑ **12 Crude carriers (6 Suezmax, 6 Aframax)** avg.age 10.5 years (2 single hull – both double sided)
 - ❑ **18 Product tankers (4 LR1, 9 MR, 5 GP)** avg.age 10.4 years (5 single hull – 2 double sided)
 - ❑ **1 LPG carrier** – avg.age 19 years (single hull)

Double hull status – 23 tankers representing 81% in dwt terms

- ❑ **6 Dry bulk carriers** avg.age 13.6 years
 - ❑ **1 Capesize** - avg.age 14 years
 - ❑ **1 Panamax** - avg.age 15 years
 - ❑ **2 Supramax**- avg.age 8 years
 - ❑ **1 Handymax** - avg.age 13 years
 - ❑ **1 Handysize** - avg.age 30 years

Contracted to sell – 1 Suezmax Tanker aggregating 0.14 mn dwt, delivery in Q1 FY11
Contracted to buy – 1 MR Tanker aggregating 0.04 mn dwt, delivery in Q4 FY10

Shipping business – Inchartered fleet

Total Inchartered Fleet : 3 ships (including in subsidiaries)

- **Tankers : 1**
 - ✓ 1 Suezmax Crude Carrier

- **Dry Bulk : 2**
 - ✓ 2 Supramax Bulk Carriers

Committed CAPEX – Shipping Business

Committed Capex of around USD 437 Mn

- 7 new building contracts aggregating 0.68 mn. dwt

To be delivered in:

✓ FY 2011

- 1 NB, Kamsarmax Dry Bulk Carrier (STX Shipbuilding Co. Ltd)
- 2 NB, Supramax Dry Bulk Carriers(Cosco (Zhoushan) Shipyard Co. Ltd)

✓ FY 2012

- 2 NB, Kamsarmax Dry Bulk Carrier (1 in STX Shipbuilding Co. Ltd & 1 in SPP Shipbuilding Co.Ltd)
- 2 NB, Suezmax Tankers (Hyundai Heavy Industries)

Year wise addition to the gross block

<i>(Amt in US\$ mn)</i>	<i>FY11</i>	<i>FY12</i>
Total CAPEX : US\$ 437 mn	136	301

US\$106 mn of the total CAPEX has been paid

Offshore business- Fleet Profile

➤ **Current Owned Fleet**

- ✓ 1 350ft Jack Up Rig
- ✓ * 5 Platform Supply Vessels (PSV)
- ✓ 8 Anchor Handling Tug cum Supply Vessel (AHTSV)
- ✓ 1 Multipurpose Platform Supply and Support Vessel

➤ **Current Inchartered Fleet**

- ✓ 1 350ft Jack Up Rig
- ✓ 1 Platform Supply Vessel (PSV)

***JV between Greatship (I) Ltd & DOF Subsea, Norway
- focus on subsea projects in the Indian subcontinent***

Committed CAPEX – Offshore Business

➤ **Committed Capex of around USD 423 Mn**

To be delivered in:

✓ **FY 2010**

- 3 NB MPSVs (Keppel Singmarine)
- 1 NB Platform / ROV Support Vessel (CDL) *

✓ **FY 2011**

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

✓ **FY 2012**

- 1 NB 150T AHTSV (Drydock World, Singapore)

Year wise addition to the gross block

<i>(Amt in US\$ mn)</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>
Total CAPEX : US\$ 423 mn	159	228	36

