

The Great Eastern Shipping Co. Ltd.

Business & Financial Review

February 2009



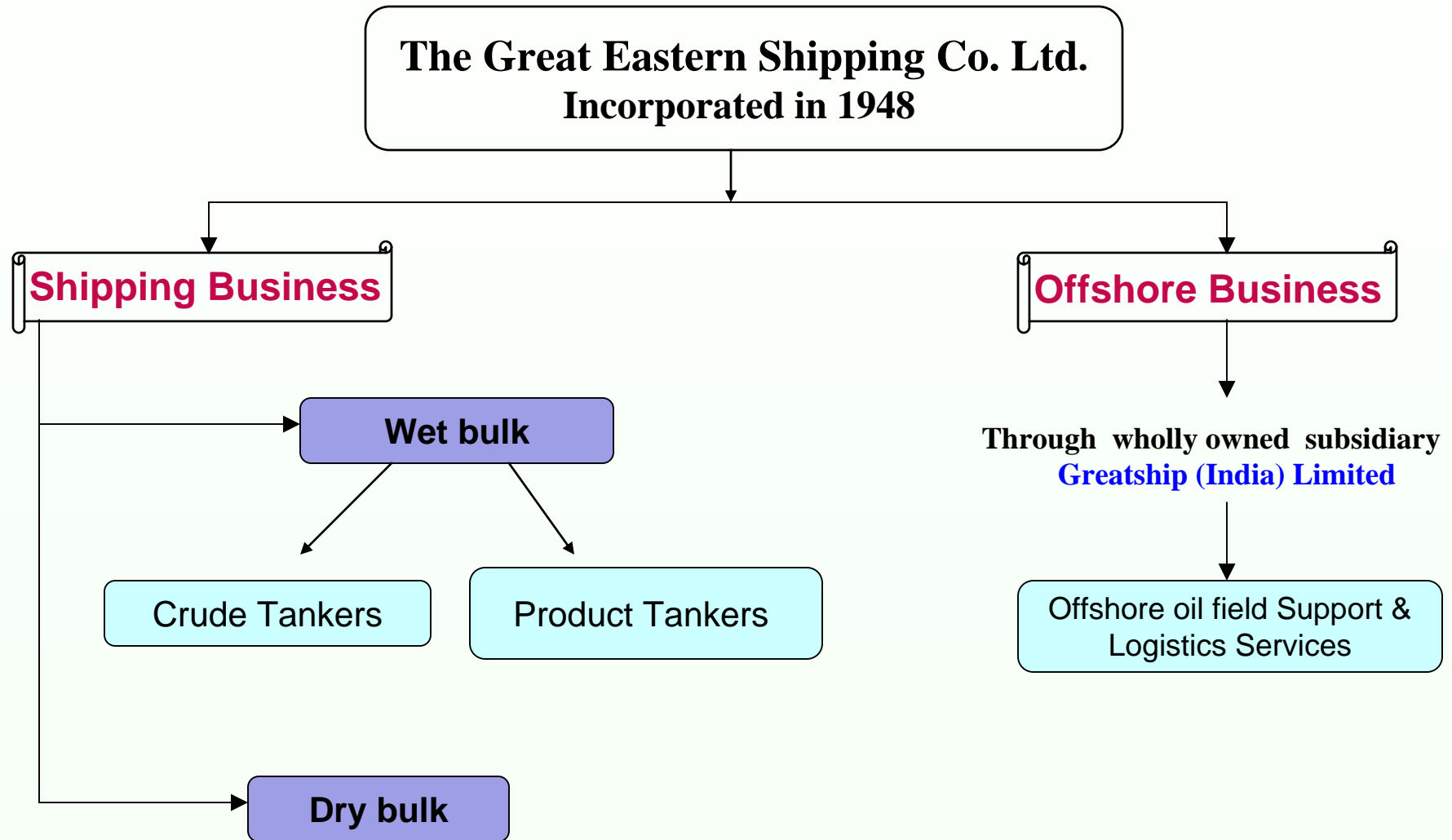
Forward Looking Statements

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.

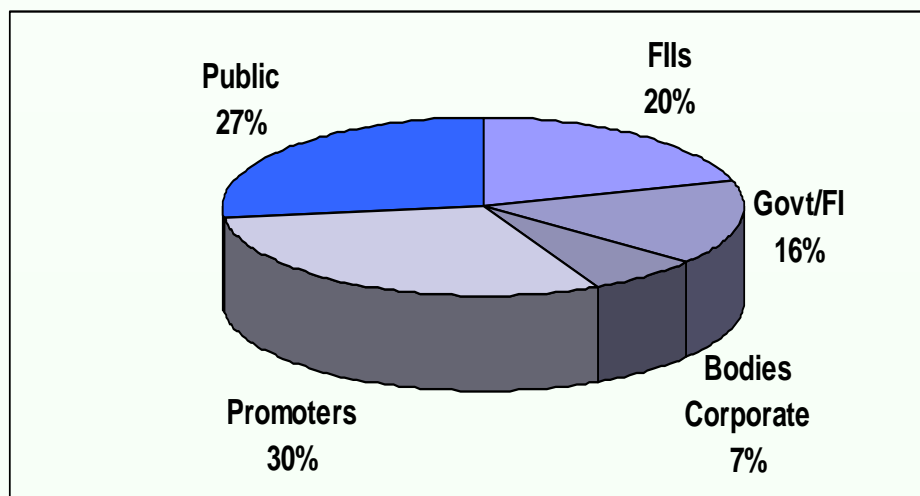
Corporate Profile



Company at a glance

- 👉 *India's largest private sector Shipping Company*
- 👉 *Completed 60 years of operations*
- 👉 *Diverse asset base with global operations*
- 👉 *More than 25 years of uninterrupted dividend track record*
- 👉 *Rated 'AAA' (Domestic Currency Debt) since 1996*

Shareholding Pattern as on Dec 31st, 2008





Shipping business-owned fleet

- ❑ **41 ships aggregating 2.93 Mn dwt, avg.age 9.7 years**
 - ❑ **32 Tankers** avg.age 9.2 years (81% in tonnage terms)
 - ❑ **12 Crude carriers (6 Suezmax, 6 Aframax)** avg.age 8.5 years (2 single hull – both double sided)
 - ❑ **18 Product tankers (2 LR1, 11 MR, 5 GP)** avg.age 9.5 years (5 single hull – 2 double sided)
 - ❑ **2 LPG carriers** – avg.age 25 years (both single hull)

