The Great Eastern Shipping Co. Ltd.

Business & Financial Review

September 2008

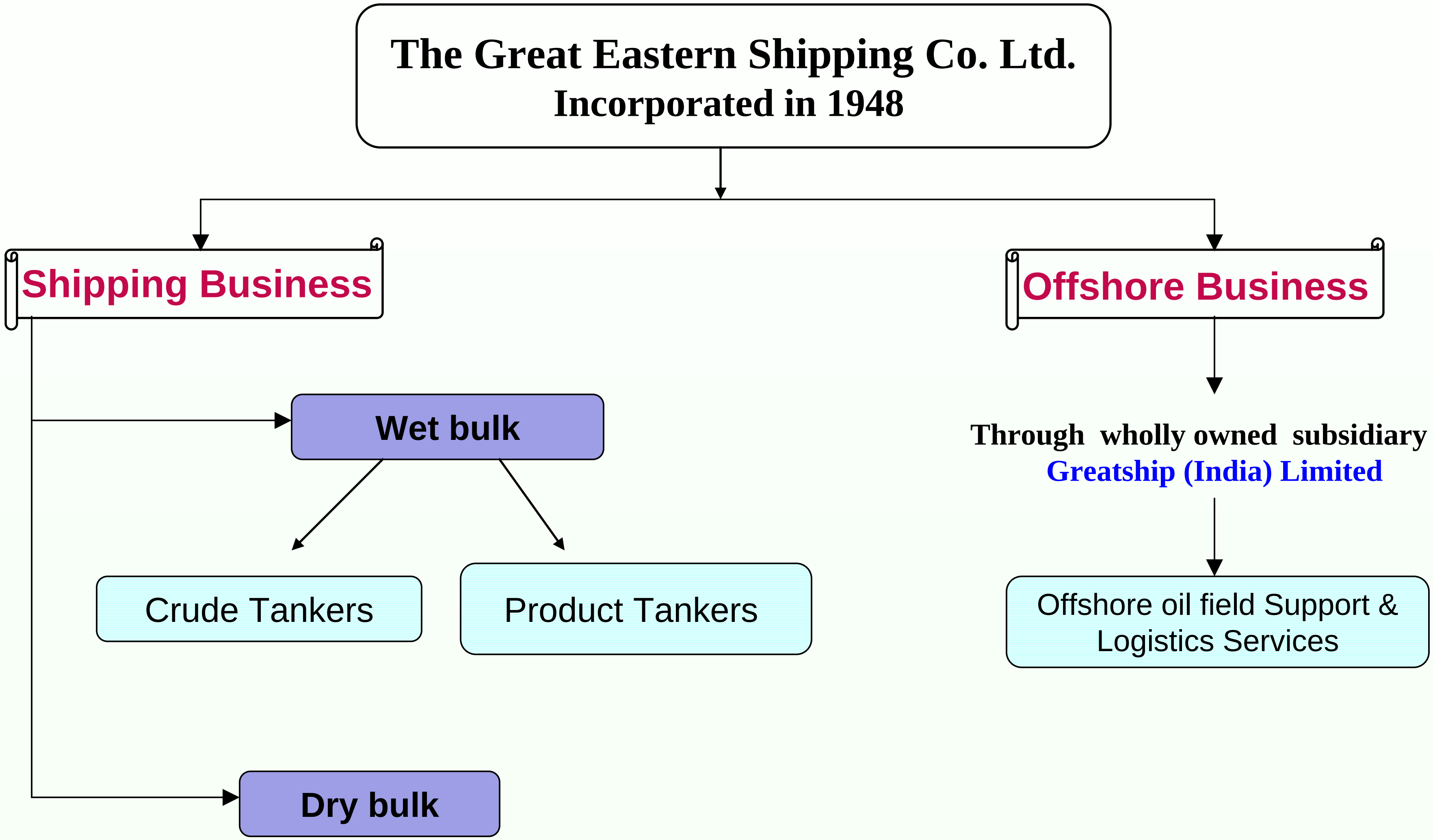
Forward Looking Statements

Except for historical information, the statements made in this presentation constitute forward looking statements. These include statements regarding the intent, belief or current expectations of GE Shipping and its management regarding the Company’s operations, strategic directions, prospects and future results which in turn involve certain risks and uncertainties.

Certain factors may cause actual results to differ materially from those contained in the forward looking statements; including changes in freight rates; global economic and business conditions; effects of competition and technological developments; changes in laws and regulations;difficulties in achieving cost savings; currency, fuel price and interest rate fluctuations etc.

The Company assumes no responsibility with regard to publicly amending, modifying or revising the statements based on any subsequent developments, information or events that may occur.

