

NEWS RELEASE

MERCATOR LINES MAKES FIRST VESSEL ACQUISITION SINCE LISTING

- *Vessel is a geared Panamax dry bulk carrier due for delivery between July 1 and August 31, 2008*
- *Strategically positions Mercator to better capitalise on growth opportunities in India/expanding global seaborne trade*
- *Set to have positive impact on Mercator's balance sheet for current financial year ending March 31, 2009*

Singapore, April 1, 2008 – Mercator Lines (Singapore) Limited (“Mercator”), a leading Indian-owned international dry bulk shipping company focused on high growth markets such as India and China, today announced that it has entered into a Memorandum of Agreement (“MOA”) for its purchase of a geared Panamax dry bulk carrier, “YK Titan”, with Tanagra Shipping, S.A. from the Republic of Panama.

This is the first vessel acquired by Mercator since its IPO listing on December 14, 2007. It is currently hired on a time charter-in basis by Mercator.

The new vessel is of capacity 69,221 dwt and is scheduled for delivery between July 1 and August 31, 2008 at a total consideration price of approximately US\$65.5 million, tentatively proposed to be financed by Mercator’s IPO proceeds.

YK Titan is a 1997-built vessel constructed by Tsuneishi Shipbuilding Co. Ltd., Japan. Its geared feature, comprising a loading and unloading system onboard the vessel itself, provides it with a distinct advantage over gearless vessels through its ability to operate in ports with underdeveloped infrastructure, such as the Indian and Indonesian ports in which Mercator regularly operates.

Said Mr. Shalabh Mittal, Managing Director and Chief Executive Officer of Mercator, “This acquisition is our first since listing and is in line with our strategy of capitalising on the vast opportunities in both India and other high growth markets. We see great growth opportunities in the Indian markets, particularly in the area of coal imports into India.

“Our special selection of geared vessels provides us with a distinct versatility that enhances trading flexibility at the ports of the Indian Sub-Continent where port facilities remain underdeveloped. Mercator has the largest fleet of geared Panamax vessels amongst the Indian-owned shipping companies, hence providing us with a strong competitive edge in the Indian markets.

“Additionally, the inclusion of YK Titan is also in line with our strategy to establish a stronger presence in the global dry bulk shipping segment, which is experiencing strong demands. With an increased availability of iron ore supply, particularly from Australia and Brazil, and a strong iron ore demand from China, the global seaborne trade in iron ore looks set to expand, thereby providing us with ample growth opportunities.

“By equipping ourselves to meet the burgeoning demand for dry bulk shipping through fleet expansion, we are confident of our capacities to grow as a leading Indian-owned dry bulk shipping company focused on high growth markets.”

Mercator currently operates a fleet of 11 dry bulk vessels, seven owned and four chartered-in, comprising geared and gearless Panamax and Kamsarmaxes with an aggregate capacity of 829,057 dwt. The acquisition of YK Titan will expand Mercator's owned fleet to eight ships comprising four gearless Panamax and Kamsarmax ships and four geared Panamax.

The acquisition is expected to have a positive impact on Mercator's net tangible assets per share, earnings per share and operating results for the current financial year ending March 31, 2009.

The Sellers and negotiating Charterers 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. No new directors will be appointed to the Board of Directors of the Company in connection with this Charter. The Charter 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, Japan and South Korea. 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.

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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