

Ref. : 2006-010

11<sup>th</sup> May 2006

To : Director and Manager of The Stock Exchange of Thailand

Subject : Submitting the Interim Consolidated Financial Statements for the three months period ended 31 March 2006 and 2005.

We hereby report the Interim Consolidated Financial Statements of Precious Shipping Public Company Limited and Subsidiaries for the three months period ended 31 March 2006 and 2005 together with the summarized operating results (Form 45-3). The reasons for changes in the operating results are explained below.

For the three months period ended 31 March 2006, the Company and subsidiaries ("the Company") have earned a consolidated net income of Baht 889.51 million as compared to net income of Baht 1,823.45 million earned during the same period in 2005. The main reasons for changes are as follows:

1. The Net Vessel Operating Income (net of voyage disbursements and bunker consumption) for the first quarter of 2006 has decreased by about 30 percent over the Net Vessel Operating Income for the same period of 2005. However, the income has accrued from an average of 54 vessels during the first quarter of 2006 as against an average of 52 vessels in the same period of 2005. The average earnings per day per Vessel were USD 10,391 in the first quarter of 2006 as compared to USD 15,928 in the same period of 2005. This represents a decrease of 35 percent. The income has decreased mainly due to the decline in the international freight market and the increase in supply of new ships in the market.
2. For the first quarter of 2006, the absolute Vessel running expenses are higher by 18 percent as compared to the same period of 2005 mainly due to higher crew wages. . The average Vessel operating expenses per day per Vessel are USD 3,492 in the first quarter of 2006 as compared to USD 2,969 in the same period of 2005 (including depreciation/amortisation of the Drydocking/Special Survey expenses in both years.) This represents an increase of 18 percent, which, can be attributed mainly to higher Drydocking/Special Survey expenses.
3. The Company recorded exchange gain of Baht 124.15 million for the first quarter of 2006 as against exchange gain of Baht 5.46 million for the same period of 2005. This is due to the appreciation of the Thai Baht against the US Dollar but the gain is mainly unrealized as it has arisen only out of the translation of the US Dollar denominated liabilities in Thai Baht terms in the Balance Sheet.
4. The depreciation for the first quarter of 2006 is higher by Baht 80.46 million due to the increase in number of vessels and higher cost of drydocking/special survey as compared to the same period of 2005.

5. The interest and financial costs for the first quarter of 2006 have decreased by Baht 24.53 million as compared to the same period of 2005 due to the decrease in amount of loans.

We trust you will find the above in order.

Yours sincerely,  
**For : Precious Shipping Public Company Limited**

**(Khalid Moinuddin Hashim)**  
**Managing Director**

**(Khushroo Kali Wadia)**  
**Director**