



MERCATOR LINES
L I M I T E D

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PRESS RELEASE

Mercator Lines Limited (MLL), India's second largest private sector shipping company (by aggregate fleet tonnage capacity) is pleased to announce that its Singapore based subsidiary, **Mercator Lines (Singapore) Ltd. (MLS)**, which is listed on main board of Singapore Stock Exchange has won the **Singapore Corporate Award (SCA) Best Annual Report Award (Bronze) for 2009 in the "\$300 million to less than \$1 billion market capitalization"** category. In 2008, its first year since IPO, MLS had won similar award. Further MLS has recently acquired Gearless Panamax vessel of about 74,483 DWT, built in 2007. The vessel was acquired at a total cost of approximately Rs 175 crore and financed by mix of debt and internal accruals. In line with Mercator's policy of acquisition of asset backed by deployment; the vessel has been fixed on a long term charter contract with a reputed customer. This contract would bring in revenues of about Rs. 120 crore over the next three years.

Says H K. Mittal, Executive Chairman, Mercator Lines Limited, "The delivery of this new vessel has been taken at a time when asset prices are attractive and freight rates are firming up globally. Further winning of the coveted SCA award for second time in a row, emphasizes Mercator's drive towards better corporate governance".

The three year time charter contract is in line with the Group's strategy of locking substantial part of its capacity on long term period business. This strategy helps ensures revenue stability and cash flow visibility.

About the Company:

Mercator Lines Limited, the second largest private sector shipping company in India (by aggregate fleet tonnage capacity), has global presence through its subsidiaries. The group has diversified interests in Tankers, Bulk Carriers, Dredgers, Coal Mines, Logistics and Offshore. The Group owns or operates a fleet of 1 Rig; 16 dry carriers; 8 tankers and 4 dredgers with an aggregate capacity of about 2.28 million DWT of an average age of about eight years. The Group is also awaiting the delivery of a chartered in post Panamax vessel of approximately 91,800 DWT in 2H2010 and is in the process of acquiring Mobile Offshore Production Unit (MOPU) to serve its 7 year contract to charter it out to Afren PLC.

The Group services primarily Indian / International Oil Majors, large thermal-based power plants and steel companies, and has established strong relationships with its reputed end user customers such as Indian Oil Corporation, BG Exploration & Production, Dredging Corporation of India, Vale, Tata Power, Arcelor Mittal Group, COSCO Group, Afren PLC, to name a few. Mercator's strategy is to employ a large part of its fleet on long-term contracts, specifically time charters and contracts of affreightment ("COAs")/ consecutive voyage ("CV") contracts. Its long term fixed rate contracts, ranging from 11 months to 5 years and above, ensures revenue stability and cash flow 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 for well-timed expansion and diversifications.

For Mercator Lines Limited

Suchita Shirambekar
Company Secretary

Dated, 12th May 2010