Double hull status – 23 tankers representing 80% in dwt terms

- ❑ **9 Dry bulk carriers** avg.age 12.2 years
 - ❑ **1 Capesize** - avg.age 12 years
 - ❑ **1 Panamax** - avg.age 13 years
 - ❑ **2 Supramax**- avg.age 6 years
 - ❑ **4 Handymax** - avg.age 13 years
 - ❑ **1 Handysize** - avg.age 28 years

Contracted to sell – 2 MR Product Tankers aggregating 0.07 mn dwt, delivery in Q1 FY10
– 2 Handymax Bulk carriers aggregating 0.08 mn dwt, delivery in Q4 FY09



Shipping business – Inchartered fleet

**Total Inchartered Fleet : 5 ships
(including in subsidiaries)**

- **Tankers : 3**
 - ✓ 2 Suezmax Crude Carriers
 - ✓ 1 Aframax Crude Carrier

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

Committed CAPEX – Shipping Business

Committed Capex of around USD 594 Mn

- 10 new building contracts aggregating 0.90 mn. dwt

✓ FY 2009

- 1 NB, LR 1 Product Tankers (STX Shipbuilding Co. Ltd)

✓ FY 2010

- 1 NB, LR 1 Product Tankers (STX Shipbuilding Co. Ltd)

✓ 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

- 3 NB, Kamsarmax Dry Bulk Carrier (1 in STX Shipbuilding Co. Ltd & 2 in SPP Shipbuilding Co.Ltd)

- 2 NB, Suezmax Tankers (Hyundai Heavy Industries)

Delivery schedule as at end of period	FY 08	FY 09E	FY 10E	FY 11E	FY 12E
Cumulative Mn.dwt*	3.07	2.91	2.81	3.00	3.56
Avg.Age (yrs)	11.4	9.3	9.5	9.9	9.2

* basis current committed capex & no sale envisaged

Offshore business- Fleet Profile

➤ **Current Owned Fleet**

- ✓ 5 Platform Supply Vessels (PSV)
- ✓ 2 Anchor Handling Tug cum Supply Vessel (AHTSV)

➤ **Current Inchartered Fleet**

- ✓ 1 Anchor Handling Tug cum Supply Vessel (AHTSV)
- ✓ 1 Platform Supply Vessels (PSV)

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

Fleet Growth	FY2008	FY2009E	FY2010E	FY2011E
Fleet (in nos)	4	9	19	26
Average Age (yrs)	3.3	2.3	1.5	2.2

* basis current committed capex & no sale envisaged



Committed CAPEX – Offshore Business

➤ **Committed Capex of around USD 759 Mn***

✓ **FY 2009**

- 1 NB 80T AHTSVs (Labroy)
- 1 NB 80T AHTSV (CDL)

✓ *1 NB 350 ft Jack Up Rig built at Keppel, inchartered from Mercator. Expected delivery Q4 FY09*

✓ **FY 2010**

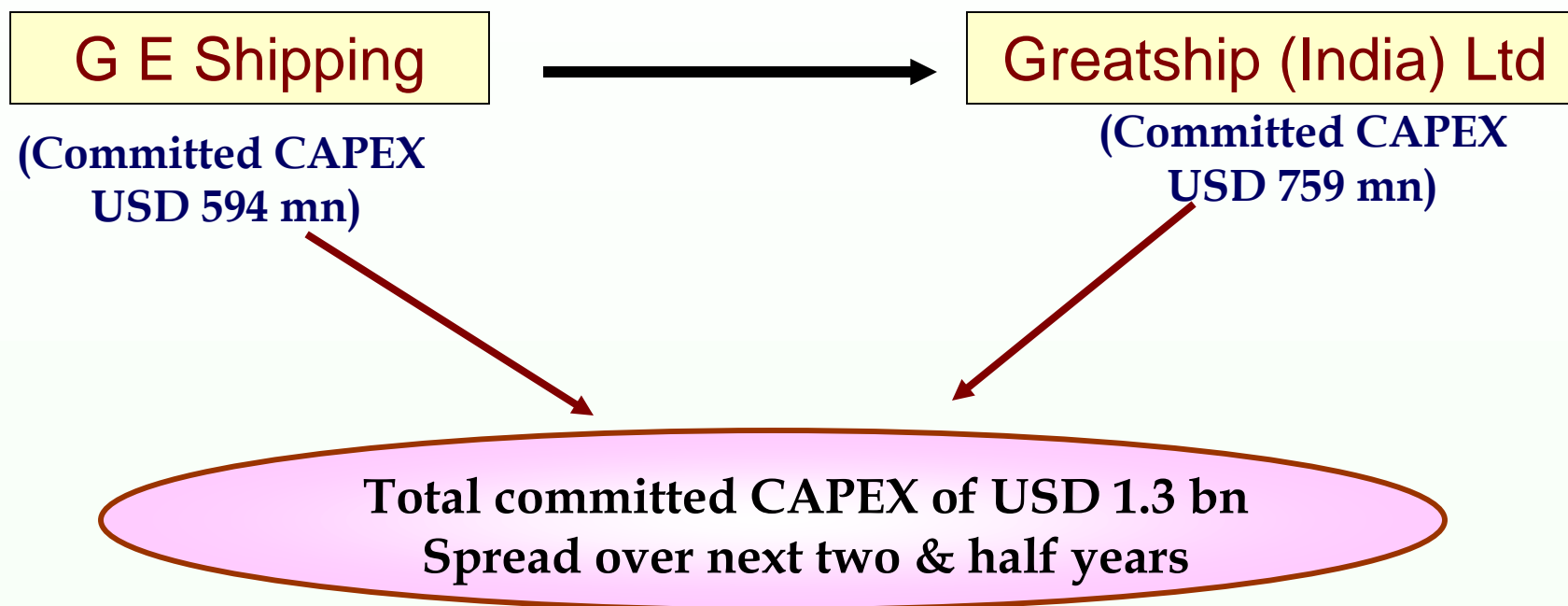
- 4 NB 80T AHTSV (1 in CDL, 3 in Labroy)
- 4 NB MPSVs (Keppel Singmarine)
- A New Building 350 ft Jack Up Rig (Keppel)
- 1 NB Construction Support Vessel (CDL)

✓ **FY 2011**

- 3 NB Construction Support Vessel (CDL)
- 2 NB MSVs (Mazagon Dock)
- 2 NB 150T AHTSV (Drydock World, Singapore)

Committed Capex for the Group

Total Investment Rs.1008 crs
Equity (Rs852 crs) + Pref (Rs.156 crs)



