



Mercator Lines (Singapore) Limited

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NEWS RELEASE

MERCATOR SINGAPORE TAKES DELIVERY OF VESSELS YK TAURUS & YK TITAN

- *Timely deliveries of Panamax vessels*
- *The two deliveries increase company's owned fleet to nine vessels*

Singapore, July 29, 2008 – Mercator Lines (Singapore) Limited (“Mercator”), a leading Indian-owned international dry bulk shipping company, today announced that it has taken delivery of its newly acquired vessel “YK Titan”, and re-named it “Kanak Prem”. As per the Memorandum of Agreement (“MOA”), Kanak Prem was scheduled for delivery between July 1 and August 31, 2008.

This vessel was the first acquisition by Mercator since its IPO listing on December 14, 2007. Kanak Prem is of capacity 69,221 dwt and was acquired at a total consideration price of approximately US\$65.5 million.

Mercator previously took delivery of its second acquisition since listing, YK Taurus, on June 10, 2008. YK Taurus, of capacity 69,186 dwt, was acquired at a total consideration of US\$65.5 million, and was renamed “Kesari Prem”. This vessel was due for delivery between June 1 and June 30, 2008.

Both the vessels were previously on a time charter-in basis by the Company and are 1997-built constructed by Tsuneishi Shipbuilding Co. Ltd., Japan. Their 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.

For its Very Large Ore Carrier (VLOC) conversion, company anticipates delays in delivery. Originally scheduled to be delivered around November – December 2008, vessel delivery is now likely to be around March – April 2009. The delay is on account of unfavourable weather conditions in China, where the conversion is taking place. The delay is expected to have a financial impact on Mercator's operating results for the current financial year ending March 31, 2009.

Mercator currently operates a fleet of 11 dry bulk vessels, nine owned and two chartered-in, comprising geared and gearless Panamax and Kamsarmaxes with an aggregate capacity of 829,057 dwt. The addition of Kesari Prem and Kanak Prem to the fleet will increase Mercator's owned fleet to nine ships comprising four gearless Panamax and Kamsarmax ships and five geared Panamaxes.

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 were the Joint Lead Manager, Coordinator of the Public Offer and Underwriter.

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