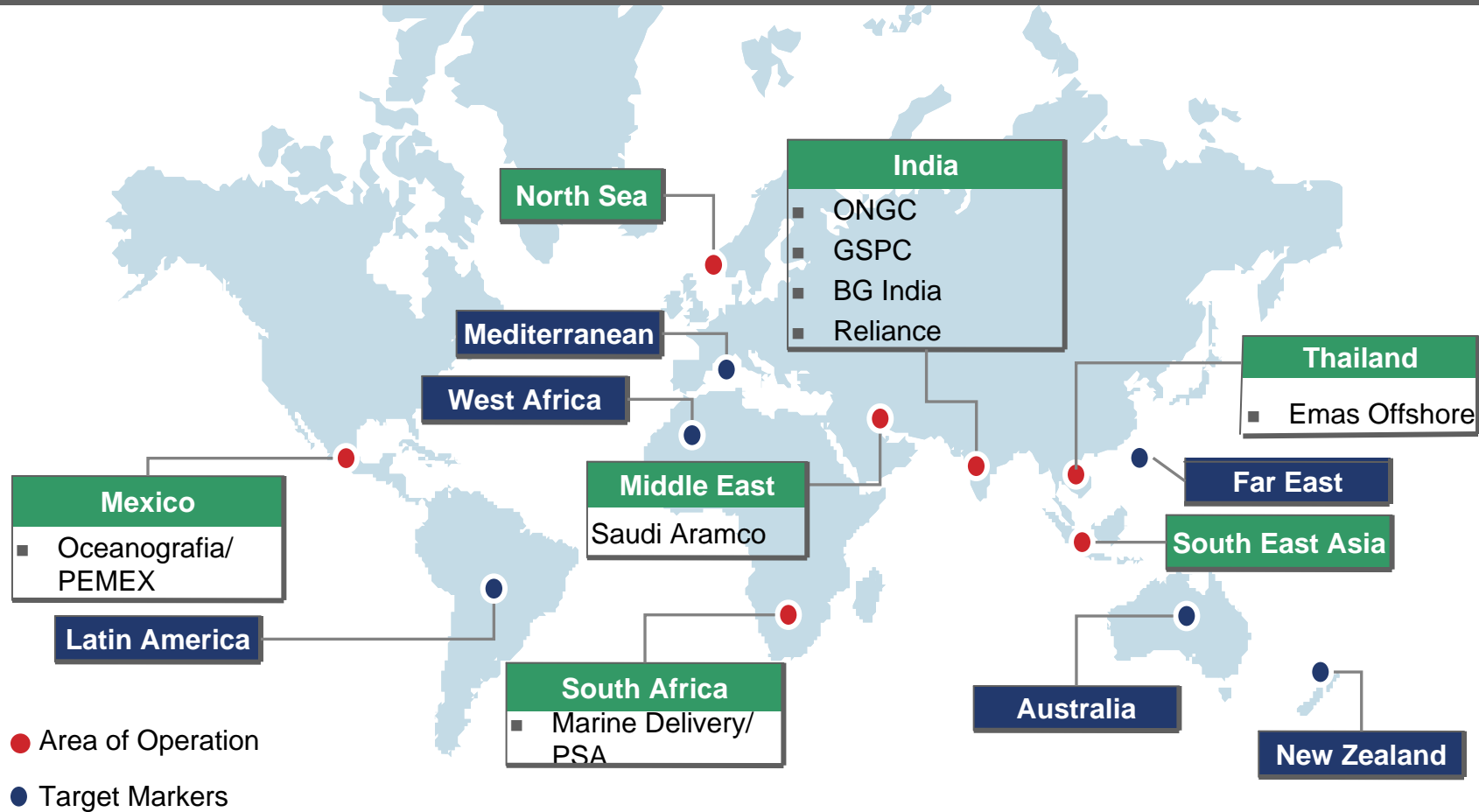
US\$156 mn of the total CAPEX has been paid

Fleet Growth	FY2008	FY2009	FY2010E	FY2011E	FY2012E
Fleet (in nos)	4	8	18	23	24
Average Age (yrs)	3.3	2.7	1.8	2.1	3.0

