

PRESS RELEASE

GE Shipping Q3FY10 consolidated Net Profit at Rs.94.39cr GE Shipping 9mthsFY10 consolidated Net Profit at Rs. 357.03cr

The Board of Directors of The Great Eastern Shipping Company Ltd. (G E Shipping) today approved the Unaudited Financial Results (Provisional) for the third quarter of FY 2009-10, ended December 31, 2009.

FINANCIAL PERFORMANCE (consolidated):

(All figures in Rs.cr)

9mths FY10	9mths FY09		Q3FY10	Q3FY09	% change
2263.06	3297.72	Total Income	706.25	993.88	(28.9)
650.81	1570.24	PBDIT	162.61	400.52	(59.4)
477.55	1289.27	PBDIT (excl gain on sale of ships)	162.61	373.47	(56.5)
357.03	1292.31	Net Profit	94.39	294.48	(67.9)
23.39	84.69	Diluted EPS (in Rs.)	6.18	19.3	

FINANCIAL PERFORMANCE (standalone basis):

(All figures in Rs. cr)

9mths FY10	9mths FY09		Q3FY10	Q3FY09	% change
1542.24	2549.22	Total Income	466.93	728.77	(35.9)
565.09	1376.99	PBDIT	132.32	334.78	(60.5)
391.83	1096.02	PBDIT (excl gain on sale of ships)	132.32	307.73	(57.0)
298.35	1134.77	Net Profit	75.3	241.03	(68.8)
19.55	74.36	Diluted EPS (in Rs.)	4.93	15.79	

Performance Review of Q3 FY 2009-10 (standalone basis):

The Operating profit (PBDIT) excluding gain on sale of ships was down 57%. This was mainly on account of lower TCY realizations during the quarter and to some extent on account of lower revenue days due to a lower fleet capacity. The TCY realizations on the crude tankers were the worst hit as they were down 55% q-o-q.

Break up of Revenue days:

Revenue Days	Q3FY10	Q3FY09
Owned Tonnage	3,346	3,517
Inchartered Tonnage	56	110
Total Revenue Days	3,402	3,627
Total Owned Tonnage (mn.dwt)	2.84	2.93

Average TCY's earned in various categories:

Categories	Q3FY10	Q3FY09	% change
Crude Carriers	17,778	37,653	(53)
Product Carriers (Incl. Gas)	19,131	23,120	(17)
Dry Bulk	20,964	30,816	(32)

FLEET DEVELOPMENT:

Sale & Purchase Activities during Q3 FY2009-10:

Subsequent to the quarter:

- The Company contracted to buy and took delivery of a 1996 built double hull Medium Range (MR) product tanker "Jag Padma".

Capital Expansion Plan

The Company currently has a total capex commitment of around USD 437 mn, which translates to approx. Rs. 2021 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	10.5
Product Carriers	19	10.6
Gas Carrier	1	19.0
TANKERS TOTAL (82% double hull)	32	10.6
Capesize	1	14.0
Panamax	1	15.0
Supramax	2	8.0
Handymax	1	13.0
Handysize	1	30.0
DRY BULK TOTAL	6	13.6
TOTAL FLEET	38	11.0

MARKET COMMENTARY:

Throughout the quarter, the dry bulk trade remained firm due to continued strong activity in Chinese dry bulk imports. December saw heavy snowfall in northern China, disrupting transportation of coal from the mines to the power and steel plants. This resulted in excessive congestion at ports and also an increase in imports of raw materials, thereby keeping shipping rates firm.

Tanker rates stayed considerably low during the quarter with crude carrier rates experiencing a sharp upswing only towards the very end of the quarter. However, product tankers have shown only a modest increase in rates despite the severe winter in US & Europe which has resulted in some uptick in demand for heating oil. The impact of the improved rates will likely be visible only in the next quarter.

