29 May 2007

HANDYSIZE & HANDYMAX MARKETS 2007 CONFERENCE

An Owner's Perspectives

AGENDA

- **Background of Thoresen Thai Agencies Public Company Limited**
- An Owner's Perspectives

TTA acts as the holding company for all Thoresen Group companies around the world

THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED

Dry Bulk Services

- Ownership of 45 vessels through individual 99.99%-owned subsidiaries

Offshore Services

- Mermaid Maritime Ltd., a 78.09%-owned subsidiary
- Ownership of 8 supply and diving vessels through Mermaid Offshore Services Ltd., a 99.99%-owned subsidiary of Mermaid Maritime
- Ownership of 2 tender drilling rigs through Mermaid Drilling Ltd., a 95%-owned subsidiary of Mermaid Maritime

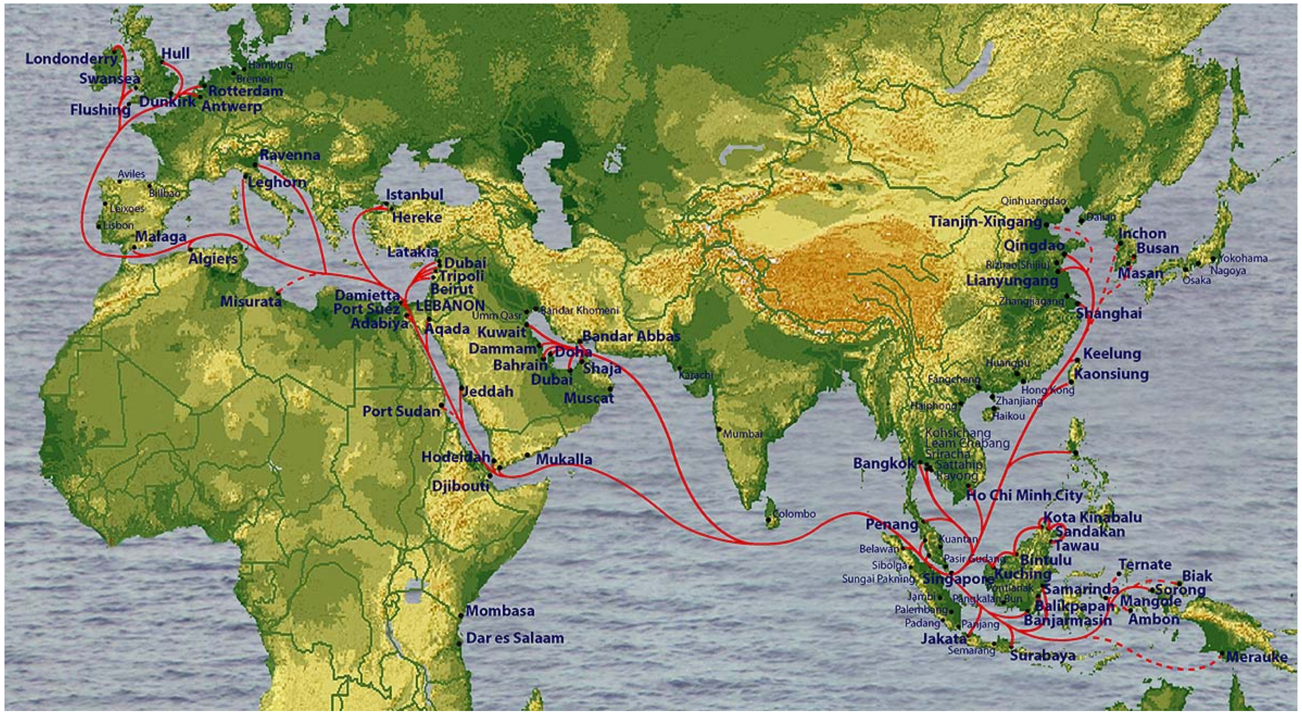
Shipping Services

- Chidlom Marine Services and Supplies Ltd., a 99.99%-owned subsidiary
- Chidlom Transport & Services Co., Ltd., a 99.99%-owned subsidiary
- Fearnleys (Thailand) Ltd., a 51.00%-owned subsidiary
- GAC Thoresen Logistics Ltd., a 51%-owned subsidiary
- Gulf Agency Company (Thailand) Ltd., a 51%-owned associate
- ISS Thoresen Agencies Ltd., a 99.99%-owned subsidiary
- T.S.C. Maritime Ltd., a 99.99%-owned subsidiary
- Thai P&I Services International Ltd., a 90.00%-owned subsidiary
- Thoresen (Indochina) S.A., a 50%-owned associate
- Thoresen Shipping FZE, a 100%-owned subsidiary

