“When plans are well thought out, it is surprising how often the circumstances fit in with them”

THE RESULTS in Thai Baht, audited by Ernst & Young, as well as US Dollars, certified by Baker Tilly, show you the latest financial position of the Company. The net profit before tax for Q4 2008 was a fantastic USD 35.02 million! The earnings per day per ship during Q4 came in at USD 16,325, on the higher side of our forecast for this year of between USD 15,000 and USD 16,000 per day per ship. In this quarter, daily operating costs were USD 4,897, which has taken the annual costs to USD 4,804 per day per ship, in line with what we had anticipated. The EBITDA was USD 40.84 million during Q4 2008 as compared to 36.09 million in Q4 2007. The earnings per share (eps) in Thai Baht stood at Baht 1.18 per share for this quarter. To put our current Q4 2008 earnings in USD per day per ship in perspective, it must be remembered that it is about 13% higher than our best year ever in the past - 2005 when it was USD 14,449 - including and prior to the year 2003. It is also 5.3% higher than our mean expectation for this year of USD 15,500 per day per ship.

THE HARD FACTS	2008	2007	Q4 2008	Q4 2007
Highest Earnings per day per ship in USD	48,450	42,750	27,835	38,742
Average Earnings per day per ship in USD	16,489	13,147	16,325	14,137
Operating cost per day per ship in USD	4,804	4,005	4,897	4,148
EBITDA in million USD	167.10	132.47	40.84	36.09
Net Profit/(Loss) in million USD (including exchange Gain (loss)) before Income Tax	148.78	131.46	35.02	26.12
Net Profit/(Loss) in million USD	148.14	125.13	34.69	19.87
Earnings Per Share in Thai Baht	4.75	4.01	1.18	0.61

AWARDS AND ACCOLADES: The year 2008 has been crowned with the December 2008 issue of Asiamoney conferring the title of Best Executive in Thailand to our Managing Director! The web link for the actual report is:
http://www.asiamoney.com/Article/2071674/Best-managed-companies-and-executive-in-Thailand.html. **The same issue also conferred on the undersigned the title of Best Investor Relations Officer under the Asiamoney Corporate Governance poll.**

PROSPECTS over the next 12 months look very bleak even when compared to long term historical averages. In the current freight cycle, our high point was achieved in Q3 2008 at USD 17,611 per day per ship. The average for 2008 was USD 16,489 which has been the highest ever average earnings per day per ship that we have had in our history. To place these numbers in perspective, we must remember that the average for 2003, which was our best year ever before 2004, was just USD 7,870 per day per ship. The next 4 to 8 quarters could be characterized by low to very low rates with major bankruptcies amongst ship-owners becoming more the norm than the exception.

LONG TERM VERSUS SHORT TERM CHARTERS: The long term charters already booked as of 31st December 2008 are shown in the chart below.

Please keep in mind that the chart below does not make any assumption on the sale of any of the existing ships from our fleet of 44 ships or the purchase of replacement ships, except the already ordered newbuildings. In case of a sale, only after the ship is actually handed over to the new buyer would we change the total number of available days. This would then have an impact on the percentage of fixed T/C days. Besides, there are 3 other reasons why we have changes in the table below in respect of "Fixed TC days" between quarters. Firstly, every contract comes with certain optional days +/- from the mean contract days. A 5 year contract would generally provide for a +/- 3 month window in the clients' option. A 12 month contract would have a +/- 1 month window. Our computations assume the mean period wherever there is such an option. When markets are strong, clients will try and use the maximum number of days and when markets are bombed out, as they currently are, they would try and return ships as quickly as possible. Under these contracts they have to give us 30 days notice of redelivery of the ships back into our commercial care. Our computations cannot anticipate such changes in advance but simply account for those changes that have taken place between the two reports. Secondly, some clients have shortened contracts on an existing ship and taken on others from our fleet as replacements. In such case, in this low market you may have one ship at a high contract level replaced by two or more ships at a slightly lower level but for longer contract periods. Once again, our computations cannot anticipate such changes. And finally, in Q4 2008, one client has bought back the remainder of his contract. In such a case, the onward period will come down to zero whilst a lump-sum amount of cash would flow into the Company. Only one client has done this to date and that too for a contract that would have expired in about 90 days from the early termination.

