

The Great Eastern Shipping Co. Ltd.

Business & Financial Review

July 2009



Forward Looking Statements

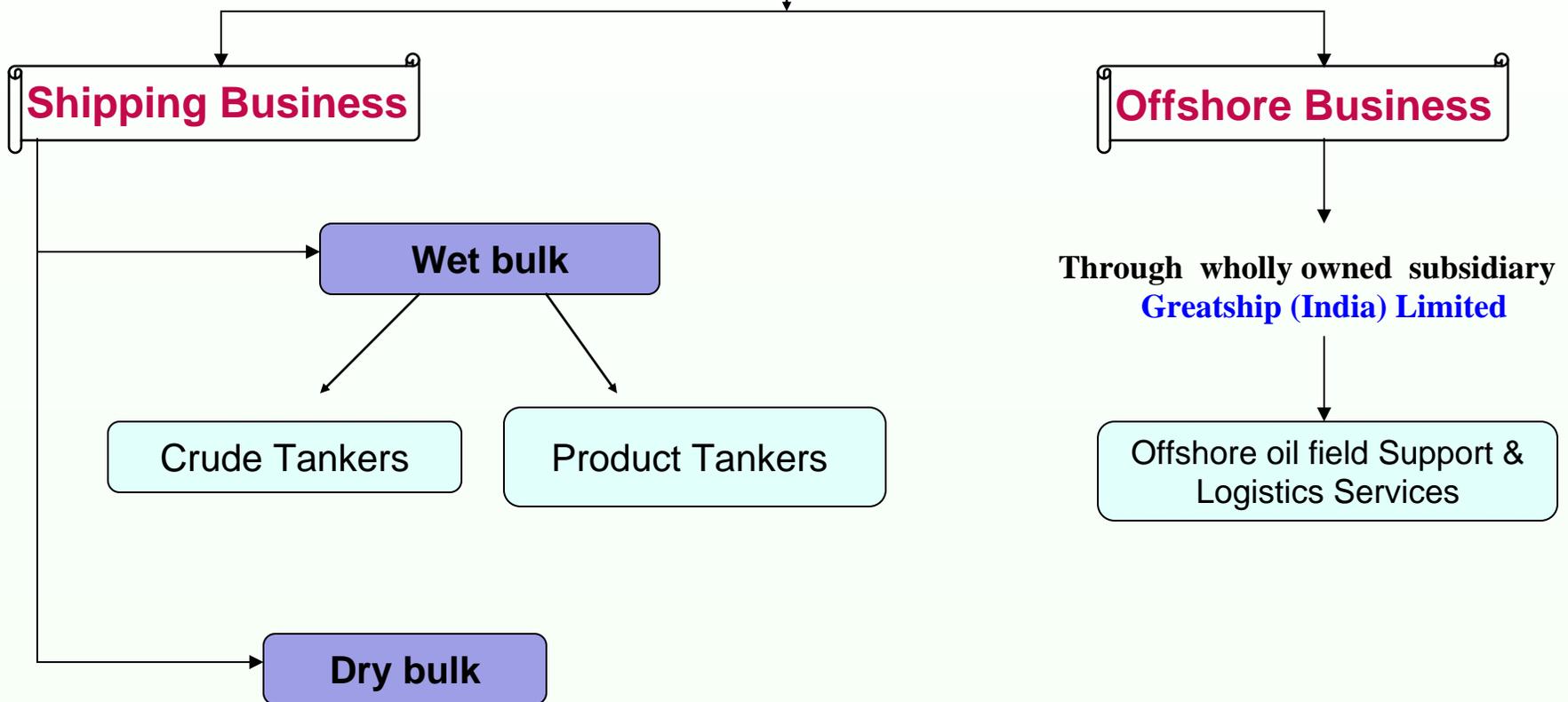
Except for historical information, the statements made in this presentation constitute forward looking statements. These include statements regarding the intent, belief or current expectations of GE Shipping and its management regarding the Company's operations, strategic directions, prospects and future 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.

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Corporate Profile

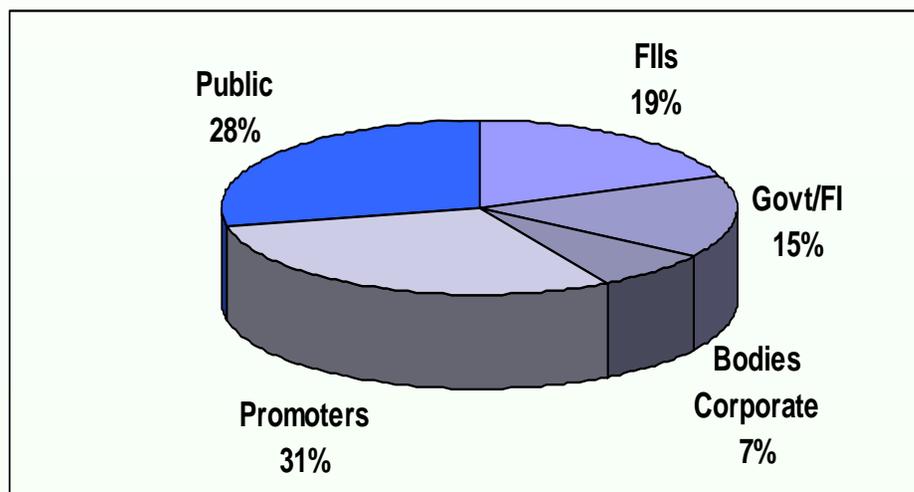
The Great Eastern Shipping Co. Ltd.
Incorporated in 1948

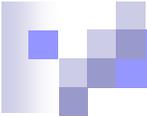


Company at a glance

- ✎ *India's largest private sector Shipping Company*
- ✎ *Diverse asset base with global operations*
- ✎ *Completed 61 years of operations*
- ✎ *More than 26 years of uninterrupted dividend track record*