* Contracted to sell- expected delivery Q4FY10

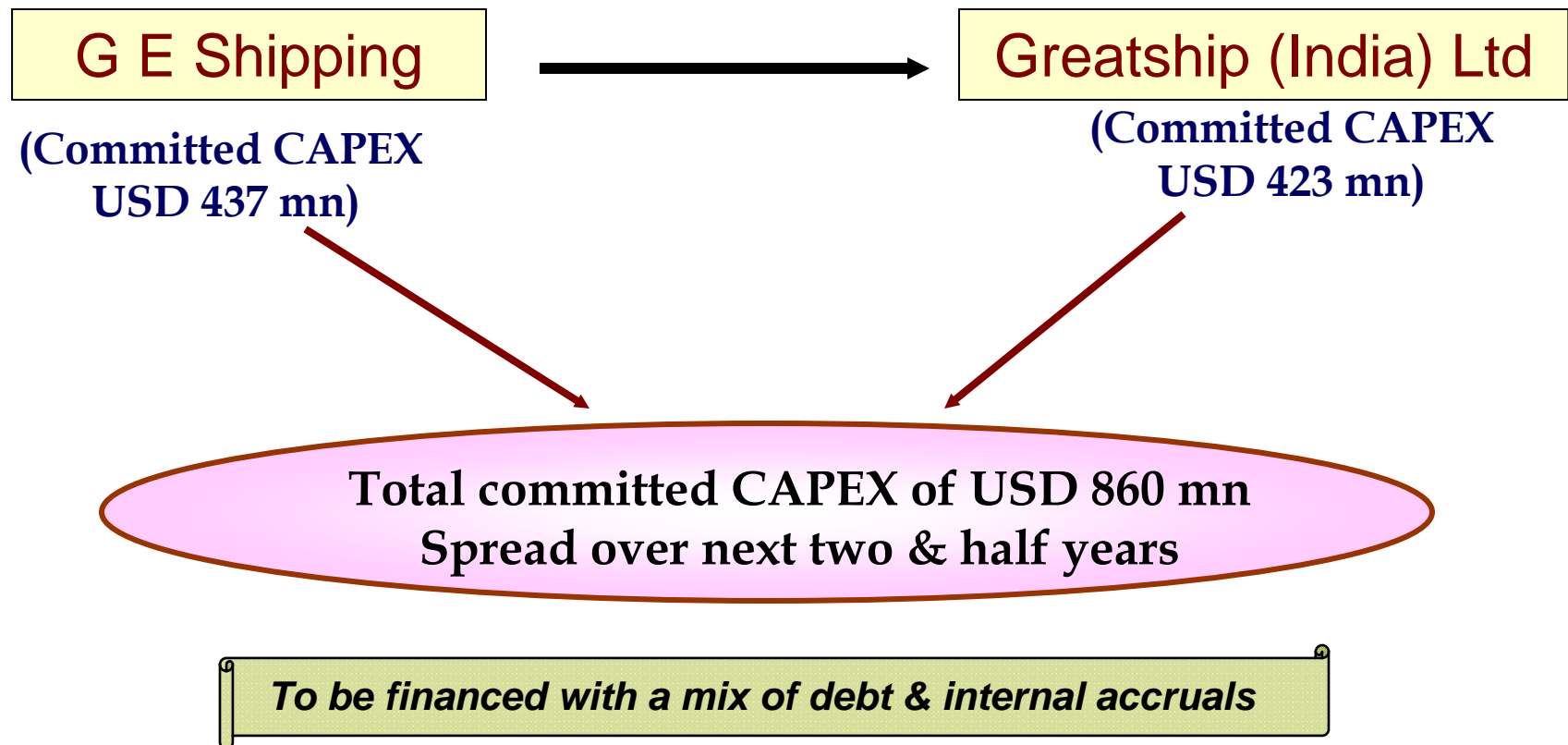
Global Presence-Risk Diversification and Profit Maximization

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



Committed Capex for the Group

Total Investment US\$232 mn
Equity (US\$ 177mn) + Pref (US\$ 55mn)



Group D/E ratio around 1.2:1 (at the peak)

Financial Highlights of Q2FY10 Performance

(Rs.crs)	Standalone				Consolidated			
	Q2FY10	Q2FY09	% chg	H1FY10	Q2FY10	Q2FY09	% chg	H1FY10
Freight & Charter hire	434	864	(49)%	902	663	1,153	(42)%	1,384
Gain on sale of ships	54	-	-	173	54	-	-	173
Total Income	488	864	(43)%	1,075	717	1,153	(37)%	1,557
Total Expenditure	278	321	(13)%	643	502	524	(4)%	1,069
Operating Profit (incl. Gain on sale of ships)	210	543	(61)%	432	215	629	(65)%	488
Operating Profit (excl. Gain on sale of ships)	156	543	(71)%	260	161	629	(74)%	315
Net Profit	97	506	(80)%	223	108	570	(81)%	263
Diluted EPS (in Rs)	6.3	32.9	-	14.6	7.1	37.0	-	17.2