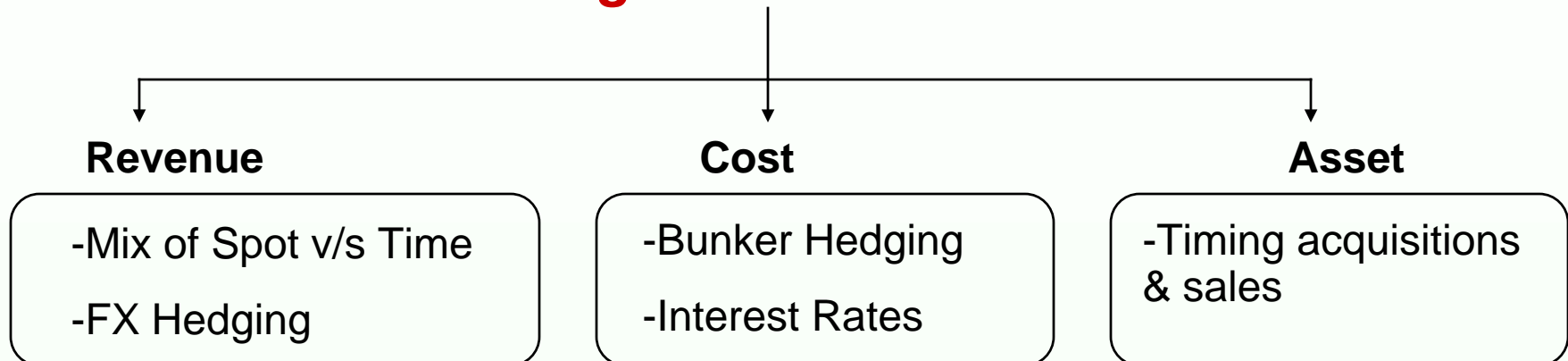
To be financed with a mix of debt & internal accruals

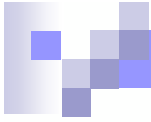
Group D/E ratio around 1.2:1 (at the peak)

Business Philosophy

Strive to deliver through the cycle

Risk Management Mechanism





Financial Review

Financial Highlights of Q3 FY09 Performance

(Rs.crs)	Q3FY09	Q3FY08	% chg	9mths FY09	9mths FY08	% chg
Freight & Charter hire	702	604	16%	2,268	1,843	23%
Gain on sale of ships	27	49	(45)%	281	244	15%
Total Income	729	653	12%	2,549	2,087	22%
Total Expenditure	397	314	26%	1,063	963	10%
Operating Profit	332	339	(2)%	1,486	1,124	32%
Exceptional Item	(15)	22	(166)%	(153)	186	(182)%
Net Profit (including Exc. Item)	241	294	(18)%	1,135	1,057	7%
Diluted EPS (in Rs) (including Exc. Item)	15.8	19.1		74.5	69.0	
Diluted EPS (in Rs) (excluding Exc.Item)	16.8	17.7		84.4	56.7	

NAV as on 31 Dec'08 Rs.369

Q3 FY09 Performance Highlights

- Total Income increases by 12% q-o-q
- Freight & Charter Hire Income higher by 16 % q-o-q despite a fall in operating revenue days by 12.8% q-o-q.
- Reduction in other income, a marginal increase in interest and some exceptional items bring Net Profit down by 18% q-o-q.
- Strong tanker rates offsets drop in dry bulk rates:
 - ✓ Crude: 60%
 - ✓ Product: 19%
 - ✓ Dry Bulk: (32%)

<i>Particulars (Rs. Crs)</i>	<i>GE Shipping</i>	<i>Greatship*</i>	<i>Total</i>
Debt as on 31/12/08	3,142	765	3,907
Cash as on 31/12/08	1,900	83	1,983
Gearing (x)	0.63	0.77	-

* Includes Greatship (I) Ltd & its subsidiaries

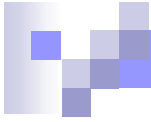
Earnings Mix

GE Shipping Average TCY Details

<i>Average TCY (\$ per day)</i>	<i>Q3 FY09</i>	<i>Q3FY08</i>	<i>% change</i>
Crude Carriers	37,653	23,564	60%
Product Carriers	23,120	19,352	19%
Dry Bulk Carriers	30,816	45,148	(32%)

Mix of Spot & Time

Q3 FY09	Days (in %)	Q3 FY08
	<u>Dry Bulk</u>	
74%	Spot %	57%
26%	Time %	43%
	<u>Tankers</u>	
53%	Spot %	30%
47%	Time %	70%
	<u>Total</u>	
59%	Spot %	38%
41%	Time %	62%