Year	2008	2009	2010	2011	2012
Total Available Days	16,104	16,060	16,524	18,076	20,046
Fixed T/C Days	15,521	9,803	5,371	3,406	2,256
%age Fixed T/C Days	96.38%	61.04%	32.50%	18.84%	11.25%
Av. T/C Rate/Day in USD	16,129	15,087	13,062	17,428	18,467
Contract value in USD	$250.3m	$147.9m	$70.1m	$59.4m	$41.6m

When freight rates are moving in an upward direction, one can lock in rates by putting away the spot ships for longer terms at healthy rate levels. However, when rates are at historical lows, as they are currently, then it makes very little sense to even try and adopt such a strategy of locking in rates at the current very low levels. Our existing strategy has allowed us to have about 31% of our forward four year book locked in at rates that are extremely robust compared to the current spot market rates.

The Fleet Rejuvenation Plan of replacing the 25 aging ships from our current fleet of 44 ships with younger, better geared, economical and larger units from the second-hand market over the next 1-2 year period has already begun with the announcement of the sale of 3 of our older ships. The rejuvenation plan has the best chance of success under the existing

financially stressed conditions. This is the opportunity that we had been patiently waiting for, and which, if implemented successfully, would ensure the long term profitability of the Company over the next 2 to 3 decades. We are working with our existing Lenders and others to secure sufficient credit lines to be able to execute this rejuvenation plan without stressing our balance sheet or shareholders in any way. We should be able to report to you on this matter in our next news letter.

THE CHINA FACTOR continues to have a disproportionate impact on the dry bulk markets. Just to give you a flavour of what this means, we quote from a table included in Lloyd's List issue dated 7th January 2008 showing China was expected to import 425 Million MT of Iron Ore or 50% of the entire worldwide Iron Ore trade for 2008 and about 11% higher than the 383.6 Million MT of Iron Ore imported into China in 2007! But this does not give you the full picture. All the major Chinese Steel Mills have made public pronouncements that they would be cutting back production capacity during 2009 by anywhere between 20 and 30% to counter the falling demand for steel and consequently a crash in steel prices. This cut-back will feel like a kick in the face for the freight market during 2009. Our only hope is that the recently announced stimulus plan of USD 586 Billion to be spent on infrastructure and other developments during 2009 by the Chinese Government would help lessen this blow.

The next SET Opportunity Day where PSL will be presenting will be held at the SET building at 0900 hours on the 3rd March 2009. This event is normally very well attended with between 70 and 100 participants from the analysts, fund management and investor communities. We hope that many of you will attend this event where the Company will get a chance to thoroughly discuss the 2008 results and the prospects for 2009.

SHIP SCRAPPING that had slowed down significantly in the early part of 2008 has picked up the pace dramatically in the last 2 months of the year. The previous highest monthly total for scrapping was 1.7 million DWT during 1997 but this was handsomely exceeded in November (2.0 million DWT) and December 2008 (2.4 million DWT). As we understand it, the January 2009 number is even higher than the ones produced in each of the last 2 months of 2008. In Q4 2008, 53 ships were scrapped whilst a total of 29 ships were added resulting in a net reduction in the world fleet by 24 ships in our sector. For the whole of the year 2008, there has been an increase in the world fleet in our sector from 3,164 ships at the beginning to 3,219 at the end of the year. If the freight markets continue at their current extremely low, but volatile levels, we expect the world fleet in our sector to shrink at roughly 3 to 5% per annum in the next few years. This shrinkage will help redress the current imbalance between supply and demand and allow for the spot market rates to rise in a couple of years.

Sincerely,

Khalid Hashim