

Ref. : 2009-033

28th July 2009

To : Director and Manager of The Stock Exchange of Thailand

Subject : Submitting the Interim Consolidated Financial Statements for the three months and six months period ended 30 June 2009 and 2008.

We hereby report the Interim Consolidated Financial Statements of Precious Shipping Public Company Limited and Subsidiaries for the three months and six months period ended 30 June 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 30 June 2009, the Company and subsidiaries ("the Company") have earned a consolidated net income of Baht 1,084.22 million as compared to net income of Baht 1,238.68 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 second quarter of 2009 has decreased by about 28 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 16,511 in the second quarter of 2008 to USD 13,320 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 rates which are lower than that prevailing in the same period of year 2008. The income has been earned from an average of 35 vessels during the second quarter of 2009 as against an average of 44 vessels in the same period of 2008, since 13 out of the 16 vessels sold so far have been delivered during the first half of 2009. The fleet size as on 30 June 2009 was 31 vessels.
2. For the second quarter of 2009, the absolute Vessel running expenses are lower by 5 percent as compared to the same period of 2008 mainly due to the reduction in the average number of vessels operated during the period as explained above. However, the average Vessel operating expenses per day per Vessel are USD 4,990 in the second quarter of 2009 as compared to USD 4,736 in the same period of 2008 (including depreciation/amortisation of the Drydocking/Special Survey expenses in both years.) This increase of about 5 percent can be attributed mainly due to increase in crew wages.

3. The Company recorded gain on sale of vessels and equipment of Baht 384.02 million in the second quarter of 2009. This represents the gain on the sale of 8 vessels, which were delivered in the second quarter of 2009.

For the six months period ended 30 June 2009, the Company has earned a consolidated net income of Baht 1,927.31 million as compared to net income of Baht 2,248.63 million incurred 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 half of 2009 has decreased by about 17 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 15,990 for the first half of 2008 to USD 13,952 for the first half of this year due to the reason explained in 1 above and because of the lower number of vessels operated during this year. The income has been earned from an average of 39 vessels during the first half of 2009 as against an average of 44 vessels in the same period of 2008, since 13 out of the 16 vessels sold so far have been delivered during the first half of 2009.
2. For the first half of 2009, the absolute Vessel running expenses are higher by 5 percent as compared to the same period of 2008. The average Vessel operating (running) expenses per day per Vessel are USD 5,151 for the first half of 2009 as compared to USD 4,687 in the same period of 2008. (including depreciation/amortisation of the Drydocking/Special Survey expenses in both years.) This increase of about 10 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. The Company recorded gain on sale of vessels and equipment of Baht 371.51 million in the first half of 2009. This represents the gain on the sale of 13 vessels, which was delivered in the first half of 2009.
4. The Company recorded net exchange gains of Baht 38.74 million for the first half of 2009 as against exchange losses of Baht 28.41 million for the same period of 2008. The increase in exchange gains is due to the appreciation of the Thai Baht against the US Dollar, which resulted in a gain on translation of US Dollar Long Term Loans denominated in US Dollars which was then netted off by the loss on translation of the net current assets.
5. The interest and financial costs for the first half of 2009 have increased by Baht 129.25 million as compared to the same period of 2008 mainly due to the extension fees paid for maintaining the 2 undrawn secured debt facilities and the commitment fees paid for the

three loan facilities available to the Company. The interest paid on loans for newbuilding ships ordered by the Company has been capitalised and therefore, the interest on this account has 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