



Mercator Lines (Singapore) Limited

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NEWS RELEASE

MERCATOR LINES (SINGAPORE) LIMITED EXPANDS CHARTER-IN FLEET

- *Vessel is a large gearless Post Panamax dry bulk carrier with capacity of 91,800 dwt*
- *Strategically positions Mercator to better capitalise on growth opportunities in the expanding Panamanian route*

Singapore, April 8, 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 Charter Party Agreement with Italian shipping company Augustea Atlantica Srl Charterers, for the time charter-in of a 91,800-dwt gearless Post Panamax vessel.

The new vessel is for a one-time charter-in over a period of 10 years, at a total charter hire of US\$27,000 per day including overtime. It is scheduled for delivery between April 1, 2010 and October 15, 2010.

The gearless Post Panamax vessel, belongs to a new generation of mega ships that are built to diameters that are compatible with expanding canal capacities. With the Panamanian government’s political mandate to go ahead with a US\$5.25 billion canal expansion project last year, the Panama Canal is expected to double in capacity by 2014*. This increase in canal capacity will allow the transit of higher cargo volumes of larger vessels at relatively lower transits and water utilisation.

**Source : Portnews, July 2007*

Said Mr Shalabh Mittal, Managing Director and Chief Executive Officer of Mercator, "The expansion of our charter-in fleet is aligned with our strategic fleet expansion strategy of responding to the changing market trends of our industry. With the expansion of the Panama Canal, cargo volumes that are anticipated to use the maritime route through the Panama are better handled. The allowance of transit for larger vessels will allow our customers to capitalise on economies of scale – higher productivity and greater efficiency at the ideal, most profitable and environmentally responsible way.

"By responding to the growth opportunity of the Panamanian route, we are keeping abreast of our customers' evolving shipping requirements and further sharpening our competitive edge. This vessel will be the third addition to our existing Post Panamax charter-in fleet and will stand us in good stead to capture this market potential."

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 Group recently purchased a geared Panamax dry bulk carrier, "YK Titan", from Tanagra Shipping, S.A., the Republic of Panama. Its first 'owned' vessel to be acquired by Mercator since its IPO listing on December 14, 2007, YK Titan, with a capacity of 69,221 dwt, is currently hired on a time charter-in basis by Mercator and scheduled for delivery between July 1 and August 31, 2008.

Mercator had also recently chartered-out one of its 2009 delivery Post Panamax vessel for 3 years at USD 39,500 per day to COSCO.

The transaction is not expected to have any material 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 Owners 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 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.

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.

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