

**VARUN SHIPPING COMPANY LIMITED**

Our Ref.No: 2157

8th November, 2012

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 051.

Dear Sirs,

Ref: Scrip Code: VARUNSHIP

We enclose herewith Press Release issued by the company in connection with one of
our LPG Carriers Maharshi Krishnatreya.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,

For Varun Shipping Company Limited

Manali Parekh
Vice President-Corporate Affairs,
Secretarial & Legal and Company Secretary

Encl: Press Release

Registered Office:

Laxmi Building, 6, Shoorji Vallabhdas Marg.

Ballard Estate, Mumbai-400 001, India.

Website: www.varunship.com**Tel. :** (91-22) 6635 0100 - 109**Fax :** (91-22) 6635 0274 / 280

**VARUN SHIPPING COMPANY LIMITED****VARUN SHIPPING COMPANY LIMITED - LPG CARRIER MAHARSHI KRISHNATREYA**

Maharshi Krishnatreya was on a ballast voyage from Mangalore to Dubai after discharging cargo at Mangalore.

On 5th November, 2012, while the vessel was at sea, 120 nautical miles off Gujarat, India, company received a call from the Master of the vessel reporting that vessel's six officers/crew members including the Chief Officer and the Gas Engineer working in the compressor room had fainted and medical first aid was being administered to them.

On learning about the incident, company immediately alerted the Navy and Indian Coast Guard for relief and rescue operations. All regulatory authorities including Mercantile Marine Department, Directorate General of Shipping, Coast Guards, P&I Club and Class were informed and are being updated on a regular basis. Further, Maharshi Krishnatreya was diverted to Porbandar Port, Gujarat.

Navy and Coast Guard deployed vessels and a helicopter with a medical team for evacuation of the officers/crew members. Team of Naval doctors examined the casualties and confirmed that only the Gas Engineer could be saved. The remaining five were declared dead.

The helicopter airlifted the survivor to medical facility in Porbandar, who is now recovering in a hospital in Rajkot.

Five senior executives from office were sent over to Porbandar the same day to assist the families of the affected officers/crew members and to carry out detailed investigation of the incident.

Upon the preliminary investigation carried out by the company, it is apparent that the team of officers and crew disassembled a spectacle blank (which prevents flow through the pipe) on a pipeline carrying inert gas while the vessel was undergoing a standard 'gas freeing' operation.

The removal of the spectacle blank without shutting off the inert gas supply and failure to ensure that there was no inert gas in the pipe caused an inert gas release into the compressor room causing asphyxiation of the team. There was no event of any LPG leakage, fire, explosion or damage to the vessel and this has not commercially affected the operations of the company.

The vessel is classed with Lloyd's as well as International Register of Shipping (IRS). At Mangalore the vessel was inspected by IRS Class on 29th October, 2012 and all trading certificates were fully valid, vessel was class maintained with no conditions of Class and insured.

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The vessel Maharshi Krishnatreya was awarded a Certificate of Excellence and the "Ship of the Year (Indian Flag in Foreign Trade)" award by the National Maritime Day Celebrations Committee (Central), Mumbai, Directorate General of Shipping, Government of India in April, 2008. This award is given to a ship which comes out successfully through various inspections depicting its clean image and efficiency of its master and crew. This vessel had also undertaken search and rescue operations in July, 2007 when a Korean vessel M.V. Orchid Sun, had sunk in the sea of Oman and was successful in rescuing two crew members.

The company is deeply saddened by the death of five officers/crew members and is with their families in this hour of grief.

The company deeply appreciates the support extended by the Navy and Coast Guard, Directorate General of Shipping, Mercantile Marine Departments, Class, police and local authorities at Porbandar.

The company has been awarded the following:

- In April, 2006, "Fastest Expanding Indian Shipping Company Award" from The National Maritime Day Celebrations Committee, formed by Directorate General of Shipping, Government of India.
- In October, 2008 "Marine and Offshore Services Award" at the Seatrade Middle East & Indian Subcontinent Awards 2008 ceremony held in Dubai.
- In February, 2009, "Overall Best Managed Company in India - Small Cap" award in the Corporate Governance Poll, 2008 conducted by ASIAMONEY.
- In October, 2009 "The Tanker Operator Award" at the Seatrade Middle East & Indian Subcontinent Awards 2009 ceremony held at Dubai.
- In October, 2009 "Training and Crewing Award" at the 11th Lloyd's List Asia Awards 2009 ceremony held at Singapore.
- In November, 2009 "The Energy Award" at the Lloyd's List Middle East & Indian Subcontinent Awards -2009 ceremony, held at Dubai.
- In November, 2010 "Safety at Sea" award at the Lloyds List Middle East & Indian Subcontinent Awards 2010 ceremony held at Dubai.

These awards bear testimony to the company's commitment to global safety and quality standards and best practices in management.

Date : 8th November, 2012

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