Shareholding Pattern as on Mar 31st, 2009





Shipping business-owned fleet

- ❑ **37 ships aggregating 2.84 Mn dwt, avg.age 10.0 years**
 - ❑ **31 Tankers** avg.age 9.5 years (85% in tonnage terms)
 - ❑ **12 Crude carriers (6 Suezmax, 6 Aframax)** avg.age 9.5 years (2 single hull – both double sided)
 - ❑ **18 Product tankers (4 LR1, 9 MR, 5 GP)** avg.age 9.4 years (5 single hull – 2 double sided)
 - ❑ **1 LPG carrier** – avg.age 18 years (single hull)
 - Double hull status – 23 tankers representing 81% in dwt terms**
 - ❑ **6 Dry bulk carriers** avg.age 12.6 years
 - ❑ **1 Capesize** - avg.age 13 years
 - ❑ **1 Panamax** - avg.age 14 years
 - ❑ **2 Supramax**- avg.age 7 years
 - ❑ **1 Handymax** - avg.age 12 years
 - ❑ **1 Handysize** - avg.age 29 years



Shipping business – Inchartered fleet

**Total Inchartered Fleet : 4 ships
(including in subsidiaries)**

- **Tankers : 2**
 - ✓ **2 Suezmax Crude Carriers**

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



Committed CAPEX – Shipping Business

Committed Capex of around USD 492 Mn

- 8 new building contracts aggregating 0.76 mn. dwt

✓ 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)



Offshore business- Fleet Profile

➤ **Current Owned Fleet**

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

➤ **Current Inchartered Fleet**

- ✓ 1 Platform Supply Vessels (PSV)
- ✓ 1 350ft Jack Up Rig

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

Committed CAPEX – Offshore Business

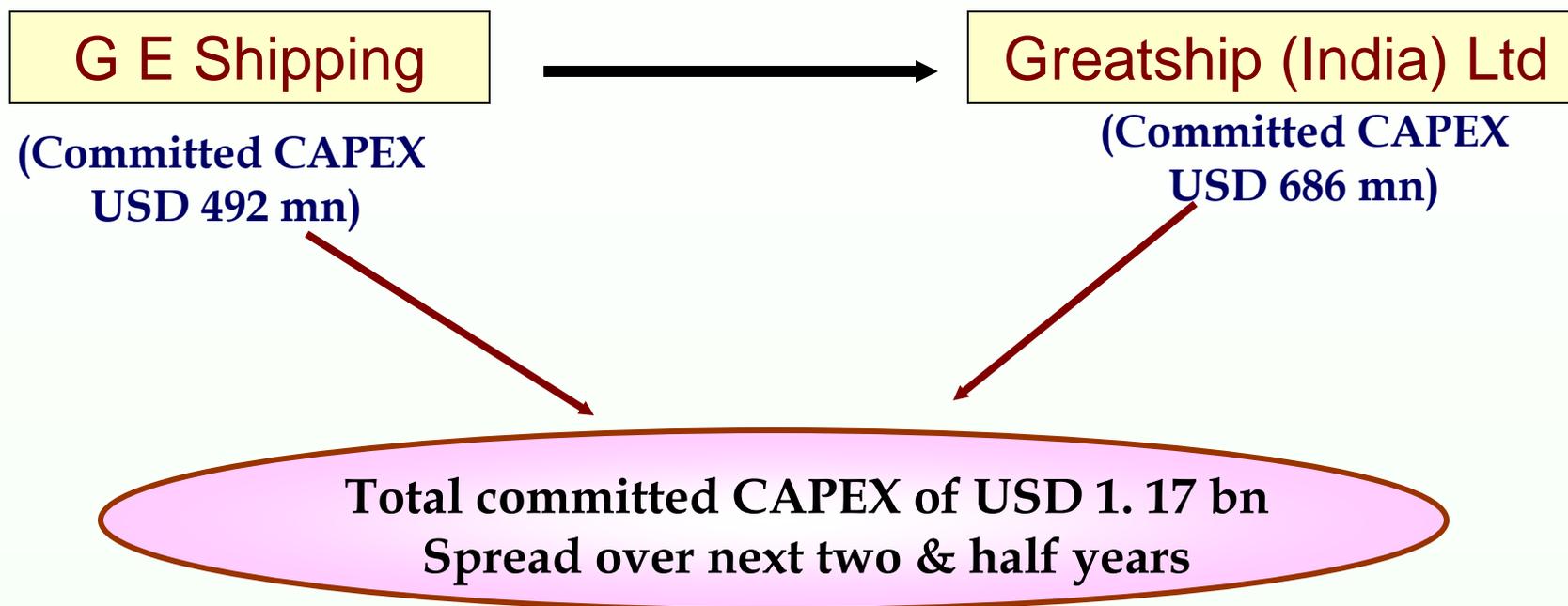
- **Committed Capex of around USD 686 Mn**
- ✓ **FY 2010**
 - 1 NB 80T AHTSV (Labroy)
 - 4 NB MPSVs (Keppel Singmarine)
 - A New Building 350 ft Jack Up Rig (Keppel)
 - 1 NB Construction Support Vessel (CDL)
- ✓ **FY 2011**
 - 3 NB Construction Support Vessel (CDL)
 - 2 NB MSVs (Mazagon Dock)
 - 1 NB 150T AHTSV (Drydock World, Singapore)
- ✓ **FY 2012**
 - 1 NB 150T AHTSV (Drydock World, Singapore)

Fleet Growth*	FY2008	FY2009	FY2010E	FY2011E	FY2012E
Fleet (in nos)	4	8	19	25	26
Average Age (yrs)	3.3	2.7	1.8	2.1	3.0