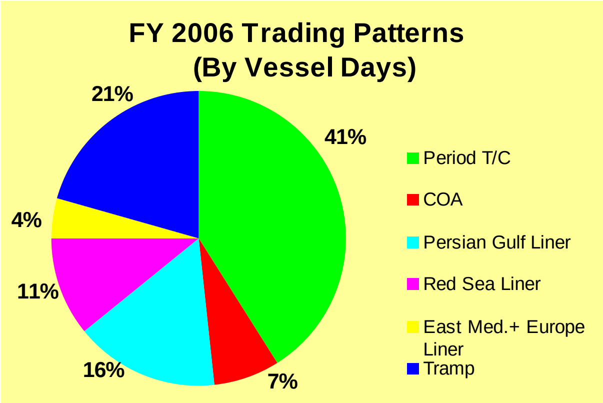
Net Profit Contribution (Q2/2007)	Dry Bulk Services	Offshore Services	Shipping Services
	>>>> *82.42%*	>>>> *14.49%*	>>>> *3.09%*

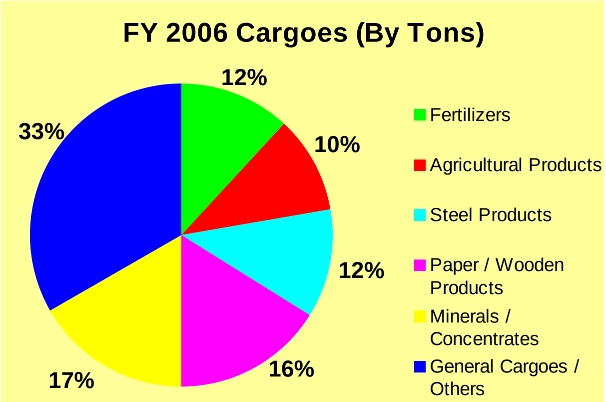
Thoresen is one of the market leaders in break bulk liner services from China/SE Asia to the Middle East/Europe

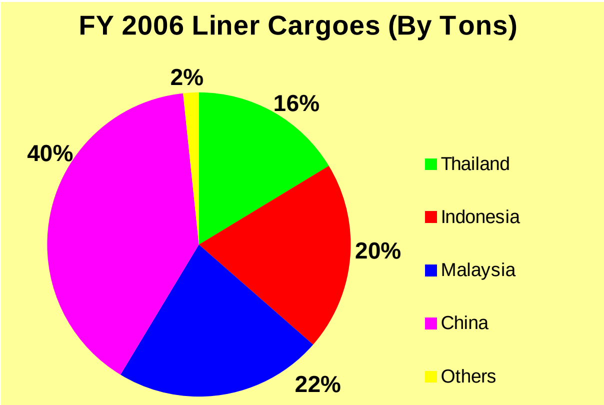
Route	Number of Voyages		Cargo Volume (Tons)		% Increase	Principal Cargoes
	2005	2006	2005	2006		
China-Middle East	19	33	572,973	1,131,847	97.54%	Wood & Steel Products
Southeast Asia-Middle East	115	99	1,818,683	1,510,741	-16.93%	Wood & Steel Products
Others		6		202,335	100%	Wood Products
Total	**134**	**138**	**2,391,656**	**2,844,923**	**18.95%**	

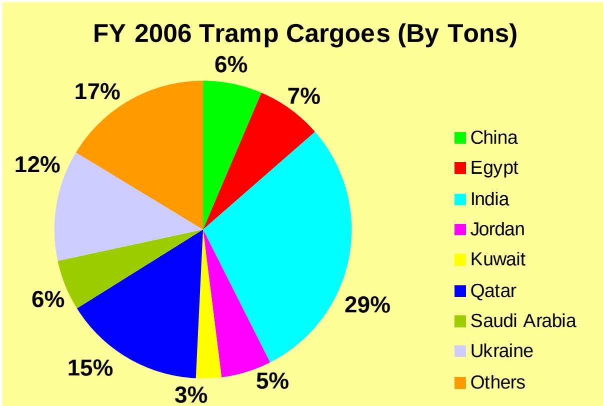


We strive to achieve a highly diversified mix of clients and cargoes in our dry bulk shipping services ….

