



Courage Marine Group Limited

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Media Release – For immediate release

Courage Marine turnover grows approximately 168% to US\$16.3 million in 2Q2010

- Gross Profit Margin improved to 34.1%
- Net profit at US\$5.2 million in 2Q2010 compared to a net loss in 2Q2009
- Strong balance sheet with net cash position - cash and bank balances of approximately US\$21.8 million

Hong Kong and Singapore, 13 August 2010 – 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 months ended 30 June 2010 (“2Q2010”) and the six months ended 30 June 2010 (“1H2010”).

Financial Highlights

US\$'000	2Q2010	1Q2010	% Change	2Q2009	% Change
Turnover	16,277	12,853	26.6	6,066	168.3
Gross (loss) profit	5,543	3,578	54.9	(339)	NM
Gross profit margin	34.1%	27.8%	-	(5.6%)	-
Other operating incomes	242	67	261.2	218	11.0
Gain on disposal of equipment	242	-	-	-	NM
(Loss) Profit for the Period	5,176	3,025	71.1	(863)	NM
Net profit margin	31.8%	23.5%	-	(14.2%)	-

NM: Not meaningful

Financial Review

The Group’s turnover surged 168% in 2Q2010 to US\$16.3 million from US\$6.1 million in 1Q2009. This was due to the steady recovery in dry bulk rates and better fleet utilization achieved, which was around 90% in 2Q2010 given the higher demand from the commodity trading, especially in Greater China Region compared to the fleet utilization of around 70% in 2Q2009. The BDI has dropped from 4,200 level in May to the 2,000 level in June. The current BDI is around 2,000 level.

In combination with effective cost control and higher dry bulk rates, the gross profit margin improved to 34.1% in 2Q2010. As such, the Group recorded a net profit of US\$5.2 million in 2Q2010 as compared to Net Loss of US\$0.9 million in 2Q2009.

The Group disposed a Capesize vessel, MV Cape Ore, in May 2010 and recorded a gain on disposal for US\$0.2 million. The Group did not have any disposal of asset in 2Q2009.

(US\$'000)	30 June 2010	31 Dec 2009
Plant and equipment	79,970	54,876
Total debt	5,200	6,800
Cash and cash equivalent	21,832	43,159
Total equity	113,442	110,239
Gross gearing	4.6%	6.2%
Net gearing	Net cash	Net cash

The net decrease in cash and cash equivalents of approximately US\$21.3 million from US\$43.2 million as at 31 December 2009 to US\$21.8 million as at 30 June 2010 was due to vessels purchase, dividend payout and repayment of bank borrowings. However, the cash flow from operations remained robust at US\$7.1 million in 2Q2010 and the Group maintained a net cash position.

Looking Forward

The global economy has not fully recovered and concerns loom over the slowdown in China and particularly in steel production. Freight rates lost over half of their values since June 2010. The BDI dropped sharply since May from 4,200 to 1,600 points in about two months.

Due to the diligent efforts by the Group to secure deployment for its vessels, fleet utilisation rate recovered to around 90% for 1H2010. However, vessels chartering has been slow since June and the utilization rate is expected to drop in 3Q2010.

“We believe the group will have higher turnover with increasing capacity once the economy recovers. Therefore, to position ourself for this recovery, we took delivery of a Capesize vessel and Panamax size vessel during 2Q2010. Our total tonnage has already reached about 580,000 deadweight tones with 9 bulk carriers. We expect the financial performance for the rest of 2010 to be adversely affected by the challenging economic conditions and uncertain outlook. The Group will maintain its cost-effective structure and focus on keeping its fleet well-deployed and running efficiently.”

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

The Group remains cautious on the outlook for FY2010.

---- The End ----

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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