NAV as on 30 Sep'09 Rs.303

Q2 FY09 Performance Highlights

Breakup of revenue days

<i>Revenue Days (standalone)</i>	<i>Q2 FY10</i>	<i>Q2 FY09</i>	<i>% chg</i>
Owned Tonnage	3,146	3,594	(12)%
Inchartered Tonnage	122	179	(37)%
Total revenue days	3,268	3,773	(13)%

<i>Particulars (Rs crs)</i>	<i>GE Shipping</i>	<i>Sharjah</i>	<i>Greatship*</i>	<i>Group Total</i>
Debt as on 30/9/09	3,406		1,880	5,286
Cash as on 30/9/09	2,832	126	248	3,206
Gearing (x)	0.65		1.78	0.90

Loan Repayment Schedule

<i>(Amt in US\$ mn)</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>
GE Shipping	114	107	102
Greatship*	20	63	73

* Includes Greatship (I) Ltd & its subsidiaries

Earnings Mix

GE Shipping Average TCY Details

<i>Average TCY (\$ per day)</i>	<i>Q2 FY10</i>	<i>Q2 FY09</i>	<i>% change</i>
Crude Carriers	18,779	53,292	(65)%
Product Carriers (incl. gas)	18,865	28,648	(34)%
Dry Bulk Carriers	17,065	48,822	(65)%

Mix of Spot & Time

Q2 FY10	Q2 FY09	Days (in %)	FY09
		<u>Dry Bulk</u>	
74%	68%	Spot %	72%
26%	32%	Time %	28%
		<u>Tankers</u>	
42%	54%	Spot %	52%
58%	46%	Time %	48%
		<u>Total</u>	
48%	58%	Spot %	57%
52%	42%	Time %	43%

Gross World fleet addition-Shipping

World Fleet addition*	2009	2010	2011
Crude tankers	1.9%	13.0%	13.6%
Product tankers	3.9%	11.6%	7.4%
Dry bulk carriers	4.5%	24.6%	19.4%

**13% of world
tanker fleet
single hull**

*includes only new building from yards

Fleet as on 1 st Dec'09 (in mn dwt)	Scrapping (in mn dwt)	CY2008	Till end Nov'09
317.4	Crude	1.3	4.6
107.3	Product	1.5	2.4
452.6	Bulk	3.6	10.3

**19% of
world dry
bulk fleet >
25 years**

Source: Clarkson

World Fleet Supply..... Slippages expected

(in mn. Dwt)	Fleet as on 1 Jan'09	Fleet as on 1 Dec'09	Jan to Dec data		CY09 Data	
			Deliveries in CY09 till end Nov'09	% of deliveries to fleet as on 1 Jan'09	Expected deliveries in CY09	Expected % of deliveries in CY09 to fleet as on Jan'09
VLCC	153.8	166.6	16.1	10.4%	20.8	13.5%
Suezmax	55.2	61.0	6.7	12.1%	10.9	19.7%
Aframax	81.2	89.7	10.1	12.4%	11.9	14.7%
Panamax	26.1	28.3	2.9	11.1%	4.1	15.7%
Capesize	143.6	164.7	23.9	16.6%	31.3	21.7%
Panamax	114.4	119.5	7.8	6.8%	11.2	9.7%
Handymax	83.3	91.6	9.2	11.0%	17.9	21.4%
Handysize	77.2	76.6	4.0	5.1%	9.2	11.9%

Source: Clarkson

Tanker Market

- **Crude:**

- Demand outlook for the medium term to be weak
- High fleet growth to put excessive pressure

- **Product:**

- Low refining margins & depressed demand keeping product tanker rates down

*Large US oil inventories coupled with new building deliveries
expected to keep tanker rates under pressure*

But...