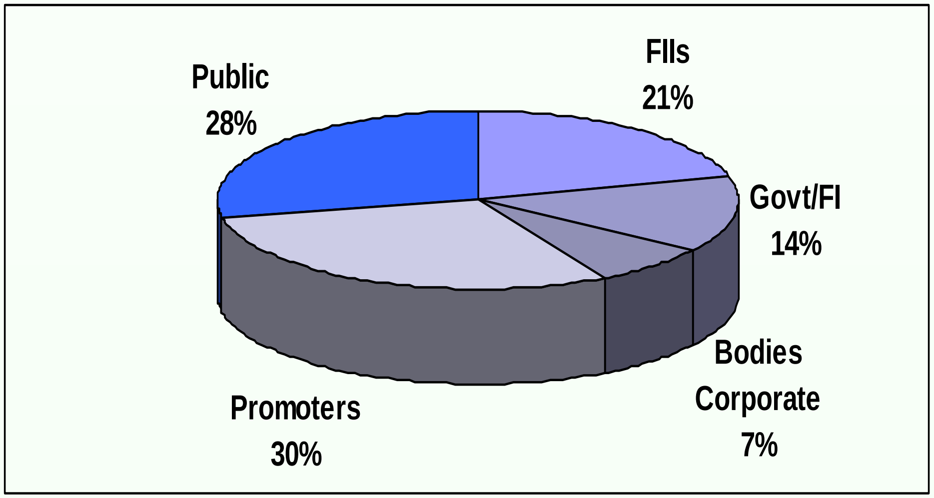
Corporate Profile



Company at a glance

- *India's largest private sector Shipping Company*
- *Completed 60 years of operations*
- *Diverse asset base with global operations*
- *More than 25 years of uninterrupted dividend track record*
- *Rated 'AAA' (Domestic Currency Debt) since 1996*

Shareholding Pattern as on Jun 30th, 2008



Shipping business-owned fleet

- **41 ships aggregating 2.85 Mn dwt, avg.age 10.6 years**
  - **30 Tankers** avg.age 9.7 years (78% in tonnage terms)
    - **12 Crude carriers (6 Suezmax, 6 Aframax)** avg.age 8.5 years (2 single hull – both double sided)
    - **16 Product tankers (11 MR, 5 GP)** avg.age 11.7 years (5 single hull – 2 double sided)
    - **2 LPG carriers –** avg.age 25 years (both single hull)

    Double hull status – 21 tankers representing 78% in dwt terms
  - **11 Dry bulk carriers** avg.age 13.8 years
    - **1 Capesize -** avg.age 12 years
    - **1 Panamax -** avg.age 13 years
    - **2 Supramax**- avg.age 6 years
    - **5 Handymax -** avg.age 15 years
    - **2 Handysize -** avg.age 29 years

Contracted to sell – 2 MR Product Tankers aggregating 0.07 mn dwt, delivery in Q1 FY10

Shipping business – Inchartered fleet

Total Inchartered Fleet : 9 ships
(including in subsidiaries)

- ***Tankers*** **: 4**
  - **2 Suezmax Crude Carriers**
  - **1 Aframax Crude Carrier**
  - **1 MR Product Tanker**
- ***Dry Bulk*** **: 5**
  - **4 Supramax Bulk Carriers**
  - **1 Panamax Bulk Carrier**

Committed CAPEX – Shipping Business

Committed Capex of around USD 779 Mn

- **14 new building contracts aggregating 1.17 mn. dwt**

✓**FY 2009**

- **2 NB, LR 1 Product Tankers (Q3) (STX Shipbuilding Co. Ltd)**
- **1 NB, LR 1 Product Tankers (Q4) (STX Shipbuilding Co. Ltd)**

✓**FY 2010**

- **1 NB, LR 1 Product Tankers (Q1) (STX Shipbuilding Co. Ltd)**
- **2 NB, Supramax Dry Bulk Carriers (Q4) (Cosco (Zhoushan) Shipyard Co. Ltd)**

✓**FY 2011**

- **1 NB, Kamsarmax Dry Bulk Carrier (Q4) (STX Shipbuilding Co. Ltd)**
- **2 NB, Supramax Dry Bulk Carriers (Q1, Q2) (Cosco (Zhoushan) Shipyard Co. Ltd)**

✓**FY 2012**

- **3 NB, Kamsarmax Dry Bulk Carrier (Q1) (1 in STX Shipbuilding Co. Ltd & 2 in SPP Shipbuilding Co.Ltd)**
- **2 NB, Suezmax Tankers (Q2, Q3) (Hyundai Heavy Industries)**

Delivery schedule as at end of period	FY 08	FY 09E	FY 10E	FY 11E	FY 12E
Cumulative Mn.dwt*	3.07	2.97	3.13	3.22	3.77
Avg.Age (yrs)	11.4	10.0	9.4	9.3	8.8

* basis current committed capex & no sale envisaged

Offshore business- Fleet Profile

- ***<u>Current Owned Fleet</u>***

✓ **4 Platform Supply Vessels (PSV)**
✓ **2 Anchor Handling Tug cum Supply Vessel (AHTSV)**

- ***<u>Current Inchartered Fleet</u>***

✓ **1 Anchor Handling Tug cum Supply Vessel (AHTSV)**
✓ **2 Platform Supply Vessels (PSV)**

Fleet Growth	FY2008	FY2009E	FY2010E	FY2011E
Fleet (in nos)	4	10	20	26
Average Age (yrs)	3.3	2.3	1.5	2.2

Committed CAPEX – Offshore Business

- Committed Capex of around USD 787 Mn*

✓ **FY 2009**

- 1 NB PSVs (Aker) delivery (Q3)
- 2 NB 80T AHTSVs (Labroy) (Q4)
- 1 NB 80T AHTSV (CDL) (Q4)