* basis current committed capex & no sale envisaged

Committed Capex for the Group

Total Investment Rs.1,116 crs
Equity (Rs852 crs) + Pref (Rs.264 crs)



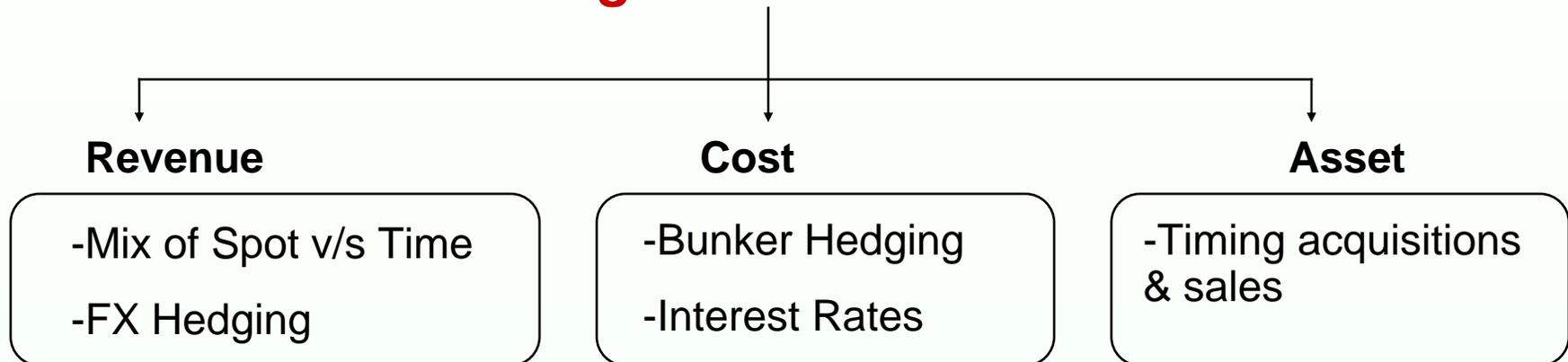
To be financed with a mix of debt & internal accruals

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 FY09 Performance

(Rs.crs)	<u>Standalone</u>						<u>Consolidated</u>		
	Q4FY09	Q4FY08	% chg	FY09	FY08	% chg	FY09	FY08	% chg
Freight & Charter hire	561	738	(23)%	2,829	2,581	10%	3,792	3,108	22%
Gain on sale of ships	(27)	46	(159)%	254	289	(12)%	254	289	(12)%
Total Income	534	784	(32)%	3,083	2,870	7%	4,046	3397	19%
Total Expenditure	296	348	(15)%	1,358	1,310	4%	2,236	1,745	28%
Operating Profit*	265	390	(32)%	1,471	1,270	16%	1,555	1,363	14%
Exceptional Item	139	(41)	(439)%	(15)	146	(110)%	(15)	156	(109)%
Net Profit (inc Exc. Item)	250	299	(16)%	1,385	1,357	2%	1,412	1,453	(3)%
Diluted EPS (in Rs) (incl Exc. Item)	16.4	19.5		90.7	88.4		92.9	94.7	
Diluted EPS (in Rs) (excl Exc.Item)	7.3	22.2		91.7	78.9		93.9	84.5	

* (Excluding gain on sale of ship)

NAV as on 31 Mar'09 Rs.356

Q4 FY09 Performance Highlights

- Lower revenue days Q-on-Q due to smaller fleet
- Substantially lower TCY rates on dry bulk
- Operating Profit (PBDIT) down 32%

Breakup of revenue days

<i>Q4 FY09</i>	<i>Q4 FY08</i>	<i>% chg</i>	<i>Revenue Days</i>	<i>FY09</i>	<i>FY08</i>	<i>% chg</i>
3,401	4,052	(16)%	Owned Tonnage	14,014	16,034	(13)%
64	171	(63)%	Inchartered Tonnage	531	983	(46)%
3,465	4,223	(18)%	Total revenue days	14,545	17,017	(15)%

<i>Particulars (Rs. Crs)</i>	<i>GE Shipping</i>	<i>Greatship*</i>	<i>Total</i>
Debt as on 31/3/09	3,066	1,182	4,248
Cash as on 31/3/09	1,965	177	2,142
Gearing (x)	0.62	0.92	0.81

* Includes Greatship (I) Ltd & its subsidiaries

Earnings Mix

GE Shipping Average TCY Details

Q4FY09	Q4FY08	% change	Average TCY (\$ per day)	FY09	FY08	% change
34,450	35,139	(2)%	Crude Carriers	41,231	30,021	37%
21,495	19,800	9%	Product Carriers	23,729	19,921	19%
23,264	49,152	(53)%	Dry Bulk Carriers	39,798	38,418	4%

Mix of Spot & Time

Q4 FY09	Q4 FY08	Days (in %)	FY09	FY08
		<u>Dry Bulk</u>		
81%	63%	Spot %	72%	58%
19%	37%	Time %	28%	42%
		<u>Tankers</u>		
51%	45%	Spot %	52%	36%
49%	55%	Time %	48%	64%
		<u>Total</u>		
58%	50%	Spot %	57%	42%
42%	50%	Time %	43%	58%