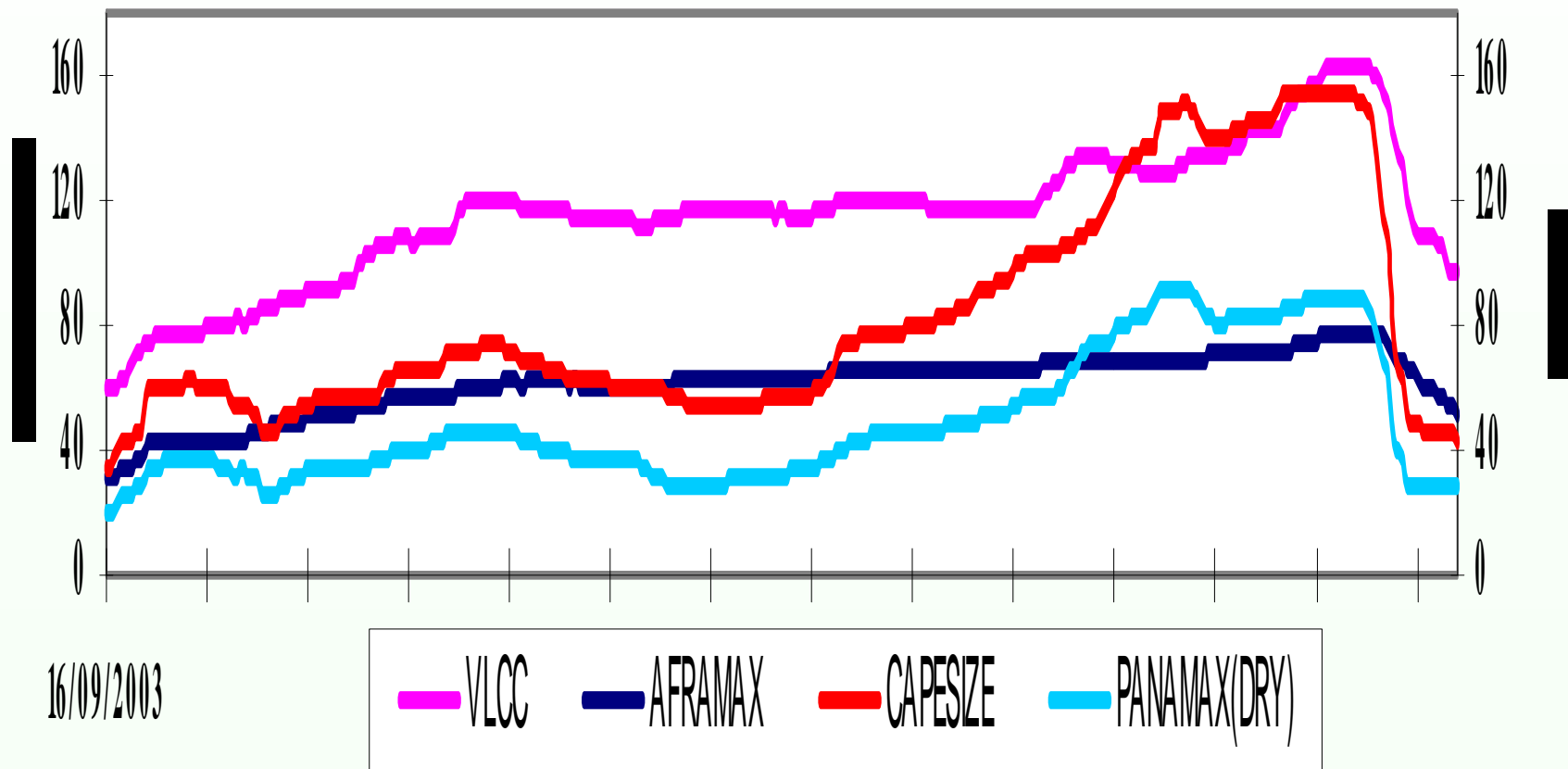


Industry Scenario

Ship prices on a downslide

Asset Price Movement (5 yr old) – Amt in US\$ mn

Timeline- Sep2003 till Jan 26, 2009



Source: Baltic Sale & Purchase Assessment

World Fleet Supply...the joker in the pack

	2006	2007	Actual 11 mths - 2008	Forecast 2008	Forecast 2009
VLCC	3.4%	4.0%	2.9%	3.7%	11.2%
Suezmax	7.0%	4.6%	0.9%	3.2%	14.0%
Aframax	5.5%	7.3%	4.6%	7.7%	10.2%
Panamax	13.8%	12.4%	6.8%	10.8%	10.6%
Handymax	7.9%	8.4%		13.0%	8.5%
Capesize	9.1%	8.5%	7.6%	9.1%	18.5%
Panamax	8.5%	6.4%	5.3%	6.6%	6.4%
Handymax	7.2%	7.4%	6.6%	10.8%	17.9%
Handysize	0.6%	2.7%	2.8%	3.8%	2.4%

Source: Clarkson

Gross World fleet addition-Shipping

World Fleet addition*	2009	2010	2011
Crude tankers	15.1%	11.3%	11.4%
Product tankers	17.7%	10.0%	7.6%
Dry bulk carriers	17.1%	22.8%	12.6%

21% of world tanker fleet single hull

*includes only new building from yards

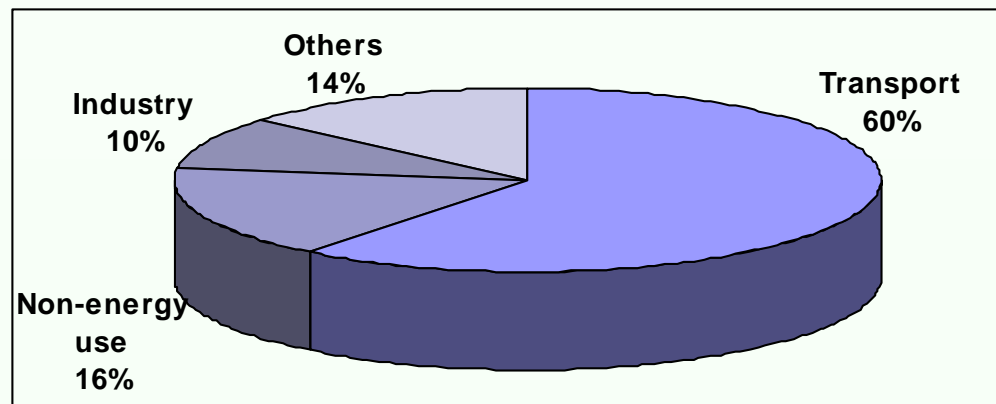
Fleet as on Jan-09 (in mn dwt)		Scrapping (in mn dwt)
		<u>2008</u>
290.3	Crude	2.1
116.3	Product	2.0
417.9	Bulk	5.0