✓ **FY 2010**

- 2 NB 80T AHTSV (CDL, Labroy) (Q1)
- 1 NB 80T AHTSV (Labroy) (Q2)
- 4 NB MPSVs (Keppel Singmarine) [(2 in Q2 & remaining in H2FY10)]
- 1 NB MSVs (Mazagon Dock) (Q4)
- A New Building 350 ft Jack Up Rig (Keppel) (Q2)
- 1 NB Construction Support Vessel (CDL) (Q4)

✓ **FY 2011**

- 1 NB Construction Support Vessel (CDL) (Q1)
- 1 NB MSVs (Mazagon Dock) (Q1)
- 1 NB Construction Support Vessel (CDL) (Q2)
- 1 NB Construction Support Vessel (CDL) (Q4)
- 2 NB 150T AHTSV (Drydock World, Singapore) (Q4)

* basis current committed capex & no sale envisaged

Committed Capex for the Group

Made Equity Investment of Rs.852 crs

G E Shipping → Greatship (India) Ltd

(Committed CAPEX USD 779 mn)

(Committed CAPEX USD 787 mn)

Total committed CAPEX of USD 1.6 bn
Spread over next two & half years

To be financed with a mix of debt & internal accruals

Group D/E ratio around 1.2:1 (at the peak)

Business Philosophy

Strive to deliver through the cycle

Risk Management Mechanism

Revenue

- -Mix of Spot v/s Time
- -FX Hedging

Cost

- -Bunker Hedging
- -Interest Rates

Asset

- -Timing acquisitions & sales

Strategy – Offshore business

Entry Strategy

✓ Shallow water supply & towage

Growth Strategy

✓ Support to Deepwater and Construction

Special Area

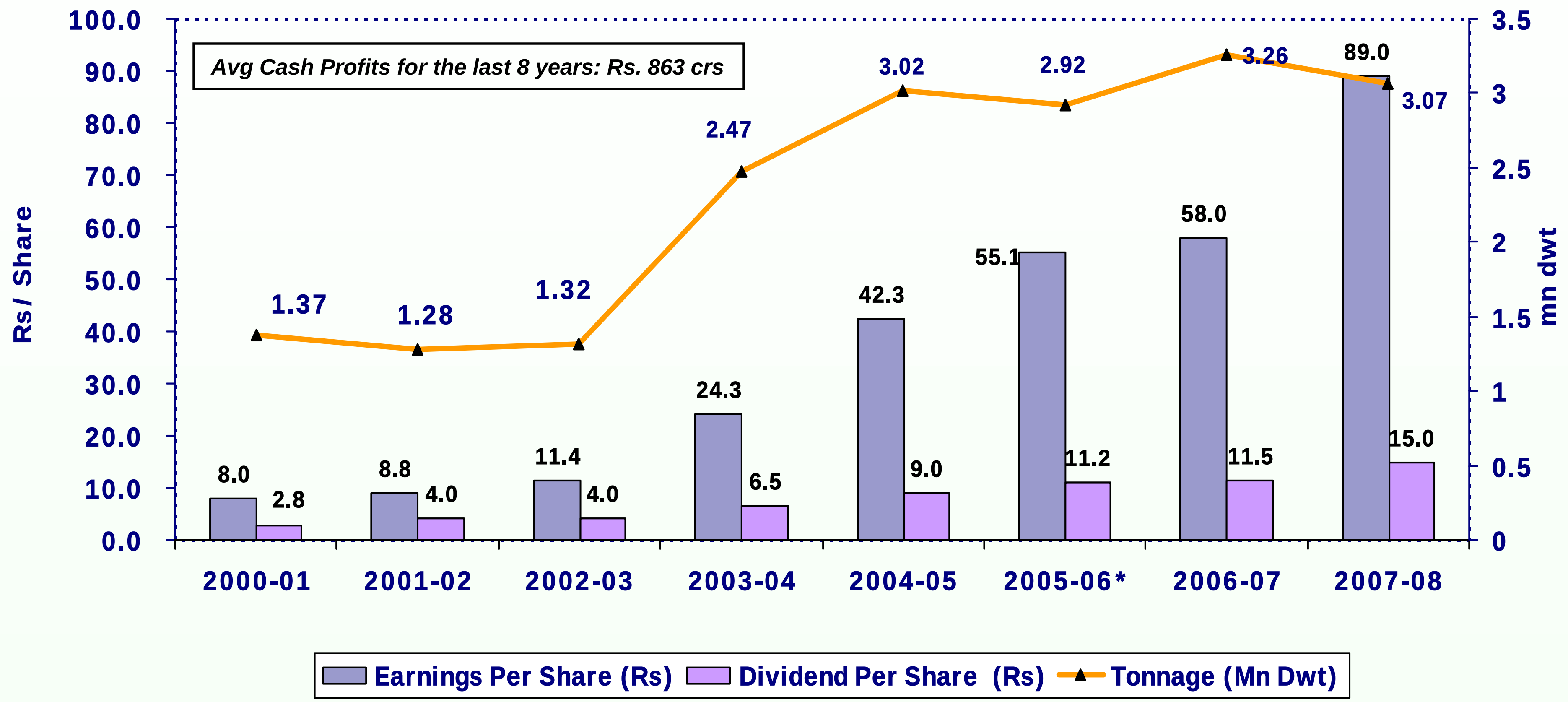
✓ Supporting deepwater activities in ECI