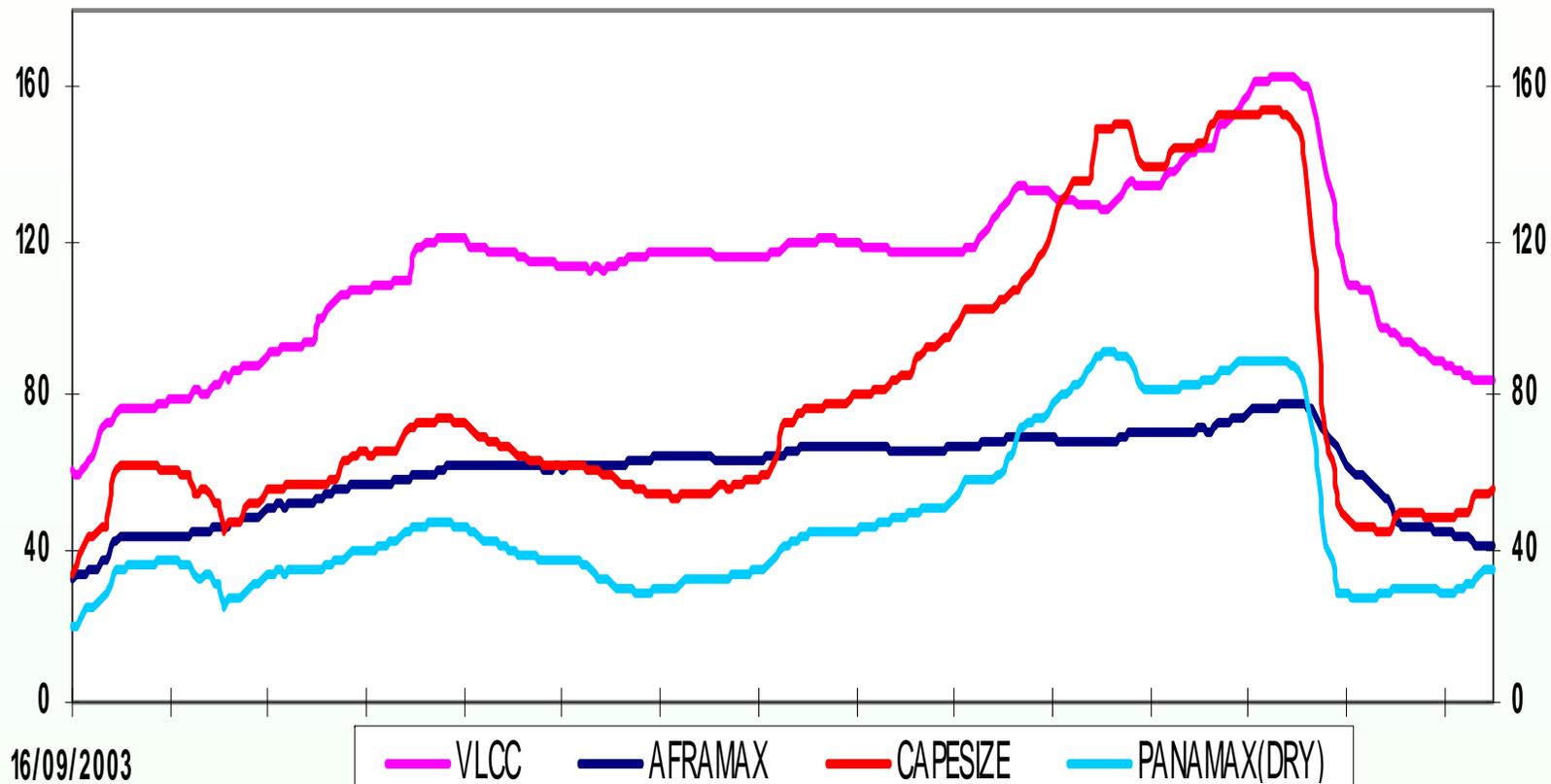


Industry Scenario

Ship prices on a downslide

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

Timeline- Sep2003 till June 26, 2009



Source: Baltic Sale & Purchase Assessment

World Fleet Supply

	2006	2007	2008	Forecast 2009	Forecast 2010	Forecast 2011+
VLCC	3.4%	4.0%	3.8%	7.7 %	12.9%	17.3%
Suezmax	7.0%	4.6%	0.9%	14.3%	10.9%	13.4%
Aframax	5.5%	7.3%	6.1%	8.0%	11.0%	6.6%
Panamax	13.8%	12.4%	8.8%	9.6%	6.6%	9.8%
Handymax	7.9%	8.4%	10.6%	12.6%	11.8%	6.3%
Capesize	9.1%	8.5%	9.0%	19.1%	35.0%	28.2%
Panamax	8.5%	6.4%	5.7%	7.3%	18.7%	19.8%
Handymax	7.2%	7.4%	8.0%	17.3%	20.6%	15.0%
Handysize	0.6%	2.7%	1.8%	9.5%	11.2%	12.6%

Source: Clarkson

Gross World fleet addition-Shipping

World Fleet addition*	2009	2010	2011
Crude tankers	8.8%	11.7%	11.4%
Product tankers	11.4%	10.3%	5.8%
Dry bulk carriers	13.4%	23.1%	13.5%

15% of world tanker fleet single hull

*includes only new building from yards

Fleet as on 1 st Jun'09	Scrapping (in mn dwt)	CY2008	Q1CY09	Apr09	May09
(in mn dwt)					
300.9	Crude	2.2	0.4	0.7	0.9
120.9	Product	2.0	1.0	0.8	0.9
428.0	Bulk	5.1	9.1	5.3	6.5

19% of world dry bulk fleet > 25 years

Source: Clarkson



Tanker Market

- **Crude:**

- Demand for oil to be weaker in 2009 as compared to 2008
- Contraction in world output likely to depress energy consumption
- High fleet growth to put excessive pressure

