



VARUN SHIPPING COMPANY LIMITED

PRESS RELEASE

Varun Shipping's Q1 profit is Rs.23.58 crores

Varun Shipping's total freight revenue for the quarter ended 30 June, 2006 has gone upto Rs.147.26 crores from Rs.117.37 crores for the corresponding quarter in the previous year.

The net profit after tax for the quarter ended 30 June, 2006 is Rs.23.58 crores as compared to Rs.26.81 crores for the corresponding quarter in the previous year. Profit was lower due to lay up of two vessels for surveys and dry dock.

The company has entered into Memorandum of Agreements for sale of 1983 built 7335 DWT product carrier and 1985 built 42628 DWT handymax bulk carrier.

During the current financial year, the company will continue to build on its core competencies by expanding its fleet of tankers and gas carriers as also consider expanding its assets and operations in the rapidly developing oil and gas exploration and production industry by acquisition of ships of upto US\$ 150 million subject to availability of good quality ships for prompt delivery.

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Registered Office :

Laxmi Building, 6, Shoorji Vallabhdas Marg,
Ballard Estate, Mumbai-400 001, India.

website : www.varunship.com

Tel.: (91-22) 5635 0100 - 109

Fax: (91-22) 5635 0274 / 280

