

## **PRESS RELEASE**

The Board of Directors of The Great Eastern Shipping Company Limited (G E Shipping) at its meeting held on August 2, 2006 reviewed the status of various approvals from contracting counter parties to material contracts which were received pursuant to the sanction of the Scheme of Arrangement by the Hon'ble High Court of Bombay.

The Board after due deliberations unanimously concluded that it was not possible to proceed with the Scheme of Demerger of the offshore services business into a separate company Great Offshore Limited as all the conditions for arriving at the Effective Date of the Scheme were not fulfilled, within the stipulated time of six months from the date of the Bombay High Court order approving the Scheme, and in terms of Clause 35 of the Scheme, it had automatically lapsed.

In the long term interest of the shareholders, the Board will examine new possibilities, in due course, for restructuring its business in a manner which will achieve maximization of value accretion to the shareholders, and if necessary, approach them.

Commenting on the above, Mr. K M Sheth, Executive Chairman said " On behalf of the Board of Directors, I would like to put on record the immense support and concurrence received from all the contracting counter parties both in the Government as well as in the Private sector, especially ONGC which has been of immense value to us and highly supportive to the business restructuring. I would also like to personally thank the shareholders, creditors and the lenders for their support during the whole demerger process".

Place: Mumbai

Date: August 2, 2006

---

For additional information, contact: **PERFECT RELATIONS**  
**Mr. Rajiv Adhikari +919820128688**