Approach

- Build strong understanding of markets and customers
- Acquire assets based on customer requirements
- Develop USP in service in niche markets

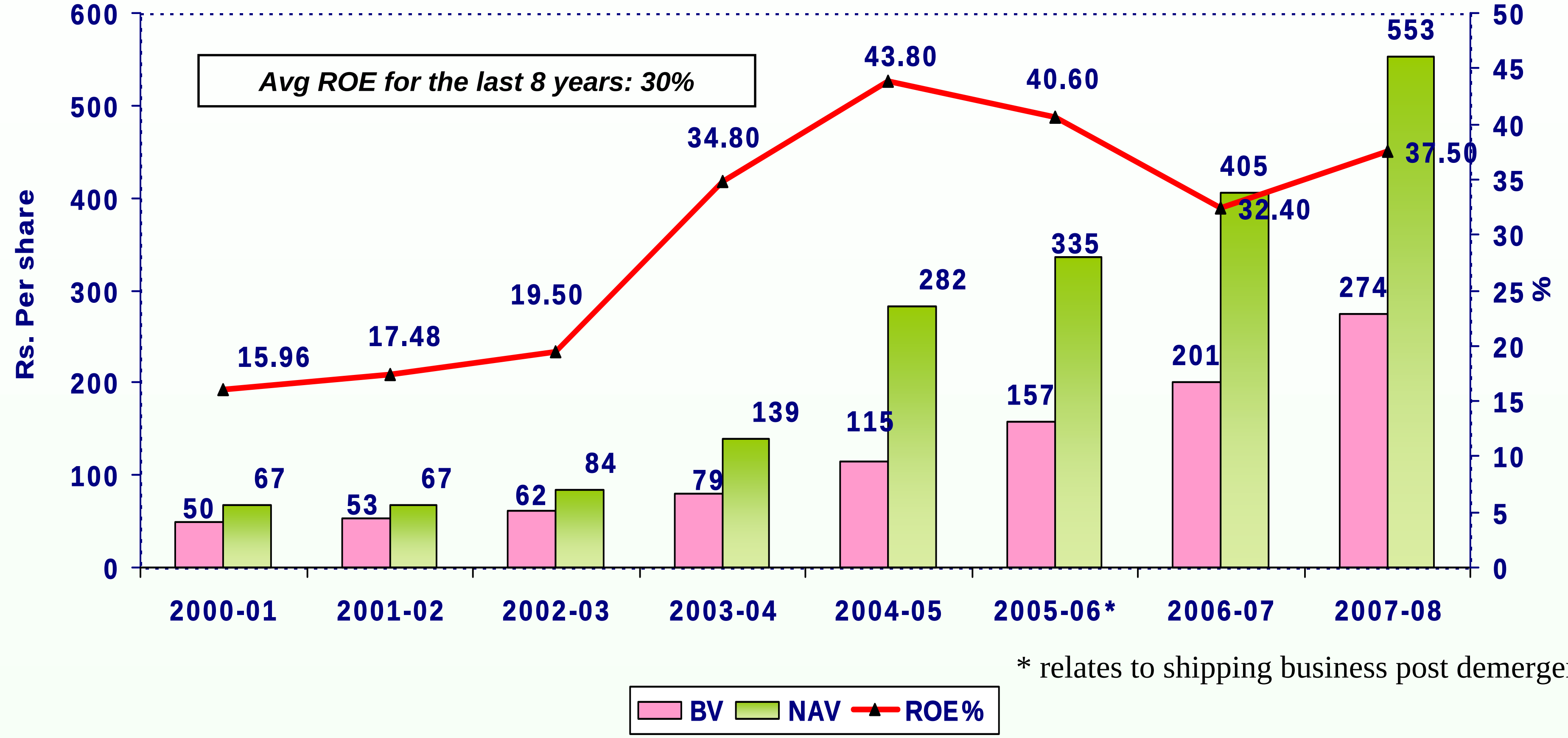
Financial Review

Performing through the years. . .



* relates to shipping business post demerger

Performing through the years. . .



* relates to shipping business post demerger

NAV as on 30 Jun'08 Rs.632

Financial Highlights of Q1 FY09 Performance

(Rs.crs)	Q1FY09	Q1FY08	% change	FY08
Freight & Charter hire	702	637	10%	2,581
Gain on sale of ships	254	79	221%	289
Others	36	38	(5)%	186
Total Income	**992**	**754**	**32%**	**3,056**
Total Expenditure	319	324	(2)%	1,310
Operating Profit	**673**	**430**	**57%**	**1,746**
Exceptional Item	(139)	115	(220)%	147
Net Profit (including Exc. Item)	**388**	**421**	**(8)%**	**1,357**
Net Profit (excluding Exc.Item)	**526**	**306**	**72%**	
Diluted EPS (in Rs) (including Exc. Item)	25.2	27.7		88.4
Diluted EPS (in Rs) (excluding Exc.Item)	34.2	20.1		78.8

Q1 FY09 Performance Highlights

- **Rise in freight & charter income despite drop in operating revenue days by 15%**
- **Higher profit from sale of ships – 5 vessels delivered in Q1 FY09**
- **Crude & Dry bulk carriers earnings witnessed smart upmove**

