

Ref : 2008-022

1st August 2008

To : Director and Manager of the Stock Exchange of Thailand

Subject : 2nd 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 Q2 2008 was USD 37.60 million. The earnings per day per ship during Q2 came in at USD 16,511, the highest ever achieved by us in any quarter. In this quarter, daily operating costs were USD 4,736 and this figure is expected to average around USD 4,800 per day per ship for this year. The EBITDA of USD 42.48 million for Q2 2008 has increased by 48.6% over that of Q2 2007, despite the number of available ship days being almost the same. The earnings per share (eps) in Thai Baht stood at Baht 1.19 per share for this quarter.

| THE HARD FACTS | Q2, 2007 | Q2, 2008 |
|--|-----------------|-----------------|
| Highest Earnings per day per ship in USD | 19,000 | 30,800 |
| Average Earnings per day per ship in USD | 12,342 | 16,511 |
| Operating cost per day per ship in USD | 3,782 | 4,736 |
| EBITDA in million USD(after depreciation on capitalised Drydocking/Special Survey Expenses) | 28.59 | 42.48 |
| Net Profit/(Loss) in million USD (including exchange Gain (loss)) before Extraordinary items | 25.79 | 37.60 |
| Net Profit/(Loss) in million USD | 25.79 | 37.60 |
| Earnings Per Share in Thai Baht | 0.80 | 1.19 |

PROSPECTS over the next 12 months look good compared to long term historical averages and may start matching what we have seen over the exceptional years of 2005 and 2007. In the current freight cycle, the low point in daily earnings on our ships was reached in Q2 2002 at USD 5,497. The high point was achieved in Q2 2008 at USD 16,511 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 the current bull run, was just USD 7,870 per day per ship.

LONG TERM VERSUS SHORT TERM CHARTERS: The long term charters already booked as of 30th June 2008 comprise about 96% of our existing capacity of year 2008 at a healthy average rate of USD 16,043 per day per ship. The breakup is shown in the table below.

| Year | 2008 | 2009 | 2010 | 2011 |
|-------------------------|-------------|-------------|-------------|-------------|
| Total Available Days | 16,060 | 16,060 | 16,524 | 18,076 |
| Fixed T/C Days | 15,420 | 10,284 | 4,744 | 2,479 |
| %age Fixed T/C Days | 96.01% | 64.03% | 28.71% | 13.71% |
| Av. T/C Rate/Day in USD | 16,043 | 15,540 | 13,045 | 16,943 |
| Contract value in USD | \$247.4m | \$159.8m | \$61.9m | \$42.0m |

We have managed 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 minimum period of 59 to a maximum period of 62.5 months. The EBITDA from these 59 to 62.5 month contracts would amount to approximately USD 26 to 28 million per ship. The same client has taken an option on ship No.5 and ship No.6, for identical periods but at a slightly lower daily rate, declarable before the end of this year. The EBITDA on these contracts would amount to about USD 25 million per ship per contract. It is our intention to continue to charter out all our New Building Ships at similar rates for similar or longer period contracts. 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.

Dividends: Dividends were paid out for each of the four quarters of last year and, cash flows and profitability permitting, we hope to maintain the same tempo in the years to come. We have already paid out a dividend for Q1, 2008 in line with, and in support of, this trend.

THE CHINA FACTOR continues to roll along having a disproportionate impact on the dry bulk markets. During 2007 China had imported 383.6 MMT of Iron Ore which in and of itself was a fresh all time record. In the first half of this year China has imported 230.2 MMT of Iron Ore which annualises to a gigantic 460.4 MMT or about 20% higher than the record setting year of 2007.

The Marine Money “ranking” issue for 2008 had PSL as the 14th best shipping company in the whole world. The methodology used by Marine Money for their rankings was a simple aggregate of 6 criteria: Total return to shareholders, Asset turnover, Profit margin, Return on Equity, Return on Assets and Price to book value.

The next SET Opportunity Day where PSL will be presenting will be held at the SET building at 1100 hours on the 4th August 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 that had picked up the pace has, once again, started to slow down as a result of the strength of the freight market. In Q2 2008, 11 ships were removed whilst a total of 27 ships were added, resulting in the fleet increasing from 3,176 ships at the beginning of the quarter to 3,192 by the end of Q2 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 grow very slowly at the current pace of about 0.5 to 0.75% per annum.

Sincerely,

Khalid Moinuddin Hashim