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6th May 2008

To : Director and Manager of the Stock Exchange of Thailand

Subject : 1st Quarter of 2008 Management Discussion and Analysis (MD&A)

THE RESULTS in Thai Baht, reviewed by Ernst & Young, as well as US Dollars, certified by Baker Tilly, show you the latest financial position of the Company. The net profit for Q1, 2008 was USD 33.40 million which compares very favourably with the net profit before gain on sale of ships of USD 24.87 million in Q1 2007, so, despite a reduction in average number of ships from 48 in Q1 2007 to 44 in Q1 2008 we have still managed to increase our net profit by USD 8.53 million or 34.3% (including USD 5.08 million on account of change in accounting estimate of residual value of ships for calculating depreciation). The earnings per day per ship during Q1 2008 were USD 15,493 as against USD 12,874 in Q1 2007 or an increase of 20.34%. The average operating expenses per day per ship were USD 4,639 in Q1 2008 as compared to USD 4,117 in Q1 2007 (including depreciation/amortisation of the Drydocking/Special Survey expenses in both years.) This increase of 12.7% in operating cost is a result of higher Lubricating Oil prices, higher steel costs, higher wage bills and a general inflationary increase in other costs. We expect that this number will average something like USD 4,750 for the fleet during 2008 due to the factors already mentioned. The earnings per share (eps) in Thai Baht for this quarter is 0.97 Baht per share.

THE HARD FACTS	Q1, 2007	Q1, 2008
Highest Earnings per day per ship in USD	**21,680**	**48,450**
Average Earnings per day per ship in USD	**12,874**	**15,493**
Operating cost per day per ship in USD	**4,117**	**4,639**
EBITDA in million USD	**34.38**	**37.70**
Net Profit/(Loss) in million USD (including exchange Gain (loss)) before Gain on Sale of Ships	**24.87**	**33.40**
Net Profit/(Loss) in million USD	**61.18**	**33.40**
Earnings Per Share in Thai Baht	**2.07**	**0.97**

PROSPECTS over the next 12 months continue to look extremely good when viewed against historical averages. The low point in daily earnings on our ships was reached in Q2 2002 at USD 5,497. The previous high point was achieved in Q1 2005 at USD 15,928 per day per ship. To place these numbers in perspective, we must remember that the average for 2003, which was our best year ever before 2004 to 2007, was just USD 7,870 per day per ship.

LONG TERM VERSUS SHORT TERM CHARTERS: The long term charters already booked as of 31st March 2008 comprise about 90% of our existing capacity of year 2008 at a healthy average rate of about USD 15,511 per day per ship. We have managed, by the grace of God, to fix ship No.1 through to No.4 out of our 12 New Building 34,000 DWT ships to one of our existing customers for a period of 60 to 62 months, +/- 1 month. The EBITDA from these 60 to 62 month contracts would amount to approximately USD 26/27 million per ship It is our intention to continue to charter out all our New Building Ships at similar rates for similar or longer period contracts. When freight rates are moving in an upward direction we can employ this strategy to effectively lock in rates by putting away the spot ships at healthy rates for longer terms. This policy was very successfully employed in 2004 and 2005 and allowed us to ride out the volatile nature of the spot market with relative ease during those years. We hope to utilize the same policy to tide over any upheavals in the current spot markets.

The Fleet Rejuvenation Plan that began with the 30th August 2007 EGM endorsement of the new building contracts for twelve 34,000 DWT, double hull, open hatch, semi box shaped, craned log-bulkers from ABG Shipyard, India continued with the contracts signed in September 2007 for three 54,000 DWT double hull, Craned, Supramax New Buildings for delivery in 2010 (1 ship) and 2011 (2 ships) followed by contracts for three more similar Supramax ships to be delivered in 2012 that were approved at the AGM in March 2008. This is not the end of the rejuvenation plan as this is something that has to be under constant review to replace the existing ageing ships in our fleet.

Dividends: Dividends were paid out for each of the four quarters for the year 2007 and, cashflows and profitability permitting, we hope to maintain the same tempo in the years to come.

THE CHINA FACTOR continues to roll along having a disproportionate impact on the dry bulk markets. Their GDP grew by a phenomenal 10.6% in Q1, 2008 when everyone was expecting a much slower pace. China has became a net importer of Coal, as against being one of the larger exporters in years past, creating additional ton-mile pressures and exacerbating the already high congestion levels in Australian Coal exporting ports. During 2007 China had imported 383.6 MMT of Iron Ore as a result Vale, the large Iron Ore exporter from Brazil, had to pay out in 2007 some USD 150 million, or 3 times its 2006, demurrage bill. We expect more of the same from China and this will add to the volatility of the spot freight market.

The next SET Opportunity Day where PSL will be presenting will be held at the SET building at 0900 hours on the 13th May 2008. This event is normally very well attended with between 70 and 100 participants from the analysts, fund management and investor communities. We hope that many of you will attend this event where the Company will get a chance to thoroughly discuss the current results.

SHIP SCRAPPING continues at its abysmal pace. In Q1 2008, 4 ships were removed whilst a total of 16 ships were added resulting in the fleet increasing from 3,164 ships at the beginning of the year to 3,176 by the end of Q1 or a net increase of 0.38% in the world fleet in our sector. If the freight markets continue at their current, but volatile, levels we expect the world fleet in our sector to increase by a marginal amount over the level at the start of this year.

Sincerely,

Khalid Hashim