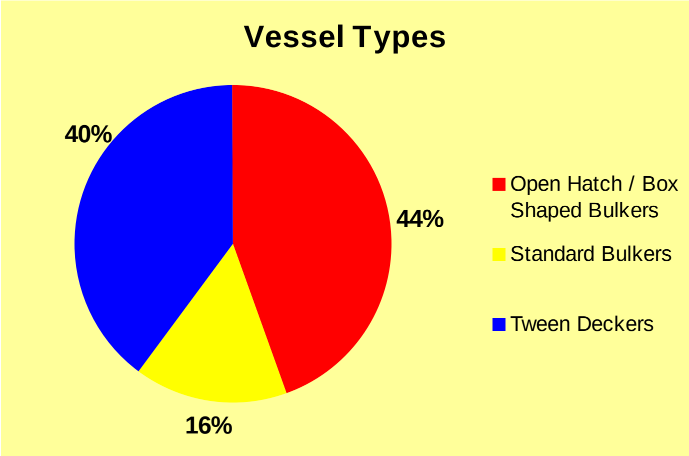


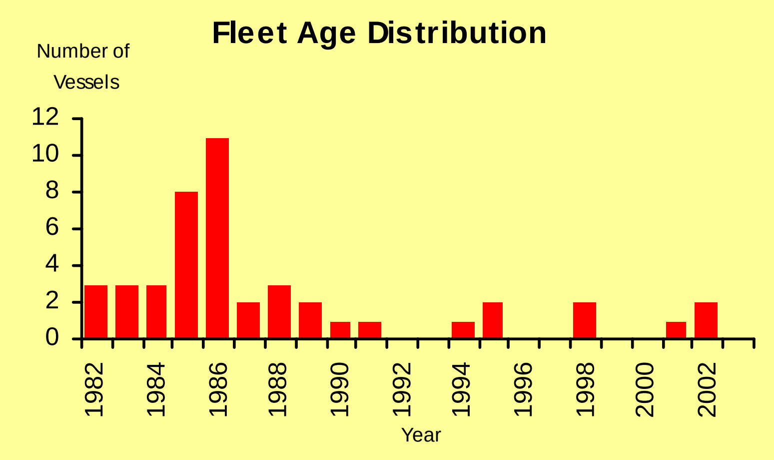






…. using our relatively specialized fleet of tween-deckers and open-hatch box-shaped vessels





Number	Design Class	Average DWT	DWT Weighted Average Age
7	TD-15A	16,236	20.76
4	Multi-Purpose	17,311	23.97
7	Passat	20,418	18.54
18	**Tween-Deckers**	**18,101**	**20.47**
6	Wismar	23,616	20.87
4	Con-Bulk	25,319	23.70
17	Bulk	40,800	14.57
27	**Bulk Carriers**	**34,688**	**16.51**
45	**Total Fleet**	**28,053**	**17.53**