19% of world dry bulk fleet > 25 years

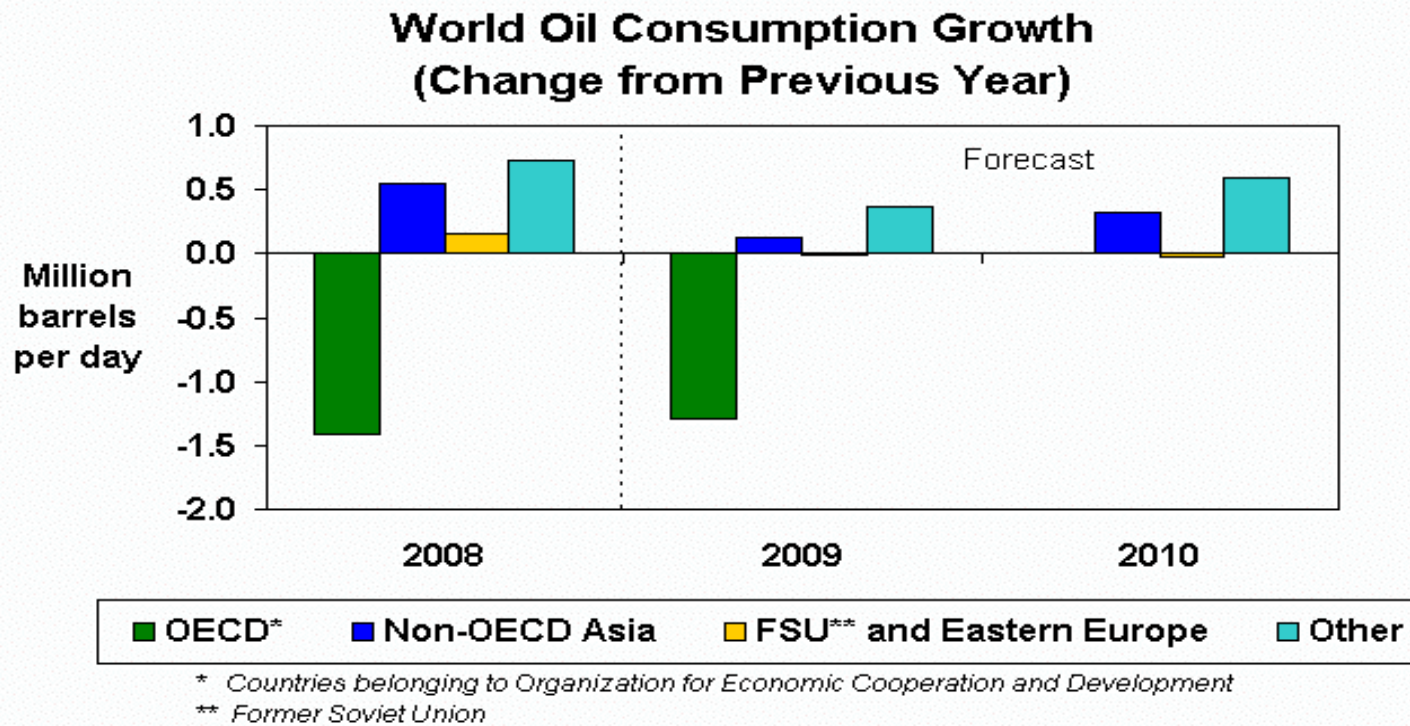
Tanker Market... Resilient so far

- Presence of well capitalised oil companies and first class trader involvement ensured no defaults or crippling credit line withdrawals
- Relatively “defensive” end use sectors
- Winter demand and delays
- Contango storage

Oil Usage Breakup



Expected Oil Demand - 2009



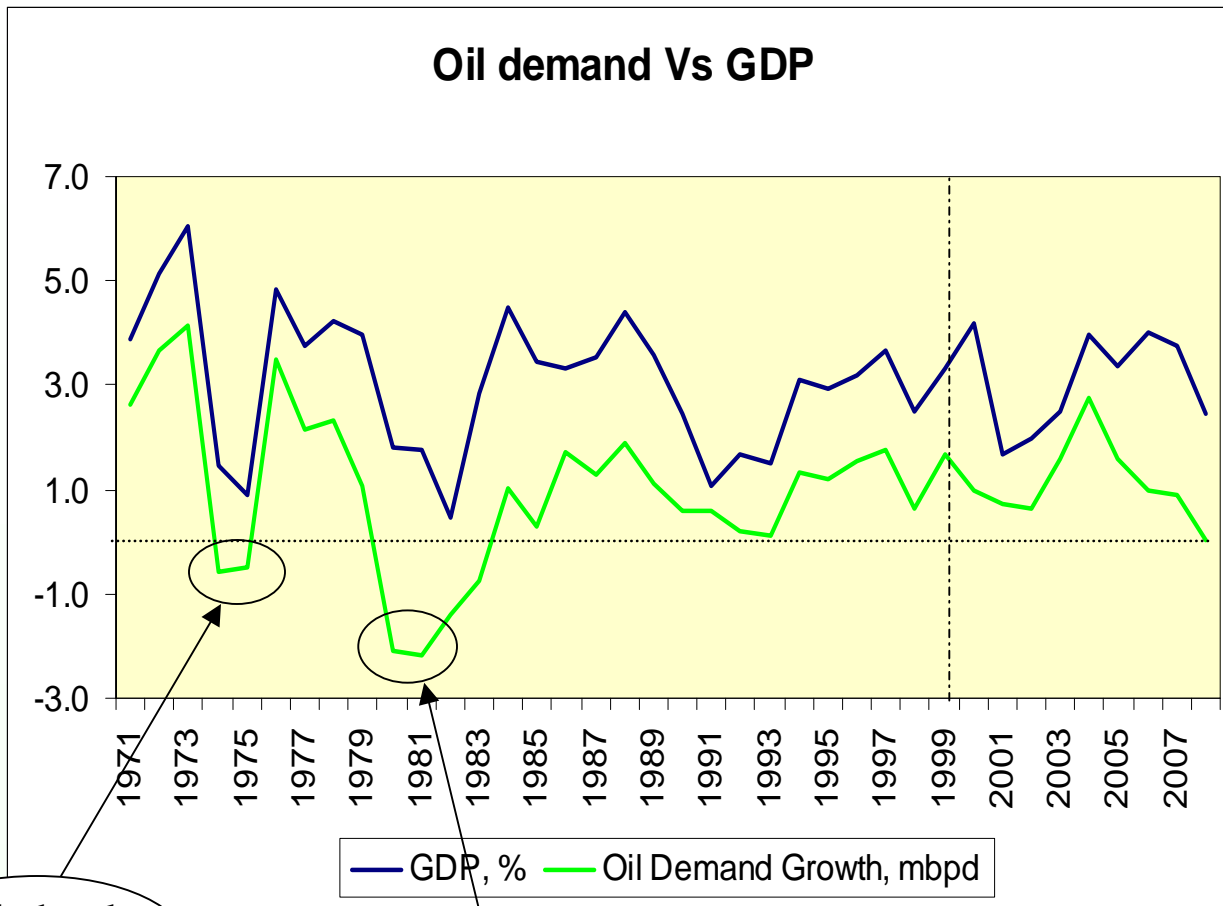
Short-Term Energy Outlook, January 2009



Consumption (in mbpd)	Jan-Nov 2008	Jan-Nov 2007	Jan-Nov 2006
China	7.09	7.25	6.78
India	2.6	2.43	2.29

Source: JODI Database

Long term growth picture for Oil



Oil demand growth

- 16.3 mn bpd from 1970 to 1980

- 3.5 mn bpd from 1980 to 1990

- 10 mn bpd from 1990 to 2000

- 9.2 mn bpd from 2000 to 2008

- Except for the oil shock years, oil demand has registered continuous positive growth

Oil shock of 1973

1979 Iran Crisis



Dry Bulk Market

- Demand for commodities unlikely to pick up in 2009
 - Tonnage supply to grow despite disruptions in new building deliveries
- ... but a ray of hope...
- 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

Metallurgical Coal Scenario

Country	2006	2007	2008(e)	2009(f)	2008/07	2009/08
Imports (mn tonnes)					(% chg)	
EU 27	54	55	54	51	(1.8%)	(5.6%)
Japan	58	54	54	51	0%	(5.6%)
China	5	6	7	6	16.7%	(14.3%)
Korea	20	23	24	25	4.3%	4.2%
India	18	23	25	27	8.7%	8.0%
Brazil	9	10	12	12	20%	0%
<u>World</u>	<u>210</u>	<u>227</u>	<u>228</u>	<u>228</u>	<u>0.4%</u>	<u>0.0%</u>
Exports (mn tonnes)					(% chg)	
Australia	124	138	137	131	(0.7%)	(4.4%)
Canada	25	27	28	27	3.7%	(3.6%)
US	25	29	34	32	17.2%	(5.9%)
Russia	10	15	16	17	6.7%	6.3%
<u>World</u>	<u>210</u>	<u>227</u>	<u>228</u>	<u>228</u>	<u>0.4%</u>	<u>0.0%</u>

