



Broström is one of the leading logistics companies for the oil and chemical industry, focusing on industrial product and chemical tanker shipping and marine services. Broström is based worldwide, with head offices in Göteborg, Sweden.

Press Release

Broström expands further in Asia

Broström has entered into an agreement for the acquisition of the Petroships Group, a group of companies in Singapore and Malaysia operating a fleet of nine small and intermediate size product tankers in Southeast Asia.

Broström has been present in Asia since 1998 and gradually built up a product tanker operation based on vessels in the 40,000 to 50,000 dwt range from its office in Singapore. As of today Broström operates a fleet of eleven such vessels with a further three newbuildings to be delivered within the next year.

In the process of further developing Broström's business in Asia the company has explored possibilities for building on the experiences earned over long time in the European small and intermediate petroleum product trade operating with transportation contract relationships with major oil companies. Broström has identified the Petroships Group as an interesting acquisition for entering into this particular segment in the Southeast Asian market.

Petroships was incorporated in Singapore in 1975 and has built up long-term customer relationships with major oil companies in Asia with strong emphasis on operational quality and safety. The company presently operates a fleet of nine tankers from 5,000 to 16,500 dwt with an average age of nine years. Net sales last year for the business carried out were corresponding to a total of USD 45 m. The company has 270 employees including 220 onboard crews and officers. The present majority shareholder Mr Alan Chan will retain a minority stake in some of the Petroships' companies and will continue to be represented on the Board of Directors of Petroships together with the Broström representatives.

"The acquisition of Petroships will give Broström a good platform from which we can continue building up the small and intermediate segment in this very interesting part of the world", says Lennart Simonsson, CEO of Broström.

"After having been closely involved in Petroships over a period of more than 30 years I have been very much concerned about evaluating the right future owner of the company in order to guarantee the continuation in providing high quality logistics services. Together with my partners I have come to realise that Broström shares our long-term views and values in the way we like to operate our business. Petroships is clearly synergistically complementary to Broström. We are gratified with the thought that our mutual clients will benefit from enhanced service in time to come", says Alan Chan, Chairman of Petroships.

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Broström's acquisition of the Petroships Group is expected to add about SEK 200 m in group net sales on an annual basis deriving from the five acquired fully owned vessels. The contribution from the three partly owned vessels will only be accounted for as results from associated companies. Overall the acquisition is expected to give a positive contribution to group net results and returns as from 2007.

Göteborg, 29 May 2007

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Reference: Lennart Simonsson, CEO of Broström, Tel +46 31 61 61 00

Invitation to press conference

Media and analysts are invited to a press conference at which Broström's acquisition of Petroships will be further presented, with comments by Lennart Simonsson, CEO of Broström.

The press conference is being held on 30 May, 2007 at 10.00 CET at Grand Hotel, Stockholm.

For participation please send a message to lisbeth.ek@brostrom.se or call +46 31 61 61 37 before 8.30 CET on 30 May, 2007.

Welcome.

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