

Ref. : 2010-020

27 April 2010

To : Director and Manager of The Stock Exchange of Thailand

Subject : Submitting the Interim Consolidated Financial Statements for the three months period ended 31 March 2010 and 2009.

We hereby report the Interim Consolidated Financial Statements of Precious Shipping Public Company Limited and Subsidiaries for the three months period ended 31 March 2010 and 2009 together with the summarized operating results (Form 45-3). The reasons for changes in the operating results are explained below.

For the three months period ended 31 March 2010, the Company and subsidiaries ("the Company") have earned a consolidated net income of Baht 389.02 million as compared to net income of Baht 843.09 million earned during the same period in 2009. The main reasons for changes are as follows:

1. The Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) for the first quarter of 2010 has decreased by about 57 percent over the Net Vessel Operating Income for the same period of 2009 mainly due to the lower number of vessels operated during the first quarter of 2010, due to the sales of the older vessels of the fleet and also because of the decrease in average earnings per day per Vessel from USD 14,485 in the first quarter of 2009 to USD 12,425 in this quarter. The lower average daily earnings could be attributed to the fact that some vessels whose long term charters expired during the quarter had to be chartered at prevailing rates which are lower than that prevailing when the charters were fixed.

The income has been earned from an average of 22 vessels during the first quarter of 2010 as against an average of 42 vessels in the same period of 2009. Four (4) vessels have been sold and delivered during the first quarter of 2010. The fleet size as on 31 March 2010 was 21 vessels.

2. For the first quarter of 2010, the absolute Vessel running expenses are lower by 52 percent as compared to the same period of 2009 mainly due to the reduction in the average number of vessels operated during the period as explained above. The average Vessel operating (running) expenses per day per Vessel are USD 4,963 in the first quarter of 2010 as compared to USD 5,284 in the same period of 2009 (including depreciation/amortisation of the Drydocking/Special Survey expenses in both periods.) This decrease of about 6 percent can be attributed mainly due to the decrease in drydocking/special survey expenses and the absence of the one-time increase in insurance costs in the same period of 2009.

3. The Company recorded gain on sale of vessels and equipment of Baht 326.53 million in the first quarter of 2010. This represents the gain on the sale of 4 vessels, which were delivered during this quarter. In the first quarter of 2009, the amount of loss on sale of vessels was Baht 12.50 million.
4. The depreciation for the first quarter of 2010 is lower by Baht 87.42 million as compared to the same period of the previous year due to the decrease in number of vessels as a consequence of the sale thereof.
5. The Company recorded net exchange losses of Baht 77.86 million for the first quarter of 2010 as against exchange losses of Baht 5.99 million for the same period of 2009. The increase in exchange losses is due to the appreciation of the Thai Baht against the US Dollar, which resulted in a loss on translation of the net current assets denominated in US Dollars a part of which was then netted off by the gain on translation of US Dollar Long Term Loans.

We trust you will find the above in order.

Yours sincerely,
For : Precious Shipping Public Company Limited

(Khushroo Kali Wadia)
Director