PRESS RELEASE

GE Shipping Q1 FY 2007-08 Net profit at Rs.421.04crores, up 74.7% (inclusive of Rs.115.37 crores due to unrealized FX gains as per AS-11)*

The Board of Directors of The Great Eastern Shipping Company Ltd. (G E Shipping) today approved the Unaudited Financial Results (Provisional) for the first quarter of FY 2007-08, ended June 30,2007.

Financial Performance:

Q1 FY 2007-08 vs Q1 FY 2006-07:

- Total income of Rs.869.69 crores, (corresponding quarter Rs.547.40 crores) an increase of 58.9%.
- PBIDT of Rs. 545.25 crores, (corresponding quarter Rs.346.69 crores) an increase of 57.3%.
- PBIDT (excluding gain on sale of ships) of Rs.466.38 crores, (corresponding quarter Rs. 267.37 crores) an increase of 74.4%.
- Net Profit of Rs.421.04 crores, (corresponding Q Rs. 241.06 crores) an increase of 74.7%.
- EPS of Rs.27.65 (not annualised)

*** NOTE :**

The Company has adopted revised Accounting Standard AS11 as issued by the Ministry of Company Affairs vide notification dated December 7,2006. Pursuant to this, the effects of changes in foreign exchange rates in respect of all outstanding foreign currency loans relating to ships acquired from a country outside India amounting to Rs.115.37 crores have been credited to the Profit & Loss account during the current quarter and included in Income-others, as against the earlier practice of adjusting against the carrying cost of the ship. Consequently, the depreciation charge for the current quarter is higher by Rs.12.20 crores.

Company's Performance during Q1 FY 2007-08 :

For the quarter, revenue days (of owned tonnage) were 3978 days as against 3612 days in the corresponding quarter of the previous year, while revenue days on inchartered vessels were significantly higher at 349 days as against 88 days in the corresponding quarter. Therefore, total revenue days for the quarter were 4327 days as against 3700 days in Q1 FY 07 an increase of 16.95%. Owned tonnage increased by 12% to 3.22mn dwt as against 2.87mn dwt as at the end of Q1FY07.

Crude carriers recorded an average TCY of around USD 29,488/day as against USD 26,582/day in Q1 FY 2006-07 while product carriers recorded an average TCY of around USD 22,182/day for the quarter, as against around USD 19,908/day in Q1 FY 2006-07. Gas carriers registered an average TCY of USD 16,564/day as against USD 16,386/day in Q1 FY2006-07. At an average TCY of USD 28,446/day, dry bulk carriers registered a growth of around 84% in average TCY earnings at around USD 15,487/day in the corresponding quarter last year.

The strengthening of the Rupee has had a negative impact on the Company's net profit to the tune of approx. Rs.13 cr. However, despite this, the Company has shown a strong growth in operating profits predominantly driven by an increase in the revenue days as well as the significant increase in dry bulk earnings.

Sale & Purchase Activities (including agreements executed) during Q1 FY 2007-08 :

The Company took delivery of:

- a newly built MR Product tanker "Jag Pushpa"
- a 1997 built Handymax Dry bulk carrier renamed "Jag Riddhi"

During the quarter, the Company also contracted to buy a 2000 built double hull Suezmax crude carrier. This is likely to be delivered to us during Q2 FY 2007-08.

The Company contracted to sell its 1992 built single hull VLCC "Ardeshir H Bhiwandiwala", which is likely to be delivered to buyers in Q2/Q3 FY2007-08. The Company delivered its 1992 built single hull Suezmax "Jag Laadki" during the quarter, which was contracted for sale in the previous quarter.

After the end of Q1 FY 08, the Company has contracted to buy 1 more 2000 built double hull Suezmax tanker and 1 Supramax dry bulk carrier (2001 built) in the second hand market.

With this, the Company has a total capex commitment of around USD 472 Mn which translates to approx. Rs.1900 crores at current exchange rates. This will result in addition to the tonnage of about 0.68 mn dwt and includes the following :-

- 5 New Building Product Tankers to be delivered between Q2 FY08 & mid CY 09
- 2 Suezmax tankers (2000 built, double hull) to be delivered in Q2 of FY2007-08
- 1 Supramax dry bulk carrier (2001 built) to be delivered in Q3 of FY2007-08

FLEET PROFILE

G E Shipping's current fleet of 46 ships comprises 34 tankers (13 crude oil tankers, 19 product tankers and 2 LPG carriers) and 12 dry bulk carriers (1 capesize, 2 panamax, 6 handymax and 3 handysize) with an average age of 12.2 years aggregating 3.22 Mn dwt.

MARKET SCENARIO

The softness in the crude tanker rates continued as OPEC maintained its production cut. On the other hand, the product market remained stable aided by the onset of the summer driving season and some US refinery glitches.

The Dry bulk rates continued to rise unabated on the back of strong demand for commodities from Asia. Continued port congestions have only helped fuel rates higher as large amount of tonnage gets blocked. Long haul shipments of coal also went up, as China became a net importer, leading other Asian economies to source their requirements from Australia and Indonesia.

The movement of the freight indices in the last 4 months is highlighted below.

	30th March, 2007	29th June, 2007	27th July, 2007
Baltic Clean Tanker Index	1096	949	928
Baltic Dirty Tanker Index	1398	1029	1037
Baltic Dry Index	5388	6278	6890

OUTLOOK

TANKER MARKET

The supply side outlook prima facie suggests continuation of softness in the crude tanker rates. However, falling inventories and geopolitical shocks could help in supporting rates. Increase in supply from OPEC could further assist rates. The IEA has estimated global refinery capacity to increase by 1.8 mbd in 2007 and much higher increase of 2.9 mbd in 2008. This is likely to translate into a tonne mile demand growth as additions in the refining capacities is not close to the large consuming areas. Thus, the supply side pressure could get offset by the ensuing strong demand growth. With the situation so finely balanced, any short term disruptions/ congestions are likely to cause significant volatility in rates.

DRY BULK MARKET

The strength in the dry bulk segment is likely to continue on the back of iron ore and coal demand from Asia. Traditional coal exporters like China, Vietnam and Indonesia are gradually turning into net importers. This in turn, too, will have a positive impact on the tonne mile demand. Unlike in the tanker segment, the supply outlook on the dry bulk side is fairly flat for the immediate future.

COMPANY

As on July 30, 2007 the revenue visibility is around Rs. 630 crores for the balance part of FY2007-08. Crude tankers and product carriers are covered to the extent of around 68% and 51% of their operating days respectively. In case of dry bulk carriers they are covered to the extent of around 32% of the fleet's operating days. Gas Carriers are covered to the extent of 100% of their operating days.

Place: MUMBAI

Date: July 30, 2007

---------------------------------visit us at www.greatship.com--------------------------------------

For further details feel free to call: Ms. Anjali Kumar +91 (22) 66613176

Quarter Earnings' Call 4:00 pm onwards- Dial +91 22 67914400/99