Particulars (Rs. Crs)	***GE Shipping***	***Greatship***	***Total***
Debt as on 30/6/08	2,540	314	2,854
Cash as on 30/6/08	1,700	101	1,801
Gearing (x)	0.56	0.42	

Earnings Mix

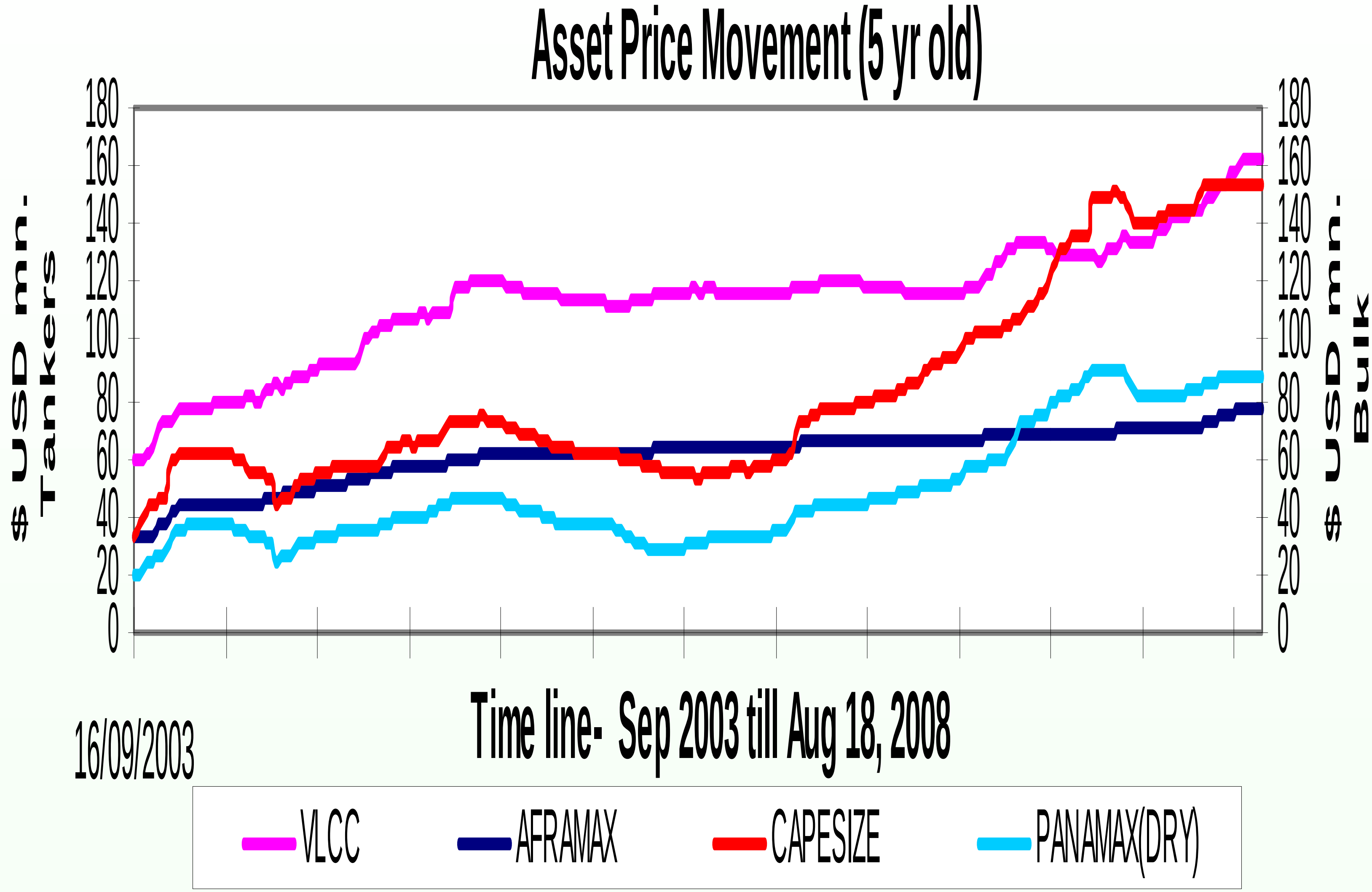
GE Shipping Average TCY Details

Q1 FY09	*Q1 FY08*	*% change*	*AverageTCY ($ per day)*	*FY08*	*FY07*	*% change*
40,737	29,488	38%	Crude Carriers	30,021	29,759	0.9%
22,146	22,182	-0.2%	Product Carriers	20,236	20,302	-0.3%
17,460	16,564	5%	Gas Carriers	17,053	15,787	8%
50,619	28,446	78%	Dry Bulk Carriers	38,418	17,517	119%

Mix of Spot & Time

Q1 FY09	Q1 FY08	**Days (in %)**	**FY08**	**FY07**
		Dry Bulk		
66%	53%	Spot %	58%	55%
34%	47%	Time %	42%	45%
		Tankers		
50%	32%	Spot %	36%	33%
50%	68%	Time %	64%	67%
		Total		
55%	38%	Spot %	42%	38%
45%	62%	Time %	58%	62%