OUTLOOK:

Tanker Market:

For 2010, IEA has revised its forecast of oil demand significantly upwards to 86.3 mn bpd from 84.9 mn bpd in 2009, largely on account of growth in demand from non OECD countries. On the product tankers side, it is the increase in ton-mile which can improve trade dynamics going forward. In the medium term, floating storage demand, orderbook slippages and accelerated single hull phase out can reduce supply side pressure to a large extent. But large US oil inventories and flat growth in consumption from developed economies taken together with new building deliveries will probably keep tanker rates in check.

Dry Bulk Market:

The continuing surge in the movement of bulk commodities will largely depend on China's sustained raw material consumption. Economic growth in the rest of the world is also assumed to recover, which will result in recovery in demand for the dry commodities. On the supply side, the key factor will be the scrapping, cancellations & slippages in the deliveries for the current calendar year. The other key concern remains on whether or not China can sustain this pace of consumption going forward.

Offshore Market:

With crude prices having stabilized at healthy levels above USD 70 per barrel, we expect that E&P companies will now shift away from cost cutting mode and into spending mode again. With credit reportedly easing further, the smaller independent oil companies are also likely to increase their spending budgets on offshore oilfields. Given that a time lag to have effect, the outlook for offshore services looks encouraging by year end. The increased level of activity may however be somewhat offset by the new deliveries expected to come into the supply during the year.

REVENUE VISIBILITY:

As on December 31, 2009, the revenue visibility is around Rs.293 crores for the balance part of FY 2009-10. Crude tankers and product carriers (incl Gas carrier) are covered to the extent of around 70% and 78% of their operating days respectively. In case of dry bulk carriers they are covered to the extent of around 72% of the fleet's operating days.

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), 1 Multipurpose Platform Supply & Support Vessel and 8 Anchor Handling Tug Supply Vessels (AHTSV). It has currently on incharter one Jack up Rig and one PSV.

Sale & Purchase Activities during Q3 FY2009-10:

During the quarter:

-Greatship Global Offshore Services Pte. Ltd. (GGOS), a Singapore incorporated subsidiary of Greatship (India) Limited (GIL), took delivery of "Greatship Maya", a Multipurpose Platform Supply and Support Vessel, from Keppel Singmarine Pte. Ltd., Singapore.

- Greatship (India) Limited (GIL) contracted to sell its 2003 built Platform Supply Vessel "Greatship Diya", expected to be delivered to the buyers in Q1 FY11.

- Greatship Global Offshore Services Pte. Ltd. (GGOS) contracted to sell its Platform/ROV Support Vessel identified as Hull No. NC 0215 (tbn "Greatship Rekha") which is currently under construction. It is expected to be delivered to the buyers in Q4 FY10.

It has a committed capital expenditure of USD 406 mn (approx Rs.1877 crores at current exchange rates) for 10 more assets. These include 2 Multipurpose Platform Supply & Support Vessels, 4 ROVSVs, 2 MSVs and 2 AHTSVs. These assets are likely to be delivered in FY10 and FY11.

As on December 31, 2009, the revenue visibility is around Rs.197 crores for the balance part of FY 2009-10. AHTSVs, PSVs and MPSSV are covered to the extent of around 57%, 72% and 100% of their operating days respectively. In case of the Jackup rig, it is covered to the extent of around 100% 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 remaining average inchartered duration of 0.8 years.

FINANCIAL DETAILS as on 31st Dec 2009:

Amt. In Rs.crs	GE Shipping	Group Total
Cash & Near Cash	3,214	3,595
Debt	3,487	5,586
Gearing (Gross) (x)	0.65	0.94
Gearing (Net) (x)	0.05	0.30

Place: Mumbai

Date: January 29, 2010

----- Visit us at www.greatship.com -----

For further details, please email us at corp_comm@greatship.com

Q3 FY10 Earnings Call scheduled at **4:30 pm (IST) on Friday, January 29, 2010.**

To participate, kindly dial (+91) - 22 - 67934400.