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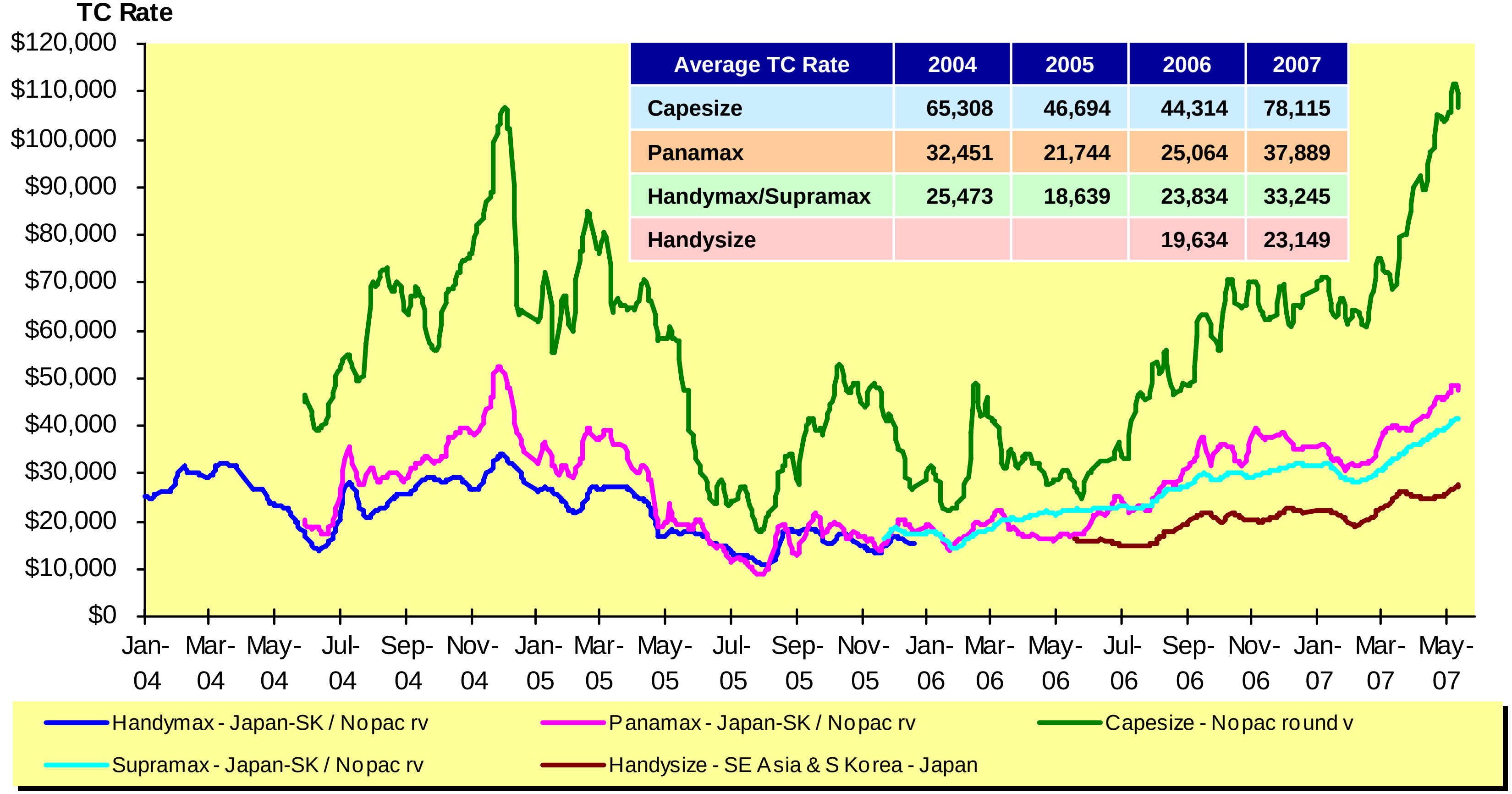
- Background of Thoresen Thai Agencies Public Company Limited
- **An Owner's Perspectives**

Perspective #1: Strong freight rates should continue but expect some correction from today's market levels



Average TC Rate	2004	2005	2006	2007
Capesize	65,308	46,694	44,314	78,115
Panamax	32,451	21,744	25,064	37,889
Handymax/Supramax	25,473	18,639	23,834	33,245
Handysize			19,634	23,149

Source: Baltic Exchange Limited

Perspective #1: Strong freight rates should continue but expect some correction from today's market levels (cont.)

- Demand for iron ore and coal (each accounting for more than 25% of total shipping demand) is driven by Asian imports from regions rich in natural resources, such as Australia and Latin America
- China now exports increasing volumes of steel and cement and became the largest steel products exporter in 2006; these strong exports have reduced capacity by increasing tonne-miles and journey times
- China's announced policy measures are probably not enough to show the economy significantly; in reality, China experiences a shortage in infrastructure capacity

Forward Freight Agreement Rates

	As of 24 May 2007	
	Bid (US$/day)	Offer (US$/day)
BSI	43,779	
Q3/2007	34,750	35,000
Q3 + Q4/2007	34,750	35,000
Q4/2007	34,500	35,000
Q1/2008	29,750	31,000
CAL 2008	28,500	30,000
CAL 2009	21,500	22,500

Source : Clarkson Securities Ltd.

Perspective #1: Strong freight rates should continue but expect some correction from today's market levels (cont.)