Ship prices continue to be firm



Source: Baltic Sale & Purchase Assessment

Asset prices – new and old

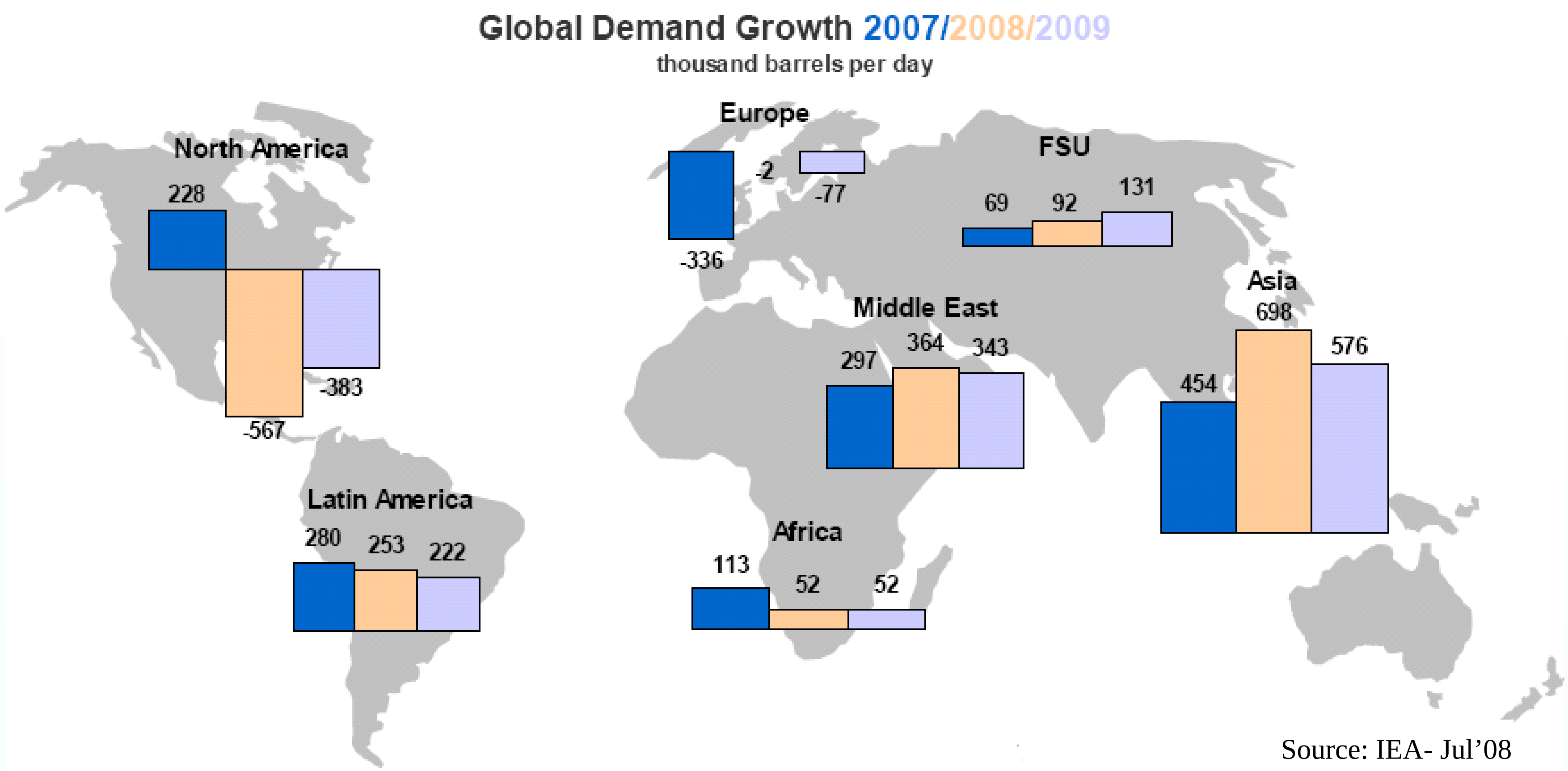
Amt in US$ mn	VLCC	Suez	Afra	Pana	Cape	Pana	H'max	H'size
New bldg (order)	160	100	82	54	99	55	49	40
New bldg (resale)	195	120	89	70	165	95	84	55
5 yr old	165	105	79	59	155	89	74	54
10 yr old	135	85	64	49	116	78	62	47

