

Ref. : 2009-022

30 April 2009

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 2009 and 2008.

We hereby report the Interim Consolidated Financial Statements of Precious Shipping Public Company Limited and Subsidiaries for the three months period ended 31 March 2009 and 2008 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 2009, the Company and subsidiaries ("the Company") have earned a consolidated net income of Baht 843.09 million as compared to net income of Baht 1,009.95 million earned during the same period in 2008. The main reasons for changes are as follows:

1. The Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) for the first quarter of 2009 has decreased by about 6 percent over the Net Vessel Operating Income for the same period of 2008 mainly due to the decrease in average earnings per day per Vessel from USD 15,493 in the first quarter of 2008 to USD 14,485 in this quarter and because of the lower number of vessels operated during this quarter. The lower average daily earnings could be attributed to the fact that some vessels whose long term charters expired during the quarter had to be chartered at current prevailing low rates. The income has been earned from an average of 42 vessels during the first quarter of 2009 as against an average of 44 vessels in the same period of 2008, since 5 out of the 10 vessels sold so far have been delivered during the 1st quarter of 2009, the fleet size as on 31st March 2009 was 39 vessels.
2. For the first quarter of 2009, the absolute Vessel running expenses are higher by 14 percent as compared to the same period of 2008. The average Vessel operating (running) expenses per day per Vessel are USD 5,284 in the first quarter of 2009 as compared to USD 4,639 in the same period of 2008 (including depreciation/amortisation of the Drydocking/Special Survey expenses in both years.) This increase of about 14 percent can be attributed mainly due to increase in crew wages, drydocking/special survey expenses of old vessels and one-time increase in insurance costs.
3. Administrative expenses for the first quarter of 2009 have decreased by Baht 58.56 million as compared to the same period of 2008 due to lower provisions for staff bonus as compared to the first quarter of 2008.

4. The Company recorded net exchange losses of Baht 5.99 million for the first quarter of 2009 as against exchange losses of Baht 82.36 million for the same period of 2008. The decrease in exchange losses is due to the depreciation of the Thai Baht against the US Dollar, which resulted in a gain on translation of the net current assets denominated in US Dollars which was then netted off by the loss on translation of US Dollar Long Term Loans. .
5. The interest and financial costs for the first quarter of 2009 have increased by Baht 99.18 million as compared to the same period of 2008 mainly due to the extension fees paid for maintaining the 2 secured debt facilities and the commitment fees paid for the two loan facilities available to the Company. The interest paid on loans for newbuilding ships ordered by the Company have been capitalised and therefore, the interest on this account have not affected profitability.

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