COURAGE MARINE GROUP

Press release

Strong Demand, Higher Freight Rates Drive 1Q07 net profit up 81% yoy to US$9.5m

- **Rates buoyed by firm global demand for commodities**
- **Net profit margin jumps 15 ppts to 57%**
- **Positive earnings outlook**

Singapore, 10 May 2007 – Courage Marine Group Limited ("Courage" or the "Group"), an efficient dry bulk shipper focused on infrastructure and energy-related commodities such as iron ore and coal, reported an 81% year-on-year (yoy) rise in net profit to US$9.5 million for the first-quarter of 2007 (1Q07) on an 32% revenue growth to US$16.7 million. This was despite having one vessel out of deployment for about 30 days for a special survey.

The continued economic expansion of the Greater China region, together with firm demand from India and the Middle East for commodities such as coal, iron ore and cement drove up freight rates. The Baltic Dry Index ("BDI") surged in to an average of 4,700 in 1Q07, up 88% yoy from 2,500 in 1Q06 and 12% qoq from 4,200 in 4Q06. It is currently trading over 6,000 points. Courage also deployed its fleet well with a high 92% utilization rate on available revenue days of over 900.

Said Non-Executive Chairman Hsu Chih-Chien: "With both Indonesia and China having banned the export of sand early this year, we benefitted from a sudden surge in new demand for sand and granite shipment, as well as ongoing strong appetite for our traditional commodities of coal, iron ore and cement."

"Some 70% of our revenue is on a spot basis in 1Q07, so that we were able to benefit significantly from the higher freight rates. Our net profit margin improvement to 57% in 1Q07 against 51% in 4Q06 and 42% in 1Q06 was also given a boost by a higher proportion of time charters which helped lower our fuel and port expenses relative to our sales rise."

Courage enjoys relatively high margins by owning and operating secondhand vessels that create immediate and greater cashflow certainty while requiring low initial capital outlay. It continued to generate strong cashflow of US$35 million from operations in 1Q07, up from US$26 million in 4Q06 and US$29 million in 1Q06.

"We are optimistic that the economic boom in Greater China and the still firm demand for raw materials will continue to drive freight rates in the dry bulk shipping sector. We are optimistic about prospects this year and are actively looking for attractive second hand vessels so we can grow our fleet to service the transportation needs of the region," added Mr Hsu.

Courage has a current fleet size of 10 vessels, three of which are expected to be drydocked for their special surveys for the rest of the current financial year - three in 2Q07 and one in 2H07.

About Courage Marine Group Ltd ("Courage")

Courage owns/operates 10 dry bulk carriers, comprising five Handysize (10,000-39,999 dwt), two Handymax (40,000-59,999 dwt), and three Panamax vessels, with a total capacity of 455,463 dwt. They are deployed around Greater China, Japan, Russia, Vietnam, Indonesia, Bangladesh, and elsewhere in Asia, including the Middle East.

The vessels transport dry bulk commodities such as coal, cement, clinker, iron ore, minerals, and wood chips. This fleet of Handysize, Handymax, and Panamax vessels allows greater flexibility in plying long and short voyages.

Its substantial presence in the region enables Courage to capitalise on the continued economic growth in China and the Asia-Pacific region. The Group is well-poised to take advantage of growing demand for dry bulk marine transportation services, especially coal. Industry growth prospects are positive, likewise the Group's outlook.

The Group may be young, but the five directors bring 150 years of combined experience. Each excelling in his own field, they are a perfect partnership which personifies passion for successful shipping.

For further information, please contact:

Mr Carl Yuen of Courage Marine Group at tel. no. (852) 3184 0755 or
e-mail courage@couragemarine.com

Ms Nora Cheng of OakTree Advisers at (65) 6100 1811 or HP: (65) 9634 7450
or e-mail: noracheng@oaktreeadvisers.com

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