Size (DWT 000's)	Total Order Book			2007		2008		2009		2010		2011	
	No.	DWT (MM)	% of Fleet	No.	DWT (MM)	No.	DWT (MM)	No.	DWT (MM)	No.	DWT (MM)	No.	DWT (MM)
10-40	226	6.833	6.74%	56	1.535	68	2.123	68	2.169	30	0.873	4	0.133
40-60	399	21.750	21.45%	80	4.204	121	6.595	94	5.158	77	4.277	18	1.014
60-100	248	20.049	19.77%	69	5.444	57	4.473	61	4.890	42	3.603	19	1.639
100-150	13	1.414	1.39%	3	0.300	1	0.111	4	0.433	4	0.454	1	0.116
150+	257	51.370	50.65%	31	5.949	38	7.632	63	12.911	97	18.900	24	5.085
Total	**1,143**	**101.415**	**100.00%**	**239**	**17.433**	**285**	**20.933**	**290**	**25.561**	**250**	**28.105**	**66**	**7.987**

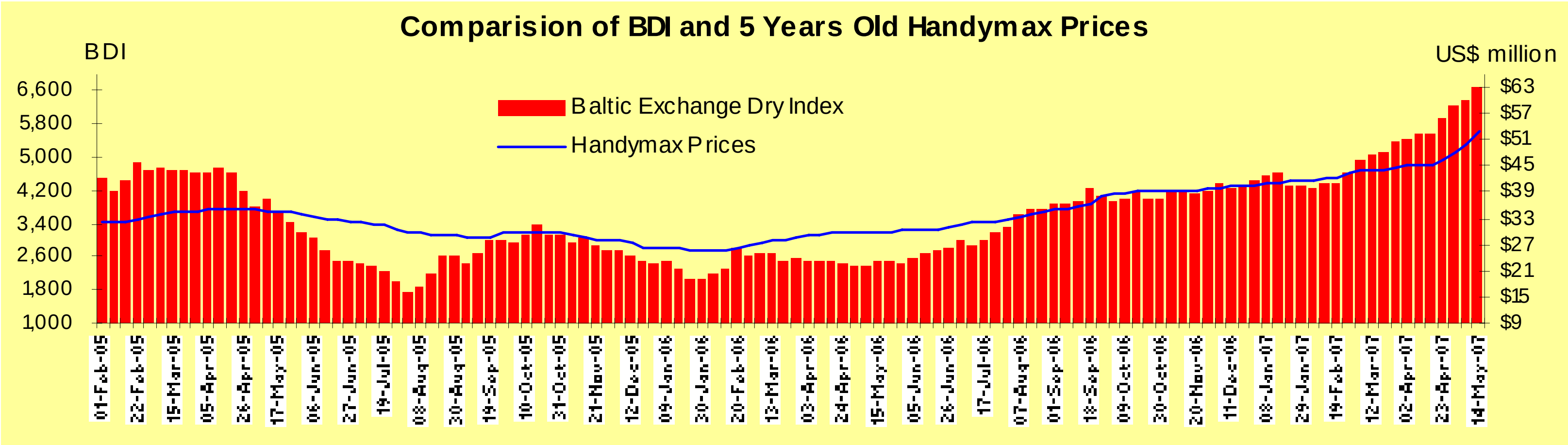
Source : Fearnleys – Bulk Fleet Update (Apr - 2007)

- Dry bulk shipping benefits from modest supply growth, with the total order book at 27% of the current fleet and scrapping likely to increase over the next few years

- Handymax vessels are unique, since they can compete with Panamaxes to transport coal and iron ore; Handymax vessels can operate in smaller ports with draft restrictions and limited loading/unloading equipment

- Handysize vessels are most attractive in terms of supply growth, because they have the lowest order book

Perspective #2: Vessel prices might not substantially correct for the next few years

