



MERCATOR

Mercator Lines (Singapore) Limited

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NEWS RELEASE

MERCATOR LINES ACQUIRES SECOND GEARED PANAMAX VESSEL SINCE LISTING

- *Acquisition increases Mercator's owned geared Panamax vessels to a total of five vessels, and owned dry bulk vessels to a total of nine vessels out of its fleet of 11 vessels*
- *Acquisition will have positive impact on Mercator's earnings for its current financial year ending March 31, 2009*

Singapore, April 21, 2008 – Mercator Lines (Singapore) Limited ("Mercator" or the "Company"), 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 the purchase of a Japanese-built, 69,186 dwt geared Panamax dry bulk carrier, "YK Taurus", from its owner, Ken Line, S.A. from the Republic of Panama at a total consideration price of approximately US\$65.5 million.

This is the second vessel to be acquired by Mercator since its listing on the SGX-ST in 2007. The vessel is currently hired on a time charter-in basis by the Company and the time charter is scheduled to expire at the end of April 2008.

With this acquisition, Mercator's number of owned dry bulk vessels increases to nine in total. Mercator's number of geared Panamaxes will also be increased to a total of five out of its nine Panamaxes, further strengthening its position as a leading operator of the Indian-operated geared Panamax market. Post-acquisition, Mercator will operate a fleet of 11 dry bulk vessels (nine owned and two chartered-in), comprising geared and gearless Panamaxes and Kamsarmaxes with an aggregate capacity of 829,057 dwt.

Scheduled for delivery between June 1 and June 30, 2008, the acquisition of YK Taurus is tentatively proposed to be financed by Mercator's IPO proceeds, internal accruals and debt.

Said Mr. Shalabh Mittal, Managing Director and Chief Executive Officer of Mercator, "We are very happy to add yet another geared Panamax vessel to our fleet. This acquisition is strategic for us in three ways. First, the versatility of the Panamax grants our customers the economies of scale advantage with greater trading flexibility. Its geared feature, which comprises a loading and unloading system onboard the vessel itself, allows us to capitalise on the niche segment of dry bulk trade where port infrastructure and facilities are still underdeveloped. Such ports are present especially in the high growth Indian sub-continent that is currently experiencing high demand for dry bulk trades.

"Additionally, by taking advantage of the infrastructure shortcomings in the Indian sub-continent, we are also able to strengthen our end-to-end customised logistics solutions business in India , which we offer in conjunction with our parent company Mercator Lines Limited (India). Our integrated logistics solutions capability is a value-added service that complements our geared Panamaxes very well. As such, we are confident of our ability to tackle the logistical challenges present in Indian ports today.

"Thirdly, the acquisition also serves to solidify our position as the largest fleet owner of geared Panamaxes amongst the Indian-owned shipping companies. This, combined with our deep understanding of market conditions and quick response to changing demands, greatly sharpens our competitive edge, giving us greater prominence in our niche areas – high growth markets such as India and China. With our prudent fleet expansion plans, strong customer relationships and experienced management, we believe our company is poised for strong growth"

* Source: Drewry

The acquisition of YK Taurus 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.

Some upcoming developments for Mercator include: a Very Large Ore Carrier (VLOC) due for delivery the last quarter of 2008, as well as two gearless Post Panamax scheduled for delivery the second quarter of 2009. The Company also has an option to purchase one of its chartered-in geared vessels, declarable in January 2009, at a favourable price.

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 acquisition. No new directors will be appointed to the Board of Directors of the Company in connection with this acquisition. This 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, Japan and South Korea. With the strong support of its ultimate parent company, Mercator Lines Limited ("MLL India"), is 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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