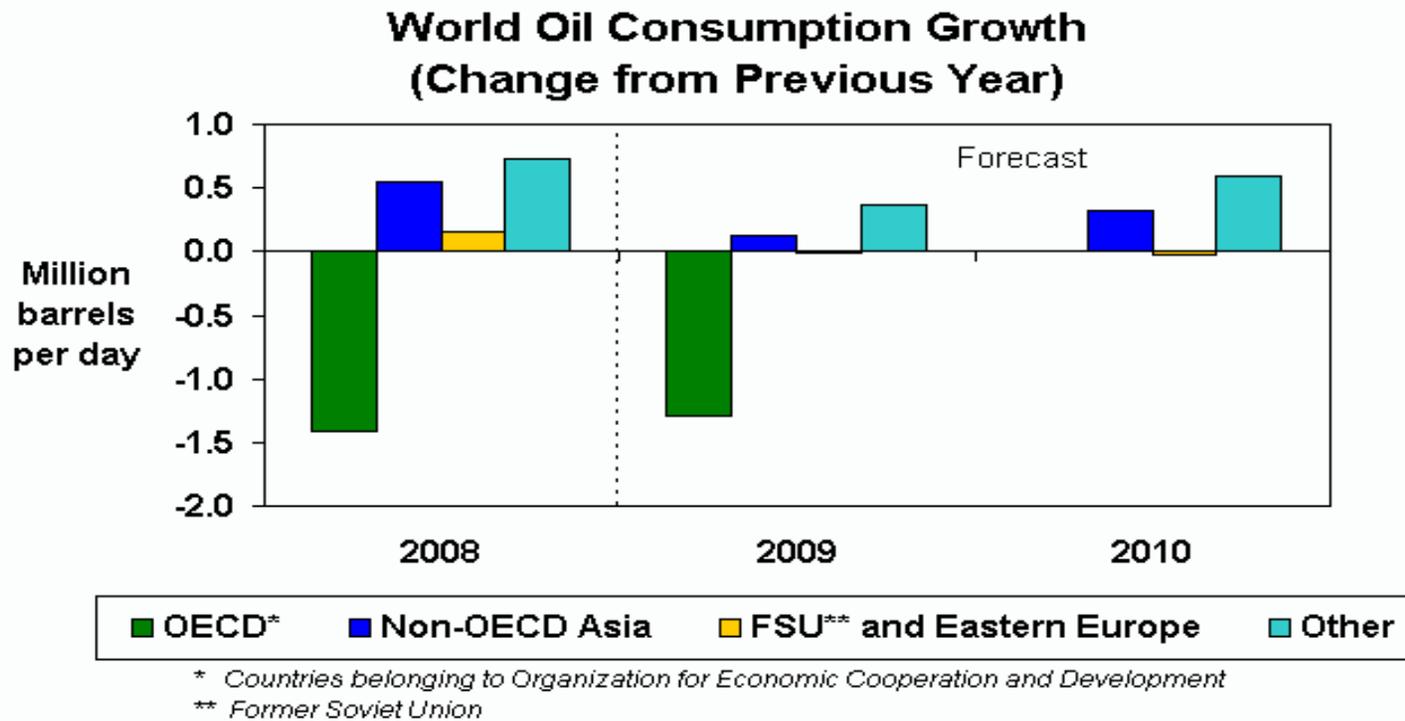
- **Product:**

- Low refining margins & depressed demand keeping product tanker rates down
- Fleet supply overhand still a big concern

But...

- Increase in global refinery capacity in next 2 years to give support to seaborne movement.
- Increase in tonne mile demand**

