



Courage Marine Group Limited

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**THIS PRESS RELEASE SHALL REPLACE AND SUPERSEDE THE ANNOUNCEMENT
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Media Release – For immediate release

Courage Marine maintains 5 consecutive years of profitability

- **Strong balance sheet with net cash position (cash and bank balances) of approximately US\$29.9 million**
- **Proposed first and final dividend of US 0.71 cent per ordinary share**

Hong Kong and Singapore, 18 February 2011 – **Courage Marine Group Limited** (“**Courage Marine**” or the “**Group**”), an established dry-bulk shipping company that transports raw materials for Asia’s growing energy needs, reported its financial results for the three/twelve months ended 31 December 2010 (“**4Q2010/FY2010**”).

The Group is proposing a first and final dividend of US 0.71 cent per ordinary share, which represents a dividend payout ratio of 83% based on the net profit after tax.

Financial Highlights

US\$'000	FY2010	FY2009	% Change
Turnover	46,521	27,939	66.5
Net Profit	9,024	75	11,900
Bank balance and cash	29,929	43,159	(30.7)
Net cash position (Positive)	29,396	38,590	(23.8)
Dividend per shares (US cent)	0.71	0.47	51

Financial Review

The Group’s turnover in 4Q2010 decreased 22% to US\$8.9 million. The decline was mainly due to lower freight rate of the dry bulk market and lower fleet utilisation during 4Q2010. The average BDI level was about 1,500 in 4Q2010 compared to approximately 3,000 in 4Q2009. On a whole, FY2010’s turnover increased 67% to US\$46.5 million compared with US\$27.9 million in the previous corresponding period.

Due to the reduced bank borrowings, the finance cost of the Group decreased to US\$23,000 in 4Q2010. In term of the yearly basis, the Group recorded a finance cost of approximately US\$119,000 in FY2010 compared to US\$257,000 in FY2009.

The Group disposed of MV Cape Ore in May and MV Jeanie III in August 2010 and recorded a gain on disposal of approximately US\$800,000 compared to a gain of US\$283,000 on disposal of vessels in FY2009. The Group has also acquired a secondhand Capesize vessel in May 2010

(US\$'000)	31 Dec 2010	31 Dec 2009
Plant and equipment	70,070	54,876
Total debt	3,600	6,800
Total equity	114,417	110,239
Net gearing	Net cash	Net cash

The net cash outflow of approximately US\$13.2 million for FY2010 was mainly due to the acquisition of three vessels, the purchase of office premises in Hong Kong, the repayment of bank borrowings and dividend payouts. However, the cash flow from operations remained robust at US\$21.5 million in FY2010 and the Group maintained a net cash position.

Looking Forward

It was a challenging year for the dry bulk industry in 2010 as BDI fell to the 1045 level.

Based on the report from Deutsche Bank on Feb 9, 2011, the BDI may experience a possible turnaround from current low level and is expected to return to normal in 1 to 2 months' time.

The Group currently has a diversified fleet comprising four handysize vessels, four panamax size vessels and one cape size vessel, which represents a total of over 576,000 deadweight tonnes in capacity.

“The weak market conditions have led to losses in many dry bulk shipping companies. Fortunately, the Group remains profitable, led by the management’s years of experience. We effectively utilise the strategy of using pre-owned vessels and minimal operating costs to achieve over five consecutive years of profitability.

“The Group continues to maintain strong financial position amidst uncertainties in current market. We will maintain our cost-effective business structure and focus on keeping our fleet well-deployed.”

**Mr. Hsu Chih Chien, Chairman
Courage Marine Group Limited**

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Courage Marine Group Limited

Courage Marine Group, founded in June 2001, is one of Asia's younger dry bulk shipping companies. It owns and operates 9 bulk carriers, deployed around Greater China, Japan, Russia, Vietnam, Indonesia, Bangladesh, and elsewhere in Asia. The vessels, totaling 576,991 deadweight tonnes, transport dry bulk commodities such as coal, sea sand, gravel, cement, clinker, iron ore, minerals, and wood chips. On board to steer the group are five industry veterans with extensive hands-on experience in dry bulk shipping in Asia, particularly in Greater China.

The company brings over 150 years of combined experience, each excelling in the expertise to complement the others. Profitable since inception, its substantial presence in the region can capitalize on China and Asia-Pacific's continued economic growth. The company is well positioned to take advantage of growing demand for dry bulk marine transportation services, especially coal.

For more information, please visit www.couragemarine.com

Issued for and on behalf of Courage Marine Group Limited.

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