

PRESS RELEASE

The Board of Directors of The Great Eastern Shipping Company Limited at its meeting held on August 9, 2006 has unanimously decided to apply to the Hon'ble Bombay High Court seeking extension of the timeline for the Effective Date of the de-merger scheme, which had automatically lapsed, in terms of the High Court Order, on August 2, 2006.

As intimated earlier, on August 2, 2006, despite excellent cooperation from all the contracting counter parties but having regard to the legal and commercial complexities of the matter, the process of demerger could not, be completed before the automatically lapsing deadline. At this juncture, since the Scheme had lapsed, the Board was of the opinion that it should examine other possibilities of restructuring the Offshore services business.

The Board assessed other possibilities of restructuring the Offshore services business and unanimously concluded that having regard to all facts and circumstances, it was in the best interests of the shareholders, to seek an extension of time from the Hon'ble Bombay High Court. The Board believes that it will be able to obtain the remaining approvals to complete the Demerger process within the extension period.

After the de-merger is effected, both the companies, i.e. The Great Eastern Shipping Company Limited and Great Offshore Limited, will be headed by Mr. K.M. Sheth as its Chairman and will have identical promoters.

Place: Mumbai

Date: August 9, 2006

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