Expected Oil Demand - 2009



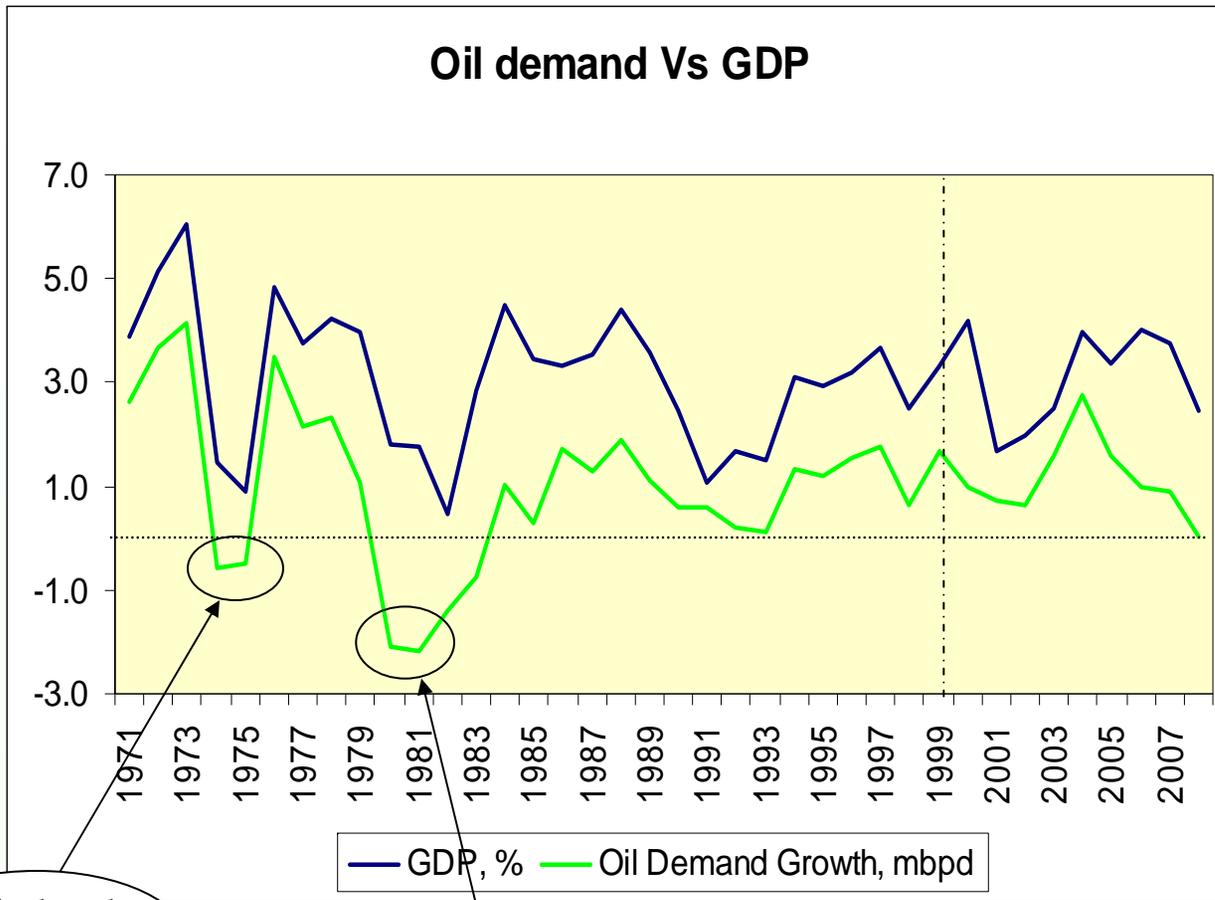
Short-Term Energy Outlook, January 2009



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
- Excessive fleet addition to be highest in this segment

... but a ray of hope...

- Increase in level of scrapping activity
- Construction on more than one third of the existing orderbook not yet begun.
- 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%
World	<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%
World	<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	<u>696.5</u>	<u>723.8</u>	<u>746.9</u>	<u>4%</u>	<u>3%</u>
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	<u>696.5</u>	<u>723.8</u>	<u>746.9</u>	<u>4%</u>	<u>3%</u>

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

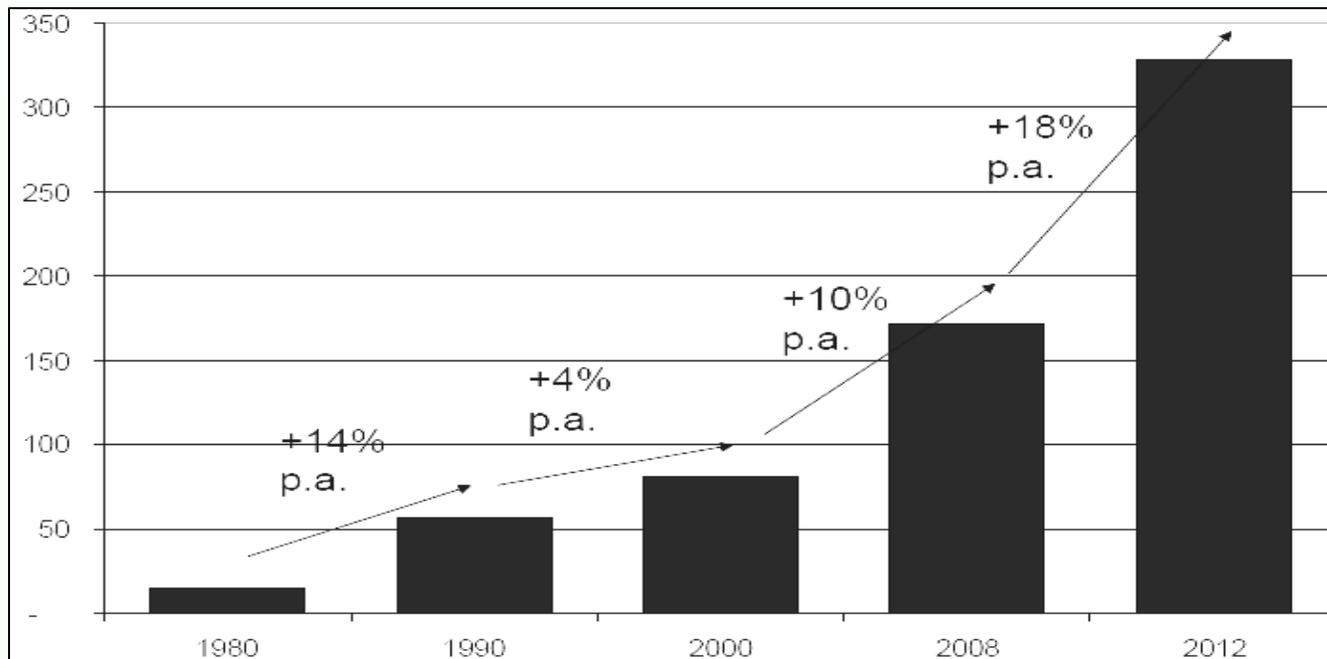
Country	2006	2007	2008(e)	2009(f)	2008/07	2009/08
Iron Ore Imports (mn.tonnes)					(% chg)	
EU 27	170	170	173	163	1.8%	(5.8%)
Japan	134	139	139	135	0%	(2.9%)
China	326	384	427	433	11.2%	1.4%
Korea	44	47	49	49	4.3%	0%
<u>Imports excluding China</u>	<u>439</u>	<u>451</u>	<u>462</u>	<u>456</u>	<u>2.4%</u>	<u>(1.3%)</u>
<u>World Imports</u>	<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%
<u>World</u>	<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