Source: Abare

Thermal Coal Scenario

Country	2007	2008(e)	2009(f)	2008/07	2009/08
Imports (mn tonnes)			(% chg)		
China	41.4	36	40	(13%)	11%
India	30.7	34	39	11%	15%
Japan	128.3	135	130	5%	(4%)
Korea	65.8	76	81.4	16%	7%
Europe	230.5	231.6	233.8	0.5%	1%
World	696.5	723.8	746.9	4%	3%
Exports (mn tonnes)			(% chg)		
Australia	112.2	112.4	123.4	9%	1%
China	50.7	43	38	(15%)	(12%)
Colombia	67.2	66.5	69	(1%)	4%
Indonesia	190.7	203	217	6%	7%
S.Africa	65.8	66	67	0.3%	2%
US	24.2	31	29	28%	(7%)
World	696.5	723.8	746.9	4%	3%

Source: Abare

Steel Scenario

Country	2006	2007	2008(e)	2009(f)	2008/07	2009/08
Crude Steel Consumption (mn. Tonnes)					(% chg)	
EU 27	213	220	214	202	(2.7%)	(5.6%)
US	129	123	110	105	(10.6%)	(4.5%)
Brazil	326	384	427	433	11.2%	1.4%
China	384	434	460	493	6%	7.2%
Japan	83	84	81	77	(3.6%)	(4.9%)
Korea	52	56	59	61	5.4%	3.4%
India	49	54	60	63	11.1%	5.0%
World	<u>1,239</u>	<u>1,318</u>	<u>1,345</u>	<u>1,369</u>	<u>2.0%</u>	<u>1.8%</u>
Crude Steel Production (mn tonnes)					(% chg)	
EU 27	207	210	210	200	0%	(4.8%)
US	99	98	96	92	(2.0%)	(4.2%)
Brazil	31	34	34	34	0%	0%
China	423	489	490	519	0.2%	5.9%
Japan	116	120	120	114	0%	(5%)
Korea	48	51	53	55	3.9%	3.8%
India	49	53	54	57	1.9%	5.6%
World	<u>1,250</u>	<u>1,344</u>	<u>1,357</u>	<u>1,377</u>	<u>1.0%</u>	<u>1.5%</u>

Iron Ore Scenario

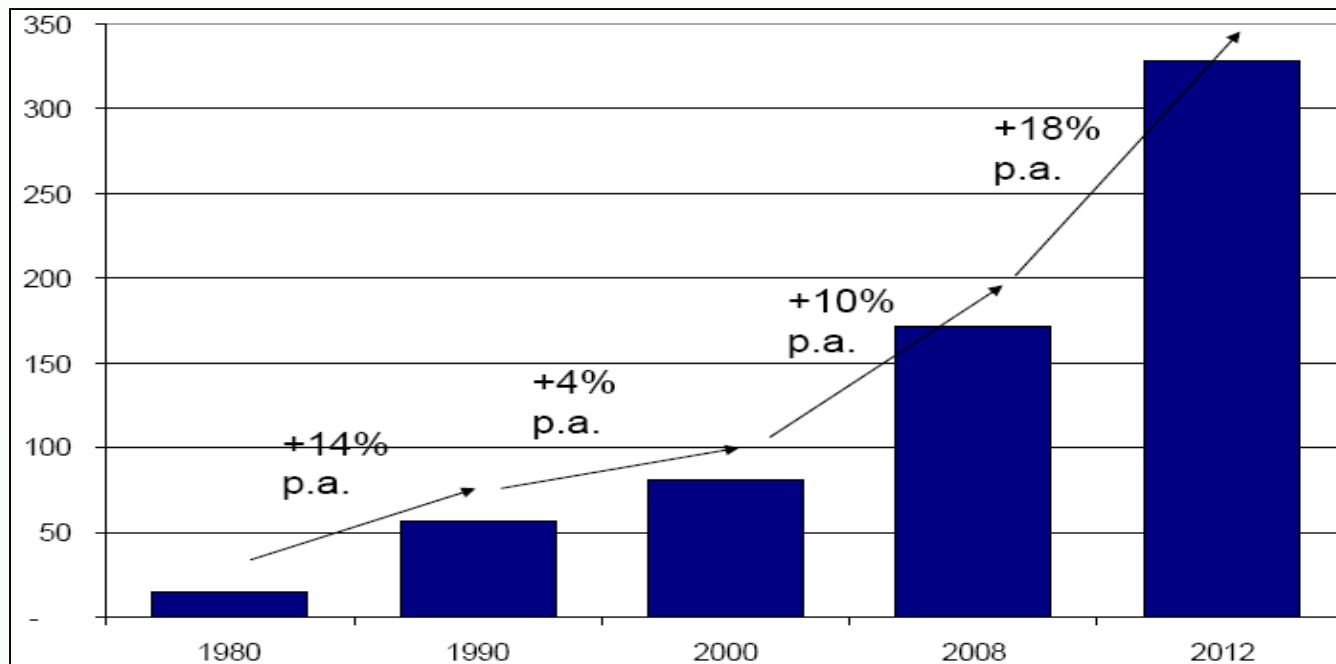
Country	2006	2007	2008(e)	2009(f)	2008/07	2009/08
Iron Ore Imports (mn.tonnes)					(% chg)	
EU 27	170	170	173	163	1.8%	(5.8%)
Japan	134	139	139	135	0%	(2.9%)
China	326	384	427	433	11.2%	1.4%
Korea	44	47	49	49	4.3%	0%
Imports excluding China	<u>439</u>	<u>451</u>	<u>462</u>	<u>456</u>	<u>2.4%</u>	<u>(1.3%)</u>
World Imports	<u>765</u>	<u>835</u>	<u>889</u>	<u>889</u>	<u>6.5%</u>	<u>0%</u>
Iron Ore Exports (mn.tonnes)					(% chg)	
Australia	247	267	306	315	14.6%	2.9%
Brazil	247	269	269	310	10.0%	4.7%
India	89	94	77	50	(18.1%)	(35.1%)
Canada	28	28	27	28	(3.6%)	3.7%
S.Africa	27	32	36	39	12.5%	8.3%
Sweden	18	19	21	24	10.5%	14.3%
World	<u>765</u>	<u>835</u>	<u>889</u>	<u>889</u>	<u>6.5%</u>	<u>0.0%</u>

