

## NEWS RELEASE

### MERCATOR LINES ACQUIRES JACK UP RIG AT Rs 1000 Cr AND DEPLOYS IMMEDIATELY FOR THREE YEARS

- *New build Jack up rig acquired for Rs.1000 crores from world's leading shipyard Keppel FELS Singapore.*
- *Immediate deployment in contract to increase company's revenue.*

Mumbai, March xx, 2009 – Mercator Lines Ltd (“the company” or “Mercator”) India’s second largest private shipping company, has taken delivery of its new build Jack Up Rig at a cost of approx Rs 1000 crores from the world’s leading shipyard Keppels FELS, Singapore. The rig was delivered on 11<sup>th</sup> March 2009 about three weeks before schedule and has been immediately deployed under a firm bare boat contract for a period of three years.

The New built state-of-the-art, premium Jack-up Rig acquired through its Singapore based wholly owned subsidiary, Mercator Offshore Ltd, is Class B Mod V capable of working in a water depth of 350 ft. and has a drilling capability of 30,000 ft. Company has also invested in upgrading the rig to a ‘high pressure high temperature’ capability with a higher blow out preventer capacity making it technically advanced then its peers. Company believes these changes makes the rig technically superior and it will always have competitive edge over other rigs.

Says **H K Mittal, Executive Chairman, Mercator Lines Ltd**, “Mercator has always believed in expanding during tough times as we believe that companies which invest wisely during such times shall be in a better position to take advantage of any improvement in the business cycle.”

Mercator has consistently diversified its portfolio over the last few years and is now a strong player not only in the Tanker segment but also in the Bulk Carriers, Dredging, Coal Mining; logistics and now Oil drilling. While shipping remains its mainstay the expansion undertaken during the last 24 months has opened up new revenue streams for Mercator which hedges its revenue and profits from a downturn in any of its businesses ensuring stability in uncertain times like these.”

Mercator's strategy of locking a large part of its capacity on long term contracts has helped the company to take advantage of the current times to further consolidate its position.

This is evident from the company's performance for the nine-months ended Dec 2009. For the nine months ended 31st December 2008, Mercator Lines Limited had achieved a consolidated operating income (with its Singapore subsidiary) of Rs. 1673.12 crore as compared to Rs. 1002.85 crore in the corresponding period last year, recording impressive growth of 67%. The profit after tax and before minority interest (excluding exchange gain or loss) had gone up from Rs. 197.88 crore to Rs. 387.82 crore showing an impressive growth of about 96%.

[www.mercator.in](http://www.mercator.in)

### **About Mercator Lines Limited**

Mercator Lines Limited ("MLL"), the second largest private sector shipping company in India (by aggregate fleet tonnage capacity) has a global presence through its subsidiaries, the Group also provides its customers with complete and customised logistics solutions from the load port to the point of usage. MLL operates a fleet of 1 Rig; 12 dry carriers; 12 tankers and 4 dredgers.

The Group services large thermal-based power plants, steel companies, refineries and has established strong relationships with its customers, including reputable names such as Arcelor Mittal Group, Tata Power, IOC and Dredger Corporation of India (DCI). Mercator derives its revenue largely from long term fixed rate contracts, specifically time charters and contracts of affreightment ("COAs").

Mercator Lines has an uninterrupted dividend record since its listing on the Stock Exchange Mumbai in 1993.

### **For Mercator Lines Limited**

**Deepak Dalvi**  
**Sr. Manager-Secretarial**  
March 14, 2009

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