- **Steep backwardation in all asset classes**

Source: Clarkson

Shipping Industry Outlook

Strong Oil consumption led by M.East & Asia



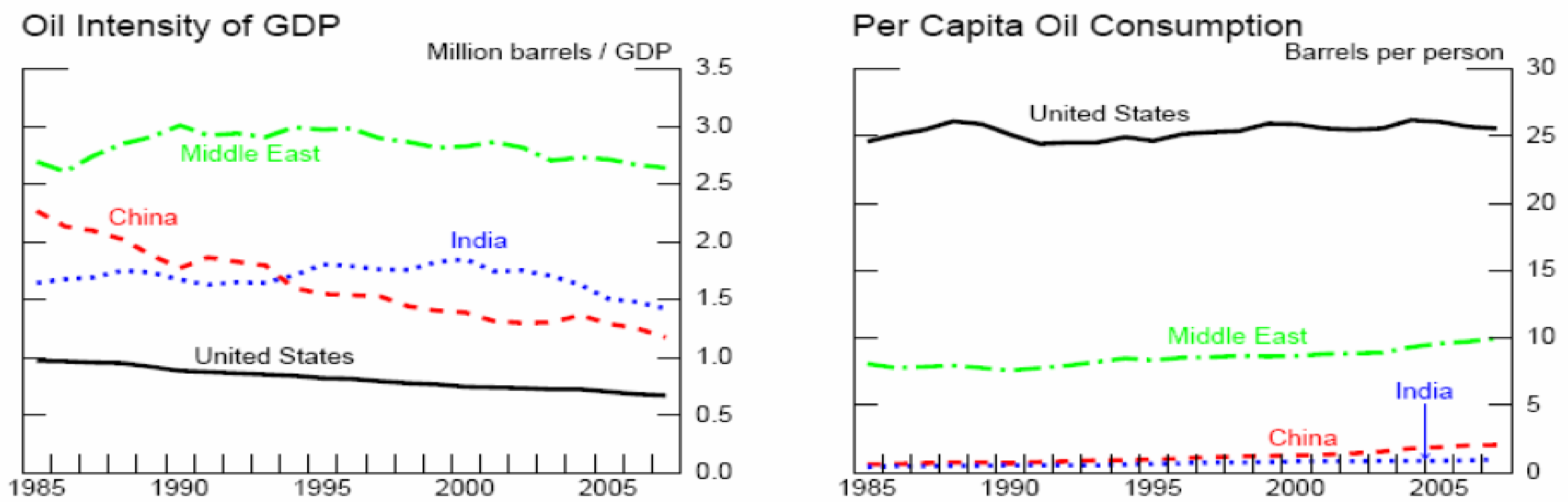
Source: IEA- Jul'08

- OPEC's world oil demand forecast for 2008 revised to 86.8 mbpd. Increase of 1.05% yoy.

- US is becoming a smaller portion of the total demand picture (24.5% in 2006 to 22.5% in 2009)

-Two major factors in facilitating demand growth in India and China are industrialisation and roles of the governments in commodity markets.

Outlook for Crude Tankers



Source: International Monetary Fund and International Energy Agency. GDP is real GDP for each country in billions of 2000 U.S. dollars.

Short Term :

✓High volatility expected as there is tightness in supply/demand

✓Lower levels of inventory as compared to CY07

Long Term :

✓Stricter compliance to IMO deadline

✓Quantum of conversions causing supply shortage

Concerns:

- Impact of global financial crisis on the world energy demand

Outlook for Product Tankers

- Longer term structural shift of trade patterns to continue
  - Refining capacity to grow in the Mid East/India/Far East

- Increased long haul activity for distillate trades (Jetfuel, Diesel,Gasoil)
  - as net deficit in western markets is growing

- Significant demand for petrochemical in the Far East (fulfilled by AG/Med)

- Faster than anticipated shift to Double Hull

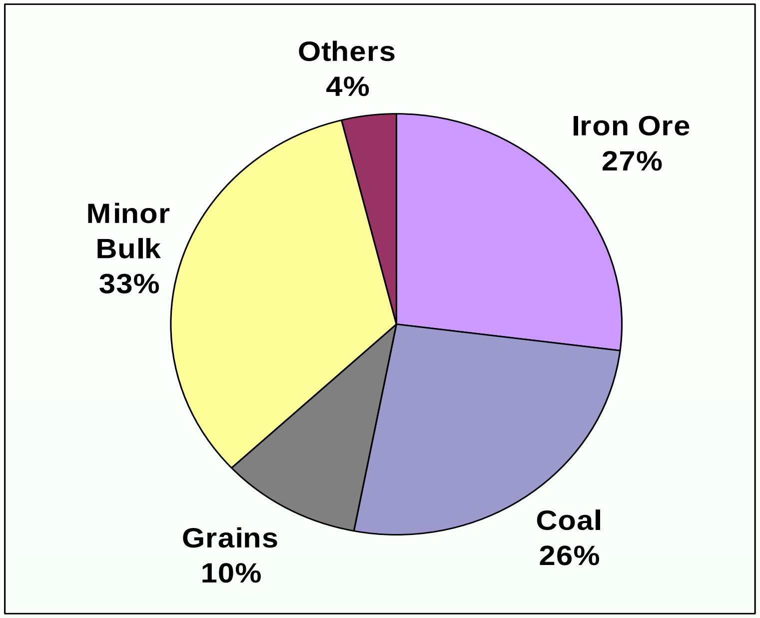
Concerns:

