



VARUN SHIPPING COMPANY LIMITED

PRESS RELEASE

Varun Shipping declares Second Interim Dividend of 15 per cent

Varun Shipping's net profit before tax for nine months ended 31st December, 2006 is Rs.114.84 crores compared to Rs.124.42 crores for the corresponding period in the previous year.

Net profit before tax for the quarter ended 31st December, 2006 is Rs.41.54 crores. Total income for the quarter ended 31st December, 2006 is Rs.179.27 crores.

The company has declared second interim dividend of 15 per cent for the current financial year ending on 31st March, 2007.

Weak winter in Europe and America had affected the freight rates for crude as well as petroleum products including LPG in the last few months. Situation has started improving from January, 2007 and freight rates are likely to be firming up in next few months.

The company has embarked on an expansion programme of US\$ 400 million between November, 2006 and June, 2007. Against this, the company has already acquired one Large Gas carrier and one Aframax crude oil tanker. One more ship, a Very Large Gas carrier has been committed by the company for delivery around June, 2007. This investment comes to around fifty per cent of the total planned outlay and earnings of these ships will start getting reflected in coming months.

Acquisition of additional ships from the balance amount of US\$ 200 million is under negotiation and is likely to be finalized soon.

Date : 23rd January, 2007

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