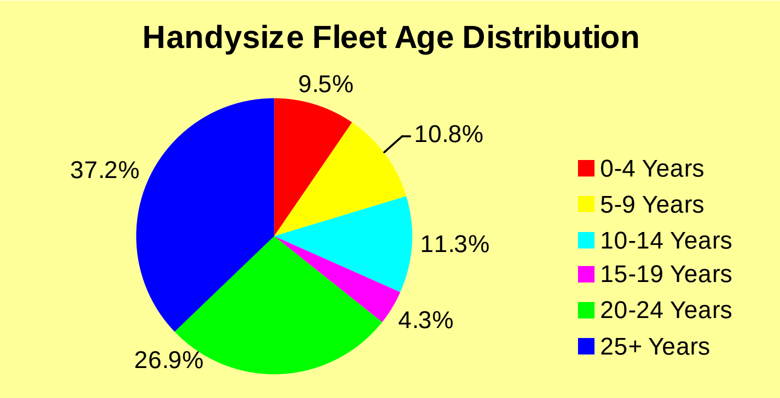


Source: Baltic Exchange Limited

- Limited space at shipyards in the next few years due to existing orders from oil tankers, container vessels, and LNG vessels
- More dry bulk owners are placing orders with smaller-sized shipyards (with limited building experience) or adopting a “wait and see” policy
- Given the recent market strength, the financial position of most owners is healthy, so there is less pressure to sell vessels if freight rates correct

Perspective #2: Vessel prices might not substantially correct for the next few years (cont.)

- The modern Handysize fleet is controlled by a handful of owners, and fleet renewal may be limited by the behavior of shipyards
- Only a few established yards are willing to build Handysize vessels, so owners must negotiate with relatively new yards in China, Vietnam, India, etc.
- Many newer yards commit to build some Handysize vessels and quickly proceed to build Handymax or Panamax vessels



Source: Fearnleys (Thailand) Ltd.

Modern Handysize Fleet Ownership

Name	No. of Vessels	Average Age
Mitsui OSK Lines	42	8.2
Pacific Basin Shipping	22	6.5
Egon Oldendorff	26	8.1
Clipper Group	22	5.3
Hartmann Schiff	22	5.5

Source: Fearnleys (Thailand) Ltd.

Perspective #2: Vessel prices might not substantially correct for the next few years (cont.)

Investment Analysis

Vessel Price	US$ 50 million
Average Owner Expenses	US$ 4,203/day
Average Admin. Expenses	US$ 736/day
Average Interest Expenses	US$ 5,515/day
Average Depreciation	US$ 6,237/day
Average Breakeven	US$ 16,691/day

Conclusion

TC rates will have to average US$ 32,400 per day for 3 years to cover principal repayments and the US$ 12 million premium for a second-hand Supramax vessel

Recent S&P Deals

Age	DWT	Price (Millions)	Deal Date
Newbuild Resale (2007 delivery)	52,500	US$ 51.0	March 2007
3 years old	55,566	US$ 50.5	March 2007
4 years old	53,350	US$ 46.5	February 2007
5 years old	53,054	US$ 40.5	December 2006
Newbuild (2010 delivery)	58,000	US$ 40.5	
Newbuild (2012 delivery)	60,000	JPY 4,000.0	

Perspective #3: Fleet renewal is necessary to remain competitive

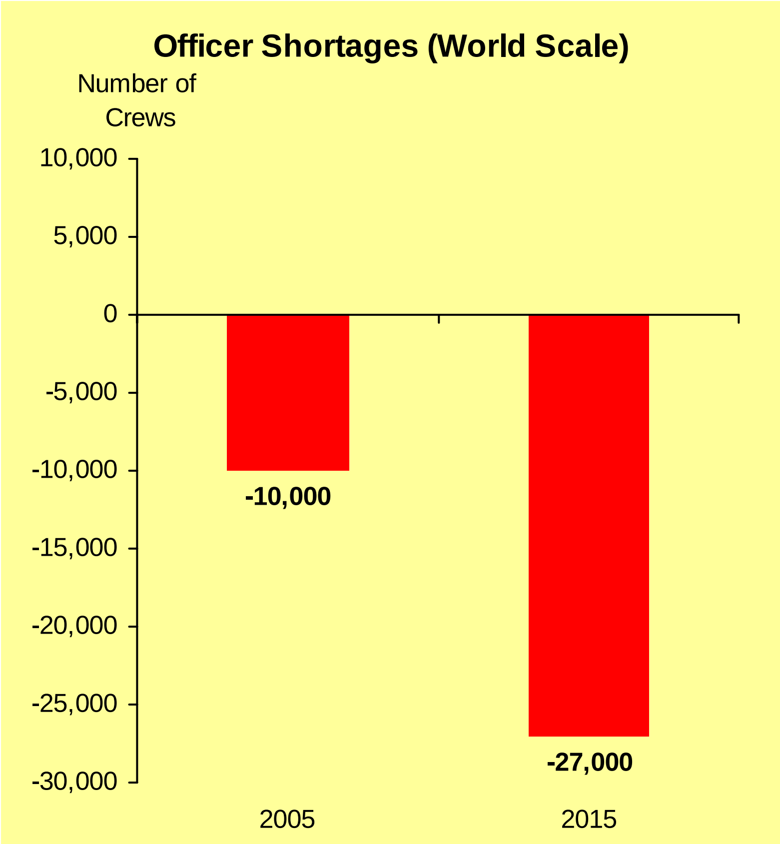
- Operational inefficiencies related to older vessels include higher repair/maintenance costs, less fuel efficiency, port restrictions, etc.
- Our Oshima 53,350 DWT newbuild vessels consume 32 tons/day of fuel oil at 14.5 knots, while our 20-year old 41,800 DWT vessel consumes 26.5 tons/day of fuel oil at 12.5 knots
- Environmental regulations are increasing; for example, low-sulphur fuel must be used when trading in California and northern Europe
- Scrapping remains limited; however, owners might be forced to increase scrapping due to age considerations

