

## NEWS RELEASE

### **MERCATOR LINES SINGAPORE EXPANDS ITS OWNED FLEET SIZE THROUGH ACQUISITION OF A GEARED PANAMAX VESSEL**

- *Vessel is a geared Panamax dry bulk carrier due for delivery in May, 2009*
- *Strengthens its position as one the largest owner of geared panamaxes amongst Indian owned shipping companies.*

*Singapore, April 1, 2009* – Mercator Lines (Singapore) Limited (“Mercator”), a leading Indian-owned international dry bulk shipping company focused on markets such as India and China, today announced that it has entered into a Memorandum of Agreement (“MOA”) for the purchase of a geared Panamax dry bulk carrier, under its existing purchase option for approximately US\$24.2 million.

The vessel is a 2000-built vessel constructed by Imabari shipbuilding Co.Ltd, Japan. The vessel is currently hired on a time chartered-in basis by Mercator. The vessel is of 73,652 dwt capacity and is scheduled for delivery in May, 2009. The acquisition is proposed to be financed through a mix of internal accruals and debt.

Mercator currently operates a fleet of 11 dry bulk vessels, nine owned and two chartered-in, comprising of geared and gearless Panamaxes and Kamsarmaxes. The acquisition will expand Mercator’s owned fleet to ten ships comprising of six geared and four gearless Panamaxes and Kamsarmaxes ships and will increase the total aggregate capacity of its owned fleet to 755,432 dwt, while maintaining the total operating capacity at 829,057 dwt.

Mercator’s strategic expansion of geared vessels to six, further strengthens its position as one of the largest fleet owner of geared Panamaxes not only amongst the Indian owned shipping companies but also in the world.

Said Mr. Shalabh Mittal, Managing Director and Chief Executive Officer of Mercator, "The acquisition would further consolidate the company's presence as one of the largest owner in the niche market of geared Panamaxes. We believe our strategy of focusing on our core competencies of geared Panamaxes along with our ability to offer logistics support for the Indian trade will help us face the current challenging times".

Mercator's fleet of geared vessels extends the company a distinctive edge to operate in ports with less developed infrastructures such as India, Indonesia. Further the geared vessels facilitate Mercator to offer comprehensive and customized logistic solutions to its customers in India. The company, together with its parent company Mercator Lines Limited has been extending logistic solutions from the load port to the point of usage, to its customers in India. This acquisition, while fortifying the deployment of geared vessels, extends Mercator a stronger position to capitalize on these opportunities.

The acquisition is expected to have impact on Mercator's net tangible assets per share, earnings per share and operating results for the current financial year ending March 31, 2010.

The Sellers are unrelated to the Directors and controlling shareholder of the Company. None of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the Charter. The acquisition is in the ordinary course of the Company's business.

### **About Mercator Lines (Singapore) Limited**

Mercator, which commenced operations in 2005, has established a market presence in the Indian coal transport market, specializing in the transportation of dry bulk commodities such as coal into India from Australia and Indonesia, and iron ore from India to countries such as China. With the strong support of its ultimate parent company, Mercator Lines Limited ("MLL India"), the second largest private sector

shipping company in India (by aggregate fleet tonnage capacity), Mercator also provides its customers with complete and customized logistics solutions from the load port to the point of usage.

Prior to this acquisition, Mercator operates a fleet of 11 dry bulk vessels comprising geared and gearless Panamax and Kamsarmaxes, with an aggregate capacity of 829,057 dwt. It owns nine young and versatile vessels averaging about five years of age and two other chartered-in vessels which are less than eleven years of age. The average age of the global dry bulk fleet is approximately 15 years.

The Group services primarily large thermal-based power plants and steel companies, and has established strong relationships with its customers, including reputable names such as Arcelor Mittal Group and Tata Power.

Mercator derives its revenue largely from long term fixed rate contracts, specifically time charters and contracts of affreightment (“COAs”). Ranging from 11 months to 5 years, Mercator’s long term fixed rate contracts ensure revenue visibility.

Helmed by an experienced management team with in-depth understanding of the industry, a wide network of customer contacts and diligent risk management practices, Mercator has been able to make proactive business decisions and well-timed fleet expansion to achieve continuous growth since its inception.

None of the agencies other than Mercator Lines (Singapore) Limited assumes responsibilities for contents of this announcement.

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ISSUED BY	:	Mercator Lines (Singapore) Limited
CONTACT	:	Ms Sucharitha Banala
DURING OFFICE HOURS	:	6220 9320
EMAIL	:	<a href="mailto:ir@mllsg.com">ir@mllsg.com</a>

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April 1, 2009

*Deutsche Bank AG, Singapore Branch and Merrill Lynch (Singapore) Pte. Ltd. were the Joint Bookrunners, Joint Lead Managers, Issue Managers and Underwriters and DBS Bank Ltd was the Joint Lead Manager, Coordinator of the Public Offer and Underwriter.*