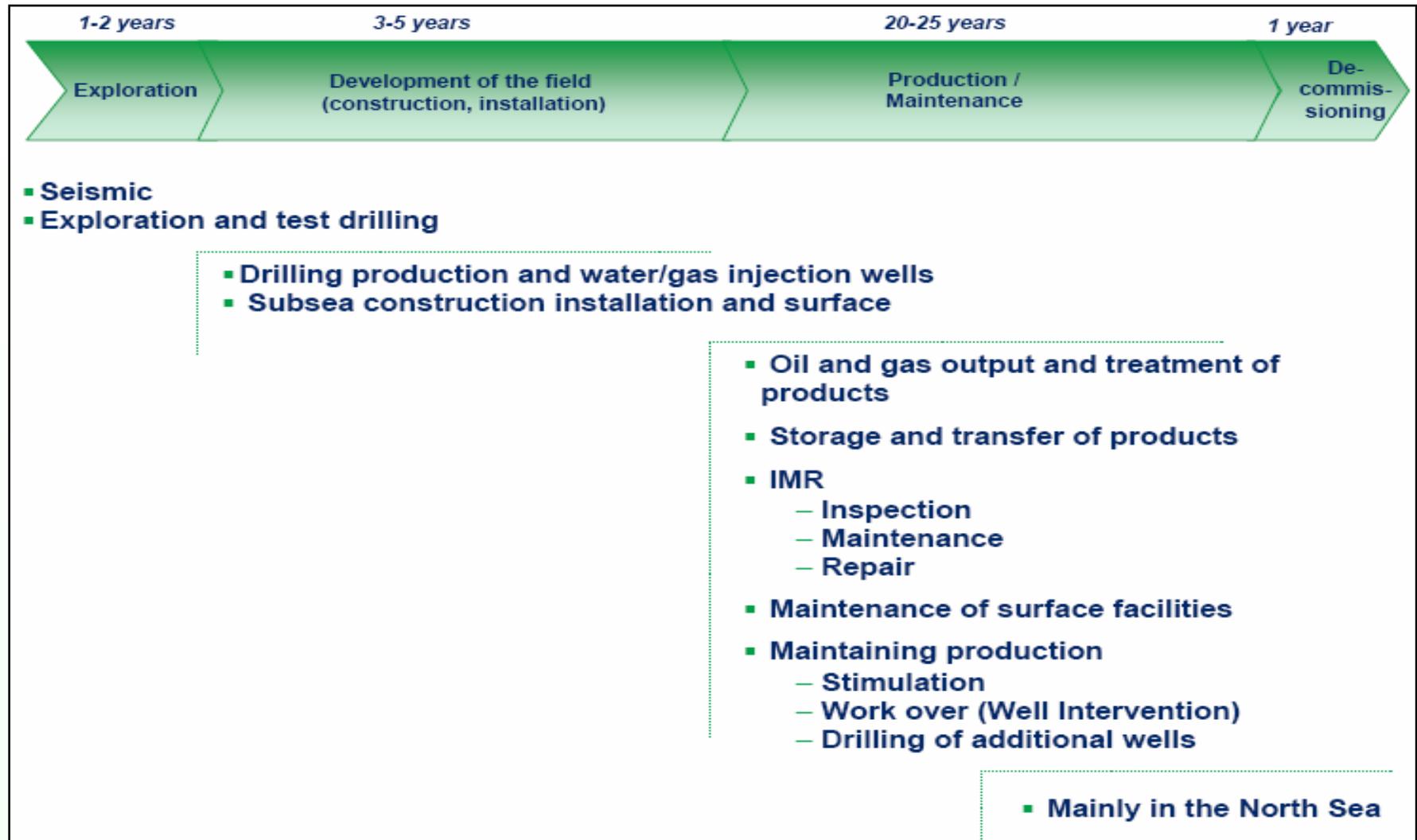
- ✓ Decline in oil & gas reserves
- ✓ Energy Security concerns high on consumer countries agenda
- ✓ Development and drilling activity in mid to deep water
- ✓ Tenders continuing to be issued for long term work