- Excessive supply in the short run

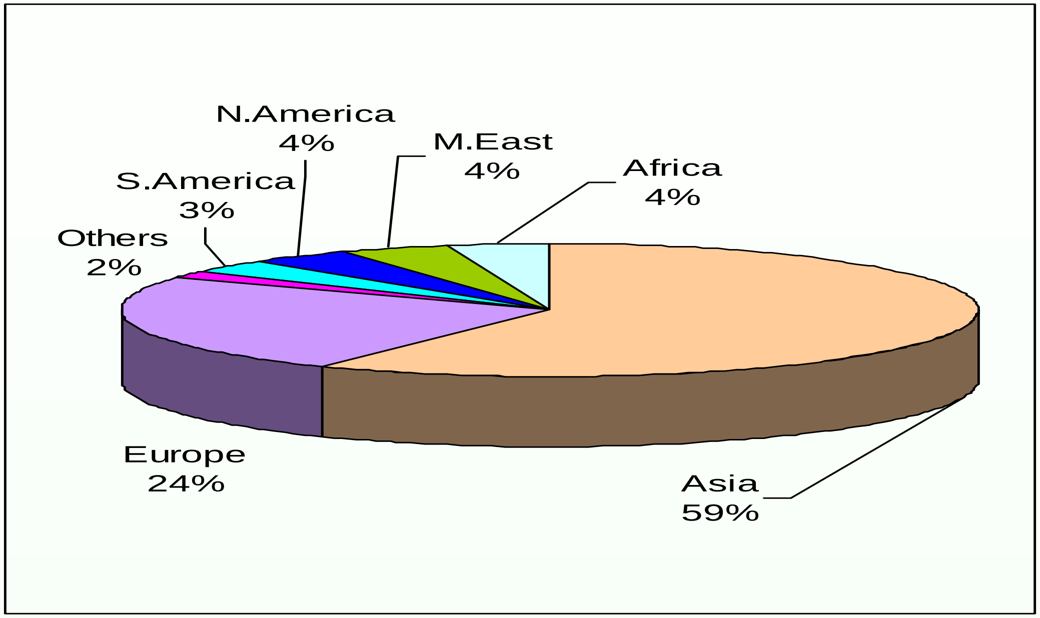
Even though N.America remains the largest consumer of oil products, very few refining capacities coming up in that area.

Dry Bulk – Growth Driven by Asia

Breakup of commodities transported



Imports - Regional Distribution



Asia contributes to 59% of dry bulk imports, whereas North America only 4%

Dry Bulk Trade - on strong trajectory

(in mn.tonnes)	*2007*	*2008*	*% Chg*
Total Dry Bulk trade of which 5 major:	**5009**	**5223**	**4%**
- Iron Ore	*785*	*850*	***8%***
- Coking Coal	*211*	*224*	***6%***
- Steam Coal	*574*	*589*	***3%***
- Grain	*298*	*306*	***3%***
- Steel Products	*270*	*284*	***5%***

✓China will contribute to more than 50 % of world iron ore imports in 2008.

✓India's coal imports to pick up after the UMPP projects kickoff.

Source: Clarkson

Tonne Mile demand

Sources		Destinations
Australia (305), Brazil (295) India (88), S.Africa (33)	**Iron Ore**	China (436), Japan (141) Korea (49), EU (131)
Indonesia (196), Australia (108) S.Africa (69), Colombia (67), China (45)	**Steam Coal**	Japan (127), S.Korea (70), Taiwan (61) EU(154), US (ex.Canada) (31)
Australia (132), Canada (26), US (25)	**Coking Coal**	Japan (76), India (27), EU (49) S.Korea (23), Brazil (16)

** No.s in brackets represent export/import quantum in million tonnes*

Source: Clarkson

Outlook for Dry Bulk sector

Short Term:

- Port problems
- Calamities/exigencies in some countries

Long Term:

- Demand for raw material for infrastructure growth in India & China
- Aging fleet due to low level of scrapping

Risks:

- High order book position: 64% of current world fleet on order
- Impact of global financial crisis on growth in non OECD countries

Outlook on Offshore Industry

- ✓ Under-investment in global E&P in the past
- ✓ Structural change in demand
- ✓ No commercially viable alternatives
- ✓ Shift from International oil companies to National oil companies
- ✓ Numerous new countries exploring
- ✓ Oil/Gas discoveries moving towards deeper waters

Concerns- - High level of orderbook

-Timing mismatch between supply & demand

- Availability of experienced manpower

Gross World fleet addition-Shipping

World Fleet addition*	2008	2009	2010
Crude tankers	4.6%	14.4%	10.8%
Product tankers	9.5%	13.4%	9.0%
Dry bulk carriers	3.8%	15.4%	21.5%

*includes only new building from yards

20% of world tanker fleet single hull

Fleet as on Jul-08 (in mn dwt)		**Scrapping** (in mn dwt)	
		2007	**YTD**
280.8	Crude	0.9	1.8
122.4	Product	2.4	1.3
407.6	Bulk	0.3	0.0

17% of world dry bulk fleet > 25 years

Source: Clarkson

Offshore Supply Market

OSV Fleet Summary

(Nos)	AHTSVs	PSVs	Others
Current Fleet*	2,148	1,760	1,708
Orderbook	547	261	216
% of O/B to current fleet	25%	15%	13%

**** Data as on Jul'08, Source: Clarkson***

Aging Fleet

✓ **52% of the total fleet over 25 years old**

Offshore Installations Delivery Schedule

Type	Current Fleet	Orderbook	Delivery			
			2008	**2009**	**2010**	**2011**
Jackup	504	***80***	35	28	11	6
Inland Barge	93	***5***	3	2	-	-
Drillship	79	***24***	5	5	12	2
Semisub	226	***49***	13	21	10	5
Total	**902**	***158***	**56**	**56**	**33**	**13**

•Figures in Nos, Source: Rigzone

THANK YOU

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