

Ref. : 2007-032

3rd August 2007

To: Director and Manager of the Stock Exchange of Thailand

Subject: Consolidated Restated US Dollar Financial Statements of Precious Shipping Public Company Limited and subsidiaries for the six months ended 30 June 2007 and 2006

We, Precious Shipping Public Company Limited (the “**Company**”) attach herewith the Consolidated Restated USD Financial Statements of Precious Shipping Public Company Limited and subsidiaries for the six months ended 30 June 2007 and 2006 and Policy of Restatement from THB to USD currency for your information. (file psle1, below the auditor report) We summarize the key figures for your ready reference as follows:

(Figures in: Thousand US Dollars)

Balance Sheet	As at 30th June 2007	As at 31st December 2006
Total assets	411,960	356,918
Total liabilities	18,363	19,852
Total shareholders' equity	393,597	337,066
Income Statement	For the six months periods ended 30th June 2007	For the six months periods ended 30th June 2006
Total revenues	147,213	110,562
Total expenses	59,014	70,253
Income before interest, finance cost and income tax	88,199	40,309
Interest and finance costs	1,141	2,608
Net income before minority interest	87,058	37,701
Net income	86,970	37,572

Background : The restatement has been done on the basis of the Baht Financial Statements as audited by our Auditors and the subsequent restatement into US Dollars has been reviewed by the Independent accountants - BAKER TILLY CORPORATE ADVISORY SERVICES (THAILAND) LIMITED. We feel it is necessary to provide the Consolidated restated USD Financial Statements to the investors, since these would give a more accurate financial position of the Company since our shipping assets are bought and sold in U.S. Dollars and so also all our shipping revenues are derived in USD. These constitute almost 98% of our total assets and revenues. Similarly, all of our liabilities and most of our expenses are incurred in US Dollars. This leads to a mismatch in our Baht Denominated Balance Sheet where some of the fixed assets (vessels acquired before 1st July 1997) are expressed in Thai Baht at the original exchange rates (at the conversion of about Baht 25-26 per USD 1), but the liabilities are expressed in Thai Baht at the closing exchange rates of this quarter (at the conversion of about Baht 34.67 per USD 1) resulting in an understatement of the value of the fixed assets in Baht terms, since the exchange rate for the conversion of the Fixed Assets(Vessels) from US Dollars to Thai Baht remains at the rate applied at the time of purchase of the Vessels.

Since almost all the fixed assets are in US Dollars, fixed assets are now restated in US Dollars at the original US Dollars value and the restatement thus removes the mismatch between asset and liability values.

Moreover, in recognition of the above, as a part of our credit facility agreements, it is the Company's obligation to additionally provide the Consolidated restated USD Financial Statements to the Lenders and also to compute the Financial Covenants based on these Consolidated restated Financial Statements. Accordingly, these are being provided to all interested investors also.

Please be informed accordingly.

Yours sincerely,
For : **Precious Shipping Public Company Limited**

(Khushroo Kali Wadia)
Director