Total Subsea fleet development



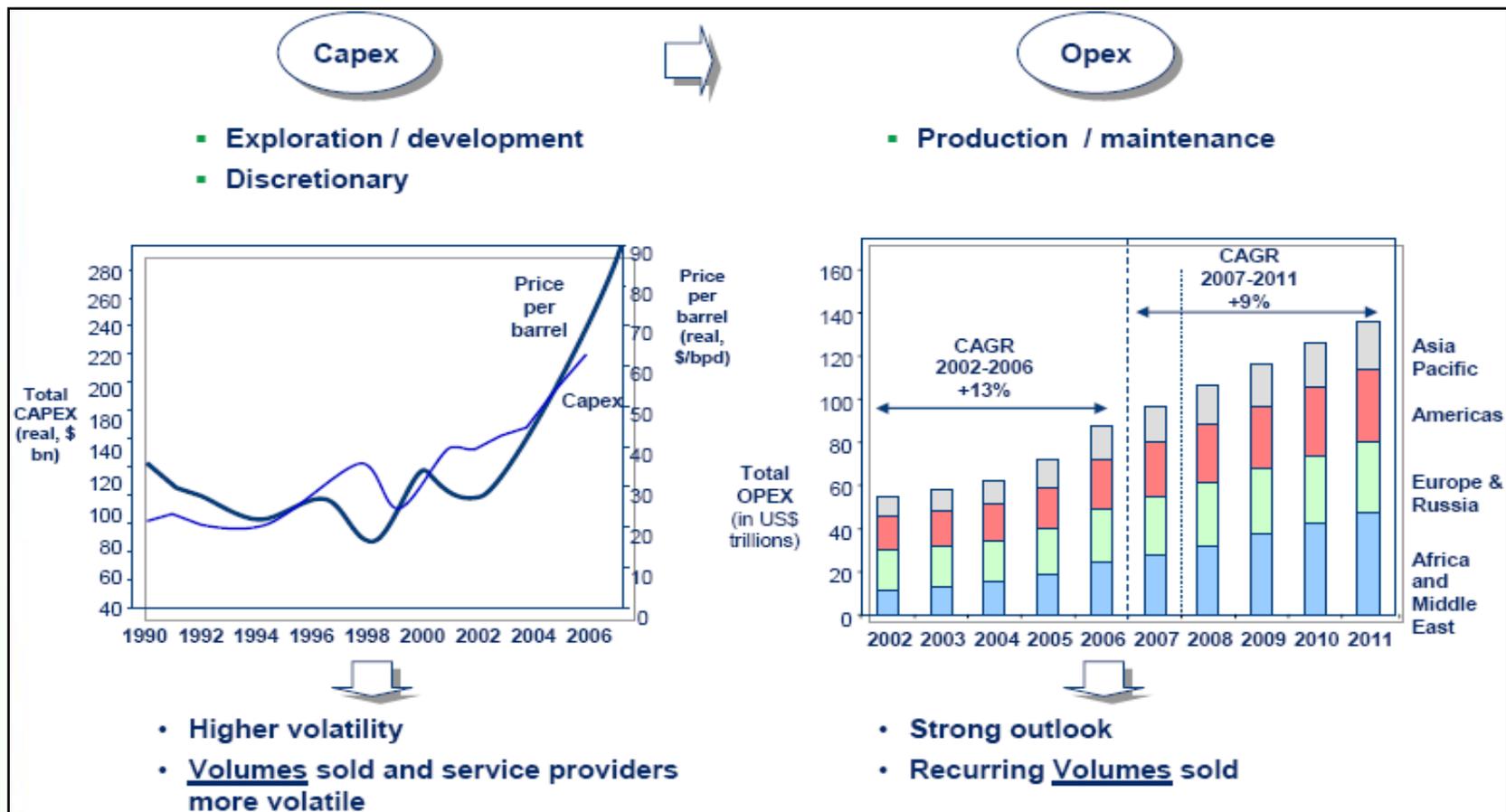
Source: Offshore Research, Pareto

Life Cycle of Offshore Fields



Source: Bourbon, Feb 2008

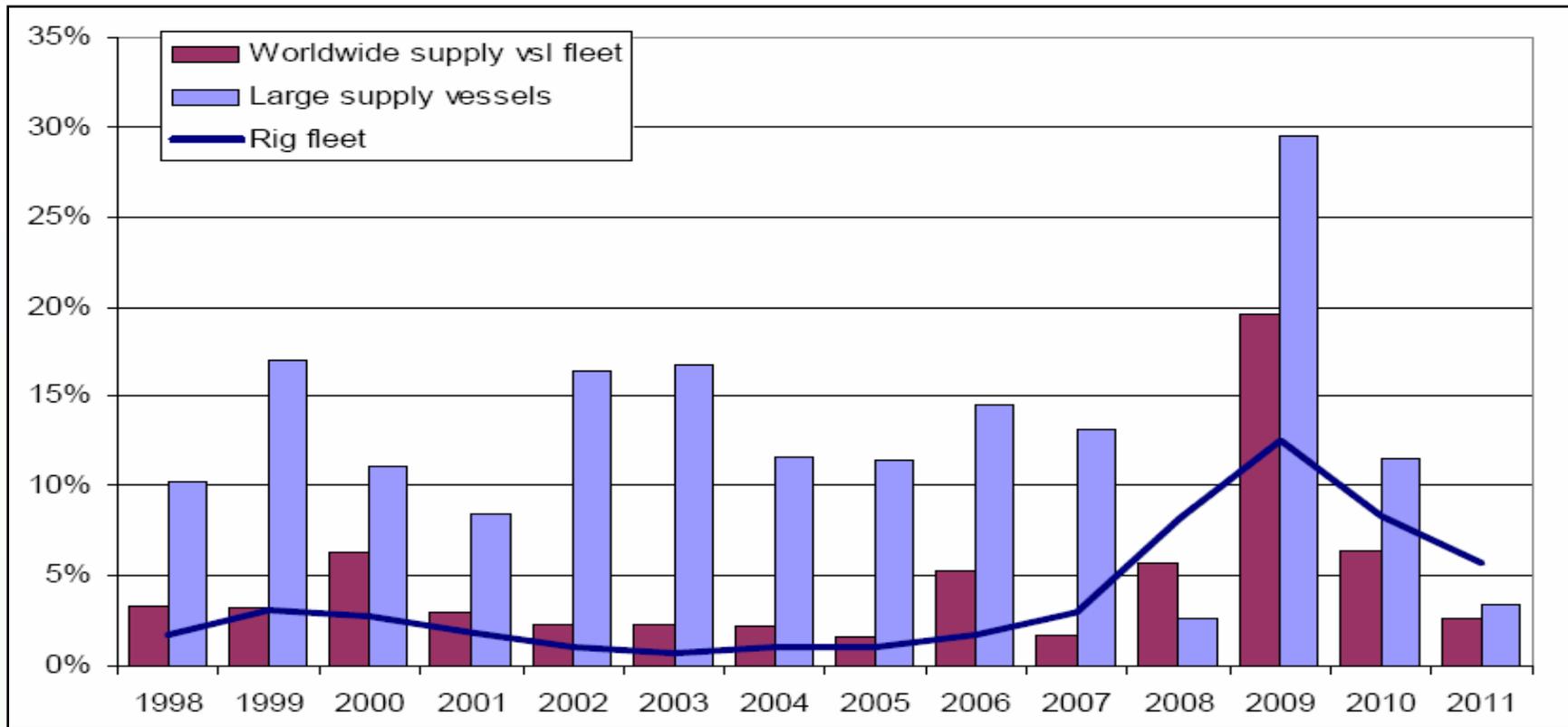
Evolution of oil and gas Capex and Opex have different volatilities..



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*	2,226	1,843	1,657
Orderbook	540	245	208
% of O/B to current fleet	24%	13%	12%

* Data as on Jun'09, 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

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