Source: Abare

Offshore Market...Still holding strong

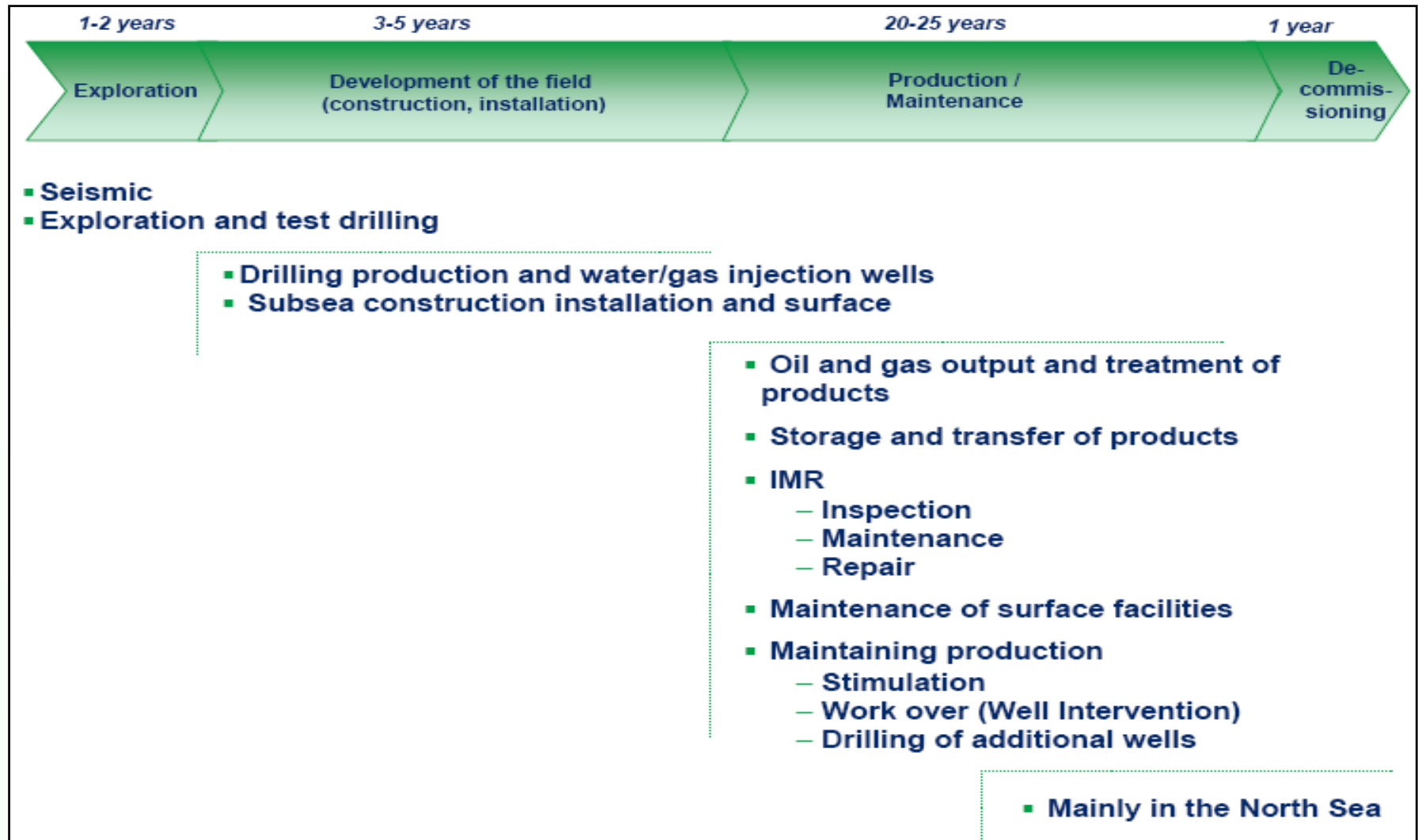
- ✓ Decline in oil & gas reserves
- ✓ Energy Security concerns high on consumer countries agenda
- ✓ Development and drilling activity in mid to deep water
- ✓ Tenders continuing to be issued for long term work

