PRESS RELEASE

GE Shipping Q2FY10 consolidated Net Profit at Rs.108.47cr
GE Shipping H1FY10 consolidated Net Profit at Rs. 262.64cr

The Board of Directors of The Great Eastern Shipping Company Ltd. (G E Shipping) today approved the Unaudited Financial Results (Provisional) for the second quarter of FY 2009-10, ended September 30, 2009.

FINANCIAL PERFORMANCE (stand alone basis):

(All figures in Rs. cr)

Q2 FY10	Q2FY09	% change		HY10	HY09	% change
487.66	864.09	-43.6%	**Total Income**	**1075.31**	1820.45	-40.9%
209.55	542.61	-61.4%	**PBDIT**	**432.77**	1042.21	-58.5%
155.78	542.61	-71.3%	**PBDIT (excl gain on sale of ships)**	**259.51**	788.29	-67.1%
96.77	506.15	-80.9%	**Net Profit**	**223.05**	893.74	-75.0%
6.34	32.95		**Diluted EPS (in Rs.) not annualised**	**14.62**	58.16	

FINANCIAL PERFORMANCE (consolidated):

(*All figures in Rs.cr*)

	HY10	HY09	% change
Total Income	**1556.81**	2303.84	-32.4%
PBDIT	**488.2**	1169.72	-58.3%
PBDIT (excl gain on sale of ships)	**314.94**	915.8	-65.6%
Net Profit	**262.64**	997.83	-73.7%
Diluted EPS (in Rs.) not annualised	**17.21**	64.94	

Performance Review of Q2 FY 2009-10 (standalone basis):

The operating profit (PBDIT) excluding gain on sale of ships was down 71% q-o-q. This was largely due to lower TCY rates and to a small extent due to lower revenue days.

Break up of Revenue days:

Revenue Days	Q2FY10	Q2FY09	% change
Owned Tonnage	3,146	3,594	(12)%
Inchartered Tonnage	122	179	(37)%
Total Revenue Days	**3,268**	**3,773**	**(13)%**
Total Owned Tonnage (mn.dwt)	**2.84**	**2.85**	

Average TCY's earned in various categories:

Average (TCY $ per day)	Q2FY10	Q2FY09	% Change
Crude Carriers	18,779	53,292	(65)%
Product Carriers (Incl. Gas)	18,865	28,648	(34)%
Dry Bulk	17,065	48,822	(65)%

FLEET DEVELOPMENT:

Sale & Purchase Activities during Q2 FY2009-10:

During the quarter:

- The Company delivered its 2007 built Medium Range (MR) product tanker "Jag Panna" to the buyers.
- The Company entered into an agreement with the shipyard to cancel one of the newbuilding Kamsarmax bulk carriers scheduled for delivery in Q1 FY2012.

Subsequent to the quarter:

- The Company contracted to sell a 1996 built Suezmax crude carrier "Jag Layak" with likely delivery in Q1FY11.

Capital Expansion Plan

The Company currently has a total capex commitment of around USD 437 mn, which translates to approx. Rs. 2075 crores at current exchange rates. This will result in addition to the tonnage of about 0.68 mn dwt (2 tankers & 5 dry bulk carriers).

FLEET PROFILE: as on date

Categories	No. of ships	Avg age (years)
Crude Carriers	12	9.5
Product Carriers	18	9.4
Gas Carrier	1	18.0
TANKERS TOTAL (81% double hull)	**31**	**9.5**
Capesize	1	13.0
Panamax	1	14.0
Supramax	2	7.0
Handymax	1	12.0
Handysize	1	29.0
DRY BULK TOTAL	**6**	**12.6**
TOTAL FLEET	**37**	**10.0**

MARKET COMMENTARY:

Throughout the quarter, the tanker market remained depressed with earnings close to operating costs. The major reason for this was high crude inventory levels coupled with decline in demand for refined products from OECD countries, resulting in huge over supply.

On the other hand, the dry bulk trade improved due to large iron ore and coal imports by China. This coupled with increased tonne-mile and port congestions helped the rates to firm up. On the supply side, significant scrapping and orderbook slippage limited the fleet growth.

OUTLOOK:

Tanker Market:

Even though, IEA has projected an increase in the oil demand in 2010, the tanker rates are expected to be under pressure in the medium term. Large US oil inventories coupled with new building deliveries will keep tanker rates down. On the product tankers side, low refining margins and depressed demand will add to the existing pressure on rates. But accelerated single hull phase out and significant orderbook slippage could relieve some supply side pressure.

Dry Bulk Market:

Going forward it is very unlikely that the upward movement in the BDI will sustain. The market may soften from the current level as there could be a reversal in demand conditions especially for iron ore & coal from China in short to medium term. To witness a significant improvement in the dry bulk trade, there has to be steady increase in the industrial production in developed nations. On the supply side, we can expect large numbers of slippages, cancellations & scrapping activities, but still excessive fleet addition will be a key concern.

Offshore Market:

Although crude prices have staged a substantial recovery over the last 2 quarters, activity level in the offshore drilling and services sector continues to be subdued. Uncertainty about sustainability of the global economic recovery and financing related issues have so far kept many of the E&P Companies from committing additional Capital expenditure on the exploration and development of offshore fields. Weakness in activity and increased vessel supply has kept the utilisation and charter rates at levels lower than those seen over last 2-3 years. Going forward over the medium term, expected stabilization of oil price above USD60 and under-investment in last few quarters is expected to result in an increased level of activities resulting in improved charter rates and utilisation levels.

REVENUE VISIBILITY:

As on September 30, 2009, the revenue visibility is around Rs.442 crores for the balance part of FY 2009-10. Crude tankers and product carriers are covered to the extent of around 54% and 70% of their operating days respectively. In case of dry bulk carriers they are covered to the extent of around 61% of the fleet's operating days. Gas Carriers are covered to the extent of 100% of their operating days for the balance part of FY 10.

DEVELOPMENTS IN THE SUBSIDIARIES:

Greatship (India) Limited:

The wholly owned subsidiary Greatship (India) Limited along with its subsidiaries currently owns a 350'ft Jackup rig, 5 Platform Supply Vessels (PSV) and 8 Anchor Handling Tug Supply Vessels (AHTSV). It has currently on incharter one Jack up Rig and one PSV.

In Q2 FY2009-10, Greatship (India) Limited took delivery of "Greatship Aarti" an 82T Anchor Handling Tug cum Supply Vessel (AHTSV). Subsequent to the quarter, Greatship Global Energy Services Pte. Ltd. (GGES), a Singapore incorporated subsidiary of Greatship (India) Limited (GIL), took delivery of "Greatdrill Chitra", a 350 ft Jackup Rig, from Keppel FELS yard, Singapore.

It has a committed capital expenditure of USD 467 mn (approx Rs.2218 crores at current exchange rates) for 12 more assets. These include 8 Multipurpose Platform Supply & Support Vessels, 2 MSVs and 2 AHTSVs. These assets are likely to be delivered in FY10 and FY11.

As on September 30, 2009, the revenue visibility is around Rs.381 crores for the balance part of FY 2009-10. AHTSVs and PSVs are covered to the extent of around 39% and

69% of their operating days respectively. In case of the Jackup rig, it is covered to the extent of around 84% of the operating days for the balance part of FY 10.

The Great Eastern Chartering LLC (Sharjah):

This wholly owned subsidiary was set up in November 2004 with the objective of inchartering tankers as well as dry bulk vessels and the commercial operation of such inchartered tonnage. This company currently operates 1 tanker and 2 dry bulk carriers with varying durations.

Place: Mumbai
Date: October 30, 2009

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