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REF: ML:DD:JL:179

27th July 2012

To,
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra - Kurla Complex,
Bandra (E) Mumbai-400 051.

Scrip Code: MERCATOR
Sub: Issue of Convertible Bonds by our WOS

Dear Sir,

This is to inform you that pursuant to Subscription agreement executed by our Singapore based wholly owned subsidiary Mercator International Pte. Ltd (MIPL), it has subscribed fully to the issue of convertible bonds aggregating USD 19 Mn. of its listed subsidiary Mercator Lines (Singapore) Ltd. (MLS).

As informed earlier, the Bonds are convertible into fully paid-up new ordinary shares in the capital of MLS at a conversion price of S$0.1670, the Bonds are secured and carry a coupon of 7%. per annum. The tenure of the bonds is 5 years. The maximum number of Shares to be allotted and issued by the MLS, pursuant to the full conversion of the Convertible Bonds is 141,060,606, which will increase MIPL's shareholding in MLSL to 74.79% from 71.95%.

Please acknowledge.

Thanking you,

Yours faithfully,
For **Mercator Limited**

Deepak Dalvi
Asst. General Manager &
Compliance Officer