- Increase in global refinery capacity in next 2 years to give support to seaborne movement...and
- Accelerated single hull phase out could relieve some supply side pressure

Dry Bulk Market

- Total seaborne drybulk trade expected to decline by 2.7% in 2009
- Chinese iron ore imports to increase by 29%, whereas rest of world to decline by 32% . Therefore, China to be a key support
- Excessive fleet addition to be a key concern

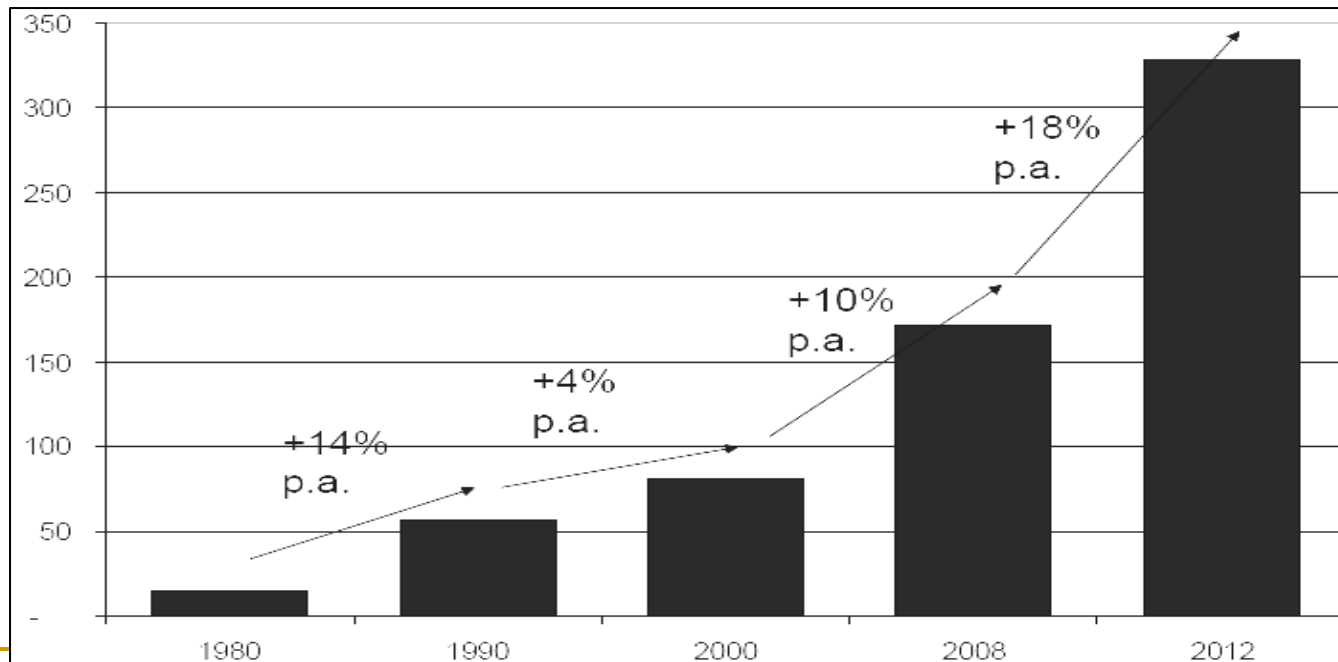
... but a ray of hope...

- Increase in level of scrapping activity
- Construction on more than one third of the existing orderbook not yet begun.
- First trigger for a market upturn will be settlement of iron ore prices & active resumption of shipments by China
- Impact of worldwide stimulus packages, viable commodity prices & simultaneous rebuilding of inventories- will help a rapid turnaround

