

“Perseverance is not a long race; it is many short races one after another”

AUDITED RESULTS: The results in Thai Baht, reviewed by Ernst & Young, as well as US Dollars, certified by Ferrier Hodgson, show you the latest financial position of the Company. The earnings per day per ship during Q3 exceeded our expectations whilst operating costs were marginally above our projections. The USDollar financial results have been distorted by an unrealised exchange loss, due to the strengthening of the Thai Baht, of USD 0.309 million. Ignoring this unrealised exchange loss, the net operating profit has increased mainly due to increase in earnings per day per ship and in spite of the 1.2 percent decrease in Vessel operating days during Q3 2003 as compared to Q3 2002. The EBITDA has also increased quite substantially during the period under comparison.

THE HARD FACTS	Q3, 2003	Q3, 2002
Highest Earnings per day per ship in USD	13,950	8,495
Average Earnings per day per ship in USD	7,840	5,833
Operating cost per day per ship in USD	2,680	2,624
Extraordinary gain/(loss) one-time items in million USD	3.28	0.38
EBITDA in million USD	12.18	6.79
Operating Profit/(Loss) in million USD (including exchange loss)	4.96	1.75
Net Profit/(Loss) in million USD	8.24	2.13

PROSPECTS over the next 12 months are looking the most positive they have ever been in living memory. The low point in daily earnings on our ships was reached in Q2 2002 at USD 5,497. We expect that we have turned the low point in the current freight cycle and we should experience better rates in Q4, and during the whole of 2004, than we had during Q3. This prospect is based on the usual assumptions: that the US economy continues to expand; that oil prices do not exceed USD 30 per barrel level; that the reconstruction and rehabilitation of the Iraqi economy proceeds post haste; that China continues its economic miracle; and that there is no other terrorist incident of the magnitude of September 11.

There was no further fleet disposal, instead, we have embarked on a **FLEET Renewal** programme. Besides the purchase of the Patchara Naree (24,500 DWT craned bulker built 1984) that we discussed in our last news letter, we have since purchased the Ploypailin Naree (26,500 DWT craned bulker built 1995) for USD 11.05 million and the Neera Naree (24,500 DWT craned bulker built 1986) for USD 7.00 million. These three purchases would still leave us with USD 12.45 million, from the KTB facility of USD 35 million, for fleet renewal. This does not take into account our pool of free cash flow, which could be used for additional purchases, after suitably gearing it up to enhance the total funds available for this purpose.

SHIP SCRAPPING continued with 33 ships being scrapped while 9 ships were delivered during Q3 in our sector (10 to 30,000 DWT) worldwide. This resulted in shrinkage of 24 ships or 0.77% for the quarter leaving just 3,056 ships in the world fleet in our sector. Scrapping which had noticeably slowed down during Q2 has started to pickup pace in this quarter. We can but hope that this pace is retained for the foreseeable future.

Sincerely,

Khalid Hashim