Total Subsea fleet development



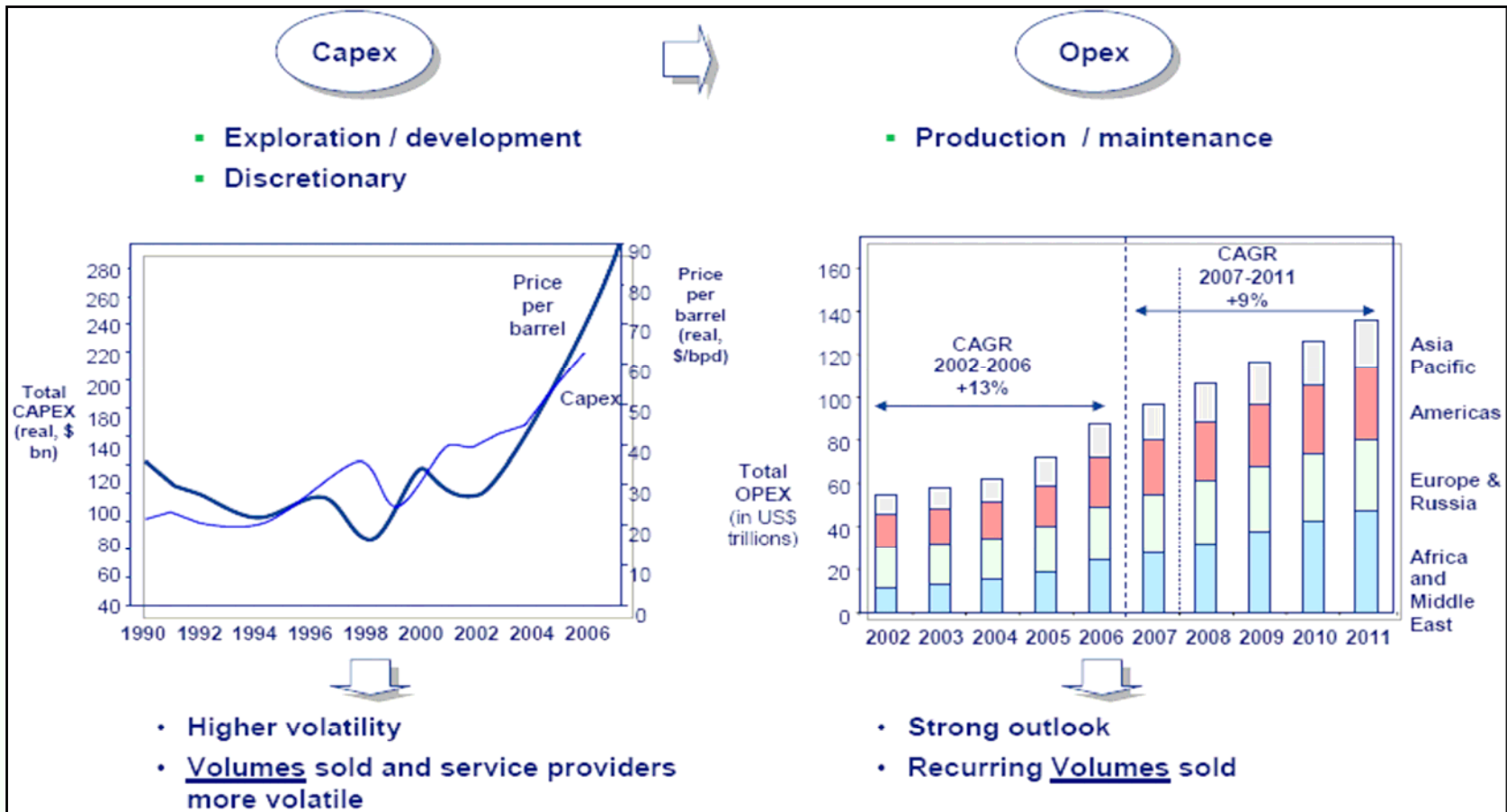
Source: Offshore Research, Pareto

Life Cycle of Offshore Fields



Source: Bourbon, Feb 2008

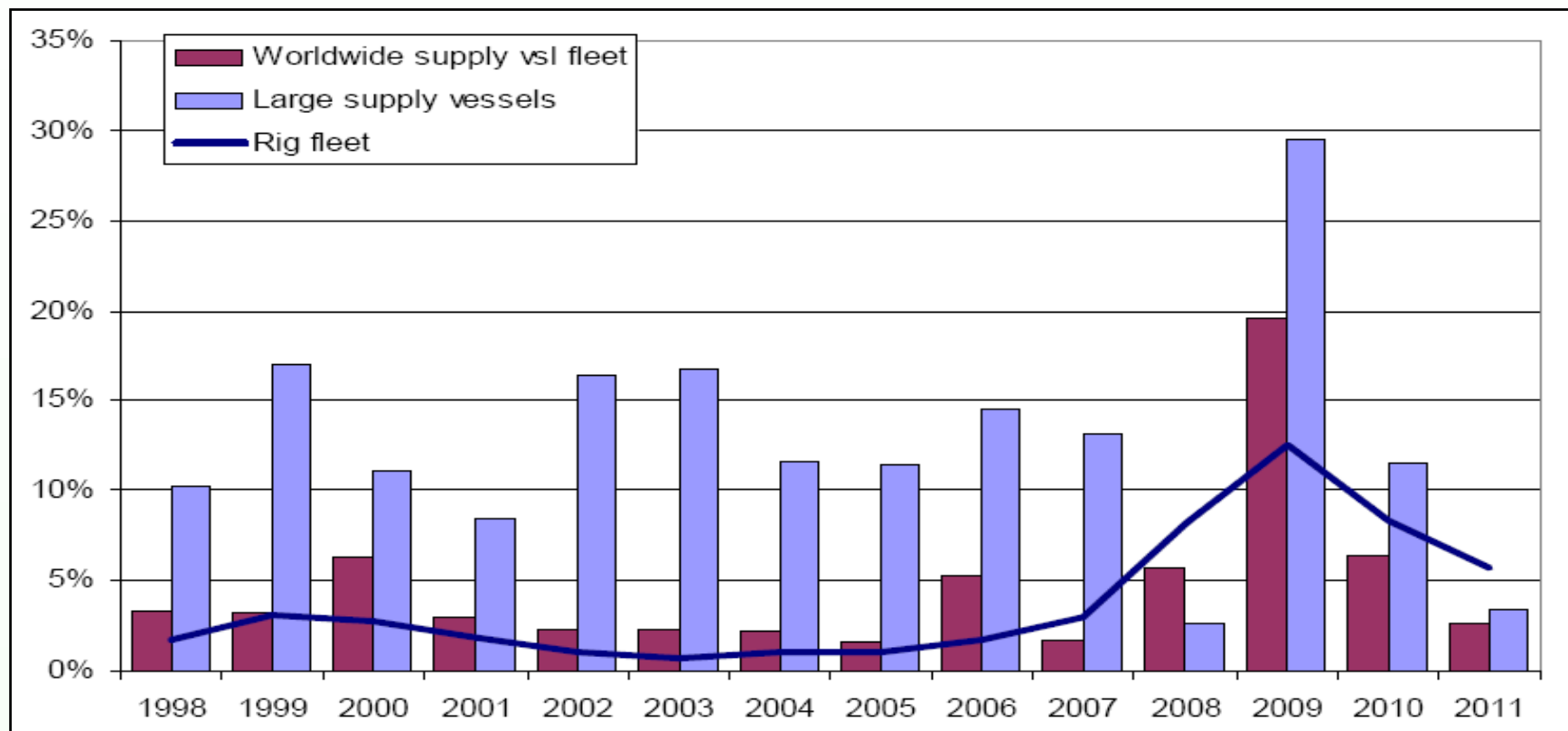
Evolution of oil and gas Capex and Opex have different volatilities..



Source: Estin & Co, Bourbon- Feb 2008

Growth in the worldwide supply fleet vs. rig fleet

Fleet growth YoY



Source: Pareto

Offshore Supply Market

OSV Fleet Summary

(Nos)	AHTSVs	PSVs	Others
Current Fleet*	2,206	1,825	1,714
Orderbook	539	233	207
% of O/B to current fleet	24%	13%	12%

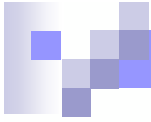
* Data as on Dec'08, Source: Clarkson

Aging Fleet
 ✓ 55% of the total fleet
 over 25 years old

Offshore Installations Delivery Schedule

Type	Current Fleet	Orderbook	Delivery			
			2009	2010	2011	2012
Jackup	498	78	40	26	12	-
Drillship	79	43	7	14	18	4
Semisub	193	55	25	14	10	6
Total	770	176	72	54	40	10

•Figures in Nos, Source: Rigzone, Clarksons, Petrodata



THANK YOU

visit us at www.greatship.com