"Quality is never an accident: It is always the result of high intention, sincere effort, intelligent direction and skillful execution. It represents the wise choice of many alternatives." William A. Foster

THE RESULTS, audited by Ernst & Young, show you the latest financial position of the Company. The net profit before tax for Q4 2011 was USD 0.30 million. The earnings per day per ship during Q4 came in at USD 9,922, taking the annual figure to USD 11,265 which is slightly on the lower side of our forecast for this year of USD 11,500. In this quarter, daily operating costs were USD 4,474, which has taken the annual costs to USD 4,613 per day per ship, slightly better than our target of USD 4,650. The EBITDA was USD 8.95 million during Q4 2011 and USD 41.42 million for the year. Q4 earnings were adversely impacted by one-time charges of USD 2.43 million in finance cost, representing the write-off of deferred upfront/legal/extension fees on the USD 58 million portion of the KTB led Loan Facility and the USD 50 million portion of the BTMU led Loan facility, the availability period of which was not extended, and also of the USD 24 million portion of the DNB led Loan Facility for Newbuildings which was cancelled due to Novation of Shipbuilding Contract of Hull No. 333. Without considering the aforesaid one-time charges, the Q4 Net Profit would have been USD 2.71 million. The earnings per share (eps) in Thai Baht stood at Baht 0.01 per share for this quarter and Baht 0.69 for the year. To put our annual profit for 2011 of USD 23.64 million into perspective, please look at some of the companies that are financially restructuring or in chapter 11 or in liquidation, as listed below.

THE HARD FACTS	2011	2010	Q4 2011	Q4 2010
Highest Earnings per day per ship in USD	23,909	23,909	16,150	19,421
Average Earnings per day per ship in USD	11,265	12,304	9,922	12,378
Operating cost per day per ship in USD	4,613	4,725	4,474	4,486
EBITDA in million USD	41.42	47.22	8.95	12.13
Net Profit/(Loss) in million USD (including exchange Gain (loss)) before Income Tax	23.76	38.06	0.30	7.36
Net Profit/(Loss) in million USD	23.64	35.52	0.28	7.32
Earnings Per Share in Thai Baht	0.69	1.09	0.01	0.21

AWARDS AND ACCOLADES: In 2011, IR Magazine distinguished PSL as the 'Best investor relations in the Singapore market by a Thai company.' IR magazine has been recognizing firms with the best investor relations in Asia for over a decade. All the awards and the rankings for 2011 are based on a survey of more than 300 investors and analysts in the region. These surveys are designed by IR Insight, the in-house research arm of IR magazine, and conducted by the independent research firm, Mary Maude Research.

PROSPECTS: Iron Ore demand, according to Chinese Authorities, will grow to over 1,130 MMT by the end of 2015 based on estimated Steel consumption of 750 MMT in 2015. China imported 67% of its iron ore in 2010. If import growth rates remain unchanged, China will import 927 MMT of iron ore a year by 2015. This will absorb an additional 218 modern capesize vessels. Of course, this implies domestic production will have to fill the 203 MMT (1,130M – 927M) gap. And if this is not practical, then China will have to increase iron ore imports to fill this gap. Iron ore import demand from China is what has kept the BDI above 1,500 points on average in 2011. Continued iron ore import growth into China could potentially absorb all the additional cape size ships that are on order between now and the end of 2015 if domestic production were to falter.

The IMF, in an update of its World Economic Outlook report, lowered its estimate for global growth in 2012 to 3.3% from an earlier forecast made in September 2011 of 4%. The IMF says that the expansion in world GDP in 2013 will be 3.9%, down from their earlier forecast of 4.5%. The epicenter of economic danger, according to the IMF, is the Euro Zone but the rest of the world is increasingly affected. There is an even greater danger, according to the IMF, that the European crisis intensifies in which case the world could be plunged into another recession.

In terms of ships, as of 1st January 2012 the world fleet had grown by 67.9 MDWT or 12.25% during the preceding year to 622.27 MDWT. If we apply a 30% slippage factor to the expected deliveries over the next two years (it was 27.9% for 2011) and 35 MDWT for annual scrapping (it was 33.3 MDWT for 2011), this number would increase to 686 (10% increase) and 721 (5% increase) MDWT at the start of 2013 and 2014 respectively.

According to RS Platou's monthly report for November, Global Dry Bulk trade in 2012 is expected to increase between 6 and 8%. The problem however is with the swollen order book where, even allowing for a 30% slippage factor and 35 MDWT of scrapping, we forecast a net tonnage growth of around 10%+ in 2012. It is obvious that growth in demand will not be able to absorb the expected expansion in supply. Any unexpectedly strong demand growth will be countered by a slowdown in scrapping. This will result in a larger net tonnage growth. On the other hand, if the world economy slows down faster than expected, as pointed out by the IMF, we will be faced with a weaker BDI throughout the next two years and consequently scrapping rates could far exceed our forecasts.