	2004	2005	2006
Capesize			
No. of Vessels	1	2	3
DWT (in millions)	0.123	0.247	0.422
Panamax			
No. of Vessels	1	3	11
DWT (in millions)	0.095	0.202	0.728
Handymax			
No. of Vessels	0	4	18
DWT (in millions)	0.0	0.165	0.708
Handysize			
No. of Vessels	5	4	24
DWT (in millions)	0.113	0.109	0.575
Total No. of Vessels	**7**	**13**	**56**
Total DWT (in millions)	0.331	0.723	2.433
% of Fleet Scrapped	0.10	0.21	0.67

Source : Drewry - Dry Bulk Forecaster (Q4 – 2006)

Perspective #3: Fleet renewal is necessary to remain competitive (cont.)

- The 2005 Bimco/International Shipping Federation survey estimates worldwide crew of 466,000 officers and 721,000 ratings
- It is estimated that there will be a shortfall of 27,000 qualified officers by 2015, which equals 3,000 vessels
- Based on the high competition for qualified crew, compensation costs are growing significantly
- Onboard crew numbers are being reduced to compensate for this trend



Source: BIMCO / ISF

Perspective #4: Conservative business management must be followed in a cyclical business

- With long delivery times on newbuild vessels and premium pricing on second-hand vessels, it has become difficult to make significant investment decisions
- With minimum value clauses in loan agreements, we could be faced with lower than planned debt levels if asset values decrease suddenly
- Sufficient capital must be available before embarking on a substantial fleet investment plan at this stage of the business cycle
- Fortunately, the capital markets appear willing to provide funds for fleet investments

Company	Amount Raised (Millions)	Deal Date
Ocean Freight Inc	US$ 204.3	April 2007
Diana Shipping Inc.	US$ 205.3	March 2007
Eagle Bulk Shipping Inc.	US$ 102.3	February 2007
Genco Shipping &Trading Ltd.	US$ 148.4	February 2007
Double Hull Tankers Inc.	US$ 70.2	January 2007
Sealift Ltd.	US$ 180.0	January 2007

Source: Merrill Lynch

Perspective #4: Conservative business management must be followed in a cyclical business (cont.)

- A growing number of banks is prepared to extend loans to the shipping and offshore industries
- Due to limited experience, many of these banks are not prepared to work through cyclical downturns
- Singapore has become a hub for the shipping and offshore industries by providing numerous tax incentives, including exemption of taxes on shipping profits, capital gains, and gains from hedging activities on Singapore flagged vessels

Company	Syndicated Debt (Million)
Songa Offshore ASA	US$ 210.0
Golden Ocean Group Limited	US$ 224.7
Master Seas Maritime Limited	US$ 300.0
Eitzen Chemical ASA	US$ 239.5
Sealift Ltd.	US$ 240.0
General Maritime Corp.	US$ 100.0

Source: Nordea Bank

Perspective #5: Some dry bulk commodities will be transported in containers to a larger extent

- Container vessels are competing with dry bulk vessels for a number of reasons:

  - Increasing size and quantity of container vessels
  - Imbalance in container trade, so low rates are able for repositioning voyages
  - Ability to ship/receive small quantities at a time
  - More ports of call in the networks of container shipping lines

- However, economies of scales still apply to freight rates for larger parcels of dry bulk commodities; with continuing industrial development and a trend towards larger production facilities, dry bulk shipping still has a very good future