Offshore Market...Still holding strong

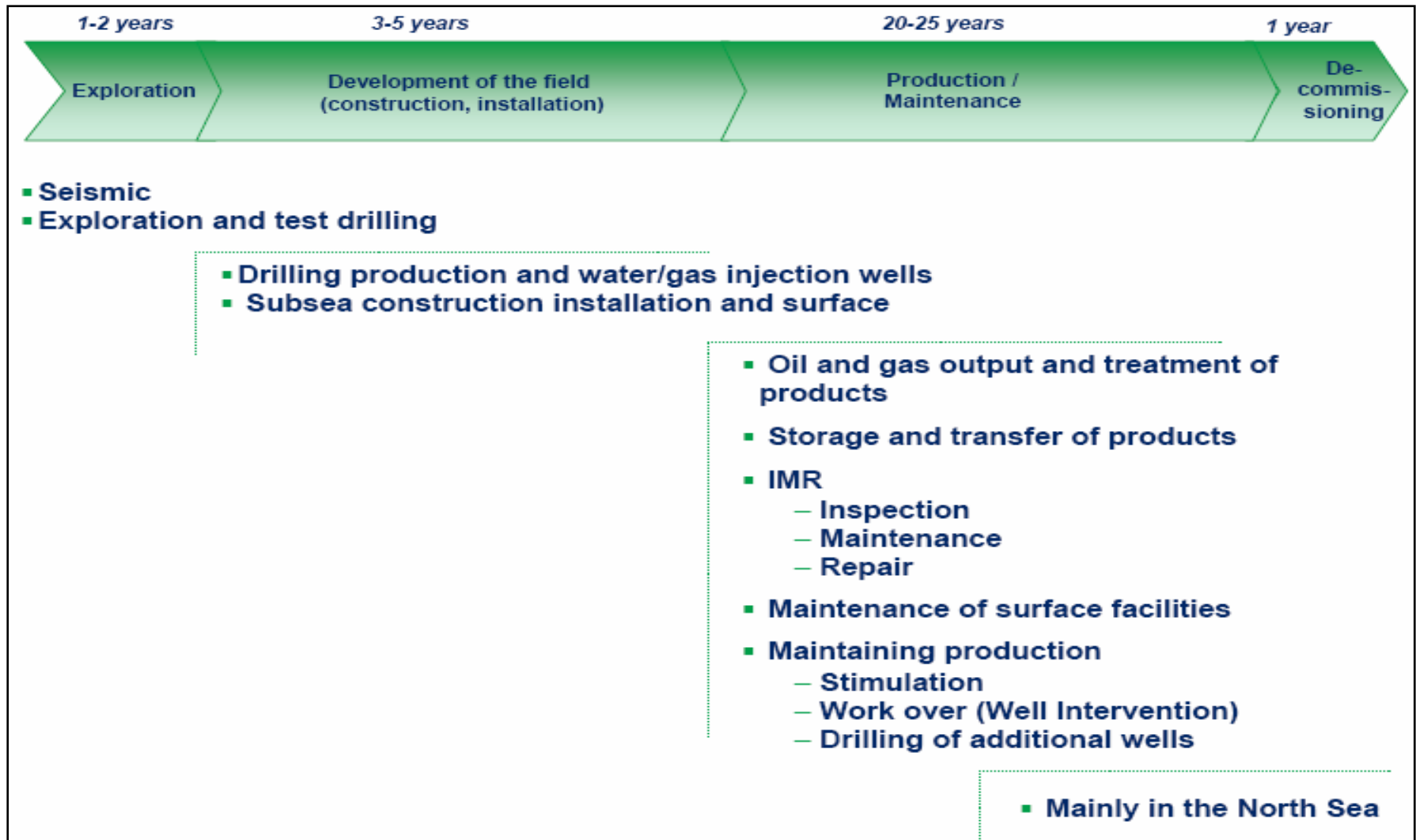
- ✓ Decline in oil & gas reserves
- ✓ Energy Security concerns high on consumer countries agenda
- ✓ Development and drilling activity in mid to deep water
- ✓ Tenders continuing to be issued for long term work

Total Subsea fleet development



Source: Offshore Research, Pareto

Life Cycle of Offshore Fields



Source: Bourbon, Feb 2008

Offshore Supply Market

OSV Fleet Summary

(Nos)	AHTSVs	PSVs	Others
Current Fleet*	2,351	1,877	1,727
Orderbook	446	225	196
% of O/B to current fleet	18%	11%	11%

* Data as on Dec09, Source: Clarkson



THANK YOU

visit us at www.greatship.com