A symptom of the above challenge is that some well known and public shipping names are currently struggling. Just to name a few that have been in the shipping press, they are, BM Shipping, Berlian Laju Tankers (BLT), Deiulemar, TPC Korea Co Ltd., Grand China Logistics, General Maritime, Frontline, Emirates Trading Agency (ETA), Ocean Tankers, Centrans Shipping, The Containership Company (TCC), Yanghai Shipping Co (YSC Line), Swee Joo, Ningbo, Yangfang and Hengfu Shipyards (China), NewLead Holdings (formerly Aries Maritime), Omega

Navigation Enterprises (ONE), Marco Polo Seatrade, Korea Line, Samho Shipping, Sekwang Heavy and Beluga.

LONG TERM VERSUS SHORT TERM CHARTERS: The long term charters already booked as of 31st December 2011 are shown in the chart below.

Year	2011	2012	2013	2014	2015
Total Available Days	8,018	11,189	15,342	16,425	16,425
Fixed T/C Days	4,536	2,953	2,524	2,518	2,190
%age Fixed T/C Days	57%	26%	16%	15%	13%
Av. T/C Rate/Day in USD	12,372	12,866	14,349	14,463	14,211
Contract value in USD	$56m	$38m	$36m	$36m	$31m

As can be seen, our forward four year (2012 to 2015) rolling book is currently at 17.5% of capacity with a visible revenue stream of USD 141 million. When freight rates move in an upward direction we effectively lock in rates by putting away the spot ships for longer term charters at healthy rates. Now that the BDI has plunged to almost all time lows, we will have to wait out the current uncertain period before redeploying this strategy in the future when the BDI starts to clearly move in an upward direction.

The Fleet Rejuvenation Plan of replacing the aging ships from our current fleet with younger, better geared, economical and larger units from the second-hand market has progressed well with the sale of 35 older ships since 2007. We have secured credit lines from our existing Lenders, and have cash of USD 138 million in our books as of the end of 2011, to be able to execute this plan without stressing our Balance Sheet. We have started the replacement program with the purchase of 4 second hand ships (average 5 years old) in the 30/34K range and 2 brand new 57K re-sales during 2010/2011. One brand new 34K ship from ABG joined our fleet in the middle of 2011. An additional 4 Contracts for 4 brand new re-sale Supramax ships of 57K each have been acquired from a yard in China at a very attractive price. These ships will be delivered to us during the course of 2012. Should the price of similar ships remain at similar or lower levels, then we would add more ships from the second hand/re-sale market to our fleet. 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.

THE CHINA FACTOR continues to have a disproportionate impact on the dry bulk markets. China's Iron Ore imports, according to preliminary Custom's data, was an astonishing 686 MMT in 2011 or about 11% higher than 618 MMT in 2010! According to Reuters, China is expected to import 728 MMT of Iron Ore in 2012. This import figure is contingent on import pricing parity versus domestic production and transportation costs. Provisional Chinese steel production for 2011 reached a staggering figure of about 684 MMT or about 9.5% higher than the

already phenomenal figure of 625 MMT in 2010. According to broker reports, China is expected to produce 735 MMT of Steel in 2012. Coal represents about 80% of China's energy requirements. Historically, China was self-sufficient in coal, but that is no longer the case. China imported 126 MMT of coal in 2009; 164 MMT in 2010; and 11% higher at 182 MMT in 2011 making it the largest importer in the world and displacing Japan that has held pole position since 1975! Coal imports are expected to grow steadily but are contingent on import pricing parity versus domestic coal production/transportation costs. In a country that currently produces and consumes some 3,600 MMT of Coal per annum, with the figure expected to grow to 4,100 MMT by 2015, even a small change in China's coal imports could have a dramatic impact on the Dry Bulk freight markets.

The next SET Opportunity Day where PSL will be presenting will be held at the SET building at 0900 hours on Monday the 20th February 2012. 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 2011 results and the prospects for 2012. For those of you who cannot attend physically, the SET live web casts the Opportunity Day presentation giving you a chance to be present via the web.

SHIP SCRAPPING has increased dramatically this year with a total of 33.3 MDWT of ships being removed/scrapped across all sectors in the dry bulk market as compared to the last previous all time high of 14.1 MDWT in 1986 and the next best year in 2009 of 12 MDWT. 388 ships were removed/scrapped and 153 ships were added resulting in a net decrease of 235 ships in the world fleet in our sector (10 – 30K DWT) during 2011. This has resulted in a net decrease of 7.5% during 2011 from 3,151 ships to 2,916 ships at the start of 2012 in our sector. If the freight markets continue at their current low, but volatile levels, we expect the world fleet in our sector to shrink by roughly 5 to 10% per annum in the next few years. This will help redress the current imbalance between supply and demand and allow rates to rise in a couple